

Submitted by: Chair of the Assembly at the
Request of the Mayor
Prepared by: Heritage Land Bank
For reading: January 6, 2009

CLERK'S OFFICE
APPROVED
Date: 1/20/09

ANCHORAGE, ALASKA
AO No. 2009-2

1 **AN ORDINANCE AUTHORIZING DISPOSAL BY SALE OF AN ALPINE**
2 **TRESPASS HUT AND GROUND LEASE OF A PORTION OF HERITAGE LAND**
3 **BANK PARCELS NOS. 6-282 AND 6-292, LOCATED IN THE UPPER**
4 **GIRDWOOD VALLEY TO CHUGACH ADVENTURE GUIDES.**

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6
7 **WHEREAS**, the Municipality of Anchorage (MOA) owns land with an alpine
8 trespass hut in the Upper Girdwood Valley in HLB Parcel Nos. 6-282 and 6-292,
9 SW ¼ NW ¼ NW ¼ SE ¼ of Section 2, T10N, R2E, Seward Meridian; and

10
11 **WHEREAS**, on October 16, 2008, the Heritage Land Bank Advisory Commission
12 unanimously approved HLBAC Resolution 2008-12 supporting a sale and ground
13 lease of municipal land and facilities to Chugach Adventure Guides; and

14
15 **WHEREAS**, the alpine trespass hut causes ongoing liability, nuisance and
16 sanitation issues for the Municipality; and

17
18 **WHEREAS**, sale of the alpine trespass hut to Chugach Adventure Guides
19 eliminates the Municipality's risk of liability and expenditure of HLB staff time and
20 resources due to ongoing management; and

21
22 **WHEREAS**, this disposal provides for Chugach Adventure Guides to be
23 responsible for annual rent established via the Heritage Land Bank fee schedule,
24 any and all taxes, assessments and applicable fees during the lease term; now,
25 therefore,

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27 **THE ANCHORAGE ASSEMBLY ORDAINS:**

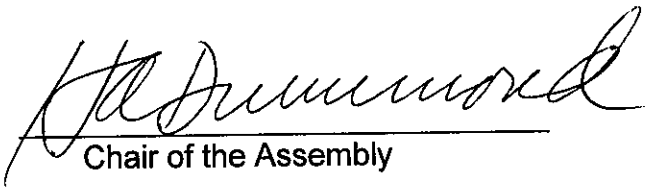
28
29 **Section 1.** Notwithstanding any contrary provision of the Anchorage Municipal
30 Code, the Assembly finds it is in the best interest of the Municipality and the public to
31 dispose of this alpine trespass hut and enter into a ground lease with Chugach
32 Adventure Guides on the terms and conditions set forth in the Assembly
33 Memorandum, and hereby waives the requirements in Chapter 25.40 for appraisal
34 and competitive bid process.

35
36 **Section 2.** Consistent with Municipal Code 25.30.040, the Assembly hereby finds
37 sale of the alpine trespass hut and execution of a ground lease with Chugach
38 Adventure Guides is appropriate, allows the HLB to obtain rent for the ground lease
39 and relieves the Municipality of potential trespass liability problems.

1
2 **Section 3.** Sale of the alpine trespass hut and execution of a ground lease for a
3 portion of HLB Parcels Nos. 6-282 and 6-292 with Chugach Adventure Guides is
4 approved.
5

6 **Section 4.** This ordinance shall take effect immediately upon passage and
7 approval by the Assembly.
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9 PASSED AND APPROVED by the Anchorage Municipal Assembly this 20th day
10 of January, 2009.
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Chair of the Assembly

ATTEST:


Municipal Clerk

MUNICIPALITY OF ANCHORAGE
Summary of Economic Effects - General Government

AO Number: 2009-2 Title: AN ORDINANCE AUTHORIZING DISPOSAL BY SALE OF AN ALPINE TRESPASS HUT AND GROUND LEASE OF A PORTION OF HERITAGE LAND BANK PARCELS NOS. 6-282 AND 6-292, LOCATED IN THE UPPER GIRDWOOD VALLEY TO CHUGACH ADVENTURE GUIDES.

Sponsor: MAYOR
Preparing Agency: Heritage Land Bank
Others Impacted:

CHANGES IN EXPENDITURES AND REVENUES: (Thousands of Dollars)

	FY08	FY09	FY10	FY11	FY12
Operating Expenditures					
1000 Personal Services					
2000 Supplies					
3000 Other Services					
4000 Debt Service					
5000 Capital Outlay					
TOTAL DIRECT COST	0	0	0	0	0
6000 IGCs	0	0	0	0	0
FUNCTION COST:	0	0	0	0	0
REVENUES:	1	1	1	1	1
CAPITAL:	0	0	0	0	0
POSITIONS: FT/PT and Temp.	0	0	0	0	0

PUBLIC SECTOR ECONOMIC EFFECTS:

Lease of property will net at least \$1000 per year to the HLB fund. Eliminates risk from trespass use and eliminates further expenditure of HLB staff time for management.

PRIVATE SECTOR ECONOMIC EFFECTS:

Lessee will pay taxes on leased property.

Prepared by: **William M. Mehner**
Director, Heritage Land Bank and Real Estate Services

Telephone: **343-4337**



MUNICIPALITY OF ANCHORAGE

ASSEMBLY MEMORANDUM

No. AM 29-2009

Meeting Date: January 6, 2009

1 **From: MAYOR**

2
3 **Subject: AN ORDINANCE AUTHORIZING DISPOSAL BY SALE OF AN**
4 **ALPINE TRESPASS HUT AND GROUND LEASE OF A**
5 **PORTION OF HERITAGE LAND BANK PARCELS NOS. 6-282**
6 **AND 6-292, LOCATED IN THE UPPER GIRDWOOD VALLEY**
7 **TO CHUGACH ADVENTURE GUIDES.**

8
9 This ordinance authorizes the sale of an existing alpine trespass hut and a
10 ground lease to Chugach Adventure Guides (CAG). The hut sits on Heritage
11 Land Bank (HLB) lands in the Girdwood Valley (a portion of HLB Parcel Nos. 6-
12 282 and 6-292, SW ¼ NW ¼ NW ¼ SE ¼, Section 2, T10N, R2E, Seward
13 Meridian).

14
15 The existence and use of the alpine trespass hut by the public puts the
16 Municipality at risk for liability exposure. CAG proposes to purchase the hut for
17 one dollar and lease approximately one acre of land surrounding the hut at
18 market value. CAG plans to use the structure as a warming hut for clients of
19 their backcountry skiing operations.

20
21 Selling the hut eliminates the Municipality's risk of trespass liability and
22 responsibility for correcting sanitation problems. The sale also eliminates the
23 ongoing dedication of HLB staff time and resources for management. If
24 approved, the lease allows CAG to invest in improving the hut, including
25 sanitation facilities and a reservation system similar to the European hut model
26 for summer hikers.

27
28 The lease provides as follows:

29
30 Lessee: Chugach Adventure Guides
31 Lease area: Approximately 1 acre, including portions of HLB Parcels 6-
32 282 and 6-292, in the Upper Girdwood Valley
33 Term: Five year term, with one five-year option to renew, by
34 mutual consent of both parties, including a rent adjustment
35 at renewal to market value.
36 Lease Rate: \$1,000, based upon the HLB fee schedule.
37 Insurance, utilities,
38 & maintenance: Lessee's sole responsibility, with indemnification provisions
39 and protection to the MOA as additional insured.

1 Taxes &

2 Assessments: Lessee's sole responsibility.

3
4 CAG understands use of the property may be changed in the future. This sale
5 and ground lease do not grant rights or preference for future use of the
6 property. In the event CAG desires to expand the use of the lease area by
7 constructing removable platforms and/or a commercial yurts, those expansion
8 plans for new facilities/improvements must be submitted to the HLB for prior
9 review and approval.

10
11 A review of this proposal by all relevant Municipal agencies received no
12 comments and confirmed the proposed disposal is the current optimal (short-
13 term) use of the parcels. At its August 18, 2008 meeting, the Girdwood Board
14 of Supervisors voted unanimously to support a letter of non-objection. Notice of
15 a public hearing at the Heritage Land Bank Advisory Commission published on
16 September 28, October 5 and October 12, 2008 in the Alaska Business
17 Monthly. After receiving no objections during the public hearing, Heritage Land
18 Bank Advisory Commission unanimously approved HLBAC Resolution 2008-
19 12, supporting the sale and lease on October 16, 2008 (see Appendix A).

20
21 **THE ADMINISTRATION RECOMMENDS APPROVAL OF AN ORDINANCE**
22 **AUTHORIZING DISPOSAL BY SALE OF AN ALPINE TRESPASS HUT AND**
23 **GROUND LEASE OF A PORTION OF HERITAGE LAND BANK PARCELS**
24 **NOS. 6-282 AND 6-292, LOCATED IN THE UPPER GIRLWOOD VALLEY TO**
25 **CHUGACH ADVENTURE GUIDES.**

26
27 Prepared by: Alison L. Smith, Land Management Officer
28 Heritage Land Bank

29 Approved: William M. Mehner, Executive Director
30 Heritage Land Bank

31 Concur: Mary Jane Michael, Executive Director
32 Economic & Community Development

33 Concur: James N. Reeves, Municipal Attorney

34 Concur: Michael K. Abbott, Municipal Manager

35 Respectfully submitted: Mark Begich, Mayor

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37
38 Attachment: Appendix A – HLBAC Resolution, Staff Report

Appendix A

MUNICIPALITY OF ANCHORAGE HERITAGE LAND BANK ADVISORY COMMISSION

Staff Report
HLBAC Resolution No. 2008-12
October 16, 2008

ISSUE

Shall the HLB Advisory Commission approve a non-competitive lease and sale of property to Chugach Adventure Guides (CAG) for purposes of maintaining a trespass alpine hut on Heritage Land Bank lands in the Girdwood Valley?

AUTHORITY

AMC 25.40.010: "It is the mission of the Heritage Land Bank to manage uncommitted municipal land and the Heritage Land Bank Fund in a manner designed to benefit the present and future citizens of Anchorage, promote orderly development, and achieve the goals of the Comprehensive Plan."

AMC 25.40.025.A: "The Heritage Land Bank Advisory Commission shall hold a public hearing, with public notice as specified in this chapter, prior to making a recommendation to the mayor and assembly regarding the disposal of Heritage Land Bank land or an interest in land. Land disposals under this chapter include land sales, land exchanges, leases, and easements."

BACKGROUND

HLB is the owner of a trespass alpine hut on HLB lands in the upper Girdwood Valley located on HLB Parcel 6-282 AND 6-292. The hut was constructed approximately 15 years ago prior to conveyance to the Municipality, is in poor shape and lacks sanitation facilities. Public use of the hut in summer is occasional and CAG uses the hut in winter for warming and shelter for backcountry skiing clients.

DISCUSSION

The current trespass situation and use of the hut by the public puts the Municipality at risk for liability exposure. CAG has proposed to lease approximately 1 acre of land surrounding the hut at market value and purchase the hut for \$1. Selling the hut will eliminate the Municipality's risk of trespass liability. If approved, the lease will enable CAG to invest in improving the hut, including providing sanitation facilities and a reservation system similar to the European hut model for summer. There is the potential

for CAG to request additional use of the lease area for a commercial yurt rental system for summer users.

The lease document will provide for a five year term, with a five year option and rent adjustment. All risks and liabilities of managing and maintaining the hut will be vested in CAG. The non-competitive lease rental will be established at market value based on the HLB fee schedule.

A review of this proposal by all relevant Municipal agencies received no comments and confirmed that the proposed disposal is the current optimal (short-term) use of the parcels. Public notice of this hearing was published September 28, October 5 and October 12, 2008 in the Alaska Business Monthly.

RECOMMENDATION

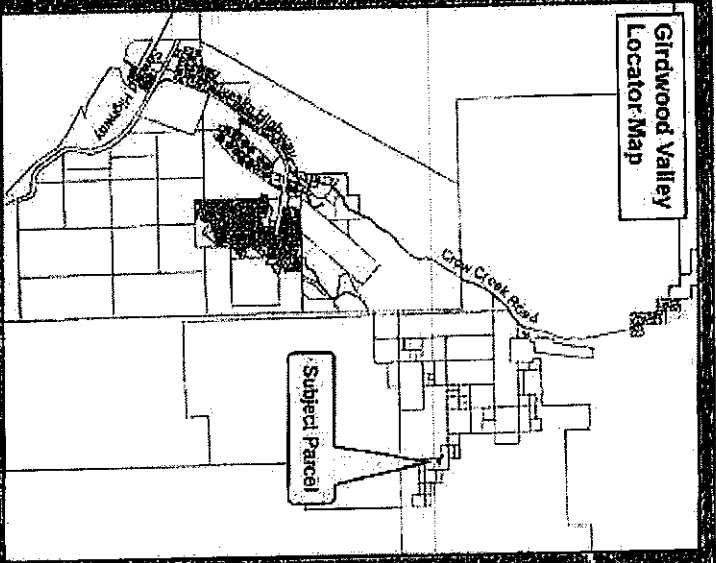
Staff recommends approval of proposed HLB Resolution 2008-12, recommending to the Anchorage Assembly that HLB execute a lease and sale with Chugach Adventure Guides for purposes of improving and maintaining an existing alpine hut on HLB lands in the Girdwood Valley.

APPENDICES:

Appendix A: Lease Area Location Map

Appendix B: HLBAC Resolution 2008-12

Appendix A
(of Staff Report)



Subject Parcel

Heritage Land Bank Advisory Commission

Resolution 2008-12

A RESOLUTION OF THE HERITAGE LAND BANK ADVISORY COMMISSION RECOMMENDING TO THE ANCHORAGE ASSEMBLY THE APPROVAL OF A NON-COMPETITIVE DISPOSAL BY LEASE OF A PORTION OF HLB PARCELS NOS. 6-282 AND 6-292 AND SALE OF A TRESPASS HUT LOCATED IN THE UPPER GIRDWOOD VALLEY FOR THE PURPOSE OF MAINTAINING AND OPERATING AN ALPINE HUT.

WHEREAS, "It is the mission of the Heritage Land Bank to manage uncommitted municipal land ... to benefit the present and future citizens of Anchorage, promote orderly development, and achieve the goals of the comprehensive plan." (AMC 25.40.010); and,

WHEREAS, land disposals under AMC 25.40.025.F include land sales, land exchanges, leases, and easements; and,

WHEREAS, Chugach Adventure Guides has applied for a non-competitive, market value lease for use of HLB land and purchase of the trespass hut for maintenance of the hut in the upper Girdwood Valley including portions of HLB Parcel Nos. 6-282, and 6-292; and,

WHEREAS, Chugach Adventure Guides will accept all responsibility for the trespass hut, including improvements and liability; and,

WHEREAS, a short-term lease of five years, with a five year option will provide enough surety for Chugach Adventure Guides to invest in the hut and land improvements, but Chugach Adventure Guides understands that the lease will not give them any preferential treatment at the end of the term of the lease; and,

WHEREAS, it is in the best interest of the Municipality to dispose of the hut and lease the property in order to reduce liability and to work with a lessee to improve the hut and related sanitation issues.

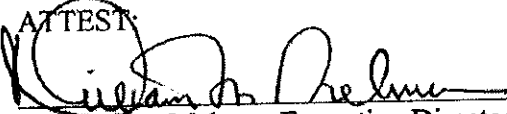
NOW THEREFORE THE HERITAGE LAND BANK ADVISORY COMMISSION RESOLVES TO RECOMMEND THE APPROVAL OF A LEASE AND SALE, SUBJECT TO:

Section 1. This resolution will take effect immediately upon passage and approval.

PASSED and APPROVED on this, the 16TH day of October, 2008 by the Heritage Land Bank Advisory Commission.

SIGNED:


James Balamachi, Chair
Heritage Land Bank Advisory Commission

ATTEST:

William M. Mehner, Executive Director
Heritage Land Bank

Content ID: 007236**Type:** Ordinance - AO

Title: AN ORDINANCE AUTHORIZING DISPOSAL BY SALE OF AN ALPINE TRESPASS HUT AND GROUND LEASE OF A PORTION OF HERITAGE LAND BANK PARCELS NOS. 6-282 AND 6-292, LOCATED IN THE UPPER GIRDWOOD VALLEY TO CHUGACH ADVENTURE GUIDES.

Author: vanhornlr

Initiating Dept: HLB

Description: Disposal by Ground Lease, and Sale of Hut on HLB land in Upper Girdwood Valley

Keywords: Trespass hut Upper Girdwood Valley Ground Lease

Date Prepared: 12/16/08 9:41 AM

Director Name: Wm. M. Mehner

Assembly Meeting Date: 1/6/09

Public Hearing Date: 1/20/09

Workflow Name	Action Date	Action	User	Security Group	Content ID
Clerk_Admin_SubWorkflow	12/23/08 12:43 PM	Exit	Joy Maglaqui	Public	007236
MuniMgrCoord_SubWorkflow	12/23/08 12:43 PM	Approve	Joy Maglaqui	Public	007236
MuniManager_SubWorkflow	12/23/08 12:16 PM	Approve	Michael Abbott	Public	007236
Legal_SubWorkflow	12/23/08 11:41 AM	Approve	Rhonda Westover	Public	007236
Finance_SubWorkflow	12/23/08 11:37 AM	Approve	Teresa Peterson	Public	007236
OMB_SubWorkflow	12/23/08 11:11 AM	Approve	Marilyn T. Banzhaf	Public	007236
ECD_SubWorkflow	12/16/08 12:40 PM	Approve	Tawny Klebesadel	Public	007236
HLB_SubWorkflow	12/16/08 12:36 PM	Approve	William Mehner	Public	007236
AllOrdinanceWorkflow	12/16/08 12:35 PM	Checkin	Lynn Roderick Van Horn	Public	007236