



Port of Alaska

LEGISLATIVE BRIEFING: \$100M CAPITAL REQUEST

Why invest in the Port of Alaska?

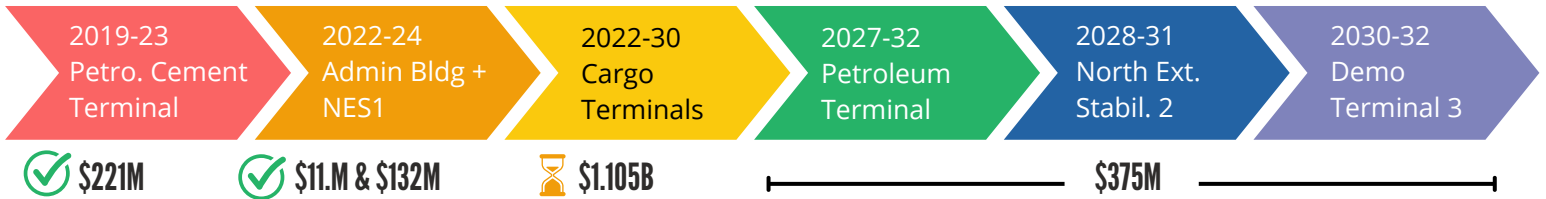
- **90% of Alaskans rely on goods** shipped through the Port of Alaska: construction materials, fuel, diapers and milk
- The Port drives **\$14 billion in statewide economic activity** annually
- Weekly intake of the Port is equal to 700 cargo flights on 747s
- The U.S. Department of Defense has identified the **Port of Alaska as one of 18 commercial strategic seaports** in North America and Guam
- **Funding gaps will be filled with tariffs**, which get passed to consumers and drive up prices statewide

**2023 REQUEST:
\$100 MILLION**

Why trust this project?

- **Track record of success:** money invested in the project has tangible deliverables: Petroleum Cement Terminal complete, Administration Building construction underway, preconstruction work for North Extension Stabilization I (NES1) underway and on track for spring 2023 construction start
- The **stakeholders are working together collaboratively to plan and design the project:** project managers & engineers, port users & stakeholders, Mayor and Assembly
- **Funding is diverse:** state, federal, Port revenue bonds, MARAD litigation proceeds
- Phased approach means that **investors can see results before making new investments**

COMPLETE IN PROGRESS ... PLANNING & FUNDRAISING ... NEXT STEPS



Timeline notes: North Extension stabilization has two steps - NES1 has to be complete before cargo dock construction; NES2 can happen before or after. Fundraising for the cargo terminals is in progress. Next steps can start earlier if funding available.





Funding

- Port of Alaska Modernization Project estimated all in = \$1.9B. **\$469M already on-hand** (does not include \$367M expected from MARAD judgement award, which is in the Appeal process, decision tbd)
- **\$1B funding needed by 2025** to begin construction before the end of life of current terminals
- **2022: \$74M awarded in federal grants** (including a coveted Port Infrastructure Development Program grant (PIDP) for \$68.7M) – **thanks to SOA** matching funds; multiple grant requests still pending
- 2023 and beyond: **Port continues to apply for federal grants** and Congressionally Directed Spending; **regular investments from the State are needed to maintain this cycle of federal support**
- The Port is committed to using all MARAD litigation proceeds to fund PAMP-related expenses
- The project team is currently working to bring costs down below current estimates

State of Alaska Investments in the Port of Alaska

Year	Amount Invested	Deliverable
2012	\$30M	Modernization Project Planning + PCT
2013	\$48.5M	Petroleum Cement Terminal (PCT)
2013	\$50M (G.O. Bond)	
2019	\$20M	
2023	\$25M	Admin Building + North Ext. Stabil. 1 (NES1)
2023	\$100M (for fed. match)	North Ext. Stabil. 1- \$63.3M (\$36.7M remaining)
2024	\$75M	Cargo Terminals - Planning
2023 Request: 2024	\$100M	Cargo Terminals

Your investments get results!

NEXT STEPS

- Open Petroleum Cement Terminal for regular operations - Spring 2023
- Open Administration Building by early 2024
- Finalize plans for North Extension Stabilization in 2023
- Begin North Extension Stabilization Step 1 in 2023 and complete by end of 2024
- Continue cargo terminal planning, fundraising, and contracting
- Cargo Terminal 1 construction start by 2025 + Terminal 2 planning and construction