

2024 REPORT TO THE STATE FIVE-YEAR CAPITAL PLAN

published December 1, 2023



ALASKA

RAILROAD

OUR MISSION

Through excellent customer service and sound business management practices, the Alaska Railroad Corporation provides safe, efficient and economical rail transportation and real estate services that support and grow economic development opportunities for the State of Alaska.

ABOUT THIS REPORT

Each December the Alaska Railroad (ARRC) issues its *Report to the State*, informing the Governor, Legislators and other key officials about our capital improvement plans. This report details our 5-year outlook on spending and capital investments in Alaska Railroad infrastructure.

2023 marked the centennial year of the Alaska Railroad, and brought many opportunities for both celebration and reflection. From the founding of Alaska's largest city, to supporting critical projects such as the development of Prudhoe Bay and construction of the Trans-Alaska Pipeline, the Alaska Railroad has been a key driver of growth and progress in our state over the last century - a rich legacy we celebrated on July 15 in Nenana, commemorating the moment 100 years earlier when President Warren G. Harding drove in the golden spike to complete our main line.

As we look to our next 100 years, the Alaska Railroad will continue to play a vital role in Alaska's future. We've seen the impact of connecting our state's rich natural resources with steel tracks to ports, and the opportunities that increased transportation infrastructure can bring to small Alaskan communities. That's why we're continuing to pursue the advancement of two significant expansion projects, the Port MacKenzie Rail Extension and Northern Rail Extension. These are statewide economic development initiatives in both scope and benefit, and we look forward to working with partners across the state to find solutions to advance these key projects.

Finally, while our centennial is a wonderful milestone to celebrate, it also speaks to the age of some of our infrastructure. Our 5-year capital plan commits significant resources to bridge rehabilitation and track repair, as well as investments to support efficient rail transportation, enhanced marine terminal facilities and safe operating environments, as we remain committed to the maintenance and improvement of a healthy, self-sustaining Alaska Railroad to serve the people of Alaska into the next 100 years and beyond.



Bill O'Leary
President and CEO



MANAGEMENT

President and Chief Executive Officer
Bill O'Leary

Chief Financial Officer
Michelle Maddox

**Vice President
Marketing & Customer Service**
Dale Wade

Chief Engineer
Brian Lindamood

Chief Operating Officer
Clark Hopp

Chief Counsel
Andy Behrend

**Vice President
Real Estate**
Christy Terry

Chief Human Resources Officer
Jennifer Mergens



BOARD OF DIRECTORS



Board Chair
John Shively



Vice Chair
Judy Petry



Commissioner
Ryan Anderson



Director
John Binkley



Director
T.J. Dinsmore



Director
John Reeves



Commissioner
Julie Sande



5-YEAR CAPITAL PLAN: Funding Sources

Funding Sources	2024	2025	2026	2027	2028	5-Year Total
FTA Formula Funds	\$ 65,522,000	\$ 51,094,699	\$ 47,674,761	\$ 48,389,883	\$ 49,115,721	\$ 261,797,064
CRISI STC Grants	\$ 19,568,000	\$ 9,375,000	\$ 9,375,000	\$ 9,375,000	\$ -	\$ 47,693,000
Internally Generated Funds	\$ 17,415,000	\$ 33,161,000	\$ 35,725,000	\$ 35,362,000	\$ 33,743,500	\$ 155,406,500
Debt Funding	\$ 5,000,000	\$ -	\$ -	\$ -	\$ -	\$ 5,000,000
Total Capital Budget	\$ 107,505,000	\$ 93,630,699	\$ 92,774,761	\$ 93,126,883	\$ 82,859,221	\$ 469,896,564

- More funding sources may be added during this 5-year period as grants, partnerships and other financial opportunities become available for large projects in particular.
- Additional Debt Financing may also be considered for certain needs that are well-suited to debt financing, such as replacement of vehicles, equipment and rail cars.

Debt Funding

Debt Funded Capital Projects	2024	2025	2026	2027	2028	5-Year Total
Locomotive Expansion	\$ 5,000,000	\$ -	\$ -	\$ -	\$ -	\$ 5,000,000
Total Debt Funding	\$ 5,000,000	\$ -	\$ -	\$ -	\$ -	\$ 5,000,000

5-YEAR CAPITAL PLAN: Federal Funding

FTA Formula Funded Capital Program	2024	2025	2026	2027	2028	5-Year Total
Federal Transit Administration - Funded Projects						
FTA Formula Funds	\$ 65,263,192	\$ 66,242,140	\$ 67,235,772	\$ 68,244,309	\$ 69,267,973	\$ 336,253,386
Prior Year FTA Formula Funds (Unallocated)	\$ 23,370,424	\$ 4,124,491	\$ -	\$ -	\$ -	\$ 27,494,915
Total Funding From Formula Program	\$ 88,633,616	\$ 70,366,631	\$ 67,235,772	\$ 68,244,309	\$ 69,267,973	\$ 363,748,301
Preventive Maintenance	\$ 18,987,125	\$ 19,271,932	\$ 19,561,011	\$ 19,854,426	\$ 20,152,252	\$ 97,826,746
<i>Total Programmed Items</i>	\$ 18,987,125	\$ 19,271,932	\$ 19,561,011	\$ 19,854,426	\$ 20,152,252	\$ 97,826,746
Total Grant Funds Available for Project	\$ 69,646,491	\$ 51,094,699	\$ 47,674,761	\$ 48,389,883	\$ 49,115,721	\$ 265,921,555
Bridge Rehabilitation Program	\$ 35,741,000	\$ 17,499,699	\$ 15,491,761	\$ 15,214,883	\$ 16,245,721	\$ 100,193,064
Track Rehabilitation Program	\$ 23,107,000	\$ 22,000,000	\$ 20,900,000	\$ 20,400,000	\$ 20,500,000	\$ 106,907,000
Passenger Equipment Rehabilitation	\$ 2,504,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 10,504,000
Operations Support Facilities	\$ 650,000	\$ 1,795,000	\$ 1,983,000	\$ 2,125,000	\$ 2,020,000	\$ 8,573,000
Tunnel Rehabilitation Program	\$ 885,000	\$ 5,500,000	\$ 5,600,000	\$ 7,350,000	\$ 7,350,000	\$ 26,685,000
Transit Asset Management Program	\$ 500,000	\$ 500,000	\$ -	\$ -	\$ -	\$ 1,000,000
Technology Program	\$ 900,000	\$ 500,000	\$ 500,000	\$ -	\$ -	\$ 1,900,000
Slide Zone Mitigation Program	\$ 300,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 4,300,000
Signal & Detector System	\$ 295,000	\$ -	\$ -	\$ -	\$ -	\$ 295,000
Locomotive Equipment Rehabilitation	\$ 490,000	\$ 300,000	\$ -	\$ 300,000	\$ -	\$ 1,090,000
Telecommunications Program	\$ 150,000	\$ -	\$ 200,000	\$ -	\$ -	\$ 350,000
<i>Total Current Year Estimated FTA Formula Funds Progr</i>	<i>\$ 65,522,000</i>	<i>\$ 51,094,699</i>	<i>\$ 47,674,761</i>	<i>\$ 48,389,883</i>	<i>\$ 49,115,721</i>	<i>\$ 261,797,064</i>
FTA Estimate	\$ 52,417,600	\$ 40,875,759	\$ 38,139,809	\$ 38,711,906	\$ 39,292,577	\$ 209,437,651
match at 20% for Formula Funds	\$ 13,104,400	\$ 10,218,940	\$ 9,534,952	\$ 9,677,977	\$ 9,823,144	\$ 52,359,413
Total FTA (including match)	\$ 65,522,000	\$ 51,094,699	\$ 47,674,761	\$ 48,389,883	\$ 49,115,721	\$ 261,797,064

CRISI STC Grant Funded Capital Program	2024	2025	2026	2027	2028	5-Year Total
Total CRISI STC Grants	\$ 19,568,000	\$ 9,375,000	\$ 9,375,000	\$ 9,375,000	\$ -	\$ 47,693,000
Terminal Track Rehabilitation - Seward & Fairbanks	\$ 14,567,000	\$ -	\$ -	\$ -	\$ -	\$ 14,567,000
2024 Freight Car Replacement	\$ 5,001,000	\$ -	\$ -	\$ -	\$ -	\$ 5,001,000
Bridge Rehabilitation Program	\$ -	\$ 9,375,000	\$ 9,375,000	\$ 9,375,000	\$ -	\$ 28,125,000
Project Funded by CRISI STC	\$ 19,568,000	\$ 9,375,000	\$ 9,375,000	\$ 9,375,000	\$ -	\$ 47,693,000

5-YEAR CAPITAL PLAN: Internal Funding

Internal Funding							
Non-Discretionary Projects	2024	2025	2026	2027	2028	5-Year Total	
PTC Vital Functions	\$ 1,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,000,000
Trail River Bridge 25.7	\$ 667,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 667,000
Whittier Drainage Repairs	\$ 400,000	\$ 1,000,000	\$ -	\$ -	\$ -	\$ -	\$ 1,400,000
Data Center Build Out	\$ 129,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 129,000
Airport Elevator Upgrades	\$ 125,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 125,000
Bridge MP 63 - Beam Installations	\$ 110,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 110,000
4321 Engine Overhaul	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,000
Offsite Restoration	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,000
Backup Storage Increase	\$ 38,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 38,000
Subtotal - Non-Discretionary Projects	\$ 2,569,000	\$ 1,000,000	\$ -	\$ -	\$ -	\$ -	\$ 3,569,000
Continuing Programs	2024	2025	2026	2027	2028	5-Year Total	
2024 Bridge Program - ARRC	\$ 2,110,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 10,110,000	\$ 10,110,000
2024 Track Rehabilitation Program - ARRC	\$ 1,575,000	\$ 1,760,000	\$ 1,600,000	\$ 1,600,000	\$ 1,600,000	\$ 8,135,000	\$ 8,135,000
2024 Docks & Slips Program	\$ 1,000,000	\$ 2,000,000	\$ 1,500,000	\$ 1,000,000	\$ 1,000,000	\$ 6,500,000	\$ 6,500,000
2024 Passenger Car Rehabilitation - ARRC	\$ 981,000	\$ 550,000	\$ 550,000	\$ 550,000	\$ 550,000	\$ 3,181,000	\$ 3,181,000
2024 Bridge Rehabilitation Program - ARRC	\$ 893,000	\$ 19,704,000	\$ 26,483,000	\$ 26,781,000	\$ 26,293,500	\$ 100,154,500	\$ 100,154,500
2024 Riprap & Drainage Maintenance	\$ 400,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 2,400,000	\$ 2,400,000
2024 Yard Branch	\$ 400,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 2,400,000	\$ 2,400,000
Avalanche & Slide Zone Risk Mitigation	\$ 370,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 770,000	\$ 770,000
WMS Replacement Program	\$ 365,000	\$ -	\$ -	\$ -	\$ -	\$ 365,000	\$ 365,000
2024 UAS Program	\$ 318,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 1,118,000	\$ 1,118,000
2024 Public Transportation System Security	\$ 225,000	\$ 225,000	\$ 225,000	\$ 225,000	\$ 225,000	\$ 1,125,000	\$ 1,125,000
2024 GOB Office Refresh	\$ 220,000	\$ -	\$ -	\$ -	\$ -	\$ 220,000	\$ 220,000
2024 Land and Utilities	\$ 200,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 600,000	\$ 600,000
2024 Electrical Upgrades	\$ 175,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 475,000	\$ 475,000
2024 General Repair	\$ 175,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 575,000	\$ 575,000
2024 Energy Management	\$ 125,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 925,000	\$ 925,000
2024 Section Improvements	\$ 80,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 480,000	\$ 480,000
2024 Tenant Improvements	\$ 75,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 475,000	\$ 475,000
Printer Refresh 2024	\$ 57,000	\$ 10,000	\$ 10,000	\$ -	\$ -	\$ 77,000	\$ 77,000
2024 Building Maintenance	\$ 50,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 450,000	\$ 450,000
Subtotal - Continuing Programs	\$ 9,794,000	\$ 28,324,000	\$ 34,443,000	\$ 34,231,000	\$ 33,743,500	\$ 140,535,500	\$ 140,535,500

5-YEAR CAPITAL PLAN: Internal Funding cont'd

Internal Funding cont'd								
Strategic Business Initiatives	2024	2025	2026	2027	2028	5-Year Total		
Fairbanks Industry A Track Rehab	\$ 1,076,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ -	\$ -	\$ -	\$ 4,076,000
Warehouse 1 HVAC Upgrades	\$ 375,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 375,000
Mobile App 2024	\$ 350,000	\$ 250,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 600,000
Dispatch Radio Network Upgrade Engineering	\$ 308,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 308,000
Birchwood Operational Improvements	\$ 300,000	\$ 150,000	\$ 155,000	\$ -	\$ -	\$ -	\$ -	\$ 605,000
Distributed Power Expansion	\$ 223,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 223,000
Train Control System PTC	\$ 208,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 208,000
191 Reliability Program	\$ 200,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 200,000
Control Point Redesign	\$ 200,000	\$ 1,800,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,000,000
Air Dump Cylinders	\$ 175,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 175,000
VHLC Replacement	\$ 172,000	\$ 377,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 549,000
Wayside and Site Cameras	\$ 169,000	\$ 160,000	\$ 127,000	\$ 131,000	\$ -	\$ -	\$ -	\$ 587,000
Intranet 3.0	\$ 145,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 145,000
Enterprise GIS Projects	\$ 125,000	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 225,000
JDE Upgrade 2024	\$ 125,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 125,000
M365 Maximization of Investment	\$ 120,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 120,000
Contract Management System	\$ 120,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 120,000
Anchorage Shops Wireless	\$ 93,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 93,500
MOW 360 TrackView	\$ 78,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 78,500
Seward Sanding Trailer	\$ 75,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 75,000
Paint Fairbanks Water Tower	\$ 70,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 70,000
ANC Depot Hotsite UPS Replace	\$ 64,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 64,000
AEI Tag Programmer	\$ 31,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 31,000
Purchase Portage Lot 3	\$ 20,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,000
Subtotal - Strategic Business Initiatives	\$ 4,823,000	\$ 3,837,000	\$ 1,282,000	\$ 1,131,000	\$ -	\$ -	\$ -	\$ 11,073,000
Ranked Projects								
	2024	2025	2026	2027	2028	5-Year Total		
Fairbanks Server and Storage	\$ 93,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 93,000
Vehicle/Track Interaction (V/TI) Monitor	\$ 75,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 75,000
Rail Studio Enhancements	\$ 40,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 40,000
Control Point Monitoring	\$ 21,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 21,000
Subtotal - Ranked Projects	\$ 229,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 229,000
Total Internally Funded Project Requests	\$ 17,415,000	\$ 33,161,000	\$ 35,725,000	\$ 35,362,000	\$ 33,743,500	\$ -	\$ -	\$ 155,406,500
Estimated Funds from Internal Cash flow	\$ 17,415,000	\$ 32,580,000	\$ 34,830,000	\$ 37,650,000	\$ 39,600,000	\$ -	\$ -	\$ 162,075,000
Total Internal Funding	\$ -	\$ 581,000	\$ 895,000	\$ (2,288,000)	\$ (5,856,500)	\$ -	\$ -	\$ (6,668,500)

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