

Knik Arm Crossing

FY2016 Request: \$45,300,000

Reference No: 56677

AP/AL: Allocation
Category: Transportation
Location: Southcentral Alaska

Project Type: Construction
House District: Southcentral Region (HD 7-31)

Impact House District: Southcentral Region (HD 7-31)

Contact: Jeff Ottesen

Estimated Project Dates: 07/01/2015 - 06/30/2020

Contact Phone: (907)465-4070

Appropriation: Surface Transportation Program

Brief Summary and Statement of Need:

This appropriation provides continued support to the Knik Arm Crossing (KAC) 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>FY2016</u>	<u>FY2017</u>	<u>FY2018</u>	<u>FY2019</u>	<u>FY2020</u>	<u>FY2021</u>	<u>Total</u>
Fed Rcpts	\$45,300,000						\$45,300,000
Total:	\$45,300,000	\$0	\$0	\$0	\$0	\$0	\$45,300,000

<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 Public-Private Partnership (P3) model. A "Public Finance" model requires partial funding of the project with federal and state funds to total \$300 million. Prior funding appropriated is being utilized to complete design of project components, prepare bid documents, and partially fund construction when the necessary permits are final and allow for construction to occur. Additional authority will be requested 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,

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intermodal connectivity between ports, airports and rail, and access to land and resources for economic development and housing and to support projected population growth.