

April 11, 2006

To Mayor Talerico and the Denali Borough Assembly,

The issues surrounding the Usibelli Coal Mine natural gas development have brought to the fore, once again, questions about land use in the Healy area and the Wolf Townships. Natural gas development has the potential to alter the local landscape more rapidly than other foreseeable developments in the Denali Borough. While it would be ideal to have a completed comprehensive land use plan to guide the Borough's decision-making on the Usibelli project, obviously that process will not be finished before the Borough makes a decision about natural gas ordinances and responds to the Alaska Department of Natural Resources' Best Interest Finding for the Usibelli exploration license. The Denali Citizens Council offers the following vision for lands west of Healy, a vision that integrates development and conservation to support existing sources of Borough revenue, provide opportunities for economic diversification, create exceptional residential communities, and enhance recreational opportunities for locals and visitors alike.

First, we would like to make a few observations to frame the vision and define some of the needs and opportunities that we see.

- Package tourism has come to dominate Nenana Canyon and the eastern portion of Denali National Park along the highway corridor. Smaller businesses and lodges are gradually being eliminated from the high-priced real estate near the park entrance, and opportunities for new, small tourism endeavors are disappearing in that area. Supporting small-scale tourism is important because much of the wealth generated by package tourism does not remain in the community, other than the accommodations taxes.
- Although the national park provides a diversity of recreational opportunities, the relative crowding (compared to surrounding lands) and resultant intensive management of visitor use mean that local residents make little use of the park during summer months.
- The natural values of the area west of Healy are very important. Of particular note is the importance of the area as winter wildlife habitat for caribou and other animals that live along the Denali park road during summer months. Opportunity to see this wildlife is the driving force for visitation to Denali, which in turn provides income for Borough government and many Borough residents.

Given these observations, here is a vision for the future of lands west of Healy and the Parks Highway developed by the Denali Citizens Council. The vision is based the ideas and information we have gathered during conversations at two Stampede Summits sponsored by DCC, which were well-attended by diverse members of the community. We also incorporate information from the recent Denali Summit. We believe that adopting this vision and implementing policies to realize the vision could begin to lay to rest the controversies that have consumed enormous amounts of energy over the last 25 years.

DCC Board and Staff

Nancy Bale
Jean Balay
Jenna Hamm
Becky Warren

Joan Frankevich
Eric Oberg
Grady Wilson

Cathy Lieser, Community Organizer

1. Borough land entitlements in the Slate Creek area, between the Parks Highway and Panguingue Creek subdivision, and southeast of Dry Creek. We believe this area could accommodate new, small town sites well-buffered from each other by undeveloped recreation lands. These town sites could be designed and subdivided to encourage both residential and small-scale commercial development, including small-scale tourism development.
2. State lands west of Panguingue Creek subdivision and Dry Creek. These lands should be given a formal designation, such as a game refuge, by the State legislature to protect them in perpetuity, and create a new destination for tourism enterprises that are based in Healy. Although other state designations should be considered, we are trying out the name “Stampede State Game Refuge” just to see how it sounds.
3. 8-Mile Lake. The Stampede Road to 8-Mile Lake should be better maintained, and both a day-use area and an overnight camping area formalized. Trails should be constructed and maintained to the lake and to overlooks for views of Mount McKinley. Eight-Mile Lake would be a point of road access to, and a trailhead for, the state game refuge. The area would remain oriented to independent travelers and small-scale tourism enterprises. Camper and hunter services could be developed on private lands in the Panguingue subdivision or on Borough entitlements to the east of the subdivision.
4. Otto Lake/Dry Creek area. This area logically would support similar kinds of development that occur there now: residential and small scale, local tourism accommodations and activities. A second formal point of access to the game refuge could be developed through this area to Dry Creek.
5. Trail system. We believe a trail system should be developed between Healy and the new town sites that connect them to each other and provide access to the undeveloped, recreational lands of the Refuge. The trail system would provide both motorized and non-motorized recreational opportunities, and would also provide a means of off-road transportation.
6. ORV Trails. Eventually a formalized system of ORV trails west of 8-Mile Lake would be appropriate
7. Tourism attraction for Healy. Although not a subject of discussion at the Stampede Summits, we believe there is potential for a major tourism attraction in the Healy area that would provide local educational and economic benefits. The Dry Creek archaeological site not far from the Parks Highway is one of the most important pre-historic sites in Interior Alaska. A partnership between the Borough, the University, the National Park Service, and Native corporations or tribal organizations could develop a major destination facility where artifacts from the site could be displayed and interpreted. Such a development would encourage day trips by package tours from Nenana Canyon (the companies are looking for alternatives to long trips on the park road), as well as providing a strong attraction that local accommodations in the Healy area could market to potential guests. There could be other spin-off benefits as well, for example opportunities for local students to learn about archaeological research.

We need a vision that can achieve widespread (if sometimes grudging) buy-in so that we can close the books on some of the controversies that have plagued this area for so long. If the Borough can adopt a vision that allows a level of development that has benefits for all local residents, why not? At the very least, we should preserve this option for consideration in the comprehensive land use planning process. Because we believe that gas development would conflict with the recreation, wildlife protection, and tourism development aspects of these proposals, we would strongly support a Borough suggestion to the State that it is not in the best interest of the Borough or the State to explore for natural gas in the areas described above. Extractive industries certainly have an important place in the local Borough economy, but they should not exclude other opportunities and interests.

This vision document speaks only to the specific areas described. We continue to believe that the surface owners of residential property should be protected from adverse consequences of natural gas development throughout the Healy area and the Borough. We have provided specific recommendations on how to accomplish this objective to both the State and the Borough, and remain interested in that discussion. This letter is intended to provide the opportunity for a larger discussion and the resolution of many issues regarding lands west of Healy, not just the natural gas issue.

We look forward to discussing the ideas presented in this letter with the Borough Mayor and Assembly, and with the community.

Sincerely,

DCC Board