

2007 Land Sale Questions & Answers
Moonlight Acres Tracts
Pre-Bid Conference
September 28, 2007

Q. A single bidder cashes the borough out (i.e., pays for the property in full) and signs the Contract For Sale and Development (Contract) at closing. Then, after the deed has been recorded, transfers the property to a new LLC, i.e., one that did not legally exist at the time of the auction. Does the Borough care about the status of the LLC if it has been cashed out?

A. The Contract allows for assignment, but the Borough must approve that assignment. The time frame for the contract continues to run from the time it was originally signed. We will want to know who the LLC is and that it is has been legally established according to state law, and that the person (s) who sign have the authority to do so. We won't ask for financial records as we would if we were financing the purchase because we have been paid in full. Under the terms of the Contract we can still recover the property should the LLC not perform under the Contract's terms.

Q. A Bidder, representing a group of individuals, wins the bid, cashes the Borough out. Who has to sign the REPA?

A. The Bidder is required to acknowledge on who's behalf he is bidding and have documentation authorizing him to act for others (for example: power of attorney or corporate resolution). If he is representing a group of individuals at the time he buys a bidders card that needs to be divulged. Without knowing more about the legal status of the "group", and/or the relation of its members to each other, an answer to this question becomes problematic. **Please see the handouts distributed at the meeting.**

Q. What if you are a high bidder on more than one Tract or Lot?

A. You can buy more than one parcel if you are the high bidder. However you have to meet the sale requirements separately for each lot and pay an additional \$250.00 deposit for each parcel you purchase As a side note, should you back out of one of those sales, you loose your \$250.00 but can proceed with the sale of the remaining lot.

Q. Are Tracts and Lots considered the same?

A. According to FNSB Code of ordinances Section 17.20, "'Lot" means any measured portion, parcel, or tract of land which is described by deed or lease of more than five years, fixed in a plat of records or intended for transfer of ownership."

Q. Does the Borough have soils information for the two lots being offered in Moonlight Acres Subdivision?

A. Answer, yes, that information is available at our counter [(and is attached.)?]

Q. Who assumes responsibility for ground water contamination or haz-mat issues?

A.

1. It is the responsibility of each purchaser to complete their own due diligence investigation on the parcel they are interested in bidding on. The borough has disclosed all the conditions of the property that we know about in the Sale Brochure. Our files are public files and any prospective purchaser is welcome to come in to inspect our files. Based upon his or her due diligence a decision would be made by the prospective bidder whether or not to proceed to bid.
2. Additionally the Contract for Sale and Development says "Item #3. The Buyer has inspected the property and agrees to take title in its present condition, as is, where is.", and in "Section 12. The Seller makes no warranties as to the suitability of the site for the Buyer's future uses."

Q. Are taxes based on the sales price?

A. The assessing department is required by statute to determine the fair market value of a given parcel. Alaska court cases have held that a recent sale price must be a variable in determining assessed value. You should talk to the assessing department as to how they accomplish that task.

Q. Will trail and/or easement on Tract G be a dedicated public use and who owns it?

A. The trail tract and easement are two separate issues; both are mentioned in the Contract for Sale and Development for Tract G, please refer to Sections 5 (a) and (b) of the Contract. The trail tract, Section 5 (a), is required to be dedicated to public use during the re-platting process and will be managed by the Parks and Recreation Department. The easement mentioned in Section 5 b, is intended to provide access from any lot which doesn't have direct access to the trail tract. It will be a private easement for the benefit of the isolated lot. Since it is a less-than-fee interest, the land under the easement will be owned by whomever's lot it crosses. If there is more than one lot which does not have direct access to the trail tract, then there could be more than one easement created

Q. Does Tract E have access to Moose Mountain Road?

A. Tract E is allowed direct access to MMR via a "stub road" at the time of the re-plat. There would be no direct access to a given lot within a replat without a variance approved by the Platting Board.

Q. Tract H – GVEA Easement, Can it Be used for power?

A. GVEA's response is: **Yes, developers of the Moonlight Acres Subdivision large tracts will need to submit a master plan/subdivision plan to GVEA in order for them to provide a cost estimate.** Distribution power runs along the south side of Murphy Dome Road and the west boundary of the Moonlight Acres, and the transmission line within Tract H can be underbuilt with distribution power (the developer would pay for new conductor and crossarms). The transmission line goes to the Fort Knox Gold Mine but will remain in place even when the mine closes.

There is a 50' Public Utility Easement through Tract H s shown on the recorded plat, Instrument #2007-160.

Purchasers in Evan's Hideaway should be aware that GVEA has no plans in the immediate future to extend power to the area. A line extension from 11 mile Elliott Highway (Haystack Subdivision) to Himalaya Road would require at least in part, some legislative funding.

Q. Regarding the Sheep Creek development quarry, has the material been tested for road standards?

A. No, it is the developer's responsibility to deal with the suitability of materials used for road construction.

Q. Tract I is zoned Outdoor Recreation (OR), would the borough be willing to consider using part of the tract for road construction?

A. No, our surveyor has told us that there is sufficient room within the existing right of way, which is 80' in total width, to construct a road.

Q. Regarding Keystone cul-de-sac, what happens if extension is continued?

A. It would remain as it is at present.

Q. Regarding the Contract and 10% refunds, is an extension possible?

A. Yes, as described in the contract applicable to each parcel.

Q. Is there a minimum lot size?

A. Tracts E, G and H are all zoned RE-2. The minimum lot size in RE-2 is 80,000 square feet.

Q. Are driveway crossings allowed over or thru the trail tract?

A. The controlling language is found in Moonlight Acres Subdivision Easement Note 5. It says in part : "The trail will be located...in a location which minimizes driveway crossings and maximize safe utilization. The location must be approved by FNSB Parks and Recreation Department...". It is the developer's responsibility to work with Parks and Recreation staff as soon as possible to work on the trail tract location, preferably prior to filing a preliminary plat application.

Q. Are cluster developments allowed?

A. Yes, see FNSB code of Ordinances Title 18, Zoning and talk to the planning staff at 459-1260, if your are interested in pursuing this concept.

Flash News: Moonlight Acres Subdivision Plat was recorded just this week as Instrument #2007-160 in the Fairbanks Recording District.