

The Knik Arm Bridge and the Metropolitan Transportation Plan

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A TRAIN WRECK

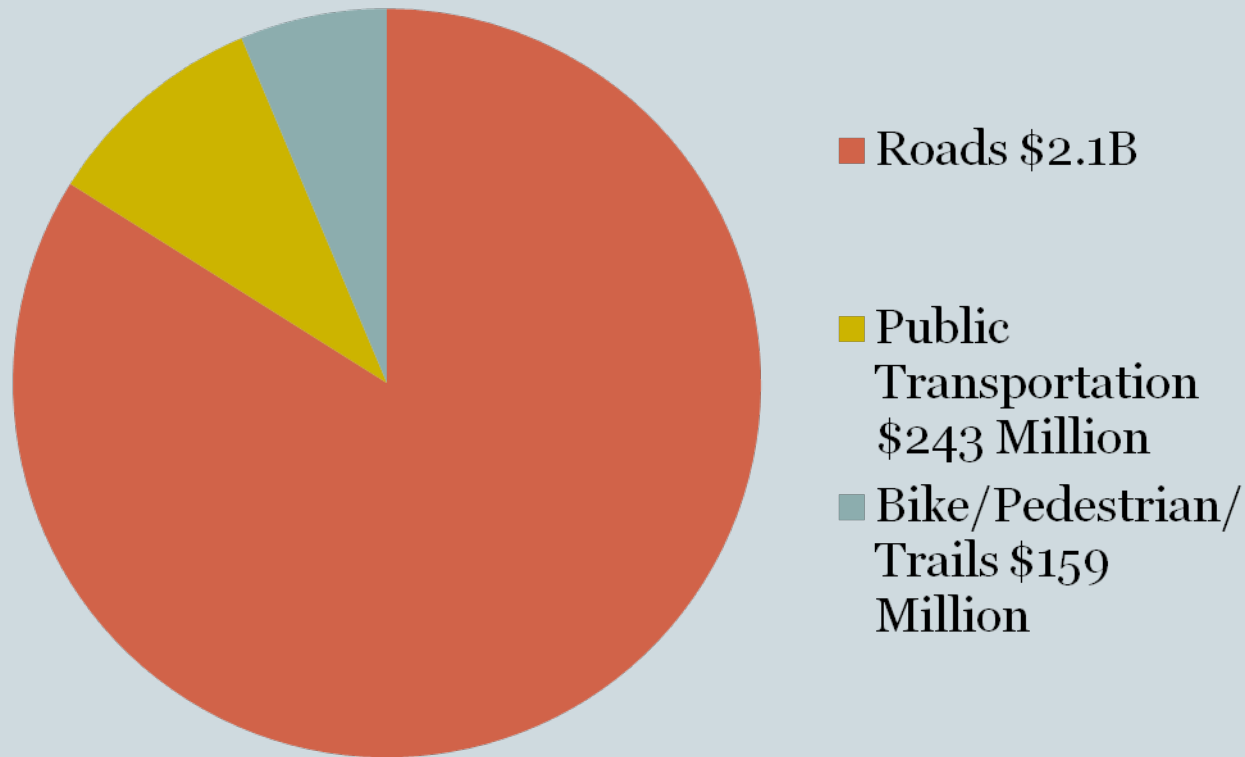


Metropolitan Transportation Plan (MTP) 2035

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- **The plan lists transportation projects and priorities from 2012 to 2035.**

\$ Billions



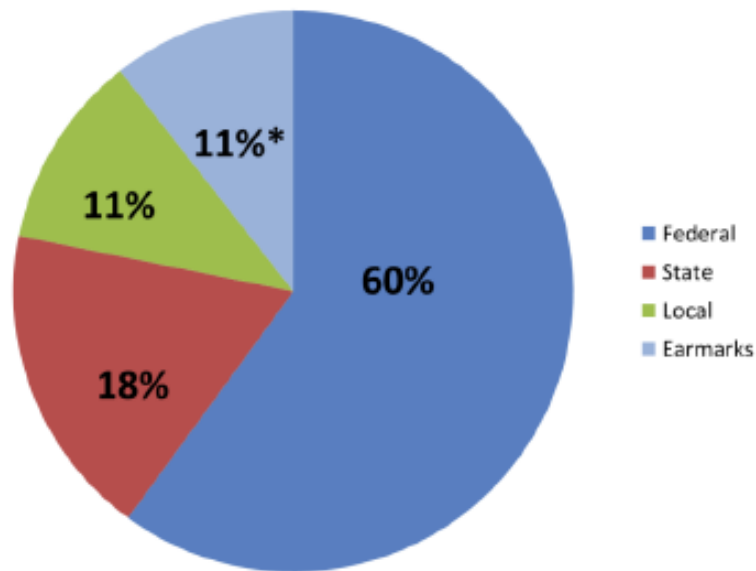
Note: Most of the Road Projects include some bike/pedestrian/trail component.

Comparison of Federal, State, and Local Revenues Percentages – 2027 LRTP vs. 2035 MTP

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OLD

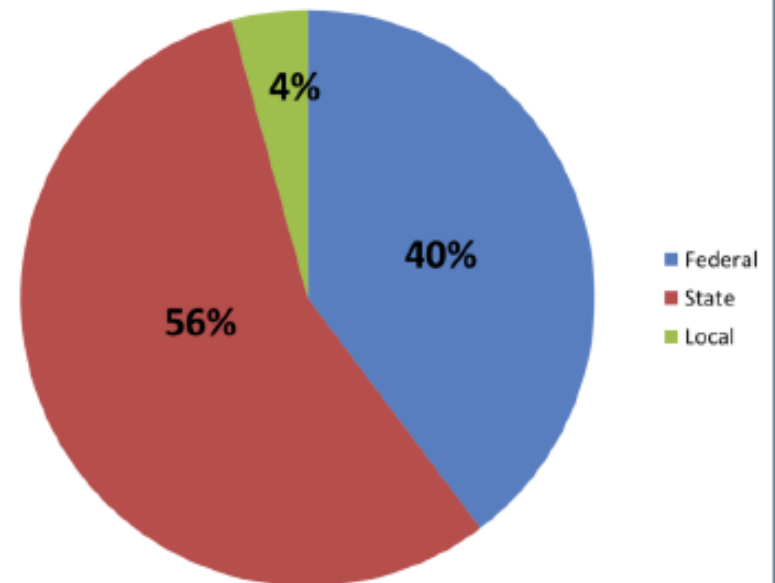
2027 LRTPs (Anchorage & Eagle River)



*These include Legislative Transportation Earmarks (\$160M) and Railroad Grade Separation Earmarks (\$130M)

NEW

MTP 2035



Source: 2035 Metropolitan Transportation Plan: Page 6-11. Figure 6-3

Knik Arm Crossing and The 2035 MTP

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- Knik Arm Bridge Included in MTP similar to LRTP
- Assumes Legislature will Pass \$150 Million “Reserve Fund” + State Guarantee
- Assumes Bridge Costs will be covered by Tolls – does NOT account for Toll Shortfalls.
- Overturns Assembly prohibition in existing Long Range Transportation Plan (LRTP) to include Bridge only if no further state and local funds
- Assumes that Anchorage continues to receive 28% of Community Transportation Program (Federal) funding and 28% of the interest invested in transportation from the planned Transportation Infrastructure Fund.

Smoke and Mirrors

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- **Private Sector:**

- You were told: Private sector will take risk
- *The Real Truth: KABATA seeks state guarantee and \$150 Million “Reserve Fund,” to be “replenished if needed”*

- **The Numbers:**

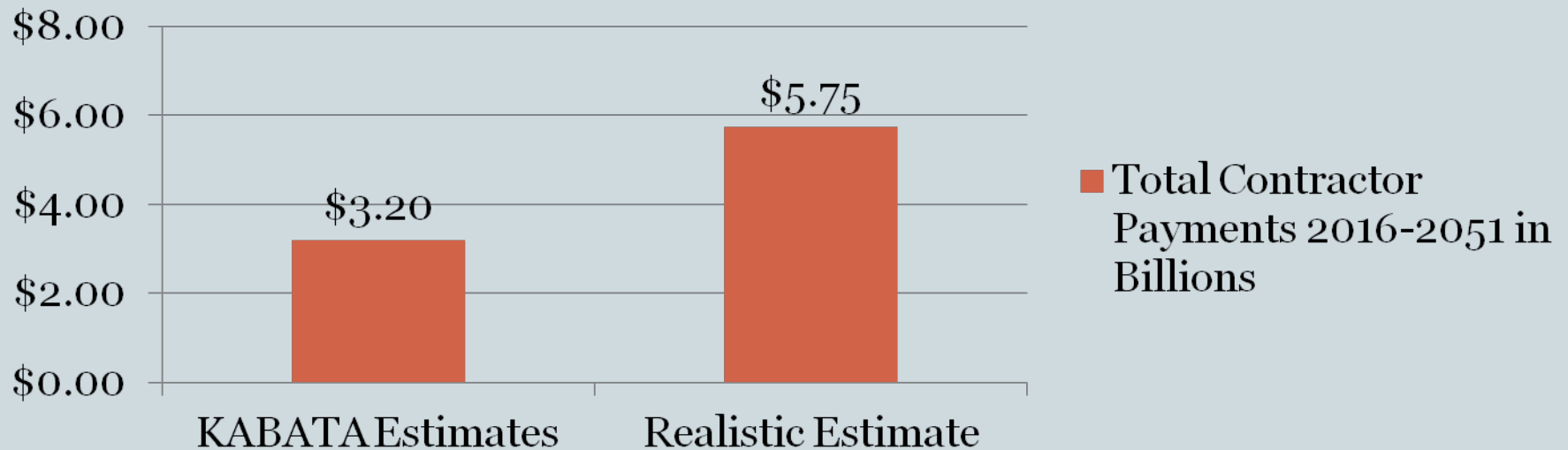
- You were told: KABATA consultants’ numbers are correct
- *The Real Truth: ISER/Ch2MHill traffic numbers are less than half of KABATA’s*
 - ✦ *KABATA: Assumes twice as many trips per household between Valley and Anchorage in 2035 than in 2010.*

Smoke and Mirrors

\$716 Million cost for bridge does not include Financing Costs

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Total Contractor Payments 2016-2051, in Billions



- **No Federal Loan: Add \$306 Million**
- **Halve Toll Revenue to ISER/CH2MHill #s in 2035: Add \$2.4 Billion**
- **Lower Contractor Return from 12% to 10 %: Subtract \$150 Million**

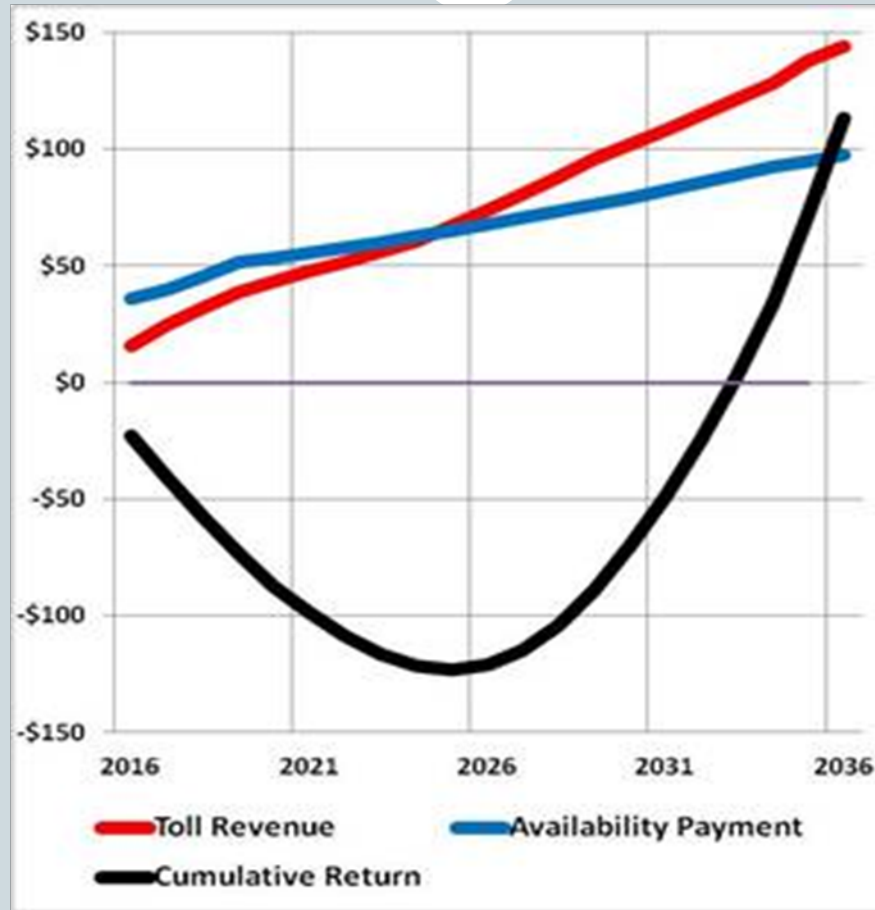
What happens if Assumptions not True?

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- Page 6-34 of Draft 2035 MTP states:
- “If the actual financial plan for the Knik Arm Crossing requires more state investment or is required to draw from sources such as federal NHS funds, that affect the implementation of other MTP projects, this MTP will **have to be amended** to reassess the Knik Arm Crossing, **remove roadway projects from the network, resulting in worsening congestion**, or **new revenues sources and assumptions** will need to be brought forward.”

Smoke and Mirrors

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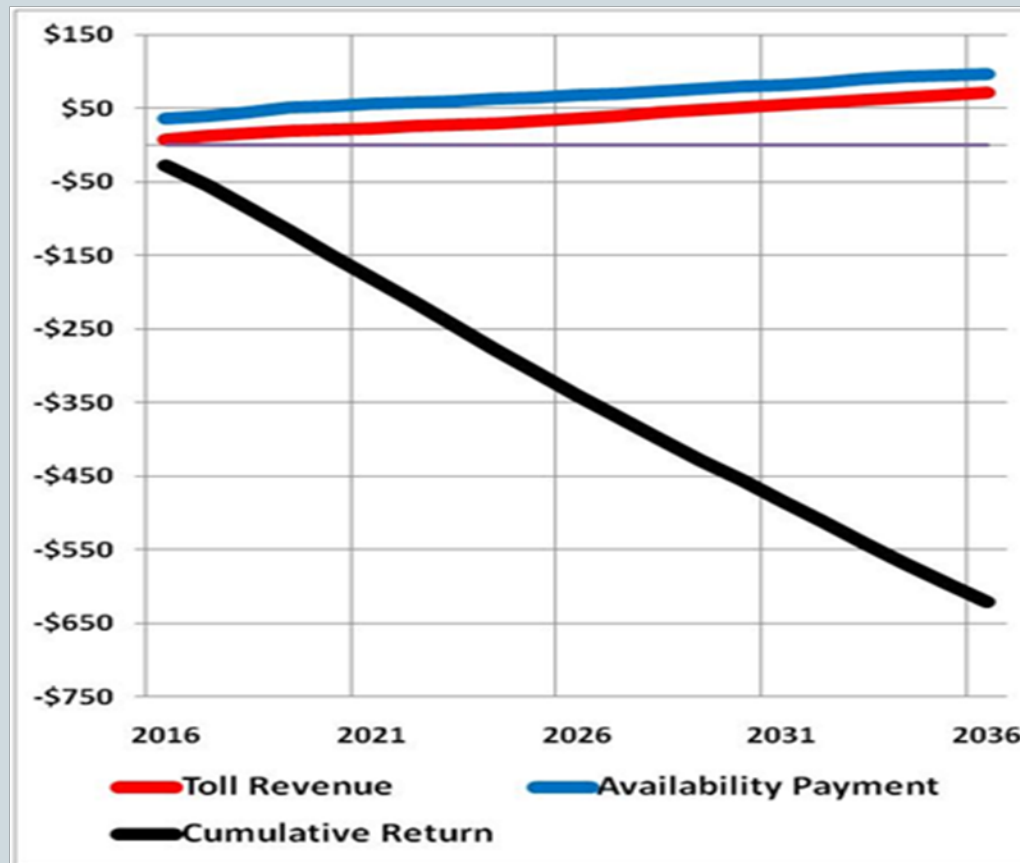


KABATA financial analysis in CITI 2/26/2011 report page 6

The Real Cumulative Return

Bridge Deficits Average \$55M Year

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Jamie Kenworthy Analysis, Scott Goldsmith graphic

Halves KABATA toll estimate to be consistent with ISER/Ch2MHill 2035 numbers

\$1.1 Billion less revenue to 2035

Assumes no federal loan of \$306 Million. Lowers ROI from 12 % to 10% to save \$156 Million.

Myths

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- *Myth 1: State has 2 Checkbooks: Bridge and Everything Else*
- *Myth 2: KABATA Will Repay \$150 Million*
- *Myth 3: Bridge Will Not affect MTP*
- ***Our Estimate of Bridge Deficit: \$1.1 Billion 2016-2035***



Right of Way (ROW) Acquisition

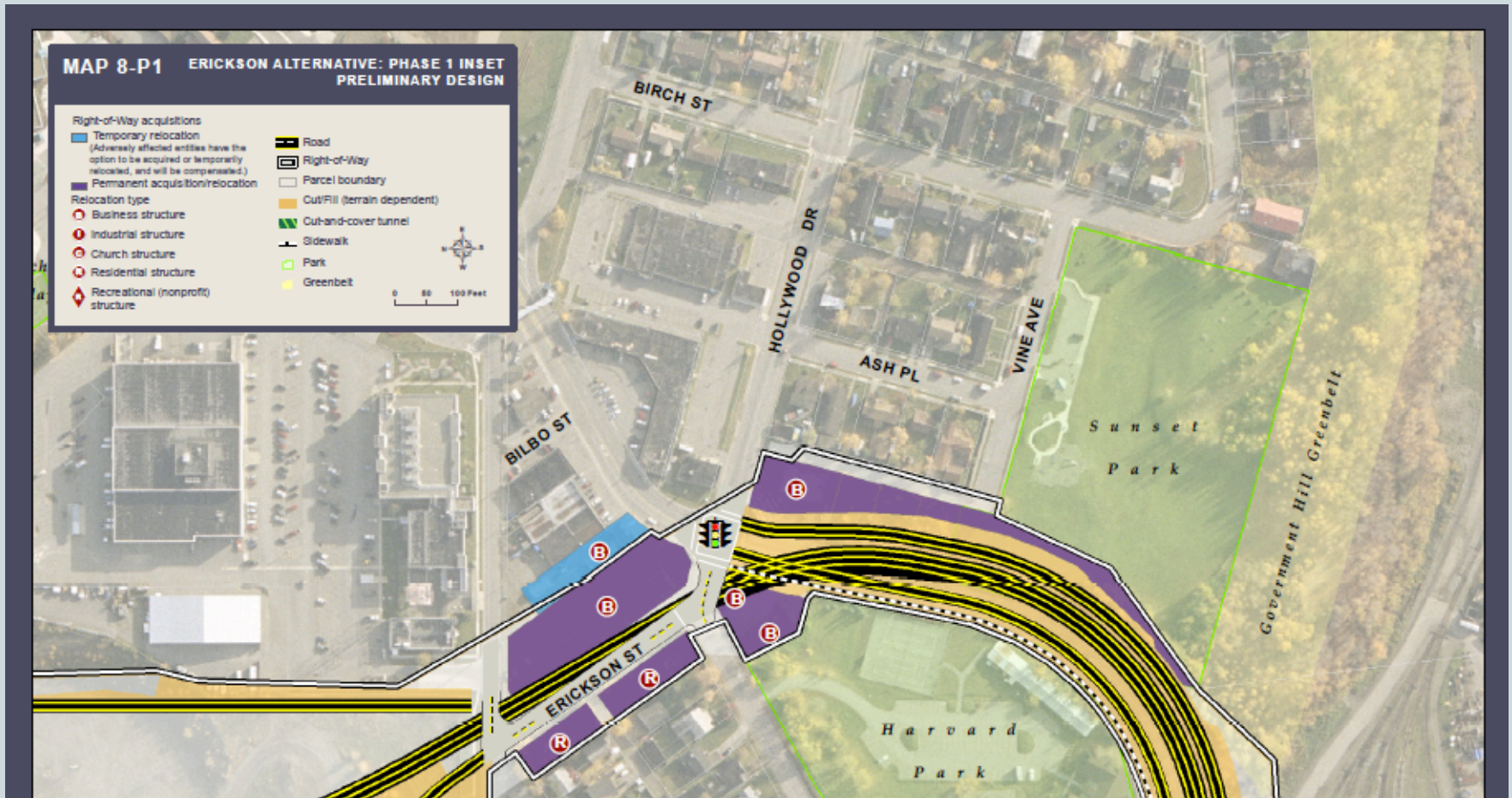
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- The Knik Arm Crossing does not yet have a completed design, permits, or financing, nor even a financing plan in place
- Even so, Federal Highway Administration has approved **\$15 MM** for Right of Way Acquisition
- So far, two homes and three business have received notice of ROW acquisition from KABATA, more coming later
- Negotiations with property owners are underway



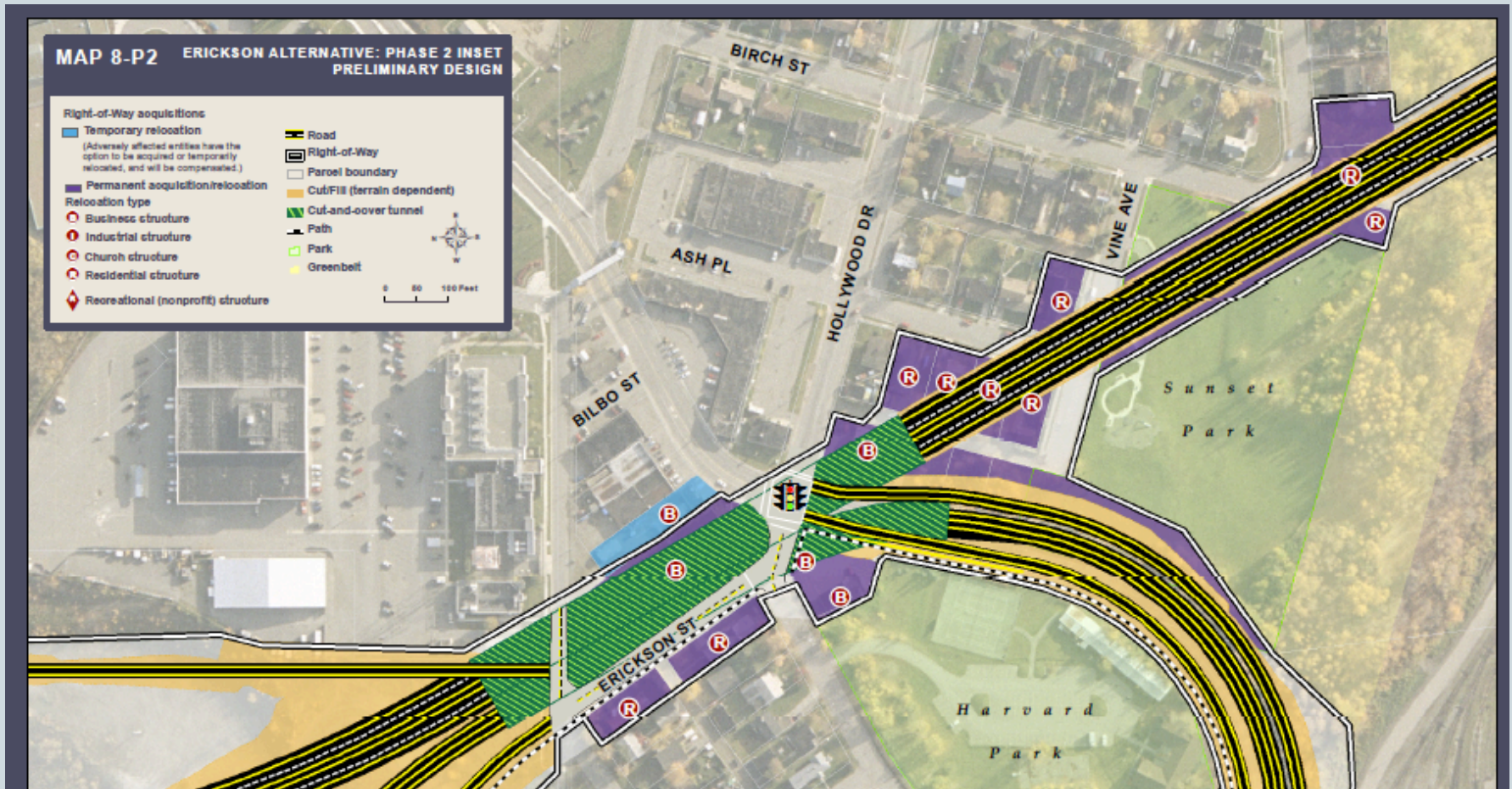
Government Hill ROW Properties Phase I

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Government Hill ROW Properties Phase II

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Conclusions

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- ***KABATA Traffic Numbers on Traffic and Toll Revenue Should Not be Relied Upon***
- ***Huge Bridge Toll Shortfall will cut State Funding to Southcentral for many years – Mat-Su will suffer as well***
- ***Train Wreck Between Bridge and State Funding***



Please Tell AMATS and Assembly

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- **Your Community Council has ID' d Needed Projects For:**
 - Roads
 - Public Transportation
 - Bike/Pedestrian/Trails
 - Funding Needed in MTP
- **Bridge Should be Out of MTP**
- **Keep existing language in LRTP: No further state or local funds for Bridge**
- **Links**
 - www.knikbridgefacts.org – unbiased presentation of bridge facts, details, and news
 - To submit comments on the MTP: amatsinfo@muni.org
 - MTP info page: <http://www.muni.org/Departments/OCPD/Planning/AMATS/Pages/2035MTP.aspx>
 - Mayor' s email: mayor@muni.org
 - Facebook – knikbridgeboondoggle: <http://www.facebook.com/pages/Knik-Arm-Bridge-Boondoggle/372271873747>

Please Tell Your Legislators

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- **No State Guarantee to Cover Toll Shortfall**
- **No Additional \$150 Million “Reserve Fund” Downpayment**
- **No Bridge**
- **Fund Other MTP Projects First**
- **Bridge Not to Be Reconsidered until Private Sector Takes the Risk of Toll Shortfalls**
- **Links:**
 - **Contact Page for State Senators:** <http://senate.legis.state.ak.us/>
 - **Contact Page for State Representatives:** <http://house.legis.state.ak.us/>
 - **Governor Parnell email:** <http://gov.alaska.gov/parnell/contact/email-the-governor.html>