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SENATE COMMITTEE REPORT

FURTHER

DATE TURNED INTO OFFICE _____

3/14/89
Mr. President:

_____ Finance _____ Committee considered _____ SB 145 _____

special appropriation to the Dept. of Administration for payment as a grant to the Alaska Native Cultural Center Corporation; efd and recommended

- replace with _____ CS _____) same title
- or adopt _____ CS _____) new title
- attached amendment(s) and technical title change (HB only)
- _____ letter of intent adopted

- do pass
 - do not pass
 - no recommendation
 - individual recommendations
 - further referral to _____
- Hearing 3-22-89*
Bill held in committee for inclusion in capital budget.

FISCAL NOTE(S) zero fiscal impact appropriation no FN
 new updated previous
 same as previous fiscal note(s) published _____

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

Chairman signature and recommendation

Committee Backup attached

SENATE COMMITTEE REPORT

FURTHER

FINANCE

2/28/89

DATE TURNED INTO OFFICE 3-13-89

Mr. President:

STATE AFFAIRS

Committee considered SB 145

special appropriation to the Department of Administration for payment as a grant to the Alaska Native Cultural Center Corporation; efd

and recommended

- replace with _____ CS SB 145 (ST AFF)) same title
- or adopt _____ CS _____) new title
- attached amendment(s) and _____) technical title change (HB only)
- _____ letter of intent adopted *and majority do pass.*

do pass

do not pass

no recommendation

individual recommendations

further referral to _____

- FISCAL NOTE(S) zero fiscal impact appropriation no FN
- new updated previous
- same as previous fiscal note(s) published _____

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

De Adams

Tim Kelly

Rich Kelly (DO PASS)

[Signature]

Chairman signature and recommendation

Committee Backup attached

SENATE COMMITTEE REPORT

FIRST COMMITTEE OF REFERRAL

Date of 5-DAY NOTICE 2/13/89
IN ACCORDANCE WITH UNIFORM RULE 23

FURTHER

STATE AFFAIRS
FINANCE

**FISCAL NOTE(S) MUST BE ATTACHED
IN ACCORDANCE WITH AS 24.08.035

DATE TURNED INTO OFFICE _____

1/27/89

Mr. President:

INTERNATIONAL TRADE Committee considered SB 145

special appropriation to the Department of Administration for payment
as a grant to the Alaska Native Cultural Center Corporation; efd

and recommended:

- replace with CS _____ same title
- attached amendment(s) and new title

major letter of intent adopted

do pass

do not pass

no recommendation

individual recommendations

further referral to _____

Approp.

FISCAL NOTE(S) attached zero
 appropriation no FN attached

fiscal impact
 Gov. FN introduced w/ bill

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

Julius Stungulovich

Paul Healy (DO PASS)

Chairman Signature Do Pass
Chairman signature and recommendation

Committee backup attached

Offered: 3/14/89
Referred: Finance

6-0642E

Original sponsors: Sturgulewski, Faiks,
Adams, and Uehling

Funding Information
General Fund \$500,000
Other Funds -0-
\$500,000

1 IN THE SENATE

BY THE STATE AFFAIRS COMMITTEE

2 CS FOR SENATE BILL NO. 145 (State Affairs)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act making a special appropriation to the Depart-
7 ment of Administration for payment as a matching
8 grant to the Alaska Native Cultural Center Corpora-
9 tion; and providing for an effective date."

10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

11 * Section 1. FINDINGS AND PURPOSE. (a) The legislature finds that

12 (1) in order to encourage and foster economic development in the
13 state, particularly tourism, more attractions are needed to create visitor
14 demand;

15 (2) visitor demand is essential to ensuring that Alaska is
16 considered a desirable destination point;

17 (3) facilities unique to the state are of great interest to
18 visitors and residents alike; the creation of more tourist facilities will
19 increase the number of visitors to the state and encourage short-term
20 visitors to lengthen their stay and visit other areas of the state;

21 (4) the richness of the state's cultural fabric is of interest
22 not only to Alaskans but to the rest of the world; Alaska Native culture is
23 unique to the state; it is in the best interests of the state to preserve
24 traditional Alaska Native history and to foster contemporary Alaska Native
25 culture;

26 (5) presenting Alaska's Eskimo, Indian, Aleut, and Tlingit-Haida
27 cultures through art, dance, music, song, storytelling, and food is a way
28 to enhance Alaskans' appreciation and enjoyment of the state's unique heri-
29 tage and to attract visitors from many other different cultures as well;

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SB0145b

-1-

CSSB 145(SA)

COMMITTEE COPY

1 (6) the Alaska Native Cultural Center in Anchorage will serve as
2 a visitor attraction, a repository of Native history, and a source of
3 employment for Alaskans.

4 (b) It is the purpose of this Act to recognize the state's role in
5 fostering private development in the state by participating with the Alaska
6 Native Cultural Center Corporation in financing the development of an
7 Alaska Native Cultural Center in Anchorage, Alaska.

8 * Sec. 2. The sum of up to \$500,000 is appropriated from the general
9 fund to the Department of Administration for payment as a matching grant
10 under AS 37.05.316 to the Alaska Native Cultural Center Corporation for
11 planning, engineering, architectural design, and site development of the
12 Alaska Native Cultural Center in Anchorage, Alaska, to match on a dollar-
13 for-dollar basis funds received from sources other than the state govern-
14 ment.

15 * Sec. 3. This Act takes effect immediately under AS 01.10.070(c).
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Introduced: 1/27/89
Referred: International Trade and Tourism,
State Affairs and Finance

6-0642A

Funding Information

General Fund	\$500,000
Other Funds	-0-
	<u>\$500,000</u>

1 IN THE SENATE

BY STURGULEV

2 SENATE BILL NO. 145

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act making a special appropriation to the Depart-
7 ment of Administration for payment as a grant to the
8 Alaska Native Cultural Center Corporation; and pro-
9 viding for an effective date."

10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

11 * Section 1. FINDINGS AND PURPOSE. (a) The legislature finds that

12 (1) in order to encourage and foster economic development in the
13 state, particularly tourism, more attractions are needed to create visitor
14 demand;

15 (2) visitor demand is essential to ensuring that Alaska is
16 considered a desirable destination point;

17 (3) facilities unique to the state are of great interest to
18 visitors and residents alike; the creation of more tourist facilities will
19 increase the number of visitors to the state and encourage short-term
20 visitors to lengthen their stay and visit other areas of the state;

21 (4) the richness of the state's cultural fabric is of interest
22 not only to Alaskans but to the rest of the world; Alaska Native culture is
23 unique to the state; it is in the best interests of the state to preserve
24 traditional Alaska Native history and to foster contemporary Alaska Native
25 culture;

26 (5) presenting Alaska's Eskimo, Indian, Aleut, and Tlingit-Haida
27 cultures through art, dance, music, song, storytelling, and food is a way
28 to enhance Alaskans' appreciation and enjoyment of the state's unique heri-
29 tage and to attract visitors from many other different cultures as well;

1 (6) the Alaska Native Cultural Center in Anchorage will serve as
2 a visitor attraction, a repository of Native history, and a source of
3 employment for Alaskans.

4 (b) It is the purpose of this Act to encourage the building of an
5 Alaska Native Cultural Center in Anchorage, Alaska.

6 * Sec. 2. The sum of \$500,000 is appropriated from the general fund to
7 the Department of Administration for payment as a grant under AS 37.05.316
8 to the Alaska Native Cultural Center Corporation for Phase I, including
9 planning and design, of the Alaska Native Cultural Center in Anchorage,
10 Alaska.

11 * Sec. 3. This Act takes effect immediately under AS 01.10.070(c).
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AMENDMENT
SENATE BILL 145

BY STURGULEWSKI

22 March 1989

Page 1, line 7:

Change "Administration" to "Community and Regional
Affairs"

Page 2, line 9:

Change "Administration" to "Community and Regional
Affairs"

Alaska State Legislature



SENATOR
ARLISS STURGULEWSKI
Senate President Pro Tempore
Chairman, Senate Rules Committee

2937 SHELDON JACKSON STREET
ANCHORAGE, ALASKA 99508

While in Juneau
P.O. BOX V
JUNEAU, ALASKA 99811
(907) 465-3818

Senate

MEMORANDUM

15 March 1989

TO: Senator Rick Uehling
Chairman, Senate Finance Committee

FROM: Senator Arliss Sturgulewski *AS*

Senate Bill 145 "An Act making a special appropriation to the Department of Administration for payment as a matching grant to the Alaska Native Cultural Center Corporation, and providing for an effective date," has been referred to the Senate Finance Committee. I respectfully request your scheduling this bill as soon as possible.

The proposed Alaska Native Cultural Center will be a major cornerstone in building much-needed tourism infrastructure in Alaska. In addition, the center will serve as a repository for the preservation of traditional Native culture and a unique facility designed to celebrate and foster contemporary Alaska Native Culture.

Attached is the executive summary of the feasibility study conducted in 1988. The study found that such a project was feasible and once built, will be self-sustaining. Also attached is the proposal outline by the Alaska Native Cultural Center Corporation, a letter of support from the Alaska Federation of Natives and a resolution passed by the Alaska Federation of Natives during the 1988 annual convention.

The Senate State Affairs Committee substitute for this bill added the provision that these funds were to be distributed as a matching grant on a dollar-for-dollar basis and were to be used specifically for planning, engineering, architectural design, and site development.

ALASKA FEDERATION OF NATIVES, INC.

1988 ANNUAL CONVENTION.

RESOLUTION 88-07

TITLE: ALASKA NATIVE CULTURAL CENTER

WHEREAS for more than two decades the concept of a major Alaska Native Cultural center has been a cherished goal; and

WHEREAS such an Alaska Native Cultural Center would greatly enhance the preservation and promotion fo Alaska's indigenous cultures including Eskimos, Indians, and Aleuts; and

WHEREAS an authentic high quality Alaska Native Cultural Center would provide a significant means for introducing and educating the general public about the many diverse Native cultures in Alaska; and

WHEREAS the values of our Alaska Native heritage could be perpetuated through intergenerational presentations by our tradition-bearers in the form of the dance, singing, storytelling, the arts and other related traditions; and

WHEREAS the success of such an undertaking would depend upon and require statewide involvement of Native precentor and artists as well as making a local and statewide impact through the encouragement of tourism and employment; and

NOW THEREFORE BE IT RESOLVED by the delegates to the 1988 Annual Convention of the Alaska Federation of Natives, Inc. endorses the efforts of the CIRI Foundation to establish and independent Alaska Native Cultural Center in Anchorage as a public purpose economic development project; and

BE IT FURTHER RESOLVED that a broad-based cooperative approach be used to include both the public and private sector in the formation of the administrative, programmatic and funding requirements for ensuring the successful establishment of a high quality Alaska Native Cultural Center in Anchorage, Alaska.

CONVENTION ACTION: PASSED

COMMITTEE ACTION: DO PASS

- RESOLUTIONS / LETTERS OF SUPPORT -

ALASKA FEDERATION OF NATIVES, INC.

411 W. 4th Avenue, Suite 301 • Anchorage, Alaska 99501 • Phone (907) 274-3611



January 10, 1989

To Whom It May Concern:

On behalf of the Alaska Federation of Natives, I would like to voice my support for the establishment of a Native Culture Center in Anchorage.

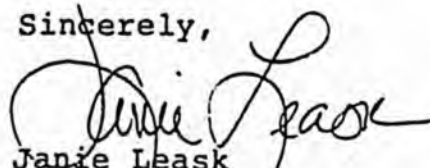
During our recent AFN Convention, over 1500 delegates - representing Native people from all around the state - overwhelmingly passed a resolution which endorsed the establishment of an Alaska Native Culture Center in Anchorage.

During this same Convention, the delegates also passed a resolution outlining a series of goals for the 1990's which were developed through two AFN-sponsored statewide retreats. The establishment of a Native Culture Center in Anchorage would support a number of these goals:

- * to promote pride in heritage and development of self-esteem among Alaska Natives;
- * to preserve and strengthen Alaska Native cultures;
- * to foster an understanding of Alaska Native cultures within other societies;
- * to secure economic employment opportunities and benefits enjoyed by the larger society;
- * to foster statewide unity and trust in representing the common interests of Native people and in celebrating Native cultures.

There's no question that the establishment of an Alaska Native Culture Center would provide a number of opportunities and benefits to our State through increased tourism. But to weigh the benefits of a Center solely in terms of employment and financial gains would be a grave mistake, for such a Center could serve as a statewide focal point to help foster a greater understanding and appreciation of our many rich and diverse cultures - an understanding which would benefit us all!

Sincerely,


Janie Leask
President

Integrity • Pride in Heritage • Progress

Testimony for Alaska S.B. 145
to appropriate \$500,000 for the Alaska Native Culture Center, Anchorage
Pre-Development Project

Presented before a Joint Hearing of the
Senate Special Committee on International Trade and Tourism,
Senate Committee on State Affairs and
Senate Finance Committee
Juneau, Alaska

February 27, 1989

By Roy M. Huhndorf
President
Cook Inlet Region, Inc.

Senator Szymanski, Members of the Senate Committees on International Trade and Tourism, State Affairs and Finance and Ladies and Gentlemen:

I am Roy M. Huhndorf, President of Cook Inlet Region, Inc. and member of the board of directors of the Alaska Federation of Natives. First I wish to personally thank each of you for this opportunity to present for your consideration an overview of the proposed Alaska Native Culture Center, Anchorage Project, initiated by the AFN Board of Directors at our meeting in September 1987.

Briefly, I will provide an overview of the Native culture center project and rationale for such an undertaking, and Lydia Hays, the interim executive director of the Native culture center will present a review of the type of Native culture center which we seek to develop. Following her presentation, we have several individuals who have will state their views about the proposed Native culture center, and the balance of the time will be set aside for questions and answers.

Considered to be economically feasible, the Native culture center is envisioned to be a high quality unique presentation center, based in Anchorage but with tourism promotion capability that is statewide by design. It will introduce the visitor to the five major Alaska Native culture groups--Yupik, Inupiat, Aleut, Athabascan and Tlingit/Haida/Tsimshian. For the visitor, the center is to be participatory in nature, rather than a passive experience where a visitor merely looking at things through a glass window. The center is envisioned to be an educational venue, intent upon communicating the best of our Native heritage for enjoyment and appreciation by Alaska's visitors and residents alike.

Programmatically and financially, a Native culture center of this type requires broad-based cooperation by both the public and private sector. While it is a Native culture center, the entire state of Alaska stands to benefit from its presence as a major destination venue in Alaska, potentially drawing people from

throughout the world. As a non-profit entity, with operations considered by the feasibility study consultants to be economically feasible, it is clear that such a center cannot be considered to be a viable financial investment with year-end profits to be returned to corporate investors. Instead, in the foreseeable future, the culture center's economics are more like that of a civic institution such as a museum or a university that if operated effectively, can possibly generate some positive year-end balance that might be set aside for select educational purposes, such as college scholarships, internships or fellowships.

Why should there be both public as well as private funds "invested" in the Native culture center? This is a basic question that is appropriate to ask. The answer is that Alaska publicly and privately can benefit from this major addition to the list of important places to visit and experience in Alaska.

The Alaska Native Culture Center offers several positive advantages to Alaska in general: It

- 1 Provides a major visitor destination experience for Alaska's one million visitors of whom nearly one half come to Anchorage, by offering a 2.5-3.0 hour visitor experience just 20-25 minutes from Anchorage's downtown hotel area.
2. It will add to the visitor industry infrastructure, brightening the marketing prospects for promoting Alaska as a tourist destination in the future.
3. Hotels, restaurants, shops and transportation services will be stimulated, ultimately expanding the local and more broadly the statewide economy as a result of increased numbers of visitors.
4. The design of the Native culture center itself includes a "tourism promotion center," to encourage the center's visitors to experience the rest of Alaska first-hand, after getting an introduction and brief overview of the five major Native culture groups in the state at the center.. For example, about 60 percent of the visitors to Anchorage are independent travelers; they have not yet decided what to do and see upon arriving in Alaska. The Center could assist them in selecting some other region of Alaska to visit on this trip; and to decide what to see on a second trip to Alaska; and for that matter what to do should they decide once again to return to visit our vast state.

More specifically, there are other attractive features about the proposed Alaska Native Culture Center that have encouraged Native organizations to offer their endorsement and other potential competitors to express willingness to cooperate in this major endeavor.

1. In each case there has been the recognition of the need and desirability to get a Native culture center build and operational, to the extent that groups are willing to forego unnecessary competitiveness and agree to work together.
2. Already seven Native corporations have invested over \$50,000 in the feasibility study phase of this project. Cook Inlet Region, Inc. has to date contributed \$17,000 toward the study and pre-development phase of the culture center, plus providing interim staff assistance and space on an in-kind and part-time basis, totaling nearly \$25,000.

There are several compelling reasons why, despite differences, there is merit in cooperation and why Cook Inlet Region, Inc. is participating in this important venture:

1. The objectives of the Native culture center reflect many of those of the AFN adopted for the 1990's:
 - preserve and nurture our diverse Alaska Native heritage;
 - promote self-esteem and pride in our cultures; provide a means to educate Alaskan visitors and residents about our heritage for understanding and appreciation;
 - offer employment for economic self-sufficiency immediately and as training for careers in tourism among Alaska Natives and non-Natives alike;
 - promote statewide organizational cooperation; and
 - participate fully in Alaska's visitor industry.
2. The incentives of fair wages and amenable working opportunities are attractive for the center designed initially for the summer season with capability for expanded seasons in the future.
3. Natives are in a position as major participants in such an undertaking to establish policies that protect against exploitation of individuals and promotes cultural accuracy and authenticity. They are placed in the position of being teachers and transmitters of the culture for understanding and appreciation by society.
4. By design the governing board of the culture center is broad-based. The By-laws call for 15 board members, the majority of whom must represent the five major Native culture groups in Alaska and be representative of at least five regions in Alaska. The remainder of the board includes representatives from the visitor industry, Native tradition bearers and the community at large.
5. The Native culture center is designed to benefit Alaska and Alaska's Natives in several ways: (a) employment opportunities, parttime and fulltime; (b) a new outlet for Native arts and crafts; (c) a

tourism promotional center to encourage tourism throughout Alaska in regions where Native and non-Native visitor industry operations can benefit; and (d) encouragement of careers in tourism.

In brief, the proposed Alaska Native culture center is a project from which many segments of Alaska's residents and economy stands to benefit. That is why the center can be described as a quasi public-private tourist industry venue. It is not the project of any single corporation; it instead demands broad-based support and cooperation financially and otherwise. The Native culture center is

1. a non-profit quality presentation center for Alaska's visitors, the primary client and secondarily a gathering place for Alaska Native events, activities and programs;
2. a multi-supported institution in governance, programs, land, operations and staffing;
3. an undertaking which has grown out of the interest and concern of the Alaska Federation of Natives to establish a major culture center of this type; and
4. a project which demands sound financial management and is cost effective and capable of expansion and improvement of its programs in the future.

The ability to proceed with funding for this project through positive action by the Alaska Legislature and from grants and contributions from other private and public sectors will signal encouragement for carrying this project forward with the expectation that it will be ready to open in the summer of 1992.

02/21/89 LLH

Alaska Native Cultural Center Corporation

Alaska Native Heritage Park, Inc.

c/o The CIRI Foundation

P.O. Box 93330, Anchorage, Alaska 99509-3330 (907) 274-8638

March 3, 1989

The Honorable Arliss Sturgulewski
Alaska State Senate
P.O. Box V Room 427C
Juneau, AK 99811

Dear Senator *Arliss* Sturgulewski:

Subject: S.B. 145 for an Act to make a special appropriation to the Department of Administration for payment as a grant to the Alaska Native Cultural Center Corporation.

Thank you very much for the opportunity on Monday afternoon, February 27, 1989 to present information to the joint meeting of the Senate Special Committee on International Trade and Tourism and the Senate State Affairs Committee regarding the Alaska Native Cultural Center, proposed for Anchorage, Alaska.

Upon reflection of the discussion held during the hearing, I want to take this opportunity to clarify several points and to provide you with a copy of the financial plan proposed for the Center, projected through the first phase of construction:

1. The Native culture center is not considered to be a desirable investment venture project with a cash dividend stream to investors. It has been found to be financially feasible operationally, but it is doubtful that capital debt could be amortized over a short period of time. That is why the cultural center is organized as a non-profit operating entity, perhaps not unlike that of a museum or university but operated on an operationally self-sustaining basis. Thus Native corporations--or any corporations for that matter--do not view the cultural center as a financially profitable business venture. Even so, Native corporations such as Cook Inlet Region, Inc. (CIRI) will be financial donors to the project. There are four major reasons for Native corporations to support the project:
 - (a) potential for enhancing tourism on behalf of the community and the state;
 - (b) employment opportunities for individuals;
 - (c) promoting self-esteem and pride in Native culture; and
 - (d) encouraging the preservation and nurturing of Alaska Native heritage through education in the state.

Senator Arliss Sturgulewski
March 3, 1989
Page Two

For Cook Inlet region, these reasons are CIRI shareholder priorities rather than a business investment strategy of the corporation. Broad-based support--financially and programmatically, privately as well as publicly--is a basic necessity for the project to be established successfully.

2. While this Native cultural center is proposed for Anchorage, it is designed to have more direct statewide impact for the benefit of regions outside the Anchorage area.
 - a. The Anchorage-based Native cultural center master plan includes a statewide tourism promotion center.
 - b. It will be a new outlet for Native arts and crafts.
 - c. Revenues from admissions, retail activity and related projects have been conservatively projected by the study consultant. It is conceivable that the Center can experience year-end break-even funding and expenditures after the third year of operation. Thought is being given to the following uses of such funds (after required maintenance and periodic refurbishing/expansion are satisfied) in the event there are year-end surplus funds:
 - (1) a statewide scholarship program for persons who have worked at the cultural center and are working on postsecondary degrees for career enhancement;
 - (2) grants to Native culture centers located in Alaska outside the Anchorage area for operations or special projects; or
 - (3) funds to offer joint sponsorship by the Alaska Native Cultural Center in Anchorage with other Native culture centers in Alaska for special events or activities such as international cultural exchange promotion programs traveling exhibitions from center to center in Alaska, or Alaska tourism promotional and marketing strategies.Further consideration is being given to identify other ways in which the Anchorage-based cultural center could enhance opportunities among Alaska's various regions and Native culture centers.
3. The 1988 Alaska Native Cultural Center, Anchorage Feasibility Study concludes that the center can be operated on a self-sustaining basis after the initial capital investment is made. The Center is not expected to be an "endless black hole down which to throw yearly operating grants." Revenues are based on projections from admission fees, retail sales and the possibility of sub-leases to programmatically compatible entities such as a media firm, art studios, and food service to name a few.

Senator Arliss Sturgulewsk
March 3, 1989
Page Three

4. Finally, this is not a center for the sole benefit of the Alaska Native community. Indeed, the major financial beneficiaries will be tourism industry companies such as hotels, restaurants, transportation providers and retailers, largely owned by non-Natives. This is a project intended for the benefit of the entire state. As indicated in the attachments, never have we seen so many partners from both the private and public sectors willing to contribute to the establishment of a Native cultural center; and never has the timing been so appropriate for a project such as this which will help to capture a larger share of the tourism market, further providing badly needed diversity to the state's economy.

Projected costs and sources of funds for the proposed Alaska Native Cultural Center in Anchorage through the first year of operation are itemized in Attachment A. Land costs are currently unavailable; but land is being considered that belongs to the Municipality of Anchorage. Attachment B lists the kinds of funding sources from which commitments are being sought. The State of Alaska, because of the significant impact the Anchorage-based Center can have on attracting visitors to Alaska and promoting statewide tourism, is one of multiple funding sources for ensuring that the start-up of the cultural center is achievable.

If you have specific questions about the project, please let me know. Thank you.

Sincerely,

ALASKA NATIVE CULTURE CENTER, INC.



Roy M. Huhndorf
Chairman

Enclosures

Alaska Native Cultural Center Corporation

<u>PROJECT NAME</u>	Alaska Native Cultural Center, Anchorage Pre-Development Project		
<u>SPONSORS</u>	Alaska Native Cultural Center Corporation, c/o The CIRI Foundation, P.O. Box 93330, Anchorage, Alaska 99509-3330 Contact: Lydia L. Hays, Executive Director Telephone (907) 274-8638		
<u>TOTAL PROJECT COST</u>	\$8,759,500 (Initial 4-yr. phase of three or four-step development over 20 years)		
<u>TOTAL FUNDS NEEDED</u>	Pre-Development, Phase I	1989 \$759,500	
	Development/Constr., Phs I	0	
	TOTAL	<u>\$759,500</u> =====	
<u>FUNDING REQUEST FROM STATE OF ALASKA (1989)</u>	Pre-Development, Phase I	\$500,000	
	Development and Construction, Phase II	0	
<u>FUNDING SOURCES, PHASE I, PRE-DVLPMT</u>	State of Alaska grant	\$500,000	65%
	Native and other organizations	<u>\$259,500</u>	35%
	TOTAL, Phase I	\$759,500	100%

PROJECT DESCRIPTION

Background. The Alaska Native Cultural Center, Anchorage Project is to develop an authentic Alaska Native heritage presentation center in Anchorage, Alaska. The purpose of the Center as a major visitor destination is to introduce and to depict Alaska's Native cultures--Eskimo, Indian and Aleut--through the dance, music, storytelling, crafts and other presentations for Alaskans and Alaska's visitors available during a 2.5-3 hour visit at the Center. Also the Center will encourage the preservation and celebration of the diverse and enriched heritage of Alaska's indigenous peoples through the visitor presentations and locally sponsored events during off-tourism season.. While located in Anchorage, the Center will draw statewide for its authentic presenters to be employed; conversely, the Center will encourage its visitors to tour other parts of the state for a first-hand experience of Native culture and Alaska history.

Facility Description. The Center, projected to be built in two or three phases, will be operated by an independent non-profit organization with its own board of directors. The long range plan is to develop a 45 acre site of near-pristine land with accompanying water-feature in Anchorage into a series of village replicas and other permanent community houses, theaters, retail store, museum, demonstration and information kiosks and administrative offices. Nearly 2.6 miles of walkways (or mini-motorized vehicles for visitor transportation) will connect these interest centers. The Center is expected to operate fully about four months of the year as a major visitor destination and minimally during the balance of the seasons to function as a local/state-based cultural education facility for the foreseeable future. It is estimated that about 100,000-150,000 visitors would visit the center during its first year, and that an estimated \$2.5

million operations budget would be required for the first year of operation. Maximum visitor capacity would be 250,000 visitors projected for about the fifth-tenth year of operation. Targeted opening: 1992.

Administration. Incorporators of the Alaska Native Cultural Center Corporation are: Roy M. Huhndorf, CIRI President, Roy S. Ewan, Ahtna, Inc. President; Frank Pagano, Koniag, Inc. President, Jacob Adams, Arctic Slope Regional Corporation President, E. Al Parrish, Westmark Hotels President, The Honorable Tom Fink, Mayor of the Anchorage Municipality and Thomas M. Dow, Vice President of NANA Development Corporation. The CIRI Foundation is the interim project management firm for the Cultural Center. Projected first year Cultural Center staffing: Estimated six fulltime staff and 125-150 parttime artists, presenters, tour guides, clerks and support staff.

BENEFITS OF CULTURAL CENTER

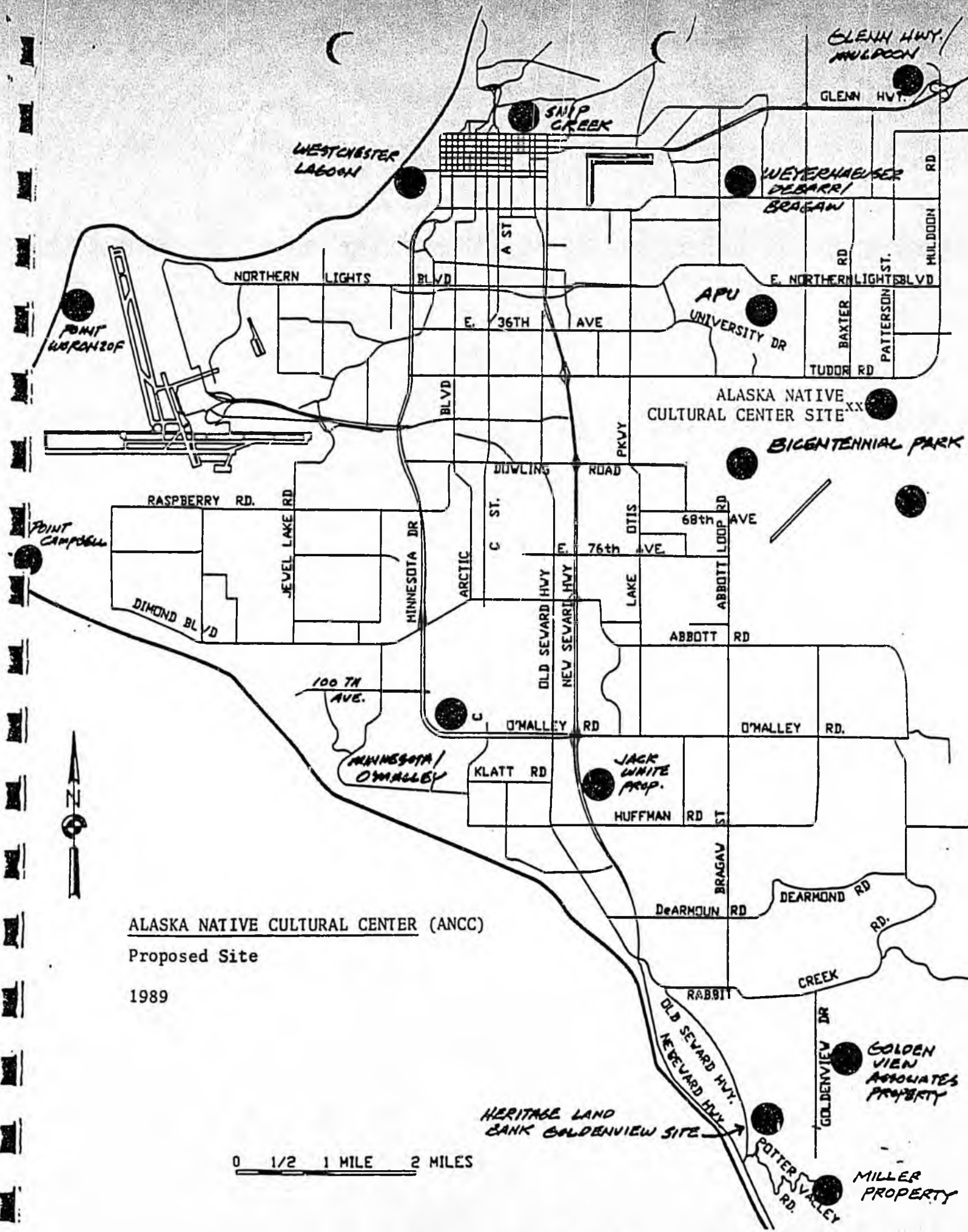
- Providing authentic and accurate portrayal of Alaska Native cultures for Alaska's visitors.
- Statewide intergenerational employment, especially for Alaska Natives who may be economically disadvantaged
- Enhancing the Anchorage tourism industry through the addition of a major visitor destination attraction, located in Anchorage
- Additional outlet and promotion capability for Native arts and crafts locally and statewide
- Tourism marketing and promotion of other parts of Alaska, enhancing Alaska's visitor industry
- Building upon Alaska Native cultural pride and self-esteem
- Augmented cultural resource center for local programs and events in Anchorage available on a year-round basis.

PRE-DEVELOPMENT TASKS, PHASE I Tasks to be completed with funds requested for Phase I are as follows:

1. Organizational and Project Manager development, including organizational formation and selection of related advisory bodies, fundraising, design of project manager position, preliminary identification of project funding and development of project workplan.
2. Continued fundraising for and production of summer Native performances at the Anchorage Museum of History and Art, including cultivation of cooperative links with arts/crafts people for sales/demonstration capability in the Center.
3. Cultivate cooperation among Native organizations and enlist involvement of tourism industry officials in the planning and potential funding of the Center.
4. Financial development, including fundraising for capital investment in the Center's facilities (public and private), program fundraising and development of Center's operations revenue plan.
5. Site procurement and preparation.
6. Project design and preparation of request-for-proposals for bid invitations on site layout, architectural design, facilities construction, interior design and landscaping.
7. Marketing data analysis/update and projections.
8. Development of quality control for construction management.

NATIVE CULTURAL CENTER PRE-DEVELOPMENT, PHASE I BUDGET

A. Organizational/Project Manager Development	\$60,500
B. Site Selection and Control	30,000
C. Facilities Development (after site secured) with Native and other advisory groups	260,000
D. Marketing Data Analysis/Update and Projections	9,000
E. Construction Management Development (quality control)	<u>400,000</u>
TOTAL, Phase I	<u>\$759,500</u>
	=====



ALASKA NATIVE CULTURAL CENTER (ANCC)
 Proposed Site
 1989

0 1/2 1 MILE 2 MILES

ANCHORAGE BOWL SITES



FINAL REPORT

FEASIBILITY STUDY

OF THE

ALASKA NATIVE CULTURE CENTER

AT

ANCHORAGE, ALASKA

PREPARED UNDER CONTRACT TO
THE CIRI FOUNDATION

BY

ECONOMICS RESEARCH ASSOCIATES
FOX PRACTICAL MARKETING AND MANAGEMENT
DOWL ENGINEERS
HAROLD WIRUM & ASSOCIATES, ARCHITECTS

SEPTEMBER 1988

PROJECT NO. 8847

Section II

EXECUTIVE SUMMARY

An Alaska Native Culture Center can be a feasible economic operation in the Anchorage area. It will recover its costs of operations, maintenance, and management. It does not appear that it can recover its capital development costs in the near term if it is to present the quality and variety of Alaska Native culture in an intensive manner -- bringing together the many performers and craftsmen of the widespread regions of the state.

This Executive Summary briefly reports the findings of the overall feasibility analyses. The reader is cautioned to go beyond this summary in order to catch the full description of the issues, concepts, and array of alternatives which are fleshed out in the several sections of the report. There is also a companion volume, entitled "Technical Appendices," which reports in greater detail on the Anchorage tourism market, on the detailed site evaluation activities, and on the building space requirements, relationships and cost estimates.

PROGRAM AND PROJECT CONCEPT

An Alaska Native Culture Center should be a high quality experience for visitors and Alaskans. The principal themes of the presentation formats are:

- o Participation via proximity to the performers
- o Listening and communicating person to person
- o Handling of the implements and crafts of Native Alaska

The components of this experience are:

- o An arrival presentation of high quality video
- o Introduction to the tangible, touchable implements of livelihood and art

- o Presentation of the dance, song, and instrumental music
- o Storytelling about the way it was and is
- o Demonstrations of the crafts of tradition and the present
- o Involvement in Alaska Native traditions by walking through replica villages, watching the blanket toss, experiencing the potlatch

The program should be presented:

- o In the four key summer months, when visitor capture is assured
- o To individuals and groups arriving throughout the day
- o Via a length of stay which may last 2.5 to 4.0 hours
- o At a location within 20 to 25 minutes travel time from the major visitor accommodations locations (downtown, airport area, etc.)

The program can best be experienced in a park-like setting involving considerable outdoor pedestrian movement between facilities and displays:

- o Visitors flow through the series of performances, displays, active demonstrations, retail sales, and food and beverage services.
- o The ideal site will have good tree cover and a stream -- which become integral to design and interpretation of Alaska Native culture.

MARKET DEMAND/VISITOR CAPTURE

The Alaska summer visitor surge is the available market waiting to be captured. Anchorage alone receives an estimated 435,000+ summer visitors, 40 percent of whom are on booked tours. Of those who come to Anchorage specifically for tourism and pleasure, fully 64 percent are on booked tours.

The tour companies are consistently indicating the need for, and their desire to market, a high quality Alaska Native Culture Center. There is nothing like it in Anchorage, which is chiefly an urban Alaska experience for visitors at the present time.

ERA estimates that a culture center can capture 100,000 to 120,000 admission paying visitors in its first summer, with growth in patronage to 200,000 to 220,000 per summer within five years. Alternative patronage flows, based upon different market penetration assumptions, have been prepared. It is suggested that master planning for a fully developed culture center provide for ultimate summer visitor capacity of 250,000.

Visitors and tourists from out of state are expected to make up more than 80 percent of all patronage, and this proportion may grow if Anchorage receives increased foreign visitation. The expected market penetration rate for out-of-state visitors, with tour company sales of admissions as part of the tour packages, should be 30 percent, moving upward toward 35 percent. The expected market penetration rate for local area residents and other Alaskans is estimated to be roughly 15 percent per summer season, declining toward 10 percent over time.

PROGRAM FACILITY COMPONENTS

Several ranges of "hardware" have been defined, with different patronage capabilities and directly related costs and revenues potentials. Six alternatives are defined, all but one requiring commitment to a specific culture center project on 40 to 60 or more acres. The alternatives are:

- "A" "No build" -- Keep on presenting in existing venues in Anchorage. Depending on marketing and very strong reputation, up to 100,000 patrons might be attracted, at low revenue yields, however.

- "B" Themed Performance Grounds -- Essentially an outdoor experience, having perhaps 15,000 square feet of covered facilities, attracting 100,000+ summer patrons. Full development costs would be roughly \$10 million; annual revenues might reach \$2 million.
- "C" A first level formal presentation center, on developed grounds, with 30,000 square feet of structures, attracting 160,000+ summer patrons. Development costs would be roughly \$15.0 to \$18.5 million; annual revenues might reach \$3.4 million.
- "D" A second level formal presentation center, on developed grounds, with 45,000+ square feet of structures, having a capacity for 180,000+ summer patrons. Development costs could be in the range of \$20 to \$25 million or more; annual revenues might reach \$4.6 million.
- "E" A third level formal presentation center, on fully improved grounds, with 60,000 square feet of structures, would have a capacity of 230,000+ summer patrons. Development costs could be in excess of \$30 million, and revenues might approach \$6.2 million.
- "F" A first phase project fully capable of on-site presentations and performances, regardless of summer weather, with 25,000 square feet of structures, would have a capacity of 120,000 to 160,000 patrons and be able to be more fully developed in later phases. Development costs would be roughly \$7.0 to \$8.5 million initially, and annual summer revenues would peak at roughly \$2.85 million. This last alternative is considered a "starter project."

Conceptual drawings of the program and facilities are presented in the body of the report. The most cogent concept is that shown here in Figure II-1, Conceptual Site Plan.

The cost ranges for development of facilities described above are for on-site development and do not include cost of "off-site" public improvements which may be necessary to serve the potential sites. It has been assumed that the "off-sites" may be placed by local government for the economic development benefit which an Alaska Native Culture Center will create. The developments do not include land purchase or lease. It will be the objective of the project to obtain land control on a no-cost or least-cost basis. A long-term lease of existing public property is desirable. ERA has defined potential annual lease costs in the \$150,000 to \$180,000 range and believes the culture center could bear such additional annual operating costs -- which would be roughly equivalent to \$1 per summer visitor -- if the community believes lease incomes to be in the public interest.

PROGRAM AND FACILITY COST RANGES

Following the definition of six alternatives, ERA focused upon three which, in its judgment, presented an Alaska Native Culture Center at a suitable operational scale to allow reasonable certainty that a quality program could be sustained. Alternatives "C," "D" and "F" were further analyzed and had the following characteristics:

	Alternative		
	"C"	"D"	"F"
o Structures (sq.ft.)	32,700	45,000	25,000
o Land Area (acres)	45-60	45-60	45-60
o Summer Visitor Capacity	160,000-200,000	180,000-230,000	120,000-160,000
o Staff/Performers Estimate	166	194	154
o Operating Costs	\$3,177,000	\$3,691,000	\$2,561,000
o Operating Costs with Partial Debt Amortization	\$3,852,000	\$4,476,000	\$2,816,000
o Revenue Estimates (\$23 per capita expenditures)	\$3,260,000	\$3,749,000	\$2,608,000
o Revenue Estimates (\$26 per capita expenditures)	\$3,810,000	\$4,381,000	\$3,048,000

These analyses suggest that the three alternatives are at or close to break-even (costs coverage by site revenues generated from visitor expenditures). Alternative "F," which features a first phase of ultimate development, leaving some of the site unimproved, appears to be the most economically feasible. ERA believes that an initial phase of development which contains enough indoor presentation capacity to overcome weather problems will be an appropriate development strategy and will require 25,000 to 30,000 square feet of covered space.

SITES ANALYSIS AND RANKING

Some 25 separate sites in and near the Greater Anchorage Area were reviewed by DOWL Engineers. A detailed report of the site investigations is separately bound in the Technical Appendices volume. Five key criteria were used to screen the initial long list of sites:

- o More than 45 acres of land available in a single ownership.
- o Location within 20 to 30 minutes of the major tourist accommodations and terminals.
- o Site should contain mature trees/shrubs and have an existing stream or be capable of featuring a water element.
- o Location on a principal arterial street or with obvious access thereto.
- o Not under or near recurrent aircraft flight paths, or adjacent to land uses which generate intrusive noise.

Fifteen sites were located in the Anchorage Bowl area and appeared to be within 20- to 30-minute drive times from downtown. Ultimately, four sites were identified as having the best sets of desired characteristics or have been suggested for further discussion:

- o The Bicentennial Park Botanical Gardens site, owned by the Municipality, located just south of Tudor Road in the Campbell Tract. There are about 120 acres of land identified, not all of which would be necessary for a culture center. Campbell Creek passes through the site.
- o A tract at the Muldoon interchange with the Glenn Highway, of 96± acres, now owned by CIRI, adjacent to Ft. Richardson.
- o Alaska Pacific University property adjacent to University Lake, a city park. A 25- to 40-acre portion of undeveloped property may be an appropriate site for the culture center.
- o O'Malley Road and Minnesota By-Pass define two adjoining ownerships, of 90 total acres, in South Anchorage, with good tree cover. CIRI and the Municipality are the owners.

No recommendation for a specific site is made at this time. The consultant team has evaluated the four sites with the Ad Hoc Steering Committee and the project coordinator. Very preliminary discussions have been under way regarding use potentials at the Bicentennial Park Botanical Garden site.

FINANCIAL ANALYSIS

The proposed project has been tested in greater detail to more carefully assess the possibility of operations and maintenance costs coverage. Alternative "C," the first level formal presentation scale, and Alternative "F," the "starter core" project, have been evaluated. Without forcing the numbers, it appears that Alternative "C" could cover its costs and provide very modest long-term amortization of one-half of the on-site capital development costs. The high cost of capital development is daunting, however, and Alternative "F" provides a strategy for initiating development and operations, with future phases of grounds development at later periods.

Alternative "C" is roughly a \$4.0 million per year business operation, and Alternative "F" starts as a \$2.0 million per year program and builds toward \$3.0 million. Alternative "C" is a better project if the capital development funds can be identified and captured. ERA has identified a list of potential funds sources for follow-up. It is quite clear that multiple sources will be needed to adequately capitalize both project development and performance development.

A further concept has been considered -- a direct partnership between the culture center and the tour companies, through which the tour companies might initially capitalize a substantial portion of the project development costs, in order to develop a new and high quality destination venue in Anchorage. The idea has considerable merit and should be pursued.

IMPLEMENTATION STRATEGY

The next steps and an organizational concept are spelled out in the final section of the report. The Alaska Native Summer Performances of 1988 will be repeated in 1989 with enhanced capacity. It has become obvious that two simultaneous efforts must be undertaken -- the continued nurturing of the Alaska Native performance/presentation capabilities and the initiation of project development. ERA recommends the establishment of a Performance Corporation, which in time will be a culture center tenant, and the creation of a Facility Development Corporation which will transition to a Facility Operating Corporation and contract with the Performance Corporation for the presentation programs.

A timeline of four years for project development is proposed, with a first summer of operations at the site in 1991. Thereafter, it is expected that by the third summer of operations (1993) the project would reach its market capture and costs coverage potentials.

In order to assure adequate operating capital, a series of fund raising targets are described, for both the Performance Corporation and the Development Corporation. The proposed project must deliberately plan to avoid the problems of underfunded operations after the grand opening, which seem to plague varieties of cultural centers.

3/22/89
Lydia Hayes

Alaska Native Cultural Center

Proposed
for
Anchorage, Alaska

Alaska Native Cultural Center, Anchorage

Mission

- To portray Alaska's diverse Native cultures, including Eskimos, Indians and Aleuts, through educational presentations, displays and experiences so that visitors may participate in authentic historic and contemporary Native traditions.

Alaska Native Cultural Center, Anchorage

Objectives

- ❑ To present an accurate portrayal of traditional and contemporary Alaska Native cultures for Alaska's visitors and residents
- ❑ To foster Native heritage preservation, promotion and participation
- ❑ To encourage statewide tourism for first-hand visitor experiences
- ❑ To promote Native self-sufficiency through employment and educational opportunities through the center
- ❑ To manage a high quality financially sound enterprise

Alaska Native Cultural Center, Anchorage

Organization

- ❑ Initiated by Alaska Federation of Natives, September 1987
- ❑ Incorporated as a non-profit organization, January 9, 1989
- ❑ 7-member Board of Incorporators, representing 5 regions
- ❑ First board meeting, February 2, 1989
- ❑ Authorized expansion to 15-member board of directors
- ❑ Interim staff provided by The CIRI Foundation

Alaska Native Cultural Center, Anchorage

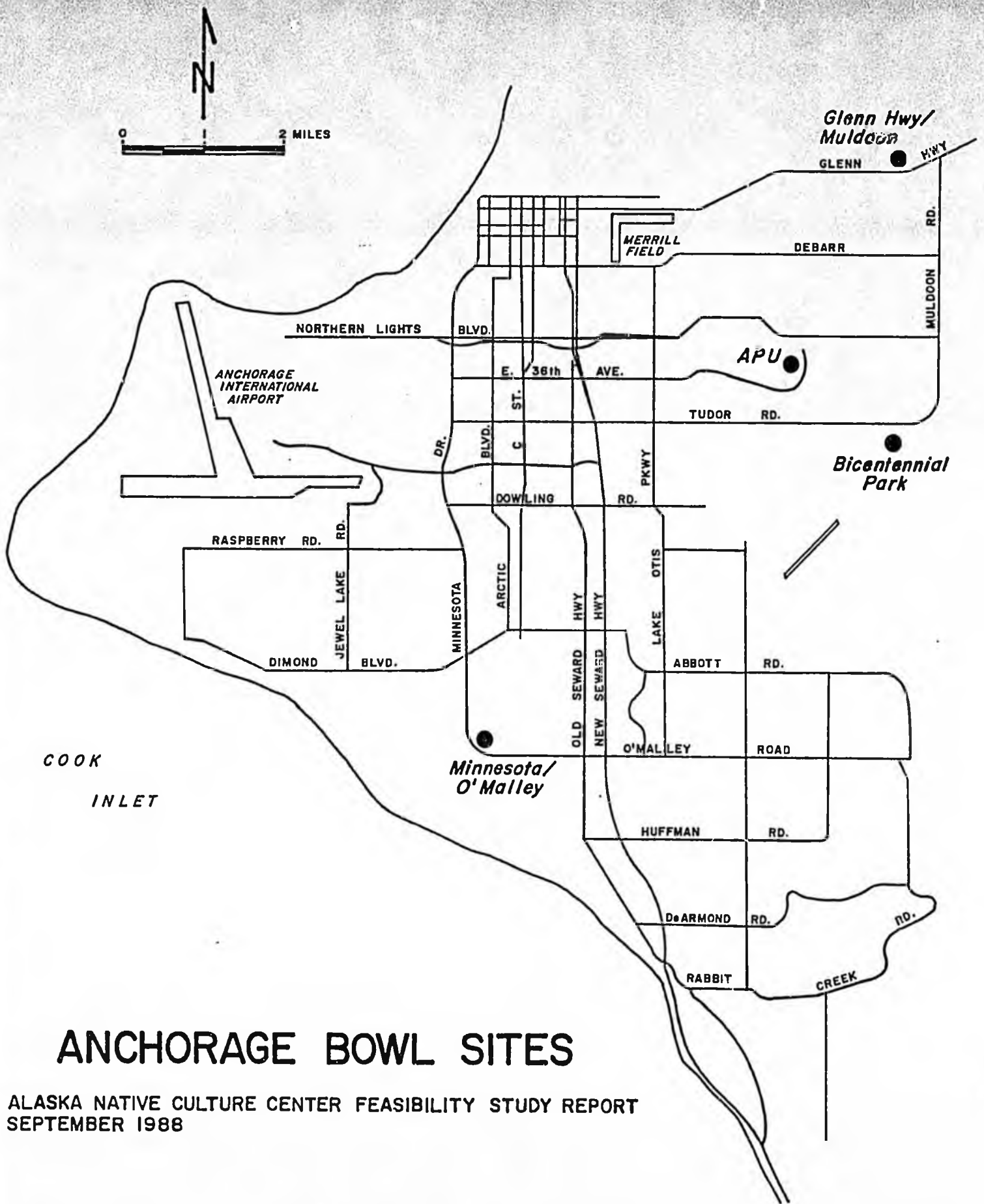
Program

- ❑ Dancing, singing, storytelling, drama, demonstrations presented by Alaska Native musicians, storytellers and artists
- ❑ Visitor participation encouraged through the Athabascan cloth ceremony, blanket toss, canoeing, dancing
- ❑ Museum facilities for cultural material displays
- ❑ Traditional community house for presentations
- ❑ Media visual presentations
- ❑ Guided tours
- ❑ Fish and game interpretive programs
- ❑ Other featured attractions

Alaska Native Cultural Center, Anchorage

Site

- ❑ 45 acres within 25 minutes drive from downtown Anchorage
- ❑ Adjacent to proposed 129 acre Alaska Botanical Gardens development
- ❑ Near-pristine wilderness
- ❑ One acre lake feature for water-related activity--boating, fish-wheel demonstration, salmon-enhancement projects



ANCHORAGE BOWL SITES

ALASKA NATIVE CULTURE CENTER FEASIBILITY STUDY REPORT
 SEPTEMBER 1988

TUDOR ROAD

3-042

3-041

3-043

3-044

3-045

3-038

3-046

3-040

A

B

C

D

FAR NORTH BICENTENNIAL PARK, ANCHORAGE, AK

AREA A: School Site

AREA B: Alaska Native Cultural Center

AREA C: Joint Use, B and D

AREA D: Alaska Botanical Gardens

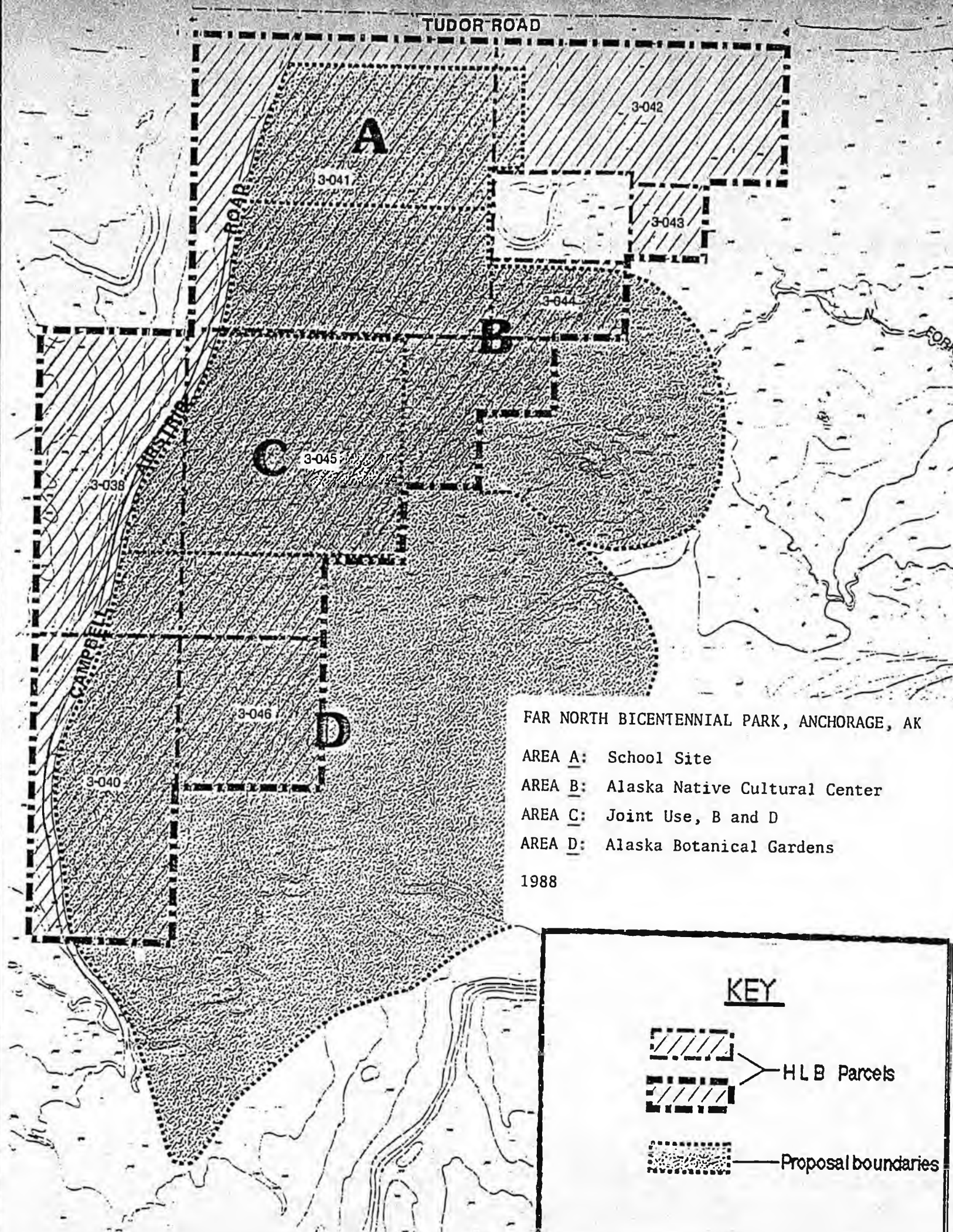
1988

KEY



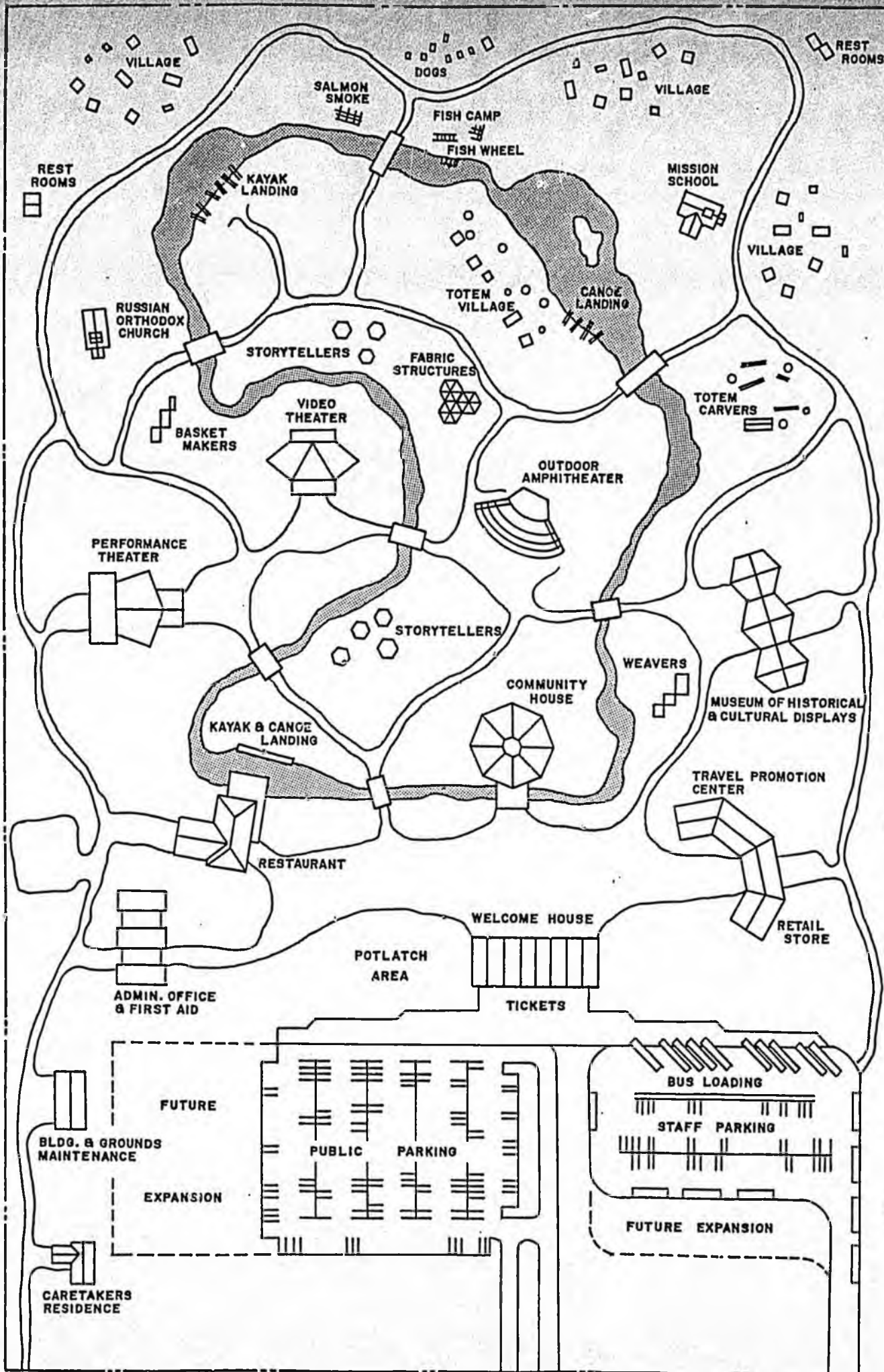
HLB Parcels

Proposal boundaries



(907) 274-8638
ALASKA NATIVE HERITAGE PARK, INC. c/o The CIRI Foundation, P.O. Box 93330, Anchorage, AK 99509-3330

September 1988



ALASKA NATIVE CULTURE CENTER-20 YEAR CONCEPTUAL SITE PLAN

Alaska Native Cultural Center, Anchorage

Facilities, Stage I

- 25,000 square feet of multiple facilities including
 - 250-300 seat traditional-style community house
 - tourism marketing kiosk
 - demonstration kiosks
 - museum (satellite, Anchorage Museum of History and Art)
 - retail shop
 - food service
 - 4-5 proto-type pre-contact Native villages
 - 2.6 miles of asphalt walkways

Alaska Native Cultural Center, Anchorage

Operations
(First five years projection)

- ❑ Scheduling: Summer season (4 months), initially; minimal fall-winter-spring operations
- ❑ 2.5-3.0 hours visitor experiences
- ❑ Staff: 6 fulltime; 150 parttime
- ❑ Visitor Attendance: Year 1, 100-150,000; Year 5, 180,000.
- ❑ Maximum capacity: 250,000 visitors (20 years)
- ❑ Projected opening date: Summer, 1992
- ❑ Project 3-4 years to operationally self-sustaining basis

Alaska Native Cultural Center, Anchorage

Costs

□ Stage I, first five years

Land	Gift/donation or favorable low rate	45 acres
Facilities	25,000 sq.ft.	4 fulltime staff
		150 parttime stf
		\$7-8.5 Million

□ Stage II, second five-ten years

Facilities	30,000 sq.ft.	6 fulltime staff	\$15-20 Million
		160 parttime stf	

□ Stage III, 10-20 years

Facilities	43-45,000 sq.ft	6 fulltime staff	\$22.2-\$30.3 M
		188 parttime stf	

Alaska Native Cultural Center, Anchorage

Benefits of Native Culture Center

- ❑ Significant expansion of a market for Native culture heritage programs in response to demand by Alaska's visitors and residents
- ❑ Promotion and enhancement of statewide tourism and local visitor venues
- ❑ Fulltime and seasonal employment opportunities for Natives and non-Natives locally and statewide
- ❑ Unique facilities to the state of interest to visitors and residents
- ❑ New outlet and stimulus for Native arts and crafts
- ❑ Preserving and nurturing Native traditions while promoting self-esteem
- ❑ Public-private sector cooperation to promote economic development

Alaska Native Cultural Center, Anchorage

Financial Plan: Costs

February 28, 1989

A.	1988 Financial and Program Feasibility Study	<u>\$72,500</u>
	Total Feasibility Study Expense	<u>\$72,500</u> =====
B.	Pre-Development for Phase I Facility/Program	
	1. Organization and Project Management	\$113,900
	2. Site Selection, Control and Public Improvements Design Costs	157,500
	3. Marketing Development/Detailed Study Activities	42,500
	4. Native Performance/Crafts Programming and Design	84,775
	5. Facilities Design: Grounds master plan, architectural design and specifications, cost estimates, bid document preparation and actual bid RFP's	480,000
	6. Native Alaskan Materials Development Costs (museum)	<u>56,500</u>
	Total Pre-Development Project Costs	<u>\$935,175</u> =====
C.	Land (45 acres, estimated)	TBA
D.	Facilities Construction Costs (Phase I) for 25,000 sq. ft. (indoor theater and media presentation center, retail shop, outdoor theater, parking, walkways and Native villages on an estimated 45 acres of grounds	<u>\$8,500,000</u>
	Total Facilities Costs (Estimated), Phase I	<u>\$8,500,000</u> =====
D.	Operations Budget, Phase I (Year I)	<u>\$2,000,000</u>
	Total Operations Budget, Year I	<u>\$2,000,000*</u> =====

* Center expected to be operationally self-sufficient by the third year.

POTENTIAL SOURCES OF FUNDS

A. Private Sector

1. ANCSA corporations
2. Tourism industry companies
3. Airline companies
4. Oil and oil field industry
5. Fishing industry
6. Timber companies
7. Architectural firms
8. Engineering companies
9. CEDC
10. Media firms
11. Mining & mineral firms
12. Other firms

B. Private foundations

1. Alaska
2. Outside Alaska

C. Municipality of Anchorage

1. Anchorage Economic Development Corp.
2. Heritage Land Bank
3. Parks and Recreation
4. Water/Sewer Utility Enterprise Fund
5. Capital Improvement Program
6. USDHUD/Community Development Block Grant
7. Special bus fares to/from Center

D. State

1. Alaska Legislature
2. Alaska Humanities Forum
3. Alaska Department of Tourism
4. Alaska Department of Community and Regional Affairs
5. Alaska State Council on the Arts
6. University of Alaska Program Support

E. Federal

1. Dpt. Interior: Bureau of Indian Affairs
2. Dpt. Commerce: EDA
3. HUD
4. Administration for Native Americans
5. Smithsonian Institution: Project Dev. Sup. Grant
6. National Endowment for the Humanities
7. National Endowment for the Arts
8. Special Federal Capital Project Support (Challenge grant, 1:1), special legislation
9. Office of Community Services
 - a. 2:1 match, real estate funds
 - b. 1:1 match, private funds

F. Other

1. Alaska Pacific University Program Support
2. Anchorage School District