

Major project fund proposed

The Associated Press

Juneau — Gov. Bill Sheffield proposes dishing up \$1 billion to feed Alaska's construction appetite, setting aside \$700 million for capital projects and \$300 million for a "major project fund" that would be a phased-in way of paying for such undertakings as the proposed Susitna Hydro project.

That nearly doubles this year's \$580 million capital budget.

Of the \$700 million Sheffield set aside for construction during 1985, \$337 was earmarked for specific projects while the remaining \$363 million was left "unspecified," or up for grabs by lawmakers.

His "major projects fund" proposal would see \$300 million stockpiled for long-term projects — something like a Permanent Fund for major construction.

Sheffield wants lawmakers to approve a plan that would make annual deposits into the fund equal to 10 percent of the previous year's petroleum revenues. The \$300 million figure represents 10 percent of gross petroleum revenues in fiscal 1984, according to the budget document.

As Sheffield explained it to

reporters during a budget briefing, the projects' fund is a hedge against the day when North Slope oil revenues slow to a trickle.

"Our revenues look flat through 1988," Sheffield said. "About 1990, or 1992, it starts to decline and then decline faster.

"We may have to have something like, say, \$1.8 billion in equity money up front to build Susitna," the governor said. "This would be a major designated fund that would automatically be rolling money into that fund for that project.

"It's a method of automatically getting money stored up, rather than going from one Legislature to another, one OPEC meeting to the next," the governor said, referring to roller-coaster oil prices.

Sheffield also would alter the method in recent years of splitting the capital spending pie three ways, with the governor deciding how to spend one-third of the money and the remainder divided between the House and Senate.

This year's split is roughly 50-50, with Sheffield allocating \$337 million for specific

projects and leaving \$363 million untouched.

The governor said his staff asked local governments to "prioritize" their construction needs or prepare "wish lists" for consideration in the capital budget.

"They've really been doing that," Sheffield said, adding that he was sending the lists to lawmakers. "We've got more projects than money, but if they're prioritized, they'll make it."

Among the projects:

- \$2 million as part of a 3-phase purchase of the Sheldon Jackson Museum in Sitka.

- \$1.2 million toward a Southeast Regional Youth Facility in Ketchikan.

- \$8 million on studies toward licensing of the Sustina Hydroelectric Project.

- \$5 million for engineering and right-of-way on approaches to the proposed Knik Arm Bridge in Anchorage.

While \$1.75 million was budgeted for the Alaska Railroad Transfer Team, Sheffield said he would let lawmakers set aside money for the actual purchase of the railroad if they decide to buy it.