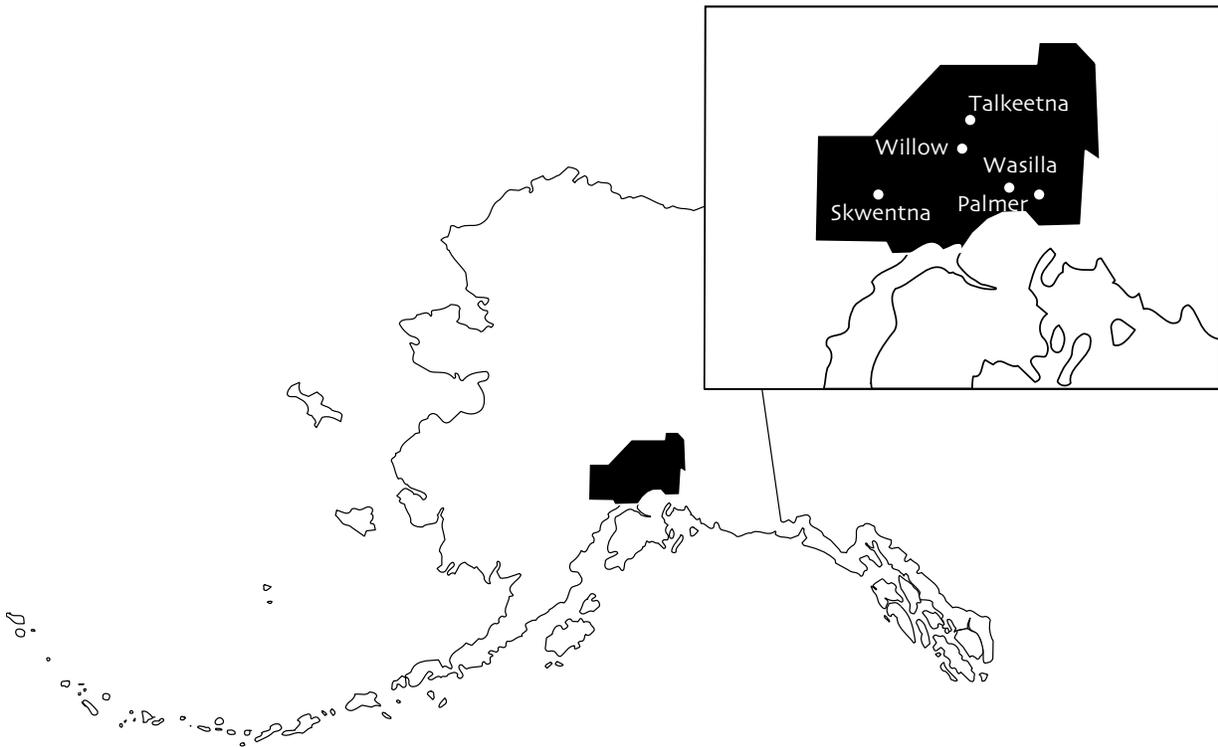


# Rural Alaska Tourism Infrastructure Needs Assessment

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## Matanuska-Susitna Borough

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A joint project of the  
**Mat-su Resource Conservation and Development, Inc.**  
and the  
**Alaska Department of Commerce and Economic Development**  
**Divisions of Trade & Development and Tourism**

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# Introduction

In 1995, the Alaska Regional Development Organizations (ARDORs), a network of state-designated and regionally-empowered economic development corporations, identified tourism industry development as a common objective. Further, they concluded that a lack of basic public infrastructure was one of the greatest barriers to orderly industry development and impeded the optimum movement and accommodation of travelers within the state. This lack is particularly pronounced in rural Alaska, where tourism represents one of the few economic development opportunities available to many communities. Subsequently, the ARDORs determined that a top priority was to conduct a rural tourism infrastructure needs assessment. Although other projects could be considered, the focus of the assessment would be on “public infrastructure,” or that for which state and/or local government would have the primary responsibility.

Performance of the infrastructure needs assessment was included in a successful funding proposal submitted to the U.S. Department of Commerce, Economic Development Administration (EDA) by the Alaska Department of Commerce and Economic Development, Division of Trade and Development (DTD).

Concurrently, Governor Knowles’ *Marketing Alaska* Initiative recommended that the Alaska Division of Tourism (DOT) prepare a comprehensive strategic plan for tourism development using a public process that involves all affected parties, looks at the desired future condition of tourism in the state, identifies infrastructure needs and opportunities for public/private partnerships, creates an effective permitting process, considers sustainability, and creates year-round jobs for Alaskans. The information collected through this regionally-based assessment is essential to the beginning of any statewide tourism planning process and is also relevant to other state planning efforts including the Statewide Transportation Improvement Program, the Airport Improvement Program and Governor Knowles’ Trails and Recreational Access in Alaska (TRAAK) initiative.

*Marketing Alaska* also directed the Division of Tourism to work with the Department of Community and Regional Affairs to implement rural tourism development strategies using the recently established Rural Tourism Center as a one-stop resource for rural Alaskans interested in tourism development. The objectives of the Center, a joint venture of the division, Alaska Village Initiatives, and USDA Rural Development are to coordinate statewide rural tourism efforts, provide rural tourism assistance, and collect and share general tourism information.

The joining of these initiatives, and the financial support of the EDA, resulted in a partnership between the ARDORs, the Division of Trade and Development and the Division of Tourism to carry out a process to identify the public infrastructure needs of rural Alaska as identified by the people and organizations who are stakeholders in the regions.

## Project Implementation

Successful implementation of the tourism infrastructure needs assessment project required participation from a broad spectrum of stakeholders including representatives of tourism businesses and organizations, communities and municipal agencies, public land managers and private land owners, and others who participate in or are impacted by tourism industry development in each region. The Department of Natural Resources, Division of Land, and the Department of Transportation and Public Facilities, Division of Statewide Planning, with

their planning and graphics expertise and understanding of capital improvement project processes, were involved in early discussions about the structure, content and outcomes of this effort.

The assessment was carried out through a series of regional roundtable meetings occurring from May through September 1996. A standardized format for each meeting was agreed, with flexibility for the unique requirements of individual regions. Roundtable meetings were open to the public, however, invitations were specifically sent to agencies and organizations involved in the management of tourism-impacted lands and facilities and to those having a direct interest in tourism industry development in the region. Although the summertime scheduling of these meetings made it difficult for some potential participants to attend, it was determined that this problem would exist to a greater or lesser extent no matter when they were held.

The roundtable meetings were structured to specifically accomplish three objectives. First, to identify the public infrastructure already in place. In support of this objective, Geographic Information System-generated maps of each region were produced showing existing tourism infrastructure and resources to the extent this information was available in existing GIS databases. These maps illustrated what was in place, where development opportunities might exist, and the spacial relationships between infrastructure and geographic features. At the conclusion of each meeting, these valuable reference tools were presented to the local host organization.

The second objective was to become aware of new infrastructure and attractions under development in each region. Federal, state and local organizations made brief presentations regarding their planning processes and new projects under development or in various planning stages. Private sector project developers were also encouraged to share information about their new or planned projects.

Then, recognizing what is in place and what is being planned, participants identified additional infrastructure projects that would either build on what exists, meet current industry needs, or create new industry development opportunities. A panel discussion followed to explain the criteria various funding sources use in assessing project feasibility. It was recommended that "fundability" should be considered in prioritizing projects.

Although it was suggested each region prioritize proposed projects to indicate their relative importance or the preferred sequence for implementation, some regions elected not to take this approach.

Each meeting closed with a discussion of how to move the proposed projects ahead through individual initiatives, through legislative action, and by forming partnerships among stakeholders to advocate for priority projects.

It should be noted that the projects and priorities identified in these meetings reflect the thinking of those in attendance. Although every effort was made to have broad representation of the public and private sector interests, the projects identified and the priorities given them do not necessarily represent a majority opinion of the residents of the specified region. Additionally, some areas of rural Alaska are not included in this assessment. Those are the regions in which there were no designated Alaska Regional Development Organizations at the time the meetings were conducted. These areas include the Bering Straits region, the majority of the Doyon region, and the area of the Fairbanks North Star Borough.

# MATANUSKA-SUSITNA BOROUGH

Sources: *Matanuska-Susitna Borough Regional Strategic Plan, 1995-2000*, Matanuska-Susitna Resource Conservation and Development, Inc., June, 1995; *Hatcher Pass Ski Report Financial Feasibility Study*, AIDEA, March, 1995; *Tourism Development Program*, Matanuska-Susitna Borough, December, 1983; *Alaska Visitor Statistics Program III*, DOT, Summer 1993; and, *Rural Tourism Infrastructure Roundtable Meeting*, Wasilla, Alaska, August, 1996.

## A. REGIONAL SNAPSHOT

The Matanuska-Susitna Borough lies in the heart of southcentral Alaska, encompassing more than 23,000 square miles of rolling low land, mountains, lakes, rivers and streams. The area is bordered by the Alaska Range to the northwest and the Chugach Range to the east. Upper Cook Inlet and Knik Arm and the Municipality of Anchorage delineate the southern border. All of Denali State Park and approximately thirty percent of Denali National Park and Preserve are within the borough.

The majority of the borough's approximately 50,000 residents reside in a core area between the cities of Palmer and Wasilla. The balance is disbursed throughout the borough and within some twenty unincorporated communities.

### ACCESS

The Matanuska-Susitna region is traversed by two major highways: the Glenn and George Parks highways. The Glenn Highway traverses the southeast corner of the borough and is the principal route to and from the Alaska Highway. The George Parks Highway traverses the borough in a north-south direction and provides access to both Denali State and Denali National parks. Both highways connect the borough to the main population centers of Anchorage and Fairbanks. The unpaved Denali Highway passes through the borough's northeast corner, providing access to and from Denali National Park from the Glenn Highway.

The Matanuska-Susitna Borough is readily accessible by light plane from Anchorage and Fairbanks. In addition to civil airports at Palmer, Talkeetna and Wasilla, numerous public and private airfields and float plane bases serve the region.

Additionally, the Alaska Railroad traverses the borough, paralleling the George Parks Highway and providing year-round passenger and freight service.

### PRIMARY TOURISM ATTRIBUTES AND ASSETS

The Matanuska-Susitna Borough is rich in visitor attractions and recreation assets, the most well-known being Denali National Park and Preserve, including world-famous Mount McKinley. Denali State Park and Independence Mine State Historical Park are very popular hiking, skiing and camping locales, as are the areas around the Matanuska and Knik glaciers.

There are numerous lakes throughout the borough offering fishing, boating, swimming and waterskiing opportunities. More adventure-oriented activities such as mountain climbing, whitewater kayaking and rafting and horseback riding are also readily available.

The Matanuska-Susitna region is home to the Iditarod Trail Sled Dog Race headquarters, the Iron Dog Snow Machine Race and the Alaska State Fair. Heritage sites and museums are found throughout the region; including the Iditarod Park, Dorothy Page Museum, Sutton Alpine Historical Park, Knik Museum, Palmer Visitor Center and Museum, Frontier Village and the Museum of Alaska Transportation and Industry. The buildings of the agriculture colony settlement at Palmer are now on the National Register of Historic Places and plans are underway for their rehabilitation.

## CURRENT VISITATION TO REGION

The region receives visitors from two primary sources: Alaskans from other communities within the state and non-resident visitors from outside Alaska.

Alaska residents travel to the Matanuska-Susitna Borough to participate in seasonal events, the plentiful recreational opportunities, and to enjoy the open spaces and natural settings. Estimates derived from Matanuska-Susitna Convention and Visitor Bureau studies suggest that approximately 150,000 to 180,000 resident Alaskans visit the borough annually.

Non-resident visitors primarily transit through the borough en route to other areas of the state. The only “stand alone” primary visitor destination in the region is Denali National Park. Alaska Visitor Statistics Program data shows that at least 97,000 of the borough’s non-resident visitors entered Alaska by car, camper or motor home. An estimated 75,000 non-resident visitors traveled to the Matanuska-Susitna Borough after arriving in southcentral Alaska by air or cruise ship.

## POTENTIALS FOR DEVELOPMENT

The most significant opportunities for tourism industry growth center around South Denali, Hatcher Pass, winter recreation and the development of heritage tourism.

The south side of Denali National Park and the adjoining Denali State Park offer an important opportunity to relieve the bottleneck in the national park, as well as open new experiences for visitors and Alaskans. The National Park Service, the State of Alaska, the Matanuska-Susitna and Denali boroughs, Native corporations and other interested parties are presently developing a concept plan for South Side Denali. As with most development projects in Alaska, different opinions are being expressed about the proposed extension of the Petersville Road and the construction of a visitor center overlooking the Tokositna River, affording an exceptional view of Mt. McKinley. Whatever the final proposal looks like, the improvement of visitor amenities and activities in the area are critical to the success of tourism in the region and throughout the state.

The Hatcher Pass area attracts Alaskans and out of state visitors on a year-round basis due to its outstanding scenic vistas and recreational opportunities. Numbers of visitors, however, are limited by access problems and underdeveloped services and facilities. Improved road conditions could remove rental car and RV restrictions. Both winter and summer recreation and employment opportunities would be available with the development of a ski resort. In addition to its winter use as a Nordic ski training site, Independence Mine State Historical Park has great potential for heritage tourism development with the stabilization and restoration of the historic buildings and mine tunnels and further development of interpretive trails and tours.

The winter season offers many opportunities for recreation and event-oriented activities. Much of the basic infrastructure is in place so, in many cases, development potential is tied to new or enhanced access to recreation sites, to upgraded services and improved or expanded accommodations. Making it convenient for visitors to get to recreation sites might mean offering scheduled shuttle services, improving or maintaining a road or providing winterized RVs.

Continuing to make activities available to the visitor both as observers and participants could broaden the visitor base. Dog mushing is a good example: opportunities currently exist for visitors to watch the re-start of the Iditarod Trail Sled Dog Race, to ride in the basket of a dog sled or mush the dogs themselves. Snow machining is a popular activity but it is difficult for visitors to experience. Renting machines and equipment, providing trail information or guided tours and developing new routes or trails to remote cabin or lodge sites for overnight stays could attract visitors or keep them in the region for longer stays. Cross country skiing, telemarking and snowboarding are all possible in many areas of the borough but opportunities are limited by access problems and lack of services.

Heritage tourism is a growing market segment among independent and packaged tour groups throughout the U.S. With the official Gold Rush Centennial celebration soon to begin and with major state and national promotions taking place, capitalizing on the region's mining history and restoring the Independence Mine could increase visitation. Opportunities may also exist for heritage tourism products to be developed around the Matanuska Valley's unique farming history, highlighting the historic colonization project and current agricultural influence in the region.

## CHALLENGES TO TOURISM DEVELOPMENT

The borough faces a variety of challenges to tourism development. Its sheer diversity in geography, activities and attractions has led to difficulty devising a distinct marketing identity or image. Without a specific identity, determining a marketing message is very difficult. Another challenge to the marketing effort is the lack of sufficient marketing dollars to achieve significant marketing clout, to get the message out to potential visitors encouraging them to spend additional time in the area, or to base a tour there.

The region's proximity to Anchorage can be beneficial since travelers necessarily pass through the borough on their way to or from Alaska's largest city. Additionally, Anchorage is a natural market for the attractions and recreational activities in the borough. It also presents a challenge in that often the destination is Anchorage and visitors may not be inclined to linger in the borough when services and attractions are available to them in Anchorage.

Securing broad support for tourism infrastructure development in itself may present a challenge as there are strong opinions on both sides of tourism development issues throughout the region.

## TOURISM DEVELOPMENT AND PROMOTION ORGANIZATIONS

The Matanuska-Susitna Convention and Visitors Bureau is the primary organization promoting tourism activities throughout the region. Denali has a visitor association which serves to create a local, collective voice for tourism related issues in the area. Local chambers of commerce are involved in the promotion of their respective member businesses, many of which are visitor service oriented. In addition, the Matanuska-Susitna Resource Conservation and Development Organization works to support economic development efforts and sustainable development of resources in the borough. It recognizes the importance and impact of tourism in the region and among its objectives lists participation in tourism issue-related workshops and training, supporting development of a ski resort at Hatcher Pass and supporting other tourism related organizations in developing tourism in the borough.

## B. PRIORITY INFRASTRUCTURE DEVELOPMENT PROJECTS

### 1. IMPROVE HATCHER PASS ROAD; LITTLE SUSITNA TO WILLOW

**Location:** Matanuska-Susitna River Valley

**Description:** Create a year-round road for access to Independence Mine and Hatcher Pass from both Palmer and Willow, and improve the road from Mile 9 to 39 to insure safe travel for all vehicles, including tour busses and RVs. This would facilitate ski area development and benefit visitors and residents. Local chambers of commerce, local governments and the Matanuska-Susitna CVB could work to make this happen. Funding could come from both state and federal sources or perhaps a toll could be instated.

### 2. INDEPENDENCE MINE RESTORATION

**Location:** Hatcher Pass

**Description:** Stabilize and restore the historical buildings and mine tunnels, develop trails and tours, enhance this historical attraction for both residents and visitors. The project could create additional summer and winter recreational opportunities. Both public and private interests could cooperate to secure funding. State Parks would serve as the primary manager of the attraction.

### 3. DEVELOP ROAD FROM WILLOW TO POINT MACKENZIE

**Location:** West Side Cook Inlet

**Description:** Provide an alternative to the Parks Highway for visitors and residents traveling to and from Anchorage. This would enhance the possibility of development of Port MacKenzie and a cross Knik Arm ferry. Challenges facing this development include the high per mile cost and current lack of supporting port facilities. Funding sources could be the Department of Transportation or establishing a toll system.

#### 4. PARKS HIGHWAY IMPROVEMENTS

**Location:** Matanuska-Susitna Valley

**Description:** Upgrade the highway by adding slow moving vehicle pullouts, passing lanes, bridge walkways, trailhead enhancements and rest areas. This would increase carrying capacity and make the highway more safe. Explore using existing businesses as featured rest areas and provide signage to these areas. Funding will be a challenge. A solution could be to establish an Alaska visitor arrival tax sufficient to fund visitor services. Department of Transportation would be a crucial partner and funding source.

#### 5. GLENN HIGHWAY IMPROVEMENTS

**Location:** Matanuska-Susitna Valley

**Description:** Same as for Parks Highway Improvements above.

### C. ADDITIONAL PROPOSED PROJECTS

- Upgrade Burma Road from Pt. MacKenzie to South Big Lake Road
- Upgrade State Parks and Waterway's facilities within borough
- Enhance Matanuska Glacier Park overlook
- Build a Matanuska-Susitna convention complex
- Develop snowmachine trails including one from Anchorage to Fairbanks
- Improve Matanuska-Susitna CVB rest area/visitor center
- Convert from strip development to commercial nodes
- Establish ferry system in Upper Cook Inlet
- Improve South Denali View trailhead
- Tokositna site; upgrade Petersville Road and develop small visitors center
- Big Lake Golf Course residential development
- State development of Hatcher Pass ski facility
- Initiate borough tax credit for tourism development
- Susitna River Basin Plan, enact and enforce Recreation Rivers Management Plan
- Create independent "train tours" of small towns along the railroad corridor
- Create winter activity trails throughout Matanuska-Susitna Valley
- Upgrade and maintain State Parks facilities in the Big Lake area
- Build a Knik Glacier tramway and visitors center

