

## MEMORANDUM

**TO:** Ron Long, Assembly President  
Members of the Kenai Peninsula Borough Assembly

**THRU:** John J. Williams, Borough Mayor  
Craig Chapman, Finance Director  
Bonnie L. Golden, Grants Manager  
Gary Davis, Roads Director

**FROM:** Kevin Lyon, Capital Projects Director

**DATE:** September 6, 2007

**SUBJECT:** Ordinance No. 2007-19-25: An ordinance accepting \$3.4 Million from the State of Alaska for Keystone Drive road improvements and appropriating the grant to a road service area capital project account

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Over the past several years, the residents and users of Keystone Drive have expressed their desire for a paved road. Through their efforts, \$7 million in federal funding has been earmarked for this project. All of the federal funds have been appropriated through Borough Assembly action, with the exception of an estimated \$3.4 million from the SAFETEA-LU program (Safe Accountable Flexible Efficient Transportation Equity Act: A Legacy for Users). The attached ordinance, when enacted, will appropriate these remaining funds.

In February 2005, the Assembly enacted Ordinance 2004-19-34 which accepted the first \$909,700 for this project. This initial funding required a local match of \$90,300, for a total of \$1 million. The source of these matching funds was from the Road Service Area approved budget for fiscal year 2003/2004. An additional \$2 million for this project was appropriated through Ordinance 2005-19-01, which was enacted in July 2005. The Alaska Department of Transportation and Public Facilities ("DOT/PF") informed the Borough that these funds do not require any matching funds.

In 2006 the Legislative Capital Budget, SB 231, included an additional \$3.4 million federal earmark for Keystone Drive. DOT/PF recently notified the Borough that these funds are now available for the project. See attached letter from DOT/PF. *Note that the figures are estimates and that it is possible that they may need to be revised prior to final hearing on the attached ordinance.* The RSA will be responsible for any matching funds required.

The \$3.4 million requires a non-federal match. With this information the legislative delegation requested and received \$325,080 to meet the match requirement. The \$325,080 was identified in SB 231, the same bill that contained the \$3.4 Million. The State funds were accepted and appropriated by the Borough through enactment of Ordinance 2006-19-11 on September 5, 2006.

To initiate work on this project, the Borough and DOT/PF entered into a Memorandum of Agreement “(MOA)” in 2005. The MOA states that the Borough will manage the project in coordination with DOT/PF personnel. This is to ensure that the road is designed and constructed in accordance with Borough road standards. Upon project completion, the Road Service Area will be responsible for road maintenance. Once the final \$3.4 million is appropriated, the MOA will be amended to include the additional funds and update the scope of work.

Attachments: Ordinance, DCCED notification letter