

Agency: Commerce, Community and Economic Development

Grants to Named Recipients (AS 37.05.316)

Grant Recipient: Anchorage Economic Development Corporation

Federal Tax ID:

Project Title:

Project Type: Other

Anchorage Economic Development Corporation - Girdwood Economic Development Grant

State Funding Requested: \$8,500,000
One-Time Need

House District: 32 / P

Brief Project Description:

Development of infrastructure in Girdwood, Alaska to promote economic development and enhance tourist opportunities.

Funding Plan:

Total Cost of Project: \$16,472,000							
	<u>Funding Secured</u>		<u>Other Pending Requests</u>		<u>Anticipated Future Need</u>		
	<i>Amount</i>	<i>FY</i>	<i>Amount</i>	<i>FY</i>	<i>Amount</i>	<i>FY</i>	
Federal Funds	\$7,972,000	since FY03					
Total	\$7,972,000						

Detailed Project Description and Justification:

Girdwood, Alaska is poised to be an effective engine for economic growth for Southcentral Alaska and the broader Alaskan economy. A community with four-season recreational opportunities and home to the Alyeska resort, Girdwood hosts more than one million visitors each year including cruise ship passengers, independent travelers, Alaskan tourists and athletes seeking year-round recreational and training opportunities. Alyeska resort has benefitted from significant private investments in infrastructure over the past three years and employs around 600 Alaskans. Funding of the Girdwood Economic Development Block Grant will provide needed public infrastructure improvements which are essential for the safety, mobility and recreation of visitors and, consequently, to the economic vitality of the community. The Municipality of Anchorage, the Girdwood Service Area Board of Supervisors, Alyeska Resort and Girdwood 2020 have agreed on the following priorities, which would be funded by this grant.

Priority #1: Girdwood Town Square Improvements: \$1,000,000

The Girdwood Town Square Economic Development project was identified in 2003/2004 to enhance and develop the Girdwood business center. The total cost of the project is \$6.4 million. Partial funding of \$5.4 million was provided by a previous federal economic development grant. The project design, permitting and right of way acquisition are complete. This funding would be used to complete this project and comply with the requirements of the federal earmark. The importance of this project to the community is also demonstrated by the numerous volunteer hours and thousands of dollars in private and in-kind donations to improve and beautify the Town Square and surrounding park.

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\$8,500,000
Approved

Priority #2: Olympic Mountain Loop Upgrade at Arlberg Avenue (Federal Match): \$1,340,000

This funding will open the door to full use of two federal grants from 2003 and 2004, totaling \$1,272,000. This road grants access to trails leading up the valley, to local businesses, to a number of residential buildings, to Alyeska Resort and to a transportation hub for the entire community. Because of strict construction requirements attached to federal funds, this match is needed to fully fund the project.

Priority #3: Arlberg Avenue Extension to Access Upvalley Heritage Land Bank Property: \$2,000,000

Access to Heritage Land Bank property past the current termination point of Arlberg Avenue is key to future development of resort facilities, businesses serving recreational tourism, and to the proposed Nordic and Multiuse Trail System. Many acres of Heritage Land Bank property remain inaccessible because there is no roadway. This road project has been a capital request priority for many years.

Priority#4: Girdwood Road Service Area Road and Drainage Rehab: \$2,500,000

The Girdwood community has had road and drainage rehab on its capital request list for many years. Several years ago, the community funded a comprehensive drainage study for the valley. From that study and from working closely with the road and drainage problems in the community the list of drainage and road rehab projects was compiled. Further infrastructure development cannot proceed until the community roads have adequate drainage and the road beds and surfaces are repaired.

Priority #5: Alyeska Highway (Girdwood) Trail Rehab - Alaska Railroad Crossing to Crow Creek Road: \$1,485,000

The Alyeska Highway Pedestrian and Nonmotorized Safety Corridor is the prime connection with the Seward Highway bike path which begins in Indian, the Iditarod National Historic Trail, and other community trails. Over the many years since this trail was built, improper driveway crossings and utility installations have been put in along its length, without adequate foundation and top finishing work. The net result is a path that is a hazard to bikers and even walkers, due to the uneven surfaces and severe heaves. The community has done patch work using volunteer labor and small trails grants, but has not been able to address the basic problem of deteriorated foundation and surface.

Priority #6: Replacement of Air Resources Equipment for Girdwood Fire Department: \$175,000

Replacement of the Fire Department Air Resources Equipment is a matter of safety that simply cannot be ignored for another year. It has been a priority funding request for two years. Girdwood's equipment is obsolete and not compatible with gear being used in the rest of the area.

Project Timeline:

2010 - 2020.

Entity Responsible for the Ongoing Operation and Maintenance of this Project:

Municipality of Anchorage and Girdwood Road Service Area Board

Grant Recipient Contact Information:

Name:	Randall Call
Address:	PO Box 249 Girdwood, AK 99587
Phone Number:	(801)304-9300
Email:	jrc@cirqueproperty.com

Has this project been through a public review process at the local level and is it a community priority? Yes No



P.O. Box 1102
Girdwood, Alaska 99587
www.girdwood2020.org

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April 27, 2010

Girdwood Economic Development Grant

Background

Girdwood is a hybrid. As its residents are fond of saying, it is a very special community with special attractions and special needs. Girdwood is the quintessential "Gateway Community." It has convenient access to Anchorage with all the transportation and marketing opportunities that city offers; at the same time Girdwood affords access to many recreational and sightseeing choices. Small wonder Girdwood has been identified as the destination of choice for Alaskan tourists, cruise ship passengers, independent travelers from outside the state, and athletes seeking four season recreational and training opportunities.

Girdwood's permanent residents at the census of 2000 numbered around two thousand, whereas absentee property owners control at least as much of the property as permanent residents. Girdwood is part of the Municipality of Anchorage so it does not have separate municipal management. The public lands that help provide some of Girdwood's amenities create management issues. Girdwood's population is diverse, ranging from seasonal resort employees to retired persons and includes young, middle aged and mature families, plus many other kinds of residents with a variety of agendas.

Girdwood began as a support community for mining in the upper valley; when the Alaska Railroad was constructed the entire valley was logged off to supply timber for the railroad ties. Thanks to an early effort at economic development by the few remaining residents trying to find a way to make a living after mining and logging were no longer viable, Alyeska Resort had its modest beginnings in 1955. The resort developed slowly over the years with Alaska Airlines taking over in 1967 then selling to Seibu Corporation in 1980. In December of 2006 the resort was purchased by John J. Byrne III who has committed time and treasure to position Alyeska Resort as a premier four season destination. Alyeska Resort currently employs around six hundred (600) persons and has a master plan for very engaging resort development.

Development of basic community infrastructure and resources for Girdwood has not kept pace with development of the resort. Annual visitor numbers run to seven figures and include resort visitors, day visitors, bed and breakfast patrons, independent tourists and organized tours. This high number of visitors overwhelms the community's efforts to fund adequate roads, drainage, paths and parks, and to welcome service businesses and amenities to meet the needs of residents and visitors.

The Municipality of Anchorage, the Girdwood Service Area Board of Supervisors, Alyeska Resort and Girdwood 2020 have joined to identify and prioritize the capital projects deemed to best meet the immediate needs of Girdwood.



The requesters are grateful for the legislative approval of this block grant for \$8.5 million. We support the following individual projects that will be covered by this grant:

1. Girdwood Town Square Improvements to Supplement Federal Grant Funds: Up To \$1,000,000
2. Olympic Mountain Loop Upgrade at Arlberg Avenue to Supplement Federal Grant Funds: Up To \$1,340,000
3. Arlberg Avenue Extension to Access Upvalley Heritage Land Bank Property: Up To \$2,000,000
4. Girdwood Road Service Area Road and Drainage Rehab: Up To \$2,500,000
5. Alyeska Highway Trail Rehab – Alaska Railroad Crossing to Crow Creek Road: Up To \$1,485,000
6. Replacement of Air Resources Equipment for Girdwood Fire Department: Up To \$175,000