

Agency: Department of Transportation/Public Facilities**Project Title:**

Akutan Airport Construction

State Funding Requested: \$ 3,000,000**House District: 37 - S**

Future Funding May Be Requested

Brief Project Description:

Construction of a new airport located on Akun Island

Funding Plan:**Total Cost of Project: \$45,200,000**

	<u>Funding Secured</u>		<u>Other Pending Requests</u>		<u>Anticipated Future Need</u>	
	<i>Amount</i>	<i>FY</i>	<i>Amount</i>	<i>FY</i>	<i>Amount</i>	<i>FY</i>
Federal Funds	\$3,880,000	2004-2005			\$2,000,000	2009
State Funds	\$1,000,000	2006				
Local Funds	\$4,425,000	2005-2007				
Other	\$125	2006				
Total	\$9,305,125				\$2,000,000	

Explanation of Other Funds:

\$125,000 donated towards a total of \$790,000 towards ROW from Trident Seafoods.

Detailed Project Description and Justification:

The environmental assessment for the airport was finalized in December, 2007. DOT has begun the design phase. It is critical to get to the construction phase as soon as possible, construction likely taking two seasons. Any delay in the schedule may well mean Akutan will enter a period without air service. Further delays will also mean increased construction costs, given current cost trends.

Akutan is presently served by a Grumman Goose. Parts for the Goose are no longer manufactured. Akutan's service has been limited to wind conditions under 25 knots, common for the Aleutians. PenAir has indicated they can keep the Goose in service for another 2-4 years. Other float planes are not an option for the wave conditions of Akutan Bay. When the Goose is no longer in service, Akutan will have no air service.

Project Timeline:

Project dates listed in governor's budget detail are from 2008-2013

Entity Responsible for the Ongoing Operation and Maintenance of this Project:

DOT

Grant Recipient Contact Information:

Contact Name: Frank Richards
Phone Number: 465-3900
Address: 3132 Channel Drive, Juneau 99811
Email: frank.richards@alaska.gov

Funds for this project are located in the Governor's FY09 Budget:

DOT - Akutan Airport Construction - \$31 million Federal

Has this project been through a public review process at the local level and is it a community priority? Yes No

CITY OF AKUTAN

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AKUTAN



January 18, 2008

The Honorable Lyman F. Hoffman
Alaska State Legislature
State Capitol
Juneau, Alaska 99801-1182

Re: Akutan Airport - \$3 Million FY 2009 Capital Request

Dear Senator Hoffman:

The City of Akutan greatly appreciates your ongoing support for the Akutan Airport Project. It is critical to fund the airport project at this time.

Akutan is presently served by the aging Grumman Goose. Parts for the Goose are difficult to find and no longer manufactured. Service to Akutan has been limited to wind conditions under 25 knots, which is a common condition in the Aleutians. Service to Akutan is very poor at present. PenAir has indicated that they can keep the Goose in service for another 2 to 4 years. Other float planes are not durable to withstand the wave conditions of Akutan Bay. When the Goose can no longer be maintained, air service to Akutan will be lost.

The project is needed to ensure safe and reliable access for Akutan. Further, the new airport at will improve regional aviation safety in the area, serving as an alternate airport for Dutch Harbor during inclement weather.

The environmental assessment for the airport was finalized in late December 2007. Akun Island has been selected as the preferred alternative for the new airport. The Alaska Department of Transportation and Public Facilities has begun the design phase. It is critical to get to the construction phase as soon as possible. Construction will likely take two full seasons. Adequate lead time is needed to construct the marine vessel to provide surface access. Any delay in the schedule may well mean Akutan will enter a period without air service. Further delays will also mean increased construction costs, given current cost trends.

In order to assist the state in funding our project, we committed to pursue project funding outside the Airport Improvement Program. The City of Akutan, the Aleutians East Borough (AEB), and Trident Seafoods have already committed approximately \$1.5 million in local contributions to the project. In October 2007, the AEB voters approved

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an additional \$3 million in general obligation bonds for this project. Our plan has been to use these funds to match a like amount of funding from the state.

The funding package for the project needs to be in place by early summer in 2008. \$3 million in additional funds is needed to complete the package. On behalf of the community of Akutan, I respectfully request your support to obtain a match of \$3 million in state funds for the Akutan Airport Project. Language could be included making this appropriation contingent on a local match of the same amount. DOT/PF Commissioner von Scheben is a strong supporter of this project. I am hopeful we can count on his help to obtain a match of \$3 million in state funds.

Thank you for your consideration of our request. If there are any questions, please contact me at #698-2228, or Mark Hickey, our Juneau representative, at #723-8574.

Sincerely,

A handwritten signature in cursive script, appearing to read "Joe Bereskin".

Joe Bereskin, Mayor
City of Akutan

Akutan Airport Project - Draft Funding Plan

(Revised: November 2007)

Project Description: Construct a new 4,500' paved, lighted runway for Akutan. Akun Island is the likely location. Airport location requires use of a marine vessel to connect to the community and Trident fish processing facility. Project scope includes vessel construction, attendant marine facilities (e.g., ramps; etc.), vessel storage/maintenance facility, airport road on Akun Island, vessel terminals, and airport maintenance equipment and storage building. Project completion is expected by the end of the 2010 construction season (late summer/early fall 2010).

Preliminary Cost Estimates: The preliminary cost estimate for the Akun airport with hovercraft access is \$38.6 million. This estimate is based on work performed by HDR Engineering prior to 2007. It includes costs for design, construction, construction administration, right-of-way, maintenance equipment, ICAP and cost contingencies. Given construction cost trends for projects in rural Alaska, an additional cost contingency of 15% is included for planning purposes. This adjustment results in an expected cost of \$44.4 million. This figure is in line with a recent review performed by department engineering personnel placing the cost at approximately \$45 million.

Funding Options: There are a number of funding options that have been identified for the project, including the federal airport discretionary program (DISC), Alaska's federal airport improvement program (AIP) entitlements, earmarks from the federal highways program (SAFETEA-LU), state general funds (GF), and local funds. It may also be possible to bring added assistance through federal transit programs, including ferryboat and terminal discretionary programs.

APEB Ranking: The Akutan airport project received a very high ranking of 172 points from the Alaska Department of Transportation & Public Facilities during an APEB review in December 2005.

Funding Plan: A mixture of fund sources will be needed given the project's complexity. Project construction would occur over two seasons. The project should be approached as a single, federal AIP project funded on a multi-year basis. The main source of funds will be a combination of Alaska AIP entitlements and AIP discretionary funds. Based on initial discussions with personnel at the Federal Aviation Administration (FAA), it would be possible to structure funding for a single project over a multi-year period. It is anticipated that a large amount of discretionary funding would be expended in the first year of construction. The following table shows the likely schedule for fund programming.

<u>Funding Source</u>	<u>FFY 2007-2008</u>	<u>FFY 2009</u>	<u>FFY 2010</u>	<u>Total</u>
AIP Discretionary ¹	\$11,000,000			\$11,000,000
GF Match Requested ²	\$3,000,000			\$3,000,000
Alaska AIP	\$10,000,000	\$5,000,000	\$5,000,000	\$20,000,000
SAFETEA-LU ³	\$3,000,000			\$3,000,000
Ferry Boat Disc	\$880,000			\$880,000
Local Contributions ⁴		\$4,540,000	\$3,000,000	\$7,540,000
Yearly Total	\$27,880,000	\$9,540,000	\$8,000,000	\$45,420,000

¹ AIP earmarks totaling \$11.2 million are in place for this project. \$2 million of this amount has been used to-date. Amounts and timing of AIP discretionary funding cannot be specifically determined until the funding year occurs.

² Request to match \$3 million in local bond proceeds approved by AEB voters in October 2007.

³ Federal Highways Program earmark of \$3 million is in place for the Akutan Airport Project.

⁴ Local contributions include \$1 million in State GF, \$2 million in EDA funding, \$790,000 in donated ROW (City of Akutan/Trident Seafoods), \$250,000 from the City of Akutan and \$3,500,000 from the Aleutians East Borough.

Akutan Airport Project - Draft Funding Plan

(Revised: November 2007)

Project Summary by Fund Source: The following table lists the proposed funding sources and amounts. Please note that all of the non-federal components are in place except the current state GF request. Commitments are in place for most of the federal pieces (including the Alaska AIP entitlement funds). AIP discretionary funds are typically awarded at the time of construction bidding or award. The grant from the U.S. Economic Development Administration will be requested following completion of the environmental phase, which is expected to occur by the end of 2007.

<u>Funding Source</u>	<u>Amount</u>
Alaska AIP Entitlement Funds	\$20,000,000
AIP Discretionary Funds	\$11,000,000
SAFETEA-LU Earmark	\$3,000,000
Ferryboat Discretionary Funds	\$880,000
Aleutians East Borough Bond Proceeds	\$3,000,000
Aleutians East Borough Grant	\$500,000
City of Akutan Grant	\$250,000
Donated ROW (Akutan/Trident Seafoods)	\$790,000
US EDA Grant (To Be Requested)	\$2,000,000
State GF (Appropriated in 2006)	\$1,000,000
State GF Requested	\$3,000,000
Total Project Funding:	\$45,420,000

Proposed Funding Allocation by Project Component: The following depicts a proposed allocation of the various funding elements by project component. This information is presented for illustration purposes. The final allocation may change based on any number of factors, including total costs, funding program limitations, and differences in actual funds available.

<u>Project Component</u>	<u>Funding Source</u>	<u>Estimated Cost</u>
Airport, Airport Road, Hovercraft Ramps, Terminal Bldgs., Airport Maintenance Equip/Bldg. & Vessel Storage/Maintenance Bldg. (includes all related design, CM & construction)	Alaska AIP Funds AIP Discretionary SAFETEA-LU Funds Donated ROW State GF Grants	\$35,420,000
Hovercraft Vessel Acquisition (includes design, acquisition & vessel transportation costs)	Local Contributions State GF Grants U.S. EDA Grant Ferryboat Disc. Funds	\$10,000,000
Total Project Cost:		\$45,420,000

Akutan Airport Project - Draft Funding Plan

(Revised: November 2007)

Annotated Project Summary by Fund Source:

This table provides additional details regarding each fund source, including details about source appropriations if relevant.

<u>Funding Source</u>	<u>Amount</u>	<u>Notes</u>
Alaska AIP Entitlement Funds	\$20,000,000	Decision by department Aviation Project Evaluation Board (APEB) in Dec. 2005. Fund programming controlled by DOT/PF.
AIP Discretionary Funds	\$11,000,000	Annual decision by FAA made in concert with state. Have \$13.825 million in FAA discretionary or high priority project designations. \$5.2 million in FFY01/02 intent for AIP discretionary; remaining \$8.625 million in FFY 03/05/08 for high priority projects. FAA views these actions by Congress as intent – no actual dollars from legislation.
SAFETEA-LU Earmark	\$3,000,000	Consists of (1) \$1.5 million from FFY05 for “Akutan Road”; and (2) \$1.5 million from Sec. 1702 of SAFETEA-LU for “linking road from airport to port”. Recisions will likely reduce total below \$3 million.
Ferryboat Discretionary Funds	\$880,000	FFY04 earmark for “Akutan Ferry Planning and Design.” Amount reflects recession. Controlled by FTA.
Aleutians East Borough Bond Proceeds	\$3,000,000	Approved by voters in October 2007.
Aleutians East Borough Grant	\$500,000	Approved by Borough Assembly in late 2005.
City of Akutan Grant	\$250,000	Approved by City Council in late 2005.
Donated ROW (Akutan/Trident Seafoods)	\$790,000	In-kind contribution from City (Trident provided \$125,000 to City).
US EDA Grant (To Be Requested)	\$2,000,000	Typically requires 50% match; activity must be initiated within 5 years of grant award.
State GF (Appropriated in 2006)	\$1,000,000	Line 13; page 107 of SB 231.
State GF Requested	<u>\$3,000,000</u>	Will be pursued during 2008 legislative session.
Total Project Funding:	\$45,420,000	