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Rough week for KABATA | Local News Stories

9-11 minutes

JUNEAU — It's been a roller coaster week for the proposed Knik Arm bridge project.

The ups and downs began April 6 when a legislative audit was released. The auditor concluded that the Knik Arm Bridge and Toll Authority's projected traffic numbers were inflated. Traffic numbers are important since construction costs for the bridge would be paid by toll revenue.

"Their single recommendation was to revise our traffic projections to match a socioeconomic study that was developed to plan for future schools in the Mat-Su Borough," said Shannon McCarthy, a state Department of Transportation spokeswoman dispatched to work with KABATA. "While that plan is appropriate for the Mat-Su school plan it is not appropriate for the bridge."

For one thing, she said, the school district does its forecasting every two years. The bridge is four years away even by optimistic projections. So the district doesn't need to spend its time worrying about any population growth that might result with a bridge. KABATA contends that home growth in Point MacKenzie would explode because the bridge would put

affordable land 2 miles from downtown Anchorage.

The competing numbers, McCarthy said, also didn't factor in truck traffic between the Port of Anchorage and Port MacKenzie, or truck traffic from Anchorage to Fairbanks, which might choose a bridge to save on personnel and maintenance costs.

At any rate, that audit seemed to be at the front of legislators' minds when they considered a bill Friday that would have increased the amount of money KABATA can borrow for the project to \$600 million. It was also likely the cause of a drastic change to the group now responsible for the project.

That change adds KABATA to the Alaska Housing Finance Corp.

Anchorage Republican Mia Costello said that AHFC chief Dan Fauske has vowed to both look at the audit and the myriad concerns about the project and stick to project timelines.

"If you were OK with the project before you should feel better about it now because now we've got Alaska's best team at the helm of this," she said.

No one on the floor spoke against the change in direction for the project.

"Kudos to the KABATA team, it think they've worked very hard and they've set us on a good path," said freshman Rep. Shelley Hughes, R-Palmer.

A couple of representatives did speak out against the idea of bringing on private partners to complete the project. The state plans to pay that private partner if the toll revenues don't cover the costs to pay back the money borrowed to build it and the

profits they expected to make.

Eric Feige, R-Chickaloon, actually ended up voting against the bill likely on the merits of the financing plan.

“I say build it. I think it can bring an awful lot of good things to the state,” Feige said. “It is much smarter financially if you can, take the money out of savings, plunk it down, convert that cash to an asset.”

And then, of course, there were the long-time bridge opponents like Anchorage’s Les Gara, who represents the Anchorage neighborhood of Government Hill where the bridge would land on that side of Knik Arm.

“We don’t know if this project’s going to go belly-up. We don’t know what the toll revenues are going to be,” he said. “We also have to pay for their profits under this arrangement.”

He said that the state could be on the hook for the whole \$1.14 billion cost of the thing.

Mark Neuman, R-Big Lake, a longtime bridge backer and member of KABATA’s board of directors, said that the state can choose to shell out \$1.14 billion but isn’t on the hook for it otherwise. He said toll revenue over the bridge’s lifetime is projected to be massive.

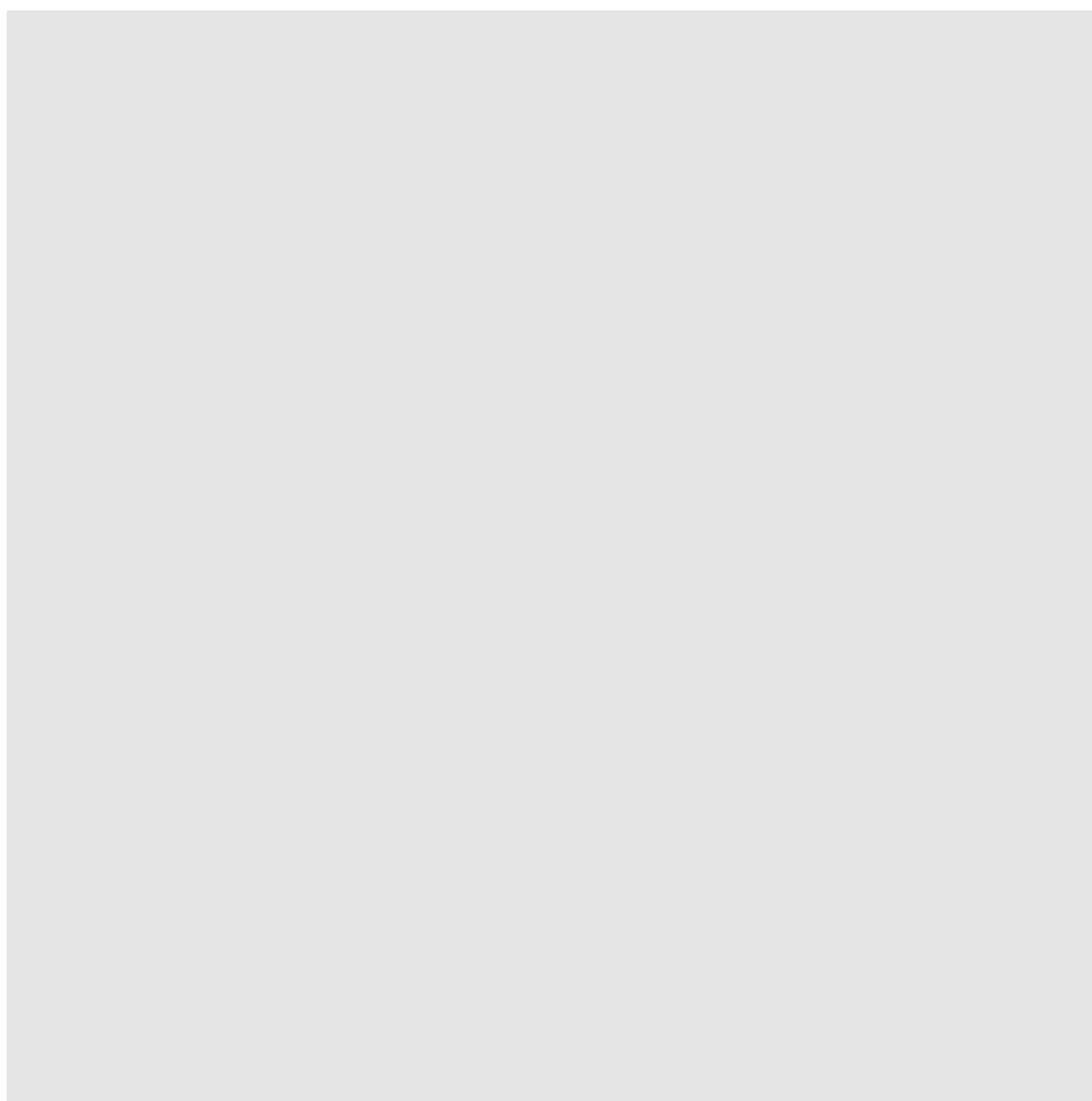
“This project will bring in excess of \$35 billion,” he said. “That’s a lot of money and a lot of road work.”

In the end, at 1:04 a.m., the bill passed the house in a 24-15 vote. Feige was the only member of the Valley’s delegation to oppose it. The bill as it stands now puts KABATA under AHFC

control with the KABATA board in place for a year working as advisors before it's dissolved. The bill also allows the project to borrow \$600 million.

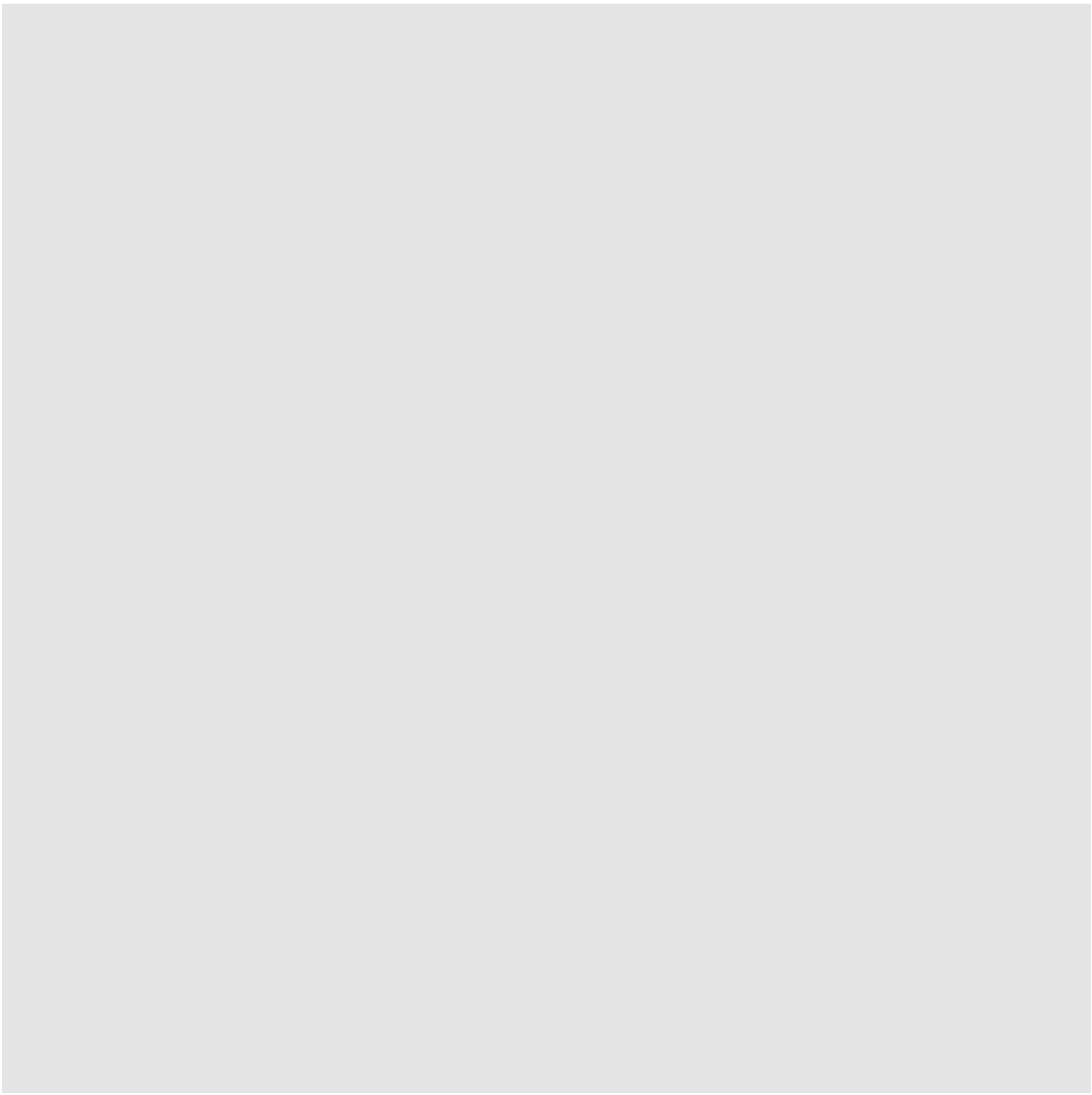
It has been sent to the Senate, which could choose to pass a different version with the differences between the two reconciled in a committee.

Contact reporter Andrew Wellner at andrew.wellner@frontiersman.com or 352-2270.

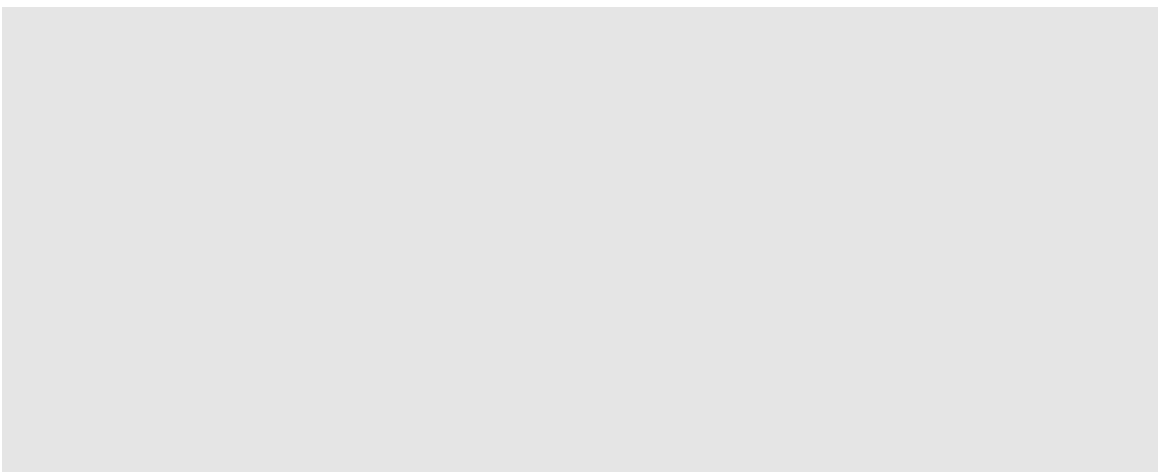


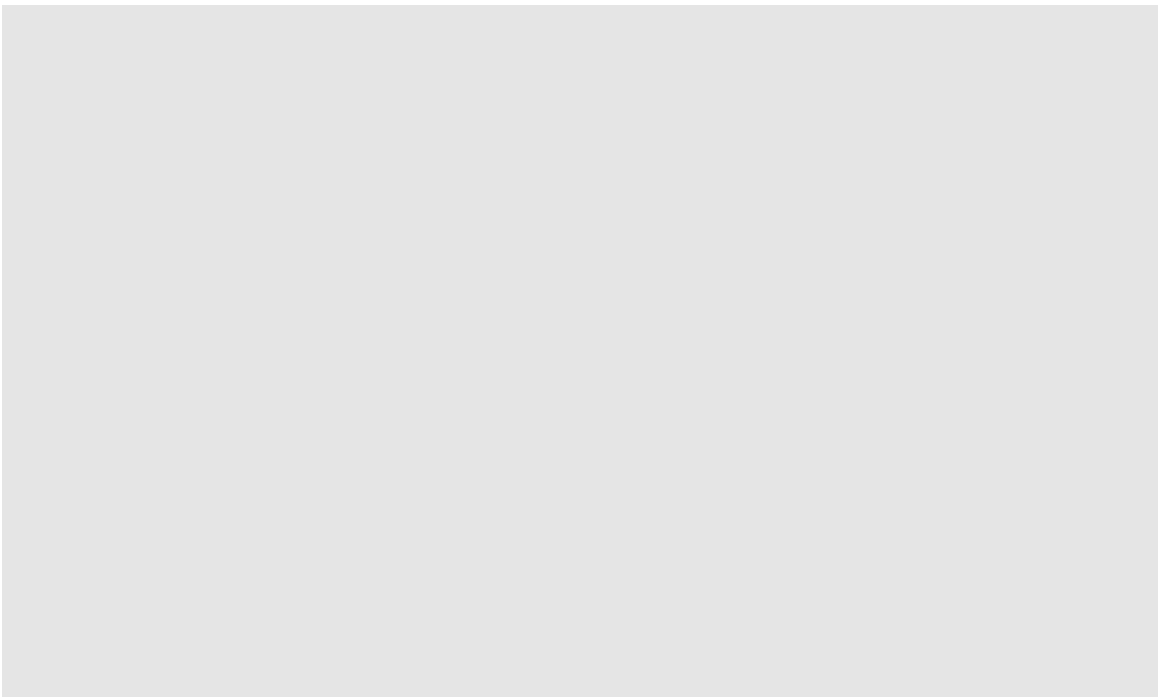
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Xtratufs, some tears and a...



The Mat-Su Miners have a history of included local players on their roster.





One team celebrated victory for the first time, and another extended its state-rec...