



Alaska Department of Transportation & Public Facilities

Senate Finance Committee Knik Arm Crossing

Presented by: Judy Dougherty, KAC Director
February 26, 2015



Overview

Public Finance Plan Review

- Flow of Funds

Project Development Activities

- Environmental
- Right of Way
- Utilities
- New Socioeconomic Study
- New Traffic and Toll Revenue Study
- FHWA Major Project Requirements
- TIFIA

Public Finance Plan

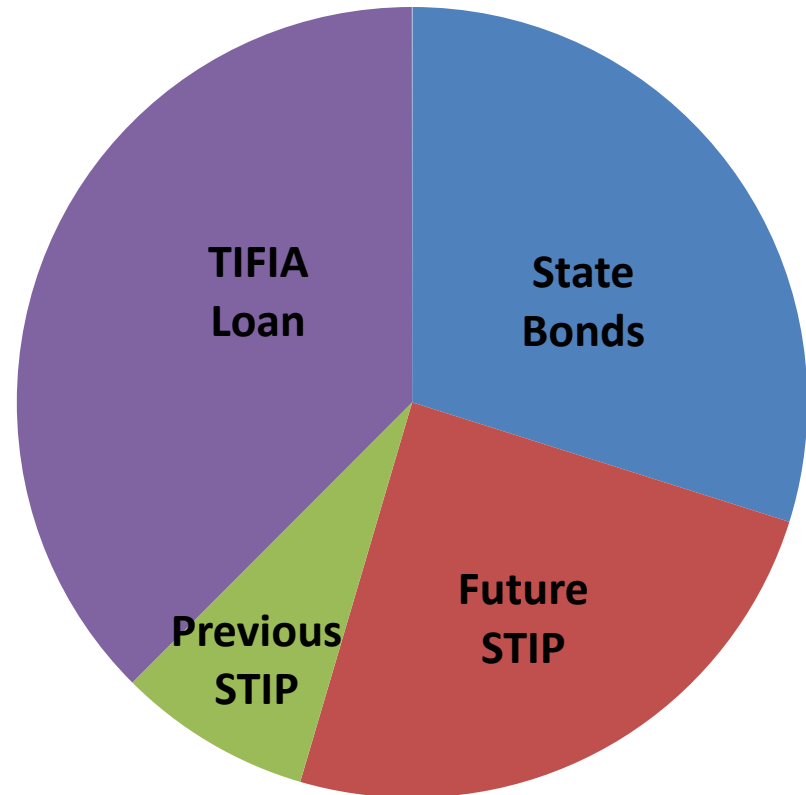
Construction Funding

\$345M TIFIA Loan

\$275M State Bonds*

\$300M STIP

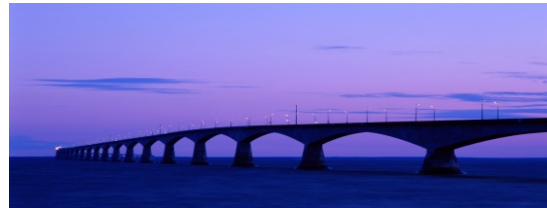
- \$73M previously appropriated



*Dependent on TIFIA loan

"Waterfall" Flow of Funds

Toll Revenues



Operation & Maintenance

TIFIA Debt Service

TIFIA Reserve Requirements

Bond Debt Service

Surplus Revenue





Project Development

Environmental/Permitting

- 2010 Record of Decision/challenge period is over
- All major permit applications submitted

Right of Way

- 86% of ROW is purchased
- All privately owned parcels purchased, remaining are ARRC, JBER, MOA and UA lands

Utilities

- Water and sewer relocation coordination



Project Development (cont.)

New Socioeconomic Study

Key Considerations include:

- MSB 2060 Futures Project
- MSB Density Build Out Study
- AMATS Anchorage Transportation System Plan Update
- 2011 Municipality of Anchorage Housing Market Analysis
- 2012 Municipality of Anchorage Commercial Lands Study
- 2014 Municipality of Anchorage Industrial Lands Study Update (in progress)



Project Development (cont.)

New Traffic and Toll Revenue Study

- Uses New Socioeconomic Data
- Additional Traffic Studies
- More Robust Analysis
- Sensitivity Testing

Draft Tolling Operations Plan

- Toll Collection Plan
- Customer Service Plan
- Violation Enforcement Plan



Project Development (cont.)

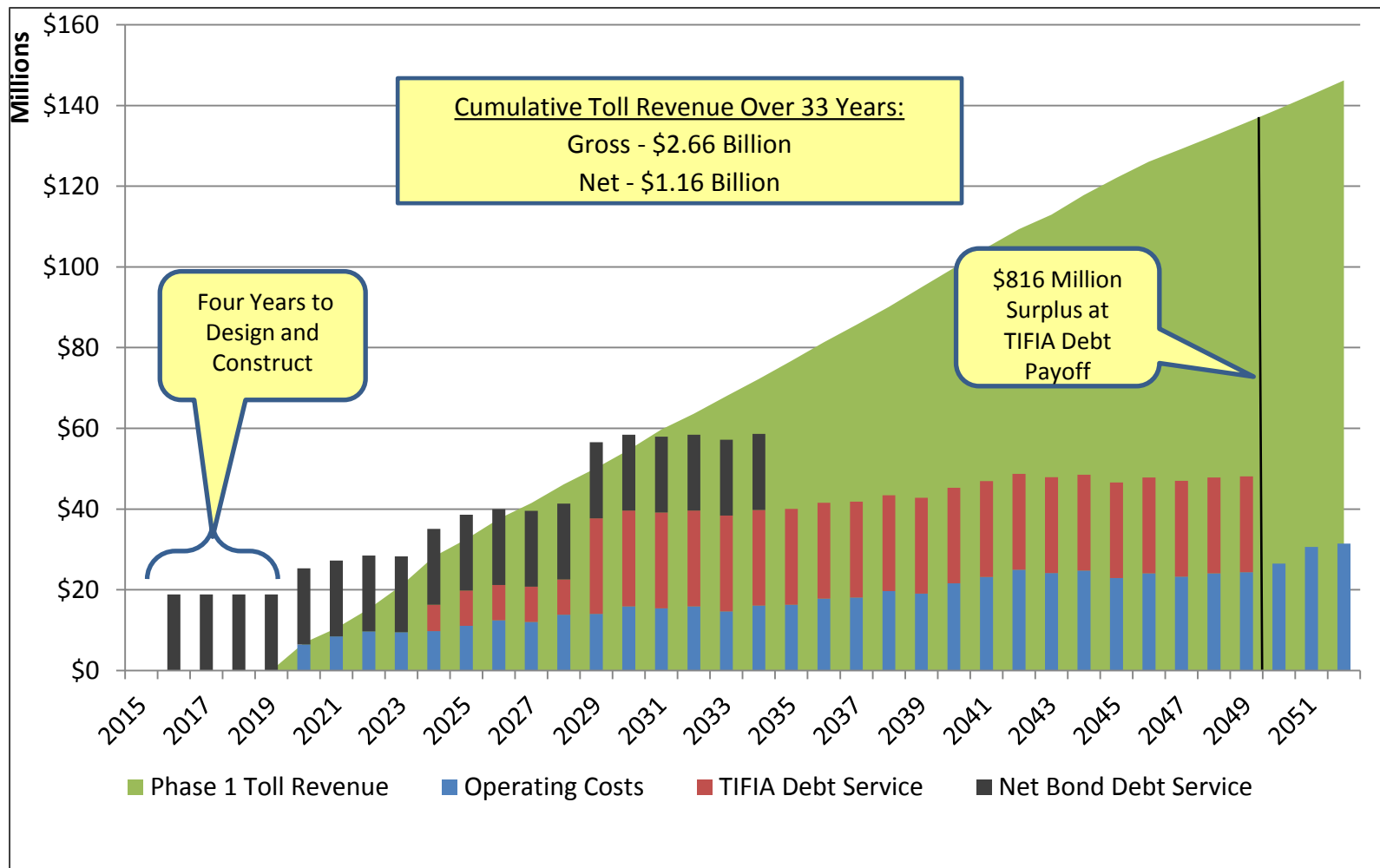
FHWA Major Project Requirements

- FHWA Cost Estimate Review
- Draft Project Management Plan
- Financial Plan

TIFIA

- KAC will now meet eligibility requirements
- Current interest rate is 2.67% (1.68% blended)
- \$19B in Lending Capacity still available

Projected Toll Revenue and Costs

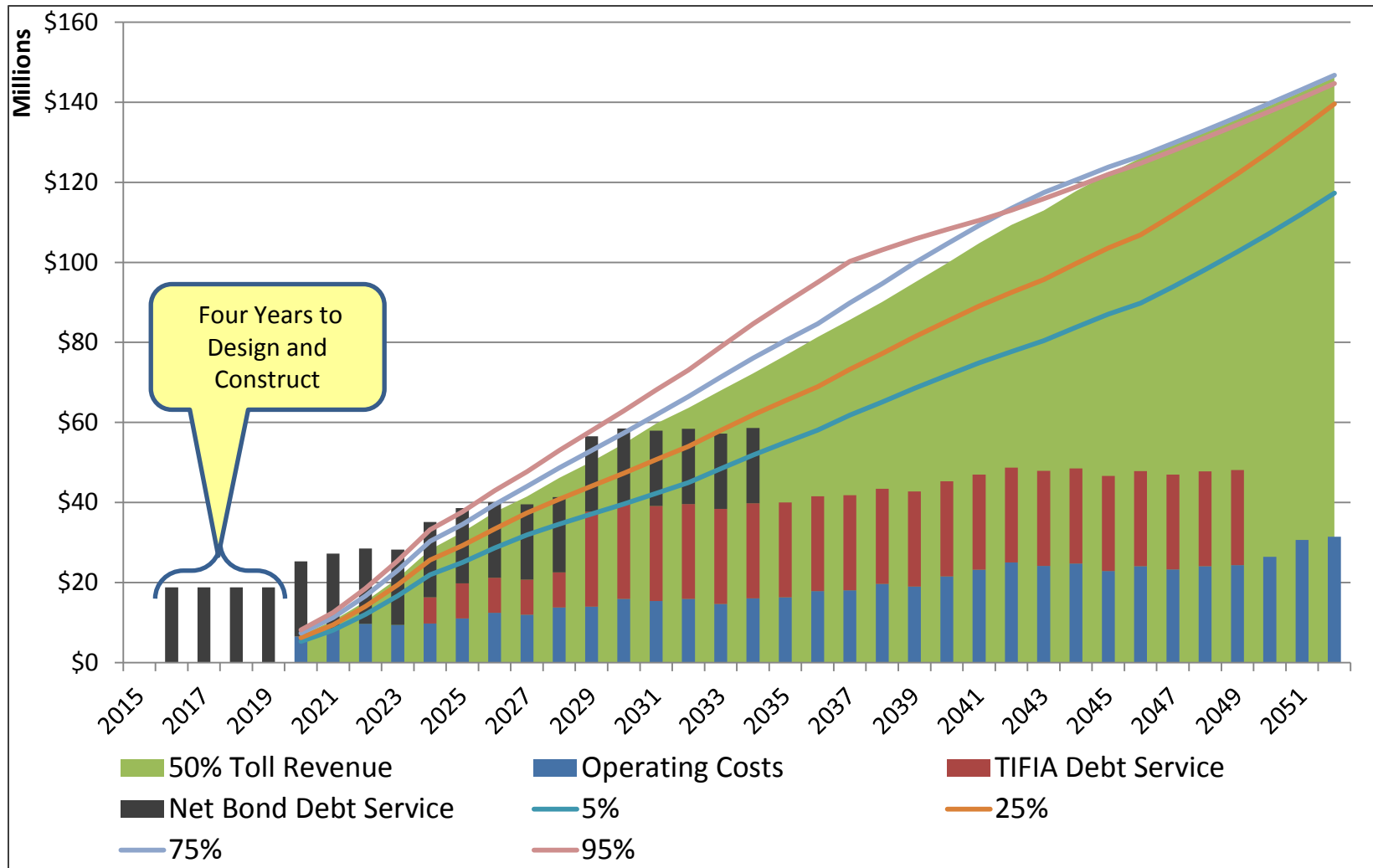




Sensitivity Tests

Variable	Scenario	Range of Annual Revenue Impacts
Socioeconomic forecasts	Low Scenario	-19.1% to -21.7%
	High Scenario	5.0% to 20.5%
Network improvements	Widen the Glenn	-5.0% to -1.2%
	Extend KAC Project to the Parks	10.0% to 2.1%
Value of time	25% lower	-2.5% to -0.4%
	25% higher	0.0% to 0.2%
Vehicle operating costs	25% lower	-2.5% to -0.6%
	25% higher	0.0% to 0.9%
Truck percentage	2% lower	-6.5% to -2.8%
	2% higher	0% to 2.8%
Vehicle size	3.2 axles/vehicle	-3.0% to -3.4%
	4.0 axles/vehicle	3.0% to 3.4%
Revenue days	297.8 days	-13.4%
	355.0 days	6.1%

Effect of Sensitivities on Revenue





TIFIA Process

Submit Letter of Interest

- Eligibility review (1-2 month)

Eligibility Approved

- Submit \$100,000

Credit Worthiness/Risk Assessment (3-4 months)

- Rating opinions
- Oral presentations

Invitation to Apply

- Submit Application
- Application Completeness Review (30 days)

Advance to Credit Council (60 days)

- Approval/Denial

Approval = Obligation of Budget Authority (**total of 7 to 9 months**)

Another 6-8 months to close the loan = lock in interest rate



Preparing for Opening

Other Considerations

- Schedule for toll rate increases
- Other fees and fines
- Commercial accounts
- Rental car companies
- Customer care issues
- Privacy issues
- Enforcement issues



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Questions?