

Submitted by: Assembly Members Birch and
Shamberg
Prepared by: Anchorage Parks & Recreation
Department
For reading: June 28, 2005

CLERK'S OFFICE
AMENDED AND APPROVED
Date: 6-28-05
~~IMMEDIATE RECONSIDERATION~~
FAILED 6-28-05

Anchorage, Alaska
AR 2005-143(S)

1 A RESOLUTION OF THE MUNICIPALITY OF ANCHORAGE APPROPRIATING ONE
2 HUNDRED TWENTY THOUSAND DOLLARS (\$120,000) FROM ANCHORAGE PARKS
3 AND RECREATION SERVICE AREA FUND (161) BALANCE TO ANCHORAGE PARKS
4 AND RECREATION DEPARTMENT FOR A LOAN TO YOUTH EXPLORING
5 ADVENTURE, INC., FOR OPERATION OF HILLTOP SKI AREA AND AUTHORIZING
6 AMENDMENTS TO THE HILLTOP SKI AREA LEASE AGREEMENT.

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9 WHEREAS, Youth Exploring Adventure, Inc., (YEA) has operated Hilltop Ski Area for more
10 than twenty years without financial assistance from the Municipality; and

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12 WHEREAS, Hilltop Ski Area provides a wholesome activity for Anchorage's youth, with
13 25,000 to 50,000 skiers using the facility in any given year depending on snow conditions;
14 and

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16 WHEREAS, YEA requires financial assistance from the Municipality in order to operate due
17 to a cash flow problem resulting from recent poor snow years and especially low attendance
18 during this year's rainy spring break; and

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20 WHEREAS, the Municipality desires to assist Hilltop Ski Area in serving the area's youth and
21 also desires to develop the Hilltop Ski Area as a regional park district headquarters serving
22 Southeast Anchorage, an area with few municipal park facilities, and to increase summer
23 usage of the Hilltop Ski Area; now, therefore,

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25 **THE ANCHORAGE ASSEMBLY RESOLVES:**

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27 **Section 1:** The sum of One Hundred Twenty Thousand Dollars (\$120,000) is
28 appropriated from the Anchorage Parks and Recreation Service Area Fund (161) Balance
29 to the Anchorage Parks and Recreation Department.

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31 **Section 2.** The appropriation is for the purpose of providing a One Hundred
32 Twenty Thousand Dollar (\$120,000) loan to Youth Exploring Adventure, Inc. (YEA) at
33 a six percent interest rate. The loan repayment terms are as follows:
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<u>Due May 1, 2006</u>	<u>\$ 46,000</u>
<u>Due May 1, 2007</u>	<u>\$ 44,800</u>
<u>Due May 1, 2008</u>	<u>\$ 42,400</u>
<u>TOTAL</u>	<u>\$133,200</u>
<u>Repaid principal</u>	<u>\$120,000</u>
<u>Total interest paid</u>	<u>\$ 13,200</u>

The appropriation is for the purpose of providing a One Hundred Twenty Thousand Dollar (\$120,000) loan to Youth Exploring Adventure, Inc. (YEA) at an annual interest rate of three (3%) percent. YEA shall repay a minimum of Fourteen Thousand Dollars (\$14,000) of the loan principal and interest for each year that closes with a minimum positive cash flow of Fourteen Thousand Dollars (\$14,000). YEA shall be responsible for full repayment of the loan principal and interest before the expiration of the lease agreement for operation of the Hilltop Ski Area.

Section 3. The loan proceeds shall not be disbursed to YEA until all legal documentation, including an amended lease, has been agreed to by YEA and the Municipality, and then approved by KEYBANK, YEA's board of directors and the Municipal Attorney. No more than fifty percent of the loan proceeds may be disbursed without Assembly review and approval of the final lease agreement.

This appropriation for a loan is provided upon the following conditions:

1. YEA accepts and signs the attached amendments to the lease agreement with the Municipality for the Hilltop Ski Area; and
2. Key Bank, holder of a security interest in YEA's lease, agrees to the amendments to the lease. The amendments allow the Anchorage Parks and Recreation Department to:
 - a. Open a Southeast Anchorage Parks District Headquarters in the Hilltop ski chalet;
 - b. Assume revenues and booking responsibility for all rentals of the chalet building;
 - c. Pay up to \$100,000/year for utility and building and grounds maintenance expenses; and
 - d. Further utilize the Hilltop Ski Area as a year-round recreational destination with a focus on increasing summer usage of the area.

Section 4. In the event of default in payment, the lease between the YEA and the Municipality may, at the option of the Municipality and upon ten (10) days written notice, be terminated.

Section 4 5. This resolution is effective immediately upon passage and approval by the Assembly.

PASSED AND APPROVED by the Anchorage Assembly this 28th day of June, 2005.

Anna L. Fairclough
Chair of the Assembly

ATTEST:

Sharon S. Gruend
Municipal Clerk

Departmental Appropriation:

Anchorage Parks and Recreation Department \$120,000