

Submission Date: 2-11-08

Priority: 1 of 1



Ted Stevens

United States Senator for Alaska

Please Note:
 - Fill out one request form for each request
 - This form (and any attachments) can be returned via:
 Fax - (202) 224-2354
 Mail - The Honorable Ted Stevens
 United States Senate
 522 Hart Senate Office Bldg.
 Washington, D.C. 20510
 - Requests are due by February 15, 2008.

FISCAL YEAR 2009 PROJECT REQUEST FORM

Project Name: Jilkaat Kwaan Cultural Heritage Center and Bald Eagle Observatory - Phase III

Project Location: Klukwan, Alaska

Project Description (please attach additional pages as required):

See attached Project Description

Related Appropriations Bill: Not known at this time.

Amount of federal funding requested for FY09: \$2,000,000.

Total funding to complete this project: \$5,884,570.

Number of years to fund this project: one year

Matching funds from the State of Alaska: \$1,594,570 (pending)

Matching funds from local and private entities:
 See attached Budget page—total projected match of \$2,290,000.

List legislation that authorizes this project:
 Not known at this time.

Check all that apply:
 A change in the current law is necessary in order to proceed with the project. (If so, attach language and a list of laws that need to be amended.)
 Bill or report language is needed. (If so, attach requested language.)

If this project was funded in prior appropriations bills (within the last five years), list each bill and the amount funded:
 May have been included in appropriations designated to the Department of Commerce and Economic Development—Economic Development Administration as we received a grant from them in the amount of \$1.8 for FY 2008.

Amount included in the President's FY09 Budget: none

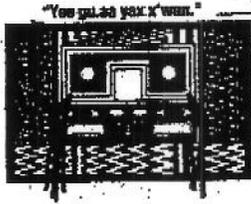
Amount included in the State of Alaska FY09 Budget: (requests are pending)

Check this box if state funding was sought but not provided.

44.8%, an even higher total of 66.3% of all adults not in the workforce, and a per capita income of \$11,612. More than a third (35.9 %) of Klukwan's adults 25 and over have not completed high school. Nearly half (48.9 %) of the residents live below the 200 percent of poverty level. The JKCHC project will also benefit residents of the Haines Borough, another economically distressed community; unemployment rate 13.7% with 46.8% of all adults not in the workforce.

In 2002, community leaders in Klukwan met and created a strategic community development plan. This comprehensive plan identifies three major goals for Klukwan – to improve economic development and community self-sufficiency, to preserve and perpetuate the Chilkat culture, and to increase community wellness. The Village leaders believe that building on our strengths and maintaining and preserving our cultural identity are essential for successful community development. Since the adoption of the strategic plan we have successfully built infrastructure, provided culturally relevant employment training for tribal members and raised funds to complete the first two phases of the JKCHC project.

*Jilkaat Kwaan Cultural Heritage Center-Phase III
 Chilkat Indian Village of Klukwan*

**Chilkat Indian Village**

32 Chilkat Ave, Klukwan, AK
P.O. Box 210, Haines AK, 99827

www.chilkatindianvillage.org

The Honorable Ted Stevens
United States Senate
522 Hart Senate Office Bldg.
Washington D.C. 20510
February 12, 2008

Dear Senator Stevens,

We thank you for this opportunity to submit our proposal for an appropriations request. Our community has been working very hard on making our Jilkaat Kwaan Cultural Heritage Center a reality and we have come a long way in our planning and development. Our next step is to secure all the funding to build Phase III --the main structure of our Heritage Center. The JKCHC Phase III will include museum style display and storage areas, an art gallery/gift shop, an eagle viewing corridor, and a workshop/studio area where traditional arts classes can be held in winter months and visitors can watch artists in action during the summer months. We believe that our culture center will be a world class facility when it is completed and it will be an asset to the communities of Klukwan, Haines, and the entire southeast Alaska region. We hope that you will read our request form with interest and that you will find it worthy of your support. If you have any questions or need clarification on any of the documents faxed herewith please contact me at

Thank you

Sincerely,

(for CIV)

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Project Title:**Jilkaat Kwaan Cultural Heritage Center & Bald Eagle Observatory-Phase III****Project Description:**

The Jilkaat Kwaan Cultural Heritage Center and Bald Eagle Observatory (JKCHC) (brochure attached) is a phased project that includes a Traditional Knowledge Camp (Phase I) completed, Hospitality House (Phase II) including restaurant, gift shop, and restroom/showers (fully funded with construction to begin spring 2008), and the Heritage Center and Bald Eagle Observatory (Phase III). The Heritage Center will display a replica of a Chilkat clan house and will exhibit the world famous Whale House collection including the Rainwall Screen and four totemic house posts, as well as Chilkat and Ravenstail weavings, spruce root baskets, bentwood boxes, carved hats, bowls, button blankets, and more. The building will house a studio where visitors can observe Native artists at work, class and workshop space, and a gift shop selling Native artists' pieces. Situated adjacent to the Chilkat Bald Eagle Preserve, the facility will offer year round eagle viewing.

The JKCHC is sited in the Chilkat Indian Village of Klukwan, an ancient Native village on the banks of the Chilkat River in Southeast Alaska. Located twenty-two miles north of Haines on the Haines Highway, a designated Alaskan Scenic By-Way, Klukwan has road connections to Anchorage, Fairbanks, Canada, and the continental United States. Chilkat Indian Village (CIV) strives to protect and perpetuate the sovereignty, culture and natural resources of the village and tribe, thereby meeting tribal needs and improving quality of life. The JKCHC draws on existing community strengths – our people, our culture, our land and natural resources. The JKCHC is a key component in our planned community/economic development.

Project Need: Klukwan is included in Denali Commission's 2007 list of Economically Distressed Communities. The large majority (88.5%) of Klukwan's 139 residents are Alaska Native (2000 U.S. Census). Subsistence continues to be an important part of the lifestyle for the majority of tribal members. Klukwan has an unemployment rate of 44.8%, an even higher total of 66.3% of all adults not in the workforce, and a per capita income of \$11,612. More than a third (35.9 %) of Klukwan's adults 25 and over have not completed high school. Nearly half (48.9 %) of the residents live below the 200 percent of poverty level. The JKCHC project will also benefit residents of the Haines Borough, another economically distressed community; unemployment rate 13.7% with 46.8% of all adults not in the workforce.

In 2002, community leaders in Klukwan met and created a strategic community development plan. This comprehensive plan identifies three major goals for Klukwan – to improve economic development and community self-sufficiency, to preserve and perpetuate the Chilkat culture, and to increase community wellness. The Village leaders believe that building on our strengths and maintaining and preserving our cultural identity are essential for successful community development. Since the adoption of the strategic plan we have successfully built infrastructure, provided culturally relevant employment training for tribal members and raised funds to complete the first two phases of the JKCHC project.

Progress to date: More than 20 partnerships have been formed with local, regional, state and federal agencies in order to implement the plan. CIV donated the site. A comprehensive Site Development Plan and an Environmental Assessment have been completed for the entire JKCHC project. After numerous meetings with the community, Ridolfi Inc. completed the design and engineering work, construction drawings and bid specifications in late 2006. The cost estimate was updated in March 2007 and adjusted for inflation in February, 2008. Jilkaat Kwaan Heritage Center (JKHC), a 501-c-3 nonprofit, was formed to assist in fundraising and day-to-day operations of the cultural center. A JKCHC Business Plan has been developed. Bank Stabilization Project Phase I is underway. The Traditional Knowledge Camp (Phase I) is complete and the construction of the Hospitality House (Phase II) will begin in spring 2008, funded in part by an EDA grant. More than twenty tribal members have participated in a Chilkat Host and Native Artist Training Program through a Social and Economic Development Strategies grant that was funded by the Administration for Native Americans. Over a dozen received certification in Traditional Northwest Coast Arts from the University of Alaska while in the program. Electricity, water and sewer have been installed at the JKCHC site. A community-wide waste management plan has been established. Traditional Knowledge Camp sessions and tours for independent travelers and cruise ship passengers have begun. Commitments from tour operators for more tours have been secured. Now, the village is working to obtain funding for the Heritage Center and Bald Eagle Observatory (Phase III).

Ownership and Maintenance: Chilkat Indian Village owns the land and will own all JKCHC structures. The tribe will develop a long-range maintenance plan and establish a maintenance fund for the facility. Each year 5 to 10% of the revenues from the JKCHC will be set aside to assure maintenance projects are completed in a timely manner. Normal maintenance costs will be included in the annual budget.

Operation and Management: Chilkat Indian Village has a Memorandum of Agreement with the nonprofit JKHC for the operation of the facility. The nonprofit board will submit an annual budget to the Tribal Council for approval; the budget will include funds available through grants and fundraising. In addition to owning the land and the facility, the Tribal Council will hold final authority on all issues. The seven member JKHC Board (of which four members are also Tribal Council members) will develop plans for programs and administer daily operations. Regular reports will be submitted to the Council to assure that administration and operation activities have Council approval. The MOA is available upon request.

Economic Development: The proposed project addresses goals and objectives laid out in several documents that form the Comprehensive Economic Development Strategy for the area: the section on economics of the Haines Borough Comprehensive Plan Draft, 2004, the updated City of Haines and Haines Borough Overall Economic Development Program Action Plan of 2001, and the CIV Strategic Plan of 2002. The project also responds to strategies recommended in the McDowell Group, Haines Tourism Management Plan, 2002. Most specifically, the JKCHC is designed to address goals and objectives for the Jilkaat Kwaan Cultural Heritage Center and Bald Eagle Observatory

Business Plan prepared by Ridolfi, Inc. in June 2005 and revised by Jim Strong, Project Director, in March 2007.

Haines' CEDS stated in its Overall Economic Development Plan includes the following objectives: identify Native, private, non-profit and other potential partnerships to facilitate coordination of economic development; develop value added products such as traditional dugout canoes and totems; promote Haines area activities and resources inside and outside the region; develop and promote events to attract off-season tourism; provide opportunities and reasons for independent and road travelers to stay in town longer; and help provide value added manufacturing; expand value-added seafood processing. The CIV JKCHC project directly addresses every one of these objectives. The village of Klukwan has considerable potential for tourism development, and as a unique competitive advantage, offers tourist attractions in non-summer months. The adjacent world famous Chilkat Bald Eagle Preserve boasts up to 4,000 eagles in the winter, with the highest concentration of eagles in the critical habitat area, which includes the immediate area of Klukwan. Currently there are no facilities that can accommodate winter visitors, as the JKCHC will do.

DCED's 2003 study on Alaska Native Culture and Rural Tourism shows that 77% of visitors polled were interested in viewing exhibits and demonstrations about traditional Alaska Native ways of life, 72% were interested in going with an Alaska Native guide to view wildlife and learn about Native names and uses for local plants and animals, 78% shopped for Alaska arts and crafts, and 76% were interested in visiting a small Alaska community or village to be with local residents to learn about local history and ways of life.

The JKCHC expands business to rural areas, brings new business and enterprise to the region, offers innovative project design and delivery, affords broad public benefits, initiates development that will lead to other development, and creates public private partnerships. This project supports long-term development of the regional economy by meaningfully contributing to the network of Native cultural tourism experiences in southeast Alaska.

With other local industries threatened or in decline, the tourism industry is playing an ever increasing role in rural southeast Alaska's economy. Building a facility that serves local residents and provides an attraction for visitors will be an important contribution to developing the economies of Klukwan and the nearby rural community of Haines. Most people who come to Alaska are interested in three things: spectacular scenery, wildlife, and Native cultures. Klukwan and Haines in the Chilkat Valley have all three. This project creates an environment that encourages innovation, increases business development and extends the tourist season. It will help to improve the regional economy by creating an inclusive network of tourism businesses to share information, resources and marketing. Private business development that will depend upon the JKCHC would not otherwise occur, adding value to funders' investment in the project. The project's expected economic impact is directly tied to the three basic components of visitor-related employment: direct wage and salary employment, proprietorships, and indirect employment. These jobs stem from local spending by visitors to the area, including cruise ship passengers (shuttled from Skagway as well as those aboard ships docking in Haines), visitors traveling to and through the Haines-Klukwan area via ferry or highway, and

visitors arriving by air or ferry to participate in special activities (to view eagles, to attend the Southeast Alaska State Fair, to take a guided bus tour, hunt, raft trip, or ski tour, etc.). According to the McDowell Group's Haines Tourism Management Plan, 2002, visitors spend money throughout the economy, purchasing lodging, tours, groceries, gas, repair services, art, gifts, local products, etc.. This spending will contribute to the creation of jobs and income in Klukwan and Haines.

According to the 2003 Alaska Visitor Statistics, tourists who target the cultural market each spend an average of \$89 per day. Averaging the annual tourist visits to Haines from 2001 to 2005, it is estimated that Haines will continue to have at least 243,550 visitors per year. Conservatively assuming 10% of these tourists would visit the Heritage Center, we project 24,000 to 26,000 visitors per year. Estimating visitor spending an average of \$40.00 at the Center for the experience and for purchases at the gift shop, annual sales would be \$975,000.

As well as promoting existing businesses and helping them take advantage of the new market opportunities it will create, the JKCHC will stimulate new business development to provide goods and services, encouraging innovation and fostering a climate in which entrepreneurs can create jobs. Development of infrastructure and delivering the services in a truly traditional village will help to induce increased visitation to the area, enhancing economic incentive for private sector business development.

Klukwan will work with other communities in southeast Alaska to preserve the culture and history of the region and establish southeast Alaska as a tourist destination. A well-developed tour and attraction base is the fundamental asset for a tourism economy. The JKCHC is strategically positioned to attract visitors from a variety of markets. As well as offering a unique Native cultural experience, Klukwan is surrounded by a spectacular natural environment that provides an ideal setting for a wide range of activities sought by visitors: fishing, biking, hiking, camping, hunting, rafting, birding, and wildlife viewing. Klukwan is centrally located to several world-class wilderness areas: the Chilkat Bald Eagle Preserve and the UNESCO World Heritage Kluane/Wrangell-St.Elias/ Glacier Bay/Tatshenshini-Alsek Site. Proximity to these attractions, Skagway, and the Yukon creates joint marketing opportunities with regional organizations. The tribe is positioning itself to become a strong regional leader to coordinate cluster development in the Native cultural tourism industry, assessing existing and potential Native cultural tourism industry markets, developing partnerships fostering regional collaboration, and taking pro-active steps to improve core business infrastructure and support services in Klukwan; thereby expanding business and enterprise. This project contributes to the diversification of the local and southeast Alaskan regional economy by offering a unique experience and extending the visitor season into non-summer months. Coordinating marketing with partners, and providing a gift shop space for local and regional Native art, show CIV's leadership commitment to regional development.

Building Partnerships: With a strong base in existing partnerships with tour operators, small business owners and local organizations, the CIV is creating new mutually beneficial partnerships throughout the region as the JKCHC project moves forward. In addition, the earlier phases of the project have attracted a coalition of funders including state and federal entities, foundations, businesses and individual donors. Building on this

past success, CIV will invite a diverse group of funders to support Phase III of the Jilkaat Kwaan Cultural Heritage Center project.

The following budget information includes summaries for both Phase I and II as well as more detailed information for Phase III – the Heritage Center Facility.

CIV donated and dedicated the site for which they hold title. Estimated value \$75,000. Planning Phase: Planning, Feasibility Study, Business Plan and Architectural/Engineering fees for entire JKCHC project to 100% Design Development Stage approximately \$800,000. Eight funders provided planning funds.

Phase I: Traditional Knowledge Camp \$300,000. Phase I funding was provided by thirteen funders.

Phase II: Final design and construction of the Hospitality House – \$ 2.1 million
Phase II funding: Economic Development Administration (\$1.8 million) and Alaska State Legislative Grant (\$300,000 for construction and redesign work)

Phase III: The Heritage Center project is estimated to cost \$5.88 million, based on a cost estimate done by Bluewater (estimators) Portico (architects), and Ridolfi Engineers Inc.

Budget:

Bluewater (estimators) and provided by Ridolfi and Portico (engineers and architects)

JKCHC Phase III – Heritage Center Projected Expense Budget Estimate		JKCHC Phase III – Heritage Center Projected Funding Budget Estimate	
Administrative Expenses*	\$ 211,973	Federal appropriations	\$2,000,000
		State grants and appropriations	\$1,594,570
A/E Fees & Inspection	\$ 314,426	Foundations: Rasmuson, Murdock, Paul Allen, Annenberg, Ford, Kresge, Charlotte Martin and others	\$2,000,000
Site Work and landscaping	\$ 844,139		
Construction**	\$3,739,404		
		Corporations/Businesses	\$100,000
Escalation	\$ 257,800	Native Corporations	\$50,000
Owner Contingency	\$ 516,829	Local Fundraising/Tribe//in-kind	\$140,000
Total Projected Cost	\$5,884,570	Total Projected Revenues	\$ 5,884,570

*Administration includes: Project Director, administrative support, legal, advertising, insurance, taxes, insurance, etc

**Construction costs are based on 2009 construction cost estimates.

Funding estimates are based on a project funding plan which identifies potential sources for all aspects of the project. For this budget we have conservative estimates.

Partnerships and Match Funding:

CIV has an excellent history of forming and nurturing partnerships as exemplified in the successful completion of Phase I and obtaining funding for Phase II. The Heritage Center

project lends itself to forming new partnerships and expanding existing ones. Focusing on economic development and cultural preservation and education, this project will have widespread appeal to a diverse group of funders. The attractions of Klukwan's rich history, the world famous Whale House collection, the renowned Chilkat Blankets, and other artworks, regalia and artifacts will enable us to implement our private/public funding strategy. We anticipate that foundations such as Rasmuson, Murdock Charitable Trust (which has already expressed interest after an LOI was submitted), Paul G. Allen and others will provide a sizeable percentage (34%) of the required funding. The JKHC non-profit has set a local fundraising goal of \$100,000 and is close to the halfway mark. Local businesses and corporations will be invited to join in the project with cash and in-kind donations. The tribe has approximately \$ 88,000 from Legislative grants available for the project. Remaining funds will come from federal and state grants and appropriations. See Table above for further details.