

The Economic Future of ■ Southcentral Alaska with and without a Knik Arm Bridge

Presentation to

**Anchorage Chamber of Commerce
Board of Directors**

Patrick Burden

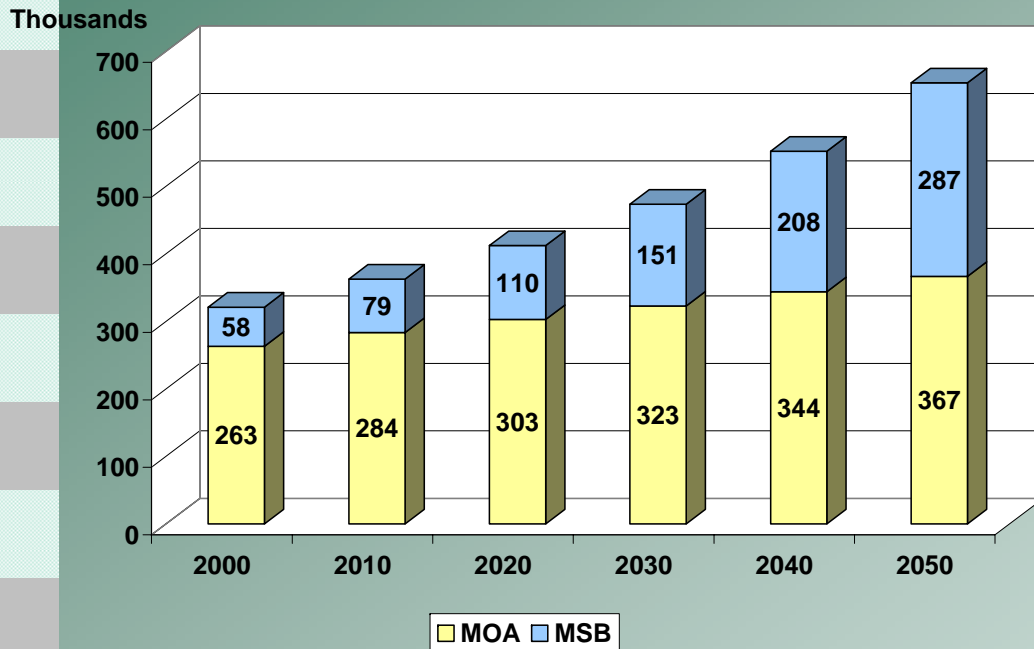
November 2004

Agenda

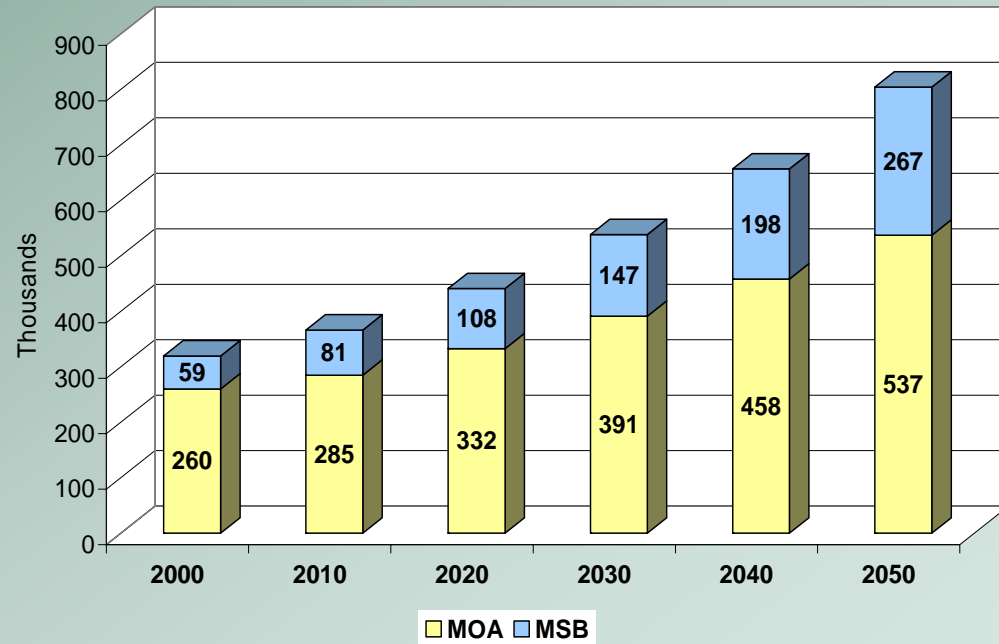
- **General demographic and employment trends**
- **Findings associated with a No-build Alternative**
- **Findings associated with the Build Alternative**
- **Summary and Discussion**

Population Growth

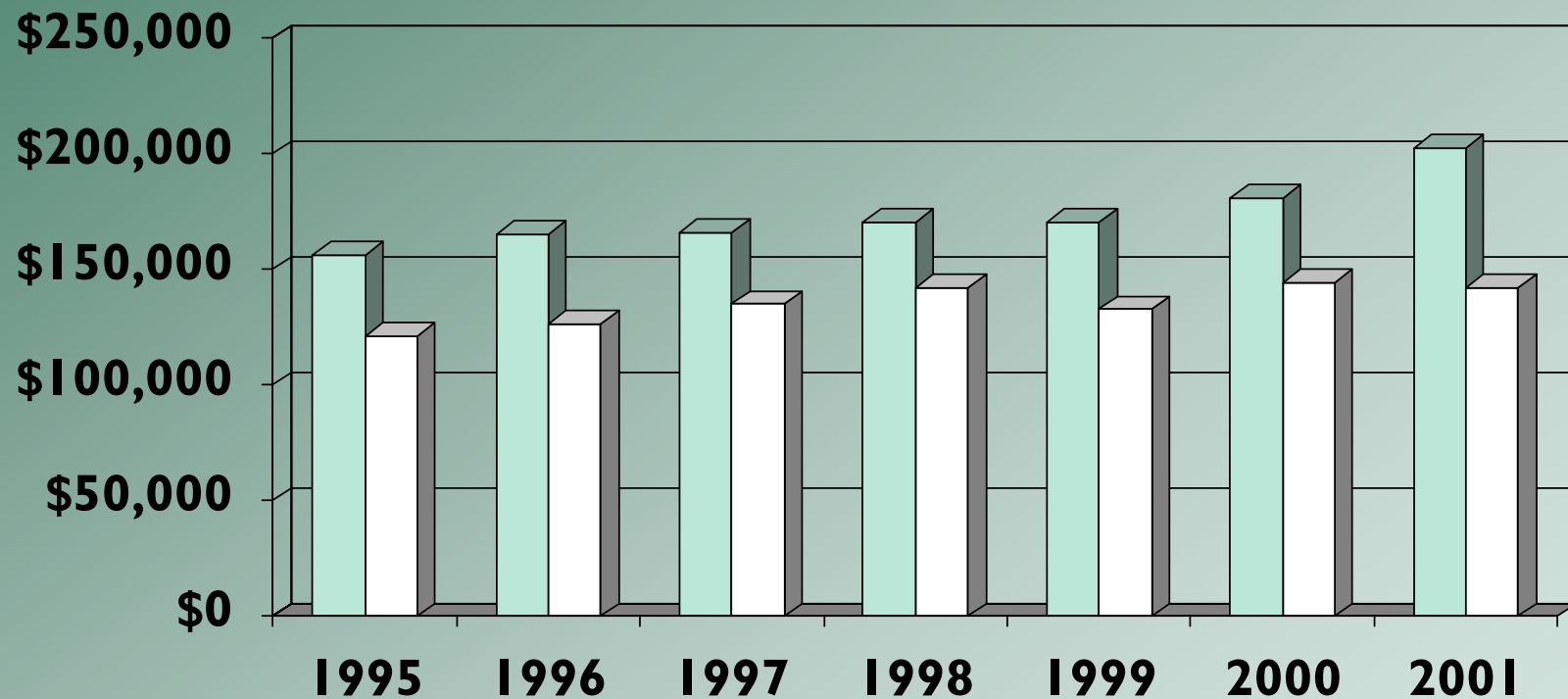
DOL Population Forecast



ISER Population Forecast

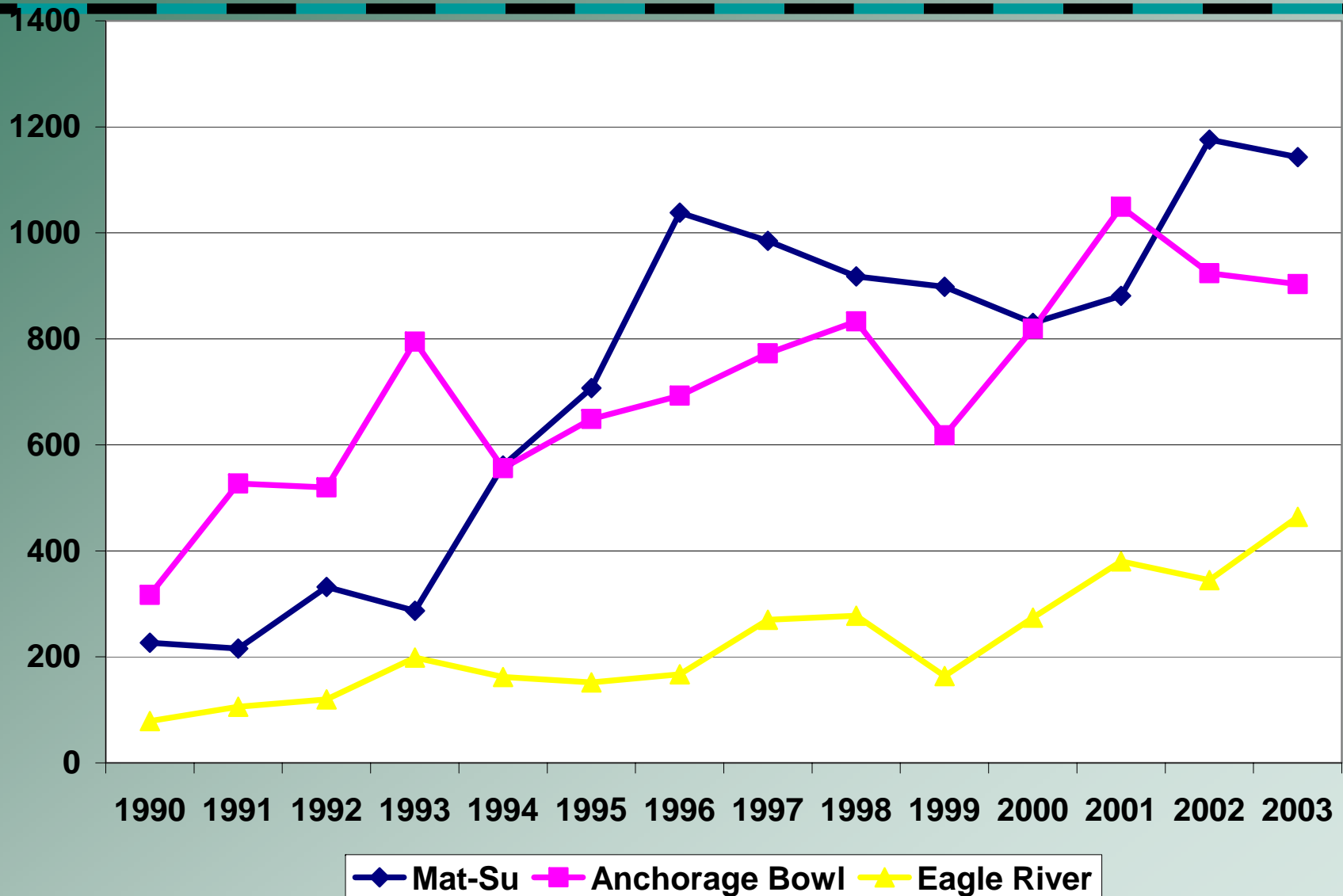


Average Sales Price Single Family Homes



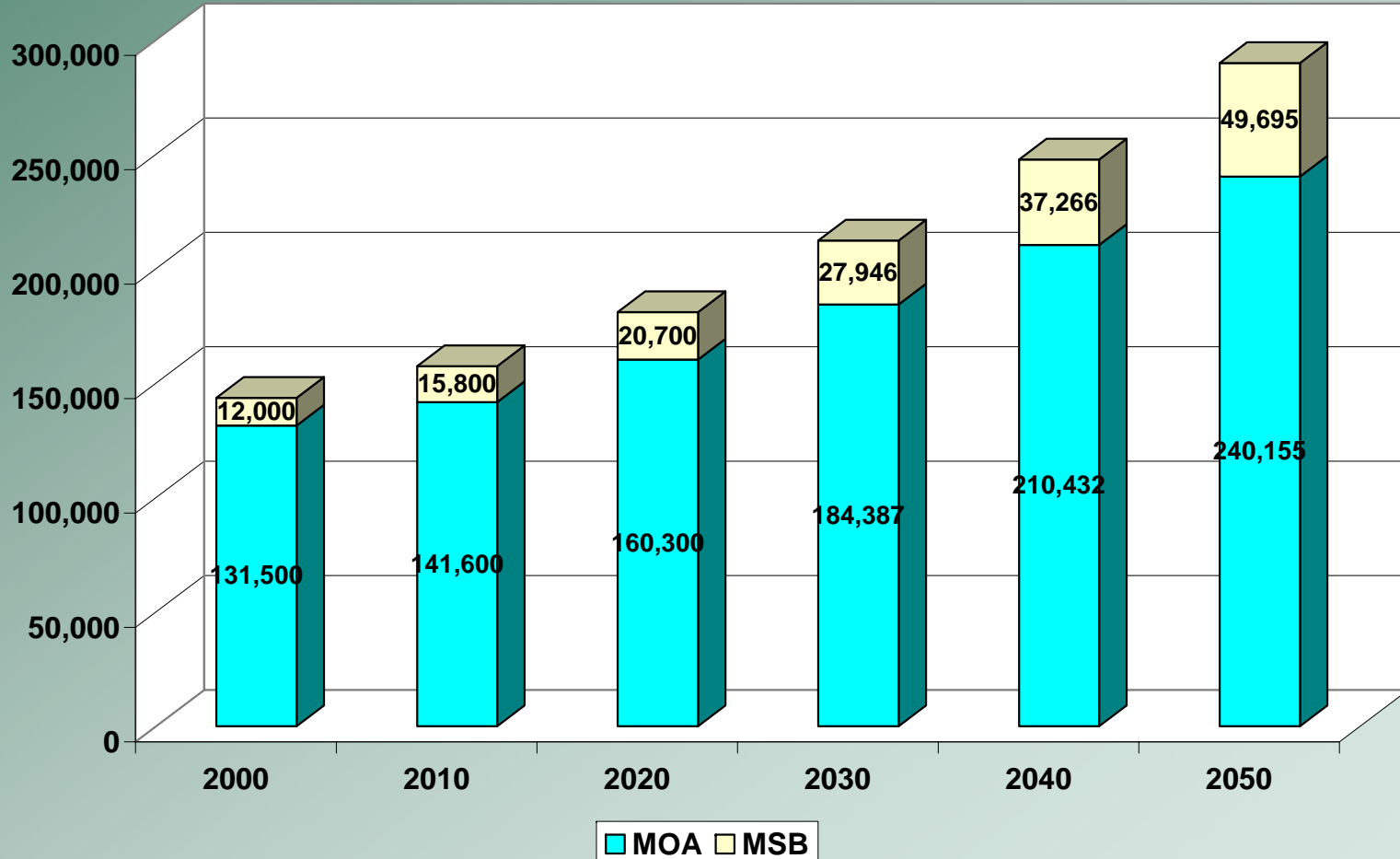
■ Anchorage ■ Mat-Su Borough

New Single Family Homes

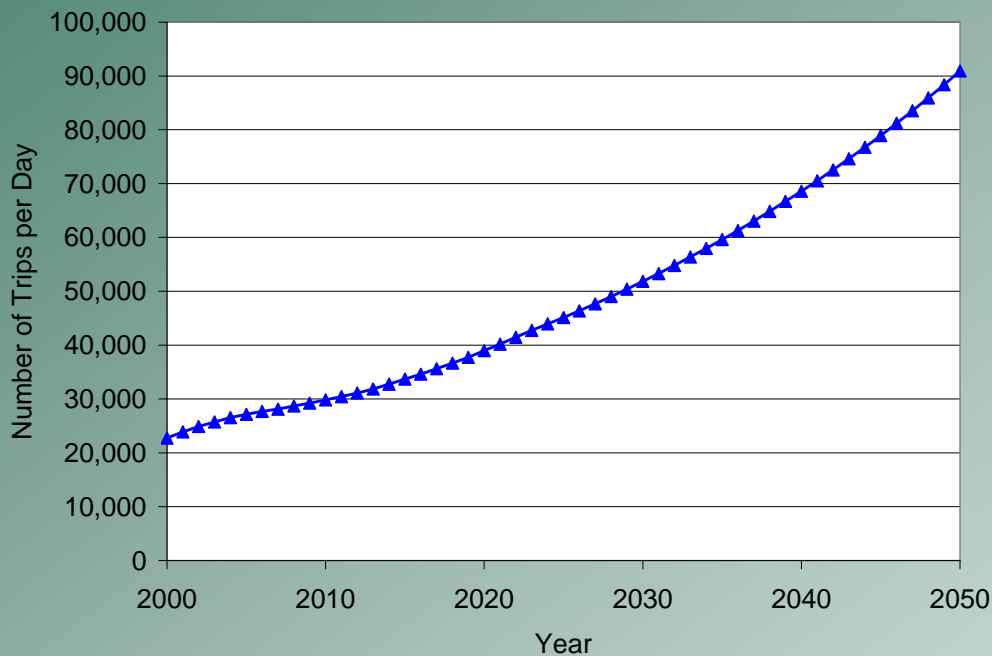


Employment Growth-ISER

ISER Projected Wage and Salary Employment



Average Weekday Trips on the Glenn Highway – Mirror Lake



- **Capacity of 4-lane freeway \approx 50,000 ADT**
- **AMATS estimates Glenn Highway ADT near Eagle River at 58,000 in 2023**
- **16,000 MSB residents worked in MOA in 2000 (52% of MSB labor force)**

Transportation Infrastructure No-build Alternative



- **Major highway improvements planned by 2025**
- **Port of Anchorage (POA)**
- **Port MacKenzie (PMK)**
- **Ted Stevens Anchorage Int'l Airport**
- **Commuter rail and mass transit**
- **Ferry**

Growth Patterns in MOA No-build Alternative



- **Anchorage 2020 Plan**
 - Infill, higher densities and community centers in Anchorage Bowl
 - New growth under all scenarios generates substantial long term average annual deficits due to tax structure and cost of education
- **Build out of currently vacant single family residential lands in Anchorage Bowl by 2010-2015; in Eagle River/Chugiak/ Peters Creek by 2030-40**
- **Anchorage remains as regional commercial center**
- **Industry that is land intensive and does not require good transportation connection to MOA relocates to PMK although at a very slow rate**

Growth Patterns in MSB

No-build Alternative



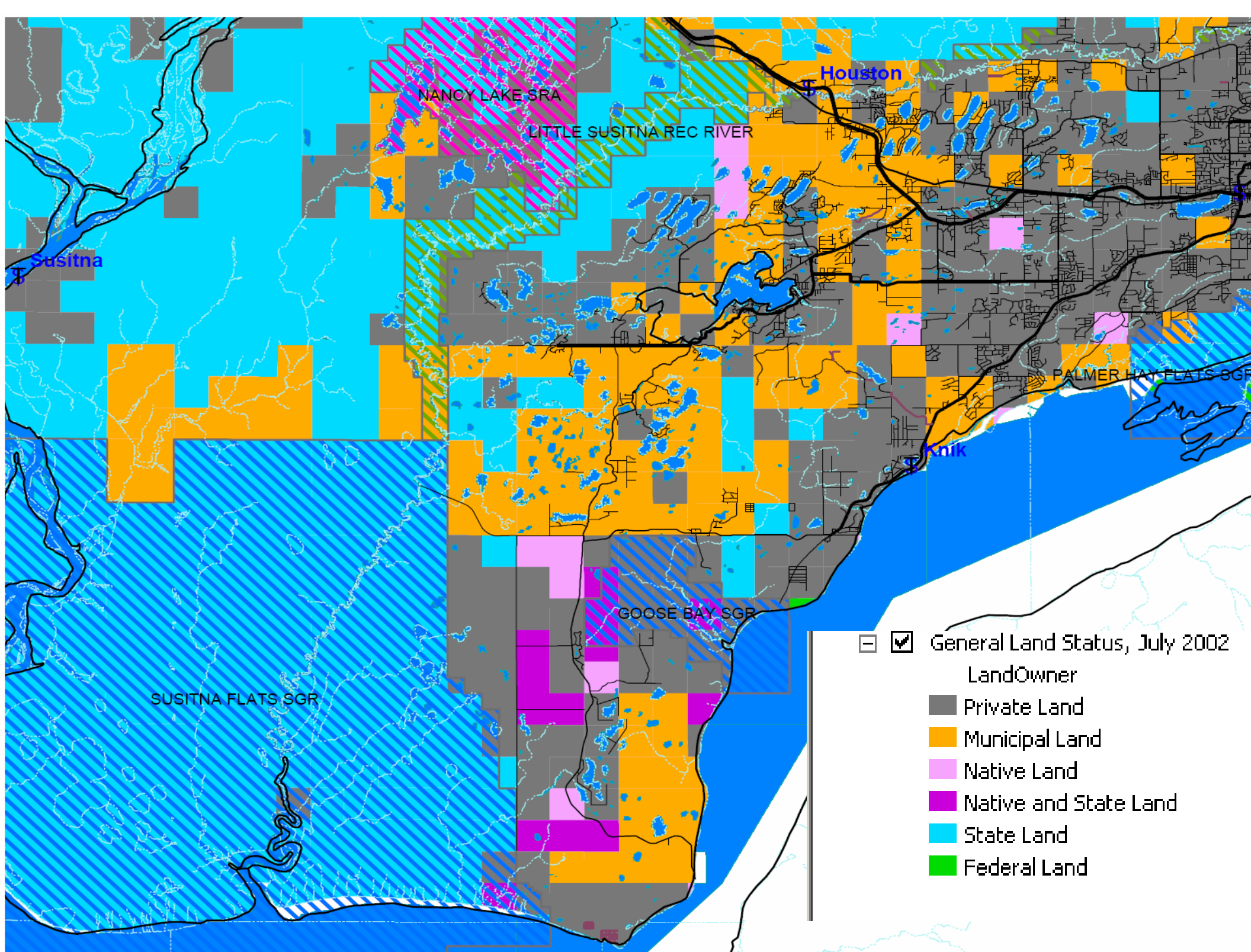
- **Core area (Palmer – Wasilla)**
 - Continued residential development
 - Becomes major commercial and service center for MSB
- **Development of Port MacKenzie and port industrial area**
 - Constrained by limited ferry service
- **Tax credits to PMK industrial tenants for leasehold improvements limits tax revenues to MSB**

Regional Growth Patterns

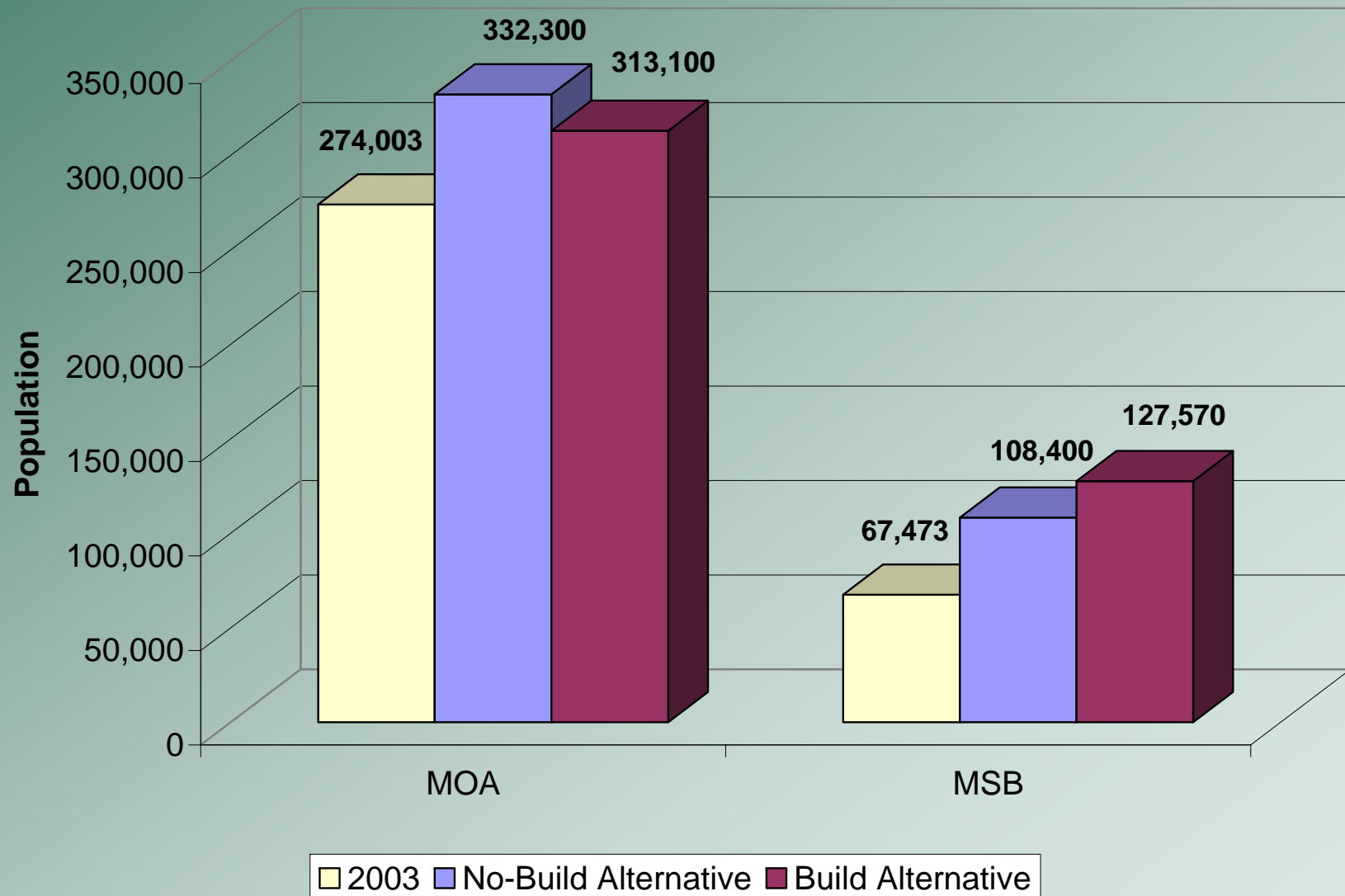
No-build Alternative



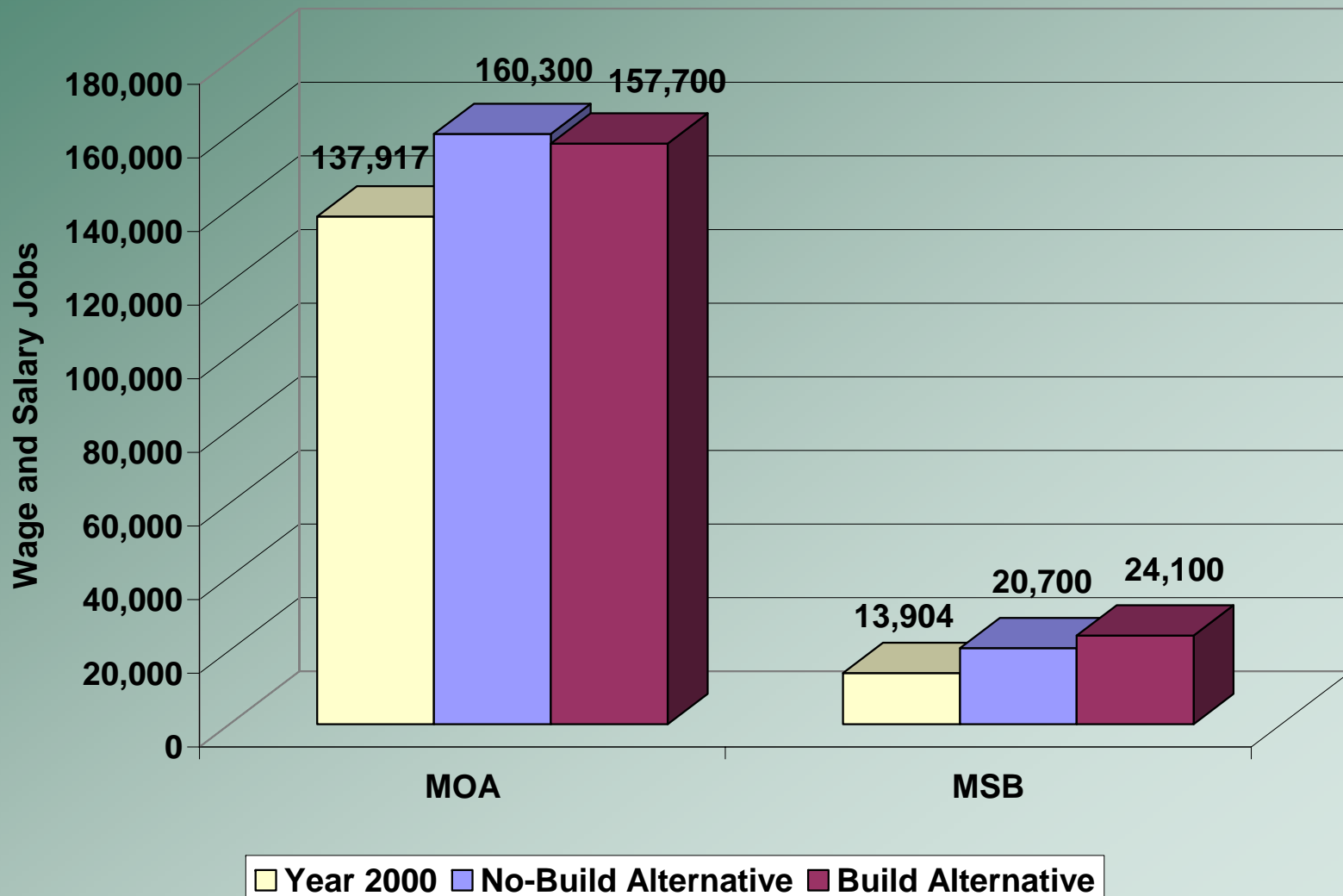
- **Future development**
 - Extends further along the Glenn and Parks Highways
 - Also along Knik-Goose Bay road
- **Land values continue to increase in region**
- **MSB core area land prices increase at faster rate than in rest of MSB and much of MOA**
- **Costs of residential development exceed residential tax revenues in MOA and MSB**
 - MOA and MSB have coped with situation in past



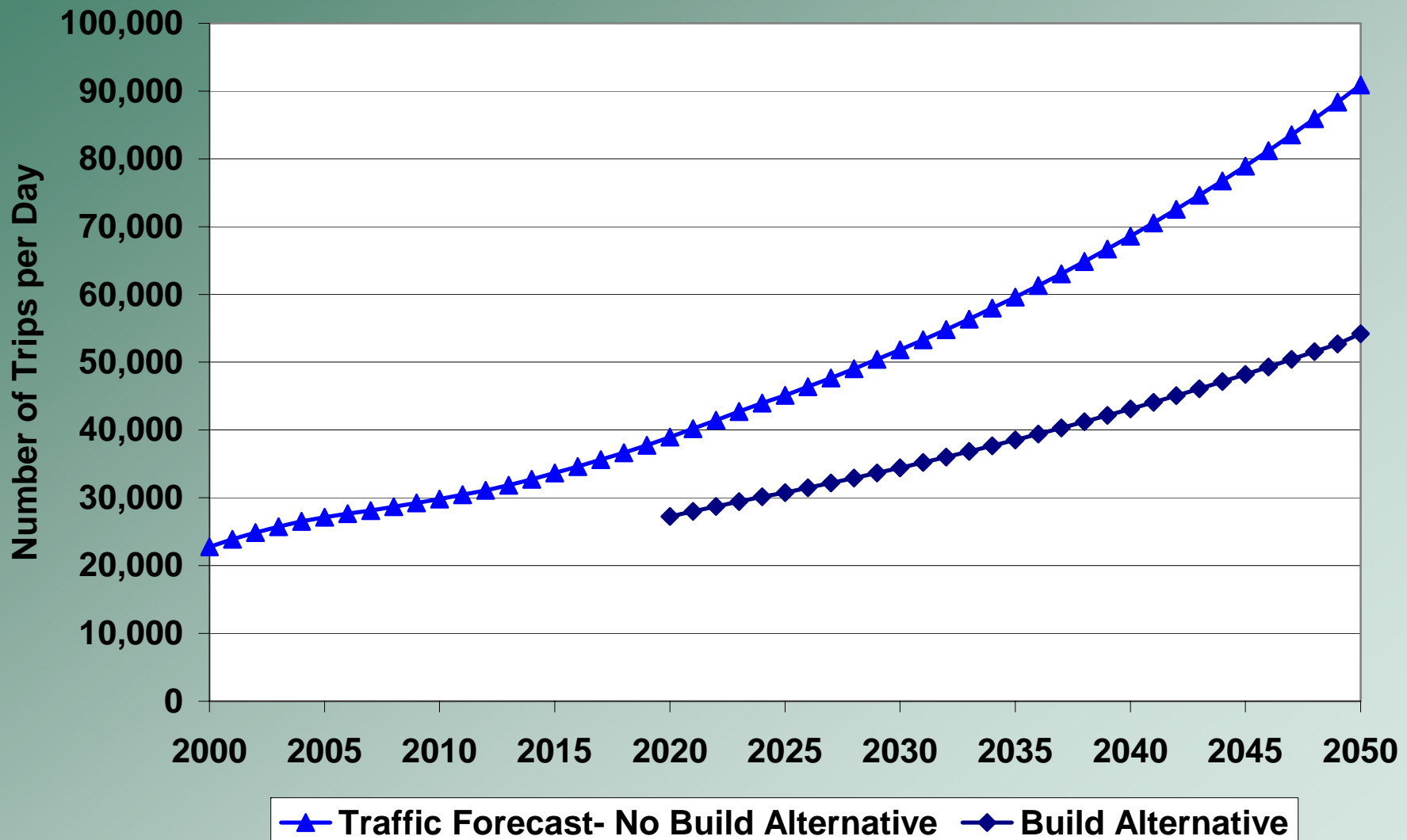
Year 2003 compared to Year 2020 Population Shifts



Year 2003 and Year 2020 Employment Shifts



Traffic Projection – Build Alt. w/ 1984 DEIS Diversion



Transportation Infrastructure Build Alternative



- **Planned highway improvements by 2025**
- **Port of Anchorage (POA)**
- **Port MacKenzie (PMK)**
- **Ted Stevens AIA**
- **Commuter rail and mass transit**
- **Ferry**

Growth Patterns in MOA

Build Alternative



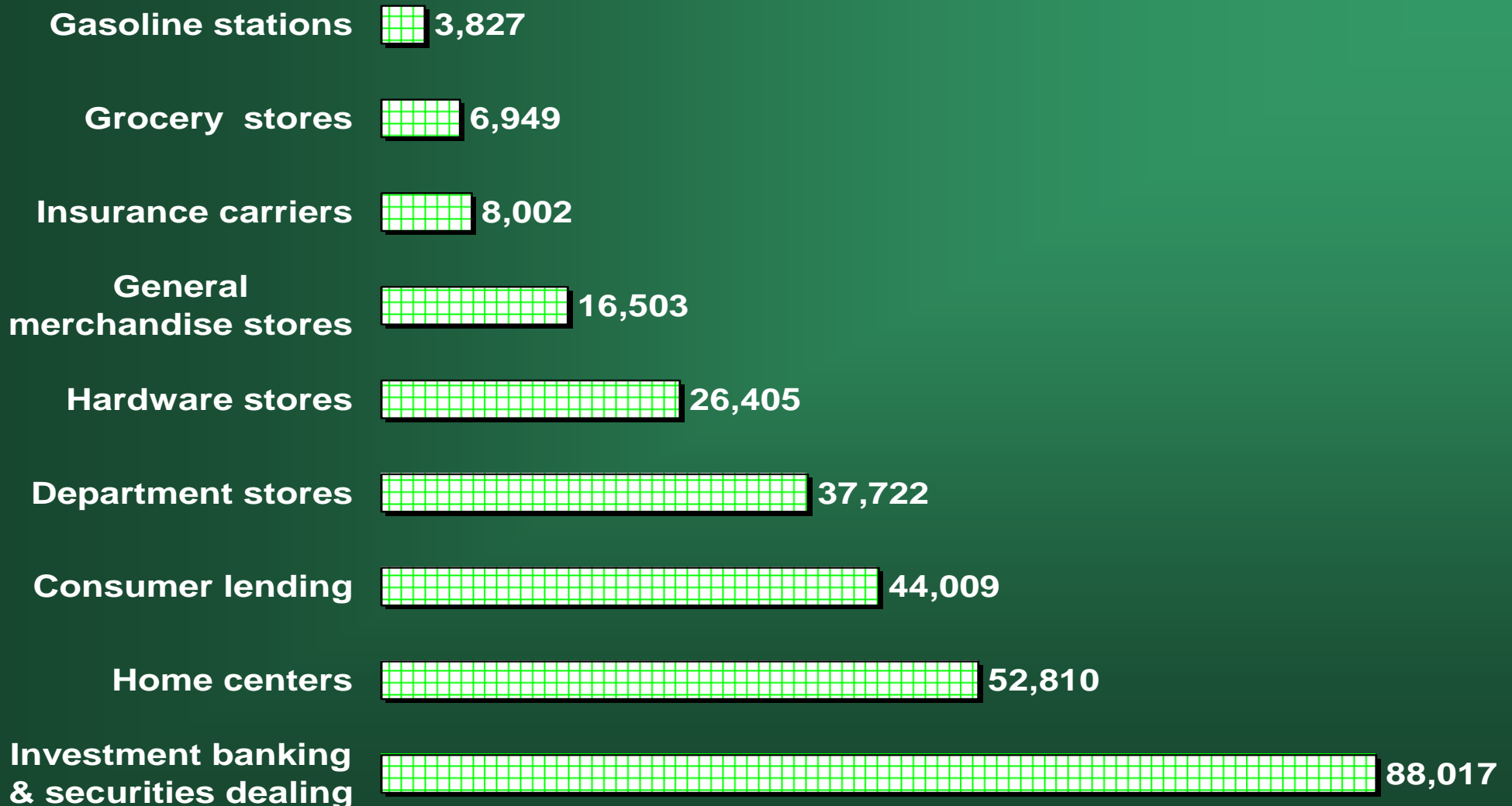
- **Slower rate of population growth in MOA**
 - fewer dwelling units, and delays higher density levels
 - slower growth in rate of increase in residential-related expenditures (e.g., education & open space)
- **Anchorage remains as regional commercial center**
 - warehousing, trucking, metal fabrication, gravel extraction, other land intensive industries likely move from MOA
- **Conversion of vacated lands to more intensive uses may increase tax revenues**

Growth Patterns in MSB Build Alternative



- **Point MacKenzie becomes new growth area in MSB**
 - Requires development of new public infrastructure
 - Increased rate of growth in expenditures requires additional taxes and other revenues; need will be more pressing with Crossing
 - MSB growth in the core area slows as a portion of new home construction shifts to Point MacKenzie
- **Point MacKenzie residents will access MOA CBD rather than the MSB core area for many goods and services**

Commercial Sector Population Thresholds



Regional Growth Patterns

Build Alternative



- **Land values continue to increase in region**
 - Slower rate of increase due to availability of more accessible land as a result of bridge
- **Land at Point MacKenzie may be priced about the same as Eagle River due to proximity to MOA**
 - Depends on toll level to some extent
 - Point MacKenzie land prices are anticipated to be higher than MSB core area for residential uses
- **The 1984 EIS found that an urban growth pattern with Crossing would reduce overall travel time and cost compared to the No-build**
 - Benefit may not be as large due to 2020 plan concept in MOA

Other Discussion Points

- **Build alternative will likely reduce transportation-related pollution by reducing trip length**
- **Many of the economic and community development benefits identified in the 1984 DEIS now recognized as “double counting”**
- **Shifts in future population growth may result in similar societal costs at the regional level**
 - Public vs. private utility infrastructure costs
 - Costs per capita for transportation improvements
 - Education and population related costs for MOA and MSB

End of Presentation

