

HB

23

<TARGET><BILL>HB 23</BILL><SUBJECT>HB
23</SUBJECT><COMM>HFIN28</COMM></TARGET>

HOUSE COMMITTEE REPORT

(11)

Date Referred to Committee: March 22, 2013

FURTHER REFERRALS:

Date of Committee Action: 4-2-13

The FINANCE Committee considered:

HB 23

HOUSE BILL NO. 23

"An Act relating to bonds of the Knik Arm Bridge and Toll Authority; relating to reserve funds of the authority; relating to taxes and assessments on a person that is a party to an agreement with the authority; and establishing the Knik Arm Crossing fund."

HB 23-KNIK ARM BRIDGE AND TOLL AUTHORITY

Recommends it be replaced with HCS or CS for HB 23 (FIN)
 For Senate Bills with new title: Technical Title New Title: HCR Same Title New Title

- attach amendments
- add new referral to _____ Committee
- Letter of Intent _____ Committee

List of Abbrev for Depts.:
 ADM
 CED
 COR
 CRT
 EED
 DEC
 DFG
 GOV
 DHS
 LWF
 LAW
 LEG
 MVA
 DNR
 DPS
 REV
 DOT
 UA

<u>NEW FISCAL NOTES</u>				
*FN# is assigned by Chief Clerk's Office				
*FN#	List by Dept(s):	Fiscal	Indet.	Zero
	DOT	✓		
	REV			✓

<u>PREVIOUS FISCAL NOTES</u>				
FN#	List by Dept(s):	Fiscal	Indet.	Zero

<u>Signing with recommendations</u>	Printed Last Name	DP	DNP	NR	AM
(alternate)	Thompson				X
	Edmon				X
	Munoz				X
	Thompson			✓	
	Edmon				X
	T. Wilson	✓			
	Costello				X
	Costello				X
Chair:	Stoltze	X			

Fiscal Note

State of Alaska
2013 Legislative Session

Bill Version: HB 23
Fiscal Note Number: _____
() Publish Date: _____

Identifier: CSHB023-DOT-KABATA-4-1-13
Title: KNIK ARM BRIDGE AND TOLL AUTHORITY
Sponsor: NEUMAN, HUGHES
Requester: House Transportation Committee

Department: Department of Transportation and Public Facilities
Appropriation: Design, Engineering and Construction
Allocation: Knik Arm Bridge/Toll Authority
OMB Component Number: 2715

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2014	Included in	Out-Year Cost Estimates				
	Appropriation Requested	Governor's FY2014 Request	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
OPERATING EXPENDITURES	FY 2014	FY 2014					
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Fund Source (Operating Only)

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues							
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Estimated SUPPLEMENTAL (FY2013) cost: 0.0

Estimated CAPITAL (FY2014) cost: 10,000.0

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No
If yes, by what date are the regulations to be adopted, amended or repealed?

Why this fiscal note differs from previous version:

This updated version reflects changes made in the most recent committee substitute of the bill.

Prepared By: Michael Rovito, Legislative Liaison
Division: KABATA
Approved By: Andrew Niemiec, Executive Director
KABATA

Phone: (907)269-6698
Date: 04/01/2013 09:00 AM
Date: 04/01/13

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2013 LEGISLATIVE SESSION

BILL NO. HB 23 _____

Analysis

This bill will increase KABATA's bond issuance authority from \$500 million to \$600 million; it will clarify that the Knik Arm Crossing facility is exempt from local property taxes while operated by a private entity on behalf of the state; and it will establish a project reserve and detail the operation of the reserve.

Increase in Bonding Authority to \$600 million

- Increase to match \$600 million in federal Private Activity Bond (PABs) capacity allocated to the project.
- PABs require a public entity to act as conduit issuer for the private borrower.
- Any PABs issued are a liability of the private partner, not the State.

Property Tax Clarification

- Clarifies that the bridge and associated connectors are not subject to property taxes if operated by a private partner on behalf of the state (the facility is already exempt if operated by the state.)
- Any private facilities of the developer not serving the public transportation purpose remain subject to property tax.

Project Reserve.

- Location where toll revenue, appropriations and other funds are deposited.
- Establishes the Department of Revenue as the fiduciary to hold the appropriation until the agreement is executed.
- Requires annual reporting to the legislature and Governor on the status of the reserve fund and provides process for replenishment subject to appropriation.
- The CS for HB 23 terminates the duty of the chair to report the amount needed for replenishment of the fund, if any, upon the cumulative appropriation to the Authority, after January 1, 2013, of \$1,140,000,000.

A \$10 million appropriation item in the Capital Budget meant for the proposed reserve established by this bill is not a capital cost associated with this legislation.

Passage of this bill will have no fiscal impact to the Knik Arm Bridge and Toll Authority.

Fiscal Note

State of Alaska
2013 Legislative Session

Bill Version: HB 23
Fiscal Note Number: _____
() Publish Date: _____

Identifier: HB023CS(FIN)-DOR-TRS-04-02-13
Title: KNIK ARM BRIDGE AND TOLL AUTHORITY
Sponsor: NEUMAN, HUGHES
Requester: (H) FIN

Department: Department of Revenue
Appropriation: Taxation and Treasury
Allocation: Treasury Division
OMB Component Number: 121

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2014	Included in	Out-Year Cost Estimates				
	Appropriation Requested	Governor's FY2014 Request	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
OPERATING EXPENDITURES	FY 2014	FY 2014					
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Fund Source (Operating Only)

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues							
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Estimated SUPPLEMENTAL (FY2013) cost: 0.0

Estimated CAPITAL (FY2014) cost: 0.0

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No
If yes, by what date are the regulations to be adopted, amended or repealed?

Why this fiscal note differs from previous version:

Updated version due to CS in House Finance.

Prepared By:	Scott Jones, Assistant Comptroller	Phone:	(907)465-2348
Division:	Treasury	Date:	04/02/2013 12:00 PM
Approved By:	Angela Rodell	Date:	04/02/13
	Deputy Commissioner, DOR		

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2013 LEGISLATIVE SESSION

BILL NO. CSHB 13 (FIN)

Analysis

This bill would create an Knik Arm Crossing fund in the general fund. This fund would be one of many non-segregated funds that are invested alongside other funds in the GeFonsi and therefore no additional costs would be incurred by Treasury.

This bill creates a limited moral obligation for the State of Alaska. Revenue derived by the authority, appropriations and other money made available will be deposited into the Knik Arm Crossing Fund and used for the payment of monetary obligations, liabilities and indebtedness of the authority. To the extent the balance in the fund is below the fund requirement, the authority will be required to come to the legislature and ask for an appropriation in the amount of the shortfall.

CS FOR HOUSE BILL NO. 23(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-EIGHTH LEGISLATURE - FIRST SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered:

Referred:

Sponsor(s): REPRESENTATIVES NEUMAN AND HUGHES, Keller

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to bonds of the Knik Arm Bridge and Toll Authority; relating to
2 reserve funds of the authority; relating to taxes and assessments on a person that is a
3 party to an agreement with the authority; and establishing the Knik Arm Crossing
4 fund."

5 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

6 * **Section 1.** AS 19.75.211(a) is repealed and reenacted to read:

7 (a) Notwithstanding any other provision of law, the authority may borrow
8 money and issue and refund bonds on which the principal and interest are paid out of
9 and secured by

10 (1) the gross revenue derived by the authority from the ownership, use,
11 and operation of its toll facilities, including money derived from the fees, rents, tolls,
12 rates, charges, and other revenue of the authority under this chapter;

13 (2) revenue received by a private person or enterprise that has entered
14 into a public-private partnership agreement with the authority; or

1 (3) any other revenue or money that the legislature has appropriated
2 for that purpose, except a state tax or license.

3 * **Sec. 2.** AS 19.75.211(c) is amended to read:

4 (c) The authority may issue bonds in an aggregate amount not to exceed
5 \$600,000,000 [\$500,000,000], plus the cost of issuance.

6 * **Sec. 3.** AS 19.75.211 is amended by adding a new subsection to read:

7 (e) Before issuing bonds for the Knik Arm bridge under this section, the
8 authority shall submit to the state bond committee a description of the bond issue, a
9 copy of the resolution of the board of directors of the authority supporting the bond
10 issue, a report setting out the sources and amounts of revenue that will be used for
11 payment of the principal of and interest on the bonds and the effect the issuance of the
12 bonds by the authority would have on the ability of the state or political subdivision of
13 the state to market bonds, and a preliminary prospectus, offering circular, or official
14 statement relating to the bond issue. Bonds may not be issued unless the state bond
15 committee finds, based on the information submitted by the authority under this
16 section and other information that is reasonably available to or requested by the
17 committee, that either the Knik Arm bridge revenue and other revenue available to the
18 authority or the revenue of the private person or enterprise under a public-private
19 partnership agreement entered into by the authority under AS 19.75.111(a) can be
20 reasonably expected to be adequate for payment of the principal of and interest on the
21 bonds to be issued and that issuance of the bonds by the authority would not be
22 expected adversely to affect the ability of the state or its political subdivisions to
23 market bonds.

24 * **Sec. 4.** AS 19.75.221(h) is amended to read:

25 (h) Notwithstanding any other provision of law, the authority may establish
26 other funds and reserves as the board of directors may determine reasonable and
27 prudent for the issuance of bonds or for the conduct of the business and affairs of the
28 authority. The interest earned on or profit derived from these funds and reserves shall
29 be the property of the authority. Deposits made into a reserve fund established
30 under this section must include

31 (1) revenue derived by the authority from the ownership, use, or

1 operation of toll facilities, including fees, rents, tolls, rates, charges, or other
 2 revenue of the authority;

3 (2) money that the legislature has appropriated for that purpose;
 4 and

5 (3) other money that may be made available to the authority from
 6 other sources.

7 * Sec. 5. AS 19.75.221 is amended by adding new subsections to read:

8 (i) Money in a reserve fund established under (h) of this section

9 (1) shall be used only for

10 (A) the payment of monetary obligations, liabilities, and
 11 indebtedness of the authority, including termination payment obligations,
 12 under agreements for the financing, design, construction, maintenance,
 13 improvement, or operation of facilities, properties, or projects of the authority;

14 (B) the performance of the authority's statutory functions,
 15 including the authority's overhead and administrative costs and working
 16 capital; and

17 (C) planning, permitting, design, acquisition, construction,
 18 maintenance, improvement, or operation of transportation-related projects,
 19 facilities, properties, systems, or equipment of the authority or other public
 20 entities, including expansions, extensions, and capacity improvements, eligible
 21 under applicable federal and state law to be funded from toll revenue;

22 (2) may not be used for the purpose of planning, permitting, design,
 23 acquisition, construction, maintenance, improvement, or operation of projects,
 24 facilities, properties, systems, or equipment under (1)(C) of this subsection if the
 25 withdrawal would reduce the amount in the reserve fund to less than the reserve fund
 26 requirement.

27 (j) Income or interest earned by, or increment to, a reserve fund established
 28 under (h) of this section, from the investment of all or part of the fund, may be
 29 transferred by the authority to other funds or accounts of the authority if the transfer
 30 does not reduce the amount of a reserve fund below the reserve fund requirement.

31 (k) In computing the amount of a reserve fund established under (h) of this

1 section, securities in which all or a portion of the fund is invested shall be valued by a
 2 reasonable method established by the authority by resolution or established by the
 3 terms of the agreement for which the fund serves as security. Valuation must include
 4 the amount of interest earned or accrued as of the date of the valuation.

5 (l) The chair of the board shall annually, not later than December 1, certify in
 6 writing to the governor and the legislature the amount, if any, required to restore a
 7 reserve fund established under (h) of this section to the reserve fund requirement. The
 8 legislature may appropriate to the authority the amount certified by the chair of the
 9 board that is needed to restore a reserve fund to the reserve fund requirement. The
 10 duty of the chair of the board to report annually to the governor and the legislature
 11 terminates upon the cumulative appropriation to the authority, after January 1, 2013,
 12 of \$1,140,000,000.

13 (m) In this section, "reserve fund requirement" means the amount required to
 14 be on deposit in a reserve fund established under (h) of this section as of the date of
 15 computation, as determined by resolution of the authority or by the terms of the
 16 agreement for which the fund serves as security.

17 * Sec. 6. AS 19.75.261 is amended to read:

18 **Sec. 19.75.261. Exemption from taxation.** The real and personal property of
 19 the authority and its assets, income, and receipts are declared to be the property of a
 20 political subdivision of the state and are exempt from all taxes and special assessments
 21 of the state or a political subdivision of the state. **Notwithstanding any law to the**
 22 **contrary, rights and interests in real and personal property, assets, income, and**
 23 **receipts, including concession, franchise, leasehold, or other real or personal**
 24 **property rights and interests, held by a private person or enterprise under a**
 25 **public-private partnership agreement entered into under this chapter, except any**
 26 **rights and interests of the private person in property serving a business,**
 27 **commercial, or other purpose not necessary to operate the facilities, properties,**
 28 **or projects of the authority, shall be exempt from all ad valorem taxes on real or**
 29 **personal property and special property tax assessments of the state or a political**
 30 **subdivision of the state.** All bonds of the authority are declared to be issued by a
 31 political subdivision of the state and for an essential public and governmental purpose.

1 The bonds, the interest on the bonds, the income from the bonds and the transfer of the
 2 bonds, and all assets, income, and receipts pledged to pay or secure the payment of the
 3 bonds or interest on the bonds are, at all times, exempt from taxation by or under the
 4 authority of the state, except for inheritance and estate taxes and taxes on transfers by
 5 or in contemplation of death. Nothing in this section affects or limits an exemption
 6 from license fees, property taxes, or excise, income, or other taxes provided under any
 7 other law [, NOR DOES IT CREATE A TAX EXEMPTION WITH RESPECT TO
 8 THE INTEREST OF ANY BUSINESS ENTERPRISE OR OTHER PERSON,
 9 OTHER THAN THE AUTHORITY, IN ANY PROPERTY, ASSETS, INCOME,
 10 RECEIPTS, PROJECT, OR LEASE, REGARDLESS OF WHETHER FINANCED
 11 UNDER THIS CHAPTER].

12 * **Sec. 7.** AS 19.75 is amended by adding a new section to article 2 to read:

13 **Sec. 19.75.345. Knik Arm Crossing fund.** (a) The Knik Arm Crossing fund is
 14 established as a separate fund in the general fund. The fund consists of

15 (1) money appropriated to the fund by the legislature;

16 (2) gifts, bequests, contributions from other sources, and federal
 17 money appropriated to the fund;

18 (3) interest earned on the fund balance and appropriated to the fund;

19 and

20 (4) investments, to be managed by the Department of Revenue, which
 21 shall be the fiduciary of the fund under AS 37.10.071.

22 (b) The fund is not a dedicated fund.

23 (c) Money in the fund may be transferred by the Department of Revenue to the
 24 authority for the purposes listed in this section.

25 (d) On a date determined by the authority, but not before the board of directors
 26 of the authority executes a public-private partnership agreement under
 27 AS 19.75.111(a)(5)(B) for design, construction, and maintenance of the Knik Arm
 28 Crossing, the Department of Revenue shall transfer money from the fund to the
 29 authority in an amount necessary to meet the reserve fund requirement. The authority
 30 shall deposit the money into the reserve fund established in AS 19.75.221(h).

Filed

28-LS0141A.16
Martin
3/29/13

AMENDMENT #4

OFFERED IN THE HOUSE

BY REPRESENTATIVE COSTELLO

TO: HB 23

1 Page 1, line 2, following "Authority;":

2 Insert "requiring legislative approval of a financial plan before the authority may
3 issue bonds or enter into a public-private agreement for construction of the Knik Arm
4 bridge or appurtenant facilities;"

5

6 Page 1, following line 5:

7 Insert new bill sections to read:

8 **** Section 1.** AS 19.75.111(a) is amended to read:

9 (a) Except as otherwise explicitly made applicable to the authority, the
10 performance of the authority's duties and the exercise of its powers, including its
11 powers to issue bonds and otherwise incur debt, shall be governed exclusively by this
12 chapter. In furtherance of its purposes, the authority may

13 (1) own, acquire, construct, develop, create, reconstruct, equip,
14 operate, maintain, extend, and improve the Knik Arm bridge and its appurtenant
15 facilities;

16 (2) sue and be sued;

17 (3) adopt a seal;

18 (4) adopt, amend, and repeal regulations under AS 44.62 and establish
19 bylaws;

20 (5) make and execute agreements, contracts, and all other instruments
21 with any public or private person, governmental unit or agency, corporation, or other
22 business entity lawfully conducting business in the United States for the exercise of its
23 powers and functions under this chapter and for the financing, design, construction,

1 maintenance, improvement, or operation of facilities, properties, or projects of the
2 authority, including making and executing contracts with any person, firm,
3 corporation, governmental agency, or other entity for the purpose of

4 (A) incurring indebtedness, obtaining investments in the
5 authority's projects, acquiring or granting lump sum payments for services in
6 advance or in arrears, grants, and other financing; and

7 (B) entering into public-private partnerships or service
8 contracts in any form; **the authority may not enter into a partnership or**
9 **contract for construction of the Knik Arm bridge unless the authority has**
10 **obtained the approval of the legislature of a financial plan as provided in**
11 **(c) of this section;**

12 (6) in its own name acquire, lease, rent, sell, or convey real and
13 personal property;

14 (7) issue and refund bonds in accordance with this chapter, in order to
15 pay the cost of the Knik Arm bridge and its appurtenant facilities; the authority may
16 also secure payment of the bonds as provided in this chapter;

17 (8) incur other indebtedness, including lines of credit and indebtedness
18 to the Federal Highway Administration, United States Department of Transportation,
19 under 23 U.S.C. 601 - 610 (Transportation Infrastructure Finance and Innovation Act
20 of 1998), as amended, and secure that indebtedness as provided in this chapter;

21 (9) apply for and accept gifts, grants, or loans from a federal agency or
22 an agency or instrumentality of the state, or from a municipality, private organization,
23 or other source, including obtaining title to state, local government, or privately owned
24 land, directly or through a department of the state having jurisdiction of the land;

25 (10) fix and collect fees, rents, tolls, rates, or other charges for the use
26 of the Knik Arm bridge and appurtenant facilities, or for a service developed,
27 operated, or provided by the authority; notwithstanding AS 37.10.050(a), fees, rents,
28 tolls, rates, and other charges fixed and collected under this paragraph may exceed the
29 actual operating cost of the use of the bridge, facility, or service;

30 (11) bring civil actions, refer criminal actions to the appropriate
31 authority, and take other actions or enter into agreements with law enforcement and

1 collection agencies to enforce the collection of its fees, rents, tolls, rates, other
2 charges, penalties, and other obligations;

3 (12) pledge, encumber, transfer, or otherwise obligate revenue derived
4 by the authority from the ownership, use, or operation of toll facilities, including fees,
5 rents, tolls, rates, charges, or other revenue of the authority or money that the
6 legislature may appropriate, except a state tax or license, as security for bonds or other
7 indebtedness or agreements of the authority;

8 (13) deposit or invest its funds, subject to agreements with
9 bondholders;

10 (14) procure insurance against any loss in connection with its
11 operation;

12 (15) contract for and engage the services of consultants, experts, and
13 financial and technical advisors that the authority considers necessary for the exercise
14 of its powers and functions under this chapter;

15 (16) apply for, obtain, hold, and use permits, licenses, or approvals
16 from appropriate agencies of the state, the United States, a foreign country, and any
17 other proper agency in the same manner as any other person;

18 (17) perform reconnaissance studies and engineering, survey, and
19 design studies with respect to the Knik Arm bridge and its appurtenant facilities;

20 (18) exercise powers of eminent domain or file a declaration of taking
21 as necessary for the Knik Arm bridge and appurtenant facilities under AS 09.55.240 -
22 09.55.460 to acquire land or an interest in land; the authority's exercise of powers
23 under this paragraph may not exceed the permissible exercise of those powers by the
24 state;

25 (19) confer with municipal and other governments, metropolitan
26 planning organizations, and the department, concerning the Knik Arm bridge;

27 (20) do all acts and things necessary to carry out the powers expressly
28 granted or necessarily implied in this chapter; nothing in this chapter limits the powers
29 of the authority that are expressly granted or necessarily implied.

30 * **Sec. 2.** AS 19.75.111 is amended by adding a new subsection to read:

31 (c) The authority may not enter into a public-private partnership or service

1 contract for construction of the Knik Arm bridge or appurtenant facilities unless the
2 authority submits to the legislature a financial plan including all projected
3 construction, maintenance, and operation costs for the first 40 years of the project and
4 the financial plan has been approved by the legislature by law."
5

6 Page 1, line 6:

7 Delete "**Section 1**"
8 Insert "**Sec. 3**"
9

10 Renumber the following bill sections accordingly.
11

12 Page 2, line 6:

13 Delete "a new subsection"
14 Insert "new subsections"
15

16 Page 2, lines 6 - 23:

17 Delete all material and insert:

18 **** Sec. 5.** AS 19.75.211 is amended by adding new subsections to read:

19 (e) Before issuing bonds for the Knik Arm bridge under this section, the
20 authority shall submit to the state bond committee a description of the bond issue, a
21 copy of the resolution of the board of directors of the authority supporting the bond
22 issue, a report setting out the sources and amounts of revenue that will be used for
23 payment of the principal of and interest on the bonds and the effect the issuance of the
24 bonds by the authority would have on the ability of the state or political subdivision of
25 the state to market bonds, and a preliminary prospectus, offering circular, or official
26 statement relating to the bond issue.

27 (f) Bonds may not be issued unless

28 (1) the state bond committee finds, based on the information submitted
29 by the authority under this section and other information that is reasonably available to
30 or requested by the committee, that either the Knik Arm bridge revenue and other
31 revenue available to the authority or the revenue of the private person or enterprise

1 under a public-private partnership agreement entered into by the authority under
2 AS 19.75.111(a) can be reasonably expected to be adequate for payment of the
3 principal of and interest on the bonds to be issued and that issuance of the bonds by
4 the authority would not be expected adversely to affect the ability of the state or its
5 political subdivisions to market bonds; and

6 (2) the authority submits to the legislature a financial plan including all
7 projected construction, maintenance, and operation costs for the first 40 years of the
8 project and the financial plan has been approved by the legislature by law."

2013 HOUSE FINANCE COMMITTEE VOTE SHEET

Failed

DATE: _____

Amendment: 4

MEMBER	Favor	Oppose
REP. THOMPSON		✓
REP. WILSON		✓
REP. COSTELLO	✓	
REP. EDGMON	✓	
REP. GARA	✓	
<i>Kawasaki</i> REP. GUTTENBERG	✓	
REP. HOLMES		✓
REP. MUNOZ	✓	
REP. NEUMAN		✓
REP. STOLTZE		✓
REP. AUSTERMAN		

YEA 5

NAY 5

Adopted 4.2.13

28-LS0141\O
Martin
4/2/13

CS FOR HOUSE BILL NO. 23(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-EIGHTH LEGISLATURE - FIRST SESSION

BY THE HOUSE FINANCE COMMITTEE

**Offered:
Referred:**

Sponsor(s): REPRESENTATIVES NEUMAN AND HUGHES, Keller

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to bonds of the Knik Arm Bridge and Toll Authority; relating to**
2 **reserve funds of the authority; relating to taxes and assessments on a person that is a**
3 **party to an agreement with the authority; and establishing the Knik Arm Crossing**
4 **fund."**

5 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

6 *** Section 1.** AS 19.75.211(a) is repealed and reenacted to read:

7 (a) Notwithstanding any other provision of law, the authority may borrow
8 money and issue and refund bonds on which the principal and interest are paid out of
9 and secured by

10 (1) the gross revenue derived by the authority from the ownership, use,
11 and operation of its toll facilities, including money derived from the fees, rents, tolls,
12 rates, charges, and other revenue of the authority under this chapter;

13 (2) revenue received by a private person or enterprise that has entered
14 into a public-private partnership agreement with the authority; or

1 (3) any other revenue or money that the legislature has appropriated
2 for that purpose, except a state tax or license.

3 * **Sec. 2.** AS 19.75.211(c) is amended to read:

4 (c) The authority may issue bonds in an aggregate amount not to exceed
5 \$600,000,000 [\$500,000,000], plus the cost of issuance.

6 * **Sec. 3.** AS 19.75.211 is amended by adding a new subsection to read:

7 (e) Before issuing bonds for the Knik Arm bridge under this section, the
8 authority shall submit to the state bond committee a description of the bond issue, a
9 copy of the resolution of the board of directors of the authority supporting the bond
10 issue, a report setting out the sources and amounts of revenue that will be used for
11 payment of the principal of and interest on the bonds and the effect the issuance of the
12 bonds by the authority would have on the ability of the state or political subdivision of
13 the state to market bonds, and a preliminary prospectus, offering circular, or official
14 statement relating to the bond issue. Bonds may not be issued unless the state bond
15 committee finds, based on the information submitted by the authority under this
16 section and other information that is reasonably available to or requested by the
17 committee, that either the Knik Arm bridge revenue and other revenue available to the
18 authority or the revenue of the private person or enterprise under a public-private
19 partnership agreement entered into by the authority under AS 19.75.111(a) can be
20 reasonably expected to be adequate for payment of the principal of and interest on the
21 bonds to be issued and that issuance of the bonds by the authority would not be
22 expected adversely to affect the ability of the state or its political subdivisions to
23 market bonds.

24 * **Sec. 4.** AS 19.75.221(h) is amended to read:

25 (h) Notwithstanding any other provision of law, the authority may establish
26 other funds and reserves as the board of directors may determine reasonable and
27 prudent for the issuance of bonds or for the conduct of the business and affairs of the
28 authority. The interest earned on or profit derived from these funds and reserves shall
29 be the property of the authority. Deposits made into a reserve fund established
30 under this section must include

31 (1) revenue derived by the authority from the ownership, use, or

1 operation of toll facilities, including fees, rents, tolls, rates, charges, or other
2 revenue of the authority;

3 (2) money that the legislature has appropriated for that purpose;

4 and

5 (3) other money that may be made available to the authority from
6 other sources.

7 * Sec. 5. AS 19.75.221 is amended by adding new subsections to read:

8 (i) Money in a reserve fund established under (h) of this section

9 (1) shall be used only for

10 (A) the payment of monetary obligations, liabilities, and
11 indebtedness of the authority, including termination payment obligations,
12 under agreements for the financing, design, construction, maintenance,
13 improvement, or operation of facilities, properties, or projects of the authority;

14 (B) the performance of the authority's statutory functions,
15 including the authority's overhead and administrative costs and working
16 capital; and

17 (C) planning, permitting, design, acquisition, construction,
18 maintenance, improvement, or operation of transportation-related projects,
19 facilities, properties, systems, or equipment of the authority or other public
20 entities, including expansions, extensions, and capacity improvements, eligible
21 under applicable federal and state law to be funded from toll revenue;

22 (2) may not be used for the purpose of planning, permitting, design,
23 acquisition, construction, maintenance, improvement, or operation of projects,
24 facilities, properties, systems, or equipment under (1)(C) of this subsection if the
25 withdrawal would reduce the amount in the reserve fund to less than the reserve fund
26 requirement.

27 (j) Income or interest earned by, or increment to, a reserve fund established
28 under (h) of this section, from the investment of all or part of the fund, may be
29 transferred by the authority to other funds or accounts of the authority if the transfer
30 does not reduce the amount of a reserve fund below the reserve fund requirement.

31 (k) In computing the amount of a reserve fund established under (h) of this

1 section, securities in which all or a portion of the fund is invested shall be valued by a
2 reasonable method established by the authority by resolution or established by the
3 terms of the agreement for which the fund serves as security. Valuation must include
4 the amount of interest earned or accrued as of the date of the valuation.

5 (l) The chair of the board shall annually, not later than December 1, certify in
6 writing to the governor and the legislature the amount, if any, required to restore a
7 reserve fund established under (h) of this section to the reserve fund requirement. The
8 legislature may appropriate to the authority the amount certified by the chair of the
9 board that is needed to restore a reserve fund to the reserve fund requirement. The
10 duty of the chair of the board to report annually to the governor and the legislature
11 terminates upon the cumulative appropriation to the authority, after January 1, 2013,
12 of \$1,140,000,000.

13 (m) In this section, "reserve fund requirement" means the amount required to
14 be on deposit in a reserve fund established under (h) of this section as of the date of
15 computation, as determined by resolution of the authority or by the terms of the
16 agreement for which the fund serves as security.

17 * Sec. 6. AS 19.75.261 is amended to read:

18 **Sec. 19.75.261. Exemption from taxation.** The real and personal property of
19 the authority and its assets, income, and receipts are declared to be the property of a
20 political subdivision of the state and are exempt from all taxes and special assessments
21 of the state or a political subdivision of the state. **Notwithstanding any law to the**
22 **contrary, rights and interests in real and personal property, assets, income, and**
23 **receipts, including concession, franchise, leasehold, or other real or personal**
24 **property rights and interests, held by a private person or enterprise under a**
25 **public-private partnership agreement entered into under this chapter, except any**
26 **rights and interests of the private person in property serving a business,**
27 **commercial, or other purpose not necessary to operate the facilities, properties,**
28 **or projects of the authority, shall be exempt from all ad valorem taxes on real or**
29 **personal property and special property tax assessments of the state or a political**
30 **subdivision of the state.** All bonds of the authority are declared to be issued by a
31 political subdivision of the state and for an essential public and governmental purpose.

1 The bonds, the interest on the bonds, the income from the bonds and the transfer of the
2 bonds, and all assets, income, and receipts pledged to pay or secure the payment of the
3 bonds or interest on the bonds are, at all times, exempt from taxation by or under the
4 authority of the state, except for inheritance and estate taxes and taxes on transfers by
5 or in contemplation of death. Nothing in this section affects or limits an exemption
6 from license fees, property taxes, or excise, income, or other taxes provided under any
7 other law [, NOR DOES IT CREATE A TAX EXEMPTION WITH RESPECT TO
8 THE INTEREST OF ANY BUSINESS ENTERPRISE OR OTHER PERSON,
9 OTHER THAN THE AUTHORITY, IN ANY PROPERTY, ASSETS, INCOME,
10 RECEIPTS, PROJECT, OR LEASE, REGARDLESS OF WHETHER FINANCED
11 UNDER THIS CHAPTER].

12 * **Sec. 7.** AS 19.75 is amended by adding a new section to article 2 to read:

13 **Sec. 19.75.345. Knik Arm Crossing fund.** (a) The Knik Arm Crossing fund is
14 established as a separate fund in the general fund. The fund consists of

15 (1) money appropriated to the fund by the legislature;

16 (2) gifts, bequests, contributions from other sources, and federal
17 money appropriated to the fund;

18 (3) interest earned on the fund balance and appropriated to the fund;

19 and

20 (4) investments, to be managed by the Department of Revenue, which
21 shall be the fiduciary of the fund under AS 37.10.071.

22 (b) The fund is not a dedicated fund.

23 (c) Money in the fund may be transferred by the Department of Revenue to the
24 authority for the purposes listed in this section.

25 (d) On a date determined by the authority, but not before the board of directors
26 of the authority executes a public-private partnership agreement under
27 AS 19.75.111(a)(5)(B) for design, construction, and maintenance of the Knik Arm
28 Crossing, the Department of Revenue shall transfer money from the fund to the
29 authority in an amount necessary to meet the reserve fund requirement. The authority
30 shall deposit the money into the reserve fund established in AS 19.75.221(h).

Offered and Withdrawn

28-LS0141A.9
Martin
3/28/13

AMENDMENT #5

OFFERED BY Rep. Gara

OFFERED IN THE HOUSE
TO: HB 23

1 Page 5, following line 27:

2 Insert a new bill section to read:

3 "* **Sec. 8.** AS 19.75 is amended by adding a new section to read:

4 **Sec. 19.75.925. No state obligation.** A monetary indebtedness or obligation
5 incurred by the authority, through contract, public-private partnership, issuance of
6 bonds, or otherwise, is not a moral or other obligation of the state."

Fiscal Note

State of Alaska
2013 Legislative Session

Bill Version: HB 23
Fiscal Note Number: 1
(H) Publish Date: 3/22/13

Identifier: HB023-DOT-KABATA-2-23-13
Title: KNIK ARM BRIDGE AND TOLL AUTHORITY
Sponsor: NEUMAN, HUGHES
Requester: House Transportation Committee

Department: Department of Transportation and Public Facilities
Appropriation: Design, Engineering and Construction
Allocation: Knik Arm Bridge/Toll Authority
OMB Component Number: 2715

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2014 Appropriation Requested	Included in Governor's FY2014 Request	Out-Year Cost Estimates					
			FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
OPERATING EXPENDITURES								
Personal Services								
Travel								
Services								
Commodities								
Capital Outlay								
Grants & Benefits								
Miscellaneous								
Total Operating	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Fund Source (Operating Only)

None								
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Positions

Full-time								
Part-time								
Temporary								

Change in Revenues

--	--	--	--	--	--	--	--	--

Estimated SUPPLEMENTAL (FY2013) cost: 0.0

Estimated CAPITAL (FY2014) cost: 0.0

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No
If yes, by what date are the regulations to be adopted, amended or repealed?

Why this fiscal note differs from previous version:

This is the initial version of the bill.

Prepared By: Andrew Niemiec, Executive Director
Division: KABATA
Approved By: Andrew Niemiec, Executive Director
KABATA

Phone: (907)269-6698
Date: 02/23/2013 04:00 PM
Date: 02/23/13

FISCAL NOTE ANALYSIS #1

STATE OF ALASKA
2013 LEGISLATIVE SESSION

BILL NO. HB 23

Analysis

The Knik Arm Bridge and Toll Authority's budget will not be affected by the development of the project as long as projections for ridership on the bridge and related financial solvency are fulfilled.

HOUSE BILL NO. 23

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-EIGHTH LEGISLATURE - FIRST SESSION

BY REPRESENTATIVES NEUMAN AND HUGHES, Keller

Introduced: 1/16/13

Referred: Transportation, Finance

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to bonds of the Knik Arm Bridge and Toll Authority; relating to
2 reserve funds of the authority; relating to taxes and assessments on a person that is a
3 party to an agreement with the authority; and establishing the Knik Arm Crossing
4 fund."

5 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

6 * **Section 1.** AS 19.75.211(a) is repealed and reenacted to read:

7 (a) Notwithstanding any other provision of law, the authority may borrow
8 money and issue and refund bonds on which the principal and interest are paid out of
9 and secured by

10 (1) the gross revenue derived by the authority from the ownership, use,
11 and operation of its toll facilities, including money derived from the fees, rents, tolls,
12 rates, charges, and other revenue of the authority under this chapter;

13 (2) revenue received by a private person or enterprise that has entered
14 into a public-private partnership agreement with the authority; or

1 (3) any other revenue or money that the legislature has appropriated
 2 for that purpose, except a state tax or license.

3 * Sec. 2. AS 19.75.211(c) is amended to read:

4 (c) The authority may issue bonds in an aggregate amount not to exceed
 5 \$600,000,000 [\$500,000,000], plus the cost of issuance.

6 * Sec. 3. AS 19.75.211 is amended by adding a new subsection to read:

7 (e) Before issuing bonds for the Knik Arm bridge under this section, the
 8 authority shall submit to the state bond committee a description of the bond issue, a
 9 copy of the resolution of the board of directors of the authority supporting the bond
 10 issue, a report setting out the sources and amounts of revenue that will be used for
 11 payment of the principal of and interest on the bonds and the effect the issuance of the
 12 bonds by the authority would have on the ability of the state or political subdivision of
 13 the state to market bonds, and a preliminary prospectus, offering circular, or official
 14 statement relating to the bond issue. Bonds may not be issued unless the state bond
 15 committee finds, based on the information submitted by the authority under this
 16 section and other information that is reasonably available to or requested by the
 17 committee, that either the Knik Arm bridge revenue and other revenue available to the
 18 authority or the revenue of the private person or enterprise under a public-private
 19 partnership agreement entered into by the authority under AS 19.75.111(a) can be
 20 reasonably expected to be adequate for payment of the principal of and interest on the
 21 bonds to be issued and that issuance of the bonds by the authority would not be
 22 expected adversely to affect the ability of the state or its political subdivisions to
 23 market bonds.

24 * Sec. 4. AS 19.75.221(h) is amended to read:

25 (h) Notwithstanding any other provision of law, the authority may establish
 26 other funds and reserves as the board of directors may determine reasonable and
 27 prudent for the issuance of bonds or for the conduct of the business and affairs of the
 28 authority. The interest earned on or profit derived from these funds and reserves shall
 29 be the property of the authority. Deposits made into a reserve fund established
 30 under this section must include

31 (1) revenue derived by the authority from the ownership, use, or

1 operation of toll facilities, including fees, rents, tolls, rates, charges, or other
 2 revenue of the authority;

3 (2) money that the legislature has appropriated for that purpose;

4 and

5 (3) other money that may be made available to the authority from
 6 other sources.

7 * Sec. 5. AS 19.75.221 is amended by adding new subsections to read:

8 (i) Money in a reserve fund established under (h) of this section

9 (1) shall be used only for

10 (A) the payment of monetary obligations, liabilities, and
 11 indebtedness of the authority, including termination payment obligations,
 12 under agreements for the financing, design, construction, maintenance,
 13 improvement, or operation of facilities, properties, or projects of the authority;

14 (B) the performance of the authority's statutory functions,
 15 including the authority's overhead and administrative costs and working
 16 capital; and

17 (C) planning, permitting, design, acquisition, construction,
 18 maintenance, improvement, or operation of transportation-related projects,
 19 facilities, properties, systems, or equipment of the authority or other public
 20 entities, including expansions, extensions, and capacity improvements, eligible
 21 under applicable federal and state law to be funded from toll revenue;

22 (2) may not be used for the purpose of planning, permitting, design,
 23 acquisition, construction, maintenance, improvement, or operation of projects,
 24 facilities, properties, systems, or equipment under (1)(C) of this subsection if the
 25 withdrawal would reduce the amount in the reserve fund to less than the reserve fund
 26 requirement.

27 (j) Income or interest earned by, or increment to, a reserve fund established
 28 under (h) of this section, from the investment of all or part of the fund, may be
 29 transferred by the authority to other funds or accounts of the authority if the transfer
 30 does not reduce the amount of a reserve fund below the reserve fund requirement.

31 (k) In computing the amount of a reserve fund established under (h) of this

1 section, securities in which all or a portion of the fund is invested shall be valued by a
 2 reasonable method established by the authority by resolution or established by the
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 4 the amount of interest earned or accrued as of the date of the valuation.

5 (l) The chair of the board shall annually, not later than December 1, certify in
 6 writing to the governor and the legislature the amount, if any, required to restore a
 7 reserve fund established under (h) of this section to the reserve fund requirement. The
 8 legislature may appropriate to the authority the amount certified by the chair of the
 9 board that is needed to restore a reserve fund to the reserve fund requirement.

10 (m) In this section, "reserve fund requirement" means the amount required to
 11 be on deposit in a reserve fund established under (h) of this section as of the date of
 12 computation, as determined by resolution of the authority or by the terms of the
 13 agreement for which the fund serves as security.

14 * Sec. 6. AS 19.75.261 is amended to read:

15 **Sec. 19.75.261. Exemption from taxation.** The real and personal property of
 16 the authority and its assets, income, and receipts are declared to be the property of a
 17 political subdivision of the state and are exempt from all taxes and special assessments
 18 of the state or a political subdivision of the state. **Notwithstanding any law to the**
 19 **contrary, rights and interests in real and personal property, assets, income, and**
 20 **receipts, including concession, franchise, leasehold, or other real or personal**
 21 **property rights and interests, held by a private person or enterprise under a**
 22 **public-private partnership agreement entered into under this chapter, except any**
 23 **rights and interests of the private person in property serving a business,**
 24 **commercial, or other purpose not necessary to operate the facilities, properties,**
 25 **or projects of the authority, shall be exempt from all ad valorem taxes on real or**
 26 **personal property and special property tax assessments of the state or a political**
 27 **subdivision of the state.** All bonds of the authority are declared to be issued by a
 28 political subdivision of the state and for an essential public and governmental purpose.
 29 The bonds, the interest on the bonds, the income from the bonds and the transfer of the
 30 bonds, and all assets, income, and receipts pledged to pay or secure the payment of the
 31 bonds or interest on the bonds are, at all times, exempt from taxation by or under the

1 authority of the state, except for inheritance and estate taxes and taxes on transfers by
2 or in contemplation of death. Nothing in this section affects or limits an exemption
3 from license fees, property taxes, or excise, income, or other taxes provided under any
4 other law [, NOR DOES IT CREATE A TAX EXEMPTION WITH RESPECT TO
5 THE INTEREST OF ANY BUSINESS ENTERPRISE OR OTHER PERSON,
6 OTHER THAN THE AUTHORITY, IN ANY PROPERTY, ASSETS, INCOME,
7 RECEIPTS, PROJECT, OR LEASE, REGARDLESS OF WHETHER FINANCED
8 UNDER THIS CHAPTER].

9 * **Sec. 7.** AS 19.75 is amended by adding a new section to article 2 to read:

10 **Sec. 19.75.345. Knik Arm Crossing fund.** (a) The Knik Arm Crossing fund is
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12 (1) money appropriated to the fund by the legislature;

13 (2) gifts, bequests, contributions from other sources, and federal
14 money appropriated to the fund;

15 (3) interest earned on the fund balance and appropriated to the fund;

16 and

17 (4) investments, to be managed by the Department of Revenue, which
18 shall be the fiduciary of the fund under AS 37.10.071.

19 (b) The fund is not a dedicated fund.

20 (c) Money in the fund may be transferred by the Department of Revenue to the
21 authority for the purposes listed in this section.

22 (d) On a date determined by the authority, but not before the board of directors
23 of the authority executes a public-private partnership agreement under
24 AS 19.75.111(a)(5)(B) for design, construction, and maintenance of the Knik Arm
25 Crossing, the Department of Revenue shall transfer money from the fund to the
26 authority in an amount necessary to meet the reserve fund requirement. The authority
27 shall deposit the money into the reserve fund established in AS 19.75.221(h).



ALASKA STATE LEGISLATURE
HOUSE FINANCE COMMITTEE

State Capitol, Room 519

Rep. Alan Austerman, Co-Chair

Rep. Bill Stoltze, Co-Chair

Tuesday, April 2, 2013
1:30 AM

Agenda:

HB 23-KNIK ARM BRIDGE AND TOLL AUTHORITY

Representative Mark Neuman – Rex Shattuck, Aide

CS WORKDRAFT HB 23 FIN 28-LS0141\O

Amendments 4 Costello Possible 2&3

Amendment 5 Gara

New FN Replaces #1 DOT

NEW FN REV Zero

Possible testifiers:

Michael Foster, Chairman of the Board KABATA

Possible available for questions:

Kevin Hemenway, KABATA Chief Financial Officer, Department of
Transportation & Public Facilities

COM-KNIK ARM BRIDGE/TOLL AUTH

Jeff Stark, CIV-TRANSPORTATION ANCHORAGE, Department of
Law

Available for Questions:

Angela Rodell, Deputy Commissioner, Treasury Division, Department of
Revenue



Representative Mark Neuman
Alaska State Capital, Rm. 513
Rep.Mark.Neuman@akleg.gov

In regards to HB 23

From: Emerson Krueger [mailto:Emerson.Krueger@matsugov.us]
Sent: Thursday, March 21, 2013 11:22 AM
To: Rep. Mark Neuman
Cc: John Moosey
Subject: Mat-Su growth projections and plans for a new town

Representative Neuman,

Following are some highlights from two recent Mat-Su Borough projects, the density and build-out analysis and the conceptual master plan for a new town in Point MacKenzie.

1) Density and Build-out Study: Using the same Institute of Social and Economic Research report that the Municipality of Anchorage and ADOT rely on for population growth rates through-out the state, the Mat-Su Borough developed a method to determine future population density potential based on existing development patterns. A web link to the project is imbedded in the title. [ISER, 2009 Economic and Demographic Projections for Alaska]

a. The density projection and population growth rate, assuming the boom and bust patterns of the last 40 years continue for the next 40 years, project future population to be nearly 400,000 Mat-Su Residents.

i. There are just over 90,000 Mat-Su residents today.

ii. This population level is anticipated to be a base case that will be reached in the next 100 years.

b. Population in the borough has doubled nearly every 10 years since 1966.

c. Mat-Su population in the 2010 Census was 88,995

d. ISER population growth projection puts the Mat-Su at over 120,000 by 2020.

e. Any one of the mega-projects including the Knik Arm Bridge, the Susitna Dam, a Natural Gas Pipeline are anticipated to increase the ten year projection but not the total population of the build-out.

2) Point MacKenzie Town Site Conceptual Master Plan: The Borough Community Development Department, Economic Development Department, and the Planning Department are collaborating on a conceptual master plan for a town in the Point MacKenzie Community near Goose Creek Correctional Center off Alsop Road. The

Borough Assembly adopted a resolution brought forward by the Borough Mayor in support of a layout and master plan for a town site in Point MacKenzie.

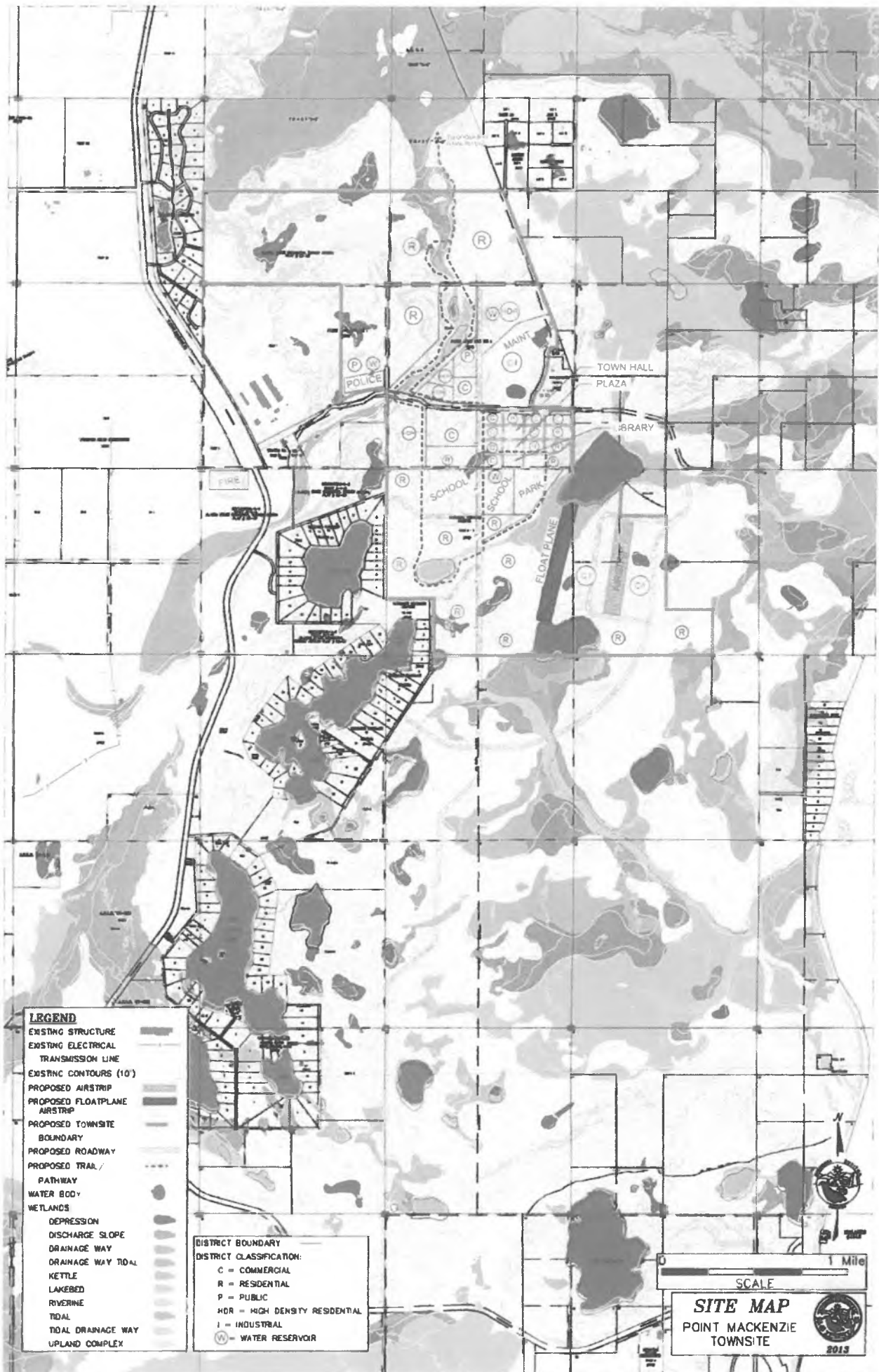
- a. Over 3-square miles of borough-land adjacent to the Goose Creek Correctional Center are being included in a master plan for a future community.
- b. Access to water and sewer and the possibility of a floatplane hub similar to Lake Hood make the location ideal for a bustling city center.
- c. Plans will be in place to direct some of the growth anticipated from construction of the Knik Arm Crossing into a quality community with space for all the amenities of a city.
- d. Initial draft conceptual master plan is attached.
 - i. the final conceptual master plan is anticipated at the end of April.

Above is a brief overview of two exciting Mat-Su Borough projects. More information is available at the web pages for each project. The links are imbedded above.

Please let me know if you have any questions or would like additional information.

Thank you,

Emerson Krueger
MSB Planner
907-745-9526



- LEGEND**
- EXISTING STRUCTURE
 - EXISTING ELECTRICAL TRANSMISSION LINE
 - EXISTING CONTOURS (10')
 - PROPOSED AIRSTRIP
 - PROPOSED FLOATPLANE AIRSTRIP
 - PROPOSED TOWNSITE BOUNDARY
 - PROPOSED ROADWAY
 - PROPOSED TRAIL / PATHWAY
 - WATER BODY
 - WETLANDS
 - DEPRESSION
 - DISCHARGE SLOPE
 - DRAINAGE WAY
 - DRAINAGE WAY TIDAL
 - KETTLE
 - LAKEBED
 - RIVERINE
 - TIDAL
 - TIDAL DRAINAGE WAY
 - UPLAND COMPLEX

- DISTRICT BOUNDARY**
- DISTRICT CLASSIFICATION:**
- C = COMMERCIAL
 - R = RESIDENTIAL
 - P = PUBLIC
 - HDR = HIGH DENSITY RESIDENTIAL
 - I = INDUSTRIAL
 - W = WATER RESERVOIR

SCALE 1 Mile

SITE MAP

POINT MACKENZIE TOWNSITE

2013

State of Alaska
Department of Revenue

Commissioner Bryan Butcher



SEAN PARNELL, GOVERNOR

333 Willoughby Avenue, 11th Floor
P.O. Box 110400
Juneau, Alaska 99811-0400
Phone: (907) 465-2300
Fax: (907) 465-2389

The Honorable Joe Thomas
Alaska State Senator
State Capitol, Room 514
Juneau, AK 99801-1182

2011
March 30, 2010

Dear Senator Thomas:

This is in response to your March 8, 2011 letter regarding the proposed legislation, SB 79 and SB 80, intended to facilitate the financing of the Knik Arm Crossing.

Your analysis of the current law is essentially correct in that the Knik Arm Bridge and Toll Authority (KABATA) has no authority to obligate the State of Alaska and that the sole legal recourse of a bondholder of KABATA would be the assets and revenues of KABATA. However, it is likely that rating agencies and investors would take some note of the KABATA project even under the current law. Following is a discussion of two kinds of state support for a capital project and where the provisions of SB 80 fall.

MORAL OBLIGATION

The moral obligation structure is used when a more credit worthy entity wants to lend credit support to a less credit worthy entity. The moral obligation is created by mandating a specific structure in law. Specifically, requiring that a reserve dedicated to the liability be created, that the issuer of the reserve have a reporting requirement to the moral obligor, and that in the event of a deficiency in the reserve that a replenishment must be requested from the moral obligor. By creating this legal structure the moral obligor is inferring to investors that while they are not legally guaranteeing the debt, in the event of a shortfall that there will be an appropriation to replenish. If there is a failure of the moral obligor to replenish a reserve based on a moral obligation there would be negative credit ramifications, and reduced access to capital. In essence, a moral obligation authority is creating a contingent liability on the moral obligor's balance sheet.

The State of Alaska currently has \$1.17 billion of moral obligation debt that is comprised of about \$100 million of Alaska Energy Authority utility revenue bonds, about \$400 million of Student Loan Corporation bonds, and about \$600 million of Alaska Municipal Bond Bank bonds. There has not been a payment under the moral obligation commitment of the state for any of these programs.

Moral obligation debt levels are monitored by rating analysts that review the state, and do go into the calculus of establishing the state's credit rating. As moral obligation debt is generally self supporting and not legal obligations of the State, it has less impact than more direct borrowing structures. A failure to fund a reserve that was established under moral obligation law and depleted due to payment deficiency would subject the state to negative credit rating action.

STATE SUPPORTED

The State Supported structure is used when the state wants to obligate its balance sheet on a subject to appropriation basis rather than a guaranteed basis. Subject to appropriation commitments are made where the State enters into leases or other contracts that obligate the state to pay on a subject to annual appropriation basis, and that lease or contract commitment is fractionalized and sold to third parties. The State of Alaska has most frequently used this structure for the construction of facilities through the issuance of State of Alaska certificates of participation (COP) or through a conduit as lease revenue bonds. The Alaska Seafood & Food Safety Lab was funded through COP and the Goose Creek Correctional Facility was funded through lease revenue bonds.

The State currently has \$1.26 billion of state supported debt that is comprised of about \$45 million of COPs, \$865 million of school debt reimbursement commitment, \$30 million of capital project reimbursement, and \$315 million of lease revenue bonds. Payments are made annually appropriated for each of these obligations.

State supported debt levels are monitored by rating analysts that review the state and directly impact the state's credit capacity and rating. A failure to appropriate on state supported debt would be viewed as a default of the State of Alaska and result in credit downgrades and significant impediment to future capital market access.

SB 80

The SB 80 Section 1(a)(5)(B) proposed revision provides that monetary obligations under the partnerships or contracts of the Knik Arm Bridge and Toll Authority (KABATA) are obligations of the state and payable on a subject to appropriation basis. This language, in conjunction with other proposed amendment in SB 80, allow up to \$600 million of KABATA bonds as well as an unlimited flexibility for private partner bonds to be issued as state supported debt based on a fractionalization of contract payments that are subject to appropriation obligations of the State of Alaska. If contracts are fractionalized and sold to third party investors, by either KABATA or their private partner, they will directly impact the state's debt capacity and credit. In this instance a failure to pay on the contract by the State of Alaska would result in credit downgrades and significant impediment to future capital market access.

The current authorization in SB 80 should be further defined to eliminate the ability of a private party to securitize monetary obligations of KABATA.

Senator Joe Thomas

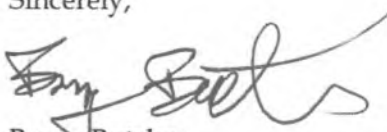
March 30, 2011

Page 3

It should be clear that SB 80 is authorizing State of Alaska debt of up to \$600 million. There can be acknowledgement of the revenue generating nature of the project and the anticipated self sufficiency that is anticipated based on expert analysis, but a firm recognition that the bill as drafted creates a direct line to the State of Alaska's balance sheet for the \$600 million of KABATA bonds and unlimited authority for a private partner's bonds is important.

Finally, you asked about my confidence in the revenue projections and financial analysis provided by KABATA in its March 1 TIFIA letter of interest. KABATA has retained CITI, one of the largest and most successful financial services firms in the world, especially as it relates to government financing of infrastructure projects, to develop its financial models. KABATA retained Wilbur Smith, a firm that has advised on many successful projects to do its traffic and toll models. I am confident that the revenue projections and financial analysis are objective and done to the highest of professional standards. This is the type of work that will be accepted and relied upon by the institutional investors that may be interested in financing this project.

Sincerely,

A handwritten signature in black ink, appearing to read "Bryan Butcher", written in a cursive style.

Bryan Butcher
Commissioner

ALASKA STATE LEGISLATURE

Member:
House Finance Committee

Chair:
House Budget Sub Committees on:
- Department of Health & Social Services
- Department of Transportation & Public
Facilities



Session:
Alaska State Capitol
Juneau, AK 99801-1182
Phone: (907) 465-2679
Fax: (907) 465-4822
Toll Free (800) 505-2678

Interim:
600 E. Railroad Ave
Wasilla, AK 99654
Phone: (907) 376-2679
Fax: (907) 373-4745

Representative Mark Neuman

Rep.Mark.Neuman@akleg.gov

House Bill 23 Sponsor Statement

House Bill 23 amends the Knik Arm Bridge and Toll Authority's enabling statute to provide for a successful procurement for the Knik Arm Crossing project and to generate the best value for the state. Passing this legislation this session is important to seeing the Knik Arm Crossing efficiently move toward a successful and low-cost procurement process and facilitate being open for traffic in 2015. 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.

This bill was written in consultation with the Knik Arm Bridge and Toll Authority (KABATA), which was established in 2003 by the Alaska Legislature. The bill accomplishes many items KABATA has deemed necessary to have a successful public-private partnership procurement. Those items are:

- **Increase in KABATA's Bonding Authority from \$500 million to \$600 million**
 - The \$600 million number represents the same amount authorized under Private Activity Bond (PABs) allocation from FHWA
 - Lowers the cost of capital for the project and ultimately lowers the cost to end users
 - Private partner is the borrower of any PABs issued.

- **Clarify that the bridge and associated facilities are exempt from state and local property taxes**
 - Like any other transportation project in our State, the roads and bridges are not subject to property taxation.
 - Any private facilities developed outside the crossing will be taxable
 - Property tax exemption reduces the availability payment and reduces the toll

- **Contractual Monetary Obligations**

- Identifies the *obligations of the State of Alaska* under a P3 process
- The legislative language applies to “monetary liabilities” which may be incurred by KABATA under a P3 process
- Any P3 agreement needs to be approved by the KABATA Board of Directors, State AG’s office, and ADOT&PF
- Serves to lower the cost of debt and equity to finance the project
- Keeps the tolls affordable to the traveling public

Project reserve

- Creation of a reserve fund is to provide a backstop for toll revenue fluctuations.
- Serves to enhance the credit worthiness of the project and reduce project costs
- Will be repaid over the project life

All of the above language clarifications and additions serve to lower the cost of capital on this much needed infrastructure project and deliver the benefits in a timely and efficient manner.

Please help me by supporting this legislation so a long-term, long sought after project can be realized.

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Governor Sean Parnell
STATE OF ALASKA

November 15, 2012

Mr. Duane Callender
Director
Transportation Infrastructure Finance and Innovation Act Joint Program Office
United States Department of Transportation
1200 New Jersey Avenue, SE
Room E64-302
Washington, DC 20590

Dear Mr. Callender,

I have received a copy of your September 25, 2012 letter to the Knik Arm Bridge and Toll Authority (KABATA). In that letter, you state that the U.S. Department of Transportation (US DOT) is postponing consideration of our Transportation Infrastructure Finance and Innovation Act (TIFIA) Letter of Interest until the State appropriates, or is reasonably likely to appropriate, funding for the KABATA Project (Project).

As you know, the Alaska Legislature has previously authorized the use of federal funds and has appropriated State matching funds for the Project. The construction phase is included in the approved Statewide Transportation Improvement Program. KABATA is currently purchasing the right-of-way and acquiring the permits necessary for construction. In addition, my Capital Budget will be submitted to the Alaska State Legislature in December, and it is my intent to include funding for a Project Reserve.

KABATA will continue to work closely with your office, and the State of Alaska expects full consideration by US DOT and your office for an invitation to submit a TIFIA loan application on behalf of the successful proposer.

Best regards,

A handwritten signature in black ink that reads "Sean Parnell".

Sean Parnell
Governor



Representative Mark Neuman
Alaska State Capital, Rm. 513
Rep.Mark.Neuman@akleg.gov

Importance of Legislation for TIFIA Loan

What is a TIFIA Loan?

TIFIA stands for Transportation Finance and Innovation Act. The TIFIA loan program provides federal credit assistance in the form of direct loans, loan guarantees or standby lines of credit to public or private sponsors of major infrastructure projects. The program was established by Congress in 1998 to leverage federal funds by attracting substantial private and other non-federal co-investment in critical improvements to the nation's surface transportation system. It was modified by MAP-21, the most recent transportation reauthorization passed in July 2012. Most importantly, MAP-21 increased the program's lending capacity nearly ten-fold and made the application process objective and first-come, first-served.

TIFIA's value for the state

- TIFIA loans have a low interest rate: the 30 year treasury rate plus 1 basis point.
 - The low rate will save the state hundreds of millions over the term of the public-private partnership.
- Teams competing for the project will consider the lowest cost financing available in their proposals.
 - TIFIA is the lowest cost financing on the market.
 - The private partner will be the borrower of the TIFIA loan – not the state.
- The state benefits by receiving lower availability payment proposals because the private partner is obtaining lower cost financing translating into a lower availability payment for the state. The competitive procurement drives the value back to the state.

How this session's legislation helps obtain a TIFIA loan

- The TIFIA office is looking for the state's commitment to the project.
 - Funding of the reserve fund and passing the legislation reflects a high level of commitment.
- We've been informed by the TIFIA office that KABATA will only be allowed to proceed with its TIFIA application once the project reserve is funded or it becomes reasonably clear the issue is likely to be resolved favorably in the near future.
- The TIFIA program has limited lending capacity since there is a very high demand for this low cost financing.
 - This increases the urgency for KABATA to be able to move forward with the application process.
- TIFIA program capacity:
 - \$7 billion for federal fiscal 2013 and \$10 billion for federal fiscal 2014.
 - As of November 20, 2012:
 - 23 Letters of Interest (LOI) were submitted to the TIFIA office from projects around the U.S., including the Knik Arm Crossing, requesting between \$9.7 billion and \$14.4 billion in TIFIA loans. This represents up to 85% of the TIFIA capacity.
 - As LOIs are invited to submit applications, the loan capacity is conditionally committed and no longer available.



Representative Mark Neuman
Alaska State Capital, Rm. 513
Rep.Mark.Neuman@akleg.gov

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.



Representative Mark Neuman
Alaska State Capital, Rm. 513
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HB 23 Summary of Legislation

The Knik Arm Crossing is a vital infrastructure project, a bridge that will connect Alaska, help create jobs, encourage smart growth, and economic development, while improving the environment and the quality of life for the people served by the project. Simply said, this is an investment in Alaska's future that will pay dividends for years to come.

HB 23 will aid the successful procurement of the Knik Arm Crossing, reduce the cost of project finance and generate the best value to the State of Alaska. The passage of this legislation will facilitate the project to be open for traffic in 2017.

Proposed Legislation – HB 23

Amends Alaska Statute 19.75 with structural amendments to achieve the best value for the State of Alaska. Summarized Below:

Increase in Bonding Authority to \$600 million

- Increase to match \$600 million in federal Private Activity Bond (PABs) capacity allocated to the project.
- PABs require a public entity to act as conduit issuer for the private borrower.
- Any PABs issued are a liability of the private partner, not the State.
- Tax-exempt nature lowers the cost of capital and provides better value proposals to the State.

Project Reserve Fund

- Used to supplement availability payments to compensate the private partner for the finance, design, construction, operations and maintenance of the facility until toll revenues build up to sufficient levels to fully cover the payments.
- Results in lower availability payment proposals, generating best value for the State.
- Serves to keep tolls affordable to the traveling public and supports the shortest possible contract term.
- As the reserve fund builds a surplus, the surplus will be used to fund other needed transportation projects that fall under the federal Title 23 and Title 49 categories.
- Establishes the Department of Revenue as the fiduciary to hold the appropriation until the public-private agreement is executed.
- Requires annual reporting to the legislature and Governor on the status of the reserve fund, and establishes the mechanism for replenishment of the fund subject to appropriation.

Property Tax Clarification

- Clarifies that the bridge and associated connectors are not subject to property taxes if operated by a private partner on behalf of the state (the facility is already exempt if operated by the state.)
- Identical to all other publicly owned transportation projects in the State.
- Any private facilities of the developer not serving the public transportation purpose remain subject to property tax.

Testimony from Susanne DiPietro, given on March 14, 2013 to the Senate Transportation Committee, this applies equally to HB23 and SB13.

My name is Susanne DiPietro. I live in Anchorage and have been following this project since 2004.

I have carefully reviewed SB13 and want to bring to your attention some specific language that takes the unprecedented and needless approach of obligating the State to cover unlimited shortfalls in the Knik Bridge's project expenses. I am referring to Sections 4 and 5 of SB13. I'd like to walk you through those sections.

Starting on page 2 at lines 25-26 of your bill you will see that KABATA has the power to create what I'll call a "plain vanilla" project reserve fund – that's existing AS 19.75.221(h).

At the bottom of page 2 and the top of page 3 we see our first new item, which establishes that you will appropriate money into this reserve fund. Then continuing down a bit on page 3, at lines 8-17, we see that KABATA must use this money you've appropriated into the reserve fund to pay its debts and obligations. So now with these two additions, we've created a special kind of reserve fund into which you will deposit money and out of which KABATA will pay its operations and maintenance, including contractual "availability payments" to its private partner.

Continuing on to page 4, in paragraph (l) at lines 5-9 of the bill, we learn that KABATA each year must tell you and the governor how much it needs to cover its debts, and you may appropriate that amount. While this procedure may seem innocuous on its face, this is the language that signals to the rating agencies your pledge to step in and appropriate money to the reserve fund for each and every year that the revenues are insufficient to cover debts.

So although you will not see the words "moral obligation" anywhere in this bill, if you pass SB13 as currently written, the markets will understand that when KABATA signs its contract with its private partner, you are pledging to appropriate money to cover KABATA's obligation to make availability payments or whatever obligations KABATA incurs. In other words, the markets will understand that KABATA's operating debt is backed by the State of Alaska.

Now it is true that this legislation does not require you to appropriate the money every year, and you could decide not to. However, a failure by the State to honor the moral obligation is treated as a default, and the markets would be expected to react adversely by downgrading the credit rating of the State of Alaska in general. On that point, I would refer you to Commission of Revenue Butcher's letter to Senator Thomas in your packet, which warns about this hazard. So by passing this bill you will be setting yourselves up for a Hobson's choice – refuse to appropriate and damage the State's credit rating, or continue to spend the money that we may not be able to afford.

Using a "moral obligation" reserve fund to cover operating expenses has never been allowed in Alaska for any other moral obligation reserve fund and should not be allowed for this project. It would greatly expand the already significant financial risk to which the State will be exposed by this project.

And even aside from any question of default, just passing this bill creates the type of financial exposure that could cause the rating agencies to have a negative reaction when reviewing the State's credit rating for future bonds issued by the State.

If KABATA needs a project reserve fund, existing law already allows it to create one, without roping you into continuous appropriations for the life of the project. Please delete sections 4, 5, and 7 of this bill.

Compass: Don't buy KABATA's bridge

Published: March 25, 2013

<http://www.adn.com/2013/03/25/2839811/compass-dont-buy-kabatas-bridge.html>

By JAMIE KENWORTHY

A bill guaranteeing all Knik Arm Bridge and Toll Authority (KABATA) expenses has passed the Transportation Committees in both houses of the legislature and now heads to the Finance Committees. So now may be the time to look at the real cost of the bridge and how a blank check can get written.

KABATA once said the private sector was sharing the risk of financing the bridge. Since the private sector does not want the risk of covering the toll shortfall to pay costs, KABATA Bills HB 23 and SB 13 now have the state guarantee payments to them for a 35-year contract whose amount the legislators have so far been too polite to discuss.

A novel feature of this year's bills is for KABATA to annually certify how much "of the authority's overhead and administrative and working capital" it needs and then the legislature would face a bad choice. Either replenish the bills' reserve fund to make those payments (my minimum estimate is \$2.6 billion over 35 years) or default on a moral obligation of the state and let the resulting hit to the state's credit rating raise the cost of all state-financed projects.

No state agency has ever had this ability to dump unlimited expenses on the state's balance sheet as a contingent liability. The one project KABATA agency is no place to start.

To listen to the hours of KABATA testimony is to travel to a parallel financial universe. True, KABATA has been turned down five times for a \$300-\$500 million low interest federal loan but, with the passage of these bills, the sixth time will be the charm.

Most legislators have not yet shown much interest in looking at the exact costs of this deal. No one has yet explained why the state, which can borrow at less than 4 percent, should be guaranteeing a contract with a consortium who KABATA estimates will "finance" the project for 12% annual return for 35 years.

The difference between 4 percent and 12 percent over 35 years is over \$600 million sent out of Alaska that buys nothing.

And what expertise has been bought by KABATA's \$75 million spent to date? According to the federal Transportation Research Board, KABATA's traffic and toll consultant CDM Smith has a national track record of overestimating toll revenue by an average of 118 percent or more than a factor of two. KABATA counts on \$4.2 billion of toll revenue over 35 years. When only half that amount shows up, \$2.1 billion will be added to the cost of the state's guarantee.

KABATA's financial plan shows impossibly derived revenue from four lanes of full traffic from 2027-2051 while only paying for a 2 lane bridge.

KABATA claims that \$1.1 billion is the state's maximum liability on the project. However, there is no current project budget and the 35-year contract will be signed after the guarantee passes. So if these bills pass, nothing should be believed except Alaska's signature on the check.

Bottom line, bridge deficits will be more than what Anchorage or the Mat Su annually receives from the state for roads, mass transit, and pedestrian improvements. Will the Legislature take the bridge deficits out of Southcentral's hide or just cumulatively add \$3,500 per Alaskan to the state's annual debt service?

Jamie Kenworthy is a retired investor living in South Anchorage. He was executive director of the Alaska Science and Technology Foundation.

Read more here: <http://www.adn.com/2013/03/25/2839811/compass-dont-buy-kabatas-bridge.html#storylink=cpy>

TO: House Finance Committee

From: Jamie Kenworthy – (907) 360-5661

RE: Response to Recent KABATA Information

Date: March 27, 2013

This is a response to recent information given the committee on four topics: changing bridge cost and financing estimates, the 118% overestimation error of KABATA's consultant, Mat Su Population numbers, and poll results.

How Much Will the Project Cost the State? KABATA Homework Needed

KABATA's recent estimate for the size of the contract they would sign with the winning consortium is \$2.3 billion; eight months earlier it was \$3 billion. Similarly, the estimate for the amount of toll revenue that would be collected over 35 years dropped from \$4.8 billion in October, 2011 to \$4.2 billion in August 2012.

The following chart taken from KABATA's Pro-Forma show that KABATA's estimates of the size of the contract that the state would guarantee, and the amount of toll revenues, shows these critical numbers have been "all over the map". The one constant in every year's federal loan applications has been a narrow range for the minimum bond cover ratio of 1.1 to 1.3 (basically \$1.20 of revenue to pay a dollar of cost). This strongly suggests that KABATA's financial plans have been reversed engineered from this answer to then back into the toll revenues and contract size necessary to get to the predetermined result.

Which TIFIA Application	TIFIA Request	TIFIA %	1 way Toll cost *	Toll Revenues	Availability Payments	Period of Contract	Cover Ratio
Aug 2007	\$156,081,263	20.5%	\$3.25	\$10.8 Billion	NA	50 years	1.15x
Feb 2010	\$279,274,733	35.6%	\$5.00	\$12.0 Billion	\$6.3 Billion	55 years	1.15x
Feb 2011	\$306,019,062	28.4%	\$5.00	\$4.81 Billion	\$3.2 Billion	35 years	1.22x
Oct 2011	\$308,462,557	27.8%	\$5.00	\$4.81 Billion	\$2.97 Billion	35 years	1.29x
Dec 2011	\$307,855,021	28.3%	\$5.00	\$4.53 Billion	\$2.98 Billion	34 years	1.26x
Aug 2012	\$500,473,670	49%	\$5.00	\$4.23 Billion	\$2.32 Billion	35 years	1.33x

* KABATA says toll costs will escalate 2.5% per year, these are starting figures.

See attached for extracts from KABATA's Pro-Forma through the years, with sources note on those sheets.

Unfortunately all recent KABATA financial plans to date have all included \$300 M to \$500 million in a low cost TIFIA loan for which they have been turned down 5 times including this year's round http://www.knikarmbridge.com/TIFIA_MAP21.html . TIFIA has advised KABATA that \$300 million is the most KABATA could ever request.

My estimate of the Bridge is a minimum of \$2.6 Billion (see Real Cost paper called "HB23 KABATA 2013 COST Analysis Kentworthy.pdf" in the Packet, or it is also available here: <http://knikbridgefacts.org/wp-content/uploads/2013/02/13-02-08-KABATA-2013-REAL-COST.pdf>)

Before further time of the Finance Committee is spent discusses the eventual cost of the proposed state guarantee, the Committee should have also have a realistic current cost estimate for the project. A release of the LB&A audit should also shed light on the reasonableness of the KABATA population and traffic forecasts as well as the financial feasibility of the project.

A realistic current financial plan should include

- Separate Financial Plan scenarios for a \$300 M TIFIA loan and \$0 TIFIA loan.
- The current cost of a 9200' Bridge with additional costs for the revised east approach as negotiated with the Muni of Anchorage. (The current estimate from 2009 with annual cost adjustments was for a 8200' Bridge.)
- 4 lanes of revenue in Phase 1 only if the cost of financing and building 4 lanes is included.
- The extra cost that the contractors are now being asked to bear since KABATA did not follow their geotechnical consultant Shannon and Wilson's 2007 recommendation to do further drilling to determine the depth of the Bootlegger Clay formation on the East side of Knik Arm once the exact bridge route known. (The clay can liquefy in a seismic event and is one factor in the revisions required on the Port of Anchorage project.)

118% Error Rate

After yesterday's Anchorage Daily News "Compass" column, I received inquiries about the average 118% overestimate error rate by KABATA traffic and toll consultant Wilbur Smith (now CDM Smith). As compiled by the Transportation Research Board of the National Academy of Sciences, CDM Smith has an average rate of overestimating toll revenue by more than a factor of 2 for the first five years a U.S toll facility has been open.

A 103 page report on CDM Smith's track record was compiled as a volunteer activity by a former CIA economist Terry Maynard who questioned CDM Smith numbers on a Virginia project. He devoted a full Appendix to the history of changing population estimates in the Knik Bridge project, see <http://www.scribd.com/doc/79582705/RCA-Study-Wilbur-Smith-Traffic-amp-Revenue-Forecasts-012712>; or the brief media overview at <http://www.tollroadsnews.com/node/5726>

Mat Su Population Numbers

There has been a lot of confusing testimony about the validity of the Mat Su population projections for 2035 upon which toll revenue projections are made. Some simple numbers:

2012 Alaska Department of Labor estimate for Mat-Su 2035: 160,693 Source p. 46
<http://labor.alaska.gov/research/pop/projected/pub/popproj.pdf>

Goldsmith/ISER number for Mat Su 2035: 159,050 P. 5-2
http://www.muni.org/Departments/OCPD/Planning/AMATS/2035%20MTP/AMATS%20Chapter-5_20120511_s.pdf

KABATA consultant CDM Smith number for Mat Su 2035: 191,656 (see attached print out of Excel File with Traffic Analysis Zone data from CDM Smith).

Both the ISER and CDM Smith numbers are for the AMATS area of the Mat-Su or almost all the Borough's population except the 4.3 % of population in Talkeetna and east of Chickaloon. Adjusting both by 4.3% to 2035 would make the ISER estimate 165,882 and KABATA 200,259.

So KABATA's population forecast used for revenue forecast is over 20% higher than both the ISER and the state demographer's numbers.

For KABATA to take an old ISER number, then factor it with an old ISER growth rate to claim consistency with KABATA's much higher estimate is not standard professional work.

Memo to House Finance, March 27, 2013, from Jamie Kenworthy, Page 2

What is more interesting than CDM Smith's higher population number, is how CDM Smith shifted almost all future growth in the Borough to the Point MacKenzie area to keep the Bridge traffic numbers high in 2035. When KABATA's consultant had to lower their 2030 Mat Su population from 250,000 (the equivalent of adding a Palmer to the Borough every year) to a more reasonable 200,000 after the 2008 economic crash, almost all the job and population growth was assigned away from the Palmer-Wasilla core to Point MacKenzie to show the 36,000 vehicles a day crossing the Bridge. (The Ch2MHill number that the DOT/PF used for the "Highway to Highway" project was less than half that, 17,700 vehicles.) Will Point MacKenzie have the equivalent of 2.4 Dimond Centers in 2035 and more jobs right around the Port than entire Kenai or Juneau Boroughs today? The KABATA consultant has to project that enormous growth to make the Bridge traffic numbers work, see <http://knikbridgefacts.org/13828-jobs-at-point-mackenzie-in-2035-release-of-traffic-analysis-zone-data-raises-more-questions-on-kabata%E2%80%99s-revenue-projections/> See also the attached print of the Excel File, obtained via PRA request, that details the population and job data for each of the MSB's Traffic Analysis Zones or TAZ data.

Polls

Polls should not determine legislative appropriations, but when poorly worded push polls are cited to try to demonstrate public support, then other information may be needed.

In 2011 Ivan Moore polled the state and found a narrow majority (52%) favor the Bridge but when asked if the state should provide \$150 million to the project they were 49% to 32% opposed with a stronger majority 51% to 27% opposed to a state guarantee see <http://knikbridgefacts.org/acquiring-right-of-way-before-legislature-approves-bridge-project-is-the-cart-before-the-horse/>. Across the political spectrum and in all regions, a clear majority opposed a state guarantee.

In 2012, when Alaskans were asked if the state should just build the billion dollar 2 lane "no toll" Bridge, Alaskans were opposed 48% to 38% <http://knikbridgefacts.org/wp-content/uploads/2011/09/Ivan-Moore-July-2011-Poll-Results-on-Knik-Bridge.pdf>.

In March 2012, Dittman Research did a poll for the Alaska State House of Representatives that included question 18 about the Knik Arm Bridge. Only 37% of the respondents indicated that "Now is a good time" to build the Knik Arm Bridge.

In 2013 it's doubtful if a majority of Alaskans from any region would approve of HB 23/SB 13 with a state guarantee for a \$5 one way toll Bridge with the extra expense of a public-private partnership adding \$600 M in financing cost to the billion dollar cost of the project.

Thanks for your attention to these bills. I am available for any questions.

Jamie Kenworthy, (907) 360-5661, jamiiek@alaska.com

a) Below, *Table 3.a.1*, are the projected cash flows through final maturity of debt.

Table 3.a.1

	Toll Revenue	Interest Income	KABATA	O&M ⁽¹⁾	Tolling	CapEx ⁽³⁾	Cash Available for
		Earnings	Administrative		Operations ⁽²⁾		Debt Service
			Costs ⁽¹⁾				
2012	13,713,050	-	-	(4,191,406)	(950,577)	(3,065,758)	5,505,309
2013	21,020,350	1,245,694	-	(4,296,192)	(1,380,643)	(2,839,774)	13,749,435
2014	30,112,500	1,245,694	(3,302,962)	(4,403,596)	(1,708,818)	(3,087,918)	18,854,900
2015	35,368,500	1,245,694	(3,385,536)	(4,513,686)	(1,972,188)	(3,112,888)	23,629,895
2016	42,194,000	1,245,694	(3,470,174)	(4,626,528)	(2,078,046)	(3,111,307)	30,153,638
2017	46,971,850	1,245,694	(3,556,928)	(4,742,192)	(2,295,253)	(3,984,778)	33,638,393
2018	51,517,013	1,245,694	(3,645,852)	(4,860,746)	(2,447,662)	(4,021,061)	37,787,385
2019	55,836,332	1,245,694	(3,736,998)	(4,982,265)	(2,600,173)	(3,759,167)	42,003,423
2020	60,606,704	1,245,694	(3,830,423)	(5,106,822)	(2,743,517)	(3,997,956)	46,173,681
2021	68,697,065	1,245,694	(3,926,183)	(5,234,492)	(3,007,491)	(3,772,030)	54,002,562
2022	76,346,719	1,245,694	(4,024,338)	(5,365,355)	(3,253,033)	(4,230,376)	60,719,311
2023	84,695,715	1,245,694	(4,124,947)	(5,499,489)	(3,517,229)	(4,217,127)	68,582,618
2024	93,230,050	1,245,694	(4,228,070)	(5,636,976)	(3,772,270)	(4,297,089)	76,541,340
2025	102,629,579	1,245,694	(4,333,772)	(5,777,900)	(4,027,429)	(4,303,707)	85,432,465
2026	112,324,578	1,245,694	(4,442,116)	(5,922,348)	(4,301,250)	(5,224,686)	93,679,872
2027	123,353,619	1,245,694	(4,553,169)	(6,070,406)	(4,593,738)	(5,834,370)	103,547,629
2028	133,927,637	1,245,694	(4,666,998)	(6,222,166)	(4,867,811)	(6,254,766)	113,161,590
2029	145,704,314	1,245,694	(4,783,673)	(6,377,721)	(5,151,285)	(6,226,535)	124,410,794
2030	157,430,131	1,245,694	(4,903,265)	(6,537,164)	(5,434,893)	(6,244,923)	135,555,581
2031	167,897,674	1,245,694	(5,025,847)	(6,700,593)	(5,644,470)	(7,553,274)	144,219,185
2032	176,633,394	1,245,694	(5,151,493)	(6,868,108)	(5,789,290)	(8,168,681)	151,901,517
2033	185,700,965	1,245,694	(5,280,280)	(7,039,810)	(5,934,254)	(7,833,899)	160,858,415
2034	193,789,688	1,245,694	(5,412,287)	(7,215,805)	(6,051,552)	(8,372,612)	167,983,125
2035	203,037,776	1,245,694	(5,547,594)	(7,396,201)	(6,178,273)	(8,448,430)	176,712,972
2036	211,982,373	1,245,694	(5,686,284)	(7,581,106)	(6,305,149)	(8,588,741)	185,066,788
2037	221,908,198	1,245,694	(5,828,441)	(7,770,633)	(6,432,183)	(9,064,292)	194,058,342
2038	230,738,771	1,245,694	(5,974,152)	(7,964,899)	(6,531,567)	(9,660,938)	201,852,908
2039	239,605,122	1,245,694	(6,123,506)	(8,164,022)	(6,621,847)	(9,275,781)	210,665,661
2040	245,595,250	1,245,694	(6,276,594)	(8,368,122)	(6,787,393)	(9,591,568)	215,817,267
2041	251,735,132	1,245,694	(6,433,509)	(8,577,325)	(6,957,078)	(9,930,148)	221,082,765
2042	258,028,510	1,245,694	(6,594,347)	(8,791,758)	(7,131,005)	(10,178,402)	226,578,692
2043	264,479,223	1,245,694	(6,759,205)	(9,011,552)	(7,309,280)	(10,432,862)	232,212,017
2044	271,091,203	1,245,694	(6,928,185)	(9,236,841)	(7,492,012)	(10,693,683)	237,986,175
2045	277,868,483	1,245,694	(7,101,390)	(9,467,762)	(7,679,313)	(10,961,025)	243,904,687
2046	284,815,195	1,245,694	(7,278,925)	(9,704,456)	(7,871,295)	(11,235,051)	249,971,162
2047	291,935,575	1,245,694	(7,460,898)	(9,947,068)	(8,068,078)	(11,515,927)	256,189,299
2048	299,233,965	1,245,694	(7,647,420)	(10,195,744)	(8,269,780)	(11,803,826)	262,562,889
2049	306,714,814	1,245,694	(7,838,606)	(10,450,638)	(8,476,524)	(12,098,921)	269,095,819
2050	314,382,684	1,245,694	(8,034,571)	(10,711,904)	(8,688,437)	(12,401,394)	275,792,072
2051	322,242,251	1,245,694	(8,235,435)	(10,979,701)	(8,905,648)	(12,711,429)	282,655,731
2052	330,298,307	26,159,576	(8,441,321)	(11,254,194)	(9,128,290)	(13,029,215)	314,604,864
	7,005,394,259	74,741,647	(213,975,697)	(293,765,693)	(218,356,025)	(305,136,317)	6,048,902,175

(1) Grows at 2.5% annually. Provided by KABATA

(2) Provided by WSA

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SOURCES AND USES

SOURCES	TAXABLE	TIFIA	EQUITY	PUBLIC FUNDS	TOTAL
Current Interest Bonds	364,447,589	-	-	-	364,447,589
Bonds/ Accretion Debt	99,855,079	-	-	-	99,855,079
TIFIA	-	156,081,263	-	-	156,081,263
Equity	-	-	62,966,767	-	62,966,767
Premium / Original Issue Discount	-	-	-	-	-
Public Funds Available	-	-	-	-	-
1) Federal	-	-	-	68,826,595	68,826,595
2) State Match	-	-	-	6,831,968	6,831,968
3) Anticipated NSA Port Grant (Federal)	-	-	-	1,853,758	1,853,758
Total	464,302,668	156,081,263	62,966,767	77,512,321	760,863,020

USES

Deposit to Construction Fund	252,644,351	155,331,263	62,966,767	77,512,321	548,454,703
Deposit to Capitalized Interest Fund	93,588,082	-	-	-	93,588,082
Debt Service Reserve Fund	24,913,882	-	-	-	24,913,882
Bond Insurance Premium	45,441,160	-	-	-	45,441,160
Cost of Issuance	9,286,053	750,000	-	-	10,036,053
Underwriter's Discount	2,321,513	-	-	-	2,321,513
Upfront Payment to KABATA (1)	36,107,567	-	-	-	36,107,567
Concession (Shortfall)/Surplus	58	-	-	-	58
Total	464,302,668	156,081,263	62,966,767	77,512,321	760,863,020

Equity Contribution (15.5875% IRR) 62,966,767
Equity as % of Financing, Including Public Funds 18.463%

Delivery Date 3/1/08
Rates as of 7/27/07

Cap I Date 12/1/2012
Cap I Earnings Rate 5.00%

Bond Yield 6.465%
Arbitrage Yield 7.047% 5.103%
True Interest Cost 7.079% 5.103%

Minimum Coverage 2.30x 1.15x
Average Coverage 2.66x 2.00x
Final Maturity 12/1/2052 12/1/2046

Total Qualified Project Costs 844,590,025
TIFIA 33% Limitation 278,714,708

(1) Includes stipend, success fee, and upfront administrative costs to KABATA

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Knik Arm Bridge and Toll Authority
Proforma Plan of Finance

Aug 2007

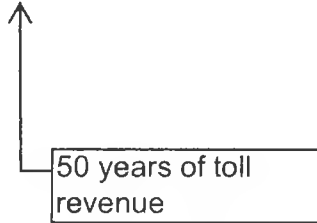
EBITDA

Date	Toll Revenue	Interest Income Earnings	KABATA Administrative Costs	O&M	Tolling Operations	CapEx	Cash Available for Debt Service
2008	-	-	-	-	-	-	-
2009	-	-	-	-	-	-	-
2010	-	-	-	-	-	-	-
2011	-	-	-	-	-	-	-
2012	13,713,050	-	-	(4,191,406)	(950,577)	(3,065,758)	5,505,309
2013	21,020,350	1,245,694	-	(4,296,192)	(1,380,643)	(2,839,774)	13,749,435
2014	30,112,500	1,245,694	(3,302,962)	(4,403,596)	(1,708,818)	(3,087,918)	18,854,900
2015	35,368,500	1,245,694	(3,385,536)	(4,513,686)	(1,972,188)	(3,112,888)	23,629,895
2016	42,194,000	1,245,694	(3,470,174)	(4,626,528)	(2,078,046)	(3,111,307)	30,153,638
2017	46,971,850	1,245,694	(3,556,928)	(4,742,192)	(2,295,253)	(3,984,778)	33,638,393
2018	51,517,013	1,245,694	(3,645,852)	(4,860,746)	(2,447,662)	(4,021,061)	37,787,385
2019	55,836,332	1,245,694	(3,736,998)	(4,982,265)	(2,600,173)	(3,759,167)	42,003,423
2020	60,606,704	1,245,694	(3,830,423)	(5,106,822)	(2,743,517)	(3,997,956)	46,173,681
2021	68,697,065	1,245,694	(3,926,183)	(5,234,492)	(3,007,491)	(3,772,030)	54,002,562
2022	76,346,719	1,245,694	(4,024,338)	(5,365,355)	(3,253,033)	(4,230,376)	60,719,311
2023	84,695,715	1,245,694	(4,124,947)	(5,499,489)	(3,517,229)	(4,217,127)	68,582,618
2024	93,230,050	1,245,694	(4,228,070)	(5,636,976)	(3,772,270)	(4,297,089)	76,541,340
2025	102,629,579	1,245,694	(4,333,772)	(5,777,900)	(4,027,429)	(4,303,707)	85,432,465
2026	112,324,578	1,245,694	(4,442,116)	(5,922,348)	(4,301,250)	(5,224,686)	93,679,872
2027	123,353,619	1,245,694	(4,553,169)	(6,070,406)	(4,593,738)	(5,834,370)	103,547,629
2028	133,927,637	1,245,694	(4,666,998)	(6,222,166)	(4,867,811)	(6,254,766)	113,161,590
2029	145,704,314	1,245,694	(4,783,673)	(6,377,721)	(5,151,285)	(6,226,535)	124,410,794
2030	157,430,131	1,245,694	(4,903,265)	(6,537,164)	(5,434,893)	(6,244,923)	135,555,581
2031	167,897,674	1,245,694	(5,025,847)	(6,700,593)	(5,644,470)	(7,553,274)	144,219,185
2032	176,633,394	1,245,694	(5,151,493)	(6,868,108)	(5,789,290)	(8,168,681)	151,901,517
2033	185,700,965	1,245,694	(5,280,280)	(7,039,810)	(5,934,254)	(7,833,899)	160,858,415
2034	193,789,688	1,245,694	(5,412,287)	(7,215,805)	(6,051,552)	(8,372,612)	167,983,125
2035	203,037,776	1,245,694	(5,547,594)	(7,396,201)	(6,178,273)	(8,448,430)	176,712,972
2036	211,982,373	1,245,694	(5,686,284)	(7,581,106)	(6,305,149)	(8,588,741)	185,066,788
2037	221,908,198	1,245,694	(5,828,441)	(7,770,633)	(6,432,183)	(9,064,292)	194,058,342
2038	230,738,771	1,245,694	(5,974,152)	(7,964,899)	(6,531,567)	(9,660,938)	201,852,908
2039	239,605,122	1,245,694	(6,123,506)	(8,164,022)	(6,621,847)	(9,275,781)	210,665,661
2040	245,595,250	1,245,694	(6,276,594)	(8,368,122)	(6,787,393)	(9,591,568)	215,817,267
2041	251,735,132	1,245,694	(6,433,509)	(8,577,325)	(6,957,078)	(9,930,148)	221,082,765
2042	258,028,510	1,245,694	(6,594,347)	(8,791,758)	(7,131,005)	(10,178,402)	226,578,692
2043	264,479,223	1,245,694	(6,759,205)	(9,011,552)	(7,309,280)	(10,432,862)	232,212,017
2044	271,091,203	1,245,694	(6,928,185)	(9,236,841)	(7,492,012)	(10,693,683)	237,986,175
2045	277,868,483	1,245,694	(7,101,390)	(9,467,762)	(7,679,313)	(10,961,025)	243,904,687
2046	284,815,195	1,245,694	(7,278,925)	(9,704,456)	(7,871,295)	(11,235,051)	249,971,162
2047	291,935,575	1,245,694	(7,460,898)	(9,947,068)	(8,068,078)	(11,515,927)	256,189,299
2048	299,233,965	1,245,694	(7,647,420)	(10,195,744)	(8,269,780)	(11,803,826)	262,562,889
2049	306,714,814	1,245,694	(7,838,606)	(10,450,638)	(8,476,524)	(12,098,921)	269,095,819
2050	314,382,684	1,245,694	(8,034,571)	(10,711,904)	(8,688,437)	(12,401,394)	275,792,072
2051	322,242,251	1,245,694	(8,235,435)	(10,979,701)	(8,905,648)	(12,711,429)	282,655,731
2052	330,298,307	26,159,576	(8,441,321)	(11,254,194)	(9,128,290)	(13,029,215)	314,604,864
2053	338,555,765	-	(8,652,354)	(11,535,549)	(9,356,497)	(13,354,945)	295,656,420
2054	347,019,659	-	(8,868,663)	(11,823,938)	(9,590,409)	(13,688,819)	303,047,831
2055	355,695,151	-	(9,090,380)	(12,119,536)	(9,830,169)	(14,031,039)	310,624,027
2056	364,587,529	-	(9,317,639)	(12,422,524)	(10,075,924)	(14,381,815)	318,389,627
2057	373,702,218	-	(9,550,580)	(12,733,087)	(10,327,822)	(14,741,361)	326,349,368
2058	383,044,773	-	(9,789,344)	(13,051,415)	(10,586,017)	(15,109,895)	334,508,102
2059	392,620,892	-	(10,034,078)	(13,377,700)	(10,850,668)	(15,487,642)	342,870,805
2060	402,436,415	-	(10,284,930)	(13,712,143)	(11,121,934)	(15,874,833)	351,442,575
2061	412,497,325	-	(10,542,053)	(14,054,946)	(11,399,983)	(16,271,704)	360,228,639
2062	422,809,758	-	(10,805,605)	(14,406,320)	(11,684,982)	(16,678,496)	369,234,355
2063							
2064							
2065							
2066							
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EBITDA

Date	Toll Revenue	Interest Income Earnings	KABATA Administrative Costs	O&M	Tolling Operations	CapEx	Cash Available for Debt Service
2081							
2082							
2083							
2084							
2085							
	10,798,363,745	74,741,647	(310,911,323)	(423,002,850)	(323,180,430)	(454,756,866)	9,361,253,923



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**Knik Arm Bridge and Toll Authority
Federalization of Sections 2-5, with TIFIA Optimization
Private Model - Availability Payment Structure**

Feb 2010

SOURCES AND USES

SOURCES	TAX-EXEMPT	TAXABLE	TIFIA	EQUITY	PUBLIC FUNDS	TOTAL
Current Interest Bonds	328,530,000	-	-	-	-	328,530,000
Capital Accretion Bonds	27,383,646	-	-	-	-	27,383,646
TIFIA	-	-	279,274,733	-	-	279,274,733
Equity	-	-	-	83,168,852	-	83,168,852
Premium / Original Issue Discount	-	-	-	-	-	-
Public Funds Available	-	-	-	-	-	-
1) Federal	-	-	-	-	59,130,500	59,130,500
2) State Match	-	-	-	-	5,869,500	5,869,500
Total	355,913,646	-	279,274,733	83,168,852	65,000,000	783,357,231

USES

Deposit to Construction Fund	259,584,433	-	278,524,733	78,527,065	65,000,000	681,636,232
Deposit to Capitalized Interest Fund	50,416,353	-	-	-	-	50,416,353
Deposit to Prepaid Interest Fund	-	-	-	3,192,012	-	3,192,012
Debt Service Reserve Fund	35,591,365	-	-	-	-	35,591,365
Bond Insurance Premium	-	-	-	-	-	-
Cost of Issuance	7,118,273	-	750,000	-	-	7,868,273
Underwriter's Discount	1,779,568	-	-	-	-	1,779,568
Upfront Payment to KABATA (1)	1,423,655	-	-	1,449,774	-	2,873,429
Concession (Shortfall)/Surplus	-	-	-	-	-	-
Total	355,913,646	-	279,274,733	83,168,852	65,000,000	783,357,231

Equity Contribution (11% IRR)	83,168,852
Construction Fund Surplus / (Shortfall)	131,887
Equity as % of Financing, Including Public Funds	18.915%
Equity as % of Financing, Excluding Public Funds	11.578%

Delivery Date	12/1/11
Rates as of	8/24/09

Cap I Date	12/1/2014	-
Cap I Earnings Rate	1.50%	-

Bond Yield	5.790%	-	-
Arbitrage Yield	5.912%	-	4.059%
True Interest Cost	5.827%	-	4.059%
			4.669%
			4.919%

Minimum Coverage	1.51x	1.15x
Average Coverage	1.81x	1.24x
Final Maturity	12/1/2041	12/1/2046

Total Qualified Project Costs	846,287,070
TIFIA 33% Limitation	279,274,733

(1) Includes stipend, success fee, and upfront administrative costs to KABATA

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**Knik Arm Bridge and Toll Authority
Federalization of Sections 2-5, with TIFIA Optimization
Private Model - Availability Payment Structure**

Feb 2010

AVAILABILITY PAYMENT LIABILITY

Date	Availability Payment	Toll Revenue	Net State Liability	PV @ 5.000%
Total	6,331,849,966	12,056,900,150	5,725,050,184	840,030,959
2012	-	-	-	-
2013	-	-	-	-
2014	-	-	-	-
2015	41,737,500	20,075,000	(21,662,500)	(17,779,423)
2016	43,407,000	30,678,250	(12,728,750)	(9,943,679)
2017	45,143,280	41,223,898	(3,919,382)	(2,914,279)
2018	46,949,011	49,683,426	2,734,415	1,935,220
2019	48,826,972	53,463,729	4,636,758	3,123,436
2020	50,780,051	58,145,331	7,365,280	4,722,367
2021	52,811,253	62,477,323	9,666,071	5,898,922
2022	54,923,703	67,206,509	12,282,807	7,134,649
2023	57,120,651	72,933,597	15,812,947	8,742,589
2024	59,405,477	78,084,533	18,679,056	9,829,568
2025	61,781,696	84,054,831	22,273,136	11,156,119
2026	64,252,964	89,891,713	25,638,749	12,223,086
2027	66,823,082	96,606,054	29,782,972	13,514,636
2028	69,496,006	103,851,508	34,355,503	14,838,325
2029	72,275,846	110,728,400	38,452,554	15,807,604
2030	75,166,880	118,571,447	43,404,567	16,983,553
2031	78,173,555	127,008,363	48,834,808	18,187,578
2032	81,300,497	136,070,713	54,770,216	19,415,211
2033	84,552,517	145,506,800	60,954,284	20,566,205
2034	86,666,330	153,112,320	66,445,990	21,338,848
2035	88,832,988	160,708,127	71,875,139	21,970,157
2036	91,053,813	167,974,981	76,921,168	22,379,615
2037	93,330,158	175,504,735	82,174,577	22,756,029
2038	95,663,412	183,305,993	87,642,581	23,100,769
2039	98,054,997	191,387,623	93,332,626	23,415,154
2040	100,506,372	200,097,114	99,590,741	23,781,255
2041	103,019,031	208,428,854	105,409,823	23,957,923
2042	105,594,507	216,696,648	111,102,140	24,034,925
2043	108,234,370	222,114,064	113,879,694	23,448,707
2044	110,940,229	227,666,915	116,726,686	22,876,788
2045	113,713,735	233,358,588	119,644,853	22,318,817
2046	116,556,578	239,192,553	122,635,975	21,774,456
2047	119,470,493	245,172,367	125,701,874	21,243,372
2048	122,457,255	251,301,676	128,844,421	20,725,241
2049	125,518,686	257,584,218	132,065,531	20,219,747
2050	128,656,654	264,023,823	135,367,170	19,726,582
2051	131,873,070	270,624,419	138,751,349	19,245,446
2052	135,169,897	277,390,029	142,220,133	18,776,045
2053	138,549,144	284,324,780	145,775,636	18,318,093
2054	142,012,873	291,432,900	149,420,027	17,871,310
2055	145,563,195	298,718,722	153,155,528	17,435,424
2056	149,202,274	306,186,690	156,984,416	17,010,170
2057	152,932,331	313,841,357	160,909,026	16,595,288
2058	156,755,640	321,687,391	164,931,752	16,190,525
2059	160,674,531	329,729,576	169,055,046	15,795,634
2060	164,691,394	337,972,816	173,281,422	15,410,375
2061	168,808,679	346,422,136	177,613,457	15,034,512
2062	173,028,896	355,082,689	182,053,794	14,667,816
2063	177,354,618	363,959,757	186,605,139	14,310,065
2064	181,788,483	373,058,751	191,270,267	13,961,039
2065	186,333,196	382,385,219	196,052,024	13,620,526
2066	190,991,525	391,944,850	200,953,324	13,288,318
2067	195,766,314	401,743,471	205,977,157	12,964,212
2068	200,660,471	411,787,058	211,126,586	12,648,012
2069	205,676,983	422,081,734	216,404,751	12,339,524
2070	210,818,908	432,633,778	221,814,870	12,038,560
2071	-	-	-	-

This is from Page 6 of the PDF document called "ExhibitDthroughG.pdf"
This is from KABATA's 2010 TIFIA application and is available on KABATA's website at:
<http://www.knikarmbridge.com/documents/ExhibitDthroughG.pdf>

SOURCES AND USES

SOURCES	TAX-EXEMPT	TAXABLE	TIFIA	EQUITY	TOTAL PRIVATE FINANCING	PUBLIC INVESTMENT	TOTAL
Current Interest Bonds	356,159,159	-	-	-	356,159,159	-	356,159,159
Capital Accretion Bonds	40,792,688	-	-	-	40,792,688	-	40,792,688
TIFIA	-	-	306,019,062	-	306,019,062	-	306,019,062
Equity	-	-	-	78,605,917	78,605,917	-	78,605,917
Premium / Original Issue Discount	-	-	-	-	-	-	-
Public Funds Available	-	-	-	-	-	-	-
1) Federal	-	-	-	-	-	112,572,342	112,572,342
2) State Match	-	-	-	-	-	17,324,917	17,324,917
3) 2011 State Grant	-	-	-	-	-	-	-
4) State Grant	-	-	-	-	-	150,000,000	150,000,000
5) State Commerce Grant	-	-	-	-	-	15,000,000	15,000,000
Total	396,951,847	-	306,019,062	78,605,917	781,576,826	294,897,259	1,076,474,085

USES

Deposit to Construction Fund	269,467,758	-	305,269,062	75,962,117	650,698,937	62,495,013	713,193,950
Deposit for Port MacKenzie Road Upgrade	-	-	-	-	-	15,000,000	15,000,000
Deposit for KABATA Development Costs	-	-	-	-	-	67,402,246	67,402,246
Deposit to State Reserve Fund	-	-	-	-	-	150,000,000	150,000,000
Upfront Payment to TIFIA (2)	10,000,000	-	-	-	10,000,000	-	10,000,000
Deposit to Capitalized Interest Fund	66,277,301	-	-	-	66,277,301	-	66,277,301
Deposit to Prepaid Interest Fund	-	-	-	1,105,300	1,105,300	-	1,105,300
Debt Service Reserve Fund	39,695,185	-	-	-	39,695,185	-	39,695,185
Bond Insurance Premium	-	-	-	-	-	-	-
Cost of Issuance	7,939,037	-	750,000	-	8,689,037	-	8,689,037
Underwriter's Discount	1,984,759	-	-	-	1,984,759	-	1,984,759
Other Transaction Costs (1)	1,587,807	-	-	1,538,500	3,126,307	-	3,126,307
Concession (Shortfall)/Surplus	-	-	-	-	-	-	-
Total	396,951,847	-	306,019,062	78,605,917	781,576,826	294,897,259	1,076,474,085

Equity Contribution (12% IRR)	78,605,917						
Construction Fund Surplus / (Shortfall)	989						
Equity as % of Financing, Including Public Funds	20.102%						
Equity as % of Financing, Excluding Public Funds	10.057%						
Delivery Date	12/1/12						
Rates as of	11/22/10						
Cap I Date	12/1/2015	-					
Cap I Earnings Rate	0.50%	-					
Bond Yield	6.904%	-					
Arbitrage Yield	6.904%	-	4.753%				5.661%
True Interest Cost	6.838%	-	4.753%				5.924%
Minimum Coverage	1.39x		1.22x				
Average Coverage	1.89x		1.28x				
Final Maturity	12/1/2043		12/1/2046				
Total Qualified Project Costs	918,057,185						
TIFIA 33% Limitation	306,019,062						

(1) Includes stipend, success fee, and upfront administrative costs to KABATA
 (2) For subsidy cost of credit assistance

This is from Page 1 of the PDF document called "Pro-Forma.pdf"
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Knik Arm Bridge and Toll Authority
 Federalization of Sections 2-5, with TIFIA Optimization
 Private Model - Availability Payment Structure - Current Market

Feb 2011

AVAILABILITY PAYMENT SURPLUS (SHORTFALL)

Date	Toll Revenue	Availability Payment	KABATA Administrative Costs	Net State Surplus (Shortfall)	PV @ 5.000%	Cumulative Deficit/Return
Total	4,812,777,321	(3,227,382,614)	(178,187,102)	1,407,207,605	252,331,221	
2013	-	-	-	-	-	-
2014	-	-	-	-	-	-
2015	-	-	-	-	-	-
2016	16,023,500	(35,768,500)	(2,945,406)	(22,690,406)	(18,623,073)	(22,690,406)
2017	24,542,600	(39,599,240)	(3,028,146)	(18,084,786)	(14,127,806)	(40,775,192)
2018	32,020,423	(45,503,210)	(3,113,227)	(16,596,013)	(12,340,063)	(57,371,205)
2019	38,481,071	(51,483,338)	(3,200,716)	(16,202,983)	(11,467,292)	(73,574,187)
2020	43,310,858	(53,542,672)	(3,290,682)	(13,522,495)	(9,109,090)	(87,096,683)
2021	47,408,267	(55,684,378)	(3,383,196)	(11,659,308)	(7,475,551)	(98,755,990)
2022	51,683,477	(57,911,753)	(3,478,330)	(9,706,607)	(5,923,660)	(108,462,597)
2023	56,142,817	(60,228,224)	(3,576,159)	(7,661,566)	(4,450,333)	(116,124,164)
2024	60,792,822	(62,637,353)	(3,676,761)	(5,521,291)	(3,052,586)	(121,645,455)
2025	67,281,244	(65,142,847)	(3,780,212)	(1,641,816)	(863,980)	(123,287,270)
2026	73,915,922	(67,748,561)	(3,886,597)	2,280,765	1,142,384	(121,006,506)
2027	80,840,283	(70,458,503)	(3,995,997)	6,385,783	3,044,375	(114,620,723)
2028	88,064,665	(73,276,843)	(4,108,499)	10,679,323	4,845,962	(103,941,400)
2029	95,599,741	(76,207,917)	(4,224,192)	15,167,632	6,550,981	(88,773,768)
2030	102,270,339	(79,256,233)	(4,343,167)	18,670,938	7,675,506	(70,102,829)
2031	108,421,773	(82,426,483)	(4,465,517)	21,529,773	8,424,276	(48,573,056)
2032	114,816,860	(85,723,542)	(4,591,339)	24,501,979	9,125,287	(24,071,077)
2033	121,463,939	(89,152,484)	(4,720,732)	27,590,723	9,780,493	3,519,646
2034	128,371,610	(92,718,583)	(4,853,798)	30,799,229	10,391,776	34,318,875
2035	137,649,376	(95,036,548)	(4,990,642)	37,622,186	12,082,206	71,941,061
2036	144,260,514	(97,412,461)	(5,131,373)	41,716,680	12,751,586	113,657,741
2037	151,116,178	(99,847,773)	(5,276,100)	45,992,305	13,381,103	159,650,046
2038	158,224,462	(102,343,967)	(5,424,939)	50,455,556	13,972,303	210,105,602
2039	165,593,713	(104,902,567)	(5,578,007)	55,113,139	14,526,682	265,218,741
2040	173,306,224	(107,525,131)	(5,735,426)	60,045,667	15,064,170	325,264,408
2041	181,377,984	(110,213,259)	(5,878,811)	65,285,914	15,589,612	390,550,322
2042	189,825,730	(112,968,590)	(6,025,781)	70,831,358	16,098,805	461,381,680
2043	198,666,977	(115,792,805)	(6,176,426)	76,697,746	16,592,161	538,079,426
2044	207,920,058	(118,687,625)	(6,330,837)	82,901,596	17,070,078	620,981,022
2045	217,604,157	(121,654,816)	(6,489,108)	89,460,234	17,532,947	710,441,256
2046	227,739,355	(124,696,186)	(6,651,335)	96,391,834	17,981,147	806,833,090
2047	238,346,667	(127,813,591)	(6,817,619)	103,715,457	18,415,050	910,548,547
2048	249,448,086	(131,008,931)	(6,988,059)	111,451,097	18,835,018	1,021,999,644
2049	261,066,633	(134,284,154)	(7,162,761)	119,619,718	19,241,403	1,141,619,362
2050	273,226,398	(137,641,258)	(7,341,830)	128,243,311	19,634,550	1,269,862,673
2051	285,952,596	(141,082,289)	(7,525,375)	137,344,932	20,014,795	1,407,207,605

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SOURCES AND USES

SOURCES	TAX-EXEMPT	TAXABLE	SHORT-TERM FINANCING	TIFIA (1)	EQUITY	TOTAL PRIVATE FINANCING	PUBLIC INVESTMENT	TOTAL
Current Interest Bonds	360,850,000	-	-	-	-	360,850,000	-	360,850,000
Capital Accretion Bonds	19,920,385	-	-	-	-	19,920,385	-	19,920,385
Short-Term Financing	-	-	-	-	-	-	-	-
TIFIA	-	-	-	308,462,557	-	308,462,557	-	308,462,557
Equity	-	-	-	-	76,848,894	76,848,894	-	76,848,894
Premium / Original Issue Discount	-	-	-	-	-	-	-	-
Public Funds Available	-	-	-	-	-	-	-	-
1) Federal	-	-	-	-	-	-	112,572,342	112,572,342
2) State Match	-	-	-	-	-	-	17,324,917	17,324,917
3) State Grant (Milestone Payment)	-	-	-	-	-	-	-	-
4) State Grant (Reserve Fund)	-	-	-	-	-	-	150,000,000	150,000,000
5) State Commerce Grant	-	-	-	-	-	-	15,000,000	15,000,000
6) Tiger Discretionary Grant	-	-	-	-	-	-	45,000,000	45,000,000
Total	380,770,385	-	-	308,462,557	76,848,894	766,081,836	339,897,259	1,105,979,095
USES								
Deposit to Construction Fund	270,958,557	-	-	307,712,557	71,895,176	650,566,289	77,495,013	728,061,302
Deposit for Port MacKenzie Road Upgrade	-	-	-	-	-	-	15,000,000	15,000,000
Deposit for KABATA Development Costs	-	-	-	-	-	-	67,402,246	67,402,246
Deposit to State Reserve Fund	-	-	-	-	-	-	150,000,000	150,000,000
Repay Short-Term Financing	-	-	-	-	-	-	-	-
TIFIA Credit Subsidy (2)	-	-	-	-	-	-	30,000,000	30,000,000
Deposit to Capitalized Interest Fund	62,596,300	-	-	-	-	62,596,300	-	62,596,300
Deposit to Prepaid Interest Fund	-	-	-	-	3,412,473	3,412,473	-	3,412,473
Debt Service Reserve Fund	38,077,039	-	-	-	-	38,077,039	-	38,077,039
Bond Insurance Premium	-	-	-	-	-	-	-	-
Cost of Issuance	5,711,556	-	-	750,000	-	6,461,556	-	6,461,556
Underwriter's Discount	1,903,852	-	-	-	-	1,903,852	-	1,903,852
Other Transaction Costs (3)	1,523,082	-	-	-	1,541,246	3,064,327	-	3,064,327
Concession (Shortfall)/Surplus	-	-	-	-	-	-	-	-
Total	380,770,385	-	-	308,462,557	76,848,894	766,081,836	339,897,259	1,105,979,095
Equity Contribution (12% IRR)	76,848,894	-	-	-	-	-	-	-
Construction Fund Surplus / (Shortfall)	11,219	-	-	-	-	-	-	-
Equity as % of Financing, Including Public Funds	22.261%	-	-	-	-	-	-	-
Equity as % of Financing, Excluding Public Funds	10.031%	-	-	-	-	-	-	-
Delivery Date	12/1/12	-	-	-	-	-	-	-
Rates as of	10/6/11	-	-	-	-	-	-	-
Cap I Date	12/1/2015	-	-	-	-	-	-	-
Cap I Earnings Rate	0.50%	-	-	-	-	-	-	-
Bond Yield	6.222%	-	-	-	-	-	-	-
Arbitrage Yield	6.222%	-	-	4.003%	-	-	-	4.788%
True Interest Cost	6.261%	-	-	4.003%	-	-	-	5.211%
Minimum Coverage	1.29x	-	-	1.29x	-	-	-	-
Average Coverage	1.87x	-	-	1.33x	-	-	-	-
Final Maturity	12/1/2042	-	-	12/1/2046	-	-	-	-
Total Qualified Project Costs	925,387,670	-	-	-	-	-	-	-
TIFIA 33% Limitation	308,462,557	-	-	-	-	-	-	-

(1) TIFIA rate assumed at 4.00% (current market + 80bps)
 (2) For subsidy cost of credit assistance
 (3) Includes stipend, success fee, and upfront administrative costs to KABATA

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Knik Arm Bridge and Toll Authority
 Federalization of Sections 2-5, with TIFIA Optimization
 Private Model - Availability Payment Structure - Rate at +0.50% above Market
 No State Milestone Payment of Construction Cost

Phase I

Oct 2011

AVAILABILITY PAYMENT SURPLUS (SHORTFALL)

Date	Toll Revenue	Availability Payment	KABATA Administrative Costs	Net State Surplus (Shortfall)	PV @ 5.000%	Cumulative Deficit/Return (1)
Total	4,811,812,938	(2,957,065,162)	(178,187,102)	1,676,560,674	342,036,995	
12/1/13	-	-	-	-	-	-
12/1/14	-	-	-	-	-	-
12/1/15	-	-	-	-	-	-
12/1/16	16,024,000	(31,961,000)	(2,945,406)	(18,882,406)	(15,497,670)	(18,882,406)
12/1/17	24,543,000	(35,639,440)	(3,028,146)	(14,124,586)	(11,034,104)	(33,006,992)
12/1/18	32,007,000	(41,385,018)	(3,113,227)	(12,491,244)	(9,287,938)	(45,498,236)
12/1/19	38,457,000	(47,200,418)	(3,200,716)	(11,944,134)	(8,453,189)	(57,442,370)
12/1/20	43,317,000	(49,088,435)	(3,290,682)	(9,062,117)	(6,104,468)	(66,504,487)
12/1/21	47,428,000	(51,051,972)	(3,383,196)	(7,007,169)	(4,492,758)	(73,511,856)
12/1/22	51,689,000	(53,094,051)	(3,478,330)	(4,883,382)	(2,980,186)	(78,395,038)
12/1/23	56,124,000	(55,217,813)	(3,576,159)	(2,669,973)	(1,550,893)	(81,065,011)
12/1/24	60,778,000	(57,426,526)	(3,676,761)	(325,286)	(179,843)	(81,390,297)
12/1/25	67,251,000	(59,723,587)	(3,780,212)	3,747,201	1,971,907	(77,643,096)
12/1/26	73,911,000	(62,112,530)	(3,886,597)	7,911,873	3,962,881	(69,731,224)
12/1/27	80,839,000	(64,597,032)	(3,995,997)	12,245,971	5,838,177	(57,485,252)
12/1/28	88,028,000	(67,180,913)	(4,108,499)	16,738,588	7,595,478	(40,746,664)
12/1/29	95,572,000	(69,868,149)	(4,224,192)	21,479,658	9,277,179	(19,267,006)
12/1/30	102,218,000	(72,662,875)	(4,343,167)	25,211,958	10,364,478	5,944,952
12/1/31	108,408,000	(75,569,390)	(4,465,517)	28,373,093	11,101,963	34,318,045
12/1/32	114,789,000	(78,592,166)	(4,591,339)	31,605,495	11,770,854	65,923,540
12/1/33	121,486,000	(81,735,853)	(4,720,732)	35,029,415	12,417,396	100,952,955
12/1/34	128,385,000	(85,005,287)	(4,853,798)	38,525,915	12,998,789	139,478,870
12/1/35	137,619,000	(87,130,419)	(4,990,642)	45,497,939	14,611,470	184,976,809
12/1/36	144,232,000	(89,308,679)	(5,131,373)	49,791,948	15,219,962	234,768,757
12/1/37	151,137,000	(91,541,396)	(5,276,100)	54,319,503	15,803,836	289,088,260
12/1/38	158,254,000	(93,829,931)	(5,424,939)	58,999,129	16,338,215	348,087,389
12/1/39	165,550,000	(96,175,680)	(5,578,007)	63,796,313	16,815,386	411,883,702
12/1/40	173,260,474	(98,580,072)	(5,735,426)	68,944,977	17,296,816	480,828,679
12/1/41	181,330,104	(101,044,573)	(5,878,811)	74,406,719	17,767,567	555,235,398
12/1/42	189,775,620	(103,570,688)	(6,025,781)	80,179,150	18,223,405	635,414,549
12/1/43	198,614,533	(106,159,955)	(6,176,426)	86,278,152	18,664,707	721,692,701
12/1/44	207,865,171	(108,813,954)	(6,330,837)	92,720,381	19,091,842	814,413,082
12/1/45	217,546,714	(111,534,303)	(6,489,108)	99,523,304	19,505,167	913,936,386
12/1/46	227,679,237	(114,322,660)	(6,651,335)	106,705,241	19,905,033	1,020,641,628
12/1/47	238,283,748	(117,180,727)	(6,817,619)	114,285,403	20,291,782	1,134,927,030
12/1/48	249,382,237	(120,110,245)	(6,988,059)	122,283,933	20,665,746	1,257,210,964
12/1/49	260,997,717	(123,113,001)	(7,162,761)	130,721,955	21,027,251	1,387,932,919
12/1/50	273,154,272	(126,190,826)	(7,341,830)	139,621,616	21,376,613	1,527,554,535
12/1/51	285,877,111	(129,345,597)	(7,525,375)	149,006,139	21,714,141	1,676,560,674

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SOURCES AND USES

SOURCES	GOV PURPOSE	PRIVATE ACTIVITY BONDS	SHORT-TERM FINANCING	TIFIA (1)	EQUITY	TOTAL PRIVATE FINANCING	PUBLIC INVESTMENT	TOTAL
Current Interest Bonds	-	403,905,000	-	-	-	403,905,000	-	403,905,000
Capital Accretion Bonds	-	-	-	-	-	-	-	-
Short-Term Financing	-	-	-	-	-	-	-	-
TIFIA	-	-	-	307,855,021	-	307,855,021	-	307,855,021
Equity	-	-	-	-	79,495,439	79,495,439	-	79,495,439
Premium / Original Issue Discount	-	-	-	-	-	-	-	-
Public Funds Available	-	-	-	-	-	-	-	-
1) Federal	-	-	-	-	-	-	112,572,342	112,572,342
2) State Match	-	-	-	-	-	-	17,324,917	17,324,917
3) State Grant (Milestone Payment)	-	-	-	-	-	-	-	-
4) State Grant (Reserve Fund)	-	-	-	-	-	-	150,000,000	150,000,000
5) State Commerce Grant	-	-	-	-	-	-	15,000,000	15,000,000
6) Other	-	-	-	-	-	-	-	-
Total	-	403,905,000	-	307,855,021	79,495,439	791,255,460	294,897,259	1,086,152,719

USES	GOV PURPOSE	PRIVATE ACTIVITY BONDS	SHORT-TERM FINANCING	TIFIA (1)	EQUITY	TOTAL PRIVATE FINANCING	PUBLIC INVESTMENT	TOTAL
Deposit to Construction Fund	-	280,923,935	-	307,105,021	62,578,225	650,607,181	62,495,013	713,102,194
Deposit for Port MacKenzie Road Upgrade	-	-	-	-	-	-	15,000,000	15,000,000
Deposit for KABATA Development Costs	-	-	-	-	-	-	67,402,246	67,402,246
Deposit to State Reserve Fund	-	-	-	-	-	-	150,000,000	150,000,000
Repay Short-Term Financing	-	-	-	-	-	-	-	-
TIFIA Credit Subsidy (2)	-	-	-	-	10,000,000	10,000,000	-	10,000,000
Deposit to Capitalized Interest Fund	-	72,896,845	-	-	-	72,896,845	-	72,896,845
Deposit to Prepaid Interest Fund	-	-	-	-	5,367,812	5,367,812	-	5,367,812
Debt Service Reserve Fund	-	40,390,500	-	-	-	40,390,500	-	40,390,500
Bond Insurance Premium	-	-	-	-	-	-	-	-
Cost of Issuance	-	6,058,575	-	750,000	-	6,808,575	-	6,808,575
Underwriter's Discount	-	2,019,525	-	-	-	2,019,525	-	2,019,525
Other Transaction Costs (3)	-	1,615,620	-	-	1,549,402	3,165,022	-	3,165,022
Concession (Shortfall)/Surplus	-	-	-	-	-	-	-	-
Total	-	403,905,000	-	307,855,021	79,495,439	791,255,460	294,897,259	1,086,152,719

Equity Contribution (12% IRR)	79,495,439
Construction Fund Surplus / (Shortfall)	9,949
Equity as % of Financing, Including Public Funds	19.942%
Equity as % of Financing, Excluding Public Funds	10.047%

Delivery Date	12/1/12
Rates as of	11/4/11

Cap I Date	12/1/2015	12/1/2015
Cap I Earnings Rate	0.50%	0.50%

Bond Yield	-	6.385%		
Arbitrage Yield	-	6.385%	4.003%	5.292%
True Interest Cost	-	6.426%	4.003%	5.313%

Minimum Coverage	1.26x	1.26x
Average Coverage	2.20x	1.41x
Final Maturity	10/1900	12/1/2046

Total Qualified Project Costs	923,565,063
TIFIA 33% Limitation	307,855,021

- (1) TIFIA rate assumed at 4.00% (current market + 80bps)
- (2) For subsidy cost of credit assistance
- (3) Includes stipend, success fee, and upfront administrative costs to KABATA

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Knik Arm Bridge and Toll Authority
 Federalization of Sections 2-5, with TIFIA Optimization
 Private Model - Availability Payment Structure - Rate at +0.50% above Market
 Private Activity Bonds Only

Phase I

Dec 2011

AVAILABILITY PAYMENT SURPLUS (SHORTFALL)

Date	Toll Revenue	Availability Payment	GP Total Annual DS	KABATA Administrative Costs	Net State Surplus (Shortfall)	PV @ 5.000%	Cumulative Deficit/Return
Total	4,525,935,828	(2,980,396,076)	-	(170,661,726)	1,374,878,025	269,685,989	
12/1/13	-	-	-	-	-	-	-
12/1/14	-	-	-	-	-	-	-
12/1/15	-	-	-	-	-	-	-
12/1/16	16,024,000	(34,268,000)	-	(2,945,406)	(21,189,406)	(17,391,132)	(21,189,406)
12/1/17	24,543,000	(38,038,720)	-	(3,028,146)	(16,523,866)	(12,908,417)	(37,713,272)
12/1/18	32,007,000	(43,880,269)	-	(3,113,227)	(14,986,495)	(11,143,297)	(52,699,767)
12/1/19	38,457,000	(45,795,480)	-	(3,200,716)	(10,539,195)	(7,458,875)	(63,238,963)
12/1/20	43,317,000	(51,787,299)	-	(3,290,682)	(11,760,981)	(7,922,490)	(74,999,944)
12/1/21	47,428,000	(53,858,791)	-	(3,383,196)	(9,813,987)	(6,292,394)	(84,813,930)
12/1/22	51,689,000	(56,013,142)	-	(3,478,330)	(7,802,473)	(4,761,622)	(92,616,403)
12/1/23	56,124,000	(58,253,668)	-	(3,576,159)	(5,705,827)	(3,314,314)	(98,322,231)
12/1/24	60,778,000	(60,583,815)	-	(3,676,761)	(3,482,575)	(1,925,430)	(101,804,806)
12/1/25	67,251,000	(63,007,167)	-	(3,780,212)	463,620	243,973	(101,341,186)
12/1/26	73,911,000	(65,527,454)	-	(3,886,597)	4,496,949	2,252,422	(96,844,236)
12/1/27	80,839,000	(68,148,552)	-	(3,995,997)	8,694,451	4,145,016	(88,149,785)
12/1/28	88,028,000	(70,874,494)	-	(4,108,499)	13,045,007	5,919,440	(75,104,779)
12/1/29	95,572,000	(73,709,474)	-	(4,224,192)	17,638,334	7,618,091	(57,466,445)
12/1/30	102,218,000	(76,657,853)	-	(4,343,167)	21,216,980	8,722,167	(36,249,465)
12/1/31	108,408,000	(79,724,167)	-	(4,465,517)	24,218,316	9,476,262	(12,031,149)
12/1/32	114,789,000	(82,913,134)	-	(4,591,339)	27,284,527	10,161,594	15,253,379
12/1/33	121,486,000	(86,229,659)	-	(4,720,732)	30,535,609	10,824,410	45,788,988
12/1/34	128,385,000	(89,678,846)	-	(4,853,798)	33,852,356	11,421,912	79,641,344
12/1/35	137,619,000	(91,920,817)	-	(4,990,642)	40,707,541	13,073,054	120,348,885
12/1/36	144,232,000	(94,218,837)	-	(5,131,373)	44,881,790	13,719,069	165,230,675
12/1/37	151,137,000	(96,574,308)	-	(5,276,100)	49,286,592	14,339,550	214,517,267
12/1/38	158,254,000	(98,988,666)	-	(5,424,939)	53,840,395	14,909,643	268,357,662
12/1/39	165,550,000	(101,463,382)	-	(5,578,007)	58,508,610	15,421,657	326,866,272
12/1/40	173,260,474	(103,999,967)	-	(5,735,426)	63,525,082	15,937,081	390,391,354
12/1/41	181,330,104	(106,599,966)	-	(5,878,811)	68,851,326	16,440,996	459,242,680
12/1/42	189,775,620	(109,264,965)	-	(6,025,781)	74,484,873	16,929,189	533,727,553
12/1/43	198,614,533	(111,996,589)	-	(6,176,426)	80,441,518	17,402,058	614,169,071
12/1/44	207,865,171	(114,796,504)	-	(6,330,837)	86,737,831	17,859,988	700,906,902
12/1/45	217,546,714	(117,666,417)	-	(6,489,108)	93,391,190	18,303,359	794,298,092
12/1/46	227,679,237	(120,608,077)	-	(6,651,335)	100,419,824	18,732,538	894,717,917
12/1/47	238,283,748	(123,623,279)	-	(6,817,619)	107,842,851	19,147,884	1,002,560,767
12/1/48	249,382,237	(126,713,861)	-	(6,988,059)	115,680,317	19,549,748	1,118,241,084
12/1/49	260,997,717	(129,881,708)	-	(7,162,761)	123,953,249	19,938,472	1,242,194,333
12/1/50	273,154,272	(133,128,750)	-	(7,341,830)	132,683,692	20,314,390	1,374,878,025
12/1/51							

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SOURCES AND USES

SOURCES	GOV PURPOSE	PRIVATE ACTIVITY BONDS	SHORT-TERM FINANCING	TIFIA (1)	EQUITY	TOTAL PRIVATE FINANCING	PUBLIC INVESTMENT	TOTAL
Current Interest Bonds	-	153,435,000	-	-	-	153,435,000	-	153,435,000
Capital Accretion Bonds	-	-	-	-	-	-	-	-
Short-Term Financing	-	-	-	-	-	-	-	-
TIFIA	-	-	-	500,473,670	-	500,473,670	-	500,473,670
Equity	-	-	-	-	72,787,288	72,787,288	-	72,787,288
Premium / Original Issue Discount	-	-	-	-	-	-	-	-
Public Funds Available	-	-	-	-	-	-	-	-
1) Federal	-	-	-	-	-	-	112,572,342	112,572,342
2) State Match	-	-	-	-	-	-	17,324,917	17,324,917
3) State Grant (Milestone Payment)	-	-	-	-	-	-	-	-
4) State Grant (Reserve Fund)	-	-	-	-	-	-	150,000,000	150,000,000
5) State Commerce Grant	-	-	-	-	-	-	15,000,000	15,000,000
6) TIGER-TIFIA Grant	-	-	-	-	-	-	-	-
Total	-	153,435,000	-	500,473,670	72,787,288	726,695,959	294,897,259	1,021,593,218

USES

Deposit to Construction Fund	-	109,357,485	-	499,723,670	70,494,245	679,575,400	25,419,013	704,994,413
Right of Way	-	-	-	-	-	-	15,250,000	15,250,000
KABATA PPA Oversight	-	-	-	-	-	-	11,826,000	11,826,000
Deposit for Port MacKenzie Road Upgrade	-	-	-	-	-	-	15,000,000	15,000,000
Deposit for KABATA Development Costs	-	-	-	-	-	-	77,402,246	77,402,246
Deposit to State Reserve Fund	-	-	-	-	-	-	150,000,000	150,000,000
Repay Short-Term Financing	-	-	-	-	-	-	-	-
TIFIA Credit Subsidy (2)	-	-	-	-	-	-	-	-
Deposit to Capitalized Interest Fund	-	25,051,575	-	-	-	25,051,575	-	25,051,575
Deposit to Prepaid Interest Fund	-	-	-	-	-	-	-	-
Debt Service Reserve Fund	-	15,343,500	-	-	-	15,343,500	-	15,343,500
Bond Insurance Premium	-	-	-	-	-	-	-	-
Cost of Issuance	-	2,301,525	-	750,000	-	3,051,525	-	3,051,525
Underwriter's Discount	-	767,175	-	-	-	767,175	-	767,175
KABATA FA Success Fee	-	613,740	-	-	2,293,044	2,906,784	-	2,906,784
Concession (Shortfall)/Surplus	-	-	-	-	-	-	-	-
Total	-	153,435,000	-	500,473,670	72,787,288	726,695,959	294,897,259	1,021,593,218

Equity Contribution (12% IRR)	72,787,288
Construction Fund Surplus / (Shortfall)	8,416
Equity as % of Financing, Including Public Funds	7.125%
Equity as % of Financing, Excluding Public Funds	10.016%

Delivery Date	12/1/13
Rates as of	2/1/12

Cap I Date	12/1/2016	12/1/2016
Cap I Earnings Rate	0.50%	0.50%

Bond Yield	-	5.846%		
Arbitrage Yield	-	5.846%	2.850%	3.386%
True Interest Cost	-	5.895%	2.850%	3.393%

Minimum Coverage	2.09x		1.33x
Average Coverage	2.90x		1.47x
Final Maturity	12/1/2034		12/1/2046

Total Qualified Project Costs	1,021,374,837
TIFIA 49% Limitation	500,473,670

(1) TIFIA rate assumed at 4.00% (current market + 140bps)
 (2) For subsidy cost of credit assistance

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Aug 2012

AVAILABILITY PAYMENT SURPLUS (SHORTFALL)

Date	Toll Revenue	Availability Payment	GP Total Annual DS	KABATA Administrative Costs	Net State Surplus (Shortfall)	PV @ 5.000%	Cumulative Deficit/Return
Total	4,232,444,723	(2,332,602,885)	-	(174,928,270)	1,724,913,568	436,668,726	
12/1/14	-	-	-	-	-	-	-
12/1/15	-	-	-	-	-	-	-
12/1/16	-	-	-	-	-	-	-
12/1/17	16,018,701	(24,729,500)	-	(3,019,041)	(11,729,840)	(9,627,226)	(11,729,840)
12/1/18	22,836,943	(28,118,680)	-	(3,103,849)	(8,385,586)	(6,550,806)	(20,115,426)
12/1/19	29,655,186	(33,563,427)	-	(3,191,057)	(7,099,299)	(5,278,725)	(27,214,725)
12/1/20	36,473,428	(35,065,964)	-	(3,280,734)	(1,873,270)	(1,325,764)	(29,087,995)
12/1/21	43,291,671	(40,628,603)	-	(3,372,949)	(709,881)	(478,194)	(29,797,876)
12/1/22	48,083,795	(42,253,747)	-	(3,467,776)	2,362,272	1,514,608	(27,435,604)
12/1/23	52,875,920	(43,943,897)	-	(3,565,289)	5,366,734	3,275,162	(22,068,870)
12/1/24	57,668,044	(45,701,653)	-	(3,665,563)	8,300,828	4,821,658	(13,768,041)
12/1/25	62,460,169	(47,529,719)	-	(3,768,680)	11,161,771	6,171,068	(2,606,271)
12/1/26	67,252,294	(49,430,908)	-	(3,874,718)	13,946,668	7,339,221	11,340,398
12/1/27	74,284,285	(51,408,144)	-	(3,983,762)	18,892,380	9,462,773	30,232,778
12/1/28	81,316,277	(53,464,470)	-	(4,095,897)	23,755,911	11,325,457	53,988,688
12/1/29	88,348,269	(55,603,048)	-	(4,211,212)	28,534,009	12,947,893	82,522,697
12/1/30	95,380,261	(57,827,170)	-	(4,329,797)	33,223,293	14,349,318	115,745,990
12/1/31	102,412,252	(60,140,257)	-	(4,451,746)	37,820,249	15,547,667	153,566,240
12/1/32	109,444,244	(62,545,867)	-	(4,577,155)	42,321,222	16,559,656	195,887,462
12/1/33	116,476,236	(65,047,702)	-	(4,706,122)	46,722,412	17,400,857	242,609,873
12/1/34	123,508,228	(67,649,610)	-	(4,838,750)	51,019,867	18,085,769	293,629,741
12/1/35	130,540,220	(70,355,595)	-	(4,975,143)	55,209,482	18,627,887	348,839,222
12/1/36	137,572,211	(72,114,485)	-	(5,115,408)	60,342,318	19,378,680	409,181,541
12/1/37	144,182,963	(73,917,347)	-	(5,259,657)	65,005,959	19,870,447	474,187,500
12/1/38	151,085,615	(75,765,280)	-	(5,408,003)	69,912,332	20,340,448	544,099,832
12/1/39	158,200,196	(77,659,412)	-	(5,560,563)	74,980,221	20,763,746	619,080,053
12/1/40	165,493,715	(79,600,898)	-	(5,717,458)	80,175,360	21,132,564	699,255,413
12/1/41	169,631,058	(81,590,920)	-	(5,878,811)	82,161,327	20,612,515	781,416,740
12/1/42	173,871,834	(83,630,693)	-	(6,025,781)	84,215,360	20,109,771	865,632,100
12/1/43	178,218,630	(85,721,460)	-	(6,176,426)	86,320,744	19,619,288	951,952,844
12/1/44	182,674,096	(87,864,497)	-	(6,330,837)	88,478,763	19,140,769	1,040,431,606
12/1/45	187,240,948	(90,061,109)	-	(6,489,108)	90,690,732	18,673,921	1,131,122,338
12/1/46	191,921,972	(92,312,637)	-	(6,651,335)	92,958,000	18,218,460	1,224,080,338
12/1/47	196,720,022	(94,620,453)	-	(6,817,619)	95,281,950	17,774,107	1,319,362,288
12/1/48	201,638,022	(96,985,964)	-	(6,988,059)	97,663,999	17,340,592	1,417,026,286
12/1/49	206,678,973	(99,410,613)	-	(7,162,761)	100,105,599	16,917,651	1,517,131,885
12/1/50	211,845,947	(101,895,879)	-	(7,341,830)	102,608,239	16,505,025	1,619,740,123
12/1/51	217,142,096	(104,443,276)	-	(7,525,375)	105,173,445	16,102,464	1,724,913,568
12/1/52							

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Wilbur Smith (CBM) Traffic Analysis Zone data received from AMATS 11/11/11

FID_ID	AREA	TAZ	AMATS_TAZ	MATSU_TAZ	HH_INCOME	RETAIL_EMP	NON_RETAIL	HH	HBW_A	HBO_A	NHB_A	SINGLE_A	COMBI_A	DISTRICT	Population	Employment
595	14.100159	595		0	0	42.34	0	0	0	0	0	0	0	0	0	0
597	61.405743	597		0	0	35	4.76	4.76	0	45.98	168.0176	115.246	1.88496	0.48076 Point MacKenzie	0	0
102	32.393131	102		0	102	42.344	0	2.47	559.2	6.7925	1086.4931	486.1731	55.71401	21.33852 Big Lake	3697	3
115	28.80934	115		0	115	38.75	0	0	72.16	0	139.2688	62.0576	7.14384	2.74208 Willow	305	0
121	19.692814	121		0	121	40.185	13.24	5.88	278.73	52.58	725.0465	367.685	31.78483	11.66402 Willow	949	26
128	6.898813	128		0	128	40.185	0.24	0.24	54.72	1.32	109.392	49.6632	5.51232	2.1036 Willow	187	0
620	2.92026	620		0	0	40.18	0	0	0	287.76	2572.1	1027.05	120.91	77.85 Willow		
122	234.771149	122		0	122	40.185	0	0	49.02	0	94.6086	42.1572	4.85298	1.86276 Willow	135	0
129	3.69188	129		0	129	55.179	6.33	6.33	1.26	34.815	102.1926	69.7641	2.63142	0.68721 Fishhook	4	25
42	24.543911	42		0	42	55.179	0	66.21	67.82	204.8775	430.4879	271.3525	16.18221	4.96072 Fishhook	213	106
38	16.432909	38		0	38	55.179	17.95	39.16	154.68	157.0525	643.5697	372.9596	25.45455	8.45435 Fishhook	425	74
598	23.358797	598		0	0	48.96	0	0	390.19	0	753.0667	335.5634	38.62881	14.82722	1364	0
599	36.371334	599		0	0	36.71	146.61	146.61	272.86	806.355	2837.1934	1825.3781	85.0707	25.17629	997	497
594	6.428186	594		0	0	35	0	0	230.81	0	445.4633	198.4966	22.85019	8.77078 Point MacKenzie	1003	0
593	7.300333	593		0	0	35	0	1161.1	0	3193.025	3402.023	2072.943	418.0373	189.9996 Point MacKenzie	0	3373
136	6.536784	136		0	0	35	870	1664.29	0	6969.2975	16038.4697	10740.7377	704.10347	261.06444 Point MacKenzie	0	10455
135	8.883776	135		0	0	35	12.6	12.6	145.53	69.3	479.4489	261.8658	19.39707	6.80274 Point MacKenzie	753	50
134	13.157452	134		0	0	35	0	0	19.94	0	38.4842	17.1484	1.97406	0.75772 Point MacKenzie	72	0
132	7.874592	132		0	0	35	0	63.07	540.29	173.4425	1227.5548	598.9885	62.50772	22.80154 Point MacKenzie	4121	121
130	13.996483	130		0	0	23.25	0	52.23	1559	143.6325	3161.9039	1451.9899	161.80989	61.12228 Knik-Fairview	9502	69
59	10.042213	59		0	59	62.443	10.39	10.39	3071.46	57.145	6091.6642	2754.1871	308.18898	117.76487 Knik-Fairview	19069	29
58	18.877565	58		0	58	54.688	0	26.45	762	72.7375	1548.1585	711.6585	79.22035	29.9082 Knik-Fairview	3458	34
56	1.523418	56		0	56	52.467	3.65	7.31	333.71	30.14	712.3081	334.3889	35.00607	13.18139 Gateway	1444	14
55	1.087946	55		0	55	52.467	60.42	83.08	287.54	394.625	1573.5652	951.1072	55.63316	17.8447 Gateway	1107	198
25	0.833964	25		0	25	48.958	0	7.23	6.29	19.8825	33.3236	20.8093	1.6566	0.4993 Farm Loop	21	9
24	0.806858	24		0	24	50.352	36.33	318.9	651.88	1976.8825	3658.6193	2556.6714	119.33031	38.61329 Palmer	2116	471
22	1.628636	22		0	22	29.75	235.6	2248.74	272.94	7831.935	11138.3304	8078.9766	408.19768	106.64036 Palmer	886	3258
18	1.185136	18		0	18	56.25	0	4.19	254.98	11.5225	504.3881	228.2075	25.84219	9.84008 Glenn (C)	1036	3
17	1.920095	17		0	17	56.25	4.3	11.46	432.99	43.34	924.4175	434.2772	45.59269	17.14568 Glenn (C)	1760	21
15	1.57058	15		0	15	52.467	0	0	17.63	0	34.0259	15.1618	1.74537	0.66994 Gateway	57	0
137	23.574995	137		0	0	35	0	51.56	266.48	141.79	665.3772	338.9956	33.7546	11.9824 Point MacKenzie	1044	79
592	5.532669	592		0	0	35	8.18	8.18	187.58	44.99	490.9462	250.0718	21.8097	7.95422 Point MacKenzie	988	30
100	43.373878	100		0	100	42.344	0	4.85	465.1	13.3375	911.8535	410.3165	46.73845	17.8484 Big Lake	2318	7
596	6.415163	596		0	0	42.34	0	0	4.78	0	9.2254	4.1108	0.47322	0.18164	21	0
101	1.897302	101		0	101	42.344	13.29	115.79	347.81	362.17	1214.6487	684.4381	54.35353	18.24907 Big Lake	1343	179
103	13.934383	103		0	103	44.531	0	2.95	869.27	8.1125	1686.3346	753.8557	86.47958	33.13846 Big Lake	5237	4
114	4.545571	114		0	114	38.75	0	49.56	126.99	136.29	390.3015	214.7742	19.65909	6.60978 Houston	465	63
116	6.740669	116		0	116	40.185	1.14	1.14	30.21	6.27	76.2717	38.3496	3.44223	1.26312 Willow	105	4
43	101.168686	43		0	43	40.185	0	0	33.49	0	64.6357	28.8014	3.31551	1.27262 Willow	94	0
44	16.017916	44		0	44	57.928	0	3.52	100.04	9.68	203.3908	93.532	10.40732	3.92824 Tanaina	275	5
40	2.264788	40		0	40	55.179	0	13.7	118.76	37.675	269.3478	131.3146	13.71634	5.00608 Fishhook	334	18
41	2.547855	41		0	41	55.179	2.86	2.86	31.05	15.73	105.0001	57.734	4.20651	1.46876 Fishhook	76	7
573	3.470826	573		0 398		55.179	8.77	14.04	307.1	62.7275	746.3593	370.4856	34.62943	12.74529 Fishhook	1124	31
37	1.789207	37		0	37	55.179	0	6.94	136.3	19.085	283.3932	132.0002	14.48612	5.42924 Fishhook	441	10

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572	4.365707	572			0 39A	55.179	0	15.89	235.93	43.6975	501.9026	236.7455	25.62934	9.53738	Fishhook	865	21
26	3.563417	26			0	48.958	0	31.77	208.82	87.3675	496.1087	247.2553	25.21629	9.07888	Farm Loop	714	41
27	1.810193	27			0	48.958	4	4	204.96	22	458.6128	219.6656	21.87504	8.19248	Farm Loop	730	14
28	2.854555	28			0	48.958	7.88	7.88	440.55	43.34	974.4503	464.371	46.73493	17.53678	Farm Loop	1661	25
126	0.282264	126			0	60.116	1.14	1.14	87.12	206.27	386.108	287.2922	9.07632	3.4257	Palmer	250	4
127	0.106293	127			0	29.75	180.23	671.76	212.76	2642.9725	4991.2345	3485.428	162.72311	43.98319	Palmer	652	1148
29	0.413261	29			0	60.116	450.46	309.69	433.92	2590.4125	8024.2591	5460.8221	201.21013	56.9177	Palmer	1637	1065
21	0.340225	21			0	29.75	0	612.91	125.81	1685.5025	2038.6396	1413.6949	100.10132	26.84554	Palmer	511	807
23	0.100178	23			0	29.75	251.76	266.7	94	1425.765	4192.9318	2844.2582	111.13938	29.5376	Palmer	365	718
20	0.993575	20			0	56.25	44.66	18.39	178.02	173.3875	970.4491	581.7031	31.55273	10.3297	Glenn (C)	724	83
19	0.628816	19			0	56.25	4.85	4.85	73.61	26.675	218.5033	115.9271	9.20799	3.28703	Glenn (C)	301	18
125	0.731245	125			0	56.25	147.95	32.71	55.14	496.815	2100.459	1407.2167	47.56774	12.88963	Glenn (C)	224	253
16	5.061836	16			0	60.116	0	114.82	570.3	315.755	1437.1016	735.0246	72.87896	25.80492	Glenn (C)	2287	159
31	5.542441	31			0	70.391	4.44	624.09	434.51	1728.4575	2724.1532	1741.7071	133.38468	39.26722	Gateway	1589	882
118	0.286696	118			0	52.467	585.97	7.81	128.92	1632.895	7789.694	5237.1649	162.13032	43.26817	Gateway	470	944
53	0.746013	53			0	52.467	38.37	82.49	99.96	332.365	926.9056	596.2557	31.39972	9.26217	Gateway	340	165
119	0.611632	119			0	62.381	32.11	409.38	117.33	1214.0975	1837.9016	1252.8824	78.28084	21.28337	Gateway	381	607
576	0.411164	576			0 57A	54.688	223.97	60.58	44.06	782.5125	3136.0703	2119.9454	69.68929	18.41321	Gateway	162	390
63	1.774873	63			0	54.688	0	17.22	413.02	47.355	847.5832	391.8758	43.35144	16.31468	Wasilla	1595	25
57	0.397813	57			0	54.688	1012.27	326.54	88.55	3681.7275	14115.0878	9598.6776	311.56598	80.91789	Wasilla	324	1995
62	2.675886	62			0	54.688	0	25.87	421.33	71.1425	888.966	417.4469	45.41108	16.94186	Knik-Fairview	1823	38
61	2.856095	61			0	60.234	0	161.72	584.91	444.73	1602.7159	847.4862	81.03205	28.0485	Knik-Fairview	2455	230
60	1.36071	60			0	60.234	0	67.64	307.18	186.01	791.0426	408.248	40.08334	14.10788	Knik-Fairview	1265	96
92	2.013295	92			0	47.143	2.14	2.14	394.22	11.77	794.571	362.2482	39.87522	15.1965	Knik-Fairview	1624	9
93	1.80432	93			0	47.143	10.44	3.48	438.7	38.28	990.8326	475.7312	46.57026	17.47448	Knik-Fairview	1569	20
96	10.517654	96			0	41.957	0	35.39	1839.75	97.3225	3654.4102	1657.5657	187.19602	71.18454	Knik-Fairview	11424	47
98	9.73971	98			0	42.344	2.42	0	501.89	6.655	999.6963	452.7278	50.29937	19.22912	Big Lake	2626	3
131	16.061153	131			0	42.344	1.99	0	523.07	5.4725	1035.0568	467.193	52.2874	20.00601	Point MacKenzie	3580	2
133	4.278993	133			0	35	48.9	48.9	46.33	268.95	860.0809	570.4088	23.95107	6.69944	Point MacKenzie	268	199
591	5.465462	591			0	35	7.13	7.13	96.52	39.215	298.6524	160.3677	12.37896	4.38789	Point MacKenzie	488	30
99	1.877676	99			0	42.344	1.28	1.28	186.06	7.04	379.2686	173.8996	18.92682	7.19956	Big Lake	1002	6
124	1.839957	124			0	42.344	3.84	51.82	149.56	160.265	523.3506	295.283	23.18822	7.7984	Big Lake	587	77
105	4.908227	105			0	44.531	65.45	47.6	754.42	310.8875	2435.2221	1320.9132	98.05323	34.63581	Big Lake	4115	162
104	1.640949	104			0	44.531	15.88	5.95	214.84	67.2325	669.4151	358.7095	26.13765	9.41032	Big Lake	1041	32
107	2.319469	107			0	44.531	78.88	0	562.21	216.92	2097.0957	1171.3342	75.61543	26.49118	Big Lake	2951	119
112	8.014148	112			0	38.75	101.17	155.5	646.83	705.8425	3002.008	1769.6912	111.86868	36.75359	Houston	3482	351
111	9.207516	111			0	38.75	0	8.75	751.19	24.0625	1475.4342	664.6609	75.61906	28.86022	Houston	3538	13
113	23.586412	113			0	38.75	0	10.18	130.78	27.995	282.2328	134.1542	14.40296	5.33612	Willow	573	14
110	1.677064	110			0	40.563	1.14	1.14	24.84	6.27	65.9076	33.7314	2.9106	1.05906	Meadow Lakes	92	4
87	31.389156	87			0	41.278	0	80.38	238.61	221.045	696.0307	376.414	35.11673	11.96086	Meadow Lakes	775	99
78	2.67636	78			0	75.691	0	3.52	81.83	9.68	168.2455	77.8714	8.60453	3.23626	Tanaina	258	5
73	4.054771	73			0	57.928	0	39.86	350.24	109.615	792.753	386.1082	40.37374	14.74408	Tanaina	978	52
574	1.186362	574			0 40A	55.179	2.28	2.28	15.19	12.54	65.2495	37.8014	2.40669	0.8075	Fishhook	41	9
46	2.573828	46			0	70.227	0	69.16	200.26	190.19	589.1406	319.5344	29.71562	10.09964	North Lakes	685	90

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580	1.489913	580		0 73A	57.928	0		9.51	65.05	26.1525	153.4108	76.1993	7.79988	2.81426 Seldon (A)	205	16
39	2.3915	39		0	70.391	2.28		2.28	124.47	12.54	276.1599	131.7822	13.22541	4.96014 Colony (B)	470	3
571	1.397142	571		0 35A	70.391	0		8.09	325.65	22.2475	652.2082	297.2907	33.39622	12.66594 Colony (B)	1159	11
35	0.601092	35		0	70.391	4.13		8.26	116.49	34.0725	302.0154	153.7888	4.99243	Gateway	398	18
34	1.257698	34		0	60.116	4.05		34.41	409.33	105.765	942.7897	460.6331	46.46895	17.05655 Glenn (C)	1544	53
30	0.332324	30		0	60.116	46.28		0	235.59	127.27	1048.4611	606.169	35.03225	11.96062 Palmer	802	68
33	0.280417	33		0	70.391	0		19.79	63.2	54.4225	179.9607	96.5047	9.08677	3.11404 Gateway	205	29
36	0.952253	36		0	70.391	15.65		469.6	148.14	1334.4375	1862.6277	1264.1164	85.77811	23.55217 Gateway	527	652
32	0.185542	32		0	70.391	0		73.06	40.62	200.915	292.4624	190.551	14.46896	4.17372 Gateway	131	103
117	1.16893	117		0	52.467	20.44		3.72	175.58	66.44	612.0142	337.1592	23.0857	8.13456 Gateway	625	33
48	1.030458	48		0	70.391	0		79.24	156.53	217.91	534.2761	303.397	26.82779	8.80078 South Lakes	507	110
52	1.731094	52		0	62.381	35.13		17.57	374.92	144.925	1225.7936	666.1889	48.51748	17.16293 South Lakes	1312	76
54	0.869131	54		0	62.381	98.65		109.37	227.37	572.055	2024.9577	1288.7243	63.10799	18.98963 South Lakes	738	295
120	0.692645	120		0	62.381	66.02		204.24	200.76	743.215	1832.9266	1183.3792	65.78462	19.27282 South Lakes	652	378
64	0.374117	64		0	66.875	550.64		1270.22	96.1	5007.365	10971.9288	7589.7954	330.46728	85.17132 Seldon (A)	351	2549
66	0.604721	66		0	50	236.44		157.63	76.88	1083.6925	3643.7595	2463.6255	89.97153	23.96472 Seldon (A)	281	564
577	0.626181	577		0 63A	66.875	13.53		349.11	17.63	997.26	1230.5081	876.7477	55.09119	14.11735 Wasilla	41	517
67	0.523695	67		0	50	304.04		907.98	77.13	3333.055	6710.0755	4651.558	214.39913	55.38082 Seldon (A)	250	1634
84	1.023831	84		0	47.381	69.21		390.85	387.08	1265.165	2780.2192	1768.9105	111.7226	33.27829 Wasilla	1493	635
85	2.189455	85		0	47.381	0		151.06	445.42	415.415	1302.2664	704.819	65.69816	22.36412 Wasilla	1835	207
86	1.060669	86		0	47.381	150.64		0	10.24	414.26	1952.4744	1322.3872	39.12568	10.18072 Wasilla	35	225
91	2.473959	91		0	60.093	4.04		34.35	239.45	105.5725	614.6172	314.3213	29.63972	10.5983 Meadow Lakes	892	53
95	2.661342	95		0	41.957	1.28		1.28	298.96	7.04	597.1656	270.9936	30.10392	11.48976 Knik-Fairview	1349	6
97	4.063616	97		0	41.957	0		89.99	772.67	247.4725	1754.9238	856.1749	89.3629	32.6011 Knik-Fairview	4708	116
94	5.381213	94		0	37.557	71.87		349.35	516.92	1158.355	2943.3432	1815.3731	119.31524	36.89111 Meadow Lakes	2170	616
588	4.234877	588		0 110B	40.563	4		4	480.5	22	990.405	456.63	49.1535	18.663 Meadow Lakes	1901	14
106	0.570784	106		0	38.75	2.28		2.28	389.75	12.54	788.1503	359.923	39.48813	15.04078 Houston	1818	8
590	1.266243	590		0 111B	38.75	2.57		2.57	32.82	14.135	103.8458	56.1097	4.2669	1.50673 Houston	127	10
589	2.12039	589		0 111A	38.75	2.28		2.28	131.77	12.54	290.2489	138.0602	13.94811	5.23754 Houston	451	9
587	1.016773	587		0 110A	40.563	0		0	56.57	0	109.1801	48.6502	5.60043	2.14966 Meadow Lakes	193	0
108	4.3552	108		0	40.563	0		3.61	455.66	9.9275	890.0011	399.5569	45.62657	17.44504 Meadow Lakes	1707	5
88	5.954743	88		0	41.278	0		74.2	156.53	204.05	519.5089	292.6618	26.10707	8.61934 Meadow Lakes	507	91
582	2.058446	582		0 78A	75.691	1.43		1.43	313.06	7.865	626.7426	284.7471	31.55922	12.04071 Tanaina	1132	6
74	0.824589	74		0	63.5	17.92		2.56	345.96	56.32	905.1172	459.2408	39.14988	14.40344 Tanaina	1265	27
75	1.299715	75		0	63.5	23.22		104.5	495.35	351.23	1560.1231	851.0644	69.85781	24.0946 Tanaina	1606	176
575	0.66059	575		0 47A	60.294	35.68		0	65.97	98.12	585.0965	367.8638	15.55807	4.82606 Seldon (A)	182	52
578	0.639667	578		0 69A	49.904	7.84		5.88	169.03	37.73	444.0435	226.255	19.55833	7.14442 Tanaina	548	20
47	1.464648	47		0	60.294	11.15		33.45	122.54	122.65	477.5652	273.8609	19.73576	6.58547 North Lakes	334	57
45	2.1108	45		0	70.227	0		26.73	555.7	73.5075	1150.8199	534.8369	58.83669	22.07888 North Lakes	1751	33
49	0.956376	49		0	57.895	5.29		79.42	223.76	232.9525	732.4281	407.727	34.84767	11.70585 North Lakes	726	99
51	1.410183	51		0	77.371	75.05		486.79	325.73	1545.06	3017.8451	1971.4265	120.84589	34.78043 South Lakes	1058	775
65	0.241526	65		0	66.875	0		228.02	96.52	627.055	854.3822	568.6898	42.16234	11.87648 Seldon (A)	224	313
68	0.520587	68		0	49.904	198.12		481.63	137.56	1869.3125	4218.5463	2871.7799	132.61589	35.44376 Seldon (A)	447	855
50	1.2168	50		0	57.895	17.14		51.43	459.68	188.5675	1257.7785	654.3315	57.19923	20.43342 North Lakes	1491	86

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72	0.13425	72		0	72	45	552.79	2104.87	1.68	7308.565	13262.8072	9305.1467	441.0186	111.77051	Wasilla	4	3459
76	0.553854	76		0	76	63.5	124.56	1508.77	200.84	4491.6575	6406.4221	4472.5657	267.15095	70.04404	Wasilla	615	2242
81	0.196068	81		0	81	44.342	452.62	408	35.17	2366.705	7070.4327	4846.1326	176.33869	45.44476	Wasilla	115	1247
82	0.994473	82		0	82	52.588	10.53	21.06	223.42	86.8725	628.0063	328.8206	27.79425	9.93257	Wasilla	851	45
83	0.377009	83		0	83	52.588	53.9	143.04	179.27	541.585	1456.6353	928.8554	51.83915	15.4652	Wasilla	681	276
584	0.54795	584		0 89A		52.588	10.27	10.27	218.97	56.485	584.4673	299.7437	25.74495	9.35813	Wasilla	893	37
89	2.531001	89		0	89	60.093	38.12	52.95	471.77	250.4425	1554.7392	850.9121	63.92144	22.31126	Meadow Lakes	1821	129
90	1.789262	90		0	90	41.278	8.79	4.39	154.77	36.245	424.3445	219.1017	18.17387	6.61065	Meadow Lakes	630	19
586	1.357328	586		0 108B		40.563	59.76	4.48	112.89	176.66	997.7249	627.735	26.93603	8.3355	Meadow Lakes	437	91
585	0.815906	585		0 108A		40.563	0	8.66	65.21	23.815	151.2291	74.5264	7.69417	2.78974	Meadow Lakes	252	11
583	3.996154	583		0 88A		41.278	0	8.66	185.07	23.815	382.5589	177.606	19.56031	7.34442	Meadow Lakes	738	11
581	0.984919	581		0 77A		75.691	4.14	4.14	77.13	22.77	214.1073	111.2508	9.27531	3.34908	Tanaina	361	14
77	1.010372	77		0	77	75.691	31.47	122.89	293.25	424.49	1329.8003	788.3691	54.56693	17.61309	Tanaina	950	192
70	0.945906	70		0	70	49.904	7.71	131.04	649.7	381.5625	1736.7875	905.0884	85.00965	29.90719	Seldon (A)	2375	187
69	1.068335	69		0	69	49.904	0	215.85	35.17	593.5875	700.3186	490.0067	34.34838	9.10706	Seldon (A)	115	268
579	0.540213	579		0 69B		49.904	4.53	84.5	101.47	244.8325	501.542	306.7508	23.27512	7.19231	North Lakes	390	113
71	0.436292	71		0	71	45	49.16	455.71	380.29	2888.3925	4199.9128	2726.3869	115.25272	34.05198	Wasilla	1233	672
79	0.614413	79		0	79	44.342	24.6	71.74	298.2	264.935	1101.3422	623.7702	46.00442	15.51324	Wasilla	968	136
80	0.440848	80		0	80	44.342	0	153.06	244.99	420.915	921.2965	536.7092	46.14159	14.81978	Wasilla	794	209
14	63.093117	14		0	14	55	0	0	170.71	0	329.4703	146.8106	16.90029	6.48698	South Knik	465	0
123	1.170903	123		0	123	55	0	2.47	46.33	6.7925	96.654	45.1049	4.93988	1.84946	South Knik	125	3
4	2.071136	4		0	4	56.667	49.83	0	61.69	137.0325	758.3806	487.571	18.7143	5.58317	Butte	172	47
11	9.937928	11		0	11	53.125	0	0	39.11	0	75.4823	33.6346	3.87189	1.48618	Butte	109	0
3	2.899027	3		0	3	38.75	2.85	2.85	100.04	15.675	237.9932	116.9569	11.03256	4.08937	Lazy Mountain	275	0
1	12.138602	1		0	1	48.523	0	0	51.28	0	98.9704	44.1008	5.07672	1.94864	Lazy Mountain	139	0
2	15.685947	2		0	2	48.523	1.46	45.25	308.44	128.4525	746.6035	374.3721	37.37569	13.44462	Lazy Mountain	847	60
6	15.85609	6		0	6	56.667	0	20.36	136.64	55.99	323.37	160.8772	16.43884	5.92528	Butte	431	27
7	5.670363	7		0	7	53.125	0.57	0.57	172.9	3.135	342.6802	154.8785	17.34282	6.62777	Butte	545	0
8	3.276667	8		0	8	53.125	0.57	0.57	78.05	3.135	159.6197	73.3075	7.95267	3.02347	Butte	246	2
13	1.946393	13		0	13	53.125	6.6	0	65.05	18.15	210.2245	113.495	8.10975	2.9009	Butte	178	5
12	1.837071	12		0	12	53.125	0	6.18	90.48	16.995	192.7338	90.9762	9.84126	3.66072	Butte	246	9
5	1.723319	5		0	5	56.667	0	58.79	378.61	161.6725	902.972	450.8273	45.88936	16.50362	Butte	1349	79
10	0.785652	10		0	10	53.125	0	88.37	157.54	243.0175	562.9763	323.7125	28.23337	9.16784	Butte	496	118
9	0.091586	9		0	9	53.125	37.83	0	29.8	104.0325	542.8729	355.5056	12.52119	3.59135	Butte	94	33
621	0.572921	621		0	0	36.71	0	0	0	223.6	1551.92	591.29	112.63	71.22	Buffalo/Soapstone		
Total																191,656	51,655

ALASKA STATE LEGISLATURE

Rep. Mark Neuman

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March 27, 2013

Dear Senators and Representatives,

In the last issue of the Alaska Legislative Digest (No. 12/2013) there was a section about House Bill 23 and Senate Bill 13. We discussed with Mr. Brander that some of the items in that piece were not accurate. The following are items printed in the articles followed by sub-bullet points with the corrected information:

- HB 23 and SB 13 are described as a “funding bill.”
 - This is not an appropriations bill as such it does not fund any project and actually has a zero Fiscal Note.
- “The bill provides that once the bridge is “available” for state use the state will cover any expenses, including past financing, design, or construction overruns, if toll revenues are insufficient.”
 - Not so, under the public-private partnership (P3) being used to deliver the bridge, financing, design or construction overruns are not the financial responsibility of the state – they are the responsibility of the private partner. The Authority’s financial responsibility is periodic availability payments to the private partner after the bridge is built, available for traffic and maintained to contractual standards. Those availability payments will be competitively bid and known up front before a contract is executed by the State.
- The first paragraph ended by saying the bill will increase KABATA’s bond issuance authority by \$100,000 to \$600,000.
 - HB 23 and SB 13 will increase KABATA’s bond issuance capacity by \$100 million. Raising it from \$500 million to \$600 million not \$100,000 to \$600,000. This change is sought due to the increased allocation available of the tax-exempt Private Activity Bond (PABs). Which the federal government has now allocated \$600 million in capacity to this project. These bonds require a governmental conduit issuer for the private partner to take advantage of. If the private partner chooses to use the PABs, the state is not liable for the repayment. This legislation simply seeks to raise KABATA’s bond issuance capacity to match the amount of PABs capacity allocated to the project by the federal government. These are not an obligation to the State.

Sincerely,

Handwritten signature of Rep. Mark Neuman in black ink.

Rep. Mark Neuman

Handwritten signature of Sen. Charlie Huggins in black ink.

Sen. Charlie Huggins

MP 163

NORTHERN REGION
 CENTRAL REGION

Current Traffic Safety Corridors (TSC) & Candidates as of August, 2009

Central Region (Using 1977-2007 Accident Data)

Parks Highway:
 Lucus Road to Alaska Railroad-Houston Crossing
 (TSC is from Wasilla to Big Lake)
 Segment length: 13.00 Miles (10 miles for TSC)
 1977-2007 Fatalities: 41
 1977-2007 Fatal Accidents: 37
 1977-2007 Major Injury Accidents: 91
 1977-2007 Fatalities + Major Injuries per Mile: 9.85
 2001-2003 Fatal + Major Injury Accident Rate: 17.30
 (2000-2003 data was basis for TSC designation
 Rate per 100 Million Vehicle-Miles)

Knik/Goose Bay Road:
 Parks Highway to Point McKenzie Road
 Segment length: 17.25 Miles
 1977-2007 Fatalities: 38
 1977-2007 Fatal Accidents: 35
 1977-2007 Major Injury Accidents: 91
 1977-2007 Fatalities + Major Injuries per Mile: 7.35
 2001-2003 Fatal + Major Injury Accident Rate: 22.48
 (2000-2003 data was basis for TSC designation
 Rate per 100 Million Vehicle-Miles)

Palmer/Wasilla Highway:
 Glenn Highway to Parks Highway
 (not currently designated a TSC)
 Segment length: 9.94 Miles
 1977-2007 Fatalities: 27
 1977-2007 Fatal Accidents: 24
 1977-2007 Major Injury Accidents: 142
 1977-2007 Fatalities + Major Injuries per Mile: 16.70
 2001-2003 Fatal + Major Injury Accident Rate: 12.22
 (2000-2003 data was basis for TSC designation
 Rate per 100 Million Vehicle-Miles)

Seward Highway:
 Milepost 100 to Potter Rifle Range
 (TSC is from MP 87 to Potter)
 Segment length: 26.94 Miles (30 miles in TSC)
 1977-2007 Fatalities: 89
 1977-2007 Fatal Accidents: 68
 1977-2007 Major Injury Accidents: 218
 1977-2007 Fatalities + Major Injuries per Mile: 2.57
 2001-2003 Fatal + Major Injury Accident Rate: 13.10
 (2000-2003 data was basis for TSC designation
 Rate per 100 Million Vehicle-Miles)

Sterling Highway:
 Moose River (Scalehouse) to Kenai Spur Highway
 Segment Length: 10.81 Miles
 1977-2007 Fatalities: 32
 1977-2007 Fatal Accidents: 27
 1977-2007 Fatalities + Major Injuries per Mile: 10.92
 1977-2007 Major Injury Accidents: 91
 2001-2003 Fatal + Major Injury Accident Rate: 13.20
 (2000-2003 data was basis for TSC designation
 Rate per 100 Million Vehicle-Miles)

LEGEND
2001-2003 Central Region NHS Rural Route AVERAGES
 (Basis for initial TSC Designation)
AVERAGE Fatalities + Major Injuries per Mile: 0.777
AVERAGE Fatal + Major Injury Accident Rate: 9.019
 (Rate per 100 Million Vehicle-Miles)
 — Top Rural Highway Safety Corridor Candidates
 (Fatal + Major Injuries per mile and Fatal + Major Injury Accident Rate)
 — Existing Alaska State Highway System

