



THE STATE
of **ALASKA**
GOVERNOR BILL WALKER

Department of Transportation and
Public Facilities

OFFICE OF THE COMMISSIONER
Marc Luiken, Commissioner

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January 26, 2017

The Honorable Paul Seaton
Co-Chair, House Finance Committee
State Capitol Building, Room 505
Juneau, Alaska 99801

The Honorable Neal Foster
Co-Chair, House Finance Committee
State Capitol Bldg., Room 410
Juneau, Alaska 99801

Dear Representative Seaton and Representative Foster:

In response to questions posed by House Finance Committee members on January 23, 2017 the following information is provided:

➤ ***Design & Engineering Services (D&ES) is critical to the mission-why is it taking the hardest hit?***

Department of Transportation & Public Facilities (DOT&PF) is reviewing the design sections in each region as part of a department organizational review.

- DOT&PF leverages consultants as a key resource in delivering our capital program.
 - Preconstruction retains technical engineering experts to perform engineering work, review engineering consultant work products, and manage contracts.
- Consultants are typically used when:
 - In-house staff resources are not available to perform the work, or on long corridor or large areas requiring time-consuming field study that would overwhelm in-house resources.
 - The department does not have the required specialized knowledge/expertise.

➤ ***Provide a list of new roads under design, environmental impact study, etc. How much has been spent on them to date?***

Below is a status of the projects that DOT&PF is pursuing that are primarily new alignment projects. The Tanana and Katlian Bay projects are state funded while the other three are Federal-aid.

Kivalina Evacuation and School Site Access Road

- Project is currently in its design/environmental documentation phase. We anticipate final environmental document approval from the Federal Highway Administration (FHWA) at the end of 2017.
- Total funding authorized to date is \$3.297M (repurposed federal earmark funding). The Northwest Arctic Borough is also contributing funding from a 2013 Department of Commerce, Community & Economic Development grant (\$2.25M total). Total funding programmed for design is \$3.3M (federal), with \$10.5K spent to date.

- Construction funding has not yet been identified but the focus right now is to complete the environmental document so that the project is more competitive for grants such as the Transportation Investment Generating Economic Recovery grant. The project would be ready for construction as early as 2019 and construction is estimated to be between \$40 and \$70M.

Road to Tanana – Stage II (State funded)

- This project is currently in design. The project would extend the existing pioneer road connecting the community of Tanana to the safe Yukon River Crossing location at the terminus of the existing road between Manley and the south bank of the Yukon River.
- \$260K expended to date.
- The current design schedule anticipates environmental document approval in December of 2017. The project would be ready for construction by March 2019; however no construction funding has been identified for this project.
- The completed design package is expected to sit “on the shelf” until a future date when state or other non-federal funding is available.

Kotzebue to Cape Blossom Road

- The Utilities (Phase 7) funding has been approved and utility work is underway. The designer is beginning the re-evaluation of the Environmental Assessment/Finding of No Significant Impact (EA/FONSI), and working on the US Army Corps of Engineers permit. Mitigation is needed for 160 acres. The original EA/FONSI was approved by FHWA in December of 2015.
- Right of Way offers have been sent out.
- Bridge design is about 40% complete. They need to resolve a pile foundation issue related to permafrost thawing.
- \$595K has been expended to date.
- \$2.4M has been obligated to date for Design, Right of Way and Utilities.
- \$44M is the estimate for future obligations for the Construction phase.
- Authority to proceed with Construction is estimated to be in spring of 2018.

Katlai Bay Road (Sitka)

- This project is funded with 2012 General Obligation Bond
- The environmental document is scheduled for completion in March 2017. Once the environmental document is finalized, Right-of-Way (ROW) and permitting will begin. It is expected to take six months to obtain all necessary permits and complete ROW.
- \$3.5M has been spent to date. The majority of this is for consultant lead reconnaissance and design services. Construction is estimated to be around \$20M and the tentative advertise date is September 15, 2017.

Sterling Highway MP 45-60 Sunrise to Skilak Lake Road

- This Sterling Highway project is closing in on completion of an Environmental Impact Statement (EIS). The project addresses three major needs: reduce highway congestion, meet current highway design standards and improve highway safety.
- DOT&PF and FHWA are expecting to publish a final EIS and a Record of Decision in 2017. The preferred alternative is the G South Alternative and was announced in December 2015. This alternative will construct 5.5 miles of new alignment and two new bridges. Additionally, this alternative will reconstruct eight miles of the existing highway and replace one existing bridge.
- To date \$17.6M has been spent on preliminary engineering/environmental document. Final design work and Right-of-Way acquisition activity is expected to begin in 2018 with construction likely to begin in 2021.

➤ ***Are there state constitutional requirements for the Equal Employment and Civil Rights component?***

The work of this component is derived from the Federal-Aid Highway Act of 1956 (Public Law 627, 85th Congress, 2nd Session) and provisions set forth in the Code of Federal Requirements (23 CFR) which in part requires a civil rights unit.

AS 19.15.020 **Assent to federal aid; line of credit.**

- (a) The legislature assents to the Act of Congress approved July 11, 1916 (39 Stat. 355) entitled, "An Act to Provide that the United States shall aid the states in the construction of rural post roads, and for other purposes."

➤ ***What is the purpose of the Harbor Program Development component?***

On a statewide basis, Harbor Program Development (HPD) facilitates federal pass funding for the Corps of Engineers' ports and harbors program by giving technical and managerial assistance to coastal municipalities and communities. HPD also provides state pass through funding for municipal debt service (AS 29.60.700) and the 50/50 harbor facility grant program (AS 29.60.800). HPD is responsible for the maintenance management of the department's 21 harbor facilities. In addition, this group is the department's subject matter experts on port and harbor issues, such as developing an Arctic port in Nome and providing engineering assistance and funding advice to rural communities.

➤ ***Related to capital program optimization. Does the 55% of design work we say goes out to consultants also include work going out to municipalities?***

The Governor's FY2018 operating budget proposal included intent language which reflected the fact that the Department of Transportation & Public Facilities is currently consulting out for approximately 55% of its capital project design work. This design work includes the full spectrum of functions involved in designing a project. The reported 55% does not include any of the design work the department sometimes transfers to local municipalities.

➤ ***Does the "% cost through fees" collected amounts swing widely from year to year?***

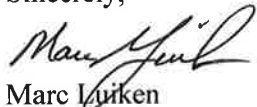
Revenues for fee collections remain relatively stable within the department.

➤ ***Provide current number of filled PCNs slated for deletion under the capital program optimization scenario.***

Sixteen positions are currently filled. Five permanent full-time and 11 non-permanent/temporary.

If you or your committee members have any further questions, please feel free to contact Amanda Holland at 465-8974.

Sincerely,



Marc Luiken
Commissioner

cc: House Finance Committee Members
Steve Hatter, Deputy Commissioner, DOT&PF
Mike Neussl, Deputy Commissioner, DOT&PF
John Binder, Deputy Commissioner, DOT&PF
Amanda Holland, Administrative Services Director, DOT&PF
Mike Lesmann, Legislative Liaison, DOT&PF

