

Agency: Commerce, Community and Economic Development

Grants to Named Recipients (AS 37.05.316)

Grant Recipient: Association of Village Council Presidents

Federal Tax ID: 920064285

Project Title:

Project Type: Other

Association of Village Council Presidents - Yukon-Kuskokwim Energy/Freight Corridor Planning & Design

State Funding Requested: \$13,200,000

House District: 37 / S

Future Funding May Be Requested

Brief Project Description:

Planning and design of the Kuskokwim-Yukon Energy/Freight Corridor connecting at the closest point along the Yukon & Kuskokwim Rivers in Western Alaska.

Funding Plan:

Total Project Cost:	\$16,660,000
Funding Already Secured:	(\$3,460,000)
FY2015 State Funding Request:	<u>(\$13,200,000)</u>
Project Deficit:	\$0
<i>Funding Details:</i>	
<i>In FY12 this project received \$460,000 from the State of Alaska. In FY13, this project received \$3,000,000 from the State of Alaska.</i>	

Detailed Project Description and Justification:

Association of Village Council President
Yukon-Kuskokwim Freight and Fuel Corridor Planning & Design
FY15 Request

Background

The Association of Village Council Presidents (AVCP) is preparing a freight and fuel transport plan to link Yukon and Kuskokwim River markets to Interior/Railbelt suppliers. The goal is to enhance intra-Alaska commerce and improve long term Western Alaska transport security by using Interior/Railbelt transport systems to supply villages along the Yukon and Kuskokwim Rivers, and to the extent practical, the Bering Sea coast. The project is also designed to position Western Alaska for the emerging Alaska Natural Gas Economy.

The Yukon-Kuskokwim Freight and Energy Corridor, including road, fuel lines, port and other corridor components, is being developed under a private or public-private operation model that would use a port authority or similar model for closed system operations.

AVCP is developing the design phase and finance/operations plan with its successful Transportation Department at the

\$600,000
Approved

request of local villages and regional leadership. AVCP has the region's trust to carefully develop the project in a way that captures regional and statewide economic opportunities, and protects important commercial and subsistence resources for long term benefit of region. AVCP remains committed to project development at the highest standards, following the Federal Highway Administration's new Freight Corridor Plan methods. AVCP continues to coordinate with Alaska Department of Transportation and Public Facilities, the Alaska Department of Commerce, Community and Economic Development, and the Alaska Industrial Development and Export Authority on project development.

Project Status

The project area, where these two major rivers come closest to each other, has long been a traditional transportation route. In 1981, State of Alaska identified road options in the area and in 2010 Denali Commission conducted a route feasibility update. With these analyses as a base, AVCP used a FY 12 \$460,000 grant to conduct Stage I engineering and geotechnical tasks and has continued that effort under Stage II tasks funded by a FY 2013 grant of \$3.0 million.

Current Stage II work continues to indicate a practical construction project. A 35-mile route along the Portage Mountains western foothills between the port at Kalskag and a proposed port on Paimiut Slough has substantial frost free zones and continuous access to good road building materials. Additionally, Paimiut Slough bathymetric surveys indicate good operating depths and characteristics for barge deliveries to one of three proposed port sites.

The economic and finance analyses currently underway indicate the project could provide significant opportunities to improve freight and fuel delivery, enhance fuel and freight transport security long term and set the stage for propane or natural gas deliveries to Western Alaska. A second key goal in these financial analyses is to identify methods for private or public-private construction, ownership and/or operations.

Proposal

AVCP seeks \$13.2 million in funding to complete the project's Stage III -- preliminary design and permits/environmental, and Stage IV, final design, construction documents and Right of Way acquisition.

Stage II work currently underway, as described in Project Status page 1 above, is scheduled to be complete December 2014; that work sets the stage for the Stage III and IV tasks outlined in the Project Timeline, page 3 below.

Stage III will also include a public-private and/or private financing plan and appropriate ownership structures and operation strategies to be used in Stage IV private sector negotiations.

AVCP is prepared to begin the new phase of work in late 2014 when FY 15 becomes available. As noted below, tasks needed to accomplish Stage III tasks include; 30% design, geotechnical studies, permitting, and finance plan development, would take about two years to complete and is estimated to cost \$6.0 million.

The budgeted costs to complete final design are as follows:

Budget

Stage III

Design Geotechnical Studies \$1,000,000

Finance Plan Development 1,000,000

Permitting Start/Environmental Data 1,500,000
 30% Plans Specifications and Estimate 2,000,000
 Administrative Expenses 500,000
 \$6,000,000

Stage IV
 75% Plans Specifications and Estimate 3,500,000
 Final Permitting and ROW Acquisition 1,000,000
 Final Plans Specifications and Estimate 2,000,000
 Administrative Expenses 700,000
 \$7,200,000

Total Requested Appropriation \$13,200,000

Project Timeline:

AVCP will immediately continue with planning and design as soon as additional funds are available.

Entity Responsible for the Ongoing Operation and Maintenance of this Project:

To Be Determined

Grant Recipient Contact Information:

Name: Vivian Korthuis
 Title: Project Development Director
 Address: Box 219
 Bethel, Alaska 99559
 Phone Number: (907)543-7331
 Email: vkorthuis@avcp.org

Has this project been through a public review process at the local level and is it a community priority? Yes No

For use by Co-chair Staff Only:

Association of Village Council President
Yukon-Kuskokwim Freight and Fuel Corridor Planning & Design
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AVCP is prepared to begin the new phase of work in late 2014 when FY 15 becomes available. As noted below, tasks needed to accomplish Stage III tasks include; 30% design, geotechnical studies, permitting, and finance plan development, would take about two years to complete and is estimated to cost \$6.0 million.

The budgeted costs to complete final design are as follows:

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Stage III

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Finance Plan Development	1,000,000
Permitting Start/Environmental Data	1,500,000
30% Plans Specifications and Estimate	2,000,000
Administrative Expenses	<u>500,000</u>
	\$6,000,000

Stage IV

75% Plans Specifications and Estimate	3,500,000
Final Permitting and ROW Acquisition	1,000,000
Final Plans Specifications and Estimate	2,000,000
Administrative Expenses	<u>700,000</u>
	\$7,200,000

Total Requested Appropriation **\$13,200,000**

Projected Timeline:

1. Design, environmental, financial plan RFP development, advertise, contractor selection; extensive public meetings to report out Stage II and introduce Stage III work
October 2014
2. Engineering and environmental field season #1
April – October 2015
3. Road, pipeline, port design; field data analysis; extensive public meetings
November 2015 – April 2016
4. Engineering and environmental field season #2; report out draft finance/operations plan
April – October 2016
5. Road, pipeline, port design; refine environmental field data analysis; state and federal agency review-financing/ownership models; project permits prepared; continued public meetings
November 2016 – April 2017
6. Field season #3; focus on bridge design and final roadway/port design tasks; additional environmental field reviews as needed
May – October 2017
7. Permit Draft EIS public hearings and agency meetings
September – December 2017
8. Continue final design tasks; prepare and negotiate financing/ownership plan
November 2017 – July 2018
9. Permit Draft EIS processing complete
March 2018
10. Permit Final EIS complete; finance and ownership plan complete
December 2018
11. Design complete; Plans, Specifications and Estimates review and complete
December 2018 – March 2019
12. Phase 1 construction ready for bid
March 2019



ASSOCIATION OF VILLAGE COUNCIL PRESIDENTS
P.O. BOX 219
BETHEL, ALASKA 99559

ASSOCIATION OF VILLAGE COUNCIL PRESIDENTS
EXECUTIVE BOARD OF DIRECTORS

BETHEL, ALASKA

AUGUST 22, 2013

RESOLUTION No: 13-08-03

TITLE: Yukon Kuskokwim Freight Corridor

- WHEREAS The Association of Village Council Presidents (AVCP) is the recognized tribal organization and non-profit Alaska Native regional corporation for the fifty-six member indigenous Native villages within Western Alaska and supports the endeavors of its member villages; and
- WHEREAS AVCP fully supports its member villages in all aspects of their self-determination, health and well-being; and
- WHEREAS The Yukon-Kuskokwim Portage is located in western Alaska about 350 miles west of Anchorage and approximately 65 miles northwest of Bethel; and
- WHEREAS The Yukon-Kuskokwim Portage serves as the shortest practical "link" between two major river systems: the Yukon River and the Kuskokwim River; and
- WHEREAS From the Kuskokwim River, the south entrance to the Yukon-Kuskokwim Portage route begins near Lower Kalskag, at its confluence with Mud Creek, located in Township 16 North, Range 62 West, Seward Meridian (SM), Alaska and follows a general land and water route northwesterly about 72 miles to the confluence of the Talbiksok River and Portage Slough of the Yukon River, near Russian Mission, located in T. 19 N., R. 66 W., SM; and
- WHEREAS The State of Alaska Department of Transportation and Public Facilities, Denali Commission and the Federal Highway Administration has conducted research and explored and furthered a long term project in this area; and
- WHEREAS The goal is to enhance commerce between interior/Railbelt transport systems and the villages along the Kuskokwim and Yukon River, including the distribution hub at Bethel. The Yukon Kuskokwim Freight Corridor would include barge fuel and freight hub developments at both termini, including a fuel hub on the Yukon River that would serve an all-season Kuskokwim River distribution system using barges in the summer and the existing Kuskokwim River ice road system in the winter months; and

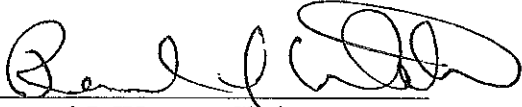
WHEREAS AVCP received \$460,000.00 in FY12 for the Corridor to start the process of preliminary engineering and geotechnical services and to develop a project Purpose and Need Statement to prepare for the Environmental Impact Statement;

WHEREAS AVCP received \$3,000,000.00 in FY13 for the purpose of starting the Corridor Planning and Design;

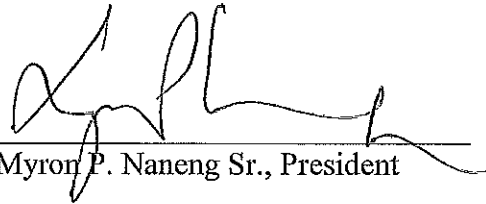
NOW THEREFORE BE IT RESOLVED THAT the Association of Village Council Presidents Executive Board directs AVCP request to complete the study and design of the Yukon-Kuskokwim Freight Corridor; and submit to the FY15 State of Alaska Capital Improvement Project (CIP) Request to Complete the Study and Design of the Yukon-Kuskokwim Freight Corridor for \$13,200,000.

ADOPTED by the Association of Village Council Presidents during an Executive Board Meeting held at Bethel, Alaska, this 22nd day of August 2013 with a duly constituted quorum.

CERTIFIED:



Raymond J. Watson, Chairman



Myron P. Naneng Sr., President