

**Letter to Community Councils Regarding Holtan Hills
from David Nyman**

Dear Neighbors: You may have recently run across an extensive Blog that attempts to re-cast the narrative of efforts untaken by various Girdwood community volunteers seeking Anchorage Community Council support for our objections to Heritage Land Bank (HLB) disposal of 448 acres of public lands to a private developer, CY Investments (CY) as part of the Holtan Hills project. Girdwood volunteers shared Holtan Hills project facts as they understood them to more than 20 community councils.

The subject blog attempts to attack and discredit volunteers that number well past 30 individuals with each representing the opinions of dozens of their friends as well as historic project decisions by Girdwood Land Use Committee (LUC) and Board of Supervisors (GBOS). We are not a “small group” as asserted by the Blogger and as can be attested to by anyone who witnessed more than 100 Girdwood residents that braved a record snowstorm to testify before the Assembly in December of 2022.

With all the issues raised by the Blogger, he completely misses the point that Girdwood was not given a seat at the table and the project cake was fully baked before Girdwood residents were provided any opportunity for input to the nature of the Holtan Hills development.

As I am not accustomed to being smeared by a Blogger for community outreach efforts, I am compelled to provide Community Councils with this response. The Blogger is coordinating closely with Chris Constant and others who represent the parties that would be enriched by the Holtan Hills development. In addition to the persons smeared in the Blog, they are now attacking a Girdwood member of the Heritage Land Bank Advisory Commission. The misrepresentations and attacks orchestrated by this group indicate that they are upset by the Girdwood community taking a stance in opposition of what was an unprecedented land grab and an end run around community planning efforts.

In consideration of the one-sided view presented in the poorly researched blog, I am offering your Community Council the following facts that can also be obtained from Holtan Hills project records and meetings. If any of your Council members have questions, I would be happy to return to your Council and answer those or provide a report on the latest of Girdwood’s housing efforts. Speaking for myself, I felt very privileged to watch our various community councils operate and was humbled by their widespread support for Girdwood.

What Size was the Proposed Land Disposal (transfer) to CY Investments? 448 acres. This is documented multiple times in the Development Agreement and in AO No. 2022-103(S-1). The Blogger attempts to disingenuously confuse the difference between the 448 acre land transfer and actual development.

A link to the Development Agreement is provided below:

www.muni.org/Departments/operations/streets/Service/GBOS/HoltanHills_DevelopmentAgreement.pdf

The following excerpts are from the Development Agreement specifying the transfer of the 448 acres:

“WHEREAS, Owner owns the vacant land described in Exhibit A, attached hereto and made part hereof (the “Property”), located in Girdwood, Alaska;”

As contained in Exhibit A the lands are identified as:

“Tract I Alyeska Subdivision Prince Addition (Plat 87-131) (PID 075-311-04-000); Tract B Girdwood Elementary School Subdivision (Plat 85-38) (PID075-031-32-000); and Tract 9A Section 9 TION R2E (Plat 73-220) (PID 075-041-31-000)”

Under Section 4.1 of the Development Agreement all these properties are conveyed to CY:

*“Conveyance of **Subject Property**. Provided that this Agreement has not been terminated under the provisions of Article 3, Owner agrees to convey to Developer, by Statutory Warranty Deed in a form acceptable to Developer (the "Deed"), marketable fee simple title to the **Subject Property**, free and clear of all encumbrances, subject only to the Permitted Exceptions”* (bold added for emphasis)

The table below details the descriptions and size of the respective lands which compile to 448 acres.

Holton Hills Lands Proposed for Disposal as Identified in The Development Agreement and AO NO. 2022-103(S)					
Parcel	Square ft	Acre	Type	Parcel ID	Plat
Tract 9A	515,750.00	11.8	Commercial Vacant	07504131000	73-220
Tract I Prince Addn Aly Subd.	18,033,840.00	414.0	Residential Vacant	7531104000	87-131
Tract B Girdwood Elem. School Subd.	1,000,137.60	23.0	Vacant Exempt Land	7503132000	85-38
	total	448.8			
1) Note that the development agreement references "a portion thereof" which leaves the actual land development vague.					

While the Development Agreement specifies development of 60 acres after transfer of the 448-acre parcel to CY, Holton Hills is not the only development that is included in the land disposal. Further, the Development Agreement does not include language for conveyance of any unused lands in the 448-acre parcel back to HLB nor does it provide a timeline to do so. Essentially, the development area is open ended with no limit specified other than the term “portions thereof”. Any assertions by the Blogger or the Developer that are not specified in contract are suspect. To imply that the land transfer is for only 60 acres ignores the actual language in the Development Agreement which specifies additional development by Pomeroy.

Were the Proposed Holtan Hills Subdivision Phase 1, 2 and 3 the Only Areas Proposed for Development in the Land Disposal? No. The development agreement specifically states:

“WHEREAS, Owner has agreed to permit Developer to develop the Subject Property, and agrees that the other property chosen for development in the RFP Response may be developed by Pomeroy Property Development, Ltd. pursuant to a separate agreement for such development.”

This clause refers to the development of a separate HLB agreement with the resort owner Pomeroy. A “bifurcation” of the Development Agreement and project team occurred after the RFP was awarded and development of lands beyond the Holtan Hills project is planned for the 448-acre parcel.

Given the lack of project transparency and the absence of Pomeroy from any community meetings, Girdwood was left to wonder how this separate project would be integrated into the Holton Hills project? The RFP response, in addition to the Pomeroy development, provides enough wiggle room for additional areas of development. The agreement provides no upper limit on the acres used. Few details of the Pomeroy project components have been made available to the general public other than redacted text in the Pomeroy section of the RFP response. Pomeroy has remained silent on the Holton Hills proposal.

Did Girdwood Grassroots Lie to Community Councils as Asserted by the Blogger? No. Lying requires intent to deceive and we sought to inform facts. Blogger attempts to project lying onto community volunteers is weak and appears based on selective reporting and poor research. The key assertion the Blogger based his lie accusation on was his equating volunteer statements regarding the size of the land transfer with the size of the proposed development. As noted above, the actual size of development is bigger than 60 acres referenced by the Blogger.

Was Girdwood Given an Opportunity to Contribute to or Comment on the RFP or the Development Agreement? No. Girdwood was given no such opportunity.

Was Girdwood Given Any Consideration in How The Subject Lands Were to be Developed? No. After being presented with the development, the GBOS formed the Holtan Hills Housing Advisory Committee (HHHAC). This committee for months attempted to work with HLB and CY Investments to identify community benefits for integration into the proposed development. After these benefits were rejected by HLB's Adam Trombley and CY, this subcommittee voted unanimously against supporting the Holtan Hills project. HLB and the developer offered a single lot to a Girdwood non-profit from the 52-lot subdivision with no legal guarantee of future transfer.

Why is Land Planning Important to Girdwood? Girdwood is a small town with a small-town feel. Most of the lands in the immediate vicinity of the Town Center are public lands managed by HLB. As such any move by HLB to develop more than 5 or 10 acres can have an outsized impact on the community, especially if the development does not integrate into community planning. As an example, without any consideration of future community needs, the Holtan Hills project would occupy lands that are some of the most developable properties near the Town Center. The community of Girdwood is currently engaged in comprehensive planning via the Girdwood Area Plan (GAP) which was last updated in 1995. This ongoing effort is targeted for completion by end of 2023 and will reflect community land use objectives.

What was the Land Appraised for? \$2.1 million for 90 acres roughly equivalent to \$23,000/acre. By comparison undeveloped land on Crow Creek Road is being offered, or was offered and sold, between \$100,000 - \$200,000 per acre in the past 20 months.

Does CY Investments Pay for the Land? No. The land was to be or is donated to the Joint Venture and CY obtains control of the property without purchasing the land.

Was the Proposed Land Disposal Larger than Girdwood is Today? No. In my discussion I noted The 448-acre land disposal was larger than all the developed land (not including the ski hill itself) on the east side of Glacier Creek (about 310 acres).

Did the HLB Advisory Commission Approve the Project? No. The HLB advisory commission (HLBAC), a variety of professionals as appointed by the current Mayor, determined that the development agreement and Assembly resolution (AO No. 2022-103(S-1), as proposed, were not in the best interests of the MOA. HLBAC provided a number of conditions that if adopted, would render the project approved but HLB adopted none of those items.

Was the Holtan Hills Project Consistent with the Crow Creek Neighborhood Plan as a Guiding Planning Document? No. The Crow Creek Neighborhood plan specifically prohibited extension of Hightower Road past the School. The HLB CY Investment plan specified that Hightower Road would be extended to the project and all construction of the Phase I would use that access which was to remain as a permanent feature. The Holtan Hills Project was not included in the HLB one-year of 5-year plan indicative of the hasty effort to push this project without appropriate planning and community involvement.

Were Sole Source Contracts Issued to CY Investments and Consultants before Execution of the Development Agreement? Yes. A sole source contract referenced as AM 823-2021 approved on December 21, 2021, was issued to CY Investments for \$112,000 for offsite infrastructure work. A sole source award of \$51,235 detailed in AM 175-2022 was approved on March 22, 2022, issued to DOWL for subdivision predevelopment work based on recommendation from Adam Trombley. Girdwood was not informed of these sole source contracts which were found via volunteer research. Girdwood has not been provided access to the work products from these contracts.

Does Girdwood and Nyman Just Want to Protect its Nightly Rentals? No. Short term rentals (STRs) are a known housing issue. They can also be part of the solution if managed. Residents have discussed adding additional fees to nightly rentals so that funds collected can contribute to housing solutions. Personally, I have seen no sentiment towards Holtan Hills that was based on protection of existing STR markets. I have a single STR and also have a long-term rental occupied by one of our Fire Chiefs in our residential duplex. I support consideration of additional STR fees. Some resort towns have put limits on STRs and the HHHAC recommended limitations on STRs in the Holtan Hills development before they voted to not support the project.

Community Input Ignored, Information Requests Stone-walled, Opaque Public Process from HLB: CY Investments development agreement with HLB was executed with no Girdwood community input. In 2023 after almost 2-years of the GBOS, HHHAC, LUC, and Girdwood residents and landowners attempting to understand the project and meet with the CY and HLB, Girdwood LUC, GBOS, and HHHAC, all passed resolutions voicing the overwhelming opinion of Girdwood residents that Holtan Hills was a deeply flawed process and project and should not move forward.

Are Girdwood Residents Privileged and Rich? Yes. All Girdwood residents and visitors are privileged to live in or visit such a beautiful welcoming place. We are all deeply enriched by our neighbors be they old acquaintances or newcomers. I purchased property in Girdwood shortly after graduating from college in 1981 and have worked and played hard for 40 years to afford and maintain various properties.

Why is the Development Agreement a Bad Deal for Girdwood and the Municipality? The Bronson administration has experienced issues with contract approvals and spending as well as keeping qualified individuals in critical positions. The Assembly and the public (including Girdwood) have found many reasons to be distrustful of Executive Branch actions. HLB has seen a revolving door of directors and these conditions were major reasons that AO No. 2022-103(S-1) was "indefinitely postponed". The following are excerpts from the Development Agreement between HLB and CY that when considered in its entirety appears transfer significant risk to the MOA.

- MOA (or HLB) to be responsible for 50% of cost overruns
- MOA is responsible for all costs associated with extension of water sewer, power, phone, internet infrastructure to the Holtan Hills development
- The improvements to Crow Creek road as required to establish secondary access during the Phase II of the project are an unfunded liability to the MOA.
- The MOA is also responsible for wetland surveys, wetland mitigation credits and is providing existing MOA geotechnical studies and land surveys
- MOA is responsible for one half the costs of the project boundary survey
- MOA is required to provide to Developer a current wetlands survey of the Subject Property for Phases 1, 2, and 3. The cost and expenses for the preparation of the wetlands survey shall be paid by MOA.

- After the Effective Date, MOA shall promptly obtain and provide to Developer a current appraisal of the Property, with the value of the Property appraised as an undeveloped tract of land for Phases 1, 2, and 3. The cost and expenses for the preparation of the appraisal shall be paid by MOA.
- MOA is responsible for vacation of the Section Line easement.
- MOA shall pay to Developer a project management fee equal to 3.5% of all costs of completing the Offsite Improvements including the cost of the general contractor and all costs of planning, designing, developing, and managing the construction of the offsite improvements.
- If the MOA or ADOT requires Developer to upgrade any portion of Crow Creek Road that is currently in existence, then all costs to upgrade the existing Crow Creek Road shall be paid for solely by MOA.
- MOA must provide Developer with Credits as required by the Compensatory Mitigation Plan through Permittee Responsible Mitigation.
- As consideration for Developer's obligations to administer and develop the Project, Developer shall receive a developer fee and administrative fee equal to 4.5% of all costs identified in Section 8.3(a) through (h).
- MOA shall indemnify and hold Developer harmless from and against any and all actions, suits, claims, penalties, losses, liabilities, damages, and expenses (collectively "Claims"), arising out of Developer's performing the services to be performed by Developer under the Development Agreement.
- In the event Developer's engineering, soils or environmental inspections identify a material problem with the Subject Property, the MOA will be granted forty-five (45) days to correct such issue at MOA cost.

The help we received from Anchorage Community Councils has contributed to positive actions by the Assembly including AR No. 2023-40 directing HLB to include specific objectives helpful to the Girdwood. Proposition 7 was recently passed and adds to the existing powers of the Girdwood Valley Service Area to provide services in support of policies that promote local housing and economic stability.

In summary I would be pleased to meet with your council at your request and once again express my appreciation for allowing me to share our concerns with your group. I hope to continue to volunteer to help Girdwood address a multitude of issues related to well planned development as our community grows.

Sincerely,



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