



**For Immediate Release**  
December 19, 2005

For more information contact:  
Darryl Jordan, (907) 269-6496  
Deputy Executive Director and Program Manager

**Knik Arm Crossing Project Included in Administration's 2007 Budget;  
KABATA Releases Preliminary Traffic and Toll Revenue Study**

The Knik Arm Bridge and Toll Authority (KABATA) is pleased that the Knik Arm Crossing project has received support from Governor Frank Murkowski through the inclusion of \$93.6 million of federal funding, in the administration's recommended 2007 budget. The funding will provide for the continuation of environmental compliance and project design activities important to advancing the project. Governor Murkowski unveiled the administration's 2007 budget at a Commonwealth North event on December 15, 2005 in Anchorage, Alaska.

Separately on December 15, 2005, KABATA released a Preliminary Traffic and Toll Revenue Study for the Knik Arm Crossing project at its board meeting in Wasilla, Alaska. The study, prepared by Wilber Smith Associates, provides a preliminary assessment of potential traffic usage of the proposed facility as a result of population growth and economic development. The toll revenue generated by the forecast traffic can be used to pay for maintenance and operations and to generate sufficient surplus to repay construction financing. For the base case scenario, preliminary analysis shows that just over \$240 million in toll backed revenue bonds can be supported, of which over \$197 million would be available to cover capital construction costs and \$40 million to support a capitalized interest fund, debt service reserve fund, and to provide bond issuance.

The preliminary study used sensitivity testing and household surveys to determine forecast traffic volumes and toll rates. The base case assumed a toll of \$2.40 per passenger vehicle in 2010, the expected opening year, for patrons participating in electronic toll collection, and a cash toll of \$3.00. Inflation effects will require a modest \$1.00 increase after each ten years of the forecast period. Over a thirty-year period, revenue from tolled traffic is calculated to be as much as \$1,500,000,000. The study also includes a forecast of operations and maintenance costs for the facility. After deducting the forecasted operations and maintenance costs from the toll revenues, a surplus would be available for paying principal and interest on toll backed revenue bonds.



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KABATA is very pleased that the results of this preliminary study demonstrate that the Knik Arm Crossing is a self-sustaining project and can pay for a good portion of its construction cost as well. Should the project finance \$200 million of the construction costs, this project will in fact add to the pool of funds available for statewide transportation projects.

A copy of the Preliminary Traffic and Toll Revenue Study and other information on the Knik Arm Crossing project can be found on the project website [www.knikarmbridge.com](http://www.knikarmbridge.com).

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