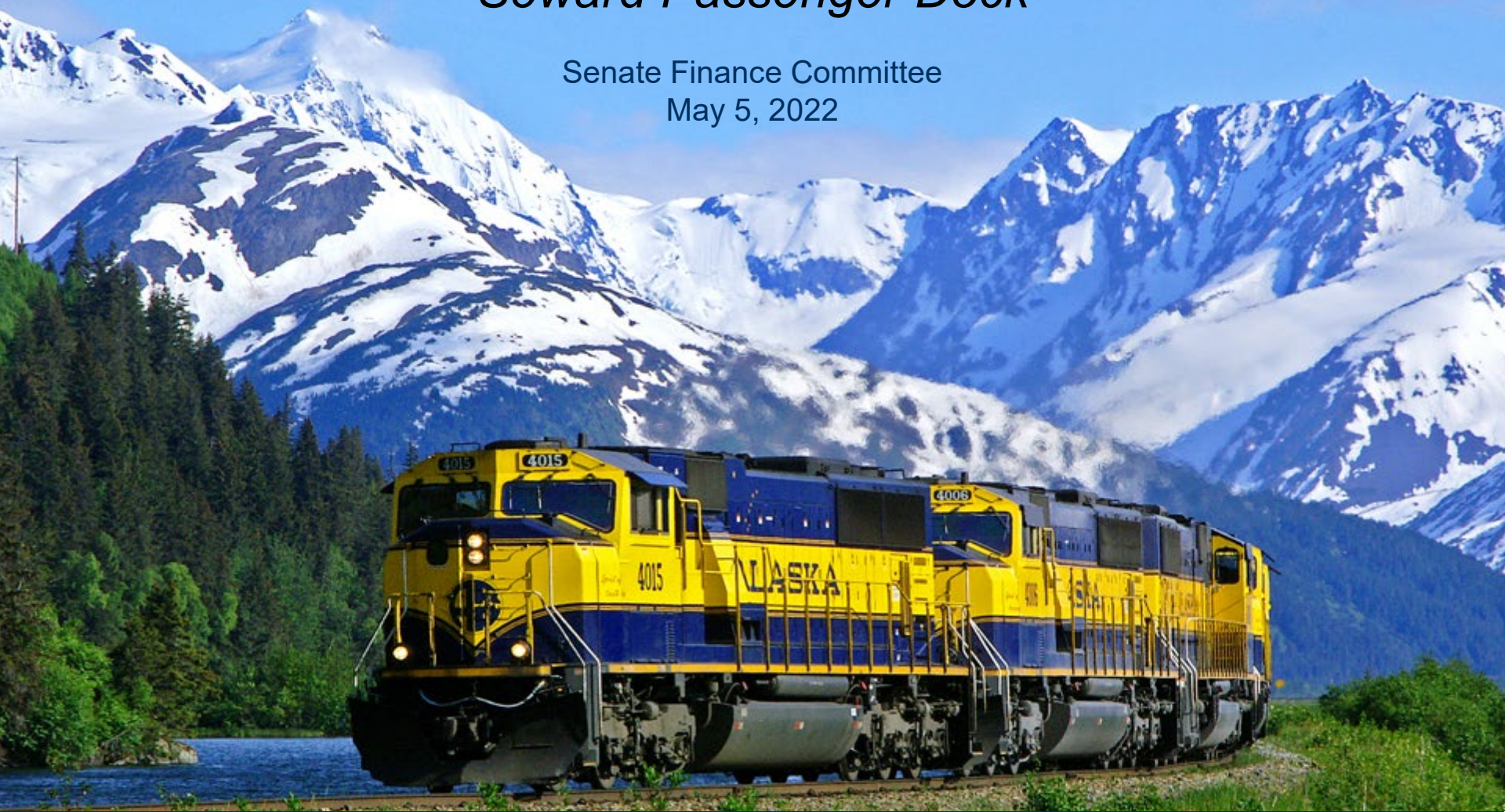




Investing in Alaska's Travel and Tourism Infrastructure: Seward Passenger Dock

Senate Finance Committee
May 5, 2022



[AlaskaRailroad.com](https://www.alaskarailroad.com)

➤ ARRC Terminal Infrastructure in Seward

- ARRC owns 3 docks in Seward
 - Passenger - cruise ship, other passenger, research and more
 - Freight - used primarily for non-passenger ships and barges
 - Loading - previously for coal; now used for tie-up & overflow
- Terminal Uplands - support for:
 - Freight logistics and storage
 - Marine and other commercial activities, including future visitor business opportunities
- Passenger Terminal (dock and building on dock)
 - Receives typically 220,000+ visitors annually (2019)
 - Accommodates just under 100 cruise ship calls per year
 - Important to ARRC rail service but also to visitor industry as a whole
 - 2/3 to 3/4 of cruise passengers to Southcentral Alaska come through Seward



ARRC Invests in Seward Infrastructure

- Alaska Railroad pursuing two near-term, large-scale capital projects in Seward with positive economic impacts statewide.
- Passenger Terminal
 - Estimated nearly \$80 million investment
 - Replace passenger dock by 2024
 - Replace terminal building by 2025
- Freight Terminal
 - Est. \$25 million investment; 80% funded by MARAD grant
 - Widen and lengthen freight dock by 2027
 - Improve upland transportation corridor by linking Port and Airport avenues.



ARRC Seward Passenger Terminal

- Passenger Dock Status
 - Built in 1966
 - 736' x 200'
 - Terminal Building on dock
 - Nearing End of Useful Life
- ARRC project to rebuild pier and building
- \$79 million project on tight timeframe to be ready for 2024 cruise season.
- Sources: \$60 million in ARRC revenue bonds (no recourse to state), \$19 million in ARRC cash
- \$62 million for dock, \$17 million for building
- Continuing to look for other options to optimize financing – federal grants or other mechanisms



➤ ARRC Seward Passenger Terminal

Project and Investment have Time-sensitive Requirements

- Aging Facility must be replaced ASAP
 - Need new facility for 2024 season
 - Timeline requires start in 2022
- \$60 million ARRC bonds
 - Requires legislation
 - Legislative action needed this session
- Royal Caribbean Group
 - Key strategic partner
 - Anchor tenant with a long-term arrangement for asset use.

