

H B

98

Alaska State Legislature



House of Representatives

Committee on Transportation

Rep. Bette Cato, Chairman

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

DATE: February 22, 1983

TO: Dan Casey, Commissioner
Department of Transportation
and Public Facilities

FROM: Bette Cato, Chairman *Bette*
House Transportation Committee

RE: HB 98

In reference to the above mentioned bill, please provide for the House Transportation Committee alternatives available to the Legislature for the funding of this project.

I understand from conversations with my staff that there are several ways to fund this project. Some of the alternatives that have been suggested are: appropriating the authority to expend and receive federal funds at 95% of the total cost and use 5% match money of the general fund; assigning this project as a high priority and provide matching funds, etc.

Also it may be in the State's best interest to phase fund this project, what would be your estimate of the amount of funding for the first phase of this project.

I understand that your staff doesn't think \$39 million would cover the cost of this project, but rather \$60 million would be a closer figure. Would you please clarify this matter.

We would appreciate your reply on this matter by Thursday, February 22 for our 8:30 a.m. committee meeting, and invite someone from your staff to be attendance to answer any of the questions the committee may have.

Thank you for your prompt response.

MSG 83-00005087 PRTY 1 01231/83 18.06/52 ORIG: LHO IN= 0010 OUT= 0102
FROM: MARY/MATSU TO: JUVENILE INFO
TARGET: LJHL SUBJ: P.O.M.

TO: REPS. [REDACTED] H M MILLER, FURNACE, SCHULTZ, H W MILLER, VASKA,
LARSON, LACHER

FR: ELSIE O'BRYAN
P O BOX 24
HOUSTON 99694

FEB 1 1983

RE: HB 98

I SUPPORT THIS BILL AND URGE YOU TO FAVORABLY PASS OUT OF COMMITTEE.
I WOULD, HOWEVER, LIKE CLAIRIFICATION ON WHICH PALMER-WASILLA JUNCTION
IS MENTIONED, THE ONE AT THE PARKS HIGHWAY OR THE ONE THAT IS LOCATED
BY PALMER CITY LOCATED BY CHARLIE BROWN'S GAS STATION. I WOULD DEFINITELY
SUPPORT THE LATTER.

A handwritten signature in cursive script, appearing to read "O'Connell", is written in the lower center of the page. The signature is dark and has a long horizontal stroke extending to the right.

Introduced: 1/20/83
Referred: Transportation
and Finance

Funding Information
General Fund \$39,000,000
Other Funds -0-
\$39,000,000

1 IN THE HOUSE BY LACHER, TISCHER AND LARSON

2 HOUSE BILL NO. 93

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 THIRTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act making a special appropriation to the Depart-
7 ment of Transportation and Public Facilities for
8 construction of a four-lane highway from the south
9 end of Eklutna Flats to the Palmer-Wasilla junction;
10 and providing for an effective date."

11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

12 * Section 1. The sum of \$39,000,000 is appropriated from the general
13 fund to the Department of Transportation and Public Facilities for con-
14 struction of a four-lane highway extending from Eklutna Flats to the
15 Palmer-Wasilla junction.

16 * Sec. 2. The appropriation made by this Act is for a capital project
17 and is subject to AS 37.25.020.

18 * Sec. 3. This Act takes effect July 1, 1983.

*Explain info. to committee
Have Dates available to answer questions*

HOUSE TRANSPORTATION
STANDING COMMITTEE
February 11, 1983
8:30 a.m.

Members Present: Rep. Cato, Chairman
Rep. M. W. Miller, Vice-Chairman
Rep. Abood
Rep. Davis
Rep. Lacher
Rep. McBride
Rep. Phillips
Rep. Szymanski

Members Absent: Rep. Herrmann

COMMITTEE CALENDAR

HB 98: "An Act making a special appropriation to the Department of Transportation and Public Facilities for construction of a four-lane highway from the south end of Eklutna Flats to the Palmer-Wasilla junction; and providing for an effective date."

WITNESS REGISTER

John Bates
Deputy Commissioner
Planning and Programming
Department of Transportation and
Public Facilities
Pouch Z
Juneau, Alaska 99811
Position Statement: Opposed HE 98.

PREVIOUS ACTION

None

ACTION NARRATIVE

TAPE#7, Side 2
Recording
Number 0005

Chairman Cato called the meeting to order. Staff present were Steve Soenksen and Rhonda Cargill. Chairman Cato was quite ill and turned the meeting over to Vice-Chairman M. W. Miller expressing her intent was not to move the bill today since there was no

fiscal note.

Number 0023

Rep. Lacher expressed that it was impossible to deal with a project of this magnitude with a zero fiscal note even as important as it is to her. She asked if anyone was present from DOT who could answer some questions.

Number 0047

John Bates, Deputy Commissioner, DOT took the stand.

Number 0050

Rep. Lacher began her question by explaining that 3 weeks ago her staff had met with DOT's staff and asked if 39 million dollar figure is very close to actual cost and staff said yes. Why do we have a zero fiscal note?

Number 0065

Mr. Bates explained that at the time the fiscal note was prepared, the instructions were they add and show the additional cost over and above the capital cost request for a particular feature being constructed. In this case, building would take 3 years so there would be no maintenance and operation cost for 3 years. It would be built no earlier than 1987, so no maintenance and operation cost. We were told not to put additional capital cost to construct facility, but to explain this in the back up (which was done).

Discussion by committee on fiscal note procedures.

Number 0187

Rep. Lacher requested the committee to omit discussion of the fiscal note at this time and consider the merits of constructing the highway.

Number 0214

Mr. Bates pointed out that at this particular time, since this project is not in the Governor's budget officially, the department does not support the bill; because the department is looking at that type of construction, and when it is stacked up against all the other needs with the State, it's time has not arrived yet. DOT has identified almost 5.2 billion dollars worth of work on existing facilities to be brought back to some relatively modern standard. This project is probably 4-5 years down the road before going to

construction or would request a Professional Engineer on it. Without even state money it would take 3 years to build. It would qualify for federal funds. Even if State funds would design to federal standards and make sure the federal government agreed with procedures and still have other two lanes on federal and highway system. It would be appropriate to take a portion of the Glenn Highway off federal highway system on a major road like that.

Re: Construction cost - when there is an official fiscal note, (it will be the only one recognized by the department). Can do construction cost both ways, if we're looking at a 4-5 year construction time scale. Probably the first year not do whole project; looking at dollars in different years - that's the problem. It's time is not ready yet compared to other projects.

Number 0251

Rep. Phillips asked if DOT would suggest the use of federal funds?

Number 0253

Mr. Bates said that if the department were to program it, they would do so using federal funds. This project has lots of hazards, so would go with federal funds - the federal government rebuilds. A major highway system should remain under federal highway system.

Number 0270

Rep. Phillips asked ~~what the process was for the legislature to get plugged into federal~~

Number 0281

Mr. Bates explained that ~~two things were needed~~, but since he had never seen a bill that he can remember he doesn't know how it would be stated. ~~They would need to appropriate the authority to expand and receive at 95% of total cost of fiscal note and 5% match money of general fund~~, but how you say that in a bill he didn't know. He added that the Legislature would also need to consider if it takes 4 years to build it. ~~If you want to accelerate DOT looking at it, the figures and ability to appropriate the construction funds, might not be too unrealistic to appropriate professional engineer funds and construction funds at a later date.~~

PHASE
Funding

Number 0294

Rep. Lacher: If programming, would you do in federal funds even if you got x million appropriated, could you then go to work and program for federal funds if the need be and available?

Mr. Bates: Not for federal funds because we have no authority from the Legislature. ~~If appropriate general funds, need to appropriate in federal receipts (authority to ask feds to reimburse) appropriated general funds can't go to the federal.~~

Number 0313

Rep. Lacher: ~~So, in addition to appropriated x million dollars, we would use language that would allow you to use federal funds or receive federal funds.~~

Number 0317

Mr. Bates: ~~Or you could just appropriate x million dollar federal receipts and x million in general funds.~~

Number 0319

Rep. Lacher: Appropriation plus federal funds more quicker?

Number 0326

Mr. Bates: To a clerical person doing the actual work (design, ads, construction, etc.,) he doesn't know what kind of funds it is. If you see federal procedures, no matter if it takes state or federal money, federal probably takes longer than state funds, wouldn't speed up construction. Federal procedures tougher to build to then state procedures.

Number 0337

Rep. Lacher: ~~Reason appropriated for full amount (in this bill) was not only to get the work done sooner, but also to pull federal funds from other needed projects.~~ We were led to believe to give them that option. Never told this would restrict you from applying for federal funds.

Number 0368

Rep. Szymanski: In your presentation you made indication this would be 5-6 years down the road from current scheme of planning.

Number 0370

Mr. Bates: Doesn't appear in 6 year program in Governor's budget, so looking at 5-6 years in budget for design. Three years before construction so 8 years on-line design/construction.

Number 0378

Mr. Bates: That's assuming some sort of

capital outlay for the next 5 years which we have assumed (don't know if oil revenues go up or down). So we assumed constant based on what we had last year on Governor's 6 year program. Since that time we have received 40 million dollars a year more federal funds from Federal Highway Administration from which will be taken into account for next 6 year program and we're receiving a fairly good amount of money in Governor's budget for transportation. So 5-6 years was our planning horizon. Alaska Department of Transportation only 12,000, that road could have had 20,000 easily without a problem. Problem more with intersections 2/4 run into capital problems on main route.

Number 0404

Rep. Szymanski: How do you get into prioritizing what's the criteria?

Number 0409

Mr. Bates: Probably the selection of highway projects is the most sophisticated system.

Start out with general goals the Administration wants and this year starting under Hammond Administration, there was a goal to basically fix and repair existing major highway systems, if not to the modern day standards at least back to the standard they were designed to do and some designed 20 years ago with minor safety work; guard rail work, and maybe flattening out curves and bad corners. That was the priority, basically finishing rehabing the system. We indicated that if any job was in our program for reconstruction within 3 years from when doing our original budget we would not consider for rehab. We would wait for program to re-build it. That was the major criteria we used in selection of projects. That probably was the leading criteria for projects of this type not being in there. There were a number of projects statewide that received very little funding that in previous years had been getting funds right along, because it didn't fit into criteria of rehabing.

We did have a portion of that set aside for construction of program facilities to meet today's and future needs. Because of rehab program it was not funded to magnitude it

has been in last three years.

From that particular place, when you set aside those goals and priorities we have a fairly sophisticated system (which takes into account); we go and look at ruts in roads, cracks, potholes, patching, night ability safety and Alaska Department of Transportation can come up with a number which rules all paved roads statewide. That number is in a percentile of roads that are better. Program doesn't crank in cost.

Number 0456

Rep. M. W. Miller: ~~The Governor has 5 or 6 years plan out?~~ Could we get a copy?

Governor's 5-6 yr. plan?

Number 0461

Mr. Bates: Usually in budget documents you receive, we have a copy available.

Staff explained documents are different this year than last.

Number 0468

Rep. Phillips: ~~Do you have needs assessment which sets criteria and identifies needs statewide.~~

needs assessment

Number 0476

Mr. Bates: That's \$5.2 billion - 6 year program tries to take capital projection which would be used for transportation and take those needs and spread over 6 years.

Further discussion of condition of roads.

Number 0524

Rep. Davis: Is there federal money for rehab?

Discussion continued.

Number 0531

Discussion of federal aid fund categories safety criteria, what we could possibly get.

Number 0589

Advised staff to get together with DOT and prepare a Committee Substitute for House Bill No. 98.

Further discussion on how to ask for money for roads.

Number 0661

Adjourned.

Original sponsors: Lacher, Tischer
and Larson

<u>Funding Information</u>	
General Fund	\$ 240,000
Other Funds	2,760,000
	<u>\$3,000,000</u>

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IN THE HOUSE BY THE TRANSPORTATION COMMITTEE

CS FOR HOUSE BILL NO. 98 (Transportation)
IN THE LEGISLATURE OF THE STATE OF ALASKA
THIRTEENTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act making a special appropriation to the Department of Transportation and Public Facilities for design of a four-lane highway from the south end of Eklutna Flats to the Wasilla-Parks Highway junction; and providing for an effective date."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

* Section 1. The sum of \$3,000,000 is appropriated to the Department of Transportation and Public Facilities of which \$240,000 is from the general fund and \$2,760,000 is from federal receipts for design of a four-lane highway extending from the south end of Eklutna Flats to the Wasilla-Parks Highway junction.

* Sec. 2. The appropriation made by this Act is for a capital project and is subject to AS 37.25.020.

* Sec. 3. This Act takes effect July 1, 1983.

Original sponsors: Lacher, Tischer
and Larson

4660

Funding Information

General Fund	\$240,000	
Other Funds	240,000	2,760,000
		<u>3,000,000</u>

1 IN THE HOUSE

BY THE TRANSPORTATION COMMITTEE

2 CS FOR HOUSE BILL NO. 98 (Transportation)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 THIRTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act making a special appropriation to the Depart-
7 ment of Transportation and Public Facilities ~~as~~
8 ~~matching funds~~ for design of a four-lane highway from
9 the south end of Eklutna Flats to the Palmer-Wasilla
10 junction; and providing for an effective date."

11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

12 * Section 1. The sum of ^{3,000,000}~~\$240,000~~ is appropriated ~~from the general fund~~
13 to the Department of Transportation and Public Facilities ~~as matching funds~~
14 ~~\$240,000~~ ^{of which} is from the general fund and ~~\$2,760,000~~
15 ^{is from federal receipts} for design of a four-lane highway extending from the south end of Eklutna
16 Flats to the Palmer-Wasilla junction.

17 * Sec. 2. ^{"Pks Hwy - wasilla Junction"} The appropriation made by this Act is for a capital project
18 and is subject to AS 37.25.020.

19 * Sec. 3. This Act takes effect July 1, 1983.

20 - Parks Hwy - wasilla Junction

CS FOR HOUSE BILL NO. 98 (Transportation)

Please make the following changes in the above referenced bill:

Funding Information

General Fund	\$ 240,000
Other Funds	<u>\$2,760,000</u>
	3,000,0000

Line 7: Delete "as"

Line 8: Delete "matching funds"

Line 9: Delete: "Palmer-" add "-" after "Wasilla"

Line 10: Insert: "Parks Highway"

Thus the title would read:

"An Act making a special appropriation to the Department of Transportation and Public Facilities for design of a four-lane highway from the south end of Eklutna Flats to the Wasilla-Parks Highway junction; and providing for an effective date."

Line 12: Delete: "\$ 240,000" "from the general fund"
Insert: "\$3,000,000"

Line 13: Delete: "as matching funds"
Insert: "of which \$240,000 is from the general
fund and \$2,760,000 is from federal
receipts"

Line 15 Delete: "Palmer-"
Insert: "-Parks Highway"

Thus section 1 of the bill now reads:

*Section 1. The sum of \$3,000,000 is appropriated to the Department of Transportation and Public Facilities of which \$240,000 is from the general fund and \$2,760,000 is from federal receipts for design of a four-lane highway extending from the south end of Eklutna Flats to the Wasilla-Parks Highway junction.

Original sponsors: Lacher, Tischer
and Larson

Funding Information

General Fund	\$240,000	
Other Funds	240,000	2,760,000
		<u>3,000,000</u>

IN THE HOUSE

BY THE TRANSPORTATION COMMITTEE

CS FOR HOUSE BILL NO. 98 (Transportation)

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTEENTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act making a special appropriation to the Department of Transportation and Public Facilities ~~and~~ matching funds for design of a four-lane highway from the south end of Eklutna Flats to the ~~Palmer~~ Wasilla ~~junction~~ Parks Highway junction; and providing for an effective date."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

* Section 1. The sum of ~~\$240,000~~ ^{3,000,000} is appropriated ~~from the general fund~~ to the Department of Transportation and Public Facilities ~~and~~ matching funds ^{of which} ~~\$240,000 is from the general fund and \$2,760,000 is from federal receipts~~ for design of a four-lane highway extending from the south end of Eklutna Flats to the ~~Palmer~~ Wasilla ^{Parks Highway} junction.

* Sec. 2. The appropriation made by this Act is for a capital project and is subject to AS 37.25.020.

* Sec. 3. This Act takes effect July 1, 1983.

DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES

POUCH 2
JUNEAU, ALASKA 99811
PHONE: (907) 465-3900

OFFICE OF THE COMMISSIONER

January 10, 1984

Re: Fiscal Note Transmittal

Distribution

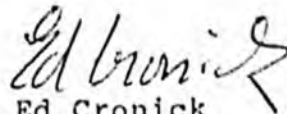
The Department of Transportation and Public Facilities hereby transmits the fiscal note and supporting documentation for the legislation identified below. This transmittal supersedes all previous distributions.

Bill No.: HB 98

Title : "...Widen Glenn Highway - Eklutna Flats to Palmer/Wasilla..."

Sponsor : Larner, Tischer, Larson

Sincerely,



Ed Cronick
Legislative Liaison
Department of Transportation
& Public Facilities

DISTRIBUTION:

Legislative Finance
Legislative Sponsor
Requestor - House Transportation
Office of Management and Budget - Lisa Emerson
Impacted Agency(ies) Attn: Legislative Liaison - N.A.
Regional Directors of Administrative Services - J. Merrill
Regional Director P&P - R. Snell

STATE OF ALASKA
FISCAL NOTE

Revision Date: 11/30/83

I. REQUEST

Bill/Resolution No.: HB 98
 Title: Widen Glenn Hwy - Eklutna Flats to P/W
 Sponsor: Lacher, Tischer, Larson
 Requestor: Transportation and Finance
 Date of Request: 10/1/83

II. FISCAL DETAIL

Agency Affected: DOT&PF
 Program Category Affected: BRU, Program or Subprogram(s) Affected:
Design and Construction

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL OPERATING						285.0
CAPITAL	250.0	575.5	334.0	30,000.0	28,971.0	
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND	250.0	575.5	334.0	30,000.0	28,971.0	285.0
FEDERAL FUNDS						
OTHER (Specify Source)						
TOTAL	250.0	575.5	334.0	30,000.0	28,971.0	285.0

POSITIONS:

FULL TIME						1
PART TIME						
TEMPORARY						
TOTAL						

II. SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

Not identified by sponsor of bill

IV. ANALYSIS: Attach a separate page for any Analysis:

Prepared by: William R. Snell, Director
 Division: Central Region Planning & Programming

Phone: 266-1462
 Date: 11/30/83

Approved by Commissioner: David W. Haugen
 Department: Deputy Commissioner, Central Region

Date: 11/30/83 9/14/83

Distribution:

Original to Legislative Finance
 Copy to Office of Management and Budget (for Legislature introduced bills)
 Copy to Department (for Governor introduced bills)
 Copy to Sponsor
 Copy to Requestor (if different from Sponsor)

IV. Analysis

This analysis includes the construction of: (1) a new south bound 2-lane roadway from Eklutna Flats to the junction of the Parks Highway (8.5 miles); (2) bridges (4500 feet); (3) an interchange at the intersection with the Old Glenn Highway; and (4) an overlay of the existing highway. Estimated construction cost in FY '83 dollars is \$38,479,000, including a 10% contingency. This fiscal note assumes: (1) an annual inflation rate of 10%; (2) preliminary engineering (P.E.) contracted out to a consultant; (3) P.E. funding available by July 1983; and (4) the construction contract advertised for bid by February 1987. The estimated P.E. cost in FY '83 dollars is \$946,000, which is 3% of the estimated construction cost. The analysis assumes the P.E. costs are spread over 3 years.

- A. Impact on Existing Program: Would add additional positions (2) and equipment to maintenance operation.
- B. Impact on New Programs and Activities: Unknown.
- C. How figures were derived: Based on '83 information inflated at 10% per year for the life of the project.
- D. Additional Information: To date \$250.0 is being used from the funding appropriated in chapter 107, SLA 83, (107/83/74/10), Federal Aid Highway Preliminary Engineering authorization for design and environmental studies to initiate this project.

The Department developed a cost estimate for this project of \$39,425,000 in constant FY'83 dollars. To adjust this figure over the anticipated life of the project, assumptions were made regarding the amount of time and money needed to complete the preliminary engineering and the actual construction of the project as well as the future inflation rate. These assumptions were as follows:

- (1) The project costs were assumed to inflate at 10% per year through the life of the project.
- (2) The preliminary engineering was assumed to take approximately three years to complete. Funding would be required in each of these years. The preliminary engineering work was assumed to be contracted out to a consultant. The initial preliminary engineering funding was assumed to be available in FY '84 (October 1983). The original FY '83 constant cost estimate for the preliminary engineering was \$946,000 which was 3% of the total construction cost. Inflating this cost at 10% per year, the cost of this phase was assumed to be as follows:

FY'84	\$250,000
FY'85	\$515,000
FY'86	\$334,000

- (3) The construction phase of the project was assumed to last two years and to be advertised for bid by February 1987. The FY '83 constant dollar construction cost was estimated at \$38,479,000. Assuming an annual inflation rate of 10% per year, the cost of the construction phase was assumed to be as follows:

FY '87	\$30,000,000
FY '88	\$23,971,000

The total of the above budget estimates from FY'84 through FY'88 is \$60,150,000 in dollars adjusted for a 10% annual inflation rate.

The dollar figures given in part one of the fiscal note constitute the total dollars needed for preliminary engineering (State and Federal funds). If 95% of the total cost is federally funded then the State would only need to provide 5% of the total funds needed for preliminary engineering. The cost estimates in this fiscal note are conceptual and have an accuracy range of -25% to +75%. More accurate cost estimates will be available once the preliminary engineering work has been completed.

STATE OF ALASKA
PRELIMINARY STATEMENT OF FISCAL IMPACT

Bill No.: CSHB 98 Date on Bill: 2/25/83
 Title: Design of a 4 lane highway from the south end of Eklutna Flats to the Wasilla-Parks Hwy Junction
 Sponsor: Lacher, Tischer & Larson
 Requestor: Ronda/House Transportation

1. Estimated fiscal impacts on:

a. Expenditures:

(Thousands of Dollars)

			FY 83	FY 84	FY 85	FY 86		
Capital				1,000.0	1,000.0	1,000.0		
Operating				-0-	-0-	-0-		
Total				1,000.0	1,000.0	1,000.0		

b. Revenues:

Revenue								
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2. Source of funds to offset fiscal impact of bill:

3. Assumptions:

See attached

4. Disclaimer:

This statement has not been reviewed by the OMB in the Office of the Governor. It therefore does not represent the final estimate of fiscal impact.

Prepared by: Wayne Weeks Phone: 465-4060
 Division: Planning & Programming Date: 3/7/83

Approved by Commissioner: *Donna Page for Ron B. Smith* Date: 3-7-83
 Department: Transportation & Public Facilities

5. Distribution:

- Original to Legislative Finance
- Copy to OMB
- Copy to Sponsor
- Copy to Requestor

The Department developed a cost estimate for this project of \$39,425,000 in constant FY'83 dollars. To adjust this figure over the anticipated life of the project, assumptions were made regarding the amount of time and money needed to complete the preliminary engineering and the actual construction of the project as well as the future inflation rate. These assumptions were as follows:

- (1) The project costs were assumed to inflate at 10% per year through the life of the project.
- (2) The preliminary engineering was assumed to take approximately three years to complete. Funding would be required in each of these years. The preliminary engineering work was assumed to be contracted out to a consultant. The initial preliminary engineering funding was assumed to be available in FY'84 (July 1983). The original FY'83 constant cost estimate for the preliminary engineering was \$3,000,000. Inflating this cost at 10% per year, the cost of this phase was assumed to be as follows:

FY'84	\$1,000,000
FY'85	\$1,000,000
FY'86	\$1,000,000

- (3) The construction phase of the project was assumed to last two years and to be advertised for bid by February 1987. The FY'83 constant dollar construction cost was estimated at \$38,479,000. Assuming an annual inflation rate of 10% per year, the cost of the construction phase was assumed to be as follows:

FY'87	\$30,000,000
FY'88	\$28,971,000

The total of the above budget estimates from FY'84 through FY'88 is \$60,105,000 in dollars adjusted for a 10% annual inflation rate.

The dollar figures given in part one of the fiscal note constitute the total dollars need for preliminary engineering (State and Federal funds). If 95% of the total cost is federally funded then the state, naturally, would only need to provide 5% of the total funds needed for preliminary engineering.

*Back to
normalization*

POSITION PAPER

Fiscal propriety demands that the State maintain project monitoring capability to ensure that the grant funds are spent for the project, and are managed according to Borough or Municipal fiscal procedures. Accordingly, a minimal State operating budget impact will be felt with the passage of each special appropriation under AS 37.05.315-37.05.319, such as this specific bill proposes. I should point out at this time that local governments have recognized their similar responsibilities when awarding grants to local social service providers, etc. Municipalities charge an administrative overhead fee of one to three point eight percent per grant. The Department of Administration requests that the specific grant appropriation language acknowledge a State agency overhead factor of up to .5% (one half of one percent) as Department of Administration operating costs for all special appropriations awarded under AS 37.05.315.

The Department questions the historical practice promoted under AS 37.05.315 and wonders if the Department of Community and Regional Affairs might be of better assistance to local governments through its Local Government Assistance program. Whereas the Department of Administration functions as a centralized control agency for all other Executive Branch agencies, the Department of Community and Regional Affairs is specifically charged with the responsibility of assisting local government in maximizing services to citizens.

Robert Z. Statuabek

Teleena Anderson

STATE OF ALASKA

DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES
PLANNING AND PROGRAMMING

JAY S. HAMMOND, GOVERNOR

POUCH Z
JUNEAU, ALASKA 99911
PHONE:

(907)465-3900

March 8, 1983

MAR 8 1983

The Honorable Bette Cato
Representative
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

RE: HB 98

Dear Representative Cato:

This letter is in response to your request for information regarding the funding of HB 98. This bill would provide for expansion of the Glenn Highway to four lanes between Eklutna and the junction of the Parks Highway with the Glenn Highway. I anticipate this project could qualify for federal funding, since the Glenn Highway is on the Federal Interstate System and the improvements identified under this bill would be constructed to federal standards. The current minimum State/Federal match is 5% State and 95% Federal.

Your letter requested a clarification of the difference between the \$39,000,000 estimate included in HB 98 and the Department's adjusted estimate of \$60,105,000. The Department developed a cost estimate for this project of \$39,425,000 in constant FY'83 dollars. To adjust this figure over the anticipated life of the project, assumptions were made regarding the amount of time and money needed to complete the preliminary engineering and the actual construction of the project as well as the future inflation rate. The following assumptions were made:

1. The project costs were assumed to inflate at 10% per year through the life of the project.
2. The preliminary engineering was assumed to take approximately three years to complete. Funding would be required in each of these years. The preliminary engineering work was assumed to be contracted out to a consultant. The initial preliminary engineering funding was assumed to be available in FY'84 (July 1983). The original FY'83 constant cost estimate for the preliminary engineering was \$946,000 which was 3% of the total construction cost. Inflating this cost at 10% per year, the cost of the preliminary engineering phase was assumed to be as follows:

FY'84	\$400,000
FY'85	\$400,000
FY'86	\$334,000

March 8, 1983

3. The construction phase of the project was assumed to last two years and to be advertised for bid by February 1987. The FY'83 constant dollar construction cost was estimated at \$38,479,000. Assuming an annual inflation rate of 10% per year, the cost of the construction phase was assumed to be as follows:

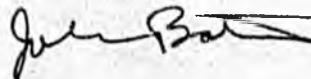
FY'87	\$30,000,000
FY'88	\$28,971,000

The total of the above budget estimates from FY'84 through FY'88 is \$60,105,000 in dollars adjusted for a 10% annual inflation rate. During each of the above years, the Department anticipates it will need 8% State funding of the respective fiscal year cost to match the expected 92% federal contribution.

The Department has recently completed a capacity analysis of this road segment. This analysis indicates the traffic volume on this road segment is approaching the existing design capacity of the road and is increasing at a high annual percentage rate. Based on this analysis, the Department is initiating a request to the Federal Highway Administration for approval to include this project as an eligible federal expenditure. Once this approval has been received, the Department will initiate the preliminary engineering work on the project. The Department currently has the budgetary capability to initiate the FY'84 portion of the preliminary engineering work.

In conclusion, please note that adequate funding will be needed to complete the remaining work in future budgets. If you have additional questions on this matter, please contact me.

Sincerely,



John C. Bates
Deputy Commissioner

cc: Emil Nrccti
Office of the Governor

Alaska State Legislature

House of Representatives

Committee on Transportation

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



Rep. Bette Cato, Chairman

DATE: February 22, 1983

TO: Dan Casey, Commissioner
Department of Transportation
and Public Facilities

FROM: Bette Cato, Chairman *Bette*
House Transportation Committee

RE: HB 98

In reference to the above mentioned bill, please provide for the House Transportation Committee alternatives available to the Legislature for the funding of this project.

I understand from conversations with my staff that there are several ways to fund this project. Some of the alternatives that have been suggested are: appropriating the authority to expend and receive federal funds at 95% of the total cost and use 5% match money of the general fund; assigning this project as a high priority and provide matching funds, etc.

Also it may be in the State's best interest to phase fund this project, what would be your estimate of the amount of funding for the first phase of this project.

I understand that your staff doesn't think \$39 million would cover the cost of this project, but rather \$60 million would be a closer figure. Would you please clarify this matter.

We would appreciate your reply on this matter by Thursday, February 22 for our 8:30 a.m. committee meeting, and invite someone from your staff to be attendance to answer any of the questions the committee may have.

Thank you for your prompt response.

Introduced:
Referred: Transportation
and Finance

Funding Information
General Fund \$ 240,000
Other Funds \$2,760,000
\$3,000,000

1 IN THE HOUSE

BY LACHER, TISCHER AND LARSON

2

ES HOUSE BILL NO. 98

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

THIRTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act making a special appropriation to the Depart-
7 ment of Transportation and Public Facilities for
8 design of a four-lane highway from the south end of
9 Eklutna Flats to the Palmer-Wasilla junction; and
10 providing for an effective date."

11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

12 * Section 1. The sum of \$3,000,000 is appropriated to the Department of
13 Transportation and Public Facilities of which \$240,000 is from the general
14 fund and \$2,760,000 is from federal receipts for design of a four-lane
15 highway extending from Eklutna Flats to the Palmer-Wasilla Junction. *Paul H*

16 *.Sec. 2. The appropriation made by this Act is for a capital project and
17 is subject to AS 37.25.020.

18 * Sec. 3. This Act takes effect July 1, 1983.

*1. app
2. Plan + Eng.
3.*

*1987
Construction*

There were
over 100
accidents on
this road from
1979-1981

Background:

The four-lane Glenn Highway, heading north out of Anchorage/Eagle River, narrows to two lanes at Eklutna Bridge.

Going south toward Anchorage/Eagle River, two major highways, the Glenn and the Parks, merge into the two-lane Glenn Highway. The effect is the same--four lanes of major highway narrow into an older, two-lane paved road.

The resulting doubly-bottlenecked stretch of road (see sketch, Attachment A) carries traffic across some of the most exposed, wind-buffeted area in the Matanuska Valley: the Eklutna Flats. Winds gusting across the flats have literally blown vehicles off the road. In the very recent past, a trailer being pulled by a semi was blown across the guard rail over the Matanuska River.

This section of highway also spans three major bridges across the Matanuska and Knik Rivers. Condensation produces heavy fog throughout this area almost daily. Another effect of the moisture present there is a large amount of road ice.

The area also supports a large moose population. The perimeters of the road are unfenced, allowing these animals to cross the roadway at random. The high banks necessary to keep the road from flooding inhibit the driver's ability to spot moose crossing this highly trafficked road.

Add to this already hazardous drive the fact that the Glenn Highway is the primary artery of the substantial commuter population traveling from the Mat-Su Borough to jobs in Anchorage/Eagle River. Forty percent of the Borough's working population is employed outside the Borough.

In addition, many residents shop and do business in the Municipality of Anchorage.

The Mat-Su Valley offers a variety of recreational and tourist pastimes, drawing large numbers from the Anchorage bowl to its lakes, streams, ski trails, and other facilities.

Finally, the Glenn Highway is the only road leading north out of Anchorage, and south into Anchorage, Eagle River, and the Kenai Peninsula.

Statistics and Projections:

According to a 1982 Mat-Su Borough census, the borough has 26,000 residents. From 1970-1982, the Borough has experienced an average annual growth rate of 13.4%. There is solid reason to believe that this growth will continue, and could accelerate, in the future. The population will probably increase if planned construction projects, such as the Healy-Willow Intertie and the Beluga-Anchorage gas pipeline, go forward as scheduled. (See Attachment B.)

Of the 9,000 employed Borough residents, 3,600 work outside the Borough, largely in Anchorage/Eagle River. Although most of these people drive, alone or in car pools, three commuter buses daily accommodate approximately 70 people.

Average daily traffic on the Glenn Highway at the Eklutna Bridge is over 14,000 vehicles (see Attachment C). According to DOT/PF Deputy Commissioner John Bates, traffic is already above average for a two-lane highway.

During peak tourist traffic times, the highway usage more than doubles. On Labor Day, 1982, the Glenn Highway was traveled by 35,560 vehicles (traffic count at Scale House south of Eagle River; no data available for this date at Eklutna Bridge).

Accidents and road repairs which block one or both lanes further complicate smooth traffic flow. Emergency medical services personnel have expressed concern that traffic tangles may one day block passage of ambulances en route to Anchorage.

Atkins
The Glenn Highway was constructed in 1965-66, when the Borough's population was 6,350, and the population of the Anchorage area was 102,337. The road was upgraded to four lanes from Anchorage to Peters Creek in 1972. The four lane highway was expanded to Eklutna Bridge in 1980.

Conclusions:

more than dbl.
The Glenn Highway was adequate to meet traffic demands when it was constructed nearly twenty years ago. However, population in the Mat-Su area has more than quadrupled since that time, and Anchorage population has doubled. Tourism and recreation have become attractive industries for the economies of the Mat-Su and Anchorage areas. The existing road is no longer adequate for the increased demands being put upon it. As population, commuting workforce, and tourism increase, this strain will worsen.

According to John Scribner of DOT/PF, Anchorage, the project to widen the Glenn from Eklutna Bridge to the Parks Highway Junction, if funded this session, would be completed in approximately 1987, when, according to moderate population estimates, the population of the Matanuska Susitna Borough will be over 34,000. (Reference Attachment B.)

Therefore, it is vital to the economic well-being of the Matanuska-Susitna Borough and the Municipality of Anchorage, both its commuter and recreational/tourist travelers, and to the safety of all users of the Glenn Highway to begin construction of a four-lane highway from the south end of Eklutna Flats to the Junction of the Parks Highway.

ATTACHMENT A

HB 98

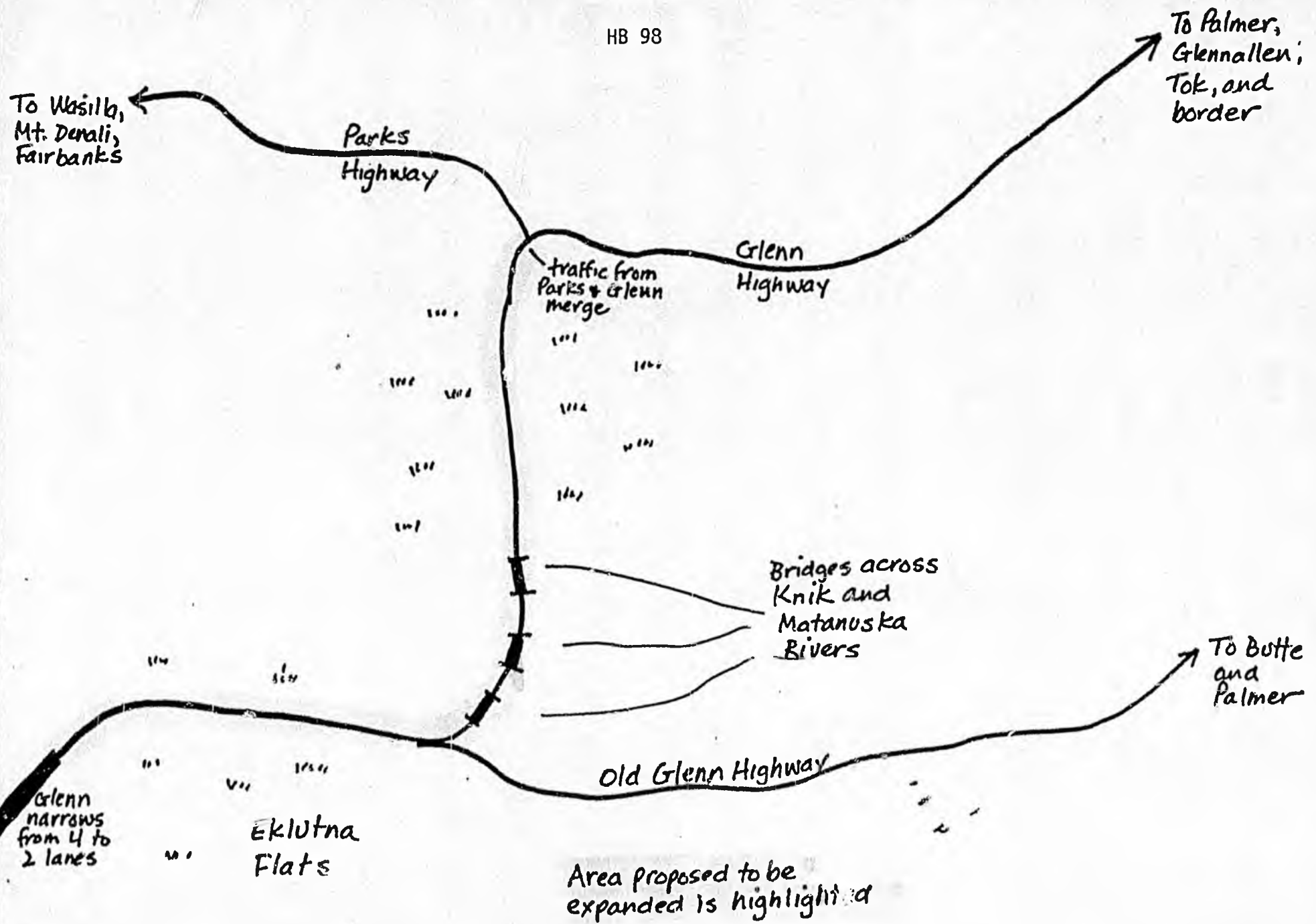


TABLE 4
 MATANUSKA-SUSITNA BOROUGH POPULATION PROJECTION
 MODERATE SCENARIO
 (MID RANGE)

<u>Year</u>	<u>Population</u>	<u>% Increase</u>
1981	22,339	-
1982	23,456	5%
1983	24,761	6%
1984	26,247	6%
1985	28,377	8%
1986	30,942	8%
1987	34,303	10%
1988	39,449	15%
1989	45,430	15%
1990	51,080	12%
1991	57,339	11%
1992	64,723	13%
1993	71,880	11%
1994	79,824	11%
1995	85,620	7%
1996	91,568	7%
1997	97,036	6%
1998	102,213	5%
1999	107,660	5%
2000	113,390	5%
2001	119,414	5%

Source: "GROWTH POTENTIAL, DEVELOPMENT ISSUES, SETTLEMENT PATTERNS"
 Volume 2 of 2, Matanuska-Susitna Borough Comprehensive
 Planning Program, May, 1982

ATTACHMENT B

Glenn Highway: Eklutna - Parks Highway Junction

Built In 1965-1966

Normal Traffic: 1981 ADT 7,400-8,000 no winter counts are available on this segment of the road. (ADT - AVERAGE DAILY TRAFFIC)

Variance between morning and evening:

<u>Station</u>		<u>SB</u>		<u>NB</u>	
Eklutna Bridge	AM	3133 (43%)		2226 (31%)	7/14/82
Eklutna Bridge	PM	4103 (57%)		4749 (69%)	7/14/82
Eklutna Bridge	day	7238		6975	7/14/82
Glenn - S. of Parks Hwy.	AM	2566 (42%)		1826 (30%)	7/14/82
"	PM	3481 (58%)		4190 (70%)	7/14/82
"	day	6047		6016	7/14/82

Both Ways

Old Glenn Junct.	AM	4306	35%	July (13-15), 1982
	PM	7697	65%	
	day	12157	100%	

above average for 2 lane rd.

Park Traffic: At scale house - no data available for subject segment.

State Fair - Friday 8/20/82
 NB 16,021
 SB 15,006

Labor Day - Saturday 9/4/82 (Scale house)
 SB 16,715 (Into town) ANCHORAGE
 NB 18,845

Time Road Closed:

one lane - 3 days last summer/repair of bridge
 two lanes - 3 days - 3 years ago/repair R.R. crossing

No data available for road closures due to accidents.

Accidents: Should have accident data tomorrow.

THE LEGISLATURE OF THE STATE OF ALASKA
THIRTEENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. HB98 - Approp. to DOT/PF for construction of a four-lane
Title highway from Eklutna Flats to Palmer-Wasilla junction
Requested by Lacher Tischer, Larson Date 1/20/83

II. FISCAL DETAIL

Agency Affected Dept. of Transportation & Public Facilities

Program Category Affected _____

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)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
MAINTENANCE & OPERATION	-0-	-0-	-0-			
TOTAL	-0-	-0-	-0-			

FUNDING (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
GENERAL FUND	-0-	-0-	-0-			
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
FULL TIME						
PART TIME						
TEMPORARY						

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

IV. DATE 2/2/83 PREPARED BY Wayne Weeks
AGENCY DOTPF - Planning & Programming
PHONE 465-4060
Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

III. ANALYSIS (cont'd)

This analysis includes the construction of: (1) a new south bound 2 lane roadway from Eklutna Flats to the junction of the Parks Highway (8.5 miles); (2) bridges (4500 feet); (3) an interchange at the intersection with the Old Glenn Highway; and (4) an overlay of the existing highway. Estimated construction cost in FY 83 dollars is \$38,479,000., including a 10% contingency. This fiscal note assumes: (1) an annual inflation rate of 10%; (2) preliminary engineering (P.E.) contracted out to a consultant; (3) P.E. funding available by July 1983; and (4) the construction contract advertising for bid by February 1987. The estimated P.E. cost in FY 83 dollars is \$946,000., which is 3% of the estimated construction cost. The analysis assumes the P.E. costs are spread over 3 years. On completion of construction, it is estimated that maintenance and operating costs will approximate \$7,000 per lane mile. This translates to \$119,000 per year. Total construction costs through completion are estimated at \$60,105,000 rather than the \$39,000,000 contained in HB 98.

1987
Construction

John Bates

1987 New Set of Instructions
On F N S

1. O.M.B. signed
2. Same 3 months from now?

Planning? 4 or 5 years to start
8 years
Take 3 years because of Wetlands

New Con program?

QUESTIONS TO ASK DOTPF REPRESENTATIVE:

In a conversation staff had with DOT staff ~~last week~~, DOT was asked if projection of \$39-million would be enough money to fund the project. DOT's response at that time (about 3 weeks ago), was that yes this figure would be very close to the actual cost. How does it happen that the original estimate has almost doubled in such a short time?

I believe I was told this by Jon Scribner of Design & Construction in ~~Atlanta~~. (not sure if was Scribner)

Wouldn't this project qualify for approximately 95.9% federal funding?

Why is this not brought out in the fiscal note?

What are DOTPF's priorities for use of the federal funds available to this state? Approximately \$147-million will be available for FY84, approximately \$155-million will be available the following year, and about \$158-million the year after that.

Do DOT's priorities for use of federal funds agree with the legislature's priorities for road construction?

Tom Newnabor, field operations engineer for Federal Highway Administration, projected the following costs for the project:

\$500,000 for environmental assessment and location studies

\$3-400,000 for design

\$35 to 40-million for construction

for a maximum estimated cost of \$41 million