

HB

782

COMMITTEE REPORT

HOUSE

2/18/80

FURTHER:

Date: 4-7-80

Mr. Speaker:

The Committee on STATE AFFAIRS has had HB 782

"An Act relating to local service roads and trails."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass do not pass
- do pass with attached amendments(s)
- replace with CS for REPLACED same title
 new title
- and recommends REPLACED
- AND attaches a "Letter of Intent" new Fiscal Note
- reports it back without recommendation
- referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

[Signature]
[Signature]
[Signature]
[Signature]

CHAIRMAN

HOUSE BILL 782 RELATING TO THE LOCAL SERVICE ROADS & TRAILS ACT
SPONSORED BY MALONE AND ROGERS

The Department of Transportation and Public Facilities recommends the following revisions to the proposed changes:

Section 19.30.171(b) Revise to read as follows:

The costs incurred by the commissioner in acquiring this land or interest in land includes all costs and any fees incidental to acquisition. All costs incurred in connection with the acquisition of the land or interest in land for local governments with road powers shall be paid by the local government for which the land or interest in land is acquired. Right of way acquisition costs incurred by the commissioner for local governments without road powers is chargeable to the project allocation for the local government for which the land or interest in land is acquired.

Comment: This revision is necessary to clarify the area of responsibility of funding for right of way costs. Deleted reference to relocation assistance.

Section 19.30.173 Royalty. Add the following section:

Royalty payments required to obtain the necessary materials to construct local service roads and trails projects is a valid item of construction costs.

Comment: This addition is necessary to clarify the area of responsibility of funds related to royalty payments.

Section 19.30.191(b) Revise as follows:

Contracts for the construction of each project by the local government with road powers shall be awarded only on the basis of the lowest responsible bid submitted by a bidder meeting established criteria of responsibility.

Comment: This revision is necessary to differentiate between local governments with road powers and others without.

Section 19.30.191(c) Revise as follows:

All contracts by other than a local government with road powers awarded by competitive bidding under / of this section must comply with the provisions of this section, and have the prior concurrence of the commissioner.

Comment: This revision is necessary to place the responsibility of proper contract procedures with local autonomy.

Section 19.30.191(d) Add the following section:

Except as provided in AS 44.33.300 and in (b) above, construction of each project subject to the provisions of this section shall be administered by the Department within the commissioner's guidelines.

Comment: This addition is necessary to direct the local governments without road powers to a source document such as the LSR&T Handbook. The LSR&T Handbook will cover the policy and procedures necessary to carry out the LSR&T program concerning other than local governments with road powers.

Fiscal Note for HB 782 SUPPORT

Local Service Roads & Trails project average cost breakdown for one mile projects are as follows:

I. Right-of-Way Costs

Urban

Construction cost	\$1,000,000
R/W Acquisition (\$130,000 per Acre)	200,000
R/W Administration @25%	50,000
R/W Cost/Construction cost	25%

Suburban

Construction cost	\$ 500,000
R/W Acquisition (\$40,000 per Acre)	80,000
*R/W Administration @30%	24,000
R/W cost/Construction cost	30%

*Additional cost percentage due to some travel and additional map source such as BIM, ADL Native allotments, etc.

Remote Areas

Construction cost	\$ 200,000
R/W Acquisition (\$3,500 per Acre)	8,000
*R/W Administration @40%	3,200
R/W cost/Construction cost	5%

*Additional cost percentage due to more travel involved than the Suburban areas.

15% increase of project costs for Right-of-Way is anticipated reflecting \$690,000 per year for a \$10,000,000 bond issue.

II. Payment of Royalties. Based on royalty payments for materials, needed funding for the program follows:

Assuming that each project averages one mile and 15,000 cu. yds. is utilized per project, royalty related costs are computed as follows:

Calendar years 1981 & 1982. Each average 16 new projects in the unorganized Boroughs. Estimated cost of material at \$.75/cu. yd. paid for royalties (Tanana Village Streets is set at \$.55 and paid for through a special appropriation by the legislature). Cost of load count employee is \$3,000 to \$6,000 per month. (State employees will be base X O.H. factor of 1.77. Survey party time and travel would exceed \$8,000).

15,000 cu. yd. X \$.75	=	\$11,250.00
Load Count Employee	=	5,000.00
TOTAL.	"	\$16,250.00

16 projects X \$16,250 = \$260,000/year.
1981 & 1982 Royalty related costs = \$520,000 total.

An additional \$500,000 per year increase funding is anticipated.

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. H. B. 782
 Title An Act relating to Local Service Roads and Trails
 Requested by House State Affairs Date 3/18/80

II. FISCAL DETAIL

Agency Affected DOT/PP
 Program Category Affected Transportation
 BRU, Program, or Subprogram(s) Affected Highways
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
.00 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL		500	500			
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES		690	690			
700 GRANTS, CLAIMS, ETC.						
TOTAL		1190	1190			

FUNDING (Thousands of Dollars)

GENERAL FUND		1190	1190			
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

The revision to this bill will result in payment for all right of way and royalty related costs.

IV. DATE 3/14/80 PREPARED BY Charles D. Korella
 AGENCY DOT/PP
 Original: Legislative Finance PHONE 364-2121
 cc: Budget and Management
 Prime Sponsor (Last Legislator Named)

HOUSE BILL 782

TITLE: AN ACT RELATING TO LOCAL SERVICE ROADS AND TRAILS PROGRAM.

OBJECTIVES OF LEGISLATION: To grant local governments, which have assumed local road powers, increased authority/responsibility over local road criterions and the expenditure of the program's funds.

MAJOR AMENDMENTS TO PRESENT LAW: (A). Remove the discretionary authority of the commissioner of the department of transportation to withhold program money from "qualified" local governments; and power to mandate project agreements between the dept. and local governments concerning the construction of projects.

(B). Under this Act, local governments, which have adopted local road powers, may establish the design standards, right of ways, and widths, not the commissioner.

(C). The proposed language would allow the useage of program funds for the purchase of rights of ways. Present law prohibits such a useage.

SECTIONAL ANALYSIS OF HOUSE BILL 782

SEC 1 19.10.015

(B) would provide a municipality, that has assumed road powers (and will maintain said road) with the authority to designate road widths.

SEC 2 19.30.151

(A) is amended to remove reference to a date requiring a local government election. Amended version would require the transfer of L. S.R. and T's, upon approval by D.O.T., to the requesting local government.

SEC. 3 19.30.151

(B) is amended by deleting the commissioner's authority to with-hold program funds; based on his interpretation of qualification.

SEC 4 19.30.161

is amended by delegating to a local government, which has assumed road powers, the authority to establish road design standards, rights of way and widths for projects carried out under this program.

SEC 5 19.30.171

(B) is amended by deleting the requirement that the local government shall pay for the acquirement of rights of ways. Amended language would allow for the usage of program funds to acquire rights of ways.

SEC 6 19.30.181

is amended by deleting the project approval/disapproval authority of the commissioner and the requirement that the state and the appropriate local government enter into a formal project agreement. Amended language gives the local government the option to enter into a formal project agreement with the state, on any specific project.

SEC 7 19.30.191

(B) For local governments, which have not assumed road powers, amended language would delete the commissioner's authority to award contracts on a non-competitive basis. For Local governments, which have assumed local road powers, amended language deletes references to commissioner bidding participation. Furthermore, to insure that winning bids are selected upon the principle of "the lowest responsible bid" references to requirements or obligations that may be imposed upon a bidder were deleted.

SEC 8 19.30.201

technical amendments that serve to separate D.O.T. design standards and state law, from local government design standards and ordinances.

SEC 9 19.30.211

amendment that serves to distinguish between departmental constructed and maintained roads, and those constructed by the local government. If a project is under the authority of a local government, it will be its responsibility to insure maintenance.

SEC 10 19.30.221

(A) and (B) (With reference to 19.30.151(B), directing that funds be transferred to the appropriate local government) any reference to local governments in this section is unnecessary.

SEC 11 19.30.233 REPORTS:

(A) to insure accountability, by the local governments, an annual report must be submitted to the commissioner, stating the useages of the funds monies.

(B) To insure accountability, by the department, an annual report must be submitted to the governor stating the useages of the funds monies and the status of all projects for which it has construction responsibility.

*

Notes

The amendments proposed are intended to provide more flexibility for the existing LSR program. The bill as written is a "rough-cut", and may need refinement of language.

Also, the Department of Transportation has not been solicited as to the proposed changes. Therefore the DOT/PF may have substantial recommendations. These should be considered with respect to the responsibilities that remain with the Department under the bill.



Alaska State Legislature

House of Representatives

Committee on State Affairs

Official Business

February 27, 1980

Pouch V
State Capitol
Juneau, Alaska 99811

MEMORANDUM

TO: Russ Meekins, Chairman
House Finance Committee

FROM: Mike Miller, Chairman
House State Affairs Committee

As the attached letter from Commissioner Bob Ward indicates the local service roads and trails act was created by the seventh legislature and bonds for service roads have been included in every even-year bond election since. As you can see in past years the local service road portion of the transportation bonds package has amounted to as much as 40 per cent of the total. The administration proposal for the current transportation bond program is set at \$10,000,000. This is far too little to budget for one of the most successful and popular transportation programs in the state. Therefore the State Affairs Committee voted to raise the bonding for local service roads from 10 to 14.7 million dollars. Upon reflection I believe that even this is too small and would strongly recommend that additional bonding for this purpose be considered by the Finance Committee.

MM:kb

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. H. B. 782
 Title An Act relating to Local Service Roads and Trails
 Requested by House State Affairs Date 3/7/80

II. FISCAL DETAIL

Agency Affected DOT/PF
 Program Category Affected Highways - Design and Construction
 BRU, Program, or Subprogram(s) Affected Highways

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES		690	690			
700 GRANTS, CLAIMS, ETC.						
TOTAL		690	690			

FUNDING (Thousands of Dollars)

GENERAL FUND		690	690			
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

The revision to this bill will result in payment for all right of way related costs. The above estimated costs are based only upon the proposed FY 81 CIP Bond Issue for \$10,000,000.

IV. DATE 3/10/80 PREPARED BY Charles D. Karella
 AGENCY DOT/PF
 PHONE 364-2121
 Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

3/12/80 CJK

Fiscal Note HB 782

Local Service Roads and Trails projects average 150 per bond issue.

Average project is one mile in length.

Urban

R/W Acq (^{\$}130,000 per A.) = ^{\$}200,000 }
R/W Admin @ 25% 50,000 } 250,000
Construction ^{\$}1,000,000 per mi.
R/W cost percentage of Const. 25%

Suburban

R/W Acq (^{\$}40,000 per Acre) = ^{\$}80,000 }
R/W Admin @ 35% 28,000 } 108,000
Construction 500,000 per mi.
R/W cost percent. of Const. = 22%

Remote Areas

R/W Acq (^{\$}3,500 per Acre) = ^{\$}8,000 }
R/W Admin @ 40% 3,000 } 11,000
Construction @ ^{\$}200,000 per mi.
R/W cost percent. of Construction = 5%

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES

DEPUTY COMMISSIONER - DESIGN AND CONSTRUCTION

POUCH 2
JUNEAU, ALASKA 99811

March 18, 1980

200H

RE: HB 782 Relating to
Local Service Roads & Trails
Act - Malone & Rogers

The Honorable Mike Miller
House of Representatives
House State Affairs Committee
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Representative Miller:

At your hearing on March 10, 1980 discussing the referenced bill, a question was raised concerning the apparent high administration costs for right of way acquisition in Remote areas compared with Urban and Suburban areas.

In comparing the actual costs per acre for right of way acquisition, it turns out that the cost of administration in remote areas is far less than for urban areas (see figure below).

<u>Area</u>	<u>Av. Cost of ROW per acre</u>	<u>Av. Admin Cost of ROW acquisition per acre</u>	<u>ROW Admin. as percent of ROW Cost</u>
Urban	\$130,000	\$32,500	25
Suburban	40,000	12,000	30
Remote	3,500	1,400	40

As is shown above, the percentages for ROW Administration can be very misleading and should be viewed in their proper context.

After your March 10 hearing on the proposed bill, we met briefly with Representative Malone to discuss possible amendments. As a result of that meeting we would like to recommend the attached wording for your consideration.

The major change suggested is to authorize royalty payments for materials used in constructing local service roads and trails projects. A revised fiscal note is attached which shows the added cost of royalty payments based on a \$10,000,000 Capital Improvement Program for LSR&T.

The Honorable Mike Miller

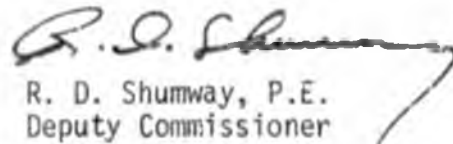
-2-

March 18, 1980

Other recommendations are intended to clarify the department's relation to local governments with, and without, road powers consistent with HB 782 as proposed.

We would be happy to discuss our comments and recommendation with you in more detail if you desire.

Sincerely,



R. D. Shumway, P.E.
Deputy Commissioner

Enclosures

cc: Representative Malone w/enc..

I. REQUEST

Bill/Resolution No. CS HB 782

Title An Act relating to local service roads and trails

Requested by Senate Community & Regional Affairs Committee Date 4/18/80

II. FISCAL DETAIL

Agency Affected Transportation & Public Facilities

Program Category Affected Highways - Design & Construction

BRU, Program, or Subprogram(s) Affected Highways

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600 LAND & STRUCTURES		690	690			
700 GRANTS, CLAIMS, ETC.						
TOTAL		690	690			

FUNDING (Thousands of Dollars)

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GENERAL FUND		690	690			
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
FULL TIME						
PART TIME						
TEMPORARY						

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IV. DATE 4/18/80

PREPARED BY Charles D. Karella

AGENCY DOT/PT

PHONE 364-2121

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

3/12/80 CDK

Fiscal Note HB 782

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average 150 per bond issue

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R/W Acq (¹⁵130,000 per A.) = 200,000 }
R/W Admin @ 25% 50,000 } 250,000
Construction @ 1,000,000 per mi.
R/W cost percentage of Const. 2.5%

Suburban

R/W Acq (¹⁵40,000 per Acre) = \$ 80,000 }
R/W Admin @ 35% 28,000 } 108,000
Construction 500,000 per mi.
R/W cost percent. of Const. = 2.2%

Remote Areas

R/W Acq (¹⁵43,500 per Acre = 23,000 }
R/W Admin @ 40% 3,000 }
Construction @ 200,000 per mi.
R/W cost percent. of Construction = 5%

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

Department of Transportation and Public Facilities

DEPUTY COMMISSIONER — PLANNING AND RESEARCH

Pouch Z

Juneau, Alaska 99811

February 25, 1980

The Honorable Ray Metcalfe
Alaska House of Representatives
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Representative Metcalfe:

At your request, I offer the following information concerning Capital Projects.

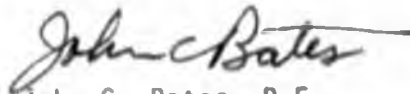
Bragaw, O'Malley to Huffman The department prepared an estimate of construction of this project. Our estimate is \$1,750,000.00.

Northern Lights Blvd., Boniface to Muldoon The departments current estimate for this project is \$5,000,000.00.

Hillside Drive, O'Malley to Abbott Paving of this route with minor widening and grade improvement is estimated at \$1,000,000.00.

If this office can be of further assistance please let me know.

Sincerely,



John C. Bates P.E.
Deputy Commissioner

ALASKA STATE LEGISLATURE - HOUSE OF REPRESENTATIVES



REPRESENTATIVE RICHARD I. ELIASON

P.O. BOX 143
SITKA, ALASKA 99835

WHILE IN JUNEAU
POUCH V
JUNEAU, ALASKA 99811

COMMITTEES
RESOURCES
STATE AFFAIRS

February 21, 1980
Juneau, Alaska

To: State Affairs Committee

From: Rep. Dick Eliason

Subject : Paving of Halibut road in Sitka

④ The Department of Transportation estimates the cost to pave the road from Davidoff street to the ferry terminal is \$2.4 million dollars. This covers the cost of paving, replacing guardrails and plastic striping. The length of road to be paved is 5.4 miles long, 2 inches thick and 36 feet wide, with an A.D.T. (average daily travel) rate of 1,800 people from the ferry terminal and 6,000 from the city limits.



Alaska State Legislature

House of Representatives

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

February 26, 1980

2/26/80

Memo-Rep. Miller

Regarding Holy Cross road as amended to HB 563, Holy Cross a village on the Yukon River is dependant on barge traffic for their bulk supplies. The road would lead from the village to the River. The road would also encourage growth of the village along the road. It is an eight mile all purpose road. It is to be a gravel road north of the village over the hill to the river.

A handwritten signature in cursive script, appearing to read "Vern Hurlbert".

Rep. Vern Hurlbert

PROJECT TITLE Holy Cross to Barge Landing	LOCATION(S) Holy Cross	AREA SERVED Holy Cross	ELECTION DISTRICT(S) 18
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OBJ. NO(S)	APPROPRIATION REQUEST		OPTION 1	OPTION 2	OPERATIONAL COST & NO. PERSONNEL INCREASE (DECREASE)	OPTION 1 ULTIMATE ANNUAL YEAR	OPTION 2 ULTIMATE ANNUAL YEAR	PREVIOUS YR-PRIORITY
	1,2,4	1002	FED. RCPTS.	1,116.0			FED. RCPTS.	
1003		G/F MATCH			GEN. FUND	10.0		
1004		GEN. FUND						
1005		I/A RCPTS.						
		G.O. BONDS	84.0					
		TOTAL		1,200.0		TOTAL ANNUAL OPER. COST	10.0	
					POSITION (FTE)			

NARRATIVE

This project will involve the construction of approximately 8 miles of a new 20 foot wide, gravel surfaced roadway connecting Holy Cross with the barge landing. This surface transportation link will provide access to the barge landing used for movement of goods to and from Holy Cross.

CATEGORY Transportation AGENCY DOT/PF PROGRAM Highways Western Region



Alaska State Legislature

House of Representatives

Committee on State Affairs

Pouch V
State Capitol
Juneau, Alaska 99811

Official Business

February 27, 1980

MEMORANDUM

TO: Russ Meekins, Chairman
House Finance Committee

FROM: Mike Miller, Chairman
House State Affairs Committee

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MM:kb