

2/28/01

GARVEE

BONDS

HFIN

FILE



***Accelerated
Transportation
Program***

**GARVEES:
Grant Anticipation Revenue Vehicles**

Governor Tony Knowles Department of Transportation and Public Facilities

February 2001



Summary

What is a GARVEE?

The National Highway System Designation Act of 1995 expanded the types of costs that could be financed with federal highway funds. In 1998, the federal Transportation Equity Act for the 21st Century (TEA-21) increased annual funding for states. States can now use a portion of those funds for debt-financing through a mechanism called Grant Anticipation Revenue Vehicles (GARVEEs).

How GARVEEs work?

Any project that is eligible for federal highway funds and contained in the State Transportation Improvement Program (STIP) is eligible for GARVEE financing. The Federal Highway Administration is very flexible in allowing states to tailor the finance structure to meet their unique needs. In fact, no two states are alike. Some states issue general obligation bonds. Others issue revenue bonds. In all cases, the debt is repaid primarily with future federal reimbursements for the specific projects.

Alaska's GARVEE program will pledge future federal funds as the revenue stream to repay the construction costs of specific projects. The state will also pledge the general fund to ensure the highest ratings possible. It is the state's intent that the revenue obligations issued under this program will be repaid from annual legislative appropriations of federal money derived from annual apportionments to the state by the Federal Highway Administration.

Impact of TEA-21 on GARVEEs

How a debt financing structure is received in the financial market depends in part on the predictability of future revenue streams. TEA-21 provides states with a minimum guarantee of federal funding. This reduces the risk of federal funds not materializing within the authorization period of the act. Federal transportation allocations should increase over time as motor fuel use increases.

Benefit of GARVEEs

Pay-as-you-go financing of costly projects can leave few additional revenues for other projects. Bond financing allows a project to be built sooner and it is more cost-effective by avoiding cost increases resulting from inflation. By delivering a project earlier than would otherwise be possible, bond financing also provides greater benefit to the public (for example, increased safety, less traffic congestion and delays, and increased economic output). **Perhaps the biggest possible benefit is eliminating the need for general funds by using investment earnings on bond proceeds to meet federal match requirements.**

Good market response to GARVEEs

To date several states, including Massachusetts, New Mexico, Mississippi, Arizona, Colorado, New Jersey, Arkansas and Ohio, have issued GARVEEs. The programs vary in complexity and range in size from \$116 million to \$1.7 billion. The financial market views GARVEEs favorably.



Benefits of GARVEE financing



Accelerated Transportation Program

- X Anticipate eliminating the need for State General Fund match support for projects. Using interest earnings will save State General Funds.
- X Future inflation costs can be avoided by building projects with “current” dollars.
- X Debt service payments will come from federal highway funds.
- X Frees up funds for other STIP projects.
- X Important projects can be built sooner than originally scheduled.
- X Large projects built without impact on remainder of highway construction program.
- X Early public use of completed projects.
- X Early implementation of Southeast Alaska Transportation Plan.
- X Increased percentage of private sector design contracts.
- X Improved safety, reduced congestion, increased economic output.
- X Provides a tool to spur economic activity.

Realistic Goals/ Achievable Objectives

Goal:

Accelerate transportation projects by leveraging future federal reimbursements

Objectives:

- X To receive A1, A, A bond ratings (Moody's, Standard & Poors, & Fitch) or better for Alaska's GARVEEs.
- X Lock-in today's construction cost and reduce exposure to inflation.
- X To accelerate the construction benefit.
- X To achieve increases in safety and economic development.
- X To reduce requirement for general funds.
- X To advance other projects in the STIP.
- X To maintain Alaska construction industry's capacity to design and build.
- X To structure a strong credit with federal reimbursements as the primary source of repayment.



**Accelerated
Transportation
Program**

Financing



Accelerated Transportation Program

- X Not a general obligation bond
- X Financing mechanism is similar to certificates of participation commonly used by the State.
- X Revenue Obligations to be repaid with pledged federal highway funds.
- X Alaska's GARVEEs subject to annual appropriation of federal funds by the legislature.
- X Relatively short maturity (15-18 years).
- X Annual payments approx. \$42 million (10-12 percent of annual federal highway program).
- X Good debt service coverage (8-10x).



Cash Funding Vs. GARVEEs

Cash Funded (current STIP program)

- X Cash funded projects are stretched out over time.
- X Large cash funded projects reduce the amount of dollars available each year for other needed statewide projects
- X Cost of construction will be greater if project construction is stretched out over a longer period of time.
- X General Fund match requirement.

GARVEEs

- X GARVEE funded projects can be built in shorter period of time.
- X Projects will be built within approximately 5 years with only a 10-12% reduction in the annual highway program for debt service payments.
- X Financing structured for no fiscal impact on current STIP
- X Investment earnings to meet match requirement should eliminate need for General Funds.

States Issuing GARVEEs

Accelerated Transportation Program

| Issuer | Moody's Rating | Pledged Revenues | Amount |
|------------------------------------|----------------|---|--|
| New Mexico | A3 | Future Federal funds | \$295 million total (\$100.2 million initial issuance) |
| Arkansas | Aa2 | Future Federal Funds | \$175 million |
| Arizona | Aa3 | Future Federal Funds | \$40 million |
| Colorado | Aa3 | Future Federal Funds (expect 1/2 of debt service payments from state gas tax) | \$536.9 million (\$1.7 billion authorized) |
| Ohio | Aa3 | Future Federal funds | \$70 million |
| Mississippi | Aa1 | Future Federal funds, Oil Tax, Contractor Tax, Fuel Tax, Tag Fees | \$200 million |
| New Jersey Transit Authority | A1 | Future Federal funds, (FTA), Motor Fuel Tax, Registration Fees and Toll Fees | \$1 billion authorized |
| Massachusetts | Aa3 | Future Federal funds Gas Tax | \$1.5 billion total (\$600 million initial issuance) |

Other states considering GARVEEs: Florida, Maryland, Missouri, Virginia, Oklahoma

How GARVEEs are used to finance projects

Accelerated Transportation Program

- ✗ Used to finance a specific Federal-eligible project or projects.
- ✗ State seeks approval for advance construction, preserving ability to seek reimbursement for debt service.
- ✗ State DOT submits the debt service schedule in application for FHWA approval.
- ✗ Proceeds spent on the project or projects that were approved.
- ✗ State DOT submits a requisition to FHWA for reimbursement shortly before each principal/interest payment.

State DOT applies for specific project through FHWA project application process



State issues bonds



State DOT builds Federal-eligible project



FHWA obligates funds based on annual debt service requirements



FHWA reimburses State DOT for debt service



Project List

Accelerated Transportation Program

Project Criteria

- X Projects that address safety, capacity, and economic development
- X Projects that can be completed within five to six years
- X Large projects that may otherwise not be done for many years because of their size
- X Project list developed with extensive community involvement

Anchorage

| | |
|--|---------------|
| C Street, Phase III (Dimond to O'Malley) | \$ 28,750,000 |
| Glenn Hwy (Gambell St. to McCarrey St.) | \$ 58,000,000 |
| Seward Hwy/International Airport Crossing | \$ 15,000,000 |
| Seward Hwy at 92 Ave / Connect Abbott Rd to Old Seward Hwy. | \$ 12,500,000 |
| Seward Hwy West frontage (Dimond to O'Malley) | \$ 9,000,000 |
| A/C Couplet, 6th to 40th Aves. | \$ 6,250,000 |
| Bragaw - Glenn Hwy to Debarr | \$ 625,000 |
| Dimond Blvd, Jewel Lake Rd. to New Seward Hwy. | \$ 6,500,000 |
| Lake Otis - Abbott to O'Malley & Debarr to Northern Lights Blvd. | \$ 2,600,000 |
| Mt. View Drive - Commercial to Glenn Highway | \$ 500,000 |
| 9th Ave - L Street to Ingra | \$ 800,000 |
| Northern Lights/Bensen Blvds., Forest Park Dr. to Lake Otis | \$ 3,000,000 |
| Old Seward Hwy, Huffman Rd to Potter Valley Rd. | \$ 2,000,000 |
| Spenard Road - McRea to Fireweed | \$ 1,500,000 |

Subtotal \$ 147,025,000

Mat-Su

| | |
|---|---------------|
| Glenn Highway State Fairgrounds Access Improvements | \$ 500,000 |
| Palmer Wasilla Highway Expansion | \$ 17,850,000 |
| Mat-Su: Old Glenn Highway Rehabilitation | \$ 13,225,000 |
| Mat-Su: Petersville Road MP 3-14 | \$ 5,400,000 |
| Mat-Su: Seward Meridian Rd, Parks to Seldon | \$ 7,525,000 |
| Mat-Su: Trunk Road Reconstruction | \$ 9,150,000 |
| Mat-Su: Bogard Road Extension East | \$ 6,530,000 |
| Mat-Su: Bogard Road Wasilla High/Wasilla Middle School Grade Crossing | \$ 1,430,000 |
| Glenn Hwy MP 34 to 42 Reconst. - Parks to Old Glenn Hwy | \$ 1,500,000 |
| Parks Hwy. Corridor Alternative (Wasilla area) | \$ 1,700,000 |
| Palmer: East Eagle Ave. and Gulkana Street Upgrade | \$ 1,200,000 |
| Wasilla Local Gravel-to-Asphalt Program | \$ 1,000,000 |

Subtotal \$ 67,010,000

Project List (cont.)

Accelerated Transportation Program

Fairbanks

| | | |
|---|-----------|-------------------|
| Illinois/Barnette Street Reconstruction | \$ | 18,700,000 |
| Downtown Fairbanks Street Improvements | \$ | 8,000,000 |
| Richardson Hwy: North Pole Interchange | \$ | 16,100,000 |
| Richardson Highway: MP 352 to 361 Rehab | \$ | 11,100,000 |
| FNSB Roads and Trails | \$ | 10,000,000 |
| South Cushman Street Improvements | \$ | 3,100,000 |
| Subtotal | \$ | 67,000,000 |

Southeast Alaska

| | | |
|------------------------|----|------------|
| Two High Speed Ferries | \$ | 70,000,000 |
|------------------------|----|------------|

Kotzebue

| | | |
|-----------------------------|----|------------|
| Shore Ave Rehab and Erosion | \$ | 11,450,000 |
|-----------------------------|----|------------|

Nome

| | | |
|---|----|-----------|
| Seppala and Front Street Rehabilitation | \$ | 5,090,000 |
|---|----|-----------|

Dillingham

| | | |
|------------------------------------|----|-----------|
| Aleknagik Lake Road MP 8-23 Paving | \$ | 9,900,000 |
|------------------------------------|----|-----------|

Rural

| | | |
|--|----|------------|
| Village Road Surfacing (Fort Yukon, Kaltag, Galena, Emmonak, St. Mary's, McGrath, Aniak, Bethel) | \$ | 15,000,000 |
|--|----|------------|

Bethel

| | | |
|-------------------------------|-----------|------------------|
| Akakeek | \$ | 880,000 |
| Ptarmigan Street Improvements | \$ | 1,480,000 |
| H-Marker Road Improvements | \$ | 480,000 |
| Chief Eddie Hoffman Highway | \$ | 4,000,000 |
| Subtotal | \$ | 6,840,000 |

Barrow

| | | |
|------------------------|----|------------|
| Road surface treatment | \$ | 10,000,000 |
|------------------------|----|------------|

Kenai

| | | |
|--|-----------|-------------------|
| Soldotna: East Redoubt Ave. Rehabilitation | \$ | 5,073,000 |
| North Kenai Spur Road MP 22-29.7 Repave | \$ | 10,612,000 |
| Subtotal | \$ | 15,685,000 |

Total \$ 425,000,000

2001 GARVEE
Project List

2001 GARVEE Project List

Anchorage

| | |
|--|-----------------------|
| C Street, Phase III (Dimond to O'Malley) | \$ 28,750,000 |
| Glenn Hwy (Gambell St. to McCarrey St.) | \$ 58,000,000 |
| Seward Hwy/International Airport Crossing | \$ 15,000,000 |
| Seward Hwy at 92 Ave / Connect Abbott Rd to Old Seward Hwy. | \$ 12,500,000 |
| Seward Hwy West frontage (Dimond to O'Malley) | \$ 9,000,000 |
| A/C Couplet, 6th to 40th Aves. | \$ 6,250,000 |
| Bragaw - Glenn Hwy to Debarr | \$ 625,000 |
| Dimond Blvd, Jewel Lake Rd. to New Seward Hwy. | \$ 6,500,000 |
| Lake Otis - Abbott to O'Malley & Debarr to Northern Lights Blvd. | \$ 2,600,000 |
| Mt. View Drive - Commercial to Glenn Highway | \$ 500,000 |
| 9th Ave - L Street to Ingra | \$ 800,000 |
| Northern Lights/Bensen Blvds., Forest Park Dr. to Lake Otis | \$ 3,000,000 |
| Old Seward Hwy, Huffman Rd to Potter Valley Rd. | \$ 2,000,000 |
| Spenard Road - McRea to Fireweed | \$ 1,500,000 |
| Subtotal | \$ 147,025,000 |

Mat-Su

| | |
|---|----------------------|
| Glenn Highway State Fairgrounds Access Improvements | \$ 500,000 |
| Palmer Wasilla Highway Expansion | \$ 17,850,000 |
| Mat-Su: Old Glenn Highway Rehabilitation | \$ 13,225,000 |
| Mat-Su: Petersville Road MP 3-14 | \$ 5,400,000 |
| Mat-Su: Seward Meridian Rd. Parks to Seldon | \$ 7,525,000 |
| Mat-Su: Trunk Road Reconstruction | \$ 9,150,000 |
| Mat-Su: Bogard Road Extension East | \$ 6,530,000 |
| Mat-Su: Bogard Road Wasilla High/Wasilla Middle School Grade Crossing | \$ 1,430,000 |
| Glenn Hwy MP 34 to 42 Reconst. - Parks to Old Glenn Hwy | \$ 1,500,000 |
| Parks Hwy. Corridor Alternative (Wasilla area) | \$ 1,700,000 |
| Palmer: East Eagle Ave. and Gulkana Street Upgrade | \$ 1,200,000 |
| Wasilla Local Gravel-to-Asphalt Program | \$ 1,000,000 |
| Subtotal | \$ 67,010,000 |

Fairbanks

| | |
|---|----------------------|
| Illinois/Barnette Street Reconstruction | \$ 18,700,000 |
| Downtown Fairbanks Street Improvements | \$ 8,000,000 |
| Richardson Hwy: North Pole Interchange | \$ 16,100,000 |
| Richardson Highway: MP 352 to 361 Rehab | \$ 11,100,000 |
| FNSB Roads and Trails | \$ 10,000,000 |
| South Cushman Street Improvements | \$ 3,100,000 |
| Subtotal | \$ 67,000,000 |

Southeast Alaska

| | |
|------------------------|---------------|
| Two High Speed Ferries | \$ 70,000,000 |
|------------------------|---------------|

Kotzebue

| | |
|-----------------------------|---------------|
| Shore Ave Rehab and Erosion | \$ 11,450,000 |
|-----------------------------|---------------|

Nome

| | |
|---|--------------|
| Seppala and Front Street Rehabilitation | \$ 5,090,000 |
|---|--------------|

Dillingham

| | |
|-------------------------------------|--------------|
| Aleknagik Lake: Road MP 8-23 Paving | \$ 9,900,000 |
|-------------------------------------|--------------|

Rural

| | |
|------------------------|---------------|
| Village Road Surfacing | \$ 15,000,000 |
|------------------------|---------------|

Bethel

| | |
|-------------------------------|---------------------|
| Akakeek | \$ 880,000 |
| Pfarmigan Street Improvements | \$ 1,480,000 |
| H-Marker Road Improvements | \$ 480,000 |
| Chief Eddie Hoffman Highway | \$ 4,000,000 |
| Subtotal | \$ 6,840,000 |

Barrow

| | |
|------------------------|---------------|
| Road surface treatment | \$ 10,000,000 |
|------------------------|---------------|

Kenai

| | |
|--|----------------------|
| Soldotna: East Redoubt Ave. Rehabilitation | \$ 5,073,000 |
| North Kenai Spur Road MP 22-29.7 Repave | \$ 10,612,000 |
| Subtotal | \$ 15,685,000 |

Total \$ 425,000,000

2001 PROPOSED GARVEE BOND PROJECTS

NORTHERN REGION

Fairbanks: Downtown Street Improvements: Upgrade city streets and sidewalks in the Fairbanks downtown area based upon the recommendations of the Fairbanks Downtown Transportation Study. The initial project will include Noble Street from Wendell to 12th Ave, Lacey Street from 1st Ave to 5th Ave, Cushman from 1st Ave to 5th Ave, and portions of 1st, 3rd, and 4th Ave from Noble to Barnette Street.

Proposed funding: \$8,000,000

Fairbanks: Illinois-Barnette and Bridge: Construction of a new Chena River Bridge at Barnette; upgrade of Barnette between 1st and 7th Avenues, Reconstruction of Illinois; between the Chena River and Phillips Field Road, and Rehab of Illinois between Phillips Field Road and College Road.

Proposed funding: \$18,700,000

Kotzebue: Shore Avenue Rehab and Erosion Protection: Reconstruct, widen, and pave Shore Ave and provide erosion protection. Develop appropriate enhancements including lighting, overlooks, benches, and interpretation.

Proposed funding: \$11,450,000

Nome: Bering, Seppala & Front Street Rehabilitation and Front Street Safety and Enhancements: Rehabilitate and repave Bering, Front and Seppala Streets, including minor drainage improvements. This project will also include enhancements along Front Street such as widening the sidewalks, installation of period lighting, and improvement of intersection pedestrian crosswalks along Front Street at Hunter Street and Federal Way. This project also includes a scenic overlook with historic and cultural interpretive exhibits along the beach near the Perkins Plaza.

Proposed funding: \$5,090,000

Richardson Highway: MP352 to 361 Rehabilitation: Level and repave the first nine miles of the Richardson Highway starting at the intersection of Airport Way and Richardson Highway in Fairbanks.

Proposed funding: \$11,100,000

Richardson Highway: North Pole Area Interchange: Construct a grade separated intersection at North Pole on the Richardson Highway between Badger Road and Laurance Road. Complete the frontage road system in this area to develop full access control.

Proposed funding: \$16,100,000

Borough Area Roads and Trails: This project will rehabilitate Borough Area Roads and Trails based upon the priority of the FNSB.

Proposed funding: \$10,000,000

South Cushman Street Improvements, Phase 1: The total project runs from Airport Road to Van Horn Road. This will begin either with Mitchell Expressway to Van Horn or begin Right of way acquisition near Airport Road.

Proposed funding: \$3,100,000

Rural: Village Road Surfacing: The gravel roads within larger communities of western Alaska are creating a serious health and economic burden on the people living in these communities. During summer months the road surfaces dry out and become a major source of dust. The dust is pervasive and affects the quality of life for everyone and everything in the village. This project will construct a bituminous surface treatment (BST) to reduce dust, seal the road, and provide a long-lasting, firm driving surface.

Proposed funding: \$15,000,000

Barrow Surface Treatment: The gravel roads in Barrow are a serious health and economic burden on the people living there. During summer months the road surfaces dry out and become a major source of dust. This project will construct a bituminous surface treatment (BST) to reduce dust, seal the roads, and provide a long-lasting, firm driving surface.

Proposed funding: \$10,000,000

TOTAL Northern Region \$108,540,000

CENTRAL REGION

ANCHORAGE PAVEMENT REHABILITATION PROGRAM:

This program will provide a funding source for several pavement overlay and/or replacement projects. Improvements are also expected to include ADA and some existing curb and sidewalk repair.

A/C Couplet, 6th Ave. to 40th Ave.: Resurface all north and southbound lanes, curb to curb. Pavement rehabilitation will improve traffic flow for a couplet that carries between 28,000 to 36,000 vehicles per day.

Proposed funding: \$6,250,000

Bragaw - Glenn Highway to Debarr: Overlay or replace pavement on approximately 4,000 LF of a 4-lane major arterial. Includes minor road, curb, and sidewalk reconstruction as well as ADA upgrades. Pavement cracking and rutting makes this road segment a high maintenance priority. Project will improve safety and reduce maintenance costs. This facility carries over 18,000 vehicles per day.

Proposed funding: \$625,000

Dimond Blvd., Jewel Lake Rd. to New Seward Highway: Resurface from curb to curb this divided six-lane major arterial carrying over 40,000 vehicles per day. Severe rutting makes this project a priority.

Proposed funding: \$6,500,000

Lake Otis - Abbott to O'Malley & Debarr to Northern Lights Blvd: Replace pavement on approximately 9,700 LF of roadway. Includes minor road, curb and sidewalk reconstruction; ADA upgrades and neighborhood trail connections. This facility carries over 18,000 vehicles per day.

Proposed funding: \$2,600,000

Mt. View Drive - Commercial to Glenn Highway: Overlay or replace pavement on approximately 3,100 LF of a 4-lane minor arterial. Includes minor road, curb, and sidewalk reconstruction as well as ADA upgrades. Pavement cracking and rutting make this project a high maintenance priority. This facility carries over 11,000 vehicles per day.

Proposed funding: \$500,000

9th Avenue - L Street to Ingra: Overlay or replace pavement on approximately 6,400 LF of a 4-lane minor arterial. Includes minor road, curb, and sidewalk reconstruction as well as ADA upgrades. Reconstruction may be required between Gambell Street and Ingra Street. Pavement cracking and rutting make this project a high maintenance priority. Project will improve safety and reduce maintenance costs on a road with over 11,000 vehicles per day.

Proposed funding: \$800,000

Northern Lights/Benson Blvds., Forest Park Dr. to Lake Otis Parkway (Couplet): Resurface this minor arterial couplet (four westbound lanes and four eastbound lanes) from curb to curb. Severe rutting makes this project a maintenance priority. Project will improve traffic flow on this facility, which carries over 50,000 vehicles per day.

Proposed funding: \$3,000,000

Old Seward Hwy. Huffman Rd. to Potter Valley Road: Resurface severely rutted minor arterial to improve traffic flow of over 11,000 vehicles per day.

Proposed funding: \$2,000,000

Spenard Road - McRea to Fireweed: Overlay or replace pavement on approximately 7,000 LF of 4-lane minor arterial, including minor road, curb, and sidewalk reconstruction as well as ADA upgrades. Pavement cracking and rutting make this project a high maintenance priority. Project will improve safety and reduce maintenance costs. This facility carries over 22,000 vehicles per day.

Proposed funding: \$1,500,000

Subtotal Pavement Rehab Costs \$23,775,000

C Street Phase II. Dimond Blvd. to O'Malley Rd., including interchange at O'Malley Rd. and a grade separation for the Alaska Railroad near 68th Ave. and C Street:

Extend C Street to O'Malley Road. Construct 4-lanes, 2 lanes each direction separated by depressed median along with 10-foot separated pathway on west side and detached 8-foot sidewalk on east side. Project includes interchange at C Street and O'Malley Road and grade-separated rail crossing near 68th Avenue and C Street. Provides needed access to industrially-zoned land and improves traffic flow with alternative north/south travel corridor. Extension expected to carry over 20,000 vehicles per day.

Proposed funding: \$28,750,000

Glenn Highway, Gambell St. to McCarrey St. (6 laning with interchanges at Airport Heights and Bragaw Street:

Project implements recommendation(s) of Major Investment Study to address traffic congestion. Options include widening 5th Avenue, analyzing a complex to eliminate a bottleneck, and analyzing interchanges at Airport Heights and Bragaw Street. Project will eliminate bottleneck, improve traffic flow, and improve air quality. Facility currently carries over 40,000 vehicles per day.

Proposed funding: \$58,000,000

Seward Highway at International Airport Rd Grade Separated Crossing: Provide grade-separated crossing of the New Seward Highway by International Airport Road with connections to frontage road on both sides of the New Seward Highway. Project will facilitate critical east to west traffic movement. The New Seward Highway at International Airport Road carries over 60,000 vehicles per day.

Proposed funding: \$15,000,000

Seward Highway at 92nd Avenue Grade Separation and connection to Old Seward Highway and Abbott Road: Provide grade-separated crossing of the New Seward Highway on the 92nd Avenue alignment, connecting Old Seward Highway with Abbott Road. Project will relieve congestion on the Old Seward Highway and other arterials including Lake Otis Parkway. The New Seward Highway carries over 40,000 vehicles per day at this location.

Proposed funding: \$12,500,000

Seward Highway reconstruction of frontage roads including an extension of West Frontage Road - Dimond to O'Malley: Extend the west frontage road of the Seward Highway from Dimond Boulevard to O'Malley Road providing alternative access to land uses adjacent to controlled access highway and convert one-way traffic to two-way traffic flow. Rehabilitate pavement as necessary.

Proposed funding: \$9,000,000

Subtotal Anchorage (including Pavement Rehab Program) \$147,025,000

BETHEL

Bethel: Akakeek Street Improvements: Reconstruct and resurface Akakeek Street, a distance of approximately 2,900 feet, with asphalt. Project does not include separated pathways or illumination. Road constructed with poor soils with minimal surfacing. Silty soils used for original construction produce significant dust during dry weather causing air quality problems. Project is high maintenance priority and will improve safety and air quality. Akakeek Street provides access to area of highest residential density in Bethel.

Proposed funding: \$880,000

Bethel: Chief Eddie Hoffman Highway: Rehabilitate the Chief Eddie Hoffman Highway from Mile 0.0 to 4.3. Project will stabilize the embankment of the road that currently settles every year due to differential thaw, reducing annual maintenance costs.

Proposed funding: \$4,000,000

Bethel: H-Marker Road Improvements: Reconstruct and resurface H-Marker Road, a distance of about 1,260 feet, with asphalt. Project does not include a separated pathway or illumination. Silty soils used for original construction produce significant dust during dry weather causing air quality problems. Project is high maintenance priority and will improve safety and air quality.

Proposed funding: \$480,000

Bethel: Ptarmigan Street Improvements: Reconstruct and resurface Ptarmigan Street from Ridgecrest Drive to Tundra Ridge, a distance of about 10,000 feet, with asphalt. Project does not include separated pathways or illumination. Silty soils used for original construction produce significant dust during dry weather causing air quality problems. Project is high maintenance priority and will improve safety and air quality. Ptarmigan Road provides access to area of highest residential density in Bethel.

Proposed funding: \$1,480,000

Subtotal Bethel \$6,840,000

KENAI PENINSULA

North Kenai Spur Road MP 22-29.7 Repave: Repave the existing roadway, provide wider shoulders, improve the site distance at the Tesoro Refinery (MP 22.2), and provide pedestrian pathway between Nikiski Elementary School/Recreation Center and Nikiski High School. Project is a high maintenance priority as pavement exceeds 20 years and is failing. Project will improve safety by providing shoulders, turn pockets and pedestrian pathway.

Proposed funding: \$10,612,000

Soldotna: East Redoubt Ave. Rehabilitation: Rehabilitate East Redoubt Avenue between the MP 2 and end of road at MP 5. Work includes adding to road base to support hard surfacing and other improvements. Road serves as only access to residences, a recreation area, and two public boat docks along the Kenai River east of Soldotna. Project is a maintenance priority and will improve air quality.

Proposed funding: \$5,073,000

Subtotal Kenai Peninsula Borough \$15,685,000

MAT-SU BOROUGH

Glenn Highway MP 34 to 42 Reconst. - Parks to Old Glenn Hwy (Palmer): Complete design phase for project to reconstruct Glenn Highway to four lanes, including pathway and shoulders. Cost estimate is to only complete design phase. Level of service (LOS) analysis indicates that the existing two-lane road will not provide the LOS desirable for a suburban arterial and that four lanes will be necessary to sustain the desired LOS.

Proposed funding: \$1,500,000

Glenn Highway State Fairgrounds Access Improvements: Construct additional dedicated right turn lanes for access to State Fairgrounds to relieve congestion and improve safety.

Proposed funding: \$500,000

Parks Highway Corridor Alternative (Wasilla area): Develop an alternative Parks Highway route for through traffic, relieving congestion along portions of the Parks Highway. Cost estimate is for the EIS only.

Proposed funding: \$1,700,000

Mat-Su: Bogard Road Extension East: Extend Bogard Road to Scott Road to connect with the Glenn Highway. Includes 2 miles of new road construction and reconstruction of 1.0 mile of Scott Road. Pave the route and provide pedestrian facilities, turn pockets, and intersection lighting. Project will realign and widen Scott Road, improve safety, and provide alternative east-west access between Palmer and Wasilla.

Proposed funding: \$6,530,000

Mat-Su: Seward Meridian Rd. Parks to Seldonv: Upgrade Seward Meridian Road to four lanes from Parks Highway to Seldon Road. Intersection improvements will be needed at the Palmer-Wasilla Highway, including turn lanes and signal upgrades. Project will improve safety and ease congestion as well as create a continuous corridor between the Parks Highway and Seldon Road.

Proposed funding: \$7,525,000

Mat-Su: Trunk Road Reconstruction: Rehabilitate Trunk Road from Parks Highway to Palmer Fishhook Road. The Preliminary Design Project is also scoping several construction alternatives including a new alignment that is preferred by the Matanuska-Susitna Borough. Project will construct shoulders, drainage improvements including culvert replacements, and hard surfacing. A separated trail is being considered. Project will improve safety by eliminating sharp curves and upgrading road to arterial standards.

Proposed funding: \$9,150,000

Palmer: East Eagle Avenue and Gulkana Street Upgrade: Pave East Eagle Avenue including curb and gutter. Project extends from Glenn Highway east to Gulkana Street and south on Gulkana Street to end of pavement (elementary school). City of Palmer intends to design and construct these improvements and agrees to contribute additional funding to complete project. (Cost estimate does not complete project.) Project will improve air quality and safety and reduce maintenance costs.

Proposed funding: \$1,200,000

Wasilla Local Gravel-to-Asphalt Program: Pave locally-owned Wasilla streets with asphalt (streets to be identified by City of Wasilla). Projects will pave existing gravel roads that are high maintenance priorities and reduce maintenance costs.

Proposed funding: \$1,000,000

Mat-Su: Bogard Road Wasilla High/Middle Schools Pedestrian Crossing: Construct a handicap accessible pedestrian crossing of Bogard Road in Wasilla to provide a direct connection between Wasilla High and Wasilla Middle Schools and improve safety.

Proposed funding: \$1,430,000

Old Glenn Highway MP 0-18.6 Rehabilitation: Rehabilitate Old Glenn Highway from Palmer to the Glenn Highway. Includes separated pathway and widened shoulders from Palmer to Plumley Road. Repaving only from Plumley Road to the Glenn Highway Interchange. Project is a high maintenance priority and will reduce maintenance costs.

Proposed funding: \$13,225,000

Palmer-Wasilla Highway Expansion: Complete environmental document, design, and purchase right-of-way for expansion of Palmer-Wasilla Highway to five lane facility. Project will increase capacity as traffic volumes exceed 13,000 vehicles per day in the rapidly growing Mat-Su Borough.

Proposed funding: \$17,850,000

Petersville Road MP 3-14: Rehabilitate and hard surface Petersville Road from the existing end of the pavement to the end of winter maintenance at Kroto Creek and construct a separated path from the Parks Highway to Trapper Creek Elementary School. Enlarge/improve the parking area at Kroto Creek. Project will improve safety, provide enhanced recreational access, and reduce maintenance costs.

Proposed funding: \$5,400,000

Subtotal Mat-Su \$67,010,000

SOUTHWEST

Dillingham Aleknagik Lake Road, MP 8-23 Paving: Pave in place MP 8-23 of the Dillingham to Aleknagik Road with minor reconditioning of the existing road. Project does not include widening, realignment, drainage work, separated pathways, or illumination. Project will reduce maintenance costs, provide reliable access for local residents, and meet increasing demands for tourism opportunities at the Wood-Tikchik State Park (largest state park in Alaska). Project will also increase tourist-related commercial development in the region.

Proposed funding: \$9,900,000

Subtotal Southwest \$9,900,000

TOTAL Central Region \$246,460,000

SOUTHEAST REGION

Two Fast Ferries:

Proposed funding: \$70,000,000

TOTAL Southeast Region \$70,000,000

TOTAL GARVEE BOND PROJECTS \$425,000,000

FHWA LETTER



U.S. Department
of Transportation

**Federal Highway
Administration**

Alaska Division

www.fhwa.dot.gov/akdiv

P.O. Box 21648
Juneau, Alaska 99802
907-586-7418

February 8, 2001

HDA-AK
Adm-F&A 1

Ms. Nancy Slagle
Director, Administrative Services Division
Alaska Department of Transportation
and Public Facilities
3132 Channel Drive
Juneau, Alaska 99801-7898

Dear Ms. Slagle:

During the last legislative session, the Alaska Federal Highway Administration's (FHWA) Division Office had numerous meetings and phone conferences with personnel from the Alaska Department of Transportation, the Department of Revenue's Municipal Bond Bank, and FHWA's Innovative Finance Office, on the subject of Grant Anticipation Revenue Vehicles, or GARVEE bonds. As an outcome of these discussions, the Governor sought legislation for a \$350 million program of projects to be funded with GARVEE bond proceeds.

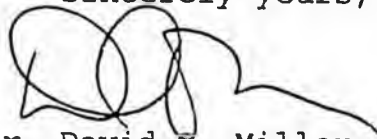
Discussions with our office centered on the potential for applying a present value calculation to the Federal-aid match requirements on the \$350 million program of projects. The Alaska Department of Transportation planned to use a portion of investment earnings on bond sale proceeds and wanted to apply such earnings to debt service payments using a present value calculation in lieu of all standard non-Federal match requirements.

During this process, FHWA's National Innovative Finance personnel concluded that investment earnings on bond proceeds could be used to meet the non-Federal match. They also felt that the application of a present value calculation to the initial debt service payment using non-Federal funds, had substantial merit. Some variations of this methodology have received case-by-case approval on other recent GARVEE issuances, though under distinctly different circumstances.

Prior to making an eligibility determination on the present value concept, the Alaska Department of Transportation will need to prepare and submit to our office for approval, a formal application under FHWA's Test and Evaluation Project (TE-045). In addition to describing the projects to be financed using GARVEE bond proceeds, and identifying the innovative techniques to be deployed under TE-045, the application must demonstrate the necessity for waiving standard Federal-aid finance procedures. This necessity may be substantiated by showing how innovative finance techniques either expedite the project(s) completion dates, reduce total costs for producing projects, or leverage non-Federal funds.

If you have any questions concerning this matter, please contact Dave Bruce, Financial Manager, at (907) 596-7413.

Sincerely yours,

A handwritten signature in black ink, appearing to read 'DC Miller', with a long horizontal flourish extending to the right.

For: David C. Miller
Division Administrator

PUBLIC SUPPORT

ALASKA TRUCKING ASSOCIATION, INC.

3443 Minnesota Drive • Anchorage, Alaska 99503 • PHONE (907) 276-1149 • FAX (907) 274-1946

Statement Of Support For GARVEE Bond Concept

February 23, 2001

My name is Frank Dillon. I am employed as executive vice president of Alaska Trucking Association. Alaska Trucking Association is a 42-year-old trade association comprised of transportation companies throughout the state of Alaska.

Alaska Trucking Association strongly supports the GARVEE Bond Financing concept. GARVEE Bonds are a mechanism allowed by the federal government and currently being used in other states, in which federal highway funds are essentially advanced to the state that would normally come in outlying years.

The use of GARVEE Bonds will allow for expedited construction of much needed transportation infrastructure projects. Many of these projects will enhance the safety, efficiency, and productivity of the trucking industry.

Alaskans depend on trucks for food, construction materials, and virtually all consumer items. Prudhoe Bay and the oil and gas industry throughout Alaska depend on trucks for supplies to continue their production. GARVEE Bonds will allow for the completion of much needed transportation infrastructure sooner than the normal process. Therefore, affording Alaskans the benefits of these projects in a timelier manner.



Introduced by: James C. Hayes, Mayor
Date: February 5, 2001

RESOLUTION NO. 3898

A RESOLUTION IN SUPPORT OF THE "GARVEE" BOND PACKAGE INCLUDING THE RICHARDSON HIGHWAY NORTH POLE INTERCHANGE, THE RICHARDSON HIGHWAY MP352 - MP361 REHABILITATION, THE FAIRBANKS DOWNTOWN STREET IMPROVEMENTS, THE FAIRBANKS ILLINOIS-BARNETTE AND BRIDGE, THE FAIRBANKS NORTH STAR BOROUGH ROADS AND TRAILS (\$10,000,000), THE SOUTH CUSHMAN STREET IMPROVEMENTS, UNIVERSITY AVENUE WIDENING - SOUTH SEGMENT (AIRPORT), UNIVERSITY AVENUE WIDENING - CENTER SEGMENT (GEIST), AND CHENA HOT SPRINGS/CIRCLE LOOP, AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Fairbanks, City of North Pole, and Fairbanks North Star Borough has traffic problems that are in need of solutions; and

WHEREAS, the State of Alaska Department of Transportation and Public Facilities (AKDOTPF) may be able to provide for earlier funding of the following projects through the Guaranteed Anticipated Revenue Vehicle (GARVEE) Bond process:

- Richardson Highway - North Pole Area Interchange**
- Richardson Highway - MP352 - MP361 Rehabilitation**
- Fairbanks - Downtown Street Improvements**
- Fairbanks - Illinois-Barnette and Bridge**
- Fairbanks North Star Borough Roads and Trails (\$10,000,000)**
- South Cushman Street Improvements**
- University Avenue Widening - South Segment (Airport)**
- University Avenue Widening - Center Segment (Geist)**
- Chena Hot Springs/Circle Loop**

WHEREAS, AKDOTPF has stated they would be able to accommodate the increased project load through contracting with private consultants; and

WHEREAS, early funding of these project will result in potential decreased right-of-way costs, earlier safety solutions, and better access within the Fairbanks North Star Borough.

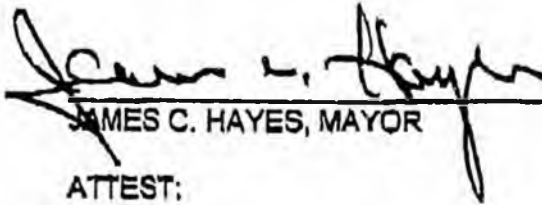
NOW THEREFORE BE IT RESOLVED, that the Mayor and the City Council of the City of Fairbanks, Alaska, support the proposed GARVEE bond package including the Richardson Highway - North Pole Area Interchange, the Richardson Highway - MP352 - MP361 Rehabilitation, the Fairbanks - Downtown Street Improvements, the Fairbanks - Illinois-Barnette and Bridge, the Fairbanks North Star Borough Roads and Trails (\$10,000,000), the South Cushman Street Improvements, the University Avenue Widening - South Segment (Airport), the University Avenue Widening - Center Segment (Geist), and the Chena Hot Springs/Circle Loop project.

BE IT FURTHER RESOLVED that the Fairbanks City Council recommends that in the event these projects are funded by the sale of GARVEE Bonds, an equivalent amount of project funding be made available for City of Fairbanks, City of North Pole, and Fairbanks North Star Borough projects in the Statewide Transportation Improvement Program.

BE IT FURTHER RESOLVED that copies of this resolution will be forwarded to the Fairbanks North Star Borough Assembly, the City Council of North Pole, the Honorable Governor Tony Knowles, and the Interior Delegation.

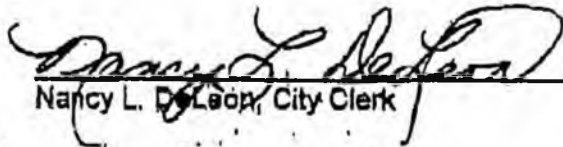
This resolution will become effective immediately following its adoption.

ADOPTED BY THE CITY OF FAIRBANKS OF FAIRBANKS, ALASKA this 5th day of January, 2001.



JAMES C. HAYES, MAYOR

ATTEST:



Nancy L. DeLeon, City Clerk

Introduced by:
Date:
Action:
Vote:

*SA
Kunt*
Mayor
11/21/00
Adopted
9 Yes, 0 No

**KENAI PENINSULA BOROUGH
RESOLUTION 2000-107**

**A RESOLUTION SUPPORTING ACCELERATED TRANSPORTATION GENERAL
OBLIGATION BONDS FOR TRANSPORTATION PROJECTS USING FUTURE
FEDERAL HIGHWAY FUNDS TO REPAY THE DEBT**

- WHEREAS,** the National Highway System Designation Act of 1995 expanded the types of bond-related costs that could be financed with federal highway funds; and
- WHEREAS,** the federal Transportation Equity Act for the 21st Century (TEA-21) increased annual funding for states and states can now use a portion of those funds for debt-financing; and
- WHEREAS,** projects which are eligible for federal highway funds and contained in the State Transportation Improvement Program (STIP) are eligible for bond financing;
- WHEREAS,** bond financing allows a project to be built sooner which is more cost-effective by avoiding cost increases resulting from inflation;
- WHEREAS,** by delivering a project earlier than would otherwise be possible, bond financing also provides greater benefit to the public (e.g., increased safety, less traffic congestion and delays, and increased economic output); and
- WHEREAS,** such bonding may eliminate the need for general funds by using investment earnings on bond proceeds to meet federal match requirements; and
- WHEREAS,** such transportation bonding will maintain Alaska and the peninsula's construction industry's capacity to design and build; and
- WHEREAS,** an improved road system has been a consistent high priority to the Kenai Peninsula Borough Assembly; and
- WHEREAS,** DOTPF has indicated \$15 million of the bond package would be spent on the Kenai Peninsula;

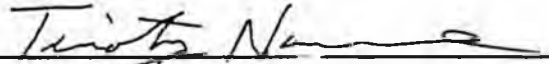
NOW, THEREFORE, BE IT RESOLVED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH:

SECTION 1. The Kenai Peninsula Borough Assembly supports the legislature placing on the ballot the question of use of general obligation accelerated transportation bonding for projects qualifying for federal aid to expedite highway construction projects and the associated benefits within the State of Alaska and the Kenai Peninsula Borough.

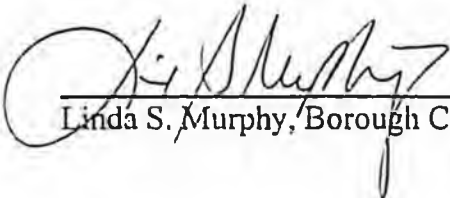
SECTION 2. That a copy of this resolution shall be forwarded to the Alaska Department of Transportation and Public Facilities

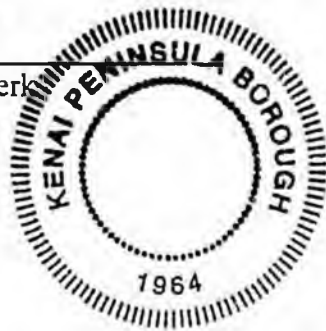
SECTION 3. That this resolution takes effect immediately upon adoption.

ADOPTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS 21ST DAY OF NOVEMBER, 2000.


Timothy Navarre, Assembly President

ATTEST:


Linda S. Murphy, Borough Clerk



Submitted By: Mayor Jacobson and Mr. McGhee
Introduced and Possible Approval: December 18, 2000

City of North Pole

Resolution 00-36

A RESOLUTION IN SUPPORT OF GUARANTEED ANTICIPATED REVENUE VEHICLE (GARVEE) BONDS FOR TRANSPORTATION PROJECTS

WHEREAS, the City of North Pole, the City of Fairbanks and the Fairbanks North Star Borough have transportation problems that are in need of a solution; and

WHEREAS, early funding may be possible by the State of Alaska Department of Transportation and Public Facilities (AKDOTPF) through Guaranteed Anticipated Revenue Vehicle (GARVEE) Bonds; and

WHEREAS, AKDOTPF has stated they would be able to accommodate the increased project load through contracting with private consultants; and

WHEREAS, early funding of projects will result in potential decreased right-of-way costs, earlier safety solutions, and better access within the City of North Pole, the City of Fairbanks and the Fairbanks North Star Borough.


NOW THEREFORE BE IT RESOLVED that the City of North Pole supports the use of GARVEE Bonds.

BE IT FURTHER RESOLVED that the North Pole City Council recommends that in the event projects are funded by the sale of GARVEE Bonds, an equivalent amount of project funding be made available for the Fairbanks North Star Borough projects in the Statewide Transportation Improvement Program.

Passed and approved by a duly constituted quorum of the North Pole City Council on December 18, 2000.


JEFFREY JAMES JACOBSON, Mayor

ATTEST:


Jimmy Kay, City Clerk

ALASKA MUNICIPAL LEAGUE

RESOLUTION 2001-06

**A RESOLUTION URGING THE LEGISLATURE AND
GOVERNOR TO ACCELERATE COMPLETION OF
TRANSPORTATION INFRASTRUCTURE IMPROVEMENTS**

WHEREAS, Alaska's identified transportation needs exceed 7 billion dollars; and

WHEREAS, Grant Anticipation Revenue Vehicles (GARVEE bonds) are authorized by Section 311 of the National Highway System Designation Act of 1995 and offer states a new way to assemble up-front capital on the basis of a pledge of the receipt of future Federal funds; and

WHEREAS, GARVEE bonds would allow Alaska to build up to \$400 million in highway projects in 3 to 5 years with only a 12-14% reduction in the annual highway program for debt service payments over 15 years; and

WHEREAS, pay-as-you-go financing of costly projects takes longer and leaves little additional revenues for other important projects; and

WHEREAS, bond financing allows a project to be built sooner and avoid cost increases resulting from inflation; and

WHEREAS, bond financing provides more immediate transportation project benefits to the public like increased safety, less traffic congestion, and increased economic output; and

WHEREAS, Arizona, New Mexico, Colorado, Arkansas, and Ohio have already funded transportation projects by issuing GARVEE bonds similar to those being considered in Alaska; and

WHEREAS, investment earnings on the upfront bond proceeds held prior to payout for construction will reduce the need for state General Fund match by several million dollars; and

WHEREAS, federal studies show that transportation projects generate approximately 8 full-time jobs per \$1 million of investment; and

WHEREAS, the accelerated federal projects will be well within the Alaska construction industry's capacity to design and build and will benefit the economy;

NOW, THEREFORE, BE IT RESOLVED that the Alaska Municipal League and the Alaska Conference of Mayors urge the Legislature and Governor to support Grant Anticipation Revenue Vehicle (GARVEE) bonds, requiring local government approval, through resolution, of the projects for the bonds, or a similar financing plan using future federal grants, to accelerate completion of transportation infrastructure improvements.

Presented by:
City Manager
Action Taken:
Yes 6 No 2
Abstain 0

CITY OF NOME, ALASKA

RESOLUTION NO. R-01-01-7

**A RESOLUTION IN SUPPORT OF THE BERING STREET,
SEPPALA DRIVE, AND FRONT STREET REHABILITATION AND THE
FRONT STREET SAFETY AND ENHANCEMENTS
THROUGH THE GUARANTEED ANTICIPATED REVENUE VEHICLE
(GARVEE) BOND PROCESS**

WHEREAS, the City of Nome is experiencing a growing number of residents and tourists each year, and

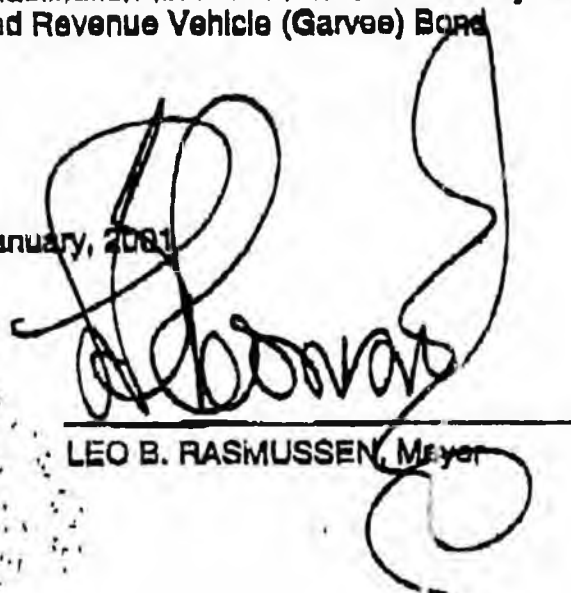
WHEREAS, continued growth of the Nome community and Bering Straits Region has resulted in substantial increases in motor vehicle traffic; and

WHEREAS, the existing sidewalks and lighting are inadequate and in failing condition; and,

WHEREAS, the surface drainage system of the roadway is failing and poses a hazard to vehicular traffic and pedestrians.

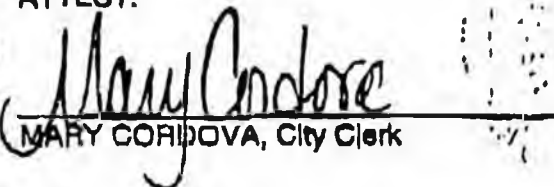
BE IT THEREFORE RESOLVED that the City of Nome supports the funding of the Bering Street, Seppala Drive and Front Street Rehabilitation and the Front Street Safety and Enhancements through the Guaranteed Anticipated Revenue Vehicle (Garvee) Bond process.

APPROVED and SIGNED this 8th day of January, 2001



LEO B. RASMUSSEN, Mayor

ATTEST:


MARY CORIDOVA, City Clerk

By: Karen Parr
Nancy Webb
Introduced: 01/25/01
Adopted: 01/25/01

RESOLUTION NO. 2001-05

A RESOLUTION OF THE FAIRBANKS NORTH STAR BOROUGH ASSEMBLY IN SUPPORT OF THE GARVEE BOND PACKAGE INCLUDING THE RICHARDSON HIGHWAY NORTH POLE INTERCHANGE, THE RICHARDSON HIGHWAY MP352 - MP361 REHABILITATION, THE FAIRBANKS DOWNTOWN STREET IMPROVEMENTS, THE FAIRBANKS ILLINOIS-BARNETTE AND BRIDGE, THE FAIRBANKS NORTH STAR BOROUGH ROADS AND TRAIL (\$10,000,000), THE SOUTH CUSHMAN STREET IMPROVEMENTS, UNIVERSITY AVENUE WIDENING - SOUTH SEGMENT (AIRPORT), UNIVERSITY AVENUE WIDENING - CENTER SEGMENT (GEIST), AND CHENA HOT SPRINGS/CIRCLE LOOP

WHEREAS, the Fairbanks North Star Borough has traffic problems that are in need of solutions; and

WHEREAS, the State of Alaska Department of Transportation and Public Facilities (AKDOTPF) may be able to provide for earlier funding of the following projects through the Guaranteed Anticipated Revenue Vehicle (GARVEE) Bond process:

Richardson Highway - North Pole Area Interchange
Richardson Highway - MP352- MP361 Rehabilitation
Fairbanks - Downtown Street Improvements
Fairbanks - Illinois-Barnette and Bridge
Fairbanks North Star Borough Roads and Trails (\$10,000,000)
South Cushman Street Improvements
University Avenue Widening - South Segment (Airport)
University Avenue Widening - Center Segment (Geist)
Chena Hot Springs/Circle Loop

WHEREAS, AKDOTPF has stated they would be able to accommodate the increased project load through contracting with private consultants; and

WHEREAS, early funding of these projects will result in potential decreased right-of-way costs, earlier safety solutions, and better access within the Fairbanks North Star Borough.

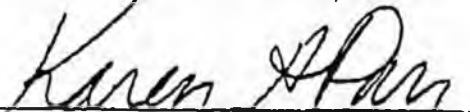
NOW, THEREFORE, BE IT RESOLVED, that the Fairbanks North Star Borough supports the proposed GARVEE bond package including the Richardson Highway - North Pole Area Interchange, the Richardson Highway - MP352- MP361 Rehabilitation, the Fairbanks - Downtown Street Improvements, the Fairbanks - Illinois-Barnette and Bridge, the Fairbanks North Star Borough Roads and Trails (\$10,000,000), the South Cushman Street Improvements, the University Avenue Widening - South Segment (Airport), the University Avenue Widening - Center Segment (Geist), and the Chena Hot Springs/Circle Loop project.

BE IT FURTHER RESOLVED that the Fairbanks North Star Borough Assembly recommends that in the event these projects are funded by the sale of GARVEE Bonds, an equivalent amount of project funding be made available for Fairbanks North Star Borough projects in the Statewide Transportation Improvement Program.

BE IT FURTHER RESOLVED that copies of this resolution will be forwarded to the City Council of Fairbanks, the City Council of North Pole, the Honorable Governor Tony Knowles, and the Interior Delegation.

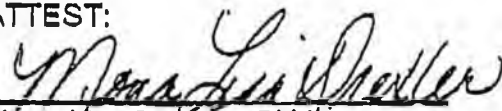
This resolution will become effective immediately following its adoption.

PASSED AND APPROVED THIS 25th OF JANUARY, 2001.



Karen H. Parr
Presiding Officer

ATTEST:



Mona Lisa Drexler, CMC
Municipal Borough Clerk

Ayes: Williams, Webb, Foote, Sattley, Beck, Cummings, Hutchison, Holm, Solle, Veazey, Parr
Noes: None

By: J. Duffy
Amended: 11/21/00
Adopted: 11/21/00

**MATANUSKA-SUSITNA BOROUGH
RESOLUTION SERIAL NO. 00-081**

A RESOLUTION OF THE MATANUSKA-SUSITNA BOROUGH ASSEMBLY IN SUPPORT OF THE GARVEE BOND PACKAGE INCLUDING THE PALMER-WASILLA HIGHWAY EXPANSION, THE SEWARD MERIDIAN ROAD UPGRADE, THE BOGARD ROAD WASILLA HIGH/MIDDLE SCHOOL PEDESTRIAN CROSSING, THE BOGARD ROAD EXTENSION TO THE GLENN HIGHWAY, THE GLENN HIGHWAY FROM THE PARKS TO OLD GLENN HIGHWAY UPGRADE, OLD GLENN HIGHWAY REHABILITATION, PALMER'S EAGLE AVENUE AND GULKANA STREET UPGRADES, WASILLA SOUTHERN CORRIDOR ROUTE, THE WASILLA LOCAL GRAVEL TO ASPHALT PROGRAM, THE GLENN HIGHWAY STATE FAIRGROUNDS ACCESS IMPROVEMENTS, PETERSVILLE ROAD MP 3-14, TRUNK ROAD RECONSTRUCTION, AND THE HATCHER PASS ROAD UPGRADE MP 25-39.

WHEREAS, the Matanuska-Susitna Borough has traffic problems that are in need of a solution; and

WHEREAS, the State of Alaska Department of Transportation and Public Facilities (AKDOTPF) may be able to provide for earlier funding of the following projects through the Guaranteed Anticipated Revenue Vehicle (GARVEE) Bond process:

| | |
|---|------------|
| Palmer-Wasilla Highway Expansion | 21,000,000 |
| Seward Meridian Road Upgrade | 7,525,000 |
| Bogard Road Wasilla High/Middle School Pedestrian Crossing | 1,430,000 |
| Bogard Road Extension East | 6,530,000 |
| Glenn Highway MP 34-42 Reconstruction | 1,500,000 |
| Old Glenn Highway Rehabilitation | 13,225,000 |
| Palmer Eagle Avenue and Gulkana Street Upgrades | 1,200,000 |

| | |
|--|-----------|
| Wasilla Southern Corridor Route | 1,700,000 |
| Wasilla Local Gravel to Asphalt Program | 1,000,000 |
| Glenn Highway State Fairgrounds Access Improvements | 500,000 |
| Petersville Road MP 3-14 | 5,400,000 |
| Trunk Road Reconstruction | 9,150,000 |
| Hatcher Pass Road Upgrade MP 25-39 | 5,400,000 |

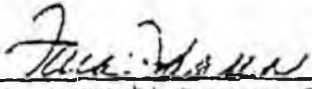
WHEREAS, AKDOTPF has stated that they would be able to accommodate the increased project load through contracting with private consultants; and

WHEREAS, the earlier funding of these projects will result in potential decreased right-of-way costs, earlier safety solutions, and better access within the Matanuska-Susitna Borough.

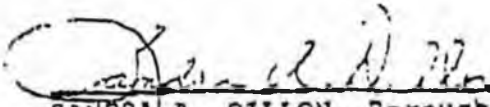
NOW, THEREFORE, BE IT RESOLVED, that the Matanuska-Susitna Borough Assembly supports the proposed GARVEE bond package including the Palmer-Wasilla Highway Expansion, the Seward Meridian Road Upgrade, the Bogard Road Wasilla High/Middle School Pedestrian Crossing, the Bogard Road Extension to the Glenn Highway, the Glenn Highway Upgrade from the Parks to the Old Glenn Highway, the Old Glenn Highway Rehabilitation, Palmer's Eagle Avenue and Gulkana Street Upgrades, Wasilla Southern Corridor Route, the Wasilla Local Gravel to Asphalt Program, the Glenn Highway state fairgrounds access improvements, Petersville Road MP 3-14, Trunk Road reconstruction, and the Hatcher Pass Road upgrade MP 25-39.

BE IT FURTHER RESOLVED that the Matanuska-Susitna Borough Assembly recommends that in the event these projects are funded by the sale of GARVEE bonds, an equivalent amount of project funding be made available for Matanuska-Susitna Borough projects in the Statewide Transportation Improvement Program.

ADOPTED by the Matanuska-Susitna Assembly this 21 day of November, 2000.


SARA JANSEN Deputy Borough Mayor

ATTEST:


SANDRA A. DILLON, Borough Clerk
(SEAL)

**A RESOLUTION IN SUPPORT OF THE GARVEE BOND FUNDING OF THE
SOUTHEAST ALASKA TRANSPORTATION PLAN (SATP) AND UPDATES
THERE TO
(Resolution 01-26)**

WHEREAS the Southeast Conference has long had as a major goal the operation and maintenance of a ferry transportation network which is capable of meeting the needs of the people and communities of the region, and

WHEREAS Southeast Alaska requires a ferry system which provides the capability for daily connectivity, convenient hours of arrival and departure, and an economical cost of operation, and

WHEREAS the ferry system envisioned by the Southeast Alaska Transportation Plan satisfies all of those expectations while it retains the best features of the present "long-haul" system, and

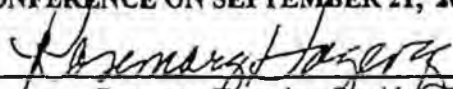
WHEREAS the authorization and funding of the Southeast Alaska Transportation Plan has not yet been completed by the Alaska State Legislature,

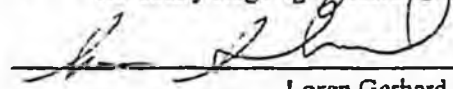
NOW, THEREFORE BE IT RESOLVED THAT:

Southeast Conference hereby urges the Governor and the Legislature to support implementation of the Southeast Alaska Transportation Plan and further urges

The Alaska State Legislature to authorize the use of GARVEE bonds (Grant Anticipation Revenue Vehicle) to fund the construction of additional shuttle ferries.

ADOPTED BY SOUTHEAST CONFERENCE ON SEPTEMBER 21, 2000.

Witness: 
Rosemary Hagevig - President Southeast Conference

Attest: 
Loren Gerhard - Executive Director



P.O. Box 46
Kotzebue, Alaska 99752

City Hall
442-3401

Police Dept.
442-3351

Fire Dept.
442-3404

Public Works
442-3401

**CITY OF KOTZEBUE
RESOLUTION NO. 01-17**

A RESOLUTION OF THE CITY COUNCIL, FOR THE CITY OF KOTZEBUE, ALASKA, IN SUPPORT OF THE GARVEE BOND PACKAGE INCLUDING THE KOTZEBUE SHORE AVENUE REHABILITATION AND EROSION PROTECTION PROJECT.

WHEREAS, the City of Kotzebue has serious traffic and erosion problems along Shore Avenue that are in need of a solution;

WHEREAS, the State of Alaska Department of Transportation and Public Facilities (AKDOTPF) may be able to provide for earlier funding of the following project through the Guaranteed Anticipated Revenue Vehicle (GARVEE) Bond process:

| | |
|--|-------------|
| Kotzebue Shore Avenue Rehabilitation and Erosion Protection Project | \$11,450.00 |
| Total: | \$11,450.00 |

WHEREAS, AKDOTPF has stated that they would be able to accommodate the increased project load through contracting with private consultants; and,

WHEREAS, the earlier funding of those projects will result in potential decreased right-of-way costs, earlier safety and erosion solutions, and better access within the City of Kotzebue,

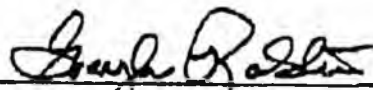
NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Kotzebue hereby supports the proposed GARVEE Bond process which includes the Kotzebue Shore Avenue Rehabilitation and Erosion Protection Project.

BE IT FURTHER RESOLVED that the City Council of the City of Kotzebue requests that in the event this project is not funded by the sale of GARVEE bonds, an equivalent amount of project funding be made available for the City of Kotzebue project in the Statewide Transportation Improvement Program.

Resolution 01-17
Page Two

PASSED AND APPROVED by City Council for the City of Kotzebue this 4th day of
January, 2001.

CITY OF KOTZEBUE:



Gayle Raston, Vice Mayor

ATTEST:

(Seal)



Nancy Mercer, Interim City Clerk

Introduced by: Mayor
Date: 11/21/00
Action: Adopted
Vote: 9 Yes, 0 No

**KENAI PENINSULA BOROUGH
RESOLUTION 2000-107**

**A RESOLUTION SUPPORTING ACCELERATED TRANSPORTATION GENERAL
OBLIGATION BONDS FOR TRANSPORTATION PROJECTS USING FUTURE FEDERAL
HIGHWAY FUNDS TO REPAY THE DEBT**

WHEREAS, the National Highway System Designation Act of 1995 expanded the types of bond-related costs that could be financed with federal highway funds; and

WHEREAS, the federal Transportation Equity Act for the 21st Century (TEA-21) increased annual funding for states and states can now use a portion of those funds for debt-financing; and

WHEREAS, projects which are eligible for federal highway funds and contained in the State Transportation Improvement Program (STIP) are eligible for bond financing;

WHEREAS, bond financing allows a project to be built sooner which is more cost-effective by avoiding cost increases resulting from inflation;

WHEREAS, by delivering a project earlier than would otherwise be possible, bond financing also provides greater benefit to the public (e.g., increased safety, less traffic congestion and delays, and increased economic output); and

WHEREAS, such bonding may eliminate the need for general funds by using investment earnings on bond proceeds to meet federal match requirements; and

WHEREAS, such transportation bonding will maintain Alaska and the peninsula's construction industry's capacity to design and build; and

WHEREAS, an improved road system has been a consistent high priority to the Kenai Peninsula Borough Assembly; and

WHEREAS, DOTPF has indicated \$15 million of the bond package would be spent on the Kenai Peninsula;

**NOW, THEREFORE, BE IT RESOLVED BY THE ASSEMBLY OF THE KENAI
PENINSULA BOROUGH:**

SECTION 1. The Kenai Peninsula Borough Assembly supports the legislature placing on the ballot the question of use of general obligation accelerated transportation bonding for projects qualifying for federal aid to expedite highway construction projects and the associated benefits within the State of Alaska and the Kenai Peninsula Borough.

SECTION 2. That a copy of this resolution shall be forwarded to the Alaska Department of Transportation and Public Facilities

SECTION 3. That this resolution takes effect immediately upon adoption.

ADOPTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS 21ST DAY OF NOVEMBER, 2000.

*JR.
Kmt -*

CITY OF PALMER, ALASKA
RESOLUTION NO. 1217

A RESOLUTION SUPPORTING THE GARVEE BOND PROGRAM FOR FUNDING OF STATE HIGHWAY CONSTRUCTION PROJECTS.

WHEREAS, Federal legislation has authorized the use of a Guaranteed Anticipated Revenue Vehicle (GARVEE) bond program to finance highway construction projects by allowing States to issue bonds for construction projects and to repay the bonds with a portion of the annual Federal Highway Administration revenues received by the State of Alaska; and,


WHEREAS, there is a need in the State of Alaska to improve the transportation system by construction or reconstruction of major highways; and,

WHEREAS, the funding required for many of these projects exceeds the annual allocation of Federal Highway Administration funding to the State of Alaska; and,

WHEREAS, the Guaranteed Anticipated Revenue Vehicle bond program, if approved by the Alaska Legislature, will supplement available federal highway construction funds and will provide additional funding for needed transportation improvements in the Palmer area and throughout the State.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Palmer urges the Alaska Legislature to approve the use of Guaranteed Anticipated Revenue Vehicle bonds to finance the construction of transportation projects in the State of Alaska.

Passed and approved this 8th day of August, 2000.


Henry P. Guinotte, Mayor


Thomas Healy, City Clerk

Copies to: Comm. Perkins, DOT/PF
D. Eberle, M. O'Brien DOT/PF
Representative Ogan
Senator Green

Submitted by: Chair of the Assembly at
Prepared by: the Request of the Mayor
Community Planning and
Development
For reading: SEPTEMBER 12, 2000

CLERK'S OFFICE

APPROVED

Date: 10-3-00

Anchorage, Alaska
AR No. 2000- 267

1
2
3
4
6
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37

A RESOLUTION OF THE ANCHORAGE MUNICIPAL ASSEMBLY SUPPORTING
A STATEWIDE GRANT ANTICIPATED REVENUE VEHICLE (GARVEE) BOND
FOR TRANSPORTATION IMPROVEMENTS

THE ANCHORAGE ASSEMBLY RESOLVES:

WHEREAS, Governor Knowles proposes a program that recommends a \$350-
\$400 million bond package be put forward to the voters to speed up needed
transportation projects across the State. Improvements already scheduled for
future construction will be built two to three years ahead of schedule by selling
statewide bonds secured by promised federal funds; and

WHEREAS, an estimated 40% of the total bond would be for projects in the
Anchorage area; and

WHEREAS, the Municipal Assembly understands that the AMATS allocation will
not be reduced by the full bond amount, but rather the statewide allocation will be
reduced by a small amount each year to pay back the bonds; and

WHEREAS, the Municipal Assembly understands that the anticipated repayment
amount will come off the top of the State's Federal Highway Administration
allocation, most of which will come from the National Highway System portion of
the State's allocation; and

WHEREAS, the Municipal Assembly understands that the allocation to AMATS
for the Non-National Highway System would be reduced only slightly, if at all.

NOW, THEREFORE, the Anchorage Assembly resolves:

Section 1. The Municipal Assembly supports the Governor's proposed GARVEE
bond package to accelerate needed transportation projects across the State, and
that it include the attached list of projects.

| | | | | | |
|-------------------|----------|---------|----------|------------|---|
| Post-it® Fax Note | 7671 | Date | 12/4/00 | # of pages | 4 |
| To | Knifler | From | | | |
| Card Dept | DOT | Co. | MOA/CLIC | | |
| Phone # | | Phone # | 347-4311 | | |
| Fax # | 269-0521 | Fax # | | | |

AR No. 2000- 267
Page 2

1 Section 2. This resolution shall become effective immediately upon passage and
2 approval by the Anchorage Assembly.
3

4 PASSED AND APPROVED by the Anchorage Assembly this 3rd
5 day of October, 2000.
6

7
ATTEST: Gay Von Hennigan
Chair

Lizene Ferguson
Municipal Clerk

Attachment: GARVEE Bond Projects for Anchorage, 1 page.

GARVEE Bond Projects for Anchorage

| Project Name | Description | Total Estimated Cost | Earliest Construction Date | Current Schedule |
|--|--|---|--|---|
| 1 C Street Extension, Phase III, - Dimond Blvd to O'Malley Road w/ Interchange at O'Malley | Construct a new road link south of Dimond to O'Malley including lighting, drainage, pedestrian facilities. | \$29,250,000 | 2003 | 2004 & 2006 |
| 2 Glenn Highway Reconstruction - Gambell Street to McCarrey. | Implement the recommendation(s) of the Major Investment Study to address traffic congestion. | \$60,000,000 | 2004* | 2006 |
| 5 Seward Highway Reconstruction and Grade Separation Improvements | International Airport Road grade separated crossing 92nd Ave Grade Separation and Connection to Old Seward Hwy & Abbott Road West Frontage Road Extension, Dimond to O'Malley and convert all frontage roads to a 2-lane, 2-way system. | \$15,000,000 \$12,000,000 \$9,000,000 | 2004 2004 2004 | 2004 Phased In 2005, 2006 and beyond Phased In 2005, 2006 and beyond |
| 4 High Priority Pavement Management Needs | MOA Roads Lake Otis - Abbott to O'Malley & DeBarr to N. Lights Blvd. Mt. View Drive - Commercial to Glenn Highway 9th - L to Ingra Bragav - Glenn Highway to DeBarr Spennard Road - McCrea to Fireweed <i>sub-total for priority MOA new pavement projects</i> SOA Roads Dimond Blvd - Jewel Lake to New Seward No. Lights/Benson Blvd - Forrest Park to Lake Otis AC Ccuptel - 6th to 40th <i>sub-total for priority SOA new pavement projects</i> Total Recommended New Roadway Pavement funding for Anchorage | \$2,600,000 \$500,000 \$800,000 \$825,000 \$1,500,000 <u>\$6,025,000</u> \$6,500,000 \$3,000,000 \$6,250,000 <u>\$16,750,000</u> \$21,775,000 | 2002 2003 2003 2003 2004 2002 2002 2003 | 2002 2003 2003 2004 2006 2004 2005 2004 & 2005 |
| Mayor's Recommended GARVEE Bond projects | Total Recommended GARVEE Bond Package for Anchorage | \$147,025,000 | | |

*It seems very unlikely that construction will actually occur in 2004 for this project

11/14/00 THU 15:46 FAX 907 3434313 MOA CLERK 11/04/00 0003



MUNICIPALITY OF ANCHORAGE

ASSEMBLY MEMORANDUM

No. AM 871-2000

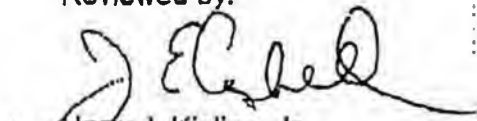
Meeting Date: SEPTEMBER 12, 2000

From: Mayor

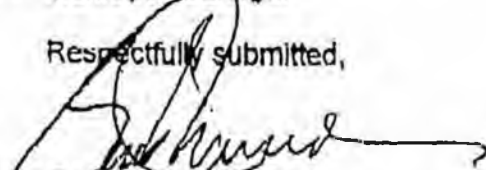
Subject: AR No. 2000-267, Grant Anticipated Revenue Vehicle
(GARVEE) Bond

- 1 The Alaska Department of Transportation and Public Facilities (ADOT&PF) is
 2 coordinating an effort across the state to develop a package of transportation
 3 improvements to be funded through a \$350-\$400 million dollar statewide bond
 4 initiative. The Grant Anticipated Revenue Vehicle (GARVEE) Bond would be
 5 secured with future federal funding received by the State from the Federal
 6 Highway Administration.
 7
 8 The ADOT&PF's Central Region Office contacted the Municipality in early August
 9 to present the concept of this program to the Administration. The Municipality was
 10 asked to review the proposal and develop a list of transportation improvements for
 11 consideration in the GARVEE Bond by the end of August. Municipal staff from the
 12 Community Planning and Development - Transportation Planning Division, Public
 13 Works - Traffic Engineering and Project Management & Engineering Divisions,
 14 Public Transportation Department and staff from the Municipal Office of
 15 Management and Budget reviewed a preliminary list of projects suggested by
 16 ADOT&PF.
 17
 18 A revised list of projects was completed and presented by Municipal staff to the
 19 Administration for review and support. The Administration has asked that the list
 20 be presented to the Municipal Assembly and the AMATS Policy Committee for
 21 their review and support of the GARVEE Bond proposal and the list of roadway
 22 improvements to be included in that bond.
 23
 24 The general schedule for the bond proposal is for the ADOT&PF to draft a
 25 statewide proposal and present it to the Governor and the Alaska Legislature this
 26 coming session for review and inclusion on the November 2003 ballot.

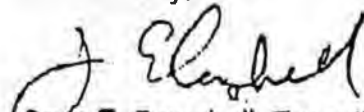
Reviewed by:


 Henry J. Kieling, Jr.
 Municipal Manager

Respectfully submitted,


 George P. Wuerch
 Mayor

Reviewed by:


 Craig E. Campbell, Executive Director
 Community Services and Development

Prepared by:


 Susan R. Fison, Acting Director
 Community Planning and Development

AR 2000-267

Bid RESULTS



[Tentative Advertising Schedule](#) | [Bid Calendar](#) | [Bid Results](#) | [Status of Award](#) | [DOTPF Home](#) |

Certified Bid Results for

RICHARDSON HIGHWAY MP 115-129 REHABILITATION

Bids Opened January 30, 2001

Contractors are listed by Bid Total in *Ascending* order with the Engineer's Estimate first. Non-reponsive bidders appear at the end of listing.

-
- **ENGINEER'S ESTIMATE** Bid Total: \$4,635,133.50
Basic Bid: \$4,635,133.50
Additive Alternates: none
 - **SOUTHCOAST, INC. (KETCHIKAN)** Bid Total: \$4,893,915.30
Basic Bid: \$4,893,915.30
Additive Alternates: none
 - **QAP** Bid Total: \$4,933,860.00
Basic Bid: \$4,933,860.00
Additive Alternates: none
 - **WILDER CONSTRUCTION CO.** Bid Total: \$5,304,824.30
Basic Bid: \$5,304,824.30
Additive Alternates: none
 - **GOODFELLOW BROTHERS, INC.(AK)** Bid Total: \$5,377,078.00
Basic Bid: \$5,377,078.00
Additive Alternates: none
 - **KIEWIT PACIFIC CO. (VANCOUVER)** Bid Total: \$5,530,424.50
Basic Bid: \$5,530,424.50
Additive Alternates: none
 - **GREAT NORTHWEST, INC.** Bid Total: \$6,325,029.00
Basic Bid: \$6,325,029.00
Additive Alternates: none





[Tentative Advertising Schedule](#) | [Bid Calendar](#) | [Bid Results](#) | [Status of Award](#) | [DOTPF Home](#) |

Certified Bid Results for

ARCTIC BOULEVARD, DIMOND BOULEVARD TO RASPBERRY ROAD

Bids Opened February 16, 2001

Contractors are listed by Bid Total in *Ascending* order with the Engineer's Estimate first. Non-responsive bidders appear at the end of listing.

- **ENGINEER'S ESTIMATE** Bid Total: \$7,880,336.10
 Basic Bid: \$7,880,336.10
 Additive Alternates: none

- **Q A P** Bid Total: \$6,949,818.30
 Basic Bid: \$6,949,818.30
 Additive Alternates: none

- **WILDER CONSTRUCTION CO.** Bid Total: \$7,200,859.70
 Basic Bid: \$7,200,859.70
 Additive Alternates: none

- **KIEWIT PACIFIC CO. (VANCOUVER)** Bid Total: \$7,716,263.80
 Basic Bid: \$7,716,263.80
 Additive Alternates: none

- **GLACIER STATE CONTRACTORS** Bid Total: \$8,234,660.72
 Basic Bid: \$8,234,660.72
 Additive Alternates: none

 [Return](#)



[Tentative Advertising Schedule](#) | [Bid Calendar](#) | [Bid Results](#) | [Status of Award](#) | [DOTPF Home](#)

Certified Bid Results for

STERLING HWY: SOLDOTNA URBAN ROADWAY IMPROVEMENTS

Bids Opened January 26, 2001

Contractors are listed by Bid Total in *Ascending* order with the Engineer's Estimate first. Non-reponsive bidders appear at the end of listing.

- **ENGINEER'S ESTIMATE** Bid Total: \$2,752,592.50
 Basic Bid: \$2,752,592.50
 Additive Alternates: none

- **Q A P** Bid Total: \$3,068,028.50
 Basic Bid: \$3,068,028.50
 Additive Alternates: none

- **ALASKA ROADBUILDERS, INC** Bid Total: \$3,281,764.05
 Basic Bid: \$3,281,764.05
 Additive Alternates: none

- **FOSTER CONSTRUCTION** Bid Total: \$3,498,974.00
 Basic Bid: \$3,498,974.00
 Additive Alternates: none

- **ZUBECK, INC.** Bid Total: \$3,509,939.00
 Basic Bid: \$3,509,939.00
 Additive Alternates: none





[Tentative Advertising Schedule](#) | [Bid Calendar](#) | [Bid Results](#) | [Status of Award](#) | [DOTPF Home](#)

Unchecked Bid Results for

DALTON HIGHWAY MP 111-144 REHABILITATION

Bids Opened February 6, 2001

Contractors are listed by Bid Total in *Ascending* order with the Engineer's Estimate first. Non-responsive bidders appear at the end of listing.

-
- **ENGINEER'S ESTIMATE** Bid Total: \$14,646,115.45
Basic Bid: \$14,646,115.45
Additive Alternates: none
 - **KIEWIT PACIFIC CO. (VANCOUVER)** Bid Total: \$13,499,730.00
Basic Bid: \$13,499,730.00
Additive Alternates: none
 - **QAP** Bid Total: \$15,471,426.00
Basic Bid: \$15,471,426.00
Additive Alternates: none
 - **GREAT NORTHWEST, INC.** Bid Total: \$15,742,164.80
Basic Bid: \$15,742,164.80
Additive Alternates: none
 - **WILDER CONSTRUCTION CO.** Bid Total: \$16,091,165.70
Basic Bid: \$16,091,165.70
Additive Alternates: none
 - **GOODFELLOW BROTHERS, INC.(AK)** Bid Total: \$18,953,173.00
Basic Bid: \$18,953,173.00
Additive Alternates: none



[Return](#)