

# ALASKA STATE LEGISLATURE

## SENATE TRANSPORTATION COMMITTEE

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Senator Huggins, Chairman  
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Senator Therriault  
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Senator French



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### SPONSOR'S STATEMENT

**SB 303 "An Act amending the Knik Arm Bridge and Toll Authority Act and the powers and authority of the authority to finance construction and maintenance of the Knik Arm Bridge, to set and collect tolls, and to carry out its duties, and making conforming changes to statutes relating to issuance, renewal, or reinstatement of driver's licenses and to levy on permanent fund dividends; and providing for an effective date."**

In 2003 the Alaska Legislature created the Knik Arm Bridge and Toll Authority (KABATA), in Alaska Statute chapter 19.75, to construct a toll bridge across Knik Arm and connect the Municipality of Anchorage and the Matanuska-Susitna Borough to develop, stimulate, and advance the economic welfare of the state and further the development of public transportation systems in the vicinity of the Upper Cook Inlet.

To accomplish the task assigned by the Legislature, the Knik Arm Bridge and Toll Authority must supplement the federal-aid funds authorized by Congress with significant additional public and private sector financing.

SB 303 clarifies and makes more specific the powers and authority of the Knik Arm Bridge and Toll Authority to obtain the necessary non-recourse financing from the private and public financial sectors to supplement the federal-aid financing for the construction, maintenance and operation costs of the toll bridge across Knik Arm.

SB 303 assures public and private financing sources that the Knik Arm Bridge and Toll Authority has adequate and specific authority to issue, refund and secure repayment of non-recourse revenue bonds and to obtain lines of credit and other debt, to borrow from the U.S. Department of Transportation's Transportation Infrastructure Finance and Innovation (TIFIA) loan program and to enter into partnerships with the private sector to finance this project.

The amendments to AS chapter 19.75 reflect advice provided to the Knik Arm Bridge and Toll Authority from TIFIA executives and other public and private financing experts that these clarifying amendments are essential for their participation in the financing of this project.

The provisions of SB 303:

- (1) Provide exclusive authority to the Knik Arm Bridge and Toll Authority to set the amount of the bridge tolls;
- (2) Provide explicit authority to enter into public-private partnerships for the construction, maintenance and operation of the toll bridge;
- (3) Authorize obtaining non-recourse loans from the U.S. DOT's TIFIA loan program and other financing;
- (4) Set the dollar value of non-recourse revenue bonds that may be issued and refunded.
- (5) Provide means for the collection of tolls and other obligations owing the Knik Arm Bridge and Toll Authority in the operation of the toll bridge.

SB 303 will give KABATA the authority to finalize financial arrangements to complete the financing of the construction, operation and maintenance of the bridge.

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