

Knik Arm Bridge and Toll Authority (KABATA) Project Development **FY2015 Request: \$55,000,000**
Reference No: 56677

AP/AL: Allocation **Project Type:** Construction
Category: Transportation
Location: Anchorage Areawide **House District:** Anchorage Areawide (HD 11-27)
Impact House District: Anchorage Areawide (HD 11-27) **Contact:** Jeff Ottesen
Estimated Project Dates: 07/01/2014 - 06/30/2019 **Contact Phone:** (907)465-4070
Appropriation: Economic Development

Brief Summary and Statement of Need:

This appropriation provides continued support to KABATA as the State pursues a more traditional public financing option to complete the project. A public financing option has significant advantages for the State over other models. As populations in Southcentral Alaska continue to grow rapidly, so does the need for additional transportation corridors linking Anchorage and the Kenai Peninsula with the Matanuska-Susitna Borough and Interior Alaska. This appropriation will allow the State of Alaska to pursue a lower cost of financing, more budget certainty, and the ability to secure financing sooner.

Funding:	<u>FY2015</u>	<u>FY2016</u>	<u>FY2017</u>	<u>FY2018</u>	<u>FY2019</u>	<u>FY2020</u>	<u>Total</u>
Fed Rcpts	\$50,000,000						\$50,000,000
Gen Fund	\$5,000,000						\$5,000,000
Total:	\$55,000,000	\$0	\$0	\$0	\$0	\$0	\$55,000,000

<input type="checkbox"/> State Match Required	<input checked="" type="checkbox"/> One-Time Project	<input type="checkbox"/> Phased - new	<input type="checkbox"/> Phased - underway	<input type="checkbox"/> On-Going
0% = Minimum State Match % Required		<input type="checkbox"/> Amendment	<input type="checkbox"/> Mental Health Bill	

Operating & Maintenance Costs:

	<u>Amount</u>	<u>Staff</u>
Project Development:	0	0
Ongoing Operating:	0	0
One-Time Startup:	0	0
Totals:	0	0

Prior Funding History / Additional Information:

Sec1 Ch82 SLA2006 P104 L33 SB231 \$93,600,000
 Sec1 Ch82 SLA2003 P49 L24 SB100 \$33,600,000

Project Description/Justification:

The State of Alaska, Department of Revenue has performed a financial and risk analysis which shows significant benefits in the hundreds of millions of dollars from pursuing the project using a "Public Finance" model instead of a P3 model. A "Public Finance" model requires partial funding of the project with federal and state funds to total \$300 million. The appropriation in the FY2015 budget will be used to complete design of project components, prepare bid documents, and partial funding of construction when the necessary permits are final and allow that construction to occur. Additional appropriations will be made in future years. It is anticipated that this project will generate approximately 1,500 direct jobs annually over the construction period. It will provide an essential second link between Anchorage and points north, intermodal connectivity between ports, airports

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and rail, and access to land and resources for economic development and housing and to support projected population growth.