

HB

101

**STATE OF ALASKA 1987 LEGISLATIVE SESSION  
FISCAL NOTE**

REQUEST: 3/27/87

Bill Version: HB101  
Publish Date: \_\_\_\_\_

Revision Date: \_\_\_\_\_

Agency Affected: DOT&PF

Title: An Act Relating to State Toll  
Facilities

BRU: Design and Construction

Sponsor: Cato

Components: \_\_\_\_\_

Requestor: House Transportation

**EXPENDITURES/REVENUES: (Thousands of Dollars)**

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	-0-	-0-	-0-	-0-	-0-	-0-
<b>CAPITAL</b>	-0-	-0-	-0-	-0-	-0-	-0-
<b>REVENUE</b>	-0-	-0-	-0-	-0-	-0-	-0-

**FUNDING: (Thousands of Dollars)**

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
<b>TOTAL</b>	-0-	-0-	-0-	-0-	-0-	-0-

**POSITIONS:**

FULL-TIME	-0-	-0-	-0-	-0-	-0-	-0-
PART-TIME	-0-	-0-	-0-	-0-	-0-	-0-
TEMPORARY	-0-	-0-	-0-	-0-	-0-	-0-

**ANALYSIS :** (Attach a separate page if necessary)

There is no fiscal impact in adding tunnels to existing toll authority. The specific fiscal impacts of a Whittier Toll Road would be subject to AS 37.15.730.

Prepared by: William R. Snell, Regional Director  
Division: Central Region

Phone: 266-1440  
Date: \_\_\_\_\_

Approved by Commissioner: *M. K. S. Willy*  
Agency: DOT&PF

Date: 3/31/87

**Distribution (by preparer):**

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)
- Senate Secretary

SENATE COMMITTEE REPORT

FURTHER: FINANCE

5/13/87

DATE TURNED INTO OFFICE 2-25-88

Mr. President:

TRANSPORTATION Committee considered CSHB 101(Fin)

state toll facilities

and recommended:

replace with  ~~CS~~ FOR SCS CS HR 101 (TRSP)  same title  
 or adopt \_\_\_\_\_  CS FOR \_\_\_\_\_ )  new title

attached amendment(s) and

do pass

do not pass

no recommendation

individual recommendations

further referral to \_\_\_\_\_

letter of intent adopted \_\_\_\_\_

Committee  attached or  adopted fiscal note(s)

new  updated or  previous

zero  fiscal impact

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

*Tim Keel*  
*[Signature]*  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

*[Signature]*  
Chairman signature and recommendation

Committee Backup Attached

# Alaska State Legislature



## House of Representatives

### Committee on Transportation

Rep. Bette Cato, Chairman

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

February 26, 1988

TO: Senate Transportation Committee Members

FROM: Representative Bette Cato *BC*

SUBJECT: HB 101

I have reviewed the proposed committee substitute for CSHB 101 and I am happy with the changes.

Essentially, the proposed changes would allow ANY state toll facility to be constructed provided the conditions in AS 37.15.730 are met. Originally, HB 101 required Knik Arm Crossing and the Whittier Toll road be the first state toll facilities constructed.

Thank you for considering CSHB 101.

FISCAL NOTE

REQUEST:

Revision Date: \_\_\_\_\_ Agency Affected: Department of Revenue  
 Title: State Toll Facilities BRU: Treasury  
 Sponsor: Finance Components: \_\_\_\_\_  
 Requestor: Senate Transportation

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
OPERATING						
PERSONAL SERVICES	-	-	-	-	-	-
TRAVEL	-	-	-	-	-	-
CONTRACTUAL	-	-	-	-	-	-
SUPPLIES	-	-	-	-	-	-
EQUIPMENT	-	-	-	-	-	-
LANDS & STRUCTURES	-	-	-	-	-	-
GRANTS, CLAIMS	-	-	-	-	-	-
MISCELLANEOUS	-	-	-	-	-	-
TOTAL OPERATING	-	-	-	-	-	-
CAPITAL	-	-	-	-	-	-
REVENUE	-	-	-	-	-	-

FUNDING: (Thousands of Dollars)

GENERAL FUND	-	-	-	-	-	-
FEDERAL FUNDS	-	-	-	-	-	-
OTHER	-	-	-	-	-	-
TOTAL	-	-	-	-	-	-

POSITIONS:

FULL-TIME	-	-	-	-	-	-
PART-TIME	-	-	-	-	-	-
TEMPORARY	-	-	-	-	-	-

ANALYSIS: Attach a separate page for analysis.

Prepared By: Milt Barker MB  
 Division: Treasury  
 Approved by Commissioner: [Signature]  
 Agency: Department of Revenue

Phone: 465-2350  
 Date: February 23, 1988  
 Date: 2/23/88

Distribution (by preparer):  
 Legislative Finance  
 Legislative Sponsor  
 Requestor  
 Office of Management and Budget  
 Impacted Agency(ies)

Original sponsor: Cato

IN THE HOUSE

BY THE TRANSPORTATION COMMITTEE

SENATE CS FOR CS FOR HOUSE BILL NO. 101 (Transportation)

IN THE LEGISLATURE OF THE STATE OF ALASKA

FIFTEENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act relating to state toll facilities."

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

\* Section 1. AS 19.05.040(11) is amended to read:

(11) establish, levy, and collect tolls, fees, charges, and rentals for the use of state roads, highways, bridges, tunnels, crossings, and causeways; and

\* Sec. 2. AS 37.15.720 is amended to read:

Sec. 37.15.720. STATE TOLL FACILITIES. The state is authorized to acquire, construct, equip, and maintain toll bridges, tunnels, highways, roads, crossings, and causeways found to be necessary by the commissioner of transportation and public facilities.

\* Sec. 3. AS 37.15.730 is amended to read:

Sec. 37.15.730. REVIEW OF TOLL FACILITY PROJECTS [KNIK ARM CROSSING]. A toll facility may be financed under AS 37.15.610 - 37.15.760 [NOTWITHSTANDING THE PROVISIONS OF AS 37.15.720 THE FIRST STATE TOLL FACILITY TO BE FINANCED UNDER AS 37.15.610 - 37.15.760 IS THE KNIK ARM CROSSING NEAR ANCHORAGE] if the following conditions are met for that toll facility:

(1) the department submits to the governor and the legislature a feasibility study that finds that the toll facility [CROSSING] is financially feasible and able to produce revenue adequate to repay the bonds with which it is financed;

(2) if financing in addition to revenue bonds is required to finance the toll facility [ANTICIPATED], the department submits to

1 the governor and legislature a finance plan that includes [TO INCLUDE]  
2 an estimate of the total cost of the toll facility [PROJECT] and a  
3 description of the sources of money that will be used to finance the  
4 total cost of the toll facility [PROJECT]; and

5 (3) the office of management and budget reviews the fea-  
6 sibility study and the finance plan, if required, and reports its  
7 findings and recommendations to the governor and legislature not later  
8 than 90 days after the study and plan are received by the office.

9 \* Sec. 4. AS 37.15.760(7) is amended to read:

10 (7) "toll facilities" means highways, roads, bridges,  
11 tunnels, crossings, and causeways upon which tolls, charges, rentals,  
12 or other user fees are placed by the commissioner of transportation  
13 and public facilities.

5-0493X  
Utermohle  
1/26/88

Original sponsor: Cato

1 IN THE HOUSE

2 SENATE CS FOR CS FOR HOUSE BILL NO. 101 ( )

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

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26 is financially feasible and able to produce revenue adequate to repay  
27 the bonds with which it is financed;

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29 to finance the toll facility [ANTICIPATED], the department submits to

1 the governor and legislature a finance plan that includes [TO INCLUDE]  
2 an estimate of the total cost of the toll facility [PROJECT] and a  
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11 tunnels, crossings, and causeways upon which tolls, charges, rentals,  
12 or other user fees are placed by the commissioner of transportation  
13 and public facilities.

*Ray  
Right -  
with other senators.*

*F. W. Calk*

MEMORANDUM

TO: Lloyd

FROM: Ray

DATE: January 26, 1988

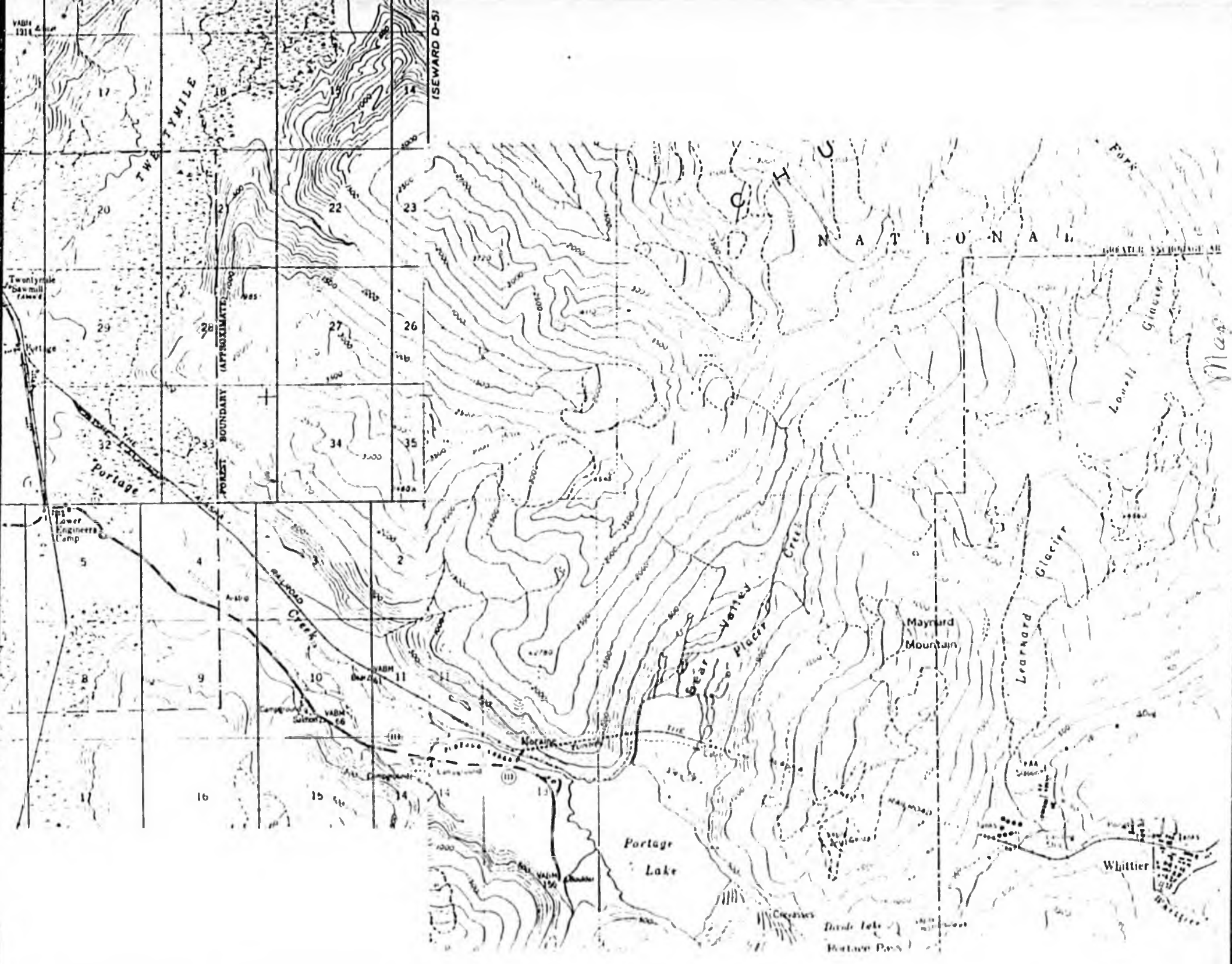
SUBJECT: Possible Senate CS for CS for HB 101 (finance)  
-Relating to State Toll Facilities

Existing law mandates the Knik Arm Crossing will be the first state toll facility to be financed under AS 37.15.610-37.15.760 (Toll facility revenue bonds).

The CS for HB 101 (finance) adds the Whittier Toll Road onto the list, making the Whittier toll road and the Knik Arm crossing the first two facilities to be financed.

The Senate CS I had legislative legal draw up drops both the Knik Arm and Whittier facilities from the list to receive priority funding, and simply states "A toll facility may be financed under AS 37.15.610- 37.15.760. The negative I see in doing this is, whoever had the Knik Arm Crossing originally put in to receive priority funding may not want it gone now.

*Draft is attached*



VADN 1914

(SEWARD D-5)

T.W.B. TYPICAL

CHUGACH NATIONAL FOREST

GREATER SEWARD HILL

Twenty mile  
Daw mill  
TAMM

Refuge

FOREST BOUNDARY (APPROXIMATE)

portage

Lower  
Engineers  
Camp

Asah

SALMON  
Creek

Bear  
River

Creek

Maynard  
Mountain

Learhard  
Glacier

Lowell  
Glacier

Portage  
Lake

Whittier

Divide Lake  
Butane Pass

Map

# Alaska State Legislature

## House of Representatives

### Committee on Transportation

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

Rep. Bette Cato, Chairman  
Representative Bette Cato



Section Analysis House Bill 101 - An act relating to toll facilities.

#### Section 1.

Title 19 pertains to the duties and powers vested in the Department of Transportation. Sec. 19.05.040 specifically outlines the powers of the department. HB 101 Section 1 adds new language that would provide the department with the power to establish, levy, and collect tolls, fees, charges and rentals for the use of state roads, highways, bridges, tunnels crossings and causeways.

#### Section 2.

Amends AS.37.15.720 to add the word tunnels to those state toll facilities the state is authorized to acquire, construct, equip and maintain.

#### Section 3.

AS.37.15.730 is amended to say the first state toll facility to be financed is the Whittier Toll Road. This changes the current language from the Knik Arm Crossing to the Whittier Toll Road.

Several other slight language changes have been made to this section.

- a. Line 24 Page 1 changes the word "crossing" to "project".
- b. Line 29 Page 1 changes to words "to include" to "that includes".
- c. Line 9 Page 2 adds the word "tunnels" to the definitions for toll facilities.

*sectional analysis*

WHITTIER TRANSPORTATION ALTERNATIVES  
Economic Analysis and Financing Options

Executive Summary

Overland access to Whittier is currently limited to a rail shuttle service between Portage and Whittier provided by the Alaska Railroad. Concern has been expressed that the shuttle does not provide the level of convenience of a direct highway link, and that the cost and frequency of existing service may constrain potential economic development of the community.

Since development of Whittier during World War II there has been significant community and regional interest in improving access. A number of concepts have been evaluated, cost estimates have been prepared, and projects have been determined to be feasible from an engineering perspective.

One issue that has not been addressed in previous efforts is the potential use of access tolls or other local revenue sources to finance construction and operation of transportation improvements. To evaluate that potential, high, medium, and low traffic and revenue forecasts were prepared for a number of access options. Net revenues and financing capacity were determined using updated construction and operating cost estimates prepared in previous analyses.

Factors leading to significant increases over present traffic volumes include local and regional population growth, steadily increasing numbers of non-resident tourists and tour ship activity, and potential increases in recreational boating activity if the proposed Shotgun Cove harbor project is constructed. From a current level of approximately 147,000 passengers per year, annual transportation demand by the year 2007 is projected to grow to 310,000 passengers for the low forecast, and up to 942,000 passenger trips under the high forecast.

Transportation options selected for analysis were chosen from previously studied concepts, including improved rail service, joint use of the existing rail tunnel and alignment for one lane vehicular traffic, and construction of a new one lane tunnel. The study focused on five alternatives that would have the highest probability of minimizing or eliminating the necessity for construction and operating subsidies, while at the same time meeting the goal of increasing ease of access to the community.

In terms of initial outlays the least cost access improvement would be to supplement the existing train shuttle with Budd car service. Such service, similar to the new winter Anchorage-Fairbanks run, could be provided during peak periods and for those winter days when no shuttle service is scheduled. Projected operating costs for this alternative, however, are relatively high in comparison to the other scenarios considered.

The development of an electric train vehicle shuttle between Bear Valley and Whittier appears to have the best potential to fund a significant proportion of initial capital outlays through user tolls. Major cost components, totalling an estimated \$30.6 million, would include:

- the construction of a new road to Bear Valley (starting from the vicinity of the Begich-Boggs Visitor Center at Portage Lake);
- parking/staging areas at Bear Valley and Whittier;
- electrification and other improvements to the Passage rail tunnel through Maynard Mountain;
- and the purchase of electric locomotives and flatcars to operate the shuttle service.

Projected construction financing capacity for the electric train vehicle shuttle ranges from \$12.8 million for the low traffic and revenue forecasts up to \$37.8 million for the high growth scenario.

Among the alternatives which included direct vehicular access, joint use of the existing rail tunnel from Bear Valley to Whittier has the greatest potential for financing start-up costs through user tolls, with construction financing capacity estimated to range from \$8.2 million to \$35.8 million. A major concern, however, is the wide variation in previous estimates of the cost of improving the tunnel to accommodate vehicular traffic, ranging from \$35.6 million to \$133.5 million in current (1986) dollars.

For each of the above alternatives the feasibility of project development will depend on the accuracy of previously prepared estimates of construction and operating costs. As the estimates used in these analyses were based on preliminary design concepts, and in some cases were updated from studies dating back several years, it is strongly recommended that detailed construction and operating cost estimates should be prepared prior to selecting a transportation improvement plan.



Dept. of Transportation & Public Facilities

# *Position Paper*

BILL NO: HB 101

TITLE: An Act Relating to State  
Toll Facilities

APPROVED: Mark S. Hickey *MSH*  
Commissioner

DATE: 3/31/87

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The Department of Transportation and Public Facilities supports expanding the current toll facility authority to include tunnels. In addition, while we see no problem with the addition of the Whittier Toll Road facility to AS 37.15.730, we question why the references to the Knik Arm Crossing are being deleted. This legislation reinforces the desire to ensure that projects such as this are financially feasible and able to produce revenues to cover their costs whenever possible.

In March, 1986, an economic analysis and financial plan for transportation access to Whittier was completed. A copy of the Executive Summary of the Whittier Transportation Alternatives is attached.

Attachment

For further information call Susan Fleischhauer at 465-3900.

*DOT Position Paper*

MAR 15 1987

RESOLUTION OF THE ALASKA MUNICIPAL LEAGUE

RESOLUTION NO. 87-4

A RESOLUTION CALLING FOR THE SUPPORT  
OF LEGISLATION WHICH PERTAINS TO THE FINANCING  
AND CONSTRUCTION OF TOLL ROAD FACILITIES.

WHEREAS, the current ferry, barge and rail lines through Whittier and terminating in Anchorage constitute an important established transportation and supply link for the State of Alaska and its citizens, and

WHEREAS, Whittier and other Alaskan communities have enjoyed a demonstrated increase in use over the past two years as both a debarkation point for tourists and as cargo handling ports for rail barge traffic, and

WHEREAS, the cost-effective and timely movement of goods and tourists to the major economic and population centers of the state would result in lower costs to consumers and improve distribution to remote communities as well as increase the beneficial impact of the tourism industry by increasing its capacity, and


WHEREAS, in times of contracting economic conditions, it has been shown that public works projects which will benefit the state as a whole, are a way to increase employment in the short run and in turn provide long term public benefits as a result;

NOW, THEREFORE, THE ALASKA MUNICIPAL LEAGUE RESOLVES, that we support legislation which pertains to the financing and construction of toll road facilities.

We also support the creation of new legislation which would allow for tunnels to be considered viable toll road activities.

Adopted this 15th day of November 1987.

Supporting Resolutions<sup>34</sup>



Unique — even in Alaska!

## THE CITY OF WHITTIER

March 31, 1987

The Honorable Representative Bette Cato  
P.O. Box V  
Juneau, AK 99811

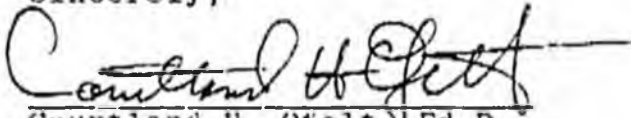
Dear Representative Cato,


Please extend our warmest greetings to your staff and colleagues. We are submitting this letter for your perusal in lieu of in person testimony on HB 101 while it is in committee.

We perceive this measure to be a first step if you will, in the process of enabling a project of this nature to go forward. At this time, the measure costs us nothing but the energy spent on its consideration in the legislature. It is our strongly held belief that this measure is essential for us to even begin to consider any of the options that have been suggested for improved transportation access from Portage to Whittier. Through this legislation we envision a future project that will be self sufficient with regard to the retirement of initial financial obligations.

We believe that sometime in the future a road will be constructed which will serve to connect the last unpaved link between Whittier and Anchorage. This will thereby increase the utility of the Port of Whittier as a freight handling terminal for the entire state by enhancing current rail only operations. It would also add to the convenience of the many visitors from Anchorage who utilize Whittier as the closest access to the recreational opportunities on Prince William Sound. Other benefits would include the impacts that would be felt by the fishing industry in western Prince William Sound and the flexibility that could be enjoyed by the tourism industry in their scheduling through this port.

Sincerely,

  
Courtland H. Ofelt, Ed.D.  
City Manager

  
Georgia L. Buck,  
Mayor



CITY OF WHITTIER, ALASKA  
RESOLUTION NO. 11-20-86D

A RESOLUTION OF THE CITY OF WHITTIER, ALASKA, CALLING FOR THE SUPPORT OF LEGISLATION WHICH PERTAINS TO THE FINANCING AND CONSTRUCTION OF TOLL ROAD FACILITIES.

WHEREAS, the current ferry, barge and rail lines through Whittier and terminating in Anchorage constitute an important established transportation and supply link for the State of Alaska and its citizens; and,

WHEREAS, Whittier has enjoyed a demonstrated increase in use over the past two years as both a debarkation point for tourists and as a cargo handling port for rail barge traffic; and,

WHEREAS, the cost-effective and timely movement of goods and tourists to the major economic and population centers of the state would result in lower costs to consumers and improved distribution to remote communities as well as increase the beneficial impact of the tourism industry by increasing its capacity; and,

WHEREAS, in times of contracting economic conditions, it has been shown that public works projects which will benefit the state as a whole, are a way to increase employment in the short run and in turn provide long term public benefits as a result; and,

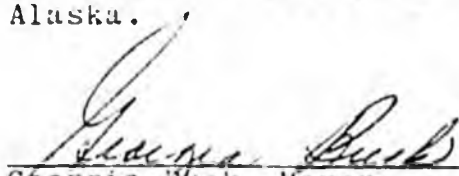
NOW, THEREFORE, THE WHITTIER CITY COUNCIL RESOLVES:

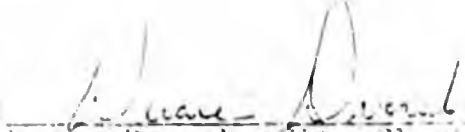
That we support legislation which pertains to the financing and construction of toll road facilities.

We also support the creation of new legislation which would allow for tunnels to be considered viable toll road activities.

Resolution No. 11-04-86 which also pertains to this issue is hereby repealed upon the passage of this measure.

PASSED AND APPROVED this 20th day of November, 1986 by a duly-constituted quorum of the city council of Whittier, Alaska.

  
\_\_\_\_\_  
Georgia Buck, Mayor  
City of Whittier, Alaska

ATTEST:   
\_\_\_\_\_  
Duane Dvorak, City Clerk  
City of Whittier, Alaska