



KENAI PENINSULA BOROUGH

Grant Management

MEMORANDUM

MIKE NAVARRE
BOROUGH MAYOR

TO: Blaine Gilman, Assembly President
Kenai Peninsula Borough Assembly Members

THRU: Mike Navarre, Mayor *MN*
Craig Chapman, Finance Director *c Chapman*
Brenda Ahlberg, Community & Fiscal Projects Manager *BA*
Pat Malone, Roads Service Area Director *PM*

FROM: Henry Knackstedt, Roads Engineer *HK*

DATE: October 13, 2016

SUBJECT: Ordinance 2016-19- 15, Approving Construction and Accepting and Appropriating \$5,142,231.38 from the U.S. Department of Transportation, Western Federal Lands Highway Division to Extend a Portion of the Kenai Spur Highway within the Borough Right-of-Way (Mayor)

The U.S. Department of Transportation, Western Federal Lands Highway Division (WFL) has notified the borough that \$5,142,231.38 has been transferred from the State of Alaska Department of Transportation and Public Facilities to WFL. The funds will be executed as a grant through the attached "Federal Lands Project Memorandum of Agreement" for the purpose of constructing a gravel road up to 7.5 miles on the borough right-of-way beginning at the current terminus of the Kenai Spur Highway at Captain Cook State Recreation Area, ending near Otter Creek.

Additionally, the borough has documented in-kind contributions exceeding the required 20 percent match in the amount of \$1,344,403.20, which is described in the attached "Federal Lands Access Program Match Agreement." A significant amount of the match contribution was provided by the initial project design and permitting completed by the Apache Alaska Corporation ("Apache"). Apache donated the project studies, designs, permitting and other relevant products by way of resolution 2016-017. McLane Consulting prepared the civil engineering and survey documents for Apache, and the borough intends to use McLane Consulting to complete the bid-ready engineering documents for this project. The borough may seek sole source approval to use McLane Consulting for the construction engineering and surveying for this project if it is in the best interest of the borough.

The borough and WFL understand that any final decision as to design or construction will not be made until after the environmental analysis required under the National Environmental Policy Act (NEPA) is completed. Any decision to proceed with the design and construction will depend

upon the availability of appropriations at the time of obligation and other factors such as issues raised during the NEPA process. The WFL intends to submit approval for a categorical exclusion, recognizing the road construction as a mitigation project that reduces the impacts to wetlands and sensitive habitat currently created by off-road vehicles. The approved categorical exclusion would waive the need for additional environmental studies, which would otherwise make the project cost prohibitive.

Upon approval of this ordinance, funding available for the project will be \$5,142,231.38. The borough is responsible for any cost overruns. Henry Knackstedt, Roads Engineer, will be the project manager for the grant award. The performance period ends December 31, 2018.

FINANCE DEPARTMENT ACCOUNT VERIFIED	
Acct. No.	434.33950.16NRD.43011 MATCH 434.33950.16NRD.49999 GRANT
Amount	N/A
By: BA	Date: 10/13/16