

# Did You Know?

... toll facilities are being sold across the world to private investors as a means to **build** new road and bridge transportation projects, renovate aging roads, and return a steady cash flow back to investors.

## Roads are an Investment

Toll roads in Chicago and Indiana are just a couple of public toll facilities that have recently been sold to private investors. The sale prices were over \$1.8 and \$3.8 billion respectively. The **investors** are repaid through toll revenue. In a similar manner, the Knik Arm Bridge and Toll Authority can borrow construction funds from institutional investors. Public funds are minimized.

## Operations and Maintenance is First

Tolls do more than repay institutional investors. The first obligation of revenues from tolls is to pay for all **operations and maintenance (O&M)**. No other transportation project in Alaska removes this obligation from State funding and passes it on to the end user.

## Money for Expansion

After O&M, debt repayments, and contingency reserves, the earned surplus revenue can be used for expansion. **Expansion** for more capacity is expected as Alaska continues to grow. More capacity means more revenue.

## Non Recourse

Project revenue bonds bought by private investors are a significant funding source for this project. Private investors **do not have recourse** to the taxpayers. Tom Boutin, deputy commissioner of the Alaska Department of Revenue states, "The bond holders wouldn't have any legal claims on any state resources apart from the bridge and its revenues."

*Look for continuing information on the Knik Arm Crossing project.*

[www.knikarmbridge.com](http://www.knikarmbridge.com)

