

MUNICIPALITY OF ANCHORAGE



Office of the Mayor

Phone: 907-343-7100

FAX: 907-343-7180

Mayor Dan Sullivan

October 19, 2012

Honorable Gary Stevens
Senate President
Alaska State Legislature
State Capitol Room 111
Juneau, AK 99801

Honorable Mike Chenault
Speaker of the House
Alaska State Legislature
State Capitol Room 208
Juneau, AK 99801

To Senate President Stevens and House Speaker Chenault:

Included with this letter is the quarterly report for the first quarter of SFY 2013 from the Municipality of Anchorage regarding the Port of Anchorage Intermodal Expansion Project (PIEP) submitted in accordance with the reporting requirement pursuant to Section 1, Chapter 5 FSSLA 2011 (pg. 20, line 16-18). This section requires the Municipality of Anchorage to submit quarterly progress reports detailing cost overruns and significant project scope changes.

This report addresses both of those requirements while explaining some of the major changes underway with the project. Additional information is available on www.portofalaska.com or by request. Please do not hesitate to contact me if you require any further assistance.

Sincerely,

A handwritten signature in blue ink that reads "Dan Sullivan". The signature is fluid and cursive.

Dan Sullivan
Mayor

INTRODUCTION

As has been previously announced, the Port of Anchorage Expansion Project is now re-focused on construction of facilities to the north of the existing dock¹. For a detailed history of the project please refer to the 2011 Second Quarter Report.

MEMORANDUM OF AGREEMENT

As of June 1, 2012, MARAD's prime contractor, ICRC, is no longer involved in the Expansion Project. A revised Memorandum of Agreement has been drafted and presented to MARAD to formalize the transition of acquisition and contract administration to the MOA.

SUITABILITY STUDY AND PROJECT ANALYSIS

MARAD and the MOA/POA have engaged the U.S. Army Corps of Engineers (USACE) to review the design for the ongoing Expansion Project. USACE selected CH2MHill to conduct this independent study of the foundation system designed to support the Port's expansion effort. In analyzing the foundation design, the study will assess the effects of hydrologic, geotechnical, structural and seismic conditions. During the first calendar quarter of 2012, it was determined that additional information was needed in order to fully inform the analysis. The report is expected to be completed in December.

2012 PLANNED WORK

We continue to be focused on transitioning the project management responsibilities and advancing the project design by incorporating the recommendations from the CH2MHill analysis.

Table 1: Funding Snapshot as of August, 2012

Total funds received	\$385 million
Total funds transferred to MARAD	\$302 million
Total funds un-obligated	\$ 83 million

For a summary of the Expansion Project's funding to date please see Appendix B.

CONCLUSION

The Municipality and Port have begun to initiate the long term management and project oversight changes envisioned for the Expansion Project. These changes provide for increased local control and accountability by all parties, an improved project design, and a scaled back and achievable project plan. FY 2013 funding for the project passed by the legislature includes \$48.5 million in capital appropriations and \$50 million in a proposed bond bill to be put to the voters in the November 2012 election. While these funds fall short of the requested \$350 million, they will allow the MOA to initiate detailed design efforts; providing further evidence that this project will move forward successfully to expand the Port's functionality.

¹ Appendix A: Port of Anchorage Intermodal Expansion Project Phasing Plan

APPENDIX A: Port of Anchorage Expansion Project Phasing Plan



* Assumes full funding

AUG 30, 2011

Intermodal Expansion Project Phasing Plan



APPENDIX B: FUNDING SUMMARY –

Of the \$332 million received, \$302 million have been transferred to MARAD. Currently all federal funds appropriated to the Expansion Project are transferred directly to MARAD, however State and Port funds are transferred to the project as needed so the remaining balance of funds in MARAD's account is not necessarily an accurate indicator of the State and Port funds available at any given time.

Table 1: Funding Snapshot as of August, 2012

Total funds received	\$385 million
Total funds transferred to MARAD	\$302 million
Total funds un-obligated	\$ 83 million

Table 2: State funds received and Port funds contributed to date

Year	Legislation	Amount	Port Amount
2002	SB 29	\$ 6,263,855	\$ 3,904,640
2004	SB 283	\$ 436,505	\$ 8,188,000
2005	SB 46	\$ 10,000,000	\$ 4,125,000
2006	SB 231	\$ 10,000,000	\$ 8,000,000
2008	SB 221	\$ 25,000,000	\$ 21,200,000
2009	SB 75	\$ 20,000,000	\$ 18,282,000
2010	SB 230	\$ 20,000,000	\$ 4,000,000
2011	SB 46	\$ 30,000,000	\$ 4,000,000
2012	SB160	\$ 48,500,000	\$ 4,900,000
Total		\$170,200,360	\$ 76,599,640
Grand Total			\$246,800,000

Table 3: Federal funds received to date

Year	DoD	FHWA	FTA	SDDC
2002	-	\$9,568,421	\$2,832,968	
2003	\$4,850,000	\$590,500	\$2,862,505	
2004	\$4,850,000	\$1,371,058	\$5,181,803	
2005	\$12,003,750	\$4,729,584	-	
2006	\$8,245,000	\$5,349,258	\$5,577,500	
2007	\$9,700,000	\$6,030,856	\$5,820,000	\$1,951
2008	\$10,804,618	\$6,052,337	\$6,305,000	
2009	\$10,000,000	\$8,929,635	\$6,547,500	
2010	-	-	\$472,390	
2011	-	-	-	
Total	\$60,453,368	\$42,621,649	\$35,599,666	\$1,951
Total Funds	\$138,676,634			