

## **Pioneer Mountain Properties LLC**

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Mat-Su Borough  
Land Management  
Land Application - Additional pages

Question # 6: Pioneer Mountain Properties (herein referred as PMP) would like to buy from the Borough 80 acres located south of the 570 acres of land held and owned by Pioneer Mountain Properties. The legal description of this land is:

The S $\frac{1}{2}$  of the SE $\frac{1}{4}$  of Section 13, Township 17N, Range 2E in the Seward Meridian.

PMP would like to pay one half of the purchase price up front within 90 days of application acceptance and finance the remaining amount with the Borough. PMP is willing to make a minimum offer of \$1200.00 per acre with the right to increase that offer should the Borough want an appraisal and the amount of the appraisal comes in higher than \$1200.00. PMP would like the term to be 8 years at an annual rate of 8.25% making a monthly payment of \$684.68. There would be no prepayment penalty and note would be paid off prior to any construction or clearing. PMP also wants the right to increase its offer should the Borough accept applications on the same terms from any competitor. Cash is another option, but, since accessing and developing this part of the property is at least 6-8 years away; it would be desirable to have the financing at a good rate for both parties.

Pioneer Mountain Properties owns the 570 acres which adjoins the property to the north in this application. Of this, 410 acres are owned free and clear and \$142,000 is owed on 160 acres. The eastern side of the contiguous 570 acres contains McRobert's creek, which, runs north and south through the property. It is the best interest of the members of PMP to create a recreational environment which can be profitable and sellable. To create the perfect recreational property, a landing strip is required and being tied into an already planned multi-use community would be a win/win. Alaska does have more flying public than any state in the union. The runway would be a 3000' lighted paved runway with 60-80 paved public tie-down areas built in 2 phases, which could be leased by the public or provided in the adjoining planned community. They would be leased on a first come first serve basis once the runway and tie-downs are completed. The homeowner's association, which, will encompass all of the PMP property will pay for the maintenance of the runway, along with any public tie-down or service leases.

As a former pilot (not re-certified in 10 years) it is important to have the correct alignment in the dominant summer wind and have enough spacing between landing sites to remain safe.

This property which is being applied for suits as a perfect site for a runway, making its alignment perfect with the summer winds from Knik Glacier.

It is just out of the direct blow of Knik Glacier, but, does still get that as the prevalent summer wind. It does not have the best of soils on a good portion of the property even though it is considered agricultural and therefore is well suited for a runway. Any structures or fuel storage areas associated with the runway would be constructed at least 1000' from McRobert's creek making it of little environmental concern. It would probably be better on the environment than agricultural, considering it would have no runoff of fertilizers or pesticides. It would tie into the planned community of PMP beautifully. The downwind leg of the pattern would typically move west northwest and be on the south side of the runway, which, would not interfere with traffic to the north and west. Property owned by PMP to the north and west is nowhere near as well suited for a public runway. Anywhere on PMP's property where a runway could be constructed uses up much more valuable land and does not have the capability of keeping the traffic pattern in a much more favorable area.

Construction of the runway and the first phase of tie-downs will be completed by November 1 of 2012. PMP would use any remaining usable land for lots of 60,000 square foot minimum size. These lots would be planned with the multi-use development owned by PMP to the north and have multi-use trails incorporated into the design.

Question # 7: I believe it is in the best interest of the borough to sell this land to PMP for the following reasons:

1) As I said in my last application, it is in the best interest of the public I believe first and foremost. It provides guaranteed recreational use in the area. It provides aircraft a lighted runway close to home, multi-use trails for the public incorporated with other trails in the community. The public gets a nice recreational facility, which, in turn is paid for privately.

2) No other applicant has the ability to pay for a lighted, paved runway on the property and then maintain it for the entire community.

3) The Borough should not settle for less than the best application. I know of no other applicant that can have it in his or her best interest to make sure the land is used for the benefit of the recreational public and to make sure that recreational and private ownership opportunities exist. It allows private ownership of a very unique property, in which, recreational needs are highly prioritized at a minimum. As a large contiguous land owner adjoining the Borough property, it is definitely in PMP's best interest to provide substantial, varied recreational opportunities for those who desire to live in the area.

4) The borough receives property taxes and income through interest. It helps the borough create a tax base in the long run by establishing private ownership opportunities on the property and yet keeps the multi-use recreational component of the property intact.

Question #10: I have done projects similar in nature, but, nothing of the same overall size once PMP's and the Borough's property are added together. Projects I have

personally been involved with are: Knik View Estates in Peter's Creek (54 lots with public water that was sold to AWWU), McKinley Heights and Acres (40 lots combined) off Bodenbug Loop. I also own 30+ acres of vacant/vacated commercial and residential land in Anchorage, that I am the process of changing the land use to multi-use on.

The scope of development for the Borough property is nothing more than I have done in the past. Even though the total development costs are higher and the overall size much larger than any other residential subdivision I have done, it is not out of the scope of my abilities to perform this task by phasing the project. The impact of the trail users coming from PMP's property onto the Borough's property will be significant and should be addressed now instead of later. The best way to address it now is to allow PMP the opportunity to buy the property and extend the trail system and runway, and be assured of many different uses for the public. With the Borough property included in the project it will take 6 or 7 phases to make the project feasible. That is why it would be 6-8 years before the start of development on this property would begin. This time would allow the Borough a means to devise a plan protecting the integrity of Borough owned trails in nearby areas.

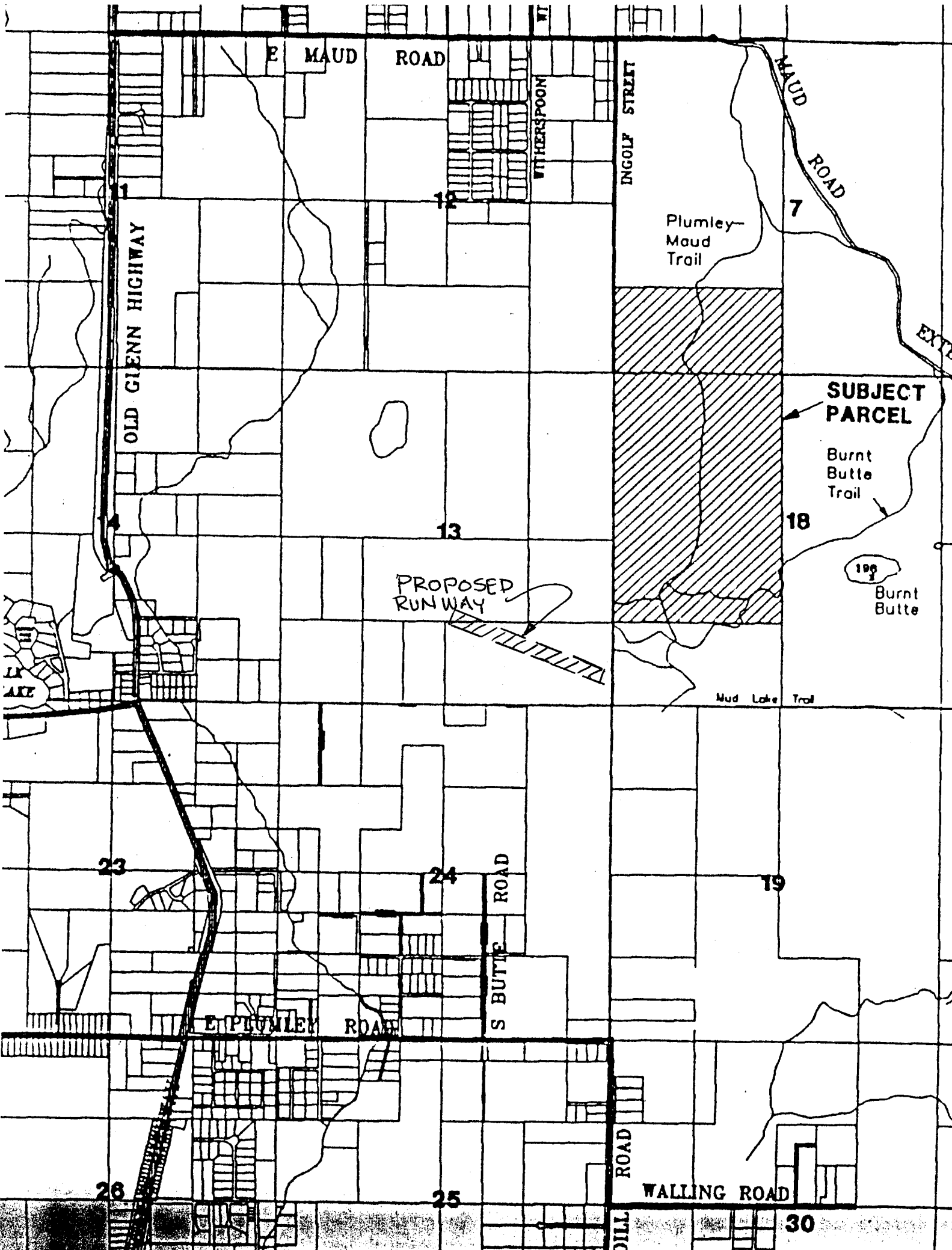
The concept of a multi-use subdivision has always been appealing to me and I have the opportunity here if the Borough land is included to develop a one of a kind privately owned recreation area, which everyone associated with can be proud of. I hope that the Borough will take the scope of this idea a little farther and make sure that the integrity of the trail systems on all large Borough land parcels up for sale is kept intact.

Question # 11: PMP which I am the general partner of, had the lease/purchase rights to the property described in this application, assigned by Homestead Resort Properties until Feb.12 when those rights were relinquished back to the Borough. All payments were kept current and feel that I did my best to obtain a golf course on the property. There was just no solid interest. The lease required a golf course architect and funding to be in place prior to March. Since the feasibility of that could not be determined due to lack of interest, it was in the best interest of PMP to try and obtain the property for a much more worthy and feasible cause that would benefit the public much more directly and not carry the environmental concerns.

Question #12: PMP has no major business activities. The major percentage owners are I and Waldec Enterprises, Inc. Waldec Enterprises, Inc. which I control 100% of will provide the financing for the project when needed. The possibility of needing financing always exists and if needed I would deal with Wells Fargo who I currently have a commercial loan with.

Waldec's major business activities are:

- 1) Mayflower Circle Park in Anchorage, a full 219 space mobile home park.
- 2) 12 lots for sale in Knik View Estates in Peter's Creek.
- 3) 34 lots in McKinley Heights and Acres, near the Butte off Bodenbug Rd.
- 4) 30 acres of partially developed commercial and residential property at the corner of Debarr and Boniface in Anchorage.



E MAUD ROAD

OLD GLENN HIGHWAY

WITHERSPOON ST

INGOLF STREET

MAUD ROAD

Plumley-Maud Trail

SUBJECT PARCEL

Burnt Butte Trail

Burnt Butte

PROPOSED RUNWAY

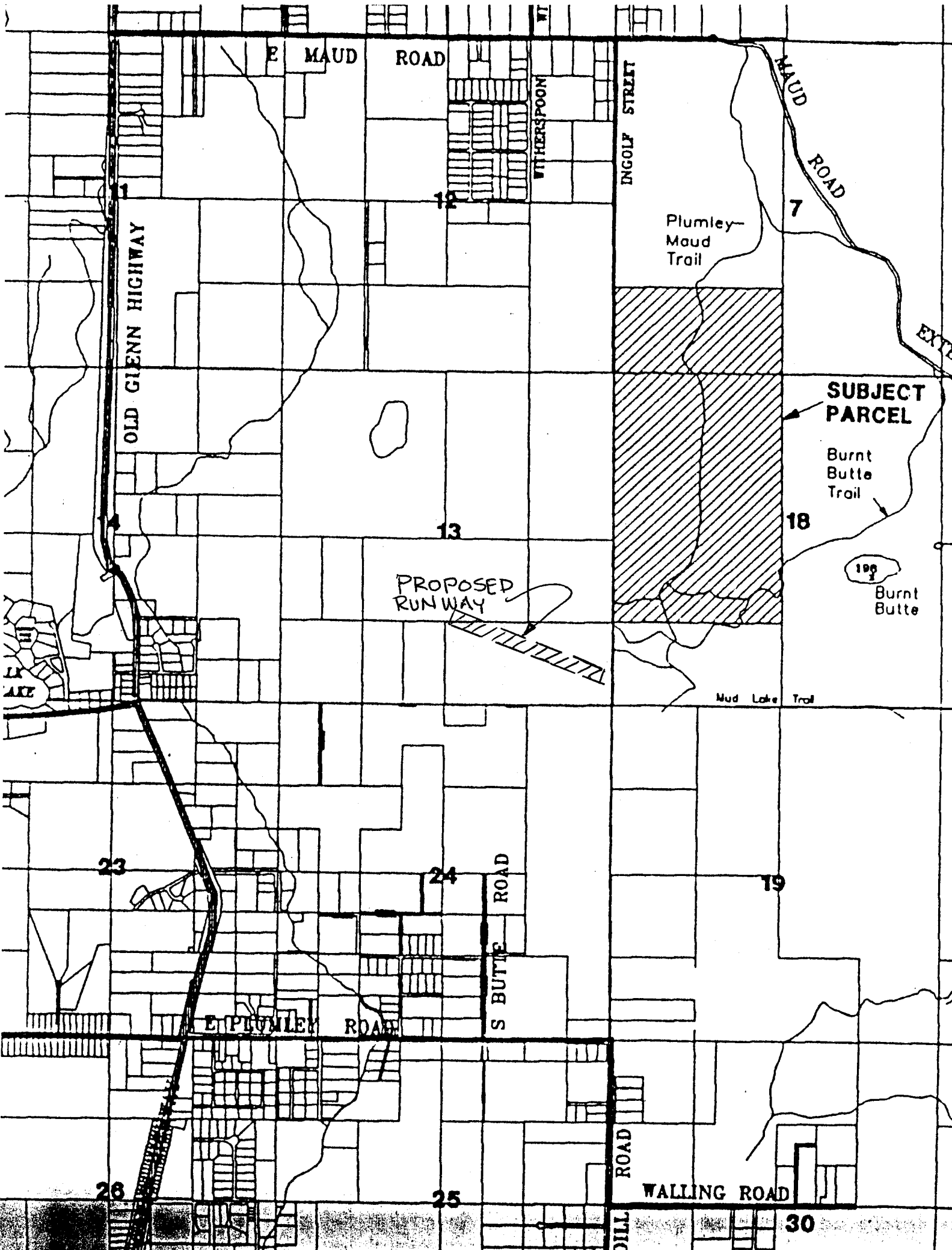
Mud Lake Trail

E PLUMLEY ROAD

S BUTTE ROAD

WALLING ROAD

DILL ROAD



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