



MATANUSKA-SUSITNA BOROUGH

Borough Manager


350 E. Dahlia Avenue, Palmer, Alaska 99645-6488
Phone (907) 745-9689 • FAX (907) 745-0886

December 23, 1996



Memorandum

TO: John Duffy, Director of Planning

FROM: Donald L. Moore, Borough Manager 

SUBJECT: Application to Purchase Land for Proposed Golf Course

DEC 30 1996

Fostering sound economic development is one of the most important functions of our local government. The projects that we encourage, or are associated with, should be capable of demonstrating some assurances that they will contribute to our community's growth and well being. The need for these assurances are a special requirement of the public sector.

I have been monitoring the progress of the proposed golf course and have had numerous conversations with individuals about the proposed development. Since we are being asked to sell public land for what could be an important economic development project within the borough we should avoid creating unusual or onerous conditions likely to impede the project's success. On the other hand, we should not act irresponsibly in our efforts to encourage growth.

Therefore I am directing you and the land management division take measures to more adequately protect the borough's interest. These measures should not hinder the project's economic viability. Instead of an outright sale of borough property, where we would have little control once the sale is completed, we should recommend to the Assembly a lease with an option to purchase. The purchase option should be written to allow it to be exercised only upon satisfactory performance by the developer. The purchase, if exercised, is to be at fair market value. The lease should also contain performance clauses addressing development, schedule and level of investment. A non-refundable penalty provision should also be included in the lease. These provisions will provide for adequate opportunity to address questions such as ground water adequacy and water quality which have been raised by residents near the proposed site. Just as important, this approach provides the developer exclusive rights and therefore the ability to secure any needed financing. Under the circumstances and given the level of local concern, I believe that this approach is a reasonable alternative to the present proposal. The approach will require performance on the part of the developer and allow the borough to ensure that only appropriate development activities take place.