

ALASKA LEGISLATURE COMMITTEE BILL FILES - 1987 - 1988 8879

HB 423 cont. 365

# Historic Preservation Association

P.O. Box 93270 Anchorage Alaska 99509 (907) 345-1421

April 8, 1988

Commissioner Anthony Smith  
Department of Commerce and  
Economic Development  
P.O. Box D  
Juneau Alaska 99811

Dear Tony,

During the past few months our Association has been working with Legislators asking for Jobs Bill and H.B. 423 support. Our 200,000 request will provide equity for our project. Please refer to our Fact Sheet, enclosed, for additional information.

I'm sure you are aware how long it has taken to bring attention to bear upon the Alaska Engineering Commission's First Residence District on West Second Avenue. Our project, the reconstruction of the Mears, AEC House #29, and the Renovation of the Loudermilch House, a 1920's bungalow, on the corner of West Second Ave and F Streets will not only return a large measure of historic credibility to the entire area and increase the value of neighboring property but it will also add to the visitors itinerary in Anchorage.

In today's morning paper Rep. Kay Brown agreed with Al Adams concerns that Commerce and Economic Development budget cuts should be considered but said, "more money is needed for for tourism promotion and projects." We agree with Rep. Brown.

Historic Preservation is not a renewable resource and our state should not put off placing a value and priority upon those unique properties. We should bank those historic assets well now and recognize that no return will accrue to those parts of Alaska not willing to make such a commitment.

Our Association is willing to make an additional specific request for a line item budget consideration this session in order to keep our project alive. But we do not want to weaken support for our original request by so doing.

Your support and recognition for the value of our project could provide the impetus needed to fund this downtown Anchorage project this season. We respectfully appreciate your considered support for this project.

Sincerely Yours,

*Kit Crittenden for:*

Steering Committee  
Historic Preservation Association  
Diane Hayes, Liz Geuss, Kay Linton Kit Crittenden  
enclosures /cc Josephson, Uehling, Brown, Ellis, Boucher

# BIRTH OF A CITY

*In the early part of this century, Frederick and Jane Mears were instrumental in turning Anchorage from a ragtag tent community into a frontier town with identity and direction*

By KIT CRITTENDEN

**A**n article in a 1915 copy of The New York Times Magazine dubbed Anchorage "the magic town": "The place that had developed from a city of tents almost overnight became a prosperous busy town as if by magic!"

But it was more than magic that willed Anchorage into existence. It was Lt. Frederick Mears who, when he encountered the "tent city" sprawled on the banks of Ship Creek, decided it should become an official town site, with schools and parks and a post office.

A year before the article appeared, Lt. Mears and a large surveying crew had come to Alaska to examine possible locations for the headquarters of a new government railroad. Ship Creek was then a tranquil, forested wilderness, with no tents in sight.

The railroad had been a long time coming to the Alaska wilderness. A decade earlier, President Theodore Roosevelt had sought federal aid to build a railway from the Gulf of Alaska to the Yukon River.

The Alaska Enabling Act, finally signed in March 1914, had empowered President Woodrow Wilson to build the railroad. The Alaska Engineering Commission was formed to examine proposed routes, and Lt. Frederick Mears was chosen to serve on that commission. Mears was named because of his broad experience as an engineer with the Great Northern Railway, Army engineer and chief engineer of the Panama Railroad.

Wearing trench coats, felt hats, high-laced boots, woolen shirts and knickers, eleven parties headed out into the field during the summer and early fall of 1914. Their search for the best possible routes for the new rail line took them from Seward to Fairbanks, including the Kuskokwim and Portage Bay areas. Followed by a pack of 120 horses, they pitched themselves against the elements and unforgiving terrain.

The final technical report was delivered to the president in February 1915. Two months later, President Wilson made public his decision to build the 500-mile rail project over the western or Susitna route. Ship Creek, Alaska, was to be the site for the construction operation.

Editor's note: The Historic Preservation Association works to reconstruct and sometimes relocate historic buildings from Anchorage's past. This article looks at the Mears family, one of the most influential in Anchorage's genesis in the early 1900s. The Mears home was torn down in 1972, destroying a link to the city's past. The association hopes to someday reconstruct the house and locate it on a West Second avenue lot.

Several weeks before Wilson's big announcement, Mears traveled to Seattle to organize work parties and buy equipment for the start-up operation of the railroad project. Large flat-bottomed barges were acquired to unload supplies on the flats of Ship Creek.

In late April, Mears arrived in Seward aboard the SS Mariposa. With him were five assistant engineers and his newly acquired work force.

A reporter asked when work on the railroad would begin. "Not a word will I say. Absolutely not a word, flat-footed!" was all Mears would reply.

The following day, The Seward Gateway printed a story with the headline "Mears silent as a sphinx." The commission had taken every opportunity to discourage stampedeers from coming to Alaska. It wanted to provide for a smooth transition from wilderness to town.

But news about the new railroad traveled fast, even in those days. In spite of all precautions, when Mears arrived at Ship Creek he was overwhelmed by what he saw: a ragtag array of 1,000 white tents billowing in the breeze.

Wilson's announcement had caused a rush by people who set up camp on the flats above the creek. Every boat that entered the harbor brought more tradesmen and people seeking work with the railroad.

Overnight, a town with a population of 2,000 had come into being. Water sold for 5 cents a bucket, a wagon and team rented for \$2 an hour, and sanitation, if it existed at all, was primitive.

When Mears strode ashore, he was prepared to proceed immediately with the initial work of



connecting Ship Creek with the Matanuska Coal Fields. After he surveyed the chaotic tent town and looked into the eager faces of those who clamored to greet him, he changed his mind. He realized his first responsibility was for their welfare. He decided a permanent town site should be established.

No doubt he wondered how to carry out the orderly transition he wanted. He wrote long, careful letters to other commission members asking them to speed authorization for a survey of the new town site on the plateau just south of Ship Creek so lot sales could begin. He asked that liquor sales be forbidden. He also urged them to send his friend, Andrew Christensen, an able land office chief, who would direct the survey of the 350-acre new town site.

The Alaska Railroad Townsite Regulations, issued three months later by President Wilson, said property would be forfeited if "it were used for the manufacturing, selling or disposing of intoxicating liquors, or for any other unlawful purpose, such as gambling or prostitution." Federal lands were reserved within the town site for municipal buildings, a post office, school, park and cemetery.

On July 10, 1915, the town site auction began. In his speech, Christensen began by saying, "Ladies and gentlemen I am glad to see so many out today. The town site will be ready when the sale is over; 32 blocks have been cleared and some streets. I have seen some of you come here, erect your tents and do business before the departure of the boat that brought you. If you can do that in that case, there is no reason why you can not also do it when you move to the new town site."

A mass exodus began from the flats of Ship Creek. Teams of horses pulled temporary wooden structures up the C Street hill, to the new town site.

Government for the town began when Mears opened the Ship Creek post office. The commissioners did not want to become deeply involved in city government, yet there was no way they could avoid responding to the needs of the new residents for water, sewers, schools or electricity.

In September 1915, a sanitary officer was appointed. A water system was installed by



Frederick Mears, opposite page, and his wife, Jane Weinwright Mears, left, played crucial roles in the founding of Anchorage. In the photo at right below, taken by renowned Alaska photographer and painter Sydney Laurence in 1915, tents are moved to the new Anchorage town site. Below is the stately Mears home, one of the city's first residences, which fell under the wrecking ball in the early 1970s.



pumping water from a sand filter bed in Ship Creek. A sewer system replaced inadequate cesspools throughout the town. The town got phones when Mears decided to purchase equipment from an opportunist, who had bought it on credit with the hope of cashing in on the situation.

The commission improved the quality of life in the new town. It established parks, ran excursion trains, founded a YMCA and controlled the spread of influenza during the 1918 epidemic.

The government built a cluster of small cottages to be ready for railroad personnel and their families scheduled to arrive the following year.

Jane Weinwright Mears joined her husband in 1915. Their first home was a cottage on Government Hill. The Mears had four children, including a son, Frederick, who was born on Christmas Day 1915 in a log hospital, the only building that existed at the time.

That first year, the women shared with Jane Mears the conviction that the town sorely needed a school. She helped the townspeople secure their new building at a cost of fifteen-hundred dollars. Mears Junior High School is named after her.

Between 1916 and 1917, the commission constructed a row of larger dwellings closer to town and the construction terminal of the railroad. In 1917, the Mears and other members of the railroad management team moved from their Government Hill cottages to their new houses on West Second Avenue.

The residence for Mears and his growing family was built according to his specifications. Its outstanding feature was a large front veranda that continued the full width of the house. According to one Anchorage pioneer, nothing was spared when the government built those houses. They had copper boilers, fireplaces, leaded windows and front verandas.

LT. Mears functioned almost like a mayor of the new town site. He was remembered as a man who got things done. As chief engineer in charge of 230 miles of main line that extended from the head of Turnagain Arm to the summit of Broad Pass, he was also responsible for



hundreds of tons of railroad equipment and supplies that arrived by steamer. Every day he released official circulars about harbor improvements, advocated economic use of electrical power and prohibited the use of gasoline, coal oil and alcohol for heating.

He was personally interested in the welfare of his workers. The camp boss at Broad Pass learned a lesson from Mears when he tried to tell a group of tired, hungry men to move on, then told Mears he could have the one unoccupied bed. Mears retorted, "Like hell I will. These men are here to help us, and they are going to have decent treatment."

World War I was hard on the construction plan for the railroad. About half of the commission's clerical and engineering forces enlisted in the armed services. Mears himself resigned in January 1918 when he was called to recruit a railroad construction regiment to serve on the French railroad system. Before he went overseas, employees of the Anchorage division presented him with a jewel-hilted saber.

At the war's end, Mears returned to Anchorage and remained on the job four more years to

see the railroad to completion, during the summer of 1923.

The famous golden railroad spike, ceremoniously driven by President Warren Harding at Nenana in August 1923, had been purchased by the people of Anchorage as a gift to Mears in appreciation of his many years of dedicated service. Made of 14-karat gold, it was 3 1/2 inches long, weighed 13 1/4 ounces and was valued at \$600.

In her book "Anchorage, All-America City," Evangeline Atwood said of Frederick Mears, "Colonel Mears had served as the guiding light of the town ever since its beginning. The townsfolk had looked to him for counsel and assistance. Both he and his wife, Jane Mears, had been active in town affairs and they would be missed."

Their daughter, Elizabeth, now living in Seattle, remembers her father's quiet but cordial manner, her mother's vitality and gaiety, and the love her parents held for each other. She also remembers their home as a place of impromptu musicals and theatricals. It was beautifully furnished in the tradition of the times, with Sydney Laurence paintings on the walls and Oriental carpets and bearskin rugs on the floors.

After the Mears left Anchorage in June 1923, their home continued to serve successive railroad managers. It was later owned by Dr. Harold Sogns and later still by the Max Peabody.

The Peabody's sold the house to developers in 1912. The developers offered the structure and \$3,000 to the city if it would be moved. Members of the community, historians and the city council went on record acknowledging its historical importance to Anchorage.

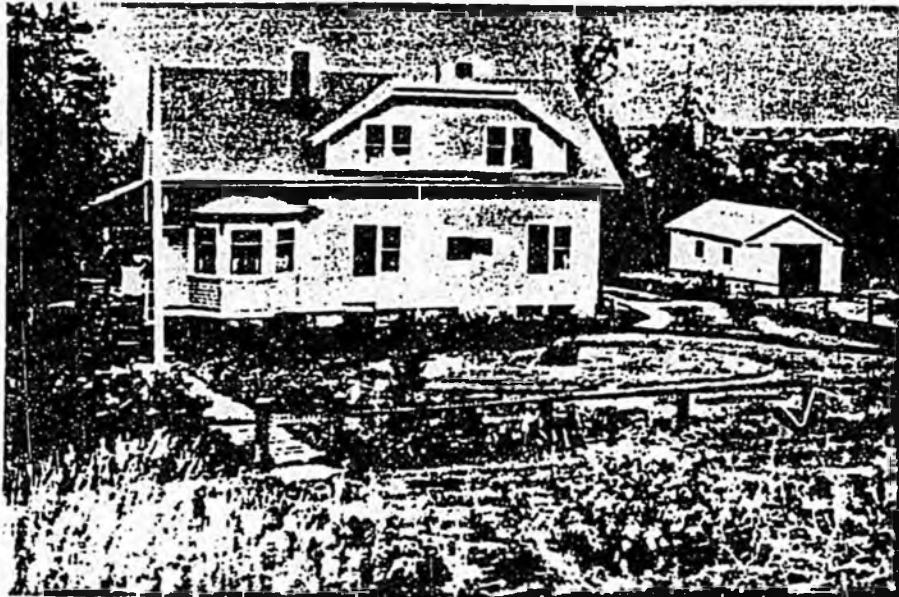
But after several efforts to save it, the house was lost to the wrecker's ball when it was determined money was unavailable to move or protect it. A

□ Freelance writer Kit Crittenden is one of the founders of the historic preservation movement in Anchorage.

PUBLIC BENEFIT AND NEED FOR  
THE RECONSTRUCTION OF THE A.E.C. HOUSE # 29,  
THE FREDERICK MEARS RESIDENCE AND  
THE RELOCATION OF THE LOUDERMILCH HOUSE  
ON WEST SECOND AVE. ANCHORAGE, ALASKA

February 4, 1988

HISTORIC PRESERVATION ASSOCIATION  
P.O.Box 93270 Anchorage, Ak. 99509



Anchorage Historic District  
(AHRIS SITE NO. ANC-081)

1. Ohlson House  
2. City and State:  
Anchorage, Alaska

3. Date taken: period  
1930-1939  
4. Photographer:  
not identified  
5. Negative Location: Alaska

Railroad Headquarters,  
Anchorage, Alaska  
6. View southward toward  
north face of residence of  
General Manager of Alaska  
Railroad, built originally  
as Alaska Engineering  
Commission Cottage #29 for  
Commissioner Frederick Mears  
on Original Anchorage Townsite  
Block 15 Lots 3-4  
7. Photo #4

January 22, 1988

# Historic Preservation Association

P.O. Box 93270 Anchorage Alaska 99509 (907) 345-1421

During February of 1987, Historic Preservation Association was formed to gain public support and acceptance for the reinstallation of two of Anchorage's historic houses on a 100x100 foot vacant parcel of land, on the corner of West Second Avenue and F Streets. Since then, a Proposal based upon the premise that the land will be purchased by others and leased to the development entity at no cost, has been offered by our Association.

In July of 1987, a Grant of \$2,005,000 was awarded to Anchorage Historic Properties Inc. Under the terms of the grant, that corporation will acquire and restore historic structures, establish a revolving loan fund to finance historic preservation projects, and administer historic preservation undertakings. The applicability of those funds to this project will help insure its success.

The Preliminary Information focuses upon the reconstruction of A.E.C. House #29, a residence originally built for Frederick Mears, the person who had more to do with the initial development of Anchorage than any other individual. The demolition of his house, in 1972, was a deep loss to this community and caused a break in the lineage of the visual endowment of our city.

The National Register provides recognition to a reconstructed building if no other structure, with the same association survives, if the building is at least fifty years old and if it can be authentically resited in a place of dignity. Those requirements can all be met by both houses in this proposal. The original AEC plans for the Mears House will be used in its reconstruction. The eastern half of the property upon which the houses will be sited is the original location of the other house.

Our Association looks at this project as an exciting rebirth of history that will set the tone for the possible restoration and adaptive reuse of historical structures on either side of West Second Avenue. Robert Baron, Professor of Architecture at the University of Idaho, said, recently, "I am convinced that cultivation of a sense of place will be one of the most important issues for community leaders and environmental designers in the decades to come."

UNITED STATES DEPARTMENT OF THE INTERIOR  
NATIONAL PARK SERVICE

FOR NPS USE ONLY

RECEIVED

DATE ENTERED

NATIONAL REGISTER OF HISTORIC PLACES  
INVENTORY -- NOMINATION FORM

ANCHORAGE HISTORIC DISTRICT  
(AHRIS SITE NO. ANC-081)

CONTINUATION SHEET

ITEM NUMBER 8 PAGE 1

Statement of Significance:

The configuration of this district represents an area presenting a possible cross-section of the prehistory and history of Anchorage. Unfortunately, virtually no physical evidence survives in the district of the events which transpired here. The district denominated on Map 2 is significant, however, as an illustration of how not to plan a city.

Archaeological evidence, which presumably was in the ground along the banks of Ship Creek, was destroyed during excavation and earth moving for roadway foundations, rerouting and damming of the creek, and for construction of the Anchorage railroad terminal yards. Many post-1915 residences built in the district have been moved or razed so that only a few remain from the founding period, and most of these have been substantially altered or modernized.

Little remains of the historic scene from any period. What does remain is an outstanding example of the deliberate avoidance of responsibility in 1915 by the Department of the Interior for the application of the knowledge available for planning at the inception of the development of the City (now the Municipality) of Anchorage. Instead, the General Land Office, U. S. Department of the Interior, applied principles that it well understood to be effective for laying out a pasture on the open range, but were not conducive to the human condition, in an area recognized and publicly proclaimed by the Department to be a permanent city for long time human habitation. By 1925 nine departments and twenty-three separate offices or bureaus of the federal government exercised authority over the Alaskan domain, delighting the bureaucrats and infuriating the sourdoughs.

The concept and survey for the Original Townsite is now matched in perspicuity by the concept for the historic district. The district includes the sites of nineteen of the original residences built by the Alaska Engineering Commission as residences for its members and administrative personnel. Of these nineteen, eight survive, in much altered condition. The more important group of these cottages, and the first built, were on Government Hill, not in the historic district. The one Cottage apparently of most probable historical importance has been scrapped and is the site of a commercial building in the historic district. The writer is referring to the Mears Residence. House (A.E.C.) #29.

None of the original public buildings which were in the district survives. The second hospital is gone, though its long-time site is in the district. The first non-government Anchorage hospital was not located in the

# Representative Dick Shultz

Alaska State House of Representatives  
P.O. Box V • Juneau, Alaska 99811 • (907) 465-4940  
Home: P.O. Box 487 • Tok, Alaska 99780



Member  
House Resources Committee

## MEMORANDUM

TO: MEMBERS TOURISM FINANCE SUBCOMMITTEE  
FROM: REP. DICK SHULTZ *PS for DS*  
DATE: MARCH 26, 1988  
RE: DREDGING UP ALTERNATIVE PROJECTS

\*\*\*\*\*

After a careful review of the controversy surrounding the "Forty Mile Dredge Project" contained in House Bill 423, and seeing the need to stay on a positive note in moving this important piece of tourism legislation along, I am offering two alternative projects.

The Tok / Gateway To Alaska, and Delta Jct. / Alcan Theme projects are designed to meet the criteria of HB 423 while keeping within the goals of the two respective communities preparing for the 1992 (50th anniversary) Alcan celebration.

In working with the Governor's office, the Division of Tourism, and the Legislative Tourism working group to help bring about increased traffic on our highways, two important aspects have been discussed. Number one, we need to increase our independent traveler volume. Number two, we need to upgrade the highway system environment they will be exposed to.

I see 1992 as a reasonable target date for several of these and other goals. Working with our Canadian neighbors on the celebration, we will be will laying the ground work for leaving a long lasting favorable impression with our highway travelers. By 1992, all major Alcan Highway improvements will be done, the Division of Parks Facilities will be more numerous, the Division of Tourism marketing will be in full swing, and the highway communities will have their individual preparations ready for the celebration.

These two projects will be a major part of that preparation, and will produce permanent long term benefits to all highway visitors in years to come. The goals of these projects are to provide folks a glimpse, in Tok and Delta, of some of the exciting experiences waiting for them as they travel Alaska's highways to points beyond.

Your assistance and foresight in helping to fulfill these "1992" goals is sincerely appreciated.

Project: TOK / "GATEWAY TO ALASKA PARK"

Description; As most people already know, the only highways that link Alaska to the continental United States merge in Tok Alaska. As a result, literally every motorist inbound for Anchorage, Fairbanks, and points beyond negotiates the famous intersection in Tok.

In 1992, we will be celebrating the 50th anniversary of the Alcan highway. Our communities along the highway in District 17 are already planning events to commemorate the highway and those who built it.

The proposed "Gateway To Alaska Park" fits into ongoing plans for beautifying the Alcan intersection area in Tok, while reserving a central space for a landmark to be placed there.

Through this project, local people will landscape an area approximately one acre in size which will be bounded by a rustic log fence with two larger than life big game mounts at the entrance. Winding board walks will meander through miniature gardens of local flora and rock. Benches and tables on and around small patios covered by flowered sod roof log gazebos will be placed for our visitors comfort and enjoyment.

A considerable amount of top soil will be placed and landscaped in rolling contours, and trees will be planted throughout the park. In the center a large space will be reserved for the placement of a monument. The local highschool students will be asked to offer ideas for the landmark, and the Tok Chamber of Commerce, Native Association, and Umbrella cooperation will also contribute concepts.

When completed the " Gateway Park" will benefit and beautify the community and the state.

\*\*\*\*\*

LOGISTICS

Labor (all local) 20 people at 720 hours

Equipment: (all local) small cat, loader, two dump trucks, backhoe, misc. and hand tools.

Materials; (locally provided) lumber, posts, logs, top soil, bricks, stones, cement, shrubs, trees, flowers, grass seed, and fertilizer.

Moose and Grizzly mounts at entry. (Alaskan Artist)

\*\*\*\*\*

Costs:

Labor/Admin. (wages and insurance) \$ 187,200.00

\$ Equip. (rental w/operators) \$ 30,150.00

Materials \$ 86,400.00

Grizzly and Moose monuments \$ 23,500.00

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Total \$ 327,725.00

\*\*\*\*\*

The grant will be administered through the Tok Umbrella Cooperation  
which is an existing local non profit.

City of Homer / Kachemak Park  
Gateway Building +  
Visitor Center

Alaska State Legislature



WHILE IN SESSION  
PO BOX 169  
KENAI ALASKA 995  
907 262 2366

HOME ADDRESS  
PO BOX 169  
KENAI ALASKA 995  
907 262 2366

Representative Mike Navarre

March 18, 1988

M E M O R A N D U M

TO: Representative Kay Brown

FROM: Representative Mike Navarre

SUBJECT: CS HB 423 (Resources), further amendmment

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Attached please find some required amendments to CSHB 423 (Resources).

The amendments would reduce the appropriation for Whiskey Gulch by \$22,000 (\* Sec. 15.), and increase the appropriation to the City of Homer (\* Sec. 40.) by the same amount.

The wording of the City of Homer appropriation would also be changed, from "Bypass park and RV dump station", to "Kachemak Park Gateway Building and Visitor's Center Facilities".

As you can see from the attached information, the Gateway Building is now part of the overall bypass park project, along with the RV park and dump station.

The appropriation amount will cover the cost of the building and related road and park facilities. The City of Homer will pay the other development costs, administer the park, and provide all operational costs.

Proposed amendments to CSHB 423 (Resources)

By Navarre

Page 2 - 3:

\* Sec. 15. The sum of \$500,000 [\$522,000] is appropriated from the general fund to the Department of Natural Resources for site aquisition and initial development at Whiskey Gulch and for aquisition, rehabilitation, and improvements for sport fishing access to the waters of the Kenai Peninsula.

Page 6:

\* Sec. 40. The sum of \$200,000 [\$178,000] is appropriated from the general fund for payment as a grant under AS 37.05.315 to the City of Homer for design and construction of the Kachemak Park Gateway Building and Visitor's Center Facilities [HOMER BYPASS PARK/RECREATIONAL VEHICLE DUMP STATION].

# Office of The Mayor

JOHN P. CALHOUN



491 E. PIONEER AVENUE  
HOMER, ALASKA 99603-7624  
(907) 235-8121  
HOME 235-7214

February 16, 1988

Alaska State Delegation  
Box V  
Juneau, Alaska 99811

Dear Legislator:

House Bill 423 relating to recreational projects include in Section 15 the sum of 1 million dollars for the Department of Natural Resources for site acquisition and development at Whiskey Gulch. In an associated booklet it describes the need to relieve the pressure on the Anchor River area. Although this is a well meaning thought, the businesses located along the Anchor River rely heavily on the tourism. This effort would defray money now going into the Anchor Point economy. With this in mind, I seriously question the merit of this project.

However, if there is an interest in enhancing and improving the tourism on the Lower Kenai Peninsula, a Kachemak Bay Gateway Building and Visitor's Center would be a most welcome project. Attached is a short narrative describing the project and its operation. Councilman Hanoski has spoken with Jack Wiles and Neil Johannsen of the Division of Parks in this regards. Both seem to feel that it would be possible for them to support this project. I hope you will see fit to do so also.

Cordially,

City of Homer

John P. Calhoun  
Mayor

JPC/pw

Enclosure

## KACHEMAK PARK GATEWAY BUILDING AND VISITOR'S CENTER

### Project Description:

Park with 2000 sq. ft. frame structure, located on City of Homer park land.

### Project Use:

- (1) Gateway facility for Kachemak Bay State Parks utilized to advise, inform and direct users of the park system.
- (2) Visitor's Center utilized by local Chamber of Commerce to advise, and direct tourists regarding local sites, activities and services.
- (3) Tourist Shop operated by private entrepreneur under City of Homer lease to provide revenue for maintenance of structure.

### Project Location:

City Parkland measuring approximately 1200' long X 150' wide. This parcel of land is situated approximately 1 mile from the entrance to the Spit on the Homer By-Pass Road at the intersection of Lake Street.

This location is perhaps one of the most visible and accessible of any within the City. Since the parcel is very long it would provide adequate access and parking for transient vehicles to enter and exit without traffic problems.

This park is planned to have a municipal R.V. sewage dump station as part of Homer's area-wide sewage disposal system.

### Economic Impact:

The ongoing budgetary requirements should be minimal. The City would provide maintenance and all operational costs associated with the structure. It would be expected that the entrepreneur leasing the building would provide a positive source of revenue for the City which would be utilized for the maintenance and operation of the Center. Excess revenues would be utilized in part for additional park improvements within the City.

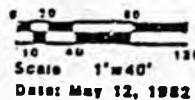
The building should provide both the State and City with a facility for visitors and tourists of the area with no continuing budgetary impact.

### Project Need:

For years the State has looked at Kachemak Bay Park system as being one of the most publicly visible parks within the State. Road transportation to the edge of the park via the Homer Spit provides easy access, but since the roads ends before the park entry the problems associated with vehicular traffic in the park are non-existent. The situation lends

# Homer By Pass Road Site Homer, Alaska

For The City Of Homer  
Land Design North inc.



KACHEMAK BAY STATE PARK  
GATEWAY AND VISITORS CENTER

Lake Road



Slough

# Alaska State Legislature

## Committees:

Chair-State Affairs  
V. Chair-Judiciary  
Telecommunications  
Special Ethics  
Legislative Council  
Finance Subcommittee  
for the University of Alaska  
Joint Committee  
on Economic Recovery



P.O. Box 1  
Juneau, Alaska 99811  
(907) 465-4947

**REPRESENTATIVE FRAN ULMER**

## M E M O R A N D U M

TO: Representative Kay Brown

FROM: Representative Fran Ulmer

SUBJECT: House Bill 423 - Tourism Development Bill

I need your assistance in adding a project to House Bill 423, an act making appropriations for tourism and recreation related capital projects, grants and expenses of state government.

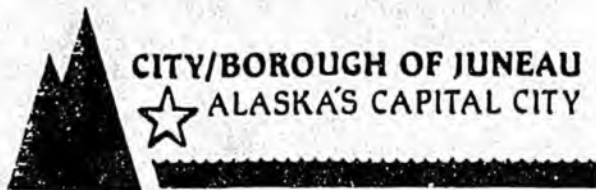
The Southeast Tourism Marketing Council has targeted their tourism efforts on the independent traveler. These tourists require food and lodging and consequently more dollars are captured by the local economy. These efforts are currently stymied because many of these visitors travel to Alaska in recreational vehicles and Southeast does not have an RV park to accommodate their needs.

This much-needed Southeast project to develop RV camping facilities, including water, sewer, electricity, cable, and restroom facilities could be begun with \$50,000. Working with the U.S. Forest Service, these funds would be used for site identification and initial planning and design. The project when completed would be contracted to the private sector for operation.

Your help and approval for adding \$50,000 to House Bill 423 will be much appreciated and supported by the Southeast Alaska Tourism Marketing Council.

Attachments

\* Sec. The sum of \$50,000 is appropriated from the general fund to the Department of Administration for payment as a grant under AS 37.05.315 to the City and Borough of Juneau for site identification and initial planning and design of a recreational vehicle park.



January 25, 1988

The Honorable Fran Ulmer  
House of Representatives  
P.O. Box V  
Juneau, Alaska 99811

Dear Representative Ulmer:

Please find enclosed the City and Borough of Juneau's proposed projects for "tourism and recreation" development which your office requested in a letter dated January 14, 1988. We have quickly put together a comprehensive list of those projects that fall within the category listed in your letter. Staff has worked with the tourism industry and departments within the city and borough to compile this list. The list is not in priority order, is only a staff-recommended list, and does not represent an approved listing of those projects reviewed by the Assembly. Because of the short time frame from when we received your letter and the hearing date of January 20, we were unable to have this list reviewed by the Assembly.

The "tourism and recreation" projects are:

Homestead Park - \$100,000. This project would develop a three-acre park on Douglas Highway that recently had a bus turnout constructed by the Alaska Department of Transportation during the summer of 1987. The project components would be constructing an interpretive area and scenic overlook towards the City of Juneau.

Marine Park Completion - \$1,800,000 - This project would fill in the water area between the Alaska Steamship Dock and the edge of Marine Park. It would include additional shelters, interpretive signing, and an seawalk area.

City Museum - \$490,000. This project would take the existing Juneau Memorial Library (after December 1988) and refurbish the interior with new finishes, carpeting, and ventilation and humidity control systems. The museum then would be relocated into the Juneau Memorial Library space with new exhibits and an interpretive system.

Dock Repairs and Construction - \$1,200,000. This includes constructing a dock from the ferry terminal to the cold storage dock to be used by tour ships.

Downtown Ferry Terminal Transfer Bridge for Cruise Ships - \$850,000. This project would entail reconstruction of the ferry terminal transfer bridge.

The Honorable Fran Ulmer  
January 25, 1988  
Page 2

Foss Warehouse Acquisition or Development for Waterfront Tourist Expansion - \$400,000. This project would increase the downtown ferry terminal site acreage to allow for expanded use of the waterfront for cruise ships and potential ferry service.

Sheep Creek Parking Lot Expansion for Tourism Sport Fishing - \$45,000. This project would develop an off-street parking lot for approximately 30 to 40 cars in the area of Sheep Creek for the purpose of providing access for sport fishing.

Mendenhall River and Montana Creek Trail Acquisition and Development - \$620,000. This project would assist in the acquisition of those two greenbelts as well as preliminary construction of recreational trails. Project planning complete.

RV Park and Campground for Independent Travelers - \$1,500,000. This project could potentially be done with the U.S. Forest Service. Would entail RV camping facilities for recreational vehicles; sewer, water, electricity, cable, and restroom facilities are planned. In addition, within the construction of this project, campground facilities for the independent hiking traveler would be included.

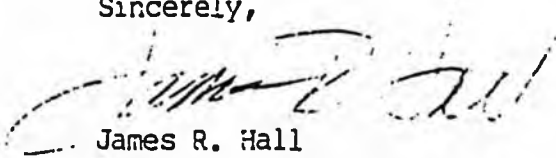
Last Chance Basin Mining Building Stabilization - \$100,000. Many of the Last Chance Basin buildings are deteriorating and need to be structurally repaired in order to withstand the snow load and wind forces prevalent within the basin.

Parallel Taxiway Match for FAA Funds - \$300,000. This project would lengthen the parallel taxiway to enable increased flights while improving the airfield movement within the airport.

City Aquarium - \$3,000,000 to \$5,000,000. This project would be located downtown on the waterfront for tourism-related activities.

Three other projects that have also been mentioned include State Museum Expansion, Native Cultural Center, and U.S. Forest Service Visitor's Center. These priorities were passed on to your staff member Judy Knight. Should you have any questions, please feel free to call me at 586-5251.

Sincerely,

  
James R. Hall  
Assistant City Manager

JRH:sj  
cc: Assembly CIP Committee

Project #15: WHISKEY GULCH SRS/KENAI PENINSULA SPORT FISHING ACCESS

Location: 4 miles north of Anchor Point

Senate District: D (A-B)

House District: 5 (A-B)

Amount: 522,000

Description: Acquisition of upland and beach properties, construction of access road, parking area and sanitary facilities.

Justification: Acquisition and development of an access to the southern beaches of the Kenai River and waters of Cook Inlet is a high visitor/sport fishing enhancement priority. Development of facilities in this area would relieve the severe crowding experienced at Anchor River SRA (Anchor Point) as well as the recreational trespass that occurs on the private lands at the mouth of Anchor River. The Whiskey Gulch area is heavily used by local residents and tourists during the Spring and Summer months. The beaches provide excellent clamming and outstanding halibut and salmon fishing are available in the inlet waters adjacent to Whiskey Gulch.

03/07/88

**Summary Notes**

**CS HB 423 (Res) - Tourism Projects Bill**

Projects included in the bill, grouped according to geographical location, are as indicated below. The bill section numbers are provided in the left hand column.

**Sec Statewide Projects** **\$000's**

19	DNR/Historic Preservation Grants	100.0
20	DNR/Highway Interpretive Signs Program	25.0
22	DOTPF/Tourism-Recreation Signage	50.0
38	Youth Conservation Corps	225.0

**Sec Interior**

02	Chena Recreation Area	210.0
03	Chena River Recreation Site	50.0
04	Chena Hotsprings Trail	50.0
05	Birch Lake Recreation Site	250.0
06	Dry Creek Recreation Site	150.0
21	Fairbanks Historic Preservation/Riverboat Nenana	25.0
27	Tok Historic Gold Dredge	688.0

**Sec Kodiak/Rural Alaska**

07	Buskin River Recreation Site/Ft. Abercrombie	200.0
28	Yuktavik Museum/Yup'ik Cultural Center	545.0
31	Nome/Various Projects	160.4
32	Snake Lake Access Road (Dillingham)	55.0
33	Unalaska Pictorial Display	54.2
34	King Cove/Town Center Park	23.5
35	Newhalen/Historic Site Renovation	9.0
36	Togiak/Marine Tourism Center	48.5
37	Naknek Museum	15.0

**Sec Anchorage-Eagle River**

11	Eagle River Visitor Center	300.0
12	Chugach State Park	670.0
13	Alaska Zoo/Glacier Bear Exhibit	150.0
23	Alaska Aviation Heritage Museum	160.0
26	Ft. Richardson Hatchery	25.0
26	Elmendorf Hatchery	37.2

**Sec Mat-Su Valley**

01	Quartz Lake Recreation Area	250.0
08	Finger Lake Recreation Site	200.0
09	Hatcher Pass Public Use Area/Independence Mine	900.0
10	South Denali	200.0
26	Big Lake Hatchery	25.2
30	Willow Creek State Recreation Area	100.0

**Sec Kenai Peninsula**

14	Kenai River Interpretive Boardwalks	350.0
15	Whiskey Gulch/Sport Fish Access	522.0
26	Crooked Creek Hatchery (Kasilof)	22.0
39	City of Soldotna/Boardwalks	300.0
40	City of Homer/Bypass-RV Dump	178.0

**Sec Southeast**

16	Chilkoot Lake Recreation Area/Chilkat Park (Haines)	200.0
17	Castle Hill Historic Site (Sitka)	100.0
18	Totem Bight/Totem Carving Program (Ketchikan)	200.0
24	Chilkat Bald Eagle Observatory-Cultural Center	1,500.0
25	State Maritime Museum (Ketchikan)	50.0
26	Klawock Hatchery	26.0
26	Deer Mountain Hatchery (Ketchikan)	32.0
29	Juneau City Museum	490.0

Project #1: QUARTZ LAKE STATE RECREATION AREA

Location: 86 miles east of Fairbanks (3 miles north of Big Delta)

Senate District: J

House District: 17

Amount: \$250,000

Description: The Alaska Department of Fish and Game has existing Federal and State funding for rehabilitation and expansion of the fishing access parking lot, construction of an additional boat launch ramp, and other facilities directly related to recreational boating and sport fishing uses at Quartz Lake SRA. The Alaska State Parks project at Quartz Lake SRA consists of rehabilitation of existing facilities to include improvement of the existing two miles of access road, upgrade of the existing campground, construction of a fish cleaning station and a float plane dock and construction of additional camping and related facilities at selected locations within the recreation area.

Justification: Quartz Lake State Recreation Area has become an extremely popular camping and fishing destination spot in the Interior. It is commonly filled to well over twice its present capacity. Users presently experience tremendous congestion and confusion at the one boat launch site and boat rental area. The use needs to be dispersed. The funds identified herein are needed to rehabilitate and expand the site in conjunction with the ADF&G project.

Project #2: CHENA RIVER STATE RECREATION AREA

Location: 30 miles east of Fairbanks

Senate District: J

House District: 17

Amount: \$210,000

Description: Construct trailhead parking improvements in three areas, including parking sites, loading ramp, toilet, well and information boards; install interpretive station, directional and informational signing; construct three trail shelters on the Granite Tors and Chena Dome trails, and one public use cabin on the river; construct a group use picnic shelter at 39-mile Campground; and, expand the shooting range at 36-mile, including new picnic sites, road improvements, and an archery range.

Justification: This area, located just 30 miles from Fairbanks, is popular with residents and tourists alike. The Chena River is one of the best road-accessible grayling fisheries in the state.

Recreational activities are currently concentrated along the road-river corridor. These funds would provide necessary facilities to divert activities off the Chena Hot Springs Road thoroughfare and provide additional access points to the river and backcountry.

Improvements would provide access to popular ATV, snowmachine, dogmushing, hiking and horse trails on Colorado Creek, Four-mile Ridge, the South Fork and Angel Rocks.

The area is popular with the entire spectrum of users: boaters, hunters, trappers, fishermen, hikers, ATV riders, horse riders, campers, etc. The Division is attempting to satisfy the diverse recreational needs with orderly developments that do not overly favor any particular user groups.

Developments are planned to minimize impact on the scenic and resource values, yet maximize recreational opportunities for the 130,000 annual visitors (1987 figure).

Project #3: CHENA RIVER STATE RECREATION SITE

Location: within downtown Fairbanks

Senate District: J, K (A-B)

House District: 18-21

Amount: \$50,000

Description: Upgrade the circulation roads for better drainage and dust control; improve the access and drainage around the toilets and dump station; rehabilitate and landscape the group picnic area; upgrade the riverside nature trail for handicap access; establish five new campsites; replace deteriorated tables, benches and barbeques.

Justification: This site is probably the most popular summer recreation destination site in Fairbanks with 80,000 visits in 1987. Nearly every tourist that camps in Fairbanks stays in Chena River SRS because of its close proximity to downtown, the university and shopping areas. It is also popular for residents' weekend and river-oriented activities. These funds will give deteriorating areas a facelift.

Project #4: CHENA HOT SPRINGS WINTER TRAIL

Location: 30 miles east of Fairbanks

Senate District: J, K (A-B)

House District: 18-21

Amount: \$50,000

Description: Continue work initiated with \$50.0 grant which explored the feasibility of developing this historic sled road as a public recreational corridor between Fairbanks and Chena Hot Springs. Continue field surveys, platting, easement negotiations with private and government properties crossed by the trail; adjudication/assertion of RS 2477 status initiated as necessary. Public meetings on the progress and feasibility of the project will be conducted, and trail markings and improvements (brushing, widening, rerouting) will be initiated on "accepted" portions of the trail.

Justification: The Chena Hot Springs Winter Trail (historic sled road) is very important for winter tourism and recreational use in the Fairbanks area. Portions of the route are used by: sled dog racers such as the Yukon Quest, Angel Creek 125, Two Rivers Classic; various snowmachine and ski events; numerous individual mushers, skiers, horse riders, and snowmachiners. The trail needs to be established and recognized as an entire public recreation corridor and its future development planned.

Project #5: BIRCH LAKE STATE RECREATION SITE

Location: 61 miles east of Fairbanks (28 miles north of Big Delta)

Senate District: J, K (A-B)

House District: 18-21

Amount: \$250,000

Description: This new development will upgrade the site access road from the Richardson Highway; upgrade the boat launch and parking area; develop 15-20 campsites and a new circulation road; provide three picnic sites, a well, toilets, furnishings and directional signing.

Justification: Since the Division acquired this undeveloped DF6 fishing access site in 1983, only minor road repairs, a single toilet, and intermittent janitorial servicing and trash collection have been performed. Besides the DOT/PF pull-off across the lake, this site provides the only public access to Birch Lake.

Very few good accessible lake fishing opportunities exist in the Interior. These improvements would relieve some of the pressure at Quartz Lake by providing improved access for boating, fishing, swimming and other recreational uses closer to Fairbanks. The unpublicized site is already popular with Fairbanks residents, sometimes accommodating 60 vehicles in an area barely suitable for 10. The poor drainage, erosion, fire hazards, and deterioration impact caused by unstructured camping and vehicle use can be alleviated with this development project.

Such a development and signing would provide tourists with better access to another productive Interior fishery.

Project #6: DRY CREEK STATE RECREATION SITE

Location: 5 miles northeast of Glennallen

Senate District: J

House District: 17

Amount: \$150,000

Description: Rehabilitate the existing campground by redesigning the site and road system in order to improve the standing water and drainage problems, upgrade the campsites, latrines, park furniture, signs and improve the access and campground roads by resurfacing all roads, parking and camping sites with crushed D-1 surfacing material.

Justification: This project is designed to improve the existing 58-unit campground that is currently spoiled by old and discarded U.S. Army debris and foundation structures which they used in the fifties and sixties.

The poor design of the existing campground facilities has created severe drainage problems which has led to a menacing mosquito population. This campground is situated in a strategic location and provides a valuable service to the local community and to the traveling public passing through the Copper Basin to and from the Canadian border, Fairbanks, Valdez and Anchorage. Many of Alaska's visitors, via the Alcan, stay at this campground during their visit to the state.

This site has tremendous potential for providing a much needed visitor service and for generating revenue to help pay for the maintenance and operation costs.

Project #7: BUSKIN RIVER and FORT ABERCROMBIE STATE HISTORICAL PARK

Location: City of Kodiak area

Senate District: N

House District: 27

Amount: \$200,000

Description: Construct shoulders and pave the roads, parking lots and individual vehicle campsites in the Buskin River State Recreation Site. Prepare a development plan for the WWII History Museum in the Miller Point Bunker at Fort Abercrombie State Historical Park. Begin the first phase development of the museum. The first stage development will include electrical and mechanical systems, installation of the large bunker doors, safety lights and minor site improvements. Develop a historical interpretive trail and brochure to guide visitors through the fort.

Justification: Buskin River State Recreation Site is located on Kodiak Island. The wet climate makes maintenance of the existing gravel access road very costly. The roads and parking area become rutted and potholed from the traffic and rain climate. The rough condition of the road surface and the narrow shoulders combine to present a serious public safety problem and generate a large number of complaints from visitors. This is a highly used camping facility close to Kodiak. Weather conditions dictate that this facility be paved to stop the erosion of the road surfaces. The complete restoration and adaptive reuse of the Miller's Point Bunker would serve as a commemorative museum interpreting the significance of the Aleutian defense during WWII, not only for the Kodiak area but for all of southwest Alaska.

Relationship to Work in Jobs Bill: The proposed Jobs Bill includes a proposed appropriation of \$50.0 to resurface the Buskin River road with D-1. This work will improve maintenance of the road and improve public safety. HB 423 will add to this work by increasing road shoulders and paving of the road. These two projects are complimentary.

Project #8: FINGER LAKE STATE RECREATION SITE

Location: 6 miles west of Palmer, 7 miles east of Wasilla

Senate District: E (A-B)

House District: 16 (A-B)

Amount: \$200,000

Description: Rehabilitate the existing 41-unit campground by improving and expanding the campsites, replacing park furniture, access and campground roads, day-use picnic sites, trails/boardwalk, fishing and boating facilities. If funds allow, an RV sewage dump station will be designed and constructed.

Justification: Finger Lake provides an attractive setting for campers, picnickers and offers access to motorized boat users and provides for accessible water-based recreation. This site consistently receives use of over 200% of its capacity during the summer months and also provides excellent winter recreation opportunities. When improved, this site will generate fees which will help defray the maintenance and operation costs.

Relationship to Work in Jobs Bill: The proposed Jobs Bill includes \$50.0 for this site to replace toilets and drill a new water well. These facilities are not in compliance with DEC regulations.

Project #9: HATCHER PASS PUBLIC USE AREA AND INDEPENDENCE MINE STATE  
HISTORICAL PARK

Location: 20 miles northwest of Palmer on Fishhook Road

Senate District: E (A-B)

House District: 16 (A-B)

Amount: \$900,000

Description: In the park, several historical buildings have had building foundation restoration completed. These buildings now need follow-up funding in order to complete the restoration and rehabilitation project by providing electricity, plumbing, heating and interior restoration. These buildings can then be contracted out to a private concessionaire to provide such services as overnight lodging, food services, retreat facilities and historical tours. Recently the U.S. Olympic cross-country ski team has proposed to establish a three month/year training camp at the historical park by readapting the use of the top floor (of three floors) of the old bunkhouse into their training and living quarters. When they are not using the facility, the Olympic floor and the rest of the building will be used as a public facility.

Justification: It is estimated that more than 100,000 people have visited the year-round area during the past 12 months, and with additional proposed projects, such as road upgrades, parking lots and an increased number of visitor facilities to provide for the already existing demand, this figure may double within the next few years. This project will provide greater opportunities to the tour bus companies, overnight lodging, food services, guides/outfitters, the ski-snowmachine and sledding industry and many other spin-off support functions. A major Southcentral ski resort development project is proposed by the Government Peak area and will have a major beneficial effect on this area for economic development.

Relationship to Work in Jobs Bill: The Jobs Bill includes proposed appropriations to DOT/PF of \$80.0 for upgrading of the Hatcher Pass Road and \$230.0 to DNR/DPOR for improvements to parking lots in the historical park and for parking lots on the Fern Mine Road. These funds will also be used by DNR/DPOR to improve the Gold Chord and Fern Mine Roads to improve public access to these important recreation and tourism resources. These projects are complimentary.

Project #10: SOUTH DENALI PROJECT, DENALI STATE PARK

Location: 50 miles north of Talkeetna

Senate District: E (A-B)

House District: 16 (A-B)

Amount: \$200,000

Description: This appropriation will lead to private venture capital invested in the area north of Talkeetna and south of Denali National Park to create a visitor complex to view Mt. McKinley. Public capital would be invested to create the infrastructure necessary to attract continued private investment in the site. We envision a joint federal-state visitor center, lodge, gift shops and possibly a tram or rail connection as the result.

The National Park Service has indicated strong interest in the project. Recent decisions in Denali National Park to limit north-end visitation make economic projections for the facility's success extremely favorable. Interest from the private sector is expected to be very high.

The \$200,000 in state venture capital will be used to conduct site specific studies to establish design standards, architectural concepts, operating costs, marketing and economic modeling, and allow the state to enter into more detailed environmental studies to determine site suitability and capability. The work would lead to the development of a contract award document for a public-private sector enterprise.

Justification: Current economic projections look very favorable due to the availability of investment capital in tourism markets for Alaska. Tourism expenditures in Alaska have enjoyed a steady yearly increase. Cruise ship lines and foreign investors are looking to initiate major expansion of their services in Alaska. The area is easily accessible from Anchorage, within a state and national park environment, has high visitor appeal and recognition, offers opportunity for an extended visitor season, and would fill a major void in the supply of facilities and visitor services on the south side of Denali.

## Project: South Denali Development

### Public Benefit:

Mt. McKinley is the premier visitor attraction in Alaska capturing over 32 percent of the market share of visitors. Development on the northside has reached saturation while southside development, within two hours of Anchorage, has been untapped. This joint federal-state-private sector enterprise project would serve as a major tourism development nucleus for the Mat-Su Valley. Visitors would experience the dramatic environment of McKinley in a park setting. The market appeal and attraction is very strong.

### Jobs Created:

The development is estimated to serve over 500,000 visitors per year based on existing highway road counts and projections. Approximately 100,000 new visitors (new capacity in the market place and marketing) are estimated. The economic stimulus from this visitation and the investment of \$40 million into the development of the project will create 400 construction jobs (1 job/\$100,000 investment) and 800-1000 direct jobs (200-room lodge) and 2,000+ jobs from indirect return.

Feasibility studies are currently underway to take these conservative figures and develop more detailed economic models.

### Economic Impact:

The project would consist of a \$20 million, 200-room lodge complex with private sector funding, \$15 million in public/private investment on roads, utilities, parking, maintenance facilities and \$5 million in federal funding for a visitor center. Direct return to the state and local government from revenues, taxes, sales, rentals and services are estimated to be \$2.3 million/year. Indirect returns from new tourist expenditures, jobs, local spin-off development, services and property values is estimated at \$28.7 million/year to a high of \$160 million/year in 15 years.

### Timing:

The payback on investment is estimated to be 9 years not including infrastructure. Revenue bonding is an option being considered. Detailed site feasibility and engineering studies would begin by summer of 1988 and contract proposals would be solicited by 1989.

Denali State Park Citizens' Advisory Board  
SR Box 6706 Wasilla, Alaska 99687  
February 27, 1988

Representative Adelheid Herrmann, Co Chair  
Representative Sam Cotten, Co-Chair  
House Resources Committee  
Alaska State House of Representatives  
Pouch V  
Juneau, Alaska 99811

RE: House Bill 423 State Park Tourism Improvements

Dear Representative Herrmann and Representative Cotten:

We are pleased to see the interest of the Legislature in Denali State Park. Although the Advisory Board has only been in existence for three years, interest and controversy regarding major development in Denali State Park have been an issue for much longer. In light of all the interest, the Advisory Board has continuously supported efforts to update the park's master plan BEFORE any sort of development is undertaken.

I feel the Board's (and Division of Parks and Outdoor Recreation [DPOR]) interest in the park's master plan is supported by statute and departmental policy and regulation. Per Alaska Statute 41:20, DNR (and DPOR for the department) is to "develop a continuing plan for the conservation and maximum use in the public interest of the scenic, historic, archaeological, scientific, biological, and recreational resources of the state" and "plan for and develop a system of state parks and recreational facilities to be established as the legislature authorizes and directs." DPOR drafted the "Statewide Framework" (1982) which, according to its own introduction, was intended to provide the framework within which more detailed planning efforts and management actions could be undertaken for state parks. In addition, the recently published "Mission 1990" is DPOR's 5 year plan to plan, acquire, develop and manage Alaska state parks. All of these address the need to plan and develop parks in an orderly manner taking into consideration all factors - environmental issues, development of recreational and economic opportunities, and resource management/protection.

Denali State Park is our area's largest state park. It is relatively undeveloped (2 campgrounds, several trailheads, and the Veterans' Memorial). It doesn't have a functional master plan, yet it has great potential as a multi-use area. Outdoor enthusiasts, environmentalists, hunters, guides, trappers, tourist industry, local government, borough and state residents all have concerns and interests in the park.

Issues which typify concerns of the advisory board include:

1. Inholdings - The impact of inholdings and their development on the park needs to be dealt with. Private inholdings in the park need to be considered in planning. At the very least those inholdings which are most strategically located should be dealt with (if possible) by trades or acquisition to transfer them into park ownership.

Example: Mr. Paul Nangle has a parcel at Byers Creek which he's subdividing. He is attracting buyers (It's our understanding that includes hotel developers). He went to DPOR in '87 regarding trade/acquisition. He was turned down due to lack of funds. It is also my understanding he has approached legislators about purchase and DPOR is again trying to negotiate but still has no funds. It should be noted several years ago when funds were plentiful, the parcel across the highway was purchased as a park addition.

There are other inholdings on the road corridor (and many in the park) which are in varying stages of development. All of them will have an impact on the park especially if one looks at the issue of strip development at the entrance and through the park.

2. Development has been proposed for the park numerous times in the last 2 decades. Each time this has occurred, a specific site has been chosen and proposed as the place for development rather than studying the park as a whole and planning for its many uses. The sites selected were not necessarily assessed in terms of wildlife versus human conflicts, accessibility, effect on environment, actual site limitations, cost factors, etc.

3. A comprehensive management plan would mean all possible uses of the park would be taken into consideration before decisions were made as to which were/are appropriate, the public would have an opportunity to comment on disposition of the park as a whole and not pieces of the park, all uses of the park could be planned and managed to minimize conflicts between wildlife and users and amongst various user groups, DPOR would be fulfilling its statutory obligation to protect and manage the resources as well as providing a variety of recreational and economic opportunities.

4. Per state law, DPOR has responsibilities which go above and beyond the attraction of tourism dollars and yet this park (as it seems to be the case with most state parks) has been unable to attract commitment from the Legislature or the Administration for development as a park unless commercial development is discussed. If that is how funds are to be obtained for the park so be it, but funds MUST be allocated to finish planning the park as a whole if the park is to have any integrity as a state park.

5. If the State Legislature supports development of facilities within Denali State Park we hope that with such development more funds for operation and maintenance of the park itself will be made available. At the present time we feel that Denali State Park functions with inadequate staffing. Development of any sort in the park without additional operating funds would be unacceptable to the advisory board.

We are happy to see legislative interest in Denali State Park particularly in light of the National Park Service's commitment of funds and time, the Governor's statement of lack of state funds to continue the effort, and the private sector's interest in park development. BUT please note our commitment to completing the park's comprehensive master plan, BEFORE anything else occurs. DPOR has responsibilities in planning, developing and managing a state park. The resources need to be protected and managed not just used. A balance of ALL park uses should be achieved. This can only be done by planning the park in its entirety, communicating with all the inholders/neighbors who are (or are not) proposing to develop their land.

Thank you for your support. If we can be of assistance, please feel free to call me. My home number is 745-5241.

Sincerely,  
  
Judith Anderegg, Chair

letters to Mat-Su Delegation, Senate and House Finance and Resource Committees  
cc: Neil Johannsen, Director DPOR

Denali State Park Citizens' Advisory Board  
SR Box 6706  
Wasilla, Alaska 99687  
January 14, 1988

The Honorable Steve Cowper  
Governor, State of Alaska  
Pouch A  
Juneau, Alaska 99811

Dear Governor Cowper:

We, the Denali State Park Citizens' Advisory Board, would like to bring a matter of great concern to your immediate attention - proposed funding (\$200,000) for completing the planning phase for Denali State Park. This funding has somehow been deleted from the Administration's proposed budget for the upcoming session.

Initially, it was our understanding that the Administration was supportive of these efforts because it would lead to an updated comprehensive master plan for the park which would enable Division of Parks and Outdoor Recreation (DPOR) to establish solid management decisions for Denali State Park - for resource management and protection as well as recreation and economic development (outdoor enthusiasts and tourists alike).

Since the establishment of the Board, three years ago, we have dealt with the issue of potential major commercial development in the Park. From our inception, we have stated that we feel it is imperative to have an updated solid comprehensive management plan for the park before anything - either of conservation or commercial orientation happens in the Park. The Director has supported our efforts to update the comprehensive plan.

We have requested and supported a complete updating of the plan for Denali State Park for three years. This planning effort would enable the state to plan and develop the park in an orderly manner taking into consideration all factors and facets - environmental concerns, recreation and economic development, and resource management and protection.

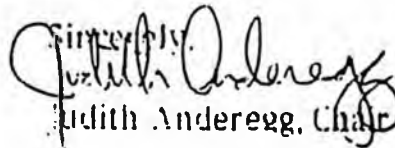
National Park Service has had an interest in development of a visitor center for Denali State Park for sometime, hoping it would alleviate some of their overcrowding on the North Side and allow more people to enjoy the Mountain. This past summer, they came forth with \$100,000 to begin the effort to update Denali State Park's comprehensive master plan with the

understanding that the State would support a \$200,000 appropriation this next session to continue the effort next summer.

At our meeting on January 12, we were informed as a Board that the \$200,000 request was no longer in the Administration's budget. We also received a copy of the January 4 letter from National Park Service to you stating that they could not continue their effort in Denali State Park if the state would not make a financial commitment. Further, it is the understanding of the Board that several legislators have come forth and stated that they would support the effort, if the Administration would take the lead.

Everyone seems to feel that Denali State Park has great potential - environmentalists, recreational enthusiasts, tourists, hunters, park managers, and commercial interests. The Board's concern is that whatever happens to the Park is well balanced and well planned. Without state support for the planning effort, this can not happen. We will lose what federal funds have been made available and continue to have no state funds. We can not afford to allow such a magnificent park to be developed without adequate planning and foresight. If tourism is the state's new economic hope, then surely Denali State Park needs to be considered. We would appreciate your attention to this matter and your consideration of reinstating the \$200,000 request for Denali State Park.

We look forward to your thoughts on this matter. We would appreciate hearing why it was deleted and if there is anything that we can help to provide information that would cause you to reconsider the budget request. Thank you for your consideration and attention.

Sincerely,  
  
Judith Anderegg, Chair

cc: Judy Brady, Commissioner, DNR

Neil Johannsen, Director, DPOR

Mat-Su Delegation: Senators Jay Kerttula and Mike Szymanski

Representatives Ron Larson and Curt Menard

Ric Davidge, Development Services Director, Mat-Su Borough

Senator Arliss Stungulewski

Project #11: EAGLE RIVER VISITOR CENTER UPGRADE

Location: 25 miles north of Anchorage on Eagle River Road

Senate District: E-1

House District: 7-15

Amount: \$300,000

Description: The visitor center is in need of major foundation restoration. The logs of the building rest on the ground, the floors inside are warped and there is no basement. The existing structure will be raised to replace the sill logs, remove the shallow footings and to construct a full basement. The main floor will be reconstructed to provide for structural integrity and the worn carpet replaced. The existing interpretive displays would be improved to include an Iditarod Trail display.

Justification: The improvements would greatly enhance the ability of the facility to meet visitor needs by adding needed storage area, space for volunteers to work and areas where interpretive exhibits can be planned and developed. The Eagle River Visitor Center continues to be one of Anchorage's major tourist attractions. Over the last three years, the visitor center has received 48,363 visitors per year. The center is operated by park volunteers which minimized the impact of its operation on the state's operating budget while providing a highly visitable and high quality visitor attraction in the Anchorage area.

Relationship to Work in the Jobs Bill: The following projects are included in the proposed Jobs Bill and do not duplicate work proposed here:

\$55.0 Turnagain Arm Scenic Corridor: Access improvements for tour buses at Potter Section House SHS; repair Bird-Indian Bike Path, add benches and scenic overlooks.

\$100.0 Old Johnson Trail: Improve Old Johnson Trail (bridges, handicapped access and Potter Maintenance Facilities Improvements).

\$95.0 Eagle River Visitor Center Parking Lot: This project will regrade, expand and pave the parking lot at the visitor center under the Jobs Bill. Under Project #12, Chugach State Park, HB 423, \$187,000 is proposed to develop a bypass road around the visitor center parking lot for traffic from the nearby residential subdivision. These projects are complimentary.

\$100.0 Chugach State Park (Trails): Construction of trails on the hillside and the northern portion of the park per the approved trail plan.

\$55.0 T-Bird: Finish parking lots, landscaping and erosion control along the trail.

\$50.0 Eklutna: Make improvements to the visitor contact station, construct toilets and picnic shelter ingroup camping facility.

Project #12: CHUGACH STATE PARK

Location: Southcentral Alaska, area just northeast of Anchorage

Senate District: E-1

House District: 7-15

Amount: \$670,000

Description: Provide facilities, special facilities, and upgrade trail standards to enhance the value of Chugach State Park for visitors arriving in Anchorage through Anchorage International Airport and via the Alcan Highway.

Specifically:

Provide interpretive signing and facilities along the Turnagain Arm Scenic Corridor (\$40,000).

Provide access to the recently acquired Eagle River Greenbelt (\$175,000).

Provide interpretive facilities and improve park signing on the Hillside portion of the park (\$40,000).

Parkwide trail upgrades (\$198,000).

Eagle River Visitor Center Bypass Road (\$187,000).

Eklutna Lake interpretive facilities and signing (\$30,000).

Justification: Chugach State Park is located in Anchorage which is the state's gateway for visitors arriving in Alaska. The Eagle River Visitor Center, Turnagain Arm Scenic Corridor, Eklutna Lake, the Eagle River Greenbelt, Glenn Alps scenic viewing platform overlooking Anchorage/Upper Cook Inlet/Mt. Susitna and the park trail system all provide tourists with excellent opportunities for experiencing Alaska. The above projects will improve the state's ability to offer a quality experience for visitors while also meeting their basic health/safety/transportation needs.

Relationship to Work in the Jobs Bill: The following projects are included in the proposed Jobs Bill and do not duplicate work proposed here:

\$55.0 Turnagain Arm Scenic Corridor: Access improvements for tour buses at Potter Section House SHS; repair Bird-Indian Bike Path, add benches and scenic overlooks.

\$100.0 Old Johnson Trail: Improve Old Johnson Trail (bridges, handicapped access and Potter Maintenance Facilities Improvements).

\$95.0 Eagle River Visitor Center Parking Lot: This project will regrade, expand and pave the parking lot at the visitor center under the Jobs Bill. Under Project #12, Chugach State Park, HB 423, \$187,000 is proposed to develop a bypass road around the visitor center parking lot for traffic from the nearby residential subdivision. These projects are complimentary.

\$100.0 Chugach State Park (Trails): Construction of trails on the hillside and the northern portion of the park per the approved trail plan.

\$55.0 T-Bird: Finish parking lots, landscaping and erosion control along the trail.

\$50.0 Eklutna: Make improvements to the visitor contact station, construct toilets and picnic shelter in group camping facility.

**Section 13**

**Project: Alaska Zoo/Glacier Bear Exhibit**

**Location: Anchorage**

**Amount: \$150,000**

**Description: See attached material.**

# Alaska State Legislature

REPRESENTATIVE  
**STEVE RIEGER**  
District 8, Seat B

House Finance Committee



3111 C Street  
Anchorage, Alaska 99503  
(907) 561-2034

While in Juneau  
P. O. Box V  
Juneau, Alaska 99811  
(907) 465-3464

## House of Representatives

### MEMORANDUM

TO: Representative Kay Brown

FROM: Representative Steve Rieger *SR*

DATE: February 24, 1988

RE: Backup Material for Alaska Zoo Appropriation in  
HB 423

In Regards to the \$150,000 appropriation to the Department of Commerce for payment as a grant to the Alaska Zoo in Anchorage for improvement of the glacier bear facilities, (Page 2, Lines 20 - 23) The following is a breakdown of how the funds will be utilized.

1. Construction of the bear's den and service area.  
Approximately 220 square feet.

Materials	\$22,000
Labor	\$14,000

2. Construction of the enclosure. Approximately 3200 square feet. SOHIO has already donated approximately 50% of the material for the enclosure.

Materials	\$18,500
Labor	\$28,800

3. Construction of the elevated walkway so visitors have an unobstructed view of the bear without looking through the bars of the enclosure. Includes 80 linear feet of elevated viewing area with access ramps on both ends of walkway.

Materials	\$27,500
Labor	\$40,000

TOTAL \$150,800

All materials for the project will be purchased from Alaskan companies and all labor will be local hire. Site selection, planning and design is complete and the project could be completed this summer if funds become available.



### CAPITAL PROJECT REQUEST

\$150,000 to construct a Glacier Bear exhibit at the Alaska Zoo.

The Alaska Zoo is the home of a two year old Glacier (blue) Bear that was captured by Fish and Game after it had become an incorrigible garbage bear in Juneau. The Glacier Bear, unique to Southeastern Alaska, is so rare that only one other Zoo in the world has one on exhibit.

This unusual animal is presently housed in a temporary exhibit made by dividing an existing black bear exhibit in half. While adequate for the health of the bear, this temporary housing is in the oldest and most unsitely enclosure at the Zoo.

Without a suitable exhibit for this beautiful bear, the Zoo has been reluctant to publicize the fact that it has the bear. It could bring in many tourist dollars if it were promoted.

The site has been selected and plans drawn; if funded, the project could be completed this summer. However, it is not likely that private funding coming from donations, etc. will enable the Zoo to construct this exhibit in the immediate future. Attached is a copy of the 1988 operating budget of the Zoo. No public funding is included. Capital projects of this size are beyond the current capability of the Zoo.

Of the more than 200,000 visitors to the Zoo every season, a very great percentage are tourists. The Zoo is a specialized zoo in that it displays primarily Alaskan birds and animals and many, many tourists come to the Zoo to see the Alaskan wildlife that they have not been able to see elsewhere. In the case of the Glacier Bear, it is highly unlikely they could ever see one in the wild.

The Zoo is open year round, employees 30 people during the busy season and 20 full time.



ALASKA ZOO 1988 BUDGET

INCOME

Gate Receipts	\$350,000
Family Passes	100,000
Food Sales, Net	80,000
Gift Shop, Net	65,000
Donations	25,000
Interest	10,000
School Tours	4,000
Misc. Income	2,500
	<hr/>
TOTAL	\$651,000

EXPENSES

Animal Feed	\$ 50,000
Vet & Farrier	26,000
Truck Expense	2,600
Utilities	35,000
Repairs & Maintenance	25,000
Operating Supplies	8,000
Misc. Fees	12,000
Landscaping	1,000
Petty Cash	2,500
Casual Labor	500
Salaries	282,500
Payroll Taxes	30,000
Insurance	45,000
Loan Payments	116,200
Travel	2,500
Office Supplies	7,200
Newsletters	5,000
	<hr/>
Total	\$651,000

Project #14: KENAI RIVER FLATS INTERPRETIVE BOARDWALKS

Location: 3 miles west of Soldotna

Senate District: D

House District: 5 (A-B)

Amount: \$350,000

Description: Construction of boardwalks, parking areas, viewing stations, sanitary facilities and interpretive displays.

Justification: The Kenai River Flats are innundated every Spring with thousands of migrating snow geese, sandhill cranes, varous species of ducks and other waterbirds. The lowland caribou herd spends the summer grazing along the Kenai River Flats and are often found next to the bridge access road which bisects the site. Development of the parking areas and boardwalks will provide an area where viewers can leave a vehicle and access the flats safely. The traffic jams along bridge access road would be alleviated and disturbance to the waterfowl and caribou would be minimal. A boardwalk will be built to a prehistoric house site which will be reconstructed to provide the public with an appreciation and understanding of the Kenaitze Indian ancestors' lives. These facilities will be a focal point for tourism activities in the Kenai area.

Alaska State Legislature

WHILE IN SESSION  
PO BOX V  
JUNEAU ALASKA 99811  
'907' 485-3773

CHAIR, RULES COMMITTEE



HOME ADDRESS  
PO BOX 188  
KENAI ALASKA 99822  
'907' 262-8386

DISTRICT 3

Representative Mike Navarre

January 28, 1987

MEMORANDUM

TO: Representative Kay Brown  
Representative Johnny Ellis

FROM: Representative Mike Navarre

SUBJECT: Tourism/Recreational Development Proposal  
Kenai River Interpretive Boardwalks

Attached is back-up material for the proposed Kenai River Interpretive Boardwalks (AKA Kenai River Flats Viewing Area).

The attached material includes:

- 1.) a Rough Draft of the proposal, including:
  - A) Outline of the project's scope, location, purpose, rationale, and estimated cost.
  - B) Copies of architectural renditions, illustrating the scope and nature of the project.
- 2.) A partial copy of the City of Kenai's Federal LWCF Recreational Grant application. This is included to indicate the City of Kenai's commitment to this project. They are seeking a Federal Grant of \$ 129,000, on a match basis (50% from the applicant, 50% from the federal source). This grant, along with an appropriation to DNR, Division of Parks and Outdoor Recreation, will allow the City and DPOR to move ahead with the project. It is design ready, and construction could begin this season.

I believe a Final Draft of the proposal is available, and I will provide the working group with one as soon as I have it in hand.

I sincerely appreciate the inclusion of this project in the Tourism/Recreation Development Proposal, and look forward to working with you on the entire package.

MAY 16TH 1987  
KENAI RIVER FLATS VIEWING AREA

ROUGH DRAFT

ROUGH DRAFT

ROUGH DRAFT

**INTENT;**

It is the intent of the Department of Outdoor Parks and Recreation and the City of Kenai to enter into a joint management agreement where by the City of Kenai would furnish certain lands and DOPOR would design and construct certain viewing facilities and other amenities and undertake the long term management of those amenities for the good and welfare of the State of Alaska and the general public. Basic drawings of those amenities are attached.

**PROJECT;**

To design fund and furnish materials and construct board walks, viewing platforms, parking areas, nature walks, interpretive and descriptive educational materials, conduct basic archeological and anthropological studies of the Kenai River Flats area and the wild life within the area.

**LOCATION;**

Warren Ames Memorial Bridge, Kenai River Crossing located within the City of Kenai, Kenai Peninsula Borough, Alaska including locations to the East and West of the highway and the North and South of the bridge. Project also encompasses that high ground area known as "Birch Island".

**PURPOSE;**

To make available to the general public, tourists, students, and naturalists, previously unavailable viewing areas, photographic opportunities, cultural studies, biological studies and artistic amenities associated with the migration of the Snow Geese, Sandhill Cranes, and other ducks and water fowl, Beluga Whale, Caribou and Moose all within the confines of a controlled area. To allow studies of wild life within a natural habitat area.

**RATIONAL;**

To insure protection of existing habitat through city/state management. To enhance tourism within the general Kenai area. To diversify the local economy. To provide for outdoor environmental education. To enhance understanding and appreciation of Kenai River Special Management Area and its resources.

**PROJECT COST;**

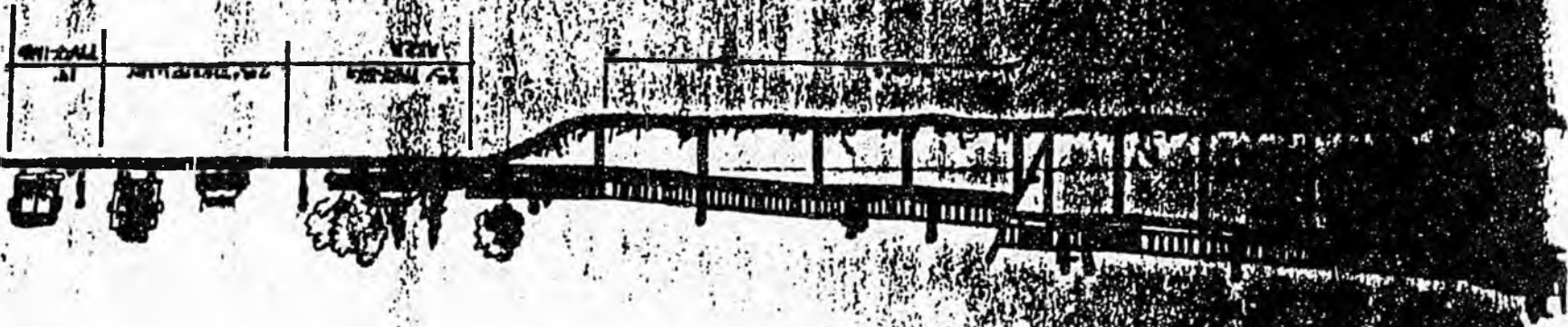
Total cost estimates are placed at One Million Two Hundred Fifty Thousand Dollars ( \$1,250,000.00 ).

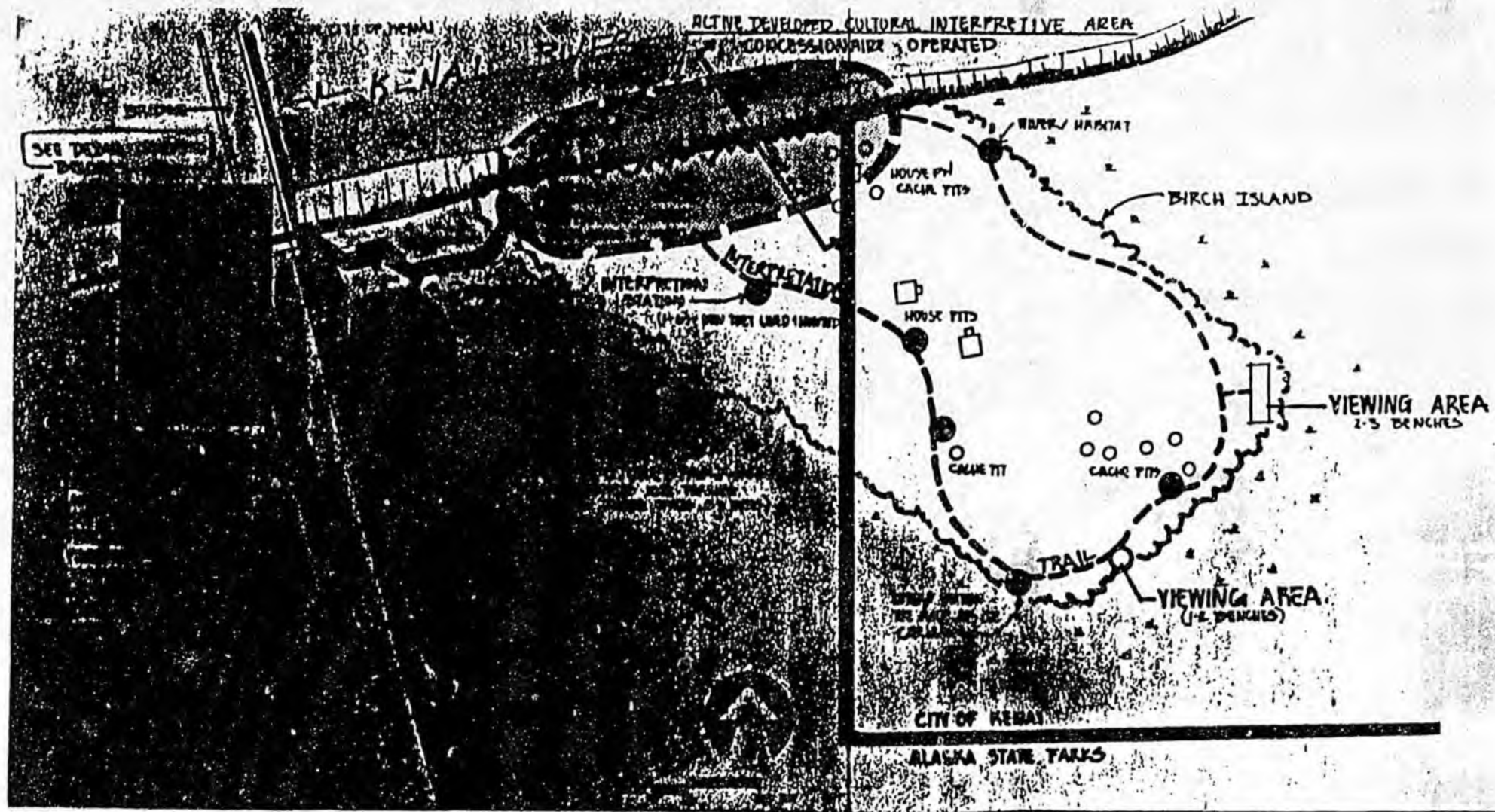




# ELEVATION JEWING PLATFORM

HIGHWAY





# KENAI RIVER WILDLIFE VIEWING AREA

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# BIRCH ISLAND INTERPRETIVE AREA

ACTIVE DEVELOPMENT - CULTURAL INTERPRETIVE AREA

INTERPRETIVE BOARD

CONCESSIONAIRE OPERATED



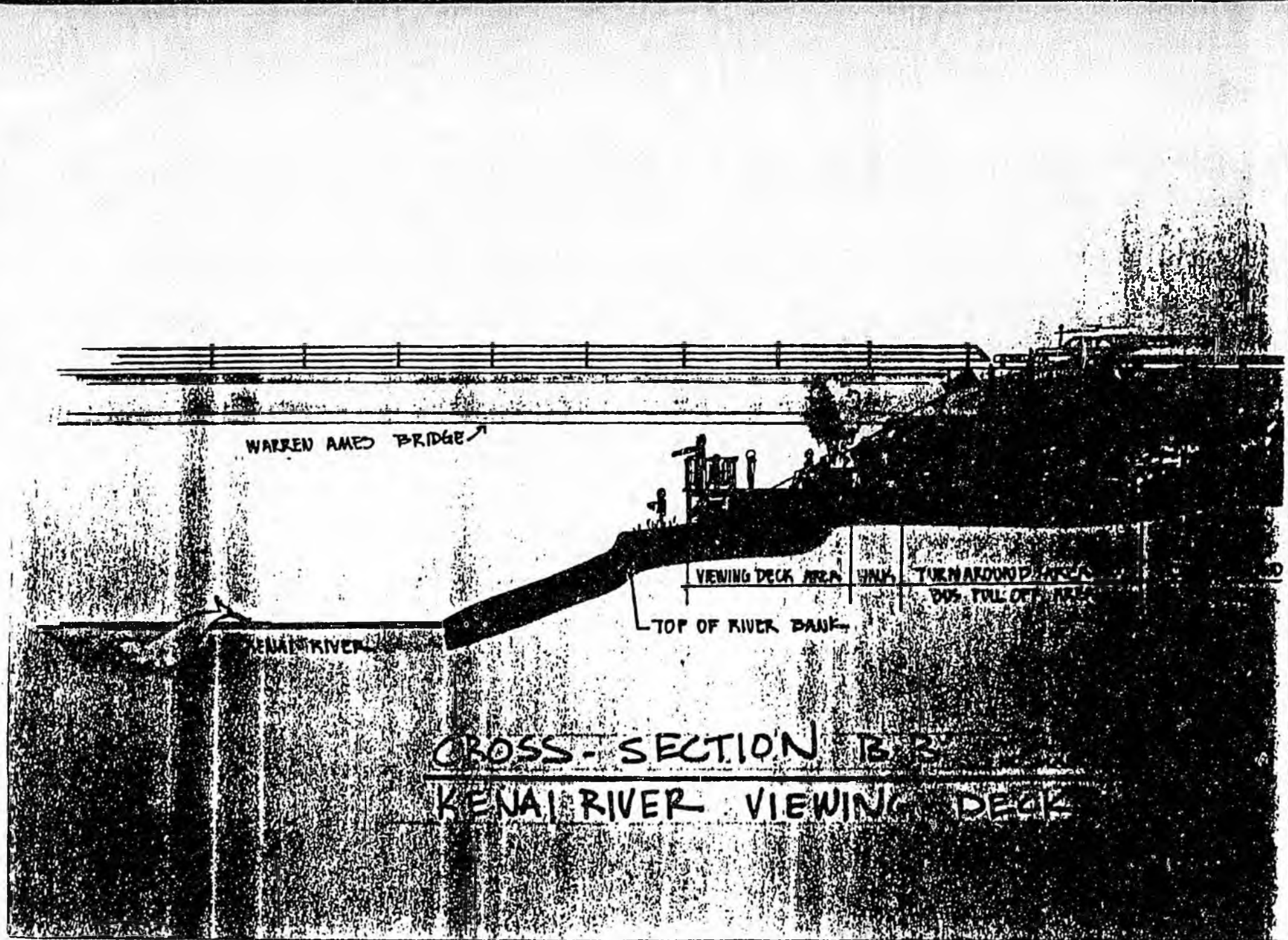
WYOMING STATE

WYOMING STATE

INTERPRETIVE TRAIL

RESISTANCE WITH DIRECTION  
INTERPRETIVE AND CONVEYANCE SYSTEM

CULTURAL INTERPRETIVE AREA



WARREN AMES BRIDGE ↗

VIEWING DECK AREA

TURNAROUND AREA

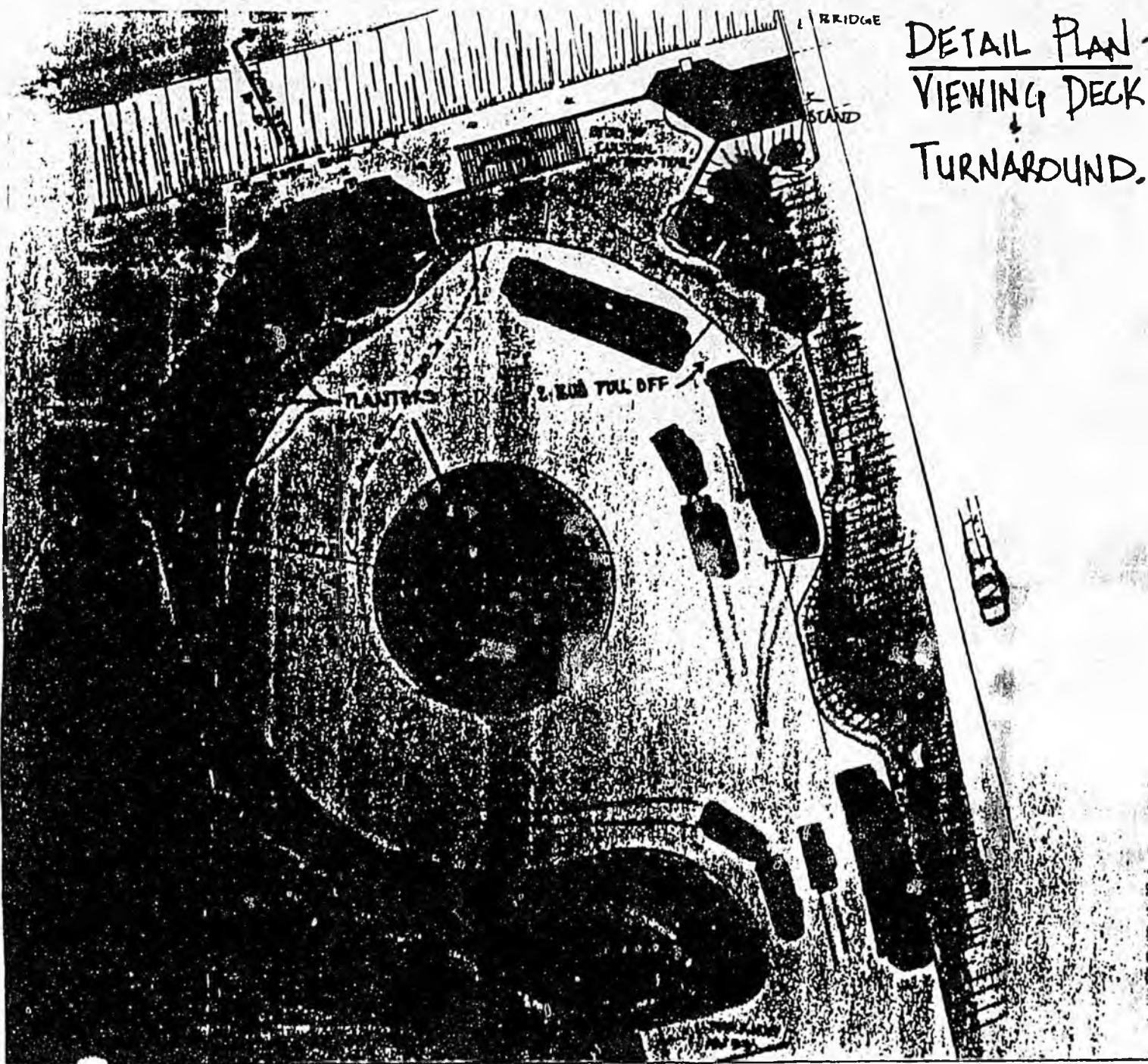
DOG TOLL OFF AREA

TOP OF RIVER BANK

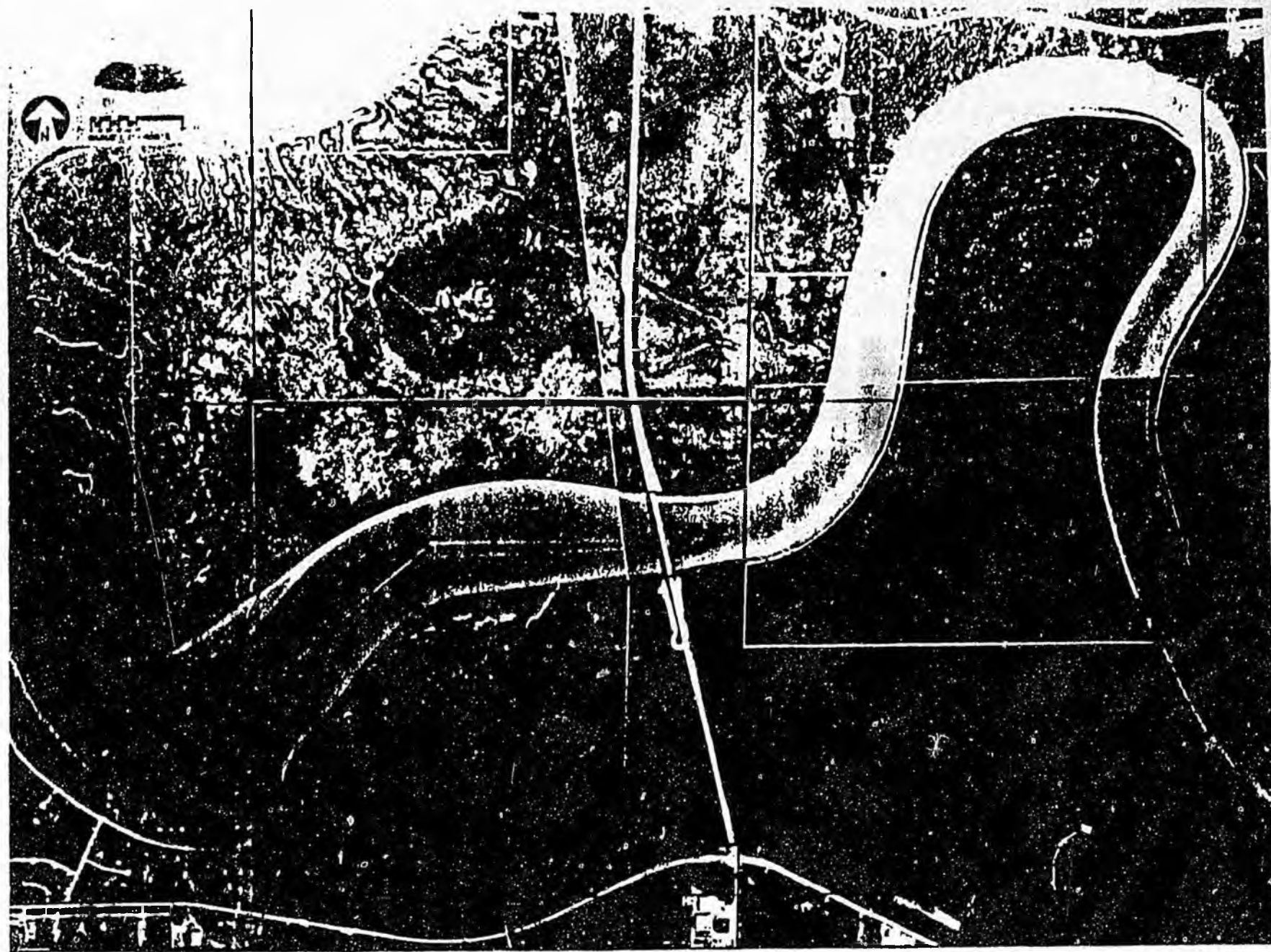
KENAI RIVER

CROSS-SECTION B-3

KENAI RIVER VIEWING DECK



DETAIL PLAN -  
VIEWING DECK  
TURNAROUND.



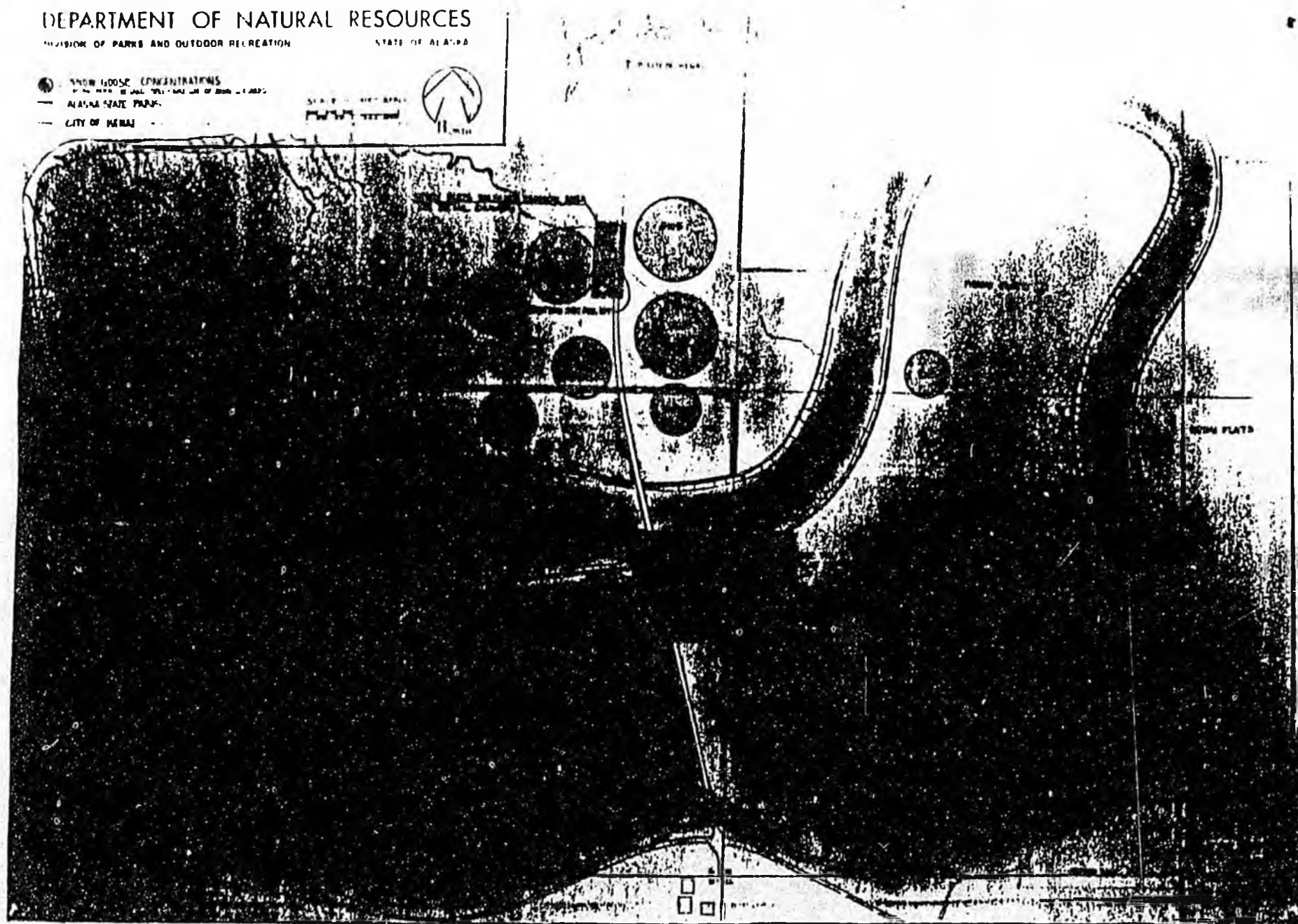
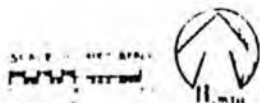
GILA RIVER FLATS

DEPARTMENT OF NATURAL RESOURCES

DIVISION OF PARKS AND OUTDOOR RECREATION

STATE OF ALASKA

- SNOW LOOSE CONCENTRATIONS
- ALASKA STATE PARKS
- CITY OF NENAH



KENAI RIVER FLATS

# FEDERAL ASSISTANCE

1. TYPE OF SUBMISSION (Mark appropriate box) <input type="checkbox"/> NOTICE OF INTENT (OPTIONAL) <input type="checkbox"/> PREAPPLICATION <input type="checkbox"/> APPLICATION	2. DATE Year month day 19	3. DATE ASSIGNED BY STATE Year month day 19
--	---------------------------------	---

4. LEGAL APPLICANT/RECIPIENT a. Applicant Name: City of Kenai b. Organization Unit: Local Government c. Street/P.O. Box: 210 Fidalgo d. City: Kenai e. County: Kenai f. State: Alaska g. ZIP Code: 99611 h. Contact Person (Name & Telephone No.): William J. Brighton (907) 283-7530	5. EMPLOYER IDENTIFICATION NUMBER (EIN) N/A b. PROGRAM (From CFDA) c. NUMBER: 112101016 d. TITLE: Outdoor Rec. - Acq., Dev. & Planning
---	--

7. TITLE OF APPLICANT'S PROJECT (Use section IV of the form to provide a summary description of the project) Kenai Flats Wildlife Viewing Area	8. TYPE OF APPLICANT/RECIPIENT a. Individual b. Business c. Community d. Government e. Other (Specify) f. Federal District g. Non-Profit h. Community Action Agency i. Community Development j. Other (Specify) Enter appropriate number: 2
---	--

9. AREA OF PROJECT: IMPACT (Name of cities, counties, states, etc.) Kenai, Alaska	10. ESTIMATED NUMBER OF PERSONS BENEFITING	11. TYPE OF ASSISTANCE a. Federal Grant b. State Grant c. Other d. Other (Specify)
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12. PROPOSED FUNDING a. FEDERAL: \$ 20,000.00 b. APPLICANT: 129,000.00 c. STATE: 00 d. LOCAL: 00 e. OTHER: 00 Total: \$ 258,000.00	13. CONGRESSIONAL DISTRICTS OF: a. APPLICANT: 01 b. PROJECT: 01 15. PROJECT START DATE: 19 88 4 01 16. PROJECT DURATION: 24 Months 18. DATE DUE TO FEDERAL AGENCY: 19	14. TYPE OF APPLICATION a. New b. Renewal c. Extension d. Continuation e. Other (Specify) 17. TYPE OF CHANGE (For 14a or 14b) a. Extension b. Continuation c. Other (Specify)
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19. FEDERAL AGENCY TO RECEIVE REQUEST National Park Service	20. EXISTING FEDERAL GRANT IDENTIFICATION NUMBER
a. ORGANIZATIONAL UNIT (IF APPROPRIATE)	b. ADMINISTRATIVE CONTACT (IF KNOWN)
c. ADDRESS	21. REMARKS ADDED

22. THE APPLICANT CERTIFIES THAT: To the best of my knowledge and belief, data in this preapplication/application are true and correct, the document has been duly authorized by the governing body of the applicant and the applicant waives comply with the attached assurances if the assistance is approved.	a. YES, THIS NOTICE OF INTENT/PREAPPLICATION/APPLICATION WAS MADE AVAILABLE TO THE STATE EXECUTIVE ORDER 12372 PROCESS FOR REVIEW ON: DATE _____ b. NO, PROGRAM IS NOT COVERED BY E.O. 12372 OR PROGRAM HAS NOT BEEN SELECTED BY STATE FOR REVIEW
---	--

23. CERTIFYING REPRESENTATIVE a. TYPED NAME AND TITLE: William J. Brighton, City Manager b. SIGNATURE: [Signature] c. DATE: 9/29/87
--

24. APPLICATION RECEIVED: 19	25. FEDERAL APPLICATION IDENTIFICATION NUMBER	26. FEDERAL GRANT IDENTIFICATION
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27. ACTION TAKEN <input type="checkbox"/> a. AWARDED <input type="checkbox"/> b. REJECTED <input type="checkbox"/> c. RETURNED FOR AMENDMENT <input type="checkbox"/> d. RETURNED FOR E.O. 12372 SUBMISSION BY APPLICANT TO STATE <input type="checkbox"/> e. DEFERRED <input type="checkbox"/> f. WITHDRAWN	28. FUNDING a. FEDERAL: \$ 001 b. APPLICANT: 001 c. STATE: 001 d. LOCAL: 001 e. OTHER: 001 f. TOTAL: \$ 001	29. ACTION DATE: 19	30. STARTING DATE: 19	31. CONTACT FOR ADDITIONAL INFORMATION (Name and telephone number)	32. ENDING DATE: 19	33. REMARKS ADDED
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KENAI FLAT WILDLIFE VIEWING AREA PROGRAM NARRATIVE

I. DESCRIPTION, OBJECTIVES AND NEED FOR THIS ASSISTANCE

The City of Kenai with the cooperation and assistance of the State of Alaska, Department of Natural Resources, Division of Parks and Outdoor Recreation, is applying for this grant for a Wildlife Viewing Area of the Kenai Flats.

Phase I: This project consists of:

- A. Enlarging the existing highway turnout located on the West side of the Bridge Access Road between the Warren Ames Bridge and Boat Launch Road. The new parking lot will consist of 17 parking spaces plus three (3) vehicle and trailer parking areas. The parking area will be paved, the parking lines painted, and a barrier type curb and gutter for a tire stop installed.
- B. A wooden deck will be built in front of the parking area complete with railings and handicap access.
- C. The wooden deck at the south end of the parking lot will extend approximately 150 feet into wetlands. This wooden deck would be constructed on piling. It is this portion of the project that the City of Kenai plans on using for its in-kind service donation to the project. The Kenai Chamber of Commerce will be furnishing and installing this wooden deck as a donation in the name of the City of Kenai for partial payment of the City's share of the grant.

Other phases of the project to be considered at a later date include:

Phase II: An additional wooden deck going west out of the center of the parking area approximately 230 feet to include handrails, benches, viewing platforms, spotting scopes, botany theme interpretative boards, habitat value interpretative boards, general habitat interpretative boards, management information, planter boxes and landscaping.

Phase III: This project would consist of the Kenai River Wildlife Viewing Area, as described in the attached Management Plan Report - Kenai River Flats, Alaska.

Phase IV: Birch Island Cultural Interpretative Area as also described in the attached Management Plan Report - Kenai River Flats, Alaska.

The City of Kenai needs Phase I of this project to provide its residents and visitors with a controlled access for viewing the wildlife in the wetland areas adjacent to the Bridge Access Road. At the present time the viewing public and photographers stop on the shoulder of the road or in the small parking lot next to this State highway. This presents a very serious safety hazard since the speed limit is 55 m.p.h. in this area. The crowds of people get rather large when caribou are spotted and during the stopover of the snow geese migration. Damage to the environment is caused by individuals walking out into the wetlands and disturbing the vegetation and the wildlife and thoughtlessly disposing of litter in the area. Besides the obvious economic improvements of providing short term jobs during construction, the final project will draw additional tourists into the community for viewing wildlife:

The Kenai Chamber of Commerce recognized a need for such a boardwalk at approximately the same time as the State of Alaska, Department of Natural Resource, Division of Parks and Outdoor Recreation. Consideration of the project began in the latter part of 1986.

## II. RESULTS OR BENEFITS EXPECTED

The City of Kenai residents, visitors and the environment all stand to benefit from this project. This project will be an excellent example of how private businesses (Kenai Chamber of Commerce), local government (City of Kenai), State government (State of Alaska), and federal government (National Park Service) can all work together for the benefit of the people and the environment.

## III. APPROACH

The City of Kenai plans to work very closely with the State of Alaska, Department of Natural Resources, Division of Outdoor Parks and Recreation in providing an ideal facility. Upon receipt of the grant the City of Kenai Public Works Department will proceed with requests for engineering/architectural proposals or may perform in-house engineering design for construction plans and specifications. The Public Works Department has successfully administered and managed many such projects similar to this small project to multi-million dollar projects. With the declining public revenue and construction money, the Public Works Department will be handling less than 10 million dollars worth of work this year, and this project would receive our full attention.

Once the construction plans and specifications are completed we will go out for competitive bids. The City of Kenai bidding documents will be modified to reflect the needed documentation for federally assisted projects. We have successfully done this for EPA, FAA, Library, and other federal programs.

With the grant being expected in the early spring of 1988, the City of Kenai's schedule would include starting immediately on the design drawings and specifications with construction to begin the mid-summer of 1988 (shortly after the snow goose migration). The construction completion date would be by the end of 1988. Much of the work could be accomplished after freeze-up and during the first part of the winter of 1988.

Other agencies, organizations and consultants that would be involved include the State of Alaska, Department of Natural Resources, Division of Parks and Outdoor Recreation, U.S. Government, National Park Service, Kenai Chamber of Commerce and possibly a local consulting engineer or architect, charitable organizations, and wildlife protection organizations such as the Audubon Society and Ducks Unlimited.

#### IV. GEOGRAPHIC LOCATION

The project is located within the city limits of the City of Kenai on the State maintained highway named Bridge Access Road. The Bridge Access Road runs from the Kenai Spur Highway in downtown Kenai to Kalifornsky Beach Road. The specific location would be on the west side of the Bridge Access Road approximately half way between the Warren Ames Bridge and Boat Launch Road.

#### V. OTHER ITEMS

There are no other federal grants involved in this project at this time. The City of Kenai is also seeking additional funding from other sources such as the Alaska State Legislature, CEIP money, LSRT funds, Coastal Management funds, etc.

Project #15: WHISKEY GULCH SRS/KENAI PENINSULA SPORT FISHING ACCESS

Location: 4 miles north of Anchor Point

Senate District: D (A-B)

House District: 5 (A-B)

Amount: \$1,000,000

Description: Acquisition of upland and beach properties, construction of access road, parking area and sanitary facilities.

Justification: Acquisition and development of an access to the southern beaches of the Kenai River and waters of Cook Inlet is a high visitor/sport fishing enhancement priority. Development of facilities in this area would relieve the severe crowding experienced at Anchor River SRA (Anchor Point) as well as the recreational trespass that occurs on the private lands at the mouth of Anchor River. The Whiskey Gulch area is heavily used by local residents and tourists during the Spring and Summer months. The beaches provide excellent clamming and outstanding halibut and salmon fishing are available in the inlet waters adjacent to Whiskey Gulch.

Project #16: CHILKOOT LAKE AND CHILKAT STATE PARKS REHABILITATION

Location: Haines area

Senate District: B

House District: 2

Amount: \$200,000

Description: Capital funds would be used to improve two park units in the Haines vicinity - Chilkoot Lake and Chilkat State Park. At Chilkoot Lake State Recreation Area the existing 32-unit campground, boat ramp and parking for boat trailers would be upgraded to meet acceptable standards. This park unit has received no capital improvements in well over 12 years due to an uncertainty in the outcome of Native claims which are now resolved. At Chilkat State Park the access road is in need of improvements. A spring has caused a soft road condition in a section of the road and is a safety concern. All ditches along the three mile road are in need of regrading and cleaning to enhance drainage. Campground facilities need to be improved to be more acceptable as a fee area. Highway directional signing to guide tourists to park units throughout Haines needs to be installed.

Justification: Haines receives heavy tourist visitation. Highway travellers using the ferry system almost all pass through Haines. Chilkoot Lake is in a very picturesque location and is popular both for tourists and residents. Revenue will be generated through collecting camping fees. But, because the facilities are in poor condition, tourists will not be satisfied with them. Improved camping sites, boat launch, trails, picnic sites, and tables and firepits would make this one of our state's best tourist destination sites. Public safety is our highest management concern and priority. The soft spot in the Chilkat access road is potentially dangerous and should be corrected as soon as possible to lessen any chance of injury. Campsite fees will be charged at Chilkat State Park. Upgrading of camping sites, to include furniture items, would result in greater visitor satisfaction and would help to promote tourism.

Relationship to Work in the Jobs Bill: The proposed Jobs Bill includes \$50.0 for work at Chilkoot Lake State Recreation Site. This work includes the replacement of two old toilets with two DEC-approved vaulted toilets at Chilkat State Park and the replacement of 35 firepits at Chilkoot State Recreation Site.

Project #17: CASTLE HILL HISTORIC SITE

Location: City of Sitka

Senate District: B

House District: 3

Amount: \$100,000

Description: Upgrade existing overflow parking area (pave/curb/gutter/sidewalks). Construct an interpretive shelter to provide for out-of-the-rain programs for small groups. The thrust of the interpretation would be the Russian occupation period of Alaska's history with artwork or replica models of Baranof's Castle.

Justification: Lighting for the flags would preclude the necessity of raising and lowering the flags daily. It would save the state money and volunteers who are counted on to handle the task could do other jobs. The site should be accessible to wheelchairs and handicapped folks. Interpretation is inadequate for a site of such historical significance and potential visitation. Artwork and a model of the castle would help tell the story behind the site.

Relationship to Work in Jobs Bill: Work proposed in the Jobs Bill includes \$30.0 to install security and safety lighting on the stairs and ramp, and to install handrails for handicapped access. Existing funds are being used to build the access ramp halfway up the hill. An additional \$90.0 in the Jobs Bill is proposed to finish the upper half of the ramp, add rest stops along the trail with benches. These funds will also be used to landscape the hillsides, place signs, and produce six interpretive displays for the interpretive kiosk at the base of the hill near the entrance to the site.

Project #18: TOTEM BIGHT STATE HISTORICAL PARK

Location: City of Ketchikan

Senate District: A

House District: 1

Amount: \$200,000

Description: Begin replacement of deteriorating totem poles. Carving would be done on-site and would become a tourist attraction of its own, providing demonstration of carving techniques. Replace foundation of tribal house and repair house and poles. Landscape parking area and install benches. Develop a pad for parking a small travel trailer for a park host.

Justification: Several of the poles are in poor condition and need to be replaced. Others need to be repaired. The site is a major tourist attraction and currently does not present a good image. The foundation of the tribal house is rotten in places and must be replaced or it may endanger the entire building and public safety. Benches are needed as most visitors are elderly. The camp host pad is needed as camp hosts reduce vandalism and inappropriate behavior thus cutting costs of maintenance and patrols.

Project #19: HISTORIC PRESERVATION GRANTS

Location: Statewide (Anchorage office)

Senate District: E-1 (Anchorage)

House District: Anchorage (7-15)

Amount: \$100,000

Description: Grants funds will be used for maintenance, restoration and rehabilitation of historic sites. There are a great many historic properties in need of repair and maintenance if they are to be saved from deterioration and preserved. Rehabilitation work is labor intensive and creates local jobs. Materials used in rehabilitation work are available and purchased in the local community. The grants will be distributed throughout the state.

Justification: Historic properties are an important part of local communities and the state. As part of the tourism industry, they are visitor destinations. Revitalized downtowns and older neighborhoods and adaptive reuse of historic properties can provide new business opportunities and increase property values. They are part of our heritage that needs to be preserved. There are hundreds of historic sites in Alaska eligible for these funds. The grants will be administered by the Department of Natural Resources under AS 41.35.040. A grants program is already in place so the funds can be distributed quickly.

Jane G. Haigh  
280 E. Birch Hill Rd.  
Fairbanks, AK 99712

January 25, 1987

Dear Representative's Brown and Ellis,

Your Draft Tourism and Recreation Development Proposal has recently come to my attention. As a member of the Governors Historic Sites Advisory Committee, I am deeply interested in promoting Historic Preservation, that is the preservation of our historic built environment throughout the state.

I very strongly support your Draft Proposal. At a time when tourism seems to be our only growing industry, and the state Tourism budget is itself increasing, I have failed to see the rationale for decreasing the budget to promote and rehabilitate our historic sites, both in State Parks and in the private sector.

I am pleased to see that your proposal already addresses a number of historic sites within the State Parks system. However, most Historic Sites and buildings in the state fall outside the State Parks. Perhaps you are not aware that there is already a long-standing Grants-in Aid program which in the past has funded public and private sector Historic Rehabilitation and preservation projects. The Historic Preservation Grants-in Aid program is a federally funded small grant program relying on state matching funds, and operated by the Office of History and Archeology in the Division of Parks. These type of grants have ranged from \$1000 to about \$25,000 in the past and have gone to communities such as Cordova, Dillingham, St. George, Unalaska, Barrow, and Wrangell, in addition to Juneau, Fairbanks, and Anchorage. Unfortunately, state budget cuts the last two years have just about eliminated this grant program.

Historic preservation has been shown to be an effective economic development tool wherever it has received adequate support. The recognition, preservation, and rehabilitation of our historic sites, structures, neighborhoods, and communities can bring in outside investment, promote tourism, and create jobs. In fact, it has been shown that rehabilitation of historic structures creates more jobs than equivalent new construction.

The State of Alaska already has seen a significant number of successful rehabilitations including Courthouse Square (The old Federal Building) in Fairbanks, The Alaska Hotel and the Old Steam Laundry and others in Juneau, and nearly the whole town of Skagway, (thanks to the National Park Service.)

Putting \$100,000 or more in the budget for the Office of History and Archeology would make an unbelievable difference, and could be used in small grants for survey and planning, and or actual rehabilitation of preservation projects. These grants could go to individuals or communities through an existing program. All of the regulations, proposal and review apparatus, and grants management procedures are already in place. Providing funds for historic preservation projects through an existing grant program would allow for an orderly and fair way to distribute funds on the basis of project merit, rather than as hastily conceived projects inserted as line items in the budget.

(1)

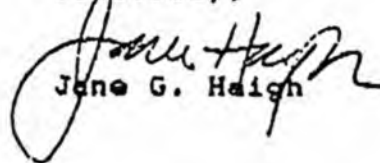
Projects are reviewed by the Governor's appointed Historic Sites Advisory Committee, and professional advice and support is provided by the qualified historian and Architectural Historian in the office of History and Archeology.

In addition to a component for small grants, I would suggest these other Fairbanks projects:

1. Money for preservation and rehabilitation of the Riverboat Nenana. This is an ongoing project currently being run by the Fairbanks Historic Preservation Foundation. \$250,000
2. New foundations and rehabilitation of the Gold-Rush Town cabins at Alaskaland. \$100,000
3. A heating system for the Wickerham House at Alaskaland. \$15,000.
4. Planning and site acquisition of the Old F.E. Complex on Illinois St. for a City/Borough museum and Historic Site.  
Planning \$100,000  
Site Acquisition ?????

Thank you for your attention to these matters.

Sincerely,

  
Jane G. Haigh

cc Mark Boyer  
Mike Davis  
Nillo Koponen  
Janet Halverson

(2)

Project #20: HIGHWAY INTERPRETIVE SIGN PROGRAM

Location: Statewide (Anchorage area)

Senate District: E-1 (Anchorage)

House District: 7-15 (Anchorage)

Amount: \$25,000

Description: The highway interpretive sign program would inventory opportunities for interpreting roadside natural and cultural features along the state's highway system. The product would identify interpretive values of specific sites and estimate of the costs for various levels of implementation.

Justification: The highway system throughout Alaska travels through many regions of natural history, unusual natural beauty and historic significance. The Department of Highways' waysides of 20 years ago have all but disappeared. The opportunity for enrichment of the travellers' visiting experience can be greatly enhanced through a planned system of highway interpretation.

Project #21: RIVERBOAT NENANA GRANT

Location: City of Fairbanks

Senate District: J, K (A-B)

House District: 18-21

Amount: \$ 25,000

Description: Grant funds for the restoration and preservation of the Riverboat Nenana will enable work to continue on one of the major visitor attractions in Fairbanks. The restoration work will follow the restoration plans prepared by a maritime engineering company. The work will be labor intensive. Materials will be purchased locally. The funds will be appropriated to the Department of Natural Resources for payment as a grant under AS 37.05.316 to the Fairbanks Historic Preservation Foundation.

Justification: The Riverboat Nenana, which is listed on the National Register of Historic Places, is the last steamboat to offer passenger service in Alaska. It is the major attraction at Alaskaland, an important visitor destination in Fairbanks. For many years the community of Fairbanks has been active with the restoration of the Riverboat through volunteer support and donations. In the past, federal and local funds have been used to stabilize and begin restoration on the steamboat. This grant will allow the long-term restoration work to continue.

**Section 22**

**Project: DOTPF/Tourism Oriented Directional Signing**

**Location: Statewide**

**Amount: \$50,000**

**Description: The attached discussion paper by the Department of Transportation and Public Facilities reviews the need for tourism oriented directional signs (TODS).**

**DRAFT**

**POSITION PAPER:**

**INFORMATIONAL AND DIRECTIONAL SIGNING  
FOR  
COMMERCIAL ESTABLISHMENTS**

**Introduction**

The Highway Beautification Act of 1965 severely restricted advertising signs apart from on-premises signs. Many States were even more restrictive to protect the aesthetics of their roadways. In 1969, to provide directional information to motorists on limited-access roadways (Interstates and similar), a system of Specific Service Signs ("Logos") in the right-of-way (ROW) at interchanges was allowed for food, gas, lodging and camping when such enterprises were not visible from the limited-access routes. This program was extended in late 1986 to be eligible on conventional roads<sup>1</sup> with federal approval.

However, the Logo sign program leaves many desirable if not necessary businesses with little or no means to inform motorists of their service and location.

Most states have resisted efforts to institute other signing programs because the demonstrated need from the motorist standpoint was not equal to the costs and public safety consequences. (It is generally held that proliferation of roadside signs causes motorists to tend to ignore them, including necessary traffic control devices, dilutes their attention from the vital driving task, and presents another series of roadside obstacles in collisions.)

However, with the rise in tourism and a lagging economy in some areas, the need for better directional signing for business enterprises was perceived. The Federal Highway Administration is proposing to add a section to the federal Manual on Uniform Traffic Control Devices (MUTCD) to provide for an official system of Tourist Oriented Directional Signs ("TODS") to meet this need. (Attachment 1)

There has been a growing demand for such directional signing in Alaska. During a recent teleconference including representatives from the Federal Highway Administration (FHWA), the Department of Transportation and Public Facilities (DOT&PF), the Legislature, other State departments, local agencies and the public, it was agreed that Alaska needs to systematically and cooperatively address this growing need.

**Purpose:**

The purpose of this discussion is to provide information on pertinent aspects of programs to enhance motorist directional signing such as the various public policy issues involved (business enhancement, public safety, cost to public agencies, and

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<sup>1</sup> Including all federally funded highways, not just controlled-access expressways and freeways.

roadside beautification), and to recommend a course of action meeting the cooperative needs of all concerned within the limits of our resources.

While aspects related to advertising outside the right-of-way are discussed, the main thrust is what the DOT&PF can do to enhance directional signing within the right-of-way of state-maintained roads, and in this manner meet the needs of more businesses and motorists.

#### **Review of Statutes, Regulations and Policies on Signing:**

FHWA has informed the Department that the "Interstate" routes in Alaska, which were so designated for funding purposes, are not considered as "Interstates" for the purposes of federal statutes and regulations on highway signing. This is of little impact because most of the restrictive federal regulations apply to both Interstate and Primary routes, and Alaska's "Interstates" are Federal Aid Primary routes.

The only areas where we have flexibility absent changes in federal statutes and regulations are outdoor advertising adjacent to state and local roads and secondary Federal Aid routes, and Traffic Control Devices on most roads.

Conventional outdoor advertising possibilities (billboards) are generally limited to locations outside the ROW on Federal Aid Secondary roads, and a proposal is being considered to liberalize the State regulations there to be no more restrictive than the federal regulations.

As explained previously, the most promising avenue for widespread private enterprise identification in the right-of-way is an experimental program (TODS), and this paper will be directed at this more feasible alternative of "official" directional and informational signing.

There are at least three relevant regulatory or statutory areas and at least six documentary authorities regarding signs:

#### **Regulatory Areas:**

1. Traffic Control Devices (TCD's)
2. Outdoor Advertising
3. Right-of-Way (ROW) Encroachments

#### **Authority References:**

- A. Code of Federal Regulations (CFR)  
(backed by enabling legislation.)
- B. Alaska Statutes (AS)
- C. Alaska Administrative Code (AAC)
- D. DOT & PF Policy and Procedures (P&P)

- E. Alaska Traffic Manual (ATM)
- F. Local Laws and Ordinances (not treated here)

Attachment 2 shows which authorities pertain to various roadway classes.

1. TCD's

A. 23CFR655-Subpart F establishes the Manual on Uniform Traffic Control Devices (MUTCD) as the standard on streets, highways, and bicycle trails open to public travel. (Attachment 3)

It allows States to have their own manual or supplements in substantial conformance to the national MUTCD and with the FHWA Regional Administrator's approval of the manual or supplements. The Alaska Traffic Manual (ATM) exercises this option by consisting of the MUTCD with a federally approved "Alaska Supplement".

B. AS28.01.010 requires municipalities to conform as close as practicable to the DOT&PF's ATM. (Attachment 4)

AS19.10.040 requires DOT&PF to conform as far as possible to the national MUTCD. (Attachment 5)

D. P&P 70-7000 defines the ATM as the MUTCD with an Alaska Supplement and establishes the policy that it is the official State manual. (Attachment 6)

E. The MUTCD portion of the ATM (section 1A-3.1) requires that no TCD or its support shall bear any advertising or commercial message, or other message not necessary to traffic control. Furthermore, it requires any unofficial and non-essential signs to be removed as a public nuisance. (Attachment 7)

The ATM allows the State to establish a federally approved program of Specific Services ("Logo") Signs for food, gas, lodging and camping.

[NOTE: It is also likely that a system of Tourist Oriented Directional Signs (TODS) will soon be allowed by the national manual, and would likely be approved under the present statutes and regulations based on precedent in other States. See Attachment 8 for details.]

2. Outdoor Advertising (outside of ROW)

A. 23CFR750 generally prohibits advertising within 660 feet of FA Interstate or Primary routes where visible from the roadway, or

beyond that and intended for visibility from the roadway, except for "on-premise" signs advertising activities on the property or advertising the property for sale. Only the 660 foot border applies in urban areas. Signs consistent with the regulations and authorized by state law which are designed to give information in the specific interest of the traveling public may be permitted in protected areas. Also, signs in bonafide "zoned and unzoned commercial areas" are permissible. (Attachment 9)

B. AS19.25.080-180 is parallel to the federal requirements except it includes the Secondary road system. It also authorizes the DOT&PF to enter into agreements with the U. S. Secretary of Transportation as provided in 23 USC relating to outdoor advertising. (Attachment 10. The original state-federal agreement is Attachment 11.)

### 3. ROW Encroachments

A. 23CFR1.23 prohibits encroachments or property in the ROW of FA routes except those devoted exclusively to public highway purposes. (Attachment 12)

B. AS19.25.200-250 prohibits encroachments except as permitted by DOT&PF regulations. (Attachment 13)

C. 17AAC20.010-.040 prohibits outdoor advertising signs within the ROW of any highway and forbids the permitting of such. (Attachment 14)

D. P&P 10-0020 requires that in the interest of safety, convenience and pleasure of highway users, encroachments will not be allowed except by permit. (Attachment 15)

E. ATM Section 1A-3.1 prohibits signs in the ROW except for official TCD's. (Attachment 7)

### **Alternative R.O.W. Programs:**

#### Specific Service Signs (LOGO Signs) :

As discussed in the Introduction, Logo signs for the specific categories of food, gas, lodging and camping are allowed on conventional roads under the Alaska Traffic Manual (The National MUTCD with an Alaska Supplement) provided the State develops a program acceptable to FHWA. These are described in Section 2G-5 of the MUTCD.

These signs are usually placed at interchanges, have rather restrictive applications, and the installation is relatively massive and costly.

#### Tourist Oriented Directional Signs (TODS) -

This program which is currently experimental in selected states excluding Alaska is expected to be included in the Federal Manual in the near future, and precedents have been set which leads us to believe it can be implemented with minimal statutory or regulatory action.

These signs extend the directional information to more types of business to be determined by the State, and allow for more widespread use.

The signs must follow a prescribed format (white letters and borders on a blue background in keeping with the nationally established system for motorist information signs) and cannot convey an advertising message or other information except the business name and/or logo and directions thereto. It does allow businesses some distance from the highway to be identified, subject to state rulemaking.

#### Encroachments -

This would consist of allowing certain signs meeting established criteria to be erected within the R.O.W. under a formal permit and agreement. They would require Federal approval on Federal Aid routes and would be expected to have to pass stringent tests as to devotion to "public highway purposes". For example, we are currently requesting approval of state park logo signs to use this approach for approval.

This alternative is not felt to be as satisfactory as the other alternatives, and is probably only feasible on secondary routes and local roads which are outside of DOT&PF's jurisdiction. In many of those cases outdoor advertising adjacent to the R.O.W. is permissible or possible.

#### **Required Changes in Statutes, Regulations, and Polices:**

Logo Signs - Little or no need for changes except to establish regulations for permits or fees. The State would have to develop a policy in the Alaska Traffic Manual (ATM) acceptable to the FHWA. (Absent significant state funding subsidies this would be very expensive for most businesses.)

TODS - Similarly, no changes expected except regulations establishing fee structure in the AAC and developing program policy in the ATM acceptable to the FHWA.<sup>2</sup>

Encroachments - Most encroachments of this nature would probably be difficult or impossible for business utilization on the FA Primary system. Otherwise a change

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<sup>2</sup> While Federal approval of the TODS concept as a nation-wide program rather than experimental has not taken place, we have been informed by the Divisional office of FHWA that Alaska could adopt it as an official addition to the Alaska Traffic Manual.

in the State statute prohibiting outdoor advertising on secondary routes, a change in the AAC which prohibits advertising in the R.O.W., and an AAC revision establishing a fee structure would be required.

### Comparison of Pertinent Features:

The following is a subjective comparison of various aspects of the three envisioned alternatives. The most desirable (or least burdensome) alternative is rated 1 with relative rankings of 2 and 3 (except for equals).

Aspect	Alternatives		
	<u>Logos</u>	<u>TODS</u>	<u>Encroachments</u>
Cost of Signs	3	1	2
Cost to Administer	2	1	1
Cost to Businesses	2	1	2
Availability to Business Types	3	2	1
Availability to Businesses remote from the Through Route	2	1	1
Allowable Roadways	2	1	3
Aesthetics	2	1	3
Impact on Safety	3	1	2
TOTALS	19	9	15

### Resources Required:

If the Department's recommendations are accepted, the following phases are envisaged. (see estimate details in following section)

1. Program development phase (estimated at 12 months).
2. Start-up and continuation phase (indefinite).

The costs may be broken down into developmental costs (technical personnel, hearings, AG's assistance on regulations), physical costs (signs, supports, installation), and administrative costs (evaluating requests, issuing "permits", record keeping, maintenance activities). These costs, as a policy matter, may be absorbed completely by the State, completely by the users, or anywhere in between. Because the cost of start-up and proper signing is not low, and because Alaskan businesses will receive tangible benefits, it is suggested that the State participate by subsidizing

the setup costs of the program, while the on-going costs be borne by the benefiting businesses.

The total costs after the developmental phase will depend to a great extent on the number of requests for signs and their locations. A subjective estimate is used for planning purposes, but the cost figures for the second phase can be revised later based on the level of response by businesses to the public notices during the developmental phase.

It should be noted that start-up funds alone will not provide the necessary on-going resources in the absence of funding for personnel to conduct this program unless other services are sacrificed (e.g. traffic safety studies, M&O activities).

It is envisaged that sign installation could be done through contractors from the private sector, and this along with the fabrication of signs by Alaskan firms will be a further benefit to the economy. The form of the physical maintenance function, and removal of signs for businesses that close will need further consideration.

Phase I - Developmental (1 Year)

In this phase the Department, through a 7 member Commissioner-appointed task force, would develop proposed policies, procedures and regulations which, after appropriate public hearings, would be implemented to meet the requirements of businesses, motorists, the FHWA, and the department. The task force is proposed to provide a range of opinion, including federal, state, and business toward the job of establishing policy. Task force composition is suggested to include:

DOTPF	1	Commissioner or designee
Legislature	1	To be determined
DOT&PF Regions:	1	Director, Maintenance & Operations
	1	Director, Design & Construction
DC&ED	1	Director, Division of Tourism
AVA	1	Director, Alaska Visitors Association
Business Rep.	1	Appointed by Commissioner, from list of names submitted by State Chamber of Commerce

The task force would meet for a total of three times. Initially to recommend general policy guidelines and help guide draft regulation language. Following the public hearing phase on the regulations the task force would meet again to assist in policy formulation on the final regulation language. Key staff members from the E&OS division would serve as a resource to this task force. A broad brush outline of the task force's involvement in the process is shown as follows:

1. E&OS Staff prepare initial information package and discussion on range of policy options.
2. Commissioner's Task Force Meeting #1: Start-up meeting to assess policy options; output of meeting is a selection of a limited number of policy options to evaluate in more detail.
3. E&OS Staff prepare second information package and discussion of selected policy options.

4. Commissioner's Task Force Meeting #2: Policy definition session. Commissioner's Task Force would be asked to make recommendation to Commissioner on preferred method of providing for outdoor advertising within and along ROW, including basic ground rules, responsibility assignments and means of implementation.
5. E&OS Staff prepare draft regulations from guidance of Commissioner and Task force. Public Notice provided in accordance with AAC requirements.
6. Public Hearings held in five locations: Juneau, Kenai Peninsula Borough, Anchorage, Mat-Su Borough, and Fairbanks.
7. Commissioner's Task Force Meeting #3: Final meeting to evaluate the public hearing testimony and make policy adjustment recommendations.
8. Finalize regulations and publish.
9. Prepare and publish a handbook describing the program and method of securing off-premise advertising along state maintained roads.

Developmental Expenses

<u>Expenses Item</u>	<u>Units</u>	<u>Cost</u>	<u>Funding Needs</u>	<u>Funding Available</u>
E&OS Staff				
Professional Staff	4 mo.	\$5,000		\$20,000
Clerical Staff	1 mo.	\$2,000		\$2,000
Legal Staff	60 hrs.	\$100	\$6,000	
Task Force Travel	16	\$500	\$8,000	
Public Hear. Travel	All	\$4,000	\$4,000	
Public Hear. Transcrip.	5	\$600	\$3,000	
Advertising, Commun.	All	\$2,000	\$2,000	
Graphics & Printing	All	\$4,000	<u>\$4,000</u>	
Totals			<u>\$27,000*</u>	\$22,000
Total Program Development Cost			<b>\$49,000</b>	

(\* Note: Only \$27,000 would require legislative appropriation. The personal services required for this effort would be provided for from existing budgets.)

Timing

The time necessary to accomplish program preparation is estimated at one year. This reflects, in part, a desire to schedule the public hearing phase in the winter months in order to avoid conflicts with the very "public" being served by the proposed program -- tourist oriented businesses.

Phase II - Start Up and Continuation (Indefinite)

This phase involves the physical placement of sign standards and business informational signs following the process and methods selected in the regulations and from legislative intent. It is likely that minor adjustments to the program would be pursued based upon the feedback of field experience. The cost to the state during this phase would vary according the policy option selected regarding the degree to which business enterprises should pay for the program. Following is a range of policy options that better define the possible cost ramifications of various policy options.

State Investment Policy

Description

*Minimum*

State develops program; businesses pay all other costs including staff support for application processing, sign manufacturing, installation, liability insurance, repairs, replacement and removal, as necessary. This approach would require both an application fee and annual administrative fee to support state costs.

*Shared*

State develops program; businesses pay application cost, and pay for sign manufacturing, installation and on-going maintenance. State covers personal services cost associated with program administration.

*Maximum*

State develops program; state supplies signs, sign supports, and pays for installation, repair, replacement and removal, as necessary. Businesses pay a portion of these costs through fixed application and annual maintenance fees. (Estimated at \$500 for installation and \$250 for annual M&O and administrative costs).

The total cost of this phase will be affected by the number of participating businesses. The number of participating businesses, will, in part, be determined by the cost burden they must assume. It is likely that with greater state participation in program costs the more businesses that will participate.

Sign Cost

The signs will cost about \$150 to \$200 per panel, plus \$150 to \$200 for breakaway bases and supports (installed). There can be 1 or 2 sign panels per location for an average cost of \$350 per location if one panel is installed and \$525 per location if two sign panels are installed (\$262 per business). In a typical application each business would have two signs installed, one facing each traffic direction prior to the intersection leading to the business establishment.

We have assumed that the number of one-sign panel and two-sign panel installations will be about equal, thus the average cost per business will be:

$$\frac{(\$350 + \$525)}{2} \cdot 2 \text{ signs per business} = \$875 \text{ per business average}$$

Number of Businesses

For the purpose of an estimate the following assumptions have been made concerning the number of participating businesses: 1) The number of businesses which elect to participate will vary with the degree of state investment. 2) The ultimate number will not be realized in the first 1 or 2 years, but will gradually increase over a 5 year period; thereafter growth will generally follow state economic trends.

Table 1 indicates the estimated number of participating businesses over a 6 year period, for each of the three policy options previously described.

#### M&O Cost for Signs

Upkeep, repair, replacement and insurance are estimated to cost 25% of the signs installed value annually. While this may appear as a high figure considering that the signs should have a life of 10 to 12 years from the effects of weathering, it is anticipated they will actually experience a much shorter life due to accidents and vandalism (average life of 4 to 6 years is estimated). Some form of insurance coverage is considered a probable requirement.

#### DOT&PF Administrative Costs

The department will be required to maintain an inventory and status of the business signing program. While this workload will in fact vary in part with the overall size of the program, for the purposes of this estimate it is considered a fixed cost. It is estimated it will require a 1/2 time position to coordinate the program, serve as center for statewide data collection, and remain current with the progress of the program so that policy adjustments, if necessary, may be pursued.

The administrative staff position would require funding in the range of \$24,000 per year (6 mo. @\$4,000). Funding for this cost is covered by participating businesses in the *minimum* policy option; it is covered by the state in the other policy options.

This position is over and above the staff support required to process individual applications for signs at the regional level. The regional utility staffs are considered adequate to undertake this role (with necessary coordination with traffic safety staff), though a fee is proposed, as these staffs are funded entirely from program receipts. A \$200 application fee is contemplated under all of the policy options. This is the cost for evaluating each sign request and processing it through decision (approve or deny) and is estimated to be \$200 (8 hours @ \$25/hr.).

#### State and Business Costs

From the above data it is possible to derive some general estimates of what costs would be incurred to either the state or an individual business relative to the three policy options.

The *minimum* state investment policy option results in the fewest number of businesses participating with the highest cost per business served. An average initial sign installation cost is estimated at \$1,075, with an annual cost of \$819 in FY 90 (M&O and administrative fee) and a general lowering of the annual cost to \$379 in FY 94 as the total number of businesses increases providing a larger base of firms to share the fixed administrative cost. This option results in a one-time expense to the

state of \$49,000 for program start-up with all other costs borne by participating businesses.

The *shared* state investment policy option would again cost each business the \$1,075 for sign installation. The annual M&O cost to each business is estimated at \$219 with the state assuming the fixed administrative cost. This would result in an on-going expense to the state of \$24,000 annually, with a total state investment of \$169,000.

The *maximum* state investment policy option results in the greatest number of participating businesses as the cost to each is the lowest. Each business is assumed to pay a \$500 initial installation fee which partially covers the cost of the sign and application processing. Thereafter, there would be an annual fee of \$250 covering administration and sign M&O costs. This option results in a very large investment by the state over the 6 year projection; estimated at \$322,000.

Tables 2 - 6 depict the costs for the three policy options and are broken down for the 6 year horizon - FY 89 through FY 94. To reiterate key assumptions used in the analysis they are repeated below:

Number of Businesses per Year:	Varies by option and year, estimated in Table 1
Sign Installation Cost:	\$875 average - 2 signs per business
Application Cost:	\$200
Annual Sign M&O Cost	\$219 average (25% of sign cost)
DOT&PF Administration Cost	\$24,000 annually
Business fees under Maximum Policy	\$500 for sign installation, and \$250 for annual renewal

It is acknowledged that the estimates described herein are just that -- estimates. They are only as good as the assumptions they are built on. The estimates assist in understanding the implications of various policy options and they provide approximate representations of state and private costs that would be associated with the program. The number of participating businesses and the annual sign M&O cost are probably the weakest "links" in the estimates as there are few data upon which to base them. The M&O cost is an average and, unless "pooled" in some fashion, could cost individual businesses much more than this if their signs are vandalized repeatedly. Likewise installation costs may vary greatly by distance from service centers. In summary, while these estimates are quite useful at this stage of investigation, they must be used with caution given the many judgements incorporated into them.

#### **Private Sector Participation**

Though mentioned earlier in this paper, the means by which the private sector could assist in program implementation has not been described during the previous discussion on costs. It has been intentionally omitted because there are myriad methods by which the private sector could be involved, and analysis of each, given the many variables already involved, would make the estimates far more complex.