

LEG. FINANCE - BILLS 1977 - 1978 956

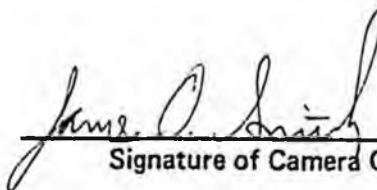
SB 408 thru SB 408



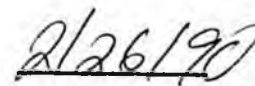
RECORDS CERTIFICATION



I, the undersigned, an employee of the State of Alaska, do hereby certify that the microfilm images on this microform are accurate reproductions of the original records of the State of Alaska as accumulated during the regular course of business, and that it is the established policy and practice of this State to microfilm its records and to dispose of the original records after microfilm reproductions have been made.



Signature of Camera Operator



Date

COMMITTEE REPORT

HOUSE

3/17/76

FURTHER: _____

Date: _____

Mr. Speaker:

The Committee on FINANCE has had SB 408
"An Act making a special appropriation to the Dept. of Transportation and
Public Facilities for preconstruction planning and engineering studies
of the Petersville Road; e.d."
under consideration and (a majority of the committee) (the committee
reports it back as follows)

- recommends it do pass () recommends it do not pass
- () recommends it do pass with attached amendment(s)
- () recommends it be replaced with CS for _____
- and _____ () new title () same title
- () AND attaches a Letter of Intent () New Fiscal Note
- () reports it back without recommendation
- () and recommends it be referred to the _____ Committee

MEMBERS SIGNING DO PASS:

OTHER RECOMMENDATIONS:

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

Chairman

Introduced: 1/13/78
Referred: State Affairs
and Finance

BY RODEY, KERTTULA, BRADLEY, COLLETTA
CROFT, SUMNER, WILLIS AND HUBER

1 IN THE SENATE

2 SENATE BILL NO. 408

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act making a special appropriation to the Depart-
7 ment of Transportation and Public Facilities for pre-
8 construction planning and engineering studies of the
9 Petersville Road; and providing for an effective date."

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

1 * Section 1. The sum of \$85,000 is appropriated from the general fund to
12 the Department of Transportation and Public Facilities for the purpose of
13 pre-construction planning and engineering studies of upgrading to federal aid
14 secondary standards 26 miles of the Petersville Road, and for the pre-
15 construction planning and engineering studies necessary to extend the Peters-
16 ville Road six miles to the site of the proposed Tokositna lodge and visitor
17 center in Denali State Park.

18 * Sec. 2. The unexpended and unobligated portion of this appropriation
19 lapses into the general fund June 30, 1979.

20 * Sec. 3. This Act takes effect July 1, 1978.

THE LEGISLATURE OF THE STATE OF ALASKA
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. S.B. 409

Title Feasibility Study: Tekositna Lodge/Visitor Center, Denali State Park

Requested by Sen. Pat Rodey

Date January 21, 1978

II. FISCAL DETAIL

Agency Affected Division of Parks, Department of Natural Resources

Program Category Affected Natural Resources Management & Environmental Conservation

Budget Request Unit(s) Affected Park Management

EXPENDITURES (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
100 PERSONAL SERVICES			67,224			
200 TRAVEL			12,200			
300 CONTRACTUAL			161,200			
400 COMMODITIES			1,800			
500 EQUIPMENT			1,500			
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL			\$243,924	0	0	0

FUNDING (Thousands of Dollars)

GENERAL FUND			\$243,924	0	0	0
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME			2	0	0	0
PART TIME			1	0	0	0
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

Expenditures would produce a comprehensive development plan and feasibility analysis for the construction of a lodge, visitor center, youth hostel, campground, trails, transportation system, resident housing, ski area feasibility study, soils analysis for bearing and building strengths, and a preliminary utilities report. The development plan WOULD NOT result in architectural or utility design or engineering report. Complete planning, engineering, architectural, utilities and other documents suitable for actual construction would be a total expenditure of \$1,034,780. A published comprehensive plan would be produced, however.

IV. DATE January 21, 1978

PREPARED BY Terry McWilliams, Director

AGENCY Division of Parks

PHONE 274-4676

Original: Legislative Finance

cc: Budget and Management

Dr. Samner (First Legislator Named)

Alternate contact:

Neil C. Johannsen, Chief

SENATE BILL 409 - Feasibility Study for Tokositna Lodge/Visitor Center
Development: Denali State Park Preliminary Budget
- 12 Month Study -

100 Personal Services

1. Park Planner III (Project Leader)	\$32,040
2. Park Planner II	27,636
3. Part-time Clerk Typist III	7,548
Total	\$67,224

200 Travel & Perdiem

1. Helicopter charter @ \$350/hr. X 20 hrs.	\$ 7,000
2. Two RT tickets to Denver to meet with National Park Service Concession planners	2,000
3. Four RT tickets & perdiem to Juneau	1,200
4. Vehicle Use	2,000
Total	\$12,200

300 Contractual

1. Rent for small project office, \$900/mo.	\$10,800
2. Aerial photography & aerial contour mapping @ 2'/or 5' contour interval	30,000
3. Printing of report, phones, duplication services	18,000
4. Office equipment rental	2,400
5. Soil building, bearing strength studies	25,000
6. Preliminary utilities studies	20,000
7. Snow engineering, ski potential studies	50,000
8. Architectural renderings	5,000
Total	\$161,200

400 Commodities

Miscellaneous: office, drawing supplies	\$1,800
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500 Equipment

Equipment, chairs & desks, bookcase, file drawer & map drawer	\$1,500
--	---------

Overall Total \$243,924

Prepared By: Neil C. Johannsen
Chief of Planning
Alaska State Parks
619 Warehouse Ave. S. 210
Anchorage, Alaska 99501
274-4676

Introduced: 1/13/78
Referred: State Affairs
and Finance

BY RODEY, KERTTULA, BRADLEY, COLLETTA
CROFT, SUMNER, WILLIS AND HUBER

1 IN THE SENATE

2 SENATE BILL NO. 408

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STATE
of ALASKA

MEMORANDUM

TO: J. H. Hogan
Director
Legislative Finance Division
Legislative Affairs Agency

DATE: March 22, 1978

FILE NO: 000H

TELEPHONE NO: 465-3910

FROM: Donald Harris *DH*
Commissioner
Department of Transportation and
Public Facilities

SUBJECT: SB 385, SB 387, SB 408.

Senate Bill 385 is a companion measure to SB 387, although the latter deals with several other subjects as well. SB 387 allocates \$20 Million to an emergency highway reconstruction fund, while SB 385 appropriates \$5 Million to this fund. Although it is unclear as to who declares the emergency, the Commissioner is authorized to expend the funds. Remedial action undoubtedly will be taken to designate the Governor as the person declaring the emergency.

Funds available under such legislation would be expended under existing laws. The Governor can declare an emergency to exist, and the Commissioner can, depending on the nature of the disaster, either put necessary repairs out for bid or utilize laws allowing him to employ what is known as force account work. In the latter instance, this could be done either through a private contractor or the Department's personnel.

As for the Petersville road (HB 408), the \$85,000 would be used to do a highway reconnaissance employing both aerial mapping plus ground surveys on the area indicated for the best possible routing. The legislation, according to the principal sponsor, Senator Pat Rodey, is predicated on the location of National Park Service facilities within Denali State Park. The NPS has \$7 Million allocated (although not presently appropriated) for a section of road which would join the proposed Petersville extension. According to Senator Rodey and the Senate State Affairs Committee, the aerial and ground survey would aid in connecting the existing highway with the proposed NPS road when it is accomplished.

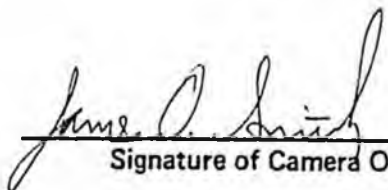
Deputy Commissioner H. D. Scougal and our Director of Transportation Planning, John Umlauf, testified before the Senate State Affairs committee on January 26, 1978 on the three bills mentioned above. SB 408 covers a project not presently scheduled for FY-79. If the funding of \$5 Million mentioned in SB 385 is part of the general appropriations bill for FY-79, it would be expended as noted above.



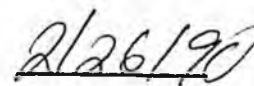
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Signature of Camera Operator



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Introduced: 1/13/78
Referred: State Affairs
and Finance

BY RODEY, KERTTULA, BRADLEY, COLLETTA
CROFT, SUMNER, WILLIS AND HUBER

1 IN THE SENATE

2 SENATE BILL NO. 408

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - SECOND SESSION

5 A BILL

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COMMITTEE REPORT
SENATE

FURTHER: None

1/27/78

Date: March 20, 1978

Mr. President:

The Committee on FINANCE has had SB 400
special appropriation to Dept. of Transportation & Public Facilities

under consideration and (a majority of the committee) (the committee reports it back as follows)

recommends it do pass recommends it do not pass

recommends it do pass with attached amendment(s)

recommends it be replaced with CS for _____

and _____ new title same title

AND attaches a Letter of Intent New Fiscal Note

reports it back without recommendation

and recommends it be referred to the _____ Committee

MEMBERS SIGNING DO PASS:

OTHER RECOMMENDATIONS:

Chairman

PATRICK RODEY

SENATOR

611 W. 5TH AVE. SUITE 120
ANCHORAGE, ALASKA 99501

DURING SESSION

POUCH V
JUNEAU, ALASKA 99811

Alaska State Senate

JUNEAU, ALASKA 99811

May 15, 1978

M E M O R A N D U M

TO : Chairman Steve Cowper and Members of the House Finance Committee

FROM: Senator Patrick Rodey *PR*

RE : Senate Bill 408, Senate Bill 409, and Senate Concurrent Resolution 69
(Mt. McKinley legislation)

I am herein transmitting notebooks to each Member of the House Finance Committee outlining the Mt. McKinley proposals, which are before your committee for consideration.

I hope the material will be of assistance to the committee during your considerations of the aforementioned bills.

Enclosure

cc and notebooks provided to: Freeman
Buchholdt
Duncan
Gruening ✓
Guy
Meekins
Schaeffer
Swanson
Haugen
Rhode

Introduced: 1/13/78
Referred: State Affairs and
Finance

BY RODEY, KERTTULA, BRADLEY,
COLLETTA, CROFT, SUMNER, WILLIS
AND HUBER

1 IN THE SENATE

2 SENATE CONCURRENT RESOLUTION NO. 69

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - SECOND SESSION

5 Relating to construction of a lodge and
6 visitor center in Denali State Park.

7 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

8 WHEREAS it is proposed that a lodge and visitor center be built in
9 Denali State Park at a site overlooking the Tokositna River Valley, the
10 Tokositna Clacier, and the south face of Mt. McKinley; and

11 WHEREAS the site of the proposed lodge and visitor center is near the
12 location at which Sydney Laurence painted many scenes of Mt. McKinley; and

13 WHEREAS the site presents a panoramic view of the impressive and
14 beautiful Alaska Range; and

15 WHEREAS the U.S. National Park Service has expressed an interest in co-
16 locating a visitor center at the proposed site in order to serve the proposed
17 southern additions to McKinley National Park;

18 BE IT RESOLVED that the Alaska State Legislature endorses the proposal
19 for the construction of a lodge and visitor center in Denali State Park at
20 a site overlooking the Tokositna River and Mt. McKinley; and be it

21 FURTHER RESOLVED that the Alaska State Legislature respectfully requests
22 the Governor to initiate discussions with the U.S. National Park Service
23 regarding the co-location of state park and national park facilities at the
24 proposed site of the Tokositna lodge and visitor center.

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Introduced: 1/13/78
Referred: State Affairs
and Finance

BY RODEY, KERTTULA, BRADLEY, COLLETTA
CROFT, SUMNER, WILLIS AND HUBER

1 IN THE SENATE

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Introduced: 1/13/78
Referred: State Affairs and
Finance

BY RODEY, KERTTULA, BRADLEY, COLLETTA,
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1 IN THE SENATE

2 SENATE BILL NO. 409

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act making a special appropriation to the Depart-
7 ment of Natural Resources for a feasibility study of
8 the proposed Tokositna Lodge and Visitor Center in
9 Denali State Park; and providing for an effective
10 date."

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

12 * Section 1. The sum of \$260,000 is appropriated from the general fund to
13 the Department of Natural Resources for a study of the feasibility of con-
14 structing a lodge and visitor center complex in Denali State Park at a site
15 overlooking the Tokositna River.

16 * Sec. 2. The unexpended and unobligated portion of this appropriation
17 lapses into the general fund June 30, 1979.

18 * Sec. 3. This Act takes effect immediately in accordance with AS 01.10.-
19 070(c).

STATE OF ALASKA
THE LEGISLATURE

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907-463-3300

LEGISLATIVE AFFAIRS AGENCY

January 13, 1978

MEMORANDUM

SUBJECT: Special Appropriations Bill for Feasibility Study of the Tokositna Lodge - Visitor Center Complex (W.O. #4376)

TO: The Honorable Pat Rodey

FROM: George Utermohle
Research Analyst

In response to your request for a special appropriation bill for a feasibility study of the Tokositna lodge - visitor center complex, we requested the Division of Parks to estimate the cost of planning, design, and architectural work associated with the proposed complex. The result of the Division of Parks efforts was a proposal for a two phase planning and design project.

The first phase of the project included comprehensive development planning, site development planning, soil investigation, and utility planning. The first phase of the project would cost about \$324,780 and would last fifteen months.

The second phase of the project involves the architectural designs for the lodge, visitor center, and employee housing. The cost of the second phase is estimated at \$710,000. The timing of the second phase may overlap the first phase to some degree, however certain parts of the first phase, such as the soil investigations, must be completed before architectural designs can be prepared.

The special appropriation bill which we drafted is based on funding one year of the first phase cost.

$$\$324,780 \times \frac{12 \text{ months}}{15 \text{ months}} = \$259,824$$

This figure was rounded up to the nearest \$1,000, hence the appropriation for \$260,000.

Funding for the final portion of phase one and the whole of phase two may be appropriated later.

A copy of the Division of Parks cost estimate has been included for your convenience.

Enclosure
GU:dh

TOKOSITNA LODGE & VISITOR CENTER
DENALI STATE PARK
PLANNING & DESIGN COSTS*

- Comprehensive development planning
- Site development plans
- Architectural drawings
- Soils investigations and utility plans

NOTE: To have the benefit of two summer field seasons and one off-season winter work period, and the estimates of professional time required to complete all studies, planning and design necessary for "construction," 15 months of effort is required (July 1, 1978 to October 1, 1979)

PHASE I

The following figures are for comprehensive planning, site development drawings, soils investigations and utilities plans.

100 Personal Services

1. Park Planner III (Team Leader) at pay grade 19 (\$2,136/m + 25% benefits)	\$40,050
2. Park Planner II (Landscape Architect) at pay grade 17 (\$1,842/m + 25% benefits)	34,545
3. Clerk-Typist III (½ time) at pay grade 8	9,435
	<hr/> \$84,030

200 Travel & Perdiem

1. Helicopter charter @ \$350/hour (x) 30 hours	\$10,500
2. Two R.T. tickets to Denver, Colorado plus one week per diem for two persons to meet with Nat'l Park Service concessions planning team at federal service center	2,000
3. Five R.T. tickets to Juneau + per diem	1,500
4. Vehicle rental, Division of Highways vehicle pool x 15 months	4,500
	<hr/> \$18,500

300 Contractual

1. Rent for a small project office in Anchorage 600 sq. ft. x \$1.50 sq ft/month (x) 15 months	\$13,500
2. Aerial photography and 2-5 foot aerial contour mapping	30,000
3. Telephone and duplicating equipment, etc.	5,000
4. Rental of typing, copy machines	2,000

* January, 1978 dollars

5.	Design of Utility System costs from CH2M-Hill, Anchorage	142,500
6.	Soil investigations, for bearing strengths, percolation, etc.	25,000
		<u>\$218,000</u>

400 Commodities

1.	Office and Mechanical drawing supplies	2,500
----	--	-------

500 Equipment

1.	Desks, chairs, bookcase, file cabinet	\$1,750
----	---------------------------------------	---------

PHASE II: ARCHITECTURAL COSTS

1.	To design a ten million dollar lodge, including mechanical and electrical systems, two private Anchorage architects, independently contacted, quoted 6%, or:	\$600,000
2.	For a 4,000 sq.ft. visitor center estimated at \$500,000, the design cost is 10%, or:	50,000
3.	Design of staff and employee housing for 30 workers, assuming two fourplexes, three duplexes and four single family residences (about \$1,000,000) at 6%	60,000
	Architectural drawings	<u>\$710,000</u>

Total Phase I	\$324,780
Phase II	\$710,000
Overall	<u>\$1,034,780</u>

prepared by Neil C. Johansen
Neil C. Johansen
Chief of Planning
Alaska State Parks

STATE OF ALASKA
THE LEGISLATURE

LEGISLATIVE AFFAIRS AGENCY

FOUCHY - STATE CAPITOL
JULY 20, ALASKA 99511
907 465-3800

MEMORANDUM

November 10, 1977

SUBJECT: Transmittal of Special Appropriation Bill and Resolution
TO: The Honorable Pat Rodey
FROM: George Utermohle
Research Analyst *G.U.*

Transmitted herewith is a special appropriation bill and a resolution.

The appropriation bill allocates \$85,000 to the Department of Transportation and Public Facilities for pre-construction planning and engineering studies of the Petersburg Road. This figure is less than what I quoted to you over the phone because the state allocates a lower proportion of costs to pre-planning (about one percent) than does the National Park Service (four percent). I have used the state's rate for the sake of consistency with state procedures.

The resolution endorses the Tokositna Lodge and Visitor Center and requests the governor to discuss with the National Park Service the collocation of state park and national park facilities at the lodge site. If you have any amendments to the whereas or resolve clauses I will make the changes. In the resolution I refer twice to Mt. McKinley. You may wish to change "Mt. McKinley" to read "Denali" in light of the movement to change the mountain's name and the legislature's past resolutions on the subject.

If you have no objection, I will delay drafting the second special appropriation bill (funding a feasibility study of the proposed Tokositna lodge complex) until early December. The Division of Parks, National Park Service, and other involved parties will hold a meeting on November 28 to discuss the role of each party in planning the facility. After this meeting, the Division of Parks will have a better grasp of what funds it will need to conduct a sound feasibility study.

GU:jm
Enclosures

STATE OF ALASKA
THE LEGISLATURE

POUCHY STATE CARROL
JUNEAU ALASKA 99801
907 465 3300

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

November 8, 1977

SUBJECT: Proposed Tokositna Lodge and Visitor Center Complex (W.O.#4260)
TO: The Honorable Pat Rodey
FROM: George Utermohle,
Research Analyst *GU*

The State of Alaska and the National Park Service have both expressed interest in building a lodge and visitor center complex to serve both Denali State Park and McKinley National Park. The site under consideration is located at the western end of Denali State Park, 30 miles northwest of Talkeetna, in a completely undeveloped area. The proposed site overlooks the Tokositna River Valley, Tokositna Glacier and the south face of Mt. McKinley. It is in this vicinity that Sydney Laurence painted many of his famous scenes of Mt. McKinley. Support for a lodge-visitor center complex in this area has come from Bradford Washburn, noted geographer and climber of Mt. McKinley, as well as from Senators Mike Gravel and Ted Stevens.

Lodge and Visitor Center Complex

The lodge and visitor center complex as currently envisioned by the National Park Service would consist of a three-floor 150 room lodge, employee housing for 172 persons, service station and electric, water, and sewer utilities. The total cost of the complex would be approximately \$25,770,000 if it is built by 1984. This cost includes pre-construction planning and administration as well as the construction cost. If completion of the complex occurs after 1983, the cost would increase due to inflation.

Access

Since the proposed location of the complex is an undeveloped area, it will be necessary to provide access to the site. The Petersville Road, a poor quality, seasonal road, passes within six miles of the site. This road could serve as the basis for surface access to the site. Seven and one-half miles of the Petersville Road currently meet secondary highway standards. An additional 26 miles of the existing road would have to be upgraded to secondary standards, and six miles of new road would have to be constructed in order to reach the site of the lodge. The cost of providing surface access to the site would be approximately \$12,761,000 if construction was completed by 1982.

The nearest existing airfield available to the public is at Talkeetna, 70 road miles away from the lodge. Private airstrips of unknown quality are present at Peters Creek and Petersville. Either airstrip could be upgraded to provide adequate service if the owners would permit it. The nearest of these two airstrips is ten miles from the lodge; the other is twenty miles away. If this is too far from the lodge to provide adequate service, a new field would have to be constructed. A 4000 foot lighted, gravel runway built to Federal standards could be constructed for about \$1,500,000. A 4000 foot runway would be suitable for light twin engine aircraft, including F-27 aircraft. A 5000 foot gravel runway suitable for use by Hercules C-130 aircraft could be constructed for about \$1,800,000. These cost estimates reflect an approximate average for similar airfields constructed in Alaska. Actual costs could be lower or higher depending upon local soil conditions and topography.

Additional Facilities

In conjunction with the lodge complex, other facilities, such as a trail system and tramway, may ultimately be provided. In order to support the natural history interpretive program of the state park and provide for recreational hiking, a trail system could be constructed in the vicinity of the lodge. This trail system could be tied into the currently proposed trail system for the Denali State Park. A preliminary cost estimate for construction of nature trails formulated by the National Park Service is about \$15,000 per mile of trail. Contract administration costs and inflation could increase this cost by 50 percent in five years so that in 1983, a ten mile trail system could cost about \$225,000.

The National Park Service is considering the construction of a tramway as part of the proposed lodge-visitor center complex. A very preliminary proposal envisioned a ten mile tramway extending from the Tokositna River Valley to a point overlooking the Tokositna Glacier. The estimated construction cost for such a system was over \$29,000,000 in 1976.

Construction Costs

The basis for estimates of construction costs for the lodge complex was a preliminary estimate prepared by the U. S. National Park Service in December, 1976, the best estimate available. There were no site investigations prior to the formulation of these estimates so they are generalized costs for a facility like the one described. Costs for unforeseen conditions such as permafrost or fault zones are not included.

The National Park Service estimate was adjusted to reflect a 1983 completion date by correcting for inflation.

The estimated costs of road and airport construction were prepared by the Alaska Department of Transportation and Public Facilities.

Planning and Construction Schedule

The Tokositna Lodge-Visitor Center complex is at an early stage in its development. The state Division of Parks which is the lead agency for this project has just begun its reconnaissance and feasibility studies of the proposal. The Division of Parks studies will include a site investigation, an analysis of need, and an analysis of land suitability. The Division of Tourism is contributing to this effort by performing a study of the demand for the proposed facility. These studies were initially planned to be completed in April of 1978, but they are already three months behind schedule. The end result of these studies will be a prospectus for the lodge complex. If the prospectus indicates that the lodge is feasible, the Division of Parks will proceed with the project.

The construction of the Tokositna Lodge and Visitor Center complex and surface access to the complex will be a major project costing over \$38 million by 1984. If all goes well, the five-year construction phase of the project would begin in 1979 with preliminary planning for road construction and site investigations for the lodge. Planning for road construction would continue through 1980. Actual road construction and final planning for the lodge complex would occur in 1981. Construction of the lodge complex would begin in the fourth year of the construction phase (1982) and be completed during the following year. Schedules of construction and expenditures for the lodge complex and surface access are attached as Table 1 and Table 2.

If the lodge and its associated facilities are to be operational in 1984, the following events must occur:

1978 - The Division of Parks must complete its feasibility study, reach a preliminary agreement with the National Park Service on joint participation, select a concessionaire to operate the facility (if appropriate), and prepare a submission to the 1979 legislature requesting an authorization and appropriation to begin the construction phase.

1979 - The legislature must authorize the beginning of the project and appropriate funds for planning during 1980.

The Division of Parks must negotiate a cooperative agreement with the National Park Service and the concessionaire on how the complex will be financed and managed. Once the cooperative agreement has been made, the Division of Parks must prepare its submission to the 1980 legislature, requesting the funds to provide the state's portion of the construction costs.

1980 - The legislature must approve the cooperative agreement and provide the state's portion of the lodge construction expenditures. If the legislature decides that the state's contribution should be funded by general obligation bonds, the voters must approve the bonds.

1981 - Construction of surface access to the site must be completed, and planning for the construction of the lodge complex itself must begin.

1982 - Construction of the lodge complex begins this year.

1983 - The lodge is completed during this year.

Funding

It is unlikely that the State will be able to bear the entire cost of this project, \$38 million during five years, particularly if construction at the new capital site in Willow is underway. The State could reduce its investment in this facility by sharing the costs with the federal government and the concessionaire.

The National Park Service will eventually need visitor facilities adjacent to the southern border of Mt. McKinley National Park if the park boundaries are extended. The presence of a lodge and visitor center complex near this southern boundary would complement National Park Service plans for the area because it would provide a focus for public use of the area, relieve pressure on the existing visitor facilities in Mt. McKinley Park, and alleviate the need to construct visitor facilities within the national park. National Park Service participation in the Tokositna Lodge-Visitor Center complex would enhance the feasibility of the project if they were willing to share a significant portion of the cost.

The National Park Service prefers to build its own visitor facilities and then contract with a concessionaire to operate them. It has been their experience that concessionaires are less able and less willing to undertake large capital projects which have such low returns as do tourist facilities. The Park Service, as a result, is inclined to underwrite a large portion of the Tokositna lodge and visitor center. The Division of Parks is willing to let the National Park Service pay as much of the cost as they want as long as the State retains control of the facility. When the State and the Park Service hold their discussions on the Tokositna proposal later this month, they will begin to resolve the issues of project financing, facility management, site selection and facility needs. These initial talks on the project will conclude with the drafting of a Memorandum of Understanding which will clarify the role of each agency in planning, financing, and constructing the facility.

Federal participation in this project is predicated upon Congressional approval of the southern boundary extension of Mt. McKinley National Park. Approval seems to be a certainty because all d-2 proposals contain the southern boundary extension in one form or another. However, the National Park Service cannot make any formal commitments of support to this project until d-2 legislation passes Congress in late 1978. A federal environmental impact statement would be required if the National Park Service contributes significantly to the project.

In the past, the Division of Parks has favored construction of the lodge by the concessionaire. So far, the Division's experience with this arrangement has not been good. The first concessionaire for Denali State Park failed to construct a lodge. The Director of Parks finally had to cancel the agreement due to non-performance. The feasibility and reconnaissance study for the Tokositna Lodge-Visitor Center complex has not reached a point where a decision could be made as to who will construct and finance the lodge. If it is finally decided to require construction of the lodge by the concessionaire, it may be difficult to find qualified bidders because there are few corporations (mostly Native corporations) which could obtain financing to build a 150-room lodge. Any domestic corporation which could get the concessionaire's contract to build and operate the Tokositna lodge would have to obtain the bulk of its financing outside of Alaska because a maximum of only \$3 million is obtainable from the state tourism loan fund, and in-state banks could not by themselves supply the rest of the capital. The prime advantage of a privately constructed lodge is that it usually is less costly to build and thus can provide service at lower cost.

If the National Park Service and/or the concessionaire participate heavily in the lodge-visitor center complex, the state's share may be reduced to an acceptable level. This would be especially true if federal highway aid funds will pay 90-95 percent of the road construction costs.

Another option available to the State is the issuance of revenue bonds to finance construction of the revenue producing portions of the project, such as the lodge, employee housing, and the utilities. Funding of the non-revenue producing facilities could then be shared by the State and National Park Service.

Facility Management

The Division of Parks favors the use of a concessionaire to operate commercial enterprises within the state parks because:

- the Division is relieved of responsibility for the day to day operations of the facility;
- the Division does not have to budget for the cost of supplies and labor;
- a private concessionaire is not subject to the high wage scale of state employees and, thus, is able to reduce labor costs substantially; and
- private enterprise is inherently more efficient because it must remain profitable as well as competitive.

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State operated businesses are generally unsuccessful in terms of profitability because they lack the accountability and management flexibility necessary to keep operating costs in line with revenue. The employee rural housing program and the food service portion of the marine highway system are two examples of the state's inability to successfully operate a business.

The National Park Service also favors the use of concessionaires to operate visitor facilities in its parks.

Role of the Legislature

Unless the legislature seeks involvement during the planning phase of this project, it is conceivable that the Tokositna Lodge-Visitor Center complex would be built with a minimum of legislative input. The governor has all authority necessary to negotiate an agreement with the federal government on the funding and operating of the complex. Unless the legislature participates in the planning phase of this project, it will be in the position of only approving, modifying, or disapproving the governor's request for funding.

In order to assure its participation in the Tokositna Lodge project, the legislature can, by concurrent resolution, direct the governor to initiate formal discussions with the National Park Service on co-locating state and federal park facilities at the Tokositna site and to report to the legislature on the feasibility of the project, sources of funding, and the schedule of construction. Such a resolution would manifest the legislature's interest in the project.

GU:jm

STATE OF ALASKA
THE LEGISLATURE

PODLEY STATE CAPITOL
JUNEAU ALASKA 99811
907-465 2600

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

November 8, 1977

SUBJECT: Transmittal of Material Relating to the Proposed Tokositna
Lodge-Visitor Center in Denali State Park

TO: The Honorable Pat Rodey

FROM: George Utermohle
Research Analyst

Transmitted herewith are:

- (1) A memorandum reviewing the Tokositna Lodge and Visitor Center proposal.
- (2) Table 1. Lodge-Visitor Center Complex
Schedule of estimated expenditures.
- (3) Table 2. Surface Access
Schedule of estimated expenditures.
- (4) Proposed Tokositna Lodge Complex
Denali State Park Development
Cost estimate - Summary
- (5) A memorandum discussing the need for additional legislation to authorize construction and operation of a tourist facility in Denali State Park.
- (6) A memorandum with map from the Department of Transportation and Public Facilities discussing the cost of upgrading and extending the Petersville Road.

The resolution and the two special appropriation bills which you requested will be sent as soon as they are available.

GU:jm
Enclosures

TABLE I. PROPOSED TOKOSITNA LODGE
 LODGE- VISITOR CENTER COMPLEX
 SCHEDULE OF ESTIMATED EXPENDITURES

	1979 First Year	1980 Second Year	1981 Third Year	1982 Fourth Year	1983 Fifth Year	Total Project Cost
Lodge (150 rooms)						
Pre-Planning (1%)	\$111,000					
Project Planning (4%)			\$506,000			
Project Supervision (10%)				\$673,000	\$717,000	\$17,299,000
Contingencies (10%)				\$673,000	\$717,000	
Construction				\$6,732,000	\$7,170,000	
<hr/>						
Employee Housing						
Pre-Planning (1%)	\$27,000					
Project Planning (4%)			\$125,000			
Project Supervision (10%)				\$167,000	\$178,000	\$4,289,000
Contingencies (10%)				\$167,000	\$178,000	
Construction				\$1,669,000	\$1,778,000	

PROPOSED TOKOSITNA LODGE

SURFACE ACCESS

SCHEDULE OF ESTIMATED EXPENDITURES

	1979 First Year	1980 Second Year	1981 Third Year	1982 Fourth Year	1983 Fifth Year	Total Project Cost
Upgrade Existing Road (26 miles)						
Advance Planning (1%)	\$65,000					
Project Planning (4%)		\$281,000				\$9,823,000
Project Supervision (10%)			\$753,000			
Contingencies (15%)			\$1,137,000			
Construction			\$7,582,000			
<hr/>						
Construct New Road (6 miles)						
Advance Planning (1%)	\$20,000					
Project Planning (4%)		\$84,000				
Project Supervision (10%)			\$227,000			\$2,938,000
Contingencies (15%)			\$340,000			
Construction			\$2,267,000			
<hr/>						
Annual Project Expenditure	\$85,000	\$365,000	\$12,311,000			\$12,761,000

Prepared by:
 Legislative Affairs Agency
 Division of Research
 9 November 1977

Support Facilities
(Utilities, Service Station)

Pre-Planning (1.0%)	\$27,000					
Project Planning (4%)			\$119,000			
Project Supervision (10%)				\$159,000	\$170,000	\$4,090,000
Contingencies (10%)				\$159,000	\$170,000	
Construction				\$1,591,000	\$1,695,000	

Parking Lot (100 spaces)

Advance Planning (1%)	\$1,000					
Project Planning (4%)		\$3,000				
Project Supervision (10%)			\$7,000			\$92,000
Contingencies (10%)			\$7,000			
Construction			\$74,000			

Annual Project Expenditure	\$166,000	\$3,000	\$838,000	\$11,990,000	\$12,773,000	\$25,770,000
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PROPOSED - TOKOSITNA LODGE COMPLEX

DENALI STATE PARK

DEVELOPMENT COST ESTIMATE

SUMMARY

I Lodge	\$17,299,000(1)
II Employee Housing	4,273,000(1)
III Site Development	}
IV Electrical System	
V Water System	
VI Sewer System	
VII Service Station	
VIII Parking Lot	92,000(1)
IX Upgrade of Existing Surface Access	9,823,000(2)
X Construction of New Road	<u>2,938,000(2)</u>
Estimated Total Construction Cost	\$38,515,000

(1) Cost estimate was developed from National Park Service figures dated December 7, 1976 by adjusting for inflation and assumes project completion by 1984.

(2) Cost estimate derived from figures provided by the Alaska Department of Transportation and Public Facilities and assumes project completion by 1982.

Prepared by:
Legislative Affairs Agency
Division of Research
9 November 1977

STATE OF ALASKA
THE LEGISLATURE

FOUNDRY - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3810

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

October 17, 1977

SUBJECT: W.O. 4260

TO: George Utermohle

FROM: Ken Vassar 

You have requested a legal opinion as to whether additional legislation is needed to authorize:

- (1) Construction of a tourist facility by a concessionaire at Denali State Park;
- (2) Construction of such facility by the state with planned operation by a concessionaire;
- (3) Construction and operation by the state of such facility.

In establishing the Denali State Park in AS 41.20.300, the legislature stated that "these lands and waters are reserved from all uses incompatible with their function as park area." The Department of Natural Resources has defined "incompatible uses" as including the following activities: surface or subsurface mineral (including gravel and rock) exploration or extraction, removal or cutting of timber or other plant growth, grazing or pasturing of domestic animals, or other activities which do not increase park values or which do not add to the value of a recreational experience.

Whether the proposed facility is constructed and operated by the state or by a private party should make no difference under the language of the statute. That language is plain and clear. It forecloses all incompatible uses without regard to the nature of the incompatible user.

Assuming a tourist facility would not engage in any of the specifically forbidden activities, it is clear that it must "increase park values" or "add to the value of a recreational experience" in order to avoid being labeled as an incompatible use. These standards are so vague as to defy any objective determination. It is foreseeable that any tourist facility would be objectionable to some and totally acceptable to others under these standards. Therefore, whether there is any need for legislation to allow the construction and operation of a tourist facility at the Denali State Park depends upon the determination by the Department of Natural Resources and, more specifically, the division of parks, of whether the specific facility proposed would increase park values or add to the value of a recreational experience. It would seem that this would involve a consideration of the type of facility proposed, its location, the need for such facility, and several other factors.

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF HIGHWAYS

CENTRAL DIVISION

5700 TUDOR ROAD - P.O. BOX 6750
ANCHORAGE 99502
(TELEX 25-141)

October 25, 1977

RE: Project S-0576()
Petersville Road
Construction Cost
Estimate

Mr. George Utermohle
Research Analyst
Legislative Affairs Agency
Pouch "Y"
Juneau, Alaska 99811

Dear Mr. Utermohle:

In answer to your letter of October 10, 1977 concerning construction costs on the Petersville Road, I have the following comments.

A vicinity map is enclosed with this letter that will designate the proposed Petersville Road construction cost. For talking purposes the project has been broken into the following four phases.

1. The portion of this road from the Parks Highway to the Moose Creek Bridges was upgraded to Federal-Aid Secondary standard in 1974 by the Highway Department. This project was 7.5 miles in length.
2. The road from Moose Creek Bridge to Peters Creek is scheduled for reconstruction by the Department of Transportation in 1982. The estimated cost is \$2,200,000 and the length is 11.5 miles.
3. The road from Peters Creek to a point three miles west of Petersville is 14.5 miles in length. It is estimated that the cost of upgrading this portion of road would be approximately \$300,000 per mile, for a total of \$4,350,000.
4. The road from Cottonwood Creek to one mile north of Triangulation Point "Long" scales approximately 6 miles on our map. At \$300,000 per mile this cost would be \$1,800,000.

Letter
Mr. George Utermohle

-2-

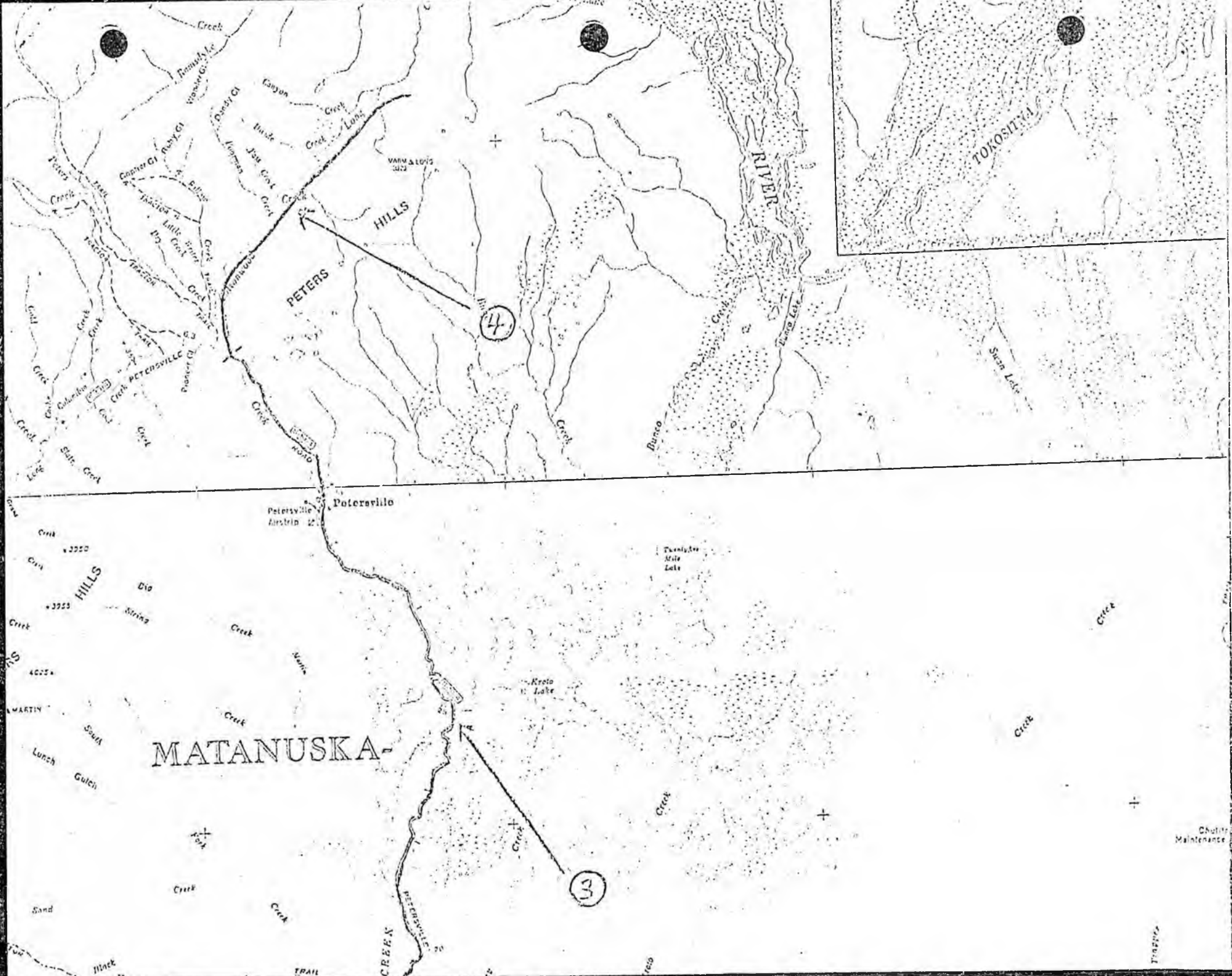
October 25, 1977

To convert the above cost to 1979 prices you will have to add an eight percent (8%) inflation figure.

If you have any further questions feel free to contact me.

Sincerely,

Edward P. Mulcahy
Edward P. Mulcahy
Central Regional
Reconnaissance Section



MATANUSKA

PETERS

HILLS

RIVER

TOKOSITNA

Petersville

Petersville
Airstrip

HILLS

3

4

Quality
Maintenance

TODAY'S

HOWEY McKINLEY NATIONAL PARK ADDITIONS

Cost Estimate
Proposed South Side Hotel
(600 Pillow - 63,072 sq. ft.)
1/1/77

Elements of Proposed Complex:

1.	Hotel	
	a. Rooms - sleeping	
	b. Dining Room	
	c. Kitchen	
	d. Curio Shop	
	e. Cocktail Lounge	
	f. Lobby and Desk Area	
	g. Storage and Maintenance Area	
	h. Coffee Shop	
	i. Employee Dining	
	Estimated cost:	\$9,227,484
2.	Employee housing	
	Estimated cost:	\$2,287,792
3.	Site Development	
	Estimated cost:	\$ 200,000
4.	Electrical system	
	Estimated cost:	\$ 631,200
5.	Water system	
	Estimated cost:	\$ 550,000
6.	Sanitary Sewer system	
	Estimated cost:	\$ 600,000
7.	Service station	
	Estimated cost:	\$ 200,000
8.	14 miles roadway (upgrade)	
	Estimated cost:	\$1,400,000
9.	12 miles roadway (new)	
	Estimated cost:	\$7,200,000
		<hr/>
Est. Total Net Const:		\$22,295,476

Say: \$22,500,000

CORRECTION

THIS DOCUMENT
HAS BEEN REPHOTOGRAPHED
TO ASSURE LEGIBILITY

COMMITTEE REPORT
SENATE

FURTHER: None

1/27/78

Date: March 20, 1978

Mr. President:

The Committee on FINANCE has had SB 408
special appropriation to Dept. of Transportation & Public Facilities

under consideration and (a majority of the committee) (the committee reports it back as follows)

- recommends it do pass () recommends it do not pass
- () recommends it do pass with attached amendment(s)
- () recommends it be replaced with CS for _____
- and _____ () new title () same title
- () AND attaches a Letter of Intent () New Fiscal Note
- () reports it back without recommendation
- () and recommends it be referred to the _____ Committee

MEMBERS SIGNING DO PASS:

OTHER RECOMMENDATIONS:

Chairman

PATRICK RODEY
SENARD

601 W. 5TH AVE. SUITE 820
ANCHORAGE, ALASKA 99501

Alaska State Senate
JUNEAU, ALASKA 99811

DURING SESSION
POUCH V
JUNEAU, ALASKA 99811

May 15, 1978

M E M O R A N D U M

TO : Chairman Steve Cowper and Members of the House Finance Committee

FROM: Senator Patrick Rodey *PR*

RE : Senate Bill 408, Senate Bill 409, and Senate Concurrent Resolution 69
(Mt. McKinley legislation)

I am herein transmitting notebooks to each Member of the House Finance Committee outlining the Mt. McKinley proposals, which are before your committee for consideration.

I hope the material will be of assistance to the committee during your considerations of the aforementioned bills.

Enclosure

cc and notebooks provided to: Freeman
Buchholdt
Duncan
Gruening ✓
Guy
Meekins
Schaeffer
Swanson
Haugen
Rhode

Introduced: 1/13/78
Referred: State Affairs and
Finance

BY RODEY, KERTTULA, BRADLEY,
COLLETTA, CROFT, SUMNER, WILLIS
AND HUBER

1 IN THE SENATE

2 SENATE CONCURRENT RESOLUTION NO. 69

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - SECOND SESSION

5 Relating to construction of a lodge and
6 visitor center in Denali State Park.

7 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

8 WHEREAS it is proposed that a lodge and visitor center be built in
9 Denali State Park at a site overlooking the Tokositna River Valley, the
10 Tokositna Glacier, and the south face of Mt. McKinley; and

11 WHEREAS the site of the proposed lodge and visitor center is near the
12 location at which Sydney Laurence painted many scenes of Mt. McKinley; and

13 WHEREAS the site presents a panoramic view of the impressive and
14 beautiful Alaska Range; and

15 WHEREAS the U.S. National Park Service has expressed an interest in co-
16 locating a visitor center at the proposed site in order to serve the proposed
17 southern additions to McKinley National Park;

18 BE IT RESOLVED that the Alaska State Legislature endorses the proposal
19 for the construction of a lodge and visitor center in Denali State Park at
20 a site overlooking the Tokositna River and Mt. McKinley; and be it

21 FURTHER RESOLVED that the Alaska State Legislature respectfully requests
22 the Governor to initiate discussions with the U.S. National Park Service
23 regarding the co-location of state park and national park facilities at the
24 proposed site of the Tokositna lodge and visitor center.

Introduced: 1/13/78
Referred: State Affairs
and Finance

BY RODEY, KERTTULA, BRADLEY, COLLETTA
CROFT, SUMNER, WILLIS AND HUBER

1 IN THE SENATE

2 SENATE BILL NO. 408

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act making a special appropriation to the Depart-
7 ment of Transportation and Public Facilities for pre-
8 construction planning and engineering studies of the
9 Petersville Road; and providing for an effective date."

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

11 * Section 1. The sum of \$85,000 is appropriated from the general fund to
12 the Department of Transportation and Public Facilities for the purpose of
13 pre-construction planning and engineering studies of upgrading to federal aid
14 secondary standards 26 miles of the Petersville Road, and for the pre-
15 construction planning and engineering studies necessary to extend the Peters-
16 ville Road six miles to the site of the proposed Tokositna lodge and visitor
17 center in Denali State Park.

18 * Sec. 2. The unexpended and unobligated portion of this appropriation
19 lapses into the general fund June 30, 1979.

20 * Sec. 3. This Act takes effect July 1, 1978.

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Introduced: 1/13/78
Referred: State Affairs and
Finance

BY RODEY, KERTTULA, BRADLEY, COLLETTA,
CROFT, SUMNER, WILLIS AND HUBER

1 IN THE SENATE

2 SENATE BILL NO. 409

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act making a special appropriation to the Depart-
7 ment of Natural Resources for a feasibility study of
8 the proposed Tokositna Lodge and Visitor Center in
9 Denali State Park; and providing for an effective
10 date."

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

12 * Section 1. The sum of \$260,000 is appropriated from the general fund to
13 the Department of Natural Resources for a study of the feasibility of con-
14 structing a lodge and visitor center complex in Denali State Park at a site
15 overlooking the Tokositna River.

16 * Sec. 2. The unexpended and unobligated portion of this appropriation
17 lapses into the general fund June 30, 1979.

18 * Sec. 3. This Act takes effect immediately in accordance with AS 01.10.-
19 070(c).

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STATE OF ALASKA
THE LEGISLATURE

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

LEGISLATIVE AFFAIRS AGENCY

January 13, 1978

MEMORANDUM

SUBJECT: Special Appropriations Bill for Feasibility Study of the Tokositna Lodge - Visitor Center Complex (W.O. #4376)

TO: The Honorable Pat Rodey

FROM: George Utermohle
Research Analyst *GU*

In response to your request for a special appropriation bill for a feasibility study of the Tokositna lodge - visitor center complex, we requested the Division of Parks to estimate the cost of planning, design, and architectural work associated with the proposed complex. The result of the Division of Parks efforts was a proposal for a two phase planning and design project.

The first phase of the project included comprehensive development planning, site development planning, soil investigation, and utility planning. The first phase of the project would cost about \$324,780 and would last fifteen months.

The second phase of the project involves the architectural designs for the lodge, visitor center, and employee housing. The cost of the second phase is estimated at \$710,000. The timing of the second phase may overlap the first phase to some degree, however certain parts of the first phase, such as the soil investigations, must be completed before architectural designs can be prepared.

The special appropriation bill which we drafted is based on funding one year of the first phase cost.

$$\$324,780 \times \frac{12 \text{ months}}{15 \text{ months}} = \$259,824$$

This figure was rounded up to the nearest \$1,000, hence the appropriation for \$260,000.

Funding for the final portion of phase one and the whole of phase two may be appropriated later.

A copy of the Division of Parks cost estimate has been included for your convenience.

Enclosure
GU:dh

TOKOSITNA LODGE & VISITOR CENTER
DENALI STATE PARK
PLANNING & DESIGN COSTS*

- Comprehensive development planning
- Site development plans
- Architectural drawings
- Soils investigations and utility plans

NOTE: To have the benefit of two summer field seasons and one off-season winter work period, and the estimates of professional time required to complete all studies, planning and design necessary for "construction," 15 months of effort is required (July 1, 1978 to October 1, 1979)

PHASE I

The following figures are for comprehensive planning, site development drawings, soils investigations and utilities plans.

100 Personal Services

1. Park Planner III (Team Leader) at pay grade 19 (\$2,136/m + 25% benefits)	\$40,050
2. Park Planner II (Landscape Architect) at pay grade 17 (\$1,842/m + 25% benefits)	34,545
3. Clerk-Typist III (½ time) at pay grade 8	9,435
	<hr/> \$84,030

200 Travel & Perdiem

1. Helicopter charter @ \$350/hour (x) 30 hours	\$10,500
2. Two R.T. tickets to Denver, Colorado plus one week per diem for two persons to meet with Nat'l Park Service concessions planning team at federal service center	2,000
3. Five R.T. tickets to Juneau + per diem	1,500
4. Vehicle rental, Division of Highways vehicle pool x15 months	4,500
	<hr/> \$18,500

300 Contractual

1. Rent for a small project office in Anchorage 600 sq. ft. x \$1.50 sq ft/month (x) 15 months	\$13,500
2. Aerial photography and 2-5 foot aerial contour mapping	30,000
3. Telephone and duplicating equipment, etc.	5,000
4. Rental of typing, copy machines	2,000

* January, 1978 dollars

5.	Design of Utility System costs from CH2M-Hill, Anchorage	142,500
6.	Soil investigations, for bearing strengths, percolation, etc.	<u>25,000</u>
		\$218,000

400 Commodities

1.	Office and Mechanical drawing supplies	2,500
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500 Equipment

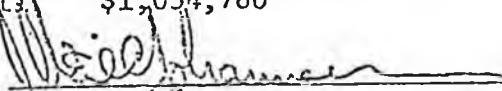
1.	Desks, chairs, bookcase, file cabinet	\$1,750
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PHASE II: ARCHITECTURAL COSTS

1.	To design a ten million dollar lodge, including mechanical and electrical systems, two private Anchorage architects, indepen- dently contacted, quoted 6%, or:	\$600,000
2.	For a 4,000 sq.ft. visitor center estimated at \$500,000, the design cost is 10%, or:	50,000
3.	Design of staff and employee housing for 30 workers, assuming two fourplexes, three duplexes and four single family residences (about \$1,000,000) at 6%	<u>60,000</u>
	Architectural drawings	\$710,000

Total Phase I	\$324,780
Phase II	\$710,000
Overall	\$1,034,780

prepared by


Neil C. Johannsen
Chief of Planning
Alaska State Parks

STATE OF ALASKA
THE LEGISLATURE

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

November 10, 1977

SUBJECT: Transmittal of Special Appropriation Bill and Resolution

TO: The Honorable Pat Rodey

FROM: George Utermohley
Research Analyst *J.U.*

Transmitted herewith is a special appropriation bill and a resolution.

The appropriation bill allocates \$85,000 to the Department of Transportation and Public Facilities for pre-construction planning and engineering studies of the Petersville Road. This figure is less than what I quoted to you over the phone because the state allocates a lower proportion of costs to pre-planning (about one percent) than does the National Park Service (four percent). I have used the state's rate for the sake of consistency with state procedures.

The resolution endorses the Tokositna Lodge and Visitor Center and requests the governor to discuss with the National Park Service the collocation of state park and national park facilities at the lodge site. If you have any amendments to the whereas or resolve clauses I will make the changes. In the resolution I refer twice to Mt. McKinley. You may wish to change "Mt. McKinley" to read "Denali" in light of the movement to change the mountain's name and the legislature's past resolutions on the subject.

If you have no objection, I will delay drafting the second special appropriation bill (funding a feasibility study of the proposed Tokositna lodge complex) until early December. The Division of Parks, National Park Service, and other involved parties will hold a meeting on November 28 to discuss the role of each party in planning the facility. After this meeting, the Division of Parks will have a better grasp of what funds it will need to conduct a sound feasibility study.

GU:jm
Enclosures

STATE OF ALASKA THE LEGISLATURE

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

November 8, 1977

SUBJECT: Proposed Tokositna Lodge and Visitor Center Complex (W.O.#4260)
TO: The Honorable Pat Rodey
FROM: George Utermohle,
Research Analyst *GU*

The State of Alaska and the National Park Service have both expressed interest in building a lodge and visitor center complex to serve both Denali State Park and McKinley National Park. The site under consideration is located at the western end of Denali State Park, 30 miles northwest of Talkeetna, in a completely undeveloped area. The proposed site overlooks the Tokositna River Valley, Tokositna Glacier and the south face of Mt. McKinley. It is in this vicinity that Sydney Laurence painted many of his famous scenes of Mt. McKinley. Support for a lodge-visitor center complex in this area has come from Bradford Washburn, noted geographer and climber of Mt. McKinley, as well as from Senators Mike Gravel and Ted Stevens.

Lodge and Visitor Center Complex

The lodge and visitor center complex as currently envisioned by the National Park Service would consist of a three-floor 150 room lodge, employee housing for 172 persons, service station and electric, water, and sewer utilities. The total cost of the complex would be approximately \$25,770,000 if it is built by 1984. This cost includes pre-construction planning and administration as well as the construction cost. If completion of the complex occurs after 1983, the cost would increase due to inflation.

Access

Since the proposed location of the complex is an undeveloped area, it will be necessary to provide access to the site. The Petersville Road, a poor quality, seasonal road, passes within six miles of the site. This road could serve as the basis for surface access to the site. Seven and one-half miles of the Petersville Road currently meet secondary highway standards. An additional 26 miles of the existing road would have to be upgraded to secondary standards, and six miles of new road would have to be constructed in order to reach the site of the lodge. The cost of providing surface access to the site would be approximately \$12,761,000 if construction was completed by 1982.

The nearest existing airfield available to the public is at Talkeetna, 70 road miles away from the lodge. Private airstrips of unknown quality are present at Peters Creek and Petersville. Either airstrip could be upgraded to provide adequate service if the owners would permit it. The nearest of these two airstrips is ten miles from the lodge; the other is twenty miles away. If this is too far from the lodge to provide adequate service, a new field would have to be constructed. A 4000 foot lighted, gravel runway built to Federal standards could be constructed for about \$1,500,000. A 4000 foot runway would be suitable for light twin engine aircraft, including F-27 aircraft. A 5000 foot gravel runway suitable for use by Hercules C-130 aircraft could be constructed for about \$1,800,000. These cost estimates reflect an approximate average for similar airfields constructed in Alaska. Actual costs could be lower or higher depending upon local soil conditions and topography.

Additional Facilities

In conjunction with the lodge complex, other facilities, such as a trail system and tramway, may ultimately be provided. In order to support the natural history interpretive program of the state park and provide for recreational hiking, a trail system could be constructed in the vicinity of the lodge. This trail system could be tied into the currently proposed trail system for the Denali State Park. A preliminary cost estimate for construction of nature trails formulated by the National Park Service is about \$15,000 per mile of trail. Contract administration costs and inflation could increase this cost by 50 percent in five years so that in 1983, a ten mile trail system could cost about \$225,000.

The National Park Service is considering the construction of a tramway as part of the proposed lodge-visitor center complex. A very preliminary proposal envisioned a ten mile tramway extending from the Tokositna River Valley to a point overlooking the Tokositna Glacier. The estimated construction cost for such a system was over \$29,000,000 in 1976.

Construction Costs

The basis for estimates of construction costs for the lodge complex was a preliminary estimate prepared by the U. S. National Park Service in December, 1976, the best estimate available. There were no site investigations prior to the formulation of these estimates so they are generalized costs for a facility like the one described. Costs for unforeseen conditions such as permafrost or fault zones are not included.

The National Park Service estimate was adjusted to reflect a 1983 completion date by correcting for inflation.

The estimated costs of road and airport construction were prepared by the Alaska Department of Transportation and Public Facilities.

Planning and Construction Schedule

The Tokositna Lodge-Visitor Center complex is at an early stage in its development. The state Division of Parks which is the lead agency for this project has just begun its reconnaissance and feasibility studies of the proposal. The Division of Parks studies will include a site investigation, an analysis of need, and an analysis of land suitability. The Division of Tourism is contributing to this effort by performing a study of the demand for the proposed facility. These studies were initially planned to be completed in April of 1978, but they are already three months behind schedule. The end result of these studies will be a prospectus for the lodge complex. If the prospectus indicates that the lodge is feasible, the Division of Parks will proceed with the project.

The construction of the Tokositna Lodge and Visitor Center complex and surface access to the complex will be a major project costing over \$38 million by 1984. If all goes well, the five-year construction phase of the project would begin in 1979 with preliminary planning for road construction and site investigations for the lodge. Planning for road construction would continue through 1980. Actual road construction and final planning for the lodge complex would occur in 1981. Construction of the lodge complex would begin in the fourth year of the construction phase (1982) and be completed during the following year. Schedules of construction and expenditures for the lodge complex and surface access are attached as Table 1 and Table 2.

If the lodge and its associated facilities are to be operational in 1984, the following events must occur:

1978 - The Division of Parks must complete its feasibility study, reach a preliminary agreement with the National Park Service on joint participation, select a concessionaire to operate the facility (if appropriate), and prepare a submission to the 1979 legislature requesting an authorization and appropriation to begin the construction phase.

1979 - The legislature must authorize the beginning of the project and appropriate funds for planning during 1980.

The Division of Parks must negotiate a cooperative agreement with the National Park Service and the concessionaire on how the complex will be financed and managed. Once the cooperative agreement has been made, the Division of Parks must prepare its submission to the 1980 legislature, requesting the funds to provide the state's portion of the construction costs.

1980 - The legislature must approve the cooperative agreement and provide the state's portion of the lodge construction expenditures. If the legislature decides that the state's contribution should be funded by general obligation bonds, the voters must approve the bonds.

- 1981 - Construction of surface access to the site must be completed, and planning for the construction of the lodge complex itself must begin.
- 1982 - Construction of the lodge complex begins this year.
- 1983 - The lodge is completed during this year.

Funding

It is unlikely that the State will be able to bear the entire cost of this project, \$38 million during five years, particularly if construction at the new capital site in Willow is underway. The State could reduce its investment in this facility by sharing the costs with the federal government and the concessionaire.

The National Park Service will eventually need visitor facilities adjacent to the southern border of Mt. McKinley National Park if the park boundaries are extended. The presence of a lodge and visitor center complex near this southern boundary would complement National Park Service plans for the area because it would provide a focus for public use of the area, relieve pressure on the existing visitor facilities in Mt. McKinley Park, and alleviate the need to construct visitor facilities within the national park. National Park Service participation in the Tokositna Lodge-Visitor Center complex would enhance the feasibility of the project if they were willing to share a significant portion of the cost.

The National Park Service prefers to build its own visitor facilities and then contract with a concessionaire to operate them. It has been their experience that concessionaires are less able and less willing to undertake large capital projects which have such low returns as do tourist facilities. The Park Service, as a result, is inclined to underwrite a large portion of the Tokositna lodge and visitor center. The Division of Parks is willing to let the National Park Service pay as much of the cost as they want as long as the State retains control of the facility. When the State and the Park Service hold their discussions on the Tokositna proposal later this month, they will begin to resolve the issues of project financing, facility management, site selection and facility needs. These initial talks on the project will conclude with the drafting of a Memorandum of Understanding which will clarify the role of each agency in planning, financing, and constructing the facility.

Federal participation in this project is predicated upon Congressional approval of the southern boundary extension of Mt. McKinley National Park. Approval seems to be a certainty because all d-2 proposals contain the southern boundary extension in one form or another. However, the National Park Service cannot make any formal commitments of support to this project until d-2 legislation passes Congress in late 1978. A federal environmental impact statement would be required if the National Park Service contributes significantly to the project.

In the past, the Division of Parks has favored construction of the lodge by the concessionaire. So far, the Division's experience with this arrangement has not been good. The first concessionaire for Denali State Park failed to construct a lodge. The Director of Parks finally had to cancel the agreement due to non-performance. The feasibility and reconnaissance study for the Tokositna Lodge-Visitor Center complex has not reached a point where a decision could be made as to who will construct and finance the lodge. If it is finally decided to require construction of the lodge by the concessionaire, it may be difficult to find qualified bidders because there are few corporations (mostly Native corporations) which could obtain financing to build a 150-room lodge. Any domestic corporation which could get the concessionaire's contract to build and operate the Tokositna lodge would have to obtain the bulk of its financing outside of Alaska because a maximum of only \$3 million is obtainable from the state tourism loan fund, and in-state banks could not by themselves supply the rest of the capital. The prime advantage of a privately constructed lodge is that it usually is less costly to build and thus can provide service at lower cost.

If the National Park Service and/or the concessionaire participate heavily in the lodge-visitor center complex, the state's share may be reduced to an acceptable level. This would be especially true if federal highway aid funds will pay 90-95 percent of the road construction costs.

Another option available to the State is the issuance of revenue bonds to finance construction of the revenue producing portions of the project, such as the lodge, employee housing, and the utilities. Funding of the non-revenue producing facilities could then be shared by the State and National Park Service.

Facility Management

The Division of Parks favors the use of a concessionaire to operate commercial enterprises within the state parks because:

- the Division is relieved of responsibility for the day to day operations of the facility;
- the Division does not have to budget for the cost of supplies and labor;
- a private concessionaire is not subject to the high wage scale of state employees and, thus, is able to reduce labor costs substantially; and
- private enterprise is inherently more efficient because it must remain profitable as well as competitive.

State operated businesses are generally unsuccessful in terms of profitability because they lack the accountability and management flexibility necessary to keep operating costs in line with revenue. The employee rural housing program and the food service portion of the marine highway system are two examples of the state's inability to successfully operate a business.

The National Park Service also favors the use of concessionaires to operate visitor facilities in its parks.

Role of the Legislature

Unless the legislature seeks involvement during the planning phase of this project, it is conceivable that the Tokositna Lodge-Visitor Center complex would be built with a minimum of legislative input. The governor has all authority necessary to negotiate an agreement with the federal government on the funding and operating of the complex. Unless the legislature participates in the planning phase of this project, it will be in the position of only approving, modifying, or disapproving the governor's request for funding.

In order to assure its participation in the Tokositna Lodge project, the legislature can, by concurrent resolution, direct the governor to initiate formal discussions with the National Park Service on co-locating state and federal park facilities at the Tokositna site and to report to the legislature on the feasibility of the project, sources of funding, and the schedule of construction. Such a resolution would manifest the legislature's interest in the project.

GU:jm

STATE OF ALASKA
THE LEGISLATURE

FOUCHY - STATE CAPITOL
JUNEAU ALASKA 99811
907-455 3200

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

November 8, 1977

SUBJECT: Transmittal of Material Relating to the Proposed Tokositna
Lodge-Visitor Center in Denali State Park

TO: The Honorable Pat Rodey

FROM: George Utermohle,
Research Analyst, U.I.

Transmitted herewith are:

- (1) A memorandum reviewing the Tokositna Lodge and Visitor Center proposal.
- (2) Table 1. Lodge-Visitor Center Complex
Schedule of estimated expenditures.
- (3) Table 2. Surface Access
Schedule of estimated expenditures.
- (4) Proposed Tokositna Lodge Complex
Denali State Park Development
Cost estimate - Summary
- (5) A memorandum discussing the need for additional legislation to authorize construction and operation of a tourist facility in Denali State Park.
- (6) A memorandum with map from the Department of Transportation and Public Facilities discussing the cost of upgrading and extending the Petersville Road.

The resolution and the two special appropriation bills which you requested will be sent as soon as they are available.

GU:jm
Enclosures

TABLE I. PROPOSED TOKOSITNA LODGE
 LODGE- VISITOR CENTER COMPLEX
 SCHEDULE OF ESTIMATED EXPENDITURES

	1979 First Year	1980 Second Year	1981 Third Year	1982 Fourth Year	1983 Fifth Year	Total Project Cost
Lodge (150 rooms)						
Pre-Planning (1%)	\$111,000					
Project Planning (4%)			\$506,000			
Project Supervision (10%)				\$673,000	\$717,000	\$17,299,000
Contingencies (10%)				\$673,000	\$717,000	
Construction				\$6,732,000	\$7,170,000	
<hr/>						
Employee Housing						
Pre-Planning (1%)	\$27,000					
Project Planning (4%)			\$125,000			
Project Supervision (10%)				\$167,000	\$178,000	\$4,289,000
Contingencies (10%)				\$167,000	\$178,000	
Construction				\$1,669,000	\$1,778,000	

PROPOSED TOKOSITNA LODGE

SURFACE ACCESS

SCHEDULE OF ESTIMATED EXPENDITURES

	1979 First Year	1980 Second Year	1981 Third Year	1982 Fourth Year	1983 Fifth Year	Total Project Cost
Upgrade Existing Road (26 miles)						
Advance Planning (1%)	\$65,000					
Project Planning (4%)		\$281,000				\$9,823,000
Project Supervision (10%)			\$758,000			
Contingencies (15%)			\$1,137,000			
Construction			\$7,582,000			
<hr/>						
Construct New Road (6 miles)						
Advance Planning (1%)	\$20,000					
Project Planning (4%)		\$84,000				
Project Supervision (10%)			\$227,000			\$2,938,000
Contingencies (15%)			\$340,000			
Construction			\$2,267,000			
<hr/>						
Annual Project Expenditure	\$85,000	\$365,000	\$12,311,000			\$12,761,000

Prepared by:
 Legislative Affairs Agency
 Division of Research
 9 November 1977

Support Facilities
(Utilities, Service Station)

Pre-Planning (1.0%)	\$27,000					
Project Planning (4%)			\$119,000			
Project Supervision (10%)				\$159,000	\$170,000	\$4,090,000
Contingencies (10%)				\$159,000	\$170,000	
Construction				\$1,591,000	\$1,695,000	

Parking Lot (100 spaces)

Advance Planning (1%)	\$1,000					
Project Planning (4%)		\$3,000				
Project Supervision (10%)			\$7,000			\$92,000
Contingencies (10%)			\$7,000			
Construction			\$74,000			

Annual Project Expenditure	\$166,000	\$3,000	\$838,000	\$11,990,000	\$12,773,000	\$25,770,000
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PROPOSED - TOKOSITNA LODGE COMPLEX

DENALI STATE PARK

DEVELOPMENT COST ESTIMATE

SUMMARY

I Lodge	\$17,299,000(1)	
II Employee Housing	4,273,000(1)	
III Site Development	}	
IV Electrical System		
V Water System		4,090,000(1)
VI Sewer System		
VII Service Station		
VIII Parking Lot	92,000(1)	
IX Upgrade of Existing Surface Access	9,823,000(2)	
X Construction of New Road	<u>2,938,000(2)</u>	
Estimated Total Construction Cost	\$38,515,000	

(1) Cost estimate was developed from National Park Service figures dated December 7, 1976 by adjusting for inflation and assumes project completion by 1984.

(2) Cost estimate derived from figures provided by the Alaska Department of Transportation and Public Facilities and assumes project completion by 1982.

Prepared by:
Legislative Affairs Agency
Division of Research
9 November 1977

STATE OF ALASKA
THE LEGISLATURE

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907-455-3829

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

October 17, 1977

SUBJECT: W.O. 4260

TO: George Utermohle

FROM: Ken Vassar 

You have requested a legal opinion as to whether additional legislation is needed to authorize:

- (1) Construction of a tourist facility by a concessionaire at Denali State Park;
- (2) Construction of such facility by the state with planned operation by a concessionaire;
- (3) Construction and operation by the state of such facility.

In establishing the Denali State Park in AS 41.20.300, the legislature stated that "these lands and waters are reserved from all uses incompatible with their function as park area." The Department of Natural Resources has defined "incompatible uses" as including the following activities: surface or subsurface mineral (including gravel and rock) exploration or extraction, removal or cutting of timber or other plant growth, grazing or pasturing of domestic animals, or other activities which do not increase park values or which do not add to the value of a recreational experience.

Whether the proposed facility is constructed and operated by the state or by a private party should make no difference under the language of the statute. That language is plain and clear. It forecloses all incompatible uses without regard to the nature of the incompatible user.

Assuming a tourist facility would not engage in any of the specifically forbidden activities, it is clear that it must "increase park values" or "add to the value of a recreational experience" in order to avoid being labeled as an incompatible use. These standards are so vague as to defy any objective determination. It is foreseeable that any tourist facility would be objectionable to some and totally acceptable to others under these standards. Therefore, whether there is any need for legislation to allow the construction and operation of a tourist facility at the Denali State Park depends upon the determination by the Department of Natural Resources and, more specifically, the division of parks, of whether the specific facility proposed would increase park values or add to the value of a recreational experience. It would seem that this would involve a consideration of the type of facility proposed, its location, the need for such facility, and several other factors.

STATE OF ALASKA

DEPARTMENT OF HIGHWAYS

JAY S. HAMMOND, GOVERNOR

CENTRAL DIVISION

5700 TUDOR ROAD - P.O. BOX 6750
ANCHORAGE 99502
(TELEX 25-141)

October 25, 1977

RE: Project S-0576()
Petersville Road
Construction Cost
Estimate

Mr. George Utermohle
Research Analyst
Legislative Affairs Agency
Pouch "Y"
Juneau, Alaska 99811

Dear Mr. Utermohle:

In answer to your letter of October 10, 1977 concerning construction costs on the Petersville Road, I have the following comments.

A vicinity map is enclosed with this letter that will designate the proposed Petersville Road construction cost. For talking purposes the project has been broken into the following four phases.

1. The portion of this road from the Parks Highway to the Moose Creek Bridges was upgraded to Federal-Aid Secondary standard in 1974 by the Highway Department. This project was 7.5 miles in length.
2. The road from Moose Creek Bridge to Peters Creek is scheduled for reconstruction by the Department of Transportation in 1982. The estimated cost is \$2,200,000 and the length is 11.5 miles.
3. The road from Peters Creek to a point three miles west of Petersville is 14.5 miles in length. It is estimated that the cost of upgrading this portion of road would be approximately \$300,000 per mile, for a total of \$4,350,000.
4. The road from Cottonwood Creek to one mile north of Triangulation Point "Long" scales approximately 6 miles on our map. At \$300,000 per mile this cost would be \$1,800,000.

Letter
Mr. George Utermohle

-2-

October 25, 1977

To convert the above cost to 1979 prices you will have to add an eight percent (8%) inflation figure.

If you have any further questions feel free to contact me.

Sincerely,

Edward P. Mulcahy
Edward P. Mulcahy
Central Regional
Reconnaissance Section

Twenty-Ac
Mill
Lake

Kvato
Lake

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CREEK
Peters Creek

Reney
Creek

Jate
Lake

Kvato
Creek

Kvato
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Watt
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Creek

Fork

Cabin

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Gale
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SUSITNA

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Scally
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Savmill
Lake

Sawmill
Long
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Creek

Savmill
Lake

Sawmill
Long
Lake

Chullina
Maintenance
Station

CHULLINA

125

170

LACROSBY
RIVER

Cabin

Trappers
Creek
Campground

This area is mapped as part of the
City and Urban Map Series
Talkeetna West Pop. 152
Subdivision

Talkeetna
West

Subdivision

Pop. 152

Subdivision

SUSITNA

R5W

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VADON
& CHASE
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TRACTOR

ALASKA

R5W

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VADON
TALKEETNA
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TRACTOR

ALASKA

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MOUNT MCKINLEY NATIONAL PARK ADDITIONS

Cost Estimate
Proposed South Side Hotel
(600 Pillow - 63,072 sq. ft.)
1/1/77

Elements of Proposed Complex:

1.	Hotel		
	a.	Rooms - sleeping	
	b.	Dining Room	
	c.	Kitchen	
	d.	Curio Shop	
	e.	Cocktail Lounge	
	f.	Lobby and Desk Area	
	g.	Storage and Maintenance Area	
	h.	Coffee Shop	
	i.	Employee Dining	
	Estimated cost:		\$9,227,484
2.	Employee housing		
	Estimated cost:		\$2,287,792
3.	Site Development		
	Estimated cost:		\$ 200,000
4.	Electrical system		
	Estimated cost:		\$ 631,200
5.	Water system		
	Estimated cost:		\$ 550,000
6.	Sanitary Sewer system		
	Estimated cost:		\$ 600,000
7.	Service station		
	Estimated cost:		\$ 200,000
8.	14 miles roadway (upgrade)		
	Estimated cost:		\$1,400,000
9.	12 miles roadway (new)		
	Estimated cost:		\$7,200,000
	Est. Total Net Const:		<hr/> \$22,295,476

Say: \$22,500,000

DEVELOPMENT COST ESTIMATE FOR PROPOSED
MOUNT MCKINLEY NATIONAL PARK ADDITIONS
THREE YEAR DEVELOPMENT NEEDS
(Estimate Good Till 1/3/77)

Visitor Parking (100 Cars) - South Side Glacier R&T

From National Construction Estimator (1977)
Fine grading, watering, restaking, 6"
subbase equals 25¢/sq. ft.
Estimate same cost/sq. ft. for Rough grading -
including Mobilization and demobilization
Area requirement for each car 9' x 20' = 180 sq.ft./
car x 100 = 18,000 sq. ft. plus an equal amount
for maneuvering and access for a total area of
36,000 sq. ft.
Factor of 3 times Lower 48 to Petersville.

Cost 36,000 (25¢ + 25¢) x 3 =	\$ 54,000 (3rd year)
Advance Planning @ 4% =	2,160 (1st year)
Project Planning @ 15% =	8,100 (2nd year)
Construction Supervision @ 15% =	8,100 (3rd year)
Contingencies and Facilitating Services @ 16% =	8,640 (3rd year)

Surface Access (Upgrade 14 Miles Road) - South Side Glacier R&T

Cost/mile for improving gravel surface roadway
per attached information sheet \$181,818 -
say \$200,000*/mile 14 x 200,000 = \$2,800,000

Assume 1/2 of cost paid by state	\$1,400,000
Advance Planning @ 4%	55,000 (1st year)
Project Planning @ 15%	210,000 (2nd year)
Project Supervision @ 15%	210,000 (3rd year)
Contingencies and facilitating Services @ 16%	224,000 (3rd year)

*Includes Bridge Work

DEVELOPMENT COST ESTIMATE FOR PROPOSED
MOUNT MCKINLEY NATIONAL PARK ADDITIONS
THREE YEAR DEVELOPMENT NEEDS
(Estimate Good Till 1/3/77)

Surface Access (Construct 12 Miles Road)** - South Side Glacier R&T

Estimate (includes 3/4 mile of roadway within Proposal)

Cost per mile for construction of 2 way gravel surface road would be 3 times the cost of upgrading, including bridge costs \$600,000

12 Miles x \$600,000/mile =	\$ 7,200,000
Advance Planning @ 4% =	238,000 (1st yr.)
Project Planning @ 15% =	1,030,000 (2nd yr.)
Construction Supervision @ 15% =	1,080,000 (3rd yr.)
Contingencies and facilitating Services @ 16% =	1,152,000 (3rd yr.)

Transportation System - 10 Miles Tramway - South Side Glacier R&T

Unit cost based on NPS Guadalupe Mountains Tramway study with cost figures dated mid 1973 - A 2.12 mile Skytram of that date was estimated to cost \$3,567,218 or \$1,632,650/mile exclusive of terminal facilities, planning and engineering. Apply 10% inflation factor per year or 35% to bring unit cost to January, 1977 1.35 x \$1,682,650 = \$2,271,578 times factor of 2 for Alaska or \$4,543,155/mile.

Cost for Tramway \$4,543,155 x 6 =	27,258,930
Estimate cost for terminal facilities =	<u>2,000,000</u>

Total	\$29,258,930
Say	\$29,500,000 (Future yrs)

Advance Planning @ 4% =	1,180,000 (1st yr.)
Project Planning @ 15% =	4,425,000 (3rd yr.)
Project Supervision @ 15% =	4,425,000 (Future yrs)
Contingencies and facilitating services @ 16% =	4,720,000 (Future yrs)

** See Attached "Proposed McKinley Extensions Hotel Site and Vicinity Plan" alt. "c".

DEVELOPMENT COST ESTIMATE FOR PROPOSED
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Nature Trail - 4 Miles

Cost figure for nature trails from Ray
Borris - Denver Service Center -
\$12,000/mile - lower 48 figure
\$15,000/mile

4 miles x \$15,000/mile =	\$ 60,000 (Future Yrs.)
Advance Planning @ 4% =	2,400 (3rd year)
Project Planning @ 15% =	9,000 (Future Yrs.)
Project Supervision @ 15% =	9,000 (Future Yrs.)
Contingencies and facilitating services @ 16% =	9,600 (Future Yrs.)

Floor Space at McKinley Park Hotel (488 Pillows)

*West Wing 175 x 50 x 2 floors	17,500
Less 2 halls 6' x 151'	-1,812
Less 2 lounges 24' x 30'	- 720
Less lower lounge 20' x 12'	<u>- 240</u>

14,728 sq. ft.

***Modular Unit West 156' x 49' =	7,644 sq. ft.
***Modular Unit East 144' x 49' =	7,056 sq. ft.
4 Sleeper cars @ 84' x 10' each =	<u>3,360 sq. ft.</u>

Total Area of Sleeping Quarters = 32,788 sq. ft.

67 sq. ft./pillow = $\frac{32,788 \text{ sq. ft. of sleeping rooms}}{488 \text{ pillows}}$

12' x 23' room - 4 pillows

$\frac{12 \times 23}{4} = 69 \text{ sq. ft./pillow}$

* Includes Bridge Work

*** Excludes Hallways and Lounges

DEVELOPMENT COST ESTIMATE FOR PROPOSED
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Hallways and Lounges Related to Sleeping Rooms - McKinley Park Hotel)

$$1,812 + 720 + 240 + 5.5 \times 156 + 5.5 \times 144 = 4,422 \text{ sq. ft.}$$

$$\text{Hall space/pillow ratio} = \frac{4,422}{488} = 9 \text{ sq. ft./pillow}$$

Lobby 31' x 118' =	3,658 sq. ft.
Office Space 54' x 10' x 2' =	1,080 sq. ft.
Cocktail Lounge 54' x 10' x 2' =	1,030 sq. ft.
Curio Shop 54' x 10' =	540 sq. ft.
Maintenance and Storage 82' x 10' =	820 sq. ft.
Employee Dining 82' x 10' =	820 sq. ft.
Coffee Shop 82' x 10' =	820 sq. ft.
Dining Room 41' x 60' =	2,460 sq. ft.
Kitchen 32' x 60' =	<u>1,920 sq. ft.</u>

Total Square Footage 50,408

$$\text{Total Square Footage/Pillow} = \frac{50,408}{488} = 103.30 \text{ sq. ft./pillow}$$

Elements of Proposed Hotel

Square Footage of Proposed Hotel

Furnishings - Fixtures

- a. Rooms - sleeping
- b. Dining Room
- c. Kitchen
- d. Curio Shop Fixtures
- e. Cocktail Lounge
- f. Lobby and Desk
- g. Hallway Carpeting
- h. Storage and Maintenance Shelving
- i. Office Fixtures and Furniture
- j. Coffee Shop
- k. Employee Dining

Refrigerated Piling and Structural Support - Hotel

Square footage of employee housing *(140 x 1.23 = 172 emp.)

Furnishings - Employee Housing

Refrigerated piling and structural support - employee housing.

Site development - roads, parking, retaining walls, sidewalks,
lighting etc. - entire complex

Electrical (Generation system or comm. power extension)

Service Station

Water System

Sewer System

* From Administrative Assistant MOMC 12/13/76.

12/7/76

DEVELOPMENT COST ESTIMATE FOR PROPOSED
MOUNT MCKINLEY NATIONAL PARK ADDITIONS
THREE YEAR DEVELOPMENT NEEDS
(Estimate Good Till 1/3/77)

Cost Composition

Proposed Hotel 63,072 sq. ft. x \$122/sq. ft. = \$ 7,694,784

Furnishings - Fixtures:

a. Rooms - Sleeping 150 rooms x \$3,000/room=	450,000
b. Dining Room =	90,000
c. Kitchen =	400,000
d. Curio Shop fixtures =	20,000
e. Cocktail lounge (Incl. bar) =	180,000
f. Lobby and desk =	40,000
g. Hallway carpeting 604 sq. yds. x \$14/sq. yds.=	8,460
h. Storage and maintenance shelving =	4,000
i. Office fixtures and furniture =	10,000
j. Coffee Shop =	100,000
k. Employee dining =	20,000

Refrigerated piling and structural support -
Hotel (Assume 3 story structure)

21,024 sq. ft. x \$10/sq. ft. = \$ 210,240

Employee housing - 172 employees @ two/room -

12' x 18' rooms - Toilet-lavatory-shower

4 each 20' x 30' - Lounge-Recreation 30' x 40' -

Laundry 20' x 30' - hallways

***86 rooms x 12' x 18' =	18,576 sq. ft.
4 lavatory x 20' x 30' =	2,400 sq. ft.
1 lounge x 30' x 40' =	1,200 sq. ft.
1 laundry 20' x 30' =	600 sq. ft.
***10% for hallways =	<u>1,858 sq. ft.</u>

Total

24,634 sq. ft.

DEVELOPMENT COST ESTIMATE FOR PROPOSED
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Unit cost development for employee housing:
From 1977 National Construction Cost Estimator, Page 267
Assumptions for square footage cost, lower 48 base:

1. 10 units or more
2. Class 3 quality
3. Unit size 400 sq. ft.

\$23.41/sq. ft.

Estimate cost factor of 3 to bring lower 48 costs to Petersville, Alaska.

Estimate unit cost \$23.41 x 3 =	\$70.23
20% Additional Cost for Government Contract =	<u>14.05</u>
Total	\$84.28
Say	\$84/sq. ft.

Employee housing unit 24,634 sq. ft. x	
\$84/sq. ft. =	\$2,059,256
Furnishings for employee housing =	120,000
Refrigerated piling and structural support	
assume 2 story - 12,317 x \$8/sq. ft.	98,536

Site Development - Roads, Parking, Retaining Walls, Sidewalks, Lighting,
etc. - Entire Complex. \$200,000

Electrical:

Cost to extend nearest commercial power -
35 miles distant
Assume 33 miles overhead and 2 miles
underground.

33 x \$18,000*/mile =	\$594,000
2 x 5,280 ft. x \$20**/ft. =	211,200
Transformers ** =	40,000
Underground Distrib. 1.5 mile x 5,280' x	
\$20**/ft. =	<u>158,400</u>
Total	\$1,003,600

* NEA

** Ralph McFadden - DSC

DEVELOPMENT COST ESTIMATE FOR PROPOSED
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Cost for Power generation system		
2 each 250 KW generator @ \$100,000 each =	\$ 200,000	
Generator building and switch gear =	200,000	
Transformers =	20,000	
Underground distribution		
2.0 mile x 5,280' x \$20/ft.** =	<u>211,200</u>	
Total	\$631,200	
Least expensive alternative		\$631,200
Service station	\$ 200,000	
Water system include distribution	550,000	
Sewer system - collection and treatment	<u>600,000</u>	
Total Hotel Complex	\$13,696,476	
Say	\$13,700,000	(Future years)
Pre-planning 1 1/2%	\$ 205,500	(1st year)
Project planning @ 15%	2,055,000	(3rd year)
Project supervision @ 15%	2,055,000	(Future years)
Contingencies and facilitating services @ 16%	2,192,000	(Future years)

** Ralph McFadden - DSC

Ed Stoddall
12/7/76

DEVELOPMENT COST ESTIMATE FOR PROPOSED
MOUNT MCKINLEY NATIONAL PARK ADDITIONS
THREE YEAR DEVELOPMENT NEEDS
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Matanuska Electric Association

NOTICE TO M.E.A. CONSUMERS

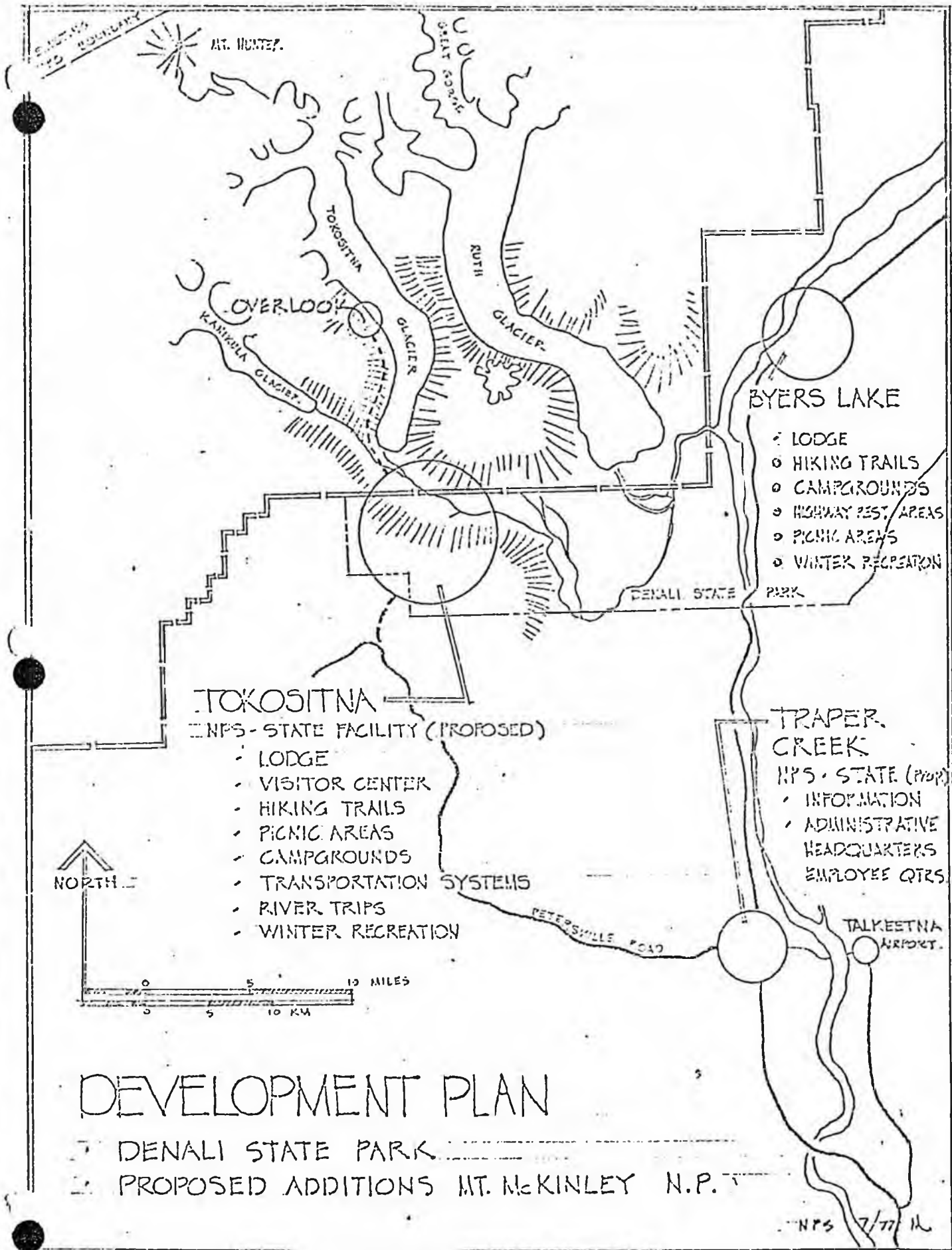
M.E.A. will be doing Right-of-Way Maintenance on their existing power lines throughout the Winter months, using mechanical means.

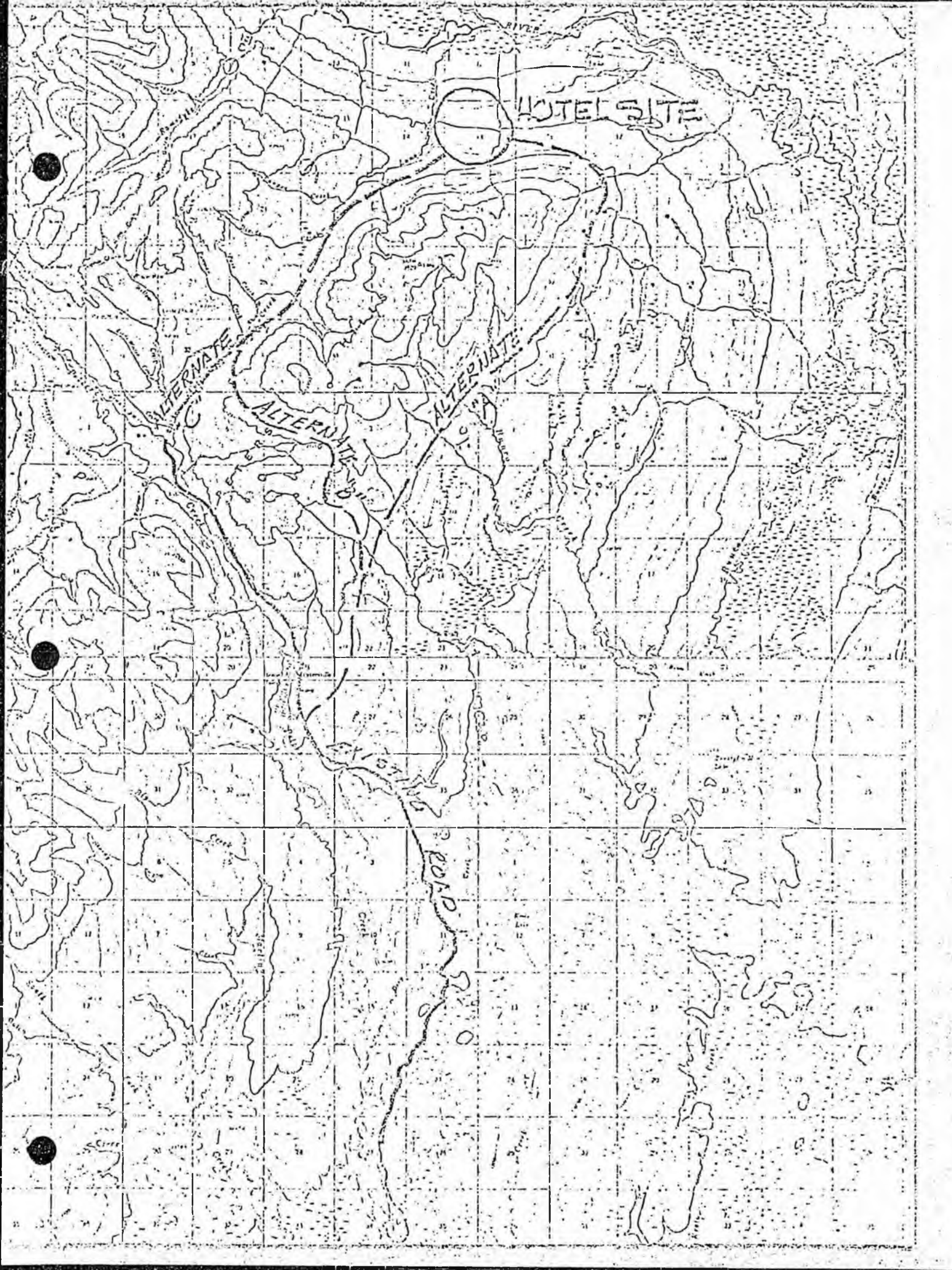
If you have any questions please contact Dan Alcantra, Operations Department, M.E.A. Telephone 745-3231.

Talked to Dale Whalen of Consumer Services.

Electric Service only extends up Petersville Road about 3 or 4 miles from the Parks Highway.

Cost to extend overhead line is approximately \$18,000 mile.





PETERSVILLE ROAD

The State Division of Parks has set aside a broad strip of land on each side of the Petersville road as a scenic corridor to take advantage of the scenic vistas and recreational opportunities in the area.



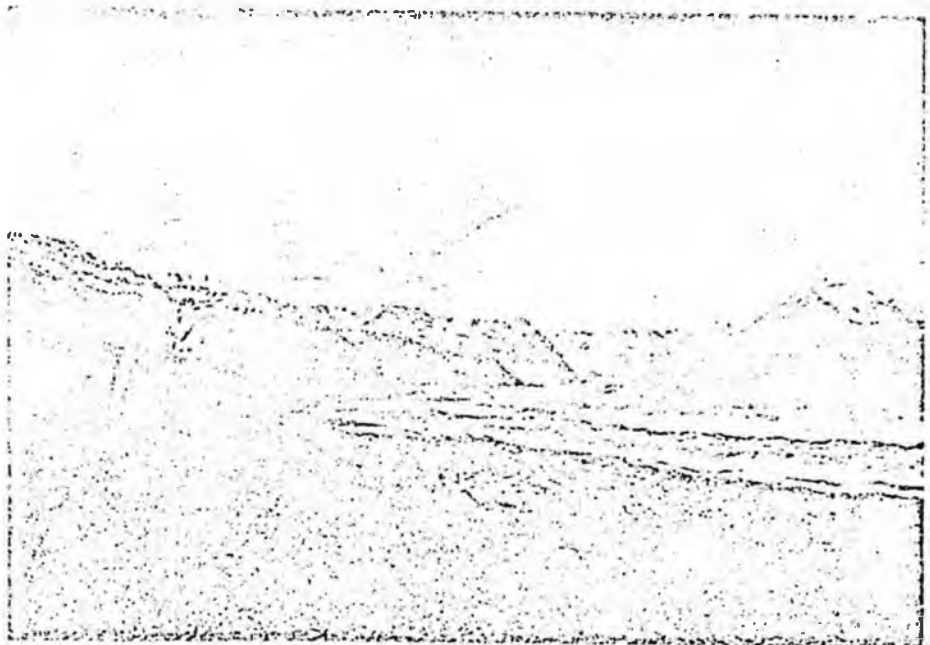
The Trapper Creek junction area is planned to be the site for a combined state and Federal Administrative and information site relating to the Park activities in the area.



TOKOSITNA SITE



View from Point Long in Denali State Park, Heather Point is in the Center of the picture on the left of the Tokositna Glacier. From here the visitor will be able to see Mount Foraker, Mount Hunter and Mount McKinley.



Heather Point, the site discovered by Bradford Washburn, is within the proposed extensions to Mount McKinley National Park. It is proposed that this area be made accessible via a transportation system from Denali State Park.

TOKOSITNA SITE



View from Heather Ridge



looking east from Heather Point, the Tokositna peaks loom on the skyline. These peaks will be within a days hike from Heather Point.

SOUTH WESTERN EXTENSION



The spectacular cathedral spires is unique in its abundance of small of glaciers actively carving deep canyons in the granite obtrusions of the Alaska Range.



Midway Lakes, next to the West Fork of the Yentna, is important access point to this isolated terrain.