Submitted by: Mayor's Office
Prepared by: Port of Alaska
For reading: May 9, 2023

ANCHORAGE, ALASKA
AO No. 2023-60

AN ORDINANCE OF THE ANCHORAGE MUNICIPAL ASSEMBLY APPROVING THE BASIS-OF-DESIGN CONCEPT SUBMITTED BY THE PORT OF ALASKA MODERNIZATION PROGRAM AND DESIGN ADVISORY BOARD THAT WILL GOVERN THE PHASE 2 MODIFIED CONCEPT FOR THE PORT OF ALASKA GENERAL PURPOSE CARGO TERMINALS.

WHEREAS, it is in the best interest of the public that the essential features of the new general-purpose cargo terminals provide the maximum berth accommodation for a variety of vessels including, but not limited to, those of the primary stakeholders of TOTE and Matson; and,

WHEREAS, the replacement cargo facilities will be designed for a 75-year life span, which requires the essential features to not only consider the vessels that have called at POA historically, but also the type of vessels that will call in the future, and to not only consider vessels owned by current POA tenants, but other vessels common in the industry that might call the Port in the future; and,

WHEREAS, vessels calling on the Port of Anchorage are diverse, including container ships, military warships, cruise ships, and ships using standard industry and military roll-on roll-off (RO-RO) configurations. The trend is also toward larger ships; and,

WHEREAS, the design concept adopted in 2021 (AO No. 2021-56) for Terminal 2 minimizes costs by providing only trestles for TOTE's roll-on roll-off (RORO) operations. However, this also effectively removes any multi-use capabilities and makes Terminal 2 essentially exclusive to the current user. Because the dock is discontinuous, this concept provides no platform space to unload/load cargo vessels by any other means, rendering cargo operations other than TOTE's difficult or impossible to accommodate at Terminal 2; and,

WHEREAS, the currently proposed cargo dock layout utilizes a common industry design with a contiguous dock face extending uniformly the entire length of the two terminals, allowing any vessel the same opportunity to use either terminal, with full cargo service available; and,

WHEREAS, the proposed cargo facility design accommodates both the current fleet and provides flexibility to service additional and larger vessels in the future; and,

WHEREAS, the configuration of the terminals meets USACE requirements for the berth line angle and minimizes the amount of additional maintenance dredging required; and,

WHEREAS, the new cargo facilities will be designed to be resilient by establishing the wharf deck elevation at +44 MLLW to accommodate sea level changes and a

500-year storm surge event. This will enable the Port to support federal and state disaster response/recovery activities with both or either terminal; and,

WHEREAS, the proposed cargo facility design has been thoroughly evaluated internally and by the Design Advisory Board following the process established by the Assembly in 2020, which is codified in AMC 11.50.035; and,

WHEREAS, the Administration and the DAB believe it is in the best interests of the public that both terminals be constructed with a continuous and contiguous dock face, uniform width, and 100-foot gantry cranes capable of being used along the full length of the Terminals 1 and 2, as depicted in attached Exhibit "A"; and,

WHEREAS, Assembly review and approval of any changes that meaningfully impact the user's operations or impact project cost is required in order to advance the next steps in the PAMP design process for the cargo docks; now, therefore,

THE ANCHORAGE ASSEMBLY ORDAINS:

Section 1. The Phase 2 Modified Concept Design for the Port of Alaska general purpose cargo terminals is hereby modified to incorporate a continuous and contiguous dock face, a uniform width, and 100-foot gantry cranes capable of being used along the full length of Terminals 1 and 2, as depicted in the attached Exhibit "A".

Section 2. This ordinance shall be effective immediately upon passage and approval by the Assembly.

_____
Chair of the Assembly

ATTEST:

_____
Municipal Clerk

Exhibit A Attached

MUNICIPALITY OF ANCHORAGE

Assembly Memorandum

No. AM 346-2023

Meeting Date: May 9, 2023

FROM: MAYOR

SUBJECT: AN ORDINANCE OF THE ANCHORAGE MUNICIPAL ASSEMBLY APPROVING THE MODIFIED BASIS-OF-DESIGN CONCEPT SUBMITTED BY THE PORT OF ALASKA MODERNIZATION PROGRAM (PAMP) AND DESIGN ADVISORY BOARD (DAB) THAT WILL GOVERN THE PHASE 2 MODIFIED CONCEPT FOR THE PORT OF ALASKA (POA) GENERAL PURPOSE CARGO TERMINALS.

The Port of Alaska (POA) has adopted certain essential features for the replacement cargo terminals. Because this basic infrastructure benefits the majority of Alaska citizens, the POA recognizes that it should be financed by public financing mechanisms, including municipal, state, and federal grants, loans, and bonds. As such, it is in the best interest of the public that the essential features of the new general-purpose cargo terminals provide the maximum berth accommodation for a variety of vessels including, but not limited to, those of the primary stakeholders of TOTE and Matson. The replacement cargo facilities will be designed for a 75-year life span, which requires the design concept for the replacement cargo facilities to consider not only the vessels that have called at POA historically but also other vessels common in the industry that might call the Port in the future.

When the POA was constructed in the 1960s, the typical ship calling at the port was likely to be a break bulk vessel measuring 450 feet in length. The total length of Terminals 1–3 is 2,110 feet, which easily accommodates three 450’ vessels. TOTE’s ships are now 839’ in length and Matson’s are at least 710’ in length. Add in a cement or petroleum vessel and the combined length is longer than the terminals. Vessels are not only longer, but they are also wider. Existing cranes cannot reach across the full breadth of Matson’s ship, which slows the unloading process. Attached Exhibit “A” contains a partial list of vessels that have called on the POA in recent years. The list is extensive and demonstrates the Port of Alaska needs flexibility for a multidimensional fleet, which includes container ships, military warships, cruise ships, and ships using standard industry and military roll-on roll-off (RO/RO) configurations. The trend continues to be toward larger ships.

The design concept adopted in 2021 (AO No. 2021-56, depicted in attached Exhibit “B”) accommodates the current two vessels operated by TOTE at Terminal 2. This design for Terminal 2 minimizes costs by providing only trestles for the roll on roll off (RORO) operations. However, this also effectively removes any multi-use

capabilities and makes Terminal 2 essentially exclusive to the current user. Because the dock is discontinuous, this concept provides no platform space to unload/load cargo vessels by any other means, rendering cargo operations other than TOTE's difficult or impossible to accommodate at that terminal. As a result, under this concept, all the other vessels that call on the POA must use Terminal 1.

The modified cargo dock design, as proposed, utilizes a common industry design with a contiguous dock face extending uniformly the entire length of the two terminals, allowing any vessel the same opportunity to use either terminal, with full cargo service available. The proposed layout accommodates the current fleet and provides flexibility to service larger vessels in the future. What's more, there is room for future expansion by constructing a third terminal. Exhibit "C" is an illustration that shows how a future Terminal 3 could be constructed adjacent to Terminals 1 and 2.

Fortunately, the modified cargo dock design, as proposed, will not delay the acquisition of required permits. In 2022 the Port chose to apply for permits using the proposed design because it would undergo the most stringent review by federal permitting agencies since this design entails driving more piles than the other alternatives. Once approved, a decision to build something smaller would not require significant re-evaluation by federal permitting agencies.

The configuration of the modified cargo dock design, as proposed, meets USACE requirements for the berth line angle and minimizes the amount of additional maintenance dredging required. The modified cargo dock design, as proposed, will also be designed to be resilient by establishing the wharf deck elevation at +44 MLLW to accommodate sea level changes and a 500-year storm surge event. This will enable the Port to support federal and state disaster response/recovery activities with both or either terminal.

The proposed cargo facility design has been thoroughly evaluated internally and by the DAB following the process established by the Assembly in 2020, which is codified in AMC 11.50.035. The DAB met twice to consider changes to the cargo dock design approved in 2021. The first occasion was a meeting held on August 2, 2022. The meeting was publicly noticed. This meeting addressed separate changes to Terminal 1 and Terminal 2. In particular, the DAB was asked to confirm 100-foot gauge cranes for Terminal 1 and advance the next stage of the core structure design. For Terminal 2, the DAB was asked to approve a continuous berth face and consider widening the platform to accommodate 100-foot gauge cranes. A separate vote was conducted for each terminal. For Terminal 1, the Board voted 4 to 1, with one abstention, to confirm the use of the 100-gauge crane and confirm the use of the core 15% concept design. For Terminal 2, the vote was 5 to 0 to include the continuous berth face in the concept design. Decisions on Terminal 2 seismic design criteria, the width of the berth, and rail accommodations were deferred. A copy of the recommendation of the DAB dated August 5, 2022, is attached as Exhibit "D."

On December 20, 2022, the DAB met again to discuss the cargo dock design configuration. The meeting was again publicly noticed. The modified cargo dock design included the following features: 1) a continuous dock face; 2) of equal width from one end to the other; and 3) 100-gauge gantry cranes capable of being used

the entire length of both terminals. The Program Management Office and POA made presentations and extensive discussions ensued. By a vote of 3-2, the Board voted to recommend approval of the three features for both terminals. A copy of the recommendation of the DAB dated December 20, 2022, is attached as Exhibit "E." As allowed by the Municipal Code, the dissenting members were allowed 30 days to submit a minority report, which was timely received on January 20, 2023. A copy of the Minority Report is attached as Exhibit "F."

Work is about to begin on the design of the replacement cargo docks. A contract has been negotiated with the Designer of Record ("DOR") and Terminal 1 will be designed first. It is important to approve a conceptual design for Terminal 1 as soon as possible to avoid delaying the work of the DOR, which is being carefully choreographed to enable early construction work to commence in 2024. The essential features of Terminal 1 are not disputed. Consequently, it is important that the Assembly at least approve the basis of the design for Terminal 1, even if the Assembly has reservations about approving the design for Terminal 2.

The Administration and the DAB have diligently followed the procedures for soliciting comments from cargo carriers and the public. Following discussion and consideration of the Minority Report, the Administration recommends Assembly approval of the revised basis of design for the replacement cargo docks approved by the DAB. For the reasons stated, the Administration and the DAB believe it is in the best interests of the public that both terminals be constructed with a continuous and contiguous dock face, uniform width, and 100-foot gantry cranes capable of being used along the full length of the Terminals 1 and 2, as depicted in attached Exhibit "G."

THE ADMINISTRATION RECOMMENDS APPROVAL.

Prepared by:	Port of Alaska
Approved by:	Stephen Ribuffo, Port Director and Chair of the PAMP Design Advisory Board
Concur:	Courtney Petersen, Director, OMB
Concur:	Grant Yutrzenka, CFO
Concur:	Anne R. Helzer, Municipal Attorney
Concur:	Kent Kohlhase, Acting Municipal Manager
Respectfully submitted:	Dave Bronson, Mayor

Exhibits A-G Attached

Proposed Cargo Dock Basis of Design

Exhibit A

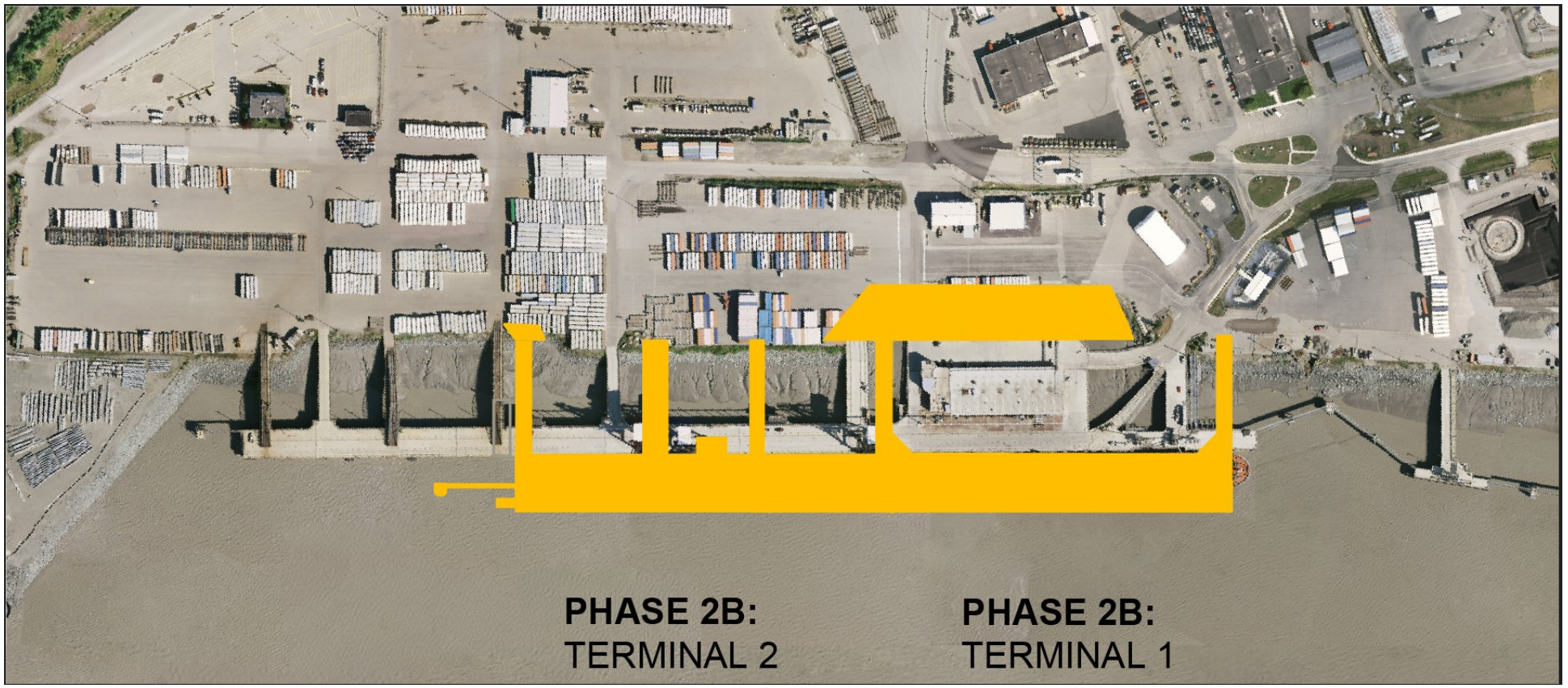


Exhibit B to AM

Current Cargo Dock Basis of Design (AO2021-56)

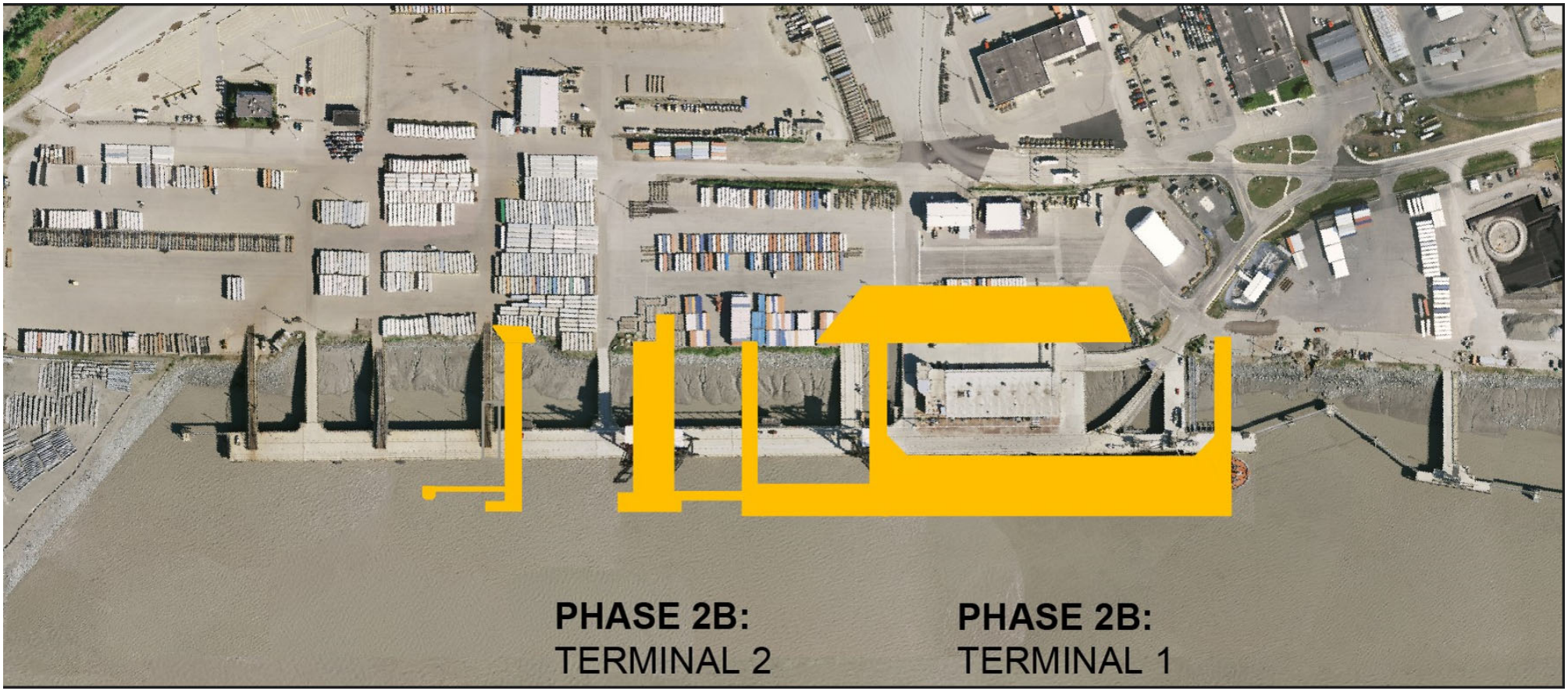
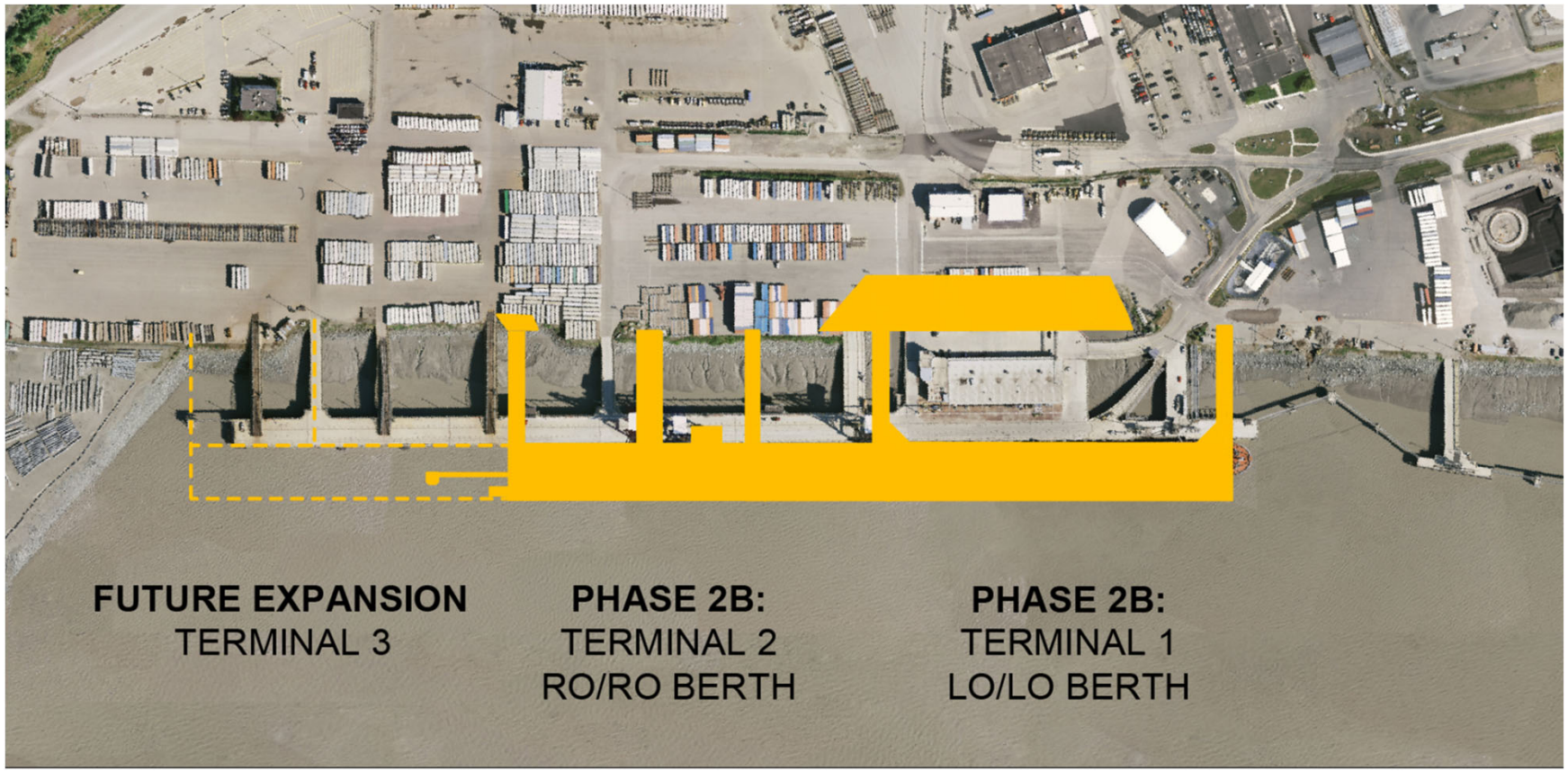


Exhibit C to AM

Cargo Dock Future Expansion?

Possibility should be considered for planning



MUNICIPALITY OF ANCHORAGE

August 5, 2022

TO: Mayor Dave Bronson

FROM: Steve Ribuffo, Chair of the PAMP Design Advisory Board (DAB)

SUBJECT: Recommendations of the PAMP Design Advisory Board from Their August 2, 2022 Meeting

Mayor Bronson;

On August 2, 2022, the PAMP DAB met to evaluate recommendations from Jacobs Engineering on changes to PAMP cargo dock design elements and the associated design schedule. The meeting was publicly noticed, although there was no public present for it. The meeting was recorded for the record, and minutes will be transcribed shortly.

I've attached a copy of the slide presentation for your information and for sharing with the Assembly. After reviewing the presentation and discussing the details of it, the DAB voted as follows:

A. For Terminal 1 – To confirm the use of 100-gauge cranes and to design to that gauge, and to confirm acceptance of the core 15 percent concept design for Terminal 1

   YEA – 4
   NAY – 0
   ABSTAIN – 1 (Mr. Dahlin abstained as he felt it inappropriate for TOTE to comment on infrastructure that will be used predominantly by Matson)

B. For Terminal 2 – To restore the continuous berth face to the concept design

   YEA – 5
   NAY – 0

C. To defer a final decision on the following features until more design/cost data can be acquired by Jacobs: hatch cover storage location, the seismic design criteria for Terminal 2, the width and rail accommodations at Terminal 2, the location of a temporary fuels unloading point.

   YEA – 5
   NAY – 0

My next DAB action is to schedule another board meeting for the first week of December to address the deferred items mentioned above. The meeting was then adjourned.

Exhibit D to AM

On behalf of the DAB, I'm recommending your concurrence with these decisions and further request that you pass this information on to the Assembly for their final approval as required by AMC 11.50.035. sections D.1. and D.2.

Very Respectfully,

Stephen Ribuffo

STEPHEN RIBUFFO, Chair
PAMP Design Advisory Board

Attach: Jacobs Briefing

Exhibit D to AM

MUNICIPALITY OF ANCHORAGE

December 21, 2022

TO: Mayor Dave Bronson

FROM: Steve Ribuffo, Chair of the PAMP Design Advisory Board (DAB)

SUBJECT: Recommendations of the PAMP Design Advisory Board From The December 20, 2022 Meeting

Mayor Bronson;

On December 20, 2022, the PAMP DAB met to review and to vote to concur/not concur with your recommendation for the POA cargo dock PAMP basis of design to be a configuration that: 1) was a continuous, not broken dock face, 2) was of equal width end to end, and 3) would support 100-gauge ship-to-shore gantry cranes. The meeting was publicly noticed, although there was no public present for it. The meeting was recorded for the record, and minutes will be transcribed shortly.

The recording of the proceedings is posted at: https://www.portofalaska.com/modernization-project/design-advisory-board/

I've attached a copy of two slide presentations for your information and for eventual sharing with the Assembly; one which I gave on behalf of the Port and the Municipality, and one presented by David Ames from Jacobs Engineering which described their work analyzing several optional crane gauges. After reviewing the presentations, discussing the details of them, and allowing time for those users who joined in to comment on the information, the DAB voted as follows:

YEA – 3
NAY – 2
ABSTAIN – 0

The No votes came from the TOTE and Petroleum User reps. The substance of their concern was because of the lack of clarity on what the new cost would be of the increased size of the dock footprint, which admittedly may be higher. Further, they would have preferred to table the vote until a later date when a more accurate cost estimate could be made available and a benefit-cost analysis/comparison to the current approved design could be done. Prior to voting on the main motion, a vote was taken on the motion to table. That vote failed 2 YEA to 3 NAY. Consequently, and in accordance with AMC 11.50.035.D.1.c., there will be a Minority Report written by TOTE for submission for your consideration. That report is due January 20, 2023.

My next DAB action is to schedule another board meeting in the March-April time frame to satisfy one of the DAB requirements to meet at least semi-annually. The meeting was then adjourned.

Exhibit E to AM

On behalf of the DAB, I'm recommending you delay concurrence with the DAB's decision in order to consider the Minority Report; and further request that you pass this information on to the Assembly for their final approval as required by AMC 11.50.035. sections D.1. and D.2. once your final decision is made. I am available for discussion if needed.

Very Respectfully,

Stephen Ribuffo

STEPHEN RIBUFFO, Chair
PAMP Design Advisory Board

2 Attach:

1 – MOA/POA Presentation
2 - Jacobs Briefing on Crane Gauges

Exhibit E to AM

TOTE Maritime Alaska

January 20, 2023

Mayor Dave Bronson
632 West 6th Avenue
Anchorage, Alaska 99501

Re: AMC 11.50.035D.1.c. Design Advisory Board Member Minority Report Urging Reconsideration of 3-2 Vote To Adopt Revised Basis-of-Design Documents That Will Likely Increase Initial Port of Alaska Modernization Program Construction Costs by >$200 million, and Future Costs By As Much As $300 Million More, Without Adequate Justification

Mayor Bronson:

By a vote of 3-2, with only one private-sector member agreeing, the Design Advisory Board for the Port of Alaska Modernization Program at its December 20, 2022 meeting voted in favor of a revised design for the Port of Alaska's new cargo docks.[1]

The vote was taken without adequate presentation of relevant alternatives; without adequate consideration of increased costs; and without adequate justification for the proposed expansion.

TOTE and the member of the Design Advisory Board representing petroleum users opposed the decision, which, if proposed by your administration to and subsequently adopted by the Assembly, would likely add more than $200 million to total initial project costs.[2] Anticipated "future costs" were presented to be $149 million for each new cargo terminal.[3] The additional costs derive from three factors: (1) expansion of the dock to accommodate 100-gauge cranes and a third on-dock lane for vehicle traffic; (2) expansion of the dock to create new "backreach hatch-cover laydown areas"; and (3) requiring cargo terminals accommodating separate "lift-on, lift off" and "roll on, roll off' operations to, unnecessarily, be equally wide.

As authorized by AMC 11.50.035D.1.c., this is the "minority report" of TOTE and the member representing the petroleum users.

---

1 *See* Design Advisory Board Meeting (Dec. 20, 2022), available at https://www.youtube.com/watch?v=cTfx85iL_1c

2 *Id.* at 1:37:24, 1:38:34 (statements of David Ames, Jacob Engineering) (additional $30m-$40m to add hatch-cover laydown areas to terminal 1; $150m to $200m to widen the Terminal 2 to the same width as Terminal 1).

3 *Id.* at 11:39.

Exhibit F to AM

TOTE Maritime Alaska

We ask you to request the Design Advisory Board to reconsider its December 20, 2022 vote, and that you instruct Jacobs Engineering, the municipal contractor providing project management services for the Port Modernization Program, to present the Design Advisory Board with alternatives that:

(1) do not involve the construction of three on-dock lanes for vehicle traffic (as there are only two on-dock lanes for vehicle traffic today, and Alaska's consumers are today adequately served),

(2) do not involve on-dock hatch-cover storage areas (as there are no on-dock hatch-cover storage areas at the Port today, and Alaska's consumers are today adequately served), and

(3) do not needlessly require Anchorage's two future cargo docks to be of equal width and/or to include crane rail facilities that will be immediately rendered unusable (i.e., filled in with concrete) to accommodate roll-on, roll-off activities.

We further ask that you instruct the Design Advisory Board, if it subsequently endorses a design that includes additional vehicle traffic lanes, hatch-cover storage areas, or that requires the two future terminals to be of equal width, to provide a written justification for each such requirement, so that all interest parties, and the public, can understand that cost-benefit consideration supporting the recommendation.

Background

The PAMP Design Advisory Board

In July 2020, the Assembly created the Port of Alaska Modernization Program and Design Advisory Board.[4] The stated intent of the Assembly was for the board to function as a steering committee in order to:

(1) provide a forum for continued stakeholder engagement and input,
(2) ensure decisions are made in light of the best available information, and with full awareness of cost implications,
(3) achieve alignment on design choices; and
(4) ensure project continuity as administrations and assembly members change.[5]

The main function of the board is to "develop and recommend for adoption basis-of-design documents for future cargo and fuels infrastructure."[6]

---

4 *See* AO 2020-81, available at: http://www.muni.org/Lists/AssemblyListDocuments/Attachments/622531/AO%202020-081%20OCR.pdf

5 *Id.*

6 *See id.* AMC 11.50.035D.

Exhibit F to AM

TOTE Maritime Alaska

Lift-on, Lift off Operations at Today's Port of Alaska: *38-Gauge Cranes, 2 Vehicle Lanes, and No On-Dock Hatch-Cover Storage*

Today, Matson delivers containerized cargo through the Port of the Alaska using a "lift on/lift off" service model. Cargo containers are removed from fleet vessels by crane.

The cranes currently in service at the Port of Alaska are "38- gauge," meaning, effectively, that, there is a 38-foot space between the rails on which the crane can move. As depicted in the image below, the 38-foot space accommodates two lanes of vehicle traffic to receive the containers.

Image 1.0: Current 38-guage crane operations[7]

Matson vessels have hatches that must be removed for offloading. Today, the removed hatches are simply relocated on the incoming Matson vessel. The Port does not have an off-vessel or on-dock storage area for hatch covers.

TOTE's Request for Alternatives and Cost Estimates

Knowing that the width of the future cargo terminals and the decision of whether to include dedicated on-dock hatch-cover storage areas both: (1) significantly affect total project costs, and (2) would need to be addressed by the Design Advisory Board at is December meeting, TOTE submitted a request on October 26, 2022 for the members to be provided with

---

[7] Screen capture from Mayor Dave Bronson, *Save the Port of Alaska* (April 21, 2022), available at: https://www.facebook.com/watch/?v=724452622242913

"estimates . . . of the incremental costs of constructing a new lift-on/lift-off terminal of various widths, and with or without a dedicated, on-wharf hatch-cover storage area."[8]

TOTE never received a response to its October 26, 2022 letter.

November Emails Announcing the Requirement That Future Cargo Terminal Be Identical

Instead, on Nov. 18, 2022, TOTE and the other members of the Design Advisory Board received emails indicating that the Administration had determined that it is an "essential requirement" that the Port's two future cargo terminals be "identical" or at least of "uniform width."[9]

The email noted that the Port of Alaska's current Terminal 2 (used primarily by Matson) and Terminal 3 (used primarily by TOTE) are of equal width, and that crane-rail infrastructure was once installed at Terminal 3. As further reflected in pictures attached to the email, the crane rail infrastructure installed at Terminal 3 has been filled with concrete (and thereby rendered inoperative) to accommodate Roll-on, Roll Off cargo operations. To TOTE knowledge, the crane-rail infrastructure installed at Terminal 3 has not been used for over 30 years.

TOTE was surprised to receive the emails as: (1) they did not come with any cost information, and (2) the design advisory board had never discussed or considered requiring the future cargo terminals to be of equal width; to the extent the emails indicated that a decision had already been made, they appeared to circumvent the Design Advisory Board process, and not to have been informed by users information or perspectives.[10]

---

8 *See* TOTE Letter to Ribuffo, Re: Design Considerations and Cost Estimates for Lo/Lo Terminal Width and Hatch-Storage Options (Oct. 26, 2022), attached as Exhibit 1.

9 *See* Email of Steve Ribuffo (Nov. 18, 2022) (forwarding an email of Kolby Hickel of Nov. 9), attached as Exhibit 2.

10 *Cf.* AMC 11.50.035 *Port of Alaska Modernization Program and Design Advisory Board* (emphasis added):

> D. *Purpose and duties; basis-of-design documents.* The PAMP-Design Advisory Board shall develop and recommend for adoption basis-of-design documents for future cargo and fuels infrastructure.
>
> 1. *Recommendation of basis-of-design documents and dispute resolution to the mayor.* The board is advisory to the mayor and assembly.
>
> a. The board shall advise the mayor to propose for adoption by the assembly design criteria in basis-of-design documents to govern additional cargo and fuels infrastructure at the Port of Alaska.

Jacobs' December 20, 2022 Presentation

Prior to arriving at the December 20, 2022 meeting, members of the Design Advisory Board never received information about: (a) design alternatives, or (b) cost estimates.

The first presentation of alternatives and associated cost estimates occurred at the meeting, in a presentation made by Jacobs Engineering. A copy of the presentation was first emailed to the members *after* the meeting, on December 22, 2022.[11]

The report outlined four options, each of which assumed that the two future cargo docks would be of equal width:

(1) a 100-gauge crane accommodating option, which initially would have no "backreach area" for hatch covers; the option could result in five lanes of vehicle traffic, but two lanes would be sacrificed for hatch-cover storage; the initial cost of the option was projected to be $598 million, but the costs would grow to $149 million if the "backreach area" for hatch storage for was later made functional so that all five vehicle lanes could be used.

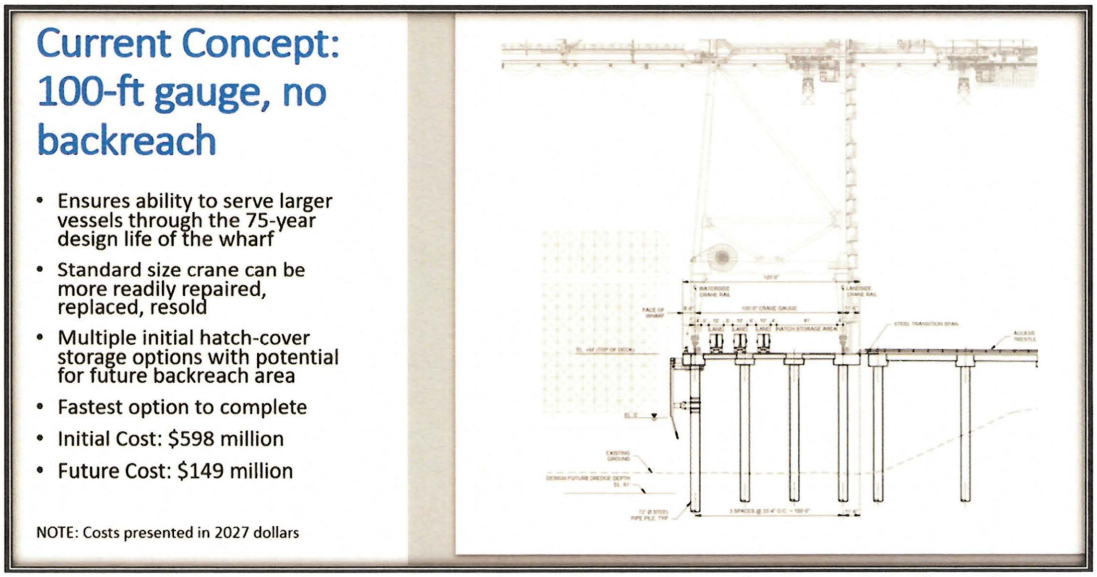


Image 2.0 100-gauge option with initial non-functional backreach area

The remaining options, by contrast, all assumed that a "backreach" area would be built immediately; unsurprisingly, this resulted in significantly higher initial construction costs, even for docks accommodating smaller crane-gauges:

(2) a 100-gauge crane option with a backreach area projected to cost $731 million; Jacobs noted, however that "there's not really a fiscal advantage to the city," and "only a slight operational advantage [to users]" to actually construct the

---

11 *See* JACOBS, *POA Crane Gauge Comparison: Meeting of Design Advisory Board 20 Dec 2022*, attached as Exhibit 3.

"backreach area"; in Jacobs's view, the "additional $130 million investment" is not warranted in the short term;[12]

(3) a 50-gauge crane option with a backreach area, enlarged to accommodate a third lane of vehicle traffic (which would also have to located behind the crane), all causing the option to be *larger* than the 100-gauge option, and to come with a projected initial cost of $661 million (with an additional $124 million if the dock were ever expanded to accommodate a 100-guage crane); and

(4) a 64-gauge crane option with a backreach area, accommodating three lanes of vehicle traffic, projected to cost $656 million (with an additional $129 million if the dock were ever expanded to accommodate a 100-guage crane).

Summary Comparison

ALTERNATIVE	INITIAL CRANE GAUGE	INITIAL WIDTH	INITIAL COST	INITIAL COST DELTA	FUTURE COSTS	ADVANTAGES	DISADVANTAGES
BASELINE	100-ft	120 ft	$598M	---	$149M	• Accommodates 100-ft-gauge cranes with minimal berth width • Ensures ability to serve larger vessels through the 75-year design life of wharf • Common-gauge crane, can be more readily acquired, replaced, resold • Fastest path to completion	• Designated hatch-cover storage areas do not meet current user preference • Limited to three truck lanes between cranes
ALTERNATIVE 1	100-ft	164 ft	$731M	+133M	---	• Ensures ability to serve larger vessels through the 75-year design life of wharf • Common-gauge crane, can be more readily acquired, replaced, resold • Builds future hatch cover storage needs immediately	• Longest construction duration of alternatives under consideration • Requires repeat of preliminary design process • Requires permit revisions with increased pile count
ALTERNATIVE 2	50-ft	130 ft	$661M	+63M	$124M	• Accommodates current user request regarding crane gauge and backreach area	• Narrower-gauge may require structural modifications to wharf or cranes to serve larger vessels through the 75-year design life • Longer construction duration than baseline • Requires repeat of preliminary design process • Requires permit revisions with increased pile count • Expansion requires disruption of operations or costly initial features
ALTERNATIVE 3	64-ft	128 ft	$656M	+58M	$129M	• Minimizes crane gauge needed to accommodate three lanes under crane • Accommodates current user request for backreach area	• Narrower-gauge, non-standard-size may require structural modifications to wharf or cranes to serve larger vessels through the 75-year design life • Longer construction duration than baseline • Requires repeat of preliminary design process • Requires permit revisions with increased pile count • Expansion requires disruption to operations or costly initial features

Image 2.1 Summary of options (with highlight)

As indicated in the highlighted portion of the slide above, the presentation noted that a backreach area for hatch cover storage is a "current user request [from Matson]," but otherwise included no justification for including a backreach area in the design. Indeed, Jacobs noted that "there are other alternatives for hatch cover storage."[13]

Further, Jacobs noted that the alternatives were each accommodating Matson's request "for three lanes plus hatch cover storage."[14] But neither Jacobs nor the Port spoke to the need for

12 *See* Design Advisory Board Meeting at 11:20.

13 *Id.* at 34:02.

14 *Id.* at 35:02.

or benefits of adding vehicle traffic lanes. As Jacobs put it: "as far as what the business benefit is financially, that's something Matson would have to provide."

Finally, the presentation from Jacobs noted that 100-gauge cranes are not needed to accommodate the vessels that Matson intends to bring to the Port.[15] And there was no clear discussion of what size vessel would *require* the Port to have larger cranes; of what gauge crane would actually be necessary to accommodate those larger vessels; or of whether such larger ships can even dock at the Port of Alaska (given tides, Cook Inlet shoals, and other considerations).

The December 20, 2022 Vote

Ultimately, the question put to the design advisory board members was as follows:

- The Mayor recommends changing the PAMP cargo dock design from that which was approved by the Assembly on June 22, 2021, in AO 2021-56, to a cargo dock design that supports 100-foot gauge cranes and has a continuous deck of equal width end to end with crane rail that runs the entire length. **Do you concur?**

As to costs, the Port director indicated that he "really do[es]n't care" about the costs associated with expanding the design because the facility must "serve the purposes that the municipality wants to it have" and "it costs what it costs."[16] He indicated that, indeed, it was his view that it was entirely "up to every individual board member to decide whether . . . they're going to consider the cost component of this."[17]

DISCUSSION

The Municipality and the public were not well served by the recent Design Advisory Board proceedings. Members were not presented with sufficient information ahead of the meeting to make an informed decision; the process was not designed to elicit information from the members; an inadequate range of alternatives was not proposed; and no compelling justification for the decisions to accommodate 100-gauge cranes, hatch-storage areas, or additional vehicle traffic lanes—or require the future cargo terminals to be of equal width—was provided.

Indeed, it appears that significantly cheaper alternatives that would continue to adequately serve Alaskans and Alaska's military operations are available to the municipality.

No options were presented that eliminated on dock hatch-storage areas, or that allowed less than three vehicle traffic lanes. But back-of-the-envelope analysis of the options that *were* presented indicate that cargo-dock costs are likely to be in the range of approximately $5 million

---

15 *Id.* at 7:24.

16 *Id.* at 58:44.

17 *Id.* at 2:07:31.

per foot of dock width.[18] Removing the approximately 43-feet required to accommodate a "backreach" area, and the approximately 16 additional feet required to accommodate a third lane of traffic in the 50-gauge alternative suggests the following (significantly less costly) options are also available to the Municipality, and should be discussed:

Option	Approximate dock width	Estimate (assuming $5 m / ft of width)
50-gauge, no backreach, two vehicle lanes	71 ft	$355m
64-gauge, no backreach	87 ft	$435m

Again, we ask you to request the Design Advisory Board to reconsider its December 20, 2022 vote, and that you instruct Jacobs to present the Design Advisory Board with alternatives that:

(1) do not involve the construction of three on-dock lanes for vehicle traffic

(2) do not involve on-dock hatch-cover storage areas, and

(3) do not needlessly require Anchorage's two future cargo docks to be of equal width and/or to include crane rail facilities that will be immediately rendered unusable (i.e., filled in with concrete) to accommodate roll-on, roll-off activities.

We also ask that you instruct the Design Advisory Board, if it subsequently endorses a design that includes additional vehicle traffic lanes, hatch-cover storage areas, or that requires the two future terminals to be of equal width, to provide a written justification for each such requirement, so that all interested parties, and the public, can understand the cost-benefit consideration supporting the recommendation.

Such justification will also go toward revealing whether any such expansion beyond current Port of Alaska capabilities is truly an operational need of the Port to serve the People of Alaska, or merely a user-requested "upgrade" that should be financed by the requesting party (and not users not needing or requesting the upgrade.)

---

[18] Using the width and estimate figures from table 2.1, one can derive the following:

Option	Dock width	Estimate	Derived Cost ($ m)/ft of width
100-guage	120 ft	$598m	$4.98
100-gauge w/backreach	164 ft	$731m	$4.46
50-gauge w/backreach	130 ft	$661m	$5.08
64-gauge w/backreach	128 ft	$656m	$5.13
		Average	**$4.91**

TOTE Maritime Alaska

*** *** ***

Thank you for the opportunity to provide these comments. On behalf of the TOTE organization and the Port's longest-serving cargo port user, we look forward to engaging directly with the Municipality on efforts to modernize of this vital asset that is so incredibly important to the State of Alaska. We are committed to this effort and to coordinating with other relevant stakeholders to ensure alignment on the project needs, the associated costs, and the potential funding sources to ensure we achieve our shared goal of a functioning port that will serve the State of Alaska for decades more to come.

Sincerely,

Art Dahlin
TOTE Maritime Alaska
Vice President and Alaska General Manager
Member, PAMP Design Advisory Board

Bert Mattingly
AFSC
Petroleum and Cement Users Representative
Member, PAMP Design Advisory Board

Attachments:
TOTE Letter of Oct. 26, 2022
Email from Administration of Nov. 9, 2022
Jacobs Crane Gauge Comparison Presentation of Dec. 20, 2022

cc: Steve Ribuffo, Director, Port of Alaska, DAB Member
Larry Baker, DAB Member appointed by the Mayor
Vic Angoco, Matson, DAB Member
Bert Mattingly, ASIG, DAB Member
Chris Constant, Chair, Assembly Enterprise and Utility Oversight Committee
Meg Zaletel, Vice Chair, Assembly Enterprise and Utility Oversight Committee
David Ames, Jacobs Engineering, PAMP Project Lead

Exhibit F to AM

Exhibit G to AM

Proposed Cargo Dock Basis of Design