



KNIK ARM CROSSING NEWS

Keeping you informed about the Knik Arm Crossing Project

Project Moving Forward **Municipality Withdraws Lawsuit**

On October 7, KABATA and the Municipality of Anchorage held a joint press conference to announce the withdrawal of the lawsuit against the Federal Highway Administration (FHWA).



Two ships offload at the Port of Anchorage.

The Municipality originally sued FHWA July 5 over concerns that the Port of Anchorage's dry dock berth wouldn't have enough room to operate. The suit challenged FHWA's Record of Decision issued late last year.

Because the suit was over an easement issue, both the Port and KABATA engineers rolled up their sleeves and began looking for a solution. By pouring over the drawings and walking the site, it appeared that the road could be moved over just enough within the project footprint to allow the dry dock berth to operate as the Port envisioned.

"Both projects are good for Alaska's economy and have found a way to coexist in a narrow corridor," said KABATA Executive Director Andrew Niemiec.

"I'm a big supporter of the bridge and I want to make sure it works," said Anchorage Mayor Dan Sullivan at the press conference.

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Six Development Consortia Submit Statements of Qualifications



The 2.7-mile crossing connects the Port of Anchorage with Port MacKenzie and all points north into the Interior.

The Knik Arm Bridge and Toll Authority (KABATA) received six Statements of Qualification (SOQs) by the submittal deadline of Sept. 21, 2011.

National and international development groups submitted the SOQs, including firms from Europe, Australia, Asia and North America. Each development group wants to earn the opportunity

to become the private partner that finances, designs, builds, operates and maintains the Knik Arm Crossing.

The SOQs will be evaluated, scored and ranked. The top development teams will be "shortlisted," which will give them an opportunity to respond to the formal

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KABATA Funds Research to Protect Belugas from Noise



KABATA has funded a number of research projects that will benefit beluga whales and other marine mammals by developing methods to minimize impacts of construction to wildlife in the Knik Arm.

Marine mammals use sound to communicate, capture prey, navigate and avoid predators. Marine pile-driving produces high levels of sound pressure that can interfere with those behaviors. Some bridge construction projects use oscillator systems to install piles, which are thought to reduce noise, but no one had scientifically studied the question.

KABATA funded research earlier this year at the Gilmerton Bridge Replacement project in Chesapeake, Va. This information will be presented at the

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KABATA Funds Research to Protect Belugas

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Conference on the Biology of Marine Mammals held by the Society for Marine Mammalogy Nov. 27-Dec. 3, 2011 in Tampa, Fla.

The research found that even if the frequency range of the oscillator overlaps with the hearing range of marine mammals, the sound rapidly dissipates over relatively short distances, indicating that the oscillator represents a good solution for minimizing impacts to endangered belugas and critical habitat (which includes their prey). The noise measurements of this system are the first documented and provide baseline data for other construction projects globally where this method for drilling shafts could be used.

The marine mammal conference will give KABATA a chance to share these research findings in a scientific forum and provide networking capabilities to a more global audience.

Six Development Consortiums Submit Statements of Qualifications

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Request for Proposals (RFP), which is planned for release in 2012.

The detailed RFP process will result in firm financial commitments and will require a significant investment of time and resources by the competing firms. By using a shortlist of the most qualified teams, KABATA will create the right balance between the investment that the developer makes in crafting the proposal and the public's interest in a healthy competition.

KABATA expects to announce the results of the SOQ evaluation in the coming week. The successful bidder in the subsequent RFP proposal process could begin construction in late 2012. You can find more information about this process on our website, www.knikarmbridge.com.

Municipality Agrees to Withdraw Lawsuit

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The judge in the lawsuit had issued a 45-day stay to allow the two sides to reach a final agreement. The MOA withdrew the lawsuit on Oct. 19.

Public Private Partnerships New Way to Finance



Photo Courtesy of the Illinois Tollway.

The Reagan Memorial Tollway, originally constructed in 1958, is a successful public-private partnership. The tollway has since gone through several rounds of improvements to keep up with population growth.

The Knik Arm Crossing has launched a formal procurement process using a public private partnership or "P3" model. P3 financing allows governmental agencies to deliver significant infrastructure with limited up-front public funds, while sharing project risk with the private sector.

KABATA is utilizing a P3 model in which the private partner provides finance, design, construction, operation and maintenance in exchange for periodic availability payments. An availability payment is a predetermined and stable payment over the lifespan of the concession. KABATA estimates that toll revenues will exceed the availability payment approximately nine years after the bridge opens.

To meet the availability payment in those early years, KABATA's financial model includes a draw from a state reserve fund, which would be reimbursed through toll revenue. The reserve fund is not a way to use state funds for bridge construction. The reserve fund will rest in the hands of the Alaska Department of Revenue until financial close is complete and return to the State General Fund once toll revenues have eclipsed the availability payment.

The P3 method of procurement has been used throughout the nation to construct and operate a variety of projects, from municipal parking garages to toll roads and bridges. The possibility of using P3 in Alaska is exciting, as it could be used for other large-scale infrastructure projects in our state.

The Knik Arm Crossing project has created considerable industry buzz in the marketplace because it is one of the few large projects nationwide that is ready to partner with private industry. Fred Kessler with Nossaman listed six factors that contribute to the widespread interest in the Knik Arm Crossing Project:

- The project is well-defined.
- The political climate is supportive.
- KABATA's decision to move from a toll concession to an availability payment concession better aligns the project with market realities.
- Project's financial feasibility is "well developed, realistic and positive."
- Proposed legislation enhances debt rating.
- Timing is "excellent."

Right-of-Way Process Begins

KABATA has obligated the funding needed for right-of-way acquisition, and the Federal Highway Administration (FHWA) has issued the authority to appraise and acquire all the full parcels the project needs.

The full parcels are located in Government Hill and consist of three commercial properties, two residential properties and three vacant lots. KABATA will proceed with partial acquisitions once mapping is complete and FHWA has issued authority for these smaller properties.

This streamlined approach provides benefits to both KABATA, which is advancing the project, and property owners, who can move forward with their plans. KABATA is following the Uniform Relocation Assistance and Real Property Acquisition Policies Act. The process involves an appraisal by a certified appraiser, a review to ensure the appraisal is fair, a review of the final package before a deal is finalized and relocation assistance for renters, home owners and businesses.

Preserving the Past, Part of the Future



Photo Courtesy of Alaska Division of Tourism

Spirit houses at the Native village of Eklutna.

Part of the process of building the bridge is the identification of properties of historic significance. That work includes consulting with the Knik Tribal Council and the Native Village of Eklutna. Several archaeological sites have been discovered, including the original native village of Knikatnu and a traditional fish campsite on Fish Creek, complete with 200 cache pits for storing fish. The Fish Creek site has been identified as a possible replacement for Tak'at, a long-established fish campsite that is now part of the military base.

Historic preservation planning has been initiated by the Municipality of Anchorage in partnership with the Alaska State Historic Preservation Office and the Federal Highway Administration as a mitigation element of the Knik Arm Crossing. A series of public meetings and outreach efforts will be ongoing through December 2012.

Speak up on AMATS update



The Glenn Highway is the only land route to Mat-Su.

Are you interested in what the Anchorage Metropolitan Plan says about Knik Arm Crossing? Review the Anchorage Metropolitan Area Transportation Solutions update of the Metropolitan Transportation Plan (formerly known as the Anchorage Bowl Long-Range Transportation Plan) on the AMATS website at www.tinyurl.com/muni-amats.

Please consider attending the public meetings and submitting public comment about what you think of the Knik Arm Crossing.

Public meetings are scheduled:

Anchorage Downtown

Monday, Oct. 24, 2011
12:00 p.m. to 4:00 p.m.
City Hall, Assembly Conference
Room #155
632 W. Sixth Avenue

Anchorage Midtown

Monday, Oct. 24, 2011
6:00 p.m. to 8:00 p.m.
Wendler Middle School
Multipurpose Room
2905 Lake Otis Parkway

Chugiak/Eagle River

Tuesday, Oct. 25, 2011
4:00 p.m. to 8:00 p.m.
Eagle River Town Center, Room 170
12001 Business Boulevard, Eagle River



Project Benefits

- The Knik Arm Crossing will create a second route from Anchorage, Alaska’s most populous city, to the Matanuska-Susitna Valley, the state’s fastest growing region.
- Construction is expected to create thousands of jobs and spur economic development in the immediate area, resulting in 14,000 additional permanent jobs.
- The crossing will lower transportation costs to Alaska’s Interior, saving fuel and reducing greenhouse emissions.

We’ve moved!

Our new address is:
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