

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

**Grants to Municipalities (AS 37.05.315)**

**Grant Recipient: Aleutians East Borough**

**Project Title:**

# Aleutians East Borough - King Cove Access Project Phase II

**State Funding Requested: \$ 2,000,000**

**House District: 37 - S**

One-Time Need

**Brief Project Description:**

Complete the road to the northeast corner of Cold Bay - approximately 2.2 miles. Also polish off approximately 8 miles that need finishing.

**Funding Plan:**

**Total Cost of Project: \$17,000,000**

	<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	\$11,000,000	1998				
State Funds	\$2,000,000	2005				
Local Funds	\$2,000,000	2007				
<b>Total</b>	<b>\$15,000,000</b>					

*Explanation of Other Funds:*

*Note: Originally received \$37.5 million in 1998 from federal government - partially for Phase I.*

**Detailed Project Description and Justification:**

The King Cove Access Project is completely permitted. It consists of 17.2 miles or single lane gravel road from the King Cove airport to the northeast corner of Cold Bay known as Philips Cabin. The road has 12 salmon stream crossing of bridges from 20' in width to 150' in width and numerous culvert. All of the bridges are installed as are the necessary culverts. At this time, approximately 7 miles is fully completed. An additional eight miles is completed except for the finishing course. The gravel to finish this section was stockpiled for future use. 2.2 miles needs to be constructed along the eastern shoreline of Cold Bay.

The marine link is supported by a BHT-130 hovercraft operating temporarily out of Lenard Harbor, at the end of the fully finished roadway from a temporary ramp and support base. The Cold Bay ramp is finished and located below the airport.

The missing portion of the road is in the proposed STIP in either 2009 or 2010. DOTPF is requiring the AEB to contribute \$4M to complete the beach road segment and the final course on the 8 miles of road bed.

A \$2M requests from the general fund to be matched by \$2M in GO Bonds that were approved by the voters and can be issued as early a June, 2008 to be contributed to the DOTPF to complete the road.

Total Project Snapshot Report

FY 2009 Capital Budget

TPS Report 48654

King Cove Land Exchange: In order to complete the road from Phillips Cabin to the Cold Bay airport, a massive land exchange is pending in Congress. Approximately 61,000 acres of State and private lands will be traded to the federal government for 207 acres of road corridor through the Izembek National Wildlife Refuge and Wilderness and 1,300 acres of federal land in the Kodiak archipelago.

Bills were introduced into the House Resources Committee and the Senate Energy and Resources Committee. A hearing on the House bill was held on October 31, 2007 and a markup is expected this spring. A hearing is pending in the Senate Energy and Resources Committee.

**Project Timeline:**

Will continue the work as soon as funding is available

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

Aleutians East Borough

**Grant Recipient Contact Information:**

Contact Name: Bob Juettner  
Phone Number: 274-7557  
Address: 3380 C St. Ste. 205, Anchorage, 99503  
Email: rjuettner@aeboro.org

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



January 17, 2008

Representative Bryce Edgmon  
Mailstop: 3100, Room 424  
State Capitol  
Juneau, AK 99801-1182

Dear Representative Edgmon:

The new legislative session is started and you have only ninety days to complete your work. I wish you well in this endeavor! The Aleutians East Borough has several items that it would like to discuss with you.

**Educational Funding:**

Increased funding for the classroom to meet the mandates of No Child Left Behind through whatever means possible—more area differential, increase to the per student allotment etc.

The creation of transitional funding for schools that fall below ten students is extremely important. The AEB is very concerned about the rules governing the closure of schools. The arbitrary closing of schools in small communities once they drop below ten students can spell disaster for the continued viability of that community. The AEB is fortunate in that only one school in the AEBSD has dropped below ten students—False Pass. False Pass has a future and the ability to rebound. (The AEB is investing nearly \$8M for a new boat harbor, the Army Corps of Engineers is spending approximately \$17M and APICDA, the CDQ group, is investing in new shore based processing plant.) The AEB and AEBSD have carried the cost of this school for two years while work on the harbor and processing plant continues. However, three other communities in the AEB could also drop below ten students in the future: Akutan, Cold Bay and Nelson Lagoon before the work to improve their economic viability is completed. What is needed from the State of Alaska is a program that would allow a community to rebound by keeping the school open with reduced funding when a school drops below ten students. The AEB understands that efforts are underway to provide transitional funding and supports these efforts.

The AEB wants to see DEED's maintenance grant program fully funded given the extent of the budget surplus. For many too many years, school districts have deferred maintenance to stretch the classroom dollars. It is time for the State to catch up with grant funding for school maintenance and improvement projects. The AEB has several projects that are completed and awaiting reimbursement through DEED's grant program as well as future projects.

Revenue Sharing:

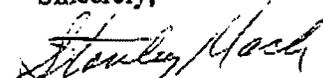
Revenue Sharing for the municipalities and unincorporated villages as an ongoing program is a must. It is absurd to think that a state as rich in revenue as Alaska does not share its wealth with its communities! Revenue Sharing will not only support essential services in rural communities but may reduce the number of minor funding requests that the Legislature receives every year if it becomes a continuing program and not an after thought.

Capital improvement projects:

The AEB has two large projects that are in DOTPF. The AEB was told that it would have to bring money to the table to get these projects. It has. In the case of the King Cove Access Project, the AEB was told to find \$4,000,000 to complete the road to the northeast corner of Cold Bay. The AEB now has half of that amount in GO Bond authority. It also has \$3,000,000 in GO Bond authority for the Akutan airport. Other funding partners in the Akutan airport include the City of Akutan and Trident Seafoods. Regarding the KCAP, the AEB needs \$2,000,000 in general funds. Regarding the Akutan airport, DOTPF needs \$3,000,000 in general funds to complete its share of the funding. (DOTPF's request for \$3,000,000 did not make it into the Governor's budget.)

If you have any question regarding the AEB's issues please contact me, Bob Juettner or Mark Hickey.

Sincerely,



Stanley Mack  
Mayor

**Adam Berg**

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**From:** Bob Juettner [rjuettner@aeboro.org]  
**Sent:** Thursday, February 28, 2008 3:18 PM  
**To:** Adam Berg  
**Cc:** 'Mark Hickey'; 'drowley'; 'Gary Hennigh'  
**Follow Up Flag:** Follow up  
**Flag Status:** Red

Adam, here is the information:

The King Cove Access Project is completely permitted. It consists of 17.2 miles or single lane gravel road from the King Cove airport to the northeast corner of Cold Bay known as Philips Cabin. The road has 12 salmon stream crossing of bridges from 20' in width to 150' in width and numerous culvert. All of the bridges are installed as are the necessary culverts. At this time, approximately 7 miles is fully completed. An additional eight miles is completed except for the finishing course. The gravel to finish this section was stockpiled for future use. 2.2 miles needs to be constructed along the eastern shoreline of Cold Bay.

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The missing portion of the road is in the proposed STIP in either 2009 or 2010. DOTPF is requiring the AEB to contribute \$4M to complete the beach road segment and the final course on the 8 miles of road bed.

Received: \$37.5M in 1998.

Pending: A \$2M requests from the general fund to be matched by \$2M in GO Bonds that were approved by the voters and can be issued as early a June, 2008 to be contributed to the DOTPF to complete the road.

King Cove Land Exchange: In order to complete the road from Phillips Cabin to the Cold Bay airport, a massive land exchange is pending in Congress. Approximately 61,000 acres of State and private lands will traded to the federal government for 207 acres of road corridor through the Izembek National Wildlife Refuge and Wilderness and 1,300 acres of federal land in the Kodiak archipelago.

Bills were introduced into the House Resources Committee and the Senate Energy and Resources Committee. A hearing on the House bill was held on October 31, 2007 and a markup is expected this spring. A hearing is pending in the Senate Energy and Resources Committee.

If you need additional information, please contact us.

Bob Juettner, Administrator

Aleutians East Borough

3380 C Street, Suite 205

Anchorage, AK 99503

907-274-7557

PLEASE NOTE NEW EMAIL ADDRESS

**Adam Berg**

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**From:** Mark Hickey [mshickey@gci.net]  
**Sent:** Thursday, February 28, 2008 6:07 PM  
**To:** Adam Berg  
**Subject:** Re:  
**Follow Up Flag:** Follow up  
**Flag Status:** Red

Adam,

There's also \$2 million in GF that was appropriated in 2005 – see sec. 58(c), ch. 3, FSSLA 2005. The current cost estimate to complete the project is approximately \$16-17 million. \$10-11 million will be federal-aid highway money; \$2 million comes from the 2005 appropriation – the final \$4 million consists of the \$2 million in borough GO Bonds and the requested \$2 million in GF.

Mark

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**From:** Bob Juettner <rjuettner@aeboro.org>  
**Date:** Thu, 28 Feb 2008 15:17:48 -0900  
**To:** <Adam\_Berg@legis.state.ak.us>  
**Cc:** 'Mark Hickey' <mshickey@gci.net>, 'drowley' <drowley@aeboro.org>, 'Gary Hennigh' <ghennighmgr@gci.net>

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