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(SB 294)

COMMITTEE REPORT

HOUSE

3/13/81

FURTHER: FINANCE

(7)

Date: March 9, 1982

Mr. Speaker:

The Committee on TRANSPORTATION has had HB 333

"An Act making special appropriations for development in the Nenana-Totchaket area; and providing for an effective date."

under consideration and reports it back as follows:

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

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

Chris Sutcliffe
Roy H. Heston
John J. ...
...
...
...
...
...
...

CHAIRMAN

Alaska State Legislature



House of Representatives

Committee on Transportation

Rep. Bette Cato, Chairman

Pouch V
State Capitol
Juneau, Alaska 99811
(907) 465-4858

January 26, 1982

Steven Bainbridge, Engineer
City of Nenana
Box 177
Nenana, Alaska 99760

Dear Steve:

Per our telephone conversation today, enclosed is a draft of the proposed Committee Substitute that will come up in the House Transportation Committee Meeting this Friday.

The dollar amounts are the figures that you have given Rep. Moss and myself over the phone last Friday. I hope that these are correct but if there are changes, please let me know immediately.

As I mentioned, the Transportation Committee wanted more back up material and to see how this road project fit into the total plan.

If a new bill is introduced that will pick up the deleted sections, the resources committee will probably hear referral and I am sure they will want the "total plan" also.

I hope that this will be of assistance to you and if there are questions or comments, feel free to contact our office. I look forward to meeting you next week.

Sincerely,

A handwritten signature in cursive script, appearing to read "Steven M. Soenksen".

Steven M. Soenksen A.A.
House Transportation Committee

UPDATE

AG ACTION COUNCIL MEETS

The Agricultural Action Council met for their monthly meeting on November 24th (rescheduled from November 20th) at the Fairbanks airport. Following is an abbreviated version of what was discussed, in the order in which it was presented. Minutes of the meeting are available upon request from Chairman Bob Palmer's office: Office of the Governor, Mr. Bob Palmer, Special Projects, Pouch AN, Juneau, AK 99811.

NENANA-TOTCHAKET APPROVED AS A PROJECT

The 175,000 acre proposed agricultural project's lands were reported as patented and soil classifications (types 2, 3 and 4) completed. Land resource allocations have been made and the initial road and bridge study made. Mayor of Nenana, Mr. Jack Coghill, announced that the preliminary specifications on the bridge were in.

Capital funds are needed for surveying, bridge and road work, and clearing. A tentative land disposal date was set for all of 1982. At that time 46,000 acres are slated for sale: large tracts will be 2 miles by 2 miles, or 2560 acres, each. Smaller tracts will range in size from 320 to 640 acres.

ADF & G PRESENTATION ON BISON

Fish & Game representatives introduced House Bill 83 which calls for development of the 90,000 acre Bison Range established in 1979. It includes an appropriation for \$275,000.00.

The Bill calls for clearing 1000 acres of the Range and planting 500 to 1000 acres of said acreage. The 1000 acres lies across the Alaskan

Highway (Mile 1408) from the present Delta I Ag Project. Fish and Game proposed trails leading to the bison range—apparently similar to the trails they have cleared to encourage the bison to enter the Delta I Project. Plans also include a controlled burn of limited acreage on the Range.

Fish and Game's long range goal is to maintain the bison herd number at 275, before calving. They expect bison control costs to amount to an additional \$1,500,000.00 over the next four years — totalling \$1,775,000.000. However, the initial appropriation requested in House Bill 83 will not be available for use until after it passes the 1982 legislative session — normally July 1st. Therefore, bison control by Fish and Game, under their proposed plan, would not be practically effective until the 1983 growing season.

Farmers at the meeting protested Fish and Game's proposal as impractical and unnecessarily costly. The existence of a Bison Range across the highway from a major agricultural project was considered impractical. However, Fish and Game officials were emphatic as to location and were not willing to consider an alternative location in the Delta area. Proposals to fence the animals in an adequate area were also met with a negative response from Fish and Game. Although they acknowledged that in other parts of the country bison are fenced, they stressed that this was not part of their long range planning for bison here in Alaska.

TEN YEAR AG PLAN

Art Davidson, Planning Director for Ag Action Council, reported that the drafting of the Ten Year Plan for Alaskan Agricultural Development was proceeding on schedule. A preliminary plan will be submitted to the legislature in the 1982 session.

RED MEAT PROCESSING

A red meat processing plant location(s) has not yet been determined, although funds were appropriated in the 1981 legislative session. A committee is being formed under the direction of the Ag Action Council to determine a viable plan of action. Something concrete should be forthcoming soon.

BARLEY PRODUCTION-FCCC

The Federal Commodity Credit Corporation will be loaning on barley in Alaska this next year. Loans were established at \$2.25 per bu., or \$93.75 per ton. Grain can be stored in approved on-farm storage and/or federally approved elevators.

DELTA II - TIMBER CLEARING EVALUATION

Five thousand acres were removed from the Delta II East land sale, scheduled for February 13, 1982. Two thirds of the marketable timber in Delta II East are on this acreage. Of the 26000 acres remaining in the land disposal sale just 300 to 400 acres contain any marketable timber.

Delta II West is still tentatively scheduled to be sold with Delta II East on February 13th. However, surveying and classification remains to be done. Of the 52,000 gross acres available, 40,000 to 45,000 acres will be sold as ag land, with just 3000 acres (approximately) containing any marketable timber.

ANNUAL REPORT

Ag Action Council's "1982 Annual Report To The Legislature" has been budgeted to allow up to \$12,000.00 for 5000 copies. A printing contract has not yet been awarded.

" RESOURCE ROAD " DEVELOPMENT
 for the
TOTCHAKET AREA
 (1932 Dollars)

I. 23 Miles of resource road

(minimal development ~ roadside borrow)

A.) 0 to 5 mile @ \$160,000/mile → \$800,000

B.) 18 miles (crossing
CLASS II & III soils) @ \$85,000/mile → \$1,530,000

SUBTOTAL - ROADS → (\$2,330,000)

II. RIGHT-OF-WAY ACQUISITION → (\$30,000)

III. NENANA RIVER BRIDGE ~
(ACQUISITION OF STEEL)

380,000 lbs @ \$1.10/lb. (FOR NENANA) → (\$418,000)

IV. THREE CULVERTED CROSSINGS

for the Little Nenana River,
East Middle River, &
West Middle River

→ (\$800,000)

TOTAL ; (I, II, III, IV) → \$4,128,300

ENGINEERING ESTIMATE

for
CONSTRUCTION of

ACCESS ROADS & BRIDGES in the
TOTCHAKET AREA

(1983 DOLLARS)

I.	23 Miles of primary access roads constructed to secondary standards by construction contract (single borrow source @ Nenana)	23 Miles @ \$519,956.52/ mile	\$ 11,959,000
II.	RIGHT-OF-WAY ACQUISITION		\$ 30,300
III.	NENANA RIVER BRIDGE (440 foot span) overall		\$ 3,800,000
IV.	THREE SMALLER BRIDGES across the: Little Nenana River (140 ft span) East Middle River (101 ft span) West Middle River (120 ft span)		\$ 1,900,000
	<u>TOTAL</u>		<u>\$ 17,689,300</u>

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. H.B. 333 & Companion S.B. 294

Title Special Appropriation for Development in Nenana-Totchaket Area

Requested by Rep. Moss, et. al. and Sen. Sackett et. al.

Date 3/17/81

II. FISCAL DETAIL

Agency Affected DOT/PF

Program Category Affected Highways & D & C

BRU, Program, or Subprogram(s) Affected _____

(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)

	FY81	FY82	FY83	FY84	FY85	FY86
100 PERSONAL SERVICES		905.0	111.0			
200 TRAVEL						
300 CONTRACTUAL		14,820.0				
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES		1,600.0				
700 GRANTS, CLAIMS, ETC.						
TOTAL		17,325.0	111.0			

FUNDING (Thousands of Dollars)

GENERAL FUND		17,325.0	111.0			
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

A. Assume 23 miles of 32' wide, 6" grading "C" surface, 3' total depth and 14 miles of 28' wide, 6" grading "C" surface, 3' total depth.

B. FY83 cost represents first year maintenance after completion of project.

C. Cost breakdown is:

Roads Engineering & Design	= \$ 370.0	Construction	= \$12,350.0
3 Bridges Engineering & Design	= 535.0	Contingencies	= 2,470.0
Right of Way Acquisition	= 1,600.0	First Year Maintenance	= 111.0

IV. DATE 3/23/81

PREPARED BY Dave Truax

AGENCY Division of Planning and Programming

PHONE 479-4284

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

33-001 (Rev. 12/80)

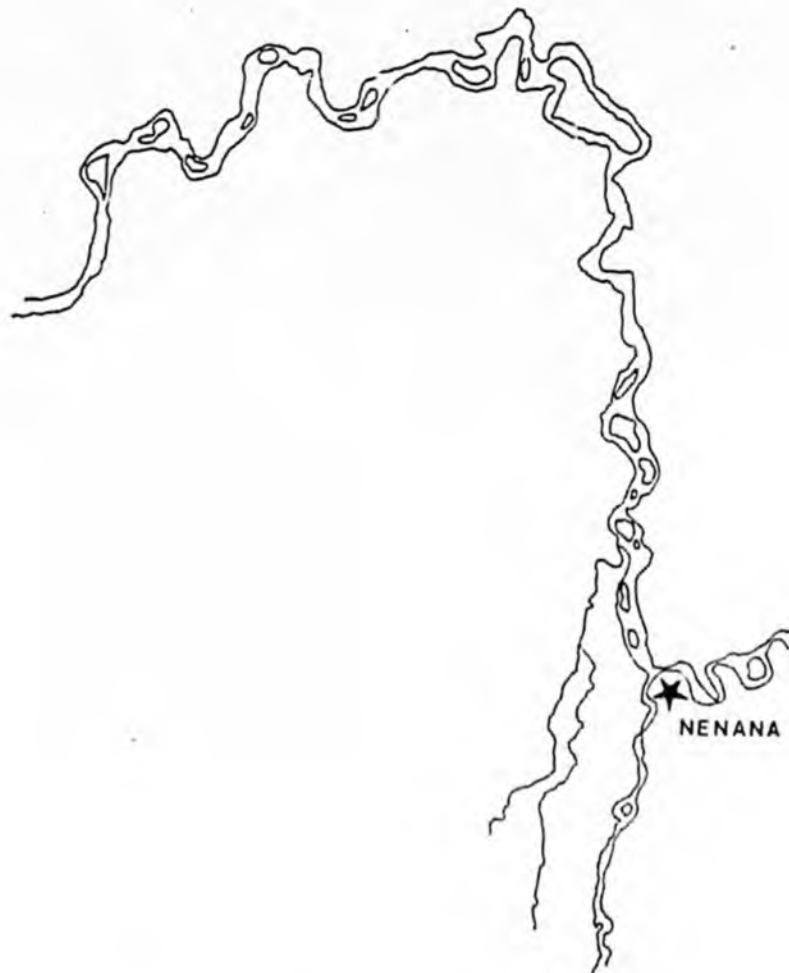
Estimate is based on the following assumptions:

1. Materials sources will be located to furnish reasonable haul distances. Non-royalty material.
2. Minimum stripping of 1'.
3. One culvert installation every 1,000' of roadway.
4. Survey Monument Cases installed every 1/2 mile along section lines.
5. Slope limit clearing.
6. Terrain stable enough to allow 2.5 (+ or -) embankment to support large, modern earth hauling equipment, for maximum efficiency.
7. No utility or environmental cost.
8. Bridge PE cost is included in this estimate. Bridges estimated @ \$130/sq. ft.

*Vegeta
section on
clipped page*

NENANA — TOTCHAKET

UNLOCKING THE AGRICULTURAL POTENTIAL
OF WESTERN ALASKA



A Report on A Seminar and Workshop on
Agricultural Development.

Sponsored by THE CITY OF NENANA

December 20, 1980

JANUARY, 1981



City of Nenana

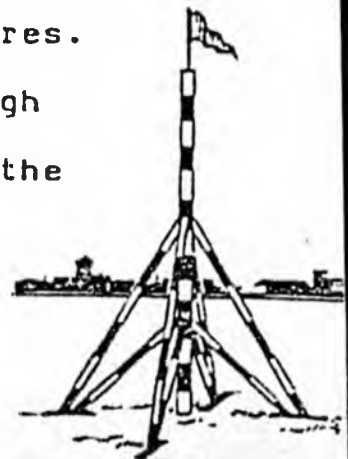
State of Alaska

OVERVIEW OF THE NENANA-TOTCHAKET PROJECT

Date: March 2, 1981
From: John B. Coghill, Mayor

In 1968, during route survey and soil testing work associated with the North Commission west of Nenana, Alaska, field crews found relatively deep top soil covering a broad plateau lying between the Tanana and Nenana rivers to the east and the Kantishna river on the west. More extensive analysis of these soils showed that they possessed excellent agricultural potential. A more extensive and detailed soil survey conducted between 1975 and 1977 by the Soil Conservation Service of the U.S. Department of Agriculture defined the extent of the agricultural soils in what SCS has called the "Totchaket Area", at least 175,000 acres of Class II and Class III soils...soils which, for Alaska, show the highest potential for agricultural productivity. Thousands of acres of Class IV soils with lesser potential are also extensive on the plateau, and preliminary reconnaissance of areas west of the Kantishna show lands with agricultural potential numbering in the millions of acres.

That these lands are capable of producing both high quantity and high quality yields has been accepted by the



Page 2 Overview

State's agricultural community for several years. The more important discussion in recent years has not been whether Totchaket should be developed for agriculture, but what kind of agricultural development would better satisfy the multiple and diverse needs of individual Alaskans and Alaskan families on the one hand, and on the other, what kind of agriculture can best meet the State's urgent need to invest its' short term oil wealth in long term renewable resource industries which can sustain themselves economically far into the future.

Even in view of these urgent concerns, however, planning for eventual development of Totchaket by City, State, University and Federal agricultural interests proceeded slowly during the 1970s as Native Claims in the area were resolved according to the provisions of the Alaska Native Claims Settlement Act of 1971. With final conveyance of land title to Native corporations in the area in late 1979 the last of the major concerns affecting the future of Totchaket were resolved, and the City of Nenana initiated the necessary financing and studies required for the design and long term development of what we are now calling Nenana-Totchaket.

With the support of our delegation to the legislature and the encouragement and assistance of many people around the State, these reports are now either complete or nearly complete and are being presented to the legislature for consideration. It

Page 3 Overview

is important to emphasize again that these studies were not designed by the City to figure out whether or not to develop agriculture. They were designed to determine what kind of agriculture will respond to the real needs of Alaska's people for food, access to land, and increased self-sufficiency; what kind of agriculture can be developed in Nenana-Totchaket which will help the State's new agricultural industry become economically self-sustaining in a reasonably short period of time; and, finally, what will it all cost.

We are pleased with the reports, and we believe they offer a well thought out and detailed plan for initial development of Nenana-Totchaket. The transportation proposal includes both the initial design, and cost estimates for overland access from Nenana to the first two townships which the City and the Department of Natural Resources have scheduled for disposal in February 1982...less than one year from today. The livestock report lays out a detailed and comprehensive plan for the development of a red meat industry that will involve all the State's farming regions. The composite Planning, Development, and Production Schedule from 1980 through 1990 shows our best estimates of the annual financing required and the annual production and employment associated with development in the area. Clearly the amounts of money involved are not insignificant even when compared with the multi-billion annual revenues of the State of Alaska. More importantly, financing decisions this

Page 4 Overview

year will be followed by financing decisions as large, or larger, in subsequent years throughout the decade.

The transportation system should fall into our highest priority-for without that access, the proposed clearing, wood fiber harvest, and land disposal programs are meaningless.

NEVANA-TOTCHAKET
AGRICULTURAL PROJECT

Composite Planning, Development and Production Schedule: 1980 through 1990.

Calendar year.	81	82	83	84	85	86	87	88	89	90
Planning										
1. Research, Development	Phase I			Phase II				Phase III		
2. Project	-----									
3. Lot Survey	-----									
costs per year (000's)	1600	1600	1600	1600	1600	500	500	500	1600	
Development Programs										
1. Clearing	Phase I			Phase II				Phase III		
2. Farm support	Phase I			Phase II				Phase III		
3. Marketing	Phase I			Phase II				Phase III		
4. Livestock	Purchase					Production				
costs per year (000's)	15450	15450	19561	12561	8450	150	150	150	8450	
Capital Projects										
1. Roads and bridges	Phase I			Phase II				Phase III		
2. Storage, transfer and support facilities	-----									
3. Processing facilities	Livestock					Vegetables				
4. Research Facilities	-----									
costs per year (000's)	14000	15000	13000	15000	12500	13000	15000	7000	7000	
Land Disposals (# of townships)	(2)	(2)	(3)	(3)	(2)					(2)
Fiscal year	81	82	83	84	85	86	87	88	89	90
Total Costs Per Year (000's) (1980 dollars)	31050	32050	34161	29161	22550	13650	15650	7650	17050	
Total Costs Per Year (000's) (12% inflation)	35087	40704	48850	46949	41041	27983	36175	19890	49616	
Disposed Acreage	46080	92160	161280	230400	276480	276480	276480	276480	322560	
Cultivable	41472	82944	145152	228096	248832	248832	248832	248832	290304	
In Cultivation	13686	34422	69051	107205	142041	159666	166716	166716	180402	
# of Farms	24	48	84	120	144	144	144	144	168	
Employment, Farm Production										
1. Direct (on farm)	150	378	756	1176	1558	1752	1829	1829	1979	
2. Secondary (marketing)	3	7	13	20	26	30	31	31	33	
3. Tertiary (support)	42	105	210	326	432	485	506	506	547	
Production Value, Barley										
1. Tons per year		15465	36897	78028	121142	160506	180423	188389	188389	
2. Price, F.C.B. Port		150	195	210	225	240	255	270	285	
3. Total (000's)		2761	7586	16396	27257	38521	46008	50865	53651	

Revised: 2/23/81

by: Northern Development
Associates
Fairbanks, Alaska

* Preliminary calculations.

T2S

TO PHASE III





T3S

BLACK BEAR LAKE

T4S

T5S

KEY

-  PHASE I
-  PHASE II
-  PHASE I ROADS
-  PHASE II ROADS

CLASS 2 SOIL

CLASS 3 SOIL

TO REX

SCALE = 1:250,000

T6S

TOKLAT RIVER

TOKLAT RIVER

KANTISHNA RIVER

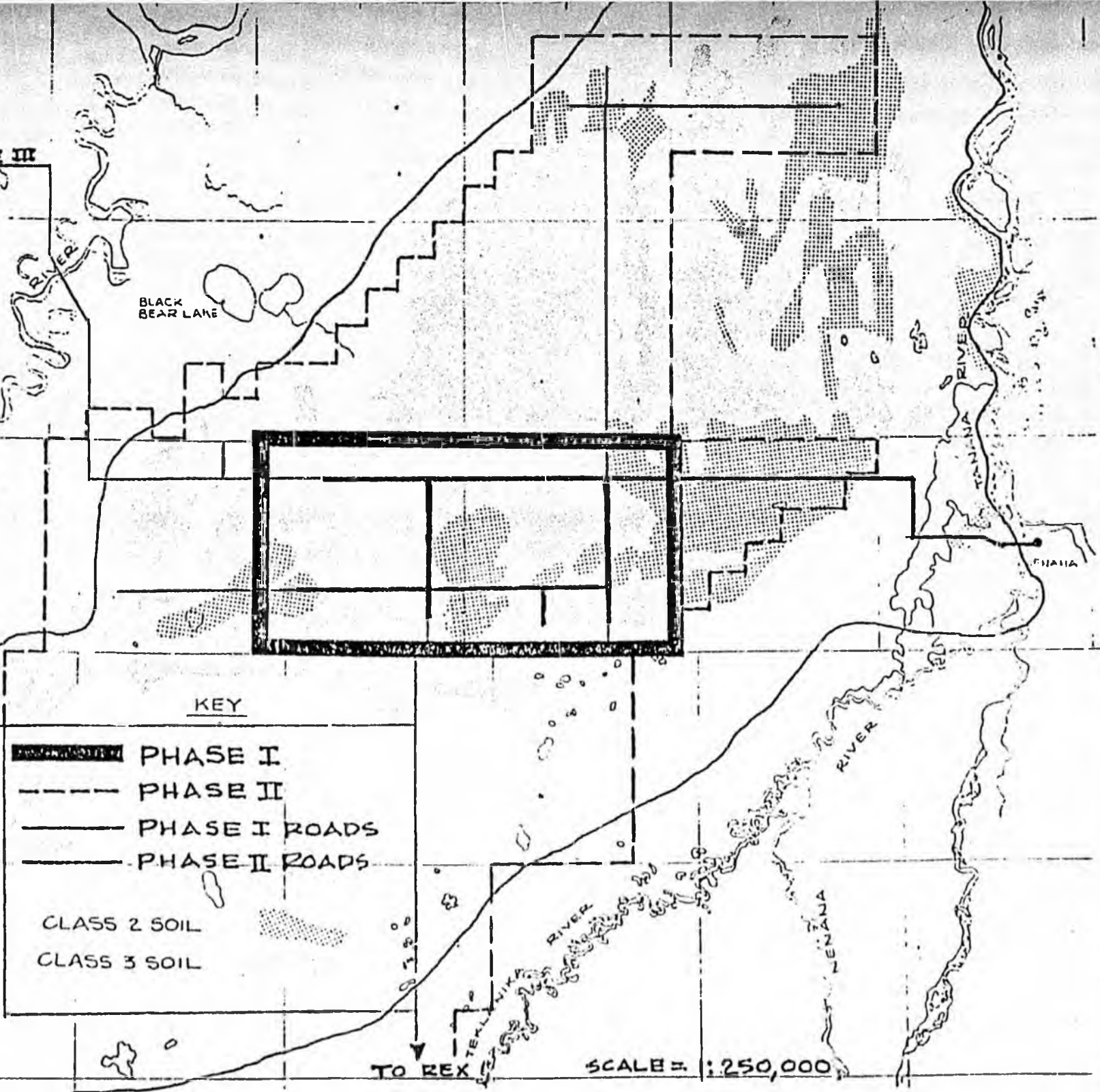
KANTISHNA RIVER

TEKLIWIK RIVER

LENANA RIVER

KANTISHNA RIVER

FINAIA





City of Nenana

State of Alaska

NENANA - TOTCHAKET

LEGISLATION

TWELFTH LEGISLATURE

(1981 - 1982)

These bills requesting special appropriations for development in the Nenana - Totchaket area were introduced during the first session of the Twelfth Legislature.

- ① Senate Bill No. 222 → This bill requested that a special appropriation of \$500,000 be made to the Department of Transportation & Public Facilities, and disbursed in accordance with AS 35.15.080 and 35.15.090, for engineering and design of bridges and roads in the Nenana agricultural area. (SSB 222, offered 3/18/81, was enacted during the 1981 session (ref. Chapt. 0573 - SLA 81)

- ② Senate Bill No. 294 → This bill,

introduced March 17, 1981, requested



special appropriations for development in the
Nenana - Tatchakot area as follows:

a.) Construction of roads & bridges (DOT / PF)	\$ 17,305,255
b.) Land Clearing (41,500 Acres @ \$200 / Acre) - (DNR)	\$ 8,300,000
c.) Agronomic Studies & Farm lot Design - (DNR - Div. Ag.)	\$ 500,000
d.) Survey of Farm Lots (DNR - DTS)	\$ 600,000
e.) Farm support & marketing (AAAC)	\$ 150,000
f.) Design of grain storage & loading facilities & a livestock producing facility (DNR)	\$ 500,000
	<hr/>
TOTAL	\$ 27,355,255

This bill is currently with Senate Transportation
Committee

- ③ House Bill No. 333 → This bill, as introduced
on March 13, 1981, was identical to SB204.
At the end of the first session, it remained
in House Transportation Committee.

Second Session
1982 ~

3/4

The special appropriations requested in HB333 were split into the following two bills:

① CS HB 333 → now in House Transportation Committee

This bill requests \$17,689,300 for construction of three bridges and 23 miles of primary access roads constructed to secondary standards. This appropriation from the general fund to DOT/PE would be administered by the City of Nenana under the terms of a "TORA" between DOT/PE and the City of Nenana, much in the same way as that money appropriated by CS HB 222 was disbursed.

② CS HB 126 → introduced 1/29/82 - now in House Resources Committee

This bill, as originally introduced, contains Sections 2 thru 6 of the original HB333.

As the Phase I disposal is now scheduled to include 75,000 Acres, the amount for clearing

loans should be increased to \$13,500,000

→ SB 294 remains in Senate Transportation Committee as of this date.

NEW developments with the DELTA II WEST disposal led to the introduction of →

Spencer Substitute for Senate Bill No. 702 (introduced February 4, 1982) → This bill transfers part of certain fiscal year 1982 Ag Action Council appropriation allocations to the Nenana-Tatchuket agricultural development project.

The total amount of this transfer shall be \$1,272,170. This bill is currently before Senate Finance Committee.

Prepared by: Steve Bainbridge
City of Nenana
March 13, 1982