HLB Parcel 6-014

Work Session to discuss potential disposal of Tract E Prince Addition Alyeska Subdivision
Parcel Details

- **Acreage:**
  31.5 acres (1,373,087 sqft)
- **Zoning:** Commercial
- **Plat Implications (Plat 87-131):** Portion is within avalanche zone
- **Existing Lease Agreement:**
  Ground Lease expires 2042
- **Sublease Agreement:**
  Sublease Expires 2028
- **Appraisal Amount:**
  $390,000 Obtained Oct. 2021
Current and Projected Revenue

Continuing with Existing Ground Lease (HLB 87-002)

Rental fee is paid monthly in arrears based on percentage of fees paid to the USFS

<table>
<thead>
<tr>
<th>Year</th>
<th>Annual Revenue</th>
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<tbody>
<tr>
<td>2017</td>
<td>$19,919.95</td>
</tr>
<tr>
<td>2018</td>
<td>$22,073.23</td>
</tr>
<tr>
<td>2019</td>
<td>$21,134.47</td>
</tr>
<tr>
<td>2020</td>
<td>$14,679.07</td>
</tr>
<tr>
<td>2021</td>
<td>$34,851.99</td>
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<tr>
<td>Average</td>
<td>$22,531.74</td>
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With the current agreement going through 2042 the revenue HLB is projected to receive over the next 20 years is approximately $450,000

*assumption that the average revenue of $22,531 continued and rates established by the USFS remained the same
Letter of Intent

• The current owner of Alyeska Resort submitted a Letter of Intent.

• They proposed **owner financing** over 25 years
  • 20% down payment ($78,000)
  • + $12,480 annually for 25 years

• **$390,000 Total** (equal to 2021 Appraisal)

• HLB has not formally responded at this point.
HLB Code requires disposals by sale to be done through a competitive bid. If a competitive bid occurs and it fails, HLB can then enter into direct negotiation with interested parties. (T25.40.025.D.1)

Option to waive code and recommend a “Notwithstanding” clause that would waive the competitive disposal process. If this route is taken, it will be challenging to establish that waiving code is in the MOA’s best interest. How would this non-competitive disposal meet the mission of the HLB?
HLBAC Direction

Staff is requesting a recommendation on a path forward.

Options:
1. Consider the Letter of Intent and seek Assembly approval **waiving code**.
2. Complete a **competitive bid** for HLB Parcel 6-014
3. Not accept the Letter of Intent and **not pursue disposal** of HLB Parcel 6-014
4. **Other options** not previously considered.