

MUNICIPALITY OF ANCHORAGE



Office of the Mayor

Mayor Dan Sullivan

Phone: 907-343-7100

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February 25, 2013

MAR 04 2013

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

Adopted: 02/28/12

**MATANUSKA-SUSITNA BOROUGH
RESOLUTION SERIAL NO. 12-027**

**A RESOLUTION OF THE MATANUSKA-SUSITNA BOROUGH ASSEMBLY
SUPPORTING HOUSE BILLS 158 AND 159 AND SENATE BILLS 79 AND 80
RELATING TO THE AUTHORITY AND OBLIGATIONS OF THE KNIK ARM BRIDGE
AND TOLL AUTHORITY.**

WHEREAS, the Knik Arm Bridge and Toll Authority (KABATA)
was established in 2003 by the Alaska State Legislature; and

WHEREAS, their project, the Knik Arm Crossing, will be a
significant addition to Alaska's infrastructure that will
further facilitate the movement of goods and people in the
State; and

WHEREAS, these House and Senate bills accomplish many items
KABATA has deemed necessary to have a successful public-private
partnership procurement; and

WHEREAS, the first will increase KABATA's Bonding Authority
from \$500 million to \$600 million which lowers the cost of
capital for the project and ultimately lowers the cost to end
users; and

WHEREAS, the second item brings property tax relief by
clarifying that the Knik Arm Crossing and associated facilities
are exempt from state and local property taxes like any other
transportation project in our State; and

WHEREAS, a third item that would be accomplished is the
identification of contractual money obligations of the State of

Alaska under a P3 process; and

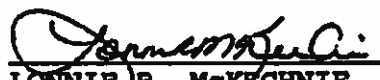
WHEREAS, the last item necessary would create a reserve fund to provide a backstop for toll revenue fluctuations as well as to serve to enhance the credit worthiness of the project which would reduce overall project costs.

NOW, THEREFORE, BE IT RESOLVED, the Matanuska-Susitna Borough Assembly supports House Bills 158 and 159 and Senate Bills 79 and 80.

ADOPTED by the Matanuska-Susitna Borough Assembly this 28 day of February, 2012.


LARRY DEVILBISS, Borough Mayor

ATTEST:


LONNIE R. McKECHNIE, CMC, Borough Clerk
(SEAL)

YES: Woods, Arvin, Colligan, Salmon, Colver, and Halter

NO: Keogh

Sponsored by: Assemblymember Arvin
Amended: 04/06/10
Adopted: 04/06/10

**MATANUSKA-SUSITNA BOROUGH
RESOLUTION SERIAL NO. 10-028**

**A RESOLUTION OF THE MATANUSKA-SUSITNA BOROUGH ASSEMBLY
SUPPORTING THE CONSTRUCTION OF THE KNIK ARM BRIDGE.**

WHEREAS, the Matanuska-Susitna Borough and Municipality of Anchorage have over 60 percent of Alaska's population; and

WHEREAS, the Matanuska-Susitna Borough and Municipality of Anchorage comprise Alaska's largest and strongest regional economy; and

WHEREAS, to maintain a strong, growing and sustainable regional economy there is a need for additional commercial, industrial, and residential lands; and

WHEREAS, the Knik Arm Bridge will provide access to developable lands within the Matanuska-Susitna Borough for commercial, industrial, and residential uses; and

WHEREAS, the Knik Arm Bridge provides connectivity between the region's ports, rail corridors and future growth potential; and

WHEREAS, the Knik Arm Bridge will reduce travel times and lower transportation costs between South-central Alaska and Interior Alaska, as well as between the Matanuska-Susitna Borough and Anchorage; and

WHEREAS, the Knik Arm Bridge provide an alternative transportation corridor to the Glenn Highway, reducing traffic and the need for costly upgrades to the Glenn Highway; and

WHEREAS, there will be a need for road and other infrastructure improvements including Knik Goose Bay Road, Burma Road, and South Big Lake Road on the Borough end of the Knik Crossing when the bridge is built; and


NOW, THEREFORE BE IT RESOLVED, that the Matanuska-Susitna Borough Assembly supports the Knik Arm Bridge; and

BE IT FURTHER RESOLVED, that the Borough Assembly supports the Knik Arm Bridge conditioned upon the receipt of federal or state funds to provide for needed public infrastructure on the Matanuska-Susitna Borough side of the bridge; and


BE IT FURTHER RESOLVED, that the Assembly of the Matanuska-Susitna Borough requests that existing Knik Arm Bridge and Toll Authority (KABATA) project funds be used to complete a community impact assessment of the Big Lake community as well as initiate the engineering and design of Knik-Goose Bay Road, Burma Road, and South Big Lake Road; and

BE IT FURTHER RESOLVED, that there will be a need for road and other infrastructure improvements including Knik Goose Bay Road, Burma Road, and South Big Lake Road on the Matanuska-Susitna Borough end of the Knik arm crossing when the bridge is built.

ADOPTED by the Matanuska-Susitna Borough Assembly this
6 day of April, 2010.


TALIS J. COLBERG, Borough Mayor

ATTEST:


LONNIE R. MCKECHNIE, CMC, Borough Clerk
(SEAL)

PASSED UNANIMOUSLY: Woods, Houston, Arvin, Ewing, Bettine,
Colver, and Halter.

**HOUSTON, ALASKA
RESOLUTION 12-14**

A RESOLUTION OF THE HOUSTON CITY COUNCIL RECOGNIZING THE IMPORTANCE OF THE KNIK ARM CROSSING TO ALASKA'S ECONOMY AND SUPPORTING THE ESTABLISHMENT AND FUNDING OF A PROJECT RESERVE TO ADVANCE THE CONSTRUCTION AND LOWER THE COST OF FINANCING FOR THE BRIDGE..

Whereas, the 1.74 mile bridge and connecting 18 miles of road will bridge the Knik Arm; and

Whereas, the Knik Arm Crossing will create 1,500 construction jobs every year for four years of construction and thousands more after bridge opening, benefitting Alaskans through good wages and good work experience; and

Whereas, the bridge will support additional activity at Port MacKenzie, the nation's northernmost deep water port, allowing export and import of bulk commodities such as base and rare earth mineral ores, coal, woodchips, gravel, cement and steel pipe; and

Whereas, the bridge will allow access to affordable land for industrial, commercial, and residential development; and

Whereas, the Knik Arm Crossing will lower costs for Alaskan households by lowering the cost of freight to the Interior and North Slope— over \$300 million truck freight savings in the first 10 years

Whereas, the bridge creates the first leg of a surface link to western Cook Inlet where over 47% of Kenai Borough lands are located, lands which are rich in natural resources such as coal, hydroelectric, oil and gas and geothermal resources; and

Whereas, the bridge will be developed using a Public Private Partnership, which leverages private equity, optimizes the life cycle cost of ownership, and pays back the cost of the bridge over time through user fees in the form of tolls; and

Whereas, the State has determined that utilizing a project reserve ensures the best value to the State by reducing the cost of financing; and

Whereas, future tolls are projected to generate \$1 billion cumulative surplus for the State of Alaska in the 35 years after opening, which can be spent on transportation infrastructure throughout the state on highways, bridges or ferries.

NOW, THEREFORE, BE IT RESOLVED THAT: the City of Houston City Council recommends the establishment and funding of a Knik Arm Crossing project reserve in order for construction to proceed rapidly and for the state to realize the full economic benefit of the bridge, through construction jobs, better access to industrial, commercial and residential land, increased

1 activity at Port MacKenzie, and the first step toward accessing the rich natural resources in the
2 western Kenai Peninsula Borough lands across Cook Inlet.

3 **BE IT FURTHER RESOLVED THAT: the City of Houston City Council authorizes**
4 **the Mayor to sign on behalf of the City a joint resolution with the Matanuska-Susitna**
5 **Borough, City of Palmer, City of Wasilla. The joint resolution will be presented to the**
6 **Governor of Alaska.**

7
8 PASSED AND APPROVED by a duly constituted quorum of the Houston City Council, Alaska
9 this 9th day of August, 2012.

10
11
12 THE CITY OF HOUSTON, ALASKA

13 Virgie Thompson
14 Virgie Thompson, Mayor
15
16

17 ATTEST:

18
19 Sonya Dukas
20 Sonya Dukas, City Clerk
21
22

23 Sponsored by, Mayor Thompson



ALASKA CONFERENCE OF MAYORS

217 Second Street, Suite 200
Juneau, Alaska 99801
907-586-1325
FAX 463-3480
AML1@ptialaska.net

ALASKA CONFERENCE OF MAYORS

RESOLUTION #2012-01

A RESOLUTION OF THE ALASKA CONFERENCE OF MAYORS URGING THE LEGISLATURE TO SUPPORT THE CONSTRUCTION OF THE KNIK ARM BRIDGE

WHEREAS, the Knik Arm Bridge has statewide economic significance; and

WHEREAS, the Knik Arm Bridge will provide connectivity between the region's ports, rail corridors and interior natural resources, while providing for future growth potential; and

WHEREAS, the United States military recognizes the necessity of an alternate route between Joint Base Elmendorf-Richardson (JBER), the Anchorage Bowl, and the Matanuska-Susitna Borough; and

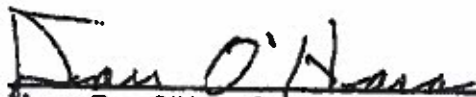
WHEREAS, the Knik Arm Bridge will open potential access to over 40% of the Kenai Peninsula Borough, which is at the northwest side of the Cook Inlet; and

WHEREAS, the Knik Arm Bridge will save nearly an hour travel time between Anchorage and Fairbanks as an alternate to the Glenn Highway, saving fuel, reducing emissions, and delaying the need for costly highway upgrades; and

WHEREAS, the Knik Arm Bridge will provide transportation and new service venues for Alaska's fastest growing populated area.

NOW, THEREFORE BE IT RESOLVED that the Alaska Conference of Mayors urges the Legislature to endorse the construction of the Knik Arm Bridge.

PASSED AND APPROVED by the Alaska Conference of Mayors on this 15th day of August, 2012.



Mayor Dan O'Hara, President, Alaska Conference of Mayors

Attest:



Kathie Wasserman, Executive Director, Alaska Municipal League



BIG LAKE

CHAMBER OF COMMERCE

"Alaska's Year-Round Playground"

Big Lake

Big Lake Chamber of Commerce Resolution 2013-1

A RESOLUTION OF THE BIG LAKE CHAMBER OF COMMERCE RECOGNIZING THE IMPORTANCE OF THE KNIK ARM CROSSING TO ALASKA'S ECONOMY AND SUPPORTING THE ESTABLISHMENT AND FUNDING OF THE PROJECTED RESERVE TO ADVANCE THE CONSTRUCTION AND LOWER THE COST OF FINANCING FOR THE BRIDGE

Whereas, the 1.74 mile Bridge in connecting 18 miles of road will bridge the Knik Arm; and

Whereas, Knik Arm Crossing will create 1,500 construction jobs every year for four years of construction and thousands more after bridge opening, benefiting Alaskans with good wages and good work experience; and

Whereas, the bridge will support additional activity at Port MacKenzie, the nations northernmost deepwater port, allowing export and import of bulk commodities such as base and rare earth minerals ores, coal, woodchips, gravel, cement and steel pipe; and

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Whereas, the Knik Arm Crossing will lower costs for Alaskan households by lowering the cost of freight to the interior and North Slope-- over \$300 million truck freight savings in the first 10 years; and

Whereas, the bridge creates the first leg of a surface link to Western Cook Inlet where over 47% of the Kenai Borough lands are located, lands which are rich in natural resources such as coal, hydroelectric, oil and gas and geothermal resources; and

Whereas, the bridge will be developed using a Public Private Partnership, which leverages private equity, optimizes the lifecycle cost of ownership, and pays back the cost of the bridge over time through user fees in the form of tolls; and

Whereas, the state has determined that utilizing a project reserve ensures the best value to the state by reducing the cost of financing; and



BIG LAKE

CHAMBER OF COMMERCE

"Alaska's Year-Round Playground"

Big Lake

Whereas, future tolls are projected to generate \$1 billion cumulative surplus for the state of Alaska in the 35 years after opening, which can be spent on transportation infrastructure throughout the state on highways, bridges or ferries.

NOW, THEREFORE, BE IT RESOLVED THAT: the Big Lake Chamber of Commerce recommends the establishment and funding of a Knik Arm Crossing project reserve in order for construction to proceed rapidly and for the state to realize the full economic benefit of the bridge, through construction jobs, better access to industrial, commercial and residential land, increased activity at Port MacKenzie, and the first step toward accessing the rich natural resources in the western Kenai Peninsula Borough lands across Cook Inlet.

PASSED AND APPROVED by a duly constituted quorum of Board of Directors of the Big Lake Chamber of Commerce this 20th day of March, 2013.

Ina Mueller, President, Big Lake Chamber of Commerce

ATTEST:

3/20/13 Treasurer, 3013