

Agency: Department of Transportation and Public Facilities**Project Title:****Project Type: Other**

Kake-Petersburg Road

State Funding Requested: \$40,000,000
Future Funding May Be Requested**House District: Southeast Region (1-5)****Brief Project Description:**

Construct approximately 22 miles of new single lane, unpaved roadway and bridges and upgrade approximately 23 miles of existing logging roads on the north end of Kupreanof Island to connect the communities of Kake and Petersburg.

Funding Plan:

Total Project Cost:	\$40,000,000
Funding Already Secured:	(\$0)
FY2013 State Funding Request:	<u>(\$40,000,000)</u>
Project Deficit:	\$0

Detailed Project Description and Justification:

Construct approximately 22 miles of new single lane, unpaved roadway and bridges and upgrade approximately 23 miles of existing logging roads on the north end of Kupreanof Island to connect the communities of Kake and Petersburg.

The City of Kake and the Organized Village of Kake (Pop. 557), about 40 miles WNW of Petersburg, faces many challenges including very costly electricity and lack of ready access to services available elsewhere. The objective of completing a road connection and electrical transmission line to Petersburg is to give the community access to low-cost hydroelectric power and the medical, transportation, and commercial services available at Petersburg while enhancing its ability to make the most of local economic potential.

Fishing Industry: The economy of both Kake and Petersburg is centered on the area fishery. In 2010 Kake residents held 45 fish permits and Petersburg residents held 468 permits. Several major fish processors are located in Petersburg and a rich fishing ground lies west of Kake. Transporting fish from the fishing ground to Petersburg by boat is expensive in terms of fuel and time. A road connection would save a 120 mile roundtrip by boat while reducing lost time on the fishing grounds west of Kake. Reduced transportation time would also result in higher quality--i.e., higher value--products being brought to market.

Tourism Industry: Kake has a number of attractions and cultural assets that could be developed and marketed to tourists traveling on Alaska Airlines and the ferry system if there were a road from Petersburg. Private pleasure boats now take the time to stop at Kake to visit the bear viewing area on Gunnuk Creek and tour the hatchery. Kake has the world's tallest totem pole, a rich native culture, and is located near a rich fishery with great charter fishing potential.

Subsistence: Even though Kake has the potential for economic development, residents will undoubtedly continue to rely on subsistence resources. A road extending to Petersburg would give them access to a much larger area in which to pursue subsistence activities.

Hydroelectric Intertie: The co-location of a power line and year-round road would result in lower total cost for the two projects and reduce the cost of power line maintenance. Co-location of a power line along the Northern Route may prove to be the most reliable intertie option.

Project Status

The various routes for a road between Kake and Petersburg are depicted in the nearby map. Initial construction would include a very low volume single-lane road with inter-visible turnouts or narrow two lane road, two ferry terminals, and a small shuttle ferry. If the forecast average daily traffic is greater than 50 vehicles, road standards would require two lanes. Ultimate plans include upgrading to a paved two lane road with two small shuttle ferries to serve a significant volume of transient traffic.

The northern alternative, which avoids the Petersburg Creek-Duncan Salt Chuck wilderness area, would be the most direct route with a very short ferry crossing of Wrangell Narrows. It makes the most economic sense, particularly if the Borough boundaries proposed by Petersburg become reality. It also follows a transportation-utility corridor through Tongass National Forest lands for which the Department of Transportation and Public Facilities (DOT&PF) has a Section 4407 easement. The corridor follows 26 miles of existing mainline logging road. Completing the connection requires approximately 27 miles of new construction.

An Environmental Impact Statement (EIS) has been initiated by the DOT&PF, US Forest Service, and Federal Highway Administration (FHWA) for development of a forest highway between the two communities. The agencies are in agreement that every effort will be made to reach a conclusion on this effort as soon as possible. The EIS will be coordinated with an Electrical Intertie EIS which is also in progress. It should be complete within three years.

The following options were given serious consideration prior to selecting the current course of action with FHWA in the lead as partner.

- US Army Corps of Engineers (COE) as lead agency under a state funded EIS would restrict consideration of only the Section 4407 easements north and south. The COE would control development of the EIS and if the COE found reason to move out of the existing easements to avoid wetlands, the US Forest Service would become a participant. State would pay the bills and have no control over the process. Risk of litigation considered high and concludes with an EIS that cannot leverage state funds with federal-aid.

- US Forest Service as lead agency under a state funded EIS would allow a degree of control; however, Forest Service lacks experience in EIS documents involving transportation facilities that extend beyond the Forest. Based on recent experience with the Kake to Seal Point and Coffman Cove Terminal Projects an EIS lead by the Forest Service is likely take longer and could not be used to leverage the project with federal-aid highway funds in the future.

- FHWA EIS as a forest highway project -- developed as a partnership by FHWA, USFS and ADOT&PF. FHWA has consultants immediately available on task orders. Development is expedited to the fullest extent possible with participation of all three parties. Risk of litigation is lowest. Project is eligible to receive federal-aid to highways. EIS is paid for by the Forest Highway Program. This is the option now being followed.

Project Timeline:

FY13-16

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

DOT&PF

Grant Recipient Contact Information:

Name: Pat Kemp
Title: Deputy Commissioner-Highway & Public Facilities
Address: PO Box 112500
Juneau, Alaska 99811
Phone Number: (907)465-3906
Email: pat.kemp@alaska.gov

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

Kake - Petersburg Road Project Brief

By: DOT&PF Southeast Region Planning

April 24, 2012

BACKGROUND

The City of Kake and the Organized Village of Kake (Pop. 557), about 40 miles WNW of Petersburg, faces many challenges including very costly electricity and lack of ready access to services available elsewhere. The objective of completing a road connection and electrical transmission line to Petersburg is to give the community access to low-cost hydroelectric power and the medical, transportation, and commercial services available at Petersburg while enhancing its ability to make the most of local economic potential.

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Kake - Petersburg Road Project Brief

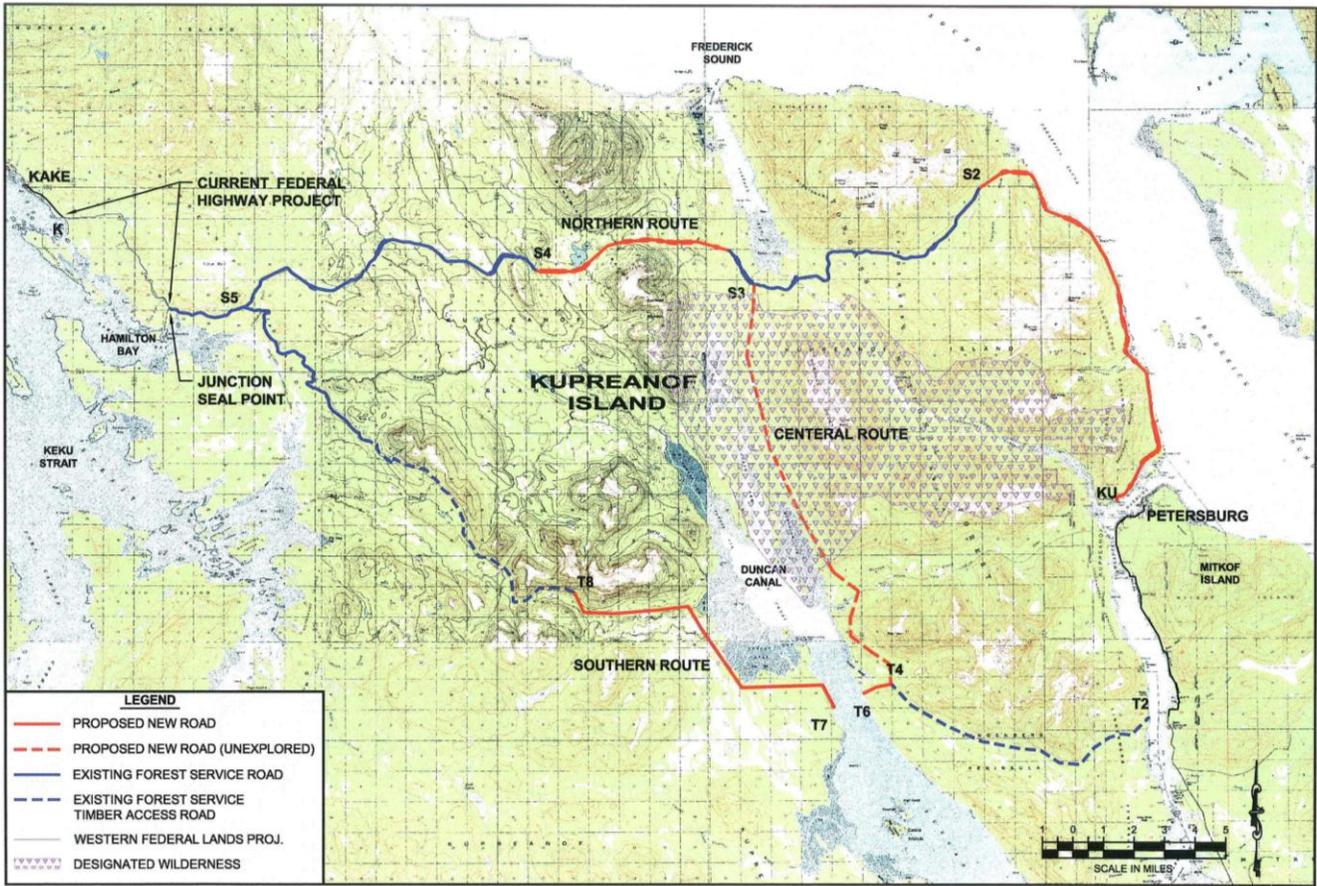
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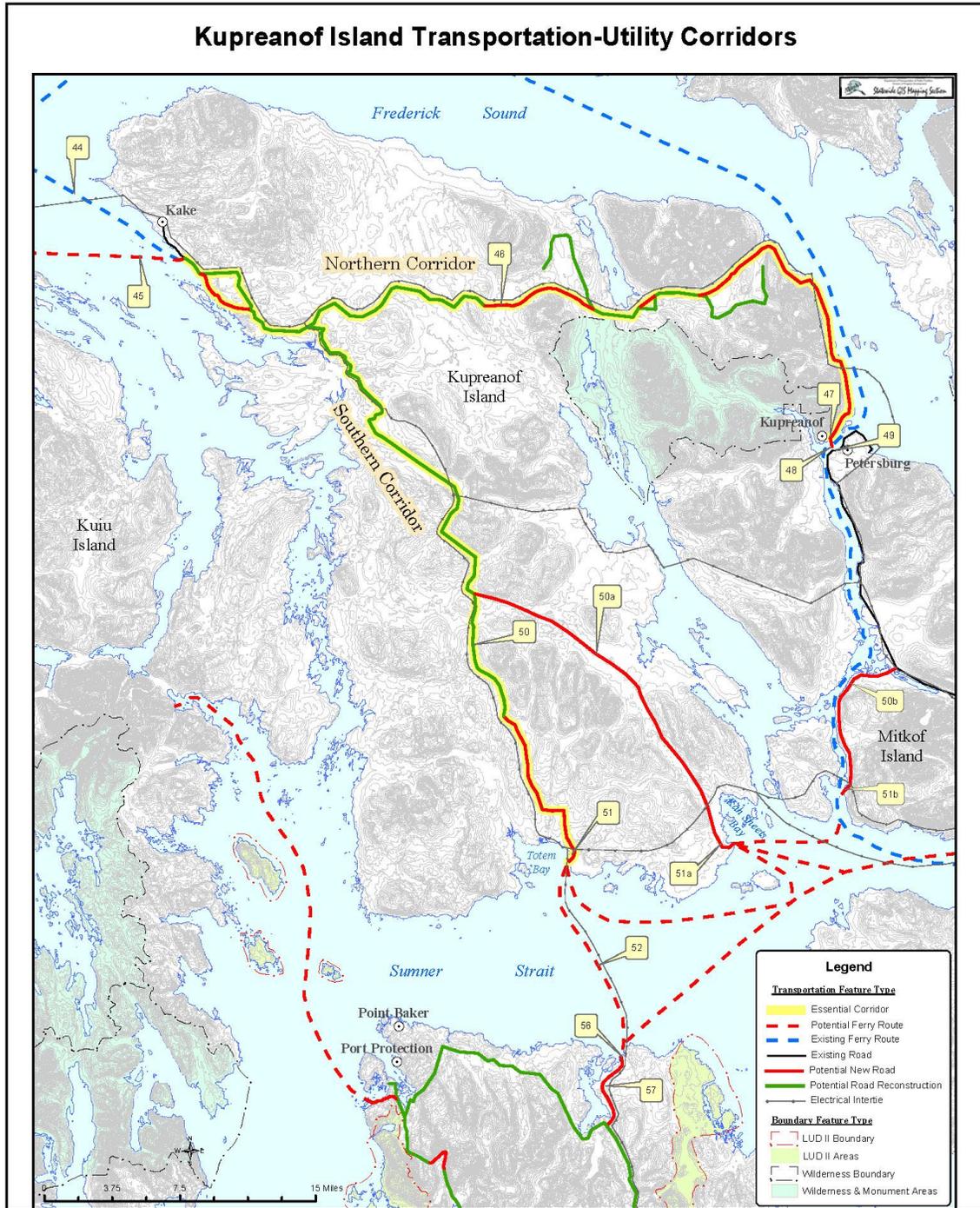
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Potential Kake-Petersburg Road Routes







Senator Bert Stedman
Alaska State Capital
Juneau, Alaska 99801

Dear Senator Stedman:

Southeast Conference has long championed the cause of economic development in southeast Alaska, especially on behalf of those more rural communities like Kake. As you know, Southeast Conference was formed over 50 years ago to address transportation issues and continues to advocate for improved transportation throughout the region. Energy issues are also key to our economic vitality and the focus of much of our recent work.

The high cost of energy and the lack of efficient transportation options for Kake have contributed to the devastation of their economy as well as the out-migration experienced in recent years. The Legislature tasked Southeast Conference with facilitating the intertie project between Kake and Petersburg. This is a critical project that will need continued state support.

It will be necessary to have a minimal construction road as part of any intertie project – both for the construction of the intertie as well as future operations and maintenance of the intertie as those costs will be borne by the rate payers in Kake. That road should be constructed in advance of the intertie or as part of the project itself.

Southeast Conference appreciates your efforts to provide a solution for these important issues. Please let us know if there is anything we can do to facilitate future efforts in the region to accomplish our mutual goals of developing strong economies, healthy communities and a quality environment in Southeast.

Feel free to contact me or Energy Coordinator Robert Venables for additional information or questions we can assist with.

Sincerely,

Shelly Wright
Executive Director