

ALASKA STATE LEGISLATURE
SENATE TRANSPORTATION STANDING COMMITTEE

October 3, 2005

6:39 p.m.

MEMBERS PRESENT

Senator Charlie Huggins, Chair
Senator Albert Kookesh

OTHER LEGISLATORS PRESENT

Representative Carl Gatto
Representative Mark Neuman
Representative Vic Kohring

MEMBERS ABSENT

Senator Cowdery, Vice-Chair
Senator Therriault
Senator French

COMMITTEE CALENDAR

Presentation and Update by the Knik Arm Bridge and Toll Authority

PREVIOUS COMMITTEE ACTION

See Senate Transportation Minutes 2/26/05

WITNESS REGISTER

GEORGE WUERCH,
KABATA Chair
Anchorage, AK

POSITION STATEMENT: Presented Scoping Report

DALE PAULSON,
KABATA Director of Regulatory and Environmental
Anchorage, AK

POSITION STATEMENT: Presented Scoping Report

HENRY SPRINGER,
KABATA Executive Director
Anchorage, AK

POSITION STATEMENT: Presented Scoping Report

DARCIE SALMON,
KABATA Vice-Chair
Anchorage, AK

POSITION STATEMENT: Commented on Scoping Report

HAROLD WARD
Mat-Su, AK

POSITION STATEMENT: Commented on Knik Arm Bridge project

ACTION NARRATIVE

CHAIR CHARLIE HUGGINS called the Senate Transportation Standing Committee meeting to order at 6:38 PM. Senator Kookesh, Chair Huggins, Representatives Gatto, Neuman, and Kohring were present.

Update and Report on the Knik Arm Bridge & Toll Authority

CHAIR CHARLIE HUGGINS announced this is the second in a series of informational meetings regarding the Knik Arm Bridge and Toll Authority (KABATA). Former Mayor Wuerch would introduce KABATA board members who would provide an update on the project. After the presentations there would be opportunity for questions.

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GEORGE WUERCH, KABATA Chair, explained that three topics would be presented as follows:

- Overview of the status of the Knik Arm project including alternative selections and technical details by Dale Paulson, KABATA Director of Regulatory and Environmental Affairs.
- Update on the schedule of the project including the administration and delivery systems by Henry Springer, KABATA Executive Director.
- The financial plans for the project development by Mr. Wuerch.

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DALE PAULSON, KABATA Director of Regulatory and Environmental Affairs, gave a PowerPoint presentation to describe the progress of the environmental process as it relates to the following corridor alternatives:

- Mat-Su Approach Alternatives
 - Point MacKenzie Road alignment

- Northern Access Alignment
- Knik Arm Crossing Alignment
 - Southern Alignment
- Anchorage Approach Alternatives
 - Below-the-Bluff Alignment with
 - Erickson Alternative
 - Degan Alternative

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CHAIR HUGGINS said in previous years a corridor going through a military installation wouldn't have been acceptable. That's changed and accounts, in part, for the course.

MR. PAULSON agreed and said that as they went through the scoping process the military agreed to look at different roads and opportunities. As a result the Highland Road, Boniface, and Muldoon showed up during the scoping process.

He showed a slide representing projected population growth in Mat-Su and in Anchorage with and without the bridge. He indicated there would be an approximate 5,000-house shift on the Mat-Su side with the bridge. They further projected where people would live to develop a traffic network. This, he said, is the first time we've ever connected what's going on in Anchorage with what's going on in Mat-Su. The result is a model that works on both sides and will be a good tool for use in the future.

He reviewed and compared the bluff corridor on the Anchorage side and the corridor through the military installation. He pointed out that Ingrid Gambell carries more traffic than Boniface primarily because it's shorter.

He reviewed costs and complications associated with going through the military installation and also using corridors above and below-the-bluff.

He discussed problems the military had with antennae interference and how the associated costs go away for the below-the-bluff alternative.

CHAIR HUGGINS asked if all of this is on Elmendorf.

MR. PAULSON clarified that most of the below-the-bluff alternative is not on Elmendorf; on top it is on military land.

Based on the information gathered on the Anchorage side the Federal Highway Administration has determined that below-the-bluff alternatives will be carried forward for detailed analysis.

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REPRESENTATIVE CARL GATTO questioned why the military expressed concern about antennae because the bridge doesn't have towers.

MR. PAULSON said there is less interference if the bridge is farther away and the road is located below the antennae line of sight.

He reviewed the Mat-Su side of the bridge. They're looking at a northern corridor in the port area because that location would be less disruptive to port operations and the ferry. He also reviewed the Willow connector and how the different alternatives might reduce congestion.

CHAIR HUGGINS commented it's difficult to make it through the Wasilla corridor to Denali in the summertime and the Willow connector would give a straight shot.

MR. PAULSON said the gravel in the area might provide the supply for the road.

MR. PAULSON concluded his comments. They began to seriously put the EIS together this year and the record of decision (ROD) should come out next year. After that they would move into phase 3 and Mr. Springer would carry that discussion.

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DARCIE SALMON, KABATA Vice-Chair, pointed out that with or without the bridge the Point MacKenzie Road would require upgrades.

CHAIR HUGGINS stated that to get from one side of Knik Arm to the other is one thing and having infrastructure connectivity is another. As Alaskans it's our job to make sure it works and it's not just a bridge with insufficient road networks on either side, he said.

UNIDENTIFIED SPEAKER asked about the South Big Lake Road.

MR. PAULSON said they understand that the borough plans to continue to develop the Big Lake Road and connect into the Parks Highway.

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REPRESENTATIVE GATTO asked about the status of the ferry.

MR. PAULSON said it should be ready for service in about a year, which would help during construction.

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REPRESENTATIVE GATTO referenced Hurricane Katrina and asked for a comment on the feasibility of transferring bridge money to Louisiana.

MR. PAULSON explained that Congressman Young has made it clear that to use gas taxes for hurricane relief would require congressional action and he doesn't believe that would happen.

REPRESENTATIVE GATTO asked if this is entirely gas tax money.

MR. PAULSON said yes.

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HENRY SPRINGER, KABATA Executive Director, said their data shows they will be finished with the environmental impact statement process by mid 2006. He pointed out that for everything to run on schedule the finances and the timing of the finances are of key importance. Don't forget, he said, the \$230 million that Congress allocated for the project is spread over 5 years.

To bring the project in within time and budget he said he likes to work backwards. He's told the ribbon will be cut in 2010 and he estimates it will take between three and four years for pure bridge construction.

REPRESENTATIVE NEUMAN asked if the bridge would include a rail corridor or just the road.

MR. SPRINGER said his understanding is that they are not accommodating a railroad on the bridge and won't include a railroad on the bridge for design purposes. But they will use alignment and geometrics that allow the use and construction of a railroad bridge along side in that corridor. However, there is

the possibility of including provisions for a light rail in the design. This would be economical in the design stage and advantageous in the future.

REPRESENTATIVE NEUMAN said he would assume any highway corridor would also include a rail corridor.

MR. SPRINGER agreed that the right-of-way corridors are wide enough to accommodate future needs.

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MR. SPRINGER described the delivery system.

First he discussed the administration and management of the project. One scenario is to have this be one large project. The Federal Highway Administration prefers this designation but it entails a great deal of red tape and bureaucracy. It also depends on how the funding comes together. Currently one third of the money is federal and the rest will come from other sources. It's difficult to home in on a delivery system when some of the key aspects are unknown such as when the different funds come on line and what strings are attached to those funds.

Second he described the implications of funding. One issue is how to ensure that Alaska labor forces are included in the project. It might be difficult for small contractors to participate but they are looking for mechanisms to accommodate that.

It might be advantageous to break the project into two, three or four separate projects. Some areas will be ready to start sooner than others and equipment availability wouldn't be such an issue.

He described procurement rules and said that to be finished by 2010 it's necessary to use an integrated process where design and construction are meshed. That means multiple phases of a project can be worked at once to shorten the time span. That works well if project management and the contractor and the designer work well together. However, experience has shown that this results in cost overruns because day-to-day control is shaky.

Because of cash flow there is now a new system called design built financed or private/public participation approaches. The contractor advances the funding and when the money comes

available the contractor receives payment. That's an attractive way to deal with a cash flow problem. Of course there is interest built into the equation but it's a process that is becoming more common particularly with quasi-independent public works projects such as toll facilities.

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MR. SPRINGER concluded that this is all doable but to finish by 2010 it will be necessary to agree on a suitable delivery system by the first quarter of 2006.

REPRESENTATIVE GATTO commended KABATA for looking after the small businessperson.

CHAIR HUGGINS asked for verification that if the project were left as one then outside organizations would accomplish the task

MR. SPRINGER agreed that not many outfits could handle the project in its entirety.

REPRESENTATIVE NEUMAN asked if there's enough gravel on the Port Mackenzie side for the approaches.

MR. SPRINGER replied they aren't in that stage yet but because it's mostly glacial moraine there's probably enough.

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GEORGE WUERCH, Chairman, KABTA, noted the draft EIS and highlighted the projected timeframes.

He presented the following summary of the financing:

The target is \$600 million. The transportation bill provided \$230 million. \$100 million may be borrowed from Wall Street and \$100 million may be borrowed from the Federal Highway Administration loan program. Alaska's match for the federal grant is 9% and that amounts to about \$20 million in general fund.

MR. WUERCH said they would approach the Legislature for approval of the federal match and for the authority to sell bonds for the balance. He said it could be as high as \$160 million, but they would work with the Administration.

REPRESENTATIVE GATTO questioned how exposed the state is to default on those bonds.

MR. WUERCH replied by law not at all. It's up to the toll authority to create the revenue stream to repay the debt. He explained that the goal is to create a situation in which the \$200 million has to be paid back and the rest is equity and doesn't require repayment. They're pursuing the federal highway money because the federal law that created the program is authorized to defer payment of principle and interest until five years after the project is completed.

He said KABATA would deliver its annual report no later than the third day of the next legislative session.

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SENATOR ALBERT KOOKESH asked if they anticipate any EIS problems.

MR. WUERCH replied they've been fortunate and explained that they approached the project like a mining project rather than a highway project.

SENATOR KOOKESH asked if any environmental lawsuits are on the horizon.

MR. WUERCH replied he couldn't identify any specific issue or reason for a lawsuit.

CHAIR HUGGINS made three points:

- The KABATA process has been public, forthright and deliberate.
- If information wasn't available at a meeting KABATA made an attempt to provide the information.
- The 3 presenters have done an outstanding job and they represent Alaskans very well.

CHAIR HUGGINS opened the meeting to a short question and comment session.

CHAIR HUGGINS announced he would call a meeting between DOT and Mat-Su to look at the total road infrastructure and mesh the perspectives.

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REPRESENTATIVE GATTO said the last Legislature appropriated \$6 million for the Point MacKenzie Road and \$2 million was appropriated to look at alternate access corridors.

CHAIR HUGGINS said the people of Mat-Su deserve an answer about the projected infrastructure demands.

SENATOR KOOKESH said he appreciates the presentation and is now more comfortable and will be able to make a more informed decision.

MR. WUERCH said he believes this the right thing to do and if it can't be done now then it's problematic that it will ever get done.

CHAIR HUGGINS commented even though people don't live in the area they understand the rational.

HAROLD WARD remarked that he believes this is an important project and the people in Wasilla are just a minor part in the entire scope.

There being no further business to come before the committee, Chair Huggins adjourned the meeting at [8:04:49 PM](#).