



MUNICIPALITY OF ANCHORAGE

MAYOR DAVE BRONSON

Jacobs

PORT OF ALASKA MODERNIZATION PROGRAM

**PRESENTATION TO HOUSE FINANCE COMMITTEE
MARCH 11, 2022**

DAVID AMES, PROGRAM MANAGER, JACOBS

PROGRAM PHASING

Successful Completion of
Phase 1

Immediate and Worsening
Risk to Food Security

Plan for Phase 2 and New
Cargo Terminals

Challenges to Phase 2

Construction Phasing and
Costs



SUCCESSFUL COMPLETION OF PHASE 1



PETROLEUM AND CEMENT TERMINAL

- Marine structures completed in November 2021
- Equipment commissioning to be completed by end of March 2022
- Open to barges next month
- Fully complete and open to tankers following dredging this summer
- \$225 million budget, \$126 million (56%) State contribution
- Fuel Security established



PHASE 1

FOOD SECURITY

- Immediate and worsening risk to Food Security
- 2018 Earthquake created a highlighted risk to food/fuel security presented by seismic events

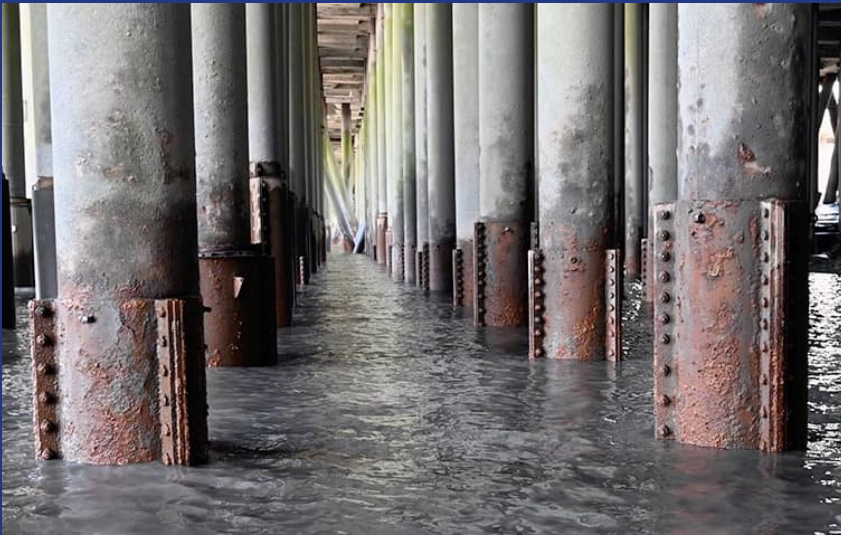


THE RED DOTS INDICATE DAMAGE CAUSED BY THE 2018 EARTHQUAKE

CONDITION OF EXISTING FACILITY



- Laterally unstable
- Losing vertical capacity
- Remaining operating life estimated to be 4 to 8 years
- The condition worsens with every tide cycle



LIQUEFACTION AND LATERAL FAILURE



STATEWIDE CARGO-TRANSPORT HUB



THREE MAJOR FUNCTIONS



COMMERCE



**NATIONAL
DEFENSE**



**DISASTER
RESILIENCY &
RESPONSE**



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HALF

OF ALL ALASKA
INBOUND FREIGHT
CROSSES
ANCHORAGE'S DOCK

HALF

OF ALL THE FREIGHT THAT
CROSSES ANCHORAGE'S
DOCK IS DELIVERED
OUTSIDE OF ANCHORAGE

4.7

MILLION

TONS OF FUEL AND CARGO IN 2020

\$14.3

BILLION

IN STATEWIDE COMMERCIAL ACTIVITY IN 2019

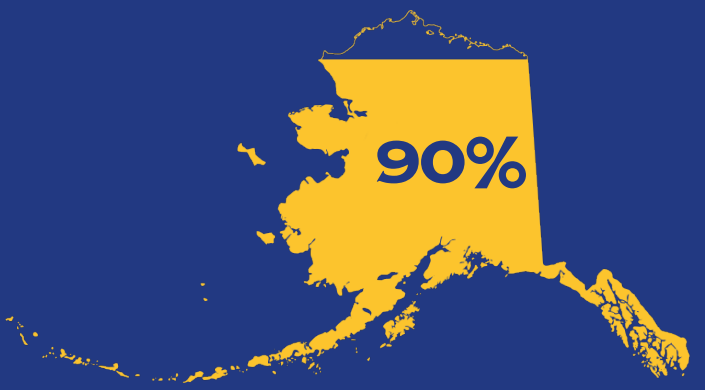
75%

OF ALL
NON-PETROLEUM
MARINE CARGO
SHIPPED INTO ALASKA

100%

OF ALL
AVIATION GAS
SHIPPED INTO
ALASKA





90% of Alaskans rely on goods shipped through the Port of Alaska



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ACTIVITIES AT CARGO DOCKS



- Containerized Cargo
- Lift-On/Lift-Off
- Roll-On/Roll-Off
- Military Deployments
- Cruise Vessels
- Fuels and Cement
- Dredging and other maintenance vessels

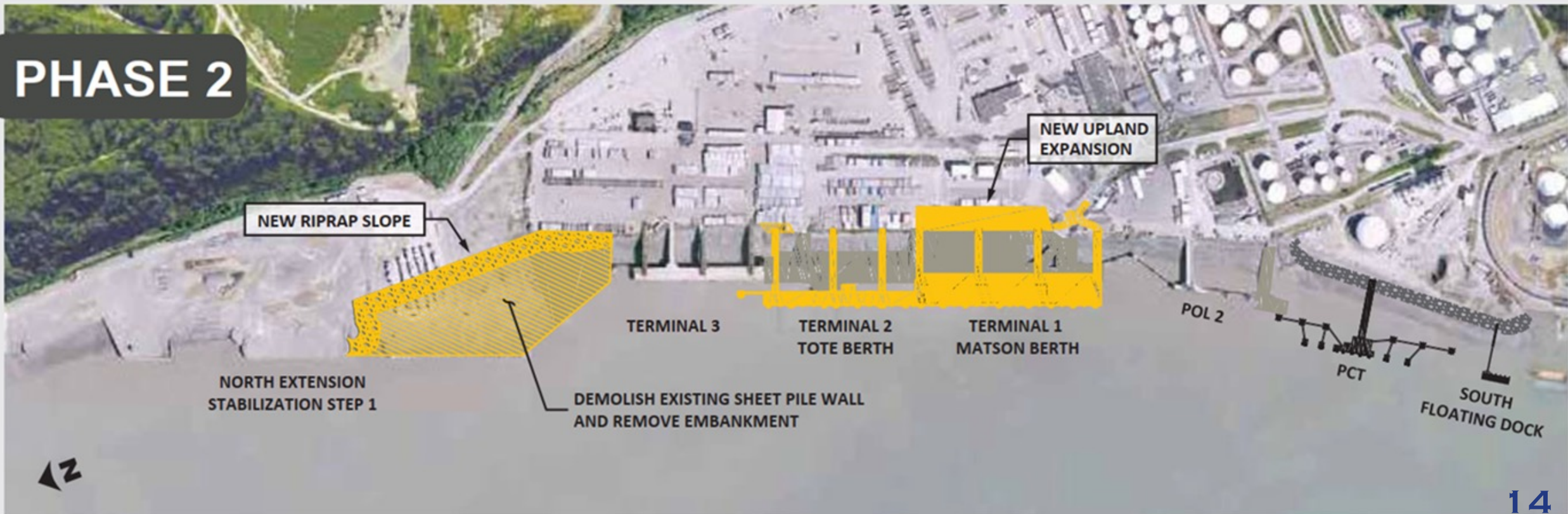
PHASE 1

- Completion in 2022



PHASE 2

- 2021-2032



PHASE 2 STATUS

- Preliminary engineering ongoing for Cargo Terminals
 - Structural Alternatives Analysis
 - Preliminary access trestle design
 - Peer Review ongoing
 - Independent Technical Reviewer proposals being evaluated
- NES1 Design/Build Request-for-Proposals in development
- New Administration Building Design/Build proposals being evaluated
- Permitting efforts
 - NES1 Jurisdictional Determination request and Draft Permit Application submitted to USACE
 - Draft permit application for Cargo Terminals 1 and 2 in preparation

PHASE 2 CHALLENGES



- Climate
- Tides
- Permit restrictions
- Funding

MEETING THE CHALLENGES

PERMITTING

- Section 214 Agreement with US Army Corps of Engineers (USACE)
- Draft Application for USACE Permits in process
- Application for FAST-41 Dashboard status
- Structural Alternatives Analysis
 - Minimize number of piles in foundation
 - Investigate alternative pile installation methods
 - Ongoing Peer Review



MEETING THE CHALLENGES

FUNDING

- Approximately \$1.05 billion total cost for new Cargo Terminals 1 and 2
- Funding must be secured for both before proceeding with initial demolition and construction

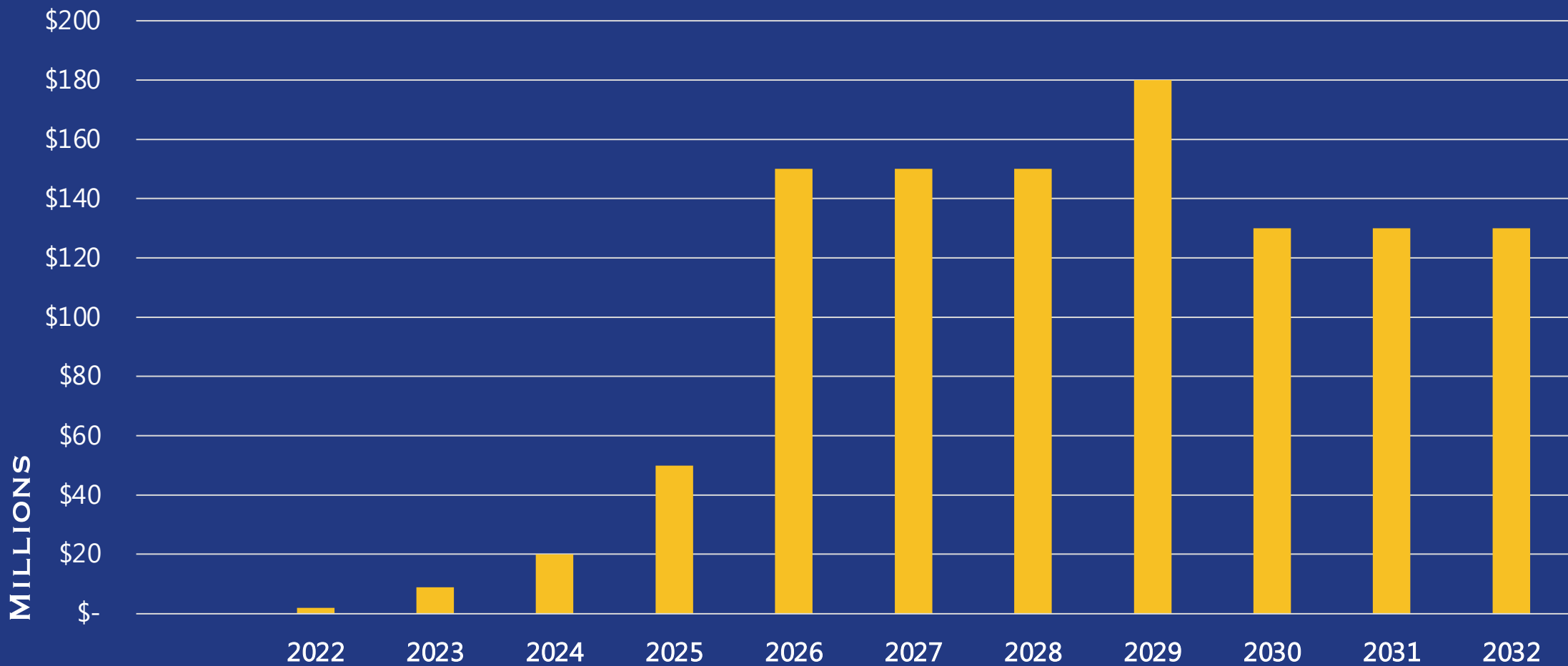


PHASE 2 SCHEDULE

		2022				2023				2024				2025				2026				2027				2028				2029				2030				2031				2032			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4				
PHASE 2	PAMP ACTIVITIES																																												
	North End Stabilization Phase 1																																												
	Permitting																																												
	NES-1 Design/Build Contract																																												
	Cargo Terminals																																												
	Preliminary Engineering																																												
	Permitting																																												
	Terminal 1 Design																																												
	Terminal 2 Design																																												
	Terminal 1 Construction																																												
Terminal 2 Construction																																													

ESTIMATED COSTS

ANNUAL EXPENDITURES



FUNDING SUMMARY BY PROJECT



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PROJECT	ESTIMATED COST	FEDERAL SUPPORT	STATE OF ALASKA SUPPORT	TARIFF RATE SURCHARGE
Petroleum and Cement Terminal	\$225M	\$45M	\$126M	\$54M
Cargo Dock Terminal 1 and 2	\$1050B	FUTURE REQUESTS TARGETING \$200M	TODAY'S REQUEST \$600M	DEPENDENT ON STATE AND FEDERAL ASSISTANCE

The State contributed ~56% of the total cost of the Petroleum and Cement Terminal to successfully bring FUEL SECURITY to Alaska.

The ask now is a similar percentage contribution to establish FOOD SECURITY.



THANK YOU

MAYOR DAVE BRONSON

David W. Bronson



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MAYOR DAVE BRONSON

**PORT OF ALASKA
MODERNIZATION PROGRAM
FINANCING**

**PRESENTATION TO HOUSE FINANCE COMMITTEE
MARCH 11, 2022**

**KOLBY HICKEL, DEPUTY MUNICIPAL MANAGER
ROSS RISVOLD, ACTING CFO**

PAMP COST BY PHASE

PHASE 1	PHASE 2	PHASE 3	PHASE 4	PHASE 5
Petroleum and Cement Terminal (PCT) – \$225 million	Cargo Terminal 1 – \$628 million Cargo Terminal 2 – \$450 million North End Stabilization (NES) Step 1 – \$140 million Administrative Building – \$10 million	Petroleum Terminal 2 – \$175 million	NES Step 2 – \$116 million	Terminal 3 Demolition – \$48 million
\$225M	\$1,228M	\$175M	\$116M	\$48M

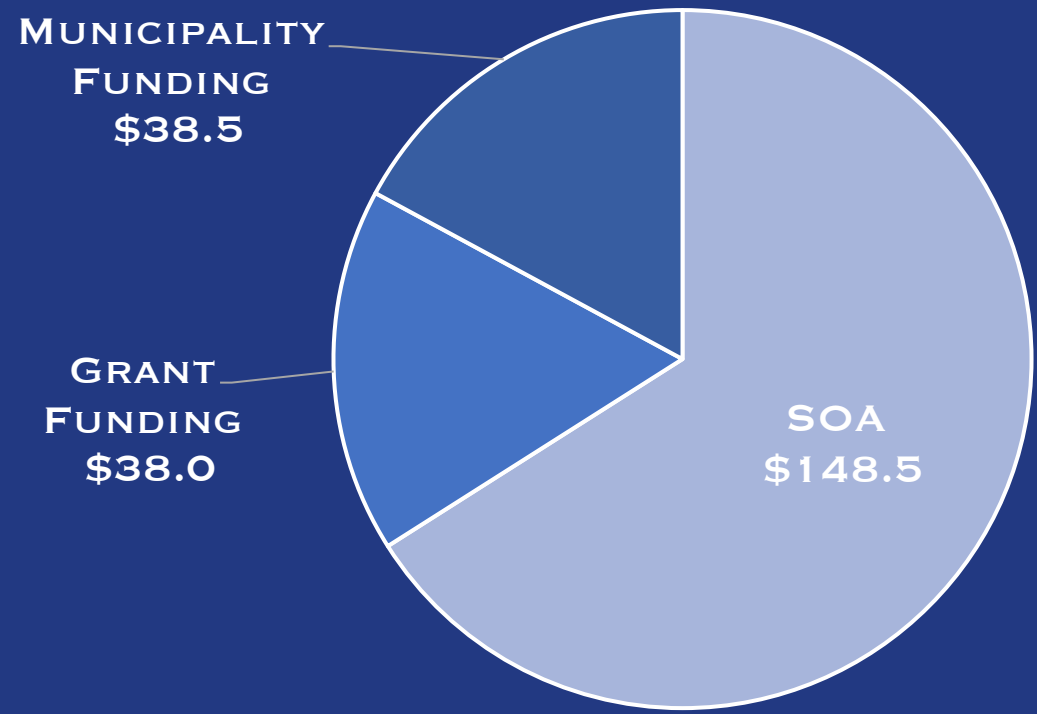
PHASE 1 FUNDING SOURCES

PHASE 1

Petroleum and Cement Terminal (PCT)

\$225M

FUNDING IN MILLIONS



MoA CONTRIBUTION

Port Equity \$11.5 million

Issued Revenue Bonds \$20 million (2020 tariff increased to cover debt service and implemented over a 10-year period to mitigate rate shock)

Revenue Bonds \$7 million (not yet issued)

\$38.5M

PHASE 1 FUNDING TIMELINE

PAMP		ASSEMBLY RESOLUTIONS	FUNDING DESCRIPTION
2011	\$30,000,000	AR 2011-184(S)	SOA FY2012 Designated Legislative Capital Grant 12-DC-301 SB46
2012	\$48,500,000	AR 2012-216(S)	SOA Legislative Expansion Grant 13-DC-633
2013	\$50,000,000		SOA FY 2012 GO Bonds 13-GO-001
2014-2017	---		No Awards
2018	\$20,000,000	AR 2018-378	SOA FY2019 Designated Legislative Grant Program Petroleum & Cement Terminal
2019	\$20,000,000	AR 2021-189	US DOT FY 2019 PIDP Grant Award for Petroleum & Cement Terminal Construction
2019	\$25,000,000	AR 2021-188	US DOT FY 2019 BUILD Grant Award for Petroleum & Cement Terminal Construction
Total	\$30,000,000		

PHASE 2-5 FUNDING SOURCES

PHASE 2-5

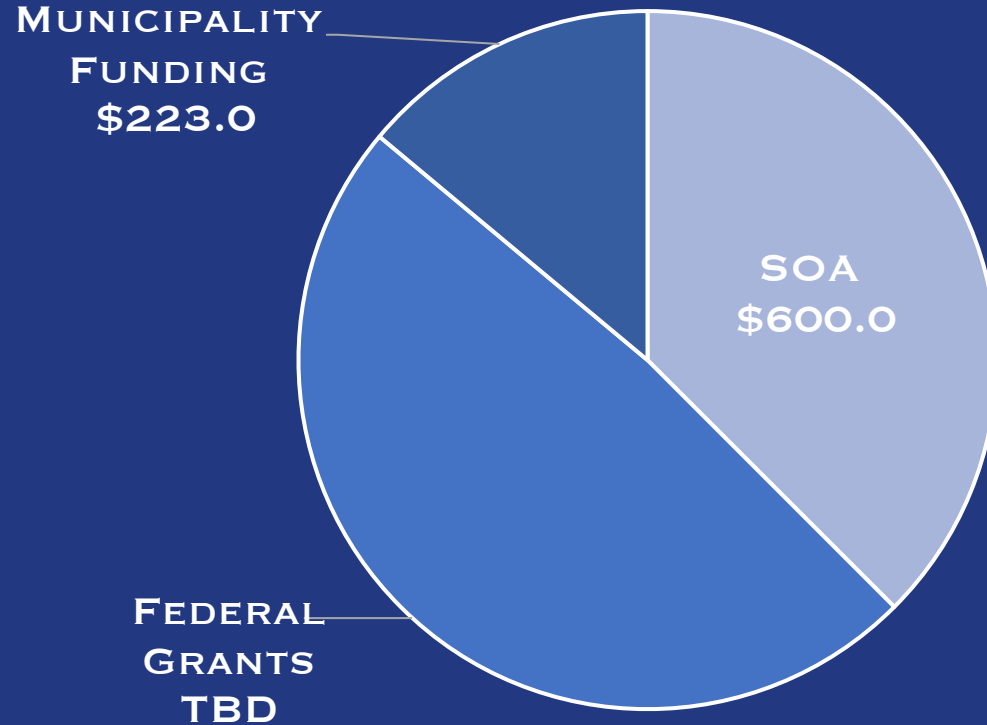
Cargo
Terminals 1 & 2

NES1 & NES 2

Petroleum
Terminal

\$1.6-1.8B

FUNDING IN MILLIONS



MoA CONTRIBUTION

Short-Term Borrowing
Program \$40 million

Revenue Bonds
Authorized \$193 million
(not yet issued)

\$223M

REQUEST & JUSTIFICATION

\$600_M

- The amount being requested provides the needed funding to complete construction of Cargo Terminal 1 which is a portion of Phase II of the PAMP.
- The funding will allow completion of Cargo Terminal 1 which provides “Food Security” for the residents of the State of Alaska.
- In order to “let” contracts for construction activity, we must have an identified source of funds.
- As identified on a previous slide, the Municipality has \$200 million of authorized, but not yet issued, Revenue Bonds



SCENARIO 1:

STATE OF ALASKA FUNDING



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\$600_M

State of Alaska Contribution

Assumptions

- Municipality must borrow **\$1.0 Billion**
- No further Grants of any kind (Federal)
- Assumed port users pass increased cost through to consumers

Current Tariff 9.0 User Fee Per Ton	\$3.30
Surcharge Per Ton Increase	+\$21.90
New Per Ton Cost - 8x Increase	=\$25.20

**SCENARIO 2:
MoA ONLY
FUNDING**



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\$0

State of Alaska Contribution

Assumptions

- Municipality must borrow **\$1.6 Billion**
- No further Grants of any kind (State or Federal)
- Assumed port users pass increased cost through to consumers

Current Tariff 9.0 User Fee Per Ton	\$3.30
Surcharge Per Ton Increase	+\$29.65
New Per Ton Cost - 9x Increase	=\$32.95



THANK YOU

MAYOR DAVE BRONSON

David W. Bronson