

## CHAPTER 11: FINANCIAL PLAN

According to TEA-21 planning regulations, all transportation plans must include a financial plan that demonstrates the consistency of proposed transportation investments with already available and projected sources of revenue. The financial plan must compare the estimated revenue from existing and proposed funding sources that can reasonably be expected to be available for transportation uses, and the estimated costs of constructing, maintaining and operating the total (existing plus planned) transportation system over the period of the plan.

The Chugiak-Eagle River Long-Range Transportation Plan identifies roadway, alternative mode, and trail improvement needs for the next 20 years. The following contains a discussion of the feasibility of funding the needs identified in the LRTP Update.

### I. ROADWAY IMPROVEMENTS

Whether or not an individual roadway project is likely to be funded in the next 20 years depends partly on which source of money it is eligible to receive. The largest pot of money comes from the federal government via TEA-21. This is not a uniform block of money, however. TEA-21 funding is generally divided into two parts: National Highways System and Non-National Highways System. The other major source of funding for roadways is state and local funding. Each funding source has its own requirements, limitations, and applicable uses as described below.

#### A. National Highway System Funding

The purpose of the National Highway System (NHS) is to provide an interconnected system of principal arterial routes which will serve major population centers, international border crossings, ports, airports, public transportation facilities and other major travel destinations; meet national defense requirements; and serve interstate and interregional travel. The Glenn Highway is the only roadway within Chugiak-Eagle River, which is currently designated as an NHS facility.

Following is a list of all of the NHS projects currently listed in the 2001 Anchorage Bowl Long-Range Transportation Plan, which includes the Glenn Highway improvements from Hiland Road to South Birchwood Loop Road recommended in the 1996 Plan:

- Glenn Highway – Gambell Street to McCarrey Street
- Seward Highway (20th Avenue to Rabbit Creek Road)
- Minnesota Drive Northbound (26th Avenue to 16th Avenue)
- International Airport Road at Postmark Drive Interchange
- “C” Street at O’Malley Road Interchange
- Old Seward Highway at O’Malley Road Overcrossing and New Seward Highway at O’Malley Road interchange
- Glenn Highway – Hiland Road to South Birchwood Loop Road
- Port Access (Improve connections to the Port of Anchorage)

Total cost of the NHS projects recommended in the Anchorage Bowl LRTP was \$361.84 million. (The cost estimate for the Glenn Highway, Hiland Road to South Birchwood Loop Road, was using 1996 dollars, and did not include the new proposed interchange between North and South Birchwood Loop Roads.)

There is also a substantial amount of rehabilitation and repaving costs associated with the upkeep of the National Highway System. The 2001 Anchorage Bowl LRTP estimated that an average of \$5.8 million per year would be spent on NHS rehabilitation projects, for a total cost over the 23-year planning horizon for the Anchorage Bowl LRTP was estimated to be \$495.24 million (\$113.4 million for rehabilitation projects, and \$361.84 million for new construction projects identified in both LRTPs at that time.)

Whether or not these needs can be met depends entirely on the amount of NHS funding which can reasonably be expected to be available for use within the Municipality of Anchorage from 2003 to 2023. According to Table 7, the Municipality of Anchorage received an average of \$25.7 million per year between 1985 and 2000. If this trend continues, then approximately \$538.7 million may be available to fund NHS projects between 2003 and 2023. This appears to be enough to cover the \$495.24 million cost of the system over that same period, even including the proposed new interchange for the New Glenn in the Chugiak-Eagle River area.

**Table 8**  
**Municipality of Anchorage**  
**Federal Highway Program - Net Obligations**

<b>Year</b>	<b>NHS</b>	<b>Non-NHS</b>	<b>Total Anchorage</b>
1981	\$36,672,000	\$7,372,000	\$44,044,000
1982	\$13,780,000	\$9,547,000	\$23,327,000
1983	\$55,906,000	\$14,538,000	\$70,444,000
1984	-\$1,951,000	\$35,453,000	\$33,502,000
1985	\$21,820,000	\$42,326,000	\$64,146,000
1986	\$20,000,000	\$21,300,000	\$41,300,000
1987	\$44,400,000	\$16,800,000	\$61,200,000
1988	\$1,300,000	\$44,300,000	\$45,600,000
1989	\$18,000,000	\$27,000,000	\$45,000,000
1990	\$45,339,209	\$20,450,556	\$65,789,765
1991	\$7,942,487	\$20,011,500	\$27,953,987
1992	\$48,429,487	\$9,072,832	\$57,502,319
1993	\$38,461,400	\$8,713,900	\$47,175,300
1994	\$10,019,300	\$19,410,000	\$29,429,300
1995	\$22,968,143	\$18,013,787	\$40,981,930
1996	\$12,015,305	\$21,056,291	\$33,071,596
1997	\$31,220,444	\$22,519,060	\$53,739,504
1998	\$35,290,440	\$24,706,537	\$59,996,977
1999	\$34,785,276	\$20,177,234	\$54,962,510
2000	\$17,244,262	\$45,529,700	\$961,940,150
Total	\$513,642,753	\$448,297,397	\$961,940,150
Average	\$25,682,137	\$22,414,870	\$48,097,008

**B. Federal Funding (Non-NHS Tea-21)**

Federal non-National Highway System funding can be used for improvements to all other roadways not listed in the National Highway System. In the past, this source of funding has been used primarily to fund arterial roadway improvements. There have been a few exceptions, however, where non-NHS funds have been used for collector street improvements. This may be the best source of funding for the arterial and collector street improvements needed in Chugiak-Eagle River. All of the major roadway projects listed in Chapter 10, with the exception of the Glenn Highway projects, are eligible for non-NHS funding.

The 2001 Anchorage Bowl LRTP financial plan estimated, if Anchorage maintained its historic funding levels, that Anchorage's share would be about \$531 million from 2001 to 2023. Non-NHS funding needs from 2001 to 2023, which included Chugiak-Eagle River, were estimated at \$666.083 million for Safety, Roadway Rehabilitation, Enhancements, CMAQ, Chugiak-Eagle River Roadways, and Anchorage Bowl Roadways. (Chugiak-Eagle River Roadway needs were estimated using the amount

shown in the 1996 LRTP of \$36 million for 20 years.) Remaining funds needed for the two LRTPs would come from State and local sources. Recently the Alaska Department of Transportation and Public Facilities revised the cost allocation formula, which determines how much non-NHS federal money each area within Alaska will receive. It is anticipated that an additional \$10 million per year will be available to the Municipality of Anchorage.

Table 9 shows the current non-NHS roadway improvement projects recommended for Chugiak-Eagle River, from Chapter 10, with cost estimates. Projects 1 through 4 are currently programmed for funding, and are included in the 2001-2003 AMATS Transportation Improvement Program. Because cost estimates for these improvements, particularly for Eagle River Loop Road, have increased substantially over the 1996 estimate, the cumulative cost estimate for these four projects alone is \$40.7 million. Fortunately, with the additional \$10 million per year soon to be available to the Municipality of Anchorage (depending on continued federal funding at historic levels), there should be plenty of funding available for all of the projects shown in Table 9 for Chugiak-Eagle River.

**Table 9  
Non-NHS Funded Projects\***

<b>Roadway Project</b>	<b>Cost</b>	<b>Cumulative Cost</b>	<b>Rank</b>
Eagle River Loop Rd. Improvements	\$15,300,000	\$15,300,000	1
Eklutna River Bridge Rehabilitation	\$4,500,000	\$19,800,000	2
Old Glenn Hwy. Improvements (Rural)	\$12,367,000	\$32,167,000	3
Eagle River Rd. Improvements MP 5.3 to MP 12.6, Eagle River Nature Center	\$9,100,000	\$41,267,000	4
Hiland Road Improvements**	\$23,566,000	\$64,833,000	5
Homestead Rd. Improvements	\$2,400,000	\$67,233,000	6
Eagle River Rd. Improvements MP 0 to vicinity of Greenhouse Road	\$12,000,000	\$79,233,000	7
North Birchwood Loop Rd. Improvements	\$6,350,000	\$85,583,000	8
Eklutna Lake Rd. Improvements	\$12,073,000	\$97,656,000	9
South Birchwood Loop Rd. Improvements	\$11,936,000	\$109,592,000	10

Source: Cost Estimates for 1-4 are from the 2001-2003 AMATS Transportation Improvement Program, as amended December, 2003, and for 5-10 are from the Alaska Department of Transportation and Public Facilities and the Municipality of Anchorage Project Management and Engineering Department.

\* It is assumed that a limited amount of local and State funding will be available to finance the needed roadway improvement projects identified in this Plan.

\*\* The Hiland Road corridor should be studied as a whole, with the intent that an appropriate first project that meets the greatest needs of the public shall be identified.

### **C. State and Local Funding for Roadway Projects**

Approximately 173 miles of local roads are under the control of the Chugiak-Birchwood-Eagle River Rural Road Service Area (CBERRRSA). Several of the roads listed in the Plan as needing improvements are included in this total, including Homestead Road, Business Boulevard, and the upper part of Hiland Road. Although these roadways could be funded by non-NHS money, there is also a possibility that they could be funded through a combination of state grants and local contributions.

The only existing flexible funding source for roadway projects in Anchorage is the Municipal Capital Project Matching Grant Program (AK Statute 37.06). The Anchorage Bowl LRTP estimated that for 2001-2023, an estimated \$1.1 million per year, or \$15.4 million, could be expected to be spent on LRTP recommended projects for non-NHS roadway projects.

However, In order to secure a grant from this program, Chugiak-Eagle River roadways must not only compete with projects sponsored by other cities but also with other Anchorage needs. Historically, from 1/3 to 1/2 of the total Anchorage allocation has been spent on roadway improvements. Due to the competitiveness of this grant program, it is very difficult to estimate the amount of money that might be available for Chugiak-Eagle River roadway projects in the future.

Chugiak-Eagle River does have a source of funding for the 30% local match required by the Municipal Capital Project Matching Grant Program. Several years ago, Chugiak-Eagle River voters approved a 1.0-mil road/drainage capital improvement levy, and a 1.1 mil winter/summer road and drainage maintenance levy. The money has been used for a variety of purposes including the Recycled Asphalt Program and minor roadway improvements. It was also used to provide the local match requirement for the Baronoff Street upgrade project. The financing package for this project consisted of a \$1.330 million State grant and a \$0.570 million local match from the Chugiak-Eagle River capital improvement mil levy.

It is up to the CBERRRSA Board to recommend how to spend the capital mil levy. In order to obtain a share of this funding source, the major roadway projects identified in the Plan will have to compete with an array of other pressing local needs. Many existing local roads under the Board's control have serious maintenance needs that must be addressed in a comprehensive manner. For example, substandard roads need upgrading to correct drainage and safety problems and to provide standard amenities. In addition, dirt roads require surfacing to help minimize dust pollution problems. Nevertheless, it is reasonable to expect that a limited amount of money will be available from the capital mil levy to help fund some of the major roadway improvement projects identified in this plan.

## **II. PUBLIC TRANSPORTATION AND OTHER MODES**

Chapter 5 identifies the following recommendations pertaining to transit, carpooling, and vanpooling for the Chugiak-Eagle River area are based on the Public Transportation Department Route Restructure Analysis, completed in 2003. These recommendations are provided for concept only. Additional analysis of the Chugiak-Eagle River area is needed in order to finalize the long-range public transportation recommendations.

1. Implement convenient public transportation service that combines the predictability of a fixed route system with the accessibility of a dial-a-ride/community circulator system.
2. Maintain large bus service, oriented to the Glenn Highway, to provide transportation for area residents into Anchorage.
3. Provide connectivity between Chugiak-Eagle River and destinations in Anchorage other than downtown.
4. Explore expanding People Mover service to serve the high-density residential development in Tract A, Powder Reserve when development is nearing completion, either through park & ride or through community circulator service.
5. Explore additional Share-A-Ride program alternatives, particularly the vanpool program in the Chugiak-Eagle River area.

The above recommendations will probably cost more money to implement. On the other hand, transit operations are typically covered by local contributions (property taxes and fares). Thus, it will be up to transportation officials as well as transit advocates and users to convince decision makers that transit is an essential service and that operating revenues need to be increased to implement the recommended program expansions.

The bike trail and sidewalk needs in Chugiak-Eagle River are also greater than the funding available to construct them. The Anchorage Trails Plan, as well as the Eagle River CBD Revitalization Plan, when adopted, should be used to prioritize the projects.

## **III. MAINTENANCE**

The roadway recommendations contained in the 2003 LRTP Update will not substantially increase the maintenance costs for either the State of Alaska or CBERRRSA. All but two of the roadway projects are upgrades of existing roads, which do not require additional lanes. In many cases the projects will result in a net maintenance cost savings especially where improvements to the existing substandard roadbed and drainage reduce the need to repair the roadway surface.

The Glenn Highway is the major exception to the maintenance neutrality of this LRTP Update. Recommendations call for an additional 11.2 lane miles between Hiland Road and South Birchwood Loop Road. At an estimated cost of \$5,906 per mile (Source: ADOT&PF Central Region, Road Maintenance), this project will cost \$65,027 more per year to maintain. (Note: maintenance costs include snow removal, sanding, and minor

repair.) The ADOT&PF road maintenance budget is funded out of the general fund appropriated by the State legislature. Whether or not this increased maintenance cost is funded adequately depends upon the priority given this function by the State legislature.

Implementation of the trails and sidewalk recommendations contained in the Plan could result in a substantial increase in the length of the existing trail system. The ability and willingness to pay the additional cost of maintaining this expanded system should be resolved prior to making a commitment to build them. Both the CBERRRSA Board and the Chugiak-Eagle River Parks and Recreation Commission continue to work to address this issue.

#### **IV. SUMMARY OF FINANCIALLY CONSTRAINED RECOMMENDATIONS**

As the above analysis demonstrates, sufficient federal funding will be available to finance all of the major roadway improvement needs in the next 20 years.

TEA-21 regulations state that the Long-Range Transportation Plan will be used to develop the needs list for the Transportation Improvement Program (TIP). In order to provide guidance to AMATS staff in assessing which Chugiak-Eagle River projects to include in the TIP, the financially constrained roadway projects have been categorized by the following horizon year phases: FY 2002-2008, FY 2009-2015, and FY 2016-2023 (see Table 10).

**Table 10**  
**Short and Long Term Roadway Recommendations**  
**Horizon Phases\***

Non-NHS Projects	FY 2002-2008	FY 2009-2015	FY 2016-2023
Eagle River Loop Road	I-----I		
Eklutna River Bridge Rehabilitation	I-----I		
Old Glenn Hwy. (Rural)	I-----I		
Eagle River Road MP 5.3 to MP 12.6, Visitors Center	I-----I		
Hiland Road*	I-----I		
Homestead Road		I-----I	
Eagle River Road MP 0 to vicinity of Greenhouse Road		I-----I	
North Birchwood Loop Road			I-----I
Eklutna Lake Road			I-----I
South Birchwood Loop Road			I-----I
NHS Projects	FY 2002-2008	FY 2009-2015	FY 2016-2023
Glenn Hwy./Artillery Rd. Interchange	I-----I		
Glenn Hwy./Hiland Rd. Interchange		I-----I	
Glenn Hwy / New Interchange between N & S Birchwood Lp. Rds.			I-----I
Glenn Hwy. (Hiland Road to Artillery Rd.)			I-----I
Glenn Hwy. (Artillery Rd. to North Eagle River Access Rd.)			I-----I
Glenn Hwy. (N. Eagle River Access Rd. to South Birchwood Loop Rd.)			I-----I

\*The Hiland Road corridor should be studied as a whole, with the intent that an appropriate first project that meets the greatest needs of the public shall be identified.