

SUBJECT: AN ORDINANCE OF THE MATANUSKA-SUSITNA BOROUGH ASSEMBLY APPROPRIATING UP TO \$2 MILLION FROM THE LAND MANAGEMENT PERMANENT FUND, FUND 203, FOR THE WILLOW LIBRARY PROJECT, FUND 435, PROJECT NO. 10186; ALSO APPROPRIATE UP TO \$1.5 MILLION FOR FISH CREEK ACCESS PROJECT, FUND 480, PROJECT NO. 47031. ~~AS WELL AS A RESOLUTION APPROVING THE AMENDED BUDGET FOR THE WILLOW LIBRARY PROJECT, AND APPROVING THE SCOPE OF WORK AND BUDGET FOR FISH CREEK ACCESS PROJECT.~~

AGENDA OF: August 20, 2019

ASSEMBLY ACTION:

Adopted without objection

10-15-19

(B)

MANAGER RECOMMENDATION: Introduce and set for public hearing.

APPROVED ^{for} BY JOHN MOOSEY, BOROUGH MANAGER: *George W. Hayes*

Route To:	Department/Individual	Initials	Remarks
	Originator	<i>EP</i>	
	Community Development Director	<i>EP</i>	
	Finance Director	<i>OK</i>	
	Borough Attorney	<i>John N.S.</i>	
	Borough Clerk	<i>BAA for IM. 8-12-19</i>	

ATTACHMENT(S): Fiscal Note ☐ NO ☒ YES X
 Ordinance Serial No. 19-101 **B** (5 pp)
 Resolution Serial No. 19-071 **B** (6 pp)
~~Willow Library Replacement~~
~~and Community Center Upgrades PDP (30 pp)~~
~~2019 HMS Cost Estimate (78 pp)~~

SUMMARY STATEMENT:

~~In 2018 the Assembly passed Ordinance No. 18-018 appropriating \$914,450 from the areawide budget, and \$1,000,000 from the non-areawide budget for the building of a new library in Willow. The Mat-Su Health Foundation has committed \$1,698,000 in grant money for the project, and the Friends of the Willow Library fundraised \$88,621.00, for a total of \$3,701,071.00 in funds raised to-date.~~

In 2017, the estimated cost of the new library/community center renovation project was \$5,660,000, leaving a shortage of \$1,958,929.00. Today, this shortage has increased somewhat due to inflation estimated at 12% over the 2017 construction estimates, leaving a funding shortage of approximately \$2.7 million.

The Land Management Permanent Fund currently has a balance of \$3.9 million. Per Borough code 23.05.070 (D)(2) Land Management funds money shall be spent or disbursed as appropriated by the assembly and shall be appropriated for the following purposes only: capital improvements including, but not limited to, schools, trails, roads, streets, buildings, port infrastructure, harbors, air fields, park acquisition and development, utilities and property acquisition; therefore, this is an appropriate use of these funds.

The proposal is to transfer \$2 million from the Land Management Permanent Fund to the Willow Library Project. In addition, we would anticipate receiving \$500,000 of "top off" funds from the Rasmuson Foundation, for a total of approximately \$2.5 million of additional funds for the Willow Library Project.

We anticipate a favorable bidding climate and any remaining land management permanent funds not expended could be returned to the fund for other Borough infrastructure projects.

The community of Willow has been actively working on this project since 2014. The Mat-Su Health Foundation funding for the project has been in place since 2017 and one concern is that these funds will cease to exist if the project continues to sit idle due to lack of funding. This could also cause the potential funding by the Rasmuson Foundation to not be awarded. It was anticipated back in 2014 that the State would contribute substantial funding to this project, but in 2015 dropping oil revenues caused the state to back away from funding these types of projects and budget realities are much different today. We believe that if the Borough does not find a way to infuse additional funds into the project, it may never be completed.

The Fish Creek Access project is a project the land and resource management division has been working on for seven years. The (approximately) \$6 million project would construct two bridges, improve 6.7 miles of winter ice road and add 12 miles of all season road to open up vast acreage in the west side of the Borough to agriculture, commercial use, forestry, materials extraction, public recreation, resource management, and settlement. The two bridges and forest road will help develop the area between the Little Susitna (Little Su) and Susitna (Big Su) Rivers, opening up approximately 200,000 acres. Perhaps as important, the project also puts us at the doorstep of 6 million

acres of land on the other side of the Big Su with oil and gas, mineral, agricultural, timber, and many other resources. The challenge is and always has been, ACCESS to these resources.

The proposed project is the critical first step to opening up this region for economic development. A winter ice road to the area and two ice bridges across the Little Su were constructed in 2014. The project begins at the end of West Susitna Parkway southwest of Big Lake. Upgrade of the winter ice road to a two-way single lane all season resource recovery road (including two all-season bridges) is proposed. The project includes one bridge constructed across the Little Su as well as one small bridge placed across a nearby stream. In addition, extending the existing winter ice road approximately 12 miles across Borough and State land will connect it near the preferred crossing point for the future bridge across the Big Su. Upgrading this proposed 12-mile ice road to a two-way single lane all-season resource recovery road will require additional study and funding. State of Alaska has already expended \$400,000 on 6.7 miles of winter ice road. Project costs include 1) Pioneer Road and unnamed stream crossing (\$1.43 million), Bridge over the Little Su, West approach & turnaround (\$4.41 million) and A/E fees (\$450,000) for a total project cost of \$6,290,000. The Borough has \$1.5 million in the Land Management permanent fund that can be allocated for this project. Our goal is to utilize these funds for grant match to cover the balance of project costs. If grant funds or other partnerships cannot be secured, these funds would simply go back to the Land Management Permanent Fund.

~~Recommendation of Administration: Respectively request Assembly approval to appropriate up to \$2 million from the Land Management Permanent Fund, Fund 203, and amend the budget for the Willow Library Project, Fund 435, Project No. 10186, and appropriate up to \$1.5 million and approve the scope of work and the budget for the Fish Creek Access Project, Fund 480, Project No. 47031.~~

MATANUSKA-SUSITNA BOROUGH FISCAL NOTE

Agenda Date: August 20, 2019

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ORIGINATOR: Eric Phillips

FISCAL ACTION (TO BE COMPLETED BY FINANCE)	FISCAL IMPACT YES NO
AMOUNT REQUESTED \$3,500,000 \$1,500,000	FUNDING SOURCE <u>Land Management Permanent Fund</u>
FROM ACCOUNT # <u>203 262.400</u>	PROJECT #
TO ACCOUNT : <u>435.170.XXX.XXX.XXX*</u>	PROJECT # <u>#0186 / 47031</u>
VERIFIED BY: <u>Hannah Nurbury</u>	CERTIFIED BY:
DATE: <u>7/30/2019</u>	DATE:

EXPENDITURES/REVENUES: * 480.170.XXX.XXX.XXX (Thousands of Dollars)

OPERATING	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025
Personnel Services						
Travel						
Contractual						
Supplies						
Equipment						
Land/Structures						
Grants, Claims						
Miscellaneous						
TOTAL OPERATING						

CAPITAL	<u>3,500</u>					
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REVENUE						
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FUNDING: (Thousands of Dollars)

General Fund	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025
State/Federal Funds						
Other <u>Land Management Perm. Fund</u>	<u>3,500</u>					
TOTAL	<u>3,500</u>					

POSITIONS:

Full-Time						
Part-Time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

PREPARED BY: _____ PHONE: _____
 DEPARTMENT: Chapman Demand DATE: _____
 APPROVED BY: _____ DATE: 7/30/19

IM No. 19-134 B
 Ordinance Serial No. 19-101 B
 Resolution Serial No. 19-071 B