

MUNICIPALITY OF ANCHORAGE



Office of the Mayor

Mayor Dan Sullivan

Phone: 907-343-7100

FAX: 907-343-7180

February 25, 2013

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The Honorable Charlie Huggins
Senate President
Alaska State Capitol, Room 111

The Honorable Mike Chenault
Speaker of the House
Alaska State Capitol, Room 208

Re: Support for Establishment of a Fully Funded Project Reserve for Knik Arm Crossing Project
and Passage of either HB23 or SB13

Dear President Huggins and Speaker Chenault:

The Knik Arm Crossing is a transformative project that will shape the economy of Alaska for decades to come. With the creation of a project reserve through the passage of HB 23 or SB 13, and the reserve's full funding in the FY 2014 capital budget, the bridge will move forward quickly into construction, and guarantees that it will be delivered to Alaskans under the most competitive financial terms available.

The creation of a project reserve ensures the best value to the State of Alaska. It demonstrates the State's commitment to this project and it allows the private sector to finance the bridge at more competitive interest rates. These lower rates will be reflected in competitive proposals from the private sector. This project is being developed with private equity, and generates toll revenues. As a result, it has a mechanism to repay the project reserve, and to generate a surplus to fund future statewide transportation needs over time.

This project is important to the future of our local, regional and state economy. I urge your support of legislation and capital appropriation to establish a fully-funded Knik Arm Crossing project reserve in the FY 2014 budget. Thank you for your consideration.

Sincerely,

Dan Sullivan
Mayor