

AMD: Independence Mine Historic Preservation Grant for Building Restoration **FY2003 Request: \$0**
Reference No: AMD 35759

AP/AL: Appropriation **Project Type:** Health and Safety
Category: Natural Resources
Location: Matanuska Susitna Borough **Contact:** Jim Stratton
House District: Matsu Areawide (HD 26-28) **Contact Phone:** (907)269-8701
Estimated Project Dates: 05/14/2002 - 09/15/2003

Brief Summary and Statement of Need:

Independence Mine State Historic Park is one of the most visited year around destinations in the Mat-Su Valley and in the state park system. The visitor draw is the historic buildings. However, the mine site buildings are falling down. Funds requested are to stabilize eleven of the 15 historic buildings, primarily foundations and roofs. The combination of these investments by the state and federal government is intended to make subsequent private sector development of a visitor destination at the mine site economical. This will be done through a concession contract let by state parks to a private vendor.

Funding:	<u>FY2003</u>	<u>FY2004</u>	<u>FY2005</u>	<u>FY2006</u>	<u>FY2007</u>	<u>FY2008</u>	<u>Total</u>
Total:	\$0	\$0	\$0	\$0	\$0	\$0	\$0

<input type="checkbox"/> State Match Required	<input checked="" type="checkbox"/> One-Time Project	<input type="checkbox"/> Phased - new	<input type="checkbox"/> Phased - underway	<input type="checkbox"/> On-Going
0% = Minimum State Match % Required		<input checked="" type="checkbox"/> Amendment	<input type="checkbox"/> Mental Health Bill	

Operating & Maintenance Costs:

	<u>Amount</u>	<u>Staff</u>
Project Development:	0	0
Ongoing Operating:	0	0
One-Time Startup:	0	0
Totals:	0	0

Additional Information / Prior Funding History:

This is a new project request. The May 3, 2002 amendment request would make the effective date of the project May 14, 2002 in order for the department to have full use of the 2002 summer construction season.

Project Description/Justification:

Project History:

Since the state acquired the mine buildings and surrounding property in 1980, it has invested several hundred thousand dollars in building stabilization, most recently the foundations of both bunkhouse buildings and patching a few leaking roofs, through the Capital budget and support from a local non-profit, Friends of Independence Mine. However, the cost of maintaining the 15 historic buildings is expensive and beyond Parks' limited capital budget. This inability to support building maintenance led to a community discussion in March 1997 that identified options for preserving the historical integrity of the mine's buildings. A subsequent decision by the Park Director in August 1998 found that a concession contract for compatible business activity would be the best strategy for preserving the mine's buildings and protecting the historic integrity of the site.

Potential and probable year around uses like overnight lodging, food service, gift shop, and underground tours would make IMSHP an even more popular destination facility. In preparation for seeking prospective private partners, Parks recognized that several things needed to occur for the project to be economically viable.

1. Improve the road – scheduled for summer 2001.

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2. Provide for underground mine tours – the state has obtained the underground mine tunnel which will allow for tour opportunities. These tours were identified as the critical revenue-generating component of the concession contract.

In addition to road improvements and the opportunity for an underground tour, the state invested \$1.5 million to upgrade the access to the existing visitor center, improve the trail system in and around the mine buildings, rebuild the access to the mine tunnel, and install 32 interpretive panels describing life at Independence Mine in its heyday. An additional \$2.7 million will be invested in 2002 for camping, parking, and picnicking facilities on Hatcher Pass Road along the Little Susitna River leading to the park. An additional \$800.0 in federal mine cleanup funds is in the Senate version of the Interior Appropriations Bill.

Detailed Project Justification:

The Mat-Su Borough has identified Hatcher Pass/Independence Mine area as one of its primary opportunities for increased economic activity. It was the Borough that sought the federal funds for building stabilization. The Borough continues to pursue development of a ski resort in the Area. The area already sees extensive use year around for snowmobiling and skiing in the winter to hiking and historic building tours in the summer. With the road paved, the visitor level to the mine will skyrocket. A very funky dirt road currently keeps out tour buses and motorhomes. That will change.

When the Director sought a private partner in 1998 to work with Parks on the adaptive re-use of the mine buildings as a visitor destination, he was told that three things needed to occur before private enterprise could afford to partner with the state. First was paving the road. That's been accomplished. Second was the ability for underground mine tours. The state secured the underground mine tunnel last year in a land exchange. The third was to increase the level of state funding for clean-up, infrastructure development, and building stabilization to reduce the level of investment necessary for a private partner to come in. It will be expensive for a private partner as there are no utilities in the area. All electrical, water and sewer, as well as reconstruction of the mine's buildings to provide for lodging, food service, gift shops, meeting rooms, interpretive centers, etc. will be born by the private partner.

Public investment is being made in the road, trail system, interpretive signs and, hopefully with this project, basic stabilization of the buildings. In addition to the rehabilitation necessary for commercial activity and continued maintenance of the park's historic buildings, the state expects a sufficient enough return to support management of the surrounding park and recreation lands. This would reduce the pressure on the existing state park operating budget and allow those funds to be used to provide increased service at other state parks in the area.

Specific Spending Detail:

Buildings to be stabilized are: Warehouse, Mess Hall, 4-Plex, Old Bunkhouse, New Bunkhouse, Mine Office and Assay Office.

Roofs (7) - \$405,000

Foundations (6) - \$670,000

In addition to these seven buildings, structural work is needed to stabilize the underground water tunnel and the trestle and mine buildings.

Water Tunnel - \$100,000

Mine/Trestle - \$100,000

Design and Construction Administration: \$225,000.

Project Support:

Mat-Su Borough, Mat-Su Convention and Visitors Bureau, City of Palmer, local Chambers of Commerce, Mat-Su Area State Park Advisory Board, Friends of Independence Mine.

Project Opposition: none