



MEMORANDUM

DATE: October 24, 2024

TO: City Council

A handwritten signature in black ink, appearing to read "Brooks Chandler", is written over a light blue rectangular background.

FROM: Brooks Chandler, Interim City Manager

SUBJECT: *NSHC Offer to Purchase City Property*

NSHC is interested in purchasing 7 City lots totaling about 11 acres close to the hospital. One parcel is 10 acres. The other 6 lots are much smaller. Location and the price offer are in the packet. The proposed price exceeds assessed value. I hope to have spoken with the city assessor before the Council meeting to get more input on the market value of the property.

I met with the NSHC management team on October 23. They confirmed some of the properties would remain vacant and be used for wetlands mitigation when obtaining ACOE fill permits for building on other NSHC owned wetlands. At least some of the 10 acre parcel would be held for future hospital expansion projects. NSHC said they did not have immediate plans for a specific building project on the 10 acre parcel. NSHC is interested in developing a day care facility and an assisted living facility at some point in the future. Specific plans have not been prepared.

The request presents basic policy considerations for the City Council. Should the City retain this property for future use/disposal or sell it? If the Council favors selling the property there is a secondary policy decision. Should Nome negotiate with a single potential buyer (NSHC) or put the property on the market through a public disposal process? If the Council favors negotiation with NSHC negotiations and approval of a purchase and sales agreement would follow city code requirements and come back to Council for approval either in December or January.

The property is on the road system. In my opinion it is not in the best interest of the community to use road accessible property for wetland mitigation. There should be other alternatives available to NSHC for this purpose. Should Council favor a negotiated sale administration would attempt to require an alternative use from wetland mitigation as a condition of the sale agreement.



The 2012 comprehensive plan has an objective of “Work with health care agencies, non-profit organizations and social services to provide adequate community health care services”. Comp. Plan p.37. This is identified as a “high priority”. Selling land to NSHC for a specific project would be consistent with this community goal.

It is my understanding the 10 acre parcel has been previously identified as a potential site for a National Guard Armory facility. It is not under lease. I will attempt to contact the Guard to determine their level of interest in building before the Council meeting.

Another obvious potential use of this land is for housing. Partnering “with agencies and the private sector in providing adequate and a diversity of housing” is identified as an objective for the community in the 2012 comprehensive plan. (Comp. Plan p. 52). There are significant challenges for private sector development of affordable housing. But holding the property in hopes it could turn into more housing is an option for Council to consider.

If the Council wishes to pursue the sale of this property there are two options for motions:

1. “I move to direct Administration to negotiate the terms of a purchase and sale agreement with Norton Sound Health Corporation.”
2. “I move to direct Administration to solicit bids for the purchase of Lot 1 and adjacent properties”

If Council prefers not to sell this property no motion is necessary.