

Vessel Disposal Calculation for M/V Taku						
1. Actual Construction Contract Costs						
YEAR **	Federal Funds	Match Ratio	State Match	Non-Par Spare Pts	Total Funds	
1963 Vessel Construction Cost	0	0.00%	0	5,000,000	5,000,000	
1981 Vessel Refurbishment	17,313,977	97.16%	506,090	57,134	17,877,201	
1993 TAKU Repower 9500-024 (Phase 4)	6,895,786	85.49%	1,170,286	167,673	8,233,745	
1996 TAKU Life Raft / Car Deck Structural - 9500-033 (phase 4)	7,346,990	89.71%	842,556	34,509	8,224,055	
1999 TAKU SOLAS Year 2000 Upgrades (phase 4)	3,712,047	79.73%	944,011	0	4,656,058	
2009 MV TAKU Refurbishment 9500-004 (phase 4)	17,671,108	94.79%	972,159	0	18,643,267	
2009 MV TAKU SOLAS Compliance & Machinery Upgrades 9500-110 (phase 4)	7,617,805	100.00%	0	0	7,617,805	
2012 MV TAKU SOLAS Upgrades & Renovation 9500-125 (phase 4)	6,289,730	80.00%	1,572,433	0	7,862,163	
2013 AMHS Engine Overhaul - TAKU Portion Only 2000-2011	0	0.00%	0	9,156,482	9,156,482	
2015 State Overhaul - TAKU Portion Only 2011 - Current	0	0.00%	0	3,574,226	3,574,226	
TOTALS	66,847,443		6,007,535	17,990,024	90,845,002	
2. Construction Contract Costs in 2016 Dollars						
YEAR **	Federal Funds	Match Ratio	State Match	Non-Par Spare Pts	Total Funds	
1963 Vessel Construction Cost	0	0.00%	0	39,094,934	39,094,934	
1981 Vessel Refurbishment	45,572,714	97.16%	1,332,097	150,384	47,055,195	
1993 TAKU Repower 9500-024 (Phase 4)	11,417,942	85.49%	1,937,743	277,631	13,633,316	
1996 TAKU Life Raft / Car Deck Structural - 9500-033 (phase 4)	11,203,621	89.71%	1,284,836	52,624	12,541,081	
1999 TAKU SOLAS Year 2000 Upgrades (phase 4)	5,331,021	79.73%	1,355,732	0	6,686,753	
2009 MV TAKU Refurbishment 9500-004 (phase 4)	19,707,589	94.79%	1,084,194	0	20,791,783	
2009 MV TAKU SOLAS Compliance & Machinery Upgrades 9500-110 (phase 4)	8,495,708	100.00%	0	0	8,495,708	
2012 MV TAKU SOLAS Upgrades & Renovation 9500-125 (phase 4)	6,554,558	80.00%	1,638,640	0	8,193,198	
2013 AMHS Engine Overhaul - TAKU Portion Only 2000-2011	0	0.00%	0	9,404,264	9,404,264	
2015 State Overhaul - TAKU Portion Only 2011 - 2015	0	0.00%	0	3,608,066	3,608,066	
TOTALS	108,283,153		8,633,242	52,587,903	169,504,298	
	Federal Share =	=	63.9%			
** Year	The year listed is the actual year of construction or the project closeout year, depending upon available records.					
Enclosure (2)						

Calculation of State Responsibility When Disposing of FHWA-Funded Ferry Vessel Asset
(Per FHWA Approval of Sales of M/V Bartlett, 2003 and M/V Taku, 2016)

Calculation of Federal Share

FHWA has established the following procedure for disposal of a state vessel constructed or rehabilitated in part with FHWA funding.

Costs expended on the vessel are identified by year, in three categories: Federal, State Match and Other State Funds. These are then converted to the year of sale, using inflation rate.

The sum of each category of year, in current year value are then totaled. The Federal share is the fraction of Federal Funds divided by Total Funds, expressed as percentage.

In the calculation on the attached sheet, all costs by year for the M/V Taku are shown. In the first table, the costs reflect expenditures with no inflation. The second table converts them to 2016 dollars (the year of planned disposal). A Federal Share percentage of 63.9% was calculated. (This is likely lower than typical due to the vessel being originally constructed with state funds in 1963.)

Calculation of Vessel Salvage Credit

Using statutory state disposal methodology for surplus items, a hypothetical vessel is sold on open market. Costs of conducting the sale such as layup, surveying, brokering, environmental compliance, tow preparation, crew costs while delivering, are subtracted from the gross sales price. This determines the net receipts from the vessel sale.

Then the Federal Share percentage is multiplied to the net receipts, yielding the Federal Vessel Salvage Credit.

Gross Sale Price:	\$4,000,000.00
Cost of sale	<u>(\$550,000.00)</u>
Net Receipts	\$3,450,000.00
Apply example Federal Share	
Percentage 63.9%	\$2,204,550.00
Remainder (state funds)	\$1,245,450.00

The Federal Share percentage (\$2,204,550) must be credited to another Title 23 eligible project. In other words it can be used on any project the state selects, provided it would be eligible under Title 23 (e.g., public road, ferry, transit or trail).

The State funds remainder (\$1,245,450) would be returned to the state General Fund.