

**CITY OF SEWARD, ALASKA
RESOLUTION 2023-022**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SEWARD,
ALASKA, SUPPORTING STATE LEGISLATIVE APPROVAL FOR
ALASKA RAILROAD ADDITIONAL BONDING AUTHORITY FOR THE
SEWARD CRUISE SHIP DOCK PROJECT**

WHEREAS, the Alaska Railroad Corporation (“ARRC”) is a public corporation and instrumentality of the State of Alaska (“State”), organized and established pursuant to the Alaska Railroad Corporation Act, AS 42.40 (the "Act"), whose mission includes providing transportation for freight and passengers, operating critical industrial port facilities in Alaska, and promoting the long-term economic growth of the State; and

WHEREAS, ARRC owns and operates a passenger dock in Seward, Alaska (“Existing Passenger Dock”) and an associated intermodal terminal facility (the “Existing Passenger Terminal”), both constructed in 1966, which together serve cruise ships and other passenger and freight vessels as part of an ARRC owned and operated multi-dock port facility; and

WHEREAS, the Existing Passenger Dock is nearing the end of its useful life and the cost of maintaining it in a usable state has become prohibitive, necessitating its replacement in the near future in order to continue to serve cruise ships and other vessels, as well as passengers and crew, in a safe manner; and

WHEREAS, closure of the Existing Passenger Dock or curtailment of its use by cruise ships and other vessels would result in a loss of valuable and significant components of both ARRC’s revenues and the transportation infrastructure in Southcentral Alaska and associated commercial activities, including but not limited to the flow of cruise ship passengers into and out of Alaska and the resulting loss of ARRC passenger ridership to and from its Seward railyard, visitor traffic and associated economic benefits to Seward and the rest of the Kenai Peninsula; and

WHEREAS, ARRC has determined that the replacement of the Existing Passenger Dock and Existing Passenger Terminal with new dock and terminal facilities capable of safely serving cruise ships, including new, larger ships, and other vessels (collectively, the “New Passenger Terminal Facility”) is critical to the ongoing viability of passenger operations at ARRC’s Seward port; and

WHEREAS, ARRC desires to construct, maintain and operate the New Passenger Terminal Facility and to finance all or a portion thereof through the issuance of its bonds (the “Project”); and

WHEREAS, the Project furthers the purposes of both the State and ARRC by preserving and upgrading a component of critical port infrastructure in Southcentral Alaska, thus preserving and enhancing port and rail revenues for ARRC and protecting and improving critical port

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infrastructure that will benefit the State and its citizens through maintaining and growing associated commercial activity in Seward, the Kenai Peninsula and throughout the State, and providing a potential back-up port in the event other port facilities should be damaged by natural disasters; and

WHEREAS, at a special meeting held on January 13, 2022, the ARRC Board of Directors approved Resolution No. 2022-01, which authorized its Chief Executive Officer, Chief Financial Officer, Chief Counsel, Bond Counsel, Financial Advisors, Architects, Engineers and any other officer or official of the ARRC (collectively, the “Authorized Persons”) to take certain preliminary actions with respect to the Project and the issuance of one or more series of bonds or notes in an aggregate principal amount not to exceed \$60,000,000 (collectively, the “Original Bonds”), in order to finance all or a portion of the Project; and

WHEREAS, the Authorized Persons, in accordance with Subsection 42.40.285(s) of the Act, caused ARRC to request approval and authority from the legislature of the State for ARRC to issue the Original Bonds in connection with the Project; and

WHEREAS, the legislature subsequently passed legislation approving and authorizing the issuance of the Original Bonds, which the Governor signed into law on July 3, 2022; and

WHEREAS, subsequent to the issuance of the Original Bonds, ARRC determined that, in order for the New Passenger Terminal Facility to best fulfill its purpose in serving the cruise line industry and more generally in supporting the travel and tourism industry and infrastructure in the State, the scope of the Project would need to be expanded beyond that which was contemplated at the time the Original Bonds were approved and authorized by the legislature and the Governor; and

WHEREAS, the resulting expanded scope of the Project will require additional financing to be obtained as compared with its original scope; and

WHEREAS, ARRC desires to issue one or more series of bonds or notes in addition to the Original Bonds, with the additional bonds or notes being in an aggregate principal amount not to exceed \$90,000,000 (collectively, the “Additional Bonds”), in order to finance all or a portion of the expanded-scope Project, thereby bringing the total authorized aggregate principal amount of the combined Original Bonds and Additional Bonds to an amount not to exceed \$150,000,000.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SEWARD, ALASKA that:

Section 1. The Seward City Council supports and urges the Alaska State Legislature to approve an additional \$90 million in bonding authorization for the Alaska Railroad Corporation.

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Section 2. Following Legislative approval, Council supports and urges Governor Dunleavy to sign the Bill.

Section 3. This resolution shall take effect immediately upon its adoption.

PASSED AND APPROVED by the City Council of the City of Seward, Alaska this 27th day of February, 2023.

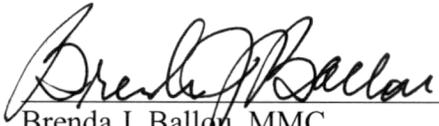
THE CITY OF SEWARD, ALASKA



Sue McClure, Mayor

AYES: DeMoss, Wells, Finch, Barnwell, Calhoon, Osenga, McClure
NOES: None
ABSENT: None
ABSTAIN: None

ATTEST:



Brenda J. Ballou, MMC
City Clerk

(City Seal)

