

Talks revived on Hatcher Pass resort

By RINDI WHITE
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WASILLA -- Plans for a ski area and residential complex at Hatcher Pass briefly veered off track, but Matanuska-Susitna Borough officials said Wednesday that negotiations are back on.

Jonathan Rubini, CEO of the Anchorage development firm JL Properties, faxed a letter Tuesday to Borough Manager John Duffy, giving notice Rubini had "reached the reluctant decision to withdraw from the Hatcher Pass project."

In the faxed letter, Rubini states he does not see broad public support for developing the Hatcher Pass ski complex, Duffy said.

Wednesday, Duffy said he called Rubini, who changed his mind and agreed to another 30 days of negotiations with the borough. A meeting between borough negotiators and JL Properties is set for later in the month, Duffy said.

"We'll roll with that," Duffy said.

Rubini declined to comment Wednesday about the letter or about the status of negotiations.

Mat-Su Assemblyman Jim Colver, a strong proponent of developing Hatcher Pass, said if negotiations with JL Properties collapse the borough could finance the project on its own.

"I'd like to work with JL because I like what I see ... they're very experienced in managing large, complex projects. They've got a great project team," Colver said. "But it has to be a two-way street -- it has to be a good business deal for the borough as well as JL."

Since October 2005, the borough has been negotiating with JL Properties on the terms of the company's plan to build a 700-acre downhill ski area on about 3,000 acres of borough land in Hatcher Pass. The project also calls for a residential development and an Olympic-quality Nordic ski trail system. The project estimate at the time was \$41.25 million.

The Legislature this summer authorized the Alaska Industrial Development and Export Authority to finance the Hatcher Pass project to \$25 million. JL Properties expects \$15 million in bond financing and another \$9 million in loans to back the project.

The borough Assembly must approve the JL Properties development plan before the authority even considers financing it.

After taking public criticism that the borough wasn't qualified to analyze the intricate financing package JL proposed, Duffy hired an Outside firm that specializes in public/private partnerships to examine the plan.

The firm, Stainback Public/Private Real Estate, is now negotiating with

JL on the borough's behalf.

One sticking point is the value of the borough's contribution to the project in land. JL's 2005 plan did not factor in that land value. The plan did credit the borough with \$2 million in estimated sales of about 1,100 acres JL Properties wants to market as residential property.

"We believe the land has some value," Duffy said.

JL Properties dropped a plan to build a retail area near the Little Susitna River, one of the more controversial elements of the project, after the Legislature declined to give the borough another 200 acres of the Hatcher Pass Public Use Area.

Nonetheless, Colver said the project does have public support.

"There was just a lot of criticism of that commercial center along the river. We knew that would be a tough issue," Colver said. "It's slow, it's cumbersome. Yeah, there is open criticism and freedom of speech. But you have to kind of develop a thick skin and be bulletproof and know you're doing a good thing."

The borough Planning Commission has scheduled a public hearing on a package of rules to guide development in Hatcher Pass. That hearing is at 6 p.m. Sept. 18 at the borough building at 350 E. Dahlia Ave., Palmer.