

CITY OF DILLINGHAM, ALASKA

ORDINANCE NO. 2026-17

AN ORDINANCE OF THE DILLINGHAM CITY COUNCIL AUTHORIZING THE SALE OF A FORECLOSED PROPERTY NEAR 2002 KANAKANAK RD.

WHEREAS, the City of Dillingham (City) foreclosed on and received title to the following property in 3DI-24-00061CI via a Court Clerk's Deed dated May 5, 2026:

1. *2002 Kanakanak Rd (2-200-110), last assessed at \$9,100, Church of Christ was the last known owner of:*

Tract L, Braswell Subdivision, Plat 79-2, Bristol Bay Recording District, Third Judicial District, Alaska. Reference # 1983-000163-0 (SWD); 2024-000385-0 (Tax lien).

WHEREAS, this property is a small irregular remnant parcel that cannot function as an independent buildable lot under current code requirements and should be sold to the adjacent property owner (Geraldine Cross at 2013 Martin St) for a lot consolidation; and

WHEREAS, this property is legally vacant, but is used for access to 2013 Martin St and may have a residential building encroachment from 2013 Martin St; and

WHEREAS, the foreclosure process is governed by state law (i.e., AS 29.45 Article 2) and the disposal of foreclosed property is also governed by DMC 5.30.110; and

WHEREAS, within five days of first publishing this ordinance, the City Clerk shall send a copy of the Council agenda containing presentation of this ordinance and this ordinance to the last known record owner of each property as the name appears on the assessment rolls (AS 29.45.460(c)); and

WHEREAS, AS 29.45.480 describes how the proceeds of a foreclosure sale must be distributed, which allows the last known owner to file a claim for proceeds that exceed the taxes, penalties, interests, and costs of the municipality; and

WHEREAS, as of 05/05/2026, the taxes, penalties, interest, and costs owed to the municipality were \$2,720.10; and

WHEREAS, the City Council finds the disposals comply with City code and adoption of the ordinance is in the public's interest.

BE IT ENACTED BY THE DILLINGHAM CITY COUNCIL:

Section 1. Classification. This is a non-code ordinance.

Section 2. No Public Purpose to Retain. The City Council finds that there is no public purpose to retain the property at issue in this ordinance. AS 29.45.460.

Section 3. Authority to Dispose. The City Council authorizes the City Manager to sell the property at issue in this ordinance.

Section 4. Methods and Conditions of sale.

A. General conditions of sale. The property is sold as is and without warranty. The City Manager may determine a reasonable time for closing. Full payment is due at closing. Buyer is responsible for paying any and all closing costs and recording fees.

B. Negotiated sale special conditions. The City Council finds the abutting and adjacent property owner is best suited to acquire this lot, which would also cure any access and encroachment claims. The City Manager is authorized to dispose of the property by negotiated sale to the owner of the adjacent property, 2013 Martin St, for the minimum price of \$9,100, which is the assessed value of the property. The sale of the property is conditioned on the owner completing a lot consolidation. The City Manager may negotiate an extended closing duration up to two years with a right of entry for the buyer to complete the lot consolidation; convey the property with a reversionary clause and a restraint on alienation conditioned on completion of the lot consolidation within two years; lease for \$760 per year for up to two years with the right of purchase at \$9100 upon lot consolidation; or similar mechanisms to ensure the lot is consolidated within a reasonable time. The buyer is liable for any waste or damage to the property until title is conveyed and the lot consolidation is complete.

C. Alternative disposal or retention. If the owner of 2013 Martin St is not interested or willing to purchase the property under the terms of this ordinance, then the City Manager should notify the City Council within a reasonable time to determine if the property should be retained or disposed.

Section 5. Effective Date. This ordinance is effective upon adoption.

PASSED and ADOPTED by a duly constituted quorum of the Dillingham City Council on _____, 2025.

Alice Ruby, Mayor

ATTEST:

[SEAL]

Abigail Flynn, City Clerk