

**Alaska Department of Natural Resources  
Division of Parks and Outdoor Recreation  
Chugach State Park  
Arctic Valley Concession Contract  
Final Decision**

**Introduction**

This Final Decision serves to complement and update the Preliminary Decision regarding a proposed concession contract for the operation of Arctic Valley Area in Chugach State Park. The preliminary decision was issued by the State of Alaska, Department of Natural Resources (DNR), Division of Parks and Outdoor Recreation (DPOR) on November 21, 2018 and is Attachment I to this Final Decision.

**Recommended Action**

The Preliminary Decision recommended the issuance of a concession contract to the Anchorage Ski Club (ASC) for the operation of Arctic Valley Ski Area through a sole-source procurement. The proposed concession contract is Attachment II to this Final Decision.

**Authority:** The proposed concession contract is authorized under *Alaska Statutes (AS) 41.21.027 Concession Contracts in the State Park System*. Chugach State Park was created by *AS 41.21.120-125*.

**Contents and Attachments**

This Final Decision includes a summary of public comments with responses, revisions to the proposed concession contract, discussion and recommendation, and a decision. The following attachments are included:

- I. Preliminary Decision, signed November 21, 2018
- II. Proposed Concession Contract, as attached to the preliminary decision
- III. Comments received during the public comment period
- IV. Revised Proposed Concession Contract, as described below
  - a. Appendix A: General Conditions
  - b. Appendix B: Indemnity and Insurance
  - c. Appendix C: Contract Stipulations-Scope of Work/Services
  - d. Appendix D: Arctic Valley Facilities List
  - e. Appendix E: Contract Map
- V. ASC's Current Strategic Plan

**Public Notice & Meetings**

Public notice and a public comment period began on November 21, 2018. Public meetings were held on November 27, 2018 in Eagle River, December 6, 2018 in Anchorage, and February 5, 2019 in Anchorage. A total of 17 people attended the public meetings. The comment period was

originally scheduled to end on December 28, 2018 and was extended until February 15, 2019 at the request of several members of the public. The public notice was posted on the State's public notice website, on the DPOR website and social media pages, sent to JBER and to the Municipality of Anchorage. Notice was sent to the Alaska Community Foundation and they were encouraged to share it with donors to the Arctic Valley Endowment Fund and the Chugach Park Fund; they did not respond.

## **Comments & Discussion**

DPOR received 308 comments during the comment period. A summary of topics raised, and responses follows. All comments are included in Attachment III.

**Agency Comment:** The Land and Water Conservation Fund (LWCF) Administrator in DPOR noted that Chugach State Park has benefited from LWCF grants and that the area of the existing lease and proposed concession contract are within the LWCF Section 6(f) protected area. She proposed contract additions based on the LWCF manual to ensure the State complies with the terms of the LWCF grant. The most important condition of LWCF grants is that the area must be protected for outdoor recreation in perpetuity. The following changes to the contract are recommended to ensure compliance with the LWCF grants:

### **Appendix C, Section 5. Contract Renewal and Section 52 Revocation.**

The State of Alaska shall periodically review the performance of the concessioner and terminate the contract if its terms and provisions, including standards of maintenance, public use, and accessibility, are not met.

**Appendix C, Section 14. Staffing.** In compliance with these laws, signs shall be posted in a visible public area referencing the Civil Rights Act, the Americans with Disabilities Act, etc.

**Appendix C, Section 44. Sales and Prices.** Fees charged to the public should be competitive with similar private facilities but are wholly subject to the extent the State can charge fees under existing law and regulations.

**Appendix C, Section 45. Advertising and Signage.** Signs, literature, and advertising shall identify the area as publicly owned, and operated for public outdoor recreation by a lessee/concessioner.

**Response:** Thank you for the information. The LWCF has provided significant benefits to Chugach State Park. The proposed concession contract has been updated. The comment about review of the concessionaire's performance will also be incorporated into Appendix C, Items 21, 22, and 23, which were added or revised as detailed below.

The comment about fees has been incorporated into Appendix C, Item 46. Under *AS 41.21.027* DPOR must retain the authority to review and approve fees charged by the contractor. The contractor may not charge a higher fee than DPOR charges for a service which is provided

elsewhere by DPOR. For services not provided by DPOR, fees will be reviewed to ensure that they are comparable to fees charged for similar services provided elsewhere.

**Comment:** Arctic Valley Ski Area is a fun, affordable, family friendly place for skiing, snowboarding, and other outdoor recreation. We support the proposed concession contract with the Anchorage Ski Club (ASC). A total of 260 commenters submitted statements supporting the continued operation of Arctic Valley Ski Area by the Anchorage Ski Club.

**Response:** Thank you for commenting and for your support of Arctic Valley.

**Comment:** Forty-five commenters requested additional planning for the future of Arctic Valley prior to issuing a contract. Some of these commenters requested that DNR complete a site-specific plan for Arctic Valley and the surrounding areas such as Ship Creek and Site Summit. Most of these commenters stated that potential uses of the area should be considered in more detail. Some of these suggested that the state had a legal obligation to conduct more planning prior to issuing a contract.

**Response:** The potential uses of the Arctic Valley area were considered in the Chugach State Park Management Plan (CSPMP), which was subject to extensive public review prior to adoption in February 2016. The CSPMP recommended the continued operation of a downhill ski area at Arctic Valley under a long-term concession contract with the ASC. The CSPMP also recommended that the area be kept open as a trailhead for hiking, berry picking, and other outdoor recreation.

There are limited options for a possible site-specific plan for Arctic Valley, which mirror the alternatives considered in the preliminary decision and in the CSPMP. Those alternatives are to have ASC continue to operate the Arctic Valley Ski Area through a sole-source concession contract, to solicit competitive bids for operation of the Arctic Valley Ski Area, or to allow ASC's lease to expire without a replacement operator and have the state assume direct management of the area. The preliminary decision recommended that ASC should continue to operate the area because they have the experience, ability, and desire to continue to do so and because the state does not have the capacity to operate the area directly. The possibility of competitive bidding is considered below in response to comments on this topic.

An additional planning process by DNR prior to issuing a concession contract would result in a significant delay in having a long-term agreement in place for operation of the ski area. Such a planning process would require a significant investment of staff time, money, and other resources by DNR staff and would need to be balanced with other priorities for these staff and resources. DNR plans typically evaluate much larger areas with a greater range of uses and interests than a plan which only considered Arctic Valley would. Furthermore, there have been no known changes to the resources present in the Arctic Valley area since the evaluation of the area during the planning effort leading to the 2016 CSPMP. The only known changes in use in the area are the addition of a tubing hill, which ASC opened in winter 2011-12 after the CSPMP planning process began in May 2011.

Site Summit is part of Joint Base Elmendorf Richardson (JBER) and DNR has no authority to manage this area.

**Comment:** A few of the commenters said that ASC should be required to provide their own plan and that DNR should hold them accountable for their accomplishment of their plan.

**Response:** The ASC has adopted a strategic plan, which is Attachment V to this document. DNR and ASC have agreed to collaborate on future updates to the ASC strategic plan for the area. The Chugach State Park Advisory Board and the public will be invited to comment on these plans prior to their adoption. This planning requirement has been added as item 21 in appendix C to the proposed contract. ASC's success in implementing the plan has been added as an element of the performance reviews in the contract (Appendix C, Item 22).

**Comment:** Several commenters said that the area had potential for more development or use. Many of these commenters also requested additional planning to plan for this development.

**Response:** There is certainly potential for additional skier days at Arctic Valley, as well as for increased use for other outdoor recreational activities. As described in the ASC Strategic Plan, there are several potential avenues for growing use of the area. This contract is limited by the state park land available in the area and the use of that state park land is limited by the designation as a state park. Development greater than the amounts envisioned in the proposed contract may require the revision of the CSPMP and would need to be consistent with the statutes creating Chugach State Park and governing the management of state parks.

As noted in an agency comment above, Land and Water Conservation Fund (LWCF) grants have been used to improve Chugach State Park facilities, and as a condition of those grants DPOR has committed to protecting the park for outdoor recreation in perpetuity. Development of new facilities which are not for the purpose of outdoor recreation would constitute a conversion under section 6(f) of the LWCF act and would require the acquisition of replacement land of equal value to the lands which are converted.

The ASC is actively seeking to develop new activities and facilities which are consistent with CSPMP, park statutes, the ASC strategic plan, and the LWCF. The ASC is also seeking to improve the existing facilities. ASC will not be able to get funding for improvements and maintenance in the absence of a long-term contract for the operation of the area.

A few of these comments implied that a larger scale, commercial ski area would be appropriate for Arctic Valley. Large commercial ski areas are typically dependent on having private land at or near the base of the ski area for hotels, restaurants, real estate development and other commercial activity. The absence of private land in the Arctic Valley area is a significant impediment to development of a larger, more commercial ski resort. The restrictions agreed to by DNR as a condition of the LWCF grants would prohibit hotels, real estate development, and similar facilities from being located on state land in the area.

A further impediment to a larger scale commercial ski area is that most of the road to Arctic Valley is on JBER land and is subject to closure by the base commander without warning. The road is routinely closed for a few minutes to a few hours during training exercises. At various times the road has been closed for extended periods of time, notably after the terrorist attacks on September 11, 2001. This uncertain access is not conducive to a commercial ski area, especially one which depends on regular revenues to repay debts. As a non-profit with extensive experience with the road status, ASC is better placed to handle the uncertain access than a

commercial operator. ASC's reliance on volunteers, rather than paid staff, further lessens the financial burden of a road closure.

**Comment:** Some of the commenters who said that the area had the potential for more development had suggestions for an expanded ski area.

**Response:** A few of these suggestions included development on lands which are currently part of JBER. The U.S. military does not plan to relinquish the use of this land, and if they did there is no guarantee that DNR, ASC, or another ski area contractor could acquire it for development as part of Arctic Valley. Item 56 has been added to Appendix C to the proposed contract to provide for contract updates if the JBER lands are relinquished and made available for ski area expansion.

Another suggestion for expansion of the ski area included land south of the existing Arctic Valley Ski Area in the Ship Creek drainage. This area is a designated wilderness zone and is to be managed to protect the wilderness values and water quality. Development of facilities such as a ski area is incompatible with wilderness zones according to the CSPMP.

Another reason why development to the south of the existing ski area in the Ship Creek drainage is inappropriate is the potential impact to water quality. Ship Creek supplies a significant portion of the Anchorage water supply. Protection of the water supply is the first reason for why the park was established listed in *AS 41.21.121*. DNR has agreed with the Anchorage Water & Wastewater Utility (AWWU) to protect the Ship Creek watershed.

**Comment:** Several commenters suggested that DNR could authorize a short-term concession contract of up to 4 years with ASC to allow time for further planning or preparation for a competitive bidding process.

**Response:** These commenters have observed that *AS 41.21.027* allows concession contracts for up to 4 years without the decision process required for longer contracts. A shorter-term contract would still be subject to state procurement rules. If DNR and ASC agreed to a shorter-term contract, ASC would have limited incentive or ability to invest in maintenance and improvements at Arctic Valley.

**Comment:** Several commenters recommended that DPOR utilize a competitive procurement process to select the next operator of the Arctic Valley Ski Area rather than a sole source procurement with the ASC.

**Response:** The preliminary decision considered competitive bidding as a possible alternative and specifically said, "If DPOR receives interest from another qualified party during the public comment period, DPOR may consider competitive bidding for the operation of Arctic Valley Ski Area." DNR recognizes that compiling a competitive bid would require time and did not expect to receive completed proposal during this public comment period. No one other than ASC has indicated an interest in bidding on a contract or in operating the Arctic Valley Ski Area.

If DNR proceeded with competitive bidding, a winning bidder other than ASC would not be able to begin operation prior to November of 2022 when ASC's lease expires. In the interim, ASC would have the option of removing some or all their infrastructure and equipment, which would diminish the value of the area to a new operator. ASC would also have little incentive to

maintain facilities which they expected to abandon; this would further diminish the value of the area to a new operator.

As discussed in the preliminary decision, the ASC is an appropriate candidate for sole source procurement under 2 AAC 12.410(d)(6) as a “nonprofit organization whose sole purpose is to operate the concession and provide other public services” on the state property.

If ASC is awarded the concession contract, it will relinquish the lease at the time that the contract signed, thereby eliminating the delay in securing a long-term operator for the ski area and ensuring the ASC retains the incentive and financial ability to continue to operate the ski area.

**Comment:** Several commenters felt that the contract is too long. The proposed contract is for 20 years with two optional renewals for a potential total of 60 years.

**Response:** The proposed contract is consistent with authorizations issued by other land managers to operate ski areas. For example, Alyeska resort has a 55-year lease with DNR’s Division of Mining, Land, and Water. There are over 100 ski areas in the United States operating under U.S. Forest Service permits for which the standard term is 40 years. Private leases for ski areas can be even longer; for example, the lease for Park City Mountain Resort in Utah is 50 years with up to 6 additional 50-year terms for a total of 350 years.

Ski areas require long-term authorizations to justify the costs of investment in infrastructure. ASC’s ability to solicit donations, grants, and loans has been limited in recent years by the lack of a long-term agreement to operate the ski area. For this reason, ASC and DNR have agreed to a long-term contract.

**Comment:** A few commenters suggested that the proposed contract should provide or support tours of the historic Nike Site Summit as well as provide for displays about the history of Site Summit at Arctic Valley.

**Response:** Nike Site Summit is located within JBER and DNR has no authority to manage the area. Use of Arctic Valley as a staging area for tours of Site Summit authorized by the U.S. Department of Defense is desirable. It is also desirable to have displays or tours about the history of Site Summit and the Nike missile program in the Arctic Valley area. Item 2.k has been added to Appendix C of the proposed contract. The ASC will work with the Friends of Nike Site Summit (FONSS) and others to provide tours and develop appropriate displays.

**Comment:** A few commenters suggested that the proposed contract would constitute a prohibited disposal of an interest in state park land. Some of them suggested that the fact that the proposed concession contract allows the continued operation of the ski area by the current lessee means that the contract is effectively a lease.

**Response:** The concession contract is authorized by *AS 41.21.027 Concession Contracts in the State Park System*. ASC will relinquish the existing lease when the contract is executed, terminating the existing leasehold, which existed prior to the park’s creation and is protected by the park’s enabling legislation, *AS 41.21.121*. The proposed contract recognizes that ASC’s ownership of the buildings and other improvements pre-dates the park’s establishment and authorizes construction of new facilities as allowed by *AS 41.21.027(a) & (b)*. The contract

explicitly states that it does not convey any property interest to the contractor, and provides that new facilities that are not specifically ski-related, such as roads, parking areas, trails, picnic facilities, outhouses, gates, signs, and interpretive displays, will be owned by the State.

**Comment:** One commenter suggested that the lease should be allowed to expire without a concession contract or other provision for the operation of the ski area and that the area should be managed like other parts of the park.

**Response:** If there is no longer a ski area at Arctic Valley, DPOR would need to consider removal of the lifts at a significant cost and possible alternative uses for the buildings. Between now and the lease expiration in November 2022, the condition of these facilities is likely to deteriorate. The State would be exposed to potential liability due to abandoned lifts and buildings.

If the lease is allowed to expire without a concession contract in place, DPOR would be expected to maintain the parking area and trails. Due to the location and difficult access, this would represent a significant cost with no additional funding.

**Comment:** A commenter suggested that the land currently leased to ASC would need to be classified by DNR to become part of Chugach State Park.

**Response:** Under *AS 41.21.121* land and interests in land within the legislatively designated boundary are automatically designated as part of Chugach State Park when they are acquired by the state. No action is required by DNR to add this land to CSP once the lease is relinquished or expires. This comment may be in reference to the statutes for other state parks, some of which require DNR to take action to classify newly acquired lands as part of a park.

**Comment:** A few commenters noted that the proposed contract consisted of a series of appendices and it was not clear what the appendices were attached to.

**Response:** This was an oversight and we apologize for any confusion. The contract to which these appendices will be attached is a simple form which is generated by the state's procurement software. This contract lists the contact information for the state and the contractor as well as a few other routine items. An example is included in the revised proposed contract, Attachment IV to this final decision.

**Comment:** A few commenters noted that the proposed contract mentions a Request for Proposals (RFP), but that no RFP was attached.

**Response:** The references to an RFP were extraneous and have been removed from the contract.

## Contract Changes

As mentioned in the Comments & Discussion section, DNR and the ASC have agreed to several changes to the concession contract. The revised proposed contract is Attachment IV. The changes listed below do not include changes to formatting, which was revised for consistency and readability. The changes listed below also exclude renumbering of the items, corrections of

typos, and minor grammatical errors. Those changes are as follows with **new items in bold** and ~~removed text as a strikethrough~~:

These items are within Appendix C:

New sub-items added to Item 2

**k. tours of Site Summit or coordination with other groups providing tours, subject to the limitations on access to Site Summit imposed by the U.S. Department of Defense,**

**l. communications services**

**m. weather instruments, stations, and cameras,**

Revised Item 6. Contract Fees. The annual contract fee shall be ~~2.5%~~ **a share** of gross revenue from the operations under this contract **as follows:**

**2.5% of all gross revenue below \$500,000;**

**3% of gross revenue between \$500,000 and \$1,500,000;**

**4% of gross revenue above \$1,500,000.**

[...still in Item 6...]

The Contractor shall submit reports to the Project Director by April 30 and September 30 each year describing the work completed and documenting the value of the work. The Project Director shall review the work and the value of the work to confirm that it was completed in a satisfactory manner prior to approving the credit. **Credit for work performed expires on May 31 each year if it is not applied to the contract fees due in the preceding year.**

Revised Item 7. e. Discharge of fireworks is prohibited. Use of fireworks by the Contractor may be authorized, **if the use is** consistent with ~~Anchorage Fire Department~~ **relevant federal, state, and local** requirements **and permits.**

Revised Item 14. Staffing. The Contractor shall provide adequate staffing, including volunteers and employees, ~~to meet the requirements of the RFP,~~ and shall ensure that all training and supervision of the personnel is provided while performing under the provisions of this contract. The Contractor must also meet the requirements of state and federal laws governing employment, wages, and worker safety, including, but not limited to, laws governing equal opportunity, civil rights, fair labor standards, minimum wage, worker's compensation, OSHA regulations, ADA, and immigration laws regarding employment of non-citizens. **In compliance with these laws, signs shall be posted in a visible public area referencing the Civil Rights Act, the Americans with Disabilities Act, etc.**

As required by AS 41.21.027(b)(7), the Contractor shall hire residents of the state, to the extent available and qualified, when hiring persons to work in the park under the contract.

Revised Item 16. Employee Conduct. The Contractor is responsible for the conduct of his or her employees and volunteers. This contract does not shield the Contractor or its employees or agents from prosecution if they violate any laws, either while performing their duties or while on

their own time. The Contractor's employees or agents shall not engage in activities that would lead a member of the public to believe they are State employees. The Contractor shall not allow its employees, agents, or guests to create a disturbance that could be disruptive to the public's use and enjoyment of the area. The Contractor shall cooperate with other groups or organizations permitted to use the area or premises. The Contractor shall ensure that employees do not use or work under the influence of ~~intoxicating beverages, or~~ illicit or mind-altering drugs **or intoxicating beverages** while on duty or representing the Contractor.

**Item 21. Strategic Plan. The contractor will maintain and update a strategic plan. This plan will include infrastructure upgrades, plans to grow use of the area, and proposed new activities. The contractor will share a draft of the plan with DPOR, the Chugach State Park Advisory Board, and the public prior to adoption of the plan. Final plan adoption requires approval of the Project Director. The plan will be updated at least every three years.**

Revised Item 22. Performance reviews. The Contractor and the Project Director shall jointly review the performance of the Contractor and the Arctic Valley area every three years. These reviews shall include the financial results, operational performance, and other issues of mutual interest. The Contractor and Project Director shall share a written summary of these reviews with the Chugach State Park Advisory Board and the public. The Contractor shall be available to meetings of the Chugach State Park Advisory Board on an as-requested basis. **The performance reviews will include an assessment of the Contractor's success in implementing the strategic plan agreed to under item 21 and the investments specified under item 23. Repeated poor reviews may result in a notice of failure to comply (item 51) or contract revocation (item 52).**

**Item 23. Investments and Investment Planning. The Contractor shall invest at least 5% of gross revenues in facility maintenance, improvements, and additional facilities each year. The Contractor shall include the intended investments as part of the strategic plans (item 21). The Contractor and the Project Director shall review the Contractor's success in investing in and improving the facilities.**

Revised Item 27. Storage. The Contractor shall not store materials and equipment in the open except during construction or active use of the materials or equipment. The Contractor shall construct fenced enclosures which secure any items which are not stored inside of buildings. The design, appearance, and location of the fenced storage area(s) is subject to review and approval by the Project Director. Fenced enclosures shall be completed ~~by September 30, 2019~~ **within 2 years of the effective date of the contract.**

Revised Item 44. Use of Premises by other Commercial Operators. The State reserves the right to issue permits to other commercial operators to provide services that are outside the scope of services contained in this contract. Examples of services that the State may permit include guided hiking, or bus and van tours, etc. **The Contractor may not authorize others to provide**

**commercial services, except for commercial services incidental to activities and events held at Arctic Valley consistent with the terms of this contract. Examples of services which the contractor may authorize include food and beverage vendors at events or services provided at a wedding or other event.**

Unless notified otherwise by the Project Director, the Contractor may charge applicable fees to these operators for activities that normally incur a fee such as day use parking but may not charge fees above the level charged to the general public. The Contractor shall assist the State in ensuring that any commercial operators using the park unit are appropriately permitted as evidenced by an annual commercial operator decal on their vehicles. If the Contractor encounters a commercial operator who is not permitted to operate with the park unit, the Contractor shall notify the Project Director with all known applicable information on the operator.

Revised Item 45. Other Permitted Uses. The State reserves the right to issue permits for other special activities within the park units under the authority of 11 AAC 18. Examples may include Special Park Use Permits for organized events, promotional events, etc. Any requests received by the State for the use of the facilities owned by the Contractor (see appendix D) will be referred to the Contractor. The Contractor may authorize organized groups or promotional, entertainment, or athletic events within the contract area as defined in Item 1 above and depicted in Appendix E. **The Contractor may also authorize use, maintenance, and construction related to the facilities consistent with the terms of this contract. The contractor may not authorize other uses which require a permit under 11 AAC 12, 11 AAC 18, or 11 AAC 20.**

Revised Item 46. Sales and Prices. The Contractor may charge fees only to the extent that the State can charge fees under existing law and regulations. **Fees charged to the public should be competitive with similar private facilities.** As attachments to the seasonal plans of operations, items 19 and 20, the Contractor will submit the proposed prices. The Contractor will be allowed minor price changes with approval by the Project Manager during the operating season if the actual costs of goods or services are demonstrated to have increased.

Revised Item 47. Advertising, and Signage. All promotional material and signage shall be appropriate. Upon request from the Project Director, the Contractor will remove or revise any material or sign which is inaccurate or inappropriate for a park setting. **Signs, literature, and advertising shall identify the area as publicly owned, and operated for public outdoor recreation by a concessioner.**

**Item 49. Performance & Facility Safety. To ensure that the facilities at Arctic Valley Ski Area are safe and adequately maintained, the Project Director may require the Contractor to hire qualified inspectors, such as engineers, building inspectors, or construction professionals to examine or identify concerns or possible issues with the facilities. These inspectors will be hired at the Contractor's expense. The Project Director shall have an opportunity to review the choice of inspector, may accompany the inspector during the inspection, and shall receive the inspector's report(s). The results of these inspections shall**

be included in the performance reviews (see item 21) and may be shared with the CSP Advisory Board. If safety, maintenance, or other concerns are identified, the Contractor will ensure that appropriate repairs are completed in a timely manner and that the public is restricted from accessing the unsafe facility or portion of a facility until it is repaired.

Revised Item 50. **Performance Bond or Other Surety.** The State may require that Contractor secure a performance bond in an amount the State determines reasonable to protect against potential damage to State resources or address the risk of non-performance or breach of this Contract. The State may require such bonding if the Contractor engages in construction or maintenance-related activities of estimated value in excess of \$100,000 or in the event that upon review of Contractor's annual report or other information that there is a material risk Contractor will not meet its obligations under the terms and conditions of this Contract. Bonds may take the form of corporate surety, U.S. Treasury bills, notes, bonds or other negotiable securities, cash deposits, irrevocable letters of credit, assignment of savings accounts, or assignment of certificates of deposit. The **Any such** bond shall be held by the State for the **remaining** duration of the contract term, unless the Project Director determines that the need for the bond requirement no longer exists **after one or more operating seasons**. Upon completion of that review, the Project Director may reduce the amount of the bond or eliminate the need for the bond.

The performance bond may **also** be used by the State, at its sole discretion, to protect the interests of the State in the event the Contractor fails to comply with contract terms or stipulations, fails to make necessary and appropriate repairs to facilities, damages park resources, or fails to correct a condition which may cause damage to an adjoining landowner. A forfeiture bond is not required; the bond will only be used to cover actual costs associated with repairs and maintenance.

Item 56. **Additional Land.** If the U.S. military relinquishes lands which are adjacent to the Arctic Valley area, the State and the Contractor may consider a contract amendment or another agreement to allow new land to be incorporated into the Arctic Valley area.

## **Discussion and Recommendation**

The Arctic Valley area is an important destination for many Alaskans and visitors who enjoy a wide range of outdoor recreational activities in the area. The Anchorage Ski Club has a long history of operating Arctic Valley Ski Area. The ASC has the desire to improve Arctic Valley, to encourage more outdoor recreation and develop facilities to support outdoor recreation in the area.

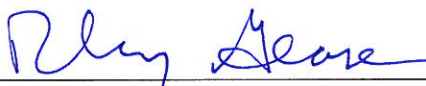
Until a long-term contract is signed, ASC does not have the incentive to invest in improvements to the Arctic Valley area. ASC is also limited in its ability to solicit donations, grants, loans, and other financing without a long-term contract.

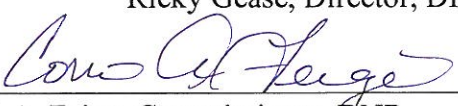
As discussed above, Chugach State Park has already been the subject of an extensive planning process and further planning for the Arctic Valley is better conducted with a partner in the operation of the area during a long-term contract rather than prior to signing such a contract.

Therefore, the approval of the concession contract, as modified, for the operation of Arctic Valley by the Anchorage Ski Club is recommended.

### Final Decision

As the Commissioner of DNR, I find that it is in the best interest of the state to proceed with the concession contract, as modified, for the operation of Arctic Valley by the Anchorage Ski Club as described in this Final Decision.

Approval Recommended:  1-13-2020  
Ricky Gease, Director, DPOR Date

Approved:  Jan 13, 2020  
Corri A. Feige, Commissioner, DNR Date

### Reconsideration Provision

A person affected by this decision may request reconsideration, in accordance with 11 AAC 02. Any reconsideration request must be received within 20 calendar days after the date of "issuance" of this decision, as defined in 11 AAC 02.040(c) and (d) and may be mailed or delivered to the Commissioner, Department of Natural Resources, 550 W. 7th Avenue, Suite 1400, Anchorage, Alaska 99501; faxed to 1-907-269-8918, or sent by electronic mail to [dnr.appeals@alaska.gov](mailto:dnr.appeals@alaska.gov). Under 11 AAC 02.030, appeals and requests for reconsideration filed under 11 AAC 02 must be accompanied by the fee established in 11 AAC 05.160(d)(1)(F), which has been set at \$200 under the provisions of 11 AAC 05.160 (a) and (b). If reconsideration is not requested by that date or if the commissioner does not order reconsideration on their own motion, this decision goes into effect as a final administrative order and decision of the Department on the 31st day after issuance. Failure of the commissioner to act on a request for reconsideration within 30 days after issuance of this decision is a denial of reconsideration and is a final administrative order and decision for purposes of an appeal to Superior Court. The decision may then be appealed to Superior Court within a further 30 days in accordance with the rule of the court, and to the extent permitted by applicable law. An eligible person must first request reconsideration of this decision in accordance with 11 AAC 02 before appealing this decision to Superior Court (11 AAC 02.020(a) and (b)). A copy of 11 AAC 02 may be obtained from any regional office of the Department of Natural Resources.