

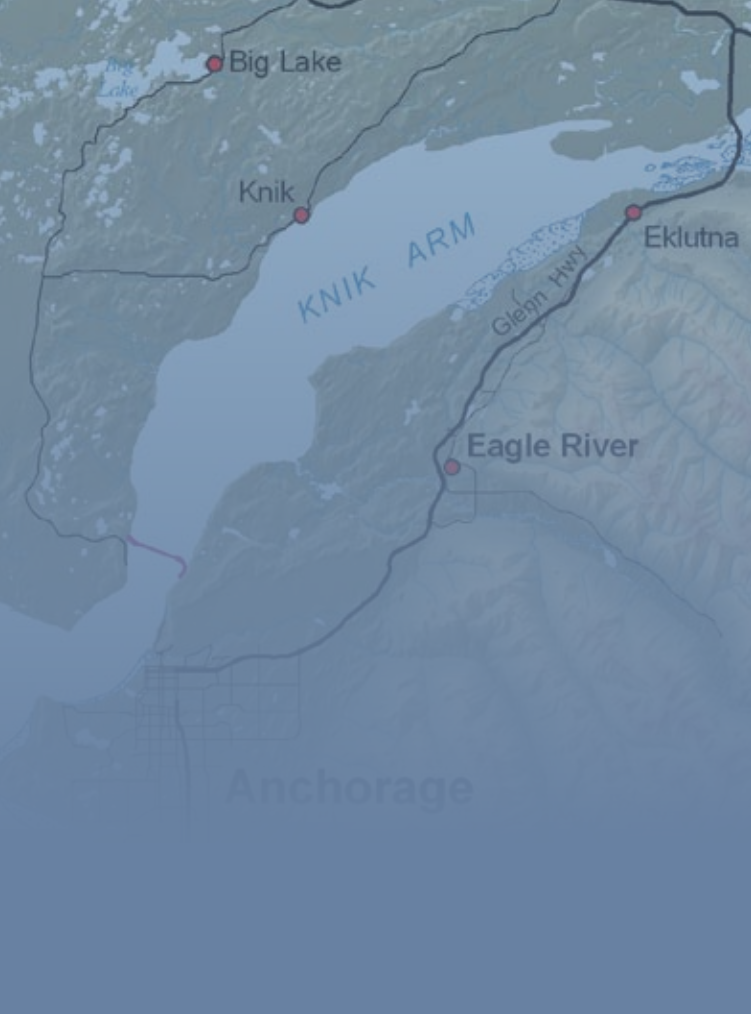


# 2009

Annual Report

## Knik Arm Bridge And Toll Authority

*Making a Connection for Alaskans and the Economy*



# Table of Contents

Letter from the Chairman . . . . . 1

Letter from the Executive Director . . . . . 2

Letter from the Chief Financial Officer . . . . . 3

Knik Arm Crossing: Project Description  
and Purpose and Need . . . . . 4

2009 Year in Review

Alaskans Voice Support for Bridge . . . . . 5

AMATS Policy Committee Rescinds Prior Action . . . . . 5

Section 106 Programmatic Agreement Reached—\$1.2  
Million Provided to Stakeholders . . . . . 6

Updated Cost Estimate Released in 2009. . . . . 6

ROD Moves Toward Completion . . . . . 7

KABATA Focuses Efforts on Close Coordination  
with NMFS/NOAA on Beluga Whales and  
Critical Habitat . . . . . 7

Changes in Staffing . . . . . 7

Letter from the Governor . . . . . 8

Looking Ahead to 2010 . . . . . 9

Related Projects . . . . . 9

Board and Staff . . . . . 12

Comprehensive Annual Financial Report . . . . . Enclosed CD

The Knik Arm Bridge and Toll Authority (KABATA) is governed by a seven-member Board comprised of three private citizens, two regional legislators, and two state commissioners. The Alaska State Legislature authorized KABATA to undertake the permitting, design, financing, and construction, and then to own, operate, and maintain the crossing as a toll bridge.

This Annual Report is submitted in compliance with AS 19.75 to inform the Governor and the Legislature on the status of the project. This Annual Report will be available to the public on the project Web site at [www.knikarmbridge.com](http://www.knikarmbridge.com), and through the KABATA office at 907.269.6698.

## KABATA'S Mission

The Knik Arm Bridge and Toll Authority will “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 with **construction of a bridge** to span Knik Arm and connect the Municipality of Anchorage and the Matanuska-Susitna Borough.”

*Alaska Statute 19.75.011*

*Pursuant to AS 44.99.210, the 2009 Annual Report was released at a cost of \$6.08 per copy and the 2009 Comprehensive Annual Financial Report was released at a cost of \$2.90 per copy, by the Knik Arm Bridge and Toll Authority to provide information and encourage participation. Both were printed in Anchorage, Alaska.*

*PROFESSIONAL PHOTO CREDITS: © Ken Graham / AccentAlaska.com. Chris Arend Photography. Port of Anchorage photos courtesy of the Port of Anchorage. Port MacKenzie photos courtesy of the Matanuska-Susitna Borough.*

## Letter from the Chairman

Dear Alaskans,

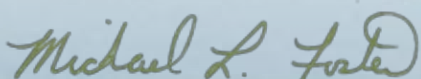
Taking over the helm at the Knik Arm Bridge and Toll Authority has been a rewarding experience. We are more focused than ever on delivering one of the State's largest transportation infrastructure projects in a fiscally sound, sustainable, and beneficial manner for Alaskans.

Alaska is a young state, and many of the major roads and bridges have been recently constructed to support our growing economy, including natural resource development and tourism. It is imperative that we build and sustain the infrastructure necessary to support and encourage further development of these industries and Alaska's economy.

Alaska needs a new project delivery mechanism for much-needed infrastructure development, and KABATA is leading the way with an innovative public-private partnership approach that will also result in the creation of a transportation fund. Going forward, that transportation fund could help finance other needed transportation infrastructure, including new roads and bridges and operation and maintenance of existing facilities for Alaskans. This approach will replace increasingly insufficient federal transportation dollars. The transportation fund approach makes the Knik Arm Crossing a sustainable project while providing for future transportation needs for all of Alaska.

Keeping a front and center approach to public involvement, I look forward to continuing to both listen to Alaskans and to report on KABATA's progress on this project. We have spent most of the last year listening to and aligning our efforts with public comments and feedback from numerous forums, and I am very pleased to report that the State has gained enormous momentum and increasing public support to move ahead with the Knik Arm Crossing as soon as possible, delivering new infrastructure and jobs for Alaskans now and in the future.

Sincerely,



**Michael L. Foster, PE.**

*Chairman of the Board of Directors*



**Michael L. Foster**  
*Chairman of the  
Board of Directors*

---

Economists predict  
that the Knik Arm Toll  
Bridge will facilitate

**\$18 billion in  
regional economic  
development  
and activity**

**in its first 23 years of  
operation.**

---

# Letter from the Executive Director

Dear Alaskans,

The KABATA staff is appreciative of the strong public support this year that has focused the need for improved transportation infrastructure in Alaska. Great communities are often defined by great projects, and it takes its citizens and strong leadership to get them built. The time to build the Knik Arm Crossing is now.

For many of us, Alaska represents the land of opportunity. Alaskans have utilized their initiative and natural resources to prosper; some came more recently for the gold or the oil, but always for the promise of a better future. The future for Alaska remains bright. Our promise for continued economic opportunity has been defined by smart planning and clear direction from our public leaders. Our mission is to implement that vision.

Connecting our communities, providing industry with needed infrastructure, and getting people to jobs is necessary both today and for continued economic growth in the future. The Knik Arm Crossing is an integral piece of essential transportation infrastructure. Its construction represents

regional connectivity, results in environmental benefits that increase with time, and provides jobs, not just from construction, but from the economic growth it promotes.

KABATA remains committed to working with the State Administration, Federal Highway Administration, and local governments as we complete our environmental activities including the Record of Decision on the Final Environmental Impact Statement. With the Cook Inlet beluga whale listed as an endangered species, we must affirm the necessary environmental protections while maintaining the financial viability of the project – both are very attainable objectives.

The staff remains focused on results and our expectations are high for 2010.



**Andrew J. Niemiec**  
*Executive Director*



# Letter from the Chief Financial Officer

Dear Alaskans,

Much talk has occurred about whether Alaska can afford the price tag of the proposed Knik Arm Toll Bridge. What has often been disregarded in those discussions is that the project is planned as a toll facility. User fees, not tax revenue, will fund about 90percent of construction costs and all of bridge operations and maintenance over the life of the facility. In fact, KABATA engaged independent traffic and revenue consultants early on to evaluate the potential for toll revenues to back financing for the bridge. Revenue projections indicate that, as bridge traffic grows, tolls will not only be sufficient to pay for operations, maintenance and debt service, but even potentially fund other needed transportation projects. The traffic and toll revenue reports are available on our Web site, and I encourage Alaskans to take a look at these and other project documents.

Another element of financial feasibility is construction cost. During fiscal 2009, KABATA's independent engineering firm updated its cost estimate for the project. The Alaska Department of Transportation and Public Facilities also engaged an independent engineer to prepare a separate cost estimate. They independently derived cost estimates within \$10 million of each other at approximately \$685 million. The FHWA subjected these estimates to a review and found that there was a high probability that the project would come in at or under the independent cost estimates. The \$685 million

is consistent with the cost estimate used in our financial plans and, together with our evaluation of traffic and toll revenue, is a testament to the rigorous evaluation of the bridge's financial feasibility.

Throughout its existence, KABATA has been accountable and transparent to the public not only in project development, but in all of our financial activities. Our auditors once again provided an unqualified opinion on KABATA's financial statements as of and for the fiscal year ended June 30, 2009. The auditors' opinion and our financial statements and notes thereto are included in the Comprehensive Annual Financial Report (CAFR) attached to this annual report and are also available on our Web site. I encourage you to review these financial statements together with the rest of the CAFR.

I am very grateful for the support that Alaskans have shown for the Knik Arm Toll Bridge. The need for the bridge is intuitive and recognized. The KABATA team and I look forward to serving you, the Alaskan public, faithfully over the coming year and delivering this essential project as soon as practical.

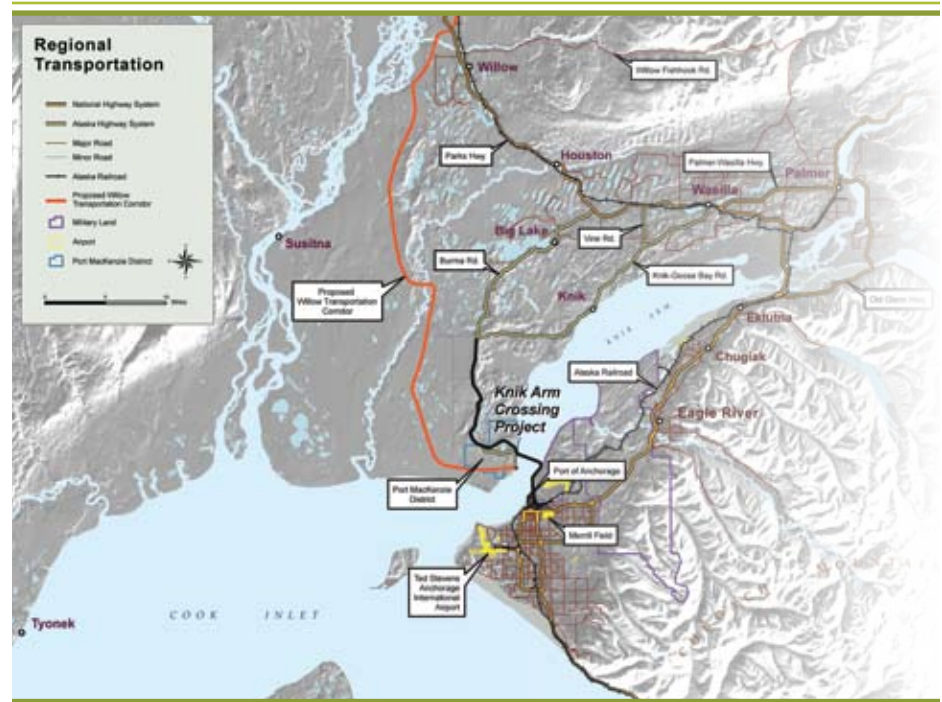


**Kevin P. Hemenway,**  
*Chief Financial Officer*

# Knik Arm Crossing: Project Description and Purpose and Need

## Project Description

The proposed Knik Arm Crossing project includes a toll bridge and approach roads that would connect the bridge into the existing roadway network in Anchorage and the Matanuska-Susitna (Mat-Su) Borough. The majority of the project would be a minimum of one-lane in each direction to start with, and engineered to easily expand in the future. On opening day the project would connect into the Anchorage network via the A/C Couplet. When traffic increases, toll revenue could help finance an extension to the Ingra/Gambell Couplet and add through-lanes.



*Regional Transportation Map*

*\* This conceptual alignment was recommended in the Matanuska-Susitna Borough Rail Corridor Study (June 2003). The MSB Assembly amended the Borough's comprehensive plan to include the rail corridor study in February 2005 (MSB Ordinance No. 05-011 AM). The conceptual alignment does not represent any current alignment analysis by the Alaska Railroad Corporation.*

## Purpose and Need

The proposed project would further the development of transportation systems in the Upper Cook Inlet region by providing improved vehicular access and surface transportation connectivity between Anchorage and the Mat-Su through the Port MacKenzie District, with a financially feasible and efficient crossing to meet the needs for:

1. Improved regional transportation infrastructure to meet existing and projected population growth and locally adopted economic development, land use, and transportation plans, and as directed by the Alaska State Legislature in AS 19.75.
2. Regional transportation connectivity for the movement of people and the movement of freight and goods to, from, and between Anchorage, the Mat-Su, and Interior Alaska.
3. Safety and transportation system redundancy for alternative travel routing and access between regional airports, ports, hospitals, and fire, police, and disaster relief services for emergency response and evacuation.

In its sixth year, the Knik Arm Bridge and Toll Authority (KABATA) continued its strong execution of the Knik Arm Crossing Project throughout 2009 and reached significant milestones.

KABATA continues to carry out project development that is compatible with the physical and human environment in the project area, and its efforts were validated this year when the project received an expression of strong public support from the people of Alaska who designated it as an important and necessary improvement. They understand that Knik Arm Toll Bridge is good for the state and for future generations of Alaskans—the bridge means jobs, long-term economic growth and opportunities, and stability in an economic climate that is constantly shifting.

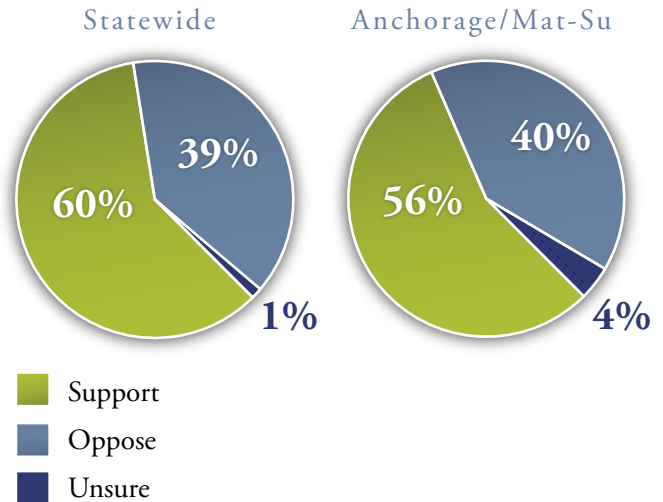
Read on for the highlights of 2009.

## Alaskans Voice Support for Bridge

A statewide survey conducted in January 2009 by Dittman Research and Communications Corporation showed strong public support for the Knik Arm Toll Bridge. The survey found that 60 percent of Anchorage/Mat-Su residents and 56 percent of all Alaskans want the bridge built. The survey also found that 99 percent of respondents in the Anchorage/Mat-Su region and 94 percent statewide are aware of a proposed bridge across Knik Arm to connect Anchorage and the Mat-Su Borough, and 70 percent of respondents in the Anchorage/Mat-Su region stated the Knik Arm Bridge should be included in Southcentral Alaska's Long-Range Transportation Plan (LRTP), counter to attempts made by the Anchorage Metropolitan Area Transportation Solutions (AMATS) Policy Committee to delete or delay the project.

## Support for Knik Arm Crossing Remains High

*Q: Overall, when you weigh the reasons for and against, do you support or oppose building the Knik Arm Crossing toll bridge? (January 2009)*



## AMATS Policy Committee Rescinds Prior Action

In August 2009, a court settlement was reached between all parties agreeing to rescind June 2009 action taken by the AMATS Policy Committee to alter the scope and timing of the Knik Arm Crossing. The action taken by the policy committee did not follow the adopted public participation plan and federal regulations, and KABATA joined the cities of Wasilla and Houston in their effort to ensure proper public process be employed in decisions affecting the bridge. On August 27, 2009, the AMATS Policy Committee remanded the Knik Arm Crossing back to their Technical Committee for additional review and recommendation to the Policy Committee. It is important to note that action by AMATS to delete or delay the project runs counter to the expressed desire of the majority of Alaskans. Once again, AMATS is considering similar action on the Knik Arm Crossing project. The KABATA team will continue to oppose any efforts to delay this much needed connection for Alaskans.

## Section 106 Programmatic Agreement Reached—\$1.2 Million Provided to Stakeholders

A Programmatic Agreement (PA) between the Federal Highway Administration (FHWA), the Advisory Council on Historic Preservation (ACHP), Elmendorf Air Force Base (EAFB), and the State Historic Preservation Office (SHPO) was reached and resulted in the Memorandums of Understanding (MOUs) for local historic preservation. The PA outlines the procedures for Section 106 reviews for future, unforeseen adverse effects through the development of Standard Mitigation Agreements developed among the consulting parties. It also illustrates KABATA's commitment to valuing Alaska's heritage and history, working to preserve our culture, past and present. The PA reached between the consulting parties and KABATA sets a positive precedent for future large projects and how Alaska's heritage should be protected and preserved.

The programmatic approach and agreements reached are intended to benefit many future projects in Anchorage and the Mat-Su Borough.

The agreement demonstrates the project's commitment to accomplishing the crossing in an innovative, sustainable manner with minimal impact to surrounding communities and the environment.

## Updated Cost Estimate Released in 2009

KABATA's independent engineer updated the project cost estimate just before January 2009 and derived a point estimate of total project costs of \$682 million in 2011 dollars. Separately, in January 2009 ADOT&PF concluded another independent cost estimate for the KATB which concluded total project costs of \$687 million in 2011 dollars, confirming the KABATA independent cost estimate. In February 2009, the FHWA performed a probabilistic Cost Estimate Review of the project, again confirming the KABATA and ADOT&PF independent cost estimates. The FHWA's previous Cost Estimate Review in 2006 calculated that every year of delay adds approximately \$25 million to project costs. Because the Knik Arm Bridge is a toll bridge, most of the estimated \$680 million total construction cost will be paid for by bridge users, not the taxpayer.

### Actual Financial Commitment Allocation

Matanuska-Susitna Borough	\$310,910
Native Village of Eklutna	\$107,637
Knik Tribal Council	\$107,637
State Historic Preservation Office	\$120,976
Municipality of Anchorage	\$522,000

- Independent cost estimates confirm KABATA's estimates
- Statewide survey reveals ongoing public support for the Knik Arm Bridge

FHWA's probabilistic cost estimate review confirms independent cost estimate

- NMFS seeks public comment on beluga whale habitat
- KABATA receives GFOA Certificate of Achievement for Excellence in Financial Reporting

JANUARY

FEBRUARY

MARCH

APRIL

MAY

JUNE

2009

## ROD Moves Toward Completion

After more than four years of study, the Federal Highway Administration (FHWA) signed the Final Environmental Impact Statement on December 20, 2007, and on January 18, 2008, it was published in the Federal Registrar. Subsequent to the Final Environmental Impact Statement, the National Marine Fisheries Service (NMFS) determined to list the Cook Inlet beluga whales under the Endangered Species Act (ESA). On December 1, 2009, NMFS proposed to designate critical habitat, placing the Knik Arm Crossing project within the critical habitat designated boundaries for area 1. Comments on the proposed rule for designation are due February 1, 2010. Subsequently, FHWA will be submitting a Letter of Authorization and a Biological Assessment (BA) requesting a “no jeopardy” opinion from the NMFS.

KABATA has done the necessary framework to submit the BA in a timely and productive manner. Issuance of the ROD is anticipated before fall 2010.

## KABATA Focuses Efforts on Close Coordination with NMFS/NOAA on Beluga Whales and Critical Habitat

In October 2008, NOAA’s Fisheries Service listed the Cook Inlet beluga whales as endangered. Under the Endangered Species Act (ESA), NOAA must designate critical habitat for any listed species. Just recently, NOAA proposed critical

habitat for the Cook Inlet beluga whales. Under this proposal, more than one-third of the Cook Inlet in Alaska has been proposed for critical habitat. KABATA is coordinating closely with NMFS/NOAA to finalize the Biological Assessment and a Letter of Authorization to determine the best approach to proceed with the work while protecting the belugas.

## Changes in Staffing

The KABATA Board of Directors welcomed three new members, Chairman Michael L. Foster, Janet Kincaid, and Representative Mark Neuman. Foster brings more than 20 years of engineering, design, and construction-related experience to the board. The head of Michael L. Foster & Associates, Inc., he provides consulting services for design and construction projects including dams, mine facilities, pipelines, and other civil structures. Kincaid is an active member of the Mat-Su Community, serving such organizations as the Mat-Su Visitors Bureau and the Mat-Su Planning Commission, and is a former president of the Palmer Chamber of Commerce. Representative Neuman has been elected to the State Legislature twice and has served as chair of Economic Development, Tourism & Trade Committee and the Education Committee.

Former member and former Acting Chairman Darcie Salmon was honored with a resolution passed by the Board, acknowledging his outstanding support and advocacy of the Knik Arm Crossing. The Board also said goodbye to former

KABATA announces  
Section 106  
Programmatic  
Agreement payments

NMFS proposes  
beluga critical  
habitat

JULY

AUGUST

SEPTEMBER

OCTOBER

NOVEMBER

DECEMBER

## 2009 Year in Review (continued)

Ex-Officio Board Member Representative Bill Stoltze this year. KABATA and the Board of Directors thank Darcie Salmon and Representative Bill Stoltze for their years of service.

Edrie Vinson joined KABATA this year as part of the Section 106 Programmatic Agreement (PA). Vinson, formerly a project manager for FHWA, has previously worked with KABATA and will serve as a liaison for the consulting parties. She will coordinate the terms of the PA and ensure the stipulations are carried out on behalf of the parties. Corene Alvarado was appointed as KABATA's Administrative Manager. Corene will be replacing Betty Fauber, who moved over to Mayor Sullivan's administration.

## Letter from the Governor

STATE CAPITOL  
PO Box 110001  
Juneau, Alaska 99811-0001  
907-465-3500  
fax: 907-465-3532



Governor Sean Parnell  
STATE OF ALASKA

550 West 7th Avenue #1700  
Anchorage, Alaska 99501  
907-269-7450  
fax 907-269-7463  
www.gov.alaska.gov  
Governor@alaska.gov

Dear Alaskans,

The Knik Arm Bridge is an important link in Alaska's regional transportation infrastructure. It will provide access for individuals and businesses between Anchorage and the Mat-Su Valley, two areas experiencing high levels of growth. It will also lead to development of land for residential and industrial use which is very important to the future economic success of Alaska.

As Governor, I'd like to see the Bridge through the federal Record of Decision (ROD) in the environmental permitting process. Progress can be made towards meeting other requirements as well, such as obtaining a Biological Opinion from the National Marine Fisheries Service on Beluga Whales.

Obtaining the ROD and other permits are necessary to assess the project for financing. The goal is to find a way for this project to benefit Alaskans within the constraints of permits while still being fiscally responsible. I look forward to these next steps in delivering this important infrastructure for Alaskans.



Sincerely,

A handwritten signature in blue ink that reads "Sean Parnell".

**Sean Parnell**  
*Governor of Alaska*

## Looking Ahead to 2010

A Record of Decision for the Final Environmental Impact Statement from the FHWA is expected in 2010. KABATA will finalize preliminary engineering activities, including environmental permits and formalize its financial plan for project delivery. In addition, KABATA will begin initial design work on the project, as well as continuing its coordination with the National Marine Fisheries Service in pursuance of permits.

## Related Projects

### Alaska Natural Gas Pipeline

According to the Alaska Governor's AGIA Web site, the major development announced in the summer of 2009 was that "ExxonMobil entered into a new agreement with TransCanada called the Alaska Pipeline Project (APP), to advance TransCanada Alaska Company, LLC's (TCAlaska) AGIA-licensed project through the 2010 Open Season. The agreement offers tremendous synergies by merging TCAlaska's extensive sub-arctic pipeline construction experience, and its existing regulatory certificates for the project through Canada, with ExxonMobil's project management expertise, financial strength, expertise in the design and construction of gas handling facilities, and its upstream expertise on Alaska's North Slope. ExxonMobil also brings to APP a prior producer gasline study and the large geotechnical and environmental dataset that it has access to as an owner of the TransAlaska Pipeline (TAPS)."

As reported to Federal Energy Regulatory Commission (FERC), "The Denali Project continues to progress the project in preparation for its open season in 2010. The work to estimate the cost of the pipeline and the gas treatment plant (GTP) is nearing completion. Denali is focused on preparing a credible cost estimate that will underpin Denali's open season commercial offering in 2010. Denali has also initiated pre-open season discussions with anchor



"A state and a country cannot **grow and prosper** without the development of its own resources and without a proper transportation system. Quite obviously I've always been a vocal **supporter of the Knik Arm Crossing**; it has been a **transportation priority** for Alaska for decades and is a necessary addition to our undersized transportation system."

- **Don Young**  
*Alaska Congressman*

"**Connecting** our communities, providing industry with **needed resources**, and getting people to **jobs** is necessarily the reality today as it is for continued **economic growth** in the future."

- **Andrew J. Niemiec**  
*Executive Director, KABATA*

“The **Knik Arm Bridge** provides Alaskans substantial and sustainable benefits in the form of **jobs and economic stimulus**. The bridge is also **good for the environment**,

reducing carbon emissions and enabling a smaller human footprint as the population grows.

This is a win-win for Alaska.”

- **Kevin P. Hemenway**  
*Chief Financial Officer, KABATA*

*Port of Anchorage, Alaska*



*Port of Anchorage, Alaska*



*Port MacKenzie, Alaska*



## Related Projects (continued)

shippers and is formulating its plans for open season, including those aspects required under FERC Order 2005A.”

### Seward Highway to Glenn Highway Connection (H2H)

The H2H project is a complementary transportation project to the Knik Arm Crossing. The project wrapped up the Scoping phase last year and is currently developing alternatives and screening criteria. It also has revised the project Purpose and Need Statement this year to better reflect the scope of the project and its goals. If an alternative is selected that requires design and construction, construction would be anticipated to begin no sooner than 2013.

### Port of Anchorage Intermodal Expansion

The mission of the Port of Anchorage Intermodal Expansion Project is to stimulate economic development and provide more efficient movement of goods and services through the State of Alaska. By modernizing and expanding the existing facilities and equipment, the Port will be able to meet expected growth in established trade, encourage natural resource exports, and create employment opportunities by attracting new industry and new cargo movement.

The Knik Arm Toll Bridge will augment the expansion of the Port of Anchorage by enhancing intermodal transportation systems (rail, road, and marine) and reduce traffic conflicts outside Port boundaries, and will provide additional connectivity for freight transportation throughout Alaska. The Port of Anchorage Intermodal Expansion is scheduled to be completed in 2015.

## Port MacKenzie

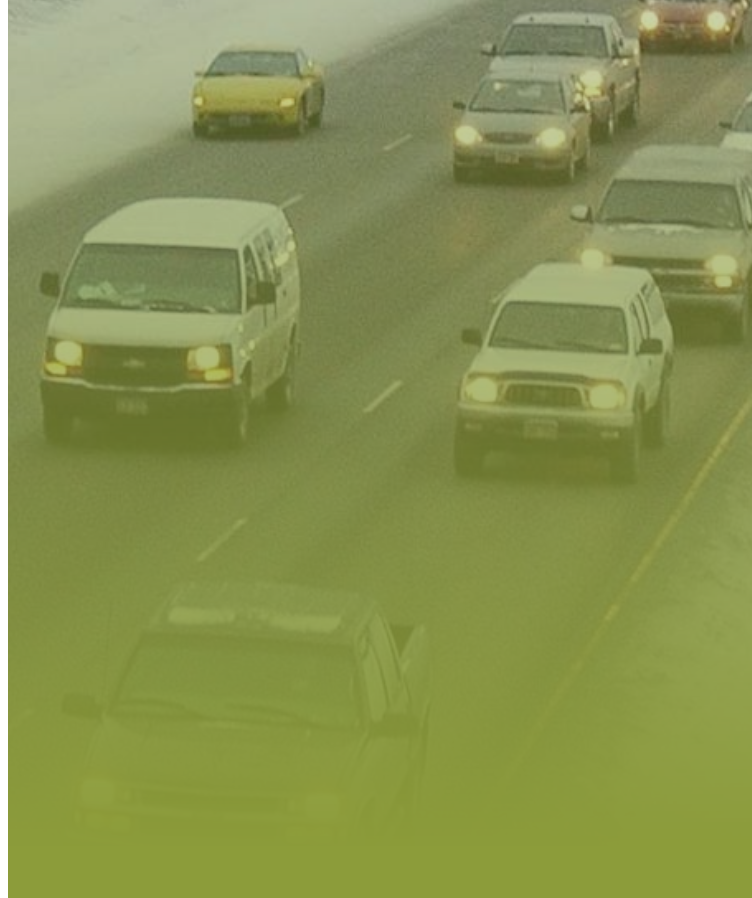
The only Southcentral port site not constrained by urbanization, Port MacKenzie features 14 square miles of upland dedicated solely for commercial and industrial development, providing logistical support for the construction of the Knik Arm Toll Bridge.

This year, Port MacKenzie was the site for two off-loadings hailing from China and Hong Kong. The two ships, the Clipper Grace and the Clipper Tivoli, both delivered supersacks of cement weighing 3,300 pounds each. The wharfage and dockage fees helped Port MacKenzie turn a profit this year. According to Port Director Marc VanDongen, the port should be in the black within five years, and he expects significant net profits, from \$5–\$10 million a year, when the rail extension is completed.

## Port MacKenzie Rail Extension

A project that proposes to connect Port MacKenzie to existing Alaska Railroad Corporation (ARRC) lines, the Port MacKenzie Rail Extension has completed the scoping comment period and is now working on an Environmental Impact Statement (EIS), an important step in the NEPA process. The proposed rail line would provide freight services between the Port and Interior Alaska.

In 2009, the U.S. Army Corps of Engineers Alaska District, Federal Railroad Administration, and the United States Coast Guard requested and were granted cooperating agency status in preparation of the EIS. In July, a final scope for the EIS was issued which reflects any changes to the draft scope as a result of comments, summarizes and addresses the principal environmental concerns raised by the comments, and briefly discusses pertinent issues concerning this project that further clarify the final scope.



*Port MacKenzie, Alaska  
Open Cell Dock—looking  
back at Anchorage*



*Port MacKenzie, Alaska*



*Cook Inlet Ferry Terminal*

## Board and Staff

### Board

**Michael L. Foster** | *Chairman*

**Janet Kincaid** | *Board Member*

**Dave Haugen** | *Board Member*

**Senator Charlie Huggins** | *Board Member*

**Representative Mark Neuman** | *Board Member*

**Gordon Keith** | *Central Region Director of DOT&PF, Board Member*

**Jerry Burnett** | *Deputy Commissioner for Department of Revenue, Board Member*

### Staff

**Andrew Niemiec** | *Executive Director*

**Kevin Hemenway** | *Chief Financial Officer*

**Dale Paulson** | *Deputy Executive Director of Project Development*

**Verne Geidl** | *Chief Engineer*

**Edrie Vinson** | *Environmental / 106 Liaison*

**Corene Alvarado** | *Administrative Manager*

**Amanda True** | *Administrative Clerk*

“I’m a **big supporter**  
**of the Knik Arm**  
**Crossing** whether it’s a rail crossing  
or a road crossing or a combination of the two.”

- **Mayor Dan Sullivan**  
*Anchorage, Alaska*

## Related Projects (continued)

### Cook Inlet Ferry

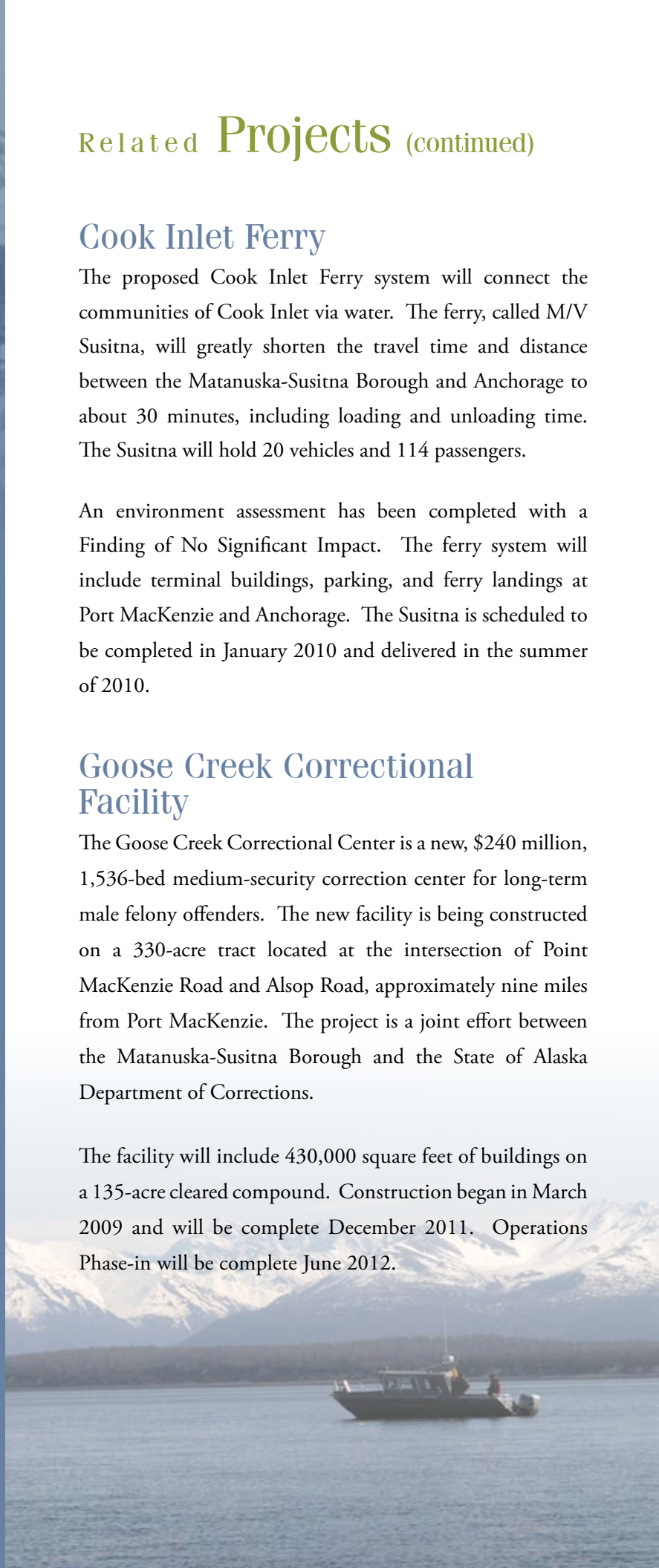
The proposed Cook Inlet Ferry system will connect the communities of Cook Inlet via water. The ferry, called M/V Susitna, will greatly shorten the travel time and distance between the Matanuska-Susitna Borough and Anchorage to about 30 minutes, including loading and unloading time. The Susitna will hold 20 vehicles and 114 passengers.

An environment assessment has been completed with a Finding of No Significant Impact. The ferry system will include terminal buildings, parking, and ferry landings at Port MacKenzie and Anchorage. The Susitna is scheduled to be completed in January 2010 and delivered in the summer of 2010.

### Goose Creek Correctional Facility

The Goose Creek Correctional Center is a new, \$240 million, 1,536-bed medium-security correction center for long-term male felony offenders. The new facility is being constructed on a 330-acre tract located at the intersection of Point MacKenzie Road and Alsop Road, approximately nine miles from Port MacKenzie. The project is a joint effort between the Matanuska-Susitna Borough and the State of Alaska Department of Corrections.

The facility will include 430,000 square feet of buildings on a 135-acre cleared compound. Construction began in March 2009 and will be complete December 2011. Operations Phase-in will be complete June 2012.



# Financials

To review the Comprehensive Annual Financial Report (CAFR), insert the attached CD into your CD-ROM drive.

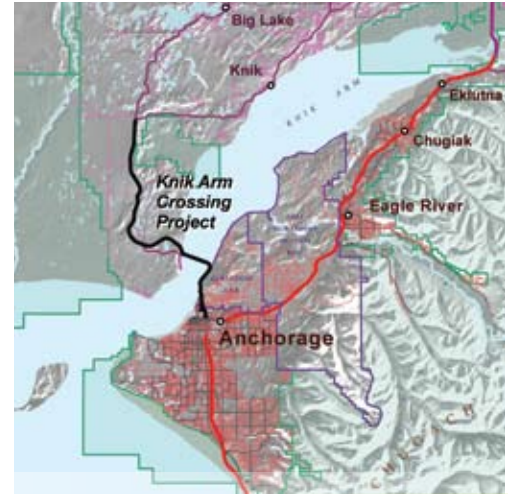
## KABATA Earns Governmental Financial Reporting Award

For the third consecutive fiscal year in a row, KABATA has earned the Certificate of Achievement for Excellence in Financial Reporting (CAFR) from the Government Finance Officers Association of the United States and Canada.

The award is the highest form of recognition in the area of governmental accounting and financial reporting, and represents a significant accomplishment. The CAFR was judged by an impartial panel to meet the high standards of the program including demonstrating a constructive spirit of full disclosure to clearly communicate its financial story and motivate users and groups to read the CAFR.

A Certificate of Achievement is valid for a period of one year only. KABATA believes that the current CAFR continues to meet the Certificate of Achievement program's requirements, and this year's CAFR has been submitted to GFOA to determine its eligibility for another certificate.





## **Knik Arm Bridge And Toll Authority**

550 West 7th Avenue, Suite 1850

Anchorage, Alaska 99501

907.269.6698

*[www.knikarmbridge.com](http://www.knikarmbridge.com)*