

# **State of Alaska FY2011 Governor's Operating Budget**

## **Department of Transportation/Public Facilities Knik Arm Bridge/Toll Authority RDU/Component Budget Summary**

**RDU/Component: Knik Arm Bridge/Toll Authority**

*(There is only one component in this RDU. To reduce duplicate information, we did not print a separate RDU section.)*

**Contribution to Department's Mission**

The Knik Arm Bridge and Toll Authority (KABATA) will develop, stimulate, and advance the economic welfare of the state and further the development of public transportation systems in the vicinity of the Upper Cook Inlet with construction of a bridge to span Knik Arm and connect the Municipality of Anchorage and the Matanuska-Susitna Borough (AS 19.75.011).

**Core Services**

- To secure the financing, design, construction, operation, and maintenance of a toll bridge and related facilities across the Knik Arm between Anchorage and the Mat-Su. KABATA will own the toll bridge and related facilities.

**Key Component Challenges**

- Completion of the Record of Decision (ROD) - The Federal Highway Administration (FHWA) signed the Final Environmental Impact Statement in December 2007 and has not issued a ROD as of October 2009. A ROD is presently expected during calendar 2010 at or before completion of section 7 consultation and a biological opinion from National Marine Fisheries Services (NMFS) for the Cook Inlet beluga whales. The Endangered Species Act (ESA) listing of beluga whales in the Cook Inlet will require formal consultation between FHWA and NOAA/NMFS.
- Major permits – The Knik Arm Toll Bridge (including approaches) spans approximately 14,000 feet of the Knik Arm. This will require U.S. Army Corps of Engineers permits.
- Financial market conditions – With the recent economic downturn and liquidity crisis in the capital and bank credit markets, financing the project will not be as easy as it would have been two years ago. KABATA presently anticipates that, depending on the method of financing, approximately 70% to 90% of project construction cost will be financed using a pledge of toll revenue. Prequalified private teams competing for a public-private partnership (PPP) for the project continue to express interest and have successfully reached financial close on other PPP concessions as recently as October 2009.
- Obligating Transportation Infrastructure Financing and Innovation Act (TIFIA) credit and Private Activity Bonds (PABs) allocation - KABATA has obtained from FHWA and made available to its proposer teams approximately \$261 million of subordinated TIFIA credit and an allocation of \$600 million of the PABs capacity provided under SAFETEA-LU, which need to be obligated.

**Significant Changes in Results to be Delivered in FY2011**

No significant changes are anticipated.

**Major Component Accomplishments in 2009**

- KABATA's independent engineer updated the project cost estimate during the fourth quarter of calendar year 2008 and derived a point estimate of total project costs of \$682 million in 2011 dollars. Separately, in January 2009 the Alaska Department of Transportation and Public Facilities (DOT&PF) completed another independent cost estimate for the project which concluded total project costs of \$687 million in 2011 dollars, confirming the KABATA independent cost estimate. In February 2009 the FHWA performed a probabilistic Cost Estimate Review of the project, again confirming the KABATA and DOT&PF independent cost estimates.
- In 2009 FHWA and KABATA concluded a programmatic agreement for historic preservation in coordination with consulting parties. The Advisory Council on Historic Preservation and the State of Alaska Historic Preservation Officer played key roles in developing the terms of the agreement. FHWA and KABATA have also agreed to fund approximately \$1.2 million for historic preservation over the course of approximately three years, including inventorying historic sites in and near the project vicinity in both Anchorage and the Mat-Su.
- NMFS listed the Cook Inlet beluga whales under the Endangered Species Act (ESA). As a result of that listing, in January of 2009 the FHWA required that the project must obtain an indication from NMFS that it can obtain a no-jeopardy opinion under the ESA before FHWA will issue a ROD. In response to FHWA's position, initial consultation with FHWA and NMFS was conducted resulting in the publication of bridge location and beluga behavioral papers

that will become an integral part of the biological assessment and letter of authorization. KABATA also initiated further design work to minimize and/or mitigate impacts to beluga whales.

- During 2009, the Authority provided project updates to approximately 30 community organizations, local governments, industries, and other stakeholders. The KABATA web site was continuously updated to keep our community and stakeholders informed of the status of the project. The Authority also participated in many local and national radio talk show segments, published several newsletters, and issued several press releases about the project.

## Statutory and Regulatory Authority

AS 19.75 Knik Arm Bridge and Toll Authority

Contact Information
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**Knik Arm Bridge/Toll Authority  
Component Financial Summary**

*All dollars shown in thousands*

	FY2009 Actuals	FY2010 Management Plan	FY2011 Governor
<b>Non-Formula Program:</b>			
<b>Component Expenditures:</b>			
71000 Personal Services	884.7	1,559.6	1,325.9
72000 Travel	0.0	0.0	0.0
73000 Services	0.0	0.0	0.0
74000 Commodities	0.0	0.0	0.0
75000 Capital Outlay	0.0	0.0	0.0
77000 Grants, Benefits	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
<b>Expenditure Totals</b>	<b>884.7</b>	<b>1,559.6</b>	<b>1,325.9</b>
<b>Funding Sources:</b>			
1061 Capital Improvement Project Receipts	884.7	1,559.6	1,325.9
<b>Funding Totals</b>	<b>884.7</b>	<b>1,559.6</b>	<b>1,325.9</b>

**Estimated Revenue Collections**

Description	Master Revenue Account	FY2009 Actuals	FY2010 Conference Committee	FY2010 Authorized	FY2010 Authorized	FY2011 Governor
<b>Unrestricted Revenues</b>						
None.		0.0	0.0	0.0	0.0	0.0
<b>Unrestricted Total</b>		<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Restricted Revenues</b>						
Capital Improvement Project Receipts	51200	884.7	0.0	0.0	1,559.6	1,325.9
<b>Restricted Total</b>		<b>884.7</b>	<b>0.0</b>	<b>0.0</b>	<b>1,559.6</b>	<b>1,325.9</b>
<b>Total Estimated Revenues</b>		<b>884.7</b>	<b>0.0</b>	<b>0.0</b>	<b>1,559.6</b>	<b>1,325.9</b>

**Summary of Component Budget Changes  
From FY2010 Management Plan to FY2011 Governor**

*All dollars shown in thousands*

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
<b>FY2010 Management Plan</b>	<b>0.0</b>	<b>0.0</b>	<b>1,559.6</b>	<b>1,559.6</b>
<b>Adjustments which will continue current level of service:</b>				
-FY2011 Health Insurance Cost Increase Non-Covered Employees	0.0	0.0	23.3	23.3
<b>Proposed budget decreases:</b>				
-Delete Vacant PCN 25-984X Financial Manager, and Funding	0.0	0.0	-92.0	-92.0
-Delete Vacant PCN 25-985X Deputy Executive Director of Corporate Affairs, and Funding	0.0	0.0	-165.0	-165.0
<b>FY2011 Governor</b>	<b>0.0</b>	<b>0.0</b>	<b>1,325.9</b>	<b>1,325.9</b>

**Knik Arm Bridge/Toll Authority  
Personal Services Information**

Authorized Positions			Personal Services Costs	
	FY2010 Management Plan	FY2011 Governor		
Full-time	11	9	Annual Salaries	843,483
Part-time	0	0	Premium Pay	3,915
Nonpermanent	0	0	Annual Benefits	420,472
			<i>Less 0.00% Vacancy Factor</i>	(63)
			Lump Sum Premium Pay	0
			Board Honoraria	58,093
<b>Totals</b>	<b>11</b>	<b>9</b>	<b>Total Personal Services</b>	<b>1,325,900</b>

**Position Classification Summary**

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Administrative Manager	1	0	0	0	1
Dep Exec Dir Proj Devel Kabata	1	0	0	0	1
Exe Dir Knik Arm Bdg Toll Auth	1	0	0	0	1
Kabata Chief Engineer	1	0	0	0	1
Kabata Chief Financial Officer	1	0	0	0	1
Liaison Officer	1	0	0	0	1
Office Assistant IV	1	0	0	0	1
Project Mgr Fed Aid Contract	1	0	0	0	1
Project Mgr P3 Contract	1	0	0	0	1
<b>Totals</b>	<b>9</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>9</b>

**Component Board Summary**

Board Description	Member Count	Pay Per Day	Budgeted Days	Additional Pay	Total Cost
Knik Arm Bridge and Toll Authority	3	300.00	60	0.00	58,093.20
<b>Total</b>					<b>58,093.20</b>

**Component Detail All Funds**  
**Department of Transportation/Public Facilities**

**Component:** Knik Arm Bridge/Toll Authority (2715)

**RDU:** Knik Arm Bridge/Toll Authority (498)

	<b>FY2009 Actuals</b>	<b>FY2010 Conference Committee</b>	<b>FY2010 Authorized</b>	<b>FY2010 Management Plan</b>	<b>FY2011 Governor</b>	<b>FY2010 Management Plan vs FY2011 Governor</b>	
71000 Personal Services	884.7	1,559.6	1,559.6	1,559.6	1,325.9	-233.7	-15.0%
72000 Travel	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
73000 Services	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
74000 Commodities	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
75000 Capital Outlay	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
77000 Grants, Benefits	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
78000 Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
<b>Totals</b>	<b>884.7</b>	<b>1,559.6</b>	<b>1,559.6</b>	<b>1,559.6</b>	<b>1,325.9</b>	<b>-233.7</b>	<b>-15.0%</b>
<b>Fund Sources:</b>							
1061 CIP Rcpts	884.7	1,559.6	1,559.6	1,559.6	1,325.9	-233.7	-15.0%
<b>General Funds</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0%</b>
<b>Federal Funds</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0%</b>
<b>Other Funds</b>	<b>884.7</b>	<b>1,559.6</b>	<b>1,559.6</b>	<b>1,559.6</b>	<b>1,325.9</b>	<b>-233.7</b>	<b>-15.0%</b>
<b>Positions:</b>							
Permanent Full Time	11	11	11	11	9	-2	-18.2%
Permanent Part Time	0	0	0	0	0	0	0.0%
Non Permanent	0	0	0	0	0	0	0.0%

**Change Record Detail - Multiple Scenarios With Descriptions**  
**Department of Transportation/Public Facilities**

**Component:** Knik Arm Bridge/Toll Authority (2715)

**RDU:** Knik Arm Bridge/Toll Authority (498)

Scenario/Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		NP	
										PFT	PPT		
***** Changes From FY2010 Conference Committee To FY2010 Authorized *****													
<b>FY2010 Conference Committee</b>													
	ConfCom	1,559.6	1,559.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	11	0	0
1061 CIP Rcpts		1,559.6											
<b>Subtotal</b>		<b>1,559.6</b>	<b>1,559.6</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>11</b>	<b>0</b>	<b>0</b>
***** Changes From FY2010 Authorized To FY2010 Management Plan *****													
<b>Subtotal</b>		<b>1,559.6</b>	<b>1,559.6</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>11</b>	<b>0</b>	<b>0</b>
***** Changes From FY2010 Management Plan To FY2011 Governor *****													
<b>FY2011 Health Insurance Cost Increase Non-Covered Employees</b>													
	SalAdj	23.3	23.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1061 CIP Rcpts		23.3											
Costs associated with Health Insurance Increases: \$23.3													
<b>Delete Vacant PCN 25-984X Financial Manager, and Funding</b>													
	Dec	-92.0	-92.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-1	0	0
1061 CIP Rcpts		-92.0											
Delete PCN 25-984X Financial Manager, Anchorage, and funding.													
The Department of Transportation and Public Facilities is deleting certain positions that were vacant for extended periods of time including many for multiple fiscal years. This RDU/Component is deleting a position(s) to accurately reflect the number of full time positions required to implement the FY11 Governor's Budget. These PCNs are available at this time; however, depending on future project activity within the department, staffing level needs may need to be revisited.													
<b>Delete Vacant PCN 25-985X Deputy Executive Director of Corporate Affairs, and Funding</b>													
	Dec	-165.0	-165.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-1	0	0
1061 CIP Rcpts		-165.0											
Delete PCN 25-985X Deputy Executive Director of Corporate Affairs, Anchorage, and funding.													
The Department of Transportation and Public Facilities is deleting certain positions that were vacant for extended periods of time including many for multiple fiscal years. This RDU/Component is deleting a position(s) to accurately reflect the number of full time positions required to implement the FY11 Governor's Budget. These PCNs are available at this time; however, depending on future project activity within the department, staffing level needs may need to be revisited.													

**Change Record Detail - Multiple Scenarios With Descriptions**  
**Department of Transportation/Public Facilities**

**Component:** Knik Arm Bridge/Toll Authority (2715)

**RDU:** Knik Arm Bridge/Toll Authority (498)

Scenario/Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		
										PFT	PPT	NP
	Totals	1,325.9	1,325.9	0.0	0.0	0.0	0.0	0.0	0.0	9	0	0

## Personal Services Expenditure Detail

### Department of Transportation/Public Facilities

Scenario: FY2011 Governor (7749)  
 Component: Knik Arm Bridge/Toll Authority (2715)  
 RDU: Knik Arm Bridge/Toll Authority (498)

PCN	Job Class Title	Time Status	Retire Code	Barg Unit	Location	Salary Sched	Range / Step	Comp Month	Split / Count	Annual Salaries	COLA	Premium Pay	Annual Benefits	Total Costs	GF Amount
25-973X	Exe Dir Knik Arm Bdg Toll Auth	FT	A	XE	Anchorage	AA	27M	12.0		130,000	0	0	58,629	188,629	0
25-974X	Administrative Manager	FT	A	XE	Anchorage	AA	16C / D	12.0		51,518	0	0	31,680	83,198	0
25-975X	Office Assistant IV	FT	A	XE	Anchorage	AA	12F / J	12.0		43,883	0	3,915	30,335	78,133	0
25-984X	Financial Manager	FT	A	XE	Anchorage	AA	19A	12.0		0	0	0	0	0	0
25-985X	Dep Ex Dir Corp Affairs Kabata	FT	A	XE	Anchorage	AA	25M	12.0		0	0	0	0	0	0
25-986X	Dep Exec Dir Proj Devel Kabata	FT	A	XE	Anchorage	AA	25M	12.0		116,000	0	0	54,426	170,426	0
25-988X	Kabata Chief Financial Officer	FT	A	XE	Anchorage	AA	24M	12.0		129,000	0	0	58,329	187,329	0
25-989X	Kabata Chief Engineer	FT	A	XE	Anchorage	AA	24L	12.0		107,148	0	0	51,769	158,917	0
25-990X	Project Mgr Fed Aid Contract	FT	A	XE	Anchorage	AA	25J	12.0		93,000	0	0	46,676	139,676	0
25-991X	Project Mgr P3 Contract	FT	A	XE	Anchorage	AA	25K	12.0		98,000	0	0	48,483	146,483	0
25-992X	Liaison Officer	FT	A	XE	Anchorage	AA	21D / E	12.0		74,934	0	0	40,145	115,079	0

<b>Total Positions</b>			<b>9</b>	<b>0</b>	<b>2</b>	<b>Total Salary Costs:</b>	843,483
<b>Full Time Positions:</b>	9	0	2	<b>Total COLA:</b>	0		
<b>Part Time Positions:</b>	0	0	0	<b>Total Premium Pay::</b>	3,915		
<b>Non Permanent Positions:</b>	0	0	0	<b>Total Benefits:</b>	420,472		
<b>Positions in Component:</b>	9	0	2	<b>Total Pre-Vacancy:</b>	1,267,870		
				<b>Minus Vacancy Adjustment of 0.00%:</b>	(63)		
				<b>Total Post-Vacancy:</b>	1,267,807		
				<b>Plus Lump Sum Premium Pay:</b>	0		
				<b>Plus Board Honoraria Pay:</b>	58,093		
				<b>Personal Services Line 100:</b>	1,325,900		

PCN Funding Sources:	Pre-Vacancy	Post-Vacancy	Percent
1061 Capital Improvement Project Receipts	1,267,870	1,267,807	100.00%
<b>Total PCN Funding:</b>	<b>1,267,870</b>	<b>1,267,807</b>	<b>100.00%</b>

Note: If a position is split, an asterisk (\*) will appear in the Split/Count column. If the split position is also counted in the component, two asterisks (\*\*) will appear in this column. [No valid job title] appearing in the Job Class Title indicates that the PCN has an invalid class code or invalid range for the class code effective date of this scenario.

**Restricted Revenue Detail**  
**Department of Transportation/Public Facilities**

**Component:** Knik Arm Bridge/Toll Authority (2715)  
**RDU:** Knik Arm Bridge/Toll Authority (498)

<b>Master Account</b>	<b>Revenue Description</b>	<b>FY2009 Actuals</b>	<b>FY2010 Management Plan</b>	<b>FY2011 Governor</b>
51200	Capital Improvement Project Receipts	884.7	1,559.6	1,325.9

**Detail Information**

<b>Revenue Amount</b>	<b>Revenue Description</b>	<b>Component</b>	<b>Collocation Code</b>	<b>AKSAS Fund</b>	<b>FY2009 Actuals</b>	<b>FY2010 Management Plan</b>	<b>FY2011 Governor</b>
51201	Direct CIP Receipts CIP receipts for work indirect support of capital projects.				884.7	1,559.6	1,325.9