

ALASKA LEGISLATURE COMMITTEE FILES 1983-1984 86/2

3166 HT HB 399 - HB 452

3/06

Alaska State Legislature



FEB 8 1984

Speaker of the House of Representatives

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811
(907) 465-3720

February 7, 1984

TO Rep. Bette Cato
House Transportation Committee

FROM Rep. Joe Hayes *JH*
Speaker

RE: HB 399/ Eisenhower Blvd.

It's my understanding that this bill was held in committee for further direction from my office.

After talking with proponents of this legislation, I still desire legislation to name A street Eisenhower Boulevard.

At this time, I do not desire the renaming of a street to Wickersham because of potential confusion with Wickersham subdivision in Anchorage. However, the renaming of A street to Eisenhower Boulevard, in my opinion, would not disrupt the addressing system to a major degree, nor would it be a severe inconvenience on businesses and residents along the street. There are significantly fewer businesses along A street than there are along C street.

I would appreciate the committee considering this bill for movement out of committee as soon as convenient.

Thanks.

1. An analysis of the fiscal impact on existing programs: No impact.
 2. An analysis of the fiscal impact on new programs or activities: No impact.
 3. An analysis of how the figures in the Fiscal Note were derived: Capital costs for sign material could be incorporated into the schedule federal-aid project.
 4. Additional information necessary to explain the Fiscal Note: The Department has no objection since the change would cause only a minimal increase in maintenance costs; however, we recommend assessing public sentiment first.
- * Capital costs for sign material could be incorporated into the schedule federal-aid project.

Alaska State Legislature



Speaker of the House of Representatives

Pouch V
State Capitol
Juneau, Alaska 99811
(907) 465-3720

Official Business

JANUARY 23, 1984

To: Rep. Bette Cato
Transportation Committee

From: Jeff Day *JD*
Assistant to the Speaker

Re: HB 399/ Substitute

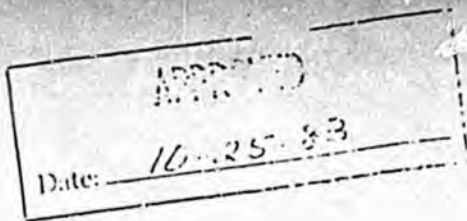
Following discussions with the backers of HB 399, we would like to propose a committee substitute which would be in keeping with the Anchorage Assembly's desires.

CSHB 399 (Transportation)

For an Act entitled: An Act naming A Street in Anchorage Eisenhower Boulevard and designating the Eisenhower Corridor.

Section 1. AS 35.40 is amended by adding a new section to read:

Sec. 35.40.020 EISENHOWER BOULEVARD AND CORRIDOR. In Anchorage, from its northern end to the 36th Avenue intersection, A Street is named Eisenhower Boulevard and the system of parks, trails and buffering between and along Eisenhower Boulevard and C Street is named the Eisenhower Corridor.



Submitted by: Assemblywomen Flynn and
Angvik
Prepared by: Clerk's Office
For Reading: October 11, 1983

ANCHORAGE, ALASKA

RESOLUTION NO. AR 83-248(S)

A RESOLUTION OF THE ANCHORAGE MUNICIPAL ASSEMBLY ESTABLISHING THE EISENHOWER CORRIDOR CONSISTING OF THE PARK, TRAILS AND BUFFERING BETWEEN AND ALONG THE A/C COUPLET AS WELL AS SUPPORTING NAMING THE PARK AT THE NORTHERN TERMINUS OF THE COUPLET, EISENHOWER PARK.

THE ANCHORAGE MUNICIPAL ASSEMBLY RESOLVES:

WHEREAS, the Municipality of Anchorage and the State of Alaska are planning road improvements to A and C Street, located within the Municipality; and

WHEREAS, said improvements will create a major north/south transportation corridor spanning the city of Anchorage; and

WHEREAS, this is an appropriate time to consider naming the corridor because the project will alter the complexion of businesses and residences along its route; and

WHEREAS, it is fitting to name the corridor in honor of those who have contributed substantially to the history of the Municipality of Anchorage and the State of Alaska.

NOW, THEREFORE BE IT RESOLVED:

1. The Eisenhower Corridor is established. The corridor shall consist of the park, trails and buffering between and along the A/C Couplet.
2. The Anchorage Assembly supports naming the park at the northern terminus of the couplet, Eisenhower Park.
3. The Municipal Clerk forward copies of this resolution to Governor Sheffield, the Anchorage Legislative delegation, Commissioner of the State Department of Transportation and Public Facilities, AMATS Policy Committee, and the Chairman of the Municipal Parks and Recreation Commission.

PASSED AND APPROVED by the Anchorage Assembly this 25th day of
October, 1983.

Chairman

ATTEST:

Municipal Clerk

DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES

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

OFFICE OF THE COMMISSIONER

January 10, 1984

Re: Fiscal Note Transmittal

Distribution

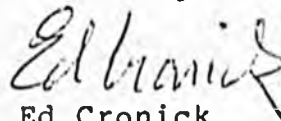
The Department of Transportation and Public Facilities hereby transmits the fiscal note and supporting documentation for the legislation identified below. This transmittal supersedes all previous distributions.

Bill No.: HB 399

Title : "...A Street/C Street Rename..."

Sponsor : Hayes, Martin

Sincerely,



Ed Cronick
Legislative Liaison
Department of Transportation
& Public Facilities

DISTRIBUTION:

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

STATE OF ALASKA
FISCAL NOTE

Revision Date: 11/30/83

I. REQUEST

Bill/Resolution No.: HB 399
 Title: A Street/C Street Rename
 Sponsor: Haves & Martin
 Requestor: House Transportation
 Date of Request: 10/1/83

II. FISCAL DETAIL

Agency Affected: DOT&PF
 Program Category Affected: _____
 BRU, Program or Subprogram(s) Affected: Maintenance and Operations

EXPENDITURES/REVENUES: (Thousands of Dollars)

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

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Source)						
TOTAL						

POSITIONS:

FULL TIME						
PART TIME						
TEMPORARY						
TOTAL						

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

Not identified in bill.

IV. ANALYSIS: Attach a separate page for any Analysis

Prepared by: William R. Snell, Director Phone: 266-1462
 Division: Central Region Planning & Programming Date: 11/30/83
 Approved by Commissioner: David W. Haugen Date: 11/30/83
 Department: Deputy Commissioner, Central Region

Distribution:

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

9/14/83

1. An analysis of the fiscal impact on existing programs: No impact.
 2. An analysis of the fiscal impact on new programs or activities: No impact.
 3. An analysis of how the figures in the Fiscal Note were derived: Capital costs for sign material could be incorporated into the schedule federal-aid project.
 4. Additional information necessary to explain the Fiscal Note: The Department has no objection since the change would cause only a minimal increase in maintenance costs; however, we recommend assessing public sentiment first.
- * Capital costs for sign material could be incorporated into the schedule federal-aid project.

STATE OF ALASKA
FISCAL NOTE

I. REQUEST

Bill/Resolution No.: HB 399
 Title: A Street/C Street Rename
 Sponsor: _____
 Requestor: _____

II. FISCAL DETAIL

Agency Affected: DOT&PF
 Program Category Affected: _____
 BRU, Program or Subprogram(s) Affected: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-
CAPITAL	-0-	*-0-	-0-	-0-	-0-	-0-
REVENUE	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS:

FULL TIME						
PART TIME						
TEMPORARY						

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

Not identified in bill.

IV. ANALYSIS: Attached.

Prepared by: William R. Snell, Director Phone: 266-1440
 Division: Central Region Planning & Programming Date: 5/10/83
 Approved by Commissioner: David W. Hauquen Date: 5/10/83
 Department: Deputy Commissioner, Central Region

Distribution:

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

3/8/83

Fiscal Note for HB 399 (Cont.)

Analysis:

The Department has no objection since the change would cause only a minimal increase in maintenance costs. However, we recommend assessing public sentiment first.

*Capital costs for sign material could be incorporated into the scheduled federal-aid project.

Sec. 19.10.060. Regulation of weight and load of vehicles and use of highways during certain seasons. The department, with respect to highways under its jurisdiction, may

(2) Repealed by § 25 ch 144 SLA 1977.
(am § 25 ch 144 SLA 1977)

Effect of amendments. — The 1977 amendment repealed paragraph (2), which read "issue special written permits authorizing the operation of overweight vehicles."

As the rest of the section was not affected by the amendment, it is not set out.

Sec. 19.10.085. Naming of a highway. (a) A highway constructed by the department under AS 19.05.010 — 19.40.210 may be given a name only by law.

(b) This section does not apply to

(1) a road constructed by a municipality under a grant authorized by AS 19.05.010 — 19.40.210;

(2) local service roads and trails. (AS 19.05.150; § 1 ch 4 SLA 1981)

Effective dates. — Section 3, ch. 4, SLA 1981, makes this section effective March 24, 1981, in accordance with AS 01.10.070(c).

Editor's notes. — As enacted, this section was designated AS 19.05.160 and was renumbered by the revisor of statutes pursuant to AS 01.05.031(b).

Article 3. Construction.

Section

170. Construction by department
190. Advertisement, bids, contracts, and informal bids

Section

280. Local control of state transportation corridors

Sec. 19.10.170. Construction by department. (a) Except as provided in AS 44.33.300, it shall be the general policy of the department to require the construction of all highways under bid contract. However, subject to the provisions of (b) of this section, when the estimated cost of a construction project is less than \$100,000 or when it appears to be in the best interests of the state, the department may perform the work notwithstanding any other provisions of law.

(b) Construction or professional services in connection with the construction of highways performed by the department under (a) of this section which have an estimated cost exceeding \$5,000 may not be performed by the department unless the commissioner determines, in writing, that the cost to the state will be less than that incurred as a result of a formally advertised or negotiated contract. The determination of the commissioner shall be supported by findings of fact which shall set out enough facts and circumstances to clearly justify the determination. The determinations and findings shall be maintained as a permanent record of the department.

H B

4000

COMMITTEE REPORT

HOUSE

FINANCE

FURTHER:

(9)

5/5/83

Date: 2-1-84

Mr. Speaker:

The Committee on TRANSPORTATION has had HB 400

An Act making a special appropriation for payment as a grant to the Kenai Peninsula Borough for construction of the Greer Road phase II project; and providing for an effective date."

under consideration and reports it back as follows:

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

**MEMBERS SIGNING
DO PASS**

M.W. Miller

John Symanski

**MEMBERS HAVING
OTHER RECOMMENDATIONS:**

Bette Cato

CHAIRMAN

AMENDMENT

OFFERED IN THE HOUSE:

By: Transportation

To: _____ HOUSE BILL No. 400

SENATE BILL No. _____

PAGE: 1

LINE: 11

delete \$ 200,000

insert \$ 100,000

Introduced: 5/5/83
Referred: Transportation
and Finance

Funding Information
General Fund \$200,000
Other Funds -0-
\$200,000

1 IN THE HOUSE

BY MALONE AND FRITZ

2

HOUSE BILL NO. 400

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

THIRTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act making a special appropriation for payment as
7 a grant to the Kenai Peninsula Borough for construc-
8 tion of the Greer Road phase II project; and provid-
9 ing for an effective date."

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

11 * Section 1. The sum of ~~\$200,000~~^{100,000 is all that is needed} is appropriated from the general fund
12 for payment as a grant to the Kenai Peninsula Borough for construction of
13 the Greer Road phase II project.

14 * Sec. 2. The appropriation made by this Act shall be disbursed in
15 accordance with AS 37.05.315 - 37.05.319.

16 * Sec. 3. This Act takes effect immediately in accordance with AS 01.-
17 10.070(c).

*For 1st yr.
for last yr.
Balance needed \$100,000*

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: _____

Page 1 of 2

REQUEST

Bill/Resolution No.: HB400
Title: Grant for Greer Creek Rd
to Kenai Penn. Borough
Sponsor: Malone & Fritz
Requestor: H. Transportation Committee
Date of Request: Jan. 31, 1984

FISCAL DETAIL

Agency Affected: Administration
Program Category Affected: Transportation
BRU, Program or Subprogram(s) Affected: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING						
CAPITAL	\$200.0	0	0	0	0	0
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND	\$200.0	0	0	0	0	0
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS: N/A

FULL-TIME						
PART-TIME						
TEMPORARY						

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

ANALYSIS: Attach a separate page for analysis

Prepared By: Kenneth R. Ryals
Division: Administrative Services

Phone: 465-2277
Date: 1/31/84

Approved by Commissioner: W. J. Pidd
Agency: Administration

Date: 2/1/84

Distribution (by Agency preparing fiscal note):

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

12/1/83

HB 400

"An Act making a special appropriation for payment as a grant to the Kenai Peninsula Borough for construction of the Greer Road phase II project; and providing for an effective date."

This bill provides for payment of \$200,000 General Funds under A.S. 37.05.315, by the Department of Administration. Historically, the Department is not "held back" any portion of any grant under A.S. 37.05.315 for administrative costs, including the legislated audit function. We have found efficiency measures in other areas that permit us to devote some operating staff resources to the administrative tasks of the Municipal Grants program. One more grant, such as proposed by this bill, will not over-burden our resources, but one hundred will. If the number of grants under A.S. 37.05.315 becomes significant, additional operating costs by the Department will need to be budgeted by the Legislature to ensure that the full value of the grant reaches the intended recipient.

District: CENTRAL Name of Route: Greer Road, Phase II

Termini: From Greer Road, Phase I To Hulter Road Length of Project .6 mile
(INCLUDE MAP SHOWING PROJECT LIMITS)

Type of service to be provided: Construct an extension of Greer Road, currently maintained by the Department to connect with Hulter Road

Describe Existing Facility: non existant

Proposed Facility: 24 foot wide gravel road

Present System: non existant No. of persons served: 25

Location of materials sources: Anchor Point

Estimated Costs

P. E.	R/W	Construction	Constr. Engineering	Total
25,000	0	250,000	25,000	300,000

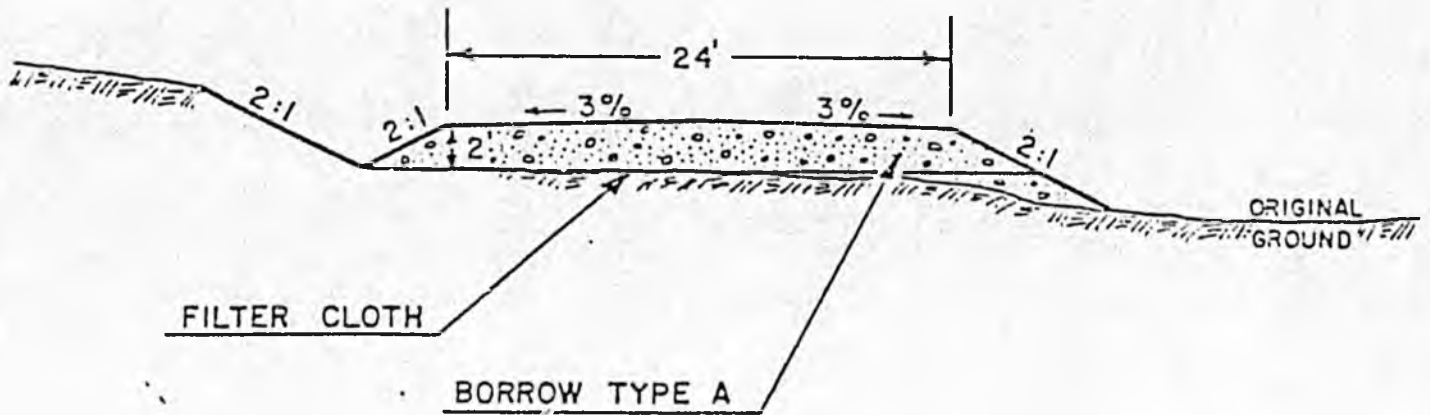
Type of R/W to be acquired: 100 foot wide right-of-way

Name of Head of Local Government: Mayor Stan Thompson

Remarks (possible causes of delay, e.g. R/W, land claims, materials, etc.)
additional funding required for construction

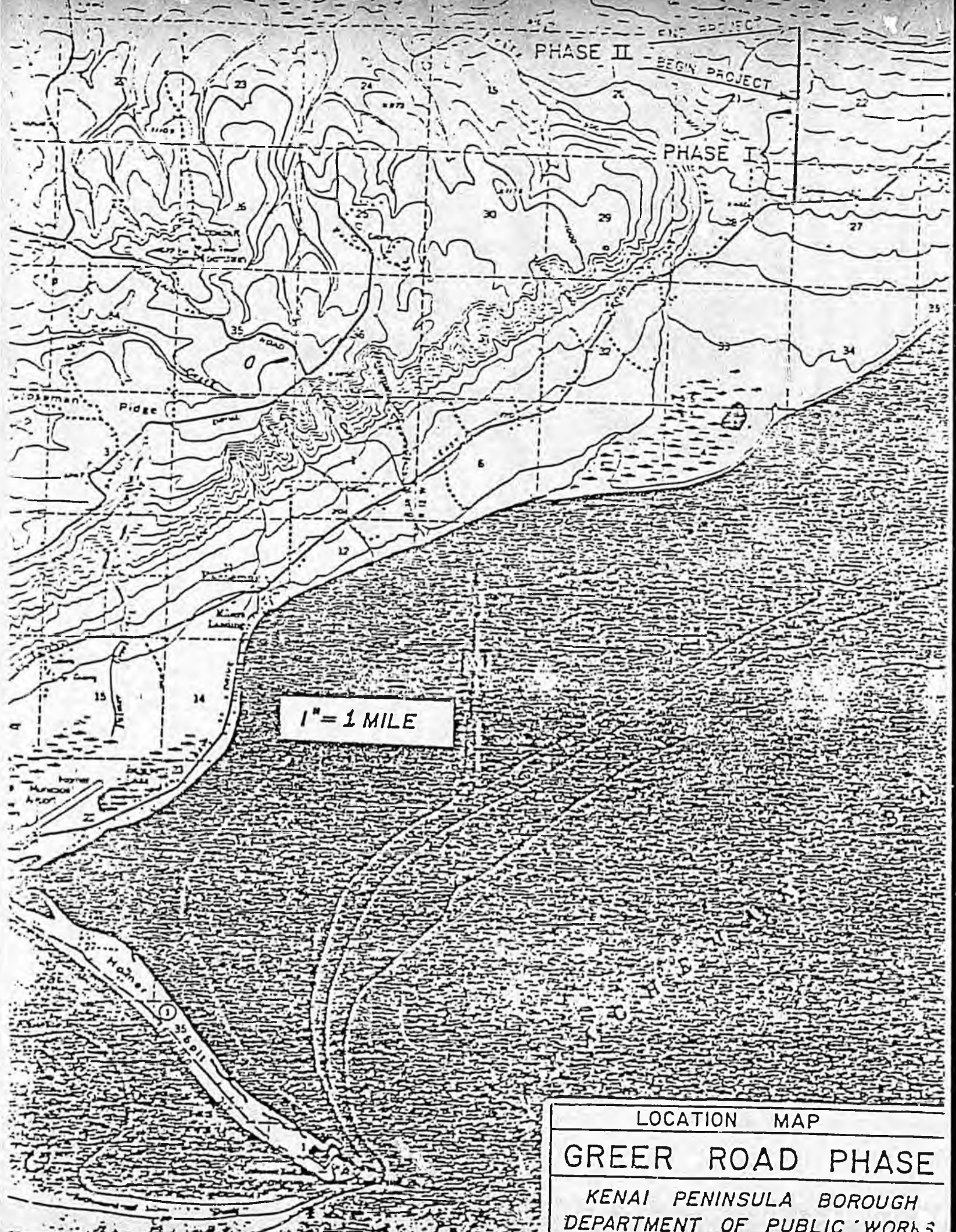
Construction Site Access: along Greer Road

William J. Conyers
Borough Engineer
NAME & TITLE



TYPICAL SECTION
GREER ROAD PHASE II

KENAI PENINSULA BOROUGH
 DEPARTMENT OF PUBLIC WORKS
 MAY-1983



PHASE II

BEGIN PROJECT

PHASE I

1" = 1 MILE

LOCATION MAP
GREER ROAD PHASE
KENAI PENINSULA BOROUGH
DEPARTMENT OF PUBLIC WORKS

Introduced by: Dimmick, Keene
Date: Apr. 19, 1983
Vote: Unanimous
Action: Adopted as Amended

KENAI PENINSULA BOROUGH

RESOLUTION 83-95 (SUBSTITUTE)

AUTHORIZING THE EXPENDITURE OF \$106,121 OF L.S.R.T. FUNDS FOR THE PURPOSE OF DESIGNING AND CONSTRUCTING THE ~~REMAINDER OF GREER ROAD~~

WHEREAS, the Borough Administration has received a petition to upgrade the Greer-Hutler Loop Road; and

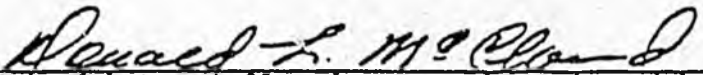
WHEREAS, access to the affected residents during the winter and spring is difficult; and

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

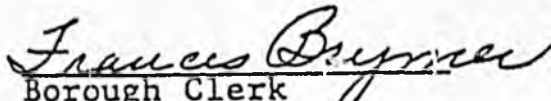
Section 1. That the amount of ~~\$106,121~~ be transferred from the Contingency Account No. 07-21001-9007 to the Greer-Hutler Loop Road Project Account No. 07-21052-9007.

Section 2. That the Borough Administration is authorized to proceed with soliciting proposals for the design and construction of the ~~Remainder of Greer Road~~ ~~at its intersection with utility road~~ including a turnaround adequate for a school bus.

ADOPTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH ON THIS 19TH DAY OF APRIL, 1983.


Donald L. McCloud, Assembly President

ATTEST:


Borough Clerk

STATE OF ALASKA

DEPARTMENT OF NATURAL RESOURCES

DIVISION OF PARKS

DATE
PUBLIC WORKS DEPARTMENT
K. P. S.

L. S. HAMMOND, GOVERNOR

Terry A. McWilliams, Dir.

Division of Parks
619 Warehouse Dr., Suite 210
Anchorage, Alaska 99501

July 5, 1978

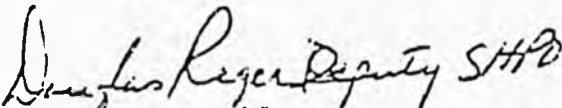
Re: 1141-6

Mr. Ronald D. Rice
Assistant Borough Engineer
Kenai Peninsula Borough
P.O. Box 850
Soldotna, Alaska 99669

Dear Mr. Rice:

This office has reviewed the proposal to construct Greer Drive, as per your letter of 20 June 1978. The proposed action will have no effect on any property listed on, or determined eligible for listing on, the National Register of Historic Places. There is no objection to the project on these grounds provided that you contact this office should any cultural materials be discovered during the course of the work.

Sincerely,


William S. Hanable
State Historic Preservation Officer

TLD:clk

Allocation District Kenai Peninsula
 Project Number _____
 Project Name Greer Road, Phase II
 Local Governing Body Kenai Peninsula B
 Address Box 850, Soldotna 99569
 Phone 262-4441

Project Agreement
 Local Service Roads and Trails
 Contract/Force Account
 Local Governing Body

Under the authority granted by Chapter 84, Sessions Laws of Alaska 1971, this project agreement is entered into by and between the State of Alaska, Department of Transportation and Public Facilities; hereinafter called the Department, and Kenai Peninsula Borough, hereinafter called the Local Governing Body, for the purpose of constructing the following described project:

A. OBLIGATIONS OF THE LOCAL GOVERNING BODY

To further accomplish the construction of the project, it is agreed that the Local Governing Body shall:

1. construct the above-described project, which is more fully described by Appendixes "A" and "B" attached hereto and made a part hereof, consisting of a location plat (Appendix "A") and a typical cross-section (Appendix "B");
2. provide all funds necessary to construct the project;
3. cause the project to be constructed by one of the following methods unless the Department expressly approves an alternate method: (a) award of a contract by the Department or the Local Governing Body for construction of the project to the lowest responsible bidder through the competitive bidding process, or (b) through the use of local or state equipment and employees.

B. IF THE PROJECT IS ADMINISTERED BY THE LOCAL GOVERNING BODY, THE LOCAL GOVERNING BODY SHALL:

1. execute a written contract with a contractor for the project if a contract is awarded.
2. maintain accurate, daily written records of all costs for which reimbursement is requested, which records shall be made available for inspection by the Department upon request, and preserve such records for a period of three years following

final acceptance of this project by the Department or termination of this agreement, after which they may be destroyed except for the project history, project engineer's diary, photos and the correspondence folder;

3. promptly pay in full all legitimate claims for services or material provided for construction of this project and hold the Department harmless from any claims or costs arising from the Local Governing Body's failure or refusal to pay claims, whether or not those claims are legitimate;
4. the Local Governing Body agrees to pay all federal, state and local taxes and social security (FICA) withdrawals for wages paid on this project.

C. FURTHER CONDITIONS

1. Local Service Roads and Trails funds are obligated for this project in an amount as shown on the attached funds authorization, which is made a part of this agreement.
2. Expenses incurred by the Local Governing Body prior to the date of execution of this agreement will not be reimbursed by the Department.
3. The determination must be made prior to beginning construction that adequate right-of-way and material are available for the project.
4. The Department will not be obligated to reimburse the Local Governing Body for costs which cannot be adequately verified as a necessary cost of construction.
5. Prior written Departmental approval of the following is required:

CONTRACT CONSTRUCTION ADMINISTERED BY THE LOCAL GOVERNING BODY

- a. Plans, specifications and estimate prior to advertising.
- b. Award of the construction contract.
- c. Any changes which reflect a change increasing the total contract by more than 10%.

CONSTRUCTION BY THE LOCAL GOVERNING BODY

- a. Estimated costs, including engineering, equipment, labor and closing costs after construction is complete.
- b. Plans or typical section of improvement.

6. The Department has the right to make periodic inspections during the course of work, and a final inspection upon completion of construction, for the purpose of certifying that the funds expended by the Local Governing Body on this project qualify for reimbursement under this agreement.
7. When the construction of this project has been completed and duly accepted, the responsibility for maintaining the facility shall be borne by the Department of Transportation.

If the Local Governing Body is to bear the maintenance responsibility, the Local Governing Body agrees to indemnify, defend, and hold harmless the Department and the State of Alaska from any and all claims arising in connection with or related to the maintenance function. If the Department agrees to perform the maintenance, the Department reserves the right to issue utility, driveway and encroachment permits.

8. The Local Governing Body agrees to indemnify, defend, and hold harmless the Department from all liability, claims and demands arising from the work undertaken by the Local Governing Body, its employees, agents or representatives, or arising out of any operation, no matter by whom performed or on whose behalf, whether or not in conjunction with work to be coordinated by the Department.
9. This agreement may not be modified except by written agreement between the Department and an authorized agent of the Local Governing Body.
10. The parties to this agreement shall obey all federal, state, and local laws and regulations.
11. This supersedes any and all other agreements expressed or implied between the Department and the Local Governing Body with respect to this project and this agreement contains the entire agreement between said parties.

To witness this agreement, the Department and the Local Governing Body have affixed hereto the signatures of the Deputy Commissioner, Design and Construction, and Mayor Stan Thompson, the duly authorized signatory for said Local Governing Body.

DATED this _____ day of _____, 19__.

Kenai Peninsula Borough
(Name of Local Governing Body)

LOCAL GOVERNING BODY

BY Stan Thompson
Attach the completed resolution,
(attached) approved by the Local
Governing Body

ATTEST:

DEPARTMENT OF TRANSPORTATION
AND PUBLIC FACILITIES

RECOMMENDED FOR APPROVAL:

Regional Director

APPROVED AND EXECUTED BY:

Deputy Commissioner
Design and Construction

Date

Subscribed and sworn to before me this 4th day of May, 1983.

Elizabeth A. Cullen
Notary Public for Alaska
My Commission expires: 1-4-84

GREER-HUTLER ROAD PROSPECTUS

Proposal: To extend Greer Road up the 100' wide right of way on the section line between sections 21,22 to Hutler Road, then easterly along the dedicated right of way for Hutler Road out to East End Road.

Engineering: Hutler Road is an extremely well-drained road with a very low grade (0-2%). The proposed Greer Road extension could be built to a maximum grade of 9% with some cut and fill (see attached grade sheet). There are no right of way problems.

Supporting Reasons:

Increased accessibility to the slaughterhouse on Beaver Creek Road. This is the only slaughterhouse on the southern Kenai Peninsula. Ranchers efforts are hindered now because of poor road conditions. A loop road would provide a means for increased local slaughter, would facilitate agriculture in Alaska, would lower operating costs, would increase tax revenues, would provide more local jobs, and would set a positive tone between government and farmers.

There are at least 120 small parcels of land in the area that would benefit. Many of these already have dwellings and children on them. Large tracts in the area could be better utilized with a loop.

Presently, the school buses have limited access to Greer Road due to the fact that there is no turnaround or exit. A loop road would substantially improve the bus service offered to these children as well as provide bus service to children living on Hutler Road. One child on Hutler presently has to travel 3 miles to catch the bus.

It would also provide a 'loop' for service vehicles. At present, these vehicles have difficulty going up improved Greer Road due to the lack of an exit. Power, phone, and emergency agencies must use track vehicles during much of the year to enter areas on the unimproved sections of Greer and Hutler Roads.

Borough land in the area would become accessible for use. There are approximately 1260 borough acres that could be utilized with a Greer-Hutler loop.

Increased access to renewable resources such as timber, beef production, and hay fields.

Increased access to University of Alaska lands which they plan to use for grazing within the next two years.

Significant reduction of travel time to Homer. The distance to Homer would be reduced by three and four miles from most locations along Hutler Road.

Increased access to the new Elementary School at McNeil Canyon. The eastern end of the Greer-Hutler Loop would be only .2 mile from the school.

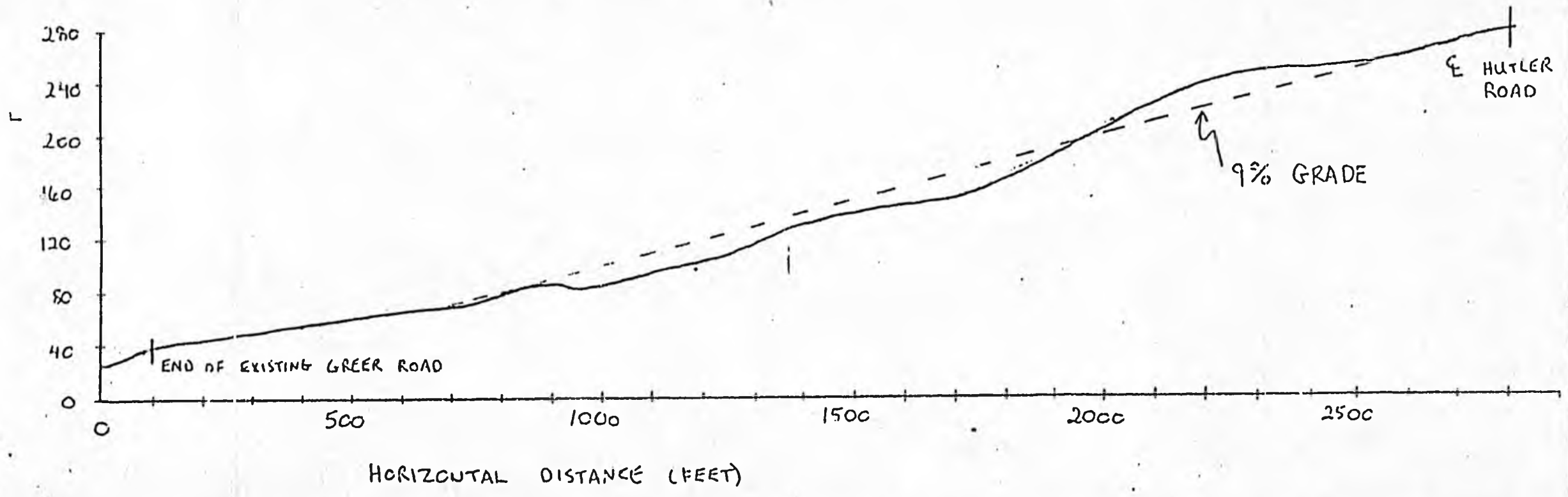
Increased access to snowmachine, ski, and hunting areas.

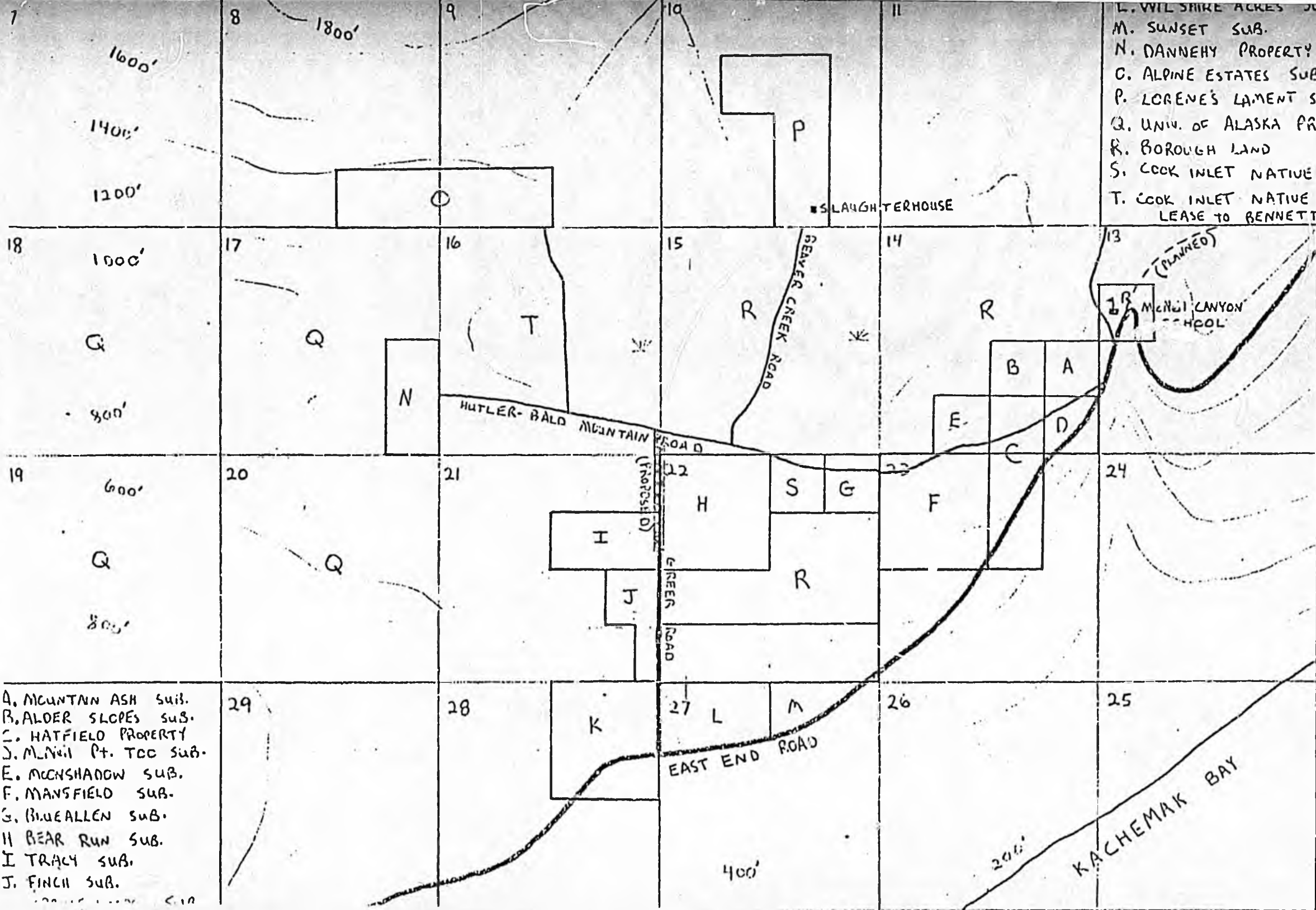
The demand for this project will grow yearly. The cost of building this loop will also grow yearly.

SLOPE OF PROPOSED GREER ROAD EXTENSION

1" = 250' HORIZONTAL

1" = 100' VERTICAL





- L. WILSHIRE ACRES SUB.
- M. SUNSET SUB.
- N. DANNEHY PROPERTY
- C. ALPINE ESTATES SUB.
- P. LORENE'S LAMENT SUB.
- Q. UNIV. OF ALASKA PROPERTY
- R. BOROUGH LAND
- S. COOK INLET NATIVE CORP.
- T. COOK INLET NATIVE CORP. LEASE TO BENNETT

- A. MOUNTAIN ASH SUB.
- B. ALDER SLOPES SUB.
- C. HATFIELD PROPERTY
- D. McNeil Pt. TOC SUB.
- E. MCNSHADOW SUB.
- F. MANSFIELD SUB.
- G. BLUE ALLEN SUB.
- H. BEAR RUN SUB.
- I. TRACY SUB.
- J. FINCH SUB.

T5
R1
S1
1" =

HB

401

COMMITTEE REPORT

HOUSE

FINANCE

FURTHER:

(9)

5/5/83

Date: 2-2-94

Mr. Speaker

The Committee on TRANSPORTATION has had HB 401

"An Act making a special appropriation for payment as a grant to the City of Kenai for extension of the municipal airport main apron; and providing for an effective date."

under consideration and reports it back as follows:

- do pass do not pass
- do pass with attached amendments(s)
- replace with CS f HB 401 (Transportation) same title
 new title
- and recommends _____
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back without recommendation Zero Fiscal Note Attached
- referred to the _____ Committee

**MEMBERS SIGNING
DO PASS**

Adelbert Johnson Do Pass
Mike Winters Do Pass
Do Pass
Mike Zygmanski Do Pass

**MEMBERS HAVING
OTHER RECOMMENDATIONS:**

Do Not Recommend No Rec.
Mr. Miller No Rec.

M. W. Miller
CHAIRMAN

Introduced: 5/5/83
Referred: Transportation
and Finance

Funding Information

General Fund	\$2,500,000
Other Funds	-0-
	<u>\$2,500,000</u>

1 IN THE HOUSE

BY MALONE

2

HOUSE BILL NO. 401

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

THIRTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act making a special appropriation for payment as
7 a grant to the City of Kenai for extension of the
8 municipal airport main apron; and providing for an
9 effective date."

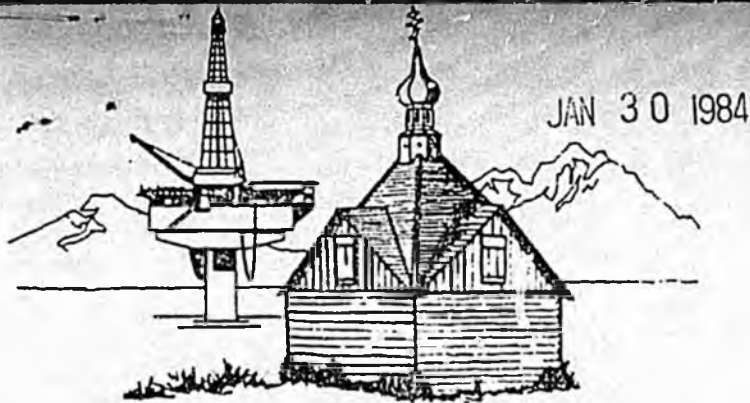
10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

11 * Section 1. The sum of \$2,500,000 is appropriated from the general
12 fund for payment as a grant to the City of Kenai for extension of the
13 municipal airport main apron.

14 * Sec. 2. The appropriation made by this Act shall be disbursed in
15 accordance with AS 37.05.315 - 37.05.319.

16 * Sec. 3. This Act takes effect immediately in accordance with AS 01.-
17 10.070(c).

Rec'd 2.75M



CITY OF KENAI
"Oil Capital of Alaska"

P. O. BOX 580 KENAI, ALASKA 99611
TELEPHONE 283 - 7535

January 25, 1984

Honorable Bette Cato
Chairman, House Transportation Committee
Pouch V
Juneau, Alaska 99811

Dear Chairman Cato:

It is our understanding that your committee will be holding hearings on HB 401 sponsored by Representative Malone requesting \$2.75 million for ramp/apron extension at the Kenai Airport. As per your request to provide back-up material justifying the request, please refer to the following:

1. Kenai Airport is a municipally owned and operated airport.
2. State contributes nothing to the operation or maintenance.
3. Fourth busiest airport in Alaska. 205,000 passengers were processed through the Kenai Airport during fiscal 1983. At the present time there are 56 passenger flights to and from Anchorage per day and eight (8) to and from Homer for a total of 128 commercial flights per day. During the summer months there are 70 flights a day to and from Anchorage which increases the daily total to 156 daily commercial flights. During calendar year 1983 there were 84,363 landings and takeoffs at the Kenai Airport.

In addition, over the past three years the fish processors in the Kenai area (there are 14) are dramatically increasing the amount of fresh fish being flown in from Bristol Bay and other areas for processing. During the 1983 fishing season 15 million pounds of fish were brought in and the processors anticipate future increases. This has resulted in locating as many as 24 aircraft varying in type and size from C-130 Hercules, C-119's, DC-6's, DC-7's, DC-3's and Electra's on the airport ramp/apron. The increase in these activities have resulted in congestion of major proportions. Consider for just a moment the magnitude of the traffic problem complicated by semi-trucks (fuel and freight), front end loaders, fork lifts and all sorts of trucks running around and through moving and parked aircraft on the apron/ramp.

It is in effect a catastrophe waiting to happen. All of the aforementioned commerce is beneficial not only to Kenai, but also to the State of Alaska. I'm sure you are aware Kenai over the last four years has been growing at the rate of 10% per year and we can't keep up with the growth without State help.

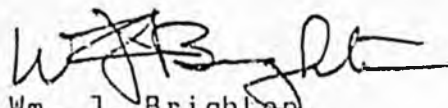
It should be noted that the Kenai Municipal Airport acts as an alternate for Anchorage International when Anchorage is closed down. In such cases, it is not unusual to find 2-4 Wien, 2-4 Alaska, and perhaps Western airlines planes sitting on our airport awaiting clearance from Anchorage.

The resolution of this problem will be extremely beneficial to the commerce of the State of Alaska.

The City has already done the engineering on this project, therefore, if the legislature approves HB 401, the City can immediately go to bid and construction.

If additional information is needed, please do not hesitate to call.

Sincerely,



Wm. J. Brighton
City Manager

WJB/dg

cc: Governor Bill Sheffield
Glen Glenzer, Acting Commissioner, Dept. of Transportation
Representative Mike Miller, House Trans. Committee
Representative Mitch Abood, House Trans. Committee
Representative Adelheid Herrmann, House Trans. Committee
Representative Mike Szymanski, House Trans. Committee
Representative Jack McBride, House Trans. Committee
Representative Mike Davis, House Trans. Committee
Representative Joe Flood, House Trans. Committee
Representative Bob Bettisworth, House Trans. Committee
Representative Hugh Malone
Representative Milo Fritz
Senator Don Gilman
Senator Paul Fischer

CITY OF KENAI ALASKA



1984-85 CAPITAL IMPROVEMENT PROJECTS



Kenai City Hall
210 Fidalgo St., Kenai AK 99611
(907) 283-7535

REQUEST FOR STATE GRANTS

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STATE GRANT FUNDING - 1980-81

2-029	Care Center	\$150,000	Building	Completed	0
8-054	Harbor Study	500,000	Feasibility & Siltation Study	67% Comp.	168,000
2-030	Youth Center	600,000	New Building	Completed	0
4-046	Water & Sewer	750,000	Through Section 36	Completed	0
8-055	Road Grid	2,100,000	Fidalgo Subdivision Spur Frontage Rd.	Completed Completed	0 0

STATE GRANT FUNDING - 1981-82

8-283	Road Funds & Municipal Aid	2,272,000	Candlelight & Linwood	Completed	0
		2,313,340	N. Dogwood, N. Lupine Phillips	Completed	0
			Spruce	Completed	0
			Main St. & Barnacle	Completed	0
			Forest Dr. & Gill	Completed	0
			Lawton, Tinker Walker, Rodgers	Completed	0
			Birch, 4th, 1st	Completed	0
			2nd & 3rd	Completed	0
			Ballfields, Youth Center	Completed	0
			City Park Imp.	Completed	0
2-208	Care Center	82,000	Workshop	Completed	0
8-282	A.P. Terminal	2,000,000	Expansion & Renovation	Completed	0
2-209	Senior Citizen Center	1,000,000	New Building	Completed	0

STATE GRANT FUNDING - 1982-83

8-474	Road Funds & Municipal Aid	2,690,000	Candlelight, Linwood Aurora, Kaknu, Klana	Completed	0
		1,113,434	Evergreen, Haller McKinley, 3rd, 4th, 27th	Completed	0
			2nd Ave	Completed	0
4-460	Parks & Rec.	100,000	Ryans Cr. Park Ft. Kenay Restoration	50% Comp. 90% comp.	0 0
7-456	Youth Center Phase 2	800,000	Gymnasium	Completed	0
4-459	Boat Ramp Imp.	300,000	Misc. Improvements	Complete	77,000

STATE GRANT FUNDING - 1983-84

8-581	Road Funds	1,487,000	1st & 2nd St. Pave Thompson Park	Designed Designed	71,000 708,000
8-742	Road Funds	600,000	Allak, McCollum, Cinderella, Fox, Princess, & Linwood Ext. - G	Designed	572,000

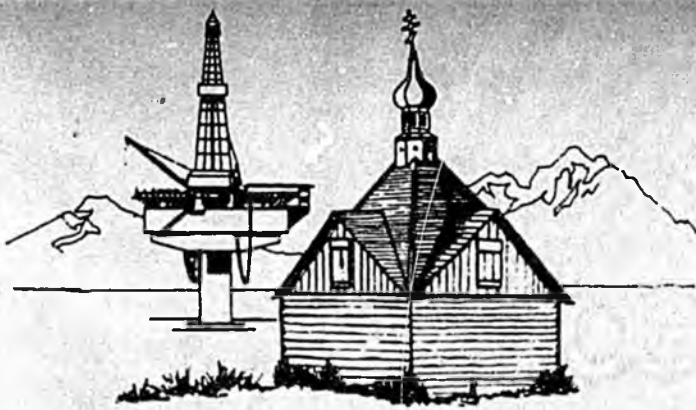
CITY OF KENAI
1984 - 85
CAPITAL IMPROVEMENT PROJECTS
REQUEST FOR STATE GRANT FUNDING

Project Priority	Project Category	Project Name and Legend	Project Cost Est. X \$1000
		R = Road Improvements G = Gravel P = Paving B = Buildings P & R = Parks & Rec. Improvements A.P. & H. = Airport & Harbor	
1.	B	Police Station Renovation & Addition (Schematics completed)	\$814
2.	R	Standard, Richfield, Thompson Place - G (Engineering completed)	300
3.	B	Library Addition (Schematics completed)	700
4.	R	S. Highbush, Davidson, Bumblebee, E. Aliak, Swires, Highbush - G	880
5.	R	VIP - Lora, Sunrise, Ketch - G	500
6.	R	Lake, Marine, Granite Point, F.B.O., Main Street Loop - P (Engineering completed)	900
7.	R	Spruce, Second, & Third - P (Engineering completed)	800
8.	R	Old Town - P	400
9.	R	Robin, Kenaitze, Eagle Rock, Sandpiper, Tern, S. Strawberry - G	300
* 10.	A.P. & H.	Extend Main Apron at the Airport - P (Engineering completed)	2,750
11.	A.P. & H.	Harbor/Bulkhead, Dredging, Dock, & Fueling Facility	1,900
12.	R	Juliussen, Ames, Barabara, Angler - G	750
13.	B	Community Center - (Multi-purpose)	2,125

Project Priority	Project Category	Project Name and Legend	Project Cost Est. X \$1000
		R = Road Improvements G = Gravel P = Paving B = Buildings P & R = Parks & Rec. Improvements A.P. & H. = Airport & Harbor	
14.	A.P. & H.	Extend N. Taxiway Airport - P	1,700
15.	B	Beaver Creek Fire Station	280
16.	A.P. & H.	Runway Extension at the Airport - P	5,500
17.	R	Alpine - G	70
18.	R	Kaknu Way - P	300
19.	R	Spruce Street - Spur to Beach - P	400
20.	P.&R.	R.V. Camper Park - Spruce & Beach	500
21.	R	Cook Inlet View Drive & Lilac Street - P	600
22.	P. & R.	Ryan's Creek Trail Extended	100
23.	B	Addition to City Hall	500

This pamphlet was produced under the direction and approval of the Mayor and Council of the City of Kenai. Public meetings were held on September 15, 20, 27 & 29; October 10, 12, 13, 21, 25, 26, 27, 28 & 31; November 2, 4, 8, 9, 18, 21 & 30.

The Mayor and the Council of the City of Kenai pledge their affirmative vote for maintenance and operational costs of the projects listed. Resolution No. 83-156 of the City of Kenai adopted this 1984-85 Capital Improvements Priority List.



CITY OF KENAI
"Oil Capital of Alaska"

P. O. BOX 580 KENAI, ALASKA 99611
TELEPHONE 283 - 7535

January 24, 1984

Honorable Bette Cato
Representative, State of Alaska
Pouch V
Juneau, Alaska 99811

Dear Representative Cato:

attached
We wish to thank you for taking time from your busy schedule of Friday, January 20 in Juneau to confer with us on HB 401 regarding the ~~airport ramp extension bill~~ upon which you will be holding hearings in the near future. Please be advised being sent under separate cover is back-up material relevant to that bill. Also, as stated during our meeting, we would be anxious to know at the earliest possible time the hearing date on this bill so that we can attend and speak on its behalf.

Thank you in advance for your continued assistance and cooperation in this matter.

Sincerely,

WJB
Wm. J. Brighton
City Manager

Jim Rogers
Jim Rogers
City Attorney

WJB/dg

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: _____, 1984

Page 1 of 2

REQUEST

Bill/Resolution No.: HB 401
Title: "Grant for Kenai City Airport"

FISCAL DETAIL

Agency Affected: Administration
Program Category Affected: Transportation

Sponsor: Malone
Requestor: House Transportation Committee
Date of Request: January 31, 1984

BRU, Program of Subprogram(s) Affected: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC						
800 MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0
CAPITAL	2,500.0	0	0	0	0	0
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND	2,500.0	0	0	0	0	0
FEDERAL FUNDS						
OTHER						
TOTAL	0	0	0	0	0	0

POSITIONS: N/A

FULL-TIME						
PART-TIME						
TEMPORARY						

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

ANALYSIS: Attach a separate page for any Analysis.

Prepared By: Kenneth R. Ryals, Director *K.R.*
Division: Administrative Services

Phone: 465-2277
Date: February 1, 1984

Approved by Commissioner: Lisa Rudd *L. Rudd*
Agency: DEPARTMENT OF ADMINISTRATION

Date: 2/1/84

- Distribution (by Agency preparing fiscal note):
- Legislative Finance
 - Legislative Sponsor
 - Requestor
 - Office of Management and Budget
 - Impacted Agency(ies)

HR 401 Analysis

"An Act making a special appropriation for payment as a grant to the City of Kenai for extension of the municipal airport main apron; and providing for an effective date."

This bill provides for payment of \$2,500,000 General Funds under A.S. 37.05.315, by the Department of Administration. Historically, the Department has not "held back" any portion of any grant under A.S. 37.05.315 for administrative costs, including the legislated audit function. We have found efficiency measures in other areas that permit us to devote some operating staff resources to the administrative tasks of the Municipal Grants program. One more grant, such as proposed by this bill, will not over-burden our resources, but one hundred will. If the number of grants under A.S. 37.05.315 becomes significant, additional operating costs by the Department will need to be budgeted by the Legislature to ensure that the full value of the grant reaches the intended recipient.

7/1D1/0201-17/2

H B

405

NOTE REGARDING THE FOLLOWING FRAME(S) ON MICROFILM:
COMPLETE DOCUMENT IS AVAILABLE IN ORIGINAL FILES.
TITLE PAGE ONLY HAS BEEN FILMED.

NOTE REGARDING THE FOLLOWING FRAME(S) ON MICROFILM:
COMPLETE DOCUMENT IS AVAILABLE IN ORIGINAL FILES.
TITLE PAGE ONLY HAS BEEN FILMED.

KENAI PENINSULA BOROUGH'S
ROAD PROGRAM

PREPARED BY:
KENAI PENINSULA BOROUGH
DEPARTMENT OF PUBLIC WORKS
JANUARY 1983

WILLIAM CONYERS
BOROUGH ENGINEER

STAN THOMPSON
MAYOR

H B

452

HB 203

HB 203 - AN ACT MAKING A SPECIAL APPROPRIATION TO THE DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES FOR PHASE I OF THE NOME PORT FACILITY.

CHAIRMAN ADAMS INDICATED THAT CSHB 203 (FINANCE) WOULD MAKE A SUPPLEMENTAL APPROPRIATION TO THE DEPARTMENT OF HEALTH AND SOCIAL SERVICES FOR EXPENSES RESULTING FROM AN INCREASE IN PRISON POPULATION.

ROGER LANGE, DIVISION OF ADULT CORRECTIONS, DEPARTMENT OF HEALTH AND SOCIAL SERVICES, PROVIDED AN OVERVIEW OF THE COMPONENTS OF THE SUPPLEMENTAL REQUEST TOTALING \$1,972.7 (SEE ATTACHMENT #1). REPRESENTATIVE WARD QUESTIONED THE AMOUNT NEEDED FOR ONE MONTH TO MEET REQUIREMENTS OF THE CLEARLY SETTLEMENT. MR. LANGE RESPONDED THAT THERE WAS A PARTIAL SETTLEMENT AGREEMENT MADE IN JANUARY WHICH COVERED "NON-LARGE COST ITEMS". HE SAID THERE ARE 10 POSITIONS INCLUDED OF WHICH SEVEN WOULD BE FOR MONITORING TO REPORT BACK TO THE COURT WITH REGARD TO THE PERFORMANCE BY THE DIVISION IN MEETING THE PARTIAL SETTLEMENT AGREEMENT. THERE WAS DISCUSSION CONCERNING THE AGREEMENT AND PARTIES WHICH SIGNED THE AGREEMENT. REPRESENTATIVE WARD ASKED IF THE AMOUNT INCLUDED IN

THE SUPPLEMENTAL WOULD SATISFY THE PARTIAL AGREEMENT. MR. LANGE SAID IT WOULD AND THAT THE DEPARTMENT'S FY 84 REQUEST INCLUDES PART OF THE ASSOCIATED COSTS REQUIRED UNDER THE PARTIAL SETTLEMENT. HE SAID PERSONNEL COSTS WILL BE ANNUALIZED. MR. LANGE SAID THE NUMBER WHICH WOULD BE ANNUALIZED WOULD BE \$57.5. (REPRESENTATIVE PESTINGER ARRIVED AT THIS TIME.)

CHAIRMAN ADAMS NOTED PROBLEMS WITH INCLUDING WITHIN THE SUPPLEMENTAL \$161,476 TO FUND SALARIES AND RELATED COSTS FOR THE ANTICIPATED DEPARTMENTALIZATION OF THE DIVISION OF ADULT CORRECTIONS TO FUND 10 NEW POSITIONS AND INCREASES FOR SIX EXISTING POSITIONS. HE NOTED THAT POSITIONS HAVE BEEN INCLUDED WITHIN HB 103 AS WELL AS THE ADDITION OF 18 POSITIONS WITHIN THE HOUSE BUDGET FOR FY 84. MR. LANGE SAID THE POSITIONS ARE COVERED IN THE FY 84 BUDGET; HOWEVER, THE DEPARTMENT IS TRYING TO COMPLETE THE PAPERWORK ON NEW POSITIONS DURING THE CURRENT FISCAL YEAR TO AVOID AN INUNDATION OF WORK ASSOCIATED WITH ESTABLISHING NEW POSITIONS. CHAIRMAN ADAMS SAID HE ALSO HAD A PROBLEM WITH THE CAPITAL ACCOUNTS CHARGEBACK REQUEST FOR \$312,088. HE ASKED WHY THE DEPARTMENT COULD NOT UTILIZE HB 309 AND REAPPROPRIATE CAPITAL FUNDS TO THE OPERATING SECTION. CHAIRMAN ADAMS FELT THE

SUPPLEMENT IS NEEDED BUT DID NOT FEEL THAT THESE TWO ITEMS SHOULD BE INCLUDED.

CHAIRMAN ADAMS SAID IT WOULD BE HIS SUGGESTION TO THE COMMITTEE THAT THE SUPPLEMENTAL BE REDUCED TO \$1,499,140 REPRESENTING A DECREASE OF \$312,088 FOR CAPITAL ACCOUNTS CHARGEBACKS AND \$161,476 FOR THE DIRECTOR'S OFFICE DEPARTMENTALIZATION. REPRESENTATIVE BETTISWORTH MOVED TO REPORT OUT OF COMMITTEE CSHB 203 (FINANCE) IN THE AMOUNT OF \$1,499,140. THERE BEING NO OBJECTION, IT WAS SO ORDERED. CSHB 203 (FINANCE) WAS REPORTED OUT OF COMMITTEE WITH A "DO PASS" RECOMMENDATION.

SSHB 346

SSHB 346 - AN ACT EXEMPTING PUBLIC UTILITY INCOME FROM THE NET INCOME TAX.

CHAIRMAN ADAMS READ A STATEMENT PREPARED BY THE SPONSOR OF THE LEGISLATION, REPRESENTATIVE BETTE CATO (SEE ATTACHMENT #2). COMMISSIONER BOB HEATH, DEPARTMENT OF REVENUE, STATED THAT THE DEPARTMENT IS OPPOSED TO THE BILL. HE SAID THEY OBJECT TO A SPECIFIC SUBSIDY WHICH WILL NOT EFFECT ALL COMMUNITIES WITH ANY DEGREE OF SIMILARITY. COMMISSIONER HEATH SAID THIS WOULD BE A WINDFALL FOR CABLE T.V. SYSTEMS IN AS MUCH AS THEY ARE NOT

REP. JOHN G. (JACK) FULLER

DISTRICT 22

ALAKANUK
BREVIG MISSION
CHEVAK
DIOMEDE
ELIM
EMMONAK
GAMBELL
GOLOVIN
HOOPER BAY
KOTLIK
KOYUK
NOME
SAVOONGA
SCAMMON BAY
SHAKTOOLIK
SHELDON'S POINT
SHISHMAREF
STEBBINS
ST MICHAEL
TELLER
UNALAKLEET
WALES
WHITE MOUNTAIN



CHAIRMAN, RULES COMMITTEE

MEMBER
FINANCE COMMITTEE
POLICY COMMITTEE
COMMITTEE ON COMMITTEES
REAA BUDGET OVERSIGHT COMMITTEE
BLUE RIBBON COMMISSION ON PERSONNEL

Alaska House of Representatives

March 3, 1983

The Honorable Bette Cato
House Transportation Committee
Pouch V
Juneau, Alaska 99811

Dear Bette:

Attached for your review and information is a copy of the preliminary statement of fiscal impact on House Bill 203 - Phase I of the Nome Port Facility, a color coded map of the area determined to be the best location for the causeway and bridge, and a brochure which outlines the proposed Nome Port Facility.

On March 4 at 8:30 a.m., I have arranged to show a video-tape of the proposed Nome Port Facility. The tape is 10-1/2 minutes long.

Thank you for taking the time to review the packets of information I have sent to you.

Sincerely,


Rep. Jack Fuller

cc: Transportation Committee Members

PORT
OF
NOME

*Unlocking the resource
wealth of the northwest
region for all Alaskans to
share.*

ECONOMICS and TRANSPORTATION

Nome is the regional distribution center for most of the Seward Peninsula and the southern coast of Norton Sound. This area is rich in natural resources such as offshore oil and gas, hardrock minerals and fisheries. A modern, medium draft port at Nome will offer lower shipping costs to and from the area, thus helping to make development of these resources more economically feasible.

The port will be a transshipment center for materials and equipment used in offshore development. Increased activity in the area will require incoming shipments of fuels, supplies and equipment, and by the turn of the century the mines are projected to generate large volumes of bulk ore shipments. The proposed port will also



MAJOR IDENTIFIED MINERAL PROSPECTS AND DEPOSITS, NORTHWEST ALASKA

encourage the development of a more efficient regional fishing operation.

Today the port at Nome serves as the distribution center for supplies to villages throughout the region — an estimated population of over 11,200. By the year 2000, that service area will include more than 15,000 people. This population will rely more and more on a cash economy and larger volumes of incoming and transshipped cargoes.

Economic development in northwest Alaska has been hindered by the high cost of transportation. Access is available only by sea and air.

Today, ocean-going vessels must anchor one mile off the shore at Nome. From there, cargoes are "lightered" ashore: transported to the Snake River harbor and then to coastal villages. The current harbor is subject to considerable siltation and must be dredged each year to a depth of 8 feet by the U.S. Army Corps of Engineers.

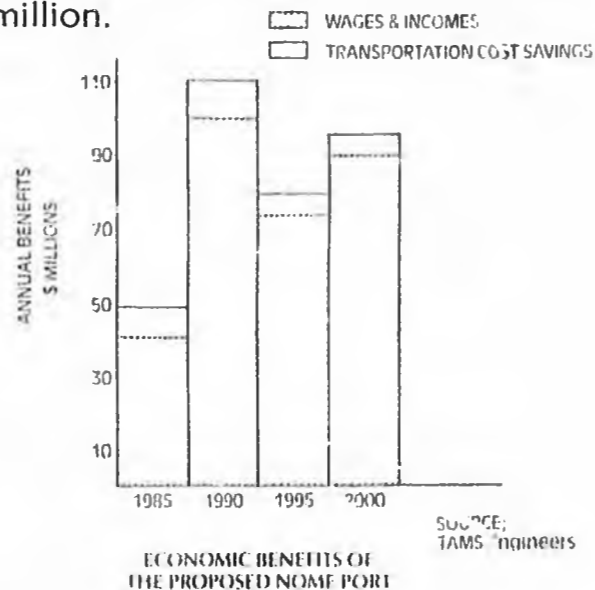
Northwest Alaska has no link to the railbelt. Any plan to extend the Alaska Railroad into the region would take considerable time and money, since right-of-ways would be needed across federal, state, and native lands. The cost alone makes rail construction questionable in the foreseeable future.

Therefore, a medium draft port at Nome is the most economical alternative to bring low cost, viable transportation to an area of the state on the verge of very significant economic development.

STATEWIDE BENEFITS

The statewide economic benefits of the proposed project are measured in terms of wages and salaries. As the port helps to spur development of the area's vast natural resources, these activities will expand the employment base in the region and throughout the state. When the total employment in offshore oil and gas, minerals and fisheries development is combined, more than 1,400 jobs will be created by the Nome port within its first decade. This will generate more than \$101.5 million statewide in direct, indirect and induced incomes by 1990.

The port will also reduce the cost of living and doing business in the northwest by lowering shipping costs to Nome. A summary of the total economic benefits for selected years ranges from a low in 1985 of \$48.3 million to a high in 1990 of \$115 million.



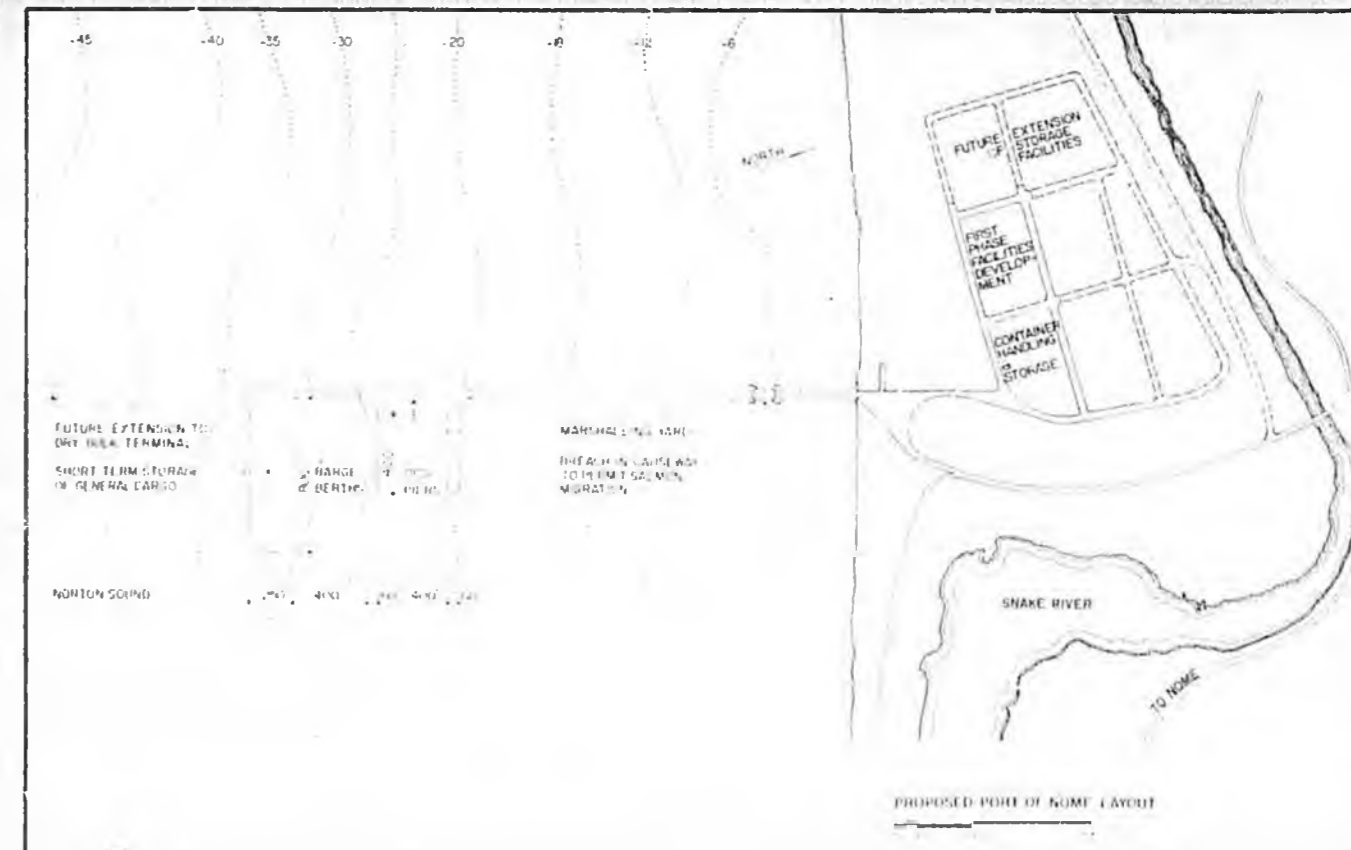
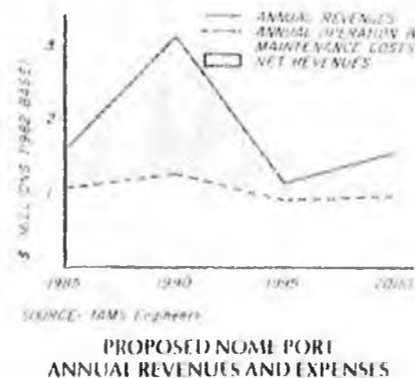
OPERATION and MAINTENANCE

The proposal calls for the port facility to be owned and operated by the City of Nome, in order that a break-even price structure to minimize transportation costs can be established.

Using a schedule of tariffs similar to rates at other Alaskan ports, the Nome facility will generate 75 percent of its total revenues from wharfage and handling tariffs. Equipment rentals, storage and dockage fees will provide the balance, for a total estimated revenue each year that will exceed the annual operation and maintenance costs.

Operational costs include salaries for a harbor master and longshoremen, equipment for cargo handling and utilities. Maintenance costs include repair to buildings and yards, periodic resurfacing and repair of the causeway, etc..

Assuming the state provides capital funds for construction, the Nome port will be a self-supporting facility from the very first year of service.



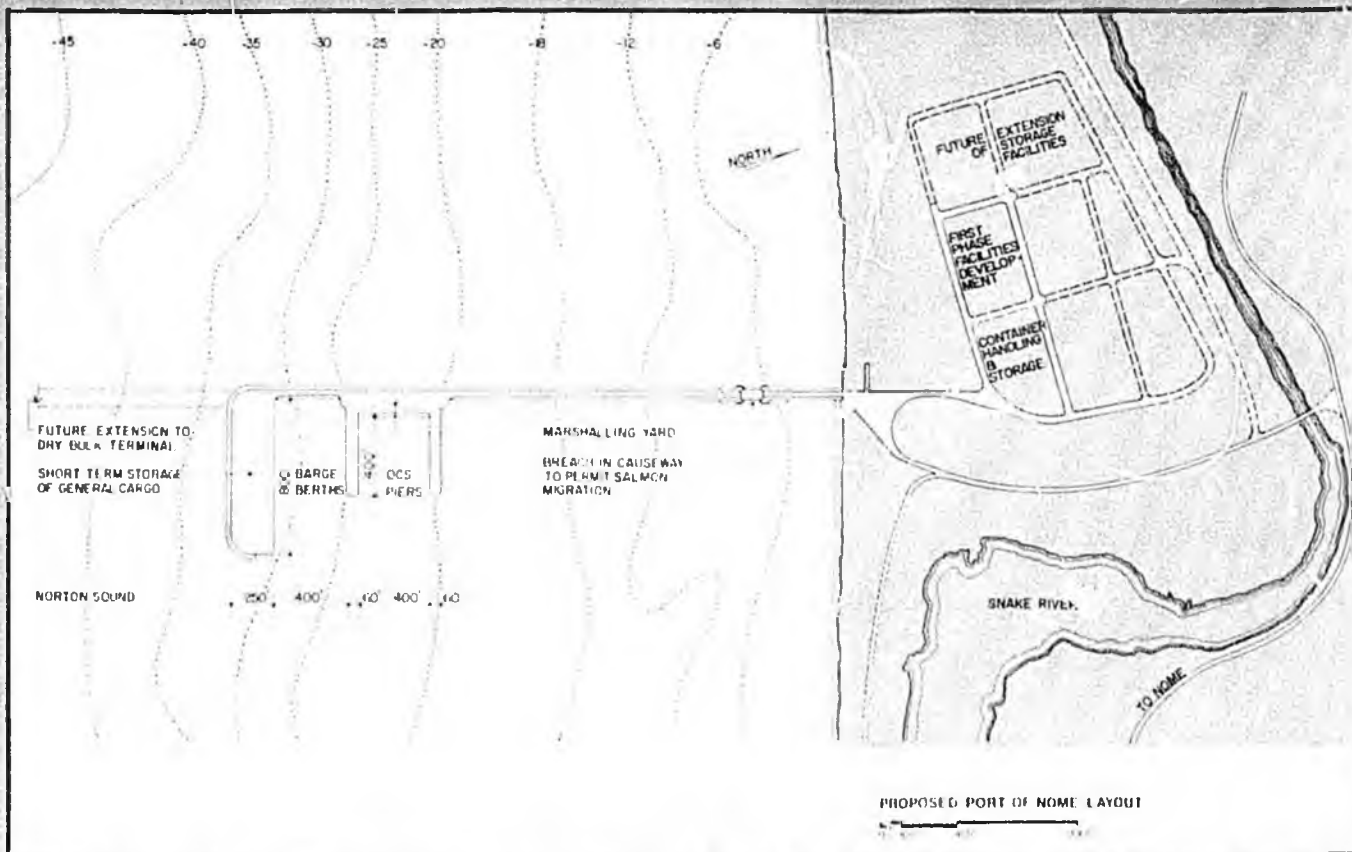
The layout of Nome's port features a 3,600 ft. causeway with a break each near shore to permit fish migration. At the seaward end, in water 30 feet deep, the causeway design shows barge berths and a short term cargo storage area. The design allows for later construction of piers for work boats servicing Outer Continental Shelf

oil platforms, and the causeway can also be extended 1,000 to 1,500 feet to provide a dry bulk terminal for deeper draft vessels. Onshore facilities will include container handling and storage facilities on 10 acres of land, with an additional 50 acres available for future storage expansion.

HOW YOU CAN HELP SUPPORT THE PROJECT

As the State Department of Transportation and Public Facilities' number one marine construction priority for the northern half of Alaska, funds for the Nome port will be included in

the 1983 budget proposal sent to the governor. You can help make sure those funds are not cut from the budget by contacting legislators and the governor. Tell them you support the project because a modern port at Nome will benefit all Alaskans.



The layout of Nome's port features a 3,600 ft. causeway with a breach near shore to permit fish migration. At the seaward end, in water 30 feet deep, the causeway design shows barge berths and a short term cargo storage area. The design allows for later construction of piers for work boats servicing Outer Continental Shelf

oil platforms, and the causeway can also be extended 1,000 to 1,500 feet to provide a dry bulk terminal for deeper draft vessels. Onshore facilities will include container handling and storage facilities on 10 acres of land, with an additional 50 acres available for future storage expansion.



HOW YOU CAN HELP SUPPORT THE PROJECT

As the State Department of Transportation and Public Facilities' number one marine construction priority for the northern half of Alaska, funds for the Nome port will be included in

the 1983 budget proposal sent to the governor. You can help make sure those funds are not cut from the budget by contacting legislators and the governor. Tell them you support the project because a modern port at Nome will benefit all Alaskans.

The City of Nome produced this brochure to outline its plans for a modern port that could serve as the key to economic development in Alaska's northwest. By allocating a small portion of its oil revenues to con-

struct the port, the state of Alaska can take the vital first step toward development of the vast natural resources in the region. This development will benefit all Alaskans for many years to come.



ALASKANS SUPPORT NOME PORT PROJECT

Grass roots support for the Nome port project is growing across the state. The Bering Straits Regional Corporation endorses the plan, as does the local Chamber of Commerce. Miners and business people are eager to see the project complete because of the economic development it will bring to the state. Voters have put their

initial stamp of approval on the project in two separate statewide bond votes. Recognizing the potential impact of a modern facility at Nome, the state Department of Transportation and Public Facilities has included construction funds for the project as northern Alaska's number one marine construction priority in its 1983 budget for the governor's consideration.



For more information about
the port proposal, contact:

Ivan Widom
City Manager
P.O. Box 281
Nome, AK 99762
(907) 443-5242

INTRODUCTION OF BILLS (House)

HB 202 (cont'd)

other beverages of 21 percent alcohol by volume or less from 60 cents a gallon to \$1 a gallon; other beverages having a content of more than 21 percent alcohol by volume from \$4 a gallon to \$5.75 a gallon. Changes wording in AS 43.60 from "intoxicating liquors" to "alcoholic beverages". Provides the increase takes effect on the first day of the month after the month in which the law takes effect. Provides Act takes effect immediately.

Introduced February 15 and referred to State Affairs, then to Finance.

Appropriation
(special)
(Nome Port
Facility)

HOUSE BILL NO. 203, by Reps. Fuller and Bussell. Makes a special appropriation in the amount of \$12,000,000 to the Dept. of Transportation and Public Facilities for Phase I of the Nome Port Facility. Provides appropriation is for a capital project and does not lapse. Provides Act takes effect July 1, 1983.

Introduced February 16 and referred to Transportation, then to Finance.

Fish & Game
Licenses/Tags
(compensation
for sale of)

HOUSE BILL NO. 204, by Rep. Duncan. Amends section of the Fish & Game Code relating to compensation and fees for the issuance of fish and game licenses and tags (AS 16.05.390), by stating that the provisions relating to payment of fee for the sale of licenses and tags does not apply to ". . . the sale of a license or tag by a person during the course of and within the scope of the person's employment with the state . . ." (Current law states the payment of fees does not apply to ". . . a state employee appointed by the commissioner of revenue under AS 16.05.380 to sell licenses and tags."). Does not provide for an effective date (becomes law 90 days after approval by the Governor).

Introduced February 16 and referred to Resources, then to Finance.

State
Agencies
(interest
payments by)

HOUSE BILL NO. 205, by Rep. Duncan. Relates to interest payments by state agencies on obligations not timely paid. Provides: "A state agency that, without reasonable cause, fails to make payment for goods or services acquired by that agency within 30 days of the invoice date of a properly completed invoice and the receipt of the goods or services, shall pay interest on the balance due in the amount of one and one-half percent a month or portion of a month, computed from the later of the date of the invoice or the date of receipt of the goods or services." Would apply to goods or services acquired by a state agency, but does not apply to services performed by an individual. Defines "reasonable cause." Provides Act takes effect immediately.

Introduced February 16 and referred to State Affairs, then to Finance.

HB 49, (cont'd)

within the second degree of kindred"

State Employees (limitation) HOUSE BILL NO. 93, (see page 57). Reported back to the House on February 28 by Labor & Commerce with a majority of the committee recommending it do pass. Concurring: Furnace (Chmn.), Koponen, Ringstad, Uehling and Cowdery. Not concurring: Malone had no recommendation. To State Affairs.

Child Prostitution (raising penalties) HOUSE BILL NO. 128, (see page 97). Reported back to the House on March 2 by Health, Education & Social Services with the committee recommending it do pass. Concurring: Fritz (Co-Chmn.), Tischer (Co-Chmn.), M. W. Miller, Davis, Cato, Koponen and Goll. To Judiciary.

Appropriation (supplemental) (school construction debts) HOUSE BILL NO. 137, (see page 99). Reported back to the House on March 4 by Health, Education & Social Services with the committee recommending it do pass. Concurring: Tischer (Co-Chmn.), Fritz (Co-Chmn.), Koponen, Cato, Davis, M. W. Miller and Goll. To Finance.

State Grain Reserve Program HOUSE BILL NO. 156, (see page 125). Reported back to the House on March 2 by Resources with the committee having no recommendation. Concurring: Goll, Bussell, Liska, Cowdery, Uehling and Larson. Not concurring: Ringstad (Co-Chmn.) and Shultz (Co-Chmn.) who signed "do pass." To the House Special Committee on State Loans.

Appropriation (special) (AK Aviation Training Program) HOUSE BILL NO. 160, (see page 127). Reported back to the House on March 4 by Health, Education & Social Services with the committee recommending it do pass. Concurring: Tischer (Co-Chmn.), Fritz (Co-Chmn.), M. W. Miller, Davis, Cato, Koponen and Goll. To Finance.

Forfeited Aircraft (transfer of) HOUSE BILL NO. 195, (see page 179). Reported back to the House on March 4 by Resources with the committee recommending it do pass. Concurring: Shultz (Co-Chmn.), Ringstad (Co-Chmn.), Bussell, Liska, Uehling and Cowdery. To Judiciary.

Note: On March 2, Rep. Abood was added as a co-sponsor on HB 195.

Appropriation (special) (Nome port facility) HOUSE BILL NO. 203, (see page 181). Reported back to the House on March 4 by Transportation with the committee recommending it do pass. Concurring: Cato (Chmn.), Phillips, Szymanski, Lacher, Herrmann, McBride and Davis. To Finance.

Sport Fish/Hunting & Trapping Licenses (sr. citizens) HOUSE BILL NO. 206, (see page 182). Reported back to the House on March 4 by Resources with a majority of the committee recommending it be replaced with Resources Committee Substitute and that it do pass. Concurring: Ringstad (Co-Chmn.), Larson, Bussell, Liska, Uehling and Cowdery. Not concurring: Shultz (Co-Chmn.) who had no recommendation. To Rules.

Resources CS would provide free sport fishing, hunting or trapping licenses to Alaskans who are over 60 years of age and have lived in

INTRODUCTION OF BILLS, (Senate)

SB 303, (cont'd)

Within 30 days after the effective date of this Act the Governor is required to appoint the initial members to the Board of Social Workers. Provides Act takes effect July 1, 1983.

Introduced May 27 and referred to Health, Education & Social Services, Finance.

INTRODUCTION OF RESOLUTIONS (Senate)

Small Business
Development

SPONSOR SUBSTITUTE FOR SENATE CONCURRENT RESOLUTION NO. 18. by Senator V. Fischer (see page 562, original version). Requests the Governor to appoint a task force to assess state policy in contracting, local hire, and small business advocacy, and to recommend measures that will emphasize and promote small business development and maintenance in Alaska; assist in securing adequate sources of bonding, credit, and loans for small, Alaska-owned businesses; assure, wherever possible, that state-funded construction projects are specified, modified, and contracted in a manner to assure a reasonable proportion of state-funded construction projects are performed by small, Alaska-owned businesses.

Further requests the Governor to direct the Attorney General to investigate and recommend measures available to the state to assure that a reasonable portion of state-funded construction and procurement dollars be contracted through small Alaska-owned businesses, consistent with provisions of the constitutions of the United States and the state of Alaska.

Introduced May 26 and referred to Labor & Commerce.

HOUSE BILLS RECEIVED IN THE SENATE

Auto Liab.
Insurance
(req'd under
state law)

CS FOR SS FOR HOUSE BILL NO. 7 (FINANCE), (see pages 27;105; 415;496;610;655;758;818). Received in the Senate on May 23 and referred to Labor & Commerce and Finance.

AK Marine
Highway Auth.
(establishing)

CS FOR HOUSE BILL NO. 68 (FINANCE)(AMENDED), (see pages 49; 387;541;868). Received in the Senate May 27 and referred to Transportation, Finance.

Appropriation
(supplemental)
(increased
prison pop.)

CS FOR HOUSE BILL NO. 203 (FINANCE), (see pages 181;258; 870). Received in the Senate on May 25 and referred to Health, Education and Social Services and Finance. On May 26, at the request of Senator Josephson, the HESS referral was waived. To Finance.

BILLS PASSED IN THE HOUSE (cont'd)

CSSSHB 105 (Fin) (cont'd)

By transferring these hatcheries to the perspective non-profits the fisheries enhancement program remains on-going, while alleviating F.R.E.D. Division. Our intent is to enhance Alaskan fisheries, transferring hatchery facilities is the most viable and expedient option we have.

In addition to transferring hatchery facilities, a southeastern regional pathology lab should be setup within F.R.E.D. This is a service which the private hatchery operators cannot provide nor afford. It's also a beneficial service for the state facilities, but must be provided in a timely and expedient fashion to eliminate the possibility of losing large numbers of eggs.

There are still a number of incomplete hatcheries. The F.R.E.D. Division has been in place for a number of years, with a number of engineers working for the division. The Legislature would strongly suggest that these plans be finished by the end of calendar year '83.

The Yukon River King salmon run has the potential to greatly enhance our King salmon fishery. It is the Legislature's suggestion that the F.R.E.D. Division work with officials in the Yukon Territory to determine how the State of Alaska might assist the enhancement of the Yukon King salmon specie, and designate streams for rehabilitation.

The Finance CS represents the House version of the budget and appropriates \$2,295,959,600 for fiscal year 1984 operating expenses and \$347,968,800 for FY 84 capital expenses, for a total budget of \$2,643,928,400.

Before the House on May 27. The Finance CS was adopted by unanimous consent. Passed the House on May 27, 28-11-1-0, after a series of minority amendments (1 - 19) were all defeated. Nays: Clocksin, Davis, Duncan, Goll. Koponen, Larson, Malone, McBride, M. M. Miller, Vaska, Zharoff. Excused: Wendte. The effective date was adopted.

Appropriation
(supplemental)
(increased
prison popu-
lation)

CS FOR HOUSE BILL NO. 203 (FINANCE), (see pages 181;258; 834). Reported back to the House on May 24 by Finance with the committee recommending it be replaced with a Finance CS and that it do pass. Concurring: Adams (Chairman), Pestinger, Duncan, Ward, Zharoff, Lindauer and Bettisworth.

The Finance CS is a completely new bill (original contained a \$12 million appropriation to the Dept. of Transportation & Public Facilities for the Nome Port Facility). Makes a \$1,499,140 supplemental appropriation to the Dept. of Health & Social Services to pay expenses resulting from an increase in prison population for fiscal year 1983. Effective immediately.

Before the House on May 24. The Finance CS was adopted and the bill passed, 35-0-4-1. Excused: Bettisworth, Grussendorf, Szymanski, Vaska. Absent: Cowdery. The effective date was adopted.

Witness:

Glen Glenzer
Acting Commissioner
DOTPF
Pouch 2
Juneau 99811

602 Chairman Cato called
the meeting to order.
Members present were
Reps. Abood, Kutter, Herrmann,
Hood and Davis. Staff
present Rhonda Cargill and
Pamela Prosd.

Brought HB 452 before
the committee

HOUSE TRANSPORTATION

STANDING COMMITTEE

January 17, 1984

8:30 a.m.

Members Present: Cato, Abood, Herrmann, Miller, Flood, Davis

Members Absent: McBride, Bettisworth, Szymanski

HB 452:

Previous Action: None

Glazer, Acting Comm. DOT Pouch 2

Witness:

Rep. Jack Fuller, Sponsor, in favor of the bill

*Tim Holder, POB 281, Nome, AK 99762, 443-5242
in favor*

*Jay Lyman 3320 Rainier Bank Bldg, Seattle
TAMS Engineers 206-624-3532.*

*602 Cato - Called meeting to order
members present
" excused
Staff present
N.P.S. stuff*

*Tape #
Side 1
6027*

Fuller: John Fuller, Representative for District 23, thanked the

- Chairman and members of committee for prompt scheduling of this bill, appreciate it.

House Bill 452 makes a special appropriation to the Department of Transportation and Public Facilities for Phase I of the - Nome Port Facility in the amount of \$12 million. This project has been the city's of Nome's number one priority for a number

of years. There has been a lot of money spent on engineering and study.

As you may recall, I introduced House Bill 203 last session, which passed this committee and went to the House Finance Committee for consideration. However, after meeting with the Governor and being assured that the Nome Port Facility would be included in the Governor's capital budget, I allowed House Bill 203 to be used as a vehicle for a supplemental appropriation to the Department of Health and Social Services to pay expenses resulting from an increase in the prison population. Until near the end of that last session, the port project was included in the Governor's capital budget, but was removed before the budget was finalized.

A great deal of time, money and effort was put into planning, engineering and economic analysis of the port facility.

— Copies of this information have been placed in your packet.

Today, as Chairman Cato introduced several of the people that are here who are really the expertise on all the phases of the study and so forth are here to answer any questions you may have. Probably when I'm through here I would like to ask Commissioner Glenzer to be the lead-off man and he's been in on this thing all the way along the line and understands all the phases of it; also Jim Holder, Acting City Manager of Nome; Jay Lyfem is here from the engineering firm TAMS.

The Nome Port Facility would have a significant impact on the freight cost savings in Northwest Alaska and also bring economic stability to the region. I recognize that probably most of us sitting around the table today might not be around when the real impact of a port facility in Nome takes place; and that is the development of the minerals of the most highly mineralized individual area in the State of Alaska and that's the Seward Peninsula. I think that alot of it depends on the oil company and the gas which I think we can get, ~~better it'll get better, maybe it'll get worse.~~ But I think that we've got to get started if we're going to think about the future of this state on the development of the mineral industry. This certainly would be a real forward step in prior planning as far as the development of the State goes.

If you have any questions, I'd be happy to answer them, if you don't I would like to pass the ball to Commissioner Glenzer.

108 Rep. Abood: How does this differ from IIB 203?

110 Rep. Fuller: There isn't alot of difference, we're just talking about dollars, but the new plan basically is that the City of Nome is going to be involved in revenue bonds.

116 Rep. Abood: There isn't any distinguishable difference in the design or the cost factors as we once looked at them. Probably a little bit more I would assume.

120 Rep. Fuller: There's been some changes, and if you read this last night you would understand that, but I'll leave that up to

125 Commissioner Glenzer: I guess it's probably appropriate that I do this because starting way back in 1946 I came up there and landed in front of the then Federal Bldg. in Nome and made a telephone call to my wife in San Diego and left a helicopter running while I was sitting there and wondered why we couldn't get in closer to the city of Nome. The day the budget came out I was in Nome, it wasn't much better to have been in Valdez that day.....

At the time we started this and when I became involved, Commissioner Casey directed that we really be the point people in the Northern Region on the concept of getting private participation on major projects.

We started with trying to pump up the city of Nome for the rest of that year and right to where we are now, as far as that project is concerned.

Initially TAMS did an excellent job and I was in on some of the technical reviews later, in designing a port that I suspect would have cost about \$38-\$42 million. In the technical reviews and with some of the highly specialized people sitting there, it was pretty obvious ^{what} and many of those that we could build something and keep it that would still do the job and function for at least in the initial phases to supply what Nome needed.

So we went to work in two directions. One we really rung up the economic aspects of this. We do this in the Northern Region. We went at it very conservatively and did not include any future mineral development and/or off-shore oil development. We did go to the oil company and ^{to} find out and they, sure, if there is a port ^{they'll} we'll use it. As far as mineral development, we didn't even explore that too much, we left it in the realm of future and possibilities.

We developed a package and we scaled down the existing design from TAMS to a very austere facility which could be built considerably less.

We then went into about seven or eight alternatives; proposals that could be included in a package for anyway you wanted to bid it; and we further were going to let the industry, that is to say contractors, who had already expressed interest from foreign countries and within the United States, to come up with innovations that were done.

We then were ready for a package where we are right now, we can put out on the street literally like tomorrow, to let private industry participate.

Now ^{there's} ~~that's~~ one option that can be done. We are concerned with the economic viability at this stage in the game and the price of money. Can a contractor get money cheaper than the city? We also want to make a couple ^{unequivocal} ~~uniquivically~~ clear. The department has also felt, or had the marching orders that the Governor was for a port in Nome. We also felt that Nome should own the ~~Port~~ or run it the way they want; it was Nome's port. And as much as they wanted it, they would have it. To that degree they would go forward and do it. We were there to help them and we did in many working sessions. Now,

there's the option of revenue bonds, it looks good. I'll let the consultant from TAMS ^{at} if you _{..} want to get into that further.

~~As far as the design is concerned, it's a rubble mount you have a packet; the original design. Excellent facility. Let's look at it from the perspective of W~~ When they started to do it, it was a lot of money, people were getting ports, and roads and facilities, they designed one that was literally maintenance free, provided everything immediately. There's room to develop. W^z even came up with some more austere ones with, for instance, would provide for liquid cargo off-loading, but we felt and you should be aware of this, that we felt that the economic benefit generally to the citizens in the area, not just Nome, but the whole area up there, and if you blind-side them with nothing but liquid facility, you could conceivably ~~could~~ create a ~~monopoly~~ or monopoly, or staging for dry cargo which would hurt some citizens perhaps, so we felt that in our proposals we should make provisions for all of them so that nobody suffers, and everybody got the benefits....

Open for questions

For getting into all the figures I've got people here that have been working on it for a year, if you have any questions I'm willing to answer them, we can bring anyone on that you want for economic studies, design studies; and I would suggest don't forget the city of Nome, they're are here, and he should he should really be the point on this thing, but I suggested to him that I'd get on and give the history of it cause at that time he was at Nome, but not in the same capacity.

233 Rep. Herrmann:

Would the OCS benefits come in Phase II or would they come into Phase I?

235 Commissioner Glenzer:

It would depend on, and you'd have to look at the whole thing to see (and of course, that's an unknown) how much are they going to use it, but I'm sure they would. ~~any~~ ^{to} be real candid, an oil company isn't going to build something if the State or local government will, however on the other hand if it's there they are certainly going to use, ^{it} it's about that simple.

245 Tim Holder:

Tim Holder, Acting City Manager for the city of Nome. I've been in Nome for a couple of years and have been keeping track of the project in

my previous position with Coastal Management Planning for the city. I haven't been intimately involved as my predecessor, I've been with him; I'm really here to represent the City council, they're the body that has to take the official action to make this project come together. They have been behind this project for several years and this really says something because in the past five years the city council membership has almost completely changed the seven positions have been completely refilled by new people, and I think that's one measure of support that comes from throughout the community.

Another measure of this port was a survey was done about three years ago throughout the city of Nome asking people if they supported the project and there was an 80% favorable response to support.

Another measure of support that really comes from throughout the region, the Northwest Mayor's Conference passed a resolution supporting the project and it's pretty obvious as to why ~~they're~~ ^{their} interest is there. If we have lower freight cost to Nome, Nome serves as the

distribution point for the region, for the villages of the region and stand to benefit.

It was the kind of thing that there really wasn't pressure at all, in fact it was initiated by people from the villages that are in the region, as Nome serves as the center port, so you should know that there is a lot of political support from the area, ~~and it's a matter of~~
~~cause~~ It takes 3 days and \$1000 to get down here and back and that kind of thing it's too much to bring a whole delegation down, there is definitely the support.

Another item I wanted to touch on, is the project has been one of coordination between the city and the State. The city has taken the lead all along, the city has initiated it from the beginning but we've had considerable support ~~from~~ the State and of course the funding for doing the engineering comes through the State. Given the fact that people are kind of widespread I'd say that the people that have been involved with working on the project getting engineering and economic analysis done have worked out quite well.

The project has been scaled down as Commissioner Glenzer pointed out. We've gone from a \$35-40 million project to a \$16 million approximately. The way this number was derived was not simply a arbitrary scaling down but ~~was~~^{was} a tried to cut back on the total project realizing that the ideal amount of funds might not be available from the state. Analysis has shown that about \$8 million could be provided ~~either~~^{either} through a revenue bond or a through private financing with a private contractor building and then operating the port. This means that there's \$12 million left that we need ~~from~~ the State to build the port. And that leads into what is the interest of the State in providing this money? There are several reasons. One I've touched on is that it will reduce transportation cost for people in ~~the~~ as well as the surrounding villages. This will not be realized immediately with the scaled down, if it had been funded more fully from the State, \$35 million came through we'd have more facilities that could provide deeper draft, more ~~pipel-~~ to bring in fuel and that kind of thing. With the scaled down version those lower transportation costs would not be realized immediately but would come later on.

Beyond that is the fact that this facility would be a step for providing long term job creation, and that is really the long range interest of building the port facility.

~~A~~ you well know in the bush, the job creation is an important element in stabilizing society and keeping people employed and this port facility would be an important step toward that.

If there are any questions I'd be happy to answer them.

326 Rep. Flood: Would you explain lightering services for people who are not from areas like Nome.

328 Mr Holder: The best way to visualize this and understand is in the handout that was given to you yesterday. This is the city of Nome right now and when barges come in and during the barging season they have to anchor about ½-1 mile out from shore depending on how much draft they have. The reason for this is that the shore off of Nome is shallow and they can't get in any closer. They do lightering which means they put the goods onto a lighter and smaller barge and bring it in through the mouth of the Knik River and anchor at our small dock which is mainly ~~at~~ the shore of the river and then put it on the shore. A considerable amount of the transportation

cost are bringing goods from ~~the~~ Seattle which is where most of our barging comes from is in this last step. ~~Jay can be more specific about that.~~ The considerable amount is in this last step, in this last mouth because there has to be a transfer. The idea of the port whether's it's the \$35 million version could go out about 3600 feet where the shortened version \$20 million version is that this step would be eliminated and that cost of lightering would be ...

350 Rep. Flood: This would be eliminated by \$76 a ton? (

Mr. Holder: Jay Ryan to explain
~~357 Mr. Holder: I'll let Jay get into that.~~

352 Rep. Davis: With this scaled down version, how far out would you go?

354 Mr. Holder: 3000 feet.

361 Rep. Davis: The newer version would be ?

362 Mr. Holder: 3600. The difference there is in the depth that you can get to, I think it's 30 foot depth, but the long version 3600 foot would get you to a 30 foot depth, the shorter version depth would be about 25.

Brief discussion of comparison of two versions in relations to depth.

365 Rep. Davis: But this one is designed so that it could be added on ?

Mr. Holder: Yes

368. Rep. Davis: There would be reduced transportation cost and savings, but I was wondering how that would be passed on to the consumer? What guarantee is there that the consumer is actually going to benefit from that.

Mr. Holder: I'll let Jay get into the economics into that.

374 Commissioner Glenzer: In our initial packages with private participation one of the very important factors was in fact how are you going to pass this on to the consumers. And of course in there we had provisions for guaranteed lightering cost. There's where the rub comes as to how much you get for rate of return for somebody who's participating as opposed to how much they can help assistance. If you're going to get 50¢ improvements maybe what's the use. If you're going to get 27-35-47 dollars now you're talking big bucks which is the last part of the rough part of ~~None~~, I guarantee you our director up there just built a house and he spent as much to get ...from the barge as it did from ~~Seattle~~. That is a big cost. You can't, I guess, how much is a project such as that for citizens that are there and how much are you going to allow somebody else to get a drag on say the return. Now granted there is a consideration of a barge company that is there...we did run those costs on what we really thought it cost....

394

Jay ~~Lindeman~~ ^{Lyman}: Jay ~~Lindeman~~ ^{Lyman}, Economist and Engineer with TAMS Engineering

and I've been working on the Nome Port project with the city and the ~~State~~ for the past 2½ years. What I want to talk about was the financing and how that would effect the transportation cost in the area.

As you're aware their lighterage cost right now based on published tariffs averages about \$76 a ton for cargo going into ~~Nome~~. ~~The~~ dry cargo costs are much higher than that, they're up around \$130-140 a ton on average, so there's a very substantial cost currently to the people living there for the last half a mile, on the 2000 mile trip from Seattle to ~~Nome~~. The lighterage represents about 25% of the overall transportation cost from Seattle to ~~Nome~~.

On this scale down version, we have estimated that operating and maintaining it will cost the equivalent of a lighterage charge of around \$35-40 a ton. If that's all the city had to pay for, that would represent a transportation cost savings for that lightering of about \$40 a ton, or in other words roughly \$1½ million per year of direct benefits to the city of Nome. ~~With~~ city participation in financing the capital cost, what we've looked ^{at} is things; the maximum upper acceptable limit for a port tariff equivalent to a lighterage cost, would be the same as what they're currently paying now, which is \$76 a ton on average. Using that difference between the O&M cost of \$35-\$40 a ton and the \$76 a ton that is currently cost of lightering, you come up with a revenue base of about \$1½-\$2 million a year, which can be used to amortize some capital

construction cost. Using conservative assumptions about bond coverage and interest rates and what not, we've estimated that depending on whether it was private financing or municipal bond, it should be between \$6-\$8 million. The assumption then with that is that the initial use of the facility will result in a transportation cost very similar to the community with what they have now. So, what you have to look at is that by putting in a port facility and having a capital amortization program, you've guaranteed a fixed price for 20 years for a large portion of your lighterage cost and it's not going to escalate. However, you can assume that lighterage over that same 20 years are going to escalate at least with inflation. Year by year, the benefit to the community will get larger and larger. Beyond that at the end of the 20 year period you've got the capital paid off and the lighterage cost for the port tariff could drop substantially if they felt they needed to do that.

The second benefit, of course if that putting the facility in provides the start of the ^{transportation} ~~transportation~~ infrastructure for economic development in the region.

434 Rep. Flood: Right now it's about \$76 per ton? (right?)

You say this will reduce the cost by roughly 25-30% correct?

436 Mr. Lyman
Mr. Lineman: No, the lighterage costs represents 25% of the overall transportation cost to Nome. If you just look at what it costs to

operate and maintain the cut down facility, it would reduce the equivalent lighterage charge by about 50%, but with a local contribution toward the capital cost of the facility, the assumption has been made that initially tariff would be set past the current lighterage rate or equivalent to it.

442 Rep. Abood: How many years is it going to take for the guy that lives in ~~Nome~~ that's building a house and he's been paying a \$1 a nail if you wish to use some kind of figure, by putting in this port facility, he thinks he's going to get a good break on that \$1 a nail and bring it down to 50¢ a nail, if that be the case though the numbers not quite clear, how many years is it going to take for that individual or those people of ~~Nome~~ to buy things, lumber, nails, anything you want to call it, cheaper than he's buying now, because the reason

Side 2
450

Lyman
Mr. ~~Lineman~~: He'll continue to pay a dollar, but in the real world, you know that that lighterage cost will go up maybe ^{\$}1.05, ... he's guaranteed a fixed price for 20 years or whatever the term of the bond is, or the financing arrangement and that will become a larger and larger benefit every single year that goes by. At the end of that financing period then the only thing that they will have to fund is the operating and maintaining that facility and that capital cost will significantly lower the transportation cost.

467 Rep. Abood: So the savings in the lightering, if you knock out the lightering because you don't have the lighter^{er} any more you can just

drive it right on, that savings will still be charged and be that the case, then who gets that money the city? to offset what, operation?

474 Mr. ~~Lyman~~^{Lyman}: The city uses that \$76 a ton for operations and capital repayment of their portion of the project which we're saying is \$6-8 million. So the emphasis then is in long term transportation cost benefits will be very substantial and real and the initial year or ~~two~~^{two} you won't see a transportation cost savings, but what you've got is a facility that is much more efficient and can bring in more cargo, heavier equipment and than what they're doing now, so there are sided benefits besides just the transportation cost.

Rep. Abood: So every body in the likeness would pay that \$1 nail, no one will get a different savings than the people that are still paying the \$1 nail. Is anybody going to get a break on that lighterage.

Mr. ~~Lyman~~^{Lyman}: Not initially.

Rep. Abood: And probably at the same rate as the guy who bought the nail.

Mr. ~~Lyman~~^{Lyman}: The premise is you can't go above what transportation costs are now because there'd be a disbenefit now, but if you keep it the same you still have the long range benefits as a major factor for wanting to develop the facility.

500

Rep. Davis: If I had a lighterage service and this port was built, than I think I'd cut my cost about \$10 below you and try to ~~stay~~ stay in business, instead of going out of business; I don't know what guarantee you have on that, maybe you have competition from the current lighterage services. My second question, you talk about the economic benefit to the area and I think they are real, but is there a possibility then, if there is a economic benefit to the area, that actually, that the cost of this facility would go down because it would be more used by more than just freight.

515

Mr. ~~L. Lyman~~ ^{Lyman}: Absolutely, we've used very, very, conservative numbers for cargo just based on existing cargo rates that are going through now and the very real possibility is as soon as you get in a more efficient facility the cargo volumes are going to increase. As soon as you do that, you can adjust your tariff rate down to reflect your actual revenues. So we're using the most pessimistic alternative right now that there will be no additional cargos, they'll be paying exactly what they are paying now, and this is how much they can come up with. In reality, the city is going to grow, there is going to be additional development resulting ~~from~~ ^{from} the port, there will be other cargoes, so that rate would be also another way of in 5 years when they are looking at 10% additional cargo they might be able to reduce the transportation, the port tariffs by that much.

As far as your question about would the lightering firm undercut the port, we've had 2 separate analysis of people who are in the

lightering business, in the cargo handling business, that have come in independently ~~and~~⁹ looked at what they're charging now. and there isn't alot of room to undercut what they are charging now, so if they want to cut their throats, they might do that, but I don't think on a long term that would economically viable for private firm to do t.

541 ^e Rep. Fuller: Jay, in this design, we will no longer have to suffer the barges staying out on the roadsbed for 1-2-3 or a week at a time waiting to unload. This we also pay for this right? I mean their freight charges go up the next year, and this happens quite often, that they can not unload those barges all the time. This design ~~will design~~ will allow them to safe water and continue their operations, is that correct?

Mr. ^{Lyman} ~~Lineman~~: Both dry and liquid cargo unloading will go much faster than the lightering operations now.

555 Rep. Abood: Will this enable the port to continue operations longer, more months of operation, or will it be about the same because of the conditions of ice, etc.

560 Mr. ^{Lyman} ~~Lineman~~: Realistically it probably won't increase the shipping season, because what the major factor is, is not the shore ice as much as the floating ice out in Norton Sound that stops people from trying to come through. We have looked at that, and if the development warrants, you can go in there with ice breaker barges, that's a feasible

proposition it's just more expensive and there's no need for it until oil or some other kind of development occurs. But by going out 3000' you have increased the opportunity for year round service if economic justifies.

572 Rep. Cato: Not only the immediate necessity or immediate benefits, but as Rep. Fuller said, we have to become a little bit more visionary, as to the future that Alaska holds, and one thing that I think is a definite factor, and I'd like all of you to be aware of my position on it, is that with the Seward Peninsula being as highly mineralized as it is and as many things that are in the works to produce up there, I think it's ~~very, very~~ lies heavily upon us at the present time to be visionary so that some infrastructure, the infrastructure is in place when the time actually comes to lead it and not build the cart 25 miles behind the horse, sort of speak. I'm sure all of you are as aware of it as I am.

593 Rep. Davis: I've only been ⁱⁿ ~~in~~ Nome during the winter, I'm curious how far up the shore ice goes.

Rep. Fuller: Goes all the way to Siberia sometimes, Russian coast line.

Mr. Lyman
600

Year around, there's flow ice out in the middle of Norton Sound where the oil development would take place, and that's a scenario we had for year round shipping, if they had oil producing rigs out there they'd

need to have the shore support service, and with the ice reinforced hull you couldn't get in the average of 1000'-1500' from the shore ice, some years it's worse than that, but you could still break through and keep a path open.

611

Rep. Miller: I would like to make a motion that we move HB 452 out of ~~Transportation~~ ^{Transportation} with individual recommendations.

614

Rep. Cato: No objections, so ordered.

~~Thanked for time on Nome Port facility, we're enthused about it, make sure everyone signs the report before we leave~~

630

Rep. Herrmann: Gave brief overview on some discussions she had on the Marine Authority Task Force, overview of some conversations.

Read memo she distributed to the committee; had staff check into what the Governor's Task force on the Marine Highway and what they are up to; ~~the members are as follows: Frank Chapados-Fairbanks; Valley Deder-Seward; Gordon Harang-Sitka, Joe Bushman-San Francisco, not sure of rest, Wor Fairbanks.~~

~~Read memo~~

658 Rep. Davis: Commented on talking with Frank Chapados on weekend, he's really excited about the whole task force and has lots of ideas and really looking forward to talking with members of the committee; trying to come up with long range plan with the Marine highway system; you don't normally talk to people from Fairbanks that are so excited about the marine highway system and have lots of ideas but Frank is definitely one of those individuals.

670 Rep. Cato: Been excited about the Marine Hwy task and is going to make our job more easily workable, and they will come up with some of the recommendations; glad the Governor appointed the task force, I think our marine hwy is one of the most important things that we really need to get into the nitty gritty of, and I think this task force is going to be able to aid us in that situation.

680 Rep. ~~Flood~~²: Can I take this as some sort of indication from you that your excited or interested in making sure that the infrastructures in place before we get on with other forms of transportation and advancement; be it light industries, etc.

684 Rep. Cato: Along with; I have long been a ardent devotee of getting infrastructure in place throughout the entire state and am hoping that that is one thing this committee will be able to do this year, is to focus on a plan; will be doing alot more than just hearing bills.

Rep. Flood: That means that my legislation will stand a chance of being heard in this committee

694

Rep. Cato: I want all of you to know that ^{senate} House Transportation still has the bill to take the Marine Hwy out of DOT, and until such time as the agency can show us that they can stand alone and work within the confines of that agency for the betterment of the citizens of the State of Alaska that bill will still be active; it passed the House last year and is now sitting in Senate Transportation;

~~Any business to come before the committee"~~

~~Announced next committee meeting.~~

714

Adjourned meeting at 9:24 a.m.

HB 452

STAFF
file folder
get vote on
floor.

BILL HB 452
PAGE 02204
DATE 01/09/84
CHAMBER HOUSE
TEXT HOUSE BILL NO. 452 by Fuller and Bussell, entitled:

"An Act making a special appropriation to the Department of Transportation and Public Facilities for Phase I of the Nome Port Facility; and providing for an effective date."

was read the first time and referred to the Transportation and Finance Committees.

BILL HB0452
PAGE 02283
DATE 01/18/84
CHAMBER HOUSE
TEXT

The Transportation Committee has had HOUSE BILL NO. 452 (special appropriation to the Department of Transportation & Public Facilities for Phase I of the Nome Port Facility; effective date) under consideration and reports it back as follows: Cato (Chairman), Abood, M.W. Miller, Flood, Davis and Herrmann recommend do pass. A fiscal note was attached. HB 452 was referred to the Finance Committee.

The fiscal note appears in House Journal Supplement No. 82 (Attached)

BILL HB0452
PAGE 02349
DATE 01/24/84
CHAMBER HOUSE
TEXT

The Finance Committee has had HOUSE BILL NO. 452 (making a special appropriation to the Department of Transportation and Public Facilities for Phase I of the Nome Port Facility; effective date) under consideration and reports it back as follows: Adams (Chairman), Bettisworth, Furnace, Hurlbert, Ward, Fritz and Martin recommend do pass; Lindauer, Duncan and Zharoff have no recommendation.

HB 452 was referred to the Rules Committee for placement on the calendar.