

South Denali Visitor Complex **Market Analysis**

PREPARED FOR:

Alaska Industrial Development and Export Authority

June 2020

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Introduction and Methodology

Introduction

Alaska State Parks, a division within the Department of Natural Resources, has been planning to expand interpretive and recreational facilities in the South Denali area for decades. More recently, Alaska State Parks has been working with the Alaska Development and Export Authority (AIDEA) to examine methods to develop, and finance these types of facilities, particularly in conjunction with private tourism companies. The region offers exceptional views of Mount McKinley and numerous year-round outdoor recreational opportunities. Recent construction of the K'esugi Ken campground and trails represents a significant milestone towards increasing attractions and services, and in turn increasing visitation and economic activity in the region.

This study provides an analysis of market demand and revenue generation potential for a South Denali Visitor Center (SDVC) that would attract, entertain, and educate visitors using state-of-the-art, immersive technology and interpretive design. The new facility has the potential to attract private sector investment and partnerships, both within the Alaska State Parks system and in the region.

Previous plans anticipated an interpretive complex with the primary facility sited on Curry Ridge above K'esugi Ken campground. This location offers clear views of Mount McKinley, the Alaska Range, and surrounding State Park and National Park lands. Various modes of transportation to the ridge were proposed, providing a transition between the arrival base and the tundra experience. However, development would require significant capital expenditures to extend the road and electricity to the Curry Ridge site.

The current vision places the SDVC within existing infrastructure and services located slightly northwest of the campground interpretive center, adjacent to K'esugi Ken campground. A preliminary site drawing shows the SDVC facility at 16,000 sq. ft. with parking for 120 personal vehicles and 22 commercial buses.¹

While facility design is conceptual at this time, the new center is envisioned as providing an immersive audio and visual experience rather than a traditional visitor information center. Story themes could feature 360-degree views from the top of Denali, first ascents of Denali in the early 1900s, historic climbing and rescue operations, and time-lapse geological scales, among others.

As the concept is refined, it may include some combination of the following components:

- Exhibits
- Theater
- Retail
- Food service/bar
- Tour concessions
- Expansion of the trails network

¹ SDVC Concept Site Map, Alaska DNR, 2019.

- Outdoor spaces (decks/amphitheater)
- Rangers and other park personnel
- Public restrooms
- Parking, including electric vehicle charging stations
- Support facilities:
 - Offices
 - Mechanical systems
 - Employee housing
 - Maintenance buildings

This study is sponsored by AIDEA, a state-owned economic development authority which operates as a public corporation. AIDEA has a long history of financing public and private infrastructure through a variety of investment and finance programs. Of particular interest in this study is analysis of the business structures that are most likely to generate success for this project.

Methodology

The study team conducted the following research tasks in support of this market analysis.

- Interviews with more than 30 stakeholders and industry experts including representatives of Alaska State Park, Denali National Park, tour operators, transportation providers, campground operators, hotel operators, DMOs, outdoor recreation organizations, and more. A list of contacts can be found in the Appendix.
- Compilation of relevant visitor and resident data from the Alaska Visitor Statistics Program, Alaska State Parks, Alaska Railroad, Department of Transportation and Public Facilities, Denali National Park, Cruise Line Agencies of Alaska, Alaska Department of Labor & Workforce Development, among others.
- Review of reports and documents related to the South Denali Visitor Complex including:
 - Alaska Resident In-State Pleasure Travel Study (GMA Research Corporation, 2007)
 - Alaska Resident Statistics Program (UAF, 2009)
 - Alaska Visitor Statistics Program (McDowell Group, 2017)
 - Denali Road Closure Economic Analysis (McDowell Group, 2020)
 - Economic Impacts of the Implementation of the Proposed South Denali Visitor Center (University of Alaska Center for Economic Development, 2011)
 - Economic Impact of the Visitor Industry in the Mat-Su Borough (McDowell Group, 2017)
 - Final South Denali Implementation Plan and Environmental Impact Statement (National Park Service, 2006)
 - Mat-Su Visitor Profile (McDowell Group, 2020)
 - Matanuska-Susitna Borough Tourism Infrastructure Needs Study (McDowell Group, 2008)
 - South Denali Visitor Center Complex Interpretive Master Plan (Schmeeckle Reserve Interpreters, 2009)
 - South Denali Visitor Center Complex Operations Plan (University of Alaska Center for Economic Development, 2014)

- Susitna-Watana Hydroelectric Project Recreation Resources Study and Recreation Demand Assessment (McDowell Group, 2015)
- Trails Investment Strategy (Alaska Trails initiative, 2020)
- Inventory of South Denali area hotels.
- Examination of four attractions outside of Alaska selected by Alaska State Parks and AIDEA that incorporate contemporary interpretive design and technology.
- Compilation of information about selected public land information centers, museums, tramways, and gondolas in Alaska.
- Review of public land concession information including:
 - Guidance for concession contracts in Alaska State Parks
 - Denali National Park Concession Business Opportunity CC-DENA001-16
 - Alaska Railroad Request for Qualifications Seward Cruise Terminal Development

Market demand estimates incorporated qualitative and quantitative information outlined above as well as project team expertise. After identifying potential summer and winter market segments, the team estimated the market size and the portion that would likely pay admission to the SDVC. Many tour operators provided confidential information about total passenger volume and projected SDVC visitation. This information was aggregated into visitation estimates by season.

In response to strong industry feedback concerning the importance of ridge access in meeting guest expectations, two scenarios were considered. The first scenario addressed demand for a new visitor complex in the K'esugi Ken campground area and the second scenario incorporated a tramway or gondola.

Revenue projections assumed that all aspects of the SDVC would be operated through concession agreements, with Alaska State Parks taking an average commission of 10%. Onsite revenues for admission, retail, food and beverage, and ridge access tours were based on comparable experiences in other destinations, including Denali National Park, and industry insights.

The business structure analysis incorporated information gathered through project interviews, review of State of Alaska statutes, and examination of several public agency concession and business agreements.

Regional Visitation and Profiles

Estimating the potential market for the SDVC requires an understanding of regional visitation and visitor behavior. This section focuses on the two locations most relevant to SDVC: Denali National Park and Talkeetna. Traffic indicators such as railroad and highway volumes provide additional context.

Denali National Park

Research into people's motivations to visit Alaska has consistently shown the high awareness of, and interest in experiencing, Denali National Park. A 2006 survey of U.S. adults asked them for their interest level in 33 different Alaska activities.² "Visiting Denali National Park to see the spectacular scenery and wildlife" was the fifth-highest rated experience in terms of interest level, and one of the higher-rated activities ("seeing moose, caribou, and other wildlife in their natural habitat") is associated with Denali. While this research example is somewhat dated, it corroborates what many visitor industry executives have learned over decades of promoting Alaska: Denali is a prime motivator in visitation to Alaska.

Denali Visitor Volume

Denali National Park was visited by approximately 450,000 people in the 2019 summer season. These visitors represented one-fifth of Alaska's total out-of-state summer visitation of 2.2 million in 2019.³ Among non-residents, Denali is the seventh-most visited destination in Alaska, and the second-most visited *overnight* destination (after Anchorage).⁴

Visitor volume is based on information provided by the National Park Service, tour operators, AVPS 7 survey data, and 2019 visitor traffic data. The visitation estimate does not match NPS estimates (the five-year average is 574,645) because NPS methodology counts "visits" rather than visitors, and many Denali visitors travel into the park on multiple days.⁵ Also, NPS estimates include Alaska residents.

Winter visitation in 2019, residents and visitors combined, is estimated at 14,000.⁶

² *Images of Alaska 2006*, prepared by GMA Research Corporation for Alaska Travel Industry Association, September 2006.

³ *Alaska Visitor Volume, Summer 2019*, conducted by McDowell Group for Alaska Travel Industry Association.

⁴ Ibid.

⁵ Five-year average provided by NPS staff via email, January 10, 2020.

⁶ *Winter Shoulder Season Plan*, Denali National Park and Preserve, October 2019.

Denali Visitor Profile

The table at right shows Denali visitor characteristics in terms of trip purpose, transportation modes, Denali activities, and demographics. These figures are based on the summer 2016 *Alaska Visitor Statistics Program*, which included surveys of 1,813 Denali visitors as they exited Alaska.

- Nearly all Denali visitors (90%) travel to Alaska for vacation/pleasure.
- About half of visitors in summer 2016 (51%) traveled to or from Alaska via cruise ship. (With cruise volume increasing faster than non-cruise volume over the last few years, this percentage likely increased between 2016 and 2019.) Slightly fewer traveled to/from Alaska via air, while 6% traveled to/from Alaska via highway or ferry.
- Denali visitors reported staying in Alaska an average of 11.7 nights in the state, including 2.2 nights in Denali. (Note that some visitors who stayed in the McKinley Princess Lodge may have reported their location as "Denali" rather than "Talkeetna.")
- By far the number one activity in Denali was wildlife viewing at 71%, followed by hiking (30%), sightseeing tours (16%), and dog sledding tours (12%).
- Denali visitors reported spending an average of \$244 per person while in the region. This spending does not include trip components included in packages such as hotel, bus, train, etc.
- Denali visitors are mostly U.S. residents, with 26% from Western states, 24% from the South, 20% from the Midwest, and 13% from the East. International visitors included 3% from Canada and 14% from other countries.
- Average party size was 2.4 people. Visitors were evenly split between male and female. They reported an average age of 56 years, and an average household income of \$111,000.

Denali Visitor Profile, Summer 2016 (%)

	% of Total
Trip Purpose	
Vacation/pleasure	90
Visiting friends or relatives	8
Business-related	7
Transportation to/from Alaska	
Cruise	51
Air	43
Highway/ferry	6
Average Length of Stay	
# of nights in Alaska	11.7
# of nights in Denali	2.2
Top Activities in Denali	
Wildlife viewing	71
Hiking/nature walk	30
Sightseeing tours	16
Dog sledding/kennel tour	12
Flightseeing	6
Camping	6
Shows/entertainment	6
Museums	6
Historical/cultural attractions	6
Spending in Denali (ave. per person)	
Tours/activities	\$83
Lodging	\$74
Food/beverage	\$49
Gifts/souvenirs	\$26
Transportation	\$6
Other	\$6
Total	\$244
Origin	
Western US	26
Southern US	24
Midwestern US	20
Eastern US	13
Canada	3
Other international	14
Demographics	
Average party size	2.4
Male/female	49/51
Average age	56 years
College graduate	69
Average income	\$111,000

Source: AVSP 7.

Talkeetna

Talkeetna Visitor Volume

An estimated 239,000 out-of-state visitors traveled to Talkeetna in summer 2016 according to AVSP. These visitors are profiled on the following page. The last time winter visitation was measured in AVSP, the sample size of Talkeetna visitors was too small for analysis.

A survey of over 2,000 Alaska residents regarding their in-state travel was conducted in 2006-07.⁷ The table at right applies Mat-Su visitation rates, by region of residence, to 2016 population estimates. Because the survey did not capture frequency of visits, the estimated volume only represents the number of people who spent time in Mat-Su in a year-long period, not the number of times they visited within that period.

Alaska Resident Visitation to Mat-Su Borough

Region of Residence	2016 Population	% Visitation to Mat-Su 2006	Estimated Volume 2016
Southcentral	482,761	52%	251,000
Interior	113,154	34%	39,000
Southeast	73,812	11%	8,000
Southwest	42,274	20%	8,000
Northern	27,827	12%	3,000
Total Visitors			309,000

Sources: Alaska Department of Labor and Workforce Development; *Alaska Resident Statistics Program*, 2006-07. Note: Mat-Su residents (included in Southcentral population estimates) were not counted as visiting their own region.

Another source of information on the Alaska resident market is the *Mat-Su Borough Tourism Infrastructure Needs Study*, prepared by McDowell Group for the Matanuska-Susitna Borough in 2008. The study estimated that 263,000 Alaska residents visited the Mat-Su in summer 2006, while 183,000 visited in fall/winter 2006-07. (Note that these estimates were based in part on a 1998 study of in-state travel to Mat-Su conducted by Alaska Village Initiatives.) Considering that significant overlap is to be expected in these two markets (with many summer visitors also traveling to the Borough in the fall/winter period), these figures are generally in alignment with those determined by the *Alaska Resident Statistics Program (ARSP)*. Like the ARSP figures, these numbers reflect the number of visitors, rather than the number of visits.

A third source of information is the *2007 Alaska Resident In-State Pleasure Travel Study*, conducted by GMA Research for the Alaska Travel Industry Association. The study involved a telephone survey of 1,100 Alaska residents regarding their in-state travel in the previous year. This study differed from studies mentioned previously in that it focused on pleasure-related travel, excluding travel that was for business purposes only. This study found that Talkeetna was among the top-mentioned day-trip destinations among all Alaskans at 10%. Among Anchorage residents only, 17% cited day trips to Talkeetna.

⁷ Fix, Peter. *Alaska Resident Statistics Program Final Report*, prepared by School of Natural Resources and Agricultural Sciences, Department of Resources Management, University of Alaska Fairbanks. Published March 2009.

Talkeetna Visitor Profile

The table at right shows Talkeetna visitor characteristics in terms of trip purpose, transportation modes, Denali activities, and demographics. These figures are based on the summer 2016 *Alaska Visitor Statistics Program*, which included surveys of 862 Talkeetna visitors as they exited Alaska.

- Talkeetna visitors were primarily traveling for pleasure (85%), while 10% were visiting friends/relatives.
- Talkeetna visitors were most likely to have traveled to/from Alaska by air (55%) followed by cruise (39%). Note that some cruise visitors who stayed at the McKinley Princess Lodge, and did not visit the town of Talkeetna, may have reported their destination as "Denali" rather than "Talkeetna."
- Talkeetna visitors reported staying in Alaska an average of 12.2 nights in the state, including 1.8 nights in Talkeetna.
- Talkeetna visitors were most likely to participate in flightseeing, wildlife viewing, and hiking. Again, McKinley Princess Lodge guests may have reported their Talkeetna area activities as occurring in Denali.
- Talkeetna visitors reported spending an average of \$169 per person in Talkeetna. This does not include package components such as hotels, bus, and rail.
- Talkeetna visitors were most likely to be from the West (29%), South (24%), and Midwest (22%). International visitors included 2% from Canada and 10% from other countries.
- Average party size was 2.5 people. Visitors were evenly split between male and female. They reported an average age of 55 years, and an average household income of \$117,000.

Talkeetna Visitor Profile, Summer 2016 (%)

	% of Total
Trip Purpose	
Vacation/pleasure	85
Visiting friends or relatives	10
Business-related	4
Transportation to/from Alaska	
Air	55
Cruise	39
Highway/ferry	6
Average Length of Stay	
# of nights in Alaska	12.2
# of nights in Talkeetna	1.8
Top Activities in Talkeetna	
Flightseeing	14
Wildlife viewing	13
Hiking/nature walk	13
Day cruises	7
Dogsledding/kennel tour	4
Sightseeing tour	4
Rafting	4
Museums	4
Spending in Talkeetna (ave. per person)	
Tours/activities	\$62
Lodging	\$36
Food/beverage	\$34
Gifts/souvenirs	\$15
Transportation	\$5
Other	\$15
Total	\$169
Origin	
Western US	29
Southern US	24
Midwestern US	22
Eastern US	14
Canada	2
Other international	10
Demographics	
Average party size	2.5
Male/female	50/50
Average age	55 years
College graduate	67
Average income	\$117,000

Source: AVSP 7.

Additional Visitor Traffic Indicators

Alaska Railroad

Alaska Railroad operates the Denali Star train during the summer months and carries passengers (mostly visitors) in cars owned by the railroad. Additionally, ARR carries a significant volume of cruise passengers in “pull cars” owned by cruise lines. In 2019, total passenger volume was 234,707 including 113,378 Talkeetna disembarkations and 121,329 embarkations. Disembarkations included 50,158 southbound and 63,220 northbound passengers. Embarkations included 69,365 southbound and 51,964 northbound passengers.

June and July volumes were heaviest (60,986 and 65,933 passengers, respectively) followed by August with 55,628 passengers.

Alaska Railroad Passenger Volume, Summer 2019

	May	June	July	August	Sept.	Total
Arriving Talkeetna						
ARR SB to TAL	124	584	1,114	600	260	2,682
Non-ARR SB to TAL	4,470	12,428	13,361	11,213	6,004	47,476
Total SB to TAL	4,594	13,012	14,475	11,813	6,264	50,158
ARR NB To TAL	659	1,256	1,157	1,074	410	4,556
Non-ARR NB to TAL	7,347	14,937	16,205	14,080	6,095	58,664
Total NB to TAL	8,006	16,193	17,362	15,154	6,505	63,220
Total to TAL	12,600	29,205	31,837	26,967	12,769	113,378
Departing Talkeetna						
ARR SB from TAL	440	912	1,012	691	356	3,411
Non-ARR SB from TAL	6,916	17,148	17,938	15,970	7,982	65,954
Total SB from TAL	7,356	18,060	18,950	16,661	8,338	69,365
ARR NB from TAL	197	720	1,022	856	326	3,121
Non-ARR NB from TAL	5,467	13,001	14,124	11,144	5,107	48,843
Total NB from TAL	5,664	13,721	15,146	12,000	5,433	51,964
Total From TAL	13,020	31,781	34,096	28,661	13,771	121,329
Total To/From Talkeetna	25,620	60,986	65,933	55,628	26,540	234,707

Source: Alaska Railroad.

Alaska Railroad provides fall, winter, and spring service between Anchorage and Fairbanks via the Aurora train. In 2019, a total of 2,180 riders embarked or disembarked at Talkeetna including 1,260 southbound and 920 northbound passengers. These passenger counts represent total trips and not individuals. While it is assumed that some portion of the trips were made by passengers riding round-trip, that number is unknown.

March traffic is by far the heaviest for the period with 749 passengers, followed by February with 477 passengers.

Alaska Railroad Passenger Counts, Fall Winter, and Spring, 2019

	January	February	March	April	October	November	December	Total
Arriving TAL								
ARR SB to TAL	32	181	154	-	8	1	46	422
ARR NB To TAL	61	118	247	79	80	112	141	838
Total to TAL	93	299	401	79	88	113	187	1,260
Departing TAL								
ARR SB from TAL	38	62	138	35	50	71	108	502
ARR NB from TAL	20	116	210	2	-	14	56	418
Total From TAL	58	178	348	37	50	85	164	920
Total All Passengers	151	477	749	116	138	198	351	2,180

Source: Alaska Railroad.

Highway Traffic

The Alaska Department of Transportation collects traffic data at various locations along the Parks Highway with a combination of permanent and temporary counting stations. The following data was collected at two permanent sites located at milepost 117 and 210. Milepost 117 is located north of Trapper Creek and south of Denali State Park, approximately 20 miles north of the turnoff onto the Talkeetna Spur Road. Parks Highway milepost 210 is located at the junction of the Parks and Denali highways and south of the entrance to Denali National Park. Traffic counts include all vehicle types and trip purpose is unknown. The Parks Highway is the main corridor between Anchorage and Fairbanks and traffic includes commercial trucking, resident vehicles, visitors in rental vehicles, and tour buses. Counts include traffic traveling both north and south.

SUMMER TRAFFIC

- Traffic passing both mileposts is significantly higher in summer compared to Fall/Winter/Spring (FWS) traffic. In 2019, average daily traffic passing milepost 117 was 2,170 vehicles, with 1,843 vehicles passing milepost 210.
- FWS traffic passing milepost 210 decreased by 20% between 2014 and 2019, from 682 vehicles per day to 546.
- Weekly average summer traffic passing milepost 117 increased by nearly 10% between 2014 and 2019, while milepost 210 traffic increased by slightly more than 4%.

FALL, WINTER, SPRING TRAFFIC

- In 2019, FWS average daily traffic passing milepost 117 was 733 vehicles. Traffic was lower on workdays (Monday-Friday) at 687 compared to 833 average vehicles per day on weekends and holidays.
- In 2019, FWS average daily traffic passing milepost 210 was 546 vehicles. Traffic was lower on workdays at 522 compared to 598 average vehicles per day on weekends and holidays.
- FWS traffic passing milepost 117 was flat overall between 2014 and 2019, with a slight increase in weekend/holiday traffic. Traffic passing milepost 210 declined significantly (-20%) between 2014 and 2019.

Average Daily Traffic by Season and Day of Week Category, 2014 and 2019^a

Season	MP117			MP210		
	Work Day	Weekend/ Holiday	7 Day	Work Day	Weekend/ Holiday	7 Day
Summer						
2014	1,875	2,218	1,981	1,674	1,972	1,765
2019	2,102	2,323	2,170	1,753	2,046	1,843
% Chng. 2014-2019	+12.1%	+4.7%	+9.6%	+4.7%	+3.8%	+4.4%
Fall/Winter/Spring						
2014	694	793	725	665	720	682
2019	687	833	733	522	598	546
% Chng. 2014-2019	-1.0%	5.0%	1.1%	-21.5%	-16.9%	-20.0%
Annual						
2014	1,193	1,381	1,252	1,091	1,236	1,136
2019	1,285	1,447	1,335	1,042	1,195	1,090
% Chng. 2014-2019	+7.7%	+4.8%	+6.7%	-4.5%	-3.3%	-4.1%

Notes: a. Average daily traffic by season based on continuous traffic count going in both directions. Where counter outages occur, daily traffic was estimated by average traffic one week prior and post outage.
Source: Alaska Department of Transportation and Public Facilities

South Denali Area Lodging

An inventory of visitor lodging in the region helps illustrate size and nature the visitor markets. The two major properties, McKinley Princess and Talkeetna Alaska Lodge, represent 665 out of 857 total rooms, or 78%. These properties have significant utilization by package tour operators including Holland America Princess, Premier, and others. All other properties have fewer than 15 rooms/cabins each, including 16 that only have one or two rooms/cabins. In addition to the properties listed below, there are an estimated 200 additional vacation rentals such as Airbnb.

Talkeetna Area Lodging Inventory

# of Rooms		# Rooms		# Rooms	
Mt. McKinley Princess	460	Talkeetna Inn	6	Talkeetna Majestic & Loft	2
Talkeetna Alaskan Lodge	205	Denali Overlook Inn	5	Talkeetna Trailside Cabins	2
Alaska Hideaway	14	North Country B&B	5	A B&B on C	1
Susitna River Lodge	13	Talkeetna Chalet	5	Belle's Cabin	1
Latitude 62	12	Talkeetna Eastside Cabins	5	Birch View Cabin	1
Talkeetna Roadhouse LLC	12	McKinley View B&B	4	Eye of Denali Inn & Suite	1
Sheep Creek Lodge	11	Paradise Lodge	4	My Alaska Cabin	1
Talkeetna Hideaway	9	Trapper Creek Inn	4	Rocky's Cabin	1
Gate Creek Cabins LLC	8	Caribou Lodge Alaska	3	Rustic Elegance	1
Meandering Moose Lodging	7	Gigglewood Lakeside Inn	3	Sheldon Mountain Chalet	1
Talkeetna Cabins Corp	7	Talkeetna Cottages	3	Sunshine Lake B&B	1
Chinook Wind Cabins	6	Talkeetna Lakeside Cabins	3	Talkeetna Basecamp	1
Denali Fireside, LLC	6	Talkeetna Love-Lee Cabins	3	Talkeetna Cabins	1
Grace & Bills Freedom Hills	6	Traleika Denali View Cabins	3	Talkeetna Tiny House Cabin	1
Talkeetna Denali View Lodge	6	Alpaca Cabins	2	Talkeetna Wolf Den Cabin	1
TOTAL ROOMS					857

Source: Mat-Su Convention and Visitors Bureau.

Overview

Denali State Park encompasses 325,240 acres along the east and west sides of the Parks Highway about 150 miles north of Anchorage and 215 miles south of Fairbanks. The closest communities are Talkeetna and Trapper Creek. The Park can also be accessed on the remote eastern border by the Alaska Railroad Hurricane loop train.

The park includes the following developed areas:

- Denali View North Campground located at Mile 162.7 of the Parks Highway has 20 campsites and provides toilets, drinking water, and a picnic area.
- A staffed visitor station is located at the Alaska Veterans Memorial, at Mile 147.1 of the Parks Highway just north of the Byers Lake Campground. Along with displays and videos, the center sells topographical maps, books, and other retail items.
- Byers Lake Campground, located at Mile 147 on the Parks Highway, has 73 drive-up campsites and three public-use cabins. The area offers spectacular views of Mt. McKinley, picnic sites, trails, and a small boat launch. Canoe and kayak rentals are available.
- 10 campsites are located at the Lower Troublesome Creek Trailhead at Mile 137.2.
- There are also nine campsites at Denali Viewpoint South at Mile 135.2 of the Parks Highway.
- The K'esugi Ken RV and tent campground, located at MP 135.4 of the Parks Highway, opened to the public in 2017. The campground includes a ranger station, 32 electrified RV campsites, 10 walk-in campsites, a group campsite for up to 50 people, interpretive center/pavilion that can be reserved for groups up to 20 people, three public-use cabins, a new hiking trail to alpine areas, plus a network of trails for a range of abilities.

Park Activities

Primary activities for visitors to the State Park include viewing Denali and the Alaska Range, hiking, camping, picnicking, boating, fishing, wildlife viewing, and learning about area history. Detailed information on the park's history, natural resources and hiking routes are found at trailheads and camping areas. There are 8 trails in the area ranging from two miles to more than 25 miles with elevation gains ranging from 100 feet to 2,200. Many of the trails feature spectacular views of Denali and the Alaska Range on clear days. The Park does not maintain hiking trails in the winter; however, cross-country skiing is popular on Curry and K'esugi ridges. Snowmobiles and other off-road vehicles are permitted in the park only when the snow is deep enough to protect vegetation, usually above 16 inches. Winter access on the narrow road to the K'esugi Ken campground can be challenging.

Park Visitation and Revenue

DSP monitors visitor traffic at Byers Lake, Denali View North and South, K'esugi Ken Campground, and the Veterans Memorial, and provided visitation data for 2018 and 2019. Due to weather, tampering, and theft, data is not available for all months during the period. Some months have been estimated, and data is presented in ranges.

Annual visitation at DSP for 2019 is estimated to range from about 88,000 to 95,000. The summer period includes May through September; winter includes October through April.

Summer visitation in 2019 is estimated between 75,000 and 80,000 people and between 65,000 to 70,000 for 2018. June, July, and August are the months with the highest visitation, averaging about 20,000 visitors monthly.

In winter 2018-19, an estimated 13,000 to 15,000 people visited the five locations in DSP. Data for 2018 was less complete, but visitation appears to be somewhat lower, perhaps in the range of 10,000 to 12,000. Visitation is heaviest in March, April, October, and November. April has the highest visitation for the period ranging from about 2,500 to 3,500 visitors.

Revenue by Facility

DSP revenues increased by 23% between 2018 and 2019, from \$315,000 to \$388,000. K'esugi Ken Campground and Byers Lake generated the majority of park revenue in both years (84% and 87%, respectively).

Denali State Park Revenue by Facility, 2018 and 2019

	2018		2019	
	Revenue	% of Ttl.	Revenue	% of Ttl.
K'esugi Ken Campground	\$151,900	48%	\$199,400	51%
Byers Lake	\$113,600	36%	\$138,000	36%
Alaska Veterans Memorial	\$22,900	7%	\$17,600	5%
Denali View North	\$6,500	2%	\$16,400	4%
Denali View South	\$3,200	1%	\$7,600	2%
Little Coal Creek Trailhead	\$14,100	4%	\$4,400	1%
Lower Troublesome Creek	\$2,500	1%	\$3,500	1%
Upper Troublesome Creek	\$600	<1%	\$500	<1%
Total	\$315,000		\$388,000	

Source: Alaska State Parks. Figures have been rounded.

DSP Revenue by Type

Cabin rentals, campground fees, and RV space rentals generated most of DSP revenues in 2018 and 2019 (81% and 79%, respectively). Park fees and parking generated 5% to 6% of revenue.

Denali State Park Revenue by Type, 2018 and 2019

	2018		2019	
	Revenue	% of Ttl.	Revenue	% of Ttl.
Cabin Rental	\$107,000	34%	\$120,000	31%
Campground Fee	\$84,000	27%	\$65,000	17%
RV space rentals	\$67,000	21%	\$113,000	29%
Park Fees	\$32,000	10%	\$37,000	10%
Parking	\$17,000	5%	\$23,000	6%
Special Use Permit	\$2,000	1%	\$28,000	7%
Sewage Disposal	\$2,000	1%	\$1,000	0%
Comm Use Permit	\$2,000	1%	-	-
Total	\$315,000		\$388,000	

Source: Alaska State Parks. Figures have been rounded.

K'esugi Ken Campground

K'esugi Ken Campground revenue is derived primarily from RV space rental, cabin rentals and campground fees. RV space rental revenues increased by 69% between 2018 and 2019. Cabin rentals were basically flat year over year, and campground fees declined by 44%.

K'esugi Ken Campground Revenue, 2018 and 2019

	2018		2019	
	Revenue	% of Ttl.	Revenue	% of Ttl.
RV space rental	\$67,000	44%	\$113,100	57%
Cabin rental	\$61,000	40%	\$70,600	35%
Campground fees	\$17,700	12%	\$10,000	5%
Parking	\$4,200	3%	\$5,700	3%
Special use permits	\$2,100	1%	-	-
Total	\$151,900		\$199,400	

Source: Alaska State Parks. Figures have been rounded.

Byers Lake

Byers Lake revenue is primarily generated by campground fees and cabin rentals. Combined, these two categories declined by 7% from 2018 to 2019. A significant increase in special use permit fees resulted in an overall increase in Byers Lake revenue of 21% from 2018 to 2019.

Byers Lake Revenue by Type, 2018 and 2019

	2018		2019	
	Revenue	% of Ttl.	Revenue	% of Ttl.
Campground fees	\$56,900	50%	\$46,300	34%
Cabin rental	\$46,900	41%	\$49,900	36%
Parking	\$6,800	6%	\$7,200	5%
Waste disposal	\$1,800	2%	\$1,100	1%
Commercial use fee	\$500	0%	\$0	0%
Park fees	\$500	0%	\$5,700	4%
Special use permits	\$200	0%	\$27,900	20%
Total	\$113,600		\$138,000	

Source: Alaska State Parks. Figures have been rounded.

The study team interviewed 27 stakeholders about the proposed South Denali Visitor Complex, gathering their insights on the overall facility concept, proposed themes, pricing, market appeal, and potential user volume, among other subjects. These contacts represented Alaska State Parks, Denali National Park, cruise lines, hotel operators, transportation providers, tour operators, outdoor recreation organizations, and destination marketing organizations. Their comments are summarized below. A full list of contacts along with their organization is provided in the Appendix.

Overall Need for SDVC

- Many interviewees were supportive of a visitor attraction in the South Denali area, noting that both Denali and Alaska overall lacked sufficient visitor infrastructure and contemporary visitor experiences. In particular, the current viewpoint areas at the Veterans Memorial and Denali Viewpoint South get very high usage, and it is difficult to keep up with maintenance of trash and latrines.
 - *There is great need for a south entrance to Denali. We don't need to be in the national park. You get wilderness, wildlife, access. You can deliver the goods for the tourists and locals.*
 - *Alaska is underdeveloped in terms of infrastructure.*
 - *Is there an overall need, yes. As an industry, we haven't been as proactive as we should be.*
- Many contacts agreed this center would help address capacity limitations in Denali National Park.
 - *I would certainly favor it for tourists if they can have grandeur of a beautiful site and access into South Denali. That's marketable. There's not enough room for everybody [in Denali].*
 - *I see this as an add-on to existing infrastructure that is already in the National Park. I honestly think that a visitor center on the south side will make more people exposed to Alaska and the National Park than they could have, especially on the shorter trips.*
 - *I do think there is need in summertime. The National Park is #1 tourist spot in state. If we can help spread it around, great.*
 - *The visitor center is a good idea. It's needed—especially when you look at normal volume at Denali Visitor Center. If there were alternative options, we could avoid it.*
- Most contacts agreed that the SDVC can attract new visitors to the area who do not have the three to five days needed to experience DNP but want to see the mountain. Opinions varied on whether guests would be satisfied with only a State Park experience or if it would augment the National Park.
 - *Everyone knows it's a three-day commitment for a Denali experience. This would be a Denali experience that people could do from Anchorage in one to two days.*
 - *The reason South Denali works well is it could take care of a segment of the travel industry that was underserved: the cruise passengers who only have a couple of days after cruise, want to see Denali, but don't want 7-8 day land tour.*
 - *Having the south side available opens market up to people who are limited in their time. It's good for the state.*
 - *My opinion is that it won't replace the Denali Park experience, it would be supplemental. I think it's a huge stretch to think we'll have people coming to Alaska and not primarily including the*

National Park in their plans. The visitor center idea is more conducive to self-drives and spring and fall.

- *Yes, there will be the day-only market of people doing drives from Anchorage. But does that justify the investment? No. it would be nice to have a facility there. I just think we should be careful of size and scope.*
- *It's a great concept especially for people who don't want to invest another 2-3 hours to get to the National Park. We get a lot of requests from receptive operators for 2-3 day land packages. It also might play into that long weekend traffic that's coming up to Alaska.*
- A constraint on the market for SDVC was competing experiences and short duration in Talkeetna. The community offers a wide variety of excursions; particularly popular options are flightseeing and boat excursions.
 - *I'm not sure I'm sold on it as an activity center. The current activity infrastructure seems adequate. We don't need more, and it would be competitive with current businesses.*
- In general, Princess Lodge guests desire more activity options. However, demand projections increase dramatically if the experience incorporates an attraction and opportunities for ridgeline views.
- There is additional demand for special event space in the overall Denali area for conferences and weddings.
- There was skepticism about generating sufficient demand from a facility that delivers an indoor interpretive experience, when Alaska visitors tend to be more interested in outdoor experiences.
- Tour operators observed that it would be difficult to increase visitor volume to the South Denali area without building additional hotel rooms.
- Some local residents are concerned about any new development, citing the already explosive growth in Talkeetna, and fearing that South Denali could eventually resemble the main National Park entrance.
 - *What the public was very clear about ...was we don't want to see happen is for [the area] to turn into "Glitter Gulch. It's a very strong, adamant perspective. This is our backyard.*

Impact on Travel Patterns

- There is concern that once a Denali experience is available within one or two days from Anchorage, visitors will avoid the North Denali and/or Fairbanks areas.
 - *Some really are opposed to it, saying that if you put a visitor center and you can see Denali from there, nobody will want to go to Denali and certainly not Fairbanks. Just do a day trip from Anchorage. There's some truth to that. But I don't think it's worth not building it because of that.*
 - *If it's advertised you can see Denali from South Denali, they will go there, get their photos, check that box, then turn around and go south because of time and cost parameters.*
- This concern is also offset by recognition of Denali National Park as a primary motive for visiting Alaska and the high appeal of wildlife viewing in the National Park.
 - *It won't replace the satisfaction of being up in Denali National Park. Not the vistas, views, wildlife.*
 - *We tried a non-Denali land program. It fell flat on its face. If it doesn't have Denali, they don't want it.*
 - *This can grow interior tourism by helping spread out the bottleneck.*

- *When people come to Denali, their number one goal is to see a grizzly in the wild. They also want to see the mountain, glaciers, and a ranger in a flat hat.*

SDVC Activities and Experience

- Most contacts agreed that a theme of Denali ascents, both historical and contemporary, would be appealing to the market. They also supported incorporating personal engagement, such as having a Denali climber give talks, and to glacial and geological themes.
 - *The suggested themes sound great. Displays, movies, an actual climber speaking, or a dog musher. Even if it was on film, it would be fabulous.*
 - *They're right on track with the suggested themes... If you have two different themes (hiking, glaciers/geology) I would think you could be complementary to the National Park.*
 - *To really make this successful, there has to be that element of authenticity, either with homesteaders or an Alaska Native, that really get people to understand the culture of Denali National Park. A climber is good, but an Alaska Native speaker would make a big difference.*
 - *It can't be just walking around and looking at cool displays. We have a lot of those type of visitor centers in Alaska...something engaging and interactive. If it's a bad day, pouring rain, it will be something to do indoors. A mountain climber giving talks would be great.*
- Some contacts were concerned that climbing is already covered at DNP Visitor Center, the Talkeetna Historical Society Museum, and/or at hotels. They advised caution in avoiding redundancy with those facilities.
 - *A lot of traffic will go to both DSP and DNP. The messages have to be coordinated, not redundant. There are lots of glaciers on the south side, glacier stories would be important. On the north side, it's more of the tundra experience.*
- Several contacts stated the importance of incorporating the DNP experience through rangers, branding, and passport stamping.
 - *I need to be able to say I went to Denali National Park. I believe it's critical that it's a National Park stamp of approval. Even if you just have Park ranger.*
 - *It does not feel like a National Park without flat hats and Smokey the Bear.*
 - *It has to carry certain elements of the National Park experience or it will not get to their revenue goals.*
- There were several cautions regarding setting expectations too high concerning Denali views:
 - *Don't focus completely on Denali; you're only going to see it 30% of the time.*
 - *You have two issues: if they don't see the mountain, how do you make the experience rich enough for them so they say they understood it. If the mountain is out, what more do you have to do to exceed expectations?*
- Many guests already have a stunning view from their hotel, including guests at the two largest properties Mt. McKinley Princess Wilderness Lodge and Talkeetna Alaskan Lodge. Incorporating an adventure would create significantly more demand.
- In terms of length of visit, contacts anticipated one to three hours, depending on what is offered.
 - *There is really nothing to hold people there. As described, it will be a glorified potty break. The buses will park, people will take a short walk, use the bathroom, and some will do the immersive/educational experience. One hour max.*

- *A fairly limited number of visitors will spend more than an hour as envisioned now.*
 - *People have different interests. The more interactive, the more it will keep people there. It could be two-hour experience if there is indoor and outdoor experiences.*
- While numerous contacts noted the need for internet connectivity, the alternative viewpoint was offered that it should not be offered in order to preserve the feeling of remoteness.

Facility Concept and Location

- While stakeholders recognized the high cost to access and construct facilities on Curry Ridge, several questioned whether the K'esugi Ken location held enough appeal, particularly if there is not a view of Denali from the facility itself.
 - *If it's the cost that keeps it from being built on the ridge, let's prioritize and find a way to pay for it.*
 - *Yes, there will be motorcoaches and tour operators that would stop there, but for how long?*
 - *A center at K'esugi Ken will not keep people for very long.*
 - *Just because it's convenient and economical to build there [at K'esugi Ken] doesn't make it the best value. It is cheaper to build, but if it's not special, I'd rather they wait 10 years and do it right.*
 - *You can have trails at K'esugi Ken site but it's walking through the forest. It's fine, but where's my view? It's not going to be a big draw.*
 - *You have to be above that tundra. Views even when cloudy.*
- Several contacts cautioned the SDVC as currently envisioned (without access to the ridge) would have limited appeal.
 - *It has to be an experience worth paying for. It was going to be on top of Curry Ridge, they talked about putting in a tram, building in some sort of attraction. Then they'll pay for it.*
 - *If it's just a visitor center and they just walk around like Morris Thompson Center...that is free, it has cool interactive stuff, but we don't need another like that. It's got to have a really cool attraction to get tour operators to put a lot of people there.*
 - *Groups like us would drive right by it, we might use it as bathroom stop. We're more oriented toward outdoor experiences. If it were up on the ridge, we'd consider it.*
 - *It will be a gourmet bathroom stop without a destination experience. You need something unique, different, stunning.*
 - *Where's the volume that wants to drive to this location to pay \$20 to watch a movie? It's a stretch.*
- There was general agreement that the original site on the ridge would have been a much higher quality experience than the current concept, and one worth paying for.
 - *I know that the way the experience was originally planned would have been an experience that people would have paid for. It would extend their stay...they would have spent 3-4 hours there. It would have been world-class.*
 - *If you can get up on top of the ridge, even if you have those weather conditions at play, you're on the tundra. Even on a cloudy day, you can see forever, you can have an awesome experience. But if you're in the forest, it's a state park experience. There are ferns, devil's club, mosquitoes.*

It's not the big WOW experience. Which doesn't mean it shouldn't happen, but it's not going to be an alternative to Denali.

- *My disappointment is that site on the ridge was going to give access to people who normally couldn't hike up there.*
- Numerous contacts suggested revisiting access to the ridge via tram, funicular, or gondola. Without this type of attraction/experience, the SDVC would be unlikely to generate sufficient visitation or revenue.
 - *If you get the initial attraction in, you can grow the site around it. The gondola would be a must-see experience. Other things will pop up like a zipline, tours, another hotel.*
 - *What is going to be compelling for tour operators and marketers to spend extra on this? The pitch was always build on the ridge, that's the hook.*
 - *The location is critical. K'esugi Ken is a wonderful campground. One of the best in the state. ...but you won't meet the market need if you build it there.*
 - *Why have TV screens in the woods when you have the real thing?*
 - *They are going someplace special. That's what you can charge for and will extend their stay.*
 - *Don't lose the idea of the later phase where you get up to that ridge.*
 - *You could connect a high-speed gondola with the Curry townsite and riverboat.*
 - *We could offer the current concept as an optional excursion. If it's full enchilada with gondola, we would include it for everyone as opposed to an option.*
- There was frustration that previous processes to determine the best location for the SDVC have not been respected in the current plans.
 - *The K'esugi Ken site is not going to be the experience that the team worked for a year to put together... There was a huge public process that put it up there, for a reason.*
- Several cautioned that careful siting and programming was needed to avoid conflict between campground users and SDVC guests.
- There are stakeholders who prefer the campground location, noting that building on Curry Ridge would damage the tundra environment.
 - *Curry Ridge is way too special. I think scaling it back to the campground is a very good start. That's where it should have gone to begin with.*
 - *It's going to impact too much pristine wilderness and will cost too much to build.*
- There was concern that building up on the ridge would make operations way too costly.
 - *We don't have ability to maintain a road to the ridge, we can barely maintain what we have. We've already got power and water at K'esugi Ken.*

Pricing

- Tour operators are price sensitive.
- Many contacts indicated that retail rates in the \$15 – \$20 range would be reasonable for a new, compelling attraction.
 - *I would say no more than \$20 per person or you're going to discourage people from stopping altogether.*
- Many visitors expect visitor centers to be free to the public—especially publicly owned/managed. Some stakeholders cautioned against using "visitor center" in marketing.

- *You need to be careful how it's being messaged. Don't call it a visitor center. That puts a different spin on people's minds.*
- *Marketing- wise be very careful if there's going to be a charge.*
- *We would send thousands of people if it was free. If it costs money, the number goes down the higher it gets.*
- Operators suggested packaging the experience with other excursions.
- It was also suggested that the SDVC be free, charging for immersive/educational programming, access to the ridgeline, and other value-added experiences.
 - *I think you need to have a visitor center that includes a café, and some type of complementary experience. Scopes, exhibits. Charge for a demonstration on top of that.*
- One contact with experience in other Western states said it is very rare for state-run parks to make a profit.

Target Markets and Logistics

- Cruise passengers staying at the Talkeetna Alaska Lodge and the McKinley Princess Lodge were acknowledged as facility's primary target markets, given their volume and package tour itineraries.
- Several limits to the SDVC's market potential were noted by operators:
 - *Many rail passengers are on one-way itineraries and bypass this section of the highway.*
 - *The itineraries with cruise passengers going straight between their vessel in either Whittier or Seward and Denali National Park will not have time to stop. Their day is already extremely long.*
 - *Many visitors spending one night at the Talkeetna Alaska Lodge arrive late in the day and depart early the next morning. It is likely too short of a window as an optional excursion but could potentially be incorporated into the tour if they are traveling by highway on that segment.*
 - *Guests spending two nights at the Princess Lodge are particularly promising market due extra time in the area.*
 - *Those spending one night may be interested in an evening or morning visit given the proximity.*
- Many visitors to Talkeetna and the Princess Lodge are on shuttles or buses; they are not self-drive. They would need transportation from Talkeetna or their hotel to/from the facility.
- Smaller scale operators with adventure-oriented clientele would be likely to hike up to the ridge.
- One tour operator noted they would likely replace the DNP Visitor Center in their itinerary with the SDVC because of crowding.

Winter Access

- Keeping the facility open in the winter is probably not realistic considering likely low visitation and costs for staff, heating the facility, and maintaining the road in heavy snow conditions.
 - *I question the viability of doing it, you don't have volume. There are so many unforeseeable variables.*
 - *An incredible snow year is great for snowmachining, but if you've got a long drive, you have to keep that plowed. All your profits are going into the plowing. I would caution people that it sounds great, but you have to make sure you're factoring extra costs. They come fast.*

- A possible alternative is a spring/early summer opening while snow sports are still possible and Alaska residents are motivated to recreate. The Talkeetna Alaska Lodge's winter season lasts only three weeks, in March.
 - *Winter market would benefit from a warming hut approach. If the parking lot is plowed, people will come in for information and services. Rent snowshoes and backcountry skis. Right now, REI is providing that service. Provide people information, rental gear, small-scale repairs, coffee, snacks.*
- Snowmachine representatives repeatedly stated the need for plowed parking, restrooms, and additional support for grooming.
- Snowmachiners are frustrated that prior commitments for multi-use access are forgotten or ignored.

Market Overview

In estimating market demand for the SDVC, the study team considered two seasons: May through September for summer and October through April for winter. For each market segment outlined below, the team considered a) estimated market volume b) percentage of the existing market that would be attracted to the SDVC and c) how the SDVC could attract new visitation to the area from each market segment.

Summer Markets

- Cruise passengers
 - Cruise line operated packages
 - Tour packages by other operators (including day trips from Anchorage)
 - Cruise passengers traveling on their own (including car/RV rentals)
- Non-cruise, non-resident visitors
 - Fly-drives (car/RV renters)
 - RVs and other highway travelers
 - Bus/train packages
 - Adventure travelers
 - Visiting friends/relatives (VFRs)
 - Business travelers
- Alaska residents
 - Area residents
 - Other Alaskans

Winter Markets

- Alaska residents
 - Area residents
 - Snowmachiners
 - Other recreators: ski, dogsled, snowshoe, etc.
 - School field trips
 - Conferences
- Non-residents
 - Winter tour packages
 - Independent travelers
 - Visiting friends/relatives (VFRs)
 - Business travelers

Market Demand Estimates

Market demand analysis and revenue estimates are presented for two scenarios. The first scenario is based on the new visitor center being developed adjacent to the K'esugi Ken campground and is considered the "low-case" scenario. The second, "high-case" scenario assumes that facility development adjacent to the K'esugi Ken campground is augmented with a tramway or gondola to create an adventure experience and facilitate access to the ridge. The second scenario was developed in response to strong industry feedback concerning the importance of ridge access to attracting the market and meeting guest expectations.

Scenario 1: SDVC at K'esuki Ken Campground Site

The study team estimates an immersive, educational SDVC facility located at the K'esugi Ken campground site would draw an estimated 77,500 paid admissions annually, including 74,000 in the summer months and 3,500 in the winter. Out-of-state visitors would represent nearly 80% of paid admissions.

Estimated Market Demand at K'esugi Ken Site

	Summer	Winter	Total
Visitors	60,000	1,000	61,000
Alaska residents	14,000	2,500	16,500
Total	74,000	3,500	77,500

Source: McDowell Group estimates.

- Alaska visitors are generally more interested in outdoor, adventure-oriented experiences than indoor experiences. The immersive, educational experience is expected to have modest appeal to Alaska visitors, including those overnighting in the South Denali area and those traveling the Parks Highway.
- The primary market for the new facility is guests staying at the McKinley Princess Lodge, due to their volume, proximity, and available time. The potential to attract a significant portion of this market may be limited however by several factors: they have an exceptional view of Mount McKinley from their lodge; they also have educational programming (including lectures by Denali climbers) available at the lodge; and they have competing tour and activity options.
- It is very unlikely that the facility would generate enough revenue throughout the winter season to warrant keeping it open year-round (including heating and staffing the facility and keeping the roads plowed). As peak winter visitation is in March and April, a seven-month operating season may be viable.
- Snowmachiners expressed limited need for additional equipment rentals or storage but were very interested in keeping access roads and parking areas plowed to allow access to the area. Paid winter visitation to the new center is expected to be very modest.

Scenario 2: SDVC with Summer Ridge Access

Visitation projections change dramatically if seasonal access is provided to the ridge by a tramway or gondola. Under this scenario, the study team estimates the SDVC facility would attract an estimated 202,000 paid admissions annually, including 196,000 in the summer months and 6,000 in winter. Visitors represent 87% of paid admissions.

Estimated Market Demand with Summer Ridge Access			
	Summer	Winter	Total
Non-residents	175,000	1,500	176,500
Alaska residents	21,000	4,500	25,500
Total	196,000	6,000	202,000

Source: McDowell Group estimates.

- The adventure of riding a gondola or tramway, coupled with ridge access and views, significantly increases the appeal of the overall experience (160% increase over the base scenario).
- While Holland America Princess remains the primary market in this scenario, projected visitation expands considerably among McKinley Princess lodge guests.
- Projected participation among other tour operators increases dramatically, including those with guests overnighing in the area and operators transiting the Parks Highway.
- Projected visitation from independent visitors and Alaska residents is also considerably higher in this scenario.
- Projected winter visitation remains modest, as outdoor recreational experiences are the primary motive for visiting the region.

Potential Revenue Generation

Revenue projections assumed that all aspects of the SDVC would be operated through one or more concession agreements, with Alaska State Parks taking an average commission of 10%.

- Estimated SDVC entrance fees are based on a review of facility fees around the state and industry interviews.
- Food and beverage and retail spending estimates are based, in part, on data provided by Denali National Park. Analysis included expenditures at park concessions including the Morino Grill, Wilderness Access Center, Riley Creek Campground general store. Spending per person was inflation-adjusted to 2019.
- Tram/gondola fees are based on a review of similar attractions including Alyeska Resort (Girdwood), Icy Strait Point (Hoonah), Mount Roberts Tramway (Juneau), Sea to Sky Gondola (British Columbia), and Grouse Mountain Skyride (Vancouver). (Revenue projections are intentionally conservative and should be refined in future project phases that consider capital and operating costs for the specific site.)
- Denali National Park requires a minimum franchise fee of 11% of gross sales to be paid to the Park and recent historical attainment of 15.4%. Importantly, concession agreements also outline responsibilities for addressing major maintenance, capital replacement, utilities, and other costs.

Scenario 1: SDVC at K'esuki Ken Campground Site

AVERAGE EXPENDITURES

- In scenario 1, summer visitors are estimated to generate an average of \$19 per person including \$12 from admission fees, \$4 for food and beverage, and \$3 for retail purchases. Retail and walk-up admission fees are projected to be \$18/person for adults. The \$12 net rate used in project calculations incorporates travel industry commissions, child rates, and other potential discounted rates.
- Winter visitors are estimated to generate a total of \$5 per person including \$2 for admission and \$3 for food and beverage. (Note: No retail sales are anticipated in the winter as the cost to operate a retail venue would significantly exceed potential revenue.)

Scenario 1: Estimated Average Spending Per Visitor

	Summer	Winter
Admission fees	\$12	\$2
Food and beverage	\$4	\$3
Retail sales	\$3	\$0
Avg. Spending per Visitor	\$19	\$5

Source: McDowell Group estimates.

ESTIMATED REVENUE

Revenue estimates are based on estimated demand and average expenditures presented above.

- In scenario 1, gross revenue for the summer period is estimated at \$1.4 million with net SDVC revenue of \$140,600.
- Winter gross revenue is estimated at \$17,500 with net revenue to SDVC of \$1,750.
- Total revenue to Alaska State Parks is estimated at \$142,350.

Scenario 1: Estimated SDVC Revenue

Revenue Source	Summer Gross Revenue	Summer SDVC Net Revenue	Winter Gross Revenue	Winter SDVC Net Revenue
Admission fees	\$888,000	\$88,800	\$7,000	\$700
Food and beverage	\$296,000	\$29,600	\$10,500	\$1,050
Retail sales	\$222,000	\$22,200	\$0	0
Total SDVC Revenue	\$1,406,000	\$140,600	\$17,500	\$1,750

Source: McDowell Group estimates.

Scenario 2: SDVC with Summer Ridge Access

AVERAGE EXPENDITURES

- In scenario 2, summer visitors are estimated to generate a total of \$30 per person.
- Additionally, an estimated 120,000 visitors (about 60% of all visitors) would ride the tram/gondola and pay \$35 (net of travel industry commissions).
- Admission fees would average \$14 (net of travel industry commissions).

- Longer onsite visitation will increase opportunities for food/beverage and retail spending. Expenditures for food/beverage are estimated at \$10 per person and \$6 for retail purchases.
- Winter visitors are estimated to generate a total of \$10 per person including \$5 for admission, \$4 for food/beverage, and \$1 for retail purchases. Note: This study assumes that a tram/gondola would be cost-prohibitive to operate in the winter. Food/beverage and retail would only operate for parts of March/April when the majority of winter visitation occurs.

Scenario 2: Estimated Average Spending per Visitor

	Summer	Winter
Admission fees	\$14	\$5
Food and beverage	\$10	\$4
Retail sales	\$6	\$1
Tram/gondola fee (120,000 pax)	\$35	-
Avg. Spending per Visitor	\$30/\$65	\$10

Source: McDowell Group estimates.

ESTIMATED REVENUE

- In scenario 2, gross revenue for the summer period is estimated at about \$10 million with net SDVC revenue of \$1 million.
- Winter gross revenue is estimated at \$60,000 with net revenue to SDVC of 6,000.
- Total estimated revenue to Alaska State Parks in Scenario 2 is 1,014,000 (more than 600 percent higher than Scenario 1).

Scenario 2: Estimated SDVC Revenue

Revenue Source	Summer	Summer	Winter	Winter
	Gross Revenue	SDVC Net Revenue	Gross Revenue	SDVC Net Revenue
Admission fees	\$2,744,000	\$274,400	\$30,000	\$3,000
Food and beverage	\$1,960,000	\$196,000	\$24,000	\$2,400
Retail sales	\$1,176,000	\$117,600	\$6,000	\$600
Tram/gondola fee	\$4,200,000	\$420,000	-	-
Total SDVC Revenue	\$10,080,000	\$1,008,000	\$60,000	\$6,000

Source: McDowell Group estimates.

SDVC Business Structures

Overview

Two business structures were identified by AIDEA and Alaska State Parks for developing SDVC.

- The Public Model envisions that Alaska State Parks owns and operates SDVC with AIDEA conduit revenue bonds financing the project to the extent supported by project revenues.
- The Public Private Partnership Model would have a private partner enter into a concession agreement with State Parks to develop SDVC with private funds which could include a mixture of equity, debt, and bonds.

Public Model vs. Public Private Partnership

	Public Model	Public Private Partnership
Land Ownership	Alaska State Parks	Alaska State Parks
Facility Owner	Alaska State Parks	Private Operator
Operator	Alaska State Parks	Private Operator
Funding Source	AIDEA Conduit Revenue Bonds	Private funds (debt and equity)
Debt Service Funding Source	SOA Appropriation	SDVC Revenues
Financial Risk	State of Alaska & Bondholders	Private Operator
Revenue Stream to State of Alaska	SDVC Income after Debt Service	Concession Fee

Public Model

Description

Under the Public Model, State Parks will own and operate SDVC. Construction will be financed, at least in part, by AIDEA conduit revenue bonds. SDVC revenue will be used to pay operating costs and debt service. The level of construction costs able to be funded by AIDEA conduit revenue bonds will be a function of projected SDVC revenues.

AIDEA Conduit Revenue Bonds

AIDEA conduit revenue bonds do not require a State appropriation, and the funds do not come from AIDEA or the State. Instead, AIDEA acts as a conduit and issues bonds on the borrower's behalf. These bonds are purchased by third parties at market rates. The proceeds of a bond sale are used to fund a project, and the bond holders are typically paid solely from revenue generated by the project. AIDEA-issued revenue bonds can be used to finance qualifying publicly owned projects such as a utility. The interest rates of AIDEA conduit bonds are established by the bond market based on the credit worthiness of the project being funded.

BONDING AUTHORITY

Under the Alaska Constitution, only public enterprises, public corporations, and political subdivisions of the State can issue revenue bonds (Article IX, Sections 8 and 15). AIDEA is a political subdivision of the State of Alaska and is authorized to issue revenue bonds and does so routinely. As noted above, AIDEA-issued revenue

bonds can be used to finance qualified publicly owned projects and well as projects that are formed by a public-private partnership. However, it is unclear whether Alaska State Parks by itself would qualify as a public enterprise and be permitted by the constitution to issue revenue bonds. If it is permitted by the constitution it may still require legislative approval

Revenue bonds require a dedicated source of repayment and it is unclear whether Alaska State Parks could pledge SDVC revenue for debt service. Alaska statute mandates that all money Alaska State Parks receives from the operation of parks and facilities, including money from concession agreements, shall be deposited into the State General Fund (AS 41.21.030). This law may require that all SDVC revenue would go to the State General Fund, and debt service would be subject to future legislative appropriation. As a result, if Alaska State Parks owned SDVC and project revenue was paid directly to Alaska State Parks, then then it may not be possible to pledge SDVC revenue to bond holders, which likely makes revenue bonding difficult as the repayment of the funds would have appropriation risk.

It is recommended that the originally envisioned public model undergo further legal and financial review to ensure that Alaska State Parks has the legal authority to finance SDVC with ADIEA conduit revenue bonds.

Revenue Stream and Risk

Under the Public Model, all SDVC revenues net of operating costs and debt service will flow to the State of Alaska through Alaska State Parks. Additionally, Alaska State Parks would likely enter into a concession agreement with private operators to operate some portion of SDVC such as food and beverage or retail sales. In that event, the private operator will pay a negotiated share of their gross revenues to Alaska State Parks.

Alaska State Parks and the State of Alaska would bear the financial risk of SDVC underperforming. This underperformance includes cost overruns, negative operating revenue, and repairing any damage to the facility. The bondholders also bear risk if SDVC revenue is insufficient to make debt service as the bondholders will not be paid the full amount due to them.

AIDEA as Owner Alternative

The potential legal issues arising from State Park's ownership and revenue bonding indicates that a different legal structure to manage revenue receipts is probably needed. It may be the case that there is a need for a legal structure with a special purpose vehicle (SPV) and a long-term concession agreement for the project if it is financed via bonds. In the past, AIDEA has used SPVs set up as a limited liability company to own and operate projects to ensure that revenues generated can be used to repay revenue bond debt.

AIDEA, through the SPV, could enter into a concession agreement with State Parks for the construction and operation of SDVC. The SPV could borrow funds through the sale of revenue bonds and pledge all SPV and SDVC revenue to repay the bonds. The revenues earned by the SPV under the concession agreement would belong to SPV. The SPV would pay a concession fee to Alaska Parks with remaining revenues used to pay debt service on the bonds.

Under this model, SDVC could be operated by State Parks or a private operator chosen by AIDEA and approved by State Parks. AIDEA and State Parks would negotiate a concession fee to be paid by the SPE to State Parks for the right to operate under the concession agreement.

Public Private Partnership

Description

A second option identified by Alaska State Parks is to enter into a concession agreement with a private party (operator) to finance, build, own, and operate the SDVC facility on State Park land. The operator will bear the cost of constructing and operating SDVC and pay Alaska State Parks an agreed upon concession fee.

Alaska State Parks Concession Agreements

While Alaska State Parks has several existing concession agreements for private operations on their lands, they have reportedly never entered into a concession agreement for the purpose of the concessionaire making significant capital investments within a park. The ability to secure this type of financing is untested.

Alaska State Parks has recently negotiated a concession agreement with Anchorage Ski Club for the Arctic Valley Ski Area, which has historically operated under a lease agreement expiring in 2022. After the lease expires, Arctic Valley will transition to a concession agreement as Alaska State Parks is prohibited from leasing property, and the original Arctic Valley lease predated the designation of the area as State Parks land. At this time, the Arctic Valley concession agreement has not been executed.

The proposed Arctic Valley concession agreement would be the first concession agreement under which significant private investment is made in an Alaska State Park. The agreement is intended to be structured in a manner that allows enough security to the Anchorage Ski Club to procure bank funding for improvements and construction. If the Arctic Valley model proves successful, it could be replicated for the SDVC.

CONCESSION AGREEMENT STATUTORY REQUIREMENTS

A concession agreement with a third party for activities within Alaska State Parks must follow certain procurement rules mandated by statute (AS 41.21.027). If the concession agreement involves the construction of facilities, it must meet certain criteria. The DNR commissioner must find that the concession agreement (contract):

1. will implement the purposes of the park unit and is authorized by the park management plan, if any, that applies to the park unit;
2. will enhance public use and enjoyment of the park unit while maintaining a high quality environment and the opportunity for high quality recreational experiences;
3. will provide services or facilities that are not feasible or affordable for the state to provide directly;
4. will not create unacceptable adverse environmental effects;
5. is based on a need and desire of the public;
6. recognizes and accommodates, at no cost, ordinary uses in a park unit;

7. requires the contractor to hire residents of the state, to the extent available and qualified, when hiring persons to work in the park under the contract;
8. provides the state with a fair and equitable portion, in money or services, of the contractor's receipts from the provision of the service or the operation of the facility;
9. provides that the department retains control over the level of fees and the design and appearance of any facility to be constructed;
10. encourages the contractor to accommodate visitors with special circumstances, including persons with disabilities, senior citizens, and school children; and
11. provides that the contract may be terminated if the contractor fails to fulfill the requirements of this section or the contract.

The newly envisioned SDVC would likely meet these requirements.

CONCESSION AGREEMENT LEGAL AND FINANCIAL CONSIDERATIONS

The private operator will still need to ensure that the concession agreement provides enough security to obtain debt financing. For example, legal and financial analysis may be required to ensure that that requirements that the state is provided "a fair and equitable portion" of revenues (#8) and "retains control over the level of fees" (#9) can be agreed upon within the concession agreement and not modified during the term of the agreement at the sole discretion of the State. The concessionaire will also require that in the event of a termination of the concession agreement (#11) the concessionaire's lender will have recourse to the assets on State Park land.

If further legal and financial review indicate that financing is possible under a concession agreement, then the Private Partner model may be a viable structure to develop SDVC. It may also be an effective tool for further development on State Park land throughout Alaska with private investment instead of State funding to construct and operate revenue-generating facilities that are consistent with the goals of Alaska State Parks and individual State Park Master Plans.

Revenue Stream and Risk

Under the Public Private Partnership, a private operator will finance, construct, and operate SDVC. AIDEA-issued revenue bonds could be a funding source under this model. State Parks and the operator will negotiate a concession fee as part of the agreement that underpins this business structure. A properly structured concession fee should provide a balanced sharing of SDVC revenue with the private operator receiving enough net income to justify the capital investment.

The private operator and or bondholders bear most of the risk under a concession agreement. There will likely be very little to no financial risk to State Parks as its risk will be generally limited to non-performance under the concession agreement. The Delong Mountain Transportation System (DMTS) is an example of AIDEA participating in a privately developed project. DMTS was financed by AIDEA using revenue bonds that have been paid by user fees from the Red Dog Mine.

SDVC Financial Estimate

Alaska State Parks is seeking to develop SDVC in a manner that generates sufficient revenue to allow private or debt financing to reduce the amount of State of Alaska appropriation required to fund construction and operations. Because SDVC is in the early stage of development and project costs are unknown, a financial feasibility analysis is not possible. Additionally, no cost estimates have been generated for a possible tram or gondola to Curry Ridge as contemplated in Scenario 2.

Financing SDVC under the Public Model with revenue bonds is legally problematic if Alaska State Parks owns the facility and issues the debt. It may be possible for an AIDEA SPV to own the facility and finance construction with revenue bonds. The other option considered is private ownership and financing of the facility. At this point, it will be impractical to assess the financial feasibility of a privately funded SDVC without some knowledge of the private developers cost of capital, tax position, or development/operating plan. Without any project capital or operating cost estimates or an understanding of who the owner might be, it is not possible to produce a meaningful financial analysis. At this stage of project development, the estimated revenue projections are the best measure of financial viability. These projections indicate that a standalone SDVC will likely not generate sufficient revenue to support debt service payments or provide a positive rate of return on private investment.

An SDVC with ancillary facilities, such as a gondola/tram, might have the potential to generate enough revenue to justify investment. Further investigation into the capital and operating costs of such a facility would be required prior to additional financial investment.

Developing SDVC Alternatives Under Concession Agreement

It is recommended that State Parks work closely with private operators to develop SDVC and ancillary facilities which may include food and beverage service, retail, a gondola/tram to Curry Ridge, or lodging. State Parks could undertake a procurement process under which they invite private developers to propose plans for developments in South Denali consistent with State Park's vision for SDVC.

Alaska Railroad took a similar approach in developing a new cruise passenger terminal in Seward, estimated to cost between \$50 and \$100 million. Without sufficient funding to build and operate it themselves, the Alaska Railroad undertook a procurement process to select a private partner to develop the terminal. The partner would operate under a long-term lease or concession agreement and design, build, finance, operate, and maintain the terminal. The partner would be responsible for developing a profitable terminal with the Alaska Railroad retaining the authority to select their partner and approve the design.

If State Parks were to take a similar approach to developing SDVC, it would set out certain design criteria that would be required from a private partner. Private partners would then compete to enter into a concession agreement to develop SDVC. The private partner would take all financial risk of developing SDVC while paying State Parks a negotiated concession fee.

Appendix 1: Case Studies

This section presents overviews of several world-class visitor centers/museums in the U.S. that serve as examples of high-tech, modern, non-traditional facilities. The facilities were suggested by the AIDEA/State Parks team based on their high-tech, audio/visual exhibits. This section also provides information on Public Lands Information Centers in Alaska.

Abraham Lincoln Presidential Library and Museum

Library

In 1889, the Illinois General Assembly established the Illinois State Historical Library as a repository for materials on the state's political, social, and religious history. The Library is administered jointly with the Abraham Lincoln Presidential Museum, located across the street, and the two facilities share programming and staff resources. Items from the Library's Lincoln Collection are rotated for exhibit at the Museum, and Library historians are key participants in the development and execution of Museum exhibits and public programming. The Library maintains print, visual, and audio records of the Library and Museum's construction, dedication, and operations.⁸

Museum

The museum combines interactive exhibits, theaters, a children's area, and a "Holavision" presentation using ghosts that interact with live actors. A panel of the world's top Lincoln historians and teachers worked closely with the exhibit designers to ensure that the stories told in the museum would be accurate. The museum was designed "from the inside out" to ensure that exhibits telling the Lincoln story took center stage. Designed, created and produced by BRC Imaginations Arts, for the Illinois Historic Preservation Agency, the museum combines scholarship with showmanship. More than 36 scholars, historians, teachers, and historical advisors, including some of the world's foremost authorities on Lincoln's life and presidency, as well as 41 other organizations, gave rigorous input and guidance to the creation of this ground-breaking museum.

Visitation

The Museum has welcomed more than five million visitors. In fiscal year 2019, the Abraham Lincoln Presidential Library and Museum welcomed nearly 240,000 guests. Over 83% were first-time visitors; 66,000 were school children.

Annual Visitation				
	FY16	FY17	FY18	FY19
Total Visitors	283,354	272,265	255,887	239,972

Source: ALPLM Annual Report FY2019

⁸ <https://www2.illinois.gov/alplm/Pages/default.aspx>

Exhibits

- A hands-on children's area offers opportunities to try on period clothing, rearrange the furniture in the Lincoln Home doll house, and have a picture taken with life-size cut-outs of young Abraham, his sister, and his parents.
- This state-of-the-art theater features layered digital-projection screens and special effects that immerse viewers in the drama of "Lincoln's Eyes," told by the artist who struggled to capture the sorrow, hope, vision, resolve, and forgiveness in Lincoln's eyes.
- Select a question from the pre-programmed list and view a filmed response. Historian and Lincoln expert Tom Schwartz provides historical background, and actor William Schallert provides Lincoln's voice.
- This dramatic special-effects presentation uses Holavision®—a proprietary holographic technology—to explain the importance of the Museum's complementary Abraham Lincoln Presidential Library in preserving the history of Illinois' favorite son and all Illinoisans.
- The Campaign 1860 gallery features multiple video monitors showing a TV news program analyzing the four-way race for the presidency that Lincoln won.
- All major exhibits are accompanied by special educational programming.

Partnerships and Funding

In 2017, ALPLM separated from the Illinois Historical Society and was established as an independent agency. ALPLM now has its own director of legislative and governmental affairs, facilities services director, and chief operating officer. Other staff positions include Executive Director, chief operating officer, exhibits director, education director, and director of public programming and community engagement.

Construction was funded with State, federal, and municipal funds totaling more than \$30 million. Total project costs were \$145 million. The facility is partially supported through by the State of Illinois. Major funding is also provided by the King Hostick Public Trust Fund.

The Foundation incorporated in 2000 to assist with private sector fundraising for the ALPLM. Grant funding was provided by Dr. Scholl's Foundation, History Comes Alive! Project, Susan Cook House Educational Trust, Abraham Lincoln Association and National Historical Publications and Records Commission, Winnick Family Foundation, and the Department of Commerce and Economic Opportunity.

More than 500 volunteers donated 38,101 hours of service with a value of nearly \$1 million.

Pricing

\$15 adults/\$6 children.

School rate is \$4 per child in Mar-June, free in February.

Admission is free on Feb. 12, Mr. Lincoln's birthday. Non-profits can visit for free on Martin Luther King Jr.'s birthday. Military always receive a discount and are free on Veterans Day.

National Museum of the Marine Corps

Background

The facility immerses visitors into the complex, high-paced, and intensive experiences of the Corps and more than 200 years of history.⁹

The facility is located on 135 acres adjacent to the Marine Corps Base at Quantico. The building is an architectural representation of the World War II flag-raising scene on Mount Suribachi on the island of Iwo Jima.

The National Museum of the Marine Corps is the centerpiece of a complex of facilities called the Marine Corps Heritage Center. This multi-use campus includes the Semper Fidelis Memorial Park and Chapel, a demonstration area with parade grounds, and hiking trails and other outdoor recreational offerings. Plans include a conference center and hotel, and an archive facility to restore and preserve Marine artifacts.

Christopher Chadbourne & Associates was responsible for the museum's story-based experiential exhibits. Media designers Batwin & Robin Productions worked alongside the museum staff to recreate the point of view of the individual Marine. The themed environments were created by Themeworks, Inc., which manufactured the scenery, props, interactive exhibits, and sculptures throughout the building.

Planning began in 1998, groundbreaking was in 2003, and the facility opened in 2006. The museum is 120,000 square feet; at completion it will be 237,000 square feet.

Visitation

The facility used to get about 500,000 visitors per year, but the last few years it has been about 380,000.

Exhibits

- Medal of Honor Theater: The theater seats 369 people, and is equipped with multiple Christie 4K RGB laser illuminated projectors blended to create a more immersive experience. The ultrarealistic images, awe-inspiring visuals, and enveloping audio by High Performance Stereo (HPS), transports visitors into the middle of the action.
- Follow new recruits from their induction through the 12 weeks of boot camp. This gallery explains how the Marine Corps transforms raw recruits from ordinary citizens into elite warriors. In Making Marines, visitors can experience a motivational speech from a Drill Instructor, heft a fully loaded pack, and test their aim on the M-16 Laser Rifle Range. "Making Marines," immerses the visitor in the basic training experience and the transformation of a Marine Corps recruit from the time they step down off the bus at boot camp until graduation day. Audio booths let visitors experience the deafening and disorienting barrage of drill instructors' orders. Visitors can also participate in interactive training scenarios, watch video testimonials of families during graduation day, and listen to audio clips on why recruits want to become Marines.
- Visitors board a Higgins Boat for their assault on Iwo Jima.

⁹ <http://www.usmcmuseum.com/>

- Children's Gallery: WWI exhibit lets kids scramble through a trench environment complete with interactive periscope viewers. In WWII, kids can climb on a landing craft, reinforcing the Marines' amphibious activities.
- Korean War gallery: This gallery includes one of the museum's most memorable exhibits about the Fox Company at Toktong Pass on the "Frozen" Chosin Reservoir in North Korea. Visitors enter a climate-controlled room where mural art, audio, lights, and lifecast figures simulate the harrowing conditions Marines faced during this battle. Museum visitors will feel the drop in temperature clearly as they pass through glass doors into the exhibit. That feeling, combined with the sight of simulated flares and the outlines of Chinese soldiers' bodies in the snow, along with the sounds of shouting Marines, will help transport visitors to the harsh battlefield environment where half of the Marines in Fox Company lost their lives.
- The physical setting of the Chosin Reservoir exhibit is in stark contrast to the 88°F, high-humidity environment visitors feel in the exhibit on the 1968 siege of Khe Sanh, where conditions approximate the jungles of Vietnam. The exhibit is designed to bring visitors into a critical supply and medevac mission at Hill 881-South. Visitors enter the exhibit through a CH-46 Sea Knight helicopter. As their bodies register the heat and humidity, they take in the sound of bullets hitting the metal fuselage, accompanied by shouting. Once off the helicopter, they see the life-size image of a dead Marine being tended to by a chaplain. "In the Air, on Land and Sea: The War in Vietnam," presents the story of the nation's "longest war." This gallery also features multimedia war scene exhibits. Visitors can descend from a CH-46 helicopter onto Hill 881 South and get a sense of the landing as experienced by the Marines. Perhaps the most amazing exhibit in the Vietnam War section is the authentic recreation of the defense of Hill 881 South during the siege of Khe Sanh in 1968. Complete with the ever-present red clay indigenous to that part of the country, visitors enter the exhibit from the back of a CH-46 Sea Knight helicopter, just as Marines did during the war. Many will also notice the warmer and more humid air, recreating the tropical conditions that American troops had to endure at that time. Complete with sandbags, sounds of incoming mortars, and the other audio-visual effects, a visitor can feel what it was like to have been atop the hill during the battle.
- Upon entering the World War I area, visitors can watch a short documentary depicting the Marine charge across an exposed area at Belleau Wood to capture a German machine-gun nest. The movie is so realistic that people can smell the cordite and hear the rounds whizzing through the leaves hanging overhead.

Partnerships and Funding

The Museum is a public-private partnership between the U.S. Marine Corps and the Marine Corps Heritage Foundation. The museum director is a Department of Defense employee. The Foundation was established in 1979 as a non-profit 501(c)(3) organization to support the historical programs of the Marine Corps in ways not possible through government funds. The Foundation's current primary mission is to secure the necessary funding to complete the construction of the National Museum of the Marine Corps. They also support the Museum's volunteer and educational programs.

Marine Corps Heritage Foundation raised funds from individuals, corporations, and foundations. Most funding came from private sources. It provided \$62 million for the first phase of the Marine Corps Heritage Center and

led the project planning and development. The Foundation also operates the gift shop and funds are used to support programs at the museum.

According to a representative of the facility, they began passively raising money in 1999, and in 2003 began a direct mail campaign for bigger contributions and major gifts. They consider major gifts in the \$10-\$12 million range. They opened phase 1 in 2006 and phase II in 2017 (although there are still some spaces waiting to be filled).

The museum does not solicit donations. It receives most of its artifacts from veterans or military family members who want to part with their military items but preserve the history they represent. The foundation can fund things that cannot be funded through federal appropriations.

A restaurant is run by Marine Corps Heritage Foundation and an onsite pub operated by concessionaire Aramark.

Staff Comments

A representative of the facility shared the following additional information:

- There is legislation that specifies that the Foundation is the only fundraiser and operator of the museum (although they can contract with others such as Aramark for some of the revenue generators). Once the loan on the construction is paid off in a few years, that legislation will need to be redone; they are currently working on that legislation.
- Annual revenues are about \$800,000. Employees are paid by DOD. The onsite revenue generators are a small part of the operating budget with a percentage from gross revenues of the restaurants and gift shop, and they get the receipts from the theater and rifle range that they operate, as well as catering for private events.
- The employees of the museum are DOD. There is a visitor services team that run the front desk, docent tours and provide special visitor services for groups or people with special needs.
- The Foundation provides some funding for interns, volunteers and education programs.
- The volunteers work at the front desk, give docent tours and are staged at exhibits around the museum. The Foundation helps to pay for some of the docent programs and things that DOD cannot pay for. Originally, the volunteer program was run by the Foundation, but they found that it was better for them to report to the DOD employees. The volunteers have many opinions on how things should be run, so it was better for them to report to the actual operators of the museum rather than the Foundation whose mission is funding the museum.
- Aramark operate the two restaurants, while another company operates the gift shop.
- The DOD has an operation, the Marine Corps Community Services (MCCS), that runs the base exchange, theaters, fitness centers and other family-life facilities, that could run the different revenue sources in the museum, but for now they find it best to do under the Heritage Foundation.
- People didn't want a stagnant, read only experience. Each gallery has audio/visual that lead up to the time frame of the exhibits, then you go in and learn about what the Marines were doing in that time frame.

- Their museum designer looked at museums worldwide and the trends in immersive exhibits. When they first opened, they had simulators and at first they planned to do more, then decided against it as it was too much of a “ride” experience and not fitting in with the mission to learn about the Corps.
- The representative was not a proponent of the big-screen, fancy theater. It is not as popular as the “museum world” (industry experts or visitor study) told them it would be. The capture rate is 2% to 4% of the museum visitors. The store is about 10%. The rifle range has been more of a success.
- At first opening, there wasn’t much for kids to do. They had a small playground, but this required adults to be outside with the kids and not in the museum. They have since created a children’s gallery where they can touch things and play with things in a safe environment but still within the theme of the museum. There are areas within some of the exhibits that are designed to be attractive for children so they can move throughout the museum with the adults. They also have expanded their education spaces for school groups.
- They didn’t plan for enough bathrooms including family restrooms. In addition to providing a place to nurse or change diapers, family restrooms should also be designed so if someone is in a wheelchair, another person can be in the bathroom with them to assist.
- Thinking about post-Covid: People aren’t going to want interactive, push button, pick up handset things in the museum. They are working on re-doing the audio tour so it is like an app, something they can put onto their phones and take the experience of visiting the museum with them.

Pricing

Museum entrance is free. The theater is \$8 for adults, \$5 for children, \$4 per person in groups. The Rifle Range is \$5 per person, \$3 per person in groups. A combination price is \$11 for adults, \$8 for children, and \$7 per person in groups.

United States Marshals Museum

Background

The mission of the U.S. Marshals Museum, not yet open, is to form a national center of heritage and legacy, disseminate knowledge, and inspire appreciation for the accomplishments of the U.S. Marshals Service.¹⁰

The Mary Carleton and Robert A. Young III Building and Samuel M. Sicard Hall of Honor were dedicated on September 24, 2019. Additional exhibits are anticipated for completion in late 2020 or early 2021. The facility is 53,000 square feet and expected to have 18 to 20 staff.

Visitation

Visitation projections are 125,000 annually. The average visit is projected to last 2.5 hours.

The resident market (within a 2-hour drive) is estimated at 2.3 million people; 388,000 people are within a 60-minute drive.

¹⁰ <https://usmmuseum.org/>

Exhibits

As with Marines museum, the building's visual design is tied to the service. The Museum features a unique exterior with a modified star-shaped design signifying the star badge worn by courageous U.S. Marshals. It is also set at an angle from a scene in the movie High Noon where the marshal badge was thrown and landed point down in the ground at an angle. Inside, there will be five immersive galleries. The scheme also incorporates photovoltaic panels and vegetative roofing along the building's star-shaped design, which, along with its use of bronze, is reflective of the badges worn by marshals in earlier years.

- Set into the timeline, a series of interactive exhibits will uncover the different types of work for which the U.S. Marshals are responsible, from supporting the courts to protecting witnesses, and from tracking down fugitives to managing operations for disaster relief.
- On an elevated dais at the center of the room, a group of four figures from different eras sit around a flickering campfire. Shadowy images shift and play across the walls of the space, as storied moments of marshal history flare briefly to life and then fade away in media, and voices float in with scraps and fragments of tales and memories of Marshals' lives and achievements.
- Digital interactive display to help attendees dig deeper into the stories of fallen Marshals and the sacrifices they made. Using a simple touchscreen interface, they can browse and search the list of Marshals by name, date, location, or even incident.

Partnerships and Funding

Requiring an investment of more than \$50 million, the project is being financed almost entirely by businesses and individuals, with some support from local and state governments. The facility is projected to cost \$35.9 million, with \$12.3 million in total exhibits, a \$4 million endowment, nearly \$3 million in contingencies, and \$3.5 million for one-year operating expenses.

The Museum is expected to generate \$1.8 million annually, with ticket sales making up the majority at \$1.1 million, merchandise sales \$418,000, food sales \$279,000, and facility rentals \$69,700.

The museum foundation set a cap at \$600,000 annual fundraising needs. A one-time, eight-month, 1% sales tax fee was proposed in April 2020 to raise \$15 million but was voted down, with 65% opposed to the fee.

Pricing

The Leisure Development Partners feasibility study determined the area Entertainment Value to be \$5 per hour. When multiplied by expected duration of 2.5 hours, the admission price was set at \$12.50. Entertainment Value was defined as the perceived price per hour that consumers are currently spending for entertainment. Per capita income in the 2-hour radius is under \$32,000, with closest areas at \$25,000.

Pearl Harbor National Memorial

Background

The Pearl Harbor Visitor Center memorializes the people who died during the Dec. 7, 1941 attack on Oahu.¹¹ The facility includes an orientation center, two exhibit galleries, a theater with a 23-minute documentary film, a bookstore, waterfront promenade, interpretive wayside exhibits, a Remembrance Circle and the 75-minute USS Arizona Memorial Program (which includes the video). The Visitor Center is part of a larger Pearl Harbor site that includes the USS Arizona, Pacific Aviation Museum, USS Missouri Memorial, Bowfin Museum and USS Oklahoma Memorial, all of which can be reached from the Pearl Harbor Visitor Center.

Visitation

The memorial attracted 1.72 million recreational visitors in 2019. Visitation averages 5,000 per day and 122,000 – 160,000 visitors per month, with highest volumes in June, July, and December. The average time spent at the memorial is three hours. A staff member estimated that less than 10% of visitors do the reality tour.

Exhibit Examples

- An orientation center helps visitors plan their visit, pick up tickets, and purchase optional tours.
- The two exhibit galleries display personal memorabilia, dramatic photographs, artifacts of the battle, and other exhibits. Kiosks are available to hear history from those who witnessed it.
- The USS Arizona Memorial: Designed by Honolulu architect Alfred Preis, the memorial was built in 1962 on top of (but not touching) the sunken USS *Arizona*. The memorial honors the memory of the crew of the USS *Arizona*, as well as all the other service members and civilians killed in the attack.
- Pearl Harbor Virtual Reality Center: Pacific Historic Parks offers a virtual reality tour with three segments: the attack on Pearl Harbor, the sinking of the USS Arizona and a virtual tour of the Memorial including rooms that are not open to the public, for those who want to see more or cannot visit the Memorial itself.
- Virtual Reality Tours:
 - Walk the Deck of the USS Arizona. Imagine walking the deck of the Battleship USS Arizona on December 6, 1941, a day before it was sunk by an armor-piercing bomb. This virtual reality experience transports visitors onto the main deck, and allows them to visit the crow's nest at the very top of the USS Arizona, with a 360-degree perspective. Visitors can meet some of the sailors who were part of her final crew, and tour one of the most powerful battleships of the WWII era.
 - Witness the Key Stages of the Japanese Attack on Battleship Row. This unique virtual reality experience offered in four segments brings to life the attack sequence on Pearl Harbor's Battleship Row on December 7, 1941. You can see Battleship Row in detail and learn about the Japanese bombing that sank some of the most powerful battleships in the U.S. fleet.

¹¹ <https://www.nps.gov/valr/index.htm>

- Experience the USS Arizona Memorial. This experience is perfect for visitors who want to spend more time on the Memorial or were unable to visit it. Take a private virtual tour at your own pace and visit each solemn room at the Memorial, including areas that are off limits to the public. This virtual journey offers a very realistic 360-degree experience of the Memorial, including a visit to the rooftop and a view of the historic Pearl Harbor Bay.
- Other optional aids to enhance the visit to Valor in the Pacific National Monument include a Self-guided narrated audio tour headset and Smartphone access to the narrated tour and the National Park Service WWII Archives and videos.
- For children, a scavenger hunt takes kids on an adventure through the museums and visitor center grounds. They'll find the answers to questions about the attack on Pearl Harbor, learn about the USS *Arizona's* bell (and see it up close!), find out what the "Tree of Life" is, and read about some of the people living on Oahu at the time of the attack. They will also learn a little bit about Hawaii's history and traditions. Once they have completed their booklet, all they will need to do is find a National Park Service ranger to "swear" them in as Jr. Rangers! Each booklet comes with a Jr. Ranger badge, to be pinned upon completion of their booklet.
- Outdoor exhibits include a contemplation circle, remembrance circle and waterfront submarine memorial. The remembrance circle includes a bronze 3-D map of Oahu illustrates the various attack targets of that day. Wayside interpretive exhibits show superimposed descriptive images of Pearl Harbor as it was in 1941 across the panorama of the busy port as it appears today, the wayside exhibits allow visitors to connect the past with the present.

Partnerships and Funding

Pacific Historic Parks is the official 501(c)(3) cooperating association for the USS Arizona National Memorial, funding educational and interpretive programs. They sell the audio tours, virtual reality tours and bookstore/gift shop items. They keep all of the funds generated. Pacific Historic Parks developed the reality tour but had to get everything approved by the National Park Service. The National Park Foundation is the official nonprofit partner.

Employees are National Park Service personnel except at the bookstore. There are about seven to eight volunteers.

Pricing

Entrance to the Visitor Center and its theater and exhibits, the wayside exhibits and the USS Arizona Memorial is free and on a first-come first-served basis. A two-hour self-guided narrative tour is available by purchasing a headset for \$7.50. The Reality Tour is \$4.95.

Staff Comments

A representative of the facility made the following observations:

- Most of the exhibits are static with a few interactive – learning about codebreaking for example. Nothing is specifically designed for kids, other than the ranger books that most parks have. As a National

Memorial, the focus is on respectfulness and the history of the attack. The areas are designed to impart a solemn feeling.

- Bringing to life the dropping of bombs through the reality center is amazing to see, but you don't want to get people excited about dropping a bomb because it looks so cool on the reality screen (especially kids). Be careful with the "special effects" that they don't overshadow the message.
- The visitor center was rebuilt in 2010 and it is mostly self-guided. There are too many people to do ranger talks (5,000 per day) or have any human interaction on the interpretation. The exhibits must tell the story. They are able to provide the visitor experience with the little manpower they have.
- A lot of people appreciate the virtual reality. It is helpful for those who cannot go to the Memorial. Nowadays there is more focus on the digital than on human interaction.
- The focus of this attraction is about people who died. When you come into the visitor center everything you first see is the commercial aspect of it – bookstore, audio sets for rent, virtual reality tickets, a desk for donations. Once you get past this and into the museum, there are not additional commercial opportunities. You need to be careful about making money off of tragedies, separate the sacred from the commercialization.

Alaskan Facilities and Attractions

This section includes an overview of public land information centers, entrance fees for selected attractions and information centers, and descriptions of trams and gondolas.

Denali National Park Visitor Center

The visitor center was built in 2005 and is operated and maintained by the National Park Service. Visitation has grown from 364,019 in 2000 to 642,809 in 2017. The base 2017 budget was \$14.8 million. While the visitor center is operated by the National Park Service, there are several partnerships for other activities. Doyon/Aramark Joint Venture is the concessionaire for the restaurant and operates a bus depot and tours along the park road. Tour prices include park entrance. The gift shop is operated by the non-profit Alaska Geographic in partnership with all of Alaska's national parks. The Alaska Railroad operates the railroad depot.

Visitors can watch the 20-minute park film, review static exhibits on natural and cultural history of the area as well as maps and participate in ranger walks/talks. The facility also processes required backpacker permits (free). It is open 8am-6pm in the summer months with the Murie Science and Learning Center providing visitor information and services in the fall, winter, and spring. The center provides access to most of the trails in the area. The entrance fee is \$15 and is good for seven days. Youth 15 and under are free. An annual Denali pass is \$45. National Parks and Federal Recreational Lands Passes are accepted along with a variety of other free passes for parks nationwide. The park operates campgrounds for additional fees.

Glacier Bay National Park

Most visitors to Glacier Bay National Park are cruise ship passengers; total visitation is around 500,000 annually. Rather than coming ashore to learn about the park, National Park Rangers board the ship as it enters the bay, to provide interpretive services about the natural history, wildlife, and glaciers. About 30,000 people visit the park who are not on a cruise ship.

There are limited visitor amenities in the park as the experience is focused on outdoor experiences and education. The Glacier Bay Lodge is the only accommodation within the park and is operated by a 10-year concession currently held by Aramark. It contains a restaurant and gift shop. Aramark also operates a dayboat tour for glacier and wildlife viewing. The NPS provides special use permits to other small vessel operators to provide sightseeing and kayaking tours in the bay.

The last few decades have proved challenging for the lodge to provide returns that allow for the maintenance of the facility, and the NPS has taken on a greater role in caring for the facility.

There is a small visitor center located inside of the lodge. Exhibits are open 24 hours, and park staff are available 10:30 a.m. to 4 p.m. and 5 p.m. to 6:15 p.m. The visitor center includes a small theater, an underwater hydrophone listening station and a bookstore operated by Alaska Geographic. There is no entrance fee. Outside is a visitor information station where a mandatory orientation is held for campers and recreational boaters and park rangers are available for information.

A new attraction, the Xunaa Shuká Hít (Huna Tribal House), was opened in 2016 in partnership with the area's tribe, Hoonah Indian Association. Together Park rangers provide interpretive walks along the beach and trails while cultural interpreters provide information on the Tlingit culture and ways of life.

In 2019 Glacier Bay National Park completed an update to the Frontcountry Management Plan to provide park management direction on specific visitor experiences, facilities, and services. The plan proposes moving the visitor center out of the lodge and building a new 20,000 sq. ft. Discovery Center with a theater and updated displays and exhibits that engage diverse modern audiences and are interactive and experiential in nature. It would also have a strong research component to share that aspect of their mission with the public.

Mendenhall Glacier Visitor Center

The Mendenhall Glacier Visitor Center is the most visited attraction in Alaska with over 700,000 visitors in 2017. Easily accessible by road, the visitor center is operated by the U.S. Forest Service. The close-up view of the Mendenhall Glacier is the primary draw for visitors. The visitor center was the USFS's first in the nation, built in 1962, then renovated in 1997. A process to update the Mendenhall Glacier Recreational Area Master Plan is currently underway.

The current visitor center includes a theater showing a 15-minute film throughout the day, static exhibits and viewing telescopes. A bookstore/giftshop is operated by the non-profit Discovery Southeast. The updated plan proposes the addition of a Welcome Center with interpretive and wayfinding information.

Visitors are primarily cruise ship passengers. In the recreational area, the USFS provides interpretive services itself and partners with the private sector to operate sightseeing activities such as walking, hiking, canoeing, and rafting. Commercial operators bringing visitors to the area as well as vendors providing tours in the area are allocated commercial use permits through a prospectus process. The \$5.00 per person fee is charged to all visitors and includes entrance into the visitor center and access to nearby viewing areas and a bear viewing platform. Access to surrounding trails is free. Residents can purchase a \$15 Annual Pass. The visitor center is open daily in the summer May through September, and on weekends in the winter.

Morris Thompson Cultural and Visitor Center

The Morris Thompson Cultural and Visitor Center (MTCVC) in Fairbanks is a cross-organizational, multi-cultural partnership offering visitor services, public lands information, and cultural programs. Partners of MTCVC are co-located in the center and include the National Park Service, Alaska Public Lands Information Center, Explore Fairbanks, and Tanana Chiefs Conference. Initial planning was funded through a federal grant in 2000 followed by a Memorandum of Understanding between the project partners and the City of Fairbanks who acquired and provided the land for the center. Doyon, Inc. made an initial gift of \$500,000 and MTCVC incorporated as a non-profit. Their capital campaign raised \$29.3 million by 2013 while the center opened in 2008. In addition to Doyon, other large contributors include ExxonMobil, ConocoPhillips, Wells Fargo, Mt. McKinley Bank, Sumitomo Pogo and Kinross Fort Knox mining companies. The MTCVC continues fundraising and Friends of the Morris Thompson Center includes over 700 individuals and businesses. The MTCVC now has an endowment fund to make donations for cultural programs.

Exhibits were designed by André & Associates – Interpretation and Design Ltd., through a collaborative process involving the partners, architect, exhibit designer, and hundreds of people from throughout Interior Alaska. Three life-sized three-dimensional dioramas depict the seasons with plants, rocks, animals, landscape features and state of the art lighting. Throughout the exhibits, visitors can view short films capturing the mood of winter and spring in Interior Alaska. Static displays feature artwork, objects, and information about the cultural and economic history of the state. The Alaska Native Gift Shop is operated by Tanana Chiefs Conference who purchases Native-made items from Alaska Native artists and craftsman helping to provide an economic exchange between rural communities and visitors to Fairbanks. The partnership with the National Park Service brings the Alaska Geographic bookstore to the facility. Admission to the center is free and the center is open daily 8:00am – 5:00pm. The gift shop and bookstore have separate hours of operation.

Walter Harper Talkeetna Ranger Station

Located 100 miles south of the entrance to Denali National Park and part of the park system, the ranger station opened in 1997. It is required for mountaineers to review an orientation video and obtain the necessary climbing permits. It is open year-round with summer hours of 8:30a – 5:00pm daily mid-April through Labor Day. Winter hours are Tuesday through Friday 10am – 4:00pm. Rangers, who are trained in emergency medicine, rescue techniques and mountaineering are available to provide information. There are a few static displays and a collection of photos taken by Bradford Washburn while mapping the mountain, the video and a bookstore operated by Alaska Geographic. Admission is free.

Wrangell St. Elias National Park Visitor Center

The Copper Center facility is the main Visitor Center for the park and includes a bookstore operated by Alaska Geographic, an exhibit hall where most of the exhibits are static; some, like samples of animal fur, can be handled by the public. There is also a large 3-D interactive map display, theater, restrooms, picnic tables and shelter, amphitheater, and hiking trails.

The Ahtna Cultural Center is a separate building operated by the Ahtna Heritage Foundation, a non-profit arm of Ahtna Native Corporation. They provide cultural information and sell Native art and crafts. The visitor center is open mid-May through September 8am – 5pm daily. Admission is free.

Selected Alaska Museum and Visitor Center Entrance Fees

The table below provides adult admission fees for an array of museums and visitors centers throughout Alaska.

Entrance Fees to Alaska Museums/Visitor Centers

	Adult Fee
Alaska Native Heritage Center (Anchorage)	\$29
Anchorage Museum	\$20
Jilkaat Kwaan Heritage Center (Haines)	\$15
Denali National Park Visitor Center	\$15
Juneau Douglas Museum	\$7
Mendenhall Glacier Visitors Center (Juneau)	\$5
Alaska State Library and Museum (Juneau)	\$5
Walter Soboleff Center (Juneau)	\$5
Glacier Bay National Park Visitor Center (Gustavus)	Free
Walter Harper Talkeetna Ranger Station	Free
Morris Thompson Cultural and Visitors Center (Fairbanks)	Free

Alaska Trams and Gondolas

ALYESKA RESORT¹²

Alyeska Resort is located in Girdwood, approximately 40 miles from Anchorage. The hotel opened in 1994 and is the only large-scale four-star resort in Alaska. The resort features a 60-passenger aerial tram that operates year-round. The tram rises from 300 feet to 2,300 feet; the ride takes four minutes in the winter and seven minutes in the summer (operated at half-speed to maximize scenic viewing opportunities).

Alyeska has historically drawn more business during the summer months than during the ski season. The summer market includes cruise-tour visitors, other tour packages, and independent travelers. In addition to the tram, summer activities include hiking, biking, disc golf, ATV tours, and dog cart rides. The price for an adult tram ticket is \$35.

ICY STRAIT POINT¹³

Icy Strait Point is a cruise destination located in Hoonah. Owned by Huna Totem Corporation, the destination is built around the 1912 Hoonah Packing Company Cannery. Two new gondolas are being added to the destination in 2020. The Transporter is a high-speed gondola moving passengers at treeline between the historic cannery and the newly constructed Wilderness Landing. A second gondola (under construction) will take guests up the 1,600-foot Hoonah Mountain. Mountain-top attractions will include nature trails, ZipRider launch, and a suspension bridge. The ZipRider is the longest cable ride in the U.S., rising 1,330 feet high and 5,330 feet long. Retail price for the ZipRider around \$160/person. Gondola retail pricing is not yet published.

¹² <http://www.alyeskaresort.com/>

¹³ <https://icystraitpoint.com/>

MOUNT ROBERTS TRAMWAY¹⁴

Mount Roberts Tramway operates seasonally in Juneau. Owned by Alaska Native Corporation Goldbelt, the tramway opened in 1996. The tram has two 60-passenger cabins. Cars rise 1,800 feet from the Juneau waterfront. Mountaintop activities include dining, an interpretive film, cultural demonstrations, hiking, nature center, and shopping. Construction costs were approximately \$16 million. The price for an adult tram ticket is \$35.

VALDEZ PROPOSED MOUNTAIN RECREATION DEVELOPMENTS

The City of Valdez commissioned the *Valdez Year-Round Mountain Recreation Study* in 2016 to understand the market, technical, and financial opportunities and challenges associated with proposed private sector developments and identify gaps in municipal services. At the time, three private development projects were under consideration: a chondola, a tramway, and a ski lift.

- The centerpiece of the proposed East Peak development was a chondola (a chairlift/gondola hybrid with detachable enclosed cabins) traveling 18,000 feet in length and 4,700 feet in elevation. Estimated capital costs were \$18 million for the lift. Additional facilities included ziplines, biking and hiking trails, and facilities at the base and mountain top.
- The Mineral Creek project included two aerial tramways, T-Bar lifts, zipline, biking trails, and guest facilities. The first tram would climb 5,300 feet to the top of the mountain. The second tram would travel 4,000 into Gold Creek Valley. Capital cost estimates for the two trams was estimated at \$55,000.
- The smaller-scale Sugarloaf development estimated \$1.1 million for a single lift traveling 1,200 feet and a small rope tow surface lift.

Case Study Implications

- The case study facilities required significant capital investment for construction: \$145 million for the Lincoln facility, \$62 million for the Marines facility, and \$50 million for the U.S. Marshals facility. (Because the Pearl Harbor facility was constructed in 1962, construction costs are not comparable.)
- The case study facilities have a wide range of operating models, partners, and revenue generating methods.
- Admission fees range, and some charge extra for audio-visual experiences.
 - The Lincoln museum costs \$15 for adults.
 - The Marines museum is free, but the theater is \$8, while the rifle range is \$5.
 - The Marshals museum is expected to cost \$12.50.
 - The Pearl Harbor museum is free, but various audio/visual options cost between \$4.50 and \$12.50.
- All four case study facilities were focused on memorializing and honoring, with three of them military-oriented. Applying “lessons learned” from these case studies must be considered carefully, as a Denali-themed facility will necessarily have a very different approach.

¹⁴ <http://mountrobertstramway.com/>

- Admission to many of Alaska's public land information centers and museums ranges from free to \$29. None of the public land or museum facilities offer the experiential, immersive experience envisioned for South Denali.
- Tram and gondola capital costs vary widely, depending on the location, terrain, length, height, and guest amenities. Retail pricing for comparable experiences varies from \$35/person for Juneau and Alyeska tram rides to \$160/person for the Icy Strait Point ZipRider. Retail pricing for the new Icy Strait Point gondolas has not been published.

Appendix 2: Project Contacts

List of Contacts

Mary Anderson, Friends of State Parks Mat-Su
Kathleen Benoit, Alaska State Parks Citizens Advisory Board
Dan Beutel, Alaska Department of Natural Resources
Jay Blount, Pearl Harbor National Memorial
Randy Crosby, Alaska Snow Cat
Noel DeChambeau, Knightly Tours
Russell Dick, Huna Totem Corporation
Bill Fletcher, Holland America
Ricky Gease, Alaska State Parks
Elizabeth Hall, John Hall's Alaska
Deb Hickok, Explore Fairbanks
Kirk Hoessle, Alaska Wildland Adventures
Josh Howes, Premier Alaska Tours
Tracie Jacobs, U.S. Marshals Museum
Kris Knauss, Confluence Strategies
Steve Judd, Alaska Tour & Travel
Stuart Leidner, Denali State Park
Jeff Logan, Alaska Outdoor Council
Dave McGlothlin, Holland America Princess
Laurie McKim, Holland America Princess
Rob Moore, Curry Ridge Riders
Brian Okenek, Alaska Mountaineering School
Bonnie Quill, Mat-Su CVB
Fernando Salvador, Pursuit/Talkeetna Alaska Lodge
Ralph Samuels, Holland America Princess
Jeff San Juan, Alaska Industrial Development and Export Authority
Susie Siebert, Gate Creek Cabins
Michele Stevens, Petersville Community Non-Profit Corporation
Ethan Tyler, CIRI
Miriam Valentine, Denali National Park
Jennifer Vanderveld, Marine Corps Heritage Foundation
Dale Wade, Alaska Railroad
David Weisz, Three Bears Alaska