



# KNIK ARM CROSSING NEWS

Designed to keep you updated on the Knik Arm Crossing

**Fiscal 2008 has been a year of quiet, but significant, progress forward for KABATA. Here are some highlights:**

- Environmental Impact Statement published in Federal Register in January.
- Comprehensive public private agreement and related contractual documents developed to solicit a private partner that protects public interest and maximizes value to the state.
- Bankable Traffic and Revenue Study finalized that finds sufficient traffic and revenue to support private sector financing. This is key to a successful solicitation process.
- Mat-Su Borough begins \$13 million worth of construction on the Point MacKenzie Road section of the project.
- Dialogue opens with the Municipality of Anchorage to examine ways to accelerate Ingra/Gambell connection.
- Federal agency completes rigorous risk assessment of the project and recommends up to \$261 million of credit for the project.
- Alaska Legislature funds environmental impact study for Alaska Railroad spur to Port MacKenzie, a key piece of complementary infrastructure to support future resource development.
- GFOA (Government Finance Officers Association) awards to KABATA the Certificate of Achievement for Excellence in Financial Reporting.

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

## KABATA'S LATEST INITIATIVES



By Andrew Niemiec  
KABATA Executive Director

As we work to implement our statutory mandate to move the Knik Arm Bridge forward, we've listened to you and incorporated many of your suggestions into our plan of action.

We are investigating the feasibility of accelerating completion of the Ingra/Gambell connection. Because traffic will be lower in the early years toll revenue to construct the connection will not be available initially. Building the connection before it is warranted would add over \$200 million to the initial

cost of the project. We plan to work closely with the Governor's Office, the Municipality of Anchorage and the Alaska Department of Transportation and Public Facilities (DOTPF) to determine the best way early construction of this connection might be financed.

**"We've listened to you."**

We are continuing with our community outreach and interaction with stakeholders including municipal and state entities, the public at large, and interested or impacted groups such as community councils.

### BRIDGE BENEFITS GAS PIPELINE, LONG-TERM ENERGY POLICY

The Knik Arm Bridge could deliver major benefits to two of the state's top priorities: a long-term energy policy and the natural gas pipeline.

The bridge significantly reduces travel time between Anchorage and points north, which is good for the environment – and Alaskans' pocketbook. The bridge will save an estimated 80,000 metric tons of carbon emissions in just its first year of operation. That about equates to what the British Virgin Islands produce during an entire year.

Cutting an hour off the round-trip trek between Anchorage and points north saves the traveling public about \$94 million in the first year in travel costs and time savings even after paying the toll, according to Wilbur Smith Associates, one of the world's

*story continues on back*

### HOW ANCHORAGE'S YOUTH SEE THE BRIDGE



Alexis Wright - 1st Place (Preschool-1st Grade Category)

*Theme for this year's poster contest sponsored by the Anchorage Soil & Water Conservation District was "What the Knik Arm Bridge Should Look Like." First place winners included Alexis Wright, 7, Turnagain Elementary; Jordyn High, 11, Aquarian Charter School; and Eleni Ozenna, 14, Whaley Center.*

## BENEFITS *continued from the front*

leading transportation planning and engineering firms. With today's soaring fuel costs, the bridge could give Anchorage a competitive advantage as a staging area for the gas pipeline and other large natural resource projects.

The University of Alaska predicts the population of Anchorage and the Mat-Su will grow by over 180,000 by 2030, and Anchorage is running out of developable land. The Knik Arm Crossing opens up an area close to Anchorage that will provide the next generation access to the American dream of home ownership instead of having to rely on

high-density housing units.

Most freight bound for the North Slope comes through the Port of Anchorage, as does 90 percent of all consumer goods to serve 80 percent of the state's population. The port has been designated by the Department of Defense as one of 16 "National Strategic Ports." The port is currently undergoing a major expansion to increase its capacity. The bridge will complement the expanded port by providing an additional transportation link and a much needed alternative corridor within the region.

## STATE MOVES FORWARD ON UPDATED INDEPENDENT COST ESTIMATE

The rising cost of gas, asphalt and steel are increasing the cost of construction projects around the world. Therefore, the state has decided to commission an independent cost estimate for the bridge.

KABATA and the Federal Highway Administration have performed a combined total of four independent cost estimates for the bridge. About one year ago, RISE Alaska again confirmed the validity of the previous project cost estimates. However, in the current market costs are volatile and an independent review of the cost that reflects the initial construction will serve as another check. To this end the State DOT&PF is currently conducting an independent cost estimate.

"Cost of construction is one of many variables to consider when discussing project delivery. We know the project is feasible. The project delivery options were and are: the state could fund the project outright and limit the tolls we have to pay; we could publically finance the project and use tolls to support other needed transportation infrastructure; or we could use the private sector and leverage limited public funds," said Andrew Niemiec, KABATA's Executive Director.

"In any case, we have the resources necessary to deliver the project and strengthen our economy. Now is the time to get it done."

## THE PROJECT AT A GLANCE...

The Alaska Legislature established KABATA, the Knik Arm Bridge and Toll Authority, in 2003 to:

*"... develop, stimulate, and advance the economic welfare of the state and further the development of public transportation systems in the vicinity of the Upper Cook Inlet with construction of a bridge to span Knik Arm and connect the Municipality of Anchorage and the Matanuska-Susitna Borough."*

The Knik Arm Crossing project includes a toll bridge and approach roads that would connect the bridge to the existing road network in Anchorage and the Matanuska-Susitna Borough.

The project significantly expands transportation systems in the Upper Cook Inlet to:

- Meet existing and projected population growth and locally adopted economic development, land use and transportation plans.
- Reduce the cost of moving people, freight and goods to, from, and between Anchorage, the Mat-Su and Interior Alaska.
- Add a new transportation alternative for access between regional airports, ports, hospitals, and fire, police, and disaster relief services for emergency response and evacuation.

Please visit the **Knik Arm Bridge and Toll Authority** Web site at [www.knikarmbridge.com](http://www.knikarmbridge.com) for additional updates and resource materials.

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