

1% for Art on Ferries Q&A

Why is this legislation necessary?

- AS 35.27.020 mandates that at least 1% of the construction cost of public buildings and facilities be reserved for the design, construction, mounting and administration of works of art. This requirement includes new Alaska Marine Highway System vessels. The intent of this legislation is to eliminate the statutory 1% of construction cost set aside for artwork on the two new Alaska Class Ferry (ACF) vessels and the Tustumena replacement vessel project.
- The Alaska Class Ferry (ACF) vessels are being funded exclusively with state funding (no federal aid). The total construction contract cost for the two ACF vessels is \$101,513,651.00, meaning that a \$1,015,136.51 set aside for artwork is required (in accordance with AS 35.27.020).
- The ACFs are scheduled to be delivered in 2018. The construction contract, in a money saving effort to stay within the allowed state budget, provides for state furnished equipment to be taken off other vessels being decommissioned or otherwise procured in order to fully outfit the new ACF vessels. This includes such items as the Marine Evacuation Slides (MES), Rigid Inflatable Rescue Boats (RIB), and for the second ACF, numerous pieces of electronic equipment such as radars, depth sounder, compasses, Automatic Identification System (AIS), Differential Global Positioning System (DGPS) and others. The available funding to construct the vessels is inadequate to fully outfit them, relying on state furnished equipment (salvaged or otherwise purchased) to complete the vessels and make them functional. Setting aside over \$1 million dollars for artwork on a totally state funded project during the midst of a state financial crisis does not make solid fiscal sense.
- Additionally, the artwork from the Motor Vessel Taku has been removed and placed into climate controlled storage in Ketchikan prior to the Taku being placed into unmanned layup status. That art is available for reuse on the ACF vessels.
- The future Tustumena replacement vessel project, a federal aid project, is estimated to cost \$237M to complete. Like construction of the two new ACFs, this project is subject to AS 35.27.020 and would call for \$2.37M of artwork on the vessel. Federal participation would cover approximately 90% and state match (GF) would cover the remainder of that \$2.37M, i.e., \$237K. The Department proposes to move the existing artwork from the decommissioned, original Motor Vessel Tustumena, or some other decommissioned AMHS ferry, to the new, replacement vessel Tustumena.

What are the benefits of passing this legislation?

- Avoids spending nearly \$3.5M of construction budget funding on art, which could otherwise go toward necessary vessel outfitting of marine equipment on the two new ACFs and the Tustumena replacement vessel.

What are the consequences if legislation is not passed?

- The statute exists to mandate a 1% set aside for art. Failing to alter that requirement through this legislation means compliance with the art requirement will come at the same time the vessels are not completely outfitted with essential equipment necessary to safely operate the vessel in passenger service. A negative public perception regarding state spending priorities on the project is a real possibility.