

State of Alaska FY2010 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 (A.S. 19.75.011).

Core Services

- KABATA is in the process of securing the financing, design, construction, operation, and maintenance of a toll bridge and related facilities across the Knik Arm at Anchorage. KABATA will own the toll bridge and related facilities.

FY2010 Resources Allocated to Achieve Results**FY2010 Component Budget: \$1,559,600****Personnel:**

Full time	11
Part time	0
Total	11

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 September 2008.
- 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. Additionally, the Endangered Species Act (ESA) listing of beluga whales in the Cook Inlet could lead to additional permit restrictions.
- Capital and bank credit market conditions – With the recent liquidity crisis in the capital and bank credit markets, financing the project could prove a challenge. 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. Shortlisted private teams competing for a public-private partnership for the project continue to express interest.
- 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.
- Increasing commodity prices - Commodity prices continue to increase. Higher-than-anticipated escalation of steel prices and volatility in fuel prices is impacting project cost. FHWA has estimated that each year of delay beyond 2009 adds approximately \$25 million to the project cost.

Significant Changes in Results to be Delivered in FY2010

No significant change is anticipated.

Major Component Accomplishments in 2008

- In January 2008 the TIFIA Project Office at FHWA recommended approval of approximately \$261 million of subordinated TIFIA credit for KABATA, which will be made available to the proposer teams.

- KABATA obtained an allocation of \$600 million of the PABs from FHWA in October 2007, which will be made available to the proposer teams.
- KABATA carried out an industry review process with the proposer teams, including completion of draft project procurement and concession agreement documents.
- The Environmental Impact Statement was published in the Federal Register in January 2008.
- The Point Mackenzie Road upgrade was completed by the Mat-Su Borough under a Department of Commerce grant. This completes 9.6 miles of project alignment on the west side of the crossing.

Statutory and Regulatory Authority

AS 19.75

Contact Information
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Knik Arm Bridge/Toll Authority Component Financial Summary

All dollars shown in thousands

	FY2008 Actuals	FY2009 Management Plan	FY2010 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	1,080.5	1,545.2	1,559.6
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	1,080.5	1,545.2	1,559.6
Funding Sources:			
1061 Capital Improvement Project Receipts	1,080.5	1,545.2	1,559.6
Funding Totals	1,080.5	1,545.2	1,559.6

Estimated Revenue Collections

Description	Master Revenue Account	FY2008 Actuals	FY2009 Management Plan	FY2010 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	1,080.5	1,545.2	1,559.6
Restricted Total		1,080.5	1,545.2	1,559.6
Total Estimated Revenues		1,080.5	1,545.2	1,559.6

**Summary of Component Budget Changes
From FY2009 Management Plan to FY2010 Governor**

All dollars shown in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2009 Management Plan	0.0	0.0	1,545.2	1,545.2
Adjustments which will continue current level of service:				
-FY2010 Wage and Health Insurance Increases for Bargaining Units with Existing Agreements	0.0	0.0	14.4	14.4
FY2010 Governor	0.0	0.0	1,559.6	1,559.6

Knik Arm Bridge/Toll Authority Personal Services Information

Authorized Positions			Personal Services Costs	
	<u>FY2009</u> <u>Management</u> <u>Plan</u>	<u>FY2010</u> <u>Governor</u>		
Full-time	11	11	Annual Salaries	1,061,808
Part-time	0	0	COLA	7,125
Nonpermanent	0	0	Premium Pay	0
			Annual Benefits	503,739
			<i>Less 0.83% Vacancy Factor</i>	(13,072)
			Lump Sum Premium Pay	0
Totals	11	11	Total Personal Services	1,559,600

Position Classification Summary

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Administrative Clerk III	1	0	0	0	1
Dep Ex Dir Corp Affairs Kabata	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
Financial Manager	1	0	0	0	1
Kabata Admin Director	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
Project Mgr Fed Aid Contract	1	0	0	0	1
Project Mgr P3 Contract	1	0	0	0	1
Totals	11	0	0	0	11