Regional Transportation Network

- Port MacKenzie Rail Corridor
- South Big Lake and Burma Road
- Point MacKenzie Road Upgrade
- Port MacKenzie Industrial District
- Knik Arm Crossing

Map source: Anchorage AMATS LRTP public review draft – August 2005

Only Existing Route for Natural Disaster, Emergency, and National Security
Population Growth in Southcentral Alaska

Percentage Population Growth 2000 to 2010

If Knik-Fairview were incorporated, it would be the fourth largest city in Alaska with a population of 14,923
Average Annual Daily Traffic 1985-2010

Traffic Growth in Southcentral

1985 AADT | 2000 AADT | 2010 AADT

Seward Highway at Potter Weigh Station: 8,309 | 9,620
Knik-Goose Bay at Palmer-Wasilla Highway: 12,590 | 18,430
Glenn Highway at Eklutna Overpass: 15,682 | 22,321 | 29,644
Glenn Highway at Hiland Road: 33,555 | 39,090 | 52,824
Phase I:
• 1.74 mile long bridge  
  – 2 lanes w/shoulders (44 ft. width)
• 10 miles of roads and connections
• Cut and cover tunnel under Gov’t Hill

Phase II (Not Included in this Financial Plan):
• Expansion to four lanes
• Connection to Ingra/Gambell

Public Finance Plan is not Dependent on Phase II
Project Readiness

Permits
- Corps of Engineers Wetlands – Ready to Issue
- Coast Guard Bridge – Finding of Fact drafted
- NMFS Letter of Authorization – Application Under Review

Right-of-Way
- 85% of ROW secured
- Remaining Parcels are Government to Government (UA, JBER, MOA, ARRC)

Construction Cost Estimated (risk adjusted) – $894 million (Phase I)
  based on design-build contract
Public Finance Model

- Federal STIP (NHS)
- TIFIA
- Bonds
Federal TIFIA Loan

- Secured with toll revenue only
- Interest rate: currently 3.66%
- Up to 35 year term after substantial completion
- Up to $350M available
- Senior lien on toll revenue

TIFIA - Transportation Infrastructure Finance & Innovation Act
Toll Bridge Revenue Bonds

- Bonds issued by DOR
  - Credit rating: AA+
  - Bonds issued after construction contract awarded
- Recent indicative interest rates: 3.36%
- Term: 20 years to maturity
- Annual debt service: $20 million
- Dual pledge of appropriation credit and subordinated lien on toll revenue
- Toll revenue will eventually repay the full amount of bond debt
Federal STIP Funds (NHS)

- $55 million in Governor’s FY15 Capital Budget proposal (SB 119)
- $50 million per fiscal year up to $300 million

NHS – National Highway System
Toll Revenue Forecast (50 Years)

Cumulative Gross Toll Revenue:
- Phase 1 Two Lanes - $4.7 Billion
- Phase 2 Four Lanes - $8.2 Billion

Phase 2 Capacity Achieved
Phase 1 Capacity Achieved

2015 2017 2019 2021 2023 2025 2027 2029 2031 2033 2035 2037 2039 2041 2043 2045 2047 2049 2051 2053 2055 2057 2059 2061 2063 2065 2067 2069

Phase 2 Toll Revenue Increment  Phase 1 Toll Revenue
Phase 1 Operations and Debt Service (50 Years)

Cumulative Operations and Debt Service:
- Operating Costs - $1,269 Million
- TIFIA Debt Service - $713 Million
- Bonds Net Debt Service - $385 Million
- Total - $2,367 Million
“Waterfall” Flow of Funds

Toll Revenues

Operation & Maintenance

Senior TIFIA Debt Service

Project Reserve Requirements

Subordinated Bonds Debt Service

Surplus Revenue (Eligible Statewide Transportation Fund)
Phase 1 Gross and Net Toll Revenue (50 Years)

Cumulative Toll Revenue Over 50 Years:
- Gross - $4.7 Billion
- Net - $2.4 Billion

- Four Years to Construct
- Phase 1 Capacity Achieved
- $425 Million Surplus at end of TIFIA loan
Design-Build Project Delivery Method

- Design and construction services are contracted by a single entity – the design-builder
- Builder retains design risk
- Faster delivery

Other Design-Build Projects:
- Glenn/Parks Highway
- Eagle River Bridges
- Riley Creek (Parks Hwy.)

Glenn/Parks interchange
Expected Project Schedule

- Legislation
- Design-Build Shortlist
- Design-Build Proposals
- Design-Build Contract Award
- Construction begins 2015
- Open for traffic 2019
Benefits of the Knik Arm Crossing

- Shovel Ready
- Pays for itself over long-term
- Cash flow for statewide transportation
- Eligible Statewide Transportation Projects (Title 23 & 49)
  - Boardwalks
  - Rural roads
  - Marine Highway System
  - Public Transit
  - Rehab and maintenance
  - New roads and bridges
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