



Wallace Brothers Mountain Recreational Use Assessment

Prepared for: Colony Home Investment

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Introduction

Increasingly, communities are looking to recreation as an important economic driver and social outlet that contributes to both the year-round and visitor populations. Resort and recreation-based communities such as Aspen, Colorado, have realized the benefits of building upon their proximity to vast public lands and recreation networks by forming partnerships between local parks departments and state and federal land managers¹. Having a municipal or regional park on the edge of a much larger system allows significantly enhanced opportunities for access and enjoyment of those lands by local residents and tourists alike.

The proposed Wallace Brothers Mountain recreation area, centered on two historic homesteads, totaling 320 acres of land in the Chugiak/Eagle River area, presents such an opportunity. Enveloped on three sides by Chugach State Park, it is ideally situated to become a key recreation portal for the Chugiak/Eagle River community and its visitors. The site has panoramic views extending from volcanic mountains such as Saint Augustine, Illiarnna, Redoubt and Spurr to the southwest and west, to the Talkeetna Range to the north, including, in between, Mount Susitna and of course, Denali and Hunter in Denali National Park. Accordingly, this site would serve an important role as a place for the community to gather and enjoy the stunning natural surroundings. Positioned north of Eagle River, the Wallace Brothers Mountain property location can serve the populations of the Municipality of Anchorage and Matanuska-Susitna boroughs, including the communities of Eagle River, Chugiak, Birchwood, Peters Creek, Eklutna, and the Eagle River Valley.

Planning Foundation

SE Group has undertaken several planning exercises for both Thillman Wallace and Colony Home Investment, Incorporated, that provide a foundation for this report. Initially, SE Group was tasked with considering the Wallace Brothers Mountain properties as the centerpiece of a larger concept extending from the highlands of Chugach State Park on the east to the Municipal lands on the west adjacent to the Old Seward Highway and the Harry MacDonald Center, including both the two homesteads and adjacent Eklutna, Incorporated lands. This study area was entitled "Fire Lake Recreational Center". The studies included a Preliminary Site Evaluation (PSE) and a Market

¹ See Hunter Creek-Smuggler Mountain Cooperative Plan: www.hunter-smugglerplan.com



Analysis for a proposed ski facility within the area known as the Fire Lake Recreation Center, in 1985². Following the initial study, Sno.engineering, Inc. conducted a PSE, Market Analysis, and Capital Cost/Financial Feasibility Analysis in 1995³, which further examined the development potential of the site expanded to include summer tourism and recreation facilities. The vision for the overall site shifted away from that of a ski area to one in which summer tourism could carry a significant portion of the capital cost load, with winter recreation activities sized for regional use. Both studies produced valuable information to consider within the current planning framework, which is specifically to consider the development and fee generating potential of the Wallace Brothers Mountain properties, both as a stand-alone portal to Chugach State Park, and as a topographically unique property offering a wide range of on-site recreational uses.

Chugach State Park

Chugach State Park is carved from the western climax of the Chugach Range, a mountain range which stretches 200 coastal miles from Anchorage to Canada. Coveting almost a half-million acres, this park is by itself larger than entire park systems in 47 other states.

The Park is the third largest state park in America, offering the Anchorage area some of the closest and potentially most accessible hiking, skiing, camping, wildlife viewing, snowmobiling, rafting, and climbing in Alaska. Alaska has wilderness areas that are larger and more biologically pristine than Chugach State Park, but no other wildlife-rich habitat on Earth is so close to a major city.

The Park presently contains extensive trail systems that provide almost 500 miles of routes throughout the park. Unfortunately, although many access points are presently identified in the Chugach State Park Draft Access Plan, very few lend themselves to general use, being restricted to active hikers or boaters, with limited potential to accommodate parking, often impacted by private holdings restricting public access, and unable to accommodate the young, the old or those with limited physical abilities.

Relationship to Chugach State Park

Chugach State Park is divided into five distinct units for planning purposes (see Chugach State Park Draft Access Plan). The Wallace Brothers Mountain properties, surrounded on three sides by Chugach State Park and approximately seventeen miles from the downtown Anchorage, lie on the boundary of the Eklutna/Peters Creek Unit and the Eagle River Unit, the two northerly units in the Park.

² Sno.engineering, Inc, 1985 (now doing business as SE GROUP)

³ Sno.engineering, Inc, 1995 (now doing business as SE GROUP)



The Draft Plan identifies over thirty potential access points to the Park from the area surrounding the Eklutna/Peters Creek Unit, and approximately sixty from that abutting the Eagle River Unit. Unfortunately, sixteen of the Eklutna/Peters Creek Unit access points, and twenty-seven of the Eagle River Unit locations are identified as “unsecured” (in private hands), and apparently others identified as “secured” are also impacted by private holdings. Further, in most cases both “secured” and “unsecured” access points suffer from restricted user potential, limited to hikers or boaters of moderate or higher ability level, and further restricted by lack of lands suitable for parking or trailhead development. Notable exceptions include: the Eklutna Lake area managed by the Park at the northern end of the Eklutna/Peters Creek Unit; the Edmonds Lake area at the foot of the mountains, managed by the Eagle River Park Board, also identified as being in the Eklutna/Peters Creek Unit; and several access points to the low lands of Eagle River itself, in the Eagle River Unit, such as the Eagle River Nature Center. The Eagle River Nature Center is located 12 miles from down town Eagle River and offers educational programs, facilities, and a year-round trail network.

Obviously, despite its vast size and extensive trail system, the park would benefit from more access points, particularly access capable of accommodating all community users and tourism visitors regardless of physical abilities or age. The Wallace Brothers Mountain properties are fully capable of meeting this need.

Planning Opportunities for the Wallace Brothers Mountain Properties

The higher peaks of the Chugach Mountains provide a spectacular setting for the development of year-round recreation opportunities on this site. The most prominent peaks are Old Baldy, to the southwest, and Blacktail Rocks, to the southeast, both of which offer panoramic views of the Anchorage Bowl and Knik Arm. Immediately east of the properties, above the Carol Creek drainage, is a mountain top mesa approximately a half mile wide and two miles long, separating the Carol Creek valley from the Peters Creek valley. Other significant nearby geological formations include several glacial lakes, with Upper and Lower Fire Lakes being the closest.

This area has been used for years by local residents for a variety of year-round recreational activities, including hiking, backcountry snowshoeing and Nordic skiing, mountain racing, tubing, paragliding, and horseback riding. At present, the private Wallace Brothers Mountain Subdivision is gated at the boundary of property recently acquired by the Municipality of Anchorage in the interest of providing Park access. This Park access consists of a steep driveway which leads to a trail along the section line easement between the Eagle River Planning Unit to the south and the Eklutna/Peters Creek Planning Unit to the north. No formal parking area or trailhead exists. The topography, at a typical gradient of 30%, is not amenable to development of customary trailhead facilities. Available parking consists of parallel parking along one side of the relatively steep access road, over the 1,200 feet within the Municipal property. Nonetheless, the road and access are used extensively by hikers and viewers enjoying the phenomenal scenery, demonstrating the strong demand which presently exists. No other portal into the Park in this vicinity offers the same experience.



The foremost opportunity for the area will be to formalize the activities that are currently taking place at the site, presumably to meet the community's present and future needs. This would include refurbishing and extending the existing on-site trail network, suitable for hiking, Nordic skiing, equestrian use, etc., and improving access and parking at the site. Trail-based opportunities would include mountain biking, snowshoeing, and horseback riding; all of which would facilitate access to the greater Chugach State Park trail network, and potentially generate user fees. Camping and cabins would also be options for people to enjoy the beauty of this unique site. All of these opportunities are relatively passive and could be skillfully integrated into the natural surroundings.

This site can provide a unique, pristine mountain-side recreation experience which would complement the existing Eagle River Nature Center and serve as a key portal into the Chugach State Park. As a result, the Wallace Brothers Mountain properties are ideally positioned to become an important regional recreation amenity for Chugiak/Eagle River and the greater Anchorage area.

The proposed Wallace Brothers Mountain acquisition is an exciting opportunity from a social and economic perspective. Though the property, at 320 acres, is small in comparison to the vast Chugach State Park, few opportunities arise for a new entrance portal within such close proximity to the Municipality of Anchorage and to the communities of Eagle River, Chugiak, Birchwood and Peters Creek in particular. If combined with the adjacent Eklutna Incorporated properties and the recently acquired Municipal property, the increase of State Park management would total 720 acres of highly usable, readily accessible land.

Future Planning Opportunities for the Immediate Area

The site contains a natural amphitheater, which, at a modest cost, could be made suitable for outdoor concerts, plays, and other events.

Should future demand warrant, a modest ski lift system, suitable to serve the local community and provide ski/snowboard opportunities, could readily be built on the Wallace Brothers Mountain site. The generally intermediate level terrain would provide a useful stepping stone between the existing beginner level Hilltop facility and the more advanced experience at Alyeska in Girdwood. The property includes an active artesian well and aquifer potentially capable of snowmaking, depending on facility size.

The growing trend of tourism in the coming years is also an important consideration for future planning on this site. The opportunities for scenery-based activities and events unique to the Wallace Brothers Mountain and environs show significant potential to support the growing tourism industry. Perhaps no other location offers such stunning, panoramic views of the Knik Arm and Anchorage Bowl. One opportunity to capture these views is through the construction of a gondola system to bring both tourists and residents to the natural plateau at the base of the higher peaks,



either to enjoy the views, or, to access the mountain trail systems. This concept has been reported in previous studies conducted by SE Group, as noted above, and would require two critical components in addition to participation of the Wallace Brothers Mountain and Chugach State Park lands. The first would be participation by investors from within the tourism industry. The second would require participation of the Municipality of Anchorage, through inclusion of Municipally-owned lands at the bottom of the system. These lands are adjacent to the Old Glenn Highway and the Harry MacDonald Center, as a recreationally-oriented, compatible neighbor, and provide immediate access from the New Glenn Highway, a thoroughfare used extensively during summer months by tour buses travelling to and from Denali National Park, the Matanuska Valley, and other popular destinations.

Fee Generation Potential

Alaska continues to be a major international tourism destination, and despite the recent economic downturn, research indicates that visitors who have postponed their Alaska trip will pursue their plans as the economy stabilizes, and that those visitors are especially interested in value-based offerings.⁴ This outlook is an important consideration for future planning on this site.

A primary revenue generator at the site would be through fees for parking. For example, parking fees at Chugach State Park are \$5 to \$10 per vehicle, or up to \$28 for overnight parking. The Glenn Alps trailhead, one of the most popular in the Park, has 126 spaces that are known to fill up before 10:30 AM on sunny summer days⁵. In 2011, that parking lot generated \$122,680 in fees⁶. Based on present usage, fee generation for the Wallace Brothers Mountain could range from \$50,000 to \$100,000 per year. Other immediate options to generate revenue include commercial scenic tours of the area, as well as campsite rentals, yurt rentals, or other overnight accommodations. Development costs to achieve these revenue goals (upgrade of the road and trail systems and construction of parking) can be expected to be modest in comparison to the realized benefits.

Obviously, amphitheaters and ski lifts should not be anticipated until such time as user demand warrants expenditure for development. At such time as installed, fee generation should provide significant revenues. Within the proposed area, a tram would be the most intensive activity, but have the broadest appeal amongst tourists, and thus, the greatest potential for revenue generation.

It can be projected that with the appropriate mix of local and tourism based recreational offerings and activities, the associated fees, presumably shared between the State of Alaska and the Municipality, will adequately cover operating and development costs of park improvements.

⁴ *Economic Impact of Alaska's Visitor Industry, 2008-2009*, March 2010, McDowell Group. Prepared for the State of Alaska Department of Commerce, Community, and Economic Development.

⁵ "Glen Alps trail head a victim of its own popularity" by Mike Campbell, Anchorage Daily News, August 21st, 2010.

⁶ Alaska Department of Natural Resources.



Conclusion

From a social and economic perspective, local residents, welcomed on a pedestrian basis by the present owners, are currently using this property for recreation and enjoyment, demonstrating the strong demand which already exists. Economically, it is ideally located on a major tourism thoroughfare, and possesses the unique features and superlative scenery that would draw people to the site on a year-round basis. A partnership between the local and state parks boards would most efficiently manage this resource and ensure that its development as a park is complementary to the greater state park system and the desires of the community.