



Petersburg Borough, Alaska

Land Disposal Application

(\$500.00 non-refundable filing fee required)

Form must be completed in its entirety to be considered

Office Use:

Rec'd. by: DKT

Fee: \$ 500

Date Rec'd: Deposited

8/27/18

Date: 6/5/18

This is a request for land disposal via (circle one):

Lease Purchase Exchange Other

Parcel ID #(s) of Subject Property:

01010050

01010051

Proposed term of lease: N/A
(total years)

Legal Description of Property:

SE AKOIL CORP Tidelands Lease

Current Zoning of Property:

Applicant Name:

Petro 49, Inc.

Applicant Mailing Address:

1813 E. 1st Avenue

Anchorage, AK 99501

Applicant Contact Info:
(phone and/or email)

Jason Werner, CFO

907 273 8264

jasonw@petro49.com

1. Size of Area requested (identify the minimum area necessary in square feet): 17,184

2. Attach a map showing the location of the land requested. Map must show surrounding area with the land requested clearly marked with bolded borders or highlighted color.

3. Narrative on use of property: Explain proposed use of land and when use is expected to begin and end. Include any planned new construction or renovation, including time-frame when construction or renovation will be completed and type of materials to be used. Provide the estimated dollar value of proposed improvements. Explain the value of the proposal to the economy of the borough and any other information you feel should be considered. (attached additional sheet if necessary)

Petro 49 currently leases Parcel B. The lease recording is attached.
Petro 49 currently owns Lot: 1, 2, 3, 4, 5, 6 & 7A, Block 206 Buschman Addition, Petersburg, AK. This property is improved with a small Warehouse, covered loading dock, and office. The property is surplus and unused. Petro 49 proposes exchanging the property.

4. Name and address of all adjacent land owners or lessees, including upland owner(s) if applicable: (attach additional sheet if necessary)

SEE attached
List

5. Are there any existing permits or leases covering any part of the land applied for?

☒ Yes ☐ No If yes, please check one: (☒ Lease ☐ Permit)

Describe the type of permit or lease, if applicable, and the name and last known address of the permittee or lessee: See attached for recording of lease.

6. What local, state or federal permits are required for the proposed use? (list all)

None, land swap.

7. If applicant is a corporation, provide the following information:

A. Name, address and place of incorporation: Petro 49, Inc.
1813 E. 1st Ave. Anchorage, AK 99501

B. Is the corporation qualified to do business in Alaska?: ☒ Yes ☐ No

Name and address of resident agent: Bob Volk Petersburg, AK

8. Why should the Planning Commission recommend Assembly approval of this request?

The Harbor Board voted unanimously at their Jan 30th, 2018 meeting to request the Borough Manager and Assembly work with Petro 49 to negotiate trade of the two identified Borough leased lands and warehouse for the Seven Harbor Enterprises Inc. owned lots for use by the Borough's Harbor Dept as Harbor Maintenance and material + equipment storage.

9. How is this request consistent with the Borough's comprehensive plan?

The Waterfront Master Plan which is a component of the Borough's Comp. Plan identifies on page 20 (5.i.2 Harbor Maintenance Shop) as a high priority the idea that the Borough should acquire the Petro Marine Harbor Enterprises Inc. Property + Warehouse and that all harbor maintenance activity + equipment/material storage should be moved said property. It gives supporting argument as to why this is a good opportunity for efficiencies.

10. Prior to submitting this application, please verify with pertinent Borough Departments that the land requested for lease, purchase or exchange is not needed for a public purpose by speaking with the appropriate personnel in the Electric, Water, Wastewater, Community Development, Harbor or Public Works Departments and obtain their comments and signatures below. (attach additional sheet if necessary):

Department Comments: The electric, water and wastewater departments have no needs to retain the land currently leased to Petro 49 Inc., Parcel B, for a public purpose.

Karl Hagerman Karl Hagerman, Utility Director
Signature of Department Commenter

Department Comments: _____

Signature of Department Commenter

Department Comments: _____

Signature of Department Commenter

Department Comments: _____

Signature of Department Commenter

NOTICE TO APPLICANT(s):

Applicant will be required to pay a non-refundable filing fee with the Borough of \$500 to cover estimated costs of: a title report, survey, legal fees, postage, recording fees, public noticing and advertising and other costs incidental to the processing of this application.


I hereby certify that I have received and reviewed a copy of Petersburg Municipal Code Chapters 16.12 and 16.16 (as they may pertain to my particular application) and understand the Code requirements. I further certify I am authorized to sign this application on behalf of the applicant.

Please sign application in the presence of a Notary Public.



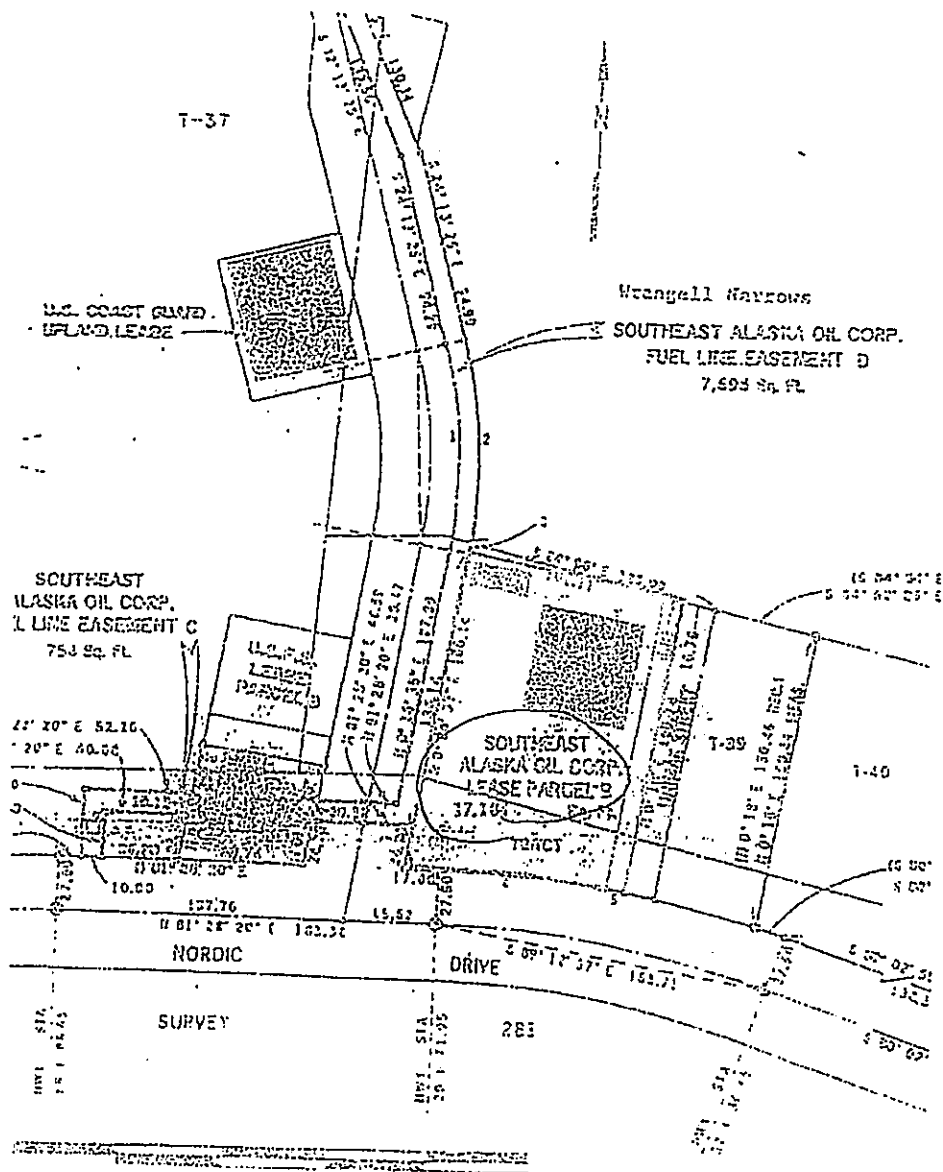

Applicant/Applicant's Representative

Subscribed and sworn to by Jason Werner, who personally appeared
before me this 5th day of June, 2018.


Notary Public

Notary Public in and for the State of Alaska. My Commission Expires: 04/20/2021

PARCEL B DESCRIPTION



Subject Pictures Parcel B

2017 City
Lease
Renewal

Record in the Petersburg Recording District

Amendment No. 8 to the
TIDELANDS/SUBMERGED LANDS LEASE AGREEMENT
Between the Petersburg Borough, formerly the City of Petersburg and Petro 49, Inc.,
formerly Harbor Enterprises, Inc. doing business as Petro Marine Services - Lessee
Five Year Rate Adjustment

The Original Lease dated June 1, 1987 between the City of Petersburg and the Haines Terminal and Highway Company, amended on June 1, 1992 by Amendment No. 1, recorded as document #93-607 on June 17, 1993; amended on June 16, 1997 by Amendment No. 2, recorded as document #97-847 on July 31, 1997; amended on February 8, 1999 by Amendment No. 3, recorded in Book 0062, page 511 on February 22, 1999; and assigned to Harbor Enterprises, Inc. doing business as Petro Marine Services ("Lessee") on June 1, 1995; amended by Amendment No. 4 recorded on August 12, 2004 as document #2004-000732-0; amended by Amendment No. 5, recorded on July 15, 2005 as document #2005-000581-0; amended by Amendment No. 6, recorded on July 24, 2007 as document #2007-000598-0; and amended by Amendment No. 7 recorded on 8/21/2012 as document #2012-000684-0 is amended as follows:

Section 3.5 of the Original Lease provides the annual rental rate shall be subject to adjustment at each fifth year anniversary, based on changes in the fair market value of the leased property and improvements owned by the Borough. Rate adjustments are computed at the rate of ten and six percent (10% and 6%), i.e. ten percent of the appraised fair market value of that portion of land which lies within Tideland Lot T-38 and six percent of the appraised fair market value of the portion of land submerged lying seaward of Tidelands Lot T-38 and any improvements owned by the Borough.

An appraisal report, prepared by Ramsey Appraisal Resource & Company, dated July 17, 2017 determined the value of the leased property and improvements owned by the Borough to be \$939,275.

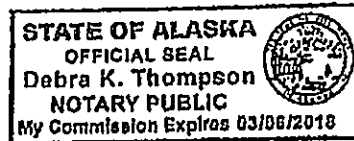
THEREFORE, subject to provisions in the Original Lease and the Amendments, the annual rental rate is adjusted and Lessee shall pay an adjusted rental rate of \$70,197.82 (Seventy Thousand, One Hundred Ninety-Seven Dollars & 82/100) annually to the Petersburg Borough for the lease renewal period of June 1, 2017 through May 31, 2022.

This tidelands lease rate adjustment was passed and approved by the Borough Assembly of the Petersburg Borough, Alaska on August 7, 2017.

LESSOR:
Petersburg Borough

By: [Signature]
Borough Manager

UNITED STATES OF AMERICA)
) ss.
STATE OF ALASKA)



On this 8th day of August 2017, before me personally appeared Steve Giesbrecht, Borough Manager for the Petersburg Borough, who executed the foregoing instrument and acknowledged this instrument to be the free and voluntary act of the Petersburg Borough and on oath stated he is authorized to execute this instrument.

[Signature: Debra K. Thompson]
Notary Public

Notary public in and for the State of Alaska, residing at Petersburg.
My Commission expires: 3/6/2018

LESSEE:
Petro 49, Inc., formerly Harbor Enterprises, Inc. d.b.a. Petro Marine Services

By: [Signature]
Its: [Signature]

STATE OF ALASKA)
) ss.
FIRST JUDICIAL DISTRICT)



On this 23rd day of August, 2017, before me personally appeared Kurt Unsen to me known to be the CEO of the corporation described herein and which executed the above and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said corporation for the uses and purposes therein mentioned and on oath stated he/she is authorized to execute this document on behalf of said corporation.

[Signature]
Notary Public

Notary Public in and for the State of Alaska residing at Anchorage.
My commission expires 4/20/2021.

Summary of Important Facts and Conclusions

GENERAL	
Subject:	Union Pro 703 Nordic Drive S, Petersburg , Alaska, 99833
	The subject is improved with a small warehouse, covered loading dock, and office. The perimeter of the site is fenced with a chain link fence.
Owner:	Harbor Enterprises Inc. DBA as Petro Marine Services
Legal Description:	Lot: 1,2,3,4,5,6 &7A, Block: 206 BUSCHMANN ADDITION, Petersburg AK
Date of Report:	June 15, 2012
Intended Use:	The intended use is for portfolio management and to establish potential-sale price for future sale..
Intended User(s):	The property owner.

Assessment:

Real Estate Assessment and Taxes									
Tax ID	Land	Improvements	Other	Total	City Rate	County Rate	Other Rate	Tax Rate	Taxes
51,000,454	\$118,000	\$302,900	\$0	\$420,900	\$10.99	\$0.00	\$0.00	\$10.99	\$4,626

Sale History: The subject has not sold in the last three years, according to public records.

Current Listing/Contract(s): The subject is not currently listed for sale, or under contract.

Land:

Land Summary						
Parcel ID	Gross Land Area (Acres)	Gross Land Area (Sq Ft)	Usable Land Area (Acres)	Usable Land Area (Sq Ft)	Topography	Shape
Parcel 1	0.68	29,586	0.68	29,586	areas of wetlands.	regularly shaped

Improvements:

Building Summary						
Building Name/ID	Year Built	Condition	Number of Stories	Gross Building Area	Rentable Area	Number of Units
Warehouse/offi	1980 +/-	Fair	1.0	2,192	2,192	14

Notes:

See area definitions, page 7.

Zoning: Industrial

Highest and Best Use of the Site: Commercial/Industrial uses

Highest and Best Use as Improved: Commercial/Industrial uses

VALUE INDICATIONS

Land Value: \$295,000

Cost Approach: \$365,000

Sales Comparison Approach: \$370,000

Reconciled Value(s):	As Is
Value Conclusion(s)	\$370,000
Effective Date(s)	April 23, 2012
Property Rights	Fee Simple

Definitions**Market Value:³**

The most probable price, as of a specified date, in cash, or in terms equivalent to cash, or in other precisely revealed terms, for which the specified property rights should sell after reasonable exposure in a competitive market under all conditions requisite to a fair sale, with the buyer and seller each acting prudently, knowledgeably, and for self-interest, and assuming that neither is under undue duress.

A Fee Simple estate is defined³ as:

³ Appraisal Institute, The Dictionary of Real Estate Appraisal, 5th ed. (Chicago: Appraisal Institute, 2010).

Adjacent land owners:

HARBOR ENTERPRISE INC. LOCATION:

#01010137-42, Lots 1-7

Ted & Lynn Smith - 404 Surf St., Lot 8, #01010138

Ted & Lynn Smith - 400 Tango St, Lot 1 #01010125

Ed & Renee Volk - 802 Neptune St. Lot 7A, #01010126

Lee & Katie Gilpin - Buschmann Subdivision, Lot 4A, #01010170

Stuart & Katie Eddy - 500 Surf St, Lot 1A, #0101074

PETRO LAND & WAREHOUSE LEASE DOCK St. LOCATION:

#01010050-51, 100 Dock St & 902 S Nordic Dr.

Nordic House B&B, 806 S Nordic Dr., #01010052

Stikine Services lease, 904 S Nordic Dr. #01010039

John & Sheri Wikan lease, 103 A Dock St. #01010037

Harbor Enterprises Inc., 901 S Nordic Dr. #01010100