

State of Alaska
FY2015 Governor's Operating Budget

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

Component: Knik Arm Bridge/Toll Authority

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. The state will own the toll bridge, related facilities and all toll revenue.

Major Component Accomplishments in 2013

- Right-of-Way (ROW) Acquisition— Acquired eight key parcels and relocated 55 tenants to date. We have reached agreement on an additional 15 parcels and anticipate completion of the ROW acquisition in FY2014.
- Environmental Permitting – The Section 401 Water Quality Certification for the project was issued by Alaska Department of Environmental Conservation (DEC) on September 26, 2012. The Compensatory Mitigation Plan was completed as required by the U.S. Army Corps of Engineers who are working on the record of decision and Section 404 permit for the project.
- Procurement and Financing – KABATA shortlisted three development teams who will have the opportunity to compete for the project in the request for proposals (RFPs). Several industry one-on-one review sessions were conducted with each of the shortlisted teams. Financial plans, traffic, revenue, and other studies were updated to support the procurement and pending legislation. A Transportation Infrastructure Financing and Innovation Act (TIFIA) letter of interest was submitted requesting a TIFIA loan for the project, expected to be 33% of the eligible cost.
- Public Outreach and Involvement – Numerous media advisories and press releases were issued on project developments. Project updates and presentations were provided to community organizations, local governments, industry, trade and civic associations, and other interested stakeholders, including hosting open house forums around the state for the public to attend. The website was completely remodeled to better reflect the maturity of the project. Participation in radio talk show segments, publishing newsletters, and maintaining an active Facebook page are additional methods used to keep the public informed about the project.

Key Component Challenges

- Legislation – Legislation was introduced to enhance the project credit (SB13, HB23). The bills are pending the second session of the 28th legislature. The legislation is necessary for the project to successfully move forward as a public-private partnership at the best value for the State of Alaska.
- Procurement/Financing – The first phase of the Knik Arm Crossing will be delivered under an availability fee public-private partnership. Qualified and shortlisted teams will have the opportunity to respond to an RFP to finance, design, construct, operate and maintain the toll facility. KABATA will complete contract documents and release the RFP during late FY2014 or early FY2015. Proposals will be obtained in the first half of FY2015 and the contract awarded provided the necessary legislation has been approved by the Alaska Legislature.
- Secure and issue, on behalf of successful development team, TIFIA credit and Private Activity Bonds (PABs). KABATA has obtained from the Federal Highway Administration (FHWA) an allocation of \$600 million of the PABs capacity provided by USDOT, which is ready to be issued with KABATA acting as conduit issuer. KABATA has submitted a TIFIA letter of interest for low-cost TIFIA credit for the project, and expects to submit a full TIFIA application during late FY2014 or early FY2015. The winning proposer will be the borrower of both PABs and TIFIA.
- Complete Major Permits – Obtain U.S. Army Corps of Engineers permit and the letter of authorization for working in proximity to the Cook Inlet Beluga whales. The authorization is issued under the Marine Mammal Protection

Act from National Marine Fisheries Service (NMFS).

- Right-of-Way (ROW) – Substantially complete ROW by acquiring remaining private parcels, Municipality of Anchorage, Department of Defense, Mat-Su Borough and Alaska Railroad Corporation lands as necessary for phase I construction.
- Transition from project development to operations. Establish tolling and operating regulations and policies. Install accounting system and acquire trustee to support KABATA as a business type enterprise.

Significant Changes in Results to be Delivered in FY2015

Obtain firm financial and technical contractual terms through evaluation of formal proposals in response to RFP. Obtain environmental permits and right-of-way necessary to begin construction. Provide, within KABATA's corporate structure, appropriate regulations, policies and procedures for an operating toll authority.

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			
		<i>All dollars shown in thousands</i>	
	FY2013 Actuals	FY2014 Management Plan	FY2015 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	1,120.4	1,434.2	1,303.7
72000 Travel	0.0	34.4	34.4
73000 Services	0.0	325.8	325.8
74000 Commodities	0.0	11.8	11.8
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	1,120.4	1,806.2	1,675.7
Funding Sources:			
1061 Capital Improvement Project Receipts	1,120.4	1,806.2	1,675.7
Funding Totals	1,120.4	1,806.2	1,675.7

Estimated Revenue Collections				
Description	Master Revenue Account	FY2013 Actuals	FY2014 Management Plan	FY2015 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	1,120.4	1,806.2	1,675.7
Restricted Total		1,120.4	1,806.2	1,675.7
Total Estimated Revenues		1,120.4	1,806.2	1,675.7

**Summary of Component Budget Changes
From FY2014 Management Plan to FY2015 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>
FY2014 Management Plan	0.0	0.0	1,806.2	0.0	1,806.2
Adjustments which will continue current level of service:					
-FY2015 Salary Increases	0.0	0.0	11.2	0.0	11.2
-FY2015 Health Insurance and Working Reserve Rate Reductions	0.0	0.0	-4.9	0.0	-4.9
Proposed budget decreases:					
-Delete Long-Term Vacant Position (25-989X)	0.0	0.0	-136.8	0.0	-136.8
FY2015 Governor	0.0	0.0	1,675.7	0.0	1,675.7

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

Authorized Positions			Personal Services Costs	
	FY2014 Management Plan	FY2015 Governor		
Full-time	8	7	Annual Salaries	756,854
Part-time	0	0	COLA	10,110
Nonpermanent	0	0	Premium Pay	1,882
			Annual Benefits	388,675
			<i>Less 2.93% Vacancy Factor</i>	(33,914)
			Lump Sum Premium Pay	122,000
			Board Honoraria	58,093
Totals	8	7	Total Personal Services	1,303,700

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
Exe Dir Knik Arm Bdg Toll Auth	1	0	0	0	1
Kabata Chief Financial Officer	1	0	0	0	1
Liaison Officer	1	0	0	0	1
Office Asst IV	1	0	0	0	1
Project Manager	1	0	0	0	1
Totals	7	0	0	0	7

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 (AR57669) (2715)
RDU: Design, Engineering and Construction (526)

	FY2013 Actuals	FY2014 Conference Committee	FY2014 Authorized	FY2014 Management Plan	FY2015 Governor	FY2014 Management Plan vs FY2015 Governor	
71000 Personal Services	1,120.4	1,423.3	1,434.2	1,434.2	1,303.7	-130.5	-9.1%
72000 Travel	0.0	34.4	34.4	34.4	34.4	0.0	0.0%
73000 Services	0.0	325.8	325.8	325.8	325.8	0.0	0.0%
74000 Commodities	0.0	11.8	11.8	11.8	11.8	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	1,120.4	1,795.3	1,806.2	1,806.2	1,675.7	-130.5	-7.2%
Fund Sources:							
1061CIP Rcpts (Other)	1,120.4	1,795.3	1,806.2	1,806.2	1,675.7	-130.5	-7.2%
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	1,120.4	1,795.3	1,806.2	1,806.2	1,675.7	-130.5	-7.2%
Federal Funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Positions:							
Permanent Full Time	8	8	8	8	7	-1	-12.5%
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: Design, Engineering and Construction (526)

Scenario/Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		NP
										PFT	PPT	
***** Changes From FY2014 Conference Committee To FY2014 Authorized *****												
FY2014 Conference Committee												
1061 CIP Rcpts	ConfCom	1,795.3	1,423.3	34.4	325.8	11.8	0.0	0.0	0.0	8	0	0
		1,795.3										
Compensation of Non-Covered Employees Ch47 SLA2013 (SB95) (Sec2 Ch14 SLA2013 P43 L10 (HB65) and Sec2 Ch15 P8 L10 (HB66))												
1061 CIP Rcpts	FisNot	10.9	10.9	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
SB95 relates to the compensation, allowances, geographic differentials in pay, and leave of certain public officials, officers, and employees not covered by collective bargaining agreements, and relates to certain petroleum engineers and petroleum geologists employed by the Department of Natural Resources.												
Subtotal		1,806.2	1,434.2	34.4	325.8	11.8	0.0	0.0	0.0	8	0	0
***** Changes From FY2014 Authorized To FY2014 Management Plan *****												
Subtotal		1,806.2	1,434.2	34.4	325.8	11.8	0.0	0.0	0.0	8	0	0
***** Changes From FY2014 Management Plan To FY2015 Governor *****												
FY2015 Salary Increases												
1061 CIP Rcpts	SalAdj	11.2	11.2	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
Cost of living allowance for certain bargaining units: \$11.2 Year two cost of living allowance for non-covered employees - 1%: \$11.2												
Delete Long-Term Vacant Position (25-989X)												
1061 CIP Rcpts	Dec	-136.8	-136.8	0.0	0.0	0.0	0.0	0.0	0.0	-1	0	0
Delete vacant full-time KABATA Chief Engineer (25-989X), range 24, located in Anchorage.												
FY2015 Health Insurance and Working Reserve Rate Reductions												
1061 CIP Rcpts	SalAdj	-4.9	-4.9	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
FY2015 budget reduction for decrease in the AlaskaCare health insurance premium and working reserve rates: \$-4.9 Working reserve rate decrease from 3.94% to 3.56%: Leave Cash-In = 2.17%, Terminal Leave = 1.03%, Unemployment Insurance = 0.36% : \$-3.2												

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

Component: Knik Arm Bridge/Toll Authority (2715)
RDU: Design, Engineering and Construction (526)

Scenario/Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		NP
										PFT	PPT	
AlaskaCare health benefit decrease from \$1,389 to \$1,371: \$-1.7												
	Totals	1,675.7	1,303.7	34.4	325.8	11.8	0.0	0.0	0.0	7	0	0

Personal Services Expenditure Detail
Department of Transportation/Public Facilities

Scenario: FY2015 Governor (11059)
Component: Knik Arm Bridge/Toll Authority (2715)
RDU: Design, Engineering and Construction (526)

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	N00	27P / Q	12.0		159,480	2,086	0	72,615	234,181	234,181
25-974X	Administrative Manager	FT	A	XE	Anchorage	N00	21F	12.0		83,964	1,150	0	47,518	132,632	132,632
25-975X	Office Asst IV	FT	A	XE	Anchorage	N00	12K	12.0		48,948	696	1,882	35,275	86,801	86,801
25-986X	Dep Exec Dir Proj Devel Kabata	FT	A	XE	Anchorage	N00	25O / P	12.0		138,048	1,806	0	66,010	205,864	0
25-988X	Kabata Chief Financial Officer	FT	A	XE	Anchorage	N00	24T / U	12.0		159,936	2,092	0	72,756	234,784	234,784
25-989X	Kabata Chief Engineer	FT	A	XE	Anchorage	N00	24A	12.0		0	0	0	0	0	0
25-990X	Project Manager	FT	A	XE	Anchorage	N00	22D / E	12.0		86,358	1,183	0	48,403	135,944	23,043
25-992X	Liaison Officer	FT	A	XE	Anchorage	N00	22B / C	12.0		80,120	1,097	0	46,098	127,315	95,614

	Total Positions	New	Deleted	Total Salary Costs:
Full Time Positions:	7	0	1	756,854
Part Time Positions:	0	0	0	10,110
Non Permanent Positions:	0	0	0	1,882
Positions in Component:	7	0	1	388,675
Total Component Months:	84.0			
				Total Pre-Vacancy: 1,157,521
				Minus Vacancy Adjustment of 2.93%: (33,914)
				Total Post-Vacancy: 1,123,607
				Plus Lump Sum Premium Pay: 122,000
				Plus Board Honoraria Pay: 58,093
				Personal Services Line 100: 1,303,700

PCN Funding Sources:	Pre-Vacancy	Post-Vacancy	Percent
1039 U/A Indirect Cost Recovery	807,054	783,408	69.72%
1061 Capital Improvement Project Receipts	350,467	340,199	30.28%
Total PCN Funding:	1,157,521	1,123,607	100.00%

Lump Sum Funding Sources:	Amount	Percent
1061 Capital Improvement Project Receipts	122,000	100.00%
Total Lump Sum Funding:	122,000	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.

Line Item Detail
Department of Transportation/Public Facilities
Travel

Component: Knik Arm Bridge/Toll Authority (2715)
RDU: Design, Engineering and Construction (526)

Line Number	Line Name		FY2013 Actuals	FY2014 Management Plan	FY2015 Governor
72000	Travel		0.0	34.4	34.4
Expenditure Account	Servicing Agency	Explanation	FY2013 Actuals	FY2014 Management Plan	FY2015 Governor
72000 Travel Detail Totals			0.0	34.4	34.4
72100	Instate Travel	In-state travel for Executive Director, Board of Directors and staff for administrative purposes.	0.0	34.4	34.4

Line Item Detail
Department of Transportation/Public Facilities
Services

Component: Knik Arm Bridge/Toll Authority (2715)
RDU: Design, Engineering and Construction (526)

Line Number	Line Name		FY2013 Actuals	FY2014 Management Plan	FY2015 Governor
73000	Services		0.0	325.8	325.8
Expenditure Account	Servicing Agency	Explanation	FY2013 Actuals	FY2014 Management Plan	FY2015 Governor
73000 Services Detail Totals			0.0	325.8	325.8
73051	Accounting/Auditing	Accounting and auditing services.	0.0	36.5	36.5
73156	Telecommunication	Long distance, local phone service, cellular service provided by vendors.	0.0	4.2	4.2
73225	Delivery Services	Freight, courier and postage services.	0.0	4.1	4.1
73753	Program Mgmt/Consult	Public relations support, revamping the website and installing an accounting system/database.	0.0	95.2	95.2
73756	Print/Copy/Graphics	Graphics, printing and binding of public relations and outreach materials.	0.0	20.0	20.0
73805	IT-Non-Telecommunication	Enterprise Technology Services Computer services such as central server, data storage, printing, network services, open connect and task order system.	0.0	2.8	2.8
73806	IT-Telecommunication	Enterprise Technology Services Telecommunications services such as basic telephone services, equipment and features, dedicated voice/data line service, statewide paging, two-way radio, and video conferencing.	0.0	10.1	10.1
73809	Mail	Central Mail Chargeback fees for central mail services such as mailing vendor payments from the state accounting system (AKSAS) and payroll warrants from the state payroll system (AKPAY).	0.0	0.1	0.1
73810	Human Resources	Personnel Chargeback fees for human resource services such as labor relations, position classifications and payroll processing.	0.0	0.2	0.2
73811	Building Leases	Central Design & Eng Svcs Lease for office space.	0.0	86.3	86.3
73812	Legal	Transportation Section Legal services provided by the Department of Law.	0.0	65.8	65.8
73815	Financial	Finance Chargeback fees for the state accounting system	0.0	0.4	0.4

Line Item Detail
Department of Transportation/Public Facilities
Services

Component: Knik Arm Bridge/Toll Authority (2715)

RDU: Design, Engineering and Construction (526)

Expenditure Account	Servicing Agency	Explanation	FY2013 Actuals	FY2014 Management Plan	FY2015 Governor
73000 Services Detail Totals			0.0	325.8	325.8
73816	ADA Compliance	Americans With Disabilities			
		(AKSAS) and the state payroll system (AKPAY). Chargeback fees for the statewide coordinator of the Americans with Disabilities Act (ADA).	0.0	0.1	0.1

Line Item Detail
Department of Transportation/Public Facilities
Commodities

Component: Knik Arm Bridge/Toll Authority (2715)
RDU: Design, Engineering and Construction (526)

Line Number	Line Name		FY2013 Actuals	FY2014 Management Plan	FY2015 Governor
74000	Commodities		0.0	11.8	11.8
Expenditure Account	Servicing Agency	Explanation	FY2013 Actuals	FY2014 Management Plan	FY2015 Governor
74000 Commodities Detail Totals			0.0	11.8	11.8
74200	Business	Office and data processing consumable supplies and small equipment.	0.0	11.8	11.8

Restricted Revenue Detail
Department of Transportation/Public Facilities

Component: Knik Arm Bridge/Toll Authority (2715)
RDU: Design, Engineering and Construction (526)

Master Account	Revenue Description				FY2013 Actuals	FY2014 Management Plan	FY2015 Governor
51200	Capital Improvement Project Receipts				1,120.4	1,806.2	1,675.7
Detail Information							
Revenue Amount	Revenue Description	Component	Collocation Code	AKSAS Fund	FY2013 Actuals	FY2014 Management Plan	FY2015 Governor
51201	Direct CIP Receipts Capital improvement project receipts for work in direct support of capital projects.				1,120.4	596.6	462.2
59465	Indirect CIP Receipts Recovery of indirect costs from the capital budget via the department's Indirect Cost Allocation Plan (ICAP).				0.0	1,209.6	1,213.5

Inter-Agency Services
Department of Transportation/Public Facilities

Component: Knik Arm Bridge/Toll Authority (2715)
RDU: Design, Engineering and Construction (526)

Expenditure Account	Service Description	Service Type	Servicing Agency	FY2013 Actuals	FY2014		
					Management Plan	FY2015 Governor	
73805	IT-Non-Telecommunication	Computer services such as central server, data storage, printing, network services, open connect and task order system.	Inter-dept	Enterprise Technology Services	0.0	2.8	2.8
73805 IT-Non-Telecommunication subtotal:				0.0	2.8	2.8	
73806	IT-Telecommunication	Telecommunications services such as basic telephone services, equipment and features, dedicated voice/data line service, statewide paging, two-way radio, and video conferencing.	Inter-dept	Enterprise Technology Services	0.0	10.1	10.1
73806 IT-Telecommunication subtotal:				0.0	10.1	10.1	
73809	Mail	Chargeback fees for central mail services such as mailing vendor payments from the state accounting system (AKSAS) and payroll warrants from the state payroll system (AKPAY).	Inter-dept	Central Mail	0.0	0.1	0.1
73809 Mail subtotal:				0.0	0.1	0.1	
73810	Human Resources	Chargeback fees for human resource services such as labor relations, position classifications and payroll processing.	Inter-dept	Personnel	0.0	0.2	0.2
73810 Human Resources subtotal:				0.0	0.2	0.2	
73811	Building Leases	Lease for office space.	Inter-dept	Central Design & Eng Svcs	0.0	86.3	86.3
73811 Building Leases subtotal:				0.0	86.3	86.3	
73812	Legal	Legal services provided by the Department of Law.	Inter-dept	Transportation Section	0.0	65.8	65.8
73812 Legal subtotal:				0.0	65.8	65.8	
73815	Financial	Chargeback fees for the state accounting system (AKSAS) and the state payroll system (AKPAY).	Inter-dept	Finance	0.0	0.4	0.4
73815 Financial subtotal:				0.0	0.4	0.4	
73816	ADA Compliance	Chargeback fees for the statewide coordinator of the Americans with Disabilities Act (ADA).	Inter-dept	Americans With Disabilities	0.0	0.1	0.1
73816 ADA Compliance subtotal:				0.0	0.1	0.1	
Knik Arm Bridge/Toll Authority total:				0.0	165.8	165.8	
Grand Total:				0.0	165.8	165.8	