

Clarifications on Common Myths about the Knik Arm Crossing Project

By: Knik Arm Bridge and Toll Authority

- KABATA's August 2012 TIFIA Letter of Interest (LOI) remains active and advancing it to the application stage is pending passage of HB23 or SB13. The Knik Arm Crossing (KAC) project is one of 28 projects in the LOI stage for a TIFIA loan. Since the passage of MAP-21 and the issuance of the TIFIA Notice of Funding Availability, none of the 28 projects have moved to the application stage at this time.

The TIFIA program is very valuable to the state and the project, resulting in lower availability payments, and it is in the state's best interest to pursue funding through the program. The private partner will be the borrower, but the value of TIFIA will come back to the state through the competitive procurement process.

- The bridge length was increased to preserve beluga whale habitat, as recommended by the National Marine Fisheries Service. The cost of the lengthened structure – from 8,200 feet to 9,200 feet - is offset by the removal of embankment and riprap material in the deepest areas of the Knik Arm Crossing alignment, resulting in a net increase of approximately \$15 million, or roughly 2 percent of the overall Phase I construction cost. There is sufficient contingency (\$82 million) included in the 2010 cost estimate to cover this change.
- Many cost estimates have been completed for the Knik Arm Crossing Project. The 2010 cost estimate includes items such as:
 - Constructing all six lanes of the tunnel under Government Hill in the initial phase of construction, to mitigate and minimize impacts to the community;
 - Constructing all fill in the intertidal zone in the initial phase of construction, to minimize impacts to fish and fish habitat;
 - Constructing roadway embankment for 4-lanes up to the top of sub grade along the Port of Anchorage and JBER, to minimize disruption to their activities.
- The Knik Arm Crossing is being delivered as a public-private partnership under a performance based contract. The design of the bridge will be finalized by the winning proposer and will be designed to the strict technical standards specified by the state. The Crossing will be constructed using time tested, standard bridge building methods.
- KABATA's base population forecast is consistent with others, including ISER's 2009 forecast, which predicted a Mat-Su population for 2010 that was 9,000 below the actual census count. KABATA's traffic forecast used socio-economic inputs for high, low, base and reduced value of time to understand a range of possible outcomes.
- Under a P3, such as the one being utilized to deliver the Crossing, there is no guarantee of a return on investment to the private partner. In fact, the private equity is the first dollar at risk, which is one of the benefits to the state of entering into a P3 contract.

For more information or questions about the Knik Arm Crossing's project delivery method, P3s or other aspects of the project contact the KABATA offices at 907-269-6698.