

Alaska State Legislature



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Session:

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Sponsor Statement for HB 65 – Bill Version A

“An Act authorizing the Alaska Railroad Corporation to issue revenue bonds to finance the replacement of the Alaska Railroad Corporation’s passenger dock and related terminal facility in Seward, Alaska; and providing for an effective date.”

The passage of HB 65 will provide legislative approval for the Alaska Railroad Corporation (ARRC) to issue bonds to secure funding for the critical expansion and replacement of the passenger dock and associated terminal facility in Seward, Alaska.

The existing passenger dock has brought incredible economic opportunities in tourism, commerce, and transportation to the region. However, the facilities were built in 1966 and have experienced significant degradation over their half-century life span. While currently safe for restricted service, the dock is quickly reaching the end of its useful lifespan and requires immediate attention.

The legislature and the administration recognized the importance of the dock in 2022 when they authorized ARRC to issue up to \$60 million in revenue bonds to replace the dock and terminal. However, after working closely with its long-term tenant, the Royal Caribbean Group (RCG), ARRC is requesting an additional \$75 million in bonding authority for completion and expansion of the Seward dock and terminal.

The Seward dock expansion and replacement project is a collaborative effort between the Royal Caribbean Group and Alaska Railroad Corporation. The associated debt from the issuance of these bonds will be paid through a thirty-year commitment with the Royal Caribbean Group to serve as the dock’s anchor tenant.

Pursuant to the railroad’s statutes, the bonds are not a liability of the state, and no state dollars will be used to repay them. To support RCG’s commitment and associated economic growth, the project construction schedule is time-sensitive, and securing legislative bond authorization is critical to the success of the dock replacement.

Join me in supporting the passage of HB 65 this session, allowing ARRC to proceed on schedule with the critically needed Seward dock and terminal expansion and replacement project.