



KNIK ARM CROSSING

Alaska Support Industry Alliance

Michael Foster, P.E

KABATA Board Chairman

ESSENTIAL
INFRASTRUCTURE
Ready to Build

Regional Transportation Network

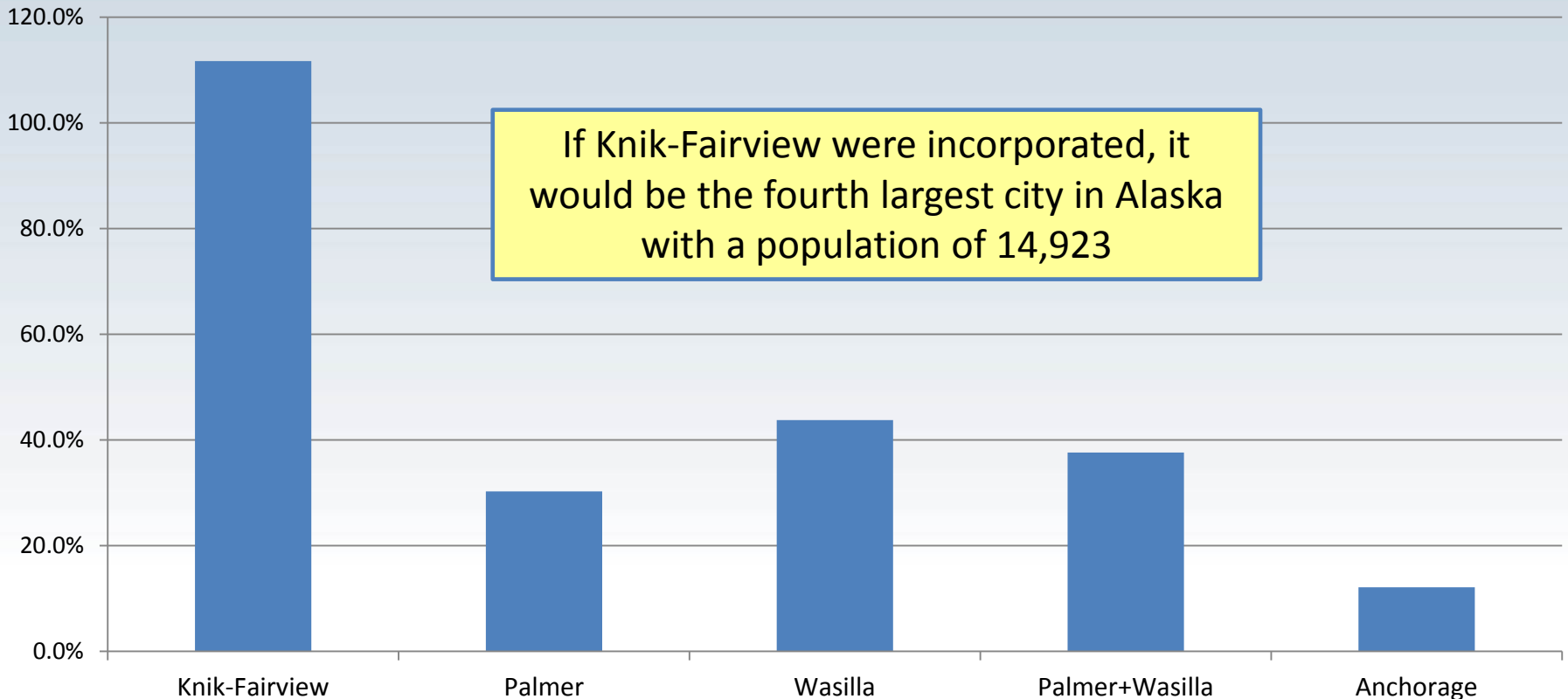
- Port MacKenzie Rail Corridor
- South Big Lake and Burma Road
- Point MacKenzie Road Upgrade
- Port MacKenzie Industrial District
- Knik Arm Crossing



Map source: Anchorage AMATS LRTP public review draft – August 2005

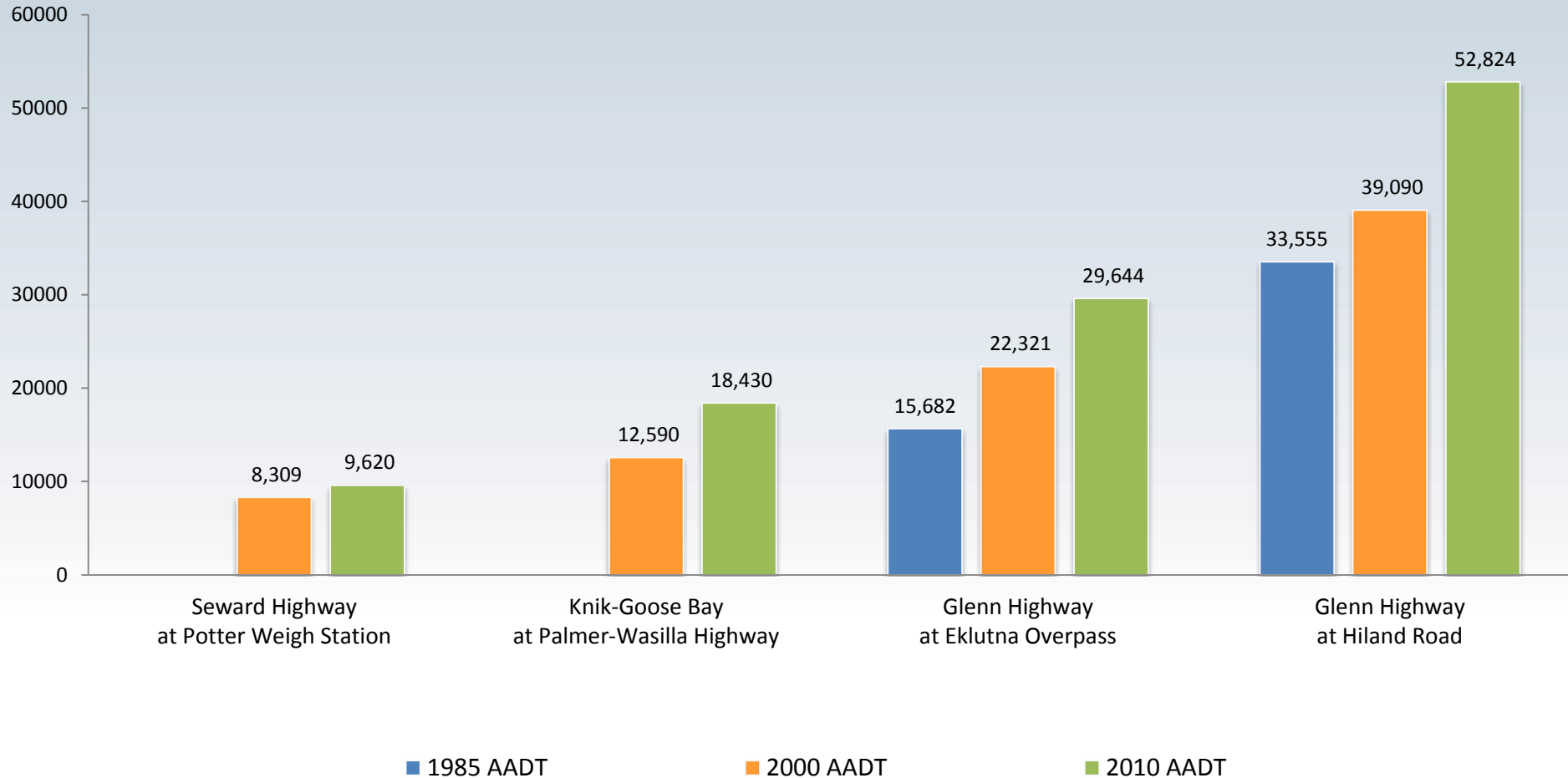
Population Growth in Southcentral Alaska

Percentage Population Growth 2000 to 2010



Average Annual Daily Traffic 1985-2010

Traffic Growth in Southcentral



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Phase I and Phase II

Phase I:

- 1.74 mile long bridge
 - 2 lanes w/shoulders (44 ft. width)
- 10 miles of roads and connections
- Cut and cover tunnel under Gov't Hill



Phase II (Not Included in this Financial Plan):

- Expansion to four lanes
- Connection to Ingra/Gambell

Public Finance Plan is not Dependent on Phase II

Project Readiness

Permits

- Corps of Engineers Wetlands – Ready to Issue
- Coast Guard Bridge – Finding of Fact drafted
- NMFS Letter of Authorization – Application Under Review
- Alaska DEC 401 Water Quality – Issued Sept. 2012

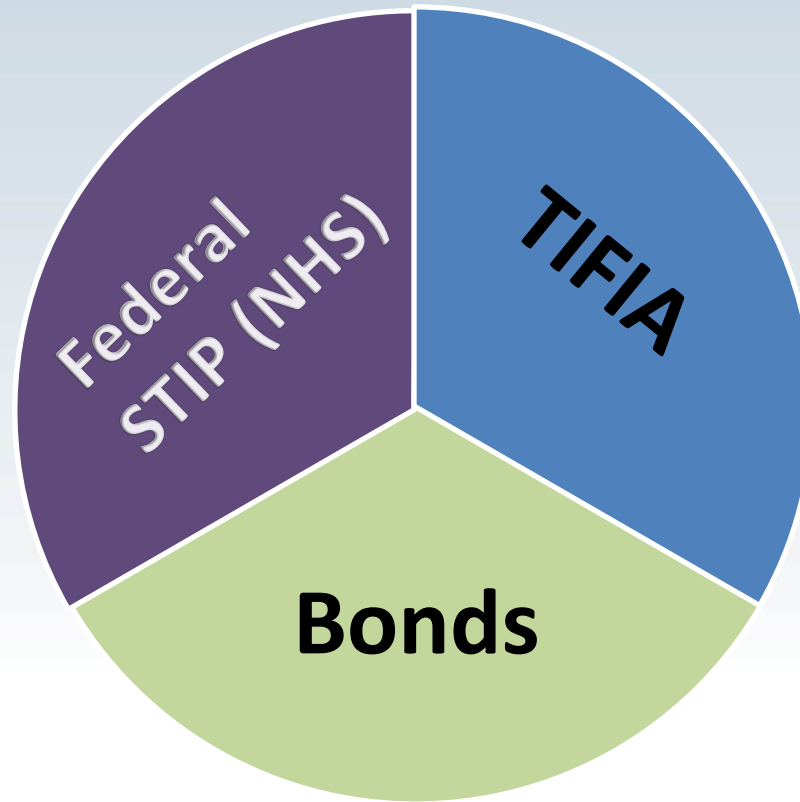
Right-of-Way

- 85% of ROW secured
- Remaining Parcels are Government to Government (UA, JBER, MOA, ARRC)

**Construction Cost Estimated (risk adjusted) –
\$894 million (Phase I)
based on design-build contract**



Public Finance Model



Federal TIFIA Loan

- Secured w/ toll revenue only
- Interest rate: currently 3.66%
- Up to 35 year term after substantial completion
- Up to \$350M available
- Senior lien on toll revenue



TIFIA- Transportation Infrastructure Finance & Innovation Act



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Toll Bridge Revenue Bonds

- Bonds issued by DOR
 - Credit rating: AA+
 - Bonds issued after construction contract awarded
- Recent indicative interest rates: 3.36%
- Term: 20 years to maturity
- Annual debt service: \$20 million
- Dual pledge of appropriation credit and subordinated lien on toll revenue
- Toll revenue will eventually repay the full amount of bond debt



Bonds



Federal STIP Funds (NHS)

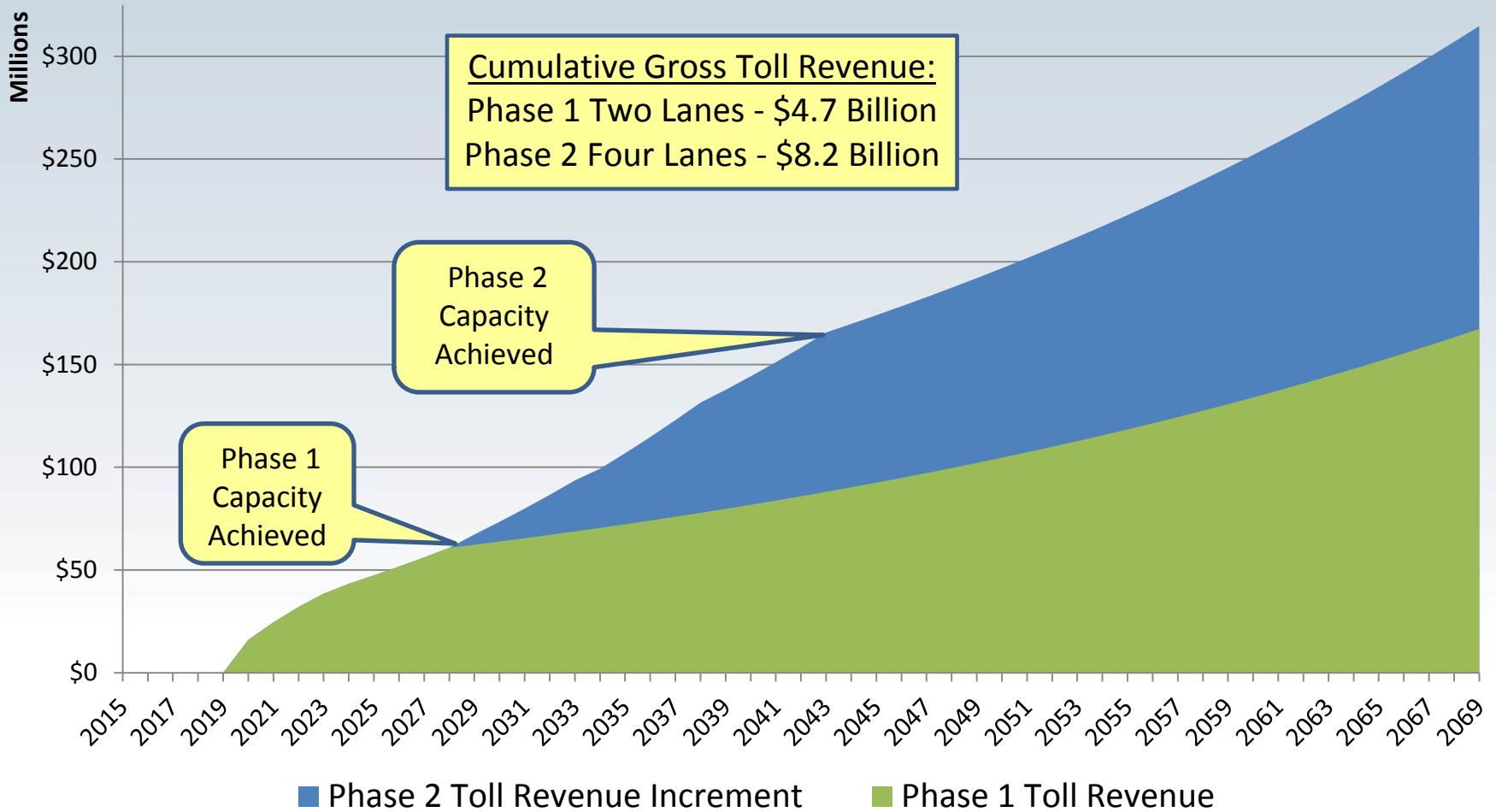
- \$55 million in Governor's FY15 Capital Budget proposal (SB 119)
- \$50 million per fiscal year up to \$300 million



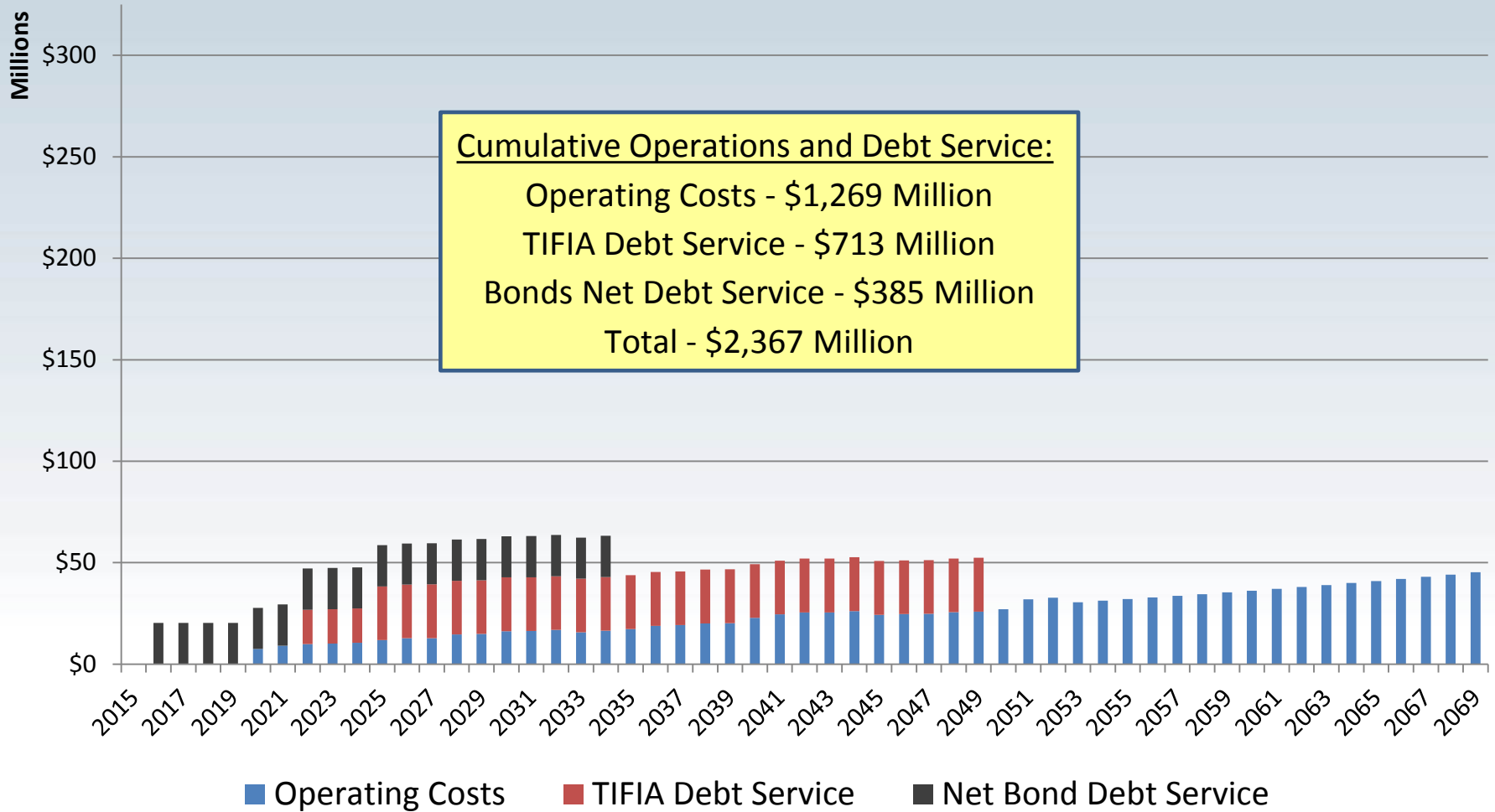
NHS – National Highway System



Toll Revenue Forecast (50 Years)

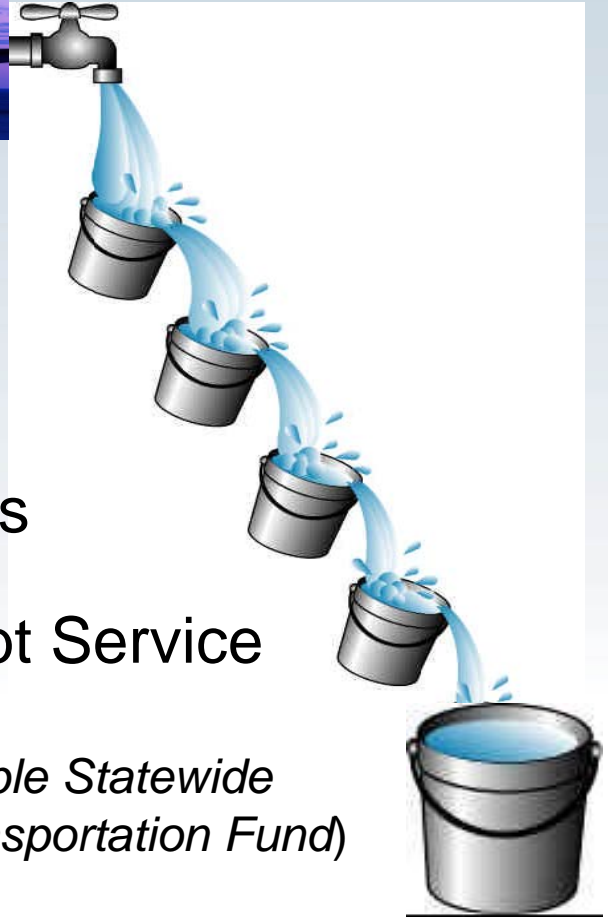
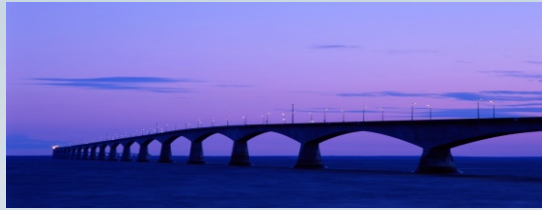


Phase 1 Operations and Debt Service (50 Years)



“Waterfall” Flow of Funds

Toll Revenues



Operation & Maintenance

Senior TIFIA Debt Service

Project Reserve Requirements

Subordinated Bonds Debt Service

*Surplus Revenue (Eligible Statewide
Transportation Fund)*

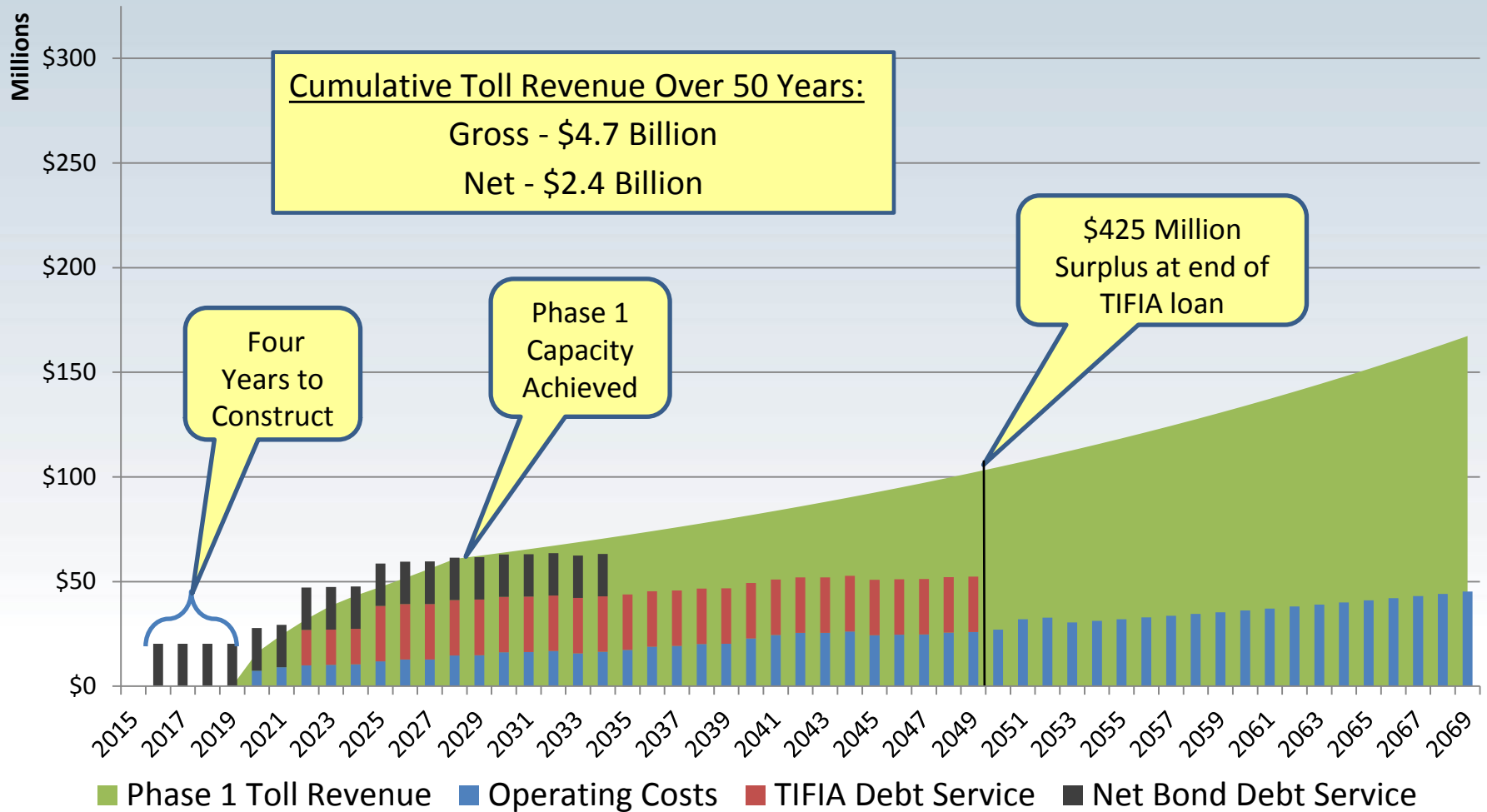


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Phase 1 Gross and Net Toll Revenue (50 Years)



Design-Build Project Delivery Method

- Design and construction services are contracted by a single entity – the design-builder
- Builder retains design risk
- Faster delivery

Other Design-Build Projects:

- Glenn/Parks Highway
- Eagle River Bridges
- Riley Creek (Parks Hwy.)



Glenn/Parks interchange

Expected Project Schedule

- Legislation
- Design-Build Shortlist
- Design-Build Proposals
- Design-Build Contract Award
- Construction begins 2015
- Open for traffic 2019



Benefits of the Knik Arm Crossing

- Shovel Ready
- Pays for itself over long-term
- Cash flow for statewide transportation
- Eligible Statewide Transportation Projects (Title 23 & 49)
 - Boardwalks
 - Rural roads
 - Marine Highway System
 - Public Transit
 - Rehab and maintenance
 - New roads and bridges



The Future





KNIK ARM CROSSING

www.knikarmbridge.com

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