



ALASKA RAILROAD

SEWARD PASSENGER DOCK REPLACEMENT

DEVELOPMENT REQUIRES BOND AUTHORIZATION BY LEGISLATURE

SEWARD'S PASSENGER DOCK AND TERMINAL ARE CRITICAL INFRASTRUCTURE FOR ALASKA'S VISITOR INDUSTRY.

Owned and operated by the Alaska Railroad Corporation (ARRC), these aging facilities are at the end of their useful lives and cannot continue to support Seward's cruise visitors without replacement.

ARRC has received a proposal for a new passenger dock and terminal facility at a purchase price of \$137 million. The requested \$75 million in bond authorization would be additive to the \$60 million authorized in 2022, with ARRC making an equity investment in the project as well. Securing the additional bond authorization this session is critical to meeting our timeline of completing the new dock and terminal in time for the 2026 cruise season.

- Bonds issued by ARRC are not a liability of the state, and no state dollars will be used for repayment.
- ARRC bonds will be secured by a long-term use agreement with Royal Caribbean Group.
- The existing passenger dock is near the end of its useful life; replacement is necessary to maintain Seward as cruise port.
- A new dock and terminal facility will support the next 50 years of visitor demand.

\$60 million

Legislature authorized ARRC to issue bonds in 2022

\$75 million

Additional requested bond authority to complete passenger dock & facility

\$0

State of Alaska is not obligated for bond debt, which will be repaid in full by ARRC at no cost to Alaskans

2026

New dock and terminal building complete and ready for summer 2026 cruise season

ABOUT THE ALASKA RAILROAD

ARRC provides year-round rail transportation throughout Southcentral and Interior Alaska, in addition to real estate holdings that include the Seward passenger dock and terminal. The self-sustaining, state-owned corporation connects Alaskan communities to goods, passenger services and economic opportunity.

safety • service excellence • integrity • teamwork • sustainability

188,124

Number of cruise passengers in Seward in 2023

87

Number of cruise ship calls in Seward in 2023

\$882

Average spending in Alaska per cross-gulf cruise guest (additional to cruise and land packages)¹



2026

New Seward passenger dock and terminal complete for summer 2026, ready to support next 50 years of cruise visitors.

2025

Construction of new pier and terminal building to begin at end of 2025 cruise season.

2024

HB122 & SB105 request additional \$75 million in bond authority; approval essential to advance dock project.

2022

HB127 introduced and passed authorizing ARRC to issue revenue bonds to finance replacement of Seward passenger dock & terminal up to \$60 million.

2015

ARRC initiates Railport Seward, considering current & long-term needs at Seward Marine Terminal.

2001

ARRC completes Seward freight dock; prior dock will serve as a passenger-only facility.

1966

Seward passenger dock constructed originally serving passengers and freight.

¹ https://dot.alaska.gov/stwddes/desbridge/assets/grant/eastbridges/a_visitor_report_7.pdf, p. 251

GATEWAY TO SOUTHCENTRAL & INTERIOR ALASKA

- In 2022/2023, tourism generated \$5.6 billion in economic output, with \$3.9 billion in direct spending.²
- Over 40% of summer visitors to Denali and Fairbanks originate from cross-gulf cruises.³
- In 2020, a single year of no-sail orders cost the city of Seward an estimated \$2.4 million on tax revenue.²

² www.alaskatourism.org/resources/tourism-works-for-alaska

³ <https://gov.alaska.gov/wp-content/uploads/04082021-Cruise-Impacts-to-Alaska.pdf>, p. 5