



PREPARED FOR THE HLB ADVISORY COMMISSION

Action: Disposal by Competitive Request for Proposals
Hearing Date: September 22, 2022
Subject Location: Portions of HLB Parcels 6-011, 6-016, and 6-017, legally described as Tract I Prince Addition Alyeska Subdivision (Plat 87-131; PID 075-311-04-000), Tract B Girdwood Elementary School Subdivision (Plat 85-38; PID 075-031-32-000), and Tract 9A Section 9 Township 10 North Range 2 East (Plat 73-220; PID 075-041-31-000) (Appendix A)
Prepared By: Nicole Jones-Vogel, AICP, Contractor

SUMMARY

Proposal Summary: Disposal of portions of 6-011, 6-016, and 6-017 consistent with the Request for Proposals completed in 2021 and the executed Development Agreement, for the development of Holtan Hills subdivision, between the MOA and the Developer.

Applicable Regulations & Standards: AMC § 25.40.025.H provides authority for this transfer.

2021 Work Program Amendment Required Yes, an amendment is required in the case of land withdrawals not already contained in the work program (AMC § 25.40.020.B).

Summary Recommendation: Staff recommends approval of this competitive disposal to CY Investments, LLC as described in the executed Development Agreement (Appendix B).

BACKGROUND INFORMATION

Parcel IDs: 075-311-04-000, 075-031-32-000, and 075-041-31-000

Parcel Location: The parcels cover just under 45 thousand acres located in the heart of the Girdwood Valley, north of the Girdwood Elementary School, west of the Girdwood Airport, and east of Crow Creek Road.

Parcel Size: Tract B Girdwood Elementary School parcel is approximately 1,000,573 square feet; Tract 9A Section 9 Range 2 East Township 10 North is approximately 515,750 square feet; Tract I Prince Addition Alyeska Subdivision is approximately 18,033,840 square feet. Of this, the land being disposed is approximately 60 acres or 2,600,000 square feet.

Existing Conditions and surrounding Land Use: This property is undeveloped and has Class A, B and undesignated wetlands according to *Anchorage Wetlands Management Plan (2014)*. The parcels are flanked by the Girdwood Airport and Arlberg Ave to the southeast, Crow Creek Road to the northwest, Girdwood Elementary School to the south, and undeveloped HLB Parcel 6-251 to the northeast.

Current Land Use: Zoning is comprised of GR-3 (Single-Family/Two-Family Residential), GR-5 (Multiple-Family Residential), Girdwood Open Space, Girdwood Institutions and Parks, and Girdwood Recreational Reserve, and GRST-2 (New Base Resort)

Adopted Land Use Plan: The Girdwood Area Plan identifies these areas as a mix of single-family, open space, transportation, resort, and recreation reserve. The Crow Creek Neighborhood Land Use Plan (2006) further guides development in this area.

PUBLIC NOTICE

Notices were posted on the property on Thursday, September 8, 2022. Notices were mailed to 126 neighboring landowners on Wednesday, September 7, 2022, within the requisite 14 days as required in AMC § 25.40.030C. HLB’s regular email list was notified of a HLBAC meeting on Thursday, September 8, 2022. An Agenda including this item was posted on the HLB website on Thursday, September 8, 2022.

PROJECT DESCRIPTION

On April 6, of 2021, HLB issued a Request for Proposals for development of portions of three parcels in Girdwood known as Holtan Hills. There were development priorities listed along with goals for developing the site. Respondents were ranked on six (6) criteria which were weighted: experience and qualifications of the development team, business plan, level of return and benefit to the MOA, consistency with adopted plans and ordinances, description and clear scope/scale of project, and project timeline.

The successful proposer was identified, and a Development Agreement was drafted and entered on April 29, 2022 by CY Investments, LLC and the Municipality of Anchorage (Appendix C). The developer, CY Investments, in coordination with HLB will replat Holtan Hills, construct on and off-site infrastructure, and complete rezoning to implement the development of Holtan Hills consistent with the Crow Creek Neighborhood Plan. Compensation to HLB will be deferred and will be based on sales of the lots within Holtan Hills.

As public involvement related to the project has begun, the Girdwood Community formed a Holtan Hills Advisory Committee who have been having regular meetings with HLB and the Developer to further inform the development plans for Holtan Hills.

Efforts to relocate the National Historic Iditarod Trail are being evaluated in coordination with the US Forest Service.

The project will be developed in phases starting with phases I and II near the south end, closer to the Girdwood Elementary School end of the development.

ANALYSIS AND CONCLUSION

HLB Parcels 6-011, 6-016, and 6-017 have been reviewed by relevant MOA agencies and have been deemed excess to municipal need. This area has been the focus of potential residential development since as early as 1995 with the adoption of the Girdwood Area Plan. In 2006, the Crow Creek Neighborhood Plan was adopted that further described potential development in this area.

This proposed project is consistent with adopted plans and adheres to the following code section.

AMC § 25.40.025.H

In order to assist development that will provide public benefits and notwithstanding any other provision of this section, Heritage Land Bank land may be disposed of by lease, sale or other disposition, for the purpose of facilitating a specific project. The project shall provide public benefits. In addition to and consistent with the applicable requirements of titles 21, 23 and 24 of this Code, the disposition shall include additional requirements and conditions to insure the proper development and completion of the

project in the public interest. Disposals pursuant to this subsection shall be through requests for proposals or through invitations to bid. The disposition of property pursuant to this subsection may be for less than fair market value or less than fair market rental rate. However, the Heritage Land Bank shall, for informational purposes only:

1. Provide a descriptive summary of the public benefits expected from the project; and
2. Obtain an appraisal of the value of the property, determined by a certified real estate appraiser, if it were disposed of without the development requirements imposed pursuant to this subsection. Assembly approval of a disposition under this subsection shall include a finding that the disposition provides public benefits.
3. A summary listing and description of estimated economic and non-economic benefits and costs associated with the project. This summary should be succinct, concise, and quantified where appropriate, and should not exceed two pages in length.

The Holtan Hills residential development provides public benefit by providing developed lots for multi and single-family residential development. Housing has been identified as a strong need in the Girdwood Community and this development would meet a portion of that overall need. This development will also eventually develop secondary access to Crow Creek Road and relocate the National Historic Iditarod Trail.

Pertinent aspects of the Development Agreement that illustrate compliance with AMC § 25.40.025.H

1. Pre-development costs are identified and assigned to each party.
2. MOA approves the Homeowner’s Association document.
3. Timeframes for milestones are described.
4. Conveyance requirements are defined.
5. Failure of developer conditions.
6. MOA to pay for off-site development costs and provide any wetland mitigation credits, for a fee.
7. Timing of planning and design of the Crow Creek Road Secondary Access.
8. Developer provides project budget and monthly budget report. That report is evaluated and if there is an expenditure of greater than three percent, the MOA would need to provide approval.
9. Compensation to MOA – fifty percent of the net profits from the sale of lots.

AGENCY REVIEW

A formal agency review was conducted and as of the date of this staff report, there were no substantial comments received.

RECOMMENDATION

Staff recommends approval of this resolution.

Appendices:

- A – Location Map
- B – Resolution 2022-09
- C – Development Agreement, dated April 29, 2022
- D – Draft Plat

Appendix A – Location Map

