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# Knik Arm Crossing: A bridge too far?

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On Tuesday, Feb. 15th, in the Senate Transportation Committee, lawmakers will hear a pitch from Senator Linda Menard, R-Wasilla, for the state to financially backstop the much debated Knik Arm Crossing.

In 2003, the Legislature created the Knik Arm Bridge and Toll Authority (KABATA) to pursue the project. Billed as a public/private partnership, the project was seeded with \$110 million from federal and state governments, of which the agency states today it has \$65 million remaining. The group is now asking for \$150 million in state dollars to advance the effort.

Lawmakers should think twice about putting the state at risk for this project as there are just too many unanswered questions along with a dubious history of public/private partnerships in Alaska.

First, the \$150 million being requested to create a "reserve fund," could be just the beginning of the state's liability. The legislation, SB80, states that "the monetary obligations incurred by the authority under the partnerships or contracts are obligations of the state." Even the authority has stated publicly that if the

reserve fund dropped far enough "it would be subject to appropriation for replenishment."

This is problematic with so many unanswered questions.

From the actual cost of the tolls, disputes over traffic projections and population growth, to the failed example of a similar project in California, this is not a project the state should rush to guarantee.

In 2003, California approved the South Bay Expressway in San Diego. The project was hailed by both federal and state officials as a model for public/private partnerships for transportation infrastructure. Developed and operated by Macquarie Infrastructure Group (the same group that has expressed an interest in KABATA) at a cost of \$635 million, South Bay Expressway was made possible through a supposed financially sound public-private partnership with the California Department of Transportation.

On November 19, 2007 the expressway was formally opened to the public. Less than four years later the project is in bankruptcy and the State of California is on the hook.

Actual traffic on the expressway ended up being less than a third of what was projected, tolls were increased to offset the loss of volume thus forcing more and more commuters to avoid the expressway. Toll revenues topped out at \$20 million per year, a fraction of what was projected.

The Knik Arm Crossing has all of the same warning signs. Initial projections have the expected toll at \$5 per trip, but those numbers were based partly on old Mat-Su population estimates.

More recent projections by the Institute of Social and Economic Research at UAA in late 2009, show slower growth in the Valley than previously expected. That could mean fewer car trips to Anchorage and fewer people paying tolls.

In addition, studies have raised doubts about just how many people would use the bridge due to the distance from population centers. Residents of Wasilla and Palmer, which represent a majority of commuters, would still use the Glenn Highway as it would be faster. Along with higher gas prices, a legitimate question is would commuters really pay \$10 for a roundtrip to Anchorage?

Another question that is not being answered is the impending impacts on one of the most remote regions of the Matanuska Borough. Pushing increased traffic down Knik-Goose Bay Road will require additional costs in the form of more public safety and road expansion to an area that is already struggling with the increases in the cost of local government over the last few years.

Is the Legislature prepared to increase local assistance to cover the cost of government growth? While the theory would be that growth will bring increased revenue to the borough, it will take years for that growth to materialize, meanwhile the demands on government services will increase immediately.

Before lawmakers agree to put the state in a position of fiscal responsibility for the project they should do two important things: Have an independent review of KABATA's new toll and traffic predictions when they become available and increase their oversight and management of the authority.

While many of us support this project, there are just too many unanswered questions and risks associated with a project that initially was promoted as not requiring additional government funding.

(Rushing to pass SB80 puts the state at great risk.

**Andrew Halcro** is the publisher of [AndrewHalcro.com](http://AndrewHalcro.com), where this commentary first appeared. The views expressed here are the writer's own and are not endorsed by Alaska Dispatch. Alaska Dispatch welcomes a broad range of viewpoints. To submit a piece for consideration, e-mail [commentary\(at\)alaskadispatch.com](mailto:commentary(at)alaskadispatch.com).