

CAPITAL PROJECTS

The state's main savings account will only last one more year without a balanced, sustainable fiscal plan. In the current fiscal climate, the Administration is compelled to conserve cash and avoid incurring additional debt. Therefore, in addition to vetoing some budget items, the Administration is not issuing bonds for some prior-year authorized transportation projects—suspending them for now, and is pressing pause on other, entirely state-funded transportation projects. Once we have solved the budget gap and our fiscal house is in order, support for these projects will be revisited.

GO BOND TRANSPORTATION PROJECTS - \$150 million

In 2012, Alaskans voted to pass a \$254.5 million general obligation bond package for numerous transportation projects. Currently, four of these projects have not begun construction and did not plan to start until 2017 at the earliest. These projects will be suspended, preserving state funds of \$153 million (\$104 million in projects cost and at least \$49 million in interest that would have been paid over the life of the bonds). Actual interest costs are higher now due to the reduction in the state's credit rating.

- Anchorage: Glenn Highway, Hiland Road to Artillery Road Reconstruction
- Fairbanks: Old Steese Highway to McGrath Road Reconstruction and Extension
- Fairbanks: Wendell Street Bridge Replacement
- Mat-Su: Knik-Goose Bay Road Reconstruction

OTHER STATE TRANSPORTATION PROJECTS - \$100 million

The State of Alaska has funded transportation projects in the past with 100 percent state general funds. These projects are outside the Department of Transportation and Public Facilities' federal Surface Transportation Program which receive a federal match of 91 percent. Given the state's fiscal uncertainty, the following projects will be suspended to preserve their remaining state general funds of approximately \$100 million.

- Anchorage: U-Med District Northern Access
- Mat-Su: Fairview Loop Road Reconstruction
- Fairbanks: University Avenue Widening
- Southeast: Kake-Petersburg Road