

EXECUTIVE SUMMARY

The intent of this summary is to provide a brief explanation of the **Real Property Conveyance and Improvement Agreement** between the **Petersburg Borough** and **Skylark Park LLC** ("Skylark").

The purpose of the Agreement is to formalize the terms for the Borough to sell seven parcels of land to Skylark at a reduced price to facilitate a residential housing development to address the local housing shortage. This sale is being conducted under PMC 16.12.030, for a public benefit purpose.

A. Key Transaction Details

- **Property To Be Sold:** Seven parcels of land, collectively called the "Lots," including Lots 1, 2, 3, 5, and 6, Block A, Skylark II Subdivision; Lot 5A, Block 221, Skylark II Subdivision; and Government Lot 21.
 - **Sale Price:** The sale price is \$55,500.00 plus the costs of sale. \$55,500 is equal to 50% of the Appraisal Value of the Lots.
 - **Assessed Value:** The total 2025 Assessed Value of the Lots is \$188,300.00.
 - **Conveyance:** Skylark is required to purchase all lots in a single transaction.
 - **Rezoning:** The sale is contingent upon the Assembly adopting an ordinance to rezone Government Lot 21 from Open-Space-Recreation to Single-family Mobile Home, with the closing of the sale to occur within 45 days of the ordinance's enactment, but no sooner than January 5, 2026.
 - **Sale of Lots by Skylark:** A developed lot cannot be sold until a final plat is approved and recorded, and improvements to the lot have been completed and accepted by the Borough.
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B. Development Requirements

Skylark must develop the Lots, in conjunction with Government Lot 14 (already owned by Skylark LLC), into a minimum of twenty (20) residential lots with at least fourteen (14) of these located on Government Lot 21.

C. Required Improvements

Skylark must design, construct, and install the Improvements to the Lots at its sole expense, in accordance with Borough standards. These improvements include:

- **Road Construction:** New road construction, commencing at the corner of Odin and Wesley Streets, through Government Lots 14 and 21. Roads must be 28' wide (12' lanes with 2' shoulders) within a platted 40' right-of-way, meeting Local Access Street standards.
- **Utilities:** Installation of electric, water, sewer, and storm drainage utilities along the same route. Water and sewer mains require Alaska Department of Conservation (ADEC) approval. Water service lines and sewer laterals must be extended to each platted lot. Electrical system extension must meet Rural Utility Service (RUS) standards.
- **Inspections and Warranty:** The Borough may inspect the Improvements and work at Skylark's expense. Skylark's engineer must perform quarterly inspections and a final inspection. Skylark warrants the improvements for one (1) year after acceptance by the Borough.

D. Platting and Timeline

Skylark may choose a single or multiple-plat process for the subdivision development.

Single Plat: Skylark must submit a preliminary plat within six (6) months of Assembly approval and diligently pursue its approval. The final plat must be submitted within twelve (12) months of preliminary plat approval (unless extended by the Planning Commission). All improvements must be completed and approved within six years of the preliminary plat's approval.

- **Non-performance (Single Plat)**
If Skylark fails to timely submit a plat, diligently pursue approval, or complete improvements, it must pay the Borough the difference between the discounted sale price and the 2025 assessed value of the Lots, which equals \$132,800.00. If a final plat is not timely approved, or improvements not timely completed and approved, this shall be deemed conclusive proof of a failure of diligence.

Multiple Plats: If this option is chosen, the Developer must provide a cash deposit of \$132,800.00 to the Borough. This sum represents the difference between the discounted sale price and the 2025 assessed value of the Lots, serving as a financial guarantee for project completion. These funds will be held in an interest-bearing account, with interest accruing to the Developer.

- **Phased Release:** Funds will be partially released (\$85,050.00) upon subdivision and approval of improvements for the Skylark II Subdivision lots and Government Lot 14. The remaining balance is released upon full completion and final plat approval of the Lot 21 development.
- **Total Completion Deadline (Multi-Phase):** The entire development, including all improvements and final plat approvals, must be completed within six years of Assembly

approval of the land purchase.

- **Non-Performance (Multi-Phase)** In the event of a failure to timely complete the project, all remaining guarantee funds will be immediately released to the Borough without restriction.

E. Conditions of Sale due to Public Benefit Purpose

The sale is offered at less than assessed value for the public benefit of addressing the housing shortage. Accordingly, the following conditions apply to the sale of lots developed under this Agreement:

- **Residency Requirement:** A lot may be sold only to a current resident of the Petersburg Borough or an individual who intends to become a resident within 90 days. The purchaser must sign a sworn statement attesting to this requirement and their intent to construct a residence and use it as their primary residence.
- **Lot Purchase Limit:** No person may purchase more than one (1) lot in the development, excluding lots located wholly on Government Lot 14.
- **Advertising:** Skylark must advertise each lot for sale in the *Petersburg Pilot* at least once a week for three weeks prior to accepting a purchase agreement.
- **Non-Compliant Sale:** If any lot is sold in violation of these conditions, Skylark must pay the Borough the difference between the price paid for that lot and its 2025 assessed value (for existing lots) or \$8,200.00 (for lots developed via subdivision of Government Lot 21).

F. Other Provisions

- **Reduced Fees:** Skylark will be given a fifty percent (50%) reduction in fees due to the Borough to dump soil materials from the development at the Borough waste soil disposal site.
- **Assignment:** Skylark cannot assign its rights, obligations, or interest in the Agreement without the Borough's prior written consent, which may be withheld at the Borough's sole discretion.