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## Huggins: Knik Arm bridge bill won't be rushed | Alaska News

*The Associated Press*

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JUNEAU, Alaska - Senate President Charlie Huggins says that the Senate will not rush its deliberations on a proposal to scrap the Knik Arm Bridge and Toll Authority.

Huggins, a supporter of the bridge project, said he expected the Senate to take some more time to look at the issue and not try to pass a bill this session.

"My experience in life is, good ideas at the last minute, no matter how well intended, no matter how good the idea, an amendment creates confusion, sometimes chaos," he said Friday.

"Sometimes you have to sort that out."

The current legislative session is scheduled to end Sunday, meaning it's unlikely that the bill will be passed despite a grueling push this week from the House to pass the bill out.

HB23, from Rep. Mark Neuman, was overhauled by the House Rules Committee after a scathing audit surrounding toll and revenue projections by the Knik Arm Bridge and Toll Authority, or KABATA.

The measure was introduced in the Senate Finance Committee on Friday afternoon after the House passed the amended bill 24-15 very early Friday morning.

The measure replaces the toll authority with the Knik Crossing Development Corp., a subsidiary of the Alaska Housing Finance Corp., or AHFC.

The bridge would be built over Knik Arm and connect Anchorage to land near Point MacKenzie in the Matanuska-Susitna Borough.

AHFC's board of directors would serve as the board for the Knik Crossing group, though the toll authority's current board would act in an advisory position for one year.

Last week, a legislative audit was released that said that KABATA's toll and revenue projections are "unreasonably optimistic, and the projected cash flows to the State are likely overstated as a result."

The audit's findings, although contested by KABATA, shook the already uneasy confidence in the project among many observers.

"The KABATA team is a very good team," Rep. Craig Johnson, the chair of the House Rules Committee, said before the floor vote. "With this bill we've brought our best team."

However, some are concerned that moving the project to AHFC will result in a delay and threaten the likelihood of getting funding from the federal government.

KABATA has already started the application for a loan under the

Transportation Infrastructure Finance and Innovation Act, and AHFC may have to restart the process if the project is transferred to them.

"I can't assure that there won't be delays," Dan Fauske, CEO of AHFC, told the House Rules Committee on Thursday. "If AHFC is supposed to accept all contracts and obligations ever of another entity without having time to review them, than I would have to gracefully decline that offer, only because it's just impractical and improper for me to do such a thing."

KABATA's initial goal was to build the bridge through a public-private partnership.

The bill sets up a \$1.14 billion capital reserve fund, which would be used to pay a developer if revenues from tolls fell short or there was some other unforeseen problem that affected the bridge's finances.

A handful of lawmakers expressed concern - especially after seeing the audit's findings - that HB23 could put the state on the hook for over a billion dollars for a bridge owned and operated by a private company.

The Senate panel began deliberating on the bill Friday afternoon in order to let KABATA officials respond to the audit.

They said that it is inaccurate because the economic model used by auditors is based on an assumption that says there will be no change to the traditional population, economic and job growth rates in the lower Mat-Su borough as a result of the bridge opening.