

**Agency: Commerce, Community and Economic Development**

**Grants to Municipalities (AS 37.05.315)**

**Grant Recipient: Whittier**

**Project Title:**

**Project Type:** New Construction and Land Acquisition

**Whittier - Shotgun Cove Road**

**State Funding Requested: \$4,000,000**

**House District: 32 / P**

Future Funding May Be Requested

**Brief Project Description:**

\$4.0 million in state funding is requested for continuing construction of Shotgun Cove Road in Whittier, Alaska to match \$10.0 million in federal funds secured to date.

**Funding Plan:**

**Total Cost of Project: \$38,000,000**

	<u>Funding Secured</u>		<u>Other Pending Requests</u>		<u>Anticipated Future Need</u>	
	<i>Amount</i>	<i>FY</i>	<i>Amount</i>	<i>FY</i>	<i>Amount</i>	<i>FY</i>
Federal Funds	\$10,000,000	02,03,04,05,05-09	\$4,000,000	10	\$14,000,000	
State Funds					\$4,000,000	
Local Funds	\$750,000	07			\$250,000	
Other Funds			\$1,000,000	10		
<b>Total</b>	<u>\$10,750,000</u>		<u>\$5,000,000</u>		<u>\$18,250,000</u>	

*Explanation of Other Funds:*

*Chugach Alaska Corporation - In-kind land donation*

**Detailed Project Description and Justification:**

This request is for continuing the construction of Shotgun Cove Road – Phase I, from Cove Creek to Emerald Cove trailhead, and environmental documentation for the Shotgun Cove Road – Phase II, from Emerald Cove trailhead to Trinity Point, in Whittier, Alaska.

The first 2.7 miles of the project (Phase I) are reconstruction of an existing gravel road. The first segment of Phase 1 extends 0.63 mile to Station 43+00, and is currently under construction, with a scheduled completion date of June 2009. Approximately \$10 million has been earmarked for the project through the Public Lands Discretionary Road program in Fiscal Years 01-04, Corridors and Borders program in FY 05, and SAFETEA-LU in FY 05-09.

This funding request will result in completion of a pioneer road approximately one mile in length between Cove Creek and Second Salmon Run Creek. This will allow a near term access route to Chugach Alaska Corporation (CAC) lands as well as a beachhead to City of Whittier lands. It will provide the basis for additional work desired by the City of Whittier to access municipal lands northeast of the Chugach Alaska property. The proposed pioneer road will be 10 feet wide at the top, have some turnouts for vehicle passing and includes crossing Second Salmon Run Creek.

This funding request will also provide environmental documentation to federal standards for Shotgun Cove Road – Phase II, from Emerald Cove trailhead to Trinity Point. This segment of road has independent utility. Funds, if provided, will be used for Scoping Activities, public and agency meetings, wetlands delineation, archaeological survey, eagle nest survey, maps and figures and preparation of the appropriate level of environmental documentation. This will most likely be an Environmental Assessment with a Finding of No Significant Impacts. Draft permit applications will also be

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prepared but not processed.

Shotgun Cove Road will eventually become a 12-mile, two-lane road extending from the Junction of Whittier Street and Eastern Avenue, near the railroad and ferry terminals in the Whittier core area to Shotgun Cove, terminating near Decision Point. The project will provide needed road access to Federal, state, municipal, and regional Alaska Native Corporation lands. The road project would connect Shotgun Cove to the Seward Highway and the rest of the National Highway System. Also, the project would link to the Alaska Marine Highway System as well as the highway terminal in Whittier.

The Shotgun Cove Road project is needed for community development and transportation access to Shotgun Cove and to take advantage of the tremendous tourism, recreation, housing, commercial, and other development opportunities in Whittier and the surrounding Chugach National Forest and Prince William Sound. The State of Alaska deeded to the City approximately 670 acres in Shotgun Cove and Shotgun Cove access corridor for community expansion, with the stipulation that more than 400 acres are to be placed in private hands by 2014. This project benefits the community by supporting feasible, sustainable, and market-based economic and community development.

The project has national, state, regional, and local significance. The City of Whittier, Alaska, to which the project connects, contains major rail, ferry and international cruise ship terminals. These terminals bring and attract nearly 750,000 U.S. and international visitors per year seeking access to and use of the Chugach National Forest and the waters of Prince William Sound. The project significantly improves public access to Prince William Sound and the Chugach National Forest, the nation's second largest.

The road project has received a broad base of support. The Project Agreement, USFS Agreement No. 01CA-111004-082, has been signed for the preparation of environmental studies, design and development of the road. Parties to the Agreement are: City of Whittier, Alaska; Chugach Alaska Corporation; U.S. Forest Service (Alaska Region); and the Federal Highway Administration, Western Federal Lands.

The development of the Shotgun Cove Road will increase access to Chugach National Forest resources in the area for national and international visitors. It will present opportunities to develop additional small boat moorage, allow Whittier to develop a traditional and safer town center, allow Whittier residents to build conventional housing (at the present time most Whittier residents live in a single apartment building remaining from WW II, which also houses most City offices), and allow tourism developers the opportunity to build new visitor facilities to support the visitation possible through the new tunnel and the rail and passenger vessel terminals.

Whittier annexed Shotgun Cove on April 6, 1973 in recognition that the existing town site was designed, at the time of its construction during WW II and subsequently expanded during the Cold War, to be an industrial military supply port. Since Whittier made the transition to a peacetime community, tourism and non-industrial activities in the community have often come into conflict with industrial uses. Expansion of Whittier into the Shotgun Cove area will afford the opportunity to separate industrial uses of the Whittier port from a growing demand for recreational and tourism uses. This division may be of increasing importance if and when the Alaska gas pipeline begins construction and/or when development of ANWR occurs since Whittier will likely be a key supply port for both of those projects.

The City intends to award a construction bid with available funds for advancing the second segment of Phase I in 2009. It should be noted that the completion of Phase I construction is "shovel ready" in that the project is fully designed and permitted. If funded through the economic stimulus package, the project funding could be obligated within 90 days.

The City intends to begin work on the environmental documentation and pre-design of Phase II in 2009; the City is working with the Chugach National Forest in applying for a grant through the Alaska Forest Highway program to support their efforts in developing USFS property at Trinity Point (the terminus of Phase II). Phase II environmental

documentation and 30% design is expected to take up to 24 months. Design could be accomplished in 18 months. Construction would likely be accomplished over two construction seasons.

**Project Timeline:**

Construction of the second segment of Phase I could be accomplished over two seasons beginning in 2009. Concurrently, the City intends to begin work on the environmental documentation and pre-design of Phase II in 2009. Phase II environmental documentation and 30% design is expected to take up to 24 months. Design could be accomplished in 18 months. Construction would likely be accomplished over two construction seasons.

**Entity Responsible for the Ongoing Operation and Maintenance of this Project:**

City of Whittier

**Grant Recipient Contact Information:**

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Has this project been through a public review process at the local level and is it a community priority?  Yes  No