Myth: Proposed legislation creates an "open-ended" guarantee for the Knik Arm Crossing
Reality: False. Proposed legislation will limit state obligations. Existing statutes and contract provisions protect the state's interest.

Myth: The Knik Arm Crossing will use up all of the money that would normally go toward building roads in Anchorage.
Reality: False. Conversely, the revenue generated by tolls will help fund future transportation in Anchorage and statewide. Limited upfront public funds frees up capital for projects statewide.

Myth: KABATA's population forecasts are much higher than other predictions.
Reality: False. KABATA's population forecasts are in line with other forecasts, including the University of Alaska's Institute of Social and Economic Research (ISER), the Alaska Department of Labor, and Woods and Poole. Our forecast differs from ISER's by less than 1%.

Myth: KABATA is asking for public funds to pay the private partner a 12% rate of return.
Reality: False. KABATA is not guaranteeing any rate of return to the private sector. The private sector return is based on their performance. The private partner's risk is in financing, designing, building, operating and maintaining the project. If they underestimate their costs in any of these areas, their profits will be reduced and they may even lose all or part of their equity.

Myth: KABATA promised that the bridge would not need any more public funds.
Reality: The project reserve fund is similar to a line of credit. The project reserve fund will be paid back with future toll revenue.

Myth: The Knik Arm Crossing will cost $5 billion dollars.
Reality: False. The bridge and associated 18 miles of road will cost approximately $1 billion dollars.

Myth: KABATA says they can fit 36,000 cars a day on a two lane bridge.
Reality: False. KABATA will expand the bridge deck and roadway to a four lane facility when traffic warrants.

Myth: KABATA is telling people they need to be out of their houses by July.
Reality: False. KABATA is in active negotiations with property owners on Government Hill. Purchase and relocation agreements are still being developed with individual owners and tenants.

Myth: The State is taking all the risks.
Reality: False. One of the primary reasons to enter into a Private Public Partnership is to transfer risks to the private sector. The private sector partner in this case will take on the risk of financing, designing, constructing, operating and maintaining the bridge.