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State plans to demolish properties in path of proposed Knik Arm bridge access

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The Alaska Department of Transportation is moving forward with plans to demolish two homes in Government Hill over the objections of the community council.

The homes, along with the former Sourdough Lodge, were bought by the state to make way for the proposed Knik Arm bridge and access roads. Last week, the DOT announced it would start taking contract bids later this month for the demolition and removal of those three properties, with the goal of completing the demolitions by mid-November.

The move marks the first major step since the DOT took over construction and management of the bridge project on July 1. It's also the latest in an ongoing controversy with the Government Hill Community Council over the project.

Stephanie Kesler, president of the council, said it does not oppose the demolition of the rundown Sourdough Lodge, which the council has called a potential nuisance spot.

But Kesler said the council plans to push back against the demolition of the homes at 828 Erickson St. and 441 Harvard Ave., both built in the late 1950s. Until federal financing for the bridge comes through, the homes should be used as rental properties, she said.

"Given the current rental shortage, it seems these would be two wonderful homes," Kesler said.

A spokeswoman for DOT, however, said renting out the homes is not an option. Both would require major work including mold removal and repairs to faulty wiring and a leaky roof, said the spokeswoman, Shannon McCarthy, who was with the Knik Arm Bridge and Toll Authority before the project transitioned to DOT.

McCarthy also noted that with demolition, the state would no longer be required to pay a property manager to secure and weatherize the properties.

Federal law also would require the state to give full relocation benefits to a prospective renter, which the state already did for previous occupants and could cost between \$10,000 and \$30,000, McCarthy said.

The state purchased the homes and the motel over the last few years as right-of-way acquisitions for the bridge project. Residents were relocated about a year ago.

Nearby, a fourth parcel, at 820 E. Loop Road -- a duplex housing a piano store -- was acquired less than a year ago. A different

arrangement is in place for that property, with the store owner renting from the state, McCarthy said. There is no plan for that building's removal, she said.

Kesler called the state's move to demolish the two homes "premature." The early purchase of the properties means the state is now "involved in the property management," Kesler said.

"It is irresponsible to demolish those homes before you have financing" for the bridge project, she said.

On June 20, Gov. Sean Parnell signed legislation that set up a new finance plan and management structure for the bridge project. House Bill 23 transferred the design and construction of the project to the DOT. The Knik Arm Bridge and Toll Authority, the state agency originally set up to run the project, is retaining tolling authority and a separate board, but the bridge project employees are now considered DOT employees.

The bill also prevents the state from issuing bonds to finance the bridge project without first securing a loan from the Federal Highway Administration. The loan must cover at least 30 percent of the project cost for the construction of the bridge and accompanying facilities.

The state first submitted a letter of interest in the loan in 2007. Since taking over the project on July 1, DOT has not yet re-applied but expects to sometime this year, McCarthy said.

About this Author

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Devin Kelly covers Anchorage city government and general assignments.

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