

**Alaska Industrial Development and Export Authority -
Ambler Mining District Access Project**

**FY2015 Request: \$8,500,000
Reference No: 51748**

AP/AL: Appropriation

Project Type: Construction

Category: Transportation

Location: Ambler

House District: Arctic (HD 40)

Impact House District: Arctic (HD 40)

Contact: Ted Leonard

Estimated Project Dates: 07/01/2014 - 06/30/2019

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Brief Summary and Statement of Need:

This project will provide an all season access road for exploration and development of mineral resources within the Ambler mining district. This project will provide substantial economic benefits and a large number of high paying jobs in the region. Funding sought will be used to continue the Environmental Impact Statement (EIS) and permitting processes to the point that the road could be constructed. The Alaska Industrial Development and Export Authority (AIDEA) will develop the project financing structure through a public-private partnership in conjunction with local governments, regional native corporations, and the private sector.

Funding:	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	Total
AIDEA Div	\$8,500,000						\$8,500,000
Gen Fund		\$8,500,000	\$7,000,000				\$15,500,000
Total:	\$8,500,000	\$8,500,000	\$7,000,000	\$0	\$0	\$0	\$24,000,000

<input type="checkbox"/> State Match Required	<input type="checkbox"/> One-Time Project	<input type="checkbox"/> Phased - new	<input type="checkbox"/> Phased - underway	<input checked="" type="checkbox"/> On-Going
0% = Minimum State Match % Required		<input type="checkbox"/> Amendment	<input type="checkbox"/> Mental Health Bill	

Operating & Maintenance Costs:

	<u>Amount</u>	<u>Staff</u>
Project Development:	0	0
Ongoing Operating:	0	0
One-Time Startup:	0	0
Totals:	0	0

Prior Funding History / Additional Information:

Sec1 Ch16 SLA2013 P3 L28 SB18 \$8,500,000
 Sec1 Ch17 SLA2012 P133 L29 SB160 \$4,000,000
 Sec1 Ch5 SLA2011 P101 L28 SB46 \$1,250,000
 Sec7 Ch43 SLA2010 P38 L12 SB230 \$4,000,000

Project Description/Justification:

The Ambler mining district access project will provide all season access for exploration and development of potential mineral resources within the Ambler mining district. There are substantial mineral resources in the region, but access has been a significant obstacle to development. This project will be similar to the development of the Delong Mountain Transportation System that was funded by AIDEA.

The Ambler mining district access project was initially funded under the 'Roads to Resources' initiative through the Department of Transportation and Public Facilities (DOT&PF). AIDEA has been engaged in discussions with DOT&PF and major resource owners in the district, and has now taken the lead on this project. AIDEA will continue to work with DOT&PF, the Department of Natural

Resources Office of Project Management and Permitting (DNR-OPMP) and private sector consultants to manage the pre-development baseline studies and permit applications. AIDEA will initiate the process to develop the structure for the project financing. The project construction will be funded through a public-private partnership and rely on user commitments to repay the funds that are used to construct the facility.

DOT&PF is continuing to provide geo-technical services including environmental and engineering feasibility studies. Data is being gathered and will be evaluated in order to determine the optimal route for the access road, establish right-of-ways and easements, and proceed with permitting and compilation of environmental documentation. The most likely transportation option consists of a truck haul route between the district and then easterly to the Dalton Highway. However, other options will be considered such as rail, and possibly land routes to other destinations. The straight line distance from the Dalton Highway to the Ambler district is 200 miles, though it is likely a selected road route would involve a somewhat longer distance to avoid sensitive areas and areas where land status does not permit a road. The transportation corridor will also address critical infrastructure needs for the development of natural resources such as power generation and communications.

Project information community meetings are being conducted in Ambler, Fairbanks, Shungnak, and Kobuk. Informational meetings have also been conducted with the Northwest Arctic Borough, NANA Regional Corporation, Doyon Limited, and various state and federal agencies. Additional communities and organizations will be added as the corridor location is better defined through feasibility studies.

This project will facilitate environmental and engineering studies related to subsistence activities in the region, and will incorporate community views and cultural values into the project development plan. AIDEA statutes require that its Board of Directors approve the final project before it goes forward, and their approval is contingent upon consensus with local governments.

This project will be used to continue the Environmental Impact Statement (EIS) process and the permitting process to the point that the road could be constructed. Efforts will be continued to ensure National Environmental Policy Act (NEPA) compliance including submitting an EIS Notice of Intent, continuing to collect baseline data, conduct public outreach activities and perform project scoping using the services of a contractor in conjunction with the lead federal agency. By the end of FY2015, the data collection and the initial scoping for required permits, easements, and Right-of-Ways (ROW's) is planned to be complete. Contracts and agreements with the U.S. Army Corp. of Engineers, various state agencies, the University of Alaska, and private consultants is needed to complete the work as scheduled. During FY2015, financial advisor and legal services will be used to develop financial strategies for project development under the Public-Private Partnership (P3) model for financing and construction.

In FY2016, the data collection, alternative scoping, outreach and analysis activities are expected to be sufficiently complete to support preparation of a Preliminary Draft Environmental Impact Statement (PDEIS). The PDEIS will need to be reviewed, outreach activities performed, and comments gathered and incorporated. The Draft EIS (DEIS) will be prepared and be circulated for public comment in FY2017. Other activities in FY2016 and FY2017 include feasibility modeling and

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the development of partnership agreements that will support financing and construction of the industrial road through a public-private partnership.

AIDEA's experience with similar transportation infrastructure investments has shown that these projects provide significant economic benefits and long term high paying jobs throughout the region. This project is expected to generate substantial economic benefits and over 2,000 long term high paying jobs. Additionally, the information gathered in the process of developing this road will provide a more accurate cost model for the development of future industrial roads in the state. AIDEA expects the development of the Ambler mining access road to provide long term economic benefits to private resource developers and the people of the State of Alaska.