

**H R**

**2**



## FISCAL NOTE

**REQUEST:**

Revision Date: \_\_\_\_\_  
 Title: Supporting the development of  
Hatcher Pass Ski area.  
 Sponsor: Larson, Menard, Zawacki  
 Requestor: House Resources Committee

Agency Affected: DNR Parks & Rec.  
 BRU: \_\_\_\_\_  
 Components: \_\_\_\_\_

**EXPENDITURES/REVENUES:** (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL	0	0	0	0	0	0
---------	---	---	---	---	---	---

REVENUE	0	0	0	0	0	0
---------	---	---	---	---	---	---

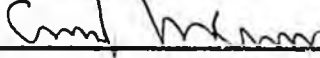
**FUNDING:** (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	0	0	0	0	0	0

**POSITIONS:**

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

**ANALYSIS :** (Attach a separate page if necessary)

Prepared by: Chairman Curt Menard  Phone: 465-4944  
 Division: House Resources Committee Date: 2/1/89

Approved by Commissioner: \_\_\_\_\_ Date: \_\_\_\_\_  
 Agency: \_\_\_\_\_

Distribution (by preparer):  
 Legislative Finance  
 Legislative Sponsor  
 Requestor  
 Office of Management and Budget  
 Impacted Agency(ies)

House Resources  
February 7, 1989

AMENDMENT 2  
to HR 2

1. (pg. 1, line 25) : delete "draft"
2. (pg. 2, line 6) : delete "The Con..."
3. (pg. 2, line 7) : delete "...ceptual Development Plan that Mitsui & Co, Ltd. has prepared."

add : Mitsui & Co, Ltd in its plan to develop a yearround international destination resort at Hatcher Pass

House Resources  
Feb. 7, 1989

AMENDMENT  
to HR No. 2

---

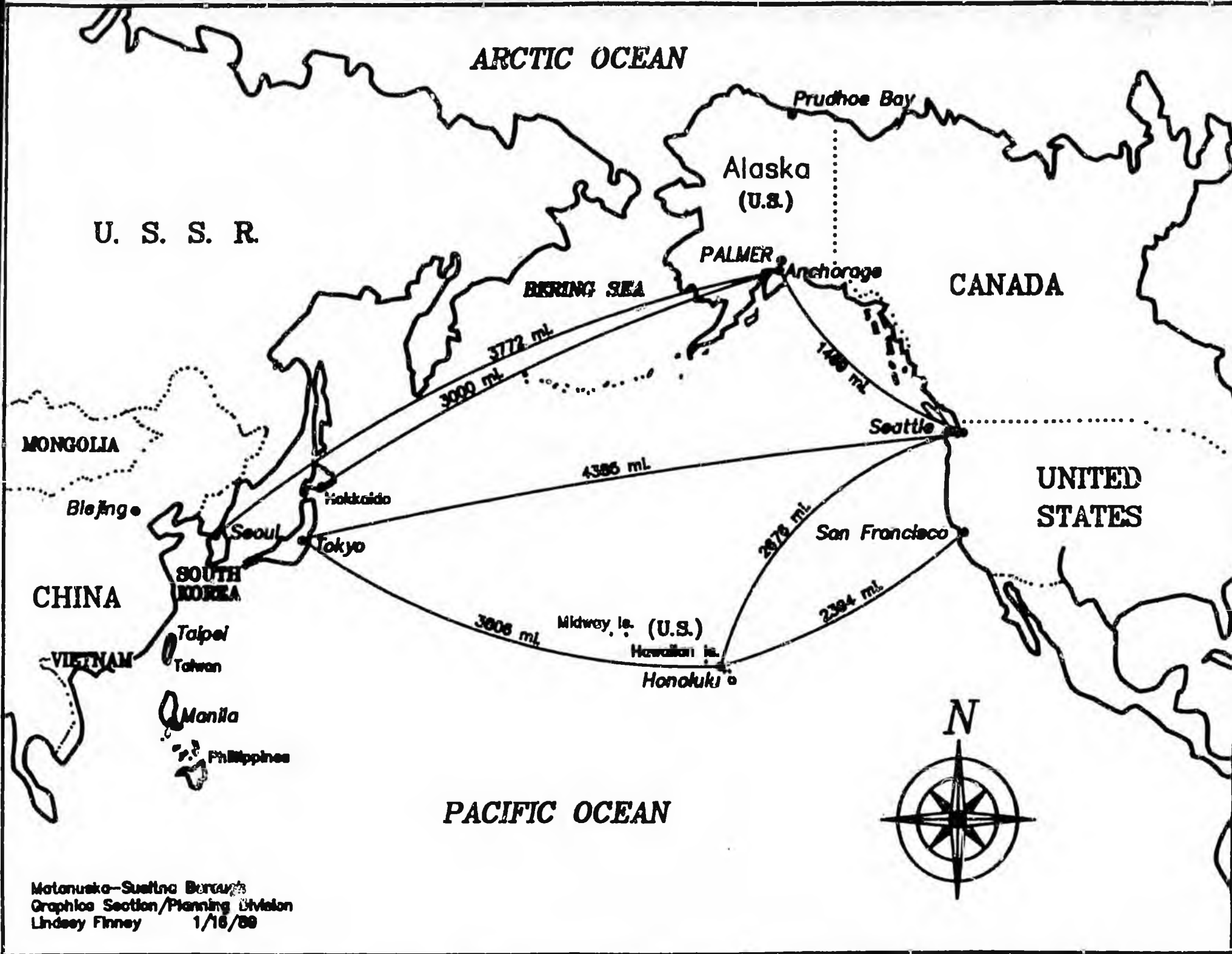
1. (p. 1, line 25) delete "draft"
2. (p. 2, line 6) delete " FURTHER RESOLVED  
that the House of Representatives  
supports the Con..."
3. (p. 2, line 7) delete "...ceptual Development  
Plan that Mitsui + Co., Ltd.  
has prepared. "



*Matanuska-Susitna Borough*

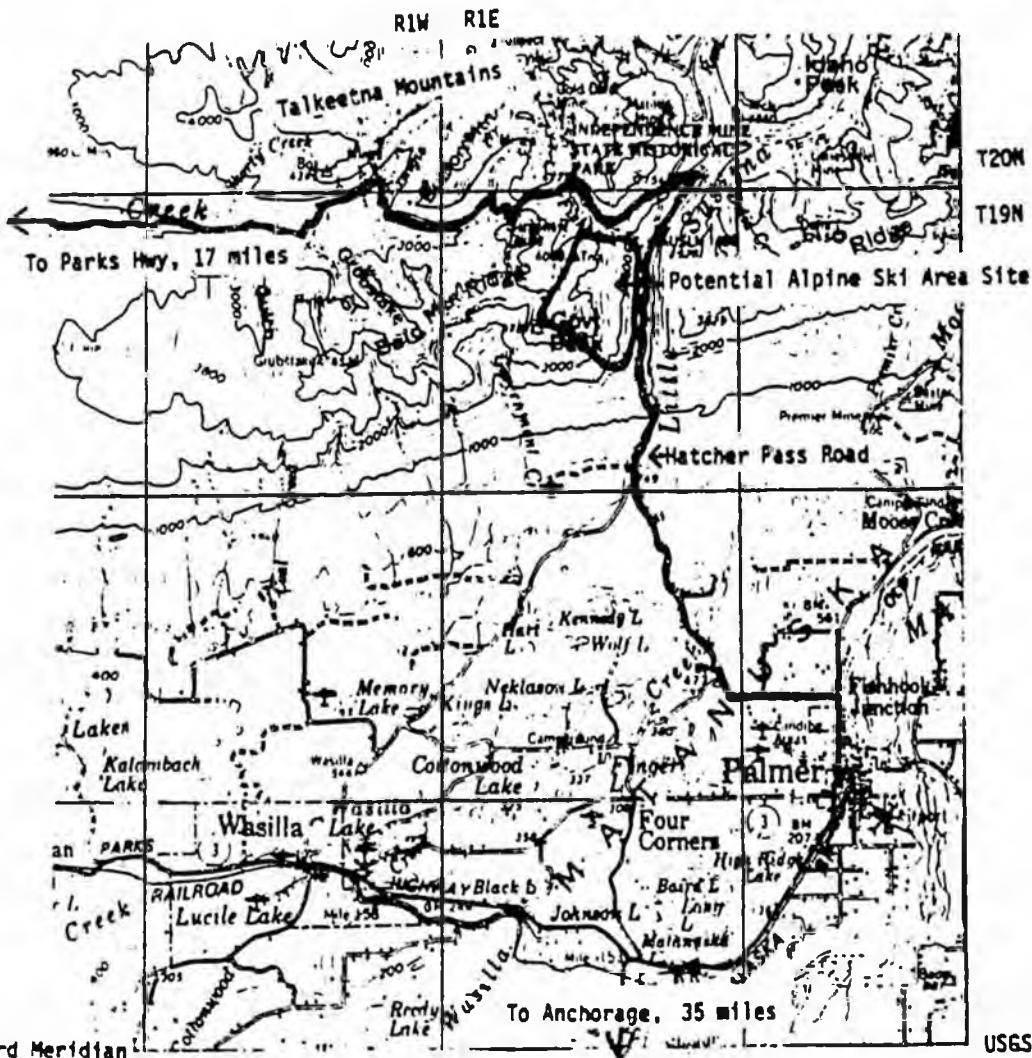
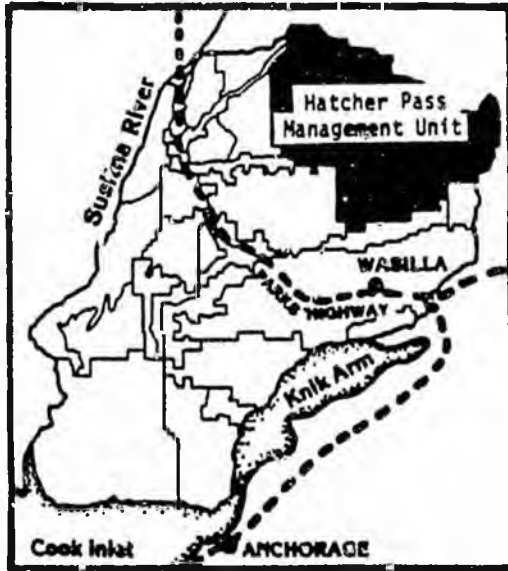


**Hatcher Pass  
Ski Resort**



Matanuska-Susitna Basin  
 Graphics Section/Planning Division  
 Lindsey Finney 1/16/88

# LOCATION MAP



T20N

T19N



USGS Quad Anchorage C-6

Talkeetna Mountains

HATCHER PASS  
SKI RESORT

To Parks Hwy. - 17 miles

Ski Resort Area

Willow Fishhook Road Upgrade  
(milepost 7 - 14)

Leasehold Assessment

New Bridge

New Bridge

Edgerton Park Road Upgrade  
(milepost 0 - 1.5)

Little Susitna R.  
Wasilla - Fishhook Rd.

Palmer - Fishhook Rd.

Palmer - Wasilla Hwy.

Palmer

Wasilla

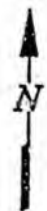
Parks Hwy.

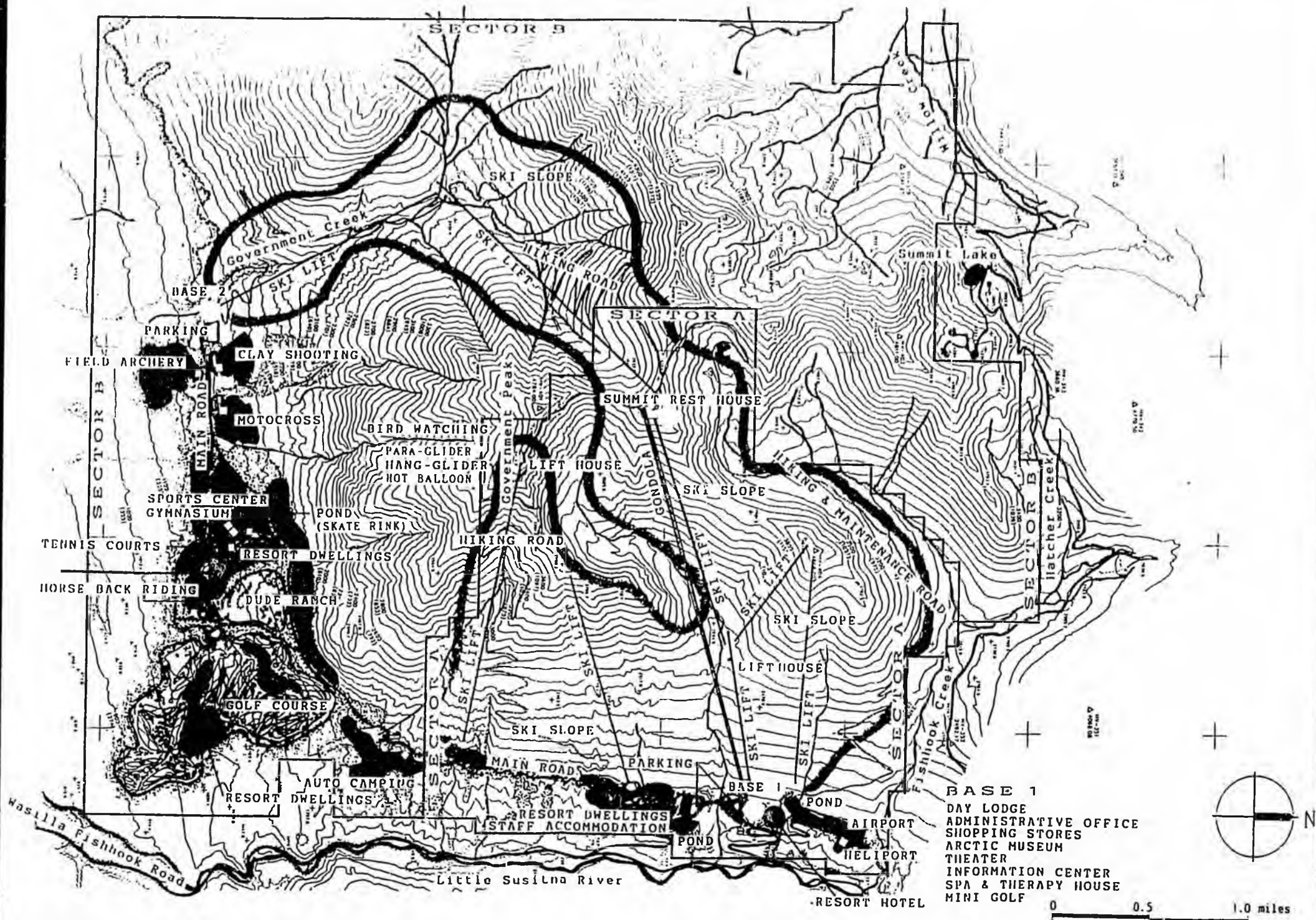
Glenn Hwy.

To Anchorage - 35 miles



ALASKA INDEX MAP





- BASE 1**  
 DAY LODGE  
 ADMINISTRATIVE OFFICE  
 SHOPPING STORES  
 ARCTIC MUSEUM  
 THEATER  
 INFORMATION CENTER  
 SPA & THERAPY HOUSE  
 MINI GOLF

0 0.5 1.0 miles

Watcher Pass Ski Resort

Facilities	Acres	Phase I	Phase II	Phase III
Site Area / Total	11,530			
Sector A	3,440			
Sector B	8,090			
Resort Hotel	3.75	☆	☆	
Day Lodge	2.00	☆	☆	
Resort Dwellings	144.50	☆	☆	☆
Staff Accommodation	0.50	☆		
Parking	37.00	☆	☆	
Ski Lifts (8)	-----	☆	☆	☆
Gondola (1)	-----		☆	
Ponds (2)	2.50	☆		
Auto Camp	50.00			☆
Tennis Courts	1.10	☆	☆	
Gymnasium	0.50		☆	
Airport	20.00		☆	
Golf Course & Clubhouse	200.00		☆	
Ski Center (Base II)	0.50			☆
Arctic Museum & Library	0.50			☆
Theater	0.65			☆
Shops	0.25			☆
Restrooms	0.15	☆	☆	
Storages & Other	0.10	☆	☆	☆
Clay Shooting	6.50			☆
Archery	4.00			☆
Horseback Riding	5.50		☆	
Motor Cross	6.50			☆
Hot Air Balloon	-----			
Para Sailing	-----			
Hiking Trail	-----			
Dude Ranch	8.00			☆
Skating Rink	2.50		☆	
Roads, etc.	39.00	☆	☆	☆
Ski Course	± 370.00			
Grand Total	906.00			

Base Facilities (Sector A)

Facilities	Acres	Phase I (Floor Area)
Resort Hotel	3.75	172,000 sq/ft
Day Lodge	1.25	54,000 sq/ft
Staff Accommodation	0.50	43,000 sq/ft
Parking	14.50	(2,000) cars
Total	20.00	

## PROJECT DESCRIPTION

### PROJECT TITLE:

Hatcher Pass Ski Resort

### PROJECT DESCRIPTION:

The proposed Hatcher Pass Ski Resort is a private sector development in which the State of Alaska and the Matanuska-Susitna Borough are working with Mitsui, USA, Inc., to develop a world class ski resort at Hatcher Pass within the Matanuska-Susitna Borough. Mitsui, Inc., is one of Japan's major trading companies.

The State and Borough have already invested funds in the proposed project. The Borough conducted a feasibility study in 1987 which identified the economic feasibility of a ski resort in the Hatcher Pass area and the State marketed the project nationally and internationally. After receiving interest in the resort from several private sector firms the State held a competitive auction of the lands which was subsequently won by Mitsui, Inc., in 1988. The State and Mitsui, Inc., entered into a lease for the land in 1988.

### FUNDING MIX/COST ESTIMATE:

State	\$ 9,500,000 - \$19,500,000
Local	\$ 500,000
Private Sector	\$221,000,000

State and Federal funds will be used to upgrade approximately seven miles of Willow Fishhook Road (milepost 7 to milepost 14) an existing, publicly used road that is substandard. Other transportation improvements will occur during other phases of project.

### EMPLOYMENT IMPACT:

Seasonal:	150-200
Year Round:	250-700
Secondary:	1,000
Likelihood of Imported Labor:	Very Minimal

## OPERATING AND MAINTENANCE COSTS:

The operating and maintenance costs of the facility will be borne by the ski resort developer, Mitsui, USA, Inc.

## NARRATIVE:

The Hatcher Pass Ski Resort development is a prime example of the type of project being solicited by the State and Borough. Public sector capital and lands have generated a much larger private sector investment. During the design and construction phases of the project, the development will provide many direly needed jobs. Once the facility is complete, the resort will provide approximately 700 permanent jobs (seasonal + year round). An estimated 1,000 secondary employment opportunities will be created in spin-off support services and activities particularly in the areas of transportation, commodities and construction. The Hatcher Pass Ski Resort project will generate a large amount of positive impacts in the service sector of the economy as individuals visit the area to ski and possibly relocate to live and work.

This project will not detract from other similar businesses because approximately one-third of the users will be from the international market, primarily the Japanese tourist, while a significant amount of the other two-thirds will emanate from tapping existing latent demand in the Alaskan intermediate ski class market.

In addition, the project will have positive impacts on the national economy by providing an opportunity to improve the trade imbalance between the United States and Japan. Because this project is an export based project, new funds for capital and operating expenses will enter the Alaskan economy and will add to Alaska's exports. Export based industries typically have larger employment and income multipliers than non-export based industries which will benefit the Alaskan economy.

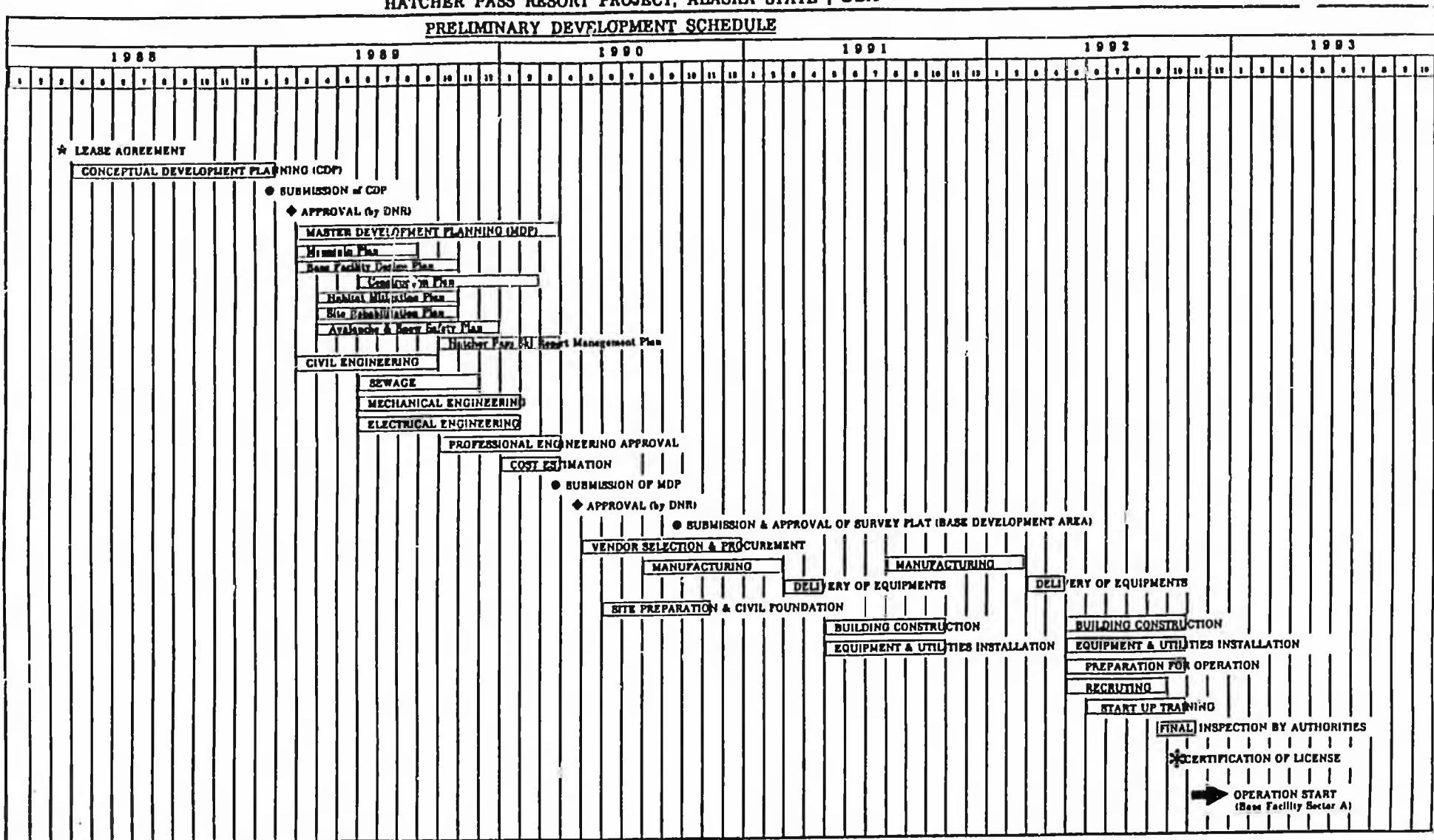
## Project Status

Mitsui's resort concept plan was delivered in January, 1989 and is being reviewed by the State and Borough. Mitsui is currently evaluating the economic feasibility of proceeding with this project. The State and Borough are also currently reviewing a preliminary evaluation of the environmental and socio-economic implications of the project. The Borough believes that the development of this resort is consistent with the State's policies to stimulate economic development, increase employment opportunities, create additional tourism and recreational opportunities as well as improve the attractiveness of Alaska as a site for the 1998 Olympics.

At the present time, Mitsui Ltd., has entered into a 55 year lease with the State which includes a \$65,000 annual lease payment. The lease stipulates that within five years Mitsui must provide, at a minimum, 1,500 vertical feet of aerial lift-served skiing, a practice slope with rope tow and ski school and restaurant, daylodge and first aid facilities. There are also provisions for additional development, including the international scale facilities actually being proposed by Mitsui. Mitsui's Concept Development Plan envisions a much larger initial development. Mitsui's development schedule is illustrated on the following page.

# HATCHER PASS RESORT PROJECT, ALASKA STATE, USA

## PRELIMINARY DEVELOPMENT SCHEDULE



## Estimated Cost for Total Development

The project implementation cost for Hatcher Pass Resort is estimated on current price basis as follows:

	(x 1,000 US\$)		
Phase I			
(i) Direct Cost			
- Infrastructure			9,700
- Utilities			19,400
- Buildings			33,800
		Sub total	62,900
(ii) In-Direct Cost			
- Management Fee			1,800
- Initial Working Capital			200
- Interest During Construction			5,500
	Phase I	Total	70,400
Phase II			
(i) Direct Cost			75,100
<u>(ii) In-Direct Cost</u>			8,400
	Phase II	Total	83,500
Phase III			
(i) Direct Cost			61,000
<u>(ii) In-Direct Cost</u>			6,700
	Phase III	Total	67,700
		<u>Grand Total</u>	221,600



## CITY OF WASILLA

290 E. HERNING AVE.  
WASILLA, ALASKA 99687  
PHONE: 373-9050



WASILLA  
A Bicentennial  
Community

RESOLUTION NO. W87-N-4

Hatcher Pass

A RESOLUTION OF THE WASILLA CITY COUNCIL SUPPORTING TOURISM AND RECREATIONAL DEVELOPMENT IN THE HATCHER PASS AREA AND RECOMMENDING FUNDING FOR CAPITAL IMPROVEMENTS WITHIN THE AREA.

WHEREAS, the recreational potential of Hatcher Pass has been recognized and enjoyed by both local residents and Anchorage skiers since the 1930's, and today includes cross country and downhill skiing, hiking, camping, kyaking, horseback riding, berry picking, glacier skiing, recreational gold panning, snowmobiling, mountaineering, scenic driving, sledding, hunting, touring historic mines, dog mushing and more; and

WHEREAS, Hatcher Pass has been identified through its unique alpine beauty, unusual accessibility and recreational opportunities by a number of studies, and has been described as having the capability of being the number one tourist destination in South-central Alaska; and

WHEREAS, as a result of several public studies and a private study conducted by an international ski consultant, Government Peak has been offered by the State of Alaska for private down hill ski development, and there has been serious interest shown for such a project; and

WHEREAS, it is likely a serious developer will seek some commitment from the public to protect and enhance the Hatcher Pass area and this commitment will more likely insure the success of such a ski development being constructed; and

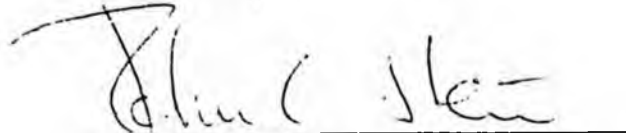
WHEREAS, even if no ski development should occur at present, the inability to offer tourists from out of state and individuals and families locally a positive, safe and enjoyable experience because of inadequate roads, lack of enforcement, insufficient parking, access and amenities must be addressed; and

WHEREAS, a capital improvements list has been developed with the assistance of the maintenance and operations staff from the Department of Transportation and Division of Parks, Mat-Su District and local residents which calls for developing Hatcher Pass into a tourist and recreational destination;

NOW, THEREFORE BE IT RESOLVED THAT the Wasilla City Council supports the efforts of the Matanuska-Susitna Borough, the Department of Natural Resources, and the Department of Transportation and Public Facilities to obtain Legislative funding to provide the road, recreational, safety and utility needs of the Hatcher Pass area.

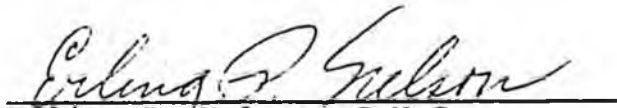
I certify that a resolution in substantially the above form was passed by a majority of those voting at a duly called and conducted meeting of the governing body of the City of Wasilla this 11 day of December, 1987.

APPROVED:



John C. Stein, Mayor

ATTEST:



Erling P. Nelson, C.M.C.  
City Clerk

(Seal)



**GREATER WASILLA  
CHAMBER OF COMMERCE**

P.O. BOX 871826  
WASILLA, ALASKA 99687  
(907) 376-1299

LEGISLATIVE PRIORITY RECOMMENDATION

THE GREATER WASILLA CHAMBER OF COMMERCE SUPPORTS THIS RESOLUTION FOR TOURISM AND RECREATIONAL DEVELOPMENT IN THE HATCHER PASS AREA AND IS RECOMMENDING FUNDING FOR CAPITAL IMPROVEMENT PROJECTS IN THAT AREA.

WHEREAS, this body also recognizes and continues to support the tourism and recreational ski development potential of the Eagle River area; and

WHEREAS, the recreational potential of Hatcher Pass has been recognized and enjoyed by both local residents and Anchorage skiers since the 1930's, and today includes cross country and downhill skiing, hiking, camping, kyaking, horseback riding, berry picking, glacier skiing, recreational gold panning, snowmachining, mountaineering, scenic driving, sledding, hunting, touring historic mines, dog mushing and more; and

WHEREAS, Hatcher Pass has been identified through its unique alpine beauty, unusual accessibility and recreational opportunities by a number of studies, and has been described as having the capability of being the number one tourist destination in Southcentral Alaska; and

WHEREAS, as a result of several public studies and a private study conducted by an international ski consultant, Government Peak has been offered by the state of Alaska for private down hill ski development, and there has been serious interest shown for such a project; and

WHEREAS, it is likely a serious developer will seek some commitment from the public to protect and enhance the Hatcher Pass area and this commitment will more likely insure the success of such a ski development being constructed; and

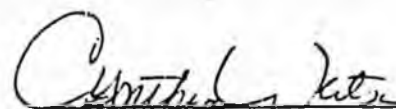
WHEREAS, even if no ski development should occur at present, the inability to offer tourists from out of state and individuals and families locally a positive, safe and enjoyable experience because of inadequate roads, lack of enforcement, insufficient parking, access and amenities must be addressed; and

WHEREAS, a capital improvements list has been developed with the assistance of the maintenance and operations staffs from the Department of Transportation and Division of Parks, Mat-Su District and local residents which calls for developing Hatcher Pass into a tourist and recreational destination.


NOW, THEREFORE, be it resolved that this body hereby recognizes the road, recreational and safety and utility needs of the Hatcher Pass area and supports funding by the Legislature for those projects contained in the Hatcher Pass Capital Improvements For Tourism Development.

Adopted and Approved by the Board of Director's December 1, 1987.

GREATER WASILLA CHAMBER OF COMMERCE

  
Cindy Watson, President

CORPORATE  
S' 1

  
Elliott Braaten, Secretary

A RESOLUTION OF THE MATANUSKA SUSITNA CONVENTION AND VISITORS BUREAU SUPPORTING TOURISM AND RECREATIONAL DEVELOPMENT OF THE HATCHER PASS AREA AND RECOMMENDING FUNDING FOR CAPITAL IMPROVEMENT PROJECTS TO ACCOMMODATE THE HIGH USE AREAS.

WHEREAS the recreational potential of Hatcher Pass has been recognized and enjoyed by both local residents and Anchorage residents since the 1930's; and

WHEREAS the state of Alaska has conducted studies that show Government Peak as a prime area for the development of a down hill ski area and the State has agreed to lease this area to a private developer for the use of a down hill ski resort; and

WHEREAS Hatcher Pass is already one of Alaska's number one use areas for cross country skiing, hiking, berry picking, hunting, gold panning, snow machining, mountaineering, scenic driving and touring of Alaska's historic mining; and

WHEREAS parts of the Hatcher Pass area are over used for the present parking and sanitation facilities because of it's accessibility to the majority of ALASKA'S population;

NOW, THEREFORE, BE IT RESOLVED that the Matanuska Susitna Convention and Visitors Bureau supports and encourages the capital improvements list developed with the assistance of the Department of Transportation, the Division of Parks and the Matanuska Susitna Borough.

Approved by the MSCVB Board of Directors, November 19, 1987.

*Wayne Burkhardt*  
Wayne Burkhardt, President

*Cathy Dunbar*  
Cathy Dunbar, Executive Director

Submitted by Cindy Bertine, MSCVB Vice President

Conceptual Development Plan  
for  
Hatcher Pass Alpine Ski Project

January, 1989

Mitsui & Co., (U. S. A. ) Inc.

CONTENTS

1.	Introduction	.....	1
2.	Objectives and Philosophy	.....	2
3.	Conceptual Development Plan	.....	4
3-1.	Description of the Development Plan	.....	4
3-2.	Site Design		
(i)	Mountain Design	.....	10
(ii)	Layout of Base Area Facilities	...	11
(iii)	Land Use Description	.....	11
3-3.	Architectural Style	.....	18
3-4.	Activities & Services	.....	22
3-5.	Development Schedule	.....	30
3-6.	Estimated Cost of Total Development	.....	32
4.	Blank form for comment to this Conceptual Development Plan	.....	33

## 1. Introduction

Mitsui & Co., Ltd., having branch offices throughout the world, initially became interested in the Hatcher Pass area of the State of Alaska in 1987, during this time the company carried-out a preliminary ski-site investigation.

Then on February 29, 1988, Mitsui successfully competed with two other pre-qualified developers to enter into lease agreement with the Alaska Department of Natural Resources (hereafter called "DNR") for future development of the Hatcher Pass Ski Area.

Subsequently, on March 30, 1988, Mitsui & Co., (U.S.A.) Inc. , a 100% owned subsidiary of Mitsui & Co., Ltd. (Japan), entered into a 55 year lease agreement with DNR.

In accordance with the conditions of the lease agreement, Mitsui has been preparing the Conceptual Development Plan (hereafter called "CDP") which will introduce Mitsui's conceptual idea for the development of the Hatcher Pass Area to the citizens of Alaska and DNR. The CDP must be contractually submitted to DNR no later than January 31st, 1989.

Mitsui would be pleased to receive written comments on the following CDP from the citizens of Alaska for consideration in the planning and execution of the development, such as facilities, operation, maintenance and safety control etc.

Once this CDP is approved, Mitsui will then enter the master development planning stage (hereafter called "MDP"). The purpose of the MDP is to show in greater detail Mitsui's proposed development.

As part of a project of this kind, however, an economic feasibility study ("F/S") must be carried out simultaneously with the physical planning of the projects. In other words the F/S work will be continuously done along with the MDP. It should be clearly stated that all efforts at this moment could be in vain in terms of Mitsui's investment to Alaska, if Mitsui's F/S finds the project "Not Feasible".

It should be recognized, however, that Mitsui will make every effort to realize this project in order to make the Hatcher Pass Area a world famous ski resort as well as a year round base of tourism from which tourists can see the unique wild life and scenery of Alaska.

## 2. Objectives and Philosophy

The principal objectives and philosophy for the development of the Hatcher Pass Area are described below.

- To create an international level alpine ski course and support facilities.
- To create accommodations for overnight visitors and day-skiers.
- To promote the development of an international destination resort on a year-round basis including recreational, residential and commercial facilities which will attract local tourists and international vacationers.
- To advance Alaska's image as a tourist destination.
- To preserve the natural terrain by incorporating existing conditions into the design and development scheme.
- To stimulate the local economy during construction and operation.

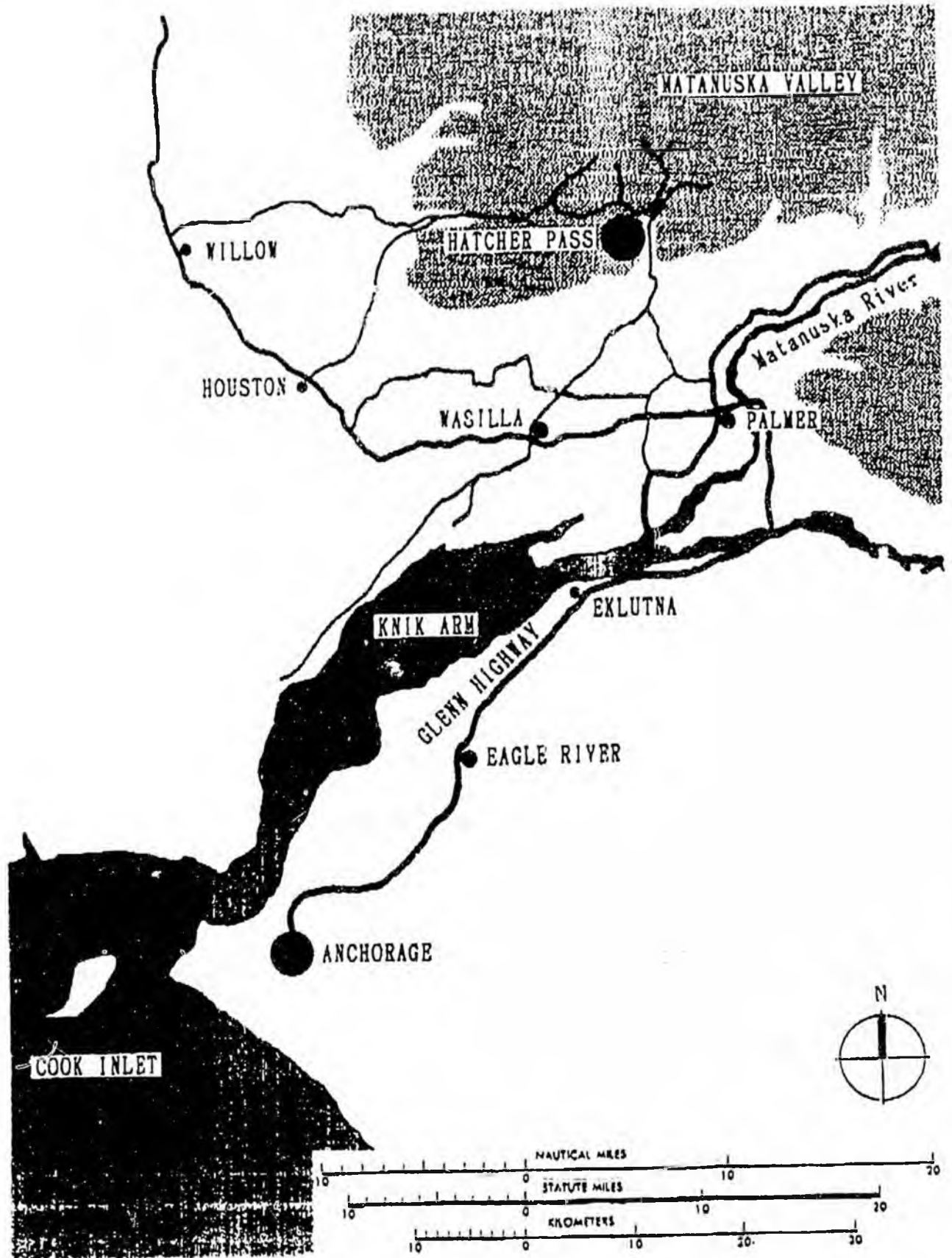
3. Conceptual Development Plan

3-1. Description of the development plan

# LOCATION MAP



PROJECT SITE



## Location

The proposed Hatcher Pass Alpine Ski Development Area (hereafter called "Hatcher Pass Resort") is located on the eastern slopes of Government Peak and Bald Mountain Ridge, overlooking the Little Susitna River. The site is approximately 60 miles north of Anchorage.

Today this area is a popular winter recreation place for cross country and helicopter skiing ; plus picnicing, biking and mountain trucking activities during the summer months.

The Matanuska Susitna agricultural region, and includes lies to the south of the site which serve as major regional such towns as Wasilla, Palmer, Willow and Houston service centers. The entire region also has a diverse natural landscape providing the basis for a variety of outdoor recreational opportunities.

The Lease Agreement's total area is divided into two sectors, Sectors A and B, which together cover 3,440 and 8,090 acres respectively.

## Phasing of the Project

In this plan, Mitsui has assumed three phases of project development as shown on pages 16 and 17 in accordance with Mitsui's principal objectives/philosophy and lease provisions.

Each phase may to an extent, change during the course of the MDP.

## Land Use

The Hatcher Pass Resort project offers varied alpine ski terrain (advanced, intermediate and beginning), aerial lift service, cross-country trails, complete ski base facilities, resort dwellings, parking, an airport, and sports facilities such as golf / tennis / horse-back riding / clay shooting / field archery etc.

Skiers and visitors are served by a proposed resort hotel and daylodge which contains a restaurant, restrooms and first aid facility. The base area includes a resort administration office, ski school, ski patrol center, maintenance shop and snow-making/pump station. Descriptions of the above facilities are shown in Section 3-2 hereof.

## Utilities

Water requirements for the Hatcher Pass Resort will be met from underground wells and/or Fishhook Creek. The water will be treated by water treatment facilities which will meet quality standards imposed by governmental authorities. Basically, water for snow-making will be taken from Fishhook Creek.

Sewage shall be handled through a treatment plant and percolation pond system, which will be designed with the aid of governmental authorities in order to avoid potential environmental pollution. Restrooms on the mountain side will use a low volume flush chemical system, which drains into a septic tank. Reserved sewage water will be periodically pumped into a tank, which is then transported to a treatment unit at the base area for disposal.

Electrical power for lifts, snow-making machines and facilities will be provided by our own power generated system if public power distribution is not available. But, public power distribution is expected to be made available by the Matanuska Electric Association which will construct a new sub-station near Hatcher Pass Resort area. If this happens, then our generated power supply system could be converted to supply emergency power. Electrical, telephone and radio communication lines for internal resort use operation will be installed underground throughout the base area.

Natural gas and oil will be considered as direct energy sources for heating facilities.

### 3-2. Site Design

#### (i) Mountain Design

In order to prepare site design for the Hatcher Pass Resort, the following tasks were performed.

- 1) An actual downhill ski trail evaluation was conducted by professional skiers (Mr. Yuichiro Miura and two other professional skiers) in April, 1988.
- 2) A site survey was executed for purposes of zone planning and architectural design in August, 1988.
- 3) Photographic and mapping activities were conducted by a local aerial survey firm during July and August, 1988.

As a result, Mitsui's conceptual site plan (see Appendix A) has been designed with the professional assistance of Mr. Y. Miura and his staff.

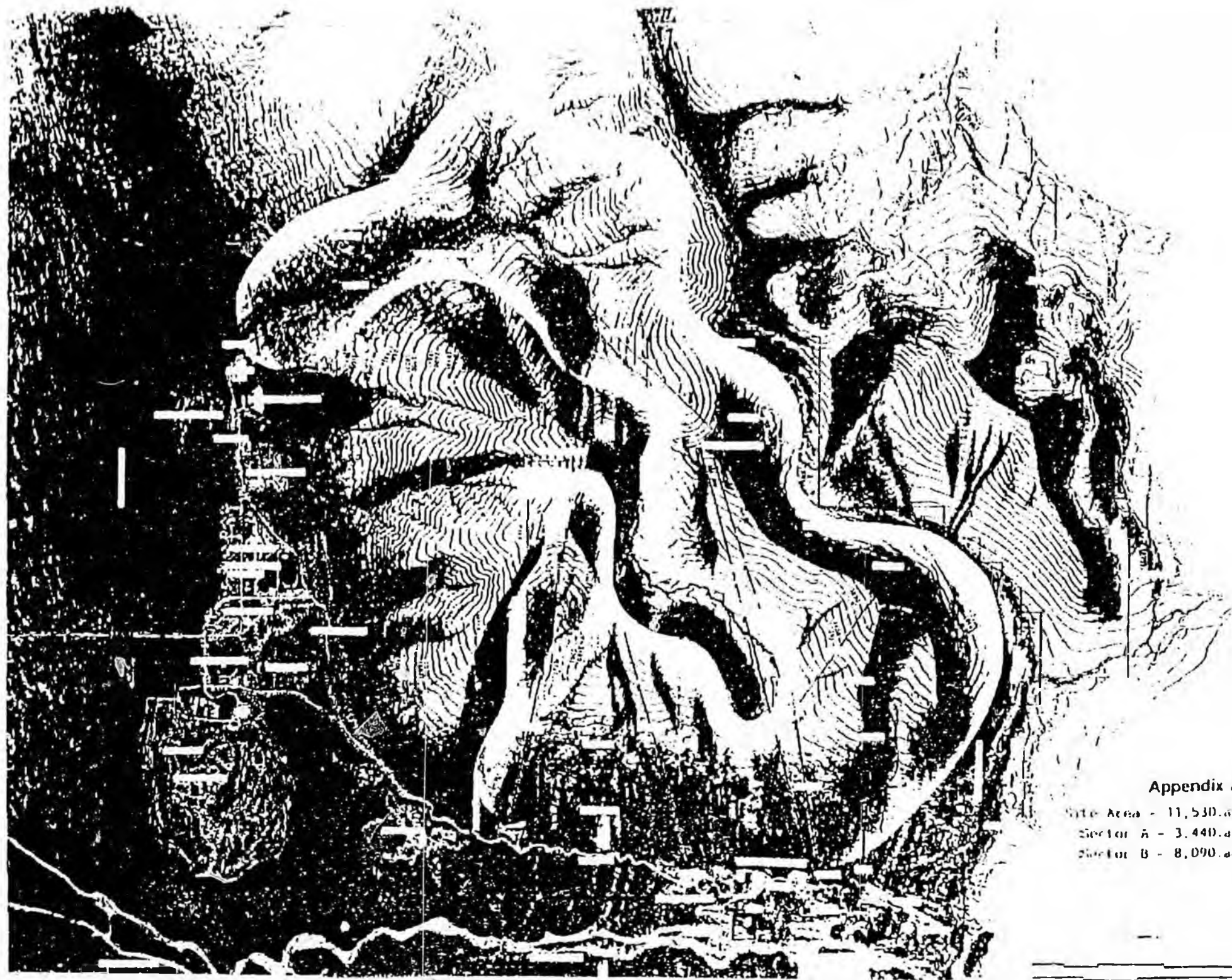
This conceptual site plan is developed with a philosophy intended to ensure the proper relationship of aerial lift service, ski trail routes, building facilities, area interconnections, and basic infrastructure requirements. Services for the base facilities are balanced with the mountain's capacities.

(ii) Layout of Base Area Facilities

The layout of base area facilities is contained in Appendix B.

(iii) Land Use Description

The land use description is shown in Appendix C.

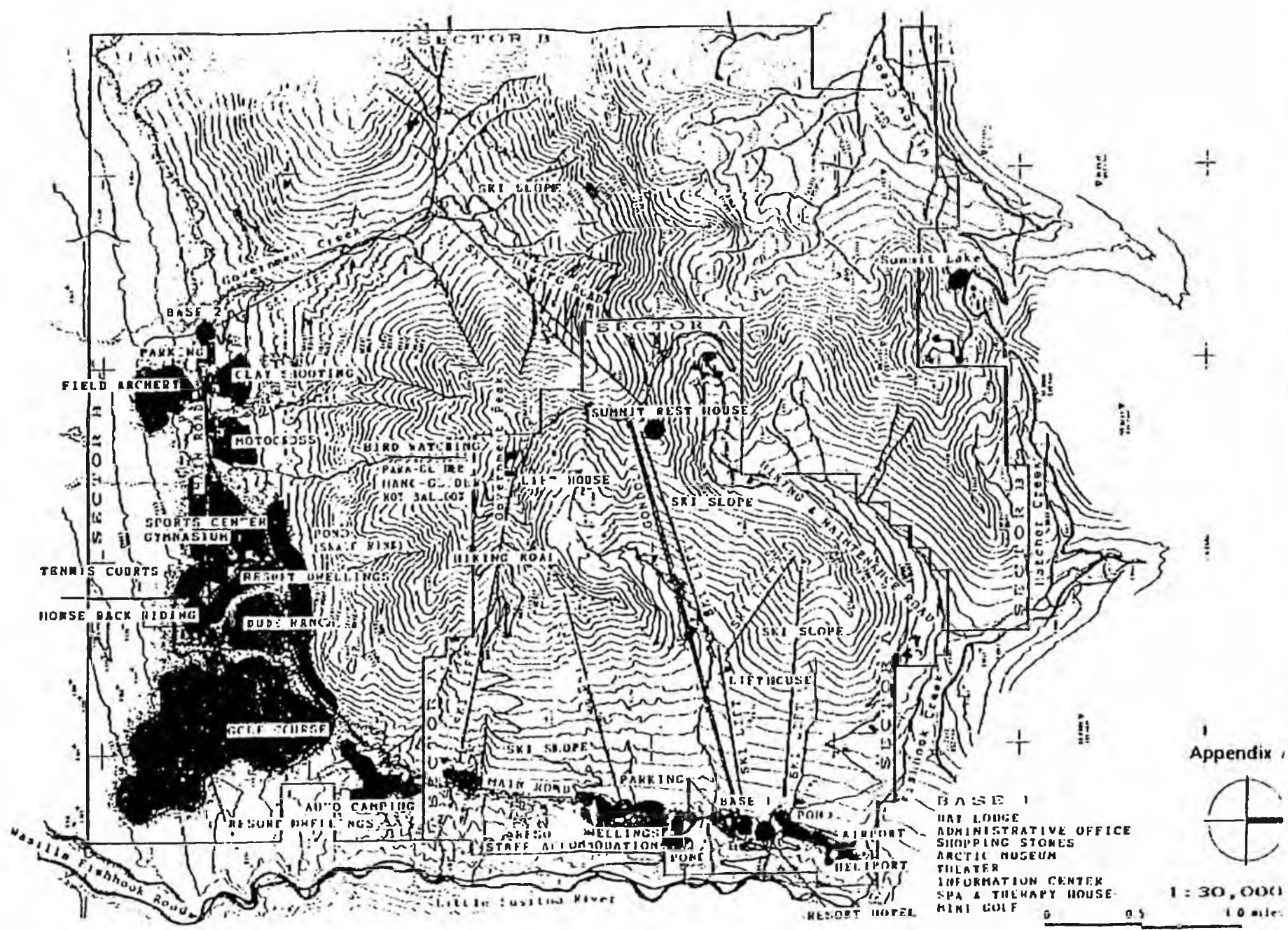


Appendix A

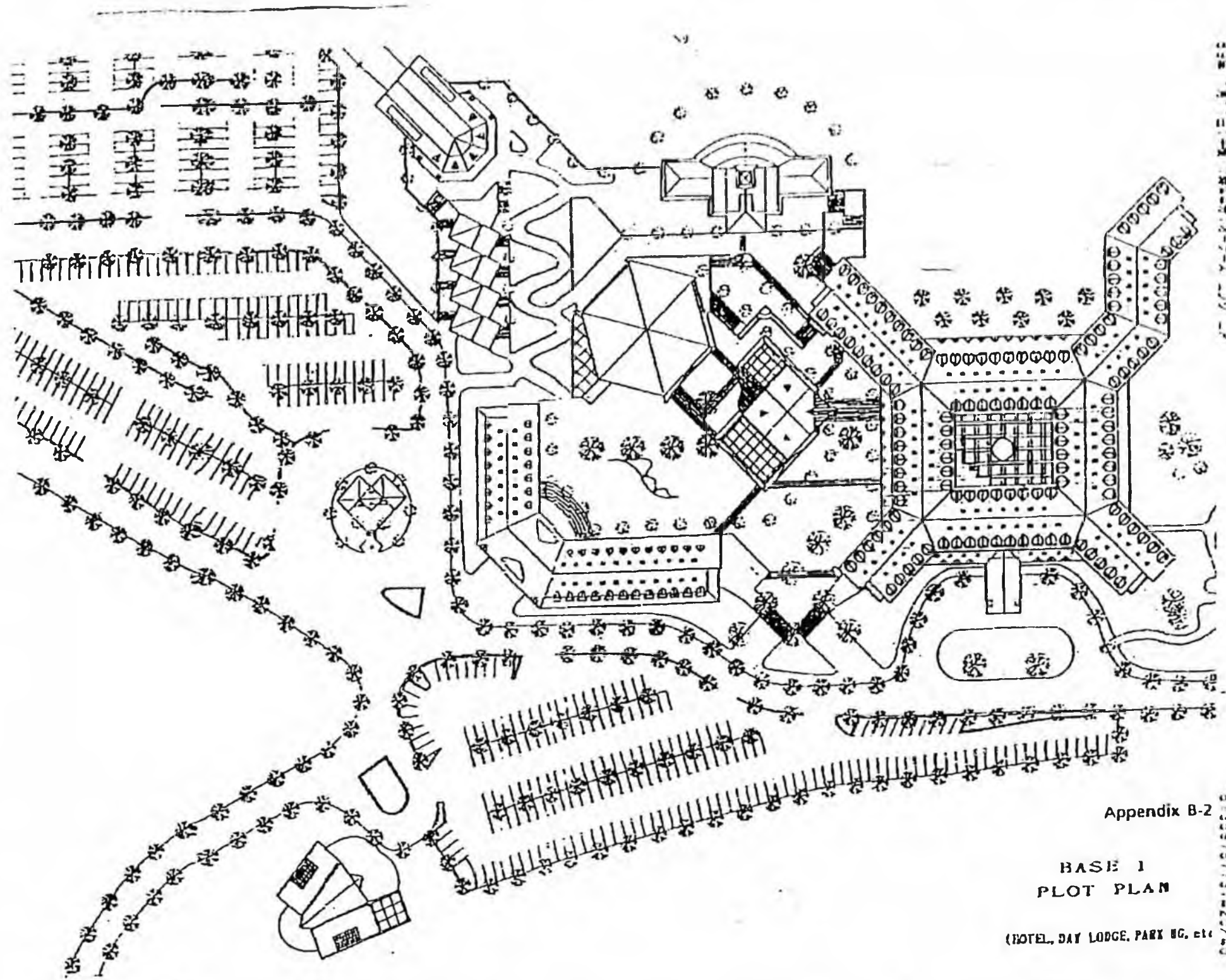
Site Area - 11,530.ac

Sector A - 3,440.ac

Sector B - 8,090.ac







Appendix B-2

BASE 1  
PLOT PLAN

(HOTEL, DAY LODGE, PARK HG, etc)

933579773:22/40

LAND USE DESCRIPTION  
Alaska Hatcher Pass Ski Resort

Facilities	Acres	Phase I	Phase II	Phase III
Site Area / Total	11,530			
Sector A	3,440			
Sector B	8,090			
Resort Hotel	3.75	☆	☆	
Day Lodge	2.00	☆	☆	
Resort Dwellings	144.50	☆	☆	☆
Staff Accommodation	0.50	☆		
Parking	37.00	☆	☆	
Ski Lifts (8)	-----	☆	☆	☆
Gondola (1)	-----		☆	
Ponds (2)	2.50	☆		
Auto Camp	50.00			☆
Tennis Courts	1.10	☆	☆	
Gymnasium	0.50		☆	
Airport	20.00		☆	
Golf Course & Clubhouse	200.00		☆	
Ski Center (Base II)	0.50			☆
Arctic Museum & Library	0.50			☆
Theater	0.65			☆
Shops	0.25			☆
Restrooms	0.15	☆	☆	
Storages & Other	0.10	☆	☆	☆
Sub Total	464.00			

Facilities	Acres	Phase I	Phase II	Phase III
Clay Shooting	6.50			☆
Archery	4.00			☆
Horseback Riding	5.50		☆	
Motor Cross	6.50			☆
Hot Air Balloon	-----			
Para Sailing	-----			
Hiking Trail	-----			
Dude Ranch	8.00			☆
Skating Rink	2.50		☆	
Roads, etc.	39.00	☆	☆	☆
Ski Course	≈ 370.00			
Sub Total	442.00			
Grand Total	906.00			

Base Facilities (Sector A)

Facilities	Acres	Phase I (Floor Area)
Resort Hotel	3.75	172,000 sq/ft
Day Lodge	1.25	,000 sq/ft
Staff Accommodation	0.50	3,000 sq/ft
Parking	14.50	(2,000) cars
Total	20.00	

### 3-3. Architectural Style

Buildings of high quality for year round operation are planned for the base facility. A three-story structure is designed in accordance with conditions of the lease agreement.

#### Daylodge

The daylodge with a panoramic view of Miura Peak is planned for construction in the base facility area of Sector A. Total floor area of the daylodge is approximately 54,000 square feet and will include a restaurant with a 350 customer seating capacity, restrooms, a first aid facility, ski school, and ski patrol/administrative offices.

#### Resort Hotel

The resort hotel is planned to have 150 guest rooms, a restaurant, souvenir shop, jacuzzi, convention room and other facilities which can provide hotel guests with first class services and functions.

Development of the resort hotel will create an opportunity for ski package tours from other parts of the USA and foreign countries. An additional 150 rooms could be constructed during Phase II.

A more detailed architectural design will be provided in the MDP which will define the exterior/interior design specifications and space-use allocations.

The conceptual bird's-eye view for the base facilities is shown in Appendix D. A rough description of building specifications is shown below.

-- Specifications of Buildings --

	Daylodge	Resort Hotel	Condominium
Framing	Wood or Metal frame	Wood or Metal frame	Wood or Metal frame
Roofing	4 or 5 ply composition roof on sheathing with insulation.	Heavy shake or slate or good built-up with large rock.	Heavy shake or built-up with rock.
Exterior Wall	Good wood siding or stucco.	Good wood siding or good plywood or stucco.	Good wood siding or good plywood or stucco.
Interior Wall	Plaster with putty coat finish or gypsum board or vinyl cover.	Gypsum board or plaster with putty coat. Some wall paper.	Gypsum board or plaster with good finish. Some wall paper or paneling.
Flooring	Vinyl asbestos tile with some area of terrazzo, carpet or solid vinyl tile.	Good quality carpet, good sheet vinyl.	Hardwood or good quality carpet.
Window	Good quality wood or metal windows.	Good quality wood or metal windows.	Good quality wood or metal windows.
Plumbing	Galvanized pipe, good quality fixtures with insulation.	Galvanized pipe, good quality fixtures with insulation.	Galvanized pipe, good quality fixtures with insulation.

## Condominium

In addition to the above, Mitsui intends to sub-lease resort dwelling space or to sell the condominiums on land sub-lease basis to customers in the U.S.A. and/or in foreign countries.

The total number of such residence units, though expected to be more than 1,000, may be determined during the course of the MDP.

Appendix D

### 3-4. Activities & Services

(1) The following activities & services will be proposed for the Hatcher Pass Resort.

- \* Overnight Accommodations (Resort Hotel)
- \* Lounges/Bar
- \* Restaurants
- \* Food/Beverages
- \* Ski Facilities (Alpine, Cross Country and Snowmobile)
- \* Ski School
- \* Sports Equipment Rentals
- \* Information Center
- \* Retail Shops
- \* Emergency & Public Services
- \* First Aid Services
- \* Public Parking
- \* Sports Facilities (Golf / Tennis / Swimming / Squash / Horseback Riding / Archery / Clay Shooting / Others)
- \* Aerial Transportation Services

-- Description of capacity for service activities --

(Snow Season)

#### Outdoor

- Alpine Ski Course : SAOT 5,000 for Phase I  
(Sector A)
- Lifts and Gondola : 8 Lifts, 1 Gondola
- Cross Country Ski : 5 - 10 Miles  
Trail

- Snowmobile Trail : 5 - 10 Miles

- Para-Sailing : ---

Indoor

- Swimming Pool : 20ft x 82ft

- Squash : 2 courts

- Athletic Gym : 1,000 sq.ft

(Summer Season)

- Golf : 18 holes par 72

- Horseback Riding : 10 - 20 horses

- Tennis : 8 tennis courts  
(Sector A Phase I)

- Field Archery : 1 course  
(9 shooting ranges)

- Clay Shooting : 10 - 15 ranges

- Auto Camp : 300 cars

(ii) Operations Manual Plan

Once this project is realized, the Hatcher Pass Resort will be operated strictly in accordance with an operations manual in order to maintain high quality and safe conditions.

The operations manual shall clearly describe procedures for protecting public safety, maintaining daily operations and outlining actions to be followed during emergency situations.

The following 5 pages represents the "Table of Contents" of such a manual, the key parts of which will be developed further during the MDP stage.

**Hatcher Pass Resort Project**

**SITE OPERATIONS MANUAL**

# Operations Manual for the Hatcher Pass Resort

## 1. PUBLIC SAFETY

### POLICY AND PROCEDURES MANUAL FOR PUBLIC SAFETY

- 1) Introduction
- 2) Minimum Qualifications
- 3) Delegation of Authority
- 4) Equipment Use, Maintenance and Care
- 5) Emergency Procedures
- 6) Snow Safety Protection Plan
  - (1) Daylodge
  - (2) Hotel
  - (3) Lifts/Gondola
  - (4) Resort Dwellings
  - (5) Staff Accommodations

## 2. ROAD PARKING

### WINTER SPORTS SITE OPERATING PLAN

- 1) Road Maintenance
  - \* Ice and Snow Removal
  - \* Sanitation

### 3. LIFT & GONDOLA OPERATIONS

- 1) Introduction
- 2) Lift & Gondola Operations
  - (1) Daily Operating Procedures - Chairlifts
  - (2) Daily Operating Procedures - Lift Electricians
- 3) Daily Operating Procedures - Chairlift Supervisor, Lift Mechanic
- 4) Instructions for Reporting Accidents, Avalanche Alerting and Rescue Plan
- 5) Lift Operations for Summer Maintenance
- 6) Lift Data
- 7) Lift Operations Report Forms and Mechanical Information
- 8) Job Descriptions
- 9) Ski Lift Operators Guide

### 4. SKI PATROL

#### SKI PATROL WINTER OPERATIONS PLAN

- 1) Job Description - Ski Patrolman
- 2) Policy Rules and Regulations
- 3) Handling Ski Accidents / Non-Skiing Accidents
- 4) Helicopter Protocol
- 5) Toboggan / Descender Locations
- 6) Lift Evacuation Plan
- 7) Avalanche Alert and Rescue Plan
- 8) Snow Safety Instrumentation
- 9) Avalanche Control Plan / Handling Explosives
- 10) Sweep Procedures / Night Search
- 11) Hazard Marking / Sign Policies
- 12) Radio / Telephone Information

- 13) Violators Policy
- 14) Safety Patrol Policy
- 15) Environment
- 16) Protection of Structures
- 17) Out of Boundary Ski Policy
- 18) Safety Check Program
- 20) Job Description

5. MOUNTAIN MAINTENANCE

SLOPE MAINTENANCE MANUAL

- 1) Slope Maintenance
  - (1) Introduction
  - (2) Job Description
  - (3) Operating Procedures
  - (4) Equipment Used in Mountain Maintenance
  - (5) Driver Procedures
  - (6) Methods of Grooming
  - (7) Driver Hints
  - (8) Acknowledgements

6. SKI SCHOOL

SKI SCHOOL OPERATING POLICIES AND PROCEDURES MANUAL

- 1) Introduction
  - (1) Scope of Operations
  - (2) Organization Chart / Responsibilities
  - (3) Ski Instruction
  - (4) Children's Program

(5) Handicapped Programs

(6) Control of Unauthorized Ski Instruction

7. SUMMER OPERATIONS

1) Spring and Summer Operation

(1) Lift Operations

(2) Sweep

(3) Transportation of Injured Skiers

2) Mountain Emergency - Summer

(1) Instructions for Person Receiving General Alarm  
Call

(2) Immediate Action

(3) Follow Up Action

3) Checklist

4) Equipment Availability

### 3-5. Development Schedule

Preliminary development schedule (Phase I Base Facility) is shown in Appendix E.

Key dates in the lease agreement between DNR and MITSUI are as follows:

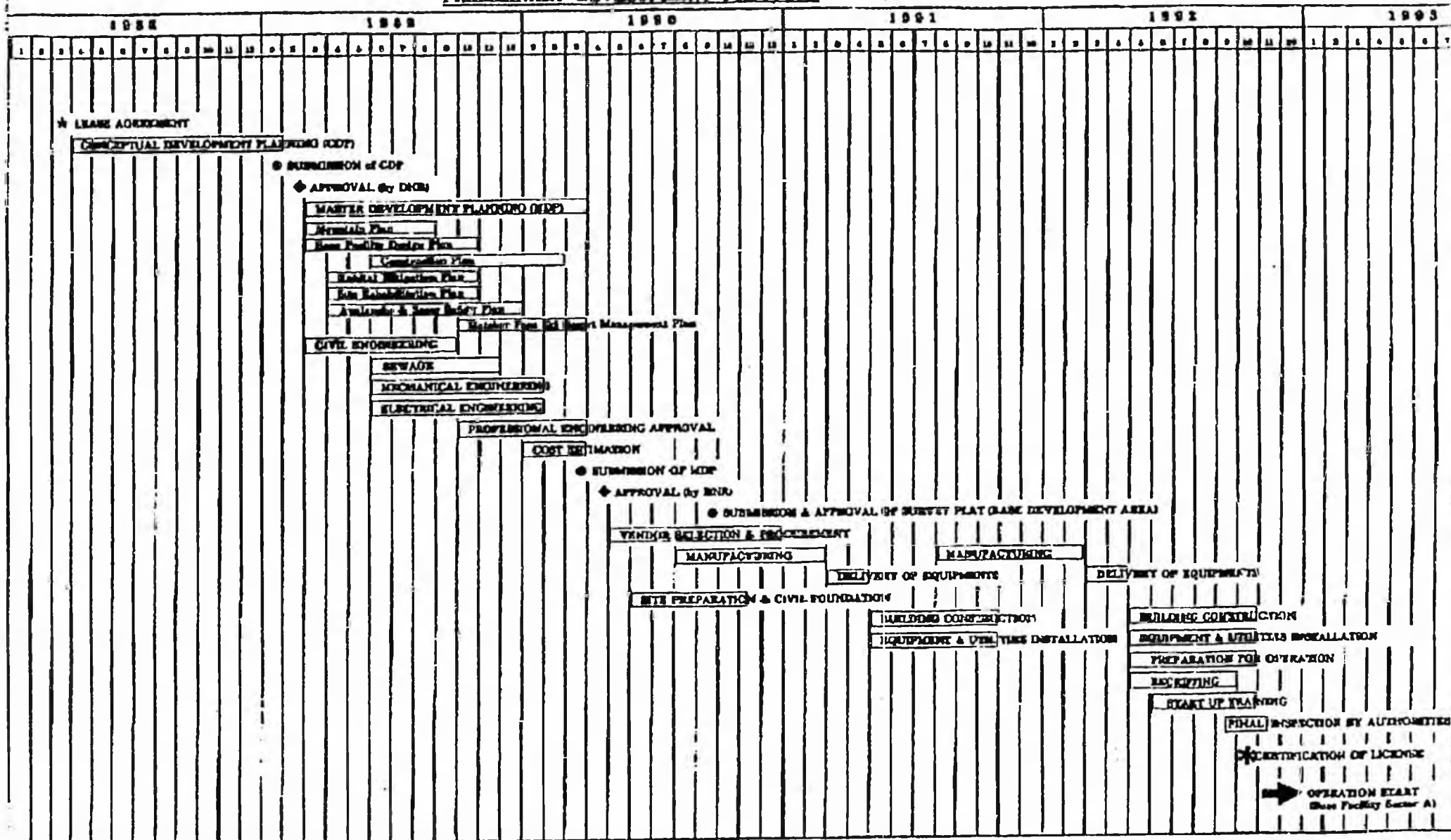
- Submission of CDP by MITSUI                      January 31, 1989
- Approve or Disapprove by DNR                      March 1, 1989
- Submission of MDP by MITSUI                      March 30, 1990

The development schedule for Phase II and Phase III is envisaged as follows.

<u>Activity</u>	<u>Phase II</u>	<u>Phase III</u>
1. Start of Construction	April, 1994	April, 1997
2. Completion of Construction	October, 1996	October, 1999
3. Commencement of Operation	November, 1996	November, 1999

HATCHER PASS RESORT PROJECT, ALASKA STATE, USA

PRELIMINARY DEVELOPMENT SCHEDULE



### 3-6. Estimated Cost for Total Development

The project implementation cost for Hatcher Pass Resort is estimated on current price basis as follows:

(x1,000 US\$)

#### Phase I

(i) Direct Cost		
- Infrastructure		9,700
- Utilities		19,400
- Buildings		33,800
	Sub total	62,900
(ii) In-Direct Cost		
- Management Fee		1,800
- Initial Working Capital		200
- Interest During Construction		5,500
	Phase I	Total
		70,400

#### Phase II

(i) Direct Cost		75,100
(ii) In-Direct Cost		8,400
	Phase II	Total
		83,500

#### Phase III

(i) Direct Cost		61,000
(ii) In-Direct Cost		6,700
	Phase III	Total
		67,700

Grand Total 221,600

The above estimates were made on the basis of a development schedule described in Section 3-5 hereof.

4. Blank form for comment to this CDP

Written comments per this CDP, can be completed on the attached form and forwarded to :

(I) Attn.: Mitsui Hatcher Pass Project Team  
c/o Mr. John Daly  
Alaska World Trade Corporation  
600 West 41st Avenue, Suite 203  
Anchorage, Alaska 99503  
U.S.A.

(II) Written comments are requested to be returned no later than January 27, 1989.

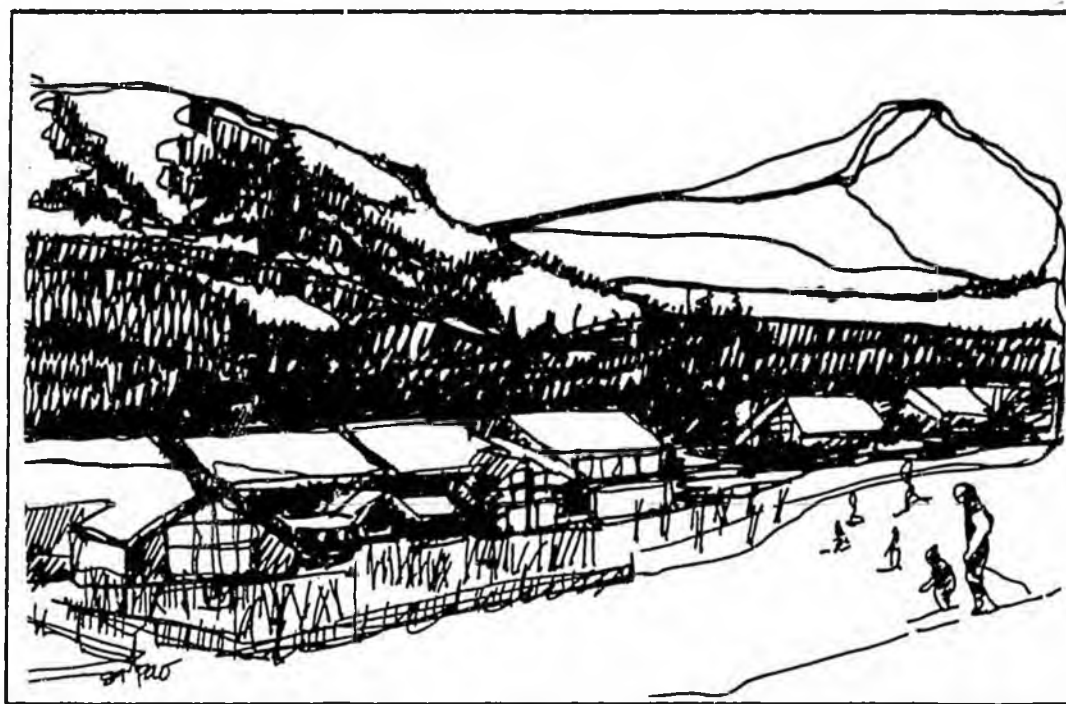




Matanuska-Susitna Borough

CAPITAL IMPROVEMENT PROGRAM

FY '90



*Hatcher Pass  
Ski Resort*

MATANUSKA-SUSITNA BOROUGH

CAPITAL IMPROVEMENT PROGRAM

FY90

-- HATCHER PASS SKI RESORT --

Fred Lloyd  
Assemblyman

Eleanor Malapanes  
Assemblyman

Norm Levesque  
Assemblyman

Theodore Smith  
Assemblyman

Dorothy A. Jones  
Mayor

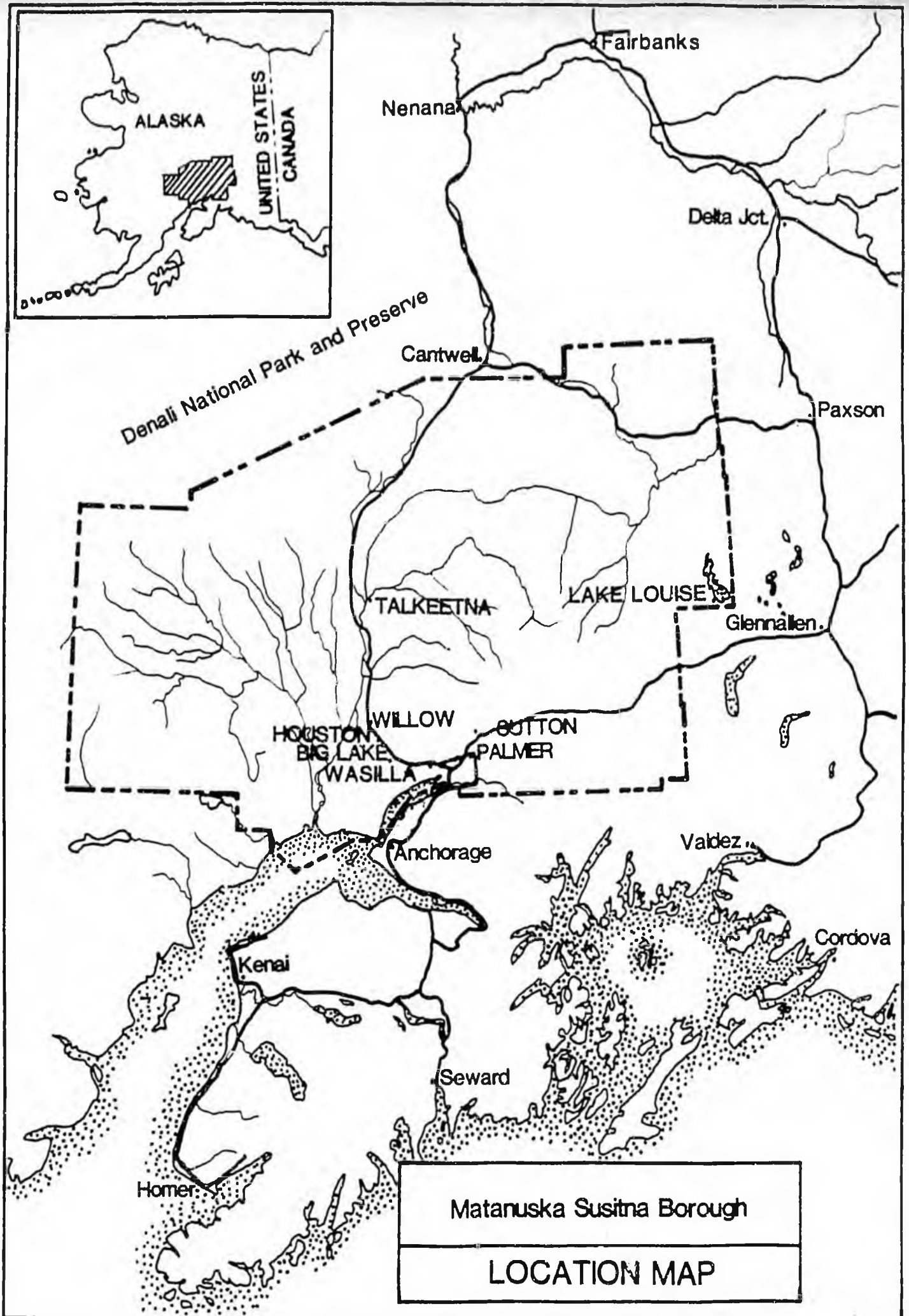
Gary Silvers  
Assemblyman

Rose Palmquist  
Assemblyman

Steven Cypra  
Assemblyman

John Hale  
Manager

P.O. Box 1608  
PALMER, ALASKA 99645





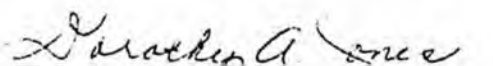
# Matanuska-Susitna Borough

BOX B. PALMER, ALASKA 99645 • PHONE 745-4801

BOROUGH ASSEMBLY

Providing the necessary infrastructure to facilitate the development of an international alpine ski resort at Hatcher Pass is one of the Borough's top three priorities for FY90. In March, 1987 the State signed a lease agreement with Mitsui, USA for the development of an alpine ski resort. Mitsui, delivered its concept development plan for the resort in January, 1989. This plan envisions a world class resort with year round amenities.

The Hatcher Pass ski resort is a prime example of the type of project being solicited by the State and Borough. Public sector capital and lands have generated a much larger private sector investment. Once the facility is complete, the resort will provide approximately 700 permanent jobs (seasonal + year round). An estimated 1,000 secondary employment opportunities will be created in spin-off support services and activities particularly in the areas of transportation, commodities and construction. During these harsh economic times it is vital for the Borough and State to encourage development and diversification of the economy. The proposed ski resort fulfills these two objectives. The Borough respectfully requests your consideration of the Hatcher Pass ski resort capital improvement program.

  
Dorothy A. Jones  
Mayor  
Matanuska-Susitna Borough

MATANUSKA-SUSITNA BOROUGH <sup>2</sup>/<sub>1</sub>  
RESOLUTION SERIAL NO. 88-229 (Substitute)

A RESOLUTION OF THE ASSEMBLY OF THE MATANUSKA-SUSITNA BOROUGH REQUESTING  
STATE FUNDING FOR THE MATANUSKA-SUSITNA BOROUGH'S TOP CAPITAL  
IMPROVEMENT PROJECTS

WHEREAS, citizens of the Matanuska-Susitna Borough continue to experience severe economic hardships through loss of jobs, homes, and local businesses due to the existing economic recession; and

WHEREAS, the Matanuska-Susitna Borough is aware of State spending constraints caused by the existing economic recession; and

WHEREAS, the Matanuska-Susitna Borough is struggling to provide only the basic services to its residents; and

WHEREAS, the Matanuska-Susitna Borough continues to adjust its operating and capital budgets to reduce costs, eliminate unnecessary functions and emphasize activity and projects that will stimulate and diversify the economy; and

WHEREAS, the top priority projects are considered to be most essential and beneficial in helping to improve and create a more stabilized economic base for the Matanuska-Susitna Borough; and

WHEREAS, the Borough is proceeding with three significant economic development projects; and

WHEREAS, these projects include the Point MacKenzie Port, Hatcher Pass Ski Development and the Wishbone Hill Coal Mining Development; and

WHEREAS, the Assembly has identified these three projects equally as the Matanuska-Susitna Borough's top capital improvement projects for FY90; and

NOW, THEREFORE, BE IT RESOLVED that the Matanuska-Susitna Borough respectfully requests funding for the Borough's top FY90 Capital Improvement projects which are: Point MacKenzie Port, Hatcher Pass Ski Resort Development, and Wishbone Hill Coal Development.

BE IT FURTHER RESOLVED that the Matanuska-Susitna Borough respectfully requests funding be provided to the Alaska Department of Transportation and Public Facilities for Improvements to portions of the Hatcher Pass Road (Willow Fishhook) and Glenn Highway projects.

AND BE IT FURTHER RESOLVED that funding for the Point MacKenzie Port project be made as a direct appropriation to the Matanuska-Susitna Borough.

APPROVED by the Matanuska-Susitna Borough Assembly this 5  
day of January, 1989.

Dorothy A. Jones  
Dorothy A. Jones, Mayor

ATTEST:

Linda Dahl  
Linda Dahl, Borough Clerk

(SEAL)

## HATCHER PASS SKI RESORT IMPROVEMENTS

PROJECT	COST (in thousands)
1. Willow Fishhook Road Upgrade (milepost 7 to milepost 14)	\$ 10,400
2. Edgerton Parks Road Upgrade (milepost 0 to milepost 1.5)	1,200
3. Leasehold Assessment	176
4. Willow Fishhook Bridge Replacement (milepost 8.5)	1,100
5. Edgerton Parks Bridge Replacement (milepost 0.5)	<u>1,280</u>
TOTAL	\$ 14,156

Talkeetna Mountains

HATCHER PASS  
SKI RESORT

To Parks Hwy. - 17 miles



Ski Resort Area



Willow Fishhook Road Upgrade  
(milepost 7 - 14)

Leasehold Assessment

New Bridge

New Bridge

Edgerton Park Road Upgrade  
(milepost 0 - 1.5)

R.

Little Susitna R.

Palmer - Fishhook Rd.

Wasilla - Fishhook Rd.

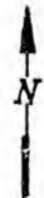
Palmer - Wasilla Hwy.

Palmer

Wasilla

Parks Hwy.

Glenn Hwy.



To Anchorage - 35 miles



PROJECT TITLE: Willow Fishhook Road Upgrade

PROJECT DESCRIPTION: Realignment and reconstruction of approximately seven (7) miles of road from milepost 7 to milepost 14.

DISCUSSION: Mitsui, Ltd., the second largest trading company in Japan, has signed a lease with the State in order to develop an international ski resort in the Hatcher Pass area. The Hatcher Pass area is a very popular, year round recreational facility for Borough and regional residents and domestic and foreign visitors. For example, visits to the Independence Mine State Recreation site which is located just north of the Mitsui's ski project have been growing by 11% per year for the past four years and in 1987 totaled 116,000. Willow Fishhook Road is a State road that is of sub-standard quality, contains several choke points and has some hazardous locations. The upgrade of Willow Fishhook Road is vitally needed in order to handle the growth in existing recreation travel as well as the expected increased traffic brought on by the ski facility.

The proposed upgrade would make the road safer and more efficient thereby making a visit to Hatcher Pass a more enjoyable experience for current users and new visitors to the ski resort. The proposed upgrade will also reduce maintenance costs.

ANTICIPATED COST: \$10,400,000

PROJECT TITLE: Edgerton Parks Road Upgrade

PROJECT DESCRIPTION: Rehabilitation and reconstruction of approximately two (2) miles of road from milepost 0 to milepost 2.

DISCUSSION: The Hatcher Pass area is a very popular, year round recreational facility for Borough and regional residents and domestic and foreign visitors. The Mitsui ski resort project will increase the recreational attractiveness of the area. In order to accommodate existing and new visitors it is necessary to improve existing sub-standard public facilities. The existing Edgerton Parks Road is sub-standard and any increase in traffic volumes will only make present conditions worse.

The proposed upgrade would make the road safer and more efficient making a visit to ski resort and surrounding area a more enjoyable experience for visitors. The proposed upgrade will also reduce maintenance costs.

ANTICIPATED COST: \$1,200,000

PROJECT TITLE: Leasehold Assessment

PROJECT DESCRIPTION: Completion of technical and environmental analyses necessary to implement the ski resort project.

DISCUSSION: Mitsui, Ltd., the second largest trading company in Japan, has signed a lease with the State in order to develop an international class ski resort in the Hatcher Pass area. These technical and environmental analyses will examine Mitsui's plans for the development of an alpine ski resort at Hatcher Pass. The analyses will identify methods of improving upon the developer's concept development plan, as well as reducing undesirable impacts, if any.

ANTICIPATED COST: \$176,000

PROJECT TITLE: Willow Fishhook (Hatcher Pass) Bridge Replacement

PROJECT DESCRIPTION: This project consists of the design, engineering and construction of a two lane bridge with pedestrianways to replace an existing one lane bridge at milepost 8.5, Willow Fishhook Road.

DISCUSSION: Mitsui, Ltd., the second largest trading company in Japan, has signed a lease with the State in order to develop an international ski resort in the Hatcher Pass area. The Hatcher Pass area is a very popular, year round recreational facility for Borough and regional residents and domestic and foreign visitors. For example, visits to the Independence Mine State Recreation site, which is located just north of the Mitsui's ski project, have been growing by 11% per year for the past four years and in 1987 totaled 116,000.

The bridge contains only one lane and has no accommodations for pedestrians. The approaches to the bridge are also sub-standard in terms of sight distance. The present bridge serves as one of the choke points on Willow Fishhook Road because it allows only one-way traffic and there is insufficient room for the "storage" of vehicles waiting to cross the bridge. Growth in existing recreation travel as well as the increased traffic brought on by the ski facility requires that the existing sub-standard bridge be replaced.

With the design and construction of a new two lane bridge, the road will be safer and more efficient, making a visit to Hatcher Pass a more enjoyable experience for current recreationists as well as persons visiting the ski resort.

ANTICIPATED COST: \$1,100,000

PROJECT TITLE: Edgerton Parks Bridge Replacement

PROJECT DESCRIPTION: This project consists of rebuilding and widening the Little Susitna River bridge at milepost 0.5, Edgerton Parks Road.

DISCUSSION: The Hatcher Pass area is a very popular, year round recreational facility for Borough and regional residents and domestic and foreign visitors. The Mitsui ski resort project will increase the recreational attractiveness of the area. In order to accommodate existing and new visitors it is necessary to improve existing sub-standard public facilities. The existing bridge on Edgerton Parks Road is sub-standard and has no accommodations for pedestrians. Any increased traffic will only make present conditions worse.

With the rehabilitation and widening of the existing bridge, the road will be safer and more efficient, making a visit to the proposed ski resort and surrounding area a more enjoyable experience for visitors.

ANTICIPATED COST: \$1,280,000

## DESCRIPTION OF SKI RESORT PROJECT:

The Hatcher Pass Ski Resort development is a prime example of the type of project being solicited by the State and Borough. Public sector capital and lands have generated a much larger private sector investment. During the design and construction phases of the project, the development will provide many direly needed jobs. Once the facility is complete, the resort will provide approximately 700 permanent jobs (seasonal + year round). An estimated 1,000 secondary employment opportunities will be created in spin-off support services and activities particularly in the areas of transportation, commodities and construction. The Hatcher Pass Ski Resort project will generate a large amount of positive impacts in the service sector of the economy as individuals visit the area to ski and possibly relocate to live and work.

This project will not detract from other similar businesses because approximately one-third of the users will be from the international market, primarily the Japanese tourist, while a significant amount of the other two-thirds will emanate from tapping existing latent demand in the Alaskan intermediate ski class market.

In addition, the project will have positive impacts on the national economy by providing an opportunity to improve the trade imbalance between the United States and Japan. Because this project is an export based project, new funds for capital and operating expenses will enter the Alaskan economy and will add to Alaska's exports. Export based industries typically have larger employment and income multipliers than non-export based industries which will benefit the Alaskan economy.

Mitsui's resort concept plan was delivered in January, 1989 and is being reviewed by the State and Borough. The State and Borough are also currently reviewing a preliminary evaluation of the environmental and socio-economic implications of the project. The Borough believes that the development of this resort is consistent with the State's policies to stimulate economic development, increase employment opportunities, create additional tourism and recreational opportunities as well as improve the attractiveness of Alaska as a site for the 1998 Olympics.

At the present time, Mitsui Ltd., has entered into a 55 year lease with the State which includes a \$65,000 annual lease payment. The lease stipulates that within five years Mitsui must provide, at a minimum, 1,500 vertical feet of aerial lift-served skiing, a practice slope with rope tow and ski school and restaurant, daylodge and first aid facilities. There are also provisions for additional development, including the international scale facilities actually being proposed by Mitsui. Mitsui's Concept Development Plan envisions a much larger initial development.

## OPERATING AND MAINTENANCE COSTS:

The operating and maintenance costs of the facility will be borne by the ski resort developer, Mitsui, USA, Inc.