

SUBJECT: Proposed classification and conveyance of approximately 320 acres of borough owned land within portions of Tract A, Section 7 and portions of Tract A, Section 18 according to ASCS 92-118, being within Township 17 North, Range 3 East, Seward Meridian. MSB #002467

AGENDA OF: April 15, 1997

ASSEMBLY ACTION:

MANAGER RECOMMENDATION: Introduce and Schedule for Public Hearing.

APPROVED BY DONALD L. MOORE, BOROUGH MANAGER;

Route To:	Department/Individual	Initials	Remarks
	Originator		
	Assessor		
	Public Works Director		
1	Planning Director	D	4/7/97
	Public Safety Director		
2	Finance Director	<i>[Signature]</i>	
3	Attorney	<i>[Signature]</i>	
4	Assistant to the Manager		
5	Borough Clerk	<i>[Signature]</i>	

ATTACHMENT(S): Fiscal Note: Yes No
 Planning Commission Resolution #97-58(SUB) (AM), Ordinance
 Serial No. 97-039

STAFF RECOMMENDATION: Introduce and Schedule for Public Hearing

SUMMARY STATEMENT: An application to purchase approximately 320 acres of borough owned land has been received. The subject property is part of a larger area obtained by the borough through the Municipal Entitlement Program. The applicant has stated an intent to develop this parcel and adjoining parcels as a

destination resort to include a 18-hole golf course, residential development, lodge, equestrian facilities, etc. The applicant estimates the initial investment of \$15 million for the project.

SOILS: It appears that the subject parcel is comprised of almost 50% wetlands and contains, in some areas, a water table located between 18 and 24 inches below the surface. A smaller portion of the parcel contains bedrock that is located approximately 24 inches below the surface. The existing water table, wetlands and bedrock conditions suggest that the proposed design of the golf course and related resort/residential development as envisioned by the applicant's site plan may have to be altered in order to reduce development costs and/or limit any negative impact on water supplies and wetlands. The soil conditions also indicate that construction activities will have to proceed carefully and the routine application of pesticides and fertilizers must be carefully managed in order to protect drinking water supplies and limit the potential for other environmental degradation. The existence of both McRoberts Creek and an old river channel within the area proposed for development suggests that flood damage prevention should be a component of all development activities on the site. The attached information from the U.S. Department of Agriculture, Natural Resource Conservation Service provides more detailed review of the parcel's soils.

TRAILS: The Maud-Plumley and/or Butte trail(s) is located on the parcel and is identified by plat as being located on the property. The applicant has proposed to relocate the trail to the eastern boundary of the property. Bedrock and wetland conditions exist on the eastern part of the parcel. If the trail is relocated, it will require a platting action that requires that equal or better access be provided.

TRAFFIC: Based upon the site plan a preliminary estimate was made of the potential traffic generated by the proposed development. The estimate is based on the following assumptions:

165 single family residences are developed each generating 6 trip ends per day. (Only single family residences have been used as the applicant has not provided estimates for the number of multi-family units. Residential trip ends are based upon the Mat-Su Borough Subdivision Construction Manual.)

Average weekday trip ends per acre generated by the golf course is 8. (Note that this estimate is based upon an analysis of golf courses located mostly in suburban settings and ranging in size from 23 to 275 acres and average weekday

rates 8.3 with weekend rates 7.5 and 8.1.)

The proposed golf course is estimated to consist of 760 acres which is less than the entire area proposed for development.

The National Golf Foundation estimates that the national average for 18 hole municipal golf courses in 1992 was 52,000 rounds but this average could be 10,000 to 12,000 lower in northern regions.

No estimates of trip generation have been made for the lodge, equestrian or other proposed facilities.

A 160 day season has been used based upon the City of Palmer's typical golf course season.

The City of Palmer golf course averages 18,000 rounds per season and the Moose Run golf course averages 38,000 rounds per season.

Based upon these assumptions, the average traffic generated by the proposed development could range from 1,240 to 7,070 trips ends per day. The low figure of 1,240 is based upon a season averaging 160 days with 40,000 rounds played per season, no multi-family development and no trips generated by a lodge, equestrian or other resort facilities. The high figure of 7,070 trip ends per day is based upon the per acre size of the proposed golf course and residential development. It should be noted that the Institute of Transportation Engineers (Trip Generation, 4th edition) identified golf courses smaller than the one proposed by the applicant (on a per acre size) that have average weekday traffic levels of 6,600. It is not unlikely that the Homestead Resort Properties' proposal could generate traffic levels of a higher magnitude, especially if fully developed.

The Average Annual Daily Traffic (AADT) for Maud Road, which is the primary access into the development is shown in Table 1. The proposed development would, using the most conservative estimate, about double the amount of traffic on Maud Road at the junction with the Old Glenn Highway. It is more likely, after adding trips generated by the equestrian and lodge facilities and the proposed multi-family dwelling units, that traffic on Maud Road will increase three or four times from the 1994 AADT. Due to the potential for high increases in traffic, the applicant should complete a traffic impact analysis with proposals for how the needed improvements are funded.

Table 1
Annual Average Daily Traffic
Maud Road 1992 - 1994

Year	Junction with Old Glenn Hwy	Junction with Smith Road
1992	755	180
1993	750	165
1994	750	170

MCROBERTS CREEK: McRoberts Creek crosses the proposed development site, although the creek is not located on the Borough parcel. McRoberts Creek has been identified by the State of Alaska, Department of Fish and Game as an important salmon spawning area. The creek also provides other wildlife habitat values and flood control qualities. The site plan indicates that a vegetative buffer will be located on both sides of the creek which should help to protect against sedimentation and erosion. Due to the importance of the creek to area sports fishing and salmon spawning close consultation with the State of Alaska, Department of Fish and Game should occur.

COMPETING APPLICATIONS: As of this date three other parties have filed applications to purchase portions of the 320 acre parcel sought by Homestead Resort Properties. One of the applications was filed prior to the Borough obtaining patent, and this applicant (Mr. William Collins) remains interested in purchasing a portion of the 320 acres.

PUBLIC TESTIMONY Public comments were sought in November of 1996 on this proposal. The majority of the comments received are opposed to the conveyance of the land to Homestead Resort Properties. A petition signed by about 165 individuals opposed to the development or conveyance has also been filed. A main points in the comments are:

Concerns and objections to the impact that such a sale would have on the existing trails and recreational use of the land and the immediate area.

The need and/or desire to obtain more details about the proposed project before any consideration be given to conveying the parcel.

A request for broader public comment and involvement in the disposition of borough lands.

Concerns that the Borough parcel may not be "suitable" for the intended golf course and resort development use.

Concerns about the negative impact the golf course and resort development will have on the area's watershed and groundwater supplies.

Concern that the area will lose a personal use firewood area.

Concern about the impact such a development will have on the quality of life of the community due to the large influx of people brought by the proposed resort.

COMMUNITY COUNCIL COMMENTS: The Butte Community Council is opposed to the conveyance of the land to Homestead Resort Properties because of the parcel's recreational value to the community. The Butte Community Council believes the land should be classified as recreational lands to serve community park needs, to protect the existing trails on the parcel, and to protect sensitive wetlands and fish and wildlife habitat. The Butte Community Council has passed a resolution asking the Borough to classify the lands as public recreation lands.

PLANNING COMMISSION RECOMMENDATION: held two public hearings on the proposed classification, conveyance and proposed development. The Commission augmented these hearings with presentations from Mr. Victor Trygstad of Homestead Resort Properties and representatives from the Butte Community Council.

The Planning Commission recognized the need for economic diversification within the Borough as well as the potential for harmful impacts on the groundwater supplies, disruption of the current trail and recreational use of the land and the potentially large traffic impacts. The Planning Commission sought to balance these interests by recommending that the Borough Assembly convey the parcel as a lease with option to purchase, containing a number of conditions, for the purposes of developing a golf course and destination resort. The Planning Commission believes the lease with option to purchase containing the conditions identified in their Resolution 97-58(SUB)(AM) will promote a viable development that does not negatively impact the community fiscally or environmentally. More specifically the conditions outlined in Planning Commission Resolution 97-58 (SUB)(AM) are as follows:

1. That a master plan be developed and submitted to the borough for approval that provides a detailed schematic and narrative description of the proposed development.
2. That all relevant permits be obtained from federal, state and borough agencies prior to development, including the U.S. Army Corps of Engineers 404 permit.
3. That a projected investment schedule, including phases, be submitted to the borough.
4. That a projected development schedule, including phases, be submitted to the borough.
5. That the exercise of any option to purchase be contingent upon satisfactory completion of the development or a specific, pre-agreed upon phase.
6. That evidence of credit worthiness, letters of reference from financial institutions, proof of ability to finance the project, including phases, and ability to obtain performance bonds and insurance be provided to the borough.
7. That a traffic impact analysis be completed based upon the master plan, and if Maud Road requires upgrade that it be paid for by the developer or an alternate access be developed.
8. That a ground water monitoring system be installed.
9. That a storm water, drainage, erosion and flood control plan, to include McRoberts Creek, be developed based on the master plan and submitted to the borough for approval.
10. That a fertilizers and pesticides management plan be submitted to the borough for approval.
11. That a site rehabilitation plan describing how sites disturbed by construction or development activities will be rehabilitated be submitted to the borough for approval.
12. That a vegetative buffer for the relocated trail be provided, and that coordination with the local trail users on the design and location of the relocated trail occur.

CONCLUSION: The borough administration concurs with the recommendation of the Planning Commission. The economic impact of the proposed project is potentially large and is compatible with the borough's long standing attempts to diversify its local economy and promote tourism/recreational developments. Although potential problems or concerns have been identified with the proposed development, many of these problems or concerns could be eliminated or reduced through more thorough analyses and studies. The conditions outlined in the Planning Commission's resolution 97-58(SUB)(AM) achieve the proper balance between the development of the parcel for economic opportunities and addressing the local community's concerns about the impact of the proposed development on the area's quality of life and protection of the immediate environment. In addition to the incorporation of the Planning Commission's conditions within the lease with option to purchase the administration respectfully recommends that the subject parcel be classified as General Purpose Lands, that a non-competitive conveyance be considered because of the proposal's potential economic impact and the conveyance be a lease with option to purchase. The term of the lease is to be 55 years with options to purchase and renew. The annual lease payment is to be 9% of the appraised value of the property and the lease payment adjusted every five years based upon new appraisals. The purchase option may be exercised upon completion of the 18 hole golf course. Appropriate performance and termination clauses will be included in the lease with option to purchase.

**TANUSKA-SUSITNA BOROUGH
FISCAL NOTE**

Agenda Date: 4/15/97

REQUEST: _____
 SUBJECT: Proposed classification & conveyance of approx. 320 acres of borough owned land portions of Tr. A, Sec. 7 & portions of Tr. A, Sec. 18 according to ASCS 92-118, being w
 ORIGINATOR: T17N, R3E, S.M. MSB #002467

FISCAL ACTION (TO BE COMPLETED BY FINANCE)	FISCAL IMPACT <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
AMOUNT REQUESTED \$ <u>Est. = 14500* 29000*</u>	FUNDING SOURCE <u>Land lease Paym</u>
FROM ACCOUNT #	PROJECT #
TO ACCOUNT # <u>203-000-000-366-500</u>	PROJECT #
VERIFIED BY: <u>[Signature]</u>	CERTIFIED BY:
DATE: <u>4/8/97</u>	DATE:

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY97	FY98	FY99	FY00	FY01	FY02
Personnel Services						
Travel						
Contractual						
Supplies						
Equipment						
Land/Structures						
Grants, Claims						
Miscellaneous						
TOTAL OPERATING						

CAPITAL						
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REVENUE	<u>* -</u>					
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FUNDING: (Thousands of Dollars)

General Fund						
State/Federal Funds						
Other	<u>*</u>					
TOTAL	<u>*</u>					

POSITIONS:

Full-Time						
Part-Time						
Temporary						

ANALYSIS: (Attach a separate page if necessary) Assessment records indicate land would be valued between \$500 to \$1000 per acre. Based on this, lease payments would be \$14500 to \$29000.

PREPARED BY: Finance Department
 DEPARTMENT: [Signature]
 APPROVED BY: [Signature]

Phone: _____
 Date: 4/7/97
 Date: _____