

ALASKA

RAILROAD

News Release

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FOR IMMEDIATE RELEASE

Alaska Railroad marks major milestone for Seward passenger dock replacement

With signing of House Bill 127, Gov. Mike Dunleavy gives Railroad bonding authority to fund replacement of passenger dock and cruise terminal

ANCHORAGE, Alaska – The Alaska Railroad Corporation (ARRC) now has the authority to sell up to \$60 million in bonds to fund upgrades to its cruise passenger dock and terminal facility in Seward after Gov. Mike Dunleavy signed House Bill 127 into law earlier this month.

The milestone allows ARRC to move forward with an investment of more than \$80 million for the dock and cruise terminal facility. Bank of America Securities, Inc., was also identified as the underwriter for issuing the bonds. Their team visited Seward this week with ARRC to get acquainted with the project and move forward with next steps in the underwriting process.

The construction timeline calls for the new passenger terminal to be operational for the 2025 season. The upgrades are needed as Seward provides a critical connection to thousands of cruise passengers who arrive in Alaska each summer and then go on to travel throughout the state, bringing tourism dollars to Alaska businesses.



Governor Dunleavy, far right, signed HB 127 on July 3, paving the way for the railroad to seek up to \$60 million in revenue bonds for the Seward passenger dock replacement project. Pictured from left to right are local dignitaries who joined the governor for the bill signing: Senate President Peter Micchiche, ARRC External Affairs Director Christy Terry, and Rep. Louise Stutes. (Photo courtesy of Governor Dunleavy's office)

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“We appreciate the governor’s strong support for the railroad and our ability to finance critical Alaska infrastructure,” said ARRC President and CEO Bill O’Leary. “Seward has been an essential gateway for the Alaska Railroad for decades. Replacing the dock and enhancing our passenger terminal will ensure this important connection remains intact for all railbelt communities for many more decades to come. We are on the cusp of celebrating the Railroad’s centennial, 100 years as a critical transportation link. It is fitting to mark the occasion by starting a project that will offer profound benefit to communities all along our rails.”

Because ARRC has its own bonding powers, none of the project costs will be paid by state dollars. ARRC plans to issue bonds totaling \$60 million and the remaining costs will be paid through existing dock fees and capital funds.

ARRC already has interest in the dock upgrades from Royal Caribbean Group as the two are in negotiations for a multi-year berthing agreement that features an annual revenue guarantee.

“Our cruise brands have enjoyed operating out of Seward for more than 20 years and with this investment, our guests will continue building memories that last a lifetime,” said Wendy Lindskoog, Royal Caribbean Group’s regional vice president of government relations for Alaska and the West Coast. “Our aligned vision to support this new dock with the governor, legislators and ARRC means long-term economic benefit to the region and the ability for Royal Caribbean Group to bring our newer, more energy-efficient ships to the market.”

“We are thankful for the strong return of the cruise ship industry after a two-year hiatus,” said Seward City Manager Janette Bower. “We appreciate the support from Gov. Dunleavy, Senate President Peter Micciche (R), House Transportation Committee Chair Rep. Grier Hopkins (D) and Rep. Bart LeBon (R), allowing the Alaska Railroad to move forward with this valuable project and the economic benefit it provides through cruise ship tourism dollars for our local businesses, including commercial passenger vessel funds for both the city and borough, the marine industry in Seward and throughout the state.”



The ARRC also has a project in the works expanding the freight dock and corridor improvements in Seward. In total, the ARRC is on track to invest more than \$100 million in the community of Seward over the next five years.

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