



Promoting sensible transportation systems in Alaska

Key Knik Arm Bridge Issues That Will Significantly Impact Anchorage

- 1) The independent cost estimate completed in January 2009 stated 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 implying that state/local financial participation is critical for the project to move forward. Does Anchorage and the state want this bridge so much that city decision-makers are willing to share the financial risks?
- 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 and/or Anchorage/Mat-Su to fund the bridge and its access roads - which could cost \$1.5 billion or more² - at the expense of many local transportation priorities. With limited funds available (Anchorage gets approximately \$22 mill./year from the federal government), does the city want to fund the bridge instead of the Highway-to-Highway connection or Lake Otis Parkway improvements or fix all the city’s potholes and ruts, 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. The private investors will not fund the Ingra-Gambell connection, which will cost hundreds of millions of dollars. Do city decision-makers want the bridge to adversely affect downtown businesses and the museum which both rely on pedestrian traffic? If not, will the city pay for the Ingra-Gambell off-ramp for the bridge?
- 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 Cook Inlet beluga whale. The resource agencies prefer a 14,000’ bridge rather than the current design of an 8,200’ bridge. The longer bridge increases bridge-building (not including access road) costs by approximately 50% according to the federal Environmental Impact Statement (EIS).³ How will the Knik Arm Bridge and Toll Authority meet the resource agencies’ requirements, and how will these design changes be paid for?
- 5) According to the federal EIS, Anchorage’s “*Property tax revenues would be \$406.9 million under the [bridge] build alternatives, but the No-Action Alternative would be about \$19.2 million more.*”⁴ This means the bridge reduces property tax revenue for Anchorage by approximately 5%. Will Anchorage increase property taxes to protect services as a result of the bridge?

Bottom Line: When the bridge was proposed, it was thought that federal funding or toll revenues would pay for it. Since that’s clearly not the case, the state or Anchorage will need to pay for it, thus sacrificing other needed transportation projects. Additionally, Anchorage will lose property tax revenues due to the bridge, which will need to be made up by residents if services are to be protected.

¹ *Knik Arm Crossing Conceptual Cost Estimate (Final)*, prepared for the Alaska Department of Transportation and Public Facilities by The National Constructors Group, January 2009, p. 1-20 of the Executive Summary, http://www.dot.alaska.gov/comm/pressbox/arch_2009/Knik-Arm-Crossing-Report-Executive-Summary.pdf

² *Knik Arm Crossing Cost Estimate Review (Final)*, Federal Highway Administration, May 2009, Executive Summary, p. 3.

³ *Knik Arm Crossing Final Environmental Impact Statement and Final Section 4(f) Evaluation*, December 18, 2007, p. ES-10.

⁴ *Ibid.*, p. 4-67.