

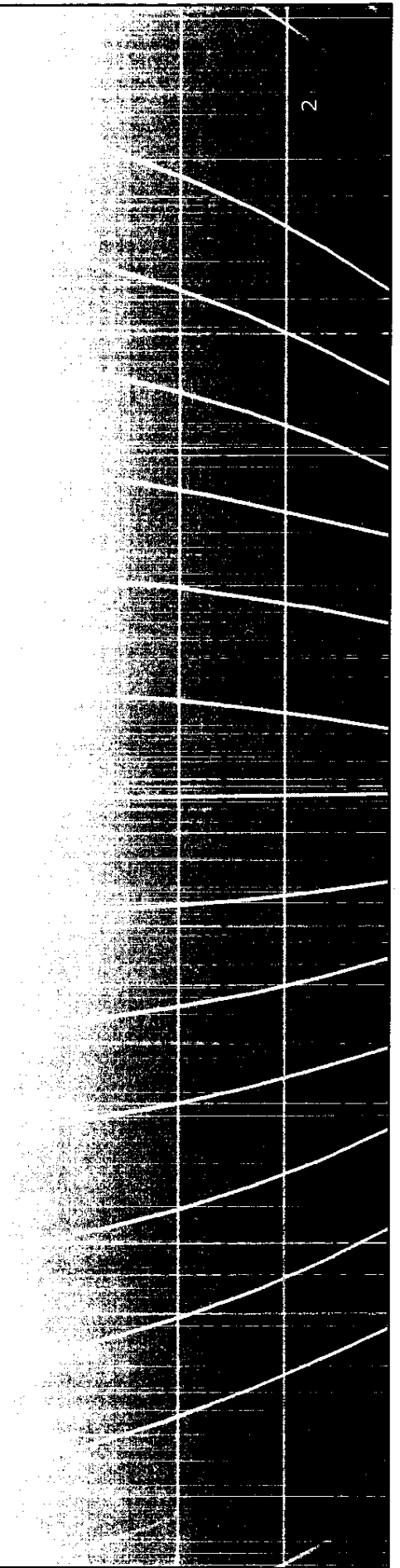
**2/11/09  
OVERVIEW:  
PORT OF  
ANCHORAGE  
& PORT  
MACKENZIE**

<target><bill></bill><subject>2-11-09 OVERVIEW PORT OF  
ANCHORAGE & PORT  
MACKENZIE</subject><comm>HFIN26</comm></target>

# REPORT OF ANCHORAGE

House Finance Committee  
February 11, 2009

# The Port of Anchorage



# Economic Impact

- Serves 85% of the population, providing 90% of consumer goods
- Total economic impact estimated at \$663 million<sup>1</sup>
- Freight Activity at the Port contributes to \$137 million in household earnings and 4, 142 jobs
- 97% of freight shipments between Puget Sound and Alaska are waterborne
- 46,000 jobs in Puget Sound (Seattle-Tacoma) directly dependent on Alaska Trade & Shipping
- Classified as a "Port of National Significance" by the Department of Transportation-Maritime Administration

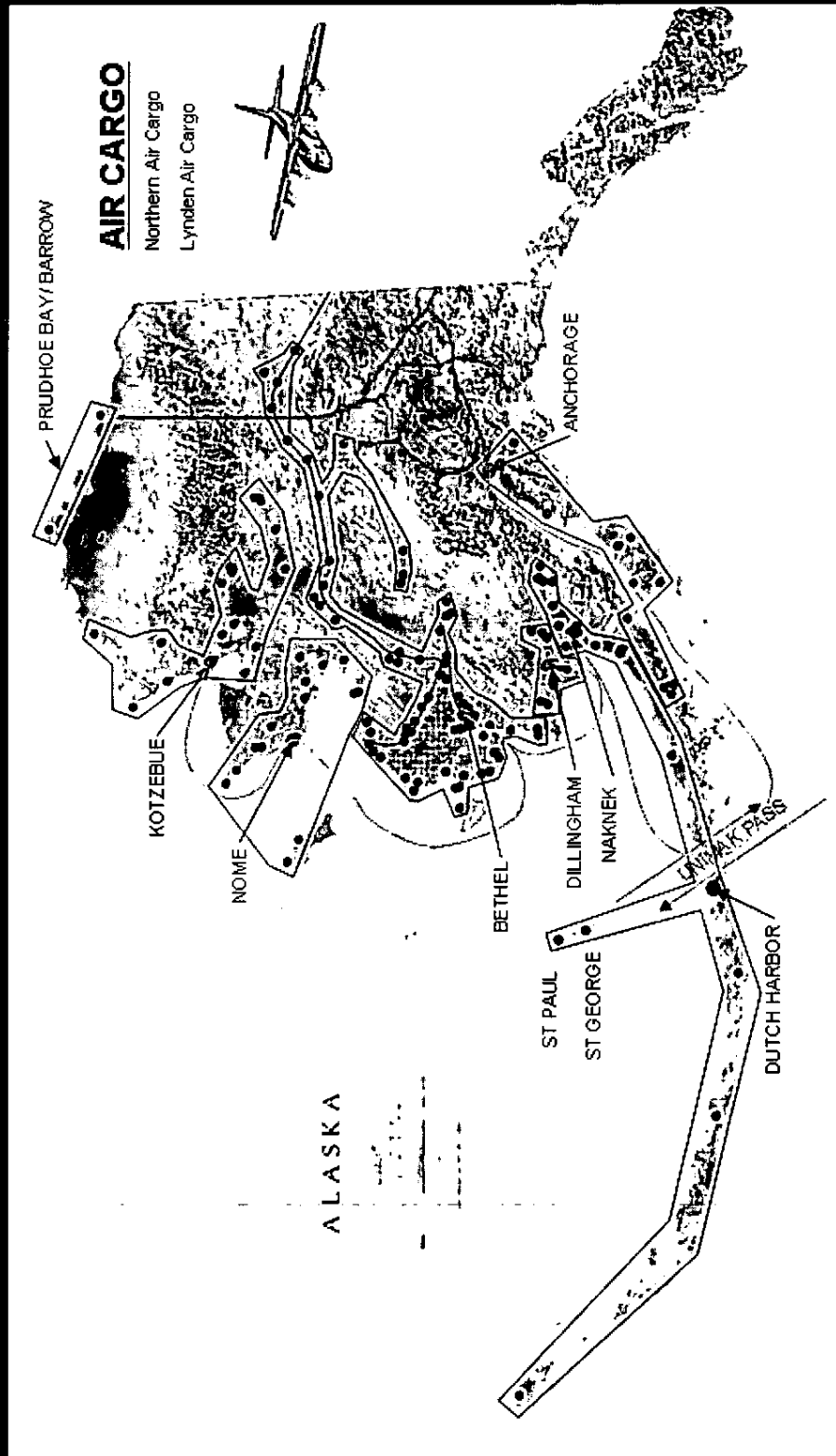
---

<sup>1</sup>Prokop, Darren. "The Economic Impact and Logistics of the Port of Anchorage." Department of Logistics, College of Business and Public Policy, University of Alaska Anchorage. 3



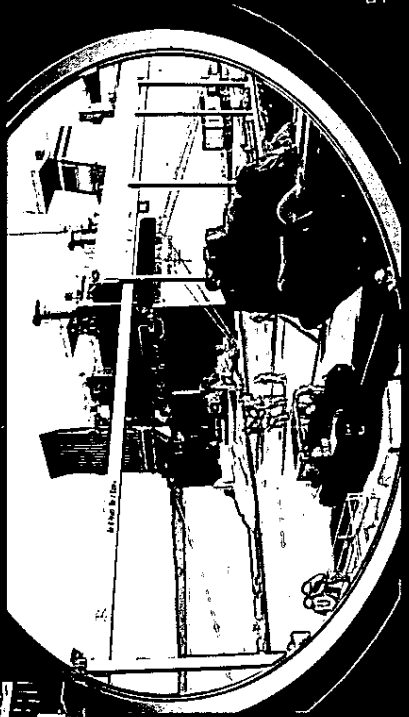
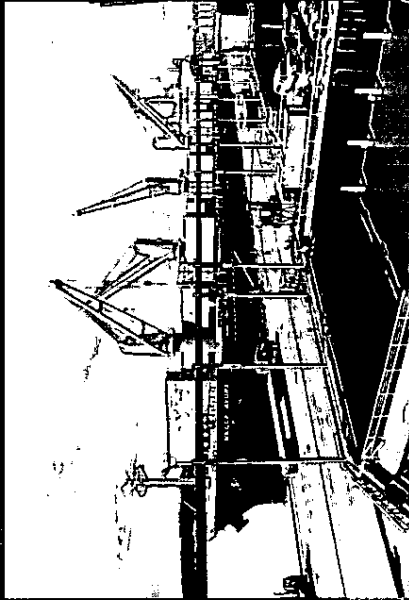
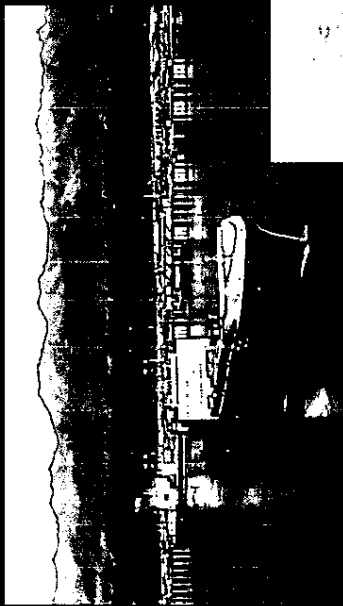
# Regional & Statewide Importance

## Transportation Supply Routes From Port of Anchorage



# Business at the Port of Anchorage

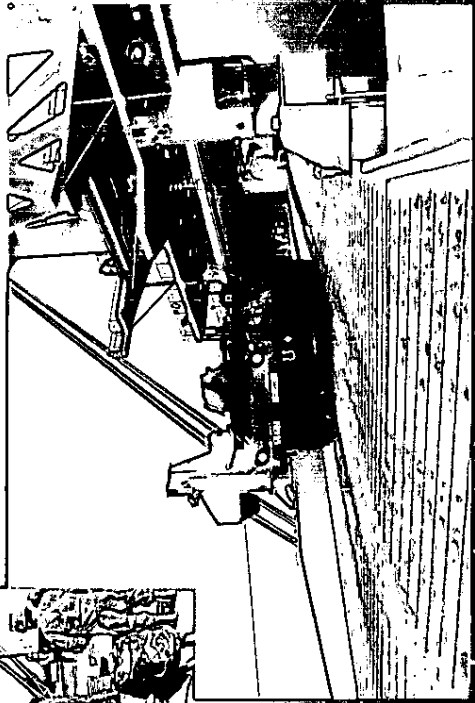
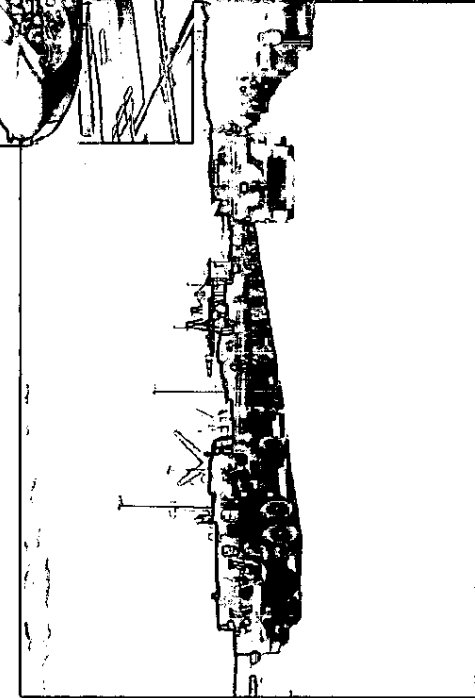
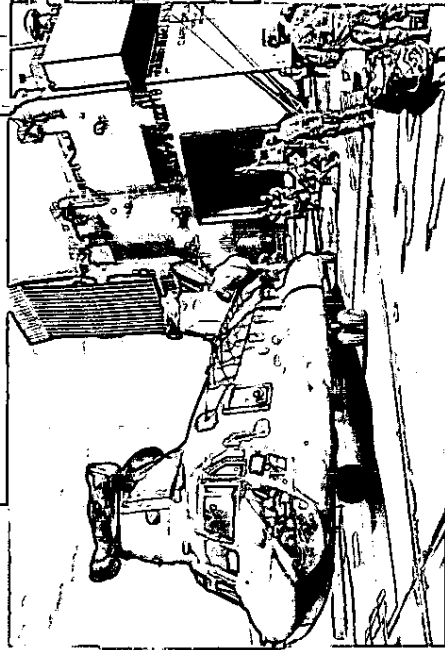
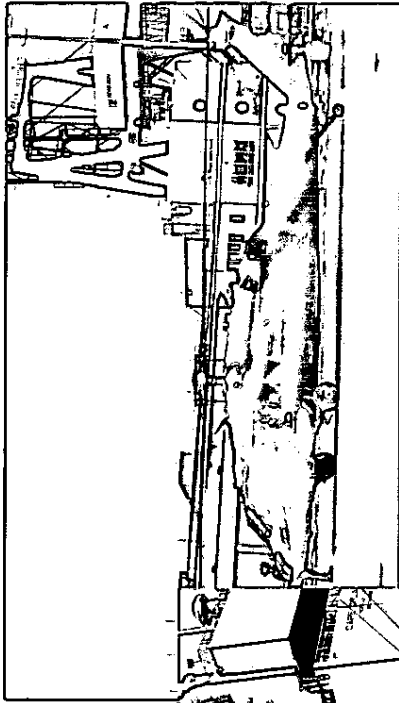
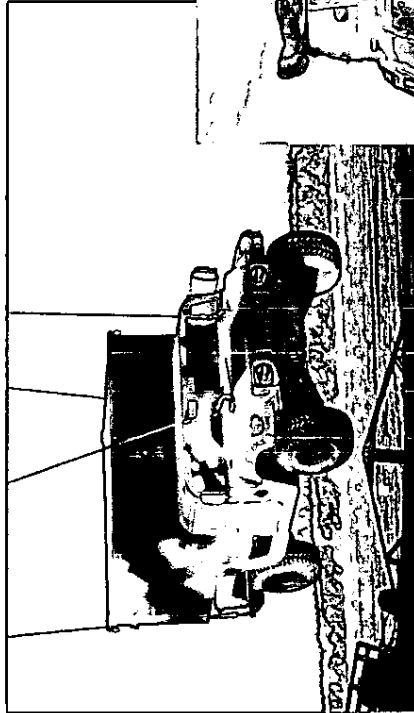
- Containers
- Petroleum
- Dry Bulk/Cement
- Cruise Ships
- Coast Guard
- Military



# The Port of Anchorage & the U.S. Military

- Designated by the Department of Defense as a "Strategic Port" for national defense purposes
- Assisted in critical deployments in and out of the military bases and training facilities in Alaska to Iraq and Afghanistan
- Home to the Coast Guard Marine Safety and Security Team

# Supply Hub for the U.S. Military in Alaska



# **The Port of Anchorage Intermodal Expansion Project**



# The Port of Anchorage Intermodal Expansion Project

- A federal, state, and municipal program to replace/expand the current dock and facilities
  - Current infrastructure: Built in the 1950s
- US DOT Maritime Administration is the lead agency for the project
- Rehabilitate the facility to accommodate:
  - Larger ships
  - Increased port calls
- Purpose: reduce transportation conflicts and to improve intermodal transportation and commerce
  - Not just for Anchorage, but for the entire state of Alaska

# The Port of Anchorage Intermodal Expansion Project

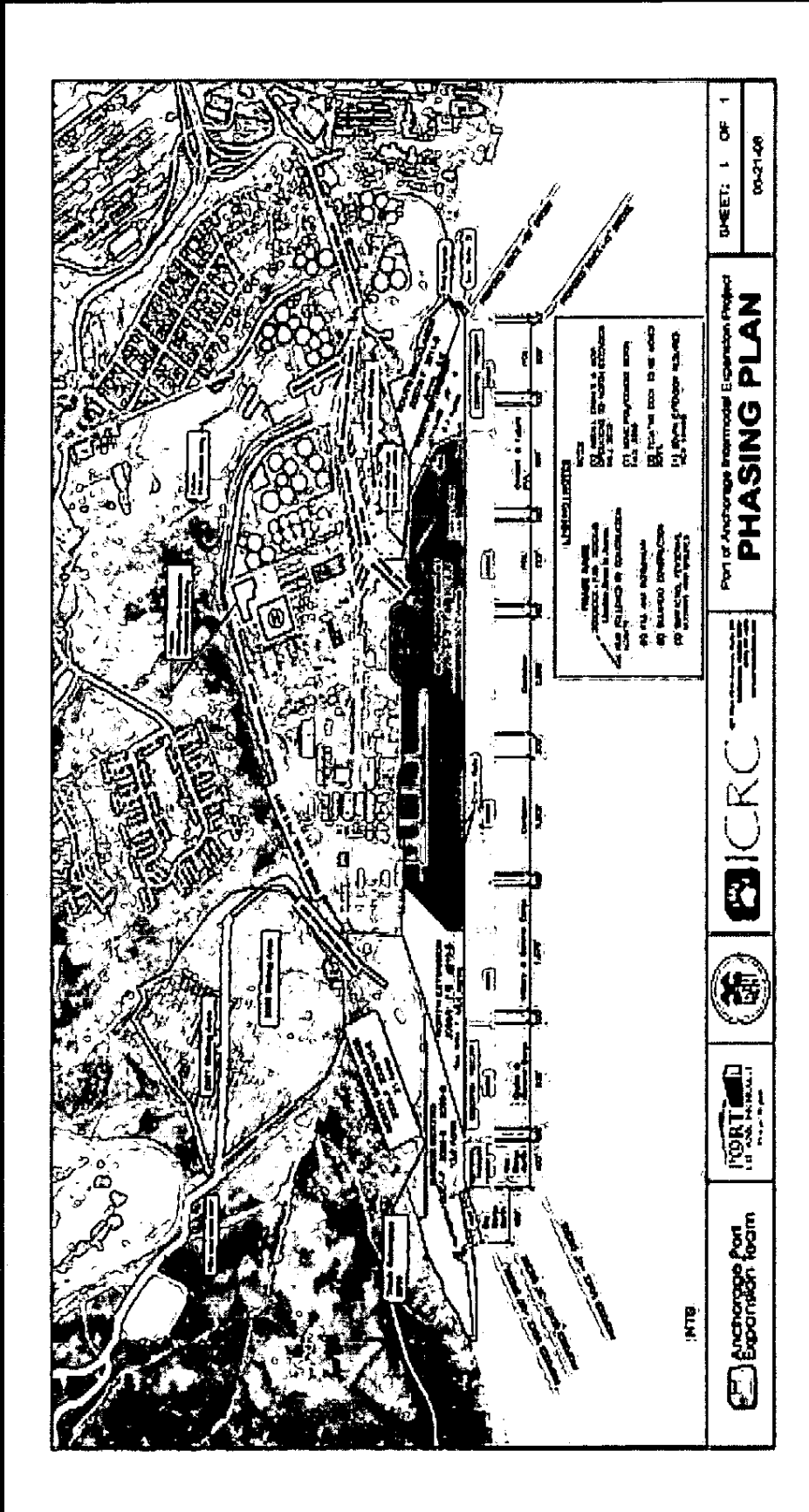
- Completed construction will provide efficient ship-to-shore connections
- New rail line connecting the waterfront to Alaska's mainline railbelt
- New roads with direct connections to the State's highway system
- State of the art cargo offloading and handling facilities
- Deeper and wider berths to accommodate modern shipping vessels and military ships

### 2009 Construction

- Finish fendering/mooring on North end; Barge Berths - Open For Business
- Complete fill and sheet pile in North Extension

### 2010 Construction

- Finish final utilities/paving on north end for arrival of new cranes
- Begin fill and sheet pile in South Extension



# Construction Costs & Funding

# Sources of Funds To Date

(in millions)

- Federal: \$112.7 (53%)
- State: \$ 41.3 (20%)
- Port: \$ 57.5 (27%)
  
- Total: \$ 211.5

# Construction Costs To Date

(in millions)

## USES

2002 - 2008

Program/Project Admin, Safety & Const Mgmt	\$	14.2
Environmental Permitting & Compliance	\$	3.2
Engineering & Design, Peer Review	\$	16.6
Uplands Rehabilitation (existing surface, utilities)	\$	28.9
Structural Open Cell Sheet Pile & Gravel Fill	\$	142.4
Borrow Pit Development, Gravel Extraction (EAFB)	\$	4.6
Finish Surface, Drainage and Utilities (New Land)	\$	0.5
<b>Total Uses</b>	<b>\$</b>	<b>210.4</b>

# \$120 million in 2009 (in millions)

<u>USES (in Millions)</u>	<u>2002 - 2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>Total</u>
Program/Project Admin, Safety & Const Mgmt	\$ 14.2	\$ 7.3	\$ 4.0	\$ 3.0	\$ 2.5	\$ 2.5	\$ 2.0	\$ 35.5
Environmental Permitting & Compliance	\$ 3.2	\$ 0.6	\$ 0.2	\$ 0.2	\$ 0.1	\$ 0.1		\$ 4.4
Engineering & Design, Peer Review	\$ 16.6	\$ 3.0	\$ 2.5	\$ 1.2	\$ 1.1	\$ 0.5	\$ 0.1	\$ 25.0
Uplands Rehabilitation	\$ 28.9		\$ 5.1	\$ 0.1			\$ 0.1	\$ 34.1
Structural Open Cell Sheet Pile & Gravel Fill	\$ 142.4	\$ <del>66.3</del> \$ 72.3	\$ <del>72.3</del> \$ 37.9	\$ 37.9				\$ 368.9
Borrow Pit Development, Gravel Extraction	\$ 4.6	\$ 1.8	\$ 1.0	\$ 0.5	\$ 0.6	\$ 0.5		\$ 9.0
Finish Surface, Drainage and Utilities	\$ 0.5	\$ 23.0	\$ 46.3	\$ <del>33.3</del> \$ 33.3	\$ 3.9	\$ <del>53.1</del> \$ 53.1	\$ 55.2	\$ 220.3
<b>Total Uses</b>	\$ 210.4	\$ 102.0	\$ 131.4	\$ 126.2	\$ 8.2	\$ 61.7	\$ 57.4	\$ 697.2

**Cost of Construction:**

Total Projected Costs	\$ 736.8
Projected Costs With State Funds	\$ (697.2)
<b>Cost Savings (in millions)</b>	<b>\$ 39.6</b>

Fund South Extension in 2009 for 2010 Construction  
 Fund North Replacement in 2010 for 2011 / 2012 Construction  
 Fund South Replacement in 2011 for 2012 / 2013 Construction

# Without \$120 million in 2009

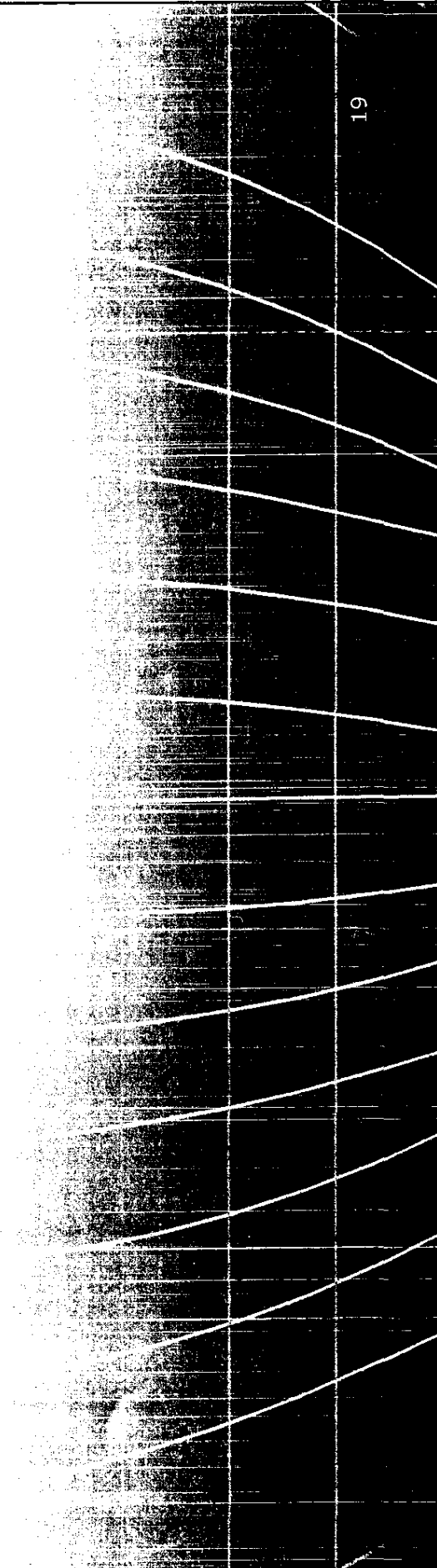
<u>USES (in Millions)</u>	<u>2002-2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>Total</u>
Program/Project Admin, Safety & Const Mgmt	\$ 14.2	\$ 7.3	\$ 4.0	\$ 3.0	\$ 2.5	\$ 2.5	\$ 2.0	\$ 35.5
Environmental Permitting & Compliance	\$ 3.2	\$ 0.6	\$ 0.2	\$ 0.2	\$ 0.1	\$ 0.1		\$ 4.4
Engineering & Design, Peer Review	\$ 16.6	\$ 3.0	\$ 2.5	\$ 1.2	\$ 1.1	\$ 0.5	\$ 0.1	\$ 25.0
Uplands Rehabilitation (existing surface, utilities)	\$ 28.9	\$	\$ 5.1	\$ 0.1		\$	\$ 0.1	\$ 34.1
Structural Open Cell Sheet Pile & Gravel Fill	\$ 142.4	\$	\$ 76.2	\$ 83.1	\$ 101.1			\$ 402.8
Borrow Pit Development, Gravel Extraction	\$ 4.6	\$ 1.8	\$ 1.0	\$ 0.5	\$ 0.6	\$ 0.5		\$ 9.0
Finish Surface, Drainage and Utilities	\$ 0.5	\$ 23.0	\$ 46.3		\$ 42.8	\$ 58.1	\$ 53.2	\$ 225.9
<b>Total Uses</b>	\$ 210.4	\$ 35.7	\$ 135.3	\$ 88.1	\$ 148.2	\$ 61.7	\$ 57.4	\$ 736.7
<b>Cost of Constructed:</b>								
<b>Total Projected Costs</b>				\$	\$	\$	\$	\$ 736.8

# Advantages Realized with Advanced Funding

- **Contracts completed earlier reduce costs**
- **Materials ordered in advance reduce costs**
- **Opportunity to purchase in volume reduces cost**
- **Cost reduction decreases investment required**
- **Speeds up completion**

For more information on the  
Port of Anchorage Intermodal Expansion  
Project:

[www.portofanchorage.org](http://www.portofanchorage.org)





**Port of Anchorage**

Bill Sheffield, Port Director  
Anchorage, Alaska

**PROJECT NAME: Port of Anchorage Replacement/Expansion (\$120,000,000)**

The Statewide critical transportation infrastructure program is funded 52% by the federal government, and 48% by the Port and the State of Alaska. Past requests for State funding have called for \$20 million from the State for 6 consecutive years; this request calls for an advance of \$120 million in funding to allow awards of necessary construction contracts. Awards cannot be made without funding in place. Full awards will ensure the program continues without disruption, employs thousands of workers in Alaska, and ensures the State has necessary infrastructure in place to support gas line construction.

**PROJECT IS READY-TO-GO**

Should the Port receive advanced funding from the State, the Port is in a position to immediately begin field construction of ready projects in 2009. In the recent 5 years, the project has been fully permitted and designed employing several teams of registered engineers, environmental and permitting professionals, project managers, scientists, surveyors, and inspectors. The USDOT Maritime Administration (lead federal agency) and all regulatory agencies are positioned to continue project construction through permit conditions.

Construction is well underway; \$210 million has been spent on the project to date. At the end of 2008, approximately 80 acres will have been developed north of the existing port and 15 acres south of the existing port (of 135 total additional acres programmed). The newly developed land will be the site of numerous projects, including the building of docking facilities and utilities necessary to support shipping operations. Two barge terminals are included, which will be the only publically owned barge docks in upper Cook Inlet. Receipt of the \$120 million State capital funding will ensure the Port completes surface work through 2010, allowing occupancy of this new ground and complete relocation of maritime operations to new docks with no disturbance in service to the State. Further, it will provide the ability to reduce overall project cost through accelerated ordering of project materials, and through timelier contract actions. The full project cost is currently estimated at \$700 million through 2014.

**\$65,000,000 – Construct Intermodal Transportation Connections**

Construction components:

- Track extension to the waterfront with loading facilities.
- Road systems and intersections, track crossings, truck queuing lanes.
- Ship mooring infrastructure.
- Crane structural supports and power supply.
- Trunk utility corridors and systems.
- Operational support systems and structures.

**\$55,000,000 – Complete Cargo Handling Areas**

Construction components:

- Develop parking, staging, and cargo storage areas.
- Modify and extend underground power supply.
- Modify and extend water/sewer, communications, and security systems.
- Install overhead lighting and other support systems.

**TOTAL REQUEST - \$120,000,000 (Labor and Materials)**

The Port of Anchorage replacement/expansion project is a long term endeavor that is fully permitted and ready to proceed immediately. We are in a unique position to accelerate our project and get payroll into the hands of workers tomorrow.

**PROJECT WILL CREATE JOBS**

Over 3,000 to 7,500 direct and indirect jobs would be created, immediately, resulting in an estimated payroll of \$55 to \$60 million and an estimated \$220 to \$240 million in indirect economic impact to the nation. Payroll and labor records indicate 400-500 direct jobs are created at the project site each construction season, May through November. The project complies with Buy America; contracts are only open to American labor, suppliers, and materials.

The types of jobs created are very well paid, as salaries are Davis-Bacon prevailing wages, which is the highest of State and Federal prevailing wages at the time of the bid and are eligible for 1.5 times regular salary for any overtime. Even though all funds are administered by the federal government, the State of Alaska Department of Labor and Workforce Development has made final determination that AS 36, specifically AS 36.05 and AS 36.10 apply to all construction contracts awarded under this program. Notices of Work are filed routinely with the State, and 1% filing fees are submitted.

Many of these jobs will be year-round. While past years have required layoffs of construction workers at the end of each construction season due to subarctic temperatures, most of the remaining work will be out-of-water construction on the new 95 acres of developed land, as opposed to substructures in the water (already completed). The Port is in need of specialty trades which have the potential for immediate and year-round employment within the construction industry. Once this 95 acres are finished and ready for port occupancy, existing commercial crane operations will be relocated to this site to enable full demolition and future re-construction of the existing inefficient marine terminal area.

**>3,000 Direct jobs per year:**

carpenters, framers	landscape contractors
civil construction workers	masons
concrete workers	painters, stripers
crane rail contractors	paving contractors
drafting/graphics personnel	pile drivers, iron workers
electricians and electrical line workers	pipefitters, plumbers
environmental monitors & compliance personnel	riggers
equipment operators	safety personnel
estimators	scientists
expeditors	signage contractors
fencing contractors	specialty track contractors
field surveyors & engineers	storm water control contractors

field, superintendents & project managers	suppliers
HVAC technicians	steel workers
inspectors	telecomm system workers
insulators	traffic control personnel
laboratory technicians	truckers
laborers	welders

### **PROJECT WILL STIMULATE ECONOMY**

A study found that Port's total economic impact is \$663 million using 2002 data. Freight activity at the Port contributed to \$137 million in household earnings and 4,142 jobs. The port facility itself contributed a further \$6.7 million to the labor income earned in Anchorage; and furthermore another 115 jobs were created as a result.<sup>1</sup> In addition to the five berths available, these figures are expected to increase significantly with the expansion project to increase the number of berths by eight more.

The project connects the Port to the Alaska Railroad, which is also an economic engine for the State of Alaska. The Alaska Railroad is projected to spend \$131 million in the Alaska economy in 2008, generating 2,036 jobs (full time equivalent) and \$105 million of payroll. Of this total, 979 jobs will be railroad employees and 1,107 will be in other parts of the economy. Each \$1 million decline in operations spending results in a loss of \$890,000 in payroll and 17 jobs from the economy. Each \$1 million decline in capital projects spending results in a loss of \$640,000 in payroll and 13 jobs from the economy.<sup>2</sup> The Port of Anchorage will also be a key player with the Alaska Railroad and the U.S. Army-Alaska as the Railroad completes the currently-funded rail extension from Fairbanks and Fort Wainwright across the Tanana River and into the Army's million-plus acre training ranges in Alaska's interior. As a result of recent Army posture changes, the growth in numbers of Army personnel assigned in the State, and the maturing of these training ranges into assets for the entire U.S. Army, the Port of Anchorage's ability to support the subsequent growth in military movements into and out of the State is essential to the overall success of this effort.

The Nation and the State of Alaska are moving closer to seeing a natural gas pipeline project that can deliver vast quantities of gas to America's heartland, become an economic reality. The gas line project will employ tens of thousands of people from all over the country. The expanded and modernized Port of Anchorage will be a vital node in the supply chain process that will support the gas line construction and maintenance; without the growth in available staging put into service and ready for occupancy with cranes, operational conflicts would exist. The Port of Anchorage is the only truly intermodal port facility in the State. It has road, rail, and maritime access, close proximity to the world's third largest cargo airport, and a large city with a diverse skilled labor force. The Port's expansion is designed to ensure that, when gas line construction begins, there will be both sufficient depth for deep draft vessels planned to deliver the necessary project supplies and equipment; and sufficient acreage for gas pipe laydown, immediate rail access for reduced handling, and sufficient industrial ground for module construction. Additionally, the Port is adding the first two public barge berths to be made available in Upper Cook Inlet. These barge berths will be located adjacent to the planned module construction area and the extended rail line.

<sup>1</sup> Prokop, Darren. "The Economic Impact and Logistics of the Port of Anchorage." Department of Logistics, College of Business and Public Policy, University of Alaska Anchorage.

<sup>2</sup> Goldsmith, Scott. (2008). Institute of Social and Economic Research, University of Alaska Anchorage.

Alaska, and specifically the Port, is a key driver in the Pacific Northwest economy. The economic relationship between Alaska and the Puget Sound area in Washington State – which is the nation’s leading region in foreign export sales – is stronger than ever. The trading partnership between Alaska and Puget Sound, by way of the Port of Anchorage, is an economic asset for Puget Sound, especially as a stimulus that helps offset regional downturns, as over 46,000 jobs in Puget Sound companies are directly dependent upon export trade with Alaska. The growth in jobs from the Alaska-Puget Sound trade relationship between 1994 and 2003 is substantial – equal to attracting a 1,000 employee company to the region each year. By weight, 97 percent of all freight shipments between Puget Sound and Alaska are waterborne.<sup>3</sup> An expansion of the Port of Anchorage to handle even more cargo could make this growth even more rapid.

While Alaska’s economy is dominated by natural resource extraction, Alaska is transforming into a service-based economy that needs specialized banking, accounting, legal, engineering, and management, educational and medical services. Seattle has long served as a key service supplier not only to Alaska but for much of the quadrant of the Lower 48 west of Minneapolis and north of San Francisco.<sup>4</sup> The Port expansion project envisions dock space for cruise ships. The Alaska cruise ship industry has enjoyed phenomenal growth in recent years. The number of cruise line passengers departing from Puget Sound for Alaska has risen from 14,000 in 1994 to 550,000 in 2004.<sup>5</sup> Petroleum remains a hub of the Alaska-Puget Sound economic relationship. In 2003, \$2.8 billion of Alaska crude oil came to Puget Sound refineries. Direct impact of this trade includes 1,990 jobs and \$144.5 million in labor earnings.<sup>6</sup>

The Port of Anchorage rehabilitation provides sufficient storage of fuel and fuel transfer facilities to better serve the energy needs of western Alaska. More efficient and larger container handling facilities with warehousing in Anchorage will provide greater trans-shipment efficiency to western Alaska and will improve delivery schedules and costs with increased activity year-round.

Port expansion would allow running international cargo through the Port of Anchorage, which could cut typical transit times from Asia to the Midwestern United States in half. It takes only six to 12 days for ships to sail from Anchorage to a variety of destinations within Japan and China, respectively. It takes 10-17 days to sail from Los Angeles to Japan and China.<sup>7</sup>

Upon completion, the port will be able to support the build up for a planned gas line and storage/shipment of construction materials for off-shore drilling and pipeline construction. The gas line in Alaska will enable the flow of American gas for energy consumption. ConocoPhillips Alaska estimates that 17,000 workers in the U.S. and 12,000 workers in Canada would be needed to build the gas pipeline to the Midwest.<sup>8</sup>

The Port of Anchorage has committed staging grounds to BP for 4,000 tons of steel pipe a year (for 2009 and 2010) to offload and stage materials critical to their operations in Alaska;

---

<sup>3</sup> Ties That Bind: The Enduring Economic Impact of Alaska on the Puget Sound Region. (2004). Commissioned by the Tacoma-Pierce County Chamber and Greater Seattle Chambers of Commerce.

<sup>4</sup> Ibid.

<sup>5</sup> Ibid.

<sup>6</sup> Ibid.

<sup>7</sup> Poe, Robert (2004). “Port of Anchorage: The Logistical Choice.” Anchorage Economic Development Council.

<sup>8</sup> Ties That Bind: The Enduring Economic Impact of Alaska on the Puget Sound Region. (2004). Commissioned by the Tacoma-Pierce County Chamber and Greater Seattle Chambers of Commerce

serviceable ground is critical to today's BP logistics and needs separated from commercial port operations. Future gasoline logistics will certainly require much more dedicated ground.

### **PROJECT DETAILS**

The completed construction program will provide efficient ship-to-shore connections with a new rail line extension connecting the waterfront to Alaska's mainline railbelt, new roads with direct connections into the State's highway system, state-of-the-art cargo offloading and handling facilities, and deeper and wider berths to accommodate modern shipping vessels. This multi-year program replaces aged and deteriorating dock structures, which are functionally outdated and marginally safe, with new facilities capable of serving the commercial and military ships that call at this vital seaport. The existing dock structure is neither capable nor efficient enough for modern maritime intermodal operations.

The dock's 50-year-old cranes cannot reach required distances to serve modern vessels and must be replaced with three 100-foot gauge modern cranes to load and off-load cargo. The 9-acre trestle dock must be demolished by 2011 and replaced with a 135-acre offloading facility to accommodate berthing, intermodal ship-to-shore transfers, and adequate secured cargo storage – without disruption to critical Statewide cargo operations. Currently, \$4-5M is spent annually on under-dock repairs by the Port of Anchorage administration, while crucial surface operations and cargo transfers continue to remain inadequate.

The new facility is being constructed in phases to accommodate the shipping industry without impact to day-to-day intermodal transfer operations and continual service to 85% of the State; to coincide with the US Army Corps of Engineer's on-going annual harbor maintenance program to maintain shipping lanes at the Port; and to align with incremental funding and available cash flow. The funding plan calls for 52% federal funds with 48% of remaining funds at the local level (State and Municipal revenue bonds, Port revenues).

The USDOT Maritime Administration and regulatory agencies are positioned to continue project construction through permit conditions, previously established best management practices during construction, acoustic programs and data collection, sighting/reporting teams on-site, and mandatory shut-downs of certain activities when whales are observed near the project.

### **ABOUT THE PORT**

The Port of Anchorage serves 85% of the population within the State of Alaska providing 90% of their consumer goods, and is one of sixteen nationally designated commercial Strategic Ports with direct calls scheduled by the Department of Defense for critical deployments in-and-out of Alaska's military bases and training facilities (Ft. Greely, Eielson AFB, Ft. Wainwright, Ft. Richardson, and Elmendorf AFB) to Iraq and Afghanistan. The Port of Anchorage was inaugurated in the late 1950's with little build-up in the past fifty years, and is currently under-serving the State's transportation system as its primary hub.

The Port of Anchorage provides direct ties with the Stevens International Airport for competitive supplies of jet fuel and the sea-air movement of cargo. It also offers an active Foreign Trade Zone and is a designated customs port of entry to Alaska. It has been rated one of the most efficient container ports on the West Coast as far as location, and is the northernmost deep draft port in the United States. It is open for business with full services year-round.<sup>9</sup>

---

<sup>9</sup> Poe, Robert (2004). "Port of Anchorage: The Logistical Choice." Anchorage Economic Development Council.

The Port of Anchorage began a federal, state, and municipal dock replacement/expansion program in 2003, with the USDOT Maritime Administration as the lead federal agency, to rehabilitate the port facility to accommodate larger ships and increased port calls by providing additional upland area and berthing capacity. This project was undertaken specifically by the government on our behalf to reduce transportation conflicts and traffic congestion and to improve intermodal transportation and commerce for the Municipality of Anchorage and State of Alaska. The USDOT Maritime Administration, the State of Alaska, and the Municipality of Anchorage are partners in this endeavor.

Attachments:

- Current project phasing plan.
- Map of Alaska indicating Statewide reliance on the Port of Anchorage.
- Nine minute video about the purpose/need of the project.



HEADQUARTERS  
ALASKAN COMMAND (ALCOM)  
ELMENDORF AIR FORCE BASE, ALASKA 99506

Lieutenant General Dana T. Atkins  
Commander, Alaskan Command  
10471 20<sup>th</sup> Street, Suite 139D  
Elmendorf Air Force Base Alaska 99506-2200

The Honorable William J. Sheffield  
Director, Port of Anchorage  
2000 Anchorage Port Road  
Anchorage Alaska 99501

Dear Governor Sheffield

Thank you for the recent Port of Anchorage update you presented to the ALCOM staff. As you know, we [ALCOM] view this capital investment in the port very beneficial to our mission and requirement to receive and deploy combat forces stationed in Alaska. With recent changes in Army posture around the world, Alaska is now home to a stryker brigade, an airborne brigade, and an aviation task force, with the likelihood of even more forces being home-stationed here in the future. Our ability to project this power to combat theaters around the globe is heavily dependent upon sealift, so the Port of Anchorage remains absolutely critical to our success.

I concur with the Maritime Administration's decision to designate the Port of Anchorage as one of America's 19 National Strategic Ports in 2004, and I believe the Port of Anchorage must maintain that level of capability as long as we have these force levels assigned to Alaska. The Port's commitment under the Strategic Port program to provide at least 25 acres of ground within its facility during a deployment is a key enabler for the efficient staging and loading of our forces. Due to the high tempo of operations around the world, we have executed several large military movements through the Port recently, and I want to express my appreciation for the efforts that you, your staff, and the current Port tenants made to ensure the success of the operations. I have no doubt the Port of Anchorage will continue to provide superb support to the Department of Defense and its military forces in Alaska.

Finally, I appreciate your continued consideration of Alaskan military needs as you plan and execute your ongoing expansion project, and I look forward to continuing the partnership between the Port of Anchorage and Alaskan Command forces for many years to come.

Very respectfully,

A handwritten signature in cursive script, reading "Dana T. Atkins", is positioned above the typed name.

DANA T. ATKINS  
Lieutenant General, USAF  
Commander

*Guardian of the North*

## **Port of Anchorage Intermodal Expansion Project**

### **State Request:**

- \$120 million

### **Project is "Shovel Ready"**

- Port is in a position to immediately begin field construction of ready projects
- The project is fully permitted and designed
- Construction well underway-\$210 million spent to date.
- \$120 million in funding will ensure that the Port completes work through 2010, allowing complete relocation of maritime operations to new docks with no disturbance of operations.
- Funding will allow for reduced overall project costs
  - Accelerated ordering of project materials and timelier contract actions

### **Detail of Project Funding:**

#### **\$65,000,000-Construct Intermodal Connections**

- Track extension to the waterfront with loading facilities
- Road systems and intersections, track crossings, truck queing lanes
- Ship mooring infrastructure
- Crane structural supports and power supply
- Trunk utility corridors and systems
- Operational support systems and structures

#### **\$55,000,000-Complete Cargo Handling Areas**

- Develop parking, staging, and cargo storage areas
- Modernize and extend underground power supply
- Modernize and extend water/sewer, communications, and security systems
- Install overhead lighting and other support systems

### **Materials Necessary for Project Expansion: <sup>1</sup>**

- Concrete
  - 11,000 Cubic Yards- 186 direct& Indirect jobs
- Asphalt
  - 65,900 Tons - 99 direct & Indirect jobs
- Gravel & Rock Fill
  - 865,000,000 Cubic Yards- 312 direct & indirect jobs
- Dredging
  - 70,800 Cubic Yards 42 direct & indirect jobs

## **National Implications – Materials and Equipment Manufactured elsewhere in the USA**

- Steel
  - 7,700 Tons, total of 420 direct & indirect jobs
    - Forged/milled in Texas and/or Alabama-
    - Galvanized in California and/or Oklahoma -
    - Shipped by rail through Oregon and Washington Shipped to Alaska via ship and barge from Washington
    - Installed in Alaska
- Other equipment to be manufactured in the lower 48 states (380 direct and indirect jobs).
  - Petroleum Loading Arms
  - High Mast Lighting
  - Electrical Transformers & Conductors
  - Crane rails
  - Light poles
  - Concrete Ties

## **Support Services**

- In addition to direct construction jobs 60 to 70 direct technical and professional jobs will be needed to support the construction.

## **Economic Impacts of Projects: Alaska and National**

- Jobs
  - Between 3,000-7,500 direct and indirect jobs, in Alaska and out of Alaska, will be created.
  - Resulting in an estimated payroll of \$55-\$60 million
  - Estimated \$300 to \$350 million in direct economic impact to the nation.
  - Jobs are well paid, Davis-Bacon prevailing wages
  - Many of these jobs will be year-round
  - Most of the remaining work will be out-of-water construction on the new 60 acres of developed lands, as opposed to substructures in the water (already completed)
- Port's total economic impact: \$663 million
- Freight activity contributes to \$137 million in household earnings and 4142 jobs
- Natural Gas Pipeline
  - The expanded port will be an integral part to the construction of the widely supported natural gas pipeline to carry natural gas to the Lower 48 states to help address our nation's energy crisis
    - Sufficient depth for deep draft vessels planned to deliver project supplies and equipment
    - Sufficient acreage for gas pipe laydown
    - Immediate rail access for reduced handling of pipe
    - Sufficient industrial ground for module construction
- Key driver in the Pacific Northwest Economy

- Over 46,000 jobs in Puget Sound are directly dependent on export trade with Alaska
- Expanded port will result in increased domestic deliveries
- Expansion of the port will assist in revitalizing the economy of Alaska as well as Washington with new jobs
- Expansion will allow for increased international cargo through the Port of Anchorage
  - Could cut typical transit times from Asia to Midwestern United States by half, providing for efficient movement of consumer goods
    - Port of Anchorage is already an active Foreign Trade Zone and a designated customs port of entry into the United States

**National and Strategic Significance:**

- The Port of Anchorage is the major hub for the entire state.
- It serves 85% of the state's population and 90% of consumer goods pass through the Port.
- Home to the Coast Guard Marine Safety and Security Team
- Classified as a "Port of National Significance" by the Department of Transportation Maritime Administration (MARAD)

**Designated by the Department of Defense as a "Strategic Port" for national defense purposes:**

- Military Mission in Alaska:
  - The capital investment at the Port of Anchorage is seen as beneficial to the mission of the military to receive and deploy combat forces.
  - Alaska is now home to a stryker brigade, an airborne brigade, and an aviation task force, with the likelihood of increased forces being home stationed in Alaska.
  - Ability to respond to national and international theaters around the globe is heavily dependent on sealift-thus emphasizing Alaska's strategic global advantage
  - Year round access to training ranges by rail and with a Tanana River crossing that will be the key to future defense planning in Alaska for the nation.
- Joint Pacific-Alaska Range Complex
  - Training mission expanded to include maritime training in the Gulf of Alaska.
  - Port of Anchorage needs to have infrastructure to serve as a U.S. Navy Port of call for Naval vessels, including carriers
  - Donally Range-U.S. Army investing \$80 million in range equipment and infrastructure
- Disaster Response/Survivability

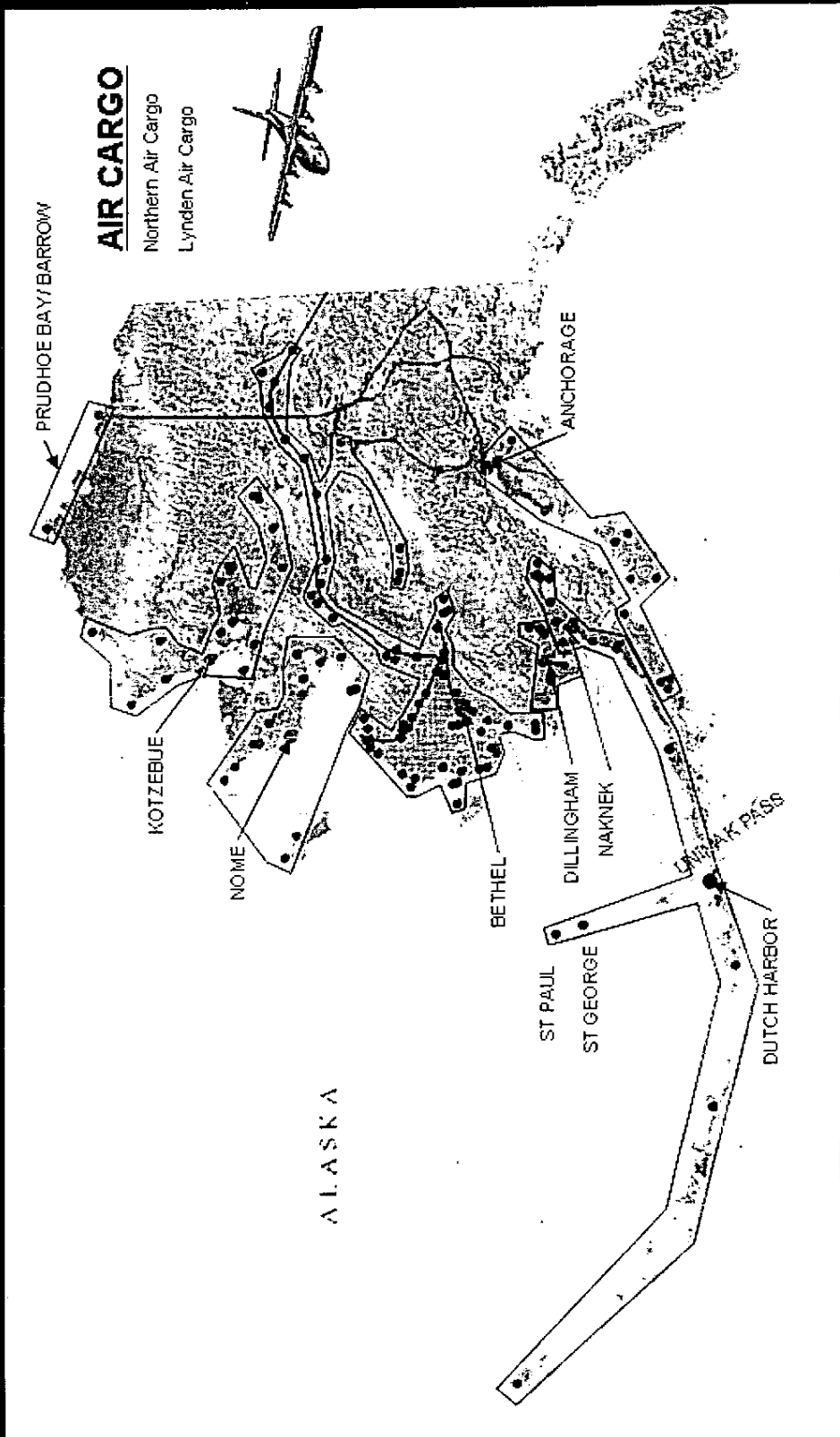
- Alaska Command (ALCOM) Commander views Port of Anchorage as a key node in all of their planning for maritime re-supply and disaster recovery
- ALCOM committed to working with the Port to assure no single point failures in fuel supply infrastructure

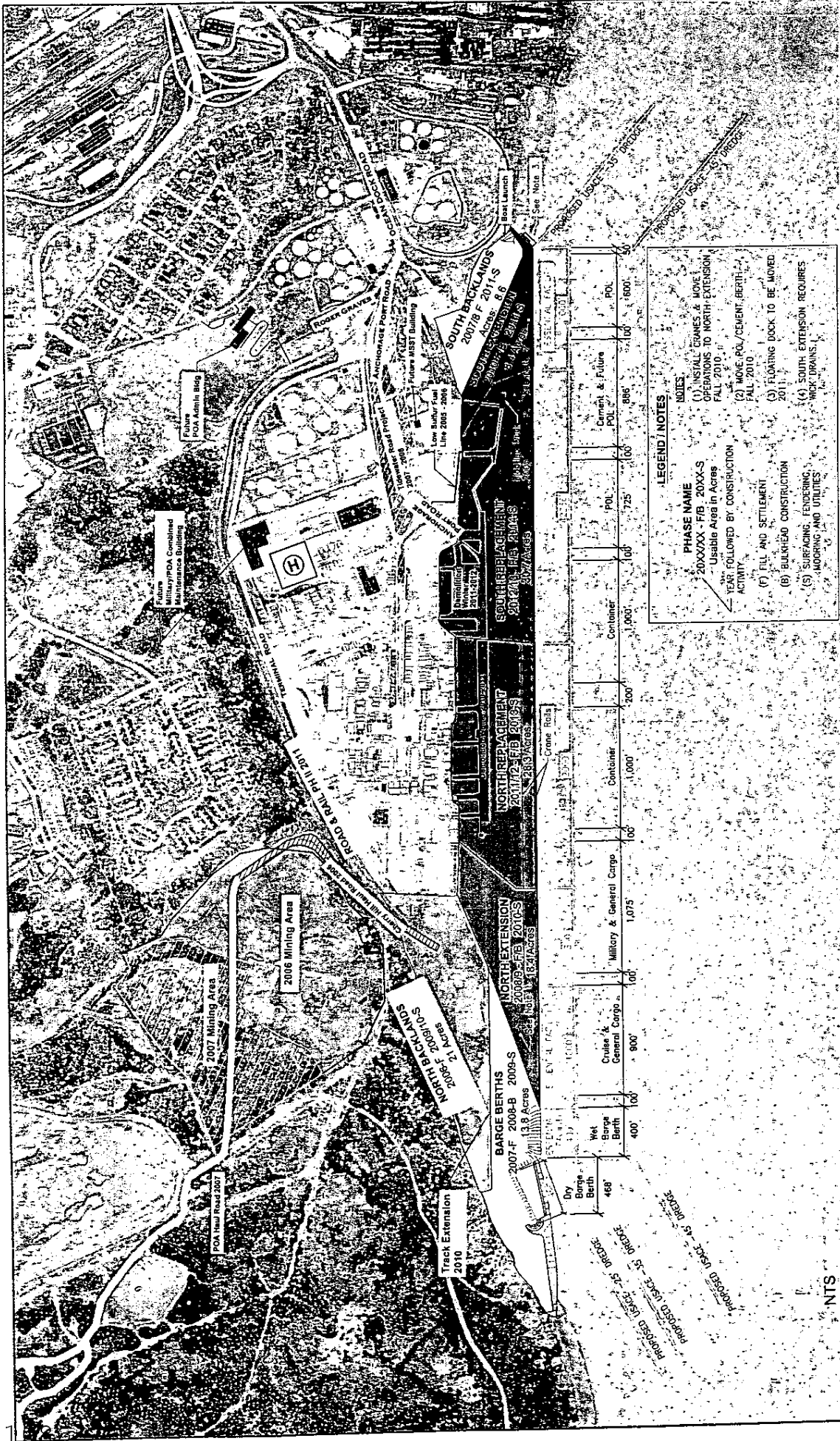
---

<sup>1</sup> Job estimates are based on information from work to date on the PIEP, information from the Alaska General Contractors Association, a Canadian study, and Pres. Obama's speech in Hawaii talking about impact to Hawaii's construction industry. All of these sources agree that every \$150,000 of construction spending creates approximately one direct job and two additional indirect jobs (delivery, supply, and secondary from spending of wages). The Alaska General Contractors information also suggested that for every dollar spent on construction, the State Gross Domestic Product increased by 1.9 dollars. This was used to adjust the "estimated economic impact figures for direct economic impact."

Jobs for other equipment were based on an assumption that 50 percent of the cost is labor and that a similar ratio for dollars spent to direct and indirect jobs would hold.

# Transportation Supply Routes From Port of Anchorage





**LEGEND / NOTES**

**PHASE NAME**  
 2000XXX - FIB, 20XX-S  
 - Usable Area in Acres  
 - ACTIVITY FOLLOWED BY CONSTRUCTION ACTIVITY

**NOTES**  
 (1) INSTALL CRANES & MOVE CONTAINERS TO NORTH EXTENSION FALL 2010  
 (2) MOVE POL/CEMENT BERTH - FALL 2010  
 (3) FLOATING DOCK TO BE MOVED 2011  
 (4) SOUTH EXTENSION REQUIRES IMPROVEMENTS

(F) FILL AND SETTLEMENT  
 (B) BULKHEAD CONSTRUCTION  
 (S) SURFACING, FENDERING, MOORING AND UTILITIES

400'	900'	1,075'	200'	1,000'	725'	100'	985'	100'	800'
Dry Barge Berth	Cruise & General Cargo	Military & General Cargo	Container	Container	Pol.	Pol.	Pol.	Pol.	Pol.
468'	Wet Barge Berth								

Port of Anchorage Intermodal Expansion Project  
**PHASING PLAN**

421 West First Avenue, Suite 200  
 Anchorage, Alaska 99501  
 (907) 561-4272  
 www.ltrsoak.com



Anchorage Port  
 Expansion Team



# Port Mackenzie

Gateway to the  
Matanuska-Susitna Borough

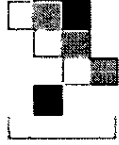
Presentation for the  
House Finance Committee

February 11, 2009



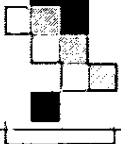
# **MISSION**

- **To develop a world class Alaskan deep-water Port capable of safely and efficiently transporting people and commodities.**

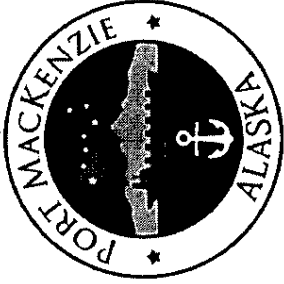


# **VISION**

- **Create new employment opportunities.**
- **Stimulate economic development in the Port District, Borough, and State through capital investment for industrial facilities by private enterprises.**
- **Establish a transportation link for exporting natural resources from the State of Alaska.**



## PORT MACKENZIE A "REGIONAL" IMPROVEMENT MAIN GOALS



1. To construct utilities (3-phase electric, telephone/fax/internet, natural gas) to the Port.
2. To construct docks (barge dock expansion, ferry landings, deep-draft dock expansion).
3. To complete road improvements (Pt. Mackenzie Road, Port Access Road, Burma Road).
4. To develop a year-round ferry system.
5. To construct a rail line from the Parks Highway to the Port.

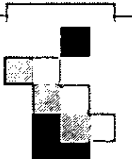
3



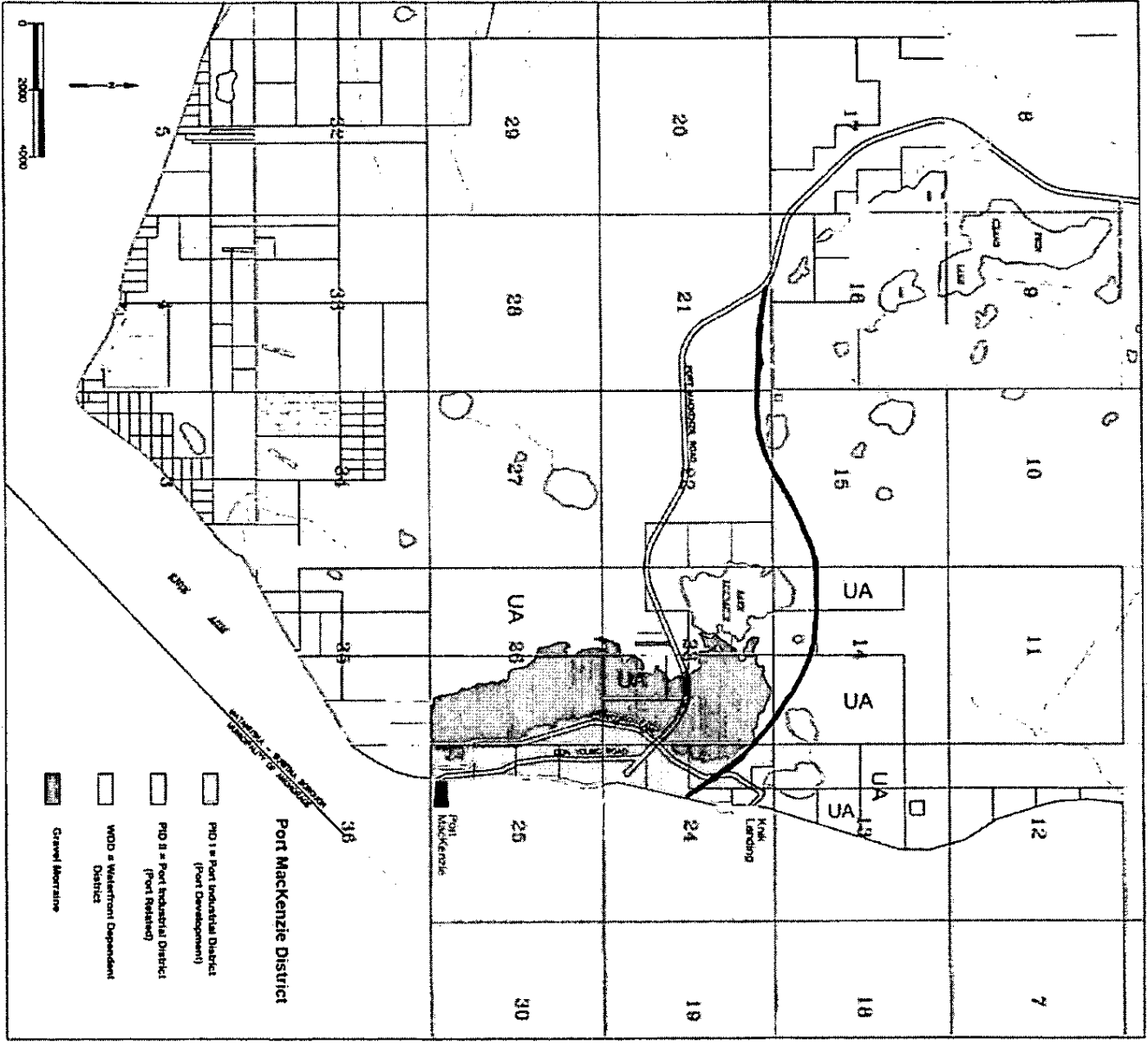
# PORT MACKENZIE A "REGIONAL" IMPROVEMENT MAIN GOALS



6. To construct a rail loading facility at the Port.
7. To construct a fuel tank farm and connect to Anchorage via pipeline.
8. To promote the creation of a petrochemical facility or LNG plant at Port Mackenzie.



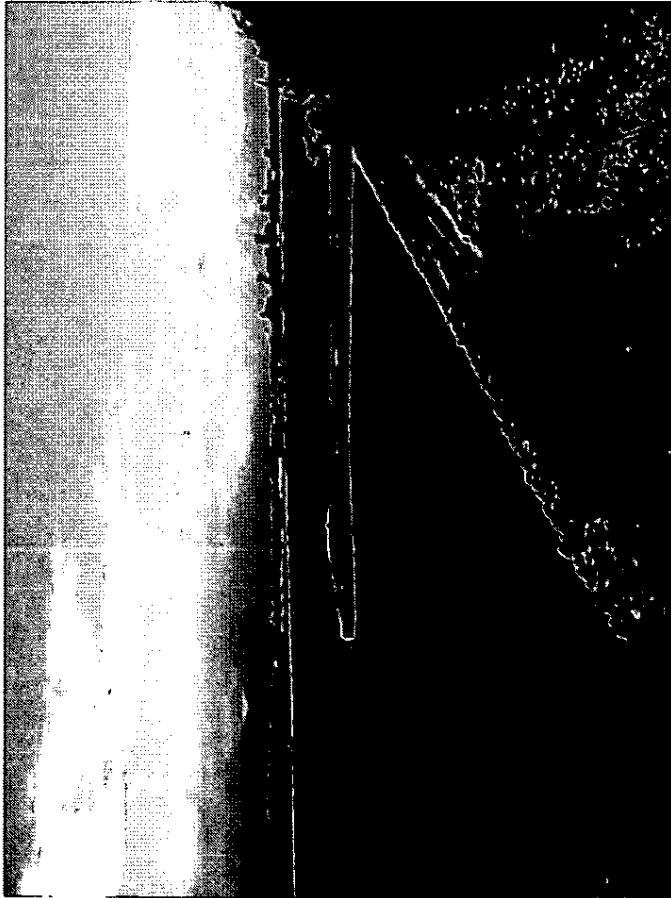
# PORT DISTRICT BOUNDARIES



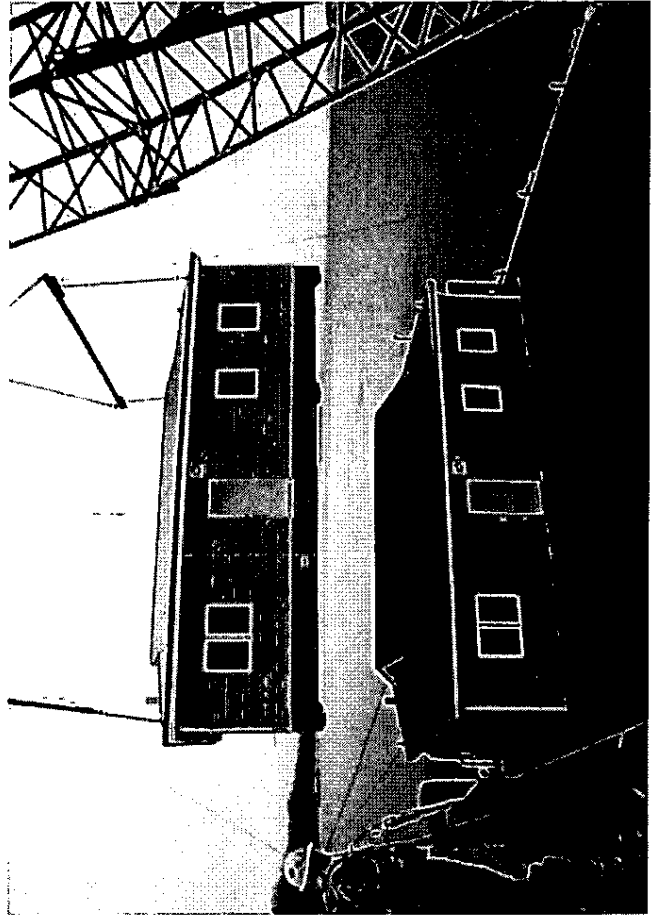
5



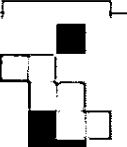
# BARGE DOCK (-20' MLLW)



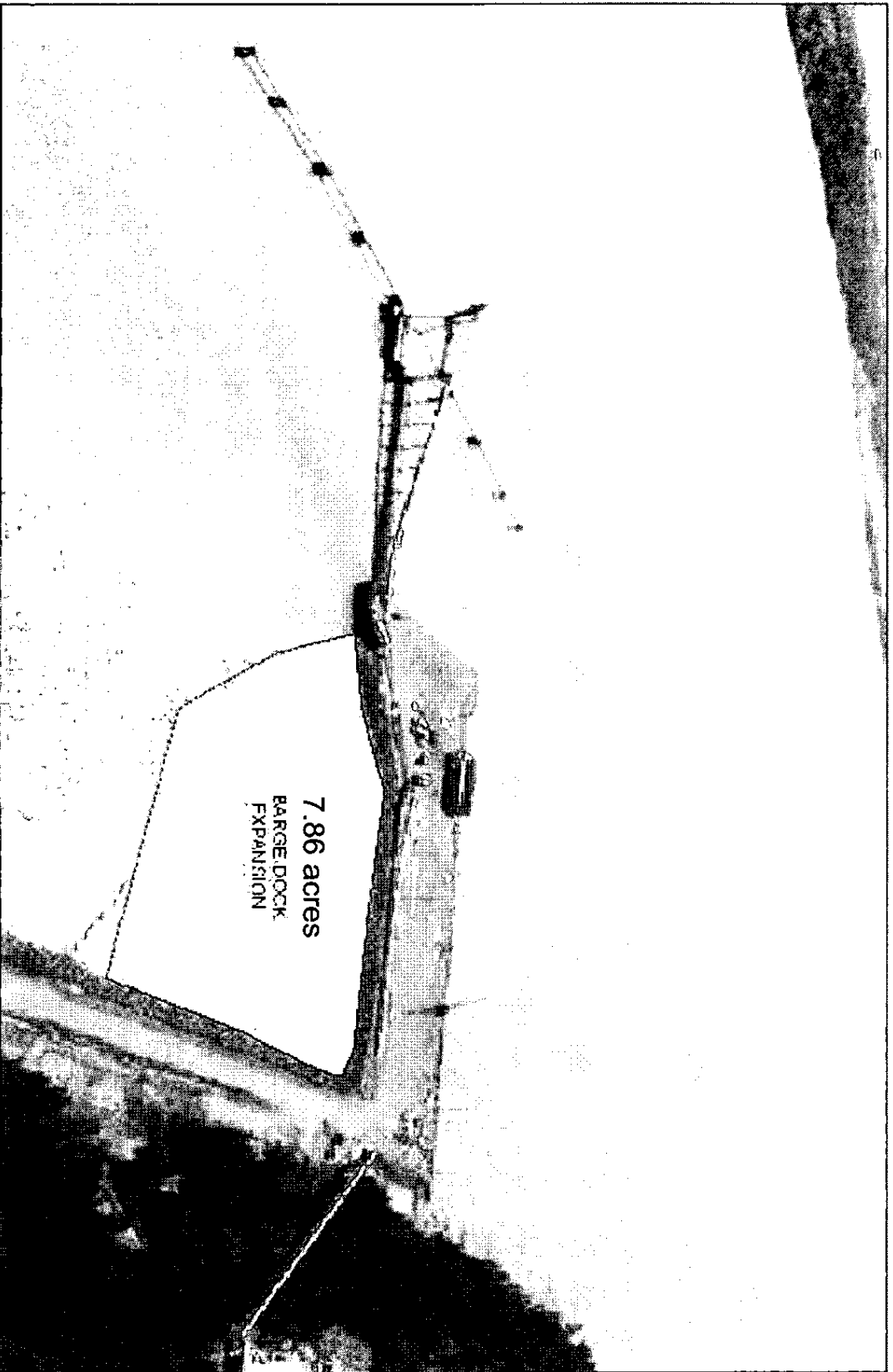
- 850' x 500' at face.
- Completed in Fall of 2003 with plans for expansion by 7.86 acres.

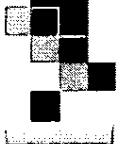


6

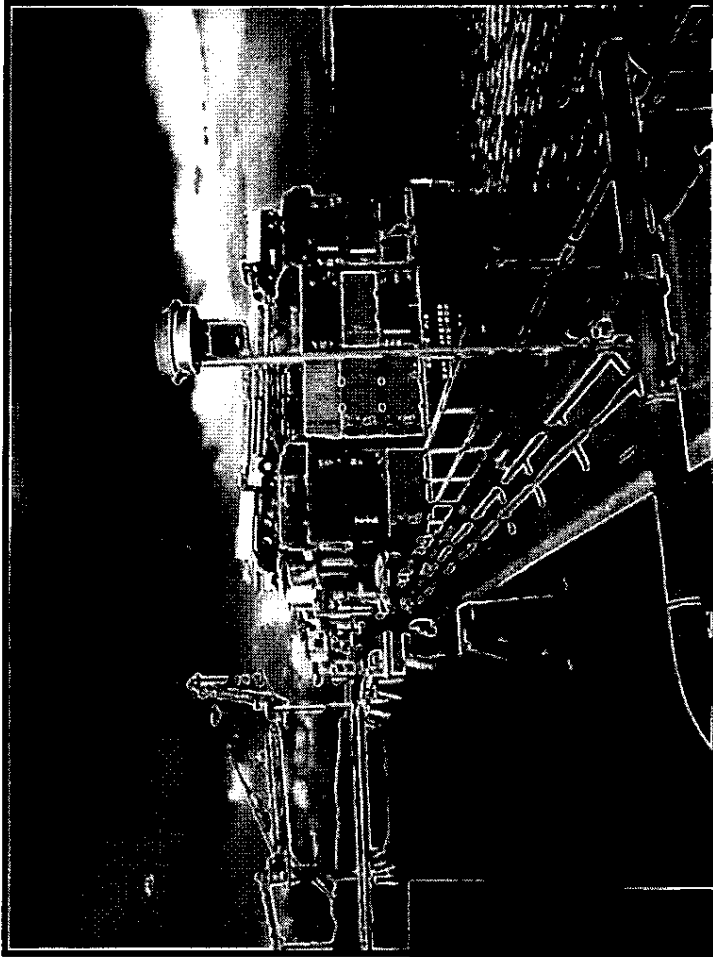


# Future Expansion of Barge Dock





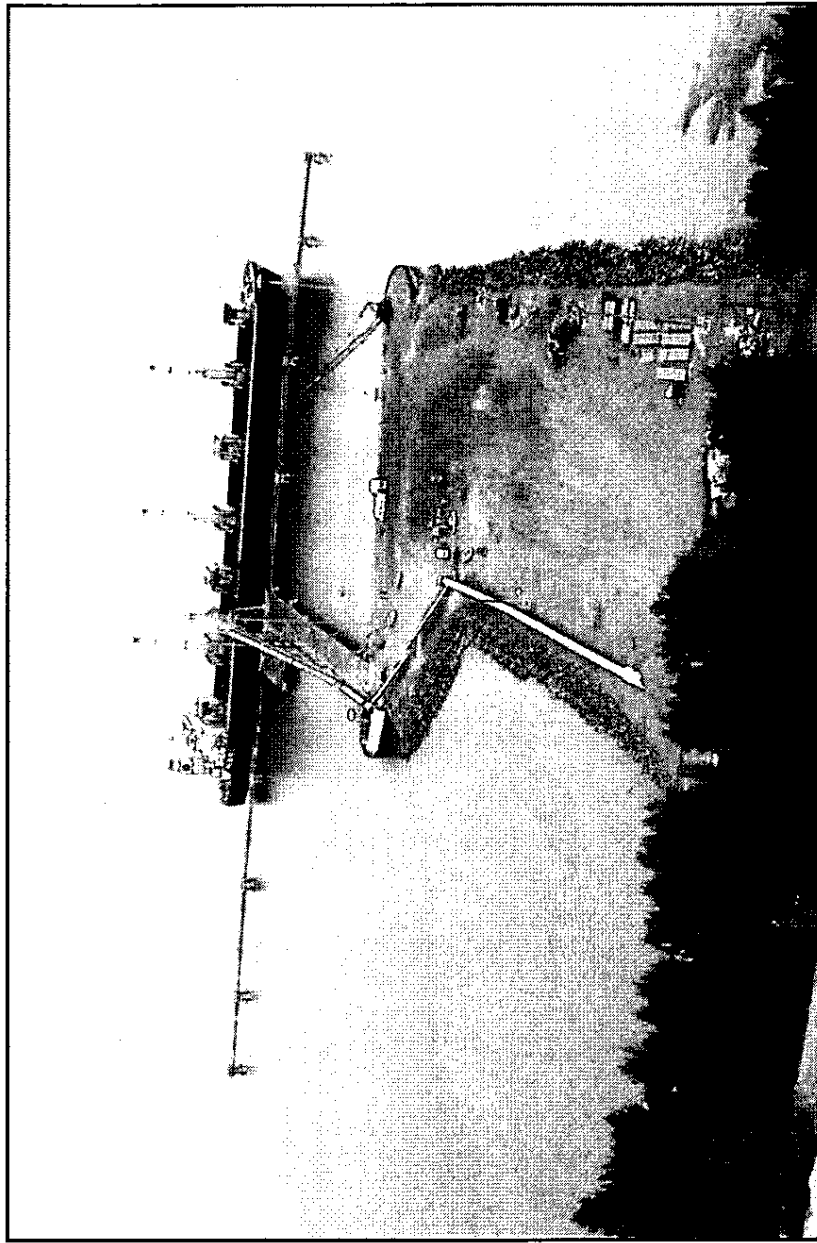
# Barge at Port Mackenzie

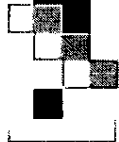


8

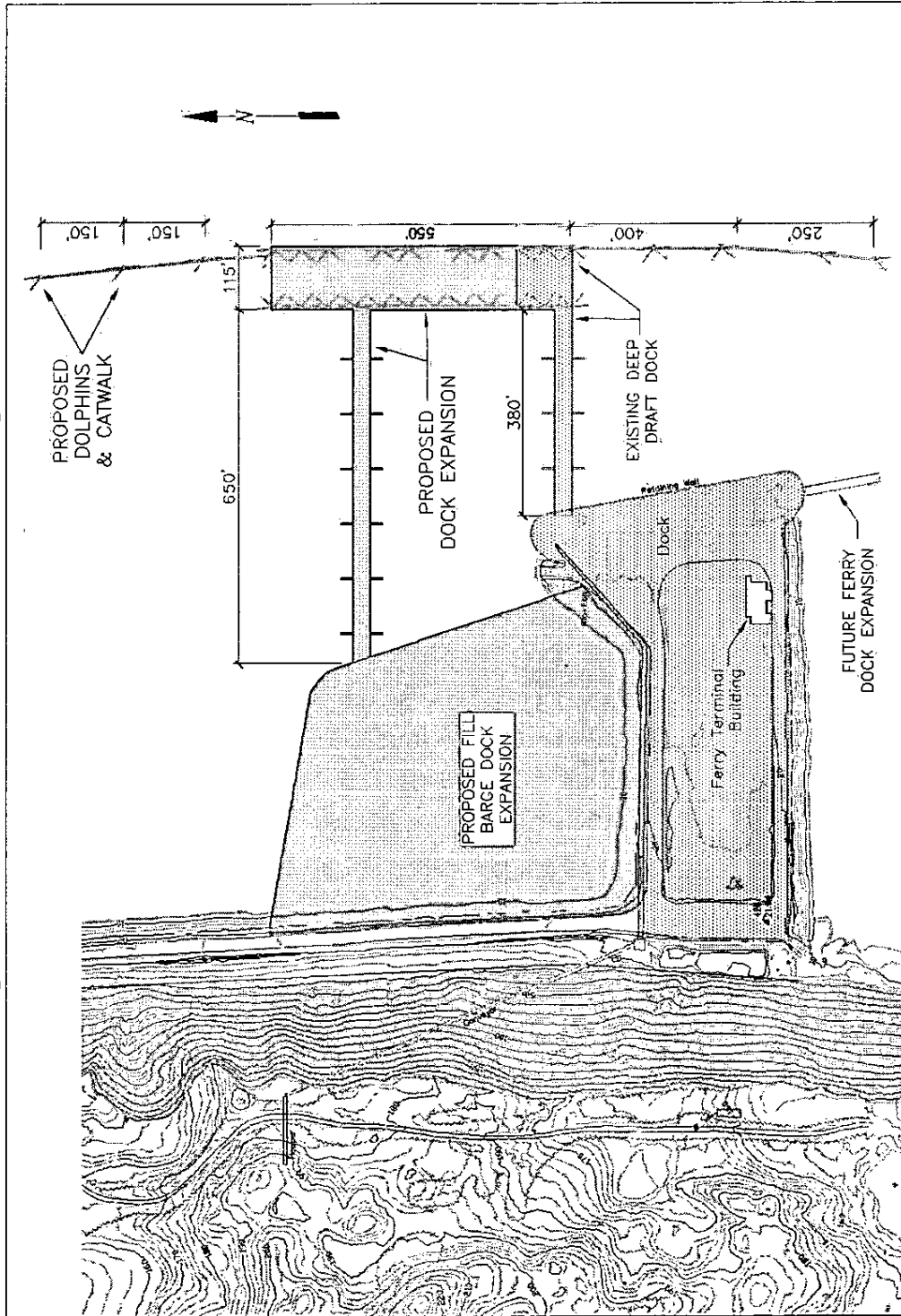
# DEEP-DRAFT DOCK (-60' MLLW)

- The Northern most Deep-Draft Dock in North America.
- 485' trestle from existing barge dock leading to a dock face of 1,200'.

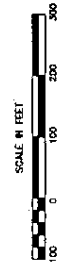




# Future Expansion of Deep-Draft Dock



MSE INFORMATION TECHNOLOGY DEPT./GIS  
APRIL 2008



**PORT MACKENZIE  
DEEP DRAFT DOCK EXPANSION**

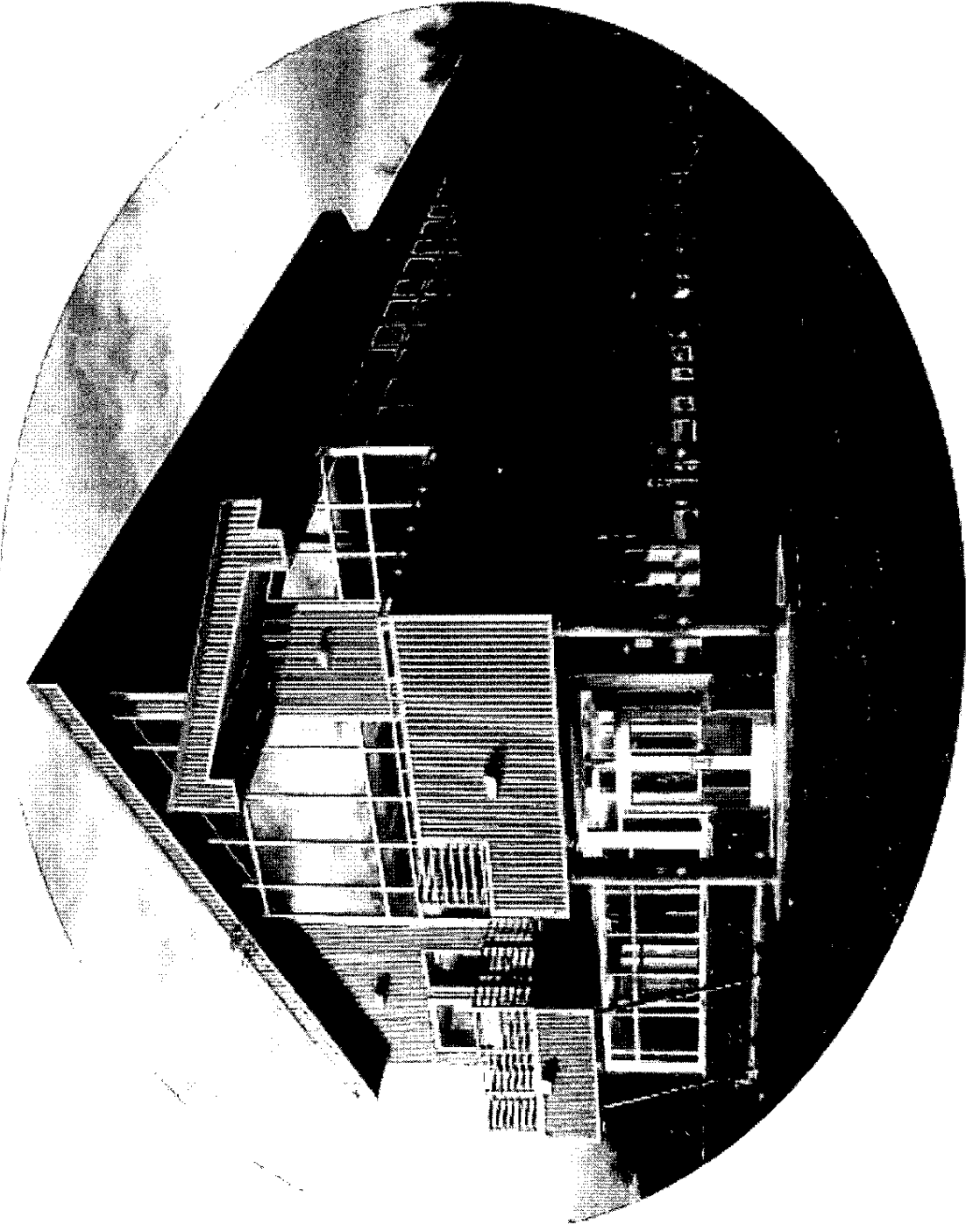
# PORT MARKENZIE MARKETS

## Export

- Wood Chips
  - \* S. Korea
  - \* Japan
  - \* Taiwan
- Saw Logs – S. Korea
- Sand & Gravel – w/i Alaska
- Heavy Equipment – w/i Alaska

## Import

- Cement - China



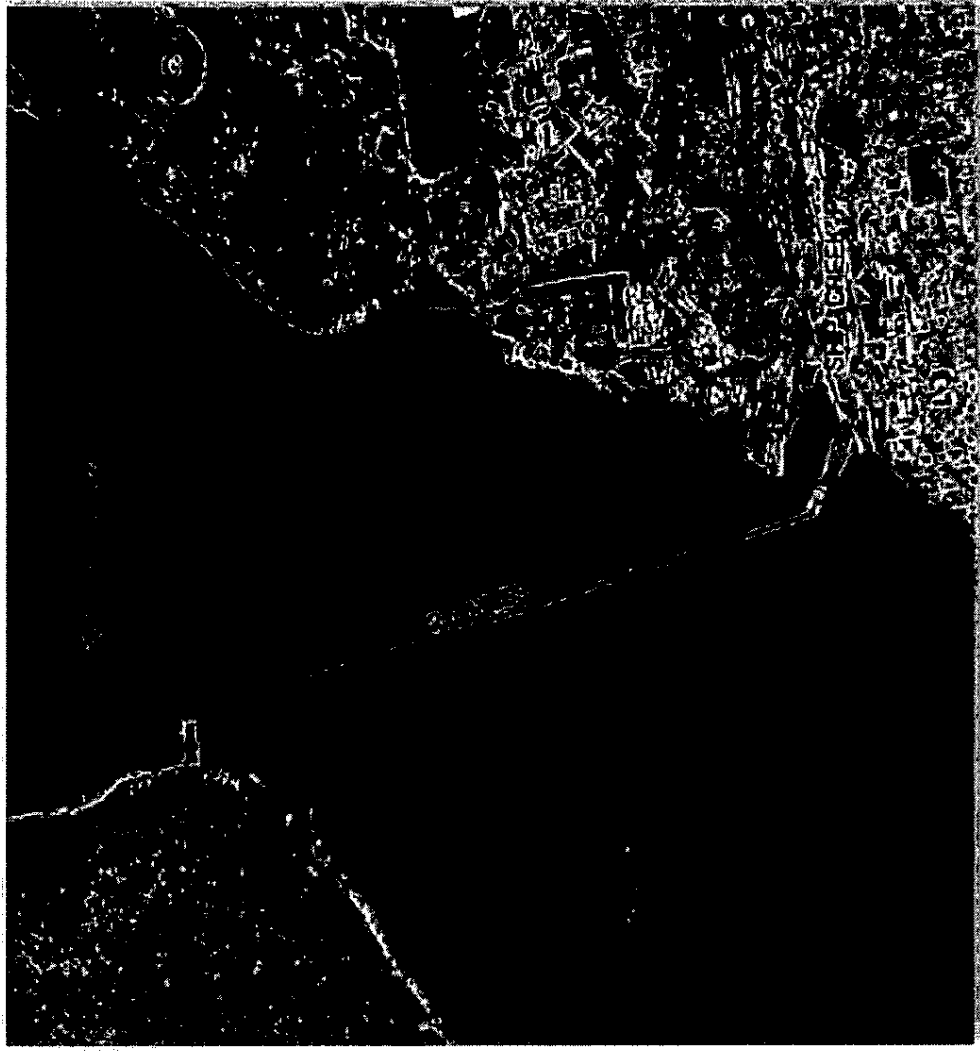
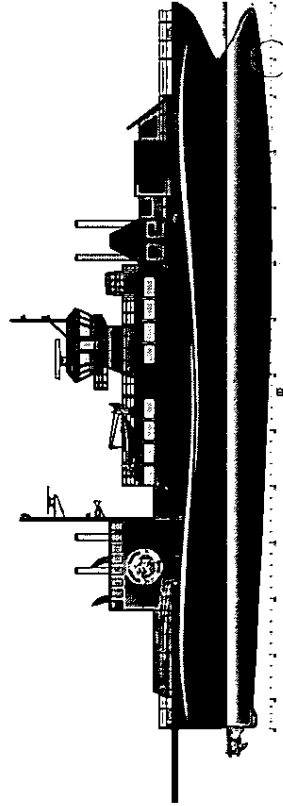
Ferry Terminal Building



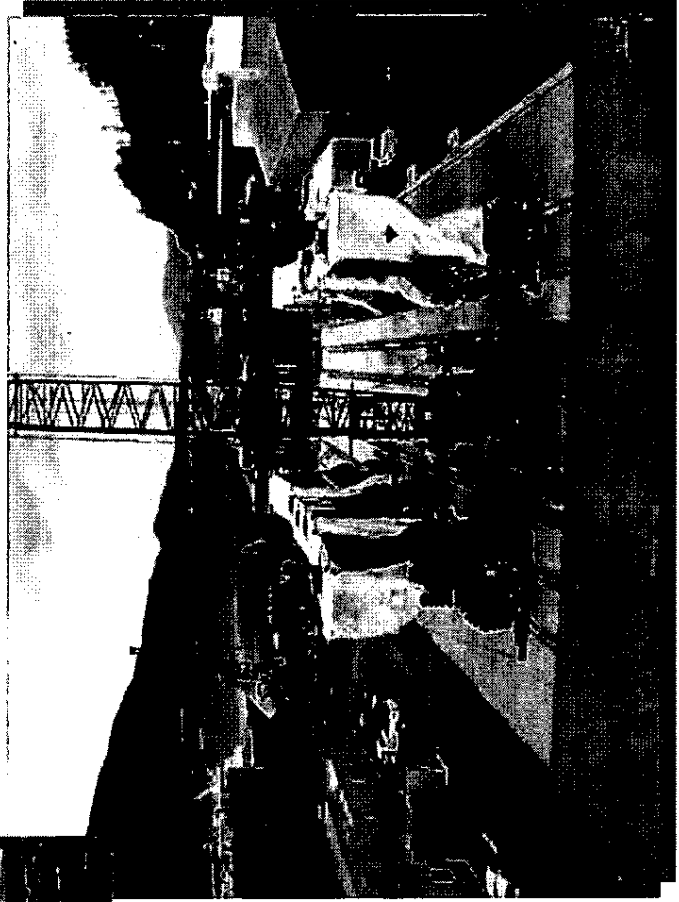
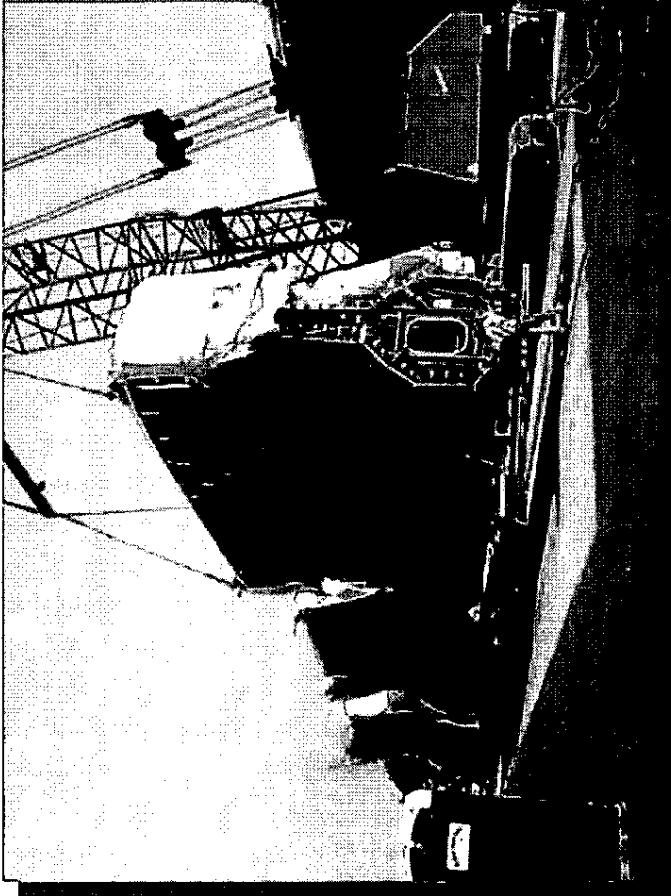
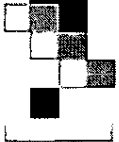


# COOK INLET FERRY

- Will provide year-round transportation between Anchorage and Port MacKenzie.
- Also equipped as a Rescue Boat and Command Center.
- VariCraft vessel designed with variable deck configuration.
- Less than 15 minutes to cross the Inlet.



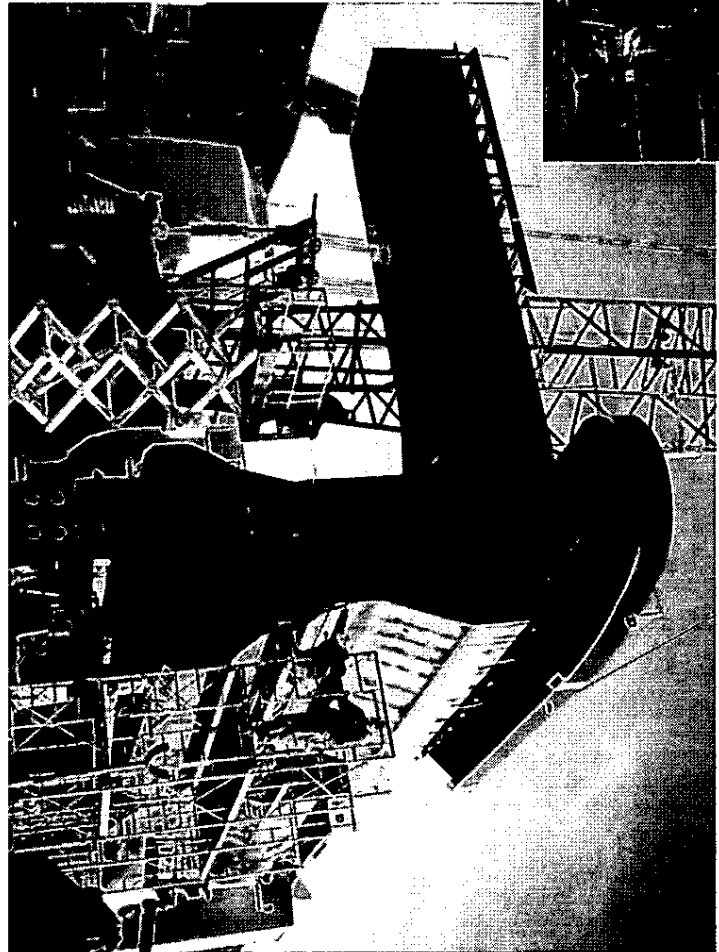
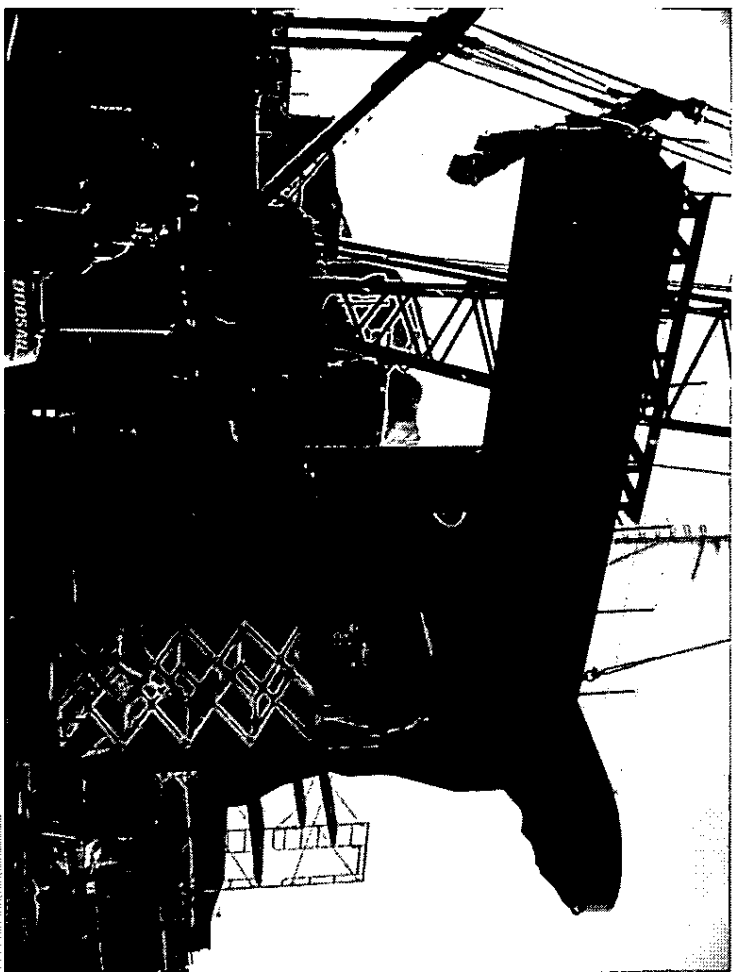
3/21

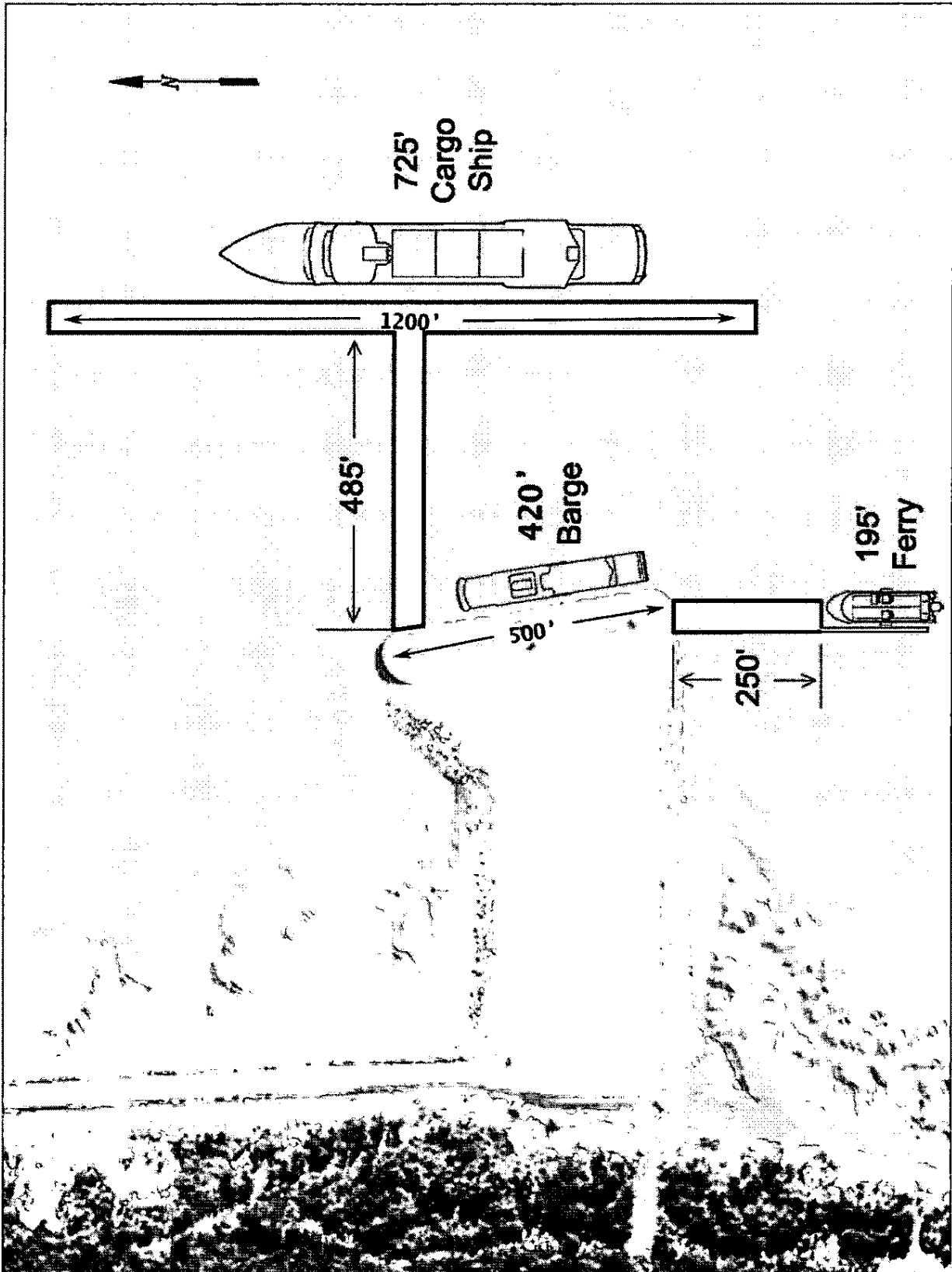


14 -

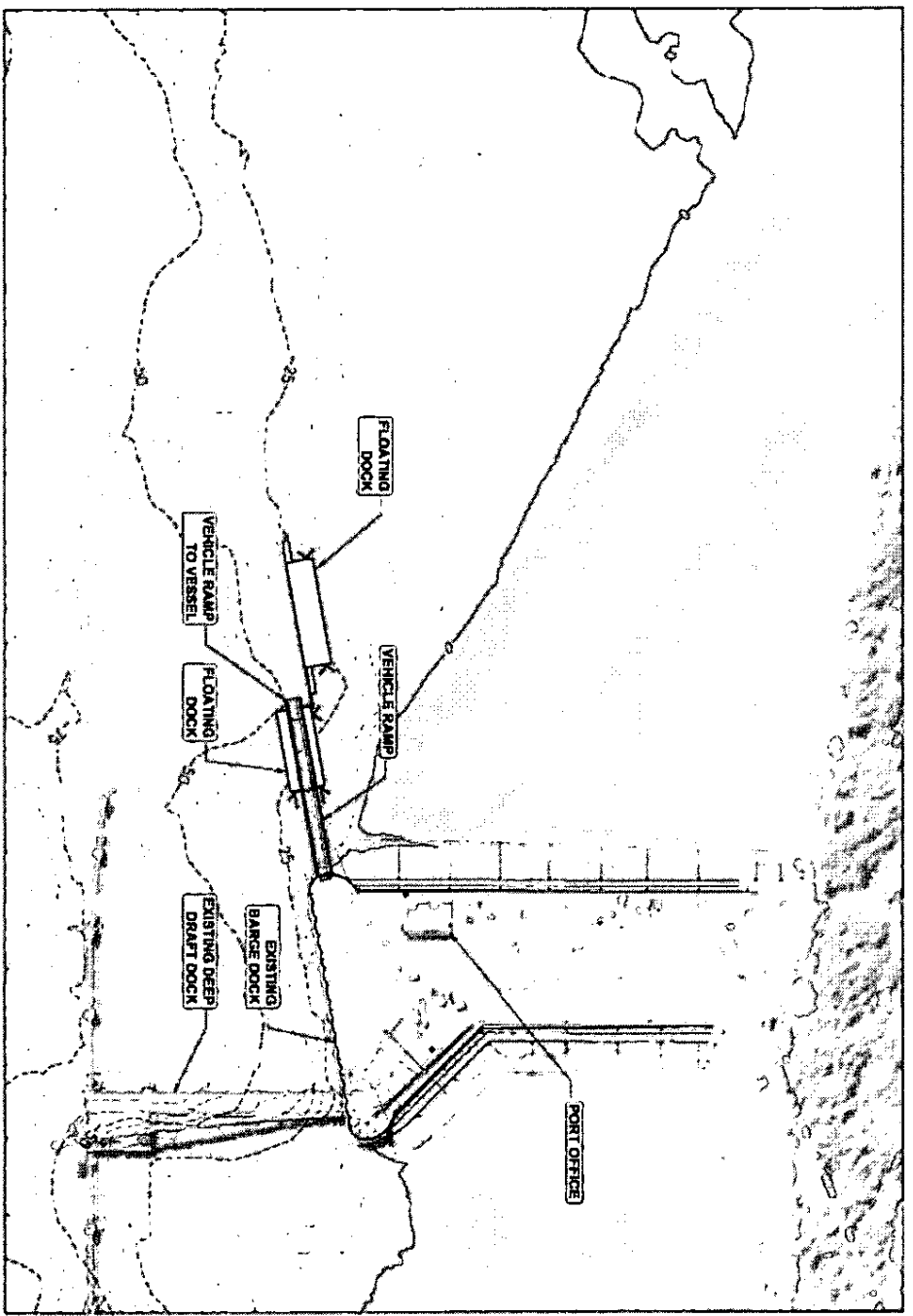
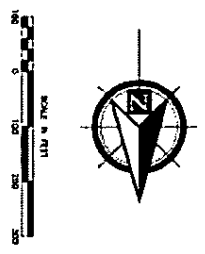
Construction Progress  
Alaska Ship & Drydock  
Ketchikan, Alaska  
July 2008

Superblock 3-29/1 construction  
January 19, 2009





67



NOT TO SCALE. THIS IS A CONCEPTUAL PLAN. THE LOCATION OF THE DOCK AND RAMP IS SUBJECT TO THE APPROVAL OF THE STATE OF ALASKA AND THE U.S. ARMY CORPS OF ENGINEERS. THE LOCATION OF THE DOCK AND RAMP IS SUBJECT TO THE APPROVAL OF THE STATE OF ALASKA AND THE U.S. ARMY CORPS OF ENGINEERS. THE LOCATION OF THE DOCK AND RAMP IS SUBJECT TO THE APPROVAL OF THE STATE OF ALASKA AND THE U.S. ARMY CORPS OF ENGINEERS.

1500 West Main Avenue  
Anchorage, Alaska 99503  
Phone: 907.561.1111  
Fax: 907.561.0029  
www.portmack.com

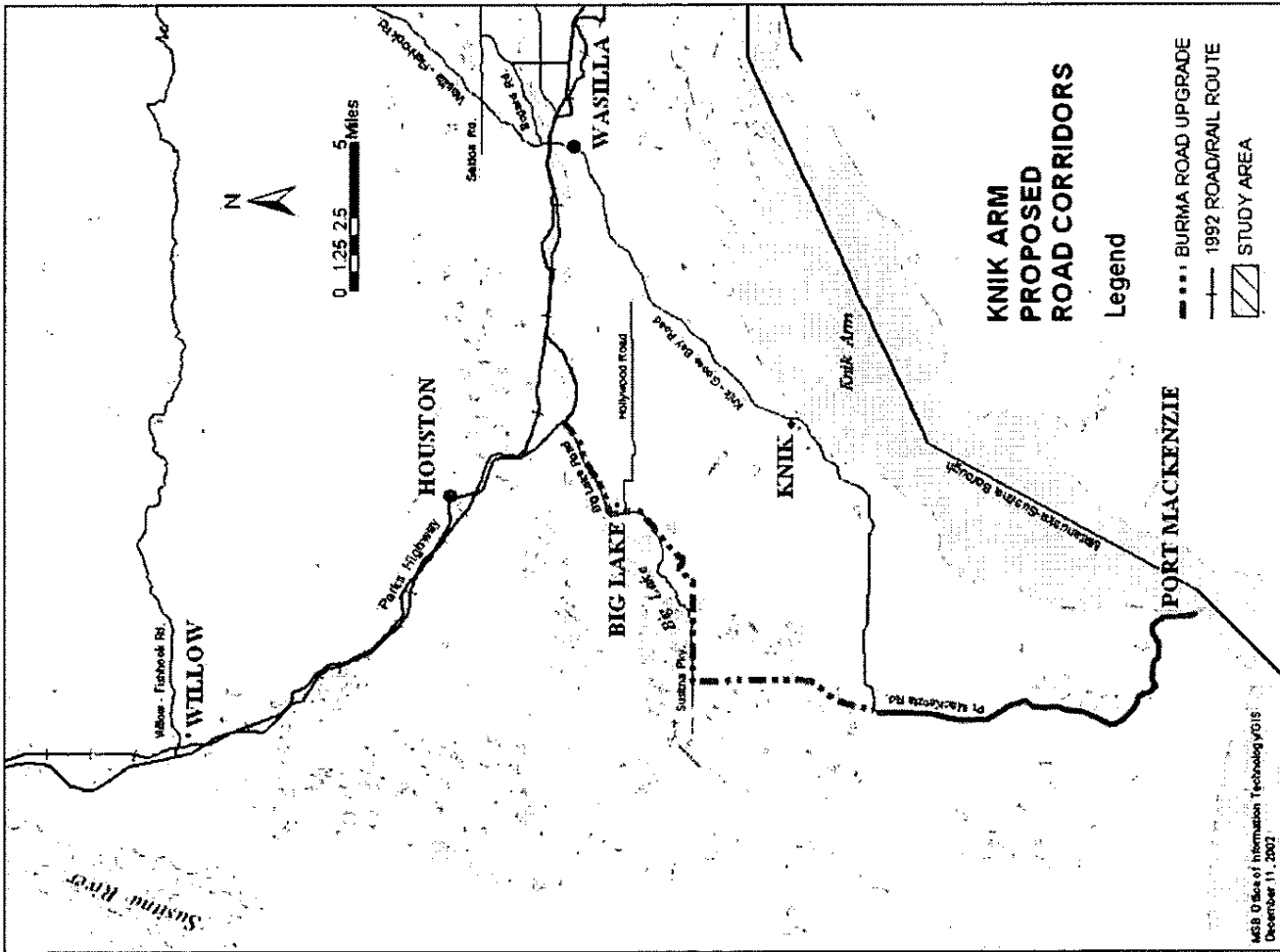


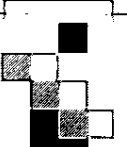
**COOK INLET FERRY  
PORT MACK LANDING  
FERRY LANDING  
PND CONCEPT**

DESIGNED BY: [Name]  
CHECKED BY: [Name]  
DATE: [Date]  
SCALE: [Scale]  
PROJECT NO.: [Project No.]









# RAIL LINE

## NEXT STEPS:

- EIS
- Permit
- Purchase ROW
- Design
- Construct



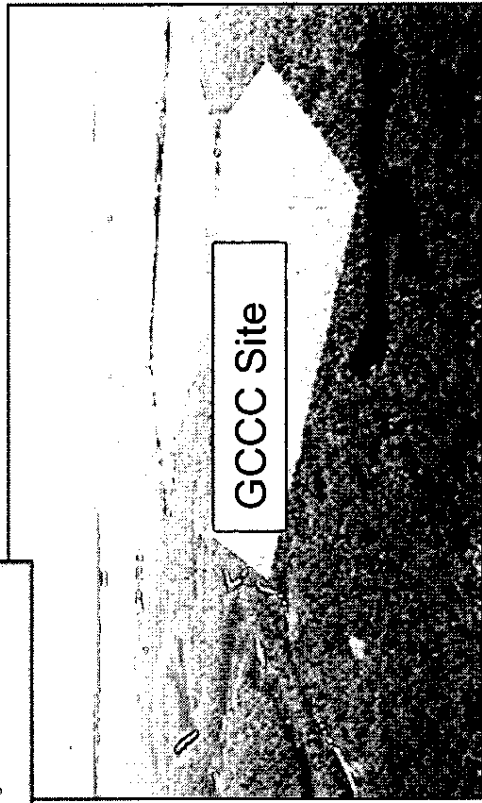
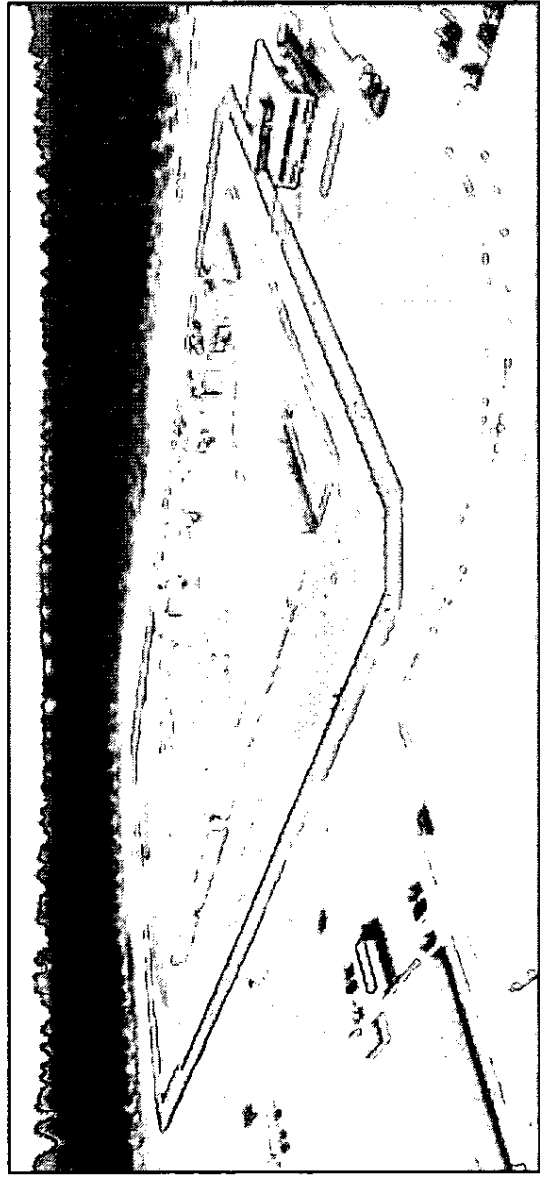


# Projected Volumes of Natural Resources

\*From the Economic Analysis of Rail Link Port MacKenzie to Willow, Alaska  
Dr. Paul Metz report dated November 2007

Product	Annual Tonnages in Years 1-5	Annual Tonnages in Years 6-10
Coal Exports	1,000,000	1,000,000
Aggregates	100,000	100,000
Lime	50,000	50,000
Wood Chips	60,000	60,000
Petroleum Products	200,000	200,000
Natural Gas Pipeline	0	960,000
Power Plant	0	1,000,000
Mineral Concentrates	365,000	1,679,000
<b>Total</b>	<b>1,775,000</b>	<b>5,049,000</b>

# Goose Creek Correctional Center



- 1,536 bed medium security prison
- 415,000 square foot building
- 330-acre tract at the intersection of Point MacKenzie Road and Alsop Road
- 50-acre cleared compound

Website: <http://ww1.matsugov.us/prison/>



## **CURRENT BUSINESSES**

- AMC – Manufacturing
- NPI – Wood Chips  
Saw Logs

## **NEW BUSINESSES**

- KLONDIKE – Cement (Import)
- QUALITY ASPHALT - Sand & Gravel/451,000 tons in 2008

## **PROJECTED BUSINESSES**

- CH2M Hill – Module Fabrication Plant
- Cruz Construction – Marine Base
- Coal Export from Sutton (Wishbone Hill)

# CURRENT BUSINESSES



## ■ Alutiq Manufacturing Contractors

- Local company started in 2000 building modular homes for rural Alaskans.
- First shipment from Port Mackenzie's barge dock on July 10, 2001.
- Branching into government contracts.
- Veco utilized facility in 2005 for constructing pump and electrical modules (\$30-\$40 million).





# CURRENT BUSINESSES



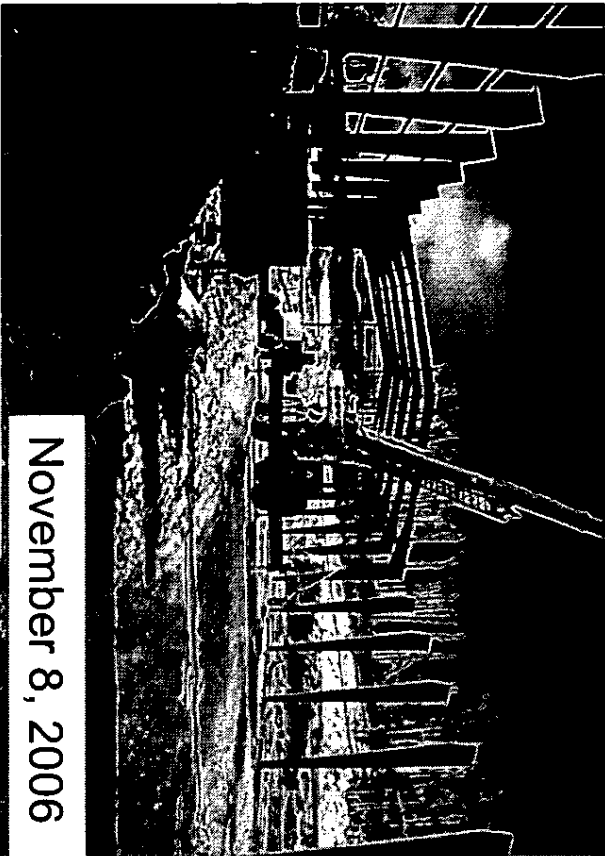
## ■ NPI, LLC

- Exporter of wood chips.
- Invested \$3 million in the Deep-Draft Dock.
- Invested \$20 million in new road, commodities storage pad, conveyor system, and equipment.
- First shipment of wood chips from Port MacKenzie's Deep-Draft Dock was in February 2005.





# NPI's 24,000 sq ft Warehouse

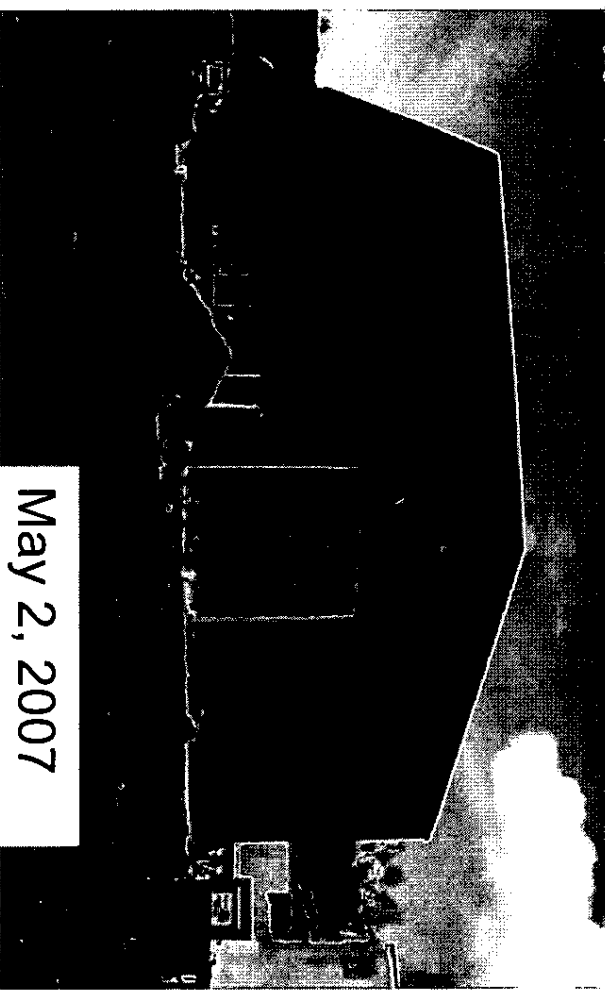


November 8, 2006

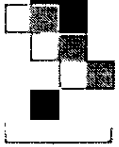


December 27, 2006

This warehouse will be used to store super sacks of cement.

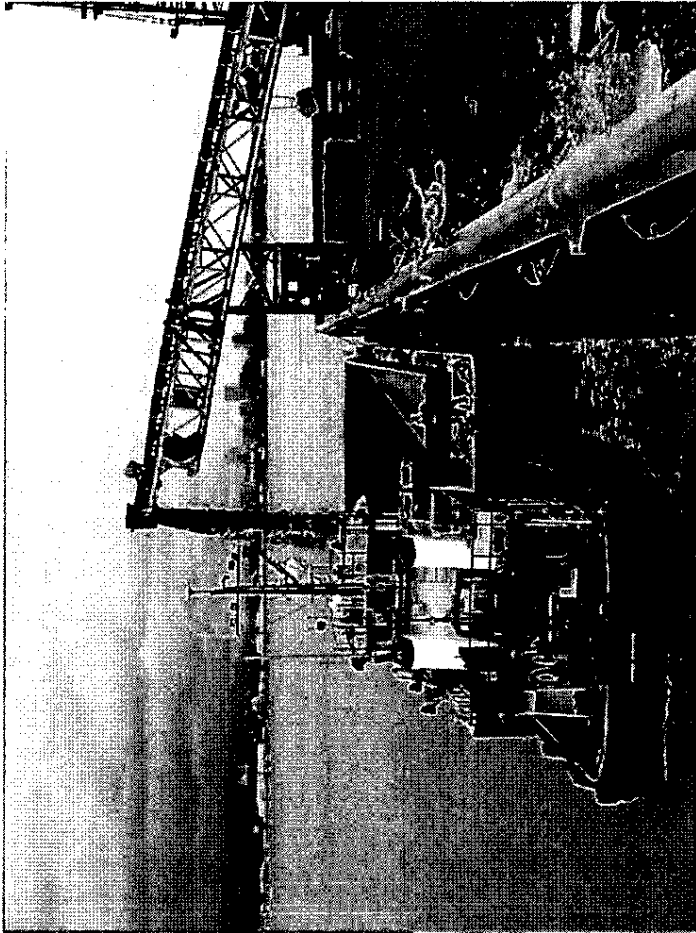


May 2, 2007



# Gravel Excavation Project 451,000 tons for the Port of Anchorage Expansion Project

July 2008

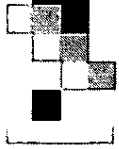


Point MacKenzie Road  
Upgrade & Paving Project

June to October 2008

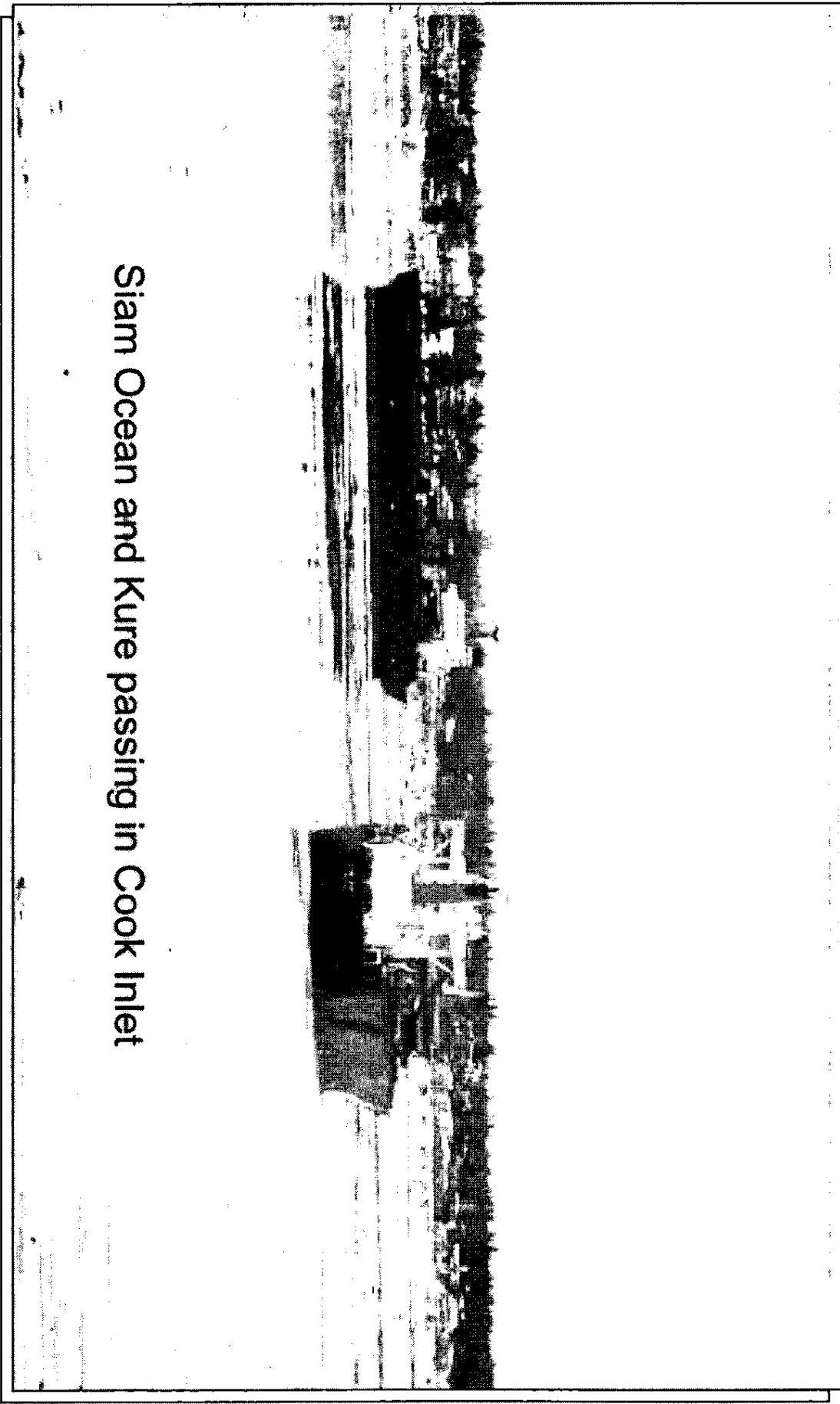
12.25 miles



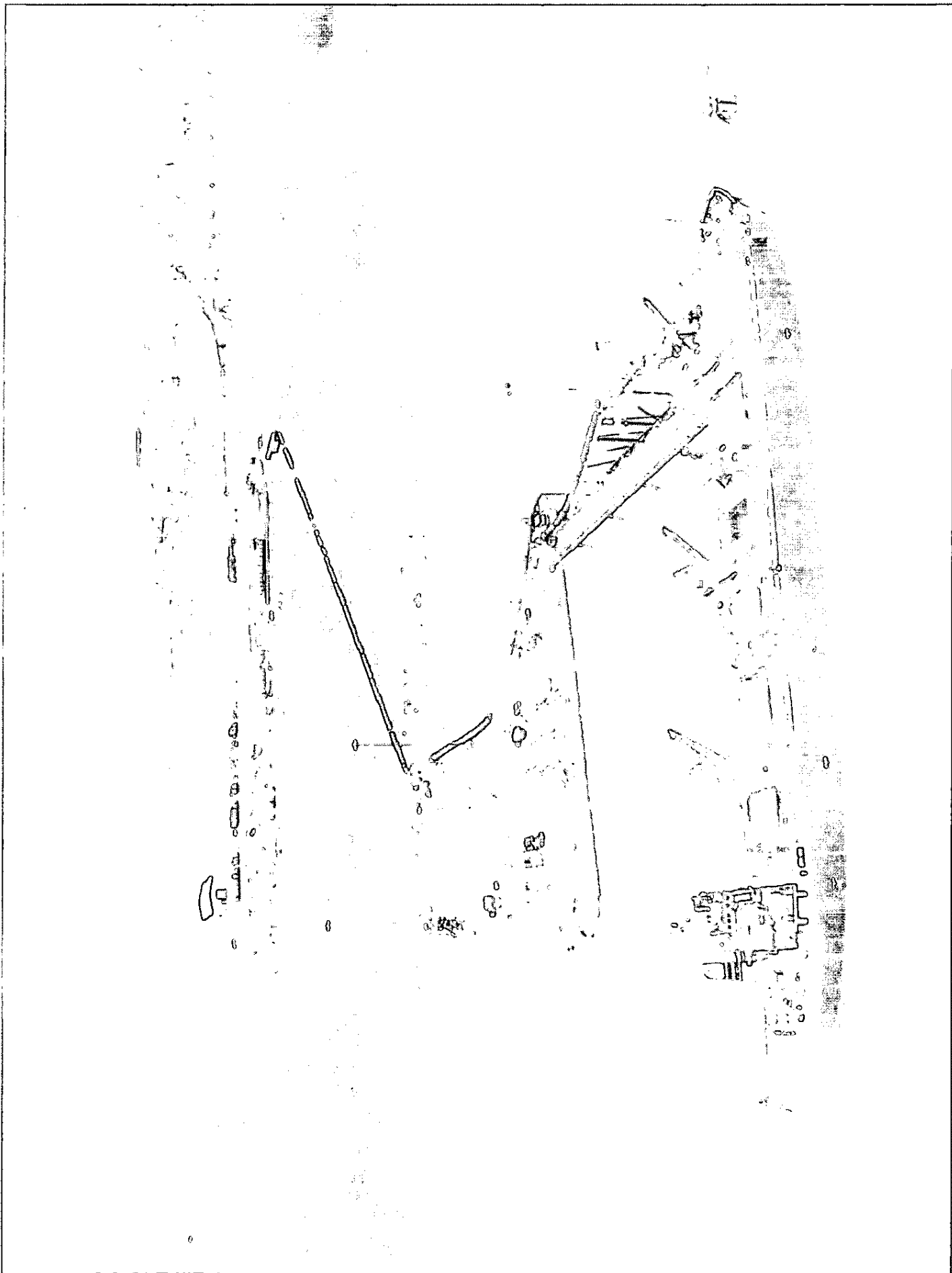


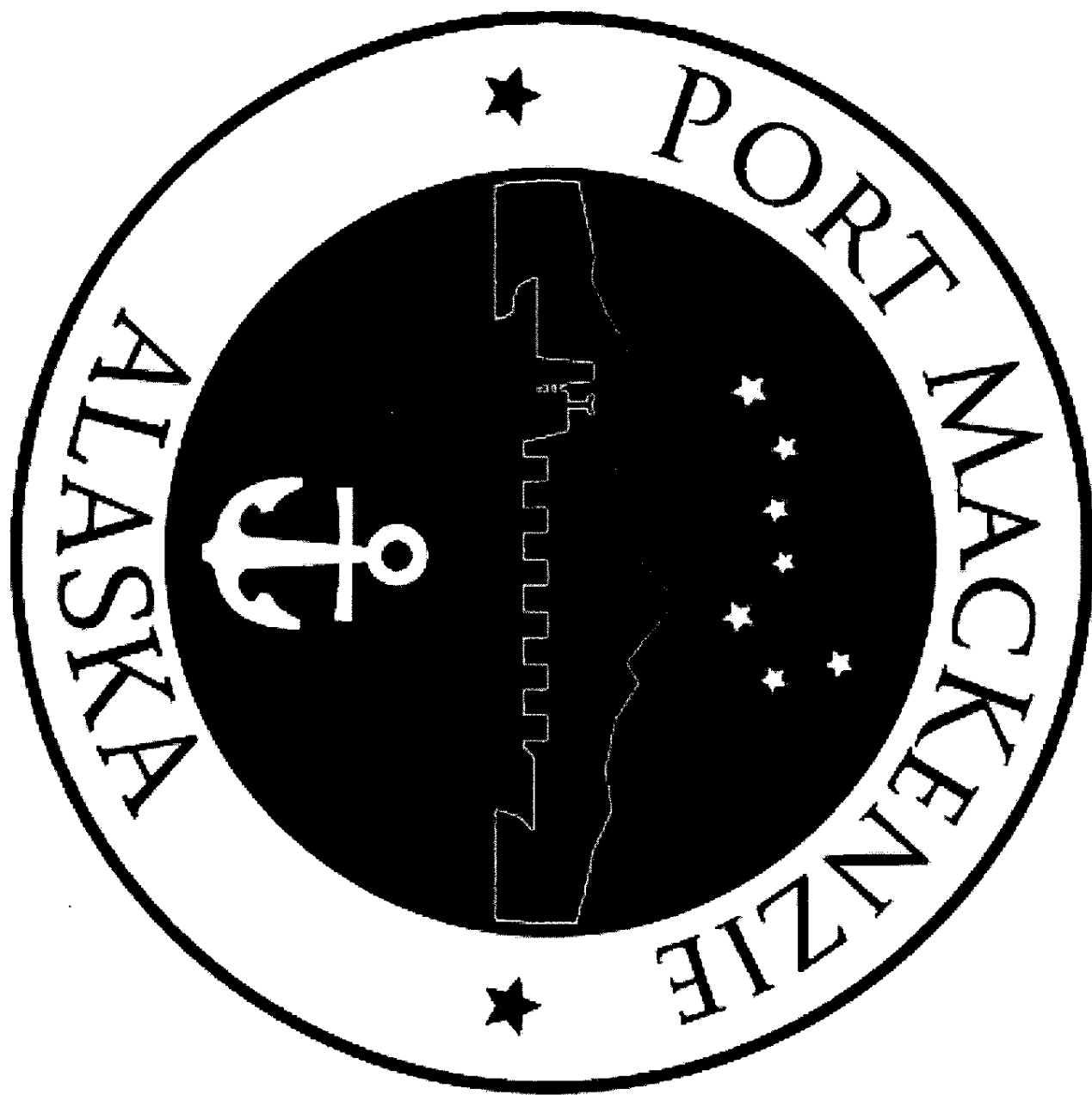
## BENEFITS OF PORT MACKENZIE

1. Complementary Port to the Port of Anchorage
2. Deep-Draft Capability (-60' MLLW)
3. Space for Commercial/Industrial Development
  - 8,940 Acres (14 Square Miles)
4. Economic Development (Jobs)
5. Residential Expansion
6. Recreational Opportunities
7. New road/rail/utility corridors
8. Allow for export of natural resources
9. Fuel Tank Farm Expansion
10. Access for Small Aircraft Airpark
11. Access for connection to Knik Arm Crossing
12. Access for relocation of International Airport
13. Reduce tax burden on property owners



Siam Ocean and Kure passing in Cook Inlet





23

# Port of Anchorage Intermodal Expansion Project

2009 Project Detail and Cost Estimates

Estimated Cost/Advertise in Time Frame:	30 days	60 days	90 days	Total
Total Estimated Costs for "Shovel Ready" Projects:	\$ 63,441,154.00	\$ 30,184,917.00	\$ 68,879,894.00	\$162,505,965.00

Project Item #	Project Phase	Task Order/Activity	Estimated Cost/Advertise in Time Frame			Priority Grouping	Comments	Length/Start Work	Coord. Agency
			30 Days	60 Days	90 Days				
1	General	EAFB tree clearing or Cherry Hill Reclamation	\$ 500,000.00			1	Clearing must be completed prior to May 1 for Migratory Bird concurrence. Reclamation required in 2009 if no clearing.	1-3 mo	EAFB
2	General	EAFB Pit Development/Stockpile on site	\$ 21,150,800.00			2	Work start dependent on ground thawing, tree clearing could be included and started earlier. Advertise \$\$ and request quantities bid.	12 mo	EAFB
3		ML&P Trunk Extension into the North Backlands	\$ 3,325,000.00			1	Work contingent on ground thawing, 750-800 feet from Tidewater and then off pavement (includes telephone and data trunk lines).	6-8 mo	POA/ML&P
4		Crane Piling	\$ 6,410,000.00			1	Subsurface support for future cranes. Work will proceed when OSCP is complete. Pile material must be ordered /galvanized and shipped.		
5		Ground Bed Anodes	\$ 8,310,000.00			1	Required for cathodic protection for steel already installed. Cannot delay. Work will proceed when OSCP is complete and coordinated with crane pile work. Includes purchase and installation.		
6		Move Cherry Hill Haul Road entrance to Port	\$ 975,000.00			1	Work start contingent on ground thawing. Places road closer to the hill and increases available container parking space.	1-2 mo	
7		Continuity welds on Barge Berths/North Extension	\$ 500,000.00			1	This is to tie all the tail walls together for corrosion protection.	6-8 mo	
8		Additional Cell to accommodate reduced cell width	\$ 600,000.00			1	One 27-foot OSCP cell to complete the North Extension.	2-3 weeks	
9		Final Grading and NFS Cap North Extension	\$ 11,817,000.00			2	Summer season work after ground thaw.	2-3 mo	
10		Temporary Wet Barge Berth Cap	\$ 500,000.00			1	Work will proceed after vibracompaction is complete (scheduled for 5/31/09). This is the sacrificial cap that allows placing the Barge Berth in immediate revenue service; will install the permanent cap in 2010.	2 mo	
11		Drainage grates	\$ 5,000.00			1	Improve drainage at Barge Berths.	1 week	
12		Utilities and surfacing at Barge Berths (includes final Grading and NFS Cap)	\$ 11,534,917.00			1	Utilities first, gravel second and surface third. Start after ground thaw; grade and cap almost designed (cap at 95%). Can advertise with 100% drawings in 60 days.	Start Util Jun-09	
13	General	Lower Jet Fuel Line		\$ 500,000.00		3	Critical fuel line that provides all fuel to EAFB. Would require a by-pass line temporarily.		EAFB
14	General	Gaylor Gulch Storm Drain Connection		\$ 2,750,000.00		2	Corrects erosion/sedimentation problem between Port and EAFB.		EAFB
15		South Extension OSCP installation Big red phase. (Could be combined with 16)			\$61,480,100.00	2	ERDC review scheduled late February 09. Already designed. Over 10 acres on south end. \$61.4M includes purchase of steel.	Jul-09	USACE/ERDC
16		South Extension Earth Work - Dredging and mass fill. (Subset of 15 and could be combined).		\$ 15,400,000.00	\$ (15,400,000.00)	1	Expedited option to advertise in 60 days. Part of Item 15. Start work after ground thaw. ERDC review scheduled. 2009/2010 work.	Jun-09	USACE/ERDC
17		MATERIAL PURCHASE ONLY - Purchase of Steel Sheet Pile - (one half of South Replacement phase)			\$ 22,795,794.00	3	Owner furnished material.		USACE/ERDC

# Port of Anchorage Intermodal Expansion Project

## 2009 Project Detail and Cost Estimates

Item #	Project Phase	Task Order/Activity	30 Days	60 Days	90 Days	Priority Grouping	Comments	Length/Start Work	Coord Agency
18		Purchase of Loading Arms for POL Docks	\$ 3,764,177.00			3	To make South Extension (Red) operational. Owner furnished material. Rigid articulating arms.		
19		Purchase Loading Arms for South Replacement ML&P transformer	\$ 3,764,177.00			3	Owner furnished material. Rigid articulating arms.		
20			\$ 770,000.00			1	Critical path purchase. Will power the cranes. One year lead time.		ML&P
<b>CONSTRUCTION SUPPORT</b>									
21	General	Additional Construction support Services	\$ 500,000.00			1	Labs, inspectors, QA/QC	Apr-09	
22	General	Construction Monitoring and Permit Compliance	\$ 300,000.00			1	Increased marine mammal mitigation, reporting, training, etc.	Mar-09	
23	General	Additional design effort for Packages and Addendums	\$ 250,000.00			1	Design firms to accelerate package preparation and provide addendums, extra engineering support, as necessary for fast track bid/build.	Mar-09	
<b>Subtotals</b>			<b>\$ 63,441,154.00</b>	<b>\$ 30,184,917.00</b>	<b>\$ 68,879,894.00</b>				
<b>Total</b>			<b>\$ 162,505,965.00</b>						

Estimated Cost/Advertise In Time Frame:	30 days	60 days	90 days	180 days	Total
Total Estimated Costs for Other Project Segments:	\$ 7,700,000.00	\$ -	\$ 40,129,533.00	\$ 130,016,000.00	\$ 177,845,533.00

Project Phase	Other Project Segments:	30 Days to Advertise	60 Days to Advertise	90 Days to Advertise	Comments	Length/Start Work	Coord Agency
General	Dredge and replace soils with gravel at North and South Replacements			\$ 36,129,533.00	Construction Dredging. Requires USACE coord, re-analysis and design in progress. (Possible cost share with USACE: DREDGING by USACE-\$21,220,180 and FILL by Port-\$14,909,353.)	May-10	USACE/ERDC
General	Rail Extension			\$ 4,000,000.00	Estimate for single track to barge berth. 90 days to bid. Most of the costs would be purchase.	May-10	
General	Purchase and Install Asphalt Batch Plant. (Coordinate with item 27)	\$ 3,300,000.00			Stockpile in Cherry Hill. Requires Asphalt Plant to be installed.		EAFB
General	Crush and stockpile aggregate for Asphalt/Concrete (Coordinate with item 26)	\$ 4,400,000.00			Temporary POL dock # 2. Assume 180 days to bid. \$30M.	May-10	
General	Construct trestle and extend POL dock temporarily		Advertise in 180 days for \$30,000,000				
General	North Extension Dock Cap, Utilities, & Surfacing. LOOK AT MOVING UP SOONER.		Advertise in 180 days for \$67,056,000.		Can not start until OCSP installation complete in Aug/Sept 2009. In design now. Advertise \$67,056,000 in 180 days. Maybe combine with Item 9 to accelerate.	Earliest start Oct 09	
General	Stevodore Buildings (two)		Advertise in 180 days for \$1,960,000.		Design/Build. Assume 180 days to bid. \$1,960,000 for both buildings.	May-10	
General	POA Administrative Building		Advertise in 180 days for \$25,000,000		Assume 180 days to bid. \$25M	Jun-10	
General	MSST Building for Coast Guard		Advertise in 180 days for \$6,000,000		Assume 180 days to bid. \$6M		
<b>Total for Other Project Segments</b>				<b>\$ 177,845,533.00</b>			

NOTES: Colors in the Project Phase column coincide with the colors on the project Phasing Plan.

North Extension South Replacement/North Replacement  
Barge Berths South Extension  
South Replacement current phasing

USACE = U.S. Corps of Engineers  
 ERDC = USACE, Engineering Research & Development Center  
 EAFB = Elmendorf Air Force Base  
 ML&P = Municipal Light and Power  
 POA = Port of Anchorage

### KEY POINTS FROM POA ADMINISTRATION:

- Critical Path 1 - Complete North End as soon as possible, new cranes arrive August 2010.
- Critical Path 2 - Do the South Extension Phases, so cement ships may dock there by end of 2010.
- Critical Path 3 - Demolition of the two existing docks.

With State \$120 Million in 2009

	2009	2010	2011	2012	2013	2014	Total
<b>SOURCES (in Millions)</b>							
Federal Funds	\$ 24.7	\$ 48.1	\$ 48.1	\$ 48.1	\$ 48.1	\$ 48.1	\$ 377.9
State Funds	\$ 30.0	\$ 20.0	\$ 20.0	\$ 20.0	\$ 20.0	\$ 20.0	\$ 171.3
Port Operations	\$ 4.2	\$ 4.8	\$ 5.1	\$ 8.9	\$ 10.6	\$ 10.6	\$ 62.7
Port Commercial Paper	\$ 20.0	\$ 15.0					\$ 74.0
<b>Total Sources</b>	\$ 78.9	\$ 87.9	\$ 73.2	\$ 77.0	\$ 78.7	\$ 78.7	\$ 685.9
<b>USES (in Millions)</b>							
Program/Project Admin, Safety & Const Mgmt	\$ 7.3	\$ 4.0	\$ 3.0	\$ 2.5	\$ 2.5	\$ 2.0	\$ 35.5
Environmental Permitting & Compliance	\$ 0.6	\$ 0.2	\$ 0.2	\$ 0.1	\$ 0.1	\$ 0.1	\$ 4.4
Engineering & Design, Peer Review	\$ 3.0	\$ 2.5	\$ 1.2	\$ 1.1	\$ 0.5	\$ 0.1	\$ 25.0
Uplands Rehabilitation (existing surface, utilities)	\$ 1.3	\$ 5.1	\$ 0.1				\$ 34.1
Structural Open Cell Sheet Pile & Gravel Fill	\$ 142.4	\$ 79.3	\$ 87.9				\$ 368.9
Borrow Pit Development, Gravel Extraction (EAFB)	\$ 4.6	\$ 1.0	\$ 0.5	\$ 0.6	\$ 0.5		\$ 9.0
Finish Surface, Drainage and Utilities (New Land)	\$ 23.0	\$ 46.3		\$ 3.9	\$ 33.1	\$ 55.2	\$ 220.3
<b>Total Uses</b>	\$ 102.0	\$ 131.4	\$ 126.2	\$ 8.2	\$ 61.7	\$ 57.4	\$ 697.2

Fund South Extension in 2009 for 2010 Construction  
 Fund North Replacement in 2010 for 2011 / 2012 Construction  
 Fund South Replacement in 2011 for 2012 / 2013 Construction

Advantages:

- Contracts completed earlier reduce costs
- Materials ordered in advance reduce costs
- Opportunity to purchase in volume reduces cost
- Cost reduction decreases investment required
- Speeds up completion

Cost of Construction:

Total Projected Costs	\$ 736.8
Projected Costs With State Funds	\$ (697.3)
<b>Construction Cost Savings (in millions)</b>	<b>\$ 39.5</b>

12/31/2008

**Without State \$120 Million Upfront - With \$20 Million Over 6 Years**

<u>SOURCES (in Millions)</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>Total</u>
Federal Funds	\$ 24.7	\$ 48.1	\$ 48.1	\$ 48.1	\$ 48.1	\$ 48.1	\$ 377.9
State Funds	\$ 30.0	\$ 20.0	\$ 20.0	\$ 20.0	\$ 20.0	\$ 20.0	\$ 171.3
Port Operations	\$ 4.2	\$ 4.8	\$ 5.1	\$ 8.9	\$ 10.6	\$ 10.6	\$ 62.7
Port Commercial Paper	\$ 20.0	\$ 15.0					\$ 74.0
<b>Total Sources</b>	\$ 78.9	\$ 87.9	\$ 73.2	\$ 77.0	\$ 78.7	\$ 78.7	\$ 685.9
<u>USES (in Millions)</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>Total</u>
Program/Project Admin, Safety & Const Mgmt	\$ 7.3	\$ 4.0	\$ 3.0	\$ 2.5	\$ 2.5	\$ 2.0	\$ 35.5
Environmental Permitting & Compliance	\$ 0.6	\$ 0.2	\$ 0.2	\$ 0.1	\$ 0.1	\$ 0.1	\$ 4.4
Engineering & Design, Peer Review	\$ 3.0	\$ 2.5	\$ 1.2	\$ 1.1	\$ 0.5	\$ 0.1	\$ 25.0
Uplands Rehabilitation (existing surface, utilities)	\$	\$ 5.1	\$ 0.1				\$ 34.1
Structural Open Cell Sheet Pile & Gravel Fill	\$ 142.4	\$ 101.1	\$ 83.1	\$ 101.1	\$ 83.1	\$ 55.2	\$ 402.8
Borrow Pit Development, Gravel Extraction (EAFB)	\$ 4.6	\$ 1.0	\$ 0.5	\$ 0.6	\$ 0.5	\$	\$ 9.0
Finish Surface, Drainage and Utilities (New Land)	\$ 23.0	\$ 46.3	\$	\$	\$	\$	\$ 225.9
<b>Total Uses</b>	\$ 35.7	\$ 135.3	\$ 88.1	\$ 148.2	\$ 61.7	\$ 57.4	\$ 736.7

Fund South Extension in 2010 for 2011 Construction  
 Fund North Replacement in 2011 for 2012 / 2013 Construction  
 Fund South Replacement in 2012 for 2013 / 2014 Construction

**Cost of Construction:**

**Total Projected Costs** \$ 736.8

12/31/2008