

**Resolution 99-003, approving an extension of the settlement agreement dated June 11, 1996, with Frank Irick concerning delinquent special assessments on Lots 15A and 15B in the Jesse Lee Heights Subdivision Addition 4.**

Attorney Meyen reviewed the legal issues on this matter. The Superior Court had ruled in the city's favor and Irick filed an appeal. The city agreed to a settlement when Irick withdrew his appeal. If we do an extension we need to include that Irick must come back to council if he wants to assign it to anyone else. Irick is paying 9% interest, 10% penalties, and 12% late fees. If the extension is granted Mr. Irick has the liability on the property and if we take it back the city would have the liability. If Irick tears the building down he owes the assessment. Some of the initial debt has been by Irick and others on other lots connected to the property. We can not forgive the whole debt, we must collect at least the interest, penalties and late fees.

Administration recommended approval of the extension with the addition of the assignee clause.

Satin stated that the property has not been on the market for two years. Irick has paid the taxes but if we extend two years we could end up right back where we started.

Shafer questioned why we would extend the agreement when it does not benefit us. What will be different in one and a half years?

Orr suggested letting the private sector continue to pursue the dream of rebuilding Jesse Lee for another extension and revisit this issue when that time is up.

Callahan expressed concern that if Irick paid us the money would he then be free to tear down the building. He did not want to see us lose this historical site and supported taking the property back and going out for request for proposals. Callahan would like to see a clause added that would state Irick or an assignee could not tear it down.

Gage questioned whether or not we have told Irick he could tear the building down. She felt the Jesse Lee Home is the love of Irick's life and didn't think Irick would tear it down.

King understands the city can not forgive the debt but wonders why the city went to all the expense of litigation if the city did not intend to collect the debt.

Blatchford summarized the plight of historical buildings that still stand in Alaska today; Begich towers in Whittier is now condominiums, MacKay Tower is being renovated, and the Jesse Lee Home before us today. If the city gets the Jesse Lee Home back, liability would be a concern, if someone gets injured on the property the city would become the deep pocket. Blatchford doesn't think the city has the same incentive as a private developer has to restore the building but feels the city would be in a better position in one and a half years to address this issue again.

**MOTION PASSED**

**Yes: Blatchford, Gage, King, Orr, Shafer  
No: Callahan, Satin**

**Ordinance 99-02, relating to and limiting open alcohol containers, deletion of physical barriers, updating City Codes related to the legal drinking age, establishing a provision for an exception to open containers, and providing for a misdemeanor offense and penalty.**