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STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE

Bill Version: SB 84

Publish Date: _____

REQUEST 1-30-87

Revision Date: 1-30-87

Agency Affected: DOT&PF

Title: \$65.0 million in G.O. Bonds for
Widening Glenn Hwy: Eklutna to Parks

BRU: Design and Construction

Sponsor: Kerttula

Components: _____

Requestor: Jones

EXPENDITURES/REVENUES: (Thousands of Dollars)

| OPERATING | FY 87 | FY 88 | FY 89 | FY 90 | FY 91 | FY 92 |
|-------------------|----------|----------|------------|------------|------------|---------|
| PERSONAL SERVICES | | | | | | 55.0 |
| TRAVEL | | | | | | |
| CONTRACTUAL | | | | | | 125.0 |
| SUPPLIES | | | | | | 70.0 |
| EQUIPMENT | | | | | | |
| LAND & STRUCTURES | | | | | | |
| GRANTS, CLAIMS | | | | | | |
| MISCELLANEOUS | | | | | | |
| TOTAL OPERATING | -0- | -0- | -0- | -0- | -0- | \$250.0 |
| CAPITAL | \$305.0* | \$200.0* | \$8,000.0* | \$35,100.0 | \$17,000.0 | -0- |
| REVENUE | -0- | -0- | -0- | -0- | -0- | -0- |

FUNDING: (Thousands of Dollars)

| | | | | | | |
|---------------|--------|--------|------------|------------|------------|---------|
| GENERAL FUND | 15.2 | 10.0 | 421.6 | 1,849.8 | 895.9 | 250.0 |
| FEDERAL FUNDS | 289.8* | 190.0* | 7,578.4* | 33,250.2 | 16,104.1 | |
| OTHER | | | | | | |
| TOTAL | 305.0* | 200.0* | \$8,000.0* | \$35,100.0 | \$17,000.0 | \$250.0 |

POSITIONS:

| | | | | | | |
|-----------|-----|-----|-----|-----|-----|-----|
| FULL-TIME | -0- | -0- | -0- | -0- | -0- | 1 |
| PART-TIME | -0- | -0- | -0- | -0- | -0- | -0- |
| TEMPORARY | -0- | -0- | -0- | -0- | -0- | -0- |

ANALYSIS:

-- See attached page --

* Federal Authorization for these amounts has already been received. The Department will request authorization to receive and expend the additional federal funds in subsequent capital budget requests.

Prepared by: William R. Snell (signed)

Phone: 266-1440

Division: Deputy Commissioner, Central Region

Date: 1/30/87

Approved by Commissioner: *Robert L. ...*

Date: 2/2/87

Agency: _____

Distribution (by preparer):

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

Fiscal Note Analysis
SB 84

1. Analysis of the fiscal impact on existing programs.

The sale of General Obligation (G.O.) bonds would change the funding source for a portion of this project from federal funds to State funds; however, the project would continue to be developed to federal standards in order to be able to use federal funding for future improvements. There would be no impact on the DOT&PF's current schedule in development of this project to widen the Glenn Highway to four lanes from Eklutna to the Parks Highway.

The total cost of the project is estimated to be \$142,000,000. The first phase, the widening of a the Glenn Highway to four lanes from Eklutna to the Parks Highway, is estimated to cost \$60,000,000. The Department already has approximately \$8,000,000 of this authorization which will enable work to continue through FY'89. The additional estimated \$52,000,000 authorization, which will be needed to complete the first phase of the project, will be included in future budget requests.

The ultimate project, which would contain interchanges at the Parks and Old Glenn Highways, is estimated to cost \$142,000,000. The \$100,000 authorization for the Preliminary Engineering of the Glenn Highway/Parks Highway Interchange is anticipated to be requested in FY'90. The balance of the needed funding is beyond the horizon of the 6-year Capital Improvement Program.

2. Analysis of the fiscal impact on new programs.

Substituting G.O. bond funds for federal funds would free up this federal funding for other projects throughout the State.

3. Analysis of how the figures in the fiscal note were developed.

The FY'90 \$35,100,000 and the FY'91 \$17,000,000 capital amounts are the Department's current best estimate of authorization needed to complete the first phase. \$100,000 of the \$35,100,000 amount will allow the start of preliminary engineering for the Parks/Glenn Interchange.

G.O. bond fundings would not change the overall fiscal requirements of the project. Beginning in FY'92 there would be at least \$250,000 yearly in additional maintenance costs. This is computed by multiplying 30 new lane miles of road: 10 miles x 3 (2 additional lanes + wide shoulders) by the estimated \$7,500 cost per lane mile and providing for \$25,000 annual repairs to the new bridges. If at that time new equipment is required, the costs could be substantially higher.

4. Other Information.

The DOT&PF agrees that widening the Glenn Highway from Eklutna to Parks Highway to four lanes is a much needed project, and in fact, has included it as a high priority in the Six Year Capital Improvement Program. Through the Mat-Su Borough planning process, this project has been identified as the top priority project for the area.

Specifically, the ultimate project would widen the Glenn Highway to four lanes from Eklutna to the Parks Highway with interchanges at the Parks and Old Glenn Highways. The first phase of the project (widening to four lanes) is estimated to cost \$60,000,000. The total cost with interchanges is estimated to be \$142,000,000.

The Department spent approximately \$460,000 in FY'83-'85, \$270,000 in FY'86, and we estimate \$305,000 will be spent in FY'87 and \$200,000 in FY'88 on this project. This money was spent to meet project develop requirements of the Federal Highway Administration (FHWA) such as the location report, Draft Impact Statement, etc. As mentioned above, additional authorization will be requested in future budgets when needed.

A community meeting was held in Wasilla on October 29, 1985 to introduce the project and explain the development process of a federal aid project. One of the major hurdles, the Draft Environmental Impact Statement (DEIS), was submitted to the FHWA on December 18, 1986. Following approval of the DEIS by the FHWA, the project will proceed to design. We anticipate that right-of-way acquisition could begin as early as 1989 and construction could be completed in 1992. At this time there is no reason to believe this project cannot be developed in a timely manner.

Wetlands and wildlife habitat impacts are part of the social and environmental issues being addressed in the DEIS. We do not anticipate any problems with the wetlands as the Alaska Legislature exempted the right-of-way for the project from legislation establishing the Palmer Hay Flats Game Refuge (AS 16.20.032), and the U.S. Fish and Wildlife Service and the Corps of Engineers have cooperated with our development efforts. There will be some required wetland mitigation, but the extent will not be known until the DEIS has been accepted by the FHWA.