

May 31st, 2018

The Honorable Bill Walker, Governor
State of Alaska
Alaska State Capitol, 4th Floor
Juneau, Alaska 99801

Dear Governor,

The Task Force on Commuter Rail is grateful for your initiative and support in developing a commuter rail service and associated public transit service improvements between the Matanuska-Susitna Valley and Anchorage. This letter presents initial findings and recommendations as outlined in Administrative Order No. 292.

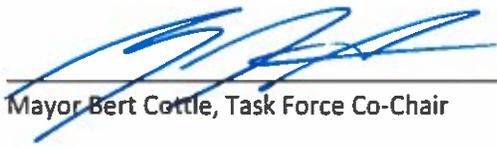
The planning for a 2019 pilot program start-up was predicated on Legislative approval of \$4.6 million line item proposed for the budget that just passed. Unfortunately, the Legislature was unable to include such an appropriation. We are still hopeful that funding \$7m can be found this year for necessary engineering work to stay on track for a 2019 pilot program. An additional \$8.2m will be needed in 2019 to fund the operation portion of the pilot program. Lacking funding this year, we are hopeful that a modified appropriation will be approved in the next legislative session so that we may start a pilot program in 2020. While disappointing, the year delay will give us a chance to refine the proposal and hopefully build broader support before next session.

Suggested action includes:

1. Accept the Alaska Railroad Corporation's (ARRC) proposed pilot program plan as the 2020 model. (Reference attached "Commuter Rail Demonstration Project Summary")
2. Develop a funding plan for the full pilot program cost, currently estimated at \$8.2 million (annual operating) and \$7 million (initial capital), with funding coming from state or local sources.
3. Designate the current Task Force membership as an interim Joint Powers Board (JPB) that would be the sponsor of the pilot program and any future service.
 - a. The JPB would receive and expend the funds, contracting with the ARRC to operate the pilot program.
 - b. The JPB would use its internal (non-State) resources to lay the groundwork for eventual application to the Federal Transit Administration (FTA) for New Start or Small Start grants to build necessary facilities and operate the service, if approved after the pilot program.
 - c. The JPB would work with the Alaska Department of Transportation and Public Facilities (ADOTPF) and the Alaska Railroad Corporation (ARRC) to make insertions or revisions to applicable State and ARRC planning documents to support the service (both pilot program and potential full service), as required by State and Federal law and regulation.

The JPB model has been successfully used in other jurisdictions (most notably, the State of California) to oversee contracted regional and commuter railroad service, and serve as a sponsor under FTA definition. We have made a formal request to the Alaska Attorney General's office to review the necessary steps that would lead to creation of such an entity.

Thank you again for your support. On behalf of the Task Force membership,



Mayor Bert Cottle, Task Force Co-Chair



Mayor Ethan Berkowitz, Task Force Co-Chair

Commuter Rail Demonstration Project Summary

Winter Weekday Service, 125 days per year, October 15 through April 15

Summary of Costs:

Item	Cost per Year
Cost per Train, Anchorage-Wasilla-Anchorage, twice per day, 3 cars per train, 78 people per car	\$ 3,881,000
Cost per Train, Anchorage-Airport-Anchorage, per trip, per year	\$ 200,000 + \$73,000 per train trip
Cost per additional car per train, per year, 78 people per car, 5 total car maximum per train*	\$ 195,000

* Depends upon equipment availability

Summary of Full Service (Example Only):

Station	Train 1	Train 2
Anchorage Airport	04:00	---
Anchorage Depot (Downtown)	04:25-04:35	---
Wasilla	05:50-06:05	05:45
Anchorage Depot	07:20-07:30	07:00-07:10
Anchorage Airport	07:55	07:35
Anchorage Airport	16:50	17:10
Anchorage Depot	17:15-17:25	17:35-17:45
Wasilla	18:40	19:00-19:10
Anchorage Depot	---	20:25-20:35
Anchorage Airport	---	21:00

The yearly operational cost estimate based upon the foregoing becomes:

2 trains, Anchorage-Wasilla-Anchorage	\$ 7,762,000
4 daily trips Anchorage-Airport-Anchorage	\$ 200,000
	<u>+ \$ 292,000</u>
Total Annual Operating Cost	\$ 8,254,000 per year

Commuter Rail Demonstration Project Summary

Winter Weekday Service, 125 days per year, October 15 through April 15

PRIOR to Operations, the following Capital Spending MUST be completed:

Design <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 5px;"> <tr> <td style="width: 50%;">\$500,000 Signal Design</td> <td style="width: 50%;">Signal Installation</td> </tr> <tr> <td>\$150,000 Siding Design</td> <td>\$250,000 E-Ticketing Installation</td> </tr> <tr> <td>\$250,000 Electronic Ticketing</td> <td>\$75,000 Construction Management</td> </tr> <tr> <td>\$20,000 Project Management</td> <td>\$115,000 Contingency (20%)</td> </tr> <tr> <td>\$184,000 Contingency (20%)</td> <td></td> </tr> </table>	\$500,000 Signal Design	Signal Installation	\$150,000 Siding Design	\$250,000 E-Ticketing Installation	\$250,000 Electronic Ticketing	\$75,000 Construction Management	\$20,000 Project Management	\$115,000 Contingency (20%)	\$184,000 Contingency (20%)		Signal Procurement <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 5px;"> <tr> <td style="width: 50%;">\$2,000,000 Signal Procurement</td> <td style="width: 50%;">Track Mat'l Procurement</td> </tr> <tr> <td>\$600,000</td> <td>Project Management</td> </tr> <tr> <td>\$10,000</td> <td>Contingency (20%)</td> </tr> <tr> <td>\$522,000</td> <td></td> </tr> </table>	\$2,000,000 Signal Procurement	Track Mat'l Procurement	\$600,000	Project Management	\$10,000	Contingency (20%)	\$522,000		Civil/Track Procurement <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 5px;"> <tr> <td style="width: 50%;">\$100,000 Utility Relocation</td> <td style="width: 50%;">Civil Contract Procurement</td> </tr> <tr> <td>\$450,000</td> <td>Track Contract Procurement</td> </tr> <tr> <td>\$1,000,000</td> <td>Project Management</td> </tr> <tr> <td>\$20,000</td> <td>Contingency (20%)</td> </tr> <tr> <td>\$314,000</td> <td></td> </tr> </table>	\$100,000 Utility Relocation	Civil Contract Procurement	\$450,000	Track Contract Procurement	\$1,000,000	Project Management	\$20,000	Contingency (20%)	\$314,000		Installation <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 5px;"> <tr> <td style="width: 50%;">\$500,000</td> <td style="width: 50%;">Signal Installation</td> </tr> <tr> <td>\$250,000</td> <td>E-Ticketing Installation</td> </tr> <tr> <td>\$75,000</td> <td>Construction Management</td> </tr> <tr> <td>\$115,000</td> <td>Contingency (20%)</td> </tr> <tr> <td></td> <td></td> </tr> </table>	\$500,000	Signal Installation	\$250,000	E-Ticketing Installation	\$75,000	Construction Management	\$115,000	Contingency (20%)		
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15 Months Prior to Service	10 Months Prior to Service	9 Months Prior to Service	6 Months Prior to Service																																						