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Alaska ‘bridge to nowhere,’ the Knik Arm Crossing Project, still on the table

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ANCHORAGE — The bridge to nowhere is still trying to get somewhere.

In the 2008 presidential campaign, two projects in Alaska were ridiculed as examples of pork-barrel spending. Each sought more than $200 million from Washington to build a bridge to a sparsely populated area with light traffic. In the end, neither received earmarked federal funding.

But the Knik Arm Bridge and Toll Authority, or KABATA — the group behind a bridge project that would link Anchorage to a peninsula nearby — is still wooing private investors and trying to pry loose a considerable amount of state financial backing. And more than $50 million it has spent on promotion has been federal money.

"The interest in the Knik Arm Crossing project is amazing," Alaska state Sen. Linda Menard said on her Facebook page this summer after attending a Citigroup-sponsored conference on public-private projects. "I've just finished meetings in New York City with the largest investment companies on Earth. All of them are vying to be chosen to partner with Alaska to build the bridge. The future is here!"

With the U.S. unemployment rate stuck above 9 percent, building infrastructure is again on people's minds. President Obama, as part of his latest jobs plan, has proposed building new infrastructure projects and funding a government infrastructure bank, although he vowed: "No more earmarks. No more boondoggles. No more bridges to nowhere."

Jamie Kenworthy describes issues related to the proposed “bridge to nowhere” in Anchorage, AK, on July 13. (Bonnie Jo Mount/WASHINGTON POST)

But where “nowhere” is depends on where you stand.

Standing recently on the Anchorage bluff where the bridge would begin, financial analyst Jamie Kenworthy said nowhere is right here. He said there would not be enough traffic to justify the price of the bridge, which he said could exceed $4 billion, including construction and financing costs. A $5-a-trip toll, he said, would be enough to give people incentives to use existing highways, even if doing so took slightly longer.

KABATA and its supporters say there is a need for a bridge that would start near the port of Anchorage and the Elmendorf Air Force base, cross the narrow body of water known as Knik Arm and connect to the fast-growing borough of Matanuska-Susitna, also known as Mat-Su.

The “capital cost for initial construction,” Menard said, would be $715 million; other related costs could come afterward. Although earmarks for the bridge were eliminated, some of the redirected federal money has still made its way to the bridge authority for research and promotion.

The bridge promoters are seeking support from the state. KABATA wants Alaska, flush with oil and gas revenue, to make what Menard calls “periodic, contractual availability payments” that would enable private contractors to meet bond payments. Those payments would exceed toll revenue in the early years until population and bridge use rose. But if car traffic were to fall short of expectations, the state would be stuck with the tab.

“Anyone who got beyond seventh-grade math would know that the private sector wouldn’t do that,” said Kenworthy, an independent analyst and critic of the bridge. “Only the taxpayers would do that.”

The dispute is all about projections, population and real estate.

Although Mat-Su’s population jumped 42 percent in the past decade, making it the third-most-populated place in Alaska, that’s not saying much. There are 89,000 people living in the borough, which stretches over an area nearly as large as West Virginia. Most of the residents live near highways to Anchorage or in places such as Wasilla, where the commute to Anchorage would be 12 minutes faster on existing land routes than it would be via the new bridge, Kenworthy said.

KABATA and its consultants say that if the bridge is built, Mat-Su’s population will increase and there will be 36,000 bridge trips a day by 2035. But Scott Goldsmith, an economics professor and director of the Institute of Social and Economic Research at the University of Alaska, recently said the number would be half that. By that estimate, the state would pay out more to the contractors than it would receive in toll revenue at least until 2034.

Private contractors are concerned about how this would work and whether the state would guarantee its payments.

“We did consider bidding on the Knik Arm project in Alaska,” said Keith Stephens, spokesman for Fluor, a giant construction company that Menard said was one of the firms interested in the project. But he added: “We couldn’t pull together a team or consortium that made sense to fully chase the project. We’ve opted to pass.”

Last week, however, KABATA revealed a list of six major consortia planning to bid on the project. The bridge authority also said it would release new cost estimates. Critics say its cost numbers assume two lanes, while its traffic numbers assume four.

The bridge has other problems. One proposed site would interfere with the dry barge dock at the port, making it impossible to use. As a result, Anchorage Mayor Dan Sullivan, who says he supports a bridge, sued KABATA to keep the bridge from disrupting the port. After that maneuver, an editorial in the Anchorage Daily News dubbed the project a "bridge to litigation."

The battle of the bridge has crossed party lines here.

A trove of e-mails from former governor Sarah Palin, released in June, showed that she was no fan of the project.

"I think KABATA should wise up and realize until they get their 'creative' private sector financing in place, there will not be the adamant public support for continuing to throw more money at the crossing — not when the feds are saying it won't be built on their dime," Palin wrote on March 26, 2007.

On July 31 that year, she wrote: "As for Kabata, I hope folks know my intention is to continue to NOT support the nonsensical notion that the state can fund Gravina and/or Knik Crossing. If the feds can't fund these projects that have minimal public support, then they're not going to happen."

Meanwhile, the Mat-Su borough is taking ownership of a ferry — a 195-foot-long, 60-foot-wide steel and aluminum ship — provided by the federal government as a result of a congressional earmark inserted in legislation years ago by then-Sen. Ted Stevens (R), who died in 2010. The ship is an ice buster, capable of handling large, swift-moving icebergs.

But neither Mat-Su nor Anchorage has a ferry terminal. Mothballing the ferry would cost more than $1 million a year.

Selling it would cost even more — there isn’t much demand for big ferries, and the borough would have to repay millions of dollars to the federal government. Some pundits have dubbed the boat a “ferry to nowhere.”

Steven Mufson covers energy and other financial matters. Since joining The Post, he has covered the White House, China, economic policy and diplomacy. Follow @StevenMufson.

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