

**ALASKA STATE LEGISLATURE  
SENATE RESOURCES STANDING COMMITTEE**

February 5, 2018

3:30 p.m.

**MEMBERS PRESENT**

Senator Cathy Giessel, Chair  
Senator John Coghill, Vice Chair  
Senator Bert Stedman  
Senator Kevin Meyer  
Senator Click Bishop

**MEMBERS ABSENT**

Senator Natasha Von Imhof  
Senator Bill Wielechowski

**COMMITTEE CALENDAR**

OVERVIEW: ALASKA'S STATE PARK SYSTEM

- HEARD

**PREVIOUS COMMITTEE ACTION**

No previous action to record

**WITNESS REGISTER**

ETHAN TYLER, Director  
Division of Parks & Outdoor Recreation  
Department of Natural Resources (DNR)  
Juneau, Alaska

**POSITION STATEMENT:** Provided an overview of Alaska's State Park System.

**ACTION NARRATIVE**

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**CHAIR CATHY GIESSEL** called the Senate Resources Standing Committee meeting to order at 3:30 p.m. Present at the call to order were Senators Stedman, Coghill, Bishop, Meyer, and Chair Giessel. Senators Wielechowski and Von Imhof were excused.

## ^Overview: Alaska's State Park System

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CHAIR GIESSEL announced the only order of business today would be an overview of the Division of Parks and Outdoor Recreation. Created in 1970, Alaska's park system consists of 128 park units and over 3 million acres of land and water; it is the largest park system of anywhere in the United States. The park system traces its roots back to the famed aviator Charles Lindbergh's speech to the state legislature in 1968 advocating for a state conservation and recreation system, and it was constituted into law with the sponsorship of the late Lowell Thomas, Jr., who was then a member of this body. Underpinning the drive for the parks system was the need for the state to control its lands. By designating lands like the Wood-Tikchik State Park, the state preempted federal designation that would have resulted in a more centralized restrictive management from Washington, D.C.

Access to average Alaskans without incurring financial hardship is a mission of the Parks Division, but so is financial sustainability. In recent years, the Park Division has overseen a program to help mitigate its funding to eventually subsist on user fees. The legislature also gave them authority to create logo gear, which she wanted to hear about. She welcomed the Department of Natural Resources (DNR) to provide the overview.

HEIDI HANSEN, Deputy Commissioner, Department of Natural Resources (DNR), Juneau, Alaska, introduced herself.

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ETHAN TYLER, Director, Division of Parks & Outdoor Recreation, Department of Natural Resources (DNR), Juneau, Alaska, said he would cover the Division of Parks & Outdoor Recreation's primary sections, and highlight some regions with specific points of interest, and then meld into FY17 highlights and their direction moving forward.

MR. TYLER said he is new to the Division of Parks & Outdoor Recreation and came over from the Department of Commerce, Community and Economic Development (DCCED).

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He said one section most people are not aware of in this division is the Office of History and Archaeology. It serves as the state's historical preservation agency. It works closely with the federal government and the State Historic Preservation

Officer (SHPO) that maintains a statewide inventory of cultural resources and serves as the state liaison to federal agencies in such issues as the National Register of Historic Places, the National Park Service, and the Department of Interior. This office works closely with a number of development projects in the state to identify cultural resources and heritage areas - to ensure in some of the bigger projects that things aren't being disturbed in a historical site and making sure of permit compliance.

CHAIR GIESSEL asked if that means he works with the gas pipeline project.

MR. TYLER answered yes.

SENATOR BISHOP asked if the annual placer mining application (APMA) has to get blessed by SHPO.

MR. TYLER answered that was correct.

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He said the Office of Boating Safety sponsors the "Kids Don't Float Program." It consists of in-water activities with kids in a pool learning survival skills. He highlighted that their staff member, Kelli Toth, received a National Association of State Boating Law Administrators' Educator of the Year award. They also received a partnership award for their work on the "Float Coat Song" that was done in conjunction with the Alaska Native Tribal Health Consortium. Jeff Johnson, who is retiring this year, started the Office of Boating Safety, was also inducted into the Hall of Fame of that same organization.

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SENATOR MEYER asked if this program is funded by boat receipts.

MR. TYLER answered yes; the boating receipts are used as a match for federal funds on any projects in the park that has to do with boats, like boat ramps.

SENATOR MEYER asked if this program started in 2000 under the Murkowski administration.

MR. TYLER answered yes, and the Kids Don't Float program was officially kicked off in 2012 with 10,000 kids going through it since then.

SENATOR MEYER remarked that was great and asked how kids in Anchorage find out about the program.

MR. TYLER answered that the division works closely with school districts throughout the state.

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SENATOR MEYER asked if commercial fishermen use this program for training their work crews.

MR. TYLER answered that a non-profit organization in Juneau does a lot of the commercial fishing training and those funds can be used for the federal match, as well. They work with the Coast Guard, as well. He noted that Kids Don't Float life jackets are at pavilions at almost every boat launch in the state for kids to borrow. At least 33 kids' lives are on record as having been saved by using these lifejackets; one adult life has been saved through the program, as well.

The bulk of the division's activities include field operations: ranger staff, natural resource technician staff, and maintenance folks. They work with 12 citizen's advisory boards around the state that provide public input on how to best manage the parks and partner with the visitor industry in the state as parks as part of their tour offerings.

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SENATOR COGHILL relayed that many in the legislature are grateful for the advisory groups and especially as volunteers, because "they seem to double themselves wherever they go."

MR. TYLER noted that last year's park fees covered 51 percent of the operating costs in FY17.

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He said the largest state park system in the country is also home to the largest state park, which is Wood\_Tikchik State Park. It is also home to the fourth largest state park in the country: Chugach State Park. The park system is divided into six primary regions and consists of 3.3 million acres; last year they saw approximately 3.6 million visitors.

At 495,000 acres, Chugach State Park is the fourth largest in the United States. Because of its proximity to Anchorage, it has a lot of high use areas. So, making sure the facilities exist for that high level of use and attempting to encourage people into other areas of the park is one of the challenges they work

with. The number-one viewed webpage on the State Parks site is the Glenn Alps parking lot cam.

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In keeping with the theme of winning awards, he said that Joe Hall, Park Specialist, had a partnership award from Alaska Geographic this year. He has been very instrumental in building partnerships with non-profits and supporters of the State Park system and has completed a number of "great trail projects" because of it.

He noted that the Chugach superintendent oversees the Wood-Tikchik State Park, because it falls under the Chugach region.

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MR. TYLER said the Kenai Region is the most diverse park area in the state. It includes numerous marine parks in Prince William Sound, land-based areas out of Valdez like the popular Worthington Glacier, Kachemak Bay State Park in Homer, Caine's Head State Recreation Area in Seward, and the Kenai River Special Management Area, another very high use area.

CHAIR GIESSEL asked how many state parks abut federal parks.

MR. TYLER said his division frequently works in conjunction with federal partners, and he could think of 10 relevant areas. For instance, a lot of the state marine parks in Prince William Sound abut Chugach National Forest, Chugach State Park abuts Chugach National Forest, Denali State Park, and Denali National Park, and the Kenai National Wildlife Refuge contains Skilak Lake and the Kenai River Special Management Area starts coming from Skilak Lake. So, they really do work hand-in-hand with federal partners. They also have some cooperative agreements with them: for example, an agreement with the National Park Service in Denali State Park where one of their rangers provides interpretive services at the new K'esugi Ken Campground.

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The northern area is based out of Fairbanks. Olnes Pond is a popular camping and ATV area outside of Fairbanks received funding through the State Trails Program (a federal grant program administered by the Division of Parks) for significant ATV trail improvements this last year. Necessary repairs were made to stabilize the river bank area along Big Delta State Historic Park. He reported that the Fairbanks area parks increased their fee areas from \$5 in 2015 to \$25. This is in

progress, so he doesn't have good numbers for it. But he expects to see increased revenue in the northern area.

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As a cost saving measure, Delta area parks went into passive management last year, and the division worked with community volunteers to keep the areas open.

After going through the procurement process they issued permits to private sector companies to operate in those parks and they now have the authority to operate those areas and collect the fees.

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MR. TYLER said last May was the opening of the K'esugi Ken Campground in Denali State Park (in the MatSu region). It is really the crown jewel of campgrounds for the state park system with 32 new RV tent campsites with electric hookups, which none of the other state parks (except the Chena River State Recreation Area) have. There are 10 walk-in camp sites, three public use cabins an interpretive pavilion, and the partnership with the National Park Service.

He said they have a close partnership with the visitor industry stakeholders, large and small, around Denali State Park and this new area that came on line last year. It is very popular both in winter and summer.

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MR. TYLER said they began to charge historic access fees last year at Independence Mine State Historic Park and Totem Bight State Historic Park. They did not receive a lot of pushback on those fees, even though both areas are very popular. However, parks don't have entrance fees, as part of the mission is to provide these areas and land resources for the people of Alaska.

CHAIR GIESSEL said the Independence Mine area is really popular for skiing and asked if it's true there are plans to have a ski resort and would it be on private land adjacent to the area.

MR. TYLER replied there are plans for a ski area in the Hatcher Pass on municipal land that received a significant grant this year.

Coming from DCCED, Mr. Tyler said, he couldn't do a presentation without mentioning the impact that parks have as economic drivers in the state and that 626 commercial use permits were

issued in 2017. With his visitor industry and business development background, his goal is to get that number to increase and to have more partnerships with the visitor industry. Those 626 commercial use permits represent businesses on the ground that are working within the parks as fishing guides, tour guide companies, water taxis, motor coach and van tours, hiking guides and the like. Adventure travel is an up and coming trend in the visitor industry and he hoped to capitalize on that, as well.

CHAIR GIESSEL asked if any industrial uses go on in the parks.

MR. TYLER answered he didn't think so, but he would get back to her on that. He explained that every park is different based on its enabling legislation.

He presented a picture of one of three public use cabins in Denali State Park. He reported that the online reservation system was changed to a different company last year. It has a no-cost contract with the state and a fee is taken as part of the reservation process. It allows booking to be much easier to manage for guests and much easier tracking for his division. It also has payment options. He hopes to put a couple of the busier campgrounds online.

He said that cabins are excellent investments for the park; some have over 85 percent peak occupancy. Because they have a demonstrated demand and require minimal maintenance, the investment pays off in three to five years and then becomes a revenue stream to the division.

SENATOR COGHILL attested to the fact that they are popular, because it's hard to get a reservation. He asked if they are going to build more.

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MR. TYLER replied that they have a capital request this year to build five more cabins, strategically locating them in areas of high demand.

SENATOR COGHILL said some are seasonal, but in his area, they are used year-round.

SENATOR STEDMAN asked if there is that much demand, might there be a rate structure issue. He said three to five years is a quick payback and asked if that includes replacement reserves and maintenance.

MR. TYLER replied no; he ran through the maintenance costs and found they are minimal. The rate structure which in the past has been set by the different regions is under review for adjusting rates according to popularity of use.

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SENATOR STEDMAN remarked that Sitka has a boat ramp that used to have a \$5/per launch cash box for people who didn't have a year-round pass. The money was split 50/50 between the city and the state boat ramps. The state's cut was \$8,000 to \$10,000 a year. The city used theirs for lights, snow plowing, and maintenance because the ramps are also used as an emergency response location. However, the cash box was taken away because there wasn't anyone from the state available to empty it. So, now you go out there and use the ramp for free. He asked Mr. Tyler, when he has time, to work up a collection mechanism for the cash box. Castle Hill in Sitka is another attractive area that could use this mechanism.

MR. TYLER said he has been briefed on the Sitka scenario and is looking at others.

SENATOR BISHOP asked if the cabins have electricity or running water.

MR. TYLER answered no.

SENATOR BISHOP noted that they really are pretty low maintenance.

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CHAIR GIESSEL said the Kasilof boat launch was a hot topic last year and asked for an update on that.

MR. TYLER answered that it was put on hold during the director's transition and he has taken it back up by engaging with residents to redesign it moving forward.

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He said a topic that is interwoven with a lot of the discussions in every other slide is park sustainability. Their plan is to increase revenue without creating a burden to Alaskans who utilize the areas and facilities by, for instance, increasing the number of fee stations in areas that didn't have them. Along those lines, expanding their electronic fee options is something

they are working on and pay by phone. He is also working on statewide consistency in cabin pricing.

He said cabins with electricity attract out-of-state folks with RVs who want to know where they are camping from night to night. A lot of calls people call who want to book their campsites on line and the department is working at moving some of the higher use and longer haul campsites online.

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They are streamlining the special use and commercial use permitting process and getting something set up online there, too. They are also increasing partnerships with non-profit and for-profit organizations around the state that support state parks.

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SENATOR STEDMAN added to the boat ramp discussion - no disrespect to his almost law-abiding friends - that a payment mechanism requiring a registration also brings people into compliance with that requirement. Otherwise they are not so excited about it. He noted that when the police respond to a search and rescue incident they will know whose trailer is there if it has a sticker on it.

CHAIR GIESSEL asked what was happening to the logo wear authorization.

MR. TYLER replied that they printed logo wear and launched the website that can be accessed through the state parks website. But his feeling is that the division is not in the logo wear business. So, that his goal is to move their inventory of state park wear it out to a private sector retailer - that has broader distribution and expertise - and then work on a licensing agreement with retailer or clothing manufacturer, whatever is the best fit, from which to receive revenue from the licensing of the logo wear but not have to be involved in it quite as much. The program has made about \$15,000.

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SENATOR BISHOP noted that Mr. Tyler's background in marketing and said he was sure those talents could be used in promoting that legislation to bring in more revenue to the state. He said that the Alaska brand is ready to sell, and said for example, that Caterpillar does as good in clothing sales in Europe as they do in selling machinery.

MR. TYLER replied that he sees great potential and to stay tuned.

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CHAIR GIESSEL, finding no further questions, adjourned the Senate Resources Committee meeting at 4:21 p.m.