



South Denali Visitor Center Complex Briefing

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Department of Natural Resources**

Executive Summary

The South Denali Visitor Center Complex, located in Denali State Park along the George Parks Highway, is projected to be a \$47 million construction project. To date, the project has received \$20.4 million from the State of Alaska, a \$1 million Scenic Byways federal grant and a \$1 million donation from Holland America/Princess, for a total of \$22.4 million. The project has been divided into two phases.

Phase I construction is fully funded and includes the design and construction of a campground with 32-RV campsites and 10 walk-in campsites, four public use cabins, a large group camping area, a ranger station, a multi-purpose Pavilion (that would be also used as a shuttle station if Phase II is built) and a network of trails. Phase I also includes a 34-mile power extension and upgrade along the Parks Highway and the preliminary design of the access road between the campground and visitor center.

Phase II construction, which is not funded at this time, includes the final design and construction of the visitor center, the final design and construction of the access road from the campground to the visitor center, construction of a maintenance building and the expansion of the trails network. Phase II construction is estimated at \$22.2 million.

Phase I operational expenses have not been secured and are estimated to be \$109.0 for the first full year the facilities are open to the public and \$119.0 in the second year, increasing approximately 10% in following years due to anticipated increases related to increased use, such as outhouse pumping, waste disposal and electric use. Revenue generated from Phase I (RV and tent camping, public use cabins and day use parking) is estimated to be \$85.0 the first year and \$150.0 the second year. (see Appendix A)

Background

Since the 1960s, there has been a shared vision among public land managers in the South Denali region that the area had potential for greater use and development for visitors. The designation of Denali State Park in 1970 was intended to provide the land base and protections needed for a world class public tourism facility. In 2006, Curry Ridge was selected as the preferred site for a South Denali Visitor Center Complex. The long planning history leading to this selection is documented in the Final South Denali Implementation Plan and Environmental Impact Statement. The document provides the following vision of the complex:

This destination facility will serve Alaskans and out-of-state travelers, local school groups and package tours. The vision is for a high quality facility that offers a range of opportunities for learning and recreating. It will provide visitors of various abilities a chance to experience alpine and subarctic tundra environments and opportunities to view Denali and the Alaska Range.

The visitor center and trail system could engage visitors for an hour, half-day or all day. Diverse opportunities (such as interpretation of natural and cultural resources, viewing Denali, short walks, long hikes, educational programs, hands-on exhibits and viewing film) and information about the regional recreational opportunities, safety and emergency assistance will be provided to accommodate diverse visitor interests and background (Final South Denali Implementation Plan and Environmental Impact Statement, April 2006).

Project Scope

The South Denali Visitor Center Complex full build out is comprised of a 15,000-16,000 square feet, state-of-the-art visitor center; 32-RV campsites (with electricity); 10 walk-in campsites; a group use camping area; lower and upper access roads; hiking trails (including some handicap accessible trails); Ranger station; public use cabins, parking areas and trailheads, multi-purpose Pavilion (an open structure with a roof to provide protection from the elements that can be used as a large event area and a place for visitors wait for a shuttle bus once the visitor center is constructed), maintenance building and 34 miles of electrical extension and upgrade along the Parks Highway.

In 2012, the department decided to utilize funds on hand to build the campground and related facilities in order to provide recreational opportunities for Alaskans and our guests while creating a revenue stream that could help offset the need for general fund dollars to operate the facilities. The development plan for a full build out of the Phase I master plan will allow for maximum revenue from the facility while helping reduce the cost of long term maintenance. Phase II will begin once funding is secured.

After consulting with Alaska Native organizations, the campground has been named K'esugi Ken, an Dena'ina name for Curry Ridge where the campground is located. K'esugi Ken means "Base of the Ancient One." In naming the new campground, the state is recognizing the Dena'ina people and their use of this land. It will reintroduce the use of this place name and hopefully inspire visitors to learn more about the Dena'ina cultural story that is integrally linked to the site.

Partnerships

Public Partnerships:

- In January 2012, the State signed a Memorandum of Understanding with the National Park Service and the Matanuska-Susitna Borough concerning the cooperative development and management of the South Denali Visitor Center Complex in Denali State Park. The MOU states that the three governmental agencies will coordinate efforts to develop a visitor center complex and includes planning, development, staffing, management, operations and maintenance of the facility. A steering committee of Ben Ellis, DPOR Director, John Moosey, Mat-Su Borough Manager and Don Striker, Denali National Park and Preserve Superintendent meets several times a year to discuss the project.
- In Federal fiscal year 2012, the state was notified it had been awarded a \$1 million Scenic Byways grant for the project.

Private Partnerships:

- In 2008, Holland America/Princess committed \$1 million toward the 34-mile electrical upgrade and extension along the Parks Highway needed for the visitor center complex. In 2013, the company made good on that pledge by contributing \$1 million toward the projected \$6 million electrical upgrade and extension project.
- In August 2012, United Companies Inc., a subsidiary of Sea Lion Corporation, approached the Division of Parks and Outdoor Recreation with a proposal for a land donation in the vicinity of the proposed South Denali Visitor Center in Denali State Park. The proposal consisted of a land donation to the state of approximately 104 acres (out of 160 acres) in the form of a warranty deed. In March 2013, the land was transferred to the state and will be used as the main entrance to the complex. UCI is considering the construction of a lodge on the retained parcel adjacent to the state park.

Phase I Construction (2013-Present)

Lower Access Road and Campground – A groundbreaking ceremony was held on August 16, 2013 for construction of the new K'esugi Ken Campground. Contract work to build the access road to the RV campground, the day-use parking/trailhead and a one-half-mile loop interpretive hiking trail was completed in the fall of 2014. Supplying electrical to each RV campsite is to be completed in the summer of 2015. Construction of the maintenance shop/ranger station is underway and slated to be completed in the fall of 2015. The design and construction of the 10-site walk-in campground, group camping area and public use cabins is anticipated to be completed in the fall of 2015. Design of the Pavilion (which later could be used as a shuttle station) is underway with construction anticipated in late summer 2015. Construction of approximately 5 miles of trails will begin in the fall of 2015 with an anticipated completion in summer of 2016. Paving the lower access road is planned for early fall 2015 after all major Phase I construction is completed. Design of the visitor center access road and visitor center remain in the planning stage.

Electrical Extension - The MEA main line extension and upgrade project is complete (Line is stubbed off within the Parks Highway Right-of-Way). MEA has spent \$5 million to date and anticipates a cost underrun near \$1.2 million of the projected \$6.2 million project. Those savings are being applied towards the underground electrical alignment to bring power from the main line to the RV campground.

Projected Opening of Phase I –It is anticipated the K'esugi Ken Campground will open the summer 2016. While the RV portion of the campground is near completion, the opening date of the campground is based on completion of the walk-in campground and the ranger station, as well as the need to secure operational funding.

Phase II Construction

Phase II construction, unsecured funding at this time, will complete the full build out of the South Denali Visitor Center Complex. It includes: final design and construction of the visitor center, final design and construction of the upper access road, design and construction of a maintenance building and an expanded trail network.

Funding Summary

	SUMMARY						
	SLA2008/CH29 AR 40884	SLA2008/CH29 AR 40889	SLA2011/CH5 AR 39136	SLA2012/CH317 AR 39185	SLA2013/CH16 AR 39225	Non-State Funding	TOTAL
GRAND TOTAL	6,400,000.00	2,500,000.00	3,000,000.00	1,500,000.00	7,000,000.00	1,950,000.00	22,350,000.00

Completed Work to Date:

	AMOUNT SPENT						
	SLA2008/CH29 AR 40884	SLA2008/CH29 AR 40889	SLA2011/CH5 AR 39136	SLA2012/CH317 AR 39185	SLA2013/CH16 AR 39225	Non-State Funding	TOTAL
Personal Services and Expenses for Planning, Design, Permitting and Contract Administration	1,408,710.66	174,625.81	---	---	---	2,818.84	1,586,155.31
Project-Wide Planning and Studies Contracts	784,020.59	141,605.14	---	---	---	---	925,625.73
Construction Contract - Access Road, RV Campground, Trailhead, and Trail	1,307,907.14	2,183,769.05	---	---	412,526.66	---	3,904,202.85
MEA Electrical Extension	724,361.61	---	3,000,000.00	1,500,000.00	---	1,000,000.00	6,224,361.61
Design and Construction Contracts - Maint. Shop/Ranger Station and Campground Electrical	581,095.03	---	---	---	---	---	581,095.03
SUBTOTAL	4,806,095.03	2,500,000.00	3,000,000.00	1,500,000.00	412,526.66	1,002,818.84	13,221,440.53

Work in Progress:

	AMOUNT ENCUMBERED OR PROJECTED						
	SLA2008/CH29 AR 40884	SLA2008/CH29 AR 40889	SLA2011/CH5 AR 39136	SLA2012/CH317 AR 39185	SLA2013/CH16 AR 39225	Non-State Funding	TOTAL
Personal Services and Expenses for Planning, Design, Permitting and Contract Administration	---	---	---	---	85,000.00	---	85,000.00
Construction Contract - Access Road, RV Campground, Trailhead, and Trail	---	---	---	---	125,000.00	---	125,000.00
Design and Construction Contracts - Maint. Shop/Ranger Station and Campground Electrical	1,593,904.97	---	---	---	1,360,000.00	---	2,953,904.97
Construction Contract - Walk-In Campground	---	---	---	---	1,250,000.00	---	1,250,000.00
SUBTOTAL	1,593,904.97	---	---	---	2,820,000.00	---	4,413,904.97

Planned Future Work (Funded):

	AMOUNT ESTIMATED						
	SLA2008/CH29 AR 40884	SLA2008/CH29 AR 40889	SLA2011/CH5 AR 39136	SLA2012/CH317 AR 39185	SLA2013/CH16 AR 39225	Non-State Funding	TOTAL
Personal Services and Expenses for Planning, Design, Permitting and Contract Administration					349,473.34		349,473.34
Design - Road to Visitor Center					350,000.00		350,000.00
Construction - Pavilion					500,000.00	947,181.16	1,447,181.16
Construction - Public Use Cabins					200,000.00		200,000.00
Construction - Trails					400,000.00		400,000.00
Construction - Pave Roads					1,700,000.00		1,700,000.00
Startup Costs	---	---	---	---	268,000.00	---	268,000.00
SUBTOTAL					3,767,473.34	947,181.16	4,714,654.50

GRAND TOTAL	22,350,000.00
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Appendix A

Revenue Detail Phase I*		
	Year 1	Year 2
Overnight Camping	\$69,000.00	\$112,000.00
Public Use Cabin	\$10,000.00	\$28,000.00
Day Use	\$6,000.00	\$10,000.00

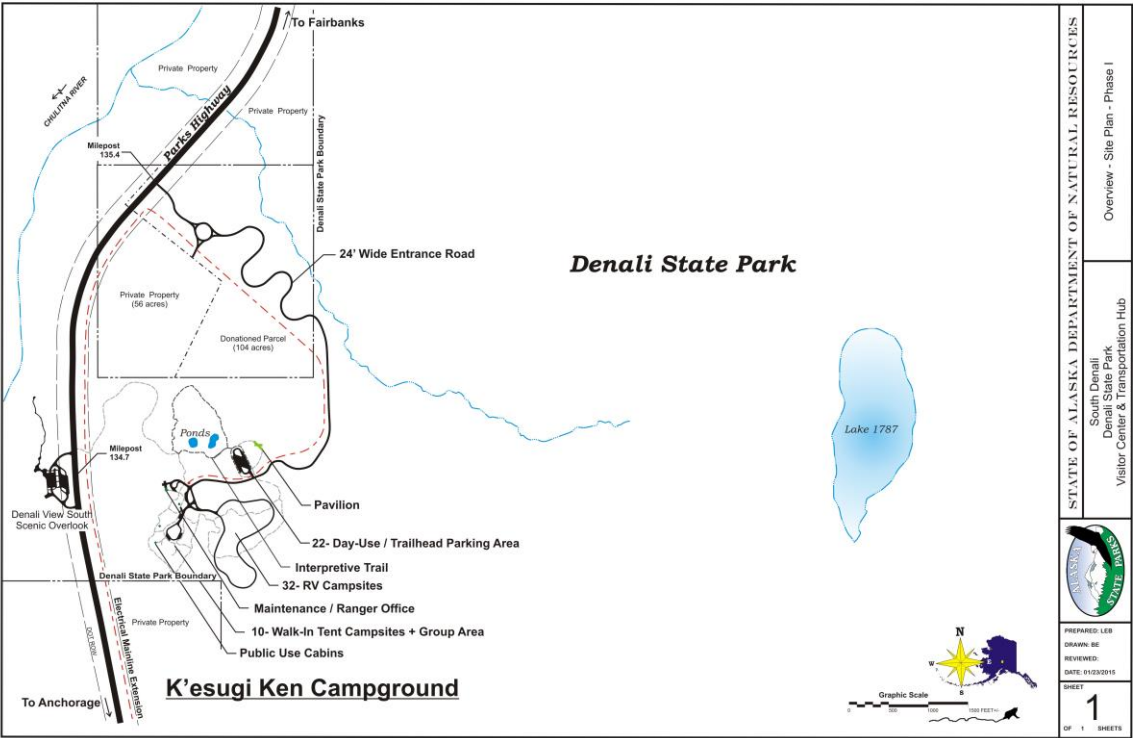
Operations Expense and Revenue Summary Phase I			
	Year 1	Year 2	
Personal Services	\$72,400.00	\$72,400.00	
Travel	\$2,000.00	\$4,000.00	
Services	\$28,400.00	\$34,600.00	
Commodities	\$6,200.00	\$8,000.00	
Total:	\$109,000.00	\$119,000.00	
Estimated Revenue	\$85,000.00	\$150,000.00	
Net	(\$24,000.00)	\$31,000.00	

The Division of Parks and Outdoor Recreation intends to request an increase in our receipt authority and use this funding stream to support operations and maintenance of the South Denali Visitor Center Complex. Once the visitor center is operational, DPOR would use the additional revenue generated throughout the Alaska State Park system.

* Based on research by The Center for Economic Development at the University of Alaska Anchorage (2011) and staff analysis



Phase One Build Out



South Denali Visitor Center Complex Master Plan

