Introduced: 06/16/20

Public Hearing: 07/14/20

Adopted: 07/14/20

MATANUSKA-SUSITNA BOROUGH ORDINANCE SERIAL NO. 20-062

AN ORDINANCE OF THE MATANUSKA-SUSITNA BOROUGH ASSEMBLY AUTHORIZING THE MANAGER TO ENTER INTO A LESS THAN FAIR MARKET VALUE LEASE OF BOROUGH-OWNED REAL PROPERTY WITH HATCHER ALPINE XPERIENCE, LLC., FOR THE SKEETAWK SKI AREA AT HATCHER PASS IN THE GOVERNMENT PEAK RECREATION AREA, NORTHERN SUB-UNIT (MSB007474).

WHEREAS, Hatcher Alpine Xperience, LLC., is a 501(C)3, non-profit corporation formed during the fall of 2015 by a dedicated group of community members that want to improve the quality of life for the Mat-Su Valley Community by bringing the first, chairlift skiing facility at Hatcher Pass; and

WHEREAS, Hatcher Alpine Xperience, LLC., has received various grant funds since its inception in 2015 from the Matanuska-Susitna Borough, Mat-Su Health Foundation, and the Rasmuson Foundation, along with several in-kind donations from local businesses and organizations to develop a startup facility to provide for year-round uses of Skeetawk at Hatcher Pass; and

WHEREAS, Hatcher Alpine Xperience, LLC., is currently operating under a management agreement with the Borough since September 20, 2016, and amended May 29, 2019, to develop the Government Peak Recreation Area - at Hatcher Pass, Northern Sub-Unit, known as the Skeetawk Ski Area at Hatcher Pass; and

WHEREAS, the development of Phase 1A includes a 1,250 lineal foot three-seat chair lift and associated facilities to operate an alpine ski area in the winter, and hiking and mountain biking uses in the summer; and

WHEREAS, the future Phase 1B development plan includes a mile-long, high-speed quad lift and a day lodge to enable more year around activities, such as mountain biking, special events and festivals; and

WHEREAS, the lease is for a 40-year lease term at less than fair market value to allow Hatcher Alpine Xperience, LLC., to realize a greater return on its revenue to allow for future expansion of the ski area while promoting healthy lifestyles, and providing economic growth and local commerce for the Mat-Su Valley Community.

BE IT ENACTED:

Section 1. <u>Classification</u>. This Ordinance is a noncode ordinance.

Section 2. Matanuska-Susitna Borough Code, Title 23.10.060
Considerations (C)(2)(b). Notwithstanding the requirements of MSB
23.10.060, Considerations, (C)(2)(b), the lease is structured for a nominal annual lease rate for years 1 through 20, with the Assembly reserving the right to collect a percent of gross revenues during years 6 through 20 that shall not exceed the less than fair market value annual rent rate.

Section 3. The best interest of the Borough. It is in the best interest of the Borough to support Hatcher Alpine Xperience, LLC., a community based organization, for its endeavor to promote and provide safe outdoor recreation year-around for the Mat-Su Valley Community and the public at large.

Section 4. <u>Condition of the lease</u>. Pursuant to Matanuska-Susitna Borough Title 23.10.040, the lease contains a statement in the recitals that both parties acknowledge the Borough has management authority to the lease site area and does not have title to the land and cannot guarantee it will receive title from Alaska Department of Natural Resources, but has good cause to believe it will acquire title to the land within ten years of entering the lease agreement.

Section 5. <u>Effective Date</u>. This ordinance shall take effect upon adoption.

ADOPTED by the Matanuska-Susitna Borough Assembly this 14 day of July, 2020.

VERM HALTER, Borough Mayor

ATTEST:

LONNIE R. MÇKECHNIE, CMC, Borough Clerk

(SEAL)

PASSED UNANIMOUSLY: Hale, Nowers, McKee, Leonard, Mayfeild, Sumner, and Boeve