

# ALASKA STATE LEGISLATURE



REPRESENTATIVE LES GARA

Knik Arm Bridge and Toll Authority  
820 East 15<sup>th</sup> Avenue  
Anchorage, AK 99501

Dear Mr. Niemiec:

It has recently come to our attention through a Community Council presentation by Mr. Hemenway that KABATA has made millions of dollars in binding purchase offers to business and residence owners in Government Hill, Anchorage's oldest neighborhood, for properties that KABATA wishes to condemn. Letters sent to affected property owners state that KABATA intends to complete these purchases by summer 2012. I am writing because spending public money to destroy homes and businesses, on a project that may not be approved, funded or permitted, and for which no developer has yet agreed to pursue, is wasteful and premature.

As you know, the project and needed roads were, according to KABATA's promises a few years ago, all going to be funded by a private developer. However, last year KABATA started pushing legislation that could cost the state up to or in excess of one billion dollars. Two current bills that KABATA is pushing guarantee \$150 million in state payments, and, more concerning, guarantee any private developer that if tolls don't cover the billion dollar-plus cost of construction and operations, the state will cover all losses. I am not eager to damage parts of Anchorage's oldest neighborhood by closing the community convenience store (Tesoro), the Subway store, a residence/hotel, and two other residences when we don't even know if this project is going to move forward, but I am even more concerned about the potentially huge liability this project will create for the people of the State of Alaska. It seems unlikely tolls will cover the costs of this project, for by KABATA's own admission the commute to the Palmer and Wasilla areas, where the bulk of the Valley's population lives, can get to their homes faster by using the Glenn Highway for free than by using a bridge with a toll.

Finally, KABATA maintains that it can acquire these properties through eminent domain if necessary, and while it isn't using that as a threat, property owners, some of whom have had to hire counsel, have been advised that if they don't agree to KABATA's purchase offers, the property can be taken by eminent domain. That has caused at least one property owner I know a bit of distress and anger.

I hope you will retract your statement to property owners that you intend to complete these purchases by summer 2012, at which time, I suppose, KABATA intends to use, or start threatening, the power of eminent domain to take these properties.

If someone is very eager to sell their property because they do not wish to live with the uncertainty KABATA has caused regarding whether these properties will be destroyed, that may be a different case. But I hope you will confirm to affected home and business owners that this project does not have the financing and approval it needs, and that there is no need for the property owners to sell to you until that point.

Best Regards,

A handwritten signature in black ink, appearing to read "Les Gara", with a long horizontal flourish extending to the right.

Rep. Les Gara

cc: Bob French, President, Government Hill Community Council

Attachment: Property Purchase Offer Letter from KABATA