



Anchorage Metro Area Transportation Solutions

MUNICIPALITY OF ANCHORAGE

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Project Status Information Item Business Item **AGENDA ITEM 5B.**

TO: AMATS Policy Committee

FROM: Lance Wilber, Director, Traffic Department

SUBJECT: Proposed 2009 Amendment to Anchorage Bowl 2025/ 2027 Long-Range Transportation Plan (LRTP): Recommend to the Assembly and the AMATS Policy Committee that the Anchorage Bowl 2025/2027 LRTP be amended and adopted.

DATE: June 19, 2009

PROJECT BACKGROUND:

On September 16, 2008, the Anchorage Municipal Assembly passed Resolution 2008-198 that requested the AMATS Policy Committee begin the process to consider the question of removing the Knik Arm Crossing (KAC) Project from the Anchorage Bowl 2025 Long-Range Transportation Plan with 2027 revisions, and from the AMATS Transportation Improvement Program (TIP). This Assembly resolution posed concerns about the following issues: unprecedented increases in fuel and construction costs over the previous two years that were expected to alter future growth, land use, and commuting patterns in the Anchorage/Mat-Su region; the declining balance in the Highway Trust Fund; the newly identified Regional Transit Authority that would serve commuters; and the impact of funding demands for KAC-related roadway improvements on the ability of AMATS to fund, design and develop other needed transportation improvements. The Assembly asked the project be revisited.

On October 9, 2008, the Policy Committee directed the AMATS Technical Advisory Committee and staff to begin the process of revising the Anchorage Bowl LRTP to of the KAC. Staff developed a Public Review Draft LRTP amendment consisting of a new Chapter 13. This new chapter, proposed to be added to the existing 2027 LRTP document, included a discussion of how the LRTP meets the new SAFETEA-LU requirements. The current LRTP, revised in 2007 to add the KAC project, can be found at the following link on the Internet: <http://www.muni.org/transplan/LRTP.cfm> (please see 2027 Revisions, including Chapter 12).

The staff draft LRTP amendment was presented in April, 2009, to the AMATS Technical Advisory Committee (TAC) for review. The TAC held a work session and meeting to discuss the amendment, but made no recommendation to the Policy Committee. The Policy Committee, after discussion and public input during the meeting held April 23, 2009, voted to release the Public Review Draft LRTP amendment for a 30-day review period. A timeline was developed that includes the air quality conformity consultation process.

An open house-style public meeting was conducted with representatives from Knik Arm Bridge and Toll Authority (KABATA), the Alaska Railroad and the Municipal Planning Department to address any questions. The Planning & Zoning Commission (PZC), serving as the AMATS Citizen Advisory Committee, held public hearings on May 18 and June 1. The PZC closed the hearing on June 1 with a motion to reaffirm its 2007 resolution to remove the Knik Arm Crossing. During the June 1st meeting, the PZC asked for a response to several matters based on questions and testimony brought forth at that meeting. On June 15th, the PZC passed a resolution, attached, recommending removal of the Knik Arm Crossing. On June 17th the Freight Advisory Committee recommended retaining the Knik Arm Crossing in the LRTP.

On June 18, 2009, the AMATS Technical Advisory Committee took action to recommend to the Policy Committee a revised Chapter 13, updated financial tables reflecting project costs, a revenue source illustrating financial constraint, and updated Table 8.1 and 8.2 for project descriptions (moving the Knik Arm Crossing from the list of short term to the list of long term projects).

DISCUSSION:

The LRTP serves as the 20-year guide for transportation decisions and is a key implementation tool in support of *Anchorage 2020*. In 2007, the Assembly recommended and the AMATS Policy Committee approved the addition of the Knik Arm Crossing project with the following conditions (summarized):

- A. The air quality conformity requirements will be met.
- B. No funding currently planned for implementing the LRTP will be used on the Knik Arm Crossing.
- C. A neighborhood mitigation program to protect the integrity of affected neighborhoods will be adopted.
- D. No construction will begin on the bridge until the landside bridge approaches are secured for funding and submitted to the established municipal design review.
- E. KABATA will fund the design and construction of the Ingra-Gambell connection.
- F. KABATA will fund the installation and monitoring of air quality in the project area.

It is the recommendation of this 2009 amendment that these conditions remain.

Beyond the discussion and review to remove the Knik Arm Crossing, it is also necessary to update the LRTP to meet new planning requirements, including an update on the financial feasibility to fund all the existing LRTP transportation improvements. Part of this financial plan update has been the need to identify new sources and levels of “reasonably expected” funds to implement the recommendations of the LRTP. This analysis included the importance of planned, phased and coordinated development for land use and transportation infrastructure in long-range planning. Having the Knik Arm Crossing as a long-term project would allow Anchorage to see the benefits of its land use policy for infilling and redevelopment mature prior to its possible construction.

SUMMARY OF ISSUES & COMMENTS:

A significant number of comments were received during the review of this proposed amendment. Staff attempted to recognize and capture all the comments and categorize them with similar issues and prepared responses to these issues. The Issue Response Summary prepared by staff is formatted into Issue #'s with an accompanying staff response. Below is a highlight of the issues that received the most comments and concerns from the public and agencies both for and against keeping the Knik Arm Crossing in the LRTP.

The issues are categorized and numbered in the Issue Response Summary. Comments received in support of keeping the Knik Arm Crossing drew testimony with the following reasons as to why the bridge should be included: Issue #9 Beneficial Economic Impact (job creation to build the project); Issue # 1 N KAC Project has Regional / Statewide / National Significance; Issue #3 Expected Growth in Anchorage and Mat-Su Area; Issues # 1 O Build the Bridge Now and Issue # 1 D the Bridge Will Enhance Safety / Emergency Response.

Comments in support of removing the Knik Arm Crossing drew a large portion of comments focused on the following reasons: Issue #16 Cost of the Knik Arm Crossing Project; Issue #24 KAC Contradicts the Anchorage Bowl Comprehensive Plan / Need to Prevent Sprawl; Issue #31 Diversion of Resources Needed for Higher Priority Projects; Issue #15 Money Could be Better Spent on Public Transportation; and Issue #18 Traffic Congestion and Negative Impacts to Downtown Anchorage and Neighborhoods.

The currently adopted Comprehensive Plan and planning projects (Title 21 Rewrite, Downtown Plan, and Midtown Plan) emphasize redevelopment of our older neighborhoods and commercial areas as a way to encourage economic development, provide new opportunities for residential development, and create a more efficient use of municipal land. As the supply of vacant land decreases, these opportunities are slowly becoming economically feasible.

The importance of the Planning & Zoning Commissions' role in this matter was key in the review and recommendation of the Knik Arm Crossing in relation to consistency with Anchorage 2020. The Planning

& Zoning Commission felt strongly that the overall economic benefit of the project, beyond its actual construction is not in the best interest of Anchorage residents. Planning & Zoning resolution 2009-031, attached expresses their position to delete the Knik Arm Crossing from the LRTP.

Additionally, the AMATS Freight Advisory Committee plays a valuable role in assisting AMATS in seeking input and involvement on policy and planning matters related to goods movements. The Freight Advisory Committee believes that the Knik Arm Crossing would provide better connection to the Port of Anchorage for northbound freight reducing the truck traffic on the Glenn Highway between Anchorage and Wasilla, would provide support for the Alaska Natural Gas Pipeline and other resource development, reduce carbon emissions, generate toll revenue that potentially could be use funding for future expansion and provide additional time for KABATA to evaluate the addition of a rail-ready bridge, The attached memorandum from this Committee documents its position that the Knik Arm Crossing be retained in the LRTP, but that it be moved from the list of short -range projects (2007-2017) to the list of long-range projects (2018-2027).

It is evident that many comments on the proposed amendment were focused on the Knik Arm Crossing project and not on the new planning requirements that would be added as part of this amendment process, with or with out the bridge. The new planning requirements call for developing the financial plan, with inflation of projects and the ability for Anchorage to fund its recommended projects, not including the bridge, received comments from staff and a few agencies.

FINANCIAL CONSTRAINT:

The result of the fiscal analysis is that the LRTP remains financially constrained. However it will require the acceptance of the assumption to continue the expectations that existing sources will continue and the identification and promotion of new sources will be necessary to maintain the financial feasibility of the LRTP.

As noted in the draft plan, the new method for estimating project cost and revenues must account for inflation. Based on the estimated project cost and predicted inflation rates as well as revenue sources, the Anchorage LRTP identified four new revenue sources that would be established over the next 20-years. The responsible expectation of these sources and the levels of funding are a key. The revised total estimated revenue needs over the 20-year period of the LRTP to construct all the recommended transportation improvements, excluding the Knik Arm Crossing, is about \$4.5B. Assuming existing revenue sources are maintained into the future, there is still a need for new sources to pay for approximately 23% (\$1B) cost of the recommended improvements. The new revenue sources are assumed to include funding from an Alaska Gasline Infrastructure Program to support the construction of the expected gasline; stimulus funds; a new Alaska Transportation Infrastructure funds as identified in the State's Transportation Plan, and a State Infrastructure Bank/State Bonds and the completion of the "Connection Anchorage" initiative as reasonable future funding mechanisms. If a decision is made to reduce or eliminate the new sources, projects recommended in the outer years (2018-2027) of the LRTP will have to be removed.

SCHEDULE:

The Assembly is scheduled to hold a public hearing and take action on June 23, 2009. Final approval by the Policy Committee is scheduled for June 25. The final revised LRTP is anticipated to be published in 2009.

STATUS:

The AMATS 30 day public comment, period concluded on May 27, 2009, the Planning & Zoning Commission acted on June 8th. The Freight Advisory Committee took a position on June 17th. The matter rests with the AMATS Policy Committee and Assembly.

DECISION DESIRED:

The AMATS Technical Advisory Committee (TAC) recommends to the AMATS Policy Committee that:

1. The Knik Arm Crossing project remains in the LRTP, as Chapter 12, and that it be moved from the list of Short-Term Projects (2007-2017) to the list of Long-Term Projects (2018-2027).
2. The Knik Arm Crossing project should incorporate heavy rail, and bicycle and pedestrian facilities to the planned vehicular bridge.

3. Support the inclusion of Chapter 13, as amended, to include the new planning factors and revised final plan.
4. Concur with the removal of pages 22-35 (Table 8.1) from the Public Review Draft of Chapter 13 and recommend it be included a revised Chapter 8 for purposes of updating project status and costs
5. The existing condition (A – F) in the 2007 LRTP, Chapter 12, pages13 remain in the LRTP.

This recommendation is based on evaluation of the comments received during the public review, research, consultation with Municipal Departments, AMATS Advisory Committees (Planning & Zoning Commission and the Freight Advisory Committee) review of original conditions recommended by the Assembly, the AMATS Policy Committee, and discussions with AMATS staff.

Since the Knik Arm Crossing was added into the Anchorage Long-Range Plan in 2007, there have been some changes in the technical aspects of the project and renewed discussion as to the type and transportation mode options (rail) to be included in the project. Changes in technical information include:

- A. Changes in the financial market that challenge the viability of the Public-Private Partnership originally envisioned for the project and post new risks associated with the funding the project in the near term
- B. Technical challenges in the viability of permitting the proposed project due to the recent listing of the Beluga whale as an endangered species, resulting in the possible need for bridge design changes that could greatly impact costs
- C. A slowing in the trend in rapid growth in the Mat-Su
- D. New interest expressed publicly by KABATA to change the project to accommodate heavy rail, an option that was previously excluded from full consideration in the environmental document.

Moving the KAC from the short to the long term list of projects in the LRTP achieves the following:

- I. Allows KABATA to continue with preliminary engineering and environmental work
- II. Enables KABATA to address design issues, costs and benefits associated with a bridge that would accommodate rail, bicycle and pedestrian facilities.
- III. Allows KABATA to reassess its financial plan in light of possible cost increases and the changes in the economical climate for public/private partnerships
- IV. Allows KABATA to continue work on obtaining concurrence from resource agencies on environmental permitting issues, including those involving the Beluga whale
- V. Diminishes the likelihood that repayment of federal dollars spent to date will be an issue
- VI. Delays issuance of a Record of Decision on the project while issues and uncertainties continue to be resolved
- VII. Promotes the opportunity for KABATA and the ARRC to work together as possible funding partners for the rail component of the Knik Arm Crossing, and to work through technical aspects of the bridge
- VIII. Allows AMATS to continue the conversation with KABATA as it moves forward to update the LRTP, which is due to be completed in 2011
- IX. Allows time for the redevelopment and infill trends to continue and mature as envisioned in Anchorage 2020.
- X. Allow the Highway to Highway (H2H) project to advance sufficiently to ensure benefits of that project are realized and new traffic numbers are obtained.
- XI. Allow the Regional Transportation Authority to advance sufficiently to ensure benefits of the Authority are realized and new traffic numbers are obtained.

Attachments:

Revised 2009 Amendment to the Anchorage Bowl 2027 LRTP, (new LRTP Chapter 13), {10 pages}

Updated financial funding tables {3 pages}

Planning & Zoning Commission resolution 2009-031, {6 pages}

AMATS Freight Advisory Committee memorandum dated June 17th, 2009 {3 pages}