

State of Alaska FY2012 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 toll 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. A ROD is presently expected during calendar 2010 at or before completion of Section 7 consultation and a biological opinion (BO) from National Marine Fisheries Services (NMFS) for the Cook Inlet beluga whale. FHWA has commenced formal consultation with NMFS under the Endangered Species Act (ESA), and requested a Letter of Authorization under the Marine Mammals Protection Act for beluga whales in the Cook Inlet. Once the ROD and BO are issued, we will pursue the necessary permits and commit to specific mitigation of environmental impacts.
- 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 and U.S. Coast Guard permits, and an Alaska Coastal Zone permit. KABATA has engaged with these agencies and expects to obtain critical permits during FY2011-2012.
- Rights-of-way – ROW will be secured once a ROD has been issued by FHWA before construction commences. KABATA expects authorization from FHWA for the ROW phase when the ROD is issued.
- Procurement and Financing – Procurement and financing strategies will be re-evaluated, procurement documents updated and procurement initiated when the ROD is issued. Prequalified private teams competing for a public-private partnership (PPP) for the project continue to express interest. 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.
- Obligating Transportation Infrastructure Financing and Innovation Act (TIFIA) credit and Private Activity Bonds (PABs) allocation. KABATA has obtained from FHWA an allocation of \$600 million of the PABs capacity provided under SAFETEA-LU, which is ready to be obligated. KABATA will also resubmit a TIFIA Letter of Interest for obtaining low-cost TIFIA credit for the Project, which is expected to be accepted by USDOT and funding obligated once a ROD is secured.

Significant Changes in Results to be Delivered in FY2012

When a Record of Decision is issued by FHWA, phase changes will occur as the project moves out of NEPA and preliminary engineering into the ROW, utilities, financing and construction phases. Procurement would occur in FY2012 and construction would commence as design is finalized.

Major Component Accomplishments in 2010

- Engineering Innovations - Significant engineering analysis was performed to develop financially and technically feasible construction techniques that would be acceptable to NMFS as minimizing impacts on the Cook Inlet stock of beluga whales, most notably adopting an oscillated drilled shaft approach to constructing the bridge. KABATA's independent engineer updated the project cost estimate during the first quarter of calendar year 2010 and derived a point estimate of total project costs of \$676 million in 2010 dollars, or \$714 million in year of expenditure dollars, assuming ROW and Construction begin in 2012.

- Section 106 Programmatic Agreements - KABATA hired a Section 106 Liaison to oversee the programmatic agreements FHWA entered into during 2009 with the Knik and Eklutna tribes, the Mat-Su Borough, the Municipality of Anchorage and the State Historic Preservation Office. All parties are fulfilling their respective commitments under the agreements and work is expected to be substantially completed during FY2012.
- ESA, MMPA and Cook Inlet beluga whales – In addition to the previously discussed engineering innovations, KABATA prepared a Biological Assessment and Letter of Authorization and FHWA submitted those documents to NMFS to initiate formal consultation and permitting under ESA and MMPA, respectively during 2010. This initiated formal consultation between FHWA, NMFS and KABATA and a Biological Opinion is expected from NMFS by the end of calendar 2010, permitting FHWA to issue a ROD.
- Financing – Financial plans were updated several times during FY2011 to continue to demonstrate project financial feasibility. KABATA submitted a TIFIA Letter of Interest (LOI) under the newly adopted TIFIA program rules to obtain low-cost TIFIA credit for the project. The Project was not selected to submit a full application primarily because a ROD had not yet been issued by FHWA. KABATA also applied for a TIGER II grant and TIFIA Payment from USDOT under the TIGER II grant program. Although the submission was very competitive, it was not successful.
- Public Outreach and Involvement - The Authority provided project updates to community organizations, local governments, industry associations, and other stakeholders. The KABATA web site was continuously updated to keep our community and stakeholders informed of the status of the project. A project animation and information video were produced and made available to the public. The Authority also participated in many local and national radio talk show segments, published several newsletters, and issued several press releases about the project to keep the public informed.

Statutory and Regulatory Authority

AS 19.75 Knik Arm Bridge and Toll Authority

Contact Information

Contact: Andrew J. Niemiec, Executive Director
Phone: (907) 334-4490
Fax: (907) 269-6697
E-mail: andrew.niemiec@alaska.gov

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

All dollars shown in thousands

	FY2010 Actuals	FY2011 Management Plan	FY2012 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	871.3	1,348.4	1,388.7
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
Expenditure Totals	871.3	1,348.4	1,388.7
Funding Sources:			
1061 Capital Improvement Project Receipts	871.3	1,348.4	1,388.7
Funding Totals	871.3	1,348.4	1,388.7

Estimated Revenue Collections

Description	Master Revenue Account	FY2010 Actuals	FY2011 Management Plan	FY2012 Governor
Unrestricted Revenues				
None.		0.0	0.0	0.0
Unrestricted Total		0.0	0.0	0.0
Restricted Revenues				
Capital Improvement Project Receipts	51200	871.3	1,348.4	1,388.7
Restricted Total		871.3	1,348.4	1,388.7
Total Estimated Revenues		871.3	1,348.4	1,388.7

**Summary of Component Budget Changes
From FY2011 Management Plan to FY2012 Governor**

All dollars shown in thousands

	<u>Unrestricted Gen (UGF)</u>	<u>Designated Gen (DGF)</u>	<u>Other Funds</u>	<u>Federal Funds</u>	<u>Total Funds</u>
FY2011 Management Plan	0.0	0.0	1,348.4	0.0	1,348.4
Adjustments which will continue current level of service:					
-FY 2012 Personal Services increases	0.0	0.0	40.3	0.0	40.3
FY2012 Governor	0.0	0.0	1,388.7	0.0	1,388.7

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

Authorized Positions			Personal Services Costs	
	FY2011 Management Plan	FY2012 Governor		
Full-time	9	9	Annual Salaries	874,798
Part-time	0	0	COLA	23,647
Nonpermanent	0	0	Premium Pay	3,994
			Annual Benefits	464,821
			<i>Less 2.68% Vacancy Factor</i>	(36,653)
			Lump Sum Premium Pay	0
			Board Honoraria	58,093
Totals	9	9	Total Personal Services	1,388,700

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
Environmental/Sec 106 Liaison	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
Office Asst 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
Totals	9	0	0	0	9

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
Total					58,093.20

Component Detail All Funds
Department of Transportation/Public Facilities

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

	FY2010 Actuals	FY2011 Conference Committee (Final)	FY2011 Authorized	FY2011 Management Plan	FY2012 Governor	FY2011 Management Plan vs FY2012 Governor	
71000 Personal Services	871.3	1,325.9	1,348.4	1,348.4	1,388.7	40.3	3.0%
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%
Totals	871.3	1,325.9	1,348.4	1,348.4	1,388.7	40.3	3.0%
Fund Sources:							
1061 CIP Rcpts	871.3	1,325.9	1,348.4	1,348.4	1,388.7	40.3	3.0%
Unrestricted General (UGF)	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Designated General (DGF)	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Other Funds	871.3	1,325.9	1,348.4	1,348.4	1,388.7	40.3	3.0%
Federal Funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Positions:							
Permanent Full Time	11	9	9	9	9	0	0.0%
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 FY2011 Conference Committee (Final) To FY2011 Authorized *****												
FY2011 Conference Committee												
1061 CIP Rcpts	ConfCom	1,325.9	1,325.9	0.0	0.0	0.0	0.0	0.0	0.0	9	0	0
		1,325.9										
ADN 25-1-7619 FY2011 Non-covered Salary Increase Year 1, CH 56 SLA 10 (HB 421) (Sec 2 CH 41 SLA 10 P 51 L 8)												
1061 CIP Rcpts	FisNot	22.5	22.5	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
		22.5										
: \$22.5												
Subtotal		1,348.4	1,348.4	0.0	0.0	0.0	0.0	0.0	0.0	9	0	0
***** Changes From FY2011 Authorized To FY2011 Management Plan *****												
Subtotal		1,348.4	1,348.4	0.0	0.0	0.0	0.0	0.0	0.0	9	0	0
***** Changes From FY2011 Management Plan To FY2012 Governor *****												
FY 2012 Personal Services increases												
1061 CIP Rcpts	SalAdj	40.3	40.3	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
		40.3										
This change record includes the following personal services increases: : \$40.3												
Non-Covered Employees FY2012 Health Insurance Increased Costs : \$17.0												
Non-Covered Employees FY 12 COLA increases : \$23.3												
Totals		1,388.7	1,388.7	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: FY2012 Governor (8665)
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 Months	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	27O	12.0		141,012	3,724	0	66,741	211,477	0
25-974X	Administrative Manager	FT	A	XE	Anchorage	AA	16D / E	12.0		54,479	1,506	0	35,800	91,785	0
25-975X	Office Asst IV	FT	A	XE	Anchorage	AA	12F / J	12.0		44,285	1,334	3,994	33,433	83,046	0
25-986X	Dep Exec Dir Proj Devel Kabata	FT	A	XE	Anchorage	AA	25N	12.0		126,444	3,339	0	62,072	191,855	0
25-988X	Kabata Chief Financial Officer	FT	A	XE	Anchorage	AA	24S	12.0		141,420	3,735	0	66,872	212,027	0
25-989X	Kabata Chief Engineer	FT	A	XE	Anchorage	AA	24L / M	12.0		111,336	2,940	0	57,230	171,506	0
25-990X	Project Mgr Fed Aid Contract	FT	A	XE	Anchorage	AA	25A	12.0		88,308	2,440	0	48,716	139,464	0
25-991X	Project Mgr P3 Contract	FT	A	XE	Anchorage	AA	25A	12.0		88,308	2,440	0	48,716	139,464	0
25-992X	Environmental/Sec 106 Liaison	FT	A	XE	Anchorage	AA	21E / F	12.0		79,206	2,189	0	45,241	126,636	0

													Total Salary Costs:	874,798
													Total COLA:	23,647
													Total Premium Pay:	3,994
													Total Benefits:	464,821
													Total Pre-Vacancy:	1,367,260
													Minus Vacancy Adjustment of 2.68%:	(36,653)
													Total Post-Vacancy:	1,330,607
													Plus Lump Sum Premium Pay:	0
													Plus Board Honoraria Pay:	58,093
													Personal Services Line 100:	1,388,700

PCN Funding Sources:	Pre-Vacancy	Post-Vacancy	Percent
1061 Capital Improvement Project Receipts	1,367,260	1,330,607	100.00%
Total PCN Funding:	1,367,260	1,330,607	100.00%

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)

Master Account	Revenue Description	FY2010 Actuals	FY2011 Management Plan	FY2012 Governor
51200	Capital Improvement Project Receipts	871.3	1,348.4	1,388.7

Detail Information

Revenue Amount	Revenue Description	Component	Collocation Code	AKSAS Fund	FY2010 Actuals	FY2011 Management Plan	FY2012 Governor
51201	Direct CIP Receipts CIP receipts for work indirect support of capital projects.				871.3	1,348.4	1,388.7