

Office of Borough Mayor Peter A. Micciche

144 N. Binkley St., Soldotna, AK 99669 | Peter A. Micciche, Borough Mayor | (P) 907-714-2150 (F) 907-714-2377



Members of the Alaska Senate and House Finance Committees:

My administration of the Kenai Peninsula Borough (KPB) supports HB 65 and SB 72, legislative approval for the Alaska Railroad Corporation to issue up to \$135 million in bonds to replace the existing passenger dock and terminal in Seward. The current infrastructure is at the end of its life and is costly to maintain with nearly \$2 million in repairs being necessary in the last 12 months. It's time for this project to move forward, bringing about the many opportunities for the city of Seward, the Kenai Peninsula Borough, and the State of Alaska.

My administration has been very engaged in supporting the economic development of our borough communities, including the tourism industry. We are in the process of bringing all of our KPB chambers of commerce together to make a collective effort to help visitors discover the truly unique destination of the KPB. This dock/terminal project will be a vital part of expanding tourism throughout the borough.

As I'm sure you are aware, the approval of the issuance of bonds by ARRC simply authorizes them to do so, requiring no state money for the completion of this project. The ARRC's bonds will be secured by a 30-year pier usage agreement with Royal Caribbean Group whose port improvement fees assessed to cruise guests will repay the bond debt. The ARRC will also be contributing significantly to this project, with approximately \$30 million in ARRC internal funds sourced from Dock Improvement Fees assessed at the Seward dock from 2022-2025.

Timely approval to issue bonds by the state legislature is essential to close the financing and maintain the construction of this project by Turnagain Marine for completion by spring of 2026. Initiating these bonds by this spring will lock in the price of \$137 million and guarantee the project is completed on time and within budget. Timing of this is critical and your authorization greatly appreciated.

The new Seward dock and terminal facility are designed with an eye to the future and will be able to be expanded to other possible uses such as light freight and marine highway services. This is not just an investment in today; this project creates opportunities for the future. KPB economic development is one of our primary goals, which this infrastructure project embodies.

All primary stakeholders support this project including: local citizens, ARRC, the city of Seward, the Kenai Peninsula Borough, the Alaska Travel Industry Association, and industry leaders, such as Royal Caribbean Group. This project will ensure economic growth for at least the next 50 years producing local jobs, sustaining and growing tourism and ensuring tax revenue. The successful construction and operations of this new passenger terminal facility will have a tremendous impact on KPB residents, as well as positive impacts in the Southcentral area.

Thank you for your attention to this important legislation and keeping Alaska moving forward. This project will pay great dividends to our KPB communities, Southcentral Alaska and our state as a whole. I can be reached at 907-714-2150 or pmicciche@kpb.us if you would like any additional information.

Sincerely,

A handwritten signature in blue ink, appearing to read "P.A. Micciche", with a long horizontal line extending to the right.

Mayor Peter A. Micciche
Kenai Peninsula Borough