HB

407

HOUSE COMMITTEE REPORT

(5)
Date Referred: March 9, 1990 | FURTHER REFERRALS:

Date of Committee Action: 3/15/90 | FINANCE

The COMMUNITY & REGIONAL AFFAIRS Committee considered: SSHB 407

SS HOUSE BILL NO. 407 APPROP: ANCHORAGE WATER & SEWER UPGRADE

"An Act making special appropriations for payment as grants to the Municipality of Anchorage for the reconstruction and upgrade of the Alyeska Utilities, Inc., water and sewer system and for purchase of water and sewer facilities constructed within the Girdwood Valley; and providing for an effective date."

RECOMMENDATIONS:

[ ] be replaced with _____ [ ] the same title / [ ] a new title

[ ] have attached amendment(s)

[X] do pass

[ ] do not pass

[ ] no recommendation

[ ] individual recommendations

[ ] additional referral to the _____ Committee

ADOPTS: _____ letter of intent

ATTACHES NEW FISCAL NOTE(s): (Dept)

[ ] fiscal impact_____

[ ] zero fiscal note_____

[ ] zero with analysis_____

APPROVES PREVIOUS: (Date/Dept)

[ ] fiscal note(s) _____

[ ] zero fiscal note(s)_____

[ ] zero fn/analysis _____

SIGNING DO PASS:

Eileen P. Mackey

Eugene Kubina

Richard Foster

SIGNING: (Check approp. column)

	Do Not Pass	No Rec	Amend
Cheri Davis		X	

Eileen P. Mackey
Chairman's Signature

March 12, 1990

Overview of the Sponsor Substitute for
House Bill 407
by Rep. Johnny Ellis

I believe adequate water and sewer systems are necessary items for private sector development and provision of these services is a basic and traditional function of government.

This measure appropriates $2.3 million to the Municipality of Anchorage for reconstruction of the Alyeska Utilities water and sewer system in Girdwood. It also appropriates $3.8 million to the municipality for expansion of the water and sewer infrastructure to the proposed Alyeska destination resort development.

In September of 1989, an agreement was signed between Seibu-Alaska, Inc. and the Anchorage Economic Development Corporation (AEDC) which provided economic incentive to expand the tourist destination resort.

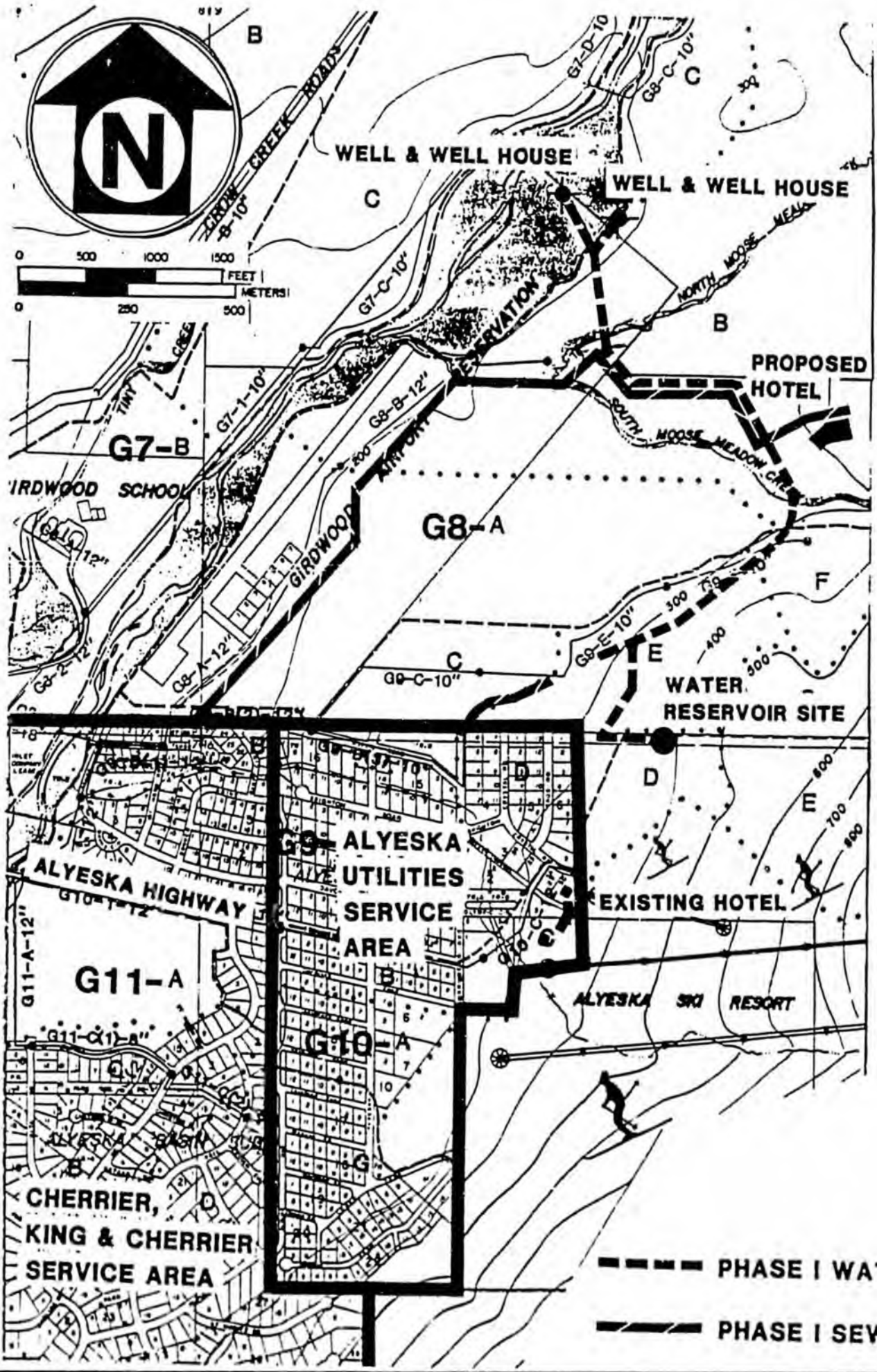
In accordance with that agreement, the full funding of the projects in SSHB 407 is contingent on Seibu, Inc. constructing a 300 room hotel by December 1992. If Seibu does not meet the timeline set out in the agreement, the expansion funding will be reduced as agreed to by the parties.

Full funding of SSHB 407 would result in four development projects:

Expansion of the water and sewer infrastructure
Reconstruction and repair of the existing Alyeska Utilities water and sewer system
Construction of the new ski slope improvements
Construction of a 300 room hotel

The water and sewer reconstruction and expansion, and other associated projects will stimulate the economy, create jobs, encourage business expansion in the area, promote tourism and expand recreation opportunities in Alaska.

GIRDWOOD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ALYESKA SKI RESORT
GIRDWOOD SCHOOL
GIRDWOOD
AIRPORT
CROW CREEK ROADS
NORTH MOOSE MEADOW CREEK
SOUTH MOOSE MEADOW CREEK
TINY CREEK
G7-B
G8-A
G11-A
G10-A
CHERRIER, KING & CHERRIER SERVICE AREA
PHASE I WATER
PHASE I SEWER

ANCHORAGE
ECONOMIC
DEVELOPMENT
CORPORATION

Alyeska Resort Expansion
Briefing Paper

GOAL: To facilitate a $45m - $50m expansion of the Alyeska Ski Resort by Seibu Alaska, Inc., to be complete by year-end 1993.

BENEFITS: Will create approximately 300 direct new jobs; will establish a destination resort in Anchorage and begin development of a winter-time tourism industry; will spur tourism investment from Japan; in doing so, will allow Alaska to begin tapping the large and growing Japanese visitor industry. Successful penetration of the Japanese market will result in additional air service between Alaska and Japan, which will partially offset the recent trend toward fewer foreign aircraft landings at Anchorage International Airport.

NEEDS: Due to the risk associated with developing an entirely new element of the Alaska tourism industry, it is important that the State of Alaska demonstrate its commitment to the project by participating in the development of basic project infrastructure such as sewer and water.

PROPOSAL: In response to the willingness of the leadership of the Alaska Legislature to support the project, the Anchorage Economic Development Corporation (AEDC) has negotiated an agreement with Seibu. The agreement calls for Seibu to develop the full-scale resort if the State of Alaska will fund $6.1 million in water and sewer improvements. This represents both an acceleration and an expansion of scope for Seibu vis-a-vis their 1987 Heritage Land Bank agreement.

DETAILS: Alyeska Resort currently owns a water system in Girdwood that serves 500 Girdwood households. Under the AEDC agreement, Seibu will turn both the existing system and the new system over to Anchorage Water and Wastewater Utility (AWWU).

The infrastructure funding request includes:

550 West 7th Avenue
Suite 1130
Anchorage, AK 99501
Telephone (907) 258-3700
FAX (907) 258-6646

1. Upgrade Existing Water System **$2.3m**

   To be done by AWWU upon conveyance of system from Seibu. Upgrade work is necessary in order for AWWU to take over system. Conveyance will require APUC approval and an affirmative vote of system's customers.

2. New Water and Sewer System **$3.8m**

   Will serve new resort and any additional development nearby. Will be constructed by Seibu and conveyed to AWWU upon completion. Seibu will be reimbursed for new system upon completion of it's new resort hotel. New water reservoir will enhance flow to existing residential system and improve fire protection in upper Girdwood.

There is also a need for improved water service throughout Girdwood. Unfortunately, Girdwood is the only major geographic area in Anchorage not served by AWWU. This proposal would allow AWWU to enter the Girdwood service area and would put it in a better position to address the other water needs of the area.

ANCHORAGE
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Seibu agrees to build Girdwood hotel

Seeks state funds for improvements

By JACQUES PICARD
Times Business Writer

Seibu Alaska will construct a 300-room hotel in Girdwood in exchange for state funding of $6.1 million worth of water and sewer improvements needed by the resort.

The agreement was announced Wednesday between Seibu, the Japanese owner of the Alyeska Resort, and the Anchorage Economic Development Corp.

Funds for the agreement have not yet been appropriated by the state legislature. Senate President Tim Kelly recommended that the Railbelt Energy Fund be tapped for the money next session. He said there was broad support in the legislature for funding the agreement.

"Basically, Seibu is satisfied that the legislature will fund it," said Anchorage Assemblyman Jim Barnett.

Seibu is expected to spend about $45 million to $50 million on the resort development, including about $28 million on the hotel complex.

Upon completion, the resort will employ about 300 people and indirectly create about 100 to 150 jobs in Girdwood, said Scott Hawkins, president of the AEDC.

The agreement requires Seibu to make a "best effort" to complete the hotel by the end of 1992, but work must be finished no later than the end of 1993, he said.

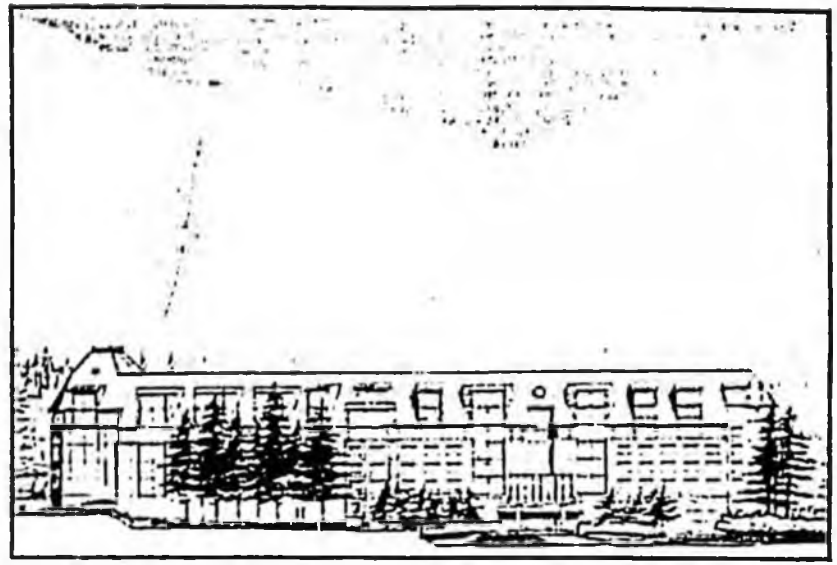
If the project is not completed on time or the hotel does not have at least 300 rooms, Seibu will not receive full reimbursement for the estimated $3.8 million cost of construction of new water and sewer lines to the hotel, said Hawkins.

Ownership of the existing water system owned by Seibu will be transferred to the Municipality of Anchorage, which will receive $2.3 million to upgrade the system. This is one of two privately owned water systems in Girdwood. It serves about 500 households and is considered substandard, Barnett said.

Seibu must begin constructing an access road and the first part of the water project by Oct. 1, said Larry Daniels, planning director for Seibu.

Seibu also will receive title to 76 acres of land upon completion of the resort and payment of $1.5 million, under a 1987 agreement with the municipality's Heritage Land Bank, Daniels said. This agreement required a minimum of

See Resort, page A-9



Seibu Alaska will put $3.8 million into this 300-room hotel in Girdwood.

The Anchorage Times
Thursday, September 21, 1989

Resort

Continued from page A-7

$15 million worth of improvements by Seibu to be completed before 1996, he said.

Seibu will construct an aerial tramway system capable of carrying 60 to 80 passengers at a cost of about $6.8 million and two new chairlifts at a cost of about $7 million, under the new agreement.

The new hotel will require construction of a road running one mile west of the current road system, and the ski slope will require an additional three miles of new road to the west. The new ski slope will cover about 400 acres, Barnett said.

Future development of the Glacier Valley-Winter Creek area could expand the ski slope area to around 4,000 acres, with a vertical ski descent of 5,000 feet, Barnett said. This would make it the largest slope with the longest descent in North America, he said.

AGREEMENT

This Agreement entered into this 20th day of September, 1989, between ANCHORAGE ECONOMIC DEVELOPMENT CORPORATION, an Alaska nonprofit corporation ("AEDC") and SEIBU ALASKA, INC., an Alaska corporation ("Seibu").

Recitals

A. Seibu has entered into an agreement with the Municipality of Anchorage for the expansion of Alyeska Resort. The estimated cost of the required Resort improvements is $15 million with substantial completion required by 1995.

B. The existing water utility, Alyeska Utilities, Inc. (A.U.I.), wholly owned by Seibu, is inadequate to serve the needs of the Resort and individual water users. Substantial improvements are required for rehabilitation and expansion is necessary for the proposed Resort development.

C. In consideration of certain economic incentives proffered by AEDC, Seibu is willing to consider expansion of the Resort at an earlier date and beyond the scope required by the existing agreement with the Municipality, with the value of the incentives proffered by AEDC to be determined by the extent to which Seibu accelerates its timetable and expands the scope of its project.

D. AEDC is willing to pledge its best efforts to obtain public funding for the water and sewer system in consideration of Seibu's accelerated construction of the Resort improvements.

E. The expansion project will provide substantial construction employment, an additional 150 or more recurrent operational jobs, and a destination resort for domestic and foreign visitors.

WHEREFORE, the parties agree as follows:

1. AEDC will use its best efforts to obtain from public sources $6,100,000 for the reconstruction and expansion of the A.U.I. water system and the sewer line extension to the new Resort complex as described on the attached Exhibit A. The funds will be committed to the project no later than August 1, 1990.

2. Contingent upon receipt of the contemplated funding, AEDC will provide the following economic incentives to Seibu:

(A) Upon Seibu's substantial completion of its project as set forth in this Agreement, AEDC will reimburse, or cause to be reimbursed, to Seibu its cost of design and construction of the new water source and distribution facilities, and its cost of design and construction of the sewer/ wastewater extension mains required as part of the infrastructure for its proposed hotel expansion project under those Subdivision Agreements with the Municipality of Anchorage dated December 16, 1987, and generally described on Exhibit A attached. Such reimbursement shall not exceed the sum of 3.8 million dollars, and will be based upon the scope of the project as follows:

(i) For a hotel consisting of 150 or a fewer number of guest rooms, the incentive reimbursement entitlement shall be zero;

(ii) for a hotel consisting of 300 or a greater number of guest rooms, the reimbursement entitlement shall be the lesser of 3.8 million dollars or Seibu's cost; and

(iii) for a hotel sized between 150 and 300 guest rooms, the reimbursement entitlement shall be prorated from zero to 3.8 million dollars based upon the actual number of guest rooms constructed. (For example, a 200 room hotel would entitle Seibu to the approximate reimbursement as follows:

$$\frac{200-150 = 50}{300-150 = 150} \times \$3.8 \text{ million} = \$1,256,666.67)$$

(B) AEDC will provide, or cause to be provided, the sum of 2.3 million dollars to Anchorage Water and Wastewater Utility (AWWU) for the reconstruction and upgrade of the existing A.U.I. water utility system upon its conveyance by Seibu as hereafter contemplated; Seibu shall not have an obligation under any circumstance to reconstruct, or finance the reconstruction of, such existing A.U.I. water utility system. To the extent funds are available, AWWU may make improvements to adjacent water systems.

3. In consideration of the funds contemplated to be provided by AEDC under Section 2 above, and of AEDC's pledge to

use its best efforts in assisting Seibu to obtain the necessary permits and approvals, Seibu agrees:

(A) To commence infrastructure construction by September 30, 1989, to commence construction of the new ski slope improvements by September 30, 1990, to use its best efforts to commence hotel construction by September 30, 1990, and to use its best efforts to achieve substantial completion of such project by December 31, 1992;

(B) Subject to APUC approval and upon AWWU's receipt of the $2.3 million for repair and reconstruction of the water utility system as set forth in Section 2(B) above, Seibu shall convey to the Anchorage Water and Wastewater Utility (AWWU), Seibu's wholly owned water utility, Alyeska Utilities, Inc., and upon Seibu's receipt of the reimbursement funds provided for under this Agreement, shall further convey the new water distribution system and facilities described in Section 2(A) above; and

(C) Exclusive of construction requirements for tram and chair lift improvements, Seibu will contract only with general construction contractors which are properly licensed and qualified to do business in the State of Alaska and which have historically maintained a significant presence within the State, and it will include in such construction contracts a local hire provision as well as a prevailing wage requirement.

4. In the event of Seibu's failure to obtain substantial compliance with its commitments set forth under this

Agreement, then AEDC's remedies shall be limited to reducing Seibu's reimbursement entitlement determined under Section 2 (or if already paid, Seibu will reimburse to AEDC) as follows:

(A) If Seibu fails to achieve substantial completion of its project by December 31, 1993, but does achieve such substantial completion by December 31, 1994, its reimbursement entitlement shall be reduced by the sum of $10,000 per month for each month, or portion thereof, of such delay (this provision contemplates a 12 month "grace" period from the optimum completion date of December 31, 1992, prior to any reduction of the reimbursement entitlement);

(B) If Seibu fails to achieve substantial completion of its project by January 1, 1995, its reimbursement entitlement shall be reduced by the sum of $120,000 plus, the sum of $140,000 per month for each month, or portion thereof, that substantial completion is delayed after January 1, 1995.

5. Upon Seibu's receipt of the reimbursement incentive contemplated in Section 2, Seibu and AEDC agree to establish a joint resort development program having the following objectives:

(A) Establish the irrevocable dedication of sufficient seating on the various Japan/Anchorage air routes to warrant the promotion of Anchorage and of Alyeska Resort in the Japanese market;

(B) Upon the availability of sufficient dedicated airline seats, to increase marketing efforts to the Japanese tourism and recreational ski market accordingly;

(C) Conduct a technical and economic feasibility study of the expansion of the ski resort industry into the Glacier-Winner Creek area; and,

(D) Seek expedition of the necessary land conveyances to the Municipality and of the proposal and regulatory approval processes to implement and accommodate ski resort industry expansion and development activities.

Seibu and AEDC agree such resort development program will be funded for five years with an annual budget and work plan mutually agreed upon and supported by an annual cash contribution from Seibu equal to the lesser of (i) $30,000 per year, or (ii) .79% per year of the actual reimbursement incentive received by Seibu pursuant to Sections 2 and 4. The priority of the program objectives will be determined by Seibu, with the program to be administered and executed by AEDC.

6. Seibu may extend the time for performance under this Agreement with the consent of the AEDC which consent shall not be unreasonably withheld, and, in the case of delay in the performance of its obligations of development by reason of (i) acts of God, (ii) restrictive governmental laws or regulations, including but not limited to delays created by reasons of processing times and/or difficulties in obtaining required government permits, and/or (iii) other cause(s) or factor(s)

without fault and reasonably beyond the control of Seibu, then and in such event(s) the time period for completion of Seibu's obligations as described under Section 4 above shall be extended for a period corresponding to the effective lost time caused or created by such delay.

7. Should the funding commitment not be obtained by August 1, 1990, this Agreement shall be null and void and neither party shall have any obligation hereunder.

8. Notices pursuant to this Agreement shall be sent to:

Anchorage Economic Development Corporation
550 West 7th Avenue
Suite 1130
Anchorage, Alaska 99501

Seibu Alaska, Inc.
P.O. Box 249
Girdwood, Alaska 99587

ANCHORAGE ECONOMIC DEVELOPMENT CORPORATION	SEIBU ALASKA, INC.
By: Scott E. Lawler	By: [signature]
Its: President	Its: SECRETARY
DATED: August 31, 1989	DATED: SEPTEMBER 20, 1989

Alyeska Resort
Girdwood, Alaska

Master Plan
April 1987

Seibu Alaska, Inc.

Planning, Architecture
Sasaki Associates, Inc.
Watertown, MA

Engineering, Surveying, Planning
Dowl Engineers
Anchorage, AK

Ski Facilities Planning
Sno Engineering Inc.
Lyme, NH

Consulting Architect
Phillip Usher & Assoc.
Anchorage, AK

Consulting Architect
John Baker, Architect
Girdwood, AK

TABLE OF CONTENTS

I. Introduction

Since first opening its slopes to the skiing public in 1959, Alyeska Ski Resort has continued to expand and upgrade its facilities to better serve the needs of local skiers and tourists. Additional lifts, snow grooming and snow making equipment and commercial facilities have upgraded the resort as well as contributed to the Girdwood economy.

Looking to the future, Seibu Alaska, Inc., which owns and operates Alyeska, anticipates continued growth and the need for expansion. The resort facilities must be upgraded and expanded to meet the demands and requirements of hosting international competition such as World Cup Racing Series or the Olympics. In addition, to serve an expanding ski market as well as to accommodate international events, additional space is required for new lodging facilities, intermediate and beginner slopes, and parking.

To meet these objectives, Seibu Alaska, Inc., began assessing its options for expansion and facility upgrading within the existing confines of the resort. The Alyeska Resort encompasses about 1180 acres including both private and U.S. Forest Service land. Of this total, Seibu Alaska, Inc., owns a total of 225 acres and leases the remainder under two separate permits. A Term Special Use Permit includes that area where permanent facilities are presently located (approximately 52 acres). A Special Use Permit allows the use of an additional 874 acres which includes the ski slopes and avalanche paths for avalanche control purposes. Both permits were renewed in 1980 and will expire December 31, 1999. The permits are renewable and grant Alyeska the exclusive use of the subject areas.

Of the 255 acres owned by Seibu, 221 acres are utilized as ski slope or can be considered undevelopable due to natural or topographic constraints. A total of 10 acres are used for parking and 1.5 acres contain resort development. The remaining 20.5 acres are currently undeveloped and severely constrained by steep slopes and lack of accessability. Thus expansion opportunities are severely limited.

To accomplish the goal of achieving a first class ski area and resort, which could accommodate international alpine events, Seibu Alaska, Inc. concluded that necessary improvements would require expansion beyond its existing boundaries. The adjacent property to the north was identified as the logical area for expansion. This property would allow the integration of existing facilities with proposed new uses and facilities in a manner precluded if expansion sites were under separate ownership or were physically separated from the existing resort.

II. Agreement with Municipality

In 1981, Seibu Alaska, Inc. initiated discussions with the Municipality of Anchorage concerning acquisition of Municipality owned property for expansion of Alyeska Resort.

Following a suitability study of the Municipality's property by Seibu, an offer was made to the Municipality for purchase of approximately 75 acres. No formal agreements resulted and the proposed acquisition was placed on hold.

In the interim, the Municipality created the Heritage Land/Bank Commission, to manage parcels of Municipally owned land designated for inclusion within the Heritage Land/Bank. The land proposed for acquisition by Seibu was placed under the Heritage Land/Bank's jurisdiction.

In 1985, Seibu initiated a master plan for resort expansion. The Acquisition Master Plan, as it has come to be known, was completed in January 1986 and accompanied Seibu's formal application to the Heritage Land/Bank to purchase and lease approximately 107 acres from the Municipality.

Following a series of public meetings in Girdwood and Anchorage a purchase agreement was formulated. On September 30, 1986 the Municipal Assembly approved the formal purchase agreement. (See Appendix - Sec. XI).

The property includes a portion of Parcels 70 and 74, both lying within Section 9, Township 10 North, Range 2 East. For ease of reference the subject property has been divided into several tracts and identified as Parcels A, B, C, D and E. This designation has been used throughout the master plan process (see Parcel Designation Map).

The Agreement calls for a fee simple purchase of Parcels A, B, C, and D and the lease of Parcel E from the Municipality for a period of 55 years. The use of Parcel E under the terms of the lease is specific.

Conditions of the sale of parcels A, B, C, and D and the lease of Parcel E to Seibu Alaska, Inc. require appropriate platting and approval by the Anchorage Planning and Zoning Commission of a development master plan in accordance with Title 21 of the Municipal Code. Final Conditional Use approval of

Seibu's Phase I development is required for Parcels A and B which will be subject to covenants prohibiting their use for any purposes other than commercial resort facilities. Under the terms of the Agreement, Seibu Alaska, Inc. is required to submit its application for the plat and master plan within eight months of Municipal Assembly approval. Those requirements are met concurrently with the submission of this document.

Since entering into the Agreement, the Turnagain Arm Comprehensive Plan has been modified to include a resort designation which encompasses all of Alyeska Resort's existing properties and the proposed expansion area. A Recreation Development Plan providing an overview of the project intent is required for property within the Resort designation.

This new requirement under Title 21 of the Municipal Code is coextensive with Seibu's contractual requirement and is similarly intended to be satisfied by this submission.

III. Goals and Objectives

The principal operational goal for Alyeska is set forth below. It forms the basis for the master plan program and is stated as follows:

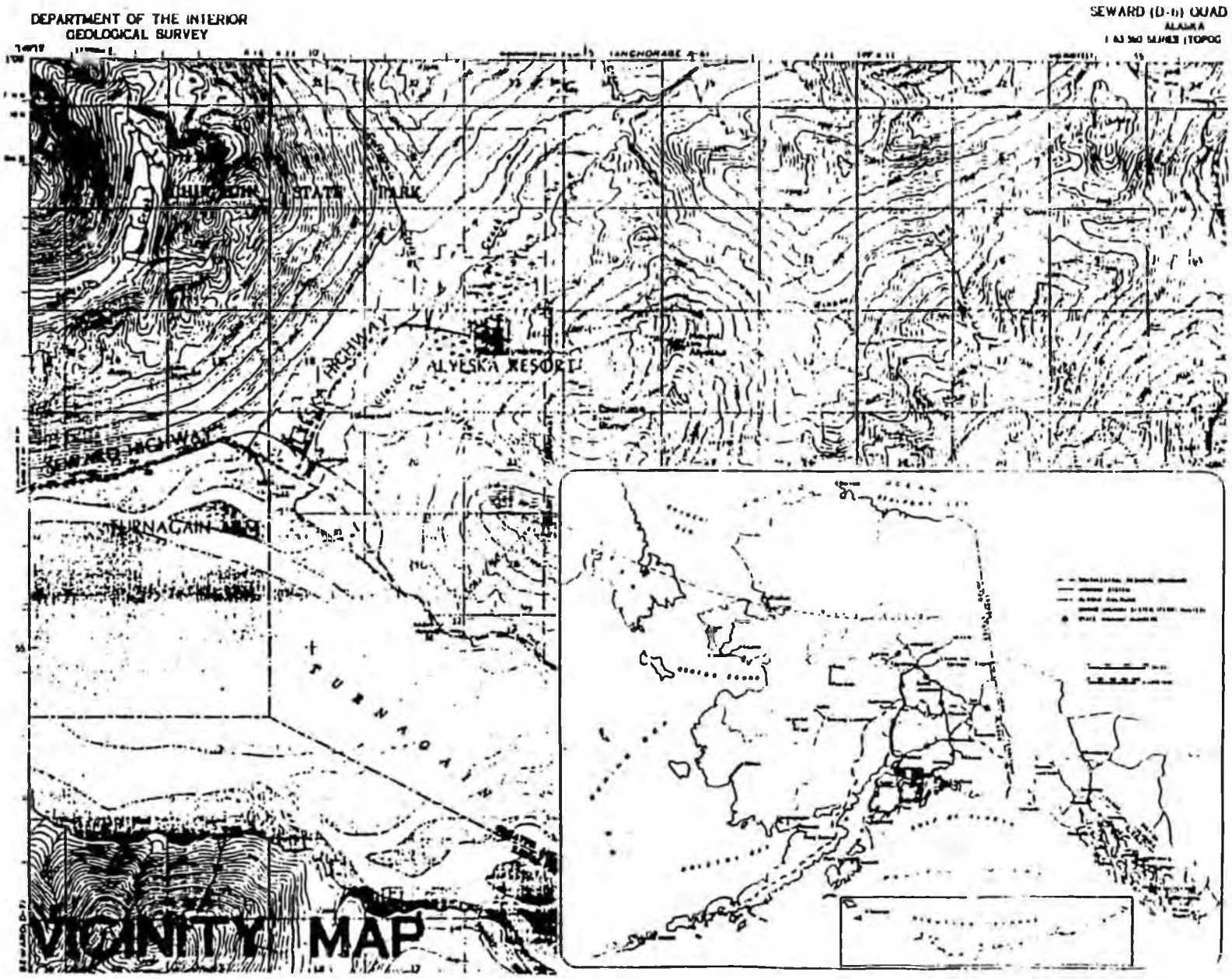
- To provide for continued upgrading and expansion of the Alyeska Resort facility in order to increase winter and summer utilization (sightseeing) while enhancing the quality of the ski and resort customer experience on a year-round basis.

A number of objectives have been drafted to guide the future direction of Alyeska in attaining the presented goal. They are:

- Develop Alyeska's status as a regional destination resort with year-round activities unique to its setting.
- Provide upgraded facilities in order to improve the quality of the ski experience.
- Create for the overnight visitor and day-skier an experience which is memorable and expressive of the unique qualities of Alyeska and its dramatic Alaskan setting.
- Balance skiing opportunities for entry level and low ability level skiers, including low intermediate and intermediate skiers.
- Obtain a better understanding of skier perceptions, desires and expectations through quantitative and qualitative analysis.
- Increase the bedbase to accommodate more overnight visitors on a year-round basis and concurrently enhance the ability of Alyeska to host a greater number of convention and group tourist activities.
- Develop a greater variety of ski terrain tailored to the market breakdown as best as possible.
- Improve the lift and trail network to maximize skiing opportunities.
- Minimize lift lines (maximum of ten minute wait) while maintaining trail densities to industry standards.
- Preserve and enhance the environment which comprises the ski area, including private land, the US Forest Service Permit Area, and land leased from the Municipality of Anchorage.
- Provide additional parking at the new hotel site, creating a new visitor entry portal to the resort.
- Provide support facilities and services for the ever increasing numbers of winter and summer visitors.

The purpose of the Master Plan is to establish the direction and priorities for the physical development of Alyeska. The Master Plan identifies "how to", "where to" and "when to". Furthermore, it is anticipated that the Master Plan will be a key support document in obtaining additional long term financing for the replacement, enhancement and expansion of capital assets at Alyeska. Additionally, it is expected that the Master Plan will satisfy the permit requirements established by the U.S. Forest Service.

By definition, master plans are conceptual and broad based. Although a master plan is based on the assimilation of data and observations, etc. and is an evaluation using a variety of criteria and design arts, it is not an engineering or construction document. It is rather a graphic and textual "road map" which expresses the spatial relationships and economic rationale for the improvement, enhancement and expansion of a facility.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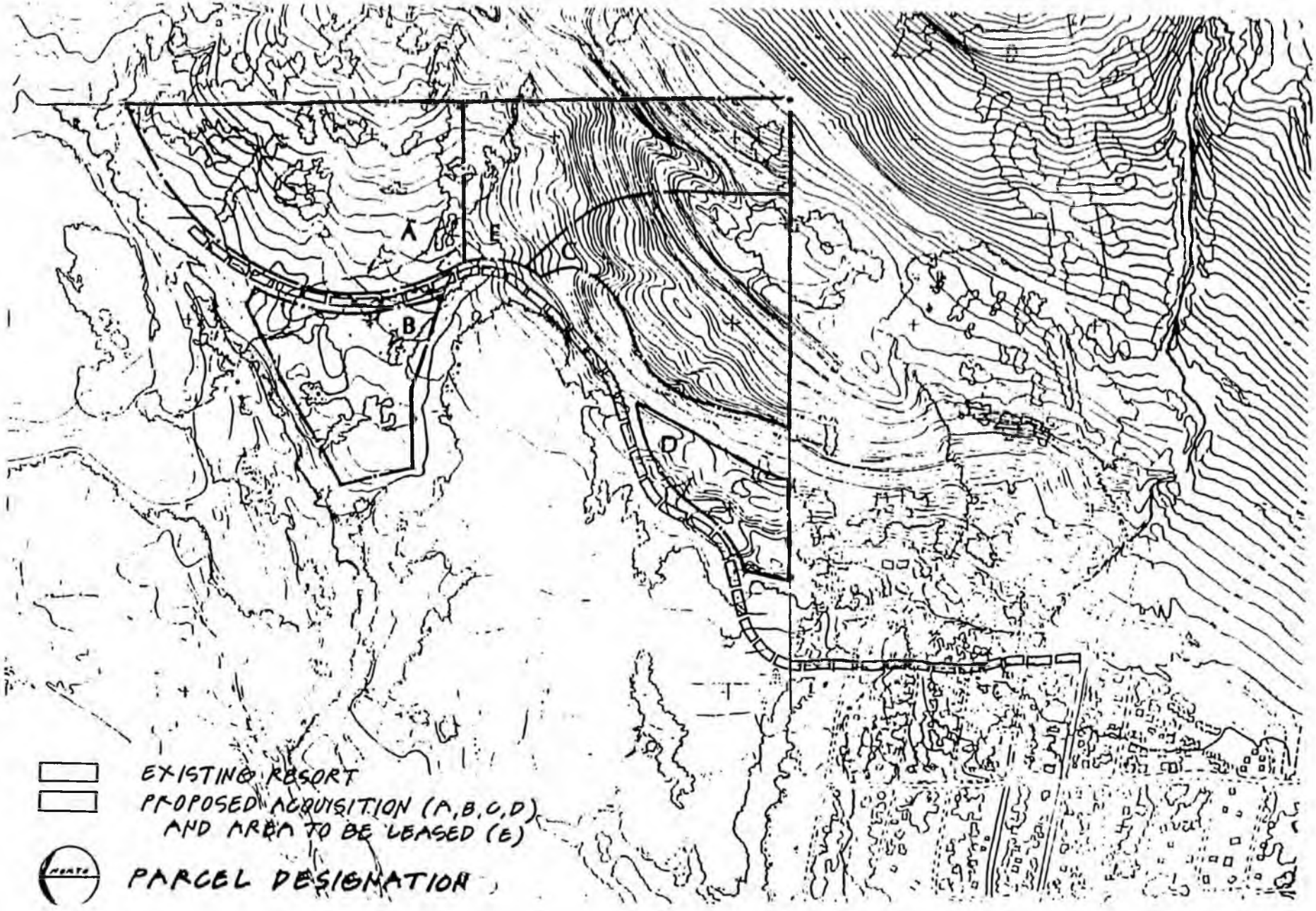

A
B
C
D
E
EXISTING RESORT
PROPOSED ACQUISITION (A,B,C,D) AND AREA TO BE LEASED (E)
PARCEL DESIGNATION

IV. The Site

Alyeska Resort is located in Glacier Creek Valley at Girdwood, 40 miles south of Anchorage on the Seward Highway. Alyeska's location on the state's major highway system and near Anchorage International Airport make it very accessible. Alyeska presently serves as a local destination resort to skiers from Anchorage, as well as serving regional skiers from Fairbanks (400 miles north) and the Kenai Peninsula (100 miles south). A record number of 145,000 skier visits was recorded in 1985-86, representing a 20% increase over 1984-85 which was also a record year for skier visitation. Alyeska/Girdwood is designated as a distinct management and planning area within the Municipality of Anchorage.

Glacier Creek Valley is bordered on the east and north by the Chugach National Forest and on the west by Chugach State Park. These public lands provide opportunities for hiking, mountain climbing, fishing, camping, cross-country skiing and late season glacier skiing. In addition to visitors using these recreation resources, many tour groups use Alyeska as a stopover on the way to Portage Glacier. These factors have resulted in summer visitation of 35,000 to the area as reflected by annual foot passengers on the Alyeska lift system for the last two seasons.

Alyeska Peak and Max's Mountain, the ski terrain for the resort, lie in the center of the southern Chugach mountains along the eastern edge of the Glacier Creek Valley. The Chugach Mountain Range is extensive rising to a maximum height of 13,717 ft. (Mt. Marcus Baker) about 25 miles from tidewater. Approximately 200 miles long by 50 miles wide, the range contains an abundance of high, heavily glaciated mountains with deep valley floors generally near sea level. The watershed divide, about 10 miles east of Alyeska Resort, separates Prince William Sound to the east and Cook Inlet to the west.

Land uses surrounding the existing resort include a variety of residential densities and tourist oriented commercial uses which are compatible with the proposed expansion of the Alyeska ski facilities. Development south of the resort area consists predominantly of single family dwellings and some multi-family dwellings. The resort lodge and ancillary facilities are south of the ski slopes. slopes. Adjacent to the resort lodge on the north is a concentration of condominium units.

The west side of the acquisition areas is defined by Moose Meadow, a wetland which has been designated for park use as an Environmental Reserve under the Anchorage Park and Greenbelt Plan and revised Turnagain Arm Comprehensive Plan.

These existing land uses restrict the resort's options for expansion in any direction other than north to the proposed acquisition areas. The subject property, Parcels A, B, C and D, and the leased Parcel E are located north of the existing Resort and immediately west of the Chugach National Forest and lie within the following tracts:

Number One

Tract Nine "B" (9-B), of Section 9, Township 10 North Range 2 East, Seward Meridian, in the Anchorage Recording District, State of Alaska, and;

Number Two

All that portion of Tract B of Alaska State Land Survey AK-149, according to Plat 84-446, filed in the Anchorage Recording District, State of Alaska, lying within the NE 1/4 of Section 9, Township 10 North, Range 2 East, Seward Meridian.

A. PARCEL DESCRIPTION

The Acquisition Master Plan (January 1986) identified five primary use areas for the proposed acquisition area (Parcels A, B, C, D) and land to be leased (Parcel E). The uses proposed in the Acquisition Master Plan and refined herein are all related directly to the resort expansion.

Parcel A: The largest of the parcels - approximately 31 acres in size - this area is located at the north end of the Arlberg Extension Road, bordered by the Chugach National Forest on the east and Arlberg Extension on the west. This parcel will be the location of the major resort hotel facilities, village center, and aerial tram to the skyride restaurant.

Parcel B: Approximately 21.8 acres in size. Parcel B will serve as a main resort parking area for day skiers and visitors to the village center. The parcel is located immediately west of Parcel A and is bordered by Moose Meadow and South Moose Meadow Creek on the south, Arlberg Extension on the east, and North Moose Meadow Creek on the north.

Parcel C: Parcel C is approximately 23 acres in size and is planned to provide for additional resort bedroom units in a future phase. It is located on the east side of Arlberg Extension, but borders the road for only 100'.

The Winner Creek Trail Corridor provides the remainder of its western border. Immediately to the south is existing Alyeska property and Secret Pond. Parcel E defines the eastern border.

Parcel D: This is the smallest of the parcels - approximately 9.8 acres - and is also designated for additional resort units in a future phase. It is the first parcel served by Arlberg Extension, its northwestern border. The Winner Creek Trail corridor runs the length of its eastern border and existing residential development is immediately south.

Parcel E: This parcel, to be used exclusively as ski trails linking existing Alyeska facilities and ski slopes with the proposed hotel/village center on Parcel A, is approximately 27 acres in size. Chugach National Forest lies immediately east. Parcel A is to the north, existing Alyeska land to the south, and Parcel C to the west. Parcel E will be leased from the Municipality of Anchorage.

B. NATURAL CONDITIONS AND CONSTRAINTS

1. WEATHER AND CLIMATE

The Girdwood climate is generally characterized as subarctic, which is defined as one to four months with mean monthly temperatures greater than 50°F and at least one month with a mean monthly temperature 32°F or colder.

The recently revised Turnagain Arm Comprehensive Plan (March 1987) states that area climatological records provide only a generalized picture due to the short period of record. Until 1979, weather stations were located at Girdwood (50 feet msl) and at Alyeska (250 feet msl). Since the Girdwood weather station was closed in 1979, temperature and precipitation information are available from Alyeska and wind data from the old Girdwood Train Station area. Furthermore, until fairly recently, the collection of weather data in Girdwood tended to focus on the winter months.

Average winter temperatures typically range from 16°F to 22°F, although they occasionally drop to -25°F, with January and February tending to be the coldest months. Winter weather at Alyeska is typified by periods of cold, stable weather followed by long periods of warm, inclement weather. These patterns are produced by the interaction of the extremely cold, dense, high pressure systems that develop over interior Alaska in the winter, and the relatively warm, moisture-laden, low pressure systems produced in the Gulf of Alaska. Although these systems are typical, occasional periods of cool, cloudy weather with very little precipitation are also experienced.

Storms generally create an airflow from the southeast, producing heavy precipitation on the east side of the mountain range and light precipitation on the west. Girdwood averages 67 inches of precipitation annually compared with 171 at Whittier and 27 inches at Anchorage. Similarly, the winter snowfall in Girdwood of 144 inches exceeds that in Anchorage of 52 inches.

Although stormy periods consistently generate snow above the 2,000 foot level in the winter, either rain or snow may occur at sea level. This freezing at higher elevations occasionally results in a shortage of snow at lower elevations. The elevation factor is evident in the average December to April snowfall on the mountain: base (100 feet) 144 inches; midway (1,700 feet) 455 inches; Chair #2, the top of the lift-serviced area (2,800 feet) 527 inches.

Periods of clear winter weather may prevail for as long as a month when low sunlight angles cause a daily net radiation loss. During such extended periods of cold weather, temperatures gradually decrease, reaching -20°F or lower in the valley. Generally, such conditions remain unchanged until a very large, low pressure system moves the dense, cold air mass from the region.

The highest wind velocities experienced at Alyeska typically occur from the northeast and sweep across the upper mountain chairlifts. Wind related closures on Chairs 1, 2, and 4 average about seven days per year. Chairs 1 and 4 are affected between Prusik Rock and the Skyride Restaurant, while Chair 2 receives the greatest wind in the vicinity of the "5 tower area" and near the upper terminals. During periods of high winds, lifts C-1 and C-5 are not required to shut down.

Average summer high temperatures are in the 70s, with occasional highs in the 80s. Summer lows are typically in the 40s. The warmest month in Girdwood is July, followed by August and June.

Based on records for the past five years, average summer precipitation was two inches each in June and July, four inches in August, and six inches in September. Total monthly precipitation varies between 0.2 inches and 28.1 inches with the annual monthly precipitation at 5.2 inches. Annual totals have been as low as 3.2 inches and as high at 99.7 inches.

2. GEOLOGY AND SOILS

The Glacier Creek valley traverses a thick Mesozoic marine deposit that extends through the Chugach mountains. The valley was enlarged by glaciers during the Pleistocene when ice filled it to 1,500 feet. As the ice melted, unconsolidated materials (diamicton) were deposited on the valley floor. Occasionally, Turnagain Arm encroached on the valley leaving marine deposits of mostly fine grained material. Deposits of both marine and glacial origin have been reworked locally by stream action. Colluvium continues to be deposited on hillsides, a result of the downslope movement of rock or other materials caused by gravity. These various unconsolidated deposits overlie the bedrock typically in depths ranging in thickness from 90 feet near Glacier Creek to two feet or less on the side slopes.

A preliminary geotechnical investigation (See Appendix - Sec. X) was undertaken to obtain a general understanding of the subsurface conditions and to evaluate the impact on the Phase I development. The study area included Parcels A and B as well as the adjacent portions of Arlberg Avenue.

The project area was found to have a surface layer of brown peat up to 10.5 feet thick, but generally about one to three feet thick. This peat is wet to saturated and soft. Below the peat there is a layer of silt or silty clay which has a low plasticity and contains sand and angular pieces of gravel. These silty soils are generally deep to saturated and firm. It appears the water table is perched in the peat and is constrained by the fine grained soils below. Beneath the silty soils there is a very dense glacial till which consists of a silty gravel.

The area identified as Parcel A has been overlain with a deposit of silts, sands and gravels. These deposits are relatively loose and are generally saturated. The base of this stratum is delineated by a layer of peat and ash. The deposit is up to about 20 feet in thickness and has been mapped by the U.S. Geological Survey and the Alaska Division of Geological and Geophysical Surveys as an alluvial fan deposit.

The groundwater at the site is relatively near the ground surface. It appears to be perched above the silts or silty clay found below the peat. During the drilling, water was present at the ground surface (manifested as seeps) over much of the northeast portion of the site.

A generalized geologic map was prepared for the expansion area based on the geologic units described in the 1974 U.S. Geological Survey report by Chester Zenone, "Geology and Water Resources of the Girdwood-Alyeska Area, Alaska." The extent of the units and their engineering characteristics were refined based on the field exploration and laboratory tests.

The map identifies alluvial deposits which occur along Glacier Creek and the alluvial fan encompassing Parcel A; colluvium and/or bedrock which characterizes most of Parcels C, D, and E; and glacial or marine deposits underlying Parcel B and the Moose Meadow. Areas where these latter deposits are overlain by five or more feet of peat are also identified. A description of these units and the associated engineering considerations are shown on the map and accompanying chart included in the Appendix - Section X.

Earthquakes in the area are associated with the Pacific Rim Fault System and occur several times a year. Major earthquakes can be expected to damage numerous buildings in the valley which sit on deep beds of unconsolidated alluvium and clay. Although the 1964 earthquake resulted in only modest damage to the resort facilities, it also produced major snow avalanches from the face of Max's Mountain, which damaged Chair 1 in several locations. The greatest potential impact would be an earthquake triggered avalanche during operating hours. If the seismic activity is large enough to trigger a slide off the face of Max's Mountain, several lifts, the Day Lodge, the Aid room, proximate dwelling units, as well as skiers would be endangered.

No major subsidence of land has been noted in the area other than occasional, small rockfalls from steep slopes. Major rockfalls and slumps can be minimized if proper site drainage is provided as part of road and ski trail development. The terrain for ski development has been limited to those areas that would permit trail construction and improvements without major geologic disturbance.

3. SURFACE HYDROLOGY

Alyeska Resort and the proposed expansion area lie within the Glacier Creek Valley which flows from peaks exceeding 6,000 feet in the north, to Turnagain Arm in the south. The lower section of Glacier Creek exhibits a braided channel with a broad floodplain. The U.S. Army Corps of Engineers has identified much of the lower valley as lying within the 100-year floodplain.

According to the Chugach National Forest Environmental Atlas (USDA 1981), mean annual runoff per square mile is approximately 2 to 3 cfs with 50-year flood flows as high as 60 to 100 cfs per square mile. A hydrograph for Glacier Creek, derived from USGS gaging data collected downstream of the project area is included within the Conservation Wetlands report in the Appendix - Section X.

Alyeska Creek flows from the glacier on Alyeska Peak, through the existing resort area, and into Glacier Creek. The proposed expansion lands are tributary to North and South Moose Meadow Creeks, which enter Glacier Creek approximately 4,500 feet upstream of Alyeska Creek. North Moose Meadow Creek defines the northern limits of this project. South Moose Meadow Creek flows defines the southern extent of parcels A and B.

Water quality in the Glacier Creek basin is generally good. The streams are clear with low levels of dissolved and suspended solids. Siltation occurs intermittently, mainly during periods of unusually heavy rainfall or during spring runoff. Revegetation of disturbed slopes will minimize siltation levels.

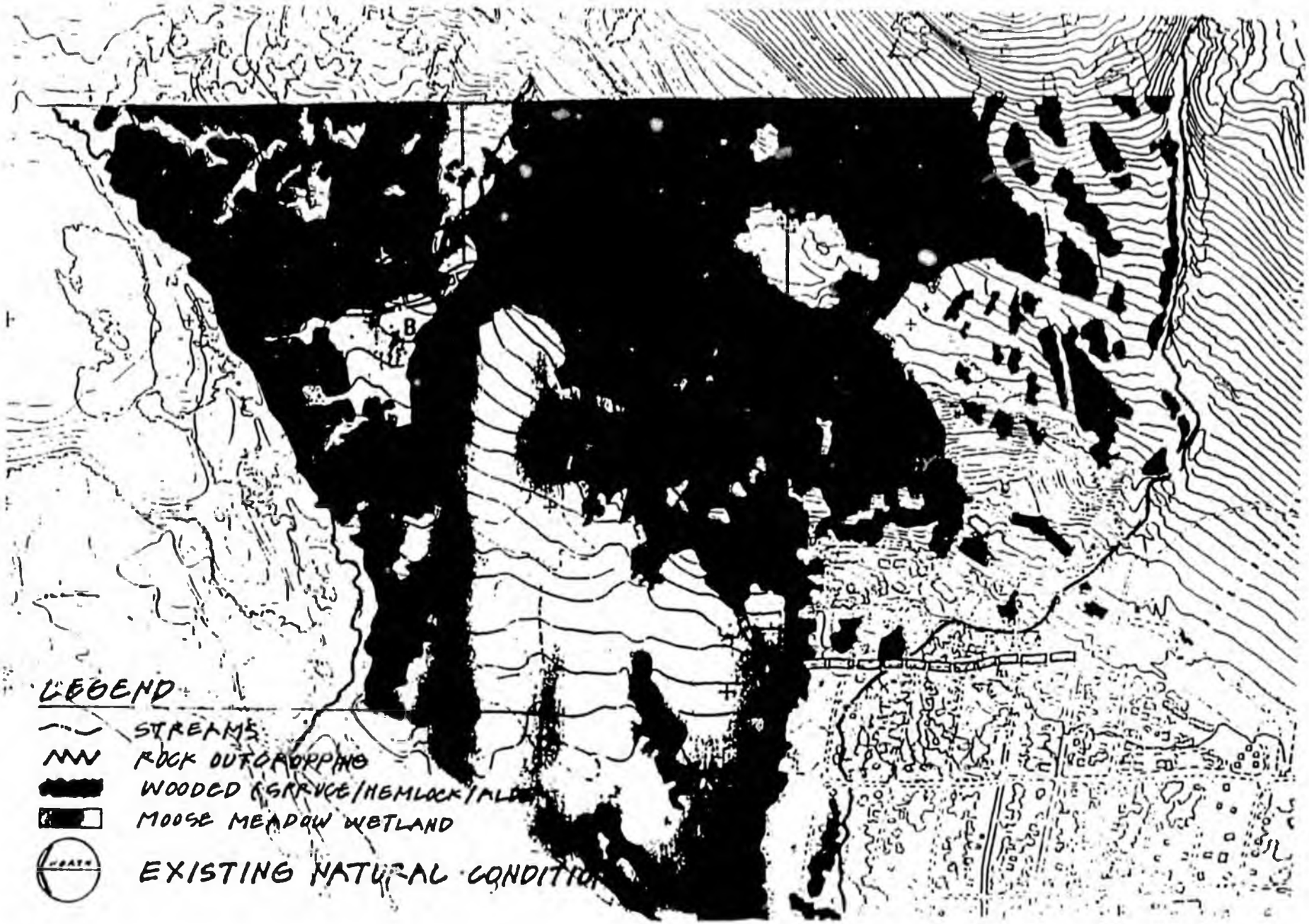
Previously, when septic tanks were still used, overflows and leakage caused contamination of the surface water downstream of the project area. The problem has been corrected with the installation of a community sewer system by the Anchorage Water and Wastewater Utility.

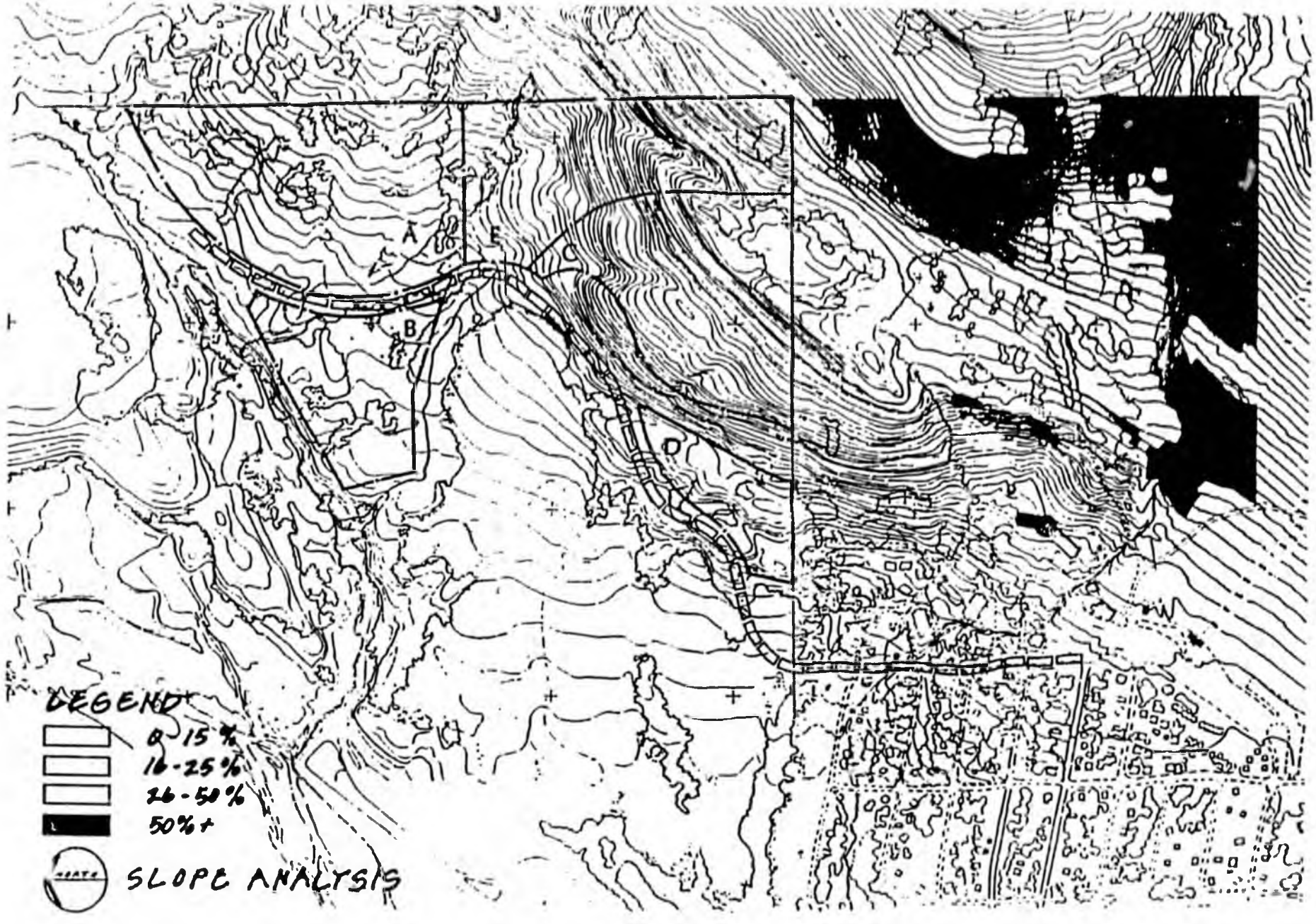
Water resources in the region are used for mining operations, domestic and industrial water supply, hydropower, agriculture, transportation, forestry operations, and fisheries. The creeks adjacent to the proposed development are tributaries to anadromous fish streams. No other uses of the water resources of the site or those nearby have been identified.

4. VEGETATION

The lower mountain slopes, such as those in the vicinity of Parcel A, consist of an open mixed forest overstory, dominated by mountain hemlock, white and black spruces, and paper birch. The shrubs and groundcover include blueberry, bluebell cranberry, huckleberry and bunchberry, sporadic alder and devil's club, lowbush cranberry, various species of Rubus, and ferns and mosses. The slopes above 2,000 feet are characterized by meadows of heath and native grasses.

Construction of ski trails from 1961 to 1970 has reduced the vegetative cover in places, the most notable being the Sterling, Waterfall and Powderlift trail and lower Racing Trail areas. Erosion has created small gullies in some of these locations. In recent years, an effort has been made to re-establish vegetation.


LEGEND
STREAMS
ROCK OUTCROPPING
WOODED (SPRUCE/HEMLOCK/ALDER)
MOOSE MEADOW WETLAND
EXISTING NATURAL CONDITION


A
B
C
D
E
LEGEND
0-15%
16-25%
26-50%
50%+
SLOPE ANALYSIS

The Mouse Meadow and a portion of Parcel B consist of an open meadow with generally flat topography. The wetland area is a low and dwarf shrub scrub community with minor black spruce intrusions, surrounded by older and open mixed forest uplands.

Within the wetlands the woody species are denser on the higher areas, and thin to the point of nearly disappearing in lower, wetter areas. The wetland vegetation association is dominated by willow, dwarf birch, cinquefoil, crowberry and cranberry in the woody component, and grasses and sedges, sphagnum and other mosses.

C. SLOPE ANALYSIS

The proposed expansion site exhibits a variety of terrain (See Slope Analysis Map) with several areas having steep slopes (greater than 25%). Of the approximately 112.6 acres comprised within Parcels A, B, C, D and E, roughly 21 acres have slopes greater than 20%. The steepest slopes lie at the southern end of the site, just north of the existing resort. Both Parcels C and E have predominantly steep slopes ranging from 15% to 50%.

Parcels A & B are situated on the gentlest slopes of the site as the land transitions from the base of the mountain to Moose Meadow. Parcel A has an average slope of just under 10% which is quite suitable for the proposed hotel and village center development. Parcel B has an average slope of less than 5% and is ideally suited for parking to serve the proposed uses on Parcel A. Parcel B's location with respect to the Moose Meadow wetland will require sensitive treatment of parking areas to afford minimum impact on the meadow and the streams which define the northern and southern edges of the parcel.

Parcel C has a mix of slope conditions ranging from the relatively flat area in the vicinity of Secret Pond to very steep (30 to 35%) as the parcel transitions at Moose Meadow. There is, however, an area of more gentle slope running diagonally through the parcel in a northeast and southwest direction. Within this 400' wide bank, slopes are in the 15% range providing approximately 9 acres of area suited for resort development.

Parcel D lies at the foot of the mountain and slightly above Moose Meadow. Slopes on this parcel are generally between 10 to 15% and offer no constraints to future development.

Slopes on Parcel E transition from a range of 40 to 50% at the southern edge of the parcel, adjacent to the existing ski slopes, to approximately 10 to 15% at the northern edge adjacent to Parcel A. This provides for excellent ski linkage from existing slopes to the proposed hotel development on Parcel A. Further, the aspect of the slopes relative to Parcel B should allow skiers to ski back to the parking areas. This will help distribute the load on pedestrian, vehicular and shuttle circulation systems.

D. SOLAR ORIENTATION/VIEWS

The resort center expansion area is north to northwest of Alyeska Mountain at the base of its slopes. The position of the parcels with respect to adjacent mountains and the low winter sun angle limits their exposure to direct sunlight during the winter ski season. This orientation implies that careful siting of the hotel facilities will be required to take advantage of the limited opportunities for sun exposure.

The parcels do offer numerous panoramic mountain and valley views (See Solar Orientation/Views Map). Several locations have dramatic vistas to Turnagain Arm. The hotel site on Parcel A affords a range of views. From the highest elevations at the rear (east) of the parcel there are views to the glaciers at the north end of the valley as well as down the valley towards Turnagain Arm to the south. This site will also offer views of Alyeska Mountain as a backdrop and to the proposed ski trails on Parcel E.

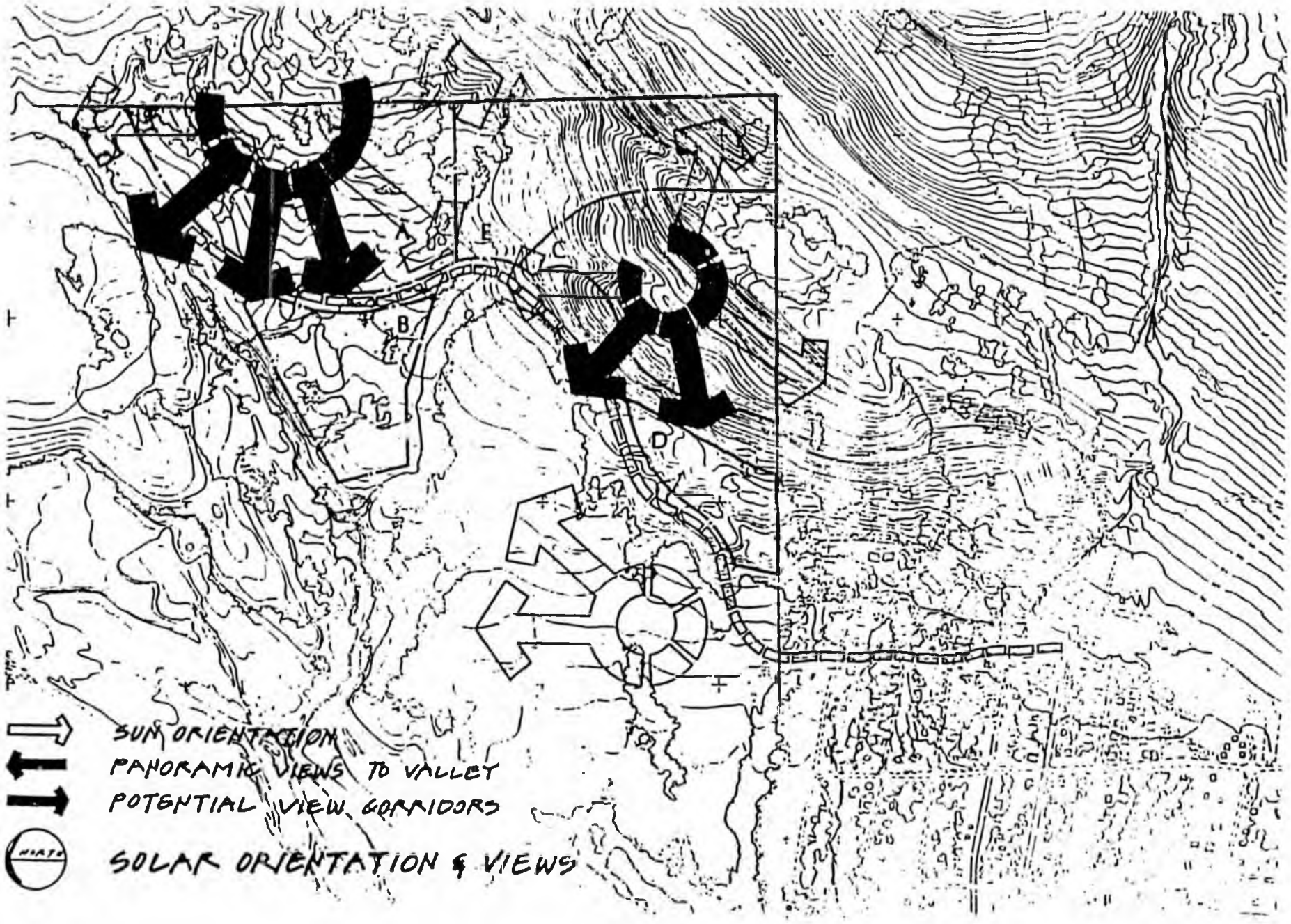
The elevation of Parcel D provides dramatic vistas of the Glacier Creek Valley, Moose Meadow, and the distant mountains as well as the existing and proposed ski slopes. Just southeast of Parcel C a small pond, Secret Pond, provides an especially beautiful setting with views in all directions of the valley and ski facilities. The Secret Pond area is intended to remain as a natural open space amenity.

E. LAND USE REGULATIONS

The subject property lies within the Municipality of Anchorage and is thus subject to local zoning ordinances. Land within the Turnagain Arm area, south of Potter Marsh, is zoned R-11 under Title 21 of the Anchorage Municipal Code. This district permits uses which conform to the Turnagain Arm Comprehensive Plan (MOA, revised 1979) recognizing that "flexible controls (are) required" to deal with anticipated growth.

According to Title 21, the R-11 zone was established in order "to provide flexibility in the design and planning of land uses while providing control over major developmental activities and their impacts". The purpose of these controls is to "integrate site design with unique scenic and environmental features". The Resort Development Master Plan and conditional use permit which is required for the proposed Alyeska development are employed to "provide review for major development activities" which exceed the defined development thresholds (tied to numbers of lots or units and building size) within the ordinance. The objective of the conditional use process is to ensure compatibility of the proposed development with existing uses. A public hearing will be required to consider the physical aspects (i.e., height, bulk, exterior treatment, access, landscaping) of the proposed development.

The proposed development must also comply with the 1984 Anchorage Park and Greenbelt Plan which designates Moose Meadow as a "reserve" because of its environmental significance and identifies low intensity recreational use as appropriate. The plan categorizes "reserves" as areas "defined by their unique physical characteristics and community held values". While the plan recognizes the proposed Alyeska expansion and the necessity for an access road which crosses a small portion of the Meadow, it expects the resort to "minimize the visibility of the development in order to maintain the woodland edge while providing public access to the Meadows."


A
B
C
D
E
SUN ORIENTATION
PANORAMIC VIEWS TO VALLEY
POTENTIAL VIEW CORRIDORS
SOLAR ORIENTATION & VIEWS

The proposed development must also respond to the Municipality's trail plan for the Girdwood/Alyeska area. This plan, a joint effort of the Anchorage Parks and Recreation Department and the Community Planning Department, identified two trails which affect the acquisition area:

- Moose Meadow Trail, which follows the wooded fringe of Moose Meadow.
- Winner Creek Trail, which provides linkage from Girdwood to the Winner Creek area and also provides access from Moose Meadow to existing lodge facilities.

It is the intention of the trails plan that these trails are to be built by the Municipality for use by pedestrians and cross country skiers.

F. EXISTING INFRASTRUCTURE

1. WATER SYSTEM

The Girdwood/Alyeska area is currently served by three privately-owned and operated water systems. The systems are fed by groundwater sources and distributed by relatively small diameter distribution mains. Some residences are served by individual wells. The only water treatment by the utilities is chlorination at the source.

The Alyeska Subdivision System which services the existing resort and the Alyeska Subdivision operates two wells which produce 300 gpm and 175 gpm or approximately 684,000 gallons per day. This system appears to meet the present needs although water shortages occasionally occur during peak demand periods. Typically, two-thirds of the daily water use occurs between 2 and 8 p.m. The peak demand is further aggravated by water loss due to leaks in the distribution lines. The combined peak demand cycle and the leaks create a usage of 541 gpm compared to a maximum generation of 475 gpm under the most favorable conditions. the 100 gpm shortfall may be corrected through distribution system repairs.

The water is characterized by relatively high amounts of iron and manganese resulting in mineral stains on fixtures and a brackish taste. Samples taken by the Anchorage Water and Wastewater Utility (AWWU) in 1984 contained visible solid particles.

A permanent, year-round water source is not currently available to the Skyride Restaurant. Alyeska developed a water source and water line from the base of the glacier above Chair 2 to serve the restaurant facility. However, the water flow ceased during the winter, requiring Alyeska to reinstitute the labor intensive delivery system which had been used in the past. Water is presently transported to the restaurant on Chair 1 on a regular basis. Expansion of the seating capacity and food service capabilities will require developing a sustained water source by devising a more efficient means of transporting water or constructing a water storage facility.

The existing Alyeska Resort water source cannot be relied upon to provide water of sufficient quantity or quality to meet the operational and fire-flow requirements of the proposed expansion. Therefore, a new private water source and distribution system will be provided by Seibu Alaska, Inc. to serve the proposed development. The new source will be designed to eventually replace the existing Alyeska Subdivision water source.

2. SANITARY SEWER SYSTEM

The existing sanitary sewer system which services the Girdwood/Alyeska area was designed for a capacity of 14,700 residents. It is owned and operated by AWWU. The system terminates with a 20-inch diameter pipeline at an advanced secondary treatment plant where the sewage is treated and discharged to a percolation pond. An overflow at one corner of the pond discharges to Glacier Creek.

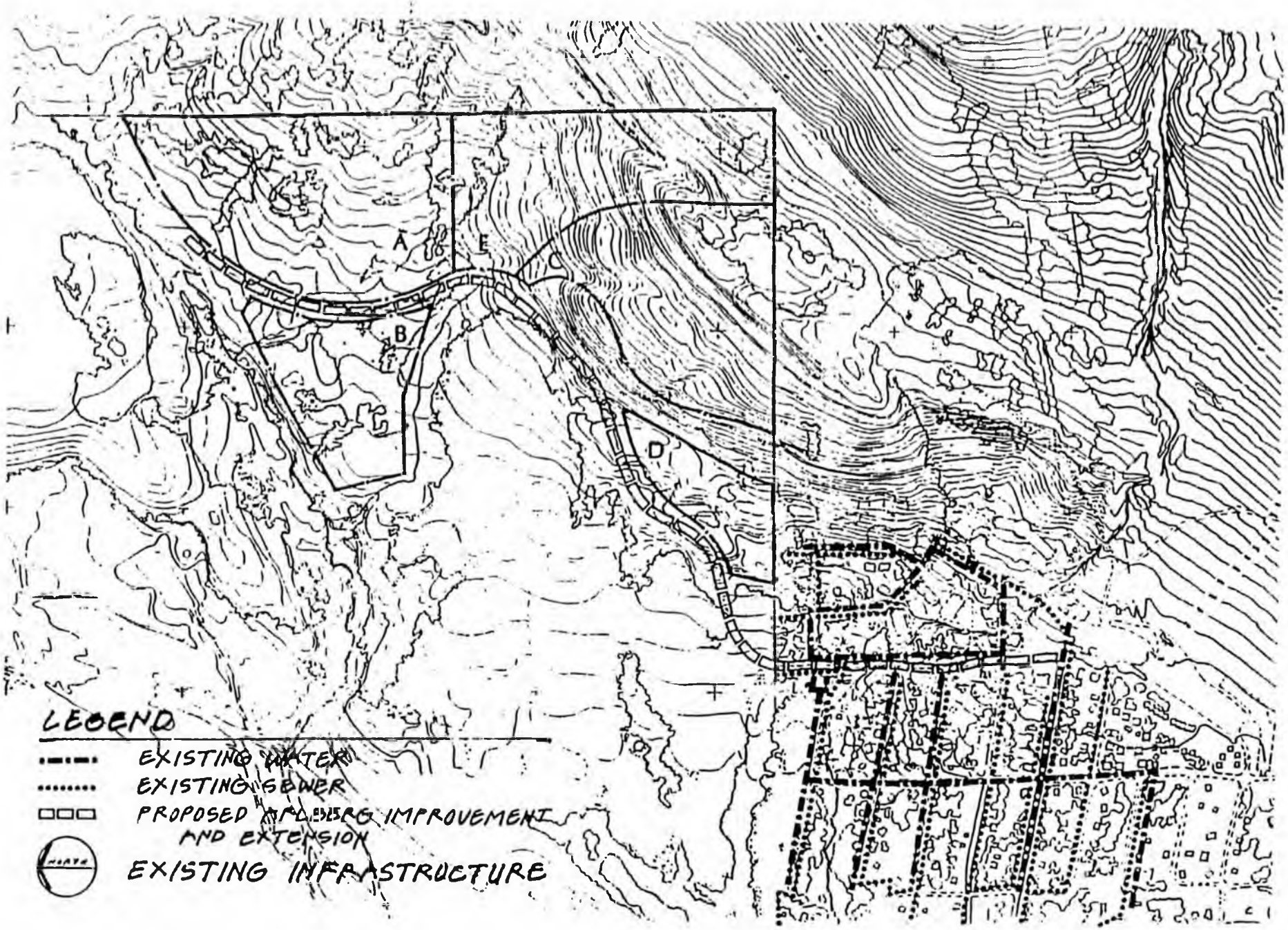
According to the AWWU July, 1985 "Girdwood Sewer Master Plan Update", the existing system is adequately sized to serve the saturation development conditions of the current service area with additional capacity available to provide service to undeveloped areas. The Plan also states that the existing treatment plant loads are significantly less than those used for design purposes. According to AWWU projections, the treatment plant should not require expansion until 1995 if certain system maintenance procedures are undertaken.

The Skyride Restaurant presently utilizes a low volume flush chemical system, which drains into a large holding tank. The tank is periodically pumped into a 500 gallon tank, which is then transported on a snow cat to the base area for disposal. Numerous ski areas use this form of sewage disposal for upper mountain food service facilities.

Further expansion of the restaurant facility will require either the development of a permanent sewage treatment system or the hauling of effluent on a more frequent basis.

3. CIRCULATION

Direct access to the expansion area will originate at the northerly terminus of Arlberg Avenue, identified in the MOA Official Streets and Highway Plan (OSHP) as a collector street. The existing dedicated right-of-way of this street is 60 feet. As stipulated by the Development Agreement between Seibu Alaska, Inc. and the Municipality of Anchorage, Arlberg will be reconstructed from its intersection with Edelweiss and extended northeast, skirting Moose Meadow, to serve the proposed development parcels. This extension will maintain at least the existing 60' right-of-way of Arlberg Avenue and eventually terminate at the north edge of Parcel A.


A
B
C
D
E
LEGEND
EXISTING WATER
EXISTING SEWER
PROPOSED PAVING IMPROVEMENT AND EXTENSION
EXISTING INFRASTRUCTURE

4. POWER

Power is supplied by Chugach Electric. System failures occur periodically, requiring the resort to use standby generators for ski lift operation, etc. The existing system will require upgrades in conjunction with base area expansion.

5. COMMUNICATION

Public telephone communication at Alyeska is provided by Anchorage Telephone Utility. For internal operating needs, the resort uses a radio communication system consisting of two base stations, twenty portables, and one mobile unit.

6. FUEL STORAGE

Diesel and gasoline fuels are presently stored west of Chair #5. During the summer of 1987, fuel storage will be moved to the new maintenance facility. A 5,000-gallon diesel tank and a 1,000-gallon gasoline tank will be installed at that time, according to the terms of the Conditional Use Permit granted for the maintenance facility by the Municipality.

C. REGIONAL CONTEXT AND OPPORTUNITIES

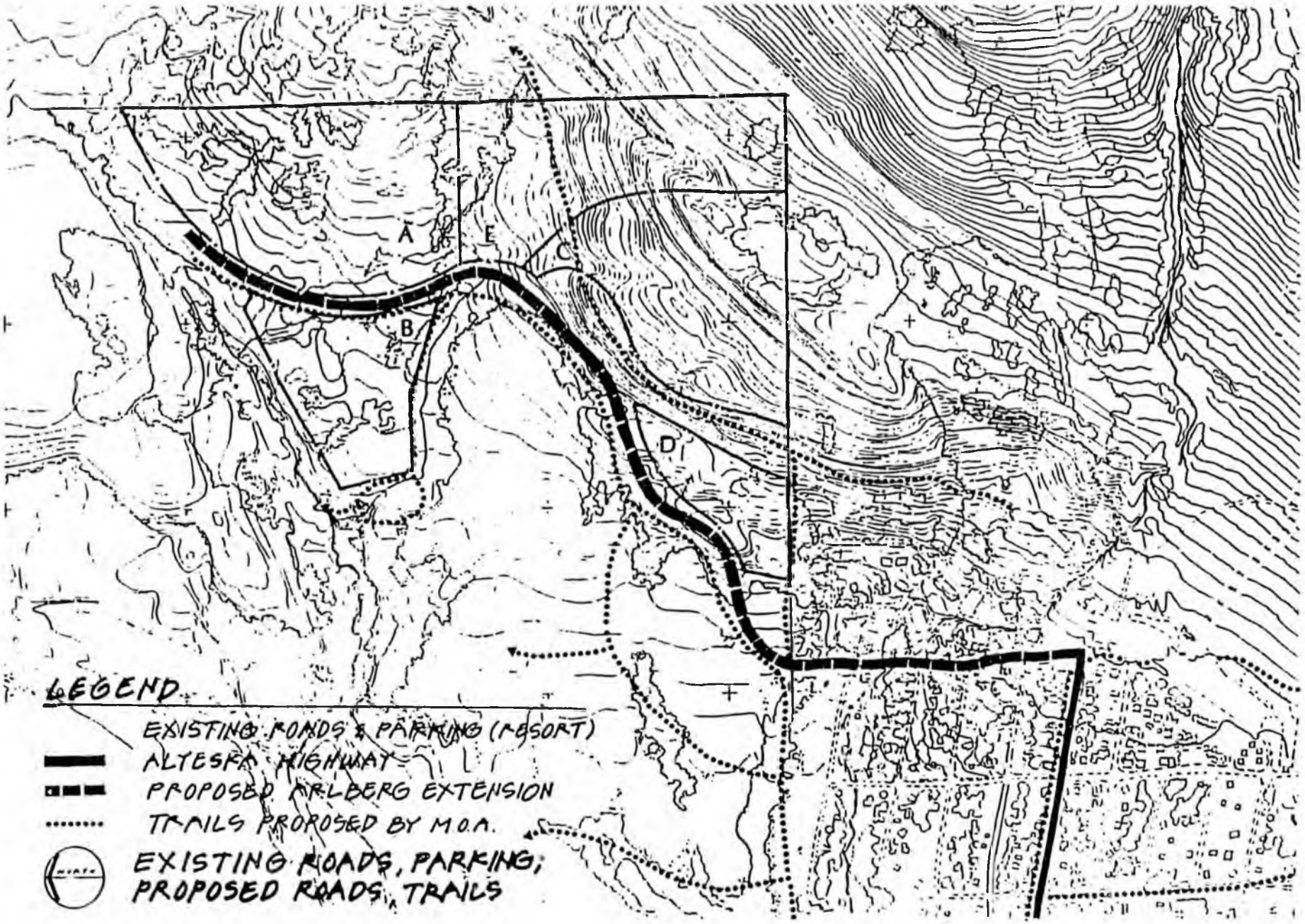
The attractiveness of the valley as a source of recreation is compelling and a number of studies prepared by the Municipality of Anchorage address this issue. Presently, the Alyeska Ski Resort represents the major source of recreation to the valley as a destination for skiers primarily from Anchorage. Additionally, the valley is served by several trails and provides excellent opportunities for hiking, camping and cross country skiing. The expansion of the trail system as an objective is represented in the Municipality's Trails Plan and its Park, Greenbelt and Recreation Facility Plan. These plans propose a fabric of trails into the valley supporting year round activity. One of the objectives of the Alyeska Master Plan is to accommodate this trail expansion by providing sufficient corridors for their extension. The Phase One Hotel will provide for additional visitors to the valley and, with the tram to the Skyride Restaurant, will improve the Resort's ability to serve visitors on a year round basis.

There are a number of critical issues concerning the balance between the fragile nature of the valley and the opportunities for expanded recreation potential as identified by the Municipality of Anchorage and the U.S. Forest Service. Uses discussed as appropriate for the valley such as golf, glacier skiing, and expanded skiing at Winner Creek have a direct bearing on the future of the Alyeska Resort. Golf, for example, could provide an important link to the Resort and would further support its use as a four-season destination. The winter use of such a course for cross country skiing would also be in concert with the objectives for creating a multi-use and multi-seasonal resort facility.

If the expansion of future alpine skiing were realized at Winner Creek Mountain as identified by the Forest Service , the expanded resort facilities and ultimately the Resort Village Center, could support Winner Creek opportunities by serving as a base, thereby minimizing penetration into the valley. The impact of expanding recreation opportunities must be evaluated against the associated traffic and parking implications. The parking area on Parcel B could help ameliorate such future pressure on the valley. The introduction of golf into the valley, either on the valley floor or higher up the slope into Forest Service land, could be served from Parcel B parking. The club house could be located appropriately on either Parcel B or A.

In addition to the expanding recreation potential of the valley there are several functional opportunities which resort expansion will address and accommodate. The alignment of the Arlberg Extension corridor is positioned to provide for its future extension by the Municipality of Anchorage to Crow Creek Road. This extension would create a loop road system for the valley which would ease circulation while providing visitors with additional exposure to the valley and its glaciers. Making this connection before Crow Creek's confluence with Glacier Creek would adequately serve circulation needs and would insure necessary control over the potential negative impact of the automobile on the fragile valley's beauty.

The Alyeska Resort Village Center will support multi-season destination objectives as well as provide additional recreation, entertainment and employment opportunities for the residents of Girdwood and Anchorage. The aerial tram will be the focus of the Resort Village Center and will be a significant addition to Alyeska. With a vertical rise exceeding 2000 feet, the tram ride linking the Hotel/Village Center area with the Skyride Restaurant will become a popular year-round attraction. The notion of the Hotel/Village Center complex serving as a focal point of activity and service at Winner Creek is opened to skiing is a compelling one for future consideration.


A
B
C
D
LEGEND
EXISTING ROADS & PARKING (RESORT)
ALYESKA HIGHWAY
PROPOSED ARLBERG EXTENSION
TRAILS PROPOSED BY M.O.A.
EXISTING ROADS, PARKING,
PROPOSED ROADS, TRAILS

V. Market Research

A. INTRODUCTION

The Alyeska Resort Marketing Department has administered several skier questionnaires in the last few years. The most recent surveys were conducted in March and November of 1986. The first survey was primarily designed to yield skier profile data. Questions were also included which measured satisfaction with various aspects of resort service and awareness of marketing efforts. The survey was administered at lift lines, and in skier service facilities by 5 trained interviewers working in staggered shifts. 823 valid surveys were completed during the nine-day sampling period. The second survey was intended to illicit feedback on plans for resort expansion, including a new hotel. This survey was mailed to 250 households and received only a 27.6 percent response. Results of both surveys are summarized below.

B. SUMMARY OF FINDINGS

1. ALYESKA SKIER PROFILE

- 50 percent of Alyeska skiers are between 26 and 44 years old. 20 percent are between 13 and 17, and 21 percent are 18 to 25 years old.
- 61 percent of skiers are male.
- 61 percent of skiers have some form of post-high school education and 43 percent have completed post-graduate work.
- Professional and technical professions account for 20 percent of skiers and 22 percent are students.
- 39 percent of skiers have an annual household income of over $50,000, with 24 percent falling between $30,000 and $50,000.
- Skiers classified their ability levels as:

Beginner	10%
Low Intermediate	25%
High Intermediate	40%
Advanced	25%

- In response to the question regarding how many years they have been skiing, respondents answered:

First year	15%
2-3 years	22%
4-5 years	16%
6-12 years	23%
Over 12 years	23%

- 11 percent of respondents learned to ski at Alyeska Ski School, and the majority of current students rated the ski school excellent.
- 32 percent of respondents ski only at Alyeska.
- 38 percent of skiers expect to ski more than 5 midweek days per year. 23 percent of skiers expect to ski more than 5 nights per year.
- Satisfaction with skier services was expressed as follows:

	Good-Excellent	Poor-Average
Lift line length	31%	63%
Lodging accommodations	37%	39%
Base parking facilities	40%	51%
Restroom facilities	39%	60%
Trail signs	59%	35%

2. RESORT EXPANSION SURVEY RESULTS

- Respondents to the survey ski at Alyeska with the following frequency:

1-10 times/year	49%
10-20 times/year	33%
20 or more times/year	21%

- If new resort amenities were added, respondents indicated they would increase their use of the area in the following amounts:

1-5 times/year	28%
5-10 times/year	31%
10 or more times/year	26%

- The five most preferred mountain improvements were ranked as follows:

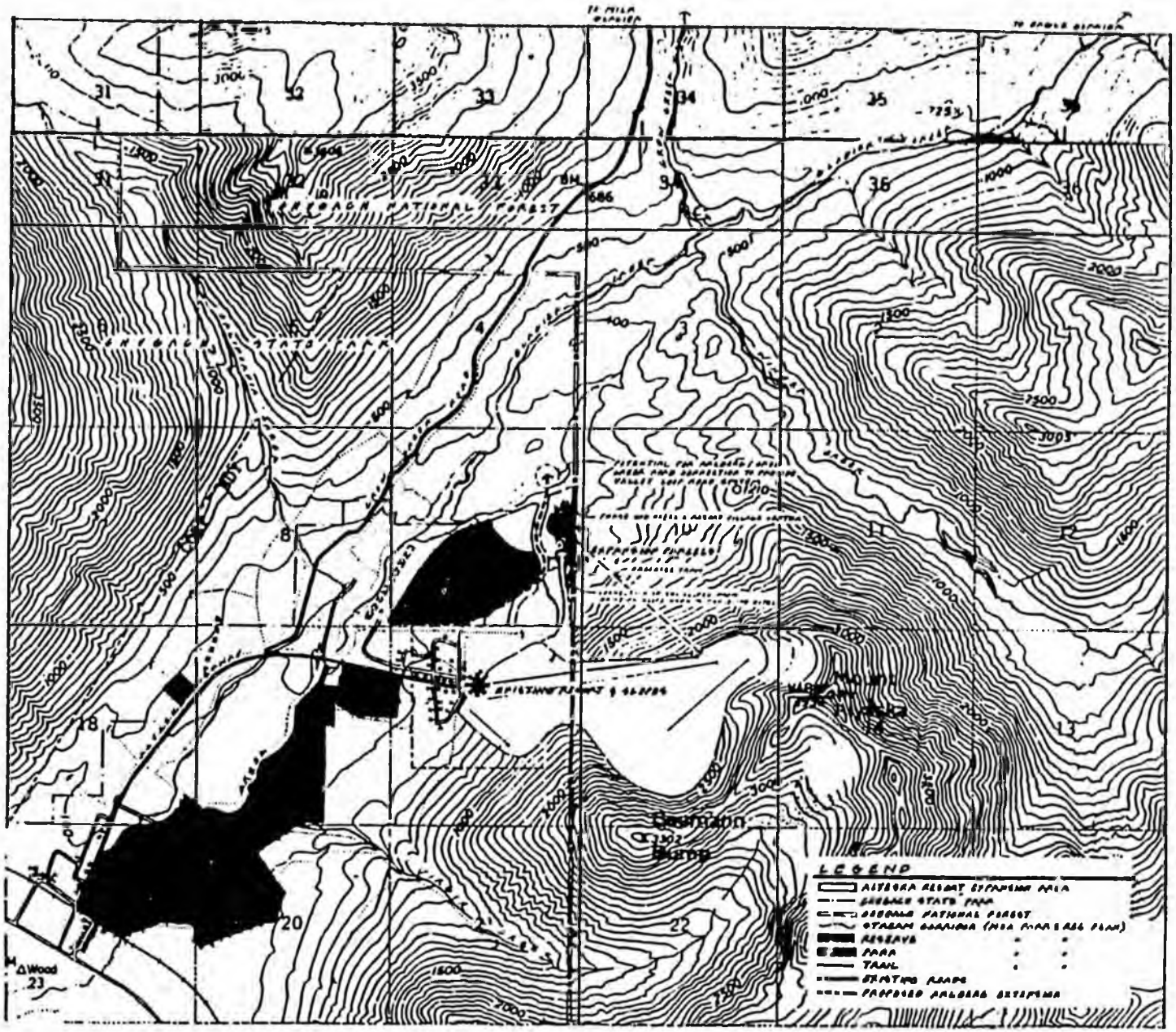
Expanded Upper Mountain Terrain	36%
New Gondola/Tram/Highspeed Lift	26%
Expanded Beginner Terrain	16%
New Day Lodge Facility	12%
Expanded Parking	4%

- The four most preferred leisure amenities are ranked as follows:

Expanded Cross-Country Trails	12%
Hot Tubs and/or Saunas	26%
Variety of Restaurants/Pubs/Lounges	15%
Spa Facilities for Exercise	4%

- 64 percent of respondents preferred Standard accommodations over Economy or Deluxe.
- 46 percent of respondents indicated they would use a new hotel facility. Of this 46 percent, 44 percent would pay $100-$115, 18 percent would pay $115-$130, and 9 percent would pay $130-$150 per night.
- 75 percent indicated they would stay 1-3 weekday nights, while 16 percent would stay more than 3 weekday nights.
- 72 percent indicated they would stay 1-3 weekend nights, while 28 percent would stay more than 3 weekend nights.

These perceptions of the existing ski product offered at Alyeska in addition to skier's preferences as indicated by this and other industry wide surveys have been used in formulating recommendations for the upgrading and expansion of the ski area. This data base should be updated periodically to reflect skier response to improvements and additions undertaken as a result of the master planning process. New skier surveys will also allow Alyeska management to keep abreast of changes in the composition of the skier market, etc.



MASTER PLAN AND PHASE ONE DEVELOPMENT

SEIBU ALASKA, INC.

REGIONAL CONTEXT AND OPPORTUNITIES

VI. Existing Facilities Analysis

A. ENVIRONMENTAL DETERMINANTS AND DESIGN CRITERIA

The upgrading and expansion of Alyeska is influenced by a variety of environmental factors and design criteria that affect lift and trail design and help to create a quality skiing experience. This section will briefly review these factors as they apply to facilities upgrading, replacement or future expansion.

1. FALL LINE

This factor provides for the natural flow of skiers and skier routes which will service ability levels from the top to the bottom. A consistent fall line provides the best recreational skiing experience for the least amount of environmental disruption due to minimal requirements for earthwork during trail construction.

2. SLOPE

The following gradients are used to determine the skier ability level of the mountain terrain.

Beginner	8 to 12%
Novice	to 25% (about 15 degrees to 26%)
Low Intermediate	to 30% (about 16 degrees to 35%)
Intermediate	to 40% (about 22 degrees to 45%)
Advanced Intermediate	to 50% (about 26 degrees to 51%)
Expert	over 50% (maximum 90%)

3. TRAILS

Each trail must have generally consistent grades to provide an interesting, challenging, yet safe skier experience for the ability level for which the trail is designed. Optimum trail widths should range between 100 to 200 feet, depending upon the slope gradient and the caliber of skier served. The trail network must minimize cross-traffic and should provide the full range of ability levels responsive to the market demand. The trails must be designed and/or constructed to minimize or eliminate all fall line conditions.

4. AVALANCHE POTENTIAL AND CONTROL

Alyeska is classified by the U.S. Forest Service as a Class "A" avalanche area, the most serious classification given. Avalanche hazards in the Alyeska area were identified as part of a 1982 study prepared for the Municipality of Anchorage by Art Mears ("Anchorage Snow Avalanche Zoning Analysis"). Avalanches were categorized by degree of hazard based on frequency and destructive potential.

Generally, a moderate hazard avalanche has a return period of approximately 100 years. A high hazard avalanche has a return period of approximately 10 years. These designations by necessity are somewhat broad because of the recent settlement history and relatively short record period.

The existing Alyeska Resort facilities have a well documented (recent) avalanche history. Several avalanches have reached the base area of the ski resort. These have been identified by Mears as being representative of 10-year avalanches.

An avalanche safety program, designed to identify and mitigate hazards, is in effect throughout the ski season. The program is monitored and refined on an on going basis. To date, no deaths or serious injuries have occurred on the mountain as a result of avalanches, attesting to the quality of the avalanche safety program.

Alyeska currently uses avalanche forecasting in combination with various control methods. These include the use of 105 mm howitzer rifles at three locations as well as hand delivered explosives. Slides are also induced by ski patrol members by cutting the snow with their skis.

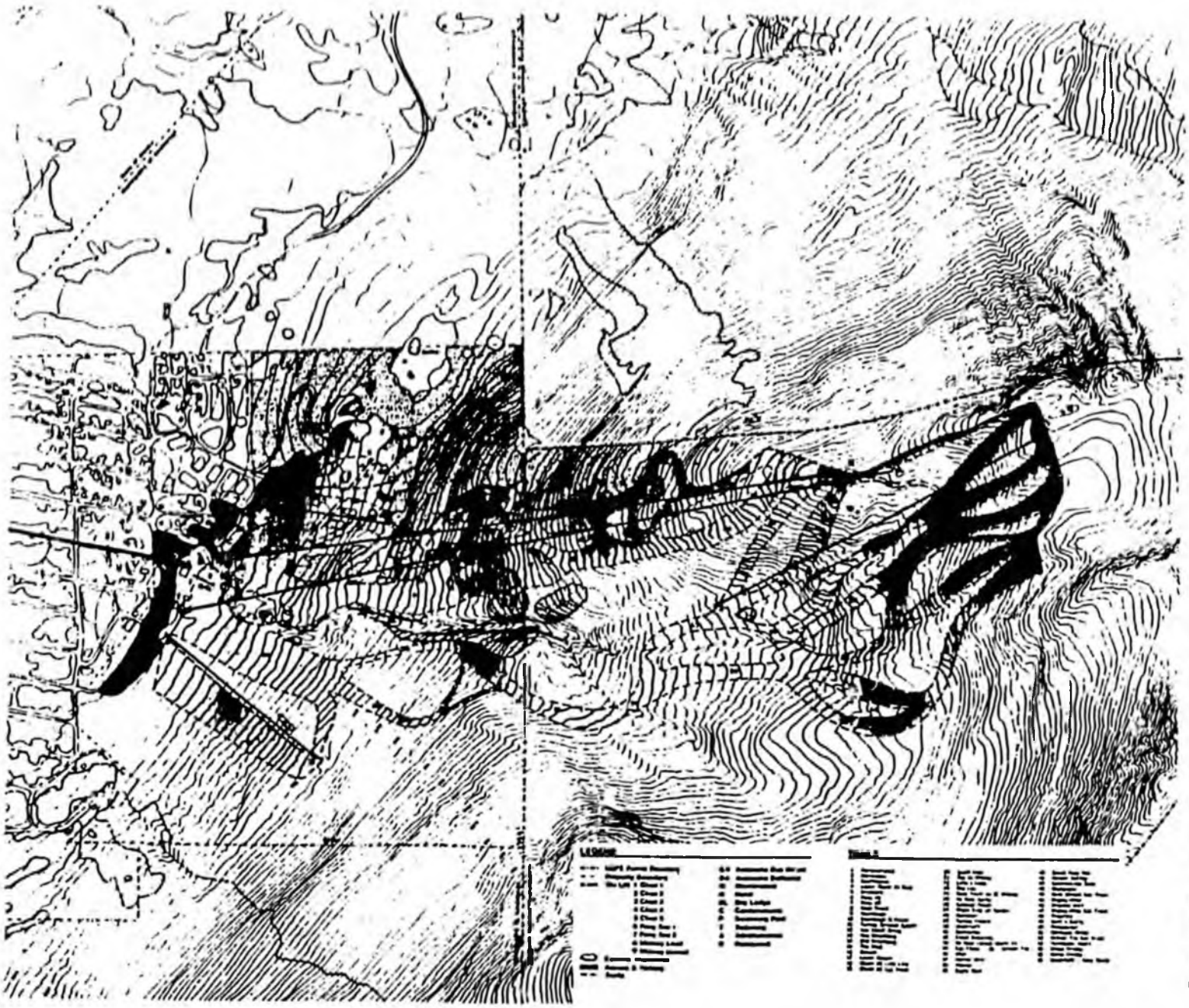
Artillery firings for avalanche control currently exceed municipal noise ordinances which restrict noise in residential areas to 90 decibles. However, the lower gun, which produces the highest decibel levels, is generally fired less than 30 days per year and the firing is timed so as to reduce the noise affect on near-by residents.

In contrast to the existing base facilities, the proposed facilities are sited well outside of the nearest identified avalanche hazard areas. The avalanche area is referred to as the Zug Slide. According to Mears, it was triggered by a skier in March 1981 and destroyed many trees in excess of 20 years old. This avalanche has been classified as a 100-year event. The avalanche was observed to stop within a relatively short distance considering the large snow mass and high velocities.

According to Mears, the analysis of similar large avalanche paths (of 100 or 200 year magnitude) suggests that the avalanches tend to stop quickly once they reach forested land. The proposed buildings and roads are therefore well situated in respect to this identified avalanche zone. The only anticipated conflict between avalanches and development is in the area of ski slope development on the northeast of Mt. Alyeska.

Although Alyeska currently performs some avalanche control on the North Face, this situation can be further mitigated through a variety of methods common to the ski industry such as reliance by artillery firing, hand charges and gating during times of high hazard.

Generally, the areas of greatest hazard are best avoided. To this end, a tram was chosen as the preferred means of delivering skiers from the proposed hotel to the existing summit area. The proposed tram is designed with no terminal within the identified hazard areas, although there will be a tower near the top of the avalanche area. This design allows the North Face, including Zug Slide, to be safely traversed.



MASTER PLAN
AND
PHASE ONE
DEVELOPMENT

SEIBU
ALASKA,
INC.

Figure One

EXISTING
DEVELOPMENT

5. RELATIONSHIP TO BASE AREA PROPERTY

Particular attention has focused on the efficient circulation of skiers between the lift sites themselves, and between lifts and the existing base area, as well as the site for the proposed phase one hotel. In general, skiers should gravitate into the base areas allowing convenient access to one of the lift systems operating from either base. In addition, the actual relationship of base lands to the ski site has been considered specifically in context to transportation and parking related issues.

6. TRAIL DENSITY

The calculation of skier capacity of Alyeska is based, in part, upon capacity of the trails for skiers at one time. The criteria used for this project are as follows:

Advanced Intermediate/Expert	15 skiers/acre
Intermediate/Low Intermediate	30 skiers/acre
Beginner/Novice	50 skiers/acre

These criteria assume that on an average day only 10 percent of the total number of skiers in the area will be on the trails at one time. The remainder of the skiers are either in lift lines, riding the lifts or utilizing skier support facilities.

7. VARIETY OF TERRAIN

The future development and expansion of Alyeska has addressed the need for a broad range of skiing terrain to satisfy skiers from beginner through expert levels within the natural topographic characteristics of the ski area site.

8. INTERCONNECTIABILITY

In the replacement or development of additional ski lifts at Alyeska, particular emphasis has been placed upon the need to integrate expanded ski facilities within existing operations. In this fashion, conceptual lift placements are evaluated in terms of ease of circulation and interconnection from one lift to another.

9. BALANCE OF FACILITIES

The facilities master planning process emphasizes the importance of balancing facility development at Alyeska. The size of the skier service functions must be matched to the Comfortable Carrying Capacity (CCC) of the mountain. The future development of the ski area should be designed and coordinated to maintain a balance between skier demand, ski area capacity (lifts and trails), and the supporting equipment and facilities (grooming machines, day lodge services and facilities, overnight lodging, utility infrastructure and parking).

B. MOUNTAIN FACILITIES

1. INTRODUCTION

Seven ski areas of varying sizes exist in the Anchorage area. Alyeska is the largest by a considerable margin and is also the largest ski area in Alaska. The majority of Alyeska's skier visitation is generated by residents of the Anchorage bowl. Since Alyeska is a major regional destination resort in Alaska, the area also attracts skiers from more distant Alaskan cities and towns. The resort also caters to a small percentage of out of state guests.

Alyeska has the greatest resources of the ski facilities serving the Anchorage market. The smaller ski areas do not have the capacity, slope variety, or services to compete with larger resorts, such as Alyeska. However, these local "ski hills" are useful in generating interest in the sport and producing low intermediate skiers which then support Alyeska.

2. EXISTING LIFTS

Alyeska currently has 5 double chairlifts and 2 cable rope tows, (see Figure 1 - Existing Development Map). Chairs 1 and 4 serve roughly the same terrain stretching from the base area to the Skyride Restaurant. These chairs also provide access to Chair 2, which provides the best intermediate round trip skiing opportunities at Alyeska. Chair 2 is situated in the "Bowl" on the upper mountain. Accordingly, Chair 2 is the most popular lift at the Resort. Chair 1, serving the lower ski slopes out of the base area, is the only chairlift servicing terrain for ability levels below intermediate. Chair 5 serves advanced ski terrain on the lower mountain. Table 1 provides specifications for the chairlifts. The two "pony" rope tows are located in the base area serving beginner and novice terrain.

In general, the lifts appear to be well maintained and in good condition. The average life expectancy of a lift is approximately fifteen to twenty years. Chair 2 was installed in 1972, and accordingly, should be considered for replacement in the near future. As shown in Table 1, the remainder of the lifts are seven to twelve years old.

TABLE 1

CHAIRLIFT SPECIFICATIONS - ALYESKA RESORT

Name	Type	Length	Vertical	Avg Slope	Hourly Capacity	Base Level	Manufacturer	Year Built
Chair 1	Double	3,630	1,020	15%	870	500	Riblet	1970
Chair 2	Double	3,312	1,030	17%	1,200	500	Riblet	1972
Chair 3	Double	1,041	315	16%	1,200	990	Riblet	1976
Chair 4	Double	4,345	1,071	11%	870	500	Riblet	1976
Chair 5	Double	1,158	530	12%	1,200	500	Riblet	1979

One of the critical steps in estimating total capacities, and a way of making certain that the figures are applicable, is to determine the density of skiers per acre of skiable terrain. Using the trail and capacity figures developed in Table 1, the resultant density breakdown for Alyeska is shown in Table 4.

TABLE 4

EXISTING DENSITY ANALYSIS

LIFT	CCC	Skiable Terrain	Skiers Per Acre CCC/ Skiable Terrain	Acceptable Density	Ability Level
Chairs 1 & 4	1,660	71.0	18	20	Int./Expert
Chair 2	570	60.2	14	20	Int./Expert
Chair 3	335	11.1	30	40	Beginner/Int.
Chair 5	310	11.6	19	20	Int./Adv. Int.
Pony #1	25	0.3	83	50	Novice
Pony #2	20	0.1	133	80	Beginner

The density figures above take into account all of the 2,500 skiers who are distributed throughout the entire area and do not reflect just those numbers of skiers actually populating the trails themselves. In fact, it has been estimated that an average of about 25 to 31 percent of the total skiers (depending on weather and snow conditions) will be using the trail system at any given time, while the remaining numbers will be on the lifts, in the waiting lines, and/or in the base buildings and milling areas. This means, if a particular lift and trail system has a trail density of 15 skiers per acre, there are only between 9 and 12 skiers actually populating that acre at any given time.

It is obvious from the preceding table that all of the lift systems at Alyeska have trail densities which are slightly below the acceptable standards. Accordingly, the development of higher capacity chairlifts is acceptable under these conditions. Although it is better to have densities which are lower rather than higher than the standards since it provides a more desirable ski experience for the skier at a relatively low cost, the facilities master plan will attempt to create a better density balance throughout the ski area in order to maximize income potential.

Alyeska experiences skier visitation patterns which are common to all local day-use areas and many smaller regional resorts. The majority of usage occurs on weekends and special holidays throughout the ski season, sometimes exceeding the Comfortable Carrying Capacity of the area. Conversely, weekdays generally receive modest use, whereby the ski area operates at a level which is considerably lower than the Comfortable Carrying Capacity. One of Alyeska's foremost objectives is to generate more activity during the weekdays to offset this dichotomy.

6. EXISTING NIGHT SKIING PROGRAM

Alyeska currently provides night skiing on the trail networks served by Chairs 1, 3, and 4. Trails illuminated for night skiing account for approximately 41.1 acres. These trails accommodate ability levels ranging from novice to expert. Lifts and trails served by the night lighting system have a CCC of 870 skiers. The night lighting program at Alyeska also permits a full day of operating during the early ski season when shorter daylight hours prevail.

Under normal operating conditions, Alyeska utilizes Chairs 1 and 3 for night skiing. Chair 4 is operated at times when conditions are exceptionally good and peak attendance occurs. Night skiing attendance has increased considerably in recent years. Average night visitation during the 1985-86 season amounted to 241 skiers. The highest attendance normally occurs on Saturday night with a peak crowd of 611 during the same season. The highest recorded visitation occured in 1984-85, with 811 skiers. It should be noted that these figures do not account for season pass holders.

7. SNOWMAKING

The existing Alyeska snowmaking installation covers approximately 10 acres, including the Lower Racing trail (below Chair 4 midway unload) in addition to ski trails served by Chair 1 and the Cabbage Patch area. The lifts and trails served by the snowmaking system have a CCC of 940 skiers. The existing snowmaking coverage provides for novice and intermediate skiers. The system currently draws water from Alyeska Creek, which has a variable flow rate of between 800-1,500 gallons per minute. The water supply is adequate for the present system.

The snowmaking system has had a major positive effect on the Alyeska operation, assuring that an adequate snow base is present on the lower ski trails, especially during the early part of the season. This has enabled the ski area to be open more days, thereby achieving greater continuity of operation and a resultant increase in ski area utilization.

The addition of the snowmaking system has provided excellent early season skiing on Chair 1 and midway up on Chair 4. The increased patronage has resulted in considerable lift lines during peak use periods. Expansion of the snowmaking system to include Chair 5 will provide advanced intermediate terrain and additional uphill capacity, helping relieve pressure on Chairs 1 and 4.

8. GROOMING

The ski area has three grooming vehicles which are used extensively. For grooming purposes, the ski terrain is divided into three priority groupings. Approximately 114 acres are groomed. Of this total, 71 acres fall into the first priority, 28 acres in the second, and 11 acres into the third order of grooming priority.

5. SKYRIDE RESTAURANT

The Skyride Restaurant is situated on a ridgeline at an elevation of 2,300 feet, offering a 180° panoramic view which includes Turnagain Arm, Glacier Creek Valley, Max's Mountain, etc. During the ski season the restaurant is operated as a food service/bar facility, in addition to providing restrooms and first aid. The facility is conveniently located, providing access to and from all the upper mountain chairlifts and trail systems. The mountain restaurant also helps distribute skiers throughout the ski area by allowing many skiers to remain on the upper part of the mountain. Correspondingly, the presence of this facility reduces base area congestion during the lunch hour.

The Skyride Restaurant is also a popular attraction during the summer, in conjunction with chairlift rides on Chair 1. During the summer months, the facility caters to resort guests, tour groups, and the general public. The popularity of the summer operating program has shown steady growth over the past few years.

Available seating in the Skyride Restaurant consists of approximately 115 bench seats in the food service section and another 50 seats in the bar. Given the current configuration and comfortable carrying capacities for lifts C-1, C-4 and C-2, a larger facility could be operated at this location. Specifically, a total of 300 seats could be provided based on 100 percent usage on Chair 2 and 25 percent usage of Chairs 1 and 4. These usage figures are represented by total skier capacity as shown below.

Total Skier Capacity:	900
Total Seat Turnover:	1.0
Total Seats Required:	300
Square Footage Required:	7,500

The existing capacity of the mountain facility is 125 seats short of the 300 seats which could be developed at this site.

6. PARKING

Alyeska's parking lots are situated downslope from the base area facilities and occupy approximately 9 acres, as depicted on Figure I - Existing Facilities Map. The major parking lots have been terraced to conform to the sloping site topography. Certain parking areas have not been terraced, including the vicinity below the Nugget Inn and the employee lot. These parking areas are not as efficient as the main lots, due to their sloping characteristics.

As stated previously, approximately 9 acres are currently available for parking at Alyeska. Ski area records show that this space can accommodate about 900 vehicles, depending upon the organization of parking by attendants and the number of buses. This equates to about 100 cars per acre.

The typical ski industry standard for persons per car is 2.8. This figure has been adjusted to 2.5 to more accurately reflect local conditions, counts and observations by the Resort. Accordingly, the current parking lot will handle about 2,250 people. The presence of buses will increase parking lot capacity since these vehicles use space more efficiently. Accordingly, on a peak day with 10 buses in the area, Alyeska's lots can support approximately 2,500 people. When the parking lots fill up on peak days, Alyeska skiers and visitors park along the access roads leading to the ski area.

Based upon ski area attendance records and available parking lot counts, it is evident that the available parking is becoming inadequate to meet Alyeska's present needs. The total parking capacity of 2,250-2,500 people currently provides for the mountain CCC of 2,500 skiers, however it must also accommodate 300-500 ski area employees and other site visitors. Depending on the number of employees present on peak days, the existing facilities can be overloaded on such occasions. This in combination with additional expansion at Alyeska will require an increase in parking. The proposed location for expanded parking will be addressed in the expansion of the resort facilities. - Section VIII.

7. FOOD SERVICE SEATING

Existing food service seating at Alyeska is divided between the base area and the mountain facility. The actual available seats for each food service facility are listed below.

Facility Name & Location	Seats Available	
	Food Service	Bar Service
Base Area:		
Day Lodge	100	50
Nugget Inn	176	161
Mountain:		
Skyride Restaurant	113	38
TOTAL	669	249

As stated previously, Alyeska has a high percentage of bar seats. Additionally, the available seats in the base area also accommodate some visitors and sightseers. Allowing for some non-skier use, the high percentage of available bar seats and periods of inclement weather on the mountain, the total number of seats for Alyeska's CCC of 2,500 should be 815*. The existing ski area food service seating capacity of 819 is 216 food service seats short of the 815 needed.

*Based on a turnover rate of 1.0 times per seat. This figure also compensates for the high proportion of available bar seats. Generally, a ski area with a CCC of 2500 has about 100 bar seats. Accordingly, the 669 food service seats and only 150 of the 249 available bar seats were used in arriving at a representative figure for total seating at Alyeska = 819 seats.

8. SPACE USE ANALYSIS

In this evaluation, the existing square footage for all key skier service functions are compared with space allocation standards as developed by Sno-engineering. These figures are based upon 28 years of experience in developing optimum space use for ski area day lodges and service functions.

VII. Master Plan for Mountain Support Facilities

A. ADDITION OF 60-PASSENGER AERIAL TRAM AND CHAIRS 6 AND 7

The installation of the aerial tram in Phase One and chairs 6 and 7 in future phases, in conjunction with other planned upgrades, will dramatically improve the ski experience at Alyeska. Chairs 6 and 7 will provide skiing opportunities for beginner, novice, low intermediate and intermediate skiers. The new ski trails developed in conjunction with Chairs 6 and 7 will help counteract the existing deficiency for this type of terrain at Alyeska. Chair 6 will also provide an access function, transporting skiers to and from the hotel site and the existing Alyeska base area.

The aerial tram will provide a third means of skier access to the upper mountain. In addition, the tram will allow 'out passengers to use the new Skyride Restaurant facility in the mountain-top tram terminal on a year-round basis. The use of the tram will also enhance skier circulation by providing intermediate skiers with another means of descent to the hotel site or base area. This will help to reduce skier congestion in the Van Ithol Drive area as well as the Turkey Trench. Concurrently, the tram will enable skiers to descend to the hotel site for lunch or other reasons during the day.

B. SKYRIDE RESTAURANT

A new Skyride Restaurant facility will be constructed in conjunction with the installation of the 60-passenger tram. The restaurant facility and upper tram terminal will be placed in the vicinity of the existing structure. The tram and restaurant/food service/first aid facility will be integrated, allowing skiers convenient ski slope or indoor access. Foot passengers will also be protected from the outside weather as a result of the convenient interior access to the restaurant facility. The restaurant will be sized to complement seats provided in the base area food service facilities. As shown in the analysis of existing conditions, a 100-seat upper mountain restaurant facility is warranted. The new Skyride Restaurant can be designed to accommodate sit down and cafeteria-style food service in two levels. This will entice non-skiers to use the facility for sightseeing and dining purposes.

The development of the expanded Skyride Restaurant facility will necessitate the analysis of various water supply and sewage treatment/disposal alternatives. The outcome of these studies will determine the most feasible systems from an operational and environmental perspective.

C. CHAIRLIFT REPLACEMENT AND DEVELOPMENT

A number of chairlift upgrades and additions are planned for Alyeska. These alterations will not materially change the current lift/trail network, or Alyeska's CCC. Instead, the new and replacement lifts are planned to enhance the ski experience at Alyeska.

Chairs 1 and 4 are currently the primary access lifts to the upper mountain. A number of alternatives have been evaluated regarding the replacement and reconfiguration of these chairlifts. However, it has been concluded that the two lifts, with their mid-way loading and unloading stations, serve the terrain extremely well. Another good reason to leave these lifts intact is that the tram will provide another means of access to the terminals of C-1 and C-4.

Both the C-1 and C-4 lift alignments should remain the same at the time these chairlifts are replaced. This will prevent any further cutting of trees. Additionally, C-1 should be upgraded to an uphill capacity of 1,200 pph. C-4 should also be upgraded to 1,200 pph as well modifying the unload at the lower Racing Trail and shortening the lift by about 400 feet. Dropping the upper terminal down to the vicinity of the C-1 unload will eliminate the congestion problem at the Skyride Restaurant. These modifications will place three upper terminals at the Skyride Restaurant including C-1, C-4 and the tram. This site will become the upper mountain hub where skiers move in and out of the area. When the Skyride Restaurant is replaced, additional site grading along the ridge will create a larger milling area.

Since Chair 2 is the most popular lift at Alyeska, and the oldest, it should be relaced soon. The available terrain will accommodate a higher capacity lift at the time C-2 is replaced. A triple chair will maintain an acceptable skier density while increasing the uphill capacity from 1,000 to 1,800 pph. This upgrade will reduce lift lines from 18 to approximately 10 minutes. A quad chair with a 2,400 pph capacity could be installed to increase opportunities on days when all the terrain is skiable. Such a lift could operate at a lower capacity (i.e., 1,800 pph) when skiing is restricted to the formalized trail network. In either case, the variable operating speed capability of the lift will insure that acceptable trail densities will be maintained. Other alternate alignments have been considered for the replacement of C-2. Further field review of associated opportunities and constraints of the various alternatives will reveal the most practical lift location for the replacement of C-2.

At the time Chair 3 is replaced the density analysis indicates the available terrain will accommodate a triple or quad chair. A portion of this capacity upgrade will be used to transport skiers to the upper terminal of Chair 6 for the return trip to the hotel site.

A mid-station unload is recommended on Chair 5 for purposes of increasing chairlift utilization. The unload will allow novice and low intermediate skiers to utilize the lower half of the lift/trail system. This will increase the novice ski terrain as well as provide a ski opportunity for low intermediate skiers, which does not currently exist. It is also recommended that all race training should be moved to this lift in order to reduce skier conflicts and congestion on the Lower Racing trail. Certain racing events should also be moved to Chair 5 if possible.

A new lift is proposed which emanates from the new day lodge or "core area" of the existing Alyeska Resort. This lift is designed to eliminate the long walk between all base area lifts. Accordingly, a skier can arrive at the

The improved and extended portions of Arlberg Avenue will serve two basic functions: 1) Provide direct access to the proposed expansion of the resort and, 2) Provide a link between existing facilities and proposed expansion areas of the resort. As such, the road will serve as the entrance to the new section of the resort. The design intent is for the Arlberg Avenue extension to serve as a transition from the "built" environment that borders the Alyeska Highway to the natural environment of Moose Meadow and its mountain backdrop.

At full development, Arlberg Avenue would be expected to carry between 7[illegible] and [illegible],400 vehicles per day. The high end of this range represents the two-way traffic volumes on a typical high volume day. There may be ten to twelve days per year when this volume is exceeded; well within the 95th percentile range used as a guideline for most road design. A detailed discussion of these traffic forecasts is presented as part of the more detailed traffic analysis included in Section X - Appendix.

There are several issues that are unique to the proposed development and the area through which the proposed alignment traverses. These factors are important to the development and understanding of the road design criteria.

Two Design Conditions

The road passes through two areas of distinctly different character. The first is the existing section of narrow two-lane road (from Alyeska Highway to the end of the existing Arlberg Avenue). This section is bordered by parking areas that serve the Alyeska Resort and a number of single family residences and recreation homes. This existing road follows a winding alignment yet is totally contained within the 60 foot wide right-of-way.

The second area through which the proposed road will pass is characterized by the undisturbed natural environment of Moose Meadow and the wooded foothills of Mt. Alyeska. Important factors to be considered in the section of road from the end of existing Arlberg Avenue to the new portion of the Alyeska Resort include: impact on Moose Meadow and the wetlands, preservation of natural rock outcroppings, locations for public view points, and accommodation of storm water run-off and glaciation.

Preservation of the Natural Environment

[illegible]lection of the natural environment is considered to be a high priority in defining the road alignment and cross section. Moose Meadow and the associated wetlands area represent a delicate environment. A major objective of the road alignment is to minimize its impact by keeping the road, to the maximum extent possible, beyond the edge of the meadow. As noted previously, a Corps of Engineers permit to cross the short section of Moose Meadow has already been secured.

A second natural feature of importance are the large natural rock outcroppings that hug the east side of the proposed road alignment. To accommodate these natural environmental factors, the road alignment and cross section must be designed with a moderate width while still maintaining necessary safety and maintenance features. The preservation of these natural elements is a very high priority of the Girdwood community.

Year Round Use

The expanded Alyeska Resort will be an all-seasons resort; serving alpine and cross-country ski activities in the winter and hiking, camping and vacation opportunities in the summer. Throughout the year the expanded facilities will also provide an excellent site for conventions and meetings. A further objective for the expansion is to make Alyeska attractive as a mid-week destination for package vacation programs and special meetings and conventions. Peak weekend use is expected to increase by about 20 percent. This four-season use implies a greater need to serve a wide range of users including tourists, business visitor and vacationers in addition to the regular local weekend population. This suggests the need for clear signing and accommodation for drivers unfamiliar with the area.

Modal Characteristics

The increased range of activities and users of the Alyeska Resort will also expand upon the use of Arlberg Avenue by busses, cross-country skiers, pedestrians, and cyclists. Accordingly, the road must be designed to accommodate this variety of uses. Furthermore, the road must serve the emergency needs (i.e., vehicle breakdown) of these vehicles, particularly busses. Pedestrian/bicycle/cross country ski activity is expected to be higher than most resort areas because destinations within Girdwood and the Alyeska Resort are within easy walking/cycling/skiing distance.

Viewpoints

Some spectacular views across Moose Meadow will be available from the proposed road alignment. It is reasonable that the road design make some accommodation for viewing so people can enjoy the views without creating a safety hazard by stopping or slowing down on the road.

The architectural character of the Alyeska Resort Center has been developed to deal with the larger size of the building by making a virtue of its strength and mass. The dominent element of the building is its roof. Due to the siting and topography, the building is 7 1/2 stories on the "downhill" side and 6 1/2 on the "uphill". The roof form is a steeply pitched Mansard with a rythmical punctuation of dormers and a culminating tower. This roof form, which is lower on the downhill side, gives the building the appearance of being only 5 1/2 stories below the roof line.

The issue of the size and height of the building must be evaluated by considering the place from which it is being viewed. In the case of Alyeska, the viewpoint is quite varied, as is the resulting perception. When viewed from Girdwood, the Airport, Alyeska Highway or the existing resort, the building will not be visible except for an occassional glimpse of roof amongst the tree tops. From up close, the building will be equal to the 60 to 80 foot trees preserved from the forest or will protrude slightly above the tree line, but a full overall view of the structure is not possible due to the buffering of these trees. Nor is such a view possible from Arlberg Extension except where intentionally offered. The view from up on the mountain and the ski trails will reveal the overall composition of the plan, and here the organic organization of the composition will feel like an appropriate form in the landscape.

The materials and colors of the building, naturally weathering metal roof, stone base and "stone like" walls are also intended to blend the structure with its environment. In addition to these somewhat traditional materials and forms, the building has large glass areas in careful juxtaposition to the solid masses to further break down the overall scale. The glass "freeze" below the roof helps the roof form float above the wall, and the glass faced dormers which break the roof line, modulate the overall length and height of the form. The total effect of this architectural design strategy is to scale down the size of the building while imparting a distinctive "mountain" character.

2. RECOMMENDED MATERIALS

Due to the special quality of the site and its naturally dramatic surroundings, the mass of the hotel and its composing materials should combine to create a "mountain hotel". This quality is primarily achieved by the form of the roof, the strength and scale of the building mass, and the use of natural materials and intrinsic colors.

The roof is proposed to be a standing seam metal, which will readily shed snow, utilizing Terne coated stainless steel. This material is extremely durable and easily adaptable to the proposed roof configuration. The Terne coating is an alloy of lead and tin and will weather naturally to a warm gray color.

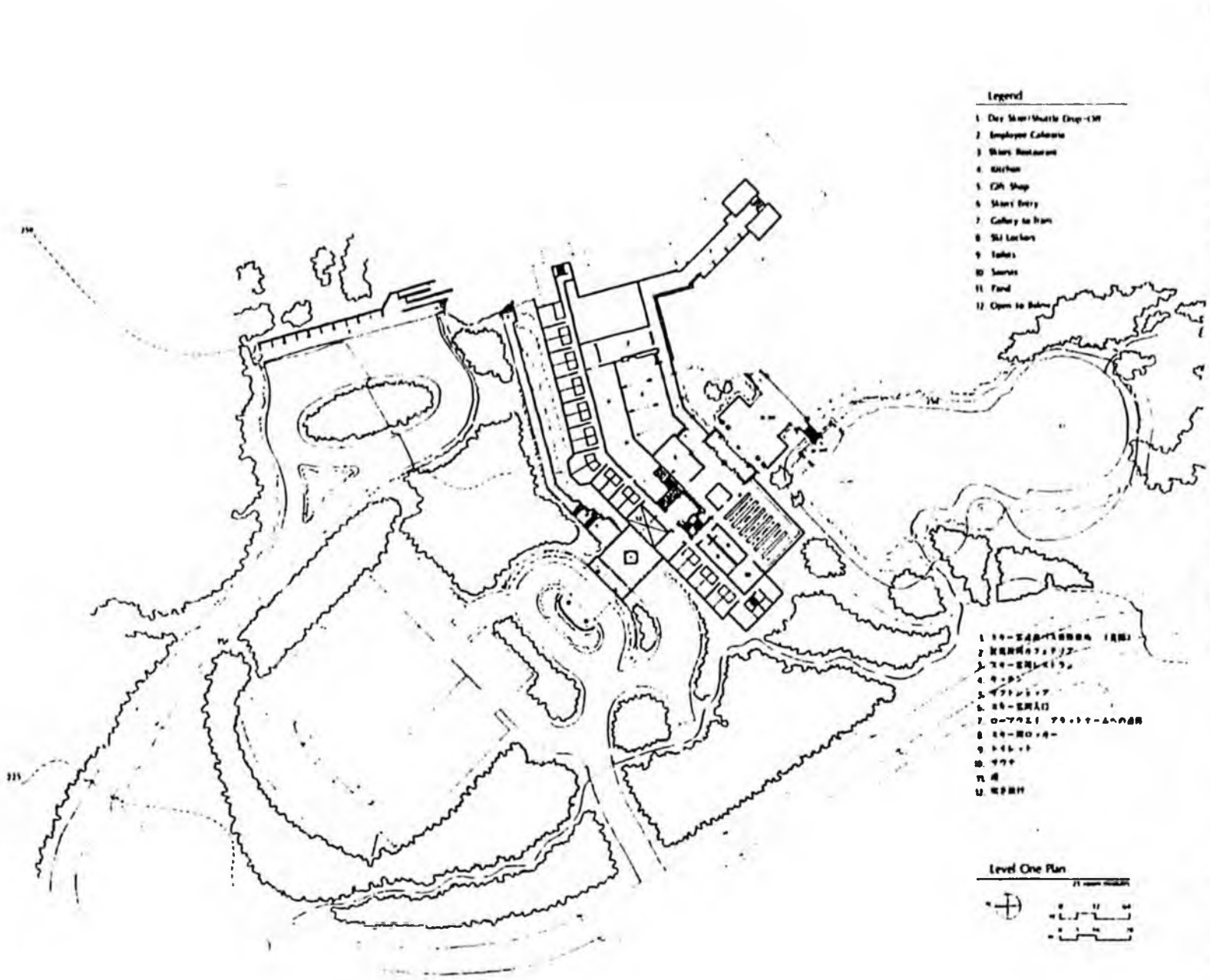
The building's walls are comprised of three principal elements; the base, which varies in height from the ground to the line of the second floor-elevation 270; the typical room exterior from the second floor to the top; and the window wall which refers to the large areas of glass which include the enclosure of the last floor before the roof, the face of the dormers which break through the roof line, and the public areas of the lower part of the building. The typical guest window is not included in this category, but is part of the base of the building. The proposed materials for these three elements are:

1) The base - this surface would be rugged stone, to be constructed as a facing to cast-in-place concrete, or as a pre-cast panel system with a rough cut stone veneer. The color of the stone would be selected from samples of local materials, or from other readily available sources. The feeling should be rough and variegated and the color of a moderate to deep earth tone.

2) The typical wall - This surface should appear finer and more finished than the base. It could be constructed of a pre-fabricated panel complete with structure, insulation, window and exterior cladding. This material will allow selection from a wide range of cladding (veneer) materials.

   The surface could look like finished cut stone by using thin stone veneer, or large sized ceramic tiles. It could also be more monolithic in appearance by using stucco or other synthetic coatings. The final selection will require more research and a careful study of relative costs. The color, however achieved, should be light and cheerful.

3) The window wall - this surface consists of glass and its glazing structure. The glass will be all insulated units utilizing a tinted exterior sheet. The color of the tint would either be gray or green. The glazing structure will be expressed as a very bold line. It will suggest a strong wood expression although it will probably be of aluminum construction. The color of these glazing members would be deep and rich, probably red brown or crimson.



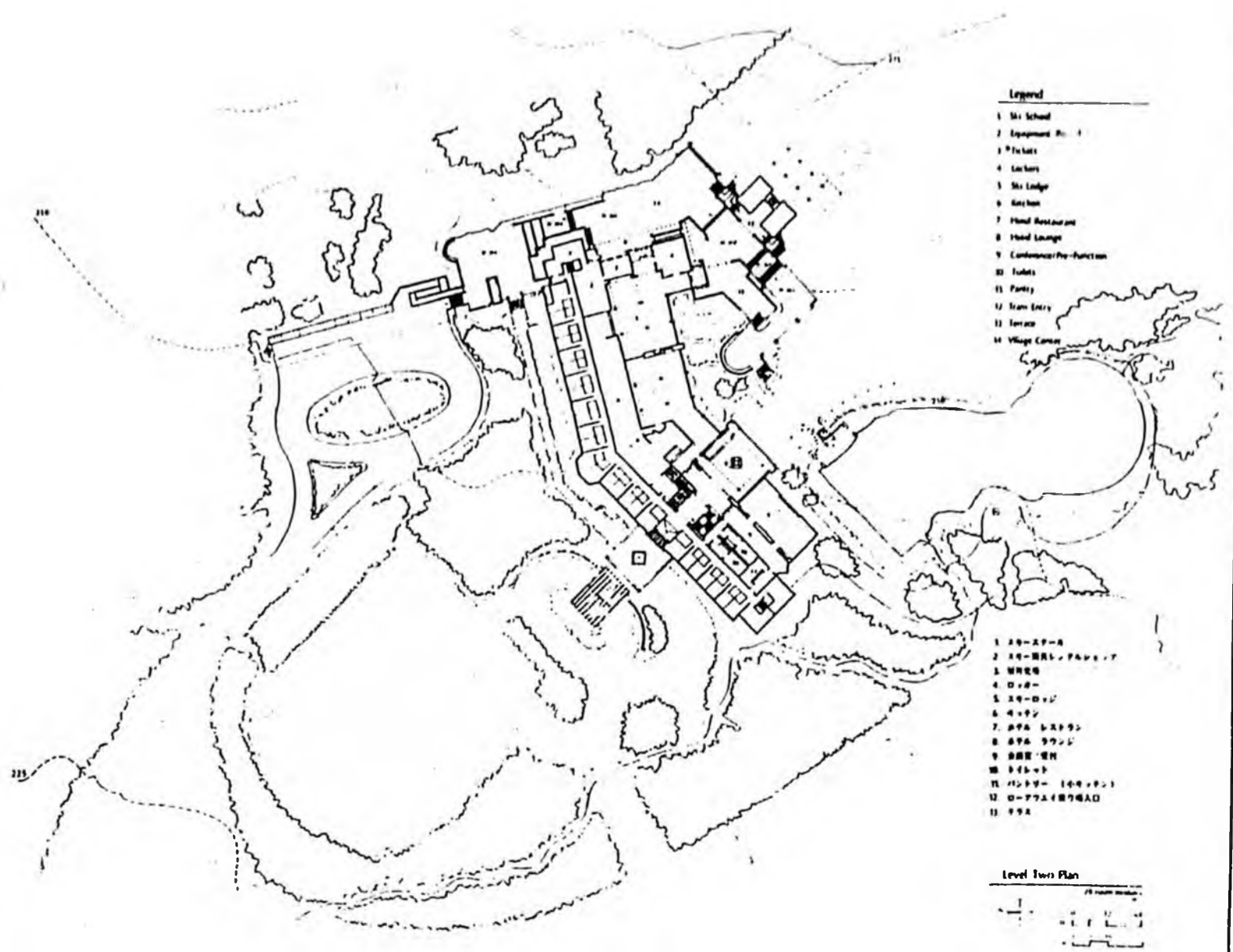
MASTER PLAN
AND
PHASE ONE
DEVELOPMENT

SEIBU
ALASKA,
INC.

Phase I Hotel

April – 1987

Sheet 3 of 8

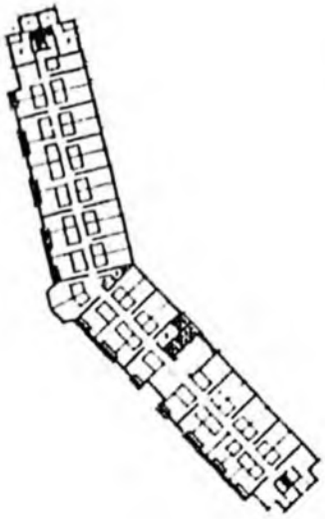


MASTER PLAN
AND
PHASE ONE
DEVELOPMENT

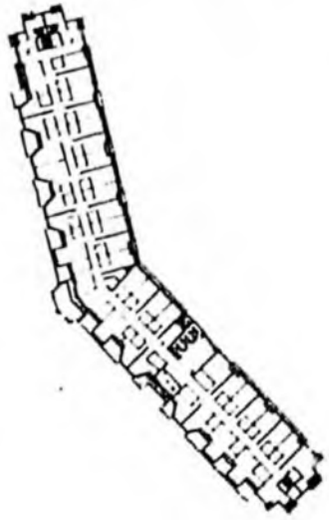
SEIBU
ALASKA,
INC.

Phase I Hotel

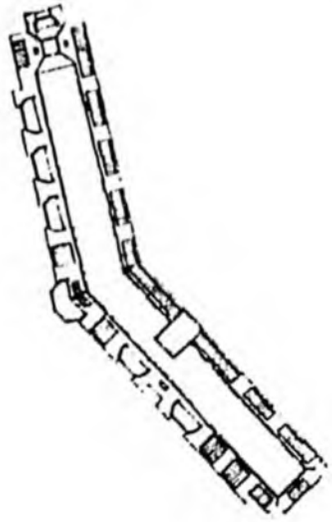
Penthouse Level



Level Six Plan



Level Seven Plan



Roof Plan

Legend

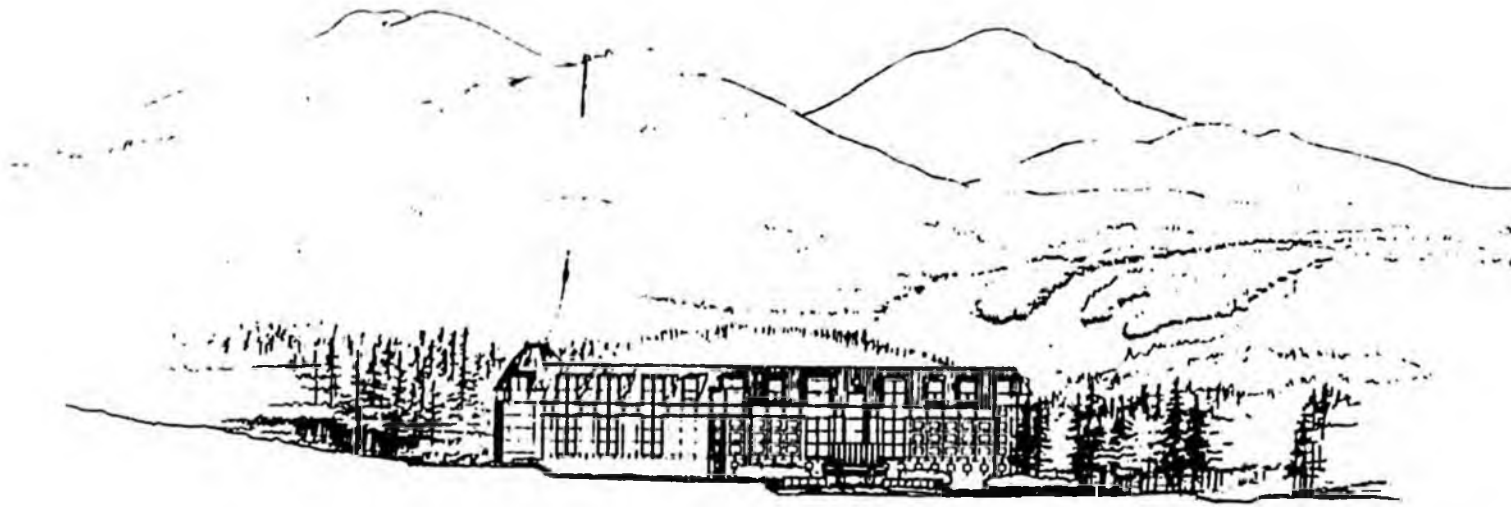
1 Mechanical - Upper Floor
2 Mechanical - Lower Floor
3 Suites Levels - Typical
4 Vending - Typical
5 Service - Typical
6 Open to Below

MASTER PLAN
AND
PHASE ONE
DEVELOPMENT

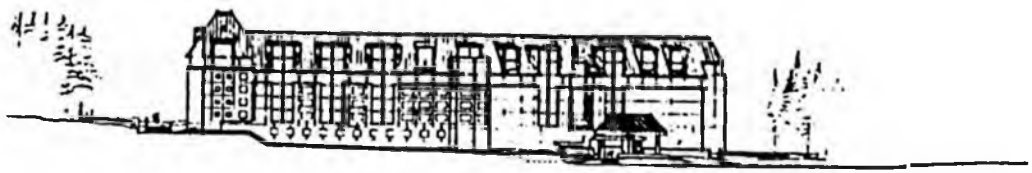
SUBU
ALASKA,
INC.

Phase I Hotel

Sheet 6 of 8



Northwest Elevation



North Elevation

MASTER PLAN
AND
PHASE ONE
DEVELOPMENT

SEIBU
ALASKA,
INC.

Phase I Hotel

April – 1987

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3. CONCEPT LANDSCAPE PLAN

The site of the phase one hotel is predominantly wooded with a mix of Spruce, Hemlock and Alder typical of the upland location. The forest floor is a rich carpet of native understory plants and offers a contrast of green against the earthen tones of fallen needles and other forest floor materials. Natural clearings afford several views west across the open meadowland of the valley. Views to the east are to the rugged mountain backdrop of Mt. Alyeska's north north face.

The philosophy of the concept landscape plan is to insure that the hotel sits in harmony with natural, quiet beauty. During construction of the hotel, Arlberg extension, and parking areas, every effort will be made to minimize distrubance of the site. Generous buffer areas are provided to maintain natural screening and preserve major tree stands. The intent of the landscape plan is to return the site to its forest condition such that the road and the hotel appear as natural elements in the landscape.

To achieve this objective native materials will be used to reestablish conditions prior to the construction. Where feasible, existing smaller trees will be transplanted and combined with additional native species to provide screening of parking areas or to reestablish the forest edge. Pedestrian surfaces, such as walks and outdoor seating areas, will consist of natural stone to blend with the base material of the hotel and the mountain backdrop.

Clearing for Arlberg Extension and for parking areas should be minimized and upon completion native grasses and forest floor plants will reestablish the forest edge reducing the impact of paved and graded surfaces. Where the road comes closest to the edge of Moose Meadow, native lowland grasses and wildflowers will be used to stabilize the Meadow edge. The Meadow character is extended across the road to the pond's edge, again using lowland grasses and wildflowers. The meadow is again allowed to cross the road at the drop-off entry from Arlberg Extension, providing a subtle expression of entry.

Landscape treatment of entry drives as well as to the base of the hotel are informal and natural to reflect the nature of the site's existing landscape materials. Shade tolerant ground covers are used in cleared areas along the base of the hotel and are supplemented with native, low growing evergreen plants. Where accent is justified, native broadleaf evergreens are used in masses.

Areas to be cleared for ski trails will be planted with a mix of native upland grasses which extend to the edge of the pond. Immediately at the base of the hotel on the east side, a large area of finer turf grass will allow summertime recreational uses such as volleyball, badminton and croquet.

Existing forest areas around the Parcel B parking lot will be preserved. Where natural openings in the forest currently provide views to the proposed parking, transplanted trees and supplemental Spruce and Hemlock plantings will be used to block such views. The open areas between the parking bays will be planted with a mix of lowland grasses and low vegetation since these areas must provide for snow storage in winter.

IX. Master Plan Summary

A. The Alyeska Master Plan represents a short and long term guide for the ordered growth and expansion of the Resort and meets the specifications for the master plan described in the agreement Seibu Alaska, Inc. has with the Municipality of Anchorage. Implementation of the plan will allow Alyeska to better meet the needs of its visitors, the community of Girdwood, the Glacier Creek Valley, and ultimately the State of Alaska. Such a role implies that the Resort develop into a four season recreation and service facility. The primary goal of the Master Plan addresses this issue directly:

"To provide for continued upgrading and expansion of the Alyeska Resort facility in order to increase winter and summer utilization while enhancing the quality of the ski and resort customer experience on a year round basis."

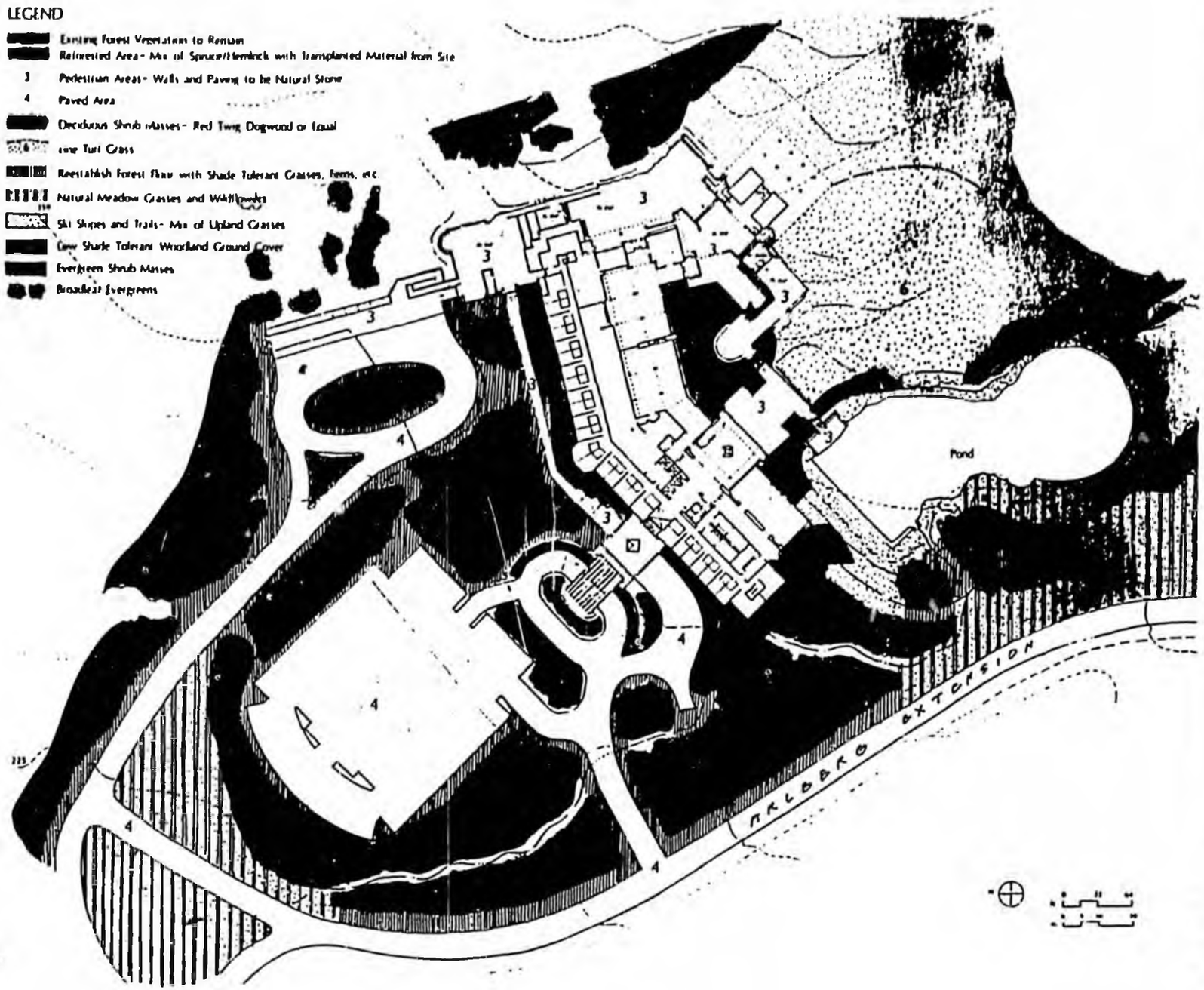
To meet this goal and satisfy the conditions of the agreement with the Municipality of Anchorage, the Master Plan provides for the following short-range improvements as part of the phase one expansion by Seibu:

INFRASTRUCTURE

The existing section of Arlberg Avenue will be reconstructed from its intersection with Alyeska Highway to its current dead end at Moose Meadow. The new road will be a two-lane, 22' wide paved surface with appropriate shoulders and grassed swales for positive drainage.

An extension of Arlberg Avenue from this rebuilt section northerly to serve the phase one hotel on Parcel A and the parking area on Parcel B. This extension will also provide a 2-lane paved surface (22') with shoulders and drainage swales.

The Arlberg corridor and 60' right-of-way will also provide sufficient room to accommodate the addition of a pedestrian/bike/ski trail at a future time by the Municipality.



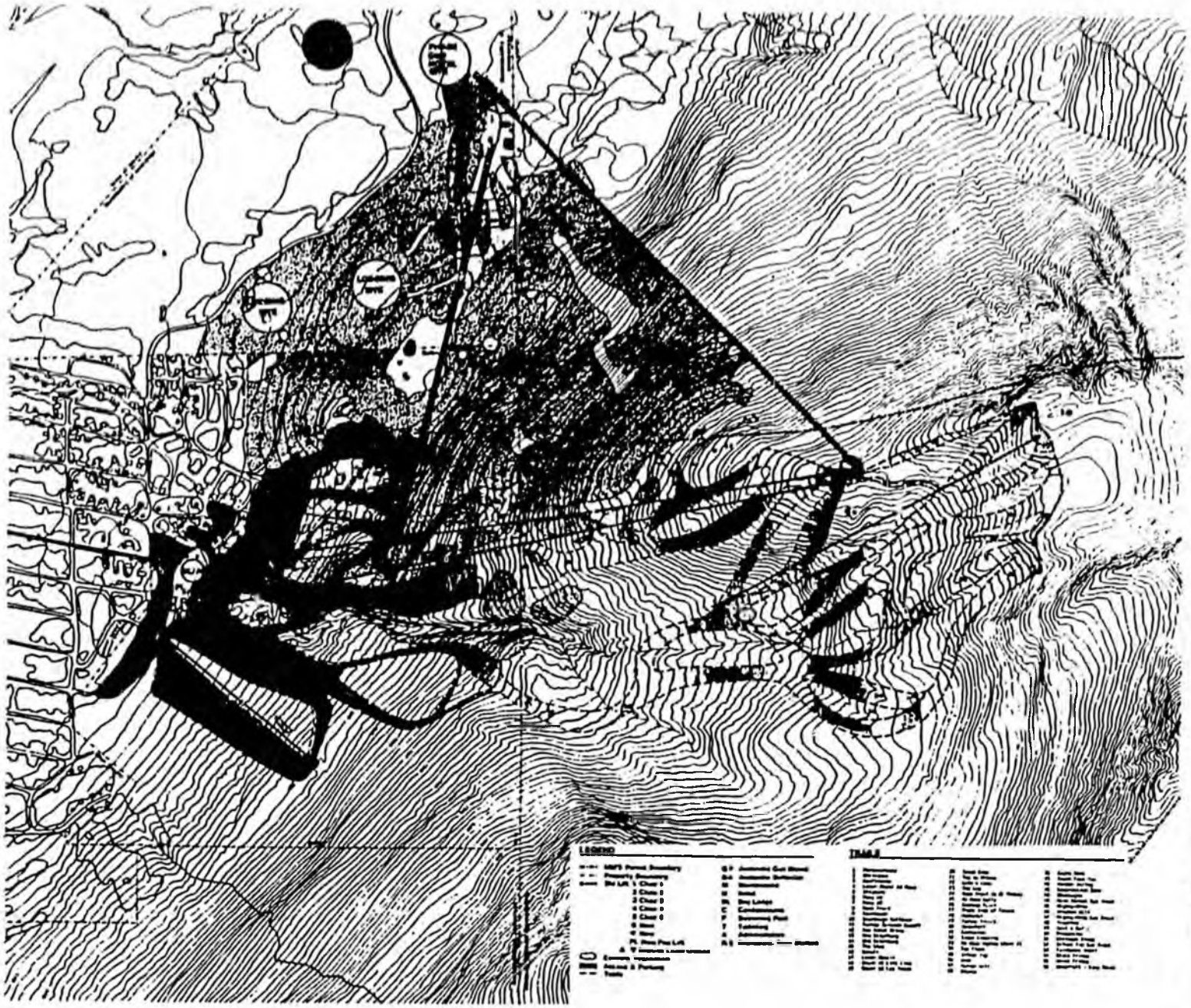
MASTER PLAN
AND
PHASE ONE
DEVELOPMENT

SEIBU
ALASKA,
INC.

Phase 1 Hotel

SITE CONCEPT
LANDSCAPE PLAN

April 1987

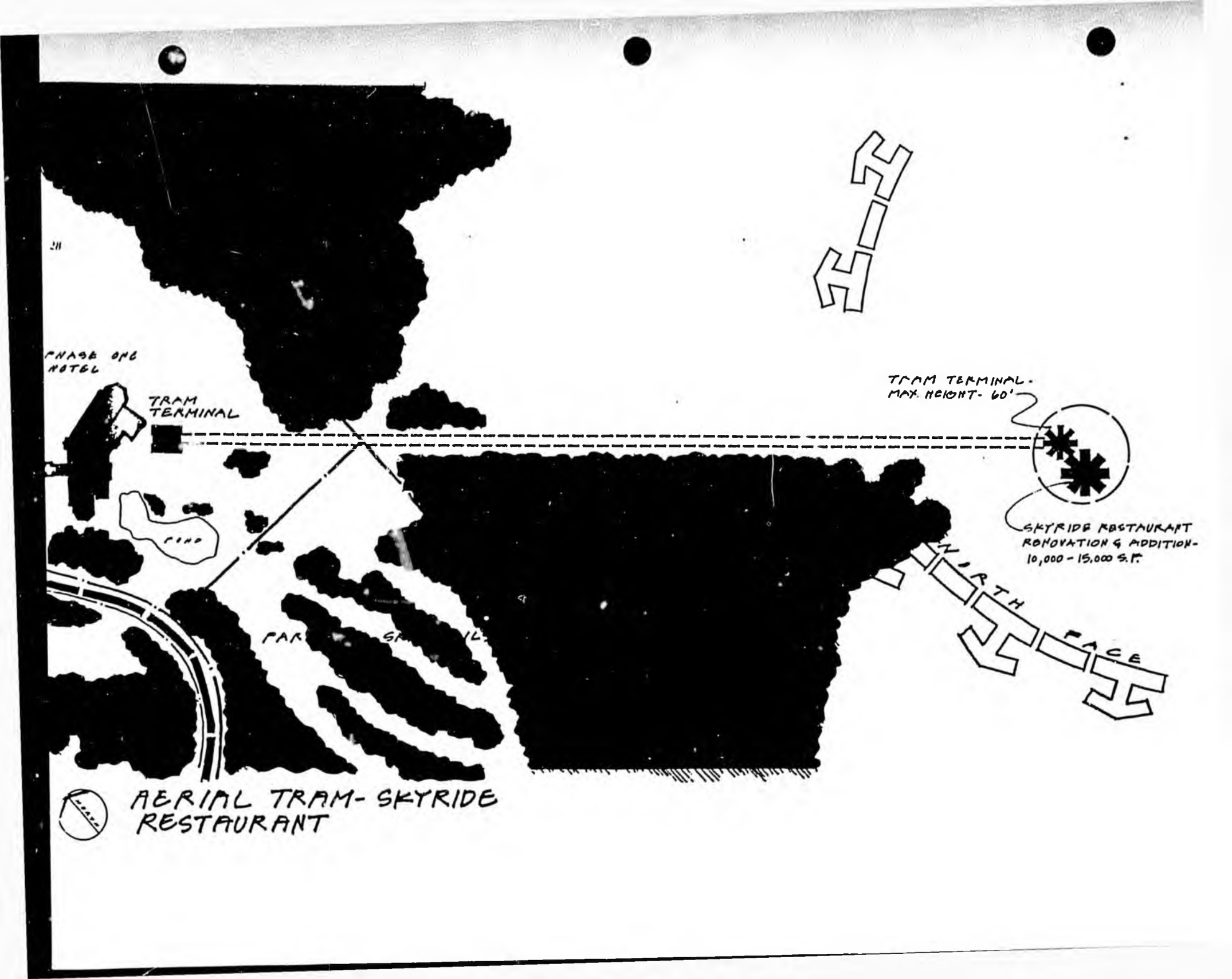


MASTER PLAN
AND
PHASE ONE
DEVELOPMENT

SEIBU
ALASKA,
INC.

Figure Two

MOUNTAIN
SUPPORT FACILITIES
MASTER PLAN
Scale 1"-100


PHASE ONE HOTEL
TRAM TERMINAL
POND
TRAM TERMINAL - MAX. HEIGHT - 60'
SKYRIDE RESTAURANT RENOVATION & ADDITION - 10,000 - 15,000 S.F.
NORTH FACE
AERIAL TRAM - SKYRIDE RESTAURANT

day lodge, ride the "Pop Lift" and have skier access to all the base area lifts. Similarly, the lift will assist skiers in moving from the existing base area to the hotel site. The presence of this chairlift will also make C-5 more accessible for skiers moving from the hotel site.

All of the planned Alyeska lift and trail system upgrades and expansion will increase the Comfortable Carrying Capacity (CCC) of the ski facility. At the time when these various improvements are complete, the Alyeska CCC will be increased from 2,500 skiers to approximately 4,300 skiers. This represents an increase in CCC of 1,800 skiers for the resort. Throughout the development process, improvements and additions to the ski area operation must be designed and coordinated to maintain a balance among skier demand, ski area capacity (lifts and trails), and the supporting equipment and facilities (grooming machines, day lodge services and facilities, utility infrastructure, and parking). Such a carefully balanced mountain and support facility phasing program is a primary determinant for a successful resort operation.

D. TRAIL UPGRADING AND EXPANSION

A trail upgrading program has been designed to improve the quality of the skiing experience at Alyeska. Specifically, the upgrading plan focuses on existing problem areas such as the Goat Trail, Von Imhof Drive, Weir, Waterfall Easy Route, Turkey Trench, etc. In most instances, trail upgrading involves widening and/or reducing trail gradients. These improvements will be designed to make the ski descent more enjoyable for intermediate skiers. The installation of the aerial tram will create a new opportunity for a major expansion of ski terrain at Alyeska. From the hotel site to the Skyride Restaurant, the tram will follow an alignment on the south edge of the area known as the North Face. This is an extremely large and steep slope, which is approximately 1 mile in length and width. The terrain is suitable only for the expert skiers. Currently, the North Face is permanently closed due to difficult avalanche conditions.

With the development of the proposed phase one hotel and the aerial tram, it is anticipated that skiers will expect the North Face to be opened. Due to the extreme avalanche potential of this terrain, and other operational considerations, Alyeska is studying the feasibility of periodic openings on the North Face as part of the Master Planning process. This terrain comes under the jurisdiction of the U.S. Forest Service and accordingly, its use of this terrain for the tram alignment or for skiing purposes will require U.S. Forest Service approval and a revision of the Alyeska Special Use Permit boundary. A specific operating plan encompassing these uses must be submitted to the U.S. Forest Service as part of the agency's permitting process.

E. SNOWMAKING EXPANSION

The existing Alyeska snowmaking system will be expanded to include the Chair 5 ski terrain as well as the upgraded Von Imhof Drive. In addition, the new trail system for Chairs 6 and 7 will also be covered by snowmaking. This expansion will improve early season skiing by offering more trail acreage and a greater variety of ski runs for all ability levels.

F. BASE AREA SKIER SUPPORT FACILITIES

New and upgraded skier support facilities will be located at the destination resort hotel complex (described in Section VIII) and the existing Alyeska base area. The resort hotel complex will provide ticketing, first aid, restrooms, rentals, retail shops, daycare, and food service seating. A potential new day lodge/ administration facility could then be constructed at the site of the current buildings. This facility would provide centralized ticketing, ski school, rentals, food/bar service, restrooms, and administration. The skier support service facilities in the hotel complex and the new day lodge will be sized according to the overall ski area CCC. The upgrading program at the existing base area can occur after the completion of the Phase I resort hotel project.

G. EMPLOYEE HOUSING

Employee housing is one alternative being considered by Alyeska for the existing 29-room hotel. Such a short-term solution would provide much needed employee housing, while helping to attract qualified people to assume new job opportunities at the hotel complex and the ski area. Ultimately, employee housing could be located to the north of the new maintenance facility. At such a time when this housing is provided, Alyeska could use the 29-room hotel for other purposes, including administrative offices, condominiums, or economy hotel rooms.

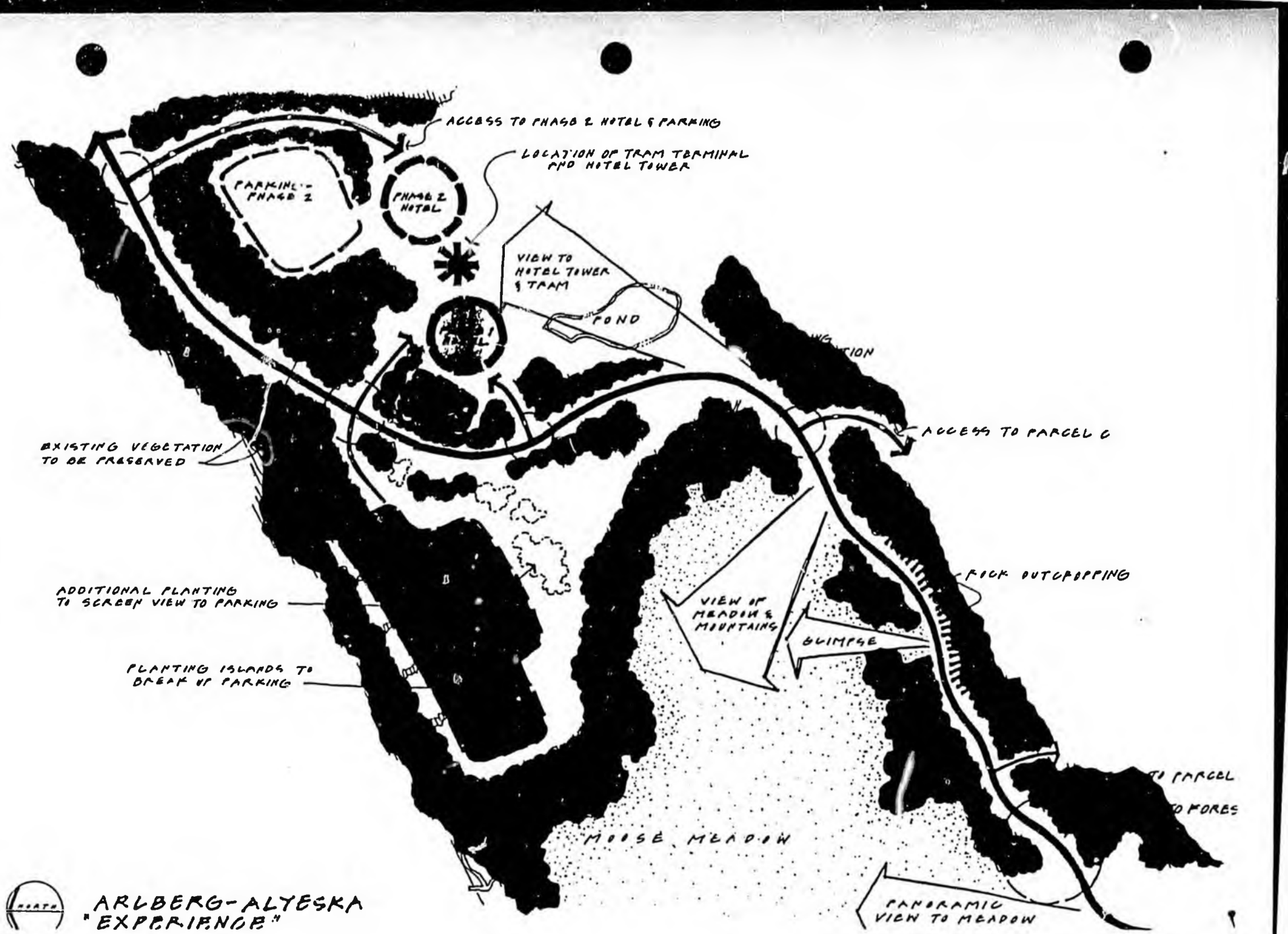
H. OTHER RECREATIONAL OPPORTUNITIES

The development of the resort hotel complex will spur a major increase in year-round use of the resort. During the winter months, the major recreational emphasis will be alpine skiing. The second most popular winter recreational activity will be nordic skiing. The presence of the hotel and the addition of a cross-country trail network will enable non-alpine skiing guests to participate in this sport. Many Anchorage residents will also be attracted to the nordic skiing opportunities at Alyeska, especially when complemented by the hotel support facilities. The proposed pond at the resort hotel will be maintained for winter ice skating.

For many guests and Anchorage residents, the tram ride to the new Skyride Restaurant may be the extent of their activity.

It is anticipated that the presence of a quality hotel complex will heighten the use of the Alyeska Resort ski facilities. As the area reaches such a threshold of use, other ski opportunities must be considered. The Winner Creek ski site has been identified as the most logical area for expansion. Advantages of developing the Winner Creek site in conjunction with operating Alyeska Resort include:

- Winner Creek would offset the deficiency of ski terrain found at Alyeska, since the site provides considerable low intermediate and intermediate skiing opportunities.



ARLBERG-ALYESKA
"EXPERIENCE"

- Winner Creek is less than two miles from the Alyeska new resort hotel location, allowing for a physical connection of the sites with an aerial lift. Such a conveyance system would diminish the need to access the Winner Creek site with automobiles, thus lessening the development impact on the Glacier Creek Valley.

- Alyeska Resort could act as a support community for the Winner Creek development, providing a large portion of the bed base, support facilities, etc.

- The presence of the two ski area sites would promote greater market synergy, with a resultant increase in skier demand.

During the non-winter months, it is anticipated that the resort hotel will attract meeting groups, tourists, sightseers, package tour groups, etc. These various individuals and groups will use the resort's initial and future facilities and available recreational opportunities, including swimming, tennis, hiking, fishing, horseback riding, and tram rides. Tram rides to the Skyride Restaurant will become a major attraction for resort guests and the general public. Presently, the chairlift operation transports 35,000 summer visitors to the existing Skyride facility. The tram and new restaurant is expected to increase summer use dramatically. The tram affords safe and convenient access to an alpine valley where people can hike and enjoy the splendor of the setting. Other site users will enjoy the panoramic views from the Skyride Restaurant.

The Winner Creek ski site was identified in a 1982 U.S. Forest Service study entitled "Demand and Opportunities for Alpine Skiing on the Anchorage District of the Chugach National Forest". The Winner Creek site was selected as one of three potential ski development areas in the Chugach National Forest.

VIII. Master Plan for Destination Resort Center

The development proposed herein represents both a short and long-term plan for the growth of the Alyeska Resort to provide the improvements necessary to meet the requirements for major ski competitions as well as to make Alyeska an international destination resort facility. Such a facility not only offers benefits to the local economy of Girdwood but will also provide the area and the Municipality with first class alpine skiing and expanded recreation opportunities.

The Master Plan for development is driven by the following criteria:

- Ski slope expansion will allow the Resort to provide a greater percentage of beginner and intermediate facilities, thus broadening its appeal to the general public. The additional lift capacity will also help accommodate the projected increase in users.

- Expansion of the ski slope is necessary to provide a world class downhill course and adequate separation between downhill and other ski events.

- The existing hotel and lodge facility has limited accommodations (29 rooms) and limited expansion opportunities. The new area to be purchased from the Municipality of Anchorage will afford the space sufficient to provide a destination resort hotel with first class accommodations and the parking required to support it. The long range hotel buildout will provide a variety of residential accommodations which will help Alyeska diversify to a year round operation rather than their present exclusively winter orientation. Additionally, hotel construction on Parcel A will provide the critical mass necessary to create a strong identity for the resort village center and an enhanced image for Alyeska as an international destination resort.

  The first phase hotel (300 rooms) and its lodge and ski facilities will provide the accommodations required to host race officials and attendant crews during race events. The parking area on Parcel B will serve the needs of resort visitors, cross country skiers using the Moose Meadow trails, and can act as a staging area for larger national and international events.

Finally, the importance of the site to the expandability of the resort cannot be overstated. With natural constraints and existing adjacent land use conditions, the north parcels offer the only opportunity to expand while directly integrating new expansion to existing facilities. This will create a stronger and more viable resort.

A. DESIGN PHILOSOPHY

The development of Parcel A, initially with a 300 room hotel and ultimately an alpine village center, responds to the Project Team's objective of creating for the over night visitor or day skier, an experience which is memorable and expressive of those unique and dramatic Alaskan qualities present at Alyeska and the surrounding Glacier Creek Valley. The creation of an "Alyeska Experience" begins at the point of entry, and consequently, the Arlberg extension road has been designed to introduce the visitor to the sites' unique features.

Initially, the main access road, Arlberg Extension, offers a panoramic view across Moose Meadow and down the valley towards Mile Glacier. This view quickly closes as the road turns northeast and heads into the spruce forest. Grading will be held to a minimum to allow the forest canopy and floor to dominate. The road curves gently to the east and hugs an existing rock ledge. This will allow maximum separation from Moose Meadow but natural openings in the spruce forest will afford periodic "glimpses" back to Moose Meadow. Just beyond the rock ledge a larger natural opening provides a full panoramic view of the meadow and south end of the valley. While access to Parcels C and D will be provided from Arlberg Extension, development on these parcels will be out of view of the motorist due to the dense vegetation and their position higher on the slope. Access points will be minimized to reduce visual disruption created by intersections and related regrading and removal of vegetation.

As the road rounds the top edge of the meadow an opening in the forest vegetation ahead will provide the first view of the new resort hotel. This view will be across a moraine lake (which

will serve as an ice skating pond in the winter) to the tram terminal, with the hotel as a backdrop. This view will be quite dramatic and will quickly establish an identity for the hotel and a sense of orientation for the viewer. As the road continues its curve to the west, the view of the hotel is quickly closed by the spruce forest which will buffer visibility of the building from this point until arrival at the main entry drive. To the left, the large parking area on Parcel B will be screened. Existing trees, supplemented with transplanted material, will allow the lot to sit within a dense buffer of evergreen vegetation.

The main entrance to the phase one hotel is located just before the point at which the road turns again to the north. The hotel sits "in the woods" and guests will literally enter "through the woods". As the Arlberg Extension continues its curve up the valley, day skiers will be directed to the parking area on Parcel B. A drop-off point will also be provided for the day visitors at the east end of the hotel at the beginning of the village center. This point serves as the first phase termination of the Arlberg Extension in a "T" intersection with the access road to the Parcel B parking area and the drop off road to the village center. In the future the road can be easily extended further into the valley to serve other Heritage Land Bank parcels and to ultimately link with Crow Creek Road providing the valley with a "loop" road system.

F. DEVELOPMENT PROPOSAL: CONCEPTUAL RELATIONSHIPS

1. PARCEL A

As designated in the Concept Master Plan (Jan. 1986) this approximately 11.7 acre parcel is the principal site for the location of signature hotel facilities. Consistent with the "Commercial/Recreational" designation in the Concept Plan, this parcel will be the location of the principal hotels. The hotel development phases will be integrally designed with related retail facilities to create a resort village center. Ultimately, this center will support a range of ancillary uses such as a ski shop, specialty shops, health club and restaurants. These support facilities will contribute a sense of animation to the resort village center both day and night, but more importantly will support the use of the resort and the valley as a four season recreational opportunity and visitor center.

The site characteristics of Parcel A are highly suited to the Master Plan objectives for the hotel. The gentle slopes and the orientation of the parcel allow the hotel to be sited with dramatic views of both Glacier Valley and the Alyeska ski slopes and at the same time, because of the dense spruce forest, the hotel literally sits "in the woods". The preservation of vegetation surrounding the site will soften the building's mass and natural building materials and colors will allow the hotel to sit in harmony with the site and its mountain backdrop.

The positioning of the phase one building relative to the proposed ski slopes on Parcel E takes advantage of the opportunity to ski back to the hotel as well as to the parking area on Parcel B. The phase one siting also takes advantage of maximum sun orientation for the hotel and public spaces. Within the hotel, public spaces such as the restaurant, lounge and conference room are also oriented to the slopes. The building's position allows the main tower element, which contains suite-style rooms, to afford guests with dramatic views to the ski slopes and the valley beyond. The tower also provides a clear reference "object" for visitors approaching the drop off and village center on their way to the tram terminal. From a distance, however, the site's vegetation will greatly diminish the buildings' presence and allow it to blend with the site.

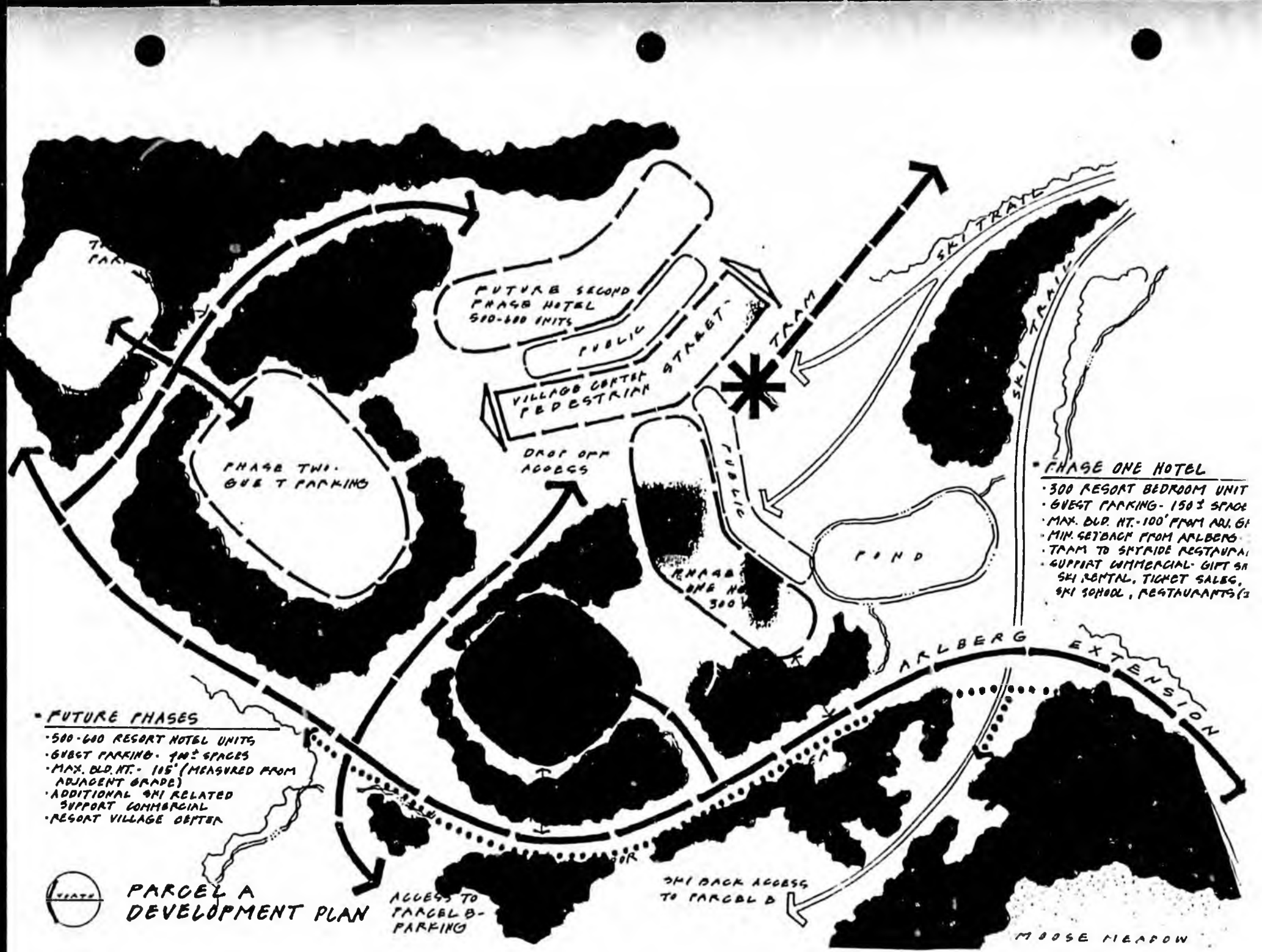
Using the topography, an existing small stream and minor regrading, a reflection pond has been introduced at the southeast corner of Parcel A. The location of the pond will enhance the view to the hotel from Arlberg Extension as the forest suddenly opens to a vista across the pond to the hotel tower and the aerial tram. The reflection pond will serve multi-season functional objectives increasing its importance as an element of the design. Besides its obvious calming affect, the pond will provide for salmon rearing and an appropriate attraction for ducks and wild fowl. During the ski season, the pond will provide additional recreation as a skating area.

Minimal regrading of existing topography on the east side of the hotel is required to form the slopes in such a manner that this area can receive skiers from the ski trails and runs on Parcel E. This will also allow skiers access to the hotel, the tram terminal, and the parking area on Parcel B. Additional vegetation will be added to preserve the wooded character of Parcel E as it transitions into Parcel A.

Visitors to the phase one hotel will arrive via the entry drive on the building's west side. The entry drive, much in the same manner as the Arlberg Extension Road, provides a secluded "wooded" experience. Guest parking is completely screened by existing vegetation. A minimum setback of 75' will insure this preservation.

Day skiers and guests not staying at the hotel will park in the lot on Parcel B. Entry to this lot as well as a loop drive providing drop off facilities for skiers will occur 600'± beyond the hotel entrance and form a "T" intersection with Arlberg Extension. This intersection will serve as the termination of Arlberg until second phase development begins.

The major public space on Parcel A will be the pedestrian "street" defined by the combination of the phase one hotel with the second phase hotel. Commercial uses, such as restaurants, shops and health club will anchor the east end of the street and provide an exciting visual element.



- PHASE ONE HOTEL
  - 300 RESORT BEDROOM UNIT
  - GUEST PARKING - 150± SPACE
  - MAX. BLD. HT. - 100' FROM ADJ. GR
  - MIN. SETBACK FROM ARLBERG
  - TRAM TO SKYRIDE RESTAURA
  - SUPPORT COMMERCIAL - GIFT SH SKI RENTAL, TICKET SALES, SKI SCHOOL, RESTAURANTS (3

- FUTURE PHASES
  - 500-600 RESORT HOTEL UNITS
  - GUEST PARKING - 400± SPACES
  - MAX. BLD. HT. - 105' (MEASURED FROM ADJACENT GRADE)
  - ADDITIONAL SKI RELATED SUPPORT COMMERCIAL
  - RESORT VILLAGE CENTER

1/16"=1'-0"

PARCEL A DEVELOPMENT PLAN

The second phase hotel, located somewhat higher on the slope, will be sited with an east/west orientation and have its main entrance on the north side. This orientation will provide guests with views down the valley and to the Village street, the lake and the foot of the ski trails from parcel E. Access to this hotel will be provided from Arlberg Extension which would be extended from its termination point in Phase One, northerly along the east edge of Parcel A. Visitor parking for the hotel would again be set "in the woods" and completely screened from Arlberg. The design of this hotel will be integrated with the first phase hotel to insure the cohesiveness of the Alyeska Village Center.

2. PARCEL B

This triangular shaped parcel, located on the west side of Parcel A and Arlberg Extension, is approximately 21 acres in size and relatively flat with an existing grade of 5% or less. The parcel is defined on all three sides by heavily vegetated stream corridors which provide a natural buffer to uses on Parcel B.

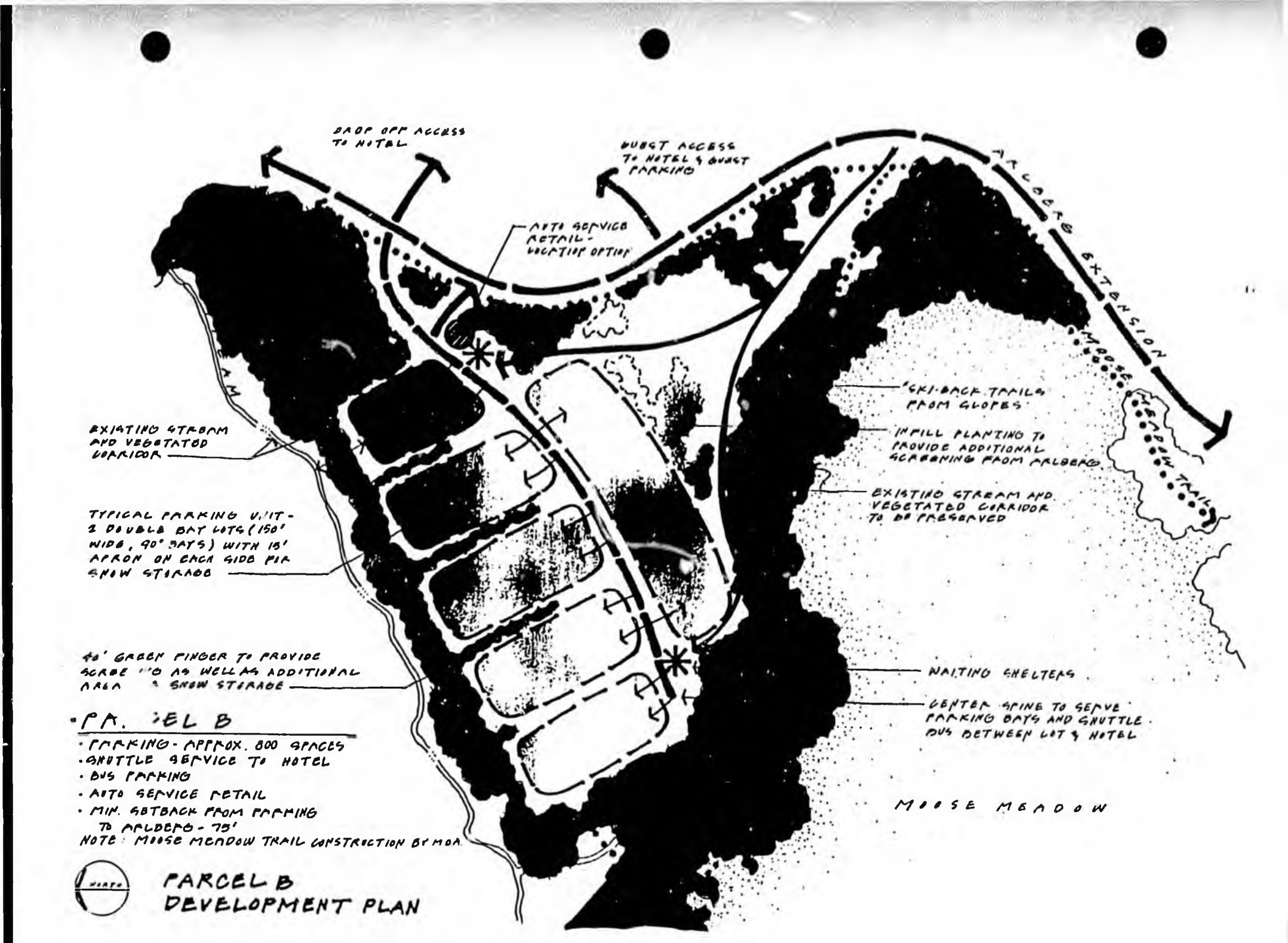
Consistent with the Concept Master Plan, Parcel B is the primary parking area for the Resort and will serve not only day skiers and visitors of the village center, but cross country skiers to Moose Meadow, summertime users of the valley's trail system, and ultimately potential visitors to the valley's expanded recreation opportunities. The development of the parking on Parcel B will serve the goal of opening the valley to additional recreational activities while containing the automobile and preserving the natural beauty of the valley.

The design of the lot will allow parking to expand from first phase development to a long range capacity of approximately 800 spaces plus bus parking, which is located in the southwest corner of the lot. Entry to the lot occurs at the north end and aligns with the drop-off loop road. The first bays are set back 125' from the road to afford maximum screening. Double bays are oriented east/west to provide for drainage mitigation and are separated by 30-40' which will provide for snow storage and vegetation to diminish the impact of the sequence of parking bays. Access to the bays is provided by a main two-way circulation spine. The vegetated stream corridors are preserved and will screen the lot from view. Additional screening will be provided along the northeast edge of the lot where existing vegetation thins out into a small meadow. Revegetation will be primarily evergreen to insure a year round buffer.

The design of the parking lot and the central circulation spine accommodates the use of a shuttle which would transfer lot users from the parking area to the drop off area at the village center along the north end of the phase one hotel. Two small waiting shelters are located at each end of the spine for the comfort of the lots' users.

Skiers will have access to the lot from a trail which connects Parcel E with the parking area. This trail follows the natural grade and is proposed to pass under the Arlberg Extension and along the open edge of the stream corridor to the east edge of the lot.

Employing the adjusted standard of 2.5 people per car, the Parcel B lot will have a capacity of approximately 2,000 skiers and other short term users. Coupled with existing lot capacities the Resort's parking will accommodate approximately 4,250-4,500 site visitors when the Parcel B lot is fully constructed. Based upon the increase in ski area CCC of 1800 skiers as a result of improvements and additions to the A yeska lift and trail system, and the need for parking by other site users (cross-country skiers, employees, sightseers, etc.), the approximately 800 parking spaces planned for Parcel B are projected to be fully utilized on peak occassions.



PARCEL B

- PARKING - APPROX. 800 SPACES
- SHUTTLE SERVICE TO HOTEL
- BUS PARKING
- AUTO SERVICE RETAIL
- MIN. SETBACK FROM PARKING TO ARLBERG - 75'

NOTE: MOOSE MEADOW TRAIL CONSTRUCTION BY MOA

PARCEL B
DEVELOPMENT PLAN

3. PARCEL C

This approximately 21 acre parcel is located on the east side of the Ariberg Extension between the planned ski trails of Parcel E and the 200' wide Winner Creek Trail corridor. The area, designated in the Concept Master Plan as "commercial/recreational" development, is moderately sloped with an average grade of 15%. The eastern corner of the parcel levels to 5% grade as part of the small plateau which contains Secret Pond just beyond the parcel boundary line. The pond area is particularly beautiful and affords views of the valley in all directions. The area will be protected and a generous buffer of existing vegetation (Spruce/Hemlock forest) will remain between the pond and future development on Parcel C.

The higher slopes and subsequent well-drained soils contribute to the dense forest covering the site. This wooded character in combination with the topography provide the guiding criteria for the site's development. The entry road serving Parcel C is located approximately 3/4 mile from the Ariberg intersection with Alyeska Highway. The road's alignment responds to the steepness of the topography to achieve a reasonable vertical alignment (10-12%), and of equal importance, allows the existing vegetation to screen the road from view, minimizing its impact. The road terminates at the parcel's south boundary but could be extended if future access to existing Alyeska land were required. It will also provide access to the location of proposed water reservoirs on existing Alyeska property.

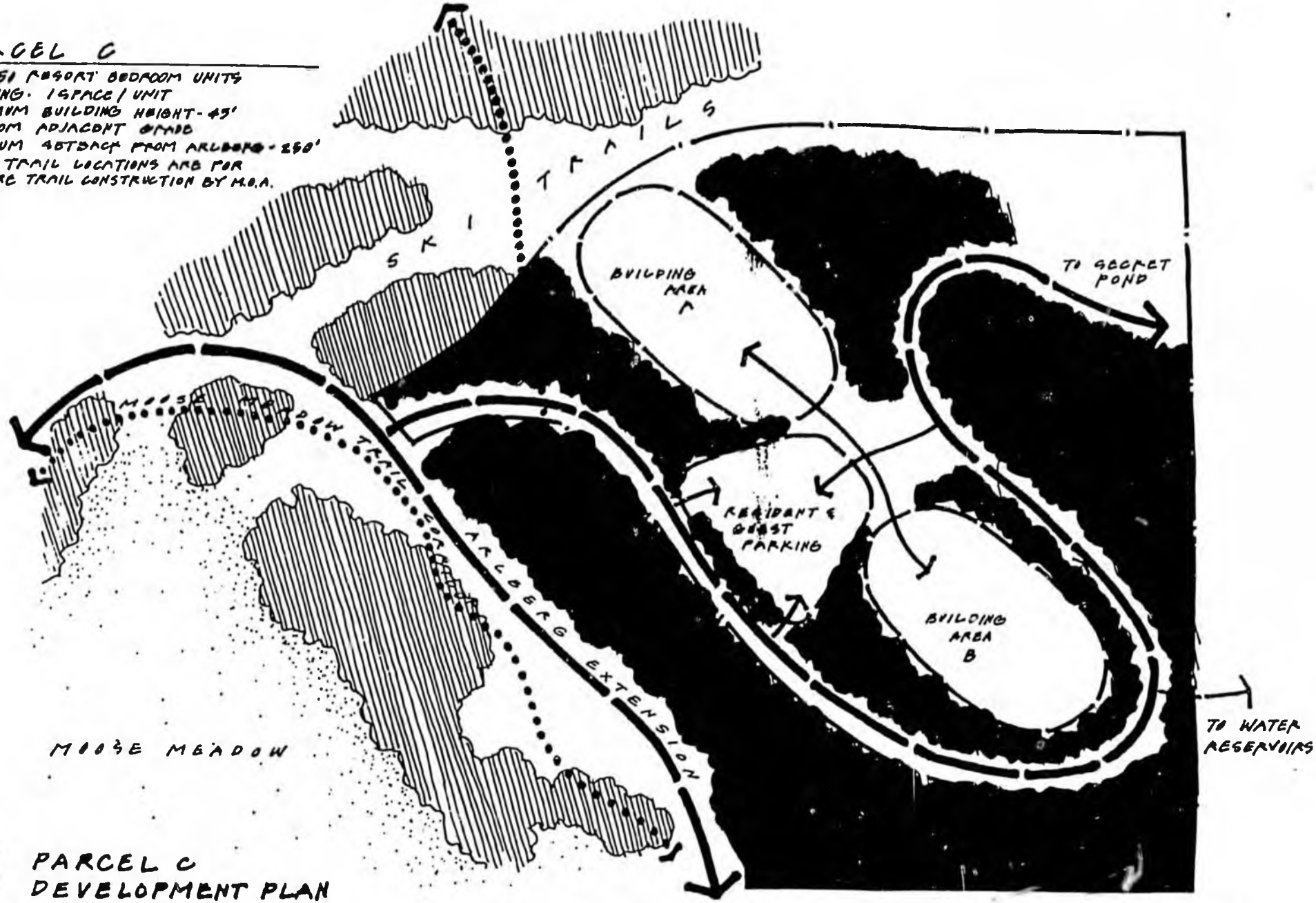
Two development areas are identified for future accommodation of 200-250 resort bedroom units. These building nodes are screened from the road serving the parcel by a minimum 50' preservation buffer. The Winner Creek Trail corridor below provides an additional buffer of 200' from Ariberg Extension. The nodes are located in response to slope conditions as well as the relationship to the main parking area. The parking area will also be screened by a minimum 50' buffer and is intended to serve the majority of parking needs. The building nodes will also provide for some small percentage of resident parking closer to the units. A 45' maximum building height (measured from adjacent grade) would allow the option of locating some parking under units (i.e., Townhouse style) while keeping building height below the forest canopy. The translation of bedroom units into building type and quantity will be determined in a future design phase.

The total number of bedroom units designated for the site yields a density of from 8 to 10 per acre. Parking is planned for one space per unit. Access points to the building areas and the major parking area are held to a minimum to reduce cutting and clearing of vegetation.

PARCEL C

- 200-250 RESORT BEDROOM UNITS
- PARKING - 1 SPACE / UNIT
- MAXIMUM BUILDING HEIGHT - 45' FROM ADJACENT GRADE
- MINIMUM SETBACK FROM ARLBERG - 250'

NOTE: TRAIL LOCATIONS ARE FOR FUTURE TRAIL CONSTRUCTION BY M.O.A.



NORTH

PARCEL C
DEVELOPMENT PLAN

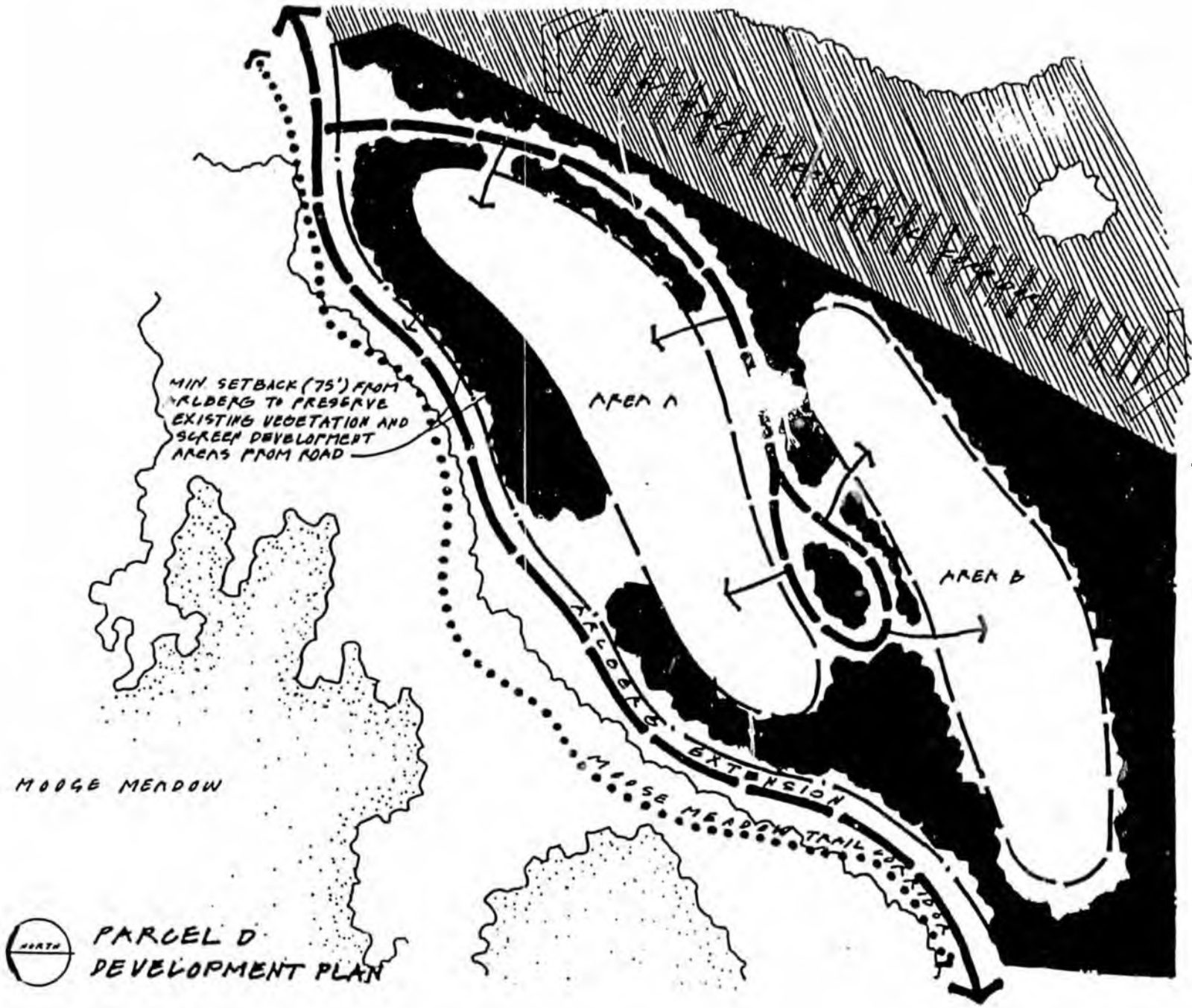
4. PARCEL D

This area, approximately 9.9 acres in size, is located immediately below (west) of the Winner Creek Trail corridor and east of the Arlberg Extension. It is the first development parcel as one enters the expansion area on Arlberg Extension. The land is more moderately sloped than Parcel C with an average grade of under 10%. Spruce and Hemlock cover the majority of the site. While views of the valley are more limited than Parcel C, the site will have somewhat better sun exposure and views through the trees to Moose Meadow will be quite good.

The Concept Master Plan designated the use of this parcel for "commercial/recreational" development. The development philosophy for this parcel is similar to that of Parcel C with a slightly lower density and building height (35') to relate to existing development immediately to the south. Access to the parcel is provided by a cul-de-sac from Arlberg Extension. This road will provide entry to the two development areas identified by the plan. To minimize the impact of future development on Arlberg and to preserve its natural character, only one access road will be provided. The use of a cul-de-sac is desireable for several reasons. It provides more security for the resort guests by discouraging flow through traffic and it reduces the number of intersections along Arlberg Extension.

The development nodes are separated from Arlberg Extension by a minimum 75' buffer of existing vegetation. A total of 50 to 100 resort bedroom units with parking (1 space/unit) can be accommodated on the parcel within the two areas shown, preserving a 75' buffer from Arlberg Extension and from existing development to the immediate south.

A decision on specific building type will be made at a future phase. The unit count planned for the site represents a density range of from 5 to 10 units per acre.



PARCEL D
DEVELOPMENT PLAN

PARCEL D

- 50 - 100 RESORT BEDROOM UNITS
- PARKING: 1 SPACE / UNIT
- MAXIMUM BLD. HT. - 5' FROM ADJACENT GRADE
- MINIMUM SETBACK FROM ARLBERG - 75'
- NOTE: TRAIL LOCATIONS ARE FOR FUTURE TRAIL CONSTRUCTION BY M.O.A.

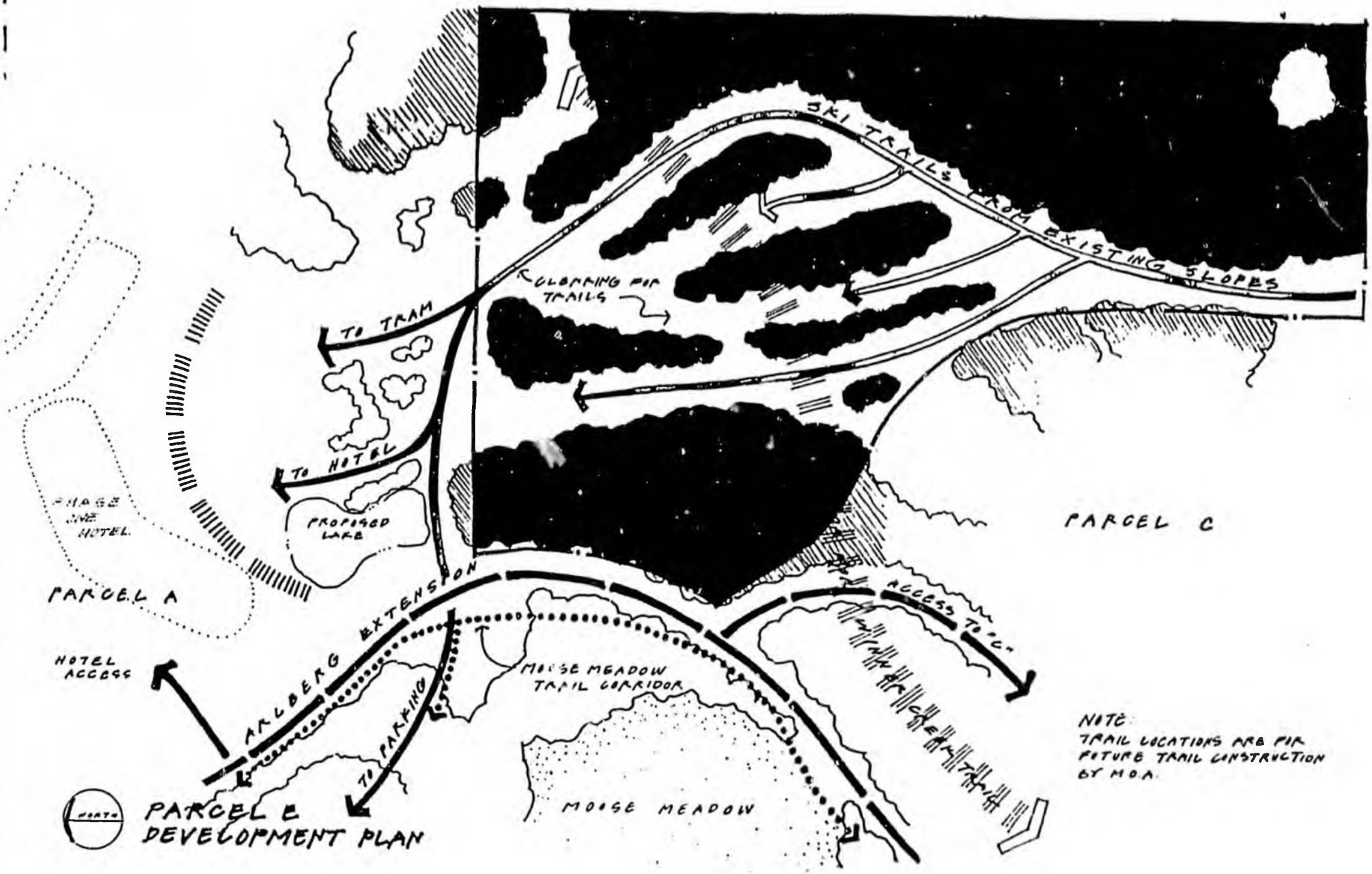
5. PARCEL E

Parcel E, approximately 27 acres in size, represents a vital component in the expansion of the Alyeska Resort. This parcel provides the direct ski slope linkage, between existing facilities, slopes and trails, and the proposed phase one hotel and aerial tram.

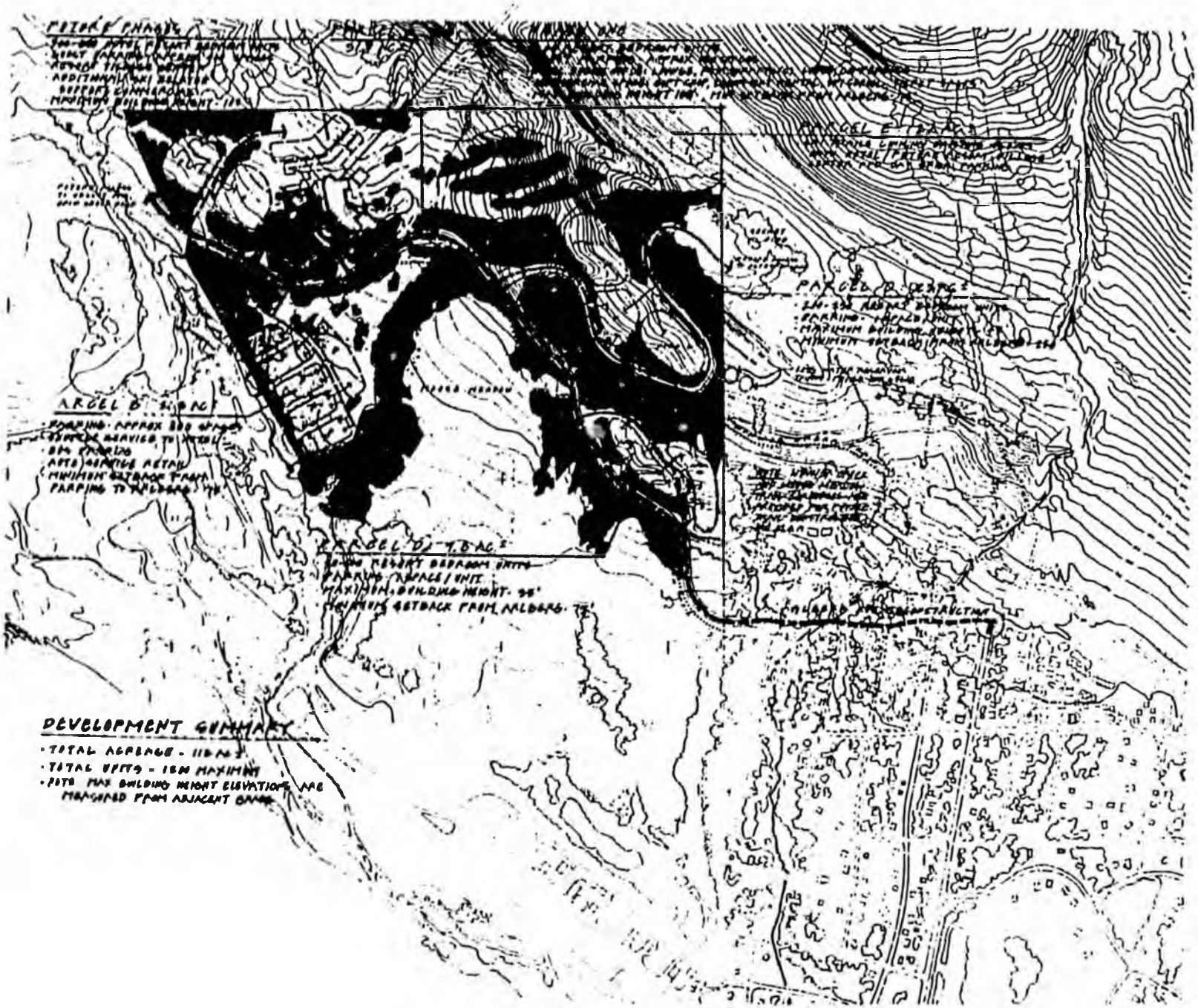
The parcel has a variety of grade conditions ranging from very steep (up to 50%) at its southern end to a more gradual 10% as it transitions to Parcel A at its north end. There are a number of site conditions which preclude development on this parcel: shallow bedrock, high water table and peat deposits. Thus the parcel is planned exclusively for ski trails which will be carved out of the existing Spruce/Hemlock vegetation presently covering a large percentage of the parcel.

Parcel E will permit much needed expansion of beginner and intermediate slopes. The new trail network will eventually provide five ski runs designed to accommodate beginner, novice, low intermediate and intermediate skiers. A trail will also be located to provide skiers parked in the Parcel B lot access to the lot from the slopes. The remaining trails will "arrive" at the phase one hotel where skiers can access the hotel's facilities or the aerial tram to return to the top of the mountain.

The parcel also accommodates the Winner Creek Trail as it traverses east to the Chugach National Forest. A significant portion of this parcel will remain wooded and undisturbed from its present condition.



PARCEL E
DEVELOPMENT PLAN



Alyeska

MASTER PLAN AND PHASE ONE DEVELOPMENT

SEIBU ALASKA, INC.

PARCEL DEVELOPMENT MASTER PLAN

C. PROPOSED INFRASTRUCTURE

1. WATER SYSTEM

The proposed water system will be developed around two wells along Glacier Creek, northwest of the phase one hotel development. Based on exploratory drilling and pump tests, it is estimated that each 10" well will produce approximately 1000-1500 gpm. The two wells will be installed several hundred feet apart in order to minimise the drawdown influence on each other.

Such a system will meet the peak needs of the proposed expansion at maximum buildout. The peak water demand is estimated at 1200 gpm exclusive of fire flow and snow making needs. The system will ultimately be augmented by two-one million gallon reservoirs. These reservoirs will satisfy emergency storage as well as fire flow needs. Only one reservoir, however, is required for the first phase development.

Snow making needs will be met through a surface source taken directly from Glacier Creek. This nonpotable source will be delivered through a separate line to service the needs of the ski slopes.

It is intended that the new water system will ultimately tie into the existing Alyeska Subdivision System, replacing current sources. The existing wells, with a combined production capacity of 475 gpm, would probably be maintained as a back-up source.

2. SANITARY SEWER SYSTEM

The existing Alyeska Subdivision is served by 10- and 12-inch collection lines. As stipulated by the Development Agreement, Seibu will provide a sanitary sewer system designed to service the proposed development. Seibu intends to service the phase one hotel development by extending a trunk line through the Girdwood Airport property. Conceptual easements have been approved by the Alaska DOT/PF, the airport owners.

All future development within Parcel A will be served by this trunk line. This line may also be extended northward in the future to serve Municipality owned lands. Parcels C and D will be served by a separate sewer line which ties back into the existing development.

3. MISCELLANEOUS UTILITIES

Girdwood and Alyeska Resort are served by Chugach Electric Association (CEA). Standby generators are used to power ski lift operations during system failures. The utility has agreed to the concept of extending service along the proposed Arlberg Avenue Extension to the phase one developments. If the underground electricity requires looping, as has been suggested, the lines would share the sewer and water easement back through the Girdwood Airport property.

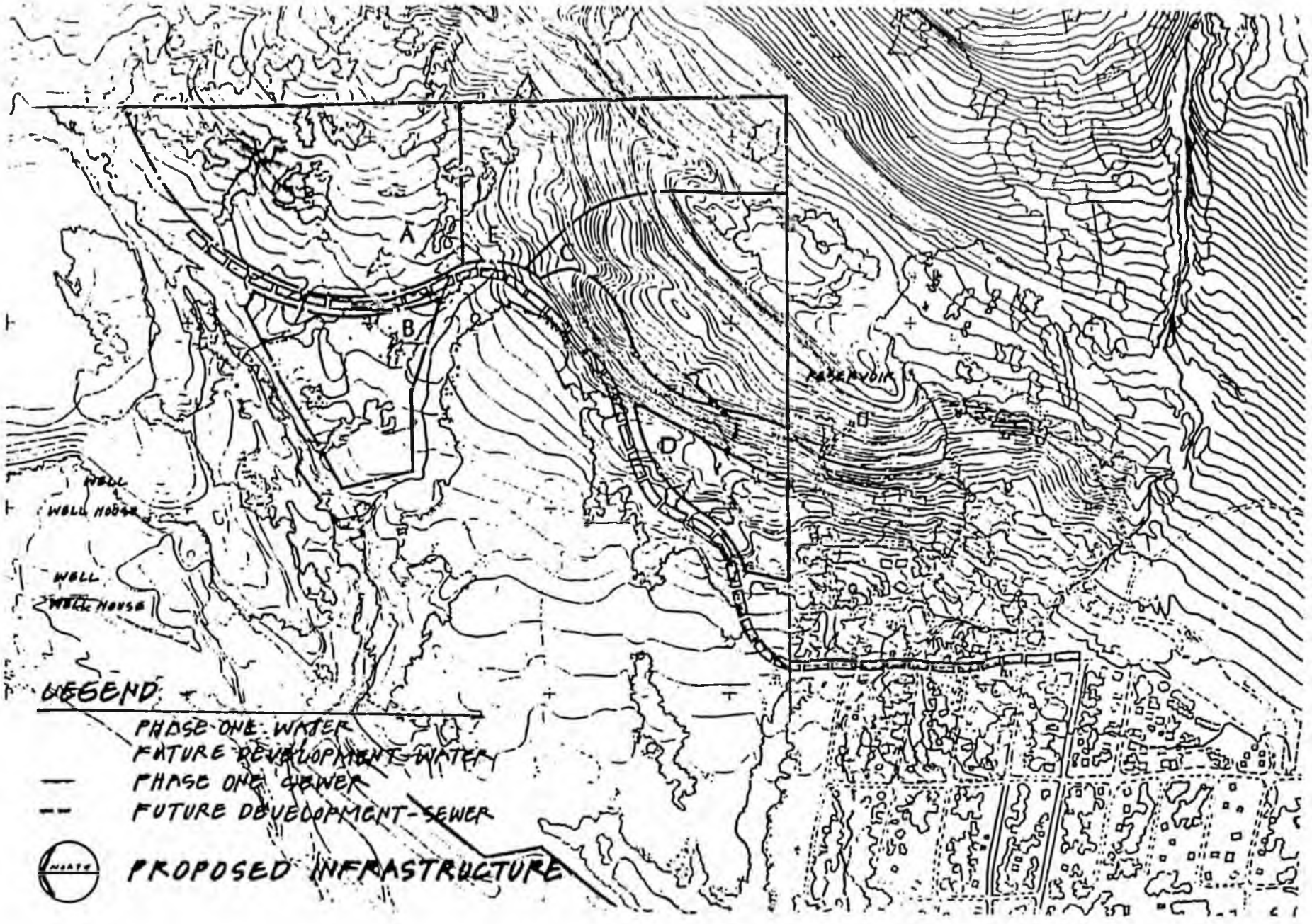
Telephone service is provided by Anchorage Telephone Utility. The existing service will be extended along Arlberg out to the phase one development within an easement shared with CEA. Telephone service will not continue beyond this point, since no looping is required. For internal operating needs, the resort uses a radio communication system consisting of two base stations, twenty portables, and one mobile unit.

Natural gas is not presently available in Girdwood. However, Enstar Natural Gas has initiated discussions regarding the eventual extension of service to the area. The requirements necessary to provide natural gas service to the proposed expansion area will be addressed when more is known of Enstar's plans.

Diesel and gasoline fuels are presently stored at the site of the old maintenance facility. During the summer of 1987, fuel storage will be moved to the new maintenance facility. A 5,000-gallon diesel tank and a 1,000-gallon gasoline tank will be installed at that time according to the terms of the conditional use permit granted for the maintenance facility. The permit requires that the tanks be buried and equipped with automatic shut off valves and that they be inspected by the State Department of Environmental Conservation prior to occupancy of the building.

4. ARLBERG AVENUE EXTENSION AND IMPROVEMENTS

The access road to the proposed Alyeska expansion area is a northerly extension of the existing section of Arlberg Avenue. Two basic cross-sections have been developed: One to serve the road from Alyeska Highway to the end of the existing road; and the other to extend from the end of Arlberg Avenue to the proposed development site. Based on preliminary traffic forecasts, both road sections will be two lanes wide with swale drainage. The section along the existing Arlberg Avenue should be developed to allow for a separated pedestrian/bicycle/ski path that will connect with the existing path that runs along the north side of Alyeska Highway. This road cross section, including the pedestrian path, can be accommodated within the 60 foot right-of-way. The pedestrian/bicycle/ski path north of the existing road terminus can meander on a separate alignment in order to minimize impacts to the natural landscape. While there may be some revision to the alignment of the intersection of Alyeska Highway, Arlberg Avenue and the entry to the Resort, preliminary design suggests that this can be provided within the existing right-of-way and can easily accommodate the forecasted traffic volumes.


A
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LEGEND
PHASE ONE WATER
FUTURE DEVELOPMENT-WATER
PHASE ONE SEWER
FUTURE DEVELOPMENT-SEWER
NORTH
PROPOSED INFRASTRUCTURE

Alaska State Legislature

Official Business

P.O. BOX V
State Capitol
Juneau, Alaska 99811

May 8, 1989

Yoshiaki Tsutsumi, President
Kokudokeikaku Company
6-35-1
Jingumae
Shibuya-ku
Tokyo 150 Japan

Dear Mr. Tsutsumi:

We are very pleased that Seibu Alaska Inc. is committed to the construction of its new hotel facility in Girdwood, Alaska.

The State of Alaska recognizes that efforts must be initiated now to diversify the economy and promote year-round tourism projects such as the one you now are undertaking. Your project presents all Alaskans with a significant opportunity and we are committed to supporting your project.

We understand that the water system operated by your corporation in Girdwood is substandard and we recognize the development for upgrading the water system and extending water and sewer service to the hotel site is essential to the successful completion of your project.

We are prepared to support this infrastructure development at a cost of $6.1 million in exchange for your commitment through the Anchorage Economic Development Corporation for the prompt construction of the hotel and associated facilities, employment of Alaskans during construction and operation phases, and appropriate international marketing of the facility to attract visitors to Alaska.

As you may be aware, the Alaska Legislature recently appropriated $5.0 million for a Winter Sports Training Facilities Reserve which is intended to be used to facilitate the Anchorage Organizing Committee's effort to attract the 1998 Winter Olympics to Anchorage. If the effort is successful, as we expect, it is our intent that the amount of this reserve would be increased during the next legislative session, or a separate reserve established to fund the cost of your infrastructure development. If that effort were unsuccessful, it is our intent that this reserve would be

available to meet the cost of the infrastructure development described above.

We applaud your vision and encourage your commitment to the immediate construction of the hotel facility. We look forward to working with you to diversify our economy through the expansion of your facilities in Girdwood.

Very truly yours,

TIM KELLY
Senate President

SAM COTTEN
Speaker of the House

JALMAR KERTTULA, Chairman
Joint Legislative
Budget and Audit Committee

MIKE SZYMANSKI, Chairman
Senate Special Committee on
International Trade and
Tourism

STEVE COWPER
GOVERNOR

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

May 12, 1989

Yoshiaki Tsutsumi, President
Kokudokeikaku Company
6-35-1
Jingumae
Shibuya-ku
Tokyo 150 Japan

Dear Mr. Tsutsumi:

I have been informed that Seibu Alaska Inc. will be constructing a new hotel in Girdwood, Alaska.

The existing water system is inadequate for a facility as large as the one envisioned by your company. I am prepared to submit to the Alaska Legislature a proposal to build an appropriate water system for $6.1 million, to be financed by the State of Alaska and the Municipality of Anchorage, in order to secure Seibu's commitment to the expanded facility under the conditions mentioned in the letter of May 8,1989, to you from the Alaska Legislative leadership

I deeply appreciate your understanding of the potential for winter sports in Alaska. We look forward to working with you and with Seibu Alaska, Inc., in the future.

My personal regards to you, ~~and~~ I hope the Seibu Lions win the championship again this year.

Sincerely,

Steve Cowper
Governor

Municipality of Anchorage

OFFICE OF THE MAYOR

P.O. BOX 196650
ANCHORAGE, ALASKA 99519-6650
(907) 343-4431

TOM FINK,
MAYOR

May 11, 1989

Mr. Yoshiaki Tsutsumi, President
Kokudokeikaku Company
6-35-1
Jingumae
Shibuya-ku
Tokyo 150 JAPAN

Dear Mr. Tsutsumi:

The Municipality of Anchorage is very enthusiastic about the plans of Seibu Alaska, Inc., to develop a destination resort in Girdwood. We feel that the prestige of your company and the quality of the resort you have planned will lead to the development of a strong winter tourism industry in Anchorage.

It is my belief that traditional public works facilities, such as water systems, should be provided by government to projects like the one Seibu is proposing. I fully support the purchase of Alyeska Utilities, Inc., by the Anchorage Water and Wastewater Utility, and will use my best efforts to secure the necessary appropriation of public funds.

The letter of support from the leadership of the Alaska Legislature that was recently sent to you is a strong and significant statement. Although I cannot speak on behalf of the legislature and governor, it is my belief that the water and sewer funding will be forthcoming from the 1990 legislative session.

Please do not hesitate to contact my office if I can assist you in any way with your very impressive plans.

Very truly yours,

Tom Fink

Tom Fink

ANCHORAGE WATER & WASTEWATER UTILITY

3000 Arctic Boulevard
Anchorage, Alaska 99503-3898
(907)

Tom Fink,
Mayor

Owned by the Municipality of Anchorage

February 6, 1990

Representative Jim Zawacki
Box V
Juneau, Alaska 99811

Re: Girdwood Water System

Dear Representative Zawacki:

With the Legislative Session fully upon us, the Anchorage Water and Wastewater Utility (AWWU) would like to take this opportunity to list for you the funding scenario for the Girdwood Water Project. Your support is very important to us and if you should have any questions on this information please contact me.

These funding requests are included within the Municipality of Anchorage's 1990 Legislative Program that was presented to the Legislators early in December.

Girdwood Water System

Alyeska/Siebu Water System (New Const)	$3,000,000	
Alyeska/Siebu Sewer System (New Const)	800,000	
Alyeska WID #389*	2,300,000	$6,100,000

*Upgrade of both the Alyeska Utilities Inc. (SIEBU) and the Alyeska Basin Subdivision Utilities (Alyeska Basin Corporation) Water Systems - this funding request is a portion of the local share required for the Alaska Department of Environmental Conservation (ADEC) 50% Matching Construction Grants Program - see breakout on next page). A project map for this WID is attached for your use.

The $6.1 million request is the Number One Priority for the Municipality of Anchorage. This amount has been requested from the Railbelt Energy Fund.

The funding scenario for the total water upgrades in Girdwood (both the SIEBU and the Alyeska Basin Subdivision Water Systems) follows. This funding breakout is for the proposed Alyeska WID #389.

Railbelt Energy Funds (listed previously)	$2,300,000	
ADEC 50% Matching Grant (listed in the 1990 Anchorage Legislative Program Proposal as Priority #1 for District 7 (Page 5(A)-1).	3,900,000	
Assessments (to be paid by the property owners)	1,600,000	$7,800,000

If I can be of further assistance in any way, please do not hesitate to telephone me at 786-5506.

Sincerely,

RICHARD L. BESSE, P.E
General Manager
Anchorage Water & Wastewater Utility

cc: Will Gay
Executive Manager
Enterprise Activities

Attachment

WESTERN ALASKA BUILDING & CONSTRUCTION TRADES COUNCIL AFL-CIO

South of the 63rd Parallel
1818 W. Northern Lights, Ste. 104
Anchorage, Alaska 99517
(907) 258-4766
(907) 278-3633

PHIL THINGSTAD
President

MATT GROSKIE
Secretary/Treasurer

March 13, 1990

Johnny Ellis
Alaska State Legislature
P.O. Box V
Juneau, AK 99811

Dear Johnny,

I am sure you know the importance of the Seibu project at Alyeska to the Anchorage Building Trades.

I hope you will make every effort to see that the related water projects in Girdwood breeze through the legislature. Thanks.

Sincerely,

Phil Thingstad
President
Western Alaska Building Trades

PAT/sh

cc: Tyler Jones

BCA COMPANY
GENERAL CONTRACTORS
4001 Tumagain Blvd. East
Anchorage, Alaska 99517
(907) 243-3455 FAX (907) 243-1684
Contractor's License #A16414

March 13, 1990

Representative Johnny Ellis
Alaska State Legislature
P.O. Box V
Juneau, Alaska 99811

Re: House Bill 407

Dear Representative Ellis:

A hearing has been scheduled on House Bill No. 407 before the Community and Regional Affairs committee on Thursday, March 15, 1990, we would like to urge you and the rest of the legislature to support H.B. 407, which proposes that the State of Alaska reimburse Seibu Alaska, Inc. for the construction of water and sewer lines.

Our support of this measure is based on the merits of the agreement between Anchorage Economic Development Corporation and Seibu Alaska, Inc. This agreement calls for Seibu to increase the size and scope of its development as well as bring the project on line in a shorter time period than originally planned. No state money goes to Seibu Alaska, Inc. until it has fulfilled its responsibilities according to the agreement.

We feel this is an excellent example of state and private sector cooperation to produce additional construction and permanent jobs for the Alaskan economy.

Very truly yours,

Tim Brady
President

LEASE
KISSEE
CONSTRUCTION
CO.

GENERAL CONTRACTORS

7801 East 36th Avenue • Anchorage, Alaska 99504
(907) 333-6516

March 13, 1990

Representative Johnny Ellis
Alaska State Legislature
P.O. Box V
Juneau, Alaska 99811

Re: House Bill 407

Dear Representative Ellis:

This letter is being written in support of H.B. 407 which proposes that Seibu Alaska, Inc. be reimbursed for the construction costs of water and sewer lines for its' new development at Alyeska.

Our support of this measure is based on the merits of the agreement between Anchorage Economic Development Corporation and Seibu Alaska, Inc. This agreement calls for Seibu to increase the size and scope of its development as well as bring the project on line in a shorter time period than originally planned. No state money goes to Seibu until it has fulfilled its responsibilities according to the agreement.

We feel this is an excellent example of state and private sector cooperation to produce additional construction and permanent jobs for the Alaskan economy.

This fine project has the potential for creating a positive long-range effect on our economy and we urge your support of H.B. 407.

Sincerely,

LEASE KISSEE CONSTRUCTION CO.

Gene Kissee

Gene Kissee, President

GK/nc

M-B CONTRACTING CO., INC.
7101 DeBarr Rd., Anchorage, Alaska 99504 • Phone (907) 333-5527 • FAX 333-5871

March 13, 1990

Representative Johnny Ellis
Alaska State Legislature
P.O. Box V
Juneau, Alaska 99811

Re: House Bill 407

Dear Representative Ellis:

We would like to urge you and the rest of the legislature to support H.B. 407 which proposes that the State of Alaska reimburse Seibu Alaska, Inc. for the construction of water and sewer lines.

Our support of this measure is based on the merits of the agreement between Anchorage Economic Development Corporation and Seibu Alaska, Inc.. This agreement calls for Seibu to increase the size and scope of its development as well as bring the project on line in a shorter time period than originally planned. No state money goes to Seibu until it has fulfilled its responsibilities according to the agreement.

This is a good investment for the State of Alaska in the Alaskan economy.

Again, we urge your support of House Bill 407.

Sincerely yours,

Kirk Wilson

Ken Brady Construction Company, Inc.

GENERAL CONTRACTORS

4001 TURNAGAIN BLVD EAST • ANCHORAGE, ALASKA 99517

TELEPHONE 561-3920

March 13, 1990

Representative Johnny Ellis
Alaska State Legislature
P.O. Box V
Juneau, Alaska 99811

Re: House Bill 407

Dear Representative Ellis:

On Thursday, March 15, 1990, we urge you to support House Bill 407, which proposes that the State of Alaska reimburse Seibu Alaska, Inc. for the construction of water and sewer lines to the new hotel at Alyeska Ski Resort.

We believe that the merits of the agreement between the Anchorage Economic Development Corporation and Seibu Alaska, Inc. warrants our support. This agreement calls for Seibu to increase the size and scope of its development as well as bring the project on line in a shorter time period than originally planned. No state money goes to Seibu Alaska, Inc. until it has fulfilled its responsibilities according to the agreement.

This is an excellent example of state and private sector cooperation to produce additional construction and permanent jobs for the Alaskan economy.

Very truly yours,

Michael Brady
President

C. R. Lewis Co. Inc.
MECHANICAL CONTRACTORS · CUSTOM SHEET METAL
1500 POST ROAD, ANCHORAGE, ALASKA 99501 · 907-276-3624

March 14, 1990

Rep. Johnny Ellis
Alaska House of Representatives
P. O. Box V
Juneau, AK 99811

Subject: HB 407 Community & Regional Affairs Hearing
March 15, 1990

Dear Representative Ellis:

It is my understanding that HB 407 will support the expansion of the Ski Resort at Mt. Alyeska and advance the completion date of said expansion.

The result would be additional construction jobs for our Alaskan work-force and, even more important, additional permanent jobs and a continuing injection of additional dollars into our economy for the uncertain times that lie ahead.

As a taxpayer I am concerned about the way the legislature is letting our budget expand but, if my information is correct and it will result in a long-term gain, I heartily support HB 407.

Thank you for your efforts in Juneau in our behalf.

Very truly yours,
C. R. LEWIS CO, INC.

C. R. Lewis

CRL:de

TAM CONSTRUCTION INC.

GENERAL CONTRACTOR
P.O. Box 111186
Anchorage, Alaska 99511
Telephone (907) 344-4581

Tuesday, March 13, 1990

Representative Johnny Ellis
Alaska State Legislature
P.O. Box V
Juneau, Alaska 99811

Re: House Bill 407
Tam File # 90T.00

Dear Representative Ellis,

I understand that the Community and Regional Affairs committee is about to consider H.B. 407. *Please give your full support to this bill.*

In these times of economic crisis in Alaska, it seems to me that, every effort should be made to support the development of industries which will add to future economic growth. Certainly, tourism is one such industry. Seibu's continued effort to improve the international marketability of Alyeska Ski Resort, is good for tourism, and good for Alaska.

It is my belief that the agreement between Anchorage Economic Development Corporation and Seibu Alaska, Inc. is a prime example of the kind of cooperation between private industry and state government, which will build a solid economic foundation for the future.

My employees and I hope you will support H.B. 407.

Sincerely yours,

Bill McKeever

WILLIAM A. McKEEVER
President