

ALASKA

RAILROAD

News Release

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FOR IMMEDIATE RELEASE

Alaska Railroad bonding authority approved for Seward dock replacement

Seward dock and terminal upgrades are key to further advancing cruise tourism in Southcentral Alaska

ANCHORAGE, Alaska –The Alaska State Legislature passed legislation authorizing the Alaska Railroad Corporation (ARRC) to sell bonds to fund the replacement of its passenger dock and terminal in Seward on Wednesday. It will now go to the governor for approval.

Pending the governor’s signature, ARRC will be able to sell up to \$60 million in bonds to replace the aging dock in Seward. This dock is a critical connection to the 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.

“We are grateful for Senate President Peter Micciche (R) and House Transportation Committee Chair Rep. Grier Hopkins (D) for introducing and shepherding this bond authorization through the legislature,” said ARRC President and CEO Bill O’Leary. “And, we are thrilled the legislature provided its resounding support for this vital project that strengthens Alaska’s cruise market in Southcentral Alaska. Now, we will get to work making this new dock and terminal a reality for the benefit of our tourism partners across the state who are ready to welcome cruise guests for decades to come.”

Because the ARRC has its own bonding powers, none of the project costs for the replacement of the dock and terminal facility will come from state dollars. Total project costs are estimated at nearly \$80 million to replace the existing dock and terminal facility. Revenue bond debt will be repaid from dock user fees. The remaining costs will be paid through existing dock fees and ARRC capital funds.

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The project is on the fast track with support from Royal Caribbean Group, a longtime partner of the Seward cruise ship terminal. ARRC and Royal Caribbean Group are finalizing a multi-year berthing agreement that features an annual revenue guarantee. Royal Caribbean Group has three brands calling upon Alaska this 2022 cruise season – Royal Caribbean International, Celebrity Cruises and Silversea Cruises.

“For those cruise visitors who want to get the most out of their Alaska vacation experience, Seward is at the top of their list,” said Royal Caribbean Group Regional Vice President of Government Relations for Alaska and the West Coast, Wendy Lindskoog. “Great guest experiences are inclusive of sound destination infrastructure, innovative ships, exceptional onboard service and plenty of things to see and do in the communities we visit. For many years, we have benefited from the strong community and business relationships in Seward and the Alaska Railroad Corporation’s pending improvements to the passenger dock will be critical to Seward’s continued status as a vibrant cruise transportation hub.”

With legislative approval, the ARRC is on track to invest more than \$100 million in the community of Seward over the next five years through large-scale capital projects including the passenger dock and terminal facility replacement. There is also a separate project to upgrade the freight terminal in Seward.

“The Alaska Railroad has been an excellent partner with the city and community, and we look forward to our continued partnership,” said Seward City Manager Janette Bower. “We believe in this vital 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.”

Under the current construction timeline, the new passenger dock will be operational for the 2024 season. The terminal facility would be operational by 2025.

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