

Cost Considerations

Because of its proximity to Anchorage and the port-road-rail system, it lies in the lowest construction cost area in the State. The cost of building a city at the Willow location is slightly less than the other two sites under consideration.

Since residents in the new capital city would have easy access to Anchorage, less of certain services may be required. Although a full service city would still be called for at this site, it could be done on a smaller scale. On page 10 you will find a comparative cost chart estimating the total construction costs required to build a complete new capital city at Willow. The figures represent the amounts of money that could be spent by all sectors based on a construction schedule spread over a 12 year period beginning in 1978 and continuing through 1990. The Relocation Initiative states that the move shall begin by 1980 and the committee concluded that it would take approximately ten years to reach a population of 25,000 projected to occupy the new city by 1990.

The state's share of these costs are only a

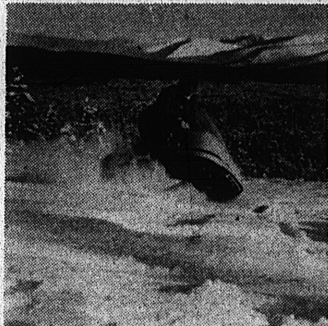
portion of the total. The state is expected to pay for its own construction (shown on the chart as State Government). Additionally the state currently pays 50% of secondary school and 100% of community college construction, 12.5% of sewer & water distribution and 25% of water source and sewage disposal. The state normally does not pay any portion of private facilities. Under the Site Specific Costs, the state pays 15% of highway construction and 15% of an airport. The balance of the costs in these areas are usually paid for by a combination of private, federal and municipal funds. Rail and power connections are usually paid for by the federal government or the private sector.

Due to the uniqueness of the project, the state's portion of construction costs could be higher than the current allocations as shown on page 10, due to necessity to assume a greater share of construction costs, or could be lower based on construction by other parties and offsetting revenues from sale and/or lease of land.

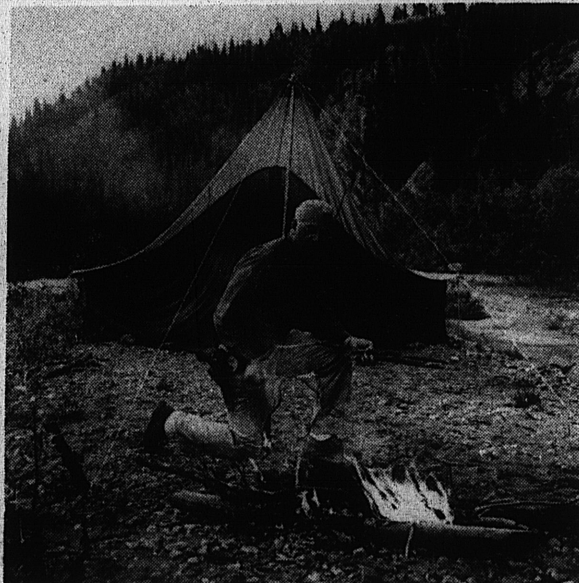
(Please see page 10 for comparative cost charts)



Water skiing on Nancy Lake.



Snowmobiling in Hatcher Pass area.



Camping in Willow area.

WILLOW SITE CHARACTERISTICS

NATURAL FEATURES

Willow Creek
Deception Creek
Nancy Lake Recreation Area
Proposed Talkeetna State Park
Mt. Bullion
Little Susitna River

SITE EXPOSURE AND PRINCIPAL VIEWS

Southwest
Matanuska Valley
Knik Arm
Mt. Susitna
Mt. McKinley

CLIMATIC FEATURES

Mean winter temp.: 10°
Mean summer temp.: 57°
Annual snowfall: 80 in.

ROAD DISTANCE IN MILES TO SELECTED ALASKA CITIES

Anchorage 70
Fairbanks 293
Juneau 864
(Including marine miles from
Haines)
Homer 298
Valdez 290

AIR DISTANCE TO SELECTED ALASKA CITIES AND TOWNS

Anchorage 40
Fairbanks 225
Juneau 585
Sitka 600
Ketchikan 745
Valdez 125
Homer 150
Kodiak 285
Nome 535
Bethel 395
Barrow 562

NATURAL RE- SOURCE DEVELOP- MENT POTENTIAL IN AND NEAR SITE

Metal mining, oil and gas, and
commercial forestry resources
all exist in the area. Proximity
to port provides market potential

SOILS CONDITIONS (no development limitations)

Glacial Till, 80% of the develop-
ment area; 10% is at 10' deep
over bedrock; 10% is sand/grav-
el/loose rock. Good conditions
for spread foundation footings.

ELEVATIONS

Within 100 sq. mi. area:
Low = 300 ft. High = 3150 ft.
Within development site:
Low = 500 ft. High = 1000ft.

SLOPE CONDITIONS would not inhibit development of roads and buildings)

Slopes above Deception Creek
are less than 12% except in
ravines. Below the Creek slopes
are generally not greater than 2%
with the exception of isolated
hummocky moraines

HYDROLOGIC CONDITIONS

Several isolated small swampy
areas are dispersed throughout
the area, particularly around the
terrace below Deception Creek

VEGETATION CONDITIONS

The development area has good
birch and spruce forests with
stands of spruce and cottonwood
near Deception Creek. Open gras-
sy meadows and relatively sparse
forests are found above Decep-
tion Creek

CONNECTION DISTANCES

Highway: 5 miles
Rail: 5 miles
Power: 13 miles