

**01/29/13
OVERVIEW:
KNIK ARM
BRIDGE AND
TOLL
AUTHORITY**

<TARGET><BILL></BILL><SUBJECT>01-29-13 OVERVIEW KNIK
ARM BRIDGE AND TOLL
AUTHORITY</SUBJECT><COMM>HTRA28</COMM></TARGET>



KNIK ARM CROSSING



Delivering Statewide benefits, regional connectivity and economic growth.

www.knikarmbridge.com

Joint House and Senate Transportation Committees

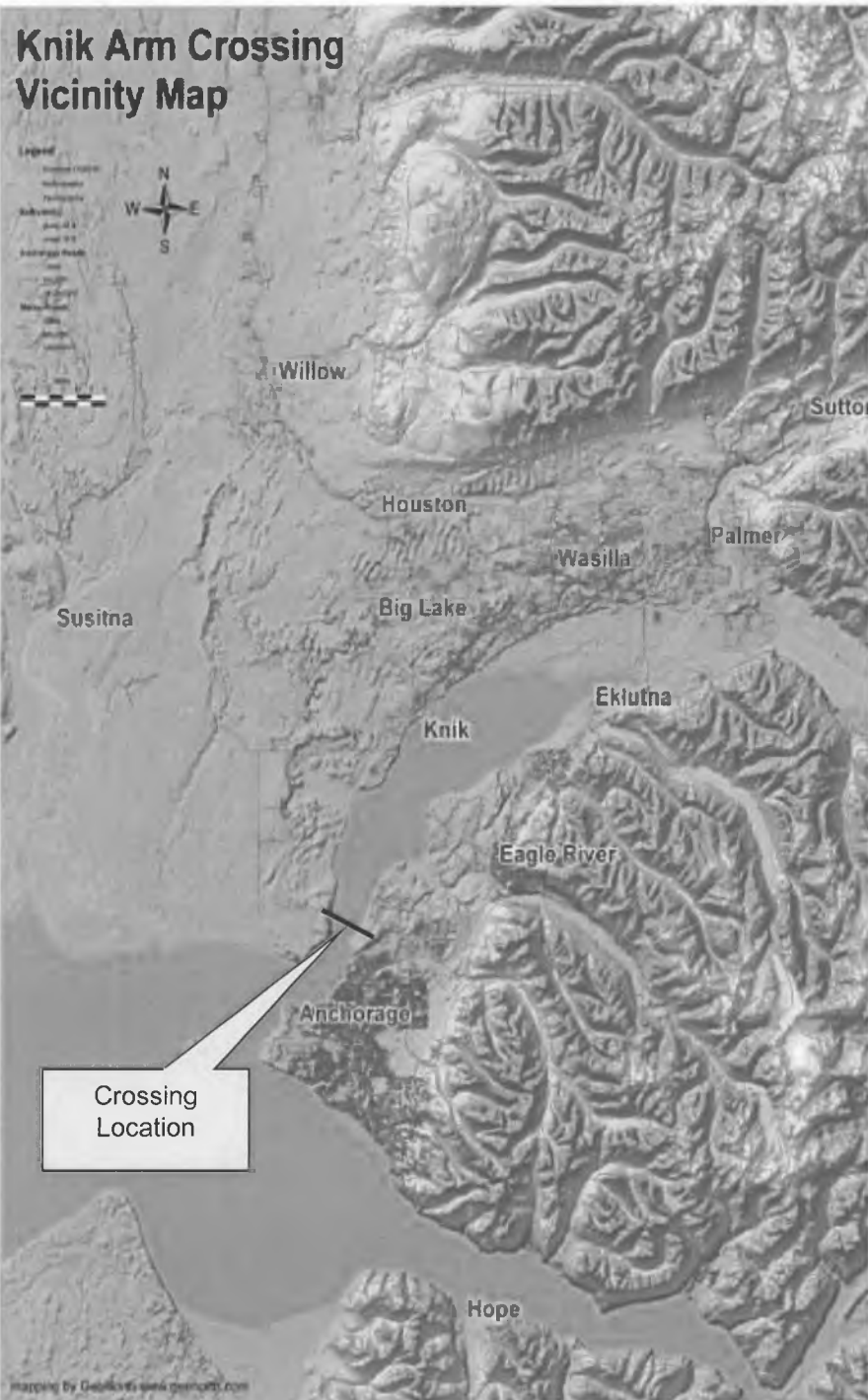
January 29, 2013

Mission Statement

Knik Arm Bridge and Toll Authority (KABATA)

- Established by Alaska Legislature in 2003 under Alaska Statute 19.75 to
“...**develop, stimulate, and advance the economic welfare of the state** and further the development of public transportation systems in the vicinity of the Upper Cook Inlet with **construction of a bridge to span Knik Arm and connect the Municipality of Anchorage and the Matanuska-Susitna Borough.**”

Regional Population



Anchorage Metropolitan Statistical Area

- 387,516 residents
- 54% of Alaskans

91,946 residents *

Mat-Su in top 1% of fastest growing "counties" in U.S.

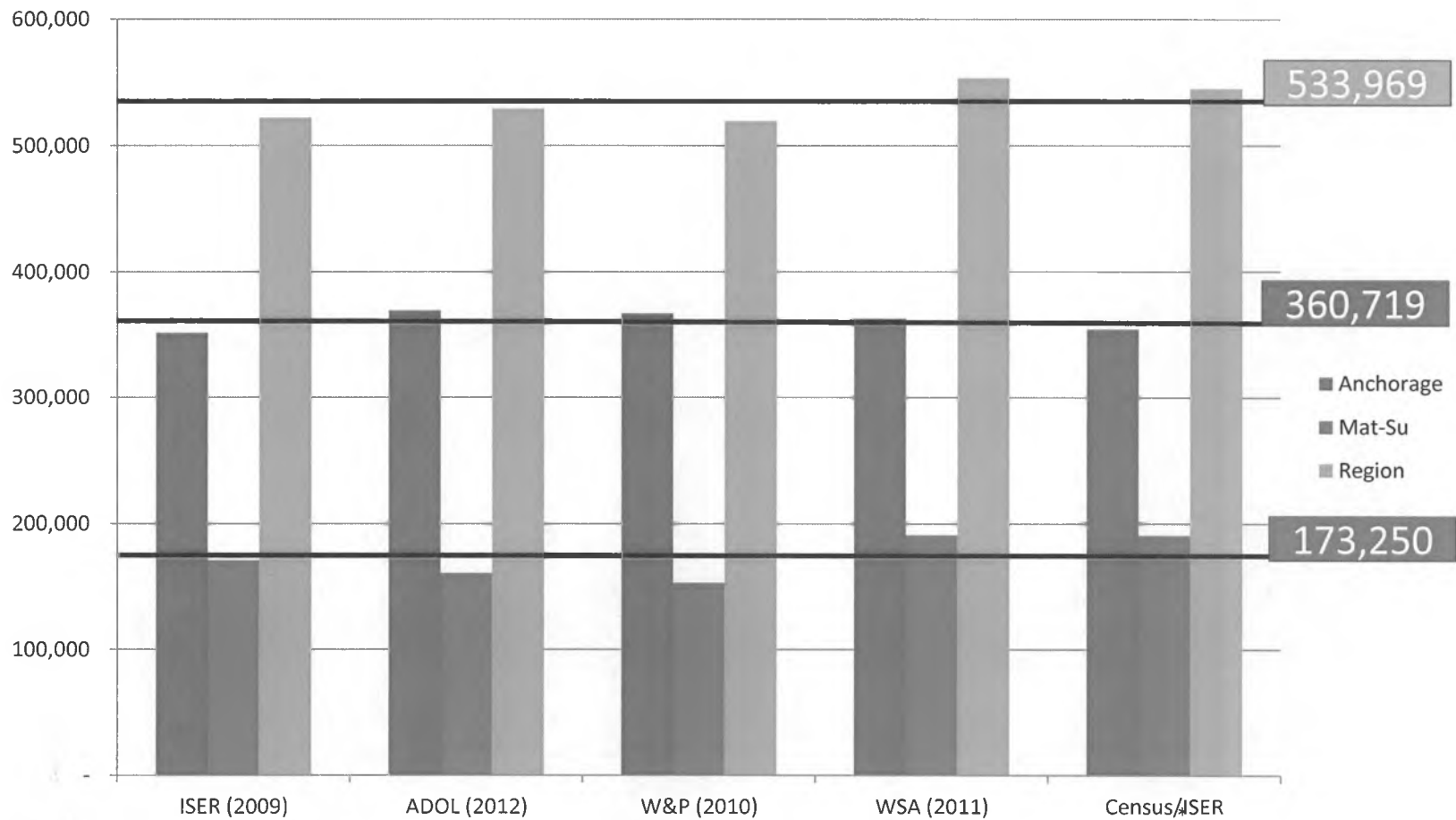
295,570 residents *

Municipality of Anchorage is the largest city in Alaska

* July 2011, population estimate - US Census Bureau.

KNIK ARM CROSSING

2035 Population Forecasts



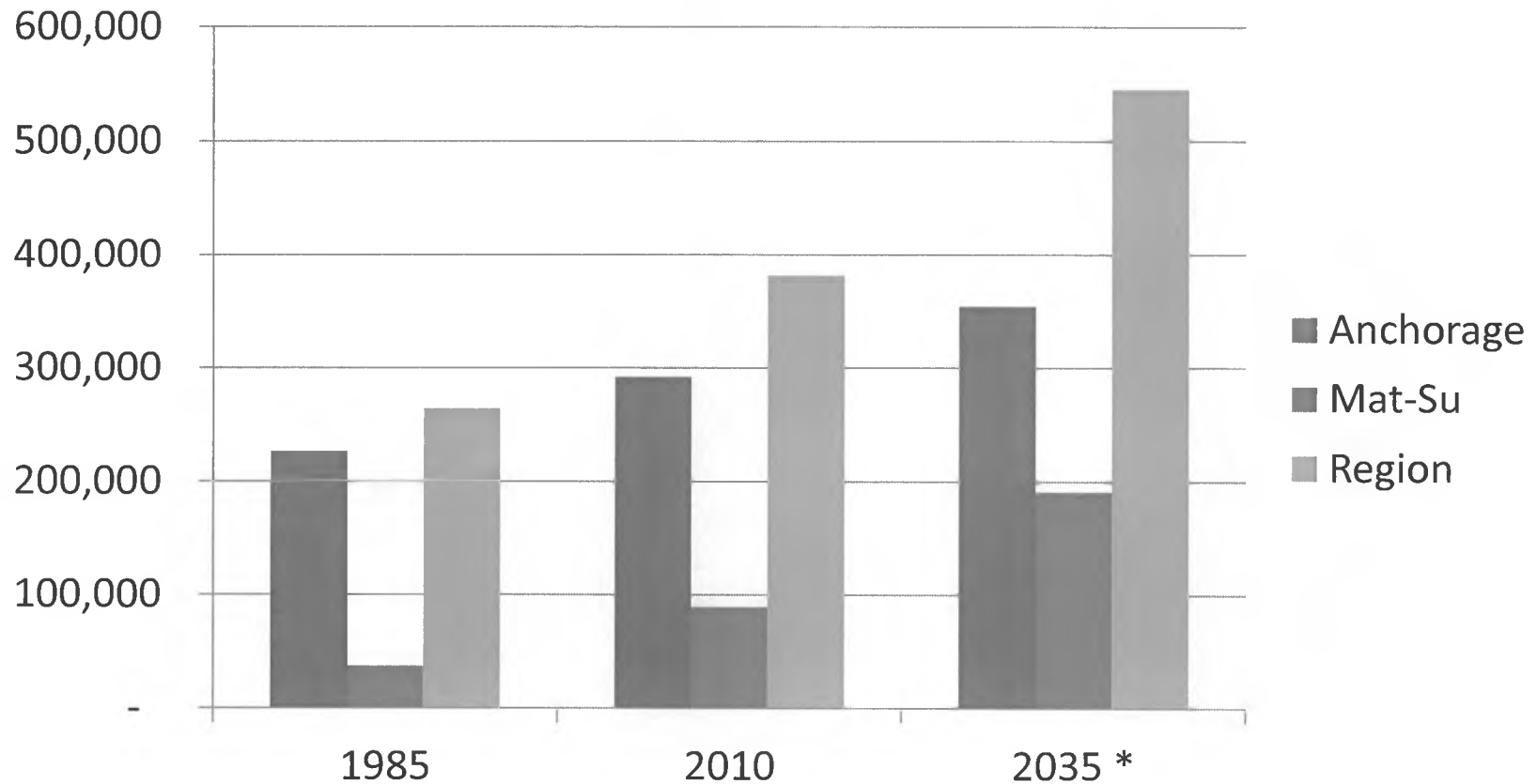
- 2010 Census number increased by ISER annual growth rate for 2035 forecast.
- Forecasts assume completion of the Knik Arm Crossing.

Population Statistics

Region	Actual Population 1985 ¹	Actual Population 2010 ¹	Forecast Population 2035 ²	Actual Change 1985 to 2010	Forecast Change 2010 to 2035	Percent Change 1985 to 2010	Percent Change 2010 to 2035
Anchorage	226,848	291,826	354,490	64,978	62,664	28.6%	21.5%
Mat-Su	37,280	89,737	190,873	52,457	101,136	140.7%	112.7%
Region	264,128	381,563	545,363	117,435	163,800	44.5%	42.9%

1. U.S. Census Bureau July 1, 1985 estimate and April 2010 actual count.
2. ISER population forecast growth rates applied to 2010 decennial census count.

Historic and Projected Population Trend 1985 to 2035



* 2010 Census number increased by ISER annual growth rate for 2035 forecast.

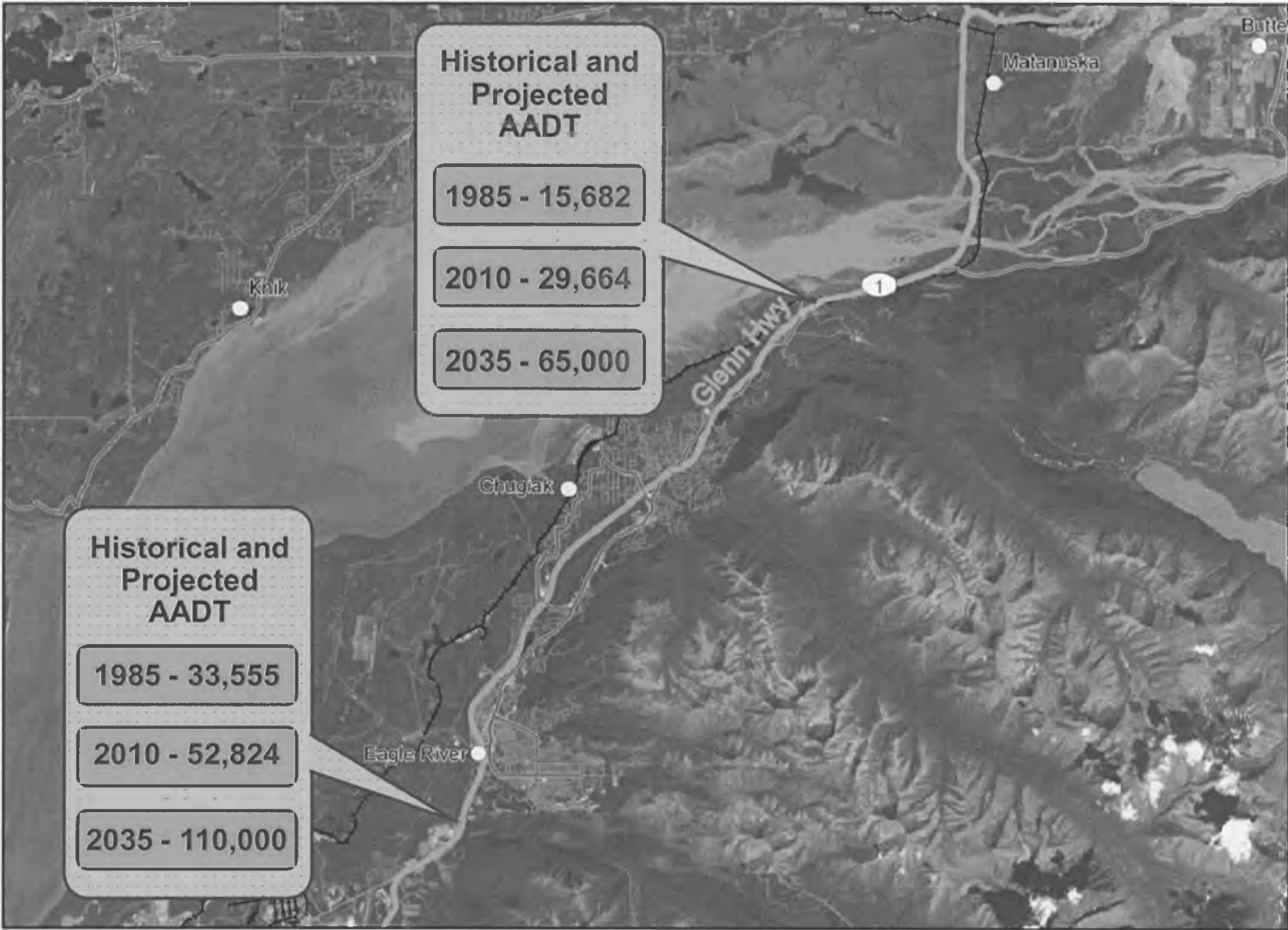
Historic and Projected Traffic

Population Growth Drives Traffic Increases

Location	1985 Average Annual Daily Traffic	2010 Average Annual Daily Traffic	2035 Forecast Average Annual Daily Traffic *	Forecast Increase in Daily Traffic 2010-2035
Eklutna	15,682	29,664	65,000	35,336
Hiland Road	33,555	52,824	110,000	57,176

* Forecast assumes traffic without the bridge.

Glenn Highway AADT Counts (no bridge)



No Bridge Alternative

What Happens Without the Bridge?

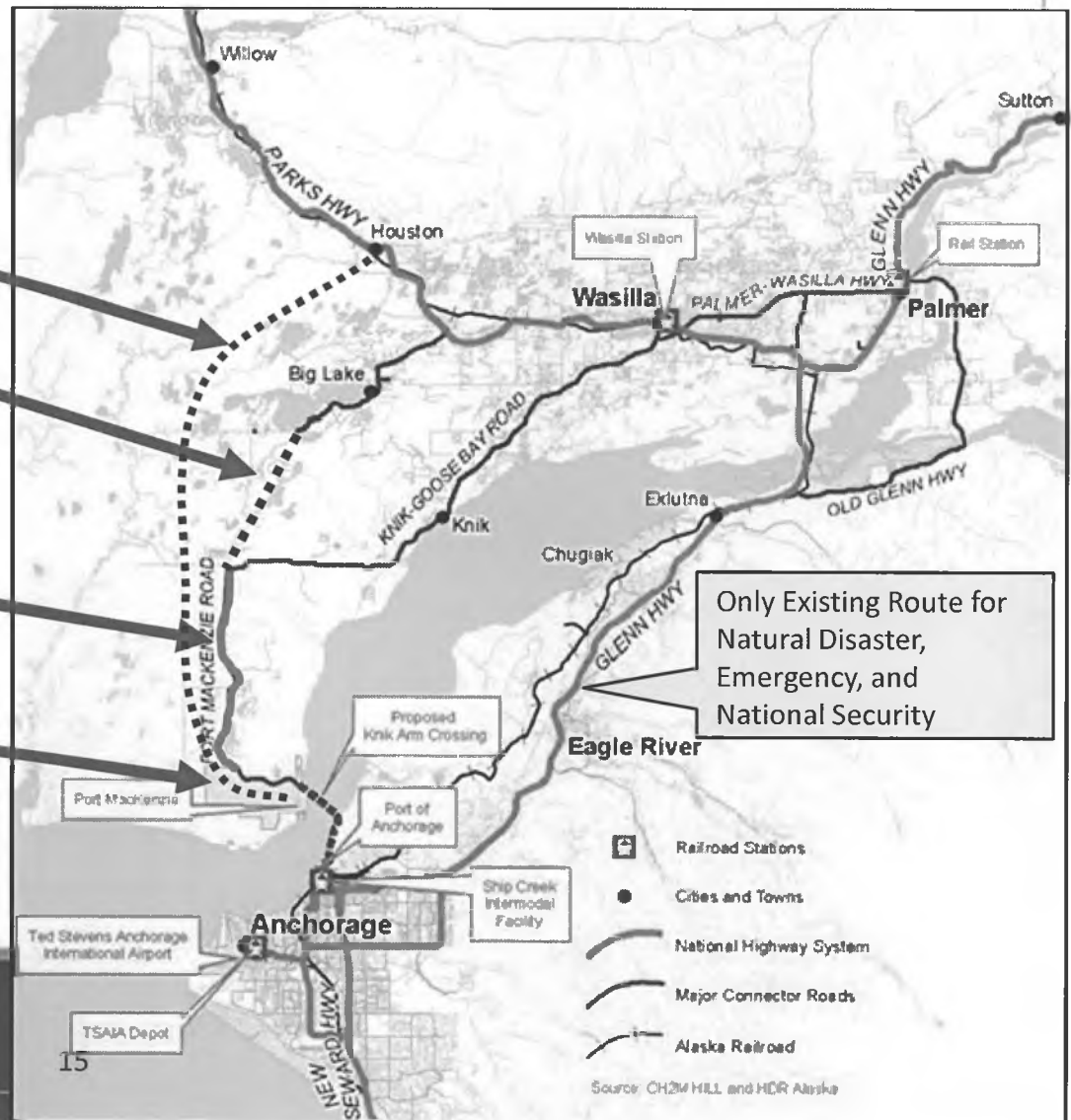
- State has to accommodate transportation needs to maintain existing level of service:
 - 6 lane improvements on Glenn Highway from Eagle River to Wasilla
 - 8 lane improvements on Glenn Highway from South Eagle River to 5th Avenue
 - Parks Wasilla Bypass
 - Network improvements in Palmer/Wasilla corridor
- ≈\$3 billion total cost with no toll revenue *

* Estimate per 2008 Statewide LRTP prepared by ADOT&PF

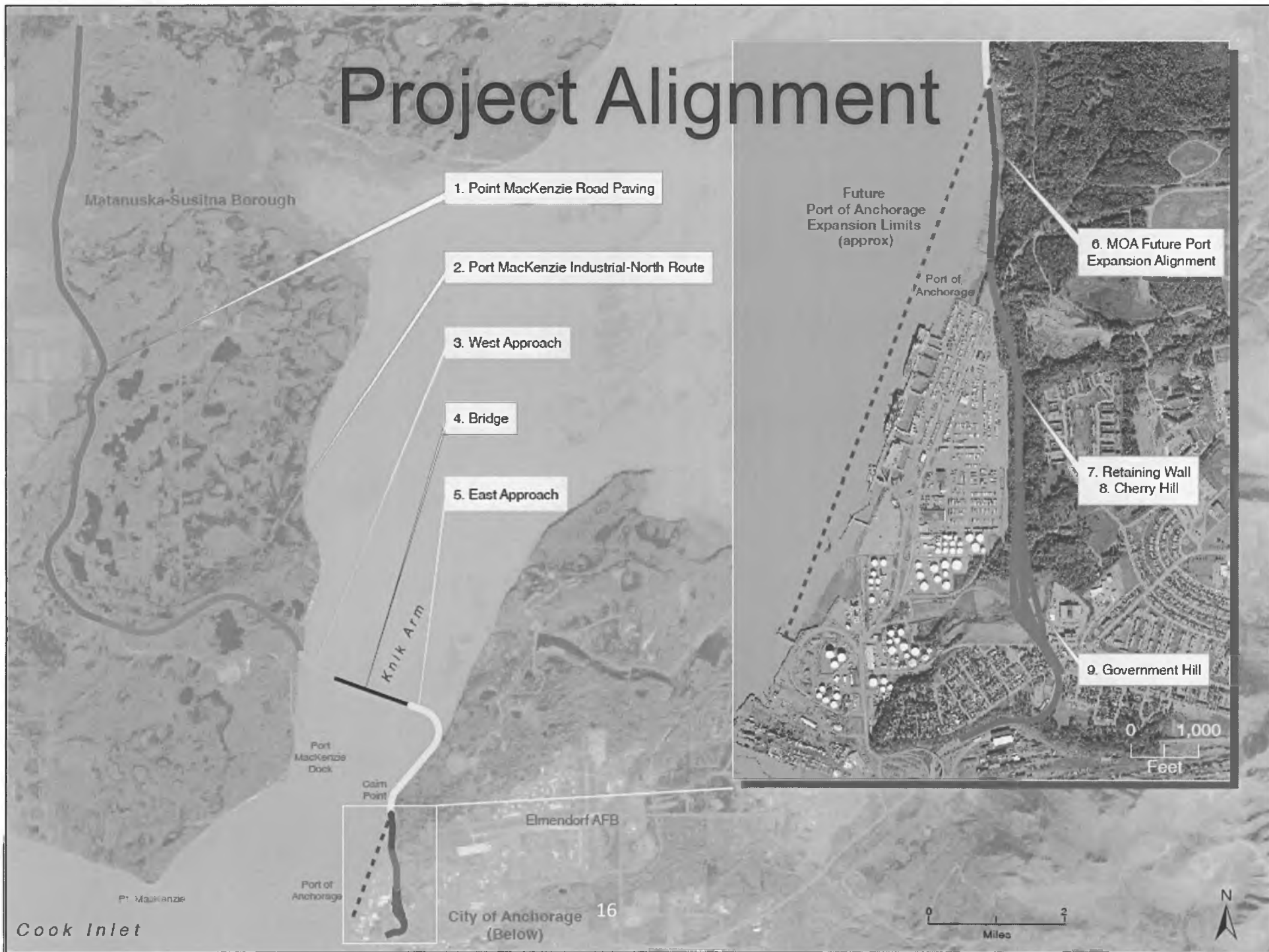
Knik Arm Crossing

Regional Transportation Network

- Port MacKenzie Rail Corridor
- South Big Lake and Burma Road
- Point MacKenzie Road Upgrade
- Port MacKenzie Industrial District



Project Alignment



Knik Arm Crossing

P3 Partner Scope Phase 1

- Point MacKenzie Road to A/C connector
- 2-4 lane bridge with 4-lane foundation
- Cut-and-cover tunnel under Government Hill neighborhood
- 4 years to construct (+/- 1 year)
- Cost estimate in 2015 dollars:
 - Phase 1a ≈ \$715 million minimum scope (two lanes)
 - Phase 1b ≈ \$125 million additional for four lane build out
- Full build out contractually obligated

Bathymetry and Tides



Late Season 1



Oscillated Drilled Shaft Operation



Foundation Wrap Up - Season 2



Government Hill Before



Government Hill After



Knik Arm Crossing KABATA Build Out Scope Phase 2

- New viaduct connection to Ingra-Gambell
- 4-lane upgrade to Point Mackenzie Road

**Total Cost Estimate in 2015 dollars:
≈ \$276 million**

* Timing based on recently updated traffic and population forecast.

KABATA Ingra-Gambell Connector



Public-Private Partnership (P3)

Private Partner Responsibilities under a FDBOM P3 Contract

- Finance
- Design
- Build
- Operate
- Maintain

the project over the term of the partnership
(FDBOM)

P3 Risk Allocations

	<u>State</u>	<u>Private</u>
• Financing/Refinancing		●
• Design		●
• Build		●
• Operations and Maintenance		●
• Toll Collection		●
• Toll Revenue	●	
• Capacity improvements ¹	●	●

1. KABATA responsible for Ingra-Gambell connection and Point Mackenzie Road upgrade to four lane. Developer responsible within concession alignment.

P3 Procurement

Shortlisted Teams

	Alaska Infrastructure Access Partners	Cook Inlet Passage Partners	North Star Mobility Group
Equity	Infrared Partners, Bouygues, Colaska, Weeks	Meridiam	HOCHTIEF PPP Solutions, ACS Infrastructure
Design-Builder	Bouygues, Weeks Marine	Kiewit, Manson Construction	Flatiron, Dragados, Traylor Brothers
Operations and Maintenance	Colaska	Transfield Services	HOCHTIEF, ACS
Design	URS, Moffatt Nichols	Parsons Transportation Group	HNTB, CH2M HILL
Financial Advisor	Macquaire Capital	KPMG Corporate Finance	ACS, HOCHTIEF

Alaska Firms Well Represented

Alaska Interstate Construction LLC

URS Alaska, LLC

Golder Associates Inc.

Denali Drilling

R&M Consultants, Inc.

Dowl HKM

Colaska, Inc. dba QAP

Kiewit

USKH, Inc.

Kodiak Map

CH2M HILL, Inc.

Procurement Process Following Shortlisting

- RFP issued
- Proposals submitted
- Evaluation and selection of best value proposal
- Award and execution of PPA / financial close

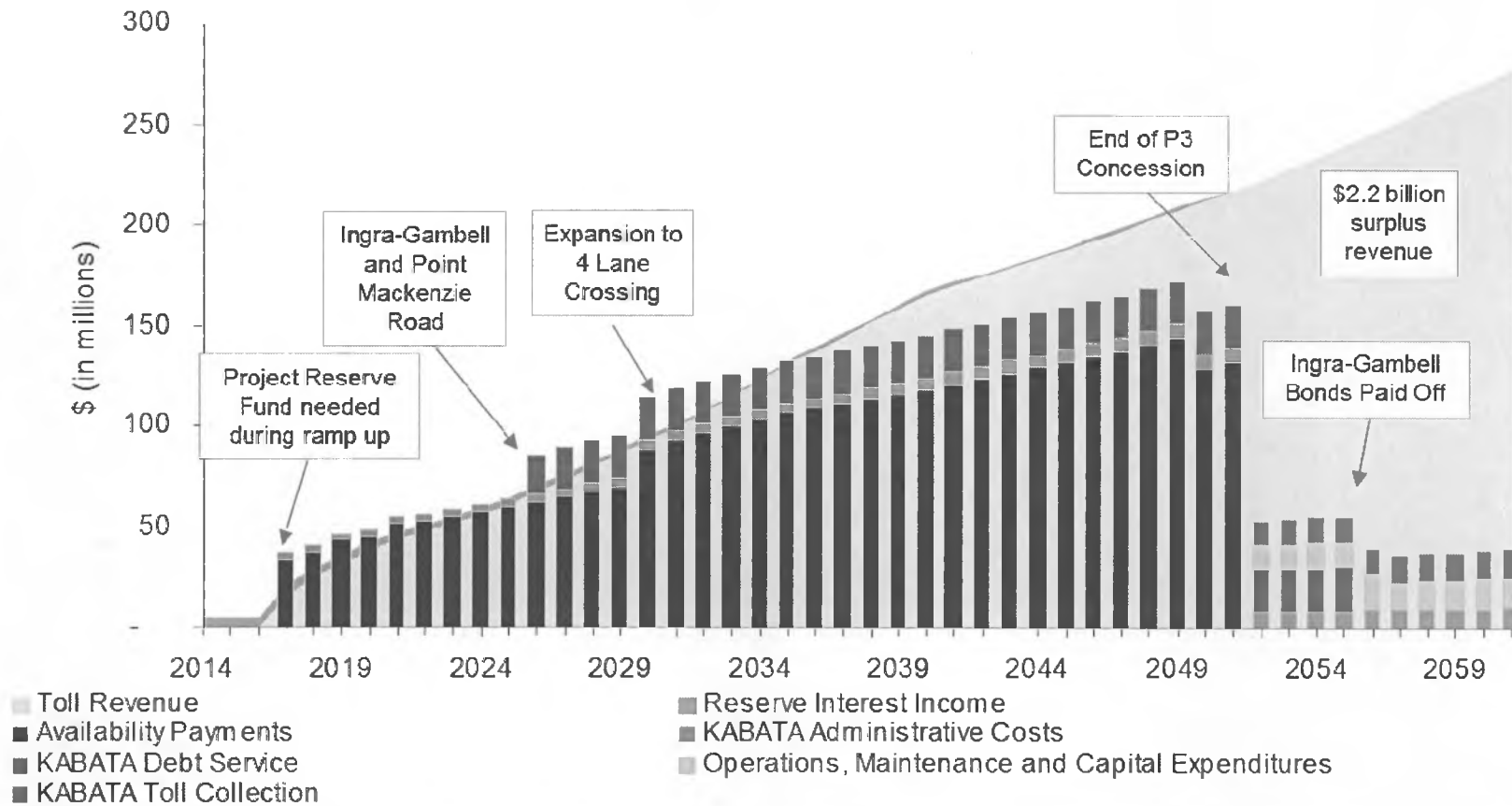
P3 Terms

- **Scope**
 - FDBOM in exchange for periodic availability payments
 - Future capacity improvements in segments operated by private partner
 - Includes tolling operations on behalf of Authority
- **Term - 35 years after substantial completion**
- **Potential Financial / Credit Support:**
 - \$150 million funded project reserve (SB 13 / HB 23)
 - \$600 million SAFETEA-LU Private Activity Bonds allocation
 - \$500 million TIFIA loan letter of interest submitted for Knik Arm Crossing
- **Termination for Convenience Clause**

Why Reserve Fund Needed

- Similar to a line of credit that is paid back
- Cover forecasted revenue shortfall during early years ramp-up period
- Reduces availability payment by reducing cost of capital

KABATA Projected Obligations and Toll Revenues (33% TIFIA)



Project Benefits

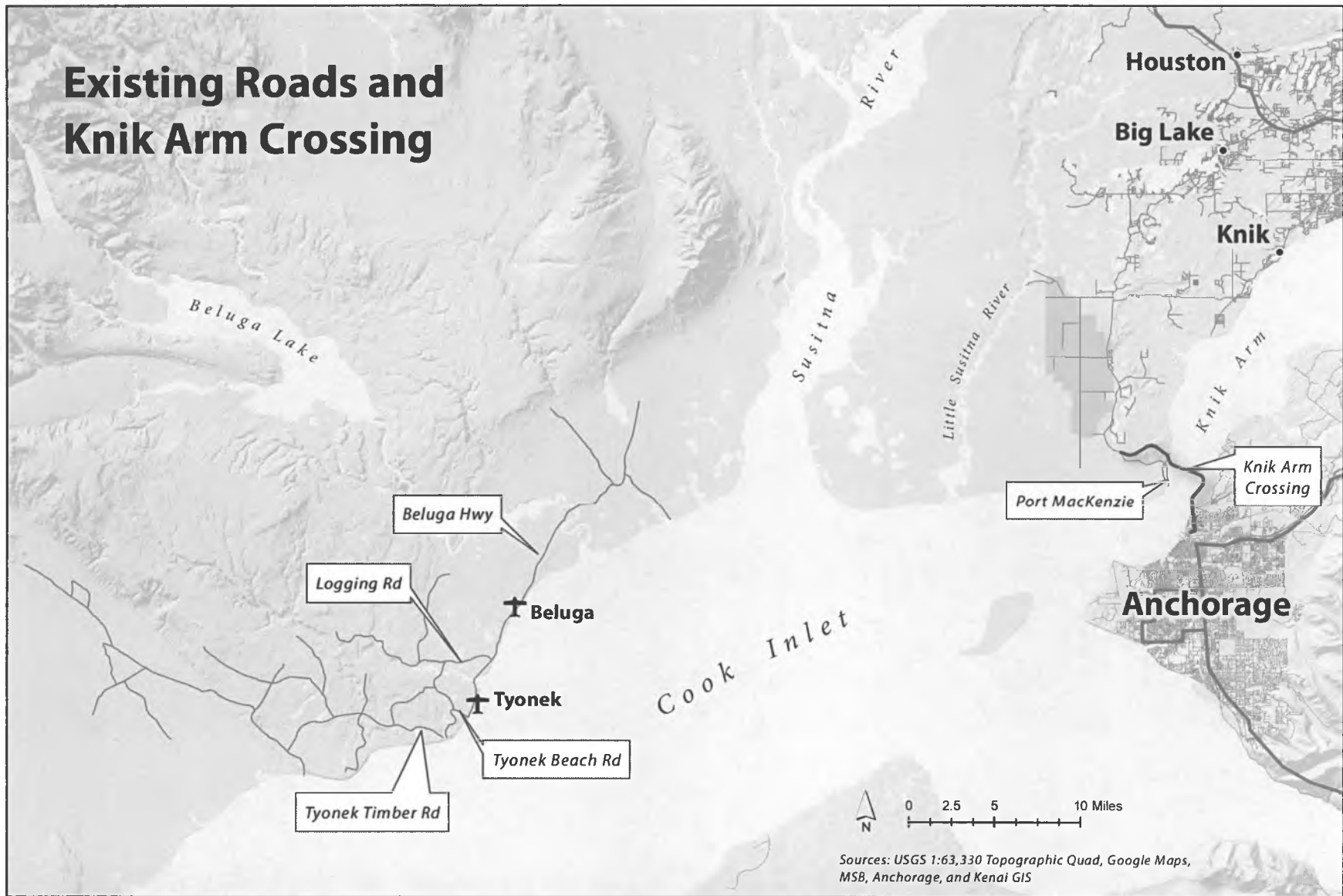
Benefits for Alaskans

- Economic stimulus:
 - \$715 million of new infrastructure
 - 1,500 jobs for 4 years of construction
- Lowers cost for freight to Interior – \$300 million truck freight savings first 10 years
- Lowers cost for Alaskan drivers – \$300 million pocketbook savings first 10 years
- Reduced carbon emissions - Over 650,000 metric tons first 10 years

Benefits for Alaskans (continued)

- Alternative to Glenn Highway for safety, security, emergency, and accidents
- Access to land for commercial, industrial and residential development and to support population growth
- Improved access for Goose Creek Correctional Center - \$30 million savings first 10 years
- Connects Port of Anchorage and Port MacKenzie to better serve the State
- First leg for access to western Cook Inlet resources (Coal, Oil and Gas, Geothermal, Hydroelectric)

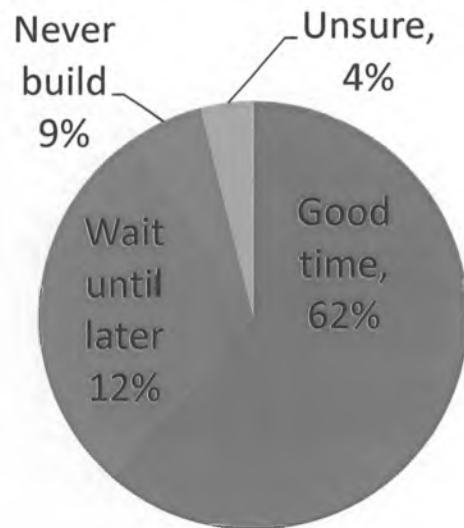
Existing Roads and Knik Arm Crossing



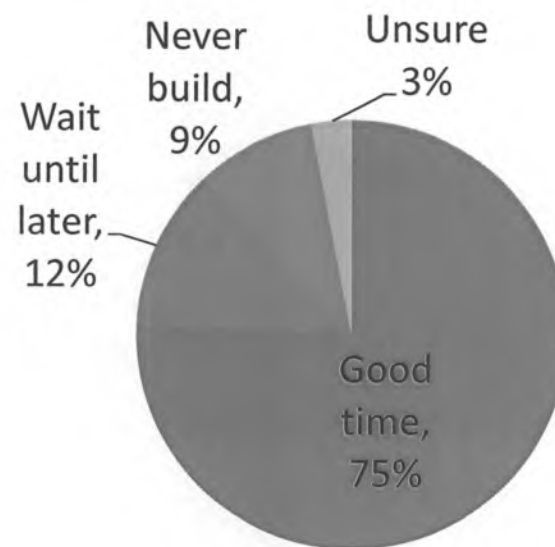
Alaskans Recognize Bridge Value

Overall, when everything is considered, would you say now is a good time to build the Knik Arm Bridge, should we wait until later, or should it never be built?

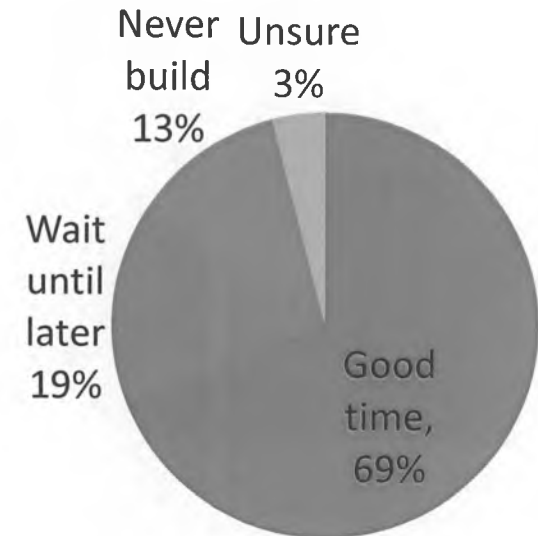
Rural Alaska



Interior Results



Southcentral Results



Dittman Research and Communications Alaskan Attitudes and Perceptions Survey, November - December 2011.

The Future



www.knikarmbridge.com

Concept Rendering

