

ALASKA STATE LEGISLATURE



REPRESENTATIVE LES GARA

April 24, 2008

Mayor George Wuerch
Mr. Andrew Niemiec
Knik Arm Bridge and Toll Authority
550 West 7th Avenue, Suite 1850
Anchorage, AK 99501

Dear Mayor Wuerch and Mr. Niemiec,

I am writing because I have concerns about the lack of public oversight and public protection in the KABATA bid preparation process so far. While KABATA has taken the position that it will seek private contractors to build portions of a bridge project, it is unclear what potential public liabilities and costs will result from any bid KABATA selects. Public involvement and input in the RFP process could resolve those concerns, and would place the kind of pressure on the process that would help promote a fair and reasonable public cost for this project. Without public input, there is little reason for KABATA to keep the public's costs for this project, and toll costs for the public's use of a Knik Arm Crossing, down.

As you know, a major cost of the bridge project is not just the construction of the bridge itself, but the miles of new access bridges, tunnels, and roads so people can get to the bridge from existing roads. Estimates are that those projects will cost in the hundreds of millions of dollars.

Under the current project proposal, the plan is to build a tunnel through Government Hill, and an approach road and bridge from downtown Anchorage from A and C streets, across military land, to the Anchorage side of Knik Arm. After a few years, it is conceded that this approach will not be able to handle traffic as more people begin to use a Knik Arm Crossing, and that a new series of roads and at least one bridge will have to be built from Downtown on Ingra and Gambell streets.

Likewise, it is estimated that in any case, travel time to Palmer and Wasilla will not be shortened by the construction of a bridge, and that new roads and upgrades on the Valley side of Knik Arm will be needed. Those will involve significant costs as well.

It is also not clear how KABATA intends to spend the remainder of the approximately \$90 million it has received in legislative appropriations. I am therefore writing to request that

any RFP KABATA lets out include protections as follows so that the public is not left with significant expense liabilities from any action your organization takes:

- 1) An RFP should include hold harmless provisions that would require a bidder to pay the cost of the roads and bridges, including from A & C streets and Ingra and Gambell Streets in downtown Anchorage, that are needed to connect the current road system to a Knik Arm Crossing;
- 2) An RFP should allow for public and legislative approval of a contract as provided by House Bill 365 and Senate Bill 268 sponsored by myself and Senator Johnny Ellis, so that if there is any state cost, the public will have a right to affirm any state expenditures on this project before it proceeds;
- 3) An RFP should require that any tolls charged to the public for crossing a bridge be subject to public review and approval so the contractor is not given the right to overcharge for tolls.

We would also like an accounting of how the approximately \$90 million in state funds have been spent since the original appropriation. Finally, we would like to see a copy of any draft RFP KABATA is considering, and would like public review of any RFP before it is let out.

Sincerely,

Rep. Les Gara

cc: Commissioner Pat Galvin, DOR
Commissioner Leo von Scheben, DOT
Governor Sarah Palin
Senator Johnny Ellis
Julie Jessal, Government Hill Community Council