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Knik Arm, Juneau road critics challenge Transportation commissioner on projects

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JUNEAU -- Critics of two state transportation megaprojects are questioning Transportation Commissioner [Pat Kemp's defense of the Knik Arm bridge and the Juneau Access Project](#).

Gov. Bill Walker proposed [limiting work on a half-dozen projects](#) as the state faces unprecedented declines in crucial oil revenues, but Kemp warned that stopping or delaying the two transportation projects could be costly in itself.

Because the state has already spent millions of federal highway dollars on those projects, including \$72.9 million on the proposed toll bridge over Knik Arm and \$25.7 million on [the road north of Juneau](#) that would shorten the ferry ride to Haines and Skagway, it might have to pay back the federal government, Kemp warned.

Late Friday the department announced that it was proposing removing the two projects from its formal project plan, the Statewide Transportation Improvement Program for fiscal year 2015, but a department spokesman said that action by itself should not hamper the already funded projects.

Those who oppose the two projects are arguing that neither pencils out and welcomed Walker's call for no new spending on them. And they questioned Kemp's arguments for continuing work.

"If you put five cents into a project that doesn't make sense with the argument that you should put the other 95 cents in so you don't lose the five cents, does that make sense?" asked James Kenworthy of Anchorage, who has studied the project and questions the Knik Arm Bridge and Toll Authority's justification for the project.

Last year the Legislature put KABATA under the authority of the Department of Transportation and Public Facilities in an effort to get the stalled project moving.

Kenworthy said the Knik Arm bridge is not financially viable, even the scaled back state-sponsored project the Legislature approved last year, and that if the ongoing studies show that to be the case, the Federal Highway Administration won't require it go forward anyway.

Stephanie Kesler, who opposed the bridge's likely impact on her Government Hill neighborhood, dismissed Kemp's concerns about having to pay back already spent money.

"There's definitely history of projects that have been stopped and

we did not have to pay back federal funds," she said.

One, she said, is the Tony Knowles Coastal Trail south extension, which was eventually canceled.

"Quite a bit of money has been poured into that, and we were not required to pay back federal funds," Kesler said.

She said she doubts that the federal government would insist on continued development of a project that's not financially viable and that requires both federal funding and federal lending in order to be built. That borrowed money would be paid back with toll revenue that she doubts would materialize as expected, she said.

"The Federal Highway Administration is most likely open and approachable on this," Kesler said.

DOT spokesman Jeremy Woodrow said the concerns that canceling either of the projects would result in the state having to return already spent money was based on past experience, but he did acknowledge that such decisions are made on a case-by-case basis.

"It's based on prior history; they have said, 'If you don't complete this project, you'll be required to pay this back.' And they have done that before," he said.

It's similar with the Juneau Access Project, though the numbers are smaller. That \$574 million road and ferry project is needed because of the rising cost of operating ferries, Kemp told Walker in response to his order suspending work.

Replacing ferries with roads would save the state money, he

said.

"Simply put the cost of ferries (both capital and operating) are a perpetual drain on budgets," he said. Kemp said both costs have risen faster than inflation.

But Juneau road opponent Emily Ferry accused Kemp of "slandering the Alaska Marine Highway System" and presenting outdated information to the governor.

An updated environmental impact study completed last fall found that keeping the road open through exceptionally rugged terrain and operating the new shuttle ferries would cost \$5 million a year more than existing ferry service, not counting construction costs.

"I'm astonished that Commissioner Pat Kemp would continue to brazenly defy basic information from a study his department just spent millions of dollars completing," she said.

She said the studies found the total cost of the road, both operating and capital, was \$193 million more than continued ferry service.

Kemp's memo to the governor supporting the Juneau Access Project said that both Norway and Canada were targeting ferries for replacement with highways, bridges and tunnels, though he acknowledged what he called the "initially high capital" cost.

Friday afternoon the department proposed an amendment to its Statewide Transportation Improvement Program for highway projects.

That amendment would remove both the Knik Arm and Juneau Access projects from the plan for the current fiscal year.

But DOT's Woodrow said that was not the final decision on the projects, just acknowledging that neither will be built this year.

Work that's already funded for those projects can continue for now, he said.

"From the department's standpoint, there was enough money that was previously obligated on these projects to continue working as intended for Juneau Access and Knik Arm," he said.

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