

Chapter 2 Recreation & Tourism

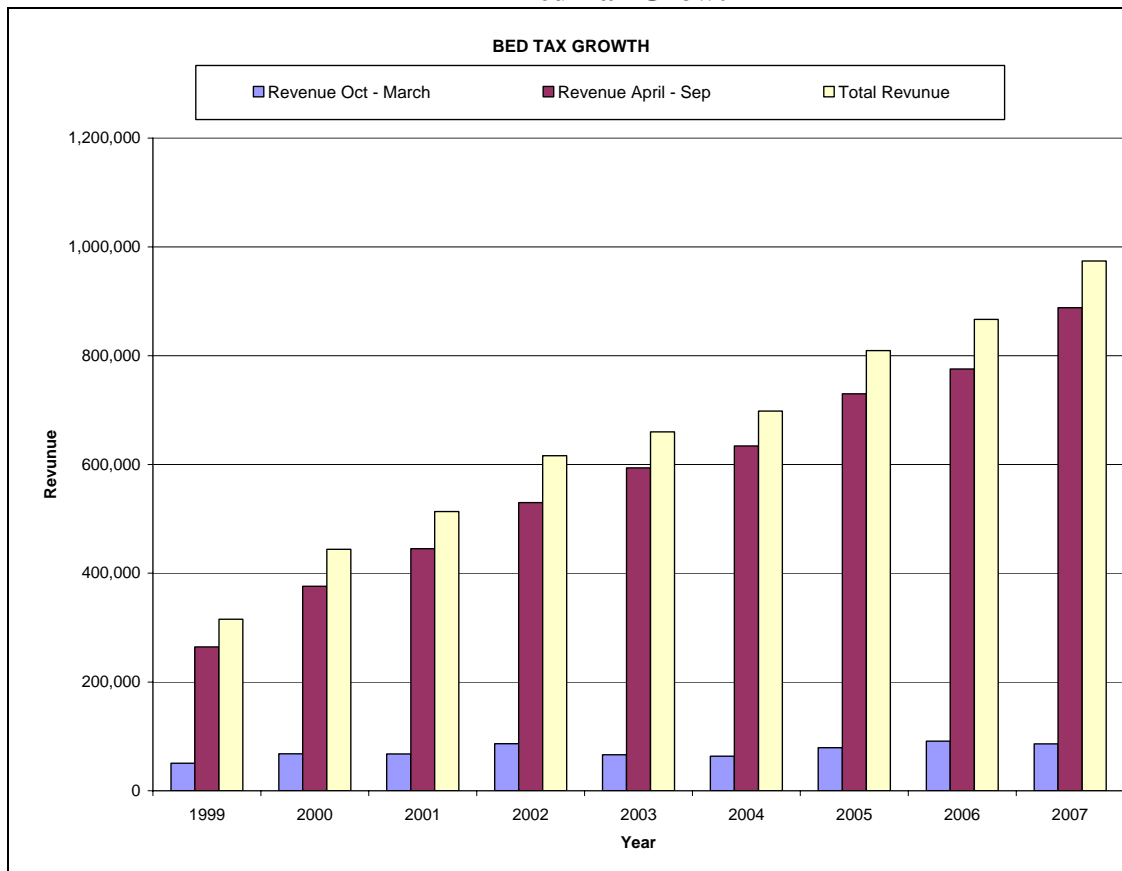
Overview

This chapter presents a general inventory and discussion of tourism and recreation in the Southcentral area, the Matanuska-Susitna Borough, and specifically at Hatcher Pass. Unlike previous Hatcher Pass recreation reports that dealt primarily with Alpine skiing and winter recreation in the Hatcher Pass area, this chapter focuses on a wide variety of year-round recreational activities. Such activities should be considered as part of any long-term development of the area.

Visitor Numbers

Both non-residents and Alaskans visit the Matanuska-Susitna Borough. The Matanuska-Susitna Convention & Visitors Bureau provides a general sense of these visits by tracking Bed Tax Revenue.

Bed Tax Growth



Source: Mat-Su Convention and Visitors Borough, 2007



Based upon consideration of amounts of bed tax revenue received during different times of the year, it is clear that that the vast majority of people visiting the Matanuska and Susitna valleys and using visitor accommodations occurs during the summer. Usage during the winter has remained fairly constant since 1999. While the number of visitors staying in the Mat-Su over the 9-year reporting period rose 12.8%, this does not give us a true indicator of Southcentral Alaska residents who visit and recreate, and who would ski in the winter in the Borough.

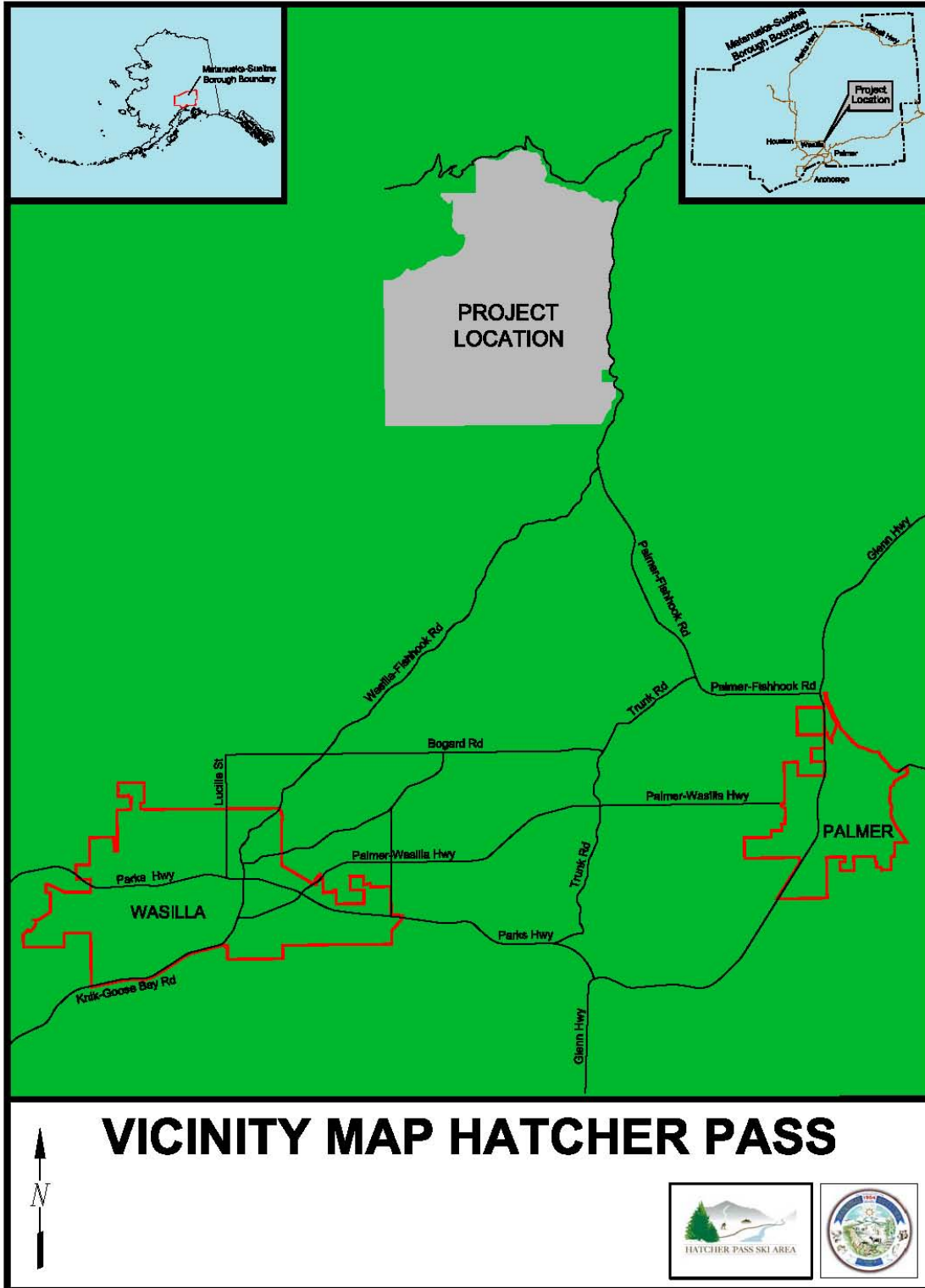
The State of Alaska Department of Commerce, Community and Economic Development is responsible for the Alaska Visitor Statistics Program. The most recent visitor survey report was completed in December, 2007 by the McDowell Group, Inc. This report found that the average number of winter visitors from 2001 – 2007 was 249,550 or 13% of the total visitors to Alaska.

These statistics are based on entry and exit points (airports, border crossings, ports, etc). Like the bed tax, these statistics do not give an indication of the number of overall non-borough resident visitors that come to the Mat-Su. It is clear from the results of the survey the majority of visitors in the winter come for business purposes.



Photo Courtesy of Mat-Su Convention and Visitors Bureau

The actual number of visitors to Hatcher Pass is difficult to obtain or determine. The State Division of Parks and Outdoor Recreation conducts an unofficial count of the number of visitors to the East Hatcher Pass Management Area. This area is from approximately Mile 8 (bridge crossing of the Little Susitna River) on the Hatcher Pass Road, up to and including Summit Lake State Recreation Area.



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The following table (current through June, 2007) is derived from spot checks of vehicles at various areas in the area and assumes 2.5 persons per vehicle. Therefore, while these figures are not statically accurate, they do show a significant trend of growth in visitor use at Hatcher Pass.

Visitor Use at Specific Locations at Hatcher Pass

LOCATION	FY07	FY06	FY05	FY04	FY03	FY02	FY01
Gateway (bridge)	16,772	11,802	6,742	15,726	13,794	28,938	26,646
Government Peak	6,654	3,736					
Mile 12 lot	4,396	6,748	7,405	5,033	1,319	4,370	4,920
Parked along Hatcher Pass Road	18,310	11,411	11,023	10,709	5,422	7,453	3,272
Motherlode Lodge	28,756	19,571	14,670	15,874	11,428	14,030	8,578
Goldmint trail head	26,156	17,825	14,862	16,779	12,886	13,596	16,510
Archangel trail head	14,925	12,115	10,308	11,758	11,870	15,752	11,164
Reed Lake trail head	5,126	2,849	4,146	3,729	7,908	7,138	4,753
Mile 16 ski turn around	3,425	5,124	6,277	4,712	1,333	2,696	2,715
Fishhook trail head	26,932	22,036	25,235	20,154	12,488	12,541	13,183
Gate @ mp 11.5	2,853	7,089	6,106	6,032	7,145	4,754	3,198
East Hatcher Pass Road (other)	43,396	36,162	37,510	43,191	35,607	41,066	39,198
West Hatcher Pass Road (other)			3,800	10,550	12,540	18,563	3,240
Independence Mine, visitors center	20,103	13,252	10,634	5,686	1,905	98	93
Independence Mine, bowl	18,910	19,826	21,357	14,703	6,239	11,331	10,926
Hatcher Pass Lodge	17,241	30,549	16,845	17,526	15,314	22,097	19,895
Summit Lake	14,752	14,370	26,577	30,916	43,187	26,770	16,997
Totals	268,707	234,465	223,497	233,078	200,385	231,193	185,288

Source: State of Alaska, Department of Natural Resources, Division of Parks and Outdoor Recreation.

Visitor growth at Hatcher Pass from 2001 to 2007 was 5.5% a year, of a compound basis (year after year), a rate slightly higher than the average annual population growth for the Borough over the same period of time.



Traffic counts into Hatcher Pass from the Palmer and Wasilla side are also not definitive, nor is there enough information to establish a long-term trend since monthly traffic counts were not conducted until 2005. However, it is common knowledge that traffic volumes have increased since the Hatcher Pass Road was realigned and paved.

It is also interesting to note the fairly consistent volume of traffic into the Pass during the winter months (November – March/April) when snow and weather conditions permit winter time recreational activities. Fluctuations in winter volume appear to be tied to snow levels in other areas, i.e., when sufficient snow is available in other areas, traffic volume in Hatcher Pass decreases as persons who come to the Mat-Su valley to recreate have more areas available to them.

Vehicles per month on Hatcher Pass Road at the Little Susitna Bridge

Average per Month	January	February	March	April	May	June	July	August	September	October	November	December
2000							540	588	472	261		
2001							659					
2002							892					
2003	No Data Available											
2004							858					399
2005	428	420	458	382	445	765	889	825	646	398	367	317
2006	299	387	400	326	393	712	915	864	652			

Source: Department of Transportation and Public Facilities.

What the visitor information from the Division of Parks and Outdoor Recreation and the Traffic counts from the Department of Transportation and Public Facilities show is that visitation in the Government Peak and Independence Mine areas has continued to rise over the past decade, and has risen significantly in the last three reported years since the Hatcher Pass Road was realigned and paved, and improvements to Independence State Historic Park were completed.

These numbers provide estimates upon which to base further analysis for recreational uses and amenities at Hatcher Pass.



Skiing

Downhill Skiing and Snowboarding

In the original 1995, Hatcher Pass Ski Resort Financial Feasibility Study and in the 2002 Development Potential for the Proposed Hatcher Pass Ski Area¹ there was an extensive discussion of the historical body of research that has been prepared in tracking alpine skier participation. The 2002 Alaska Industrial Development and Export Corporation and Economics Research Associates (ERA) update found the vast majority of that discussion still relevant. In doing their analysis, ERA relied on the National Sporting Goods Association (NSGA) surveys because of the continuity of the research, as well as the breadth of recreational pursuits that are followed. These surveys have been prepared since annually since 1985.

The 2006 NSGA national survey found that nationally alpine skiing and snowboarding activity were decreasing, while Nordic skiing and hiking activities were increasing.

Selected Sports National Trends

Sport	Change from 2001 to 2006	Change from 2005 to 2006
Alpine	-16.5%	-7.3%
Snow Boarding	-2.6%	-13.1%
Nordic	+9.5%	+37.7%
Hiking	+18.7%	+4%

Source: National Sporting Goods Association, 2006

Despite the national trends, all indications are that regional participation in winter activities since 2002, especially in Alaska, is on a level plane that varies year to year based on location, weather, age, and income. The fact that alpine skiing and snowboarding are not decreasing in Alaska is evidenced by the alpine ski area capital improvements being made to alpine slopes made at Alyeska (\$4.5 million), and at Eaglecrest (\$7.0 million) over the next three years. The improvements at Eaglecrest will include 2 new lifts, hiking trails, mountain biking trails, lodge expansion including a new snow making air station, and new rental equipment, and Nordic trail improvements.

Nationally, and in Alaska, absolute skier days has grown marginally and such growth has occurred primarily “at the margin”, i.e. at the beginning and end of the season. In general, the industry is viewed as a mature one, the age of the participants continues to rise, and whose participant growth has not kept up with the growth in the population.

¹ Both the “Hatcher Pass Ski Resort Financial Feasibility Study” (Fox Practical Management & Marketing, ERA – Economics Research Associates, Christopher Beck & Associates, HDR Engineers, Ecosign), March 3, 1995, and the “Development Potential for the Proposed Hatcher Pass Ski Area” (Economics Research Associates, Ecosign Mountain Resort Planners Ltd.), May 31 2002, were prepared for the Alaska Industrial Development and Export Authority. These two reports contain extensive information related to recreation in Southcentral Alaska and the potential development of Hatcher Pass. Portions of these two reports have been used in the in various portions of this report with updates or changes that are pertinent to reflect this new proposal.

What has held true over the last decade is discussed below and are key factors for the “Hatcher Pass – A New Beginning” concept:

- Median age of participants has risen. What is of interest for Hatcher Pass is that the participants are for the larger (destination based) areas than for the smaller (day-use) areas. In 2002 the median age at the destination sites was 46, while at the smaller areas the median age was 24. This demonstrates the importance of smaller areas as teaching and learning centers.
- Snowboard growth is occurring in the older age groups. This means that it is coming as a crossover from skiing rather than new entrants to the world of snow sports.
- Frequency of exposure to either boarding or skiing reinforces participation. Those that have had three or four experiences with either sport are more likely to convert to long-term participants. What this means to Hatcher Pass is that more participants are likely to emerge with an affordable ski area nearby.
- Most of the Alpine skier days that are generated locally stay local, but those who seek a destination experience leave the state to satisfy that urge.

The present market does not have enough smaller day-use ski areas where local residents can easily commute to the ski area for an afternoon or evening to ski and socialize. In addition, these areas do not have facilities and skiing terrain to meet all skiers’ desires and skill levels. These ski areas service a close resident user and continue to perform at relatively predictable utilization patterns; reasonably full on holidays and weekends, and with a surplus capacity during the week. This surplus capacity is partially offset by night skiing. In effect, use of day-use ski areas follows the recreational behavior pattern of the population that recreates when the population-at-large has free time.

Income also clearly affects participation. The higher the income, the higher the participation. Snowboarding is an exception with lower level individuals participating (less than \$15,000 annual income with many considered as student-aged participants). This factor should be considered when establishing the fee structure at Hatcher Pass.

Frequency of participation is also influenced by time availability. The 17 to 24 age group, consisting of individuals still largely in school and unmarried, are very active, and have the greatest percentage of participation (over 20 days a season). The number of participation days drops during career building and family years, and then climbs rapidly in the pre-retirement years. This is another consideration when deciding what facilities, services and amenities that should be located at Hatcher Pass.

Southcentral Alaska has four chairlift-served areas, plus several mini-hills. Alyeska is the only fully developed resort, with a moderate sized ski-mountain and extensive resort facilities. The other chairlift facilities are oriented towards either beginner and/or intermediate skiers. For those seeking more expert terrain, options are limited to Alyeska. Hatcher Pass will be a welcomed addition to the day-use ski experience with its beginner, intermediate and expert terrain. Hatcher Pass, when fully developed, will have more vertical slope than Alyeska.

Nordic Skiing

Unlike Alpine skiing, nationally the number of skiers participating in Nordic skiing has grown tremendously both nationally and in Alaska (see chart on page 6). In Alaska this is also the case. The presence of groomed and lighted trails in Southcentral Alaska has grown substantially over the past decade. The Mat-Su Borough also has a reasonable supply of groomed trails, but there are no lighted trails for Nordic skiing after school or work.

It is more difficult to quantify the number of Nordic skier participants in Southcentral Alaska since it occurs in areas or on trails where the number of participants are not counted.

The following chart shows the number of participants each season from October through March at Crevasse Moraine, which gives an indication of the popularity of Nordic skiing in a nearby location.

Crevasse Moraine Winter Trail Use

2002- 2003	2003- 2004	2004-2005	2005-2006	2006-2007	2007- 2008
7,913	7,815	7,415	8,225	13,515	17,141

Source: Matanuska-Susitna Borough, Division of Parks, Recreation, and Library Services

This compound growth is almost 17 percent a year, approximately four times the average Borough population growth rate. It reflects the significant increase in the attraction of Nordic skiing, when compared to the Alpine experience.

In the Borough, it is not unusual for a Nordic skier to stop off and ski at a local school or trail on the way home, or head out their door for a short ski. Major limiting factors include the hours of winter daylight and the lack of lighted trails.

Hatcher Pass is one of Southcentral Alaska's long established cross country ski destinations. Nordic and telemark skiers come for the beautiful alpine setting and the groomed/set tracks. The numbers of skiers are influenced by Anchorage ski conditions, and other competing recreational activities. Hatcher Pass traditionally sees heavy use in the early winter and spring when no snow or warm-wet snow exists in the Anchorage bowl. Since the mid- 90's the development and maintenance of ski trails, especially the Kincaid Park complex with over 60 kilometers of lighted trails, keeps Anchorage skiers at home when snow and weather conditions allow.

The area on the south side of the Government Peak above Edgerton Park Road offers miles of beautiful, rolling terrain that is exceptionally well suited for Nordic skiing. Bill Spencer, one of Alaska's well-known Nordic skier, trail designers and professional engineer, has designed a combination of International/Olympic trails combined with recreational trails. All trails begin at a central parking and amphitheater area.

Snowmobiling

Southcentral Alaska has the snow conditions and terrain for excellent snowmachining opportunities. The number of groomed snowmobile trails has increased significantly since 2002. The State, Division of Parks and Outdoor Recreation and the Matanuska-Susitna Borough have combined efforts and funding sources to provide a good system of trails that connect various communities and recreation areas.

In Hatcher Pass, specific drainages are open to snow machines as defined by the Hatcher Pass Management Plan. The Gold Mint Trail Head (near the Motherlode Lodge) has received improved parking and groomed access to the Willow Creek Drainage. As a result, snowmachining use has increased noticeably since the mid-1990's. Hatcher Pass is a favorite area for beginning snow machiners. Because of its elevation, the Hatcher Pass area tends to be heavily used early in the season when lower areas have less snow and ice on streams and lakes may not be safely frozen.

Summer Activities

A wide variety of summer activities occur in and immediately adjacent to the Government Peak sub-unit. These include:

- Sightseeing
- Day hiking and picnicking
- Overnight backpacking
- Mountaineering, rock climbing
- Hunting
- Hang gliding/para-sailing
- Berry picking
- Mountain biking
- Horseback riding

Most of these activities are complimentary to the improvements related to ski area development. For example:

- it may be feasible to use an area within one of the Nordic ski loops for a camping area;
- the amphitheater area could be used for summer activities such as concerts or group gatherings and events;
- the trails used to support the Alpine ski area could be used hiking as well as for recreational or competitive mountain biking events; and
- camping areas could be developed at trailhead/parking areas that are also used for equestrian trail rides or snowmobile staging areas.

These secondary activities should be kept in mind as the wintertime recreational facilities are designed and constructed. Secondary activities have the potential of raising additional revenue and could be privatized if facilities are designed and constructed appropriately. For example, camping areas should be “designed” camping areas with campfire rings, picnic tables, level areas for tents or motor homes, running water, and restrooms. Electricity and water should be provided at some camping spots and a strategically placed sanitary (dump) station should be provided for visitors with motor homes and truck-campers. These services would help spread awareness of the area’s amenities and also help even-out seasonal revenue; with high demand, these services could also be offered in the winter.

Similar types of facilities could be located at a corner of the Alpine ski area parking facility. Such an area could service bikers, berry pickers and other recreationists.

General Recreational Use Considerations

The argument can be made that once people are exposed and become committed to sports of any kind, that these individuals have a uniform activity pattern. It also holds true that use of any area, or participation in an activity increases dramatically when the activity is located in close proximity to the person’s domicile.

These are important considerations to remember when deciding what type of services, amenities, and scale of services to offer and at what monetary rate.

Establishing a price structure that draws and encourages public participation is just as important as the quality of the experience. The cost of the experience could change the ultimate preferred destination or the activity the population chooses to participate in during their leisure time.

Another important factor is that generally recreational users prefer a variety of recreational opportunities within a relatively short distance from each other that meet the needs of all age groups, particularly for families. In other words, ski areas that only attract one segment of the user population are not as likely to succeed as well as those with a wide array of recreational opportunities, such as those that already exist and are being proposed in this report for Hatcher Pass.