

Postpone the Knik Arm Bridge Until 2018 or Later in Anchorage's Long Range Transportation Plan because the Knik Arm Bridge and Toll Authority Has No Credible Plan to Address Bridge Costs

Following a lawsuit by Wasilla, Houston and the Knik Arm Bridge and Toll Authority (KABATA) because the communities felt they weren't sufficiently notified of the public comment period, the Anchorage Metropolitan Area Transportation Solutions (AMATS) Policy Committee released *for a second time* for public comment an Anchorage Long Range Transportation Plan (LRTP) Amendment involving the Knik Arm Bridge. Though the lawsuit settlement acknowledged that AMATS did nothing wrong, AMATS reopened the public comment period for 30 days (now closed). Chapter 13 of the LRTP is the amendment that makes the bridge a long-term (post-2018) construction project. In 2011, the LRTP will be revised and at that time the bridge can remain a long-term project, can be deleted, or can be made a short-term project again. The AMATS Policy Committee will vote on the amendment in early 2010. Postponing the bridge gives KABATA time to address the following issues (if it can!):

- 1) An Alaska DOT-funded independent cost estimate completed in January 2009 states that *"without an equitable risk sharing agreement, the Project will not be economically feasible if proposals are received wherein all risks are passed on to the contractor."*¹ In other words, the bridge only will go forward if the state or Anchorage share the financial risks of inadequate toll revenue. Calculations show this deficit could be as much as Anchorage spends on transportation during the first three years of the project,² and no positive revenue flow from tolls over the first 19 years.
- 2) There is insufficient evidence that private investors will fund this toll bridge, wholly or in part, given the worldwide credit downturn. If not, it will be up to the state or Anchorage to fund the bridge and its access roads - which could cost \$1.5 billion or more according to the Federal Highway Administration³ (FHWA) - at the expense of local transportation priorities. With limited funds available (Anchorage spends approximately \$22 mill./year on transportation, most of it federal dollars which are declining dramatically), and only approximately \$60 million available for the bridge now, Anchorage should not fund the bridge instead of Lake Otis Parkway improvements or fixing all the city's potholes and ruts or improving public transportation, as examples.
- 3) If the bridge off-ramp connects to A-C Streets rather than Ingra-Gambell, truck traffic will adversely impact downtown businesses and the museum. KABATA has told AMATS that private investors would not fund the Ingra-Gambell connection with toll revenue until traffic congestion makes this connection inevitable. The FHWA estimates that Phase 2 of the bridge project, i.e., upgrading to four lanes on the bridge and connecting to Ingra-Gambell, will cost \$750-\$920 million. Will Anchorage pay for the Ingra-Gambell off-ramp for the bridge, or wait until downtown congestion becomes intolerable?
- 4) Federal resource agencies will not allow the current bridge design to proceed because of the adverse impacts it will have on salmon and the endangered Cook Inlet beluga whale. The agencies prefer a 14,000' bridge over the current 8,200' design⁴ (the remaining distance across Knik Arm would be filled-in causeways). The longer bridge increases bridge-building but not access road costs by approximately 50% according to the federal Environmental Impact Statement.⁵ KABATA, however, does not support a design that meets the agencies' requirements, nor has KABATA determined how to pay for a longer bridge.
- 5) Only 1/3 of all Mat-Su Borough (MSB) workers commute to Anchorage, while over half work in the MSB.⁶ MSB commuters currently represent only approximately 1/10 of the Anchorage workforce of over 140,000.⁷ Additionally, the federal EIS says that the region's population and job numbers likely would be the same with or without the bridge in 2030.⁸ For these reasons, project decision-making - appropriately - is made by Anchorage transportation officials.
- 6) According to KABATA's contractor, 3 years after the bridge opens there will be more traffic on it than the traffic currently on the Glenn Highway from the MSB, i.e., approximately 13,000 vehicles each way daily.⁹ This same contractor estimated that over 50% of the traffic on the bridge will be from users living near Pt. MacKenzie, including during the first year the bridge operates.¹⁰ Additionally, commuters from Wasilla and areas east of it in the Mat-Su Borough will find that it will take longer and be a farther drive to travel to Anchorage via the bridge instead of the Glenn Highway, plus bridge users will pay a toll.¹¹ Only those living in the currently scarcely populated areas west of Wasilla and near the bridge would benefit from it.

The Bottom Line: When the bridge was proposed, it was generally thought that federal funding or toll revenues would pay for it. Since that's not the case with declining federal funding and the unlikelihood of private investment partners at this time, the state or Anchorage will need to pay for it, thus sacrificing other needed transportation projects including fixing existing infrastructure and improving public transportation. Additionally, KABATA's contractors greatly overestimated the number of bridge users since the facts show that the bridge will do little or nothing to help the majority of Mat-Su Borough residents and workers.

¹ *Knik Arm Crossing Conceptual Cost Estimate (Final)*, The National Constructors Group, January 2009, p. 1-20, http://www.dot.alaska.gov/comm/pressbox/arch_2009/Knik-Arm-Crossing-Report-Executive-Summary.pdf.

² *Knik Arm Bridge Financials*, Jamie Kenworthy, October 2009.

³ *Knik Arm Crossing Cost Estimate Review, Final – May 2009*, U.S. Department of Transportation, Federal Highway Administration, p. 3. Not available on the Internet.

⁴ Letter from National Oceanic and Atmospheric Administration to the Knik Arm Bridge and Toll Authority, February 18, 2008, <http://www.knikbridgefacts.org/7%20NOAA%201.pdf>.

⁵ *Knik Arm Crossing Final Environmental Impact Statement and Final Section 4(f) Evaluation*, December 18, 2007, pp. ES 10.

⁶ *Alaska Economic Trends, June 2007*, Alaska Department of Labor and Workforce Development, pp. 8, 10, <http://www.labor.state.ak.us/research/trends/jun07reg.pdf>.

⁷ *Knik Arm Crossing Final Environmental Impact Statement and Final Section 4(f) Evaluation*, *op. cit.*, 2004 data, p. 3-90.

⁸ *Ibid.*, p. 4-14.

⁹ *Proposed Knik Arm Bridge: Final Traffic and Toll Revenue Forecast*, Wilbur Smith Associates, September 2007, Table 23, p. 42, <http://knikarmbridge.com/documents/10082007ProposedKnikArmBridgeFinalTrafficandTollRevenueForecastDRAFT.pdf>.

¹⁰ *Ibid.*, p. 36. Notably, the U.S. Department of Transportation estimated significantly lower traffic numbers for the bridge and correspondingly lower toll revenues in a letter to Kevin Hemenway of KABATA dated April 23, 2008.

¹¹ *Knik Arm Bridge Preliminary Traffic and Toll Revenue Study*, Wilbur Smith Associates, November 2005, Figure 5, <http://knikarmbridge.com/documents/FINALWilburSmithPrel.TrafficandRevenueStudyFinalReport112805.pdf>.