

**South Denali Visitor Center Design and Construction**

**FY2012 Request: \$3,000,000**

**Reference No: 51105**

**AP/AL:** Appropriation

**Project Type:** Construction

**Category:** Natural Resources

**Location:** Matanuska-Susitna Borough (Rural Mat-Su)

**House District:** Rural Mat-Su (HD 15)

**Impact House District:** Matsu Areawide (HD 13-16)

**Contact:** Jean Davis

**Estimated Project Dates:** 07/01/2011 - 06/30/2016 **Contact Phone:** (907)465-2422

**Brief Summary and Statement of Need:**

The funding will be used to complete the design of the South Denali Visitors Center. With the completion of the EIS and the Interpretive plan we are ready to move forward with design and construction. The total amount of state funding needed to complete the project is \$25.0 million. This project will provide access to public lands, boost the local economy and is estimated to receive approximately 280,000 annual visits.

Total remaining state project costs include:

\$3 million for design of the visitor center and the transportation system

\$13 million for the construction of the visitor center

\$3 million for construction of the transportation system

\$6 million to extend power to the site

<b>Funding:</b>	<b>FY2012</b>	<b>FY2013</b>	<b>FY2014</b>	<b>FY2015</b>	<b>FY2016</b>	<b>FY2017</b>	<b>Total</b>
Gen Fund	\$3,000,000						\$3,000,000
<b>Total:</b>	<b>\$3,000,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$3,000,000</b>

<input type="checkbox"/> State Match Required	<input type="checkbox"/> One-Time Project	<input type="checkbox"/> Phased - new	<input type="checkbox"/> Phased - underway	<input checked="" type="checkbox"/> On-Going
0% = Minimum State Match % Required		<input type="checkbox"/> Amendment	<input type="checkbox"/> Mental Health Bill	

**Operating & Maintenance Costs:**

	<u>Amount</u>	<u>Staff</u>
Project Development:	0	0
Ongoing Operating:	0	0
One-Time Startup:	0	0
<b>Totals:</b>	<b>0</b>	<b>0</b>

**Additional Information / Prior Funding History:**

Previous Funding:

CIP SLA 2008/CH 29 \$8,900,000 (GO Bonds) for access road design and construction

SLA 2007/CH 30/Sec18 (a) \$100,000 SDPR for master interpretive plain

**Project Description/Justification:**

**Detailed Project Justification:**

Purpose:

- Year round visitor center on Curry Ridge in Denali State Park approximately three miles east of the Parks Highway at mile post 135

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- Facilities will include 15,000 square foot visitor center, transportation center, campground, trails, interpretive displays, and parking
- Meet Alaskans and visitors demand for additional interpretation, outdoor recreation, and access to public lands
- Provide opportunities for viewing Mt. McKinley, learning about Alaska, accessing the subalpine ridge and lake 1787
- Meet growing demand for a "Denali experience" within one days drive of Anchorage
- Enhance opportunities for snow machining, skiing, hiking, camping, school groups, and education
- Boost local economy
- Provide the basic infrastructure that will support and encourage responsible private sector development of services and activities for visitors and Alaska residents
- Enhance four-season tourism opportunities in the region which will increase economic opportunities for businesses in local communities

### Economic Impact:

- Economic Impact Study completed in 2008 by the Institute of Social and Economic Research
- Estimated annual visitation of Alaskans, cruise passengers, independent and business travelers between 250,000 and 350,000 annually
- Visitor Center construction and related construction activities will provide employment for 116-213 people, over a period of 2-3 years
- Ongoing employment created by the Visitor Center and related activities, including additional hotel rooms, would be 221-549 jobs
- Over a 2-3 year period, Visitor Center construction related income will range from \$6.8 million to \$12.4 million
- Ongoing Visitor Center related employment income, including additional hotel facilities, etc., will range from \$7.6 million to \$18.6 million per year
- Tourism expenditures stimulated by the existence of the Visitor Center will range from \$17.8 million to \$44.8 million per year

### Funding:

- Total construction cost is \$37 million.
- State of Alaska funding to date includes \$9 million from state general fund for the road design and construction.
- Other (non-state) funding commitments include \$1 million federal Scenic Byways Grant to be used primarily for the transportation system, a \$1 million commitment from Princess Tours towards the cost of extending power to the site, and a \$1 million UCI ( native village of Hooper Bay) donation of land as an access parcel to the project
- Additional state general fund needs total \$25 million with this FY12 capital request funding \$ 3 million for facility design, and FY13 capital requests of \$13 million for facility construction, \$ 3 million for the transportation system construction, and \$ 6 million for the extension of power to the location.

### Timeline:

- 2011 – finish road design and permitting, start visitor center design
- 2012 – construct road, complete visitor center design and permitting
- 2013 – visitor center construction
- 2014 – finish construction and open visitor center

**Process:**

- A new visitor destination in this area has been discussed since the 1960s
- South Denali Implementation Plan and EIS 2006
- Denali State Park Management Plan 2006
- Winter trail system development 2007
- Parks Highway Scenic Corridor Plan 2008
- Interpretive Master Plan 2009
- Road alignment, geotechnical survey, and preliminary road design completed 2010
- Public support has switched from very contentious to almost unanimous support with a handful of folks from Talkeetna still voicing opposition

**Public Partners:**

- The *Final South Denali Implementation Plan and Environmental Impact Statement* represents the culmination of more than 13 years of partnership planning between the State of Alaska, the Matanuska-Susitna Borough, and the National Park Service
- Operations costs will be self sustaining with a combination of gate receipts, Matsu Borough contribution, and the National Park Service operating budget

**Private Partners:**

- In 2008, UCI, a wholly owned subsidiary of the native village of Hooper Bay purchased a 160 acre tract immediately adjacent to the project site for \$1.2m
- Access across the UCI tract provides the most ideal access to the visitor center site.
- UCI has proposed donating 130 acres of the site to;
  - o Facilitate the access road
  - o Prohibit unwanted piecemeal development adjacent to the state park.
  - o Preserve view shed for the park and visitor center
- UCI would retain 30 acres for development of private sector lodging experience within the park. The development would;
  - o Adhere to restrictive covenants preserving the park environment.
  - o Adhere to view shed restrictions making the lodge a discrete experience from the visitor center experience
  - o Provide private sector improvements to complement the public park experience.
- The Lodge would add
  - o \$20-35m of private sector investment to the area and the tax base.
  - o Long term jobs.
  - o Long term investment return for the shareholders of Hooper Bay

**Why is this Project Needed Now?:**

This project has been talked about for 40 years. With completion of the EIS and Interpretive Plan it is time to move forward with design and construction. During the current economic times the cost of construction is very reasonable and it expected to increase in the future. The value of this project to the local economy, locals, visitors, and the tourism industry is very important and the project is needed now to meet those demands.

**Specific Spending Detail:**

LINE ITEM	DOLLAR AMOUNT	DESCRIPTION (text)
Personal Services	\$ 400,000	Staff preparation and oversight of design contract.
Services	\$2,600,000	Contract for design.