

# ALASKA RAILROAD

## BOARD OF DIRECTORS SPECIAL Board Meeting

Thursday, August 1, 2024  
Commencing at 9:00 a.m. in person at  
327 West Ship Creek Avenue, Anchorage, Alaska 99501

&

### Join Zoom Virtual Conference Room

<https://us02web.zoom.us/j/85145170707?pwd=p6unt9gxy9BnKkrlhlwmeyigIOiq1O.1>

Meeting ID: 851 4517 0707

Passcode: 076940



### Dial-In by your nearest location to join by audio only

+1 669 900 6833 US (San Jose)

+1 719 359 4580 US

+1 253 205 0468 US

+1 253 215 8782 US (Tacoma)

+1 346 248 7799 US (Houston)

+1 669 444 9171 US

+1 386 347 5053 US

+1 507 473 4847 US

+1 564 217 2000 US

+1 929 205 6099 US (New York)

+1 301 715 8592 US (Washington DC)

+1 305 224 1968 US

+1 312 626 6799 US (Chicago)

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**ALASKA RAILROAD CORPORATION  
BOARD OF DIRECTORS  
SPECIAL BOARD MEETING  
327 West Ship Creek Avenue, 3<sup>rd</sup> Floor  
Anchorage, Alaska 99501**

**[Join Zoom Meeting](#)**

**<https://us02web.zoom.us/j/85145170707?pwd=p6unt9gxy9BnKkrIhlwmeyiqiOiq1O.1>**

**Meeting ID: 851 4517 0707**

**Passcode: 076940**

or **Dial in** 1 669 444 9171 US / 1 669 900 6833 US (San Jose)

**AGENDA**

**Thursday, August 1, 2024 ~ 9:00 a.m.**

**I. CALL TO ORDER**

This special meeting has been called for the purpose of considering the proposed replacement of the Passenger Dock and Terminal at the Corporation's Seward Terminal Reserve with new dock and terminal facilities to be constructed by developer Seward Company, LLC, and then purchased by the Corporation for a guaranteed purchase price, including considering whether to authorize the Corporation to enter into a purchase and sale, leasing and lease termination agreement ("PSA") and Ground Lease with Seward Company; a Pier Usage Agreement ("PUA") with Royal Caribbean Group ("RCG"); a bank financing agreement to pay a portion of the purchase price for the new facilities. The Board will also consider whether to approve two Authorizations for Expenditure associated with construction and purchase of the new facilities.

A portion of this meeting will be held in Executive Session to discuss confidential and privileged information related to the foregoing matters.

**II. ESTABLISHMENT OF QUORUM**

**III. ADOPTION OF AGENDA**

**IV. CONFLICT OF INTEREST DISCLOSURES**

**V. OPPORTUNITY FOR PUBLIC COMMENT (For Agenda Items Only)**

**VI. NEW BUSINESS** (a portion to be held in Executive Session to discuss confidential and privileged information related to the following action item)

**A. Action Item**

1. **[Seward Passenger Dock and Terminal Replacement](#)** and Related Agreements and Authorizations for Expenditure

**B. Adoption of Consent Agenda**

1. [Resolution No. 2024-19](#) – Relating to Authorization for the Corporation to Enter into Certain Agreements and Take Necessary and Appropriate Steps to Accomplish the Construction, Purchase and Financing of a New Seward Passenger Dock and Terminal
2. [Resolution No. 2024-20](#) – Relating to Funding of a Deposit Toward the Purchase of a New Seward Passenger Dock and Terminal ([AFE No. 11293](#))
3. [Resolution No. 2024-21](#) – Relating to Funding of an Upgraded Transfer Span for the New Seward Passenger Dock and Terminal ([AFE No. 11294](#))
4. [Resolution No. 2024-22](#) – Relating to Approval of a Financing Proposal and Taking Further Action to Finance All or a Portion of the Seward Passenger Dock Project
5. [Contract Lease No. 21051](#) – Seward Company, LLC

**VII. OPPORTUNITY FOR PUBLIC COMMENT (For Agenda Items Only)**

**VIII. DIRECTORS/CEO/STAFF COMMENTS**

**IX. ADJOURNMENT**

# Public Session Presentation re Port of Seward by Seward Company - AKRR Aug 1 PDF





# Alaska Railroad Cruise Port



# IT'S TIME - REBUILT IN 1965



Photo Taken: *March 1965*

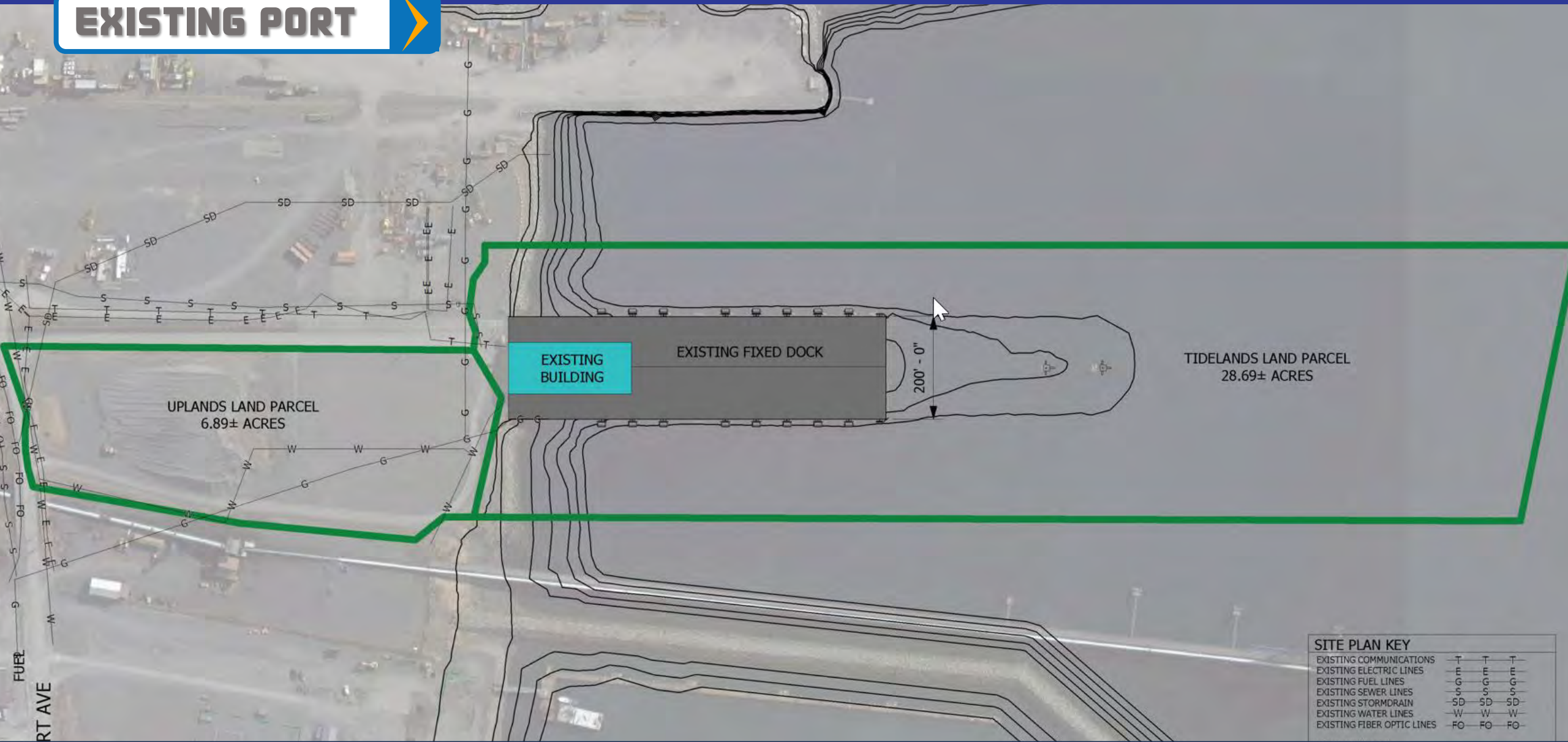


Photo Taken: *October 1965*





# EXISTING PORT



UPLANDS LAND PARCEL  
6.89± ACRES

EXISTING  
BUILDING

EXISTING FIXED DOCK

200' - 0"

TIDELANDS LAND PARCEL  
28.69± ACRES

### SITE PLAN KEY

EXISTING COMMUNICATIONS LINES	-T	-T	-T
EXISTING ELECTRIC LINES	-E	-E	-E
EXISTING FUEL LINES	-G	-G	-G
EXISTING SEWER LINES	-S	-S	-S
EXISTING STORMDRAIN LINES	-SD	-SD	-SD
EXISTING WATER LINES	-W	-W	-W
EXISTING FIBER OPTIC LINES	-FO	-FO	-FO



# UPDATED LAYOUT





# TERMINAL BUILDING







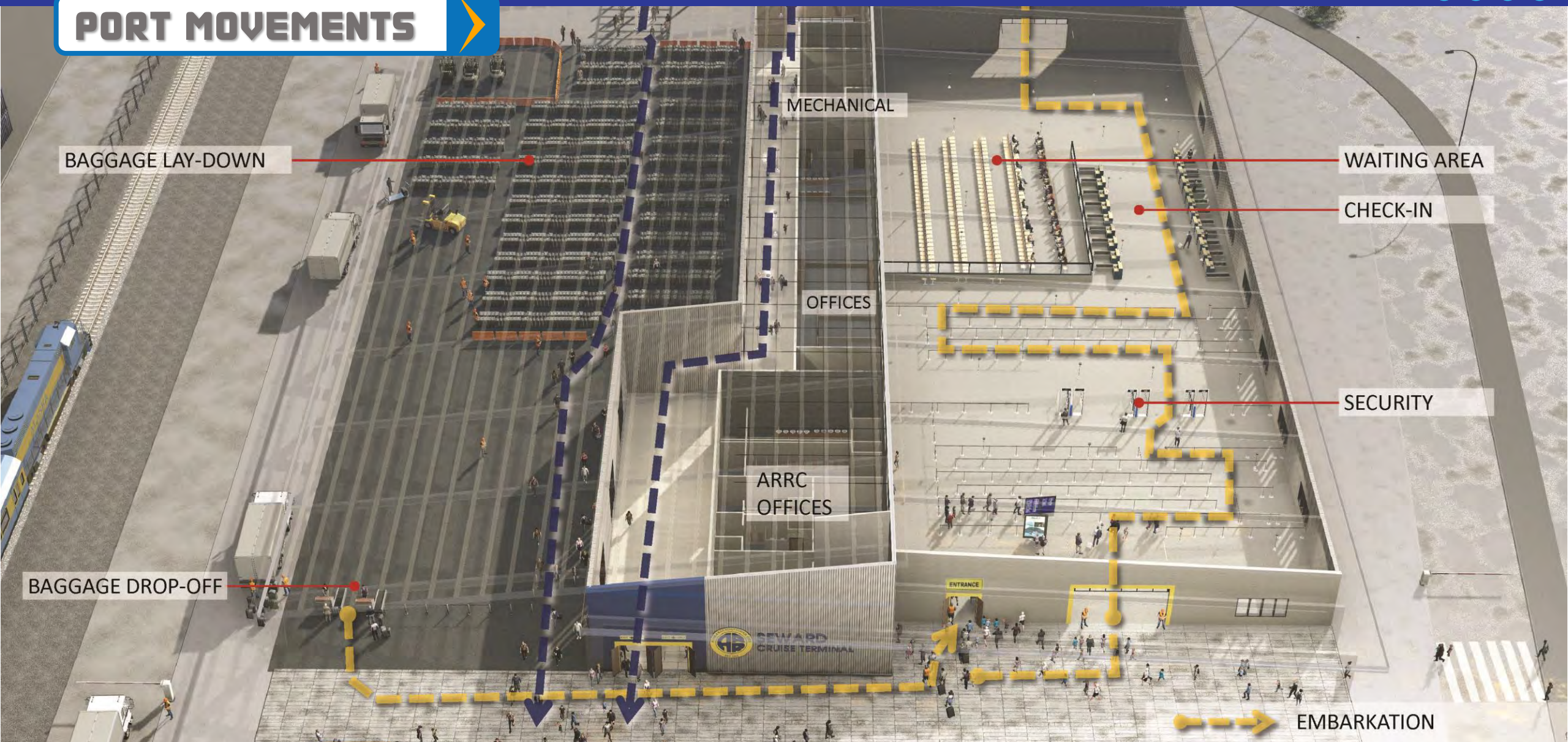


# TERMINAL BUILDING



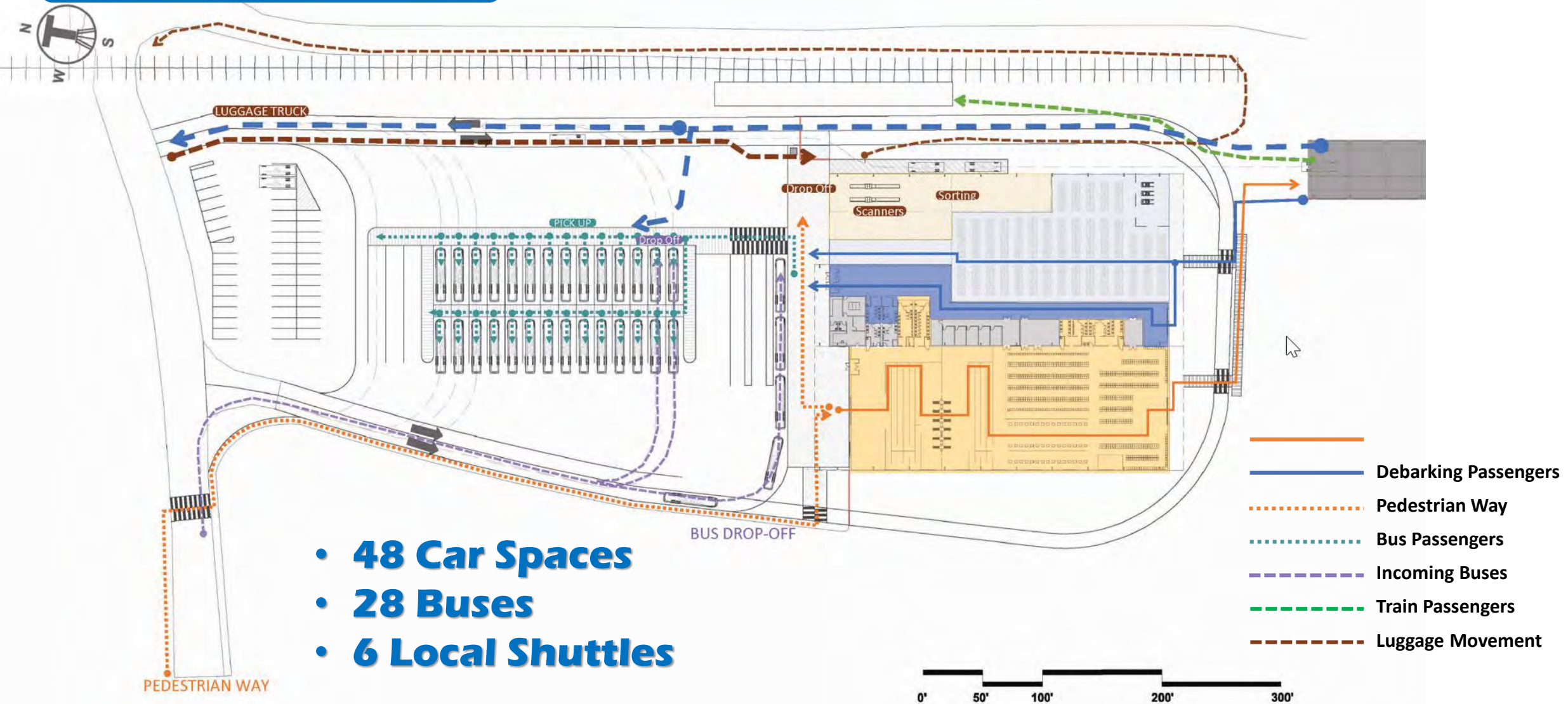


# PORT MOVEMENTS





# PORT MOVEMENTS



- **48 Car Spaces**
- **28 Buses**
- **6 Local Shuttles**



# LARGEST FLOAT

## WIDER DECK

SEWARD FLOAT IS 100 FEET WIDE

## LONGER FLOATS

SSEWARD FLOAT IS 748 FEET LONG  
THE LONGEST CRUISE FLOAT

## ACCOMMODATING

THE PORT SPORTS 40 BALLARDS  
FUNCTIONAL FOR ALL VESSELS



# DOCK STRUCTURE



## LOAD RANGE

HS20-44 – SEMI-TRUCK  
SUPPORTING 20 TON FORKLIFTS

100 Feet

748 Feet

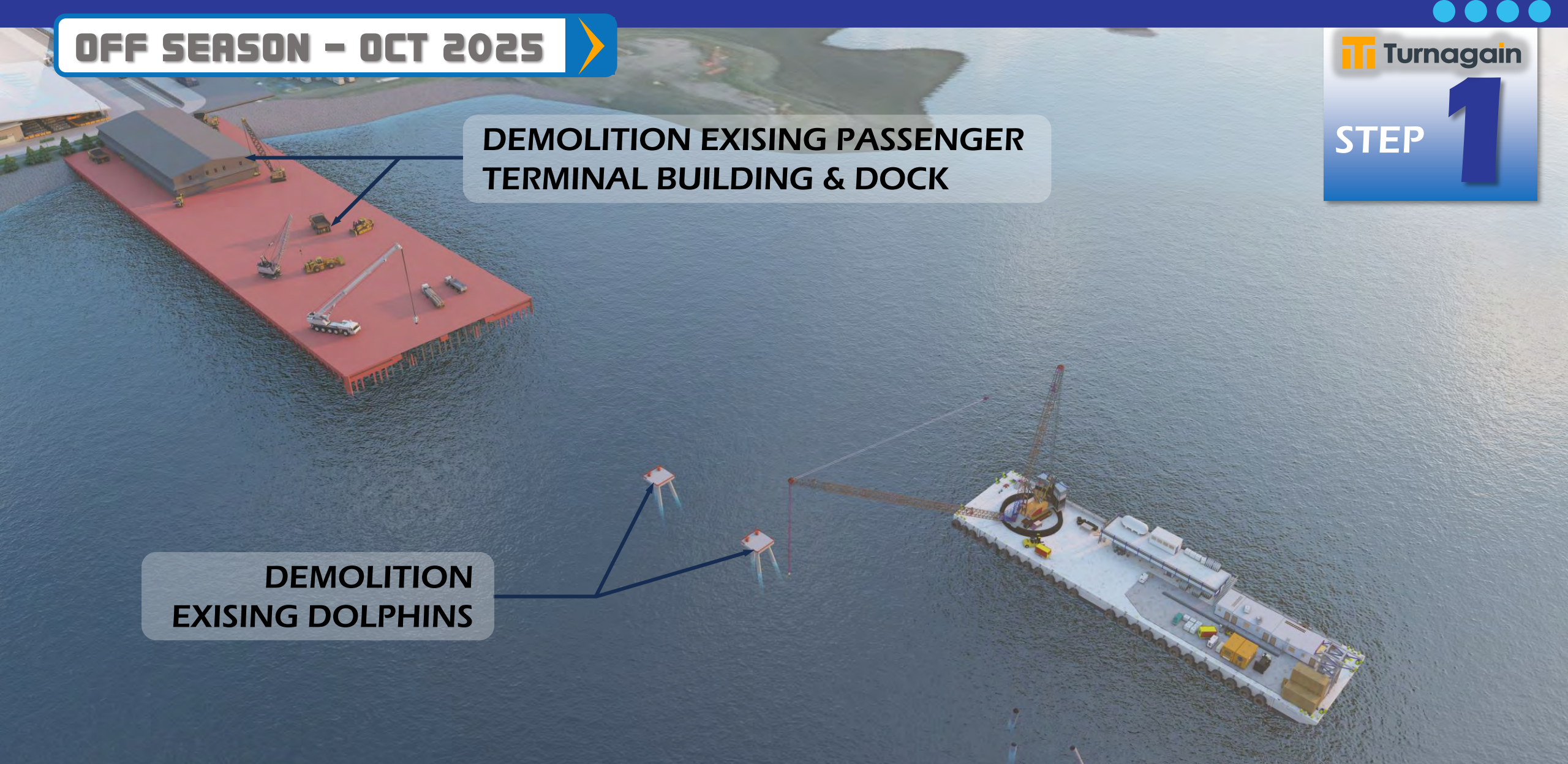


**OFF SEASON - OCT 2025**



**DEMOLITION EXISING PASSENGER  
TERMINAL BUILDING & DOCK**

**DEMOLITION  
EXISING DOLPHINS**





OFF SEASON - NOV 2025



Turnagain

STEP

2

DEMOLITION DECK &  
CONCRETE FILE

THE FARTHEST NEW  
MOORING DOLPHIN



OFF SEASON - JAN 2026

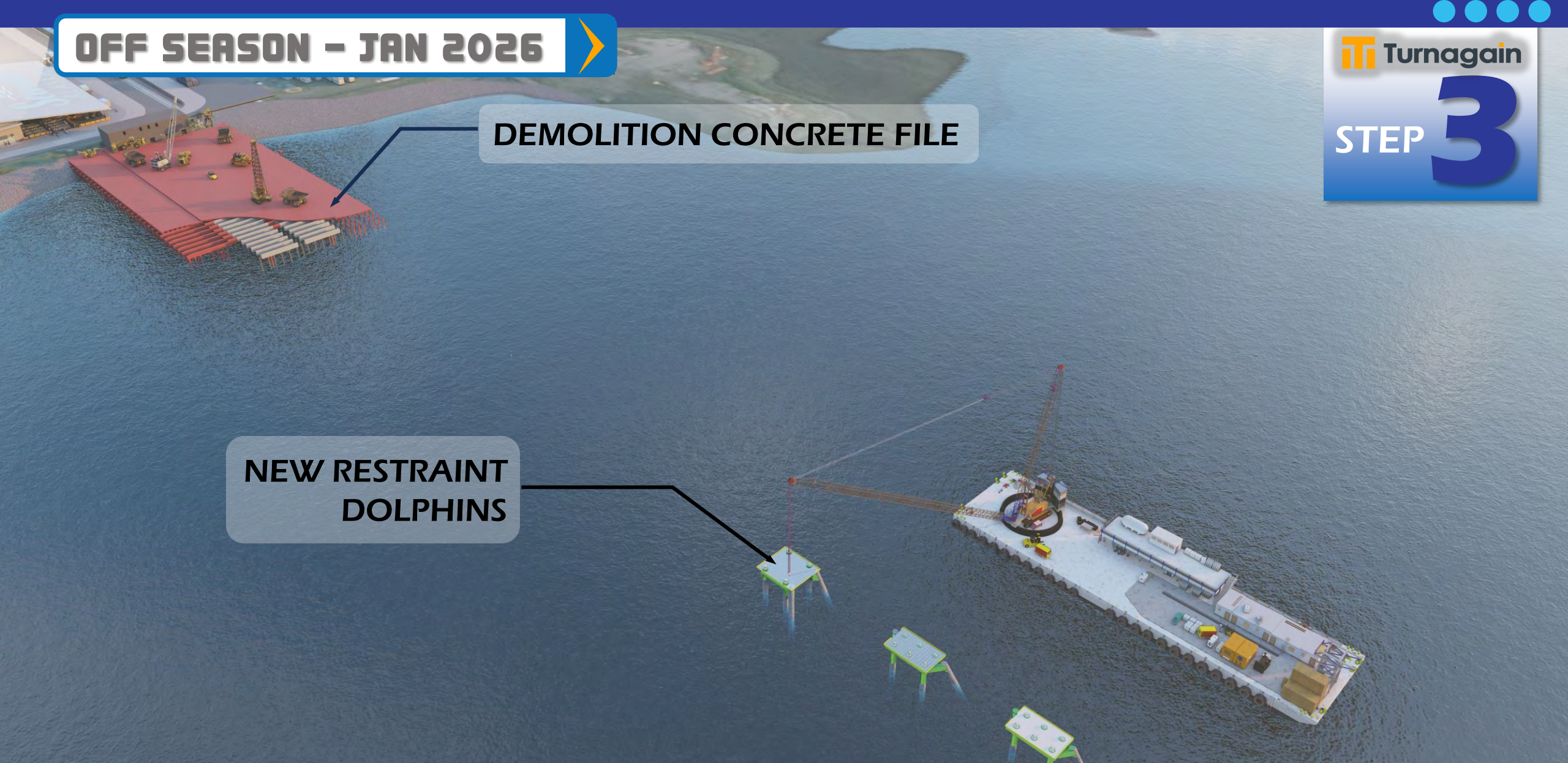


Turnagain

STEP 3

DEMOLITION CONCRETE FILE

NEW RESTRAINT  
DOLPHINS





**OFF SEASON - MARCH 2026**

**Turnagain**

**STEP 4**

**COMPLETE DEMOLITION**

**NEW RESTRAINT DOLPHIN**

**NEW 100'X370' FLOATING DOCK**



APPROACH TRESTLE PILES

NEW 100'X370' FLOATING DOCK

x2



OFF SEASON - APRIL 2026



Turnagain

STEP 6

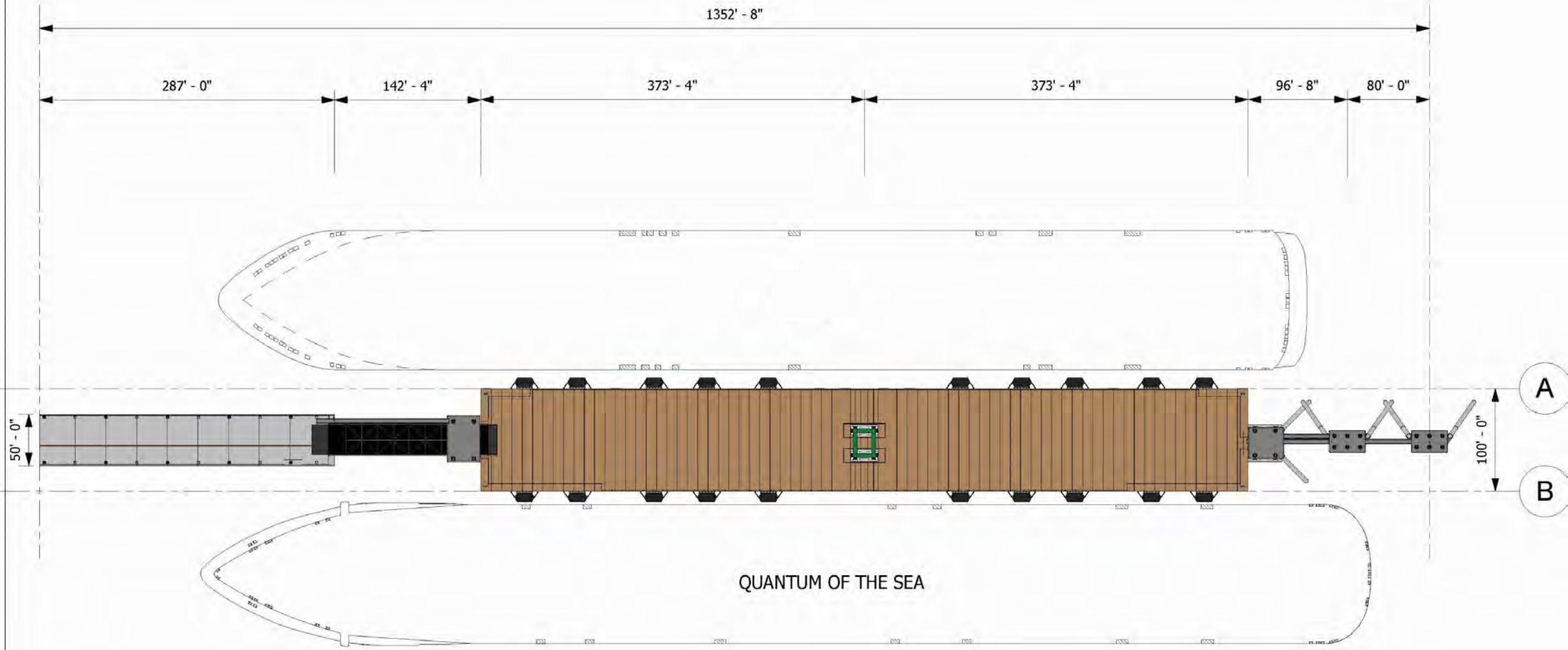
NEW APPROACH TRESTLE

NEW TRANSFER SPAN





# DOCK STRUCTURE



QUANTUM OF THE SEA





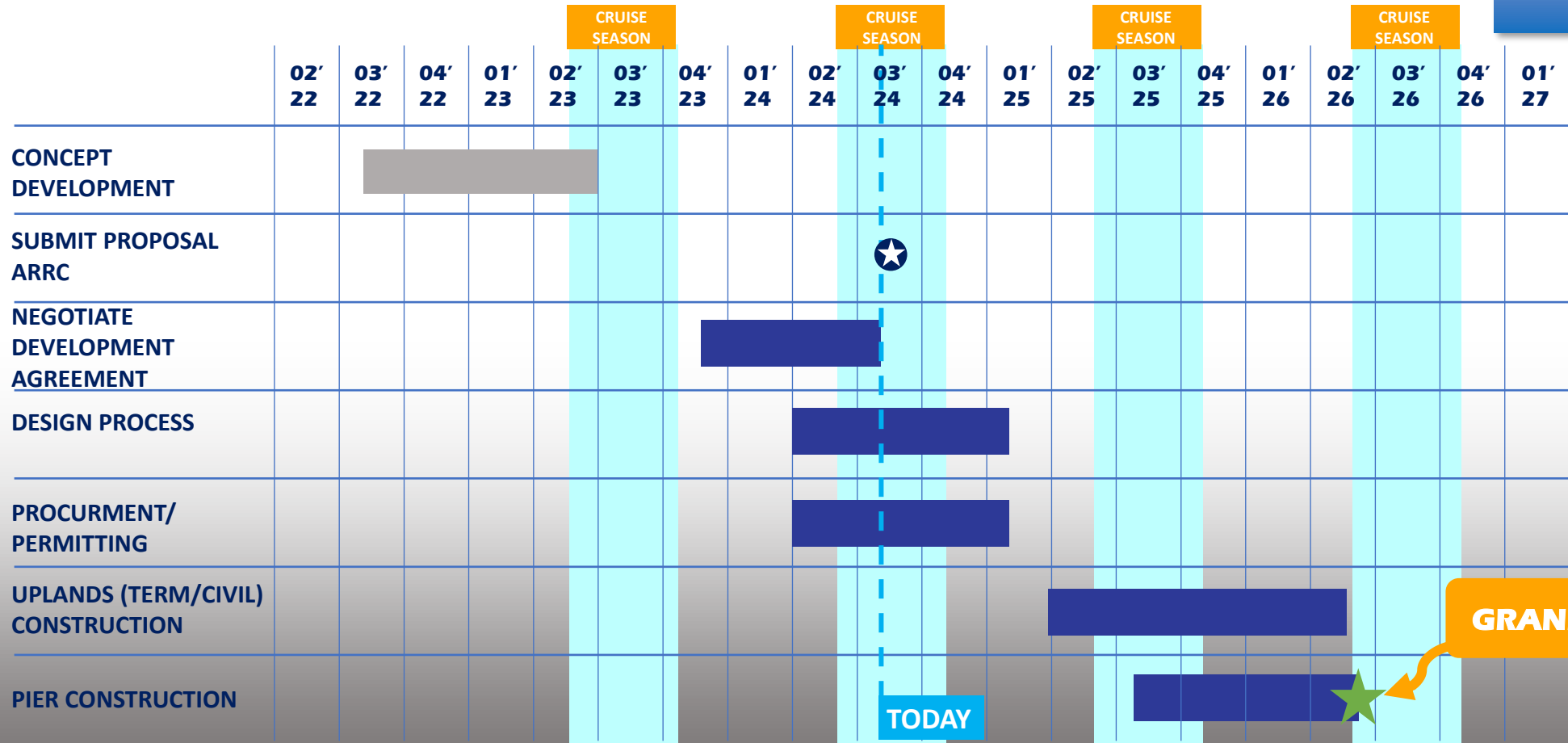
Royal Caribbean Group

140,000  
PAX **Guaranteed**





# Seward Redevelopment



**GRAND OPENING**

TODAY





# Q & A



P O W E R E D B Y



[www.turnagain.us](http://www.turnagain.us)

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5050 Cordova St. Suite 200  
Anchorage, AK 99503  
907-261-8960



Royal Caribbean Group

27/48



THE SEWARD  
COMPANY



Adopted:

Resolution No. 2024-19

Relating to an Authorization for the Corporation to Enter into Certain Agreements and Take Necessary and Appropriate Steps to Accomplish the Construction, Purchase and Financing of a New Seward Passenger Dock and Terminal

**WHEREAS**, the Alaska Railroad Corporation (“ARRC”) is a public corporation and instrumentality of the State of Alaska, organized and established pursuant to the Alaska Railroad Corporation Act, AS 42.40, whose mission includes providing transportation for passengers and freight, operating critical industrial port facilities in Alaska, and promoting the long-term economic growth of the State; and

**WHEREAS**, ARRC owns and operates a passenger dock in Seward, Alaska and an associated intermodal terminal facility (collectively, the “Existing Facilities”), both constructed in 1966, which together serve cruise ships and other passenger and freight vessels as part of an ARRC owned and operated multi-dock port facility; and

**WHEREAS**, the Existing Facilities are nearing the end of their useful lives and the cost of maintaining them in a usable state has become prohibitive, necessitating their replacement in the near future in order to continue to serve cruise ships and other vessels, as well as passengers and crew, in a safe manner; and

**WHEREAS**, closure of the Existing Facilities or curtailment of its use by cruise ships and other vessels would result in a loss of valuable and significant components of both ARRC’s revenues and the transportation infrastructure in Southcentral Alaska and associated commercial activities, including but not limited to the flow of cruise ship passengers into and out of Alaska and the resulting loss of ARRC passenger ridership to and from its Seward railyard, visitor traffic and associated economic benefits to Seward, the Kenai Peninsula, and the rest of Southcentral Alaska, with additional positive implications for both Interior Alaska visitor destinations and Southeast Alaska cruise ports; and

**WHEREAS**, ARRC has determined that the replacement of the Existing Facilities with new dock and terminal facilities capable of safely serving cruise vessels, including new, larger ships, and other vessels (collectively, the “New Facilities”) is critical to the ongoing viability of passenger operations at ARRC’s Seward port; and



**WHEREAS**, ARRC desires to enter into an agreement with Seward Company, LLC, (“Seward Company”) under which Seward Company would contract with Turnagain Marine Construction Corporation (“Turnagain Marine”) to construct the New Facilities, which the ARRC would purchase when completed in 2026 for a guaranteed total purchase price of \$137,000,000 (the “Purchase and Sale Transaction”) with respect to which ARRC and Seward Company have negotiated a proposed Purchase and Sale, Leasing and Lease Termination Agreement (“Purchase and Sale Agreement”); and

**WHEREAS**, in order to provide Seward Company with adequate site control to construct the New Facilities as contemplated in the Purchase and Sale Agreement, ARRC Management proposes to execute a Ground Lease for the uplands, tidelands and submerged lands on which the Existing Facilities are located and the New Facilities shall be constructed (“Lease”), which Lease shall terminate upon the closing of the Purchase and Sale Transaction or, should Seward Company perform and ARRC fail to pay the purchase price, would continue in place for thirty (30) years from the termination of the Purchase and Sale Agreement, with rent set and adjusted by fair market appraisals and with an option for the lessee to extend for an additional thirty (30) years; and

**WHEREAS**, ARRC Management proposes to finance the Purchase and Sale Transaction by means of a combination of (i) a deposit of \$20,000,000 in ARRC internal funds (“Purchase Price Deposit”) to be available to Seward Company for construction expenses, which amount shall be credited in full against the guaranteed purchase price at closing; (ii) an additional approximately \$13 million internal ARRC funds consisting of \$5 million approved in AFE No. 11068 in 2022 for use as equity in a Seward Passenger Dock project and the pledged 2022-2025 Seward Passenger Dock revenue not used to fund the Purchase Price Deposit; (iii) the issuance of one or more series of bonds in an aggregate principal amount not to exceed \$60,000,000 (the “Bonds”), as contemplated in Resolution No. 2022-01, approved by the Board of Directors at a Special Meeting on January 13, 2022, and later approved by the Alaska Legislature and signed into law by the Governor on July 2, 2022; (iv) funds to be obtained by ARRC entering into a financing agreement (“Loan”) with a third-party lender in an amount adequate to fully discharge the remaining balance of the guaranteed purchase price, with the Loan to be secured by ground lease revenues received by ARRC and pledged to said third-party lender; all as summarized in the term sheet appended as Exhibit A to this resolution; and

**WHEREAS**, while ARRC Management further proposes that Seward Company include in its construction of the New Facilities an upgraded transfer span (“Transfer Span”) necessary to accommodate certain heavy freight operations that would not otherwise be accommodated by the New Facilities, and in recognition of the fact that such an upgrade is not necessary to the primary use of the New Facilities by cruise vessels, Management proposes to use internal ARRC funds in the amount of \$1,800,000 to finance the installation of said Transfer Span into the New Facilities, which amount shall be paid in addition to the guaranteed purchase price described above; and



**WHEREAS**, ARRC Management proposes to fund its debt service payments on the above-described Bonds and Loan by means of certain improvement fees collected from users of the New Facilities, and ARRC has accordingly entered into a Pier Usage Agreement (“PUA”) with Royal Caribbean Group (RCG), a cruise line that currently berths cruise vessels at the Existing Facilities and intends to continue to do so at the New Facilities, including berthing its large Quantum Class cruise vessels, which the New Facilities shall accommodate; and

**WHEREAS**, the PUA provides RCG with certain preferential berthing rights throughout its thirty (30)-year term in exchange for RCG paying to ARRC certain annual revenue guarantees adequate to allow ARRC to pay its debt service on the Bonds and the Loan; and

**WHEREAS**, the Purchase and Sale Transaction and related agreements described above will further the purposes of both the State of Alaska and ARRC by upgrading a component of critical port infrastructure in Southcentral Alaska that is approaching the end of its useful life, thus preserving and enhancing port and rail revenues for ARRC and protecting and improving critical port infrastructure that will benefit the State and its citizens through maintaining and growing associated commercial activity in Seward, the Kenai Peninsula and throughout the State, and providing a potential back-up port in the event other port facilities should be damaged by natural disasters; and

**NOW, THEREFORE, BE IT RESOLVED** that the ARRC Board of Directors has carefully reviewed the proposed Purchase and Sale Transaction, including the proposed Purchase and Sale Agreement, the Lease, the proposed Pier Usage Agreement, the proposed expenditures for the Purchase Price Deposit and the Transfer Span Upgrade, and the terms, conditions and other information relating to the Bonds and the Loan, including confidential matters discussed with Management in executive session, and hereby approves the proposed Purchase and Sale Transaction, including entry into the Purchase and Sale Agreement, the Lease and the PUA on the terms and conditions presented to the Board by Management at its Special Meeting held on August 1, 2024.

**BE IT FURTHER RESOLVED** that the Board of Directors hereby authorizes and directs the President and CEO, or his designee, to take such actions as are reasonably necessary and appropriate both to enter into the transaction described above and to meet all obligations of ARRC relating to said transaction, including but not limited to negotiating, finalizing and executing all documents necessary to complete said transaction except to the extent that further Board action is required to authorize the issuance of the Bonds and the execution of the Loan, which action shall be brought to the Board for consideration when those matters are ready for decision.



## EXHIBIT A

### Summary of Terms

1. Purchase and Sale Agreement (between ARRC and Seward Company):
  - Seward Company to demolish Existing Facilities and construct New Facilities
  - ARRC to purchase New Facilities upon final completion for guaranteed price of \$137M
  - ARRC to issue the Ground Lease and Special Land Use Permit (for coal dock dolphin area) to provide Seward Company with site control while reserving ARRC's access and right to do business at the Existing Facilities pending their demolition during late 2025 (see below for Ground Lease details)
  - ARRC to submit \$20M Purchase Price Deposit, which can be used by Seward Company for construction and will be credited toward the purchase price
  - ARRC to make \$1.8M payment for construction of an upgraded Transfer Span that will allow heavy freight operations at the New Facilities
  - Substantial completion to occur on or before May 15, 2026, with failure to do so entitling ARRC to liquidated damages to the extent scheduled berthings cannot be honored at the Port
  - Closing of purchase/sale transaction to occur within 30 days after the end of ARRC's due diligence period confirming substantial completion, with Seward Company to provide a warranty bill of sale, assignment of warranties and the parties to terminate the Ground Lease
  - If the Seward Company performs, but ARRC fails to purchase the New Facilities and ARRC assigns the PUA to Seward Company or a new owner, ARRC will no longer be obligated or liable under the transaction documents other than the Ground Lease (see below)
  
2. Ground Lease (between ARRC and Seward Company):
  - Commences effective August 15, 2024, with initial term to continue through closing of the purchase/sale of the New Facilities
  - Provides Seward Company with site control for demolition of Existing Facilities and construction of New Facilities
  - Provides ARRC with rights of entry to conduct cruise and other business at the Existing Facilities and to retain revenues from such business
  - Imposes on each party an obligation to cooperate in good faith to ensure



reasonable non-interference with the other parties' activities during construction

- If the purchase/sale transaction does not close, provides for an extended term of thirty (30) years and assignment of the PUA to Seward Company or a new owner of the New Facilities, with use limited to cruise, ferry and related operations
- Provides Seward Company or its assignee with a thirty (30)-year option to extend

3. Pier Usage Agreement:

- New pier shall be open to the public
- Provides preferential berthing rights to RCG at Western berth of the new pier
- Provides RCG with a right of first refusal to match certain multi-year preferential berthing agreements for use of the Eastern berth
- Subject to any pre-existing preferential rights of another cruise line, grants priority to RCG to use the Eastern berth on dates when it has two vessels in Seward
- RCG provides certain minimum annual revenue guarantees based on certain passenger numbers, which will allow ARRC to make debt service payments
- Term of agreement is thirty (30) years from the date of substantial completion

4. Financing

- Purchase Price Deposit and Transfer Span upgrade payment sourced from internal ARRC funds
- Approximately \$13 million internal ARRC funds, including \$5 million approved in 2022 for use as equity in a new Seward Passenger Dock facility and pledged 2022-2025 Seward Passenger Dock revenues not used to fund the Purchase Price Deposit
- Balance of guaranteed purchase price to be financed using a combination of up to \$60 million in bonds approved by the legislature in 2022 and additional funds in the form of a bank loan
- Debt service on the bonds and loan to be sourced from improvement fees paid by vessels using the New Facilities



Adopted:

Resolution No. 2024-20

Relating to Funding of a Deposit Toward the Purchase of a New Seward Passenger Dock and Terminal (AFE No. 11293)

**WHEREAS**, the Alaska Railroad Corporation (“ARRC”) is a public corporation and instrumentality of the State of Alaska, organized and established pursuant to the Alaska Railroad Corporation Act, AS 42.40, whose mission includes providing transportation for passengers and freight, operating critical industrial port facilities in Alaska, and promoting the long-term economic growth of the State; and

**WHEREAS**, ARRC owns and operates a passenger dock in Seward, Alaska and an associated intermodal terminal facility (collectively, the “Existing Facilities”), both constructed in 1966, which together serve cruise ships and other passenger and freight vessels as part of an ARRC owned and operated multi-dock port facility; and

**WHEREAS**, the Existing Facilities are nearing the end of their useful lives and the cost of maintaining them in a usable state has become prohibitive, necessitating their replacement in the near future in order to continue to serve cruise ships and other vessels, as well as passengers and crew, in a safe manner; and

**WHEREAS**, on August 1, 2024, the ARRC’s Board of Directors approved Resolution No. 2024-19, which authorized for ARRC to enter into certain agreements and to take necessary and appropriate steps to accomplish the construction, purchase and financing of a new Seward Passenger Dock and Terminal (“New Facilities”); and

**WHEREAS**, one of the agreements authorized by Resolution No. 2024-19 is a Purchase and Sale, Leasing and Lease Termination Agreement (the “PSA”) between ARRC and Seward Company, LLC (“Seward Company”) under which ARRC would purchase the New Facilities from Seward Company for a guaranteed price of \$137,000,000 dollars after the latter constructs them; and

**WHEREAS**, the PSA will obligate ARRC to pay to Seward Company a deposit of \$20,000,000 toward the guaranteed purchase price for the New Facilities (“Purchase Price Deposit”) at the time the PSA is executed, which funds will be available to Seward Company for construction expenses and which will be credited in full against the guaranteed purchase price at the closing of the transaction; and

**WHEREAS**, AFE No. 11293 authorizes the expenditure of \$20,000,000 in ARRC internal funds to fund the Purchase Price Deposit at the time and for the purposes described above; and

**WHEREAS**, the Board of Directors finds that the proposed payment of the Purchase Price Deposit as part of the purchase and sale transaction authorized in Resolution No. 2024-19 would provide financial and real estate development benefits to ARRC as described above and in Resolution No. 2024-19.

**NOW, THEREFORE, BE IT RESOLVED** that the ARRC Board of Directors hereby approves AFE No. 11293 in the amount of \$20,000,000 and hereby authorizes ARRC to pay the Purchase Price Deposit to Seward Company upon execution of the Purchase and Sale, Leasing and Lease Termination Agreement with Seward Company, LLC, and further hereby authorizes the President and CEO, or his designee, to negotiate, finalize and execute all documents necessary to complete said payment.



**Alaska Railroad Corporation**

For Accounting Use Only

**Authorization for Expenditure Form**

**AFE# 11293**

Page 1

General Information:	
AFE Title:	<b>Purchase Price Deposit - Seward Passenger Dock Replacement</b>
Prepared By:	<b>LaFewt Knox</b>
Resp. Center (Name):	<b>Docks Operations &amp; Maintenance</b>
Resp. Center (#):	<b>8910</b>
Depreciation Center:	<b>8910-Dock Ops &amp; Maintenance</b>
Line of Business:	<b>Corporate</b>
Spending Timetable:	
2024	\$ 20,000,000
2025	\$ -
2026	\$ -
2027	\$ -
2028	\$ -
<b>Total</b>	<b>\$ 20,000,000</b>
Other Information	
Useful Life (Years):	25
Annual Depreciation:	\$ 800,000
Estimated Annual Operating Costs	\$ -

Included in Capital Budget:		
Capital Budget	Year:	2024 Unbudgeted
Total Amount	\$	20,000,000
Source of Funding	ARRC	\$ 20,000,000
Source of Funding		\$ -
Source of Funding		\$ -
Grant Number		
Grant Name		
AFE History:		
	Amount	Date Prepared
Original AFE	\$ 20,000,000	07/12/24
Supplemental #1	\$ -	
Supplemental #2	\$ -	
Supplemental #3	\$ -	
Supplemental #4	\$ -	
Supplemental #5	\$ -	
Supplemental #6	\$ -	
Supplemental #7	\$ -	
<b>Total</b>	<b>\$ 20,000,000</b>	

Required Signatures for Approval:			
(if applicable)	Last Name(s) (Print)	Signature	Date
<b>Project Manager:</b>	<b>LaFewt Knox</b>		
<b>Responsible Owner:</b>	<b>Michelle Maddox</b>	<i>Michelle Maddox</i>	7/26/2024
<b>VP, Owner Department:</b>	<b>Christy Terry</b>		
<b>Functional User(s):</b>	<b>Dale Wade</b>		
<b>Chief Operating Officer:</b>	<b>Clark Hopp</b>	<i>Clark Hopp</i>	7/26/2024
<b>Grant Administration:</b>	<b>Christina Isabelle-Glover</b>	<b>N/A</b>	
<b>Chief Financial Officer:</b>	<b>Michelle Maddox</b>	<i>Michelle Maddox</i>	7/26/2024
<b>Accounting Department:</b>	<b>Amy Kinnaman</b>		
<b>CEO &amp; President:</b>	<b>Bill O'Leary</b>	<i>Bill O'Leary</i>	7/26/2024
<b>Board of Directors:</b>	<b>John Shively</b>		

\*\*\*Original Form Must Be Returned to Accounting\*\*\*

**Alaska Railroad Corporation**  
**Authorization for Expenditure Form**

For Accounting Use Only

**AFE# 11293**

Page 2

<b>Is this project related to health and/or safety?</b>	<b>Yes</b>	<b>If yes describe:</b>
The Seward Passenger Dock is nearly at the end of its useful life and requires replacement.		
<b>Scope of Work:</b>		
<p>Funding request will allow for the timely acquisition of project elements essential in construction of the Seward Passenger Dock. The requested purchase price deposit is necessary for use by Seward Company and its contractors during the construction period strictly for expenses directly related to the project construction. These expenses include but are not limited to material acquisition, equipment and labor expenses associated with the construction of the project.</p> <p>Interest savings as a result of access to the purchase price deposit funds, during the construction period, shall be available for construction costs which are directly associated with the new Facilities that are not included in the Project under the Construction Contract between Seward Company and its design-builder, provided that add-on is essential to project success and ARRC approval.</p>		
<b>ARRC Business Justification</b>		
<p>Advanced access to capital funding is required to support the Seward Passenger Dock construction project, which includes the replacement of the Passenger Seward Dock and construction of the new Passenger Facility. The totality of project construction costs will be funded through debt financing by the project's developer, Seward Company, and ARRC equity contribution, partially offset by passenger dock improvement fees. ARRC equity contribution in part is derived from 2022-2025 Seward Passenger Dock revenue. Seward Company requires access to funds prior to the issuance of the debt in order to timely complete project construction schedule.</p> <p>These funds will support Seward Company's construction efforts in the form of a purchase price deposit ahead of debt financing. As outlined in the drafted ARRC Seward Purchase and Sale, Leasing and Lease Termination Agreement ("PSA"), the purchase price deposit will be applied toward the Seward Passenger Dock's purchase price, funds for which will be acquired through the issuance of debt. The \$20M will support the acquisition of materials, equipment and other pre-construction costs by Seward Company and its design-builder. This request is considered to be non-discretionary and essential component in the project's completion. Full terms related to the purchase price deposit are outlined in the PSA.</p>		
<b>Alternatives Considered:</b>		
No alternatives currently exists that would facilitate an agreement that would support the replacement of the Seward Passenger Dock.		
<b>Preliminary Budget:</b>		
<b>Line Description</b>	<b>Amount</b>	
Equipment	\$	-
Labor (Fully Burdened)	\$	-
Materials	\$	-
Contracts	\$	20,000,000
Other Expenses	\$	-
<b>Total</b>	<b>\$</b>	<b>20,000,000</b>

**Note:** All health and/or safety related project(s) should be the highest ranked project(s) in the department.



Adopted:

Resolution No. 2024-21

Relating to Funding of an Upgraded Transfer Span for the New Seward Passenger Dock and Terminal (AFE No. 11294)

**WHEREAS**, the Alaska Railroad Corporation (“ARRC”) is a public corporation and instrumentality of the State of Alaska, organized and established pursuant to the Alaska Railroad Corporation Act, AS 42.40, whose mission includes providing transportation for passengers and freight, operating critical industrial port facilities in Alaska, and promoting the long-term economic growth of the State; and

**WHEREAS**, ARRC owns and operates a passenger dock in Seward, Alaska and an associated intermodal terminal facility (collectively, the “Existing Facilities”), both constructed in 1966, which together serve cruise ships and other passenger and freight vessels as part of an ARRC owned and operated multi-dock port facility; and

**WHEREAS**, the Existing Facilities are nearing the end of their useful lives and the cost of maintaining them in a usable state has become prohibitive, necessitating their replacement in the near future in order to continue to serve cruise ships and other vessels, as well as passengers and crew, in a safe manner; and

**WHEREAS**, on August 1, 2024, the ARRC’s Board of Directors approved Resolution No. 2024-19, which authorized for ARRC to enter into certain agreements and to take necessary and appropriate steps to accomplish the construction, purchase and financing of a new Seward Passenger Dock and Terminal (“New Facilities”); and

**WHEREAS**, one of the agreements authorized by Resolution No. 2024-19 is a Purchase and Sale, Leasing and Lease Termination Agreement (the “PSA”) between ARRC and Seward Company, LLC (“Seward Company”) under which ARRC would purchase the New Facilities from Seward Company after the latter constructs them; and

**WHEREAS**, the construction design for the new Seward Passenger Dock developed by Seward Company and its design builder contemplate construction using a standard transfer span adequate to accommodate passenger operations, but which would not be adequate to safely accommodate loads and equipment sizes associated with ARRC’s potential use of the Dock for heavy freight operations; and

**WHEREAS**, ARRC has negotiated with Seward Company for a design modification and construction of additional capacity upgrades to the new Seward Passenger Dock (collectively, the “Transfer Span Upgrades”) in exchange for a payment of \$1,800,000 (“Transfer Span Upgrade Payment”) at the time of execution of the PSA; and

**WHEREAS**, the construction of the Transfer Span Upgrades will accommodate potential future commercial opportunities for ARRC at the New Facilities that would not be accommodated by construction consistent with the originally proposed design; and

**WHEREAS**, AFE No. 11294 authorizes the expenditure of \$1,800,000 in ARRC internal funds to fund the Transfer Span Upgrade Payment at the time and for the purposes described above; and

**WHEREAS**, the Board of Directors finds that the proposed payment of the Transfer Span Upgrade Payment as part of the purchase and sale transaction authorized in Resolution No. 2024-19 would provide financial and real estate development benefits to ARRC as described above and in Resolution No. 2024-19.

**NOW, THEREFORE, BE IT RESOLVED** that the ARRC Board of Directors hereby approves AFE No. 11294 in the amount of \$1,800,000 and hereby authorizes ARRC to pay the Transfer Span Upgrade Payment to Seward Company upon execution of the Purchase and Sale, Leasing and Lease Termination Agreement, and further hereby authorizes the President and CEO, or his designee, to negotiate, finalize and execute all documents necessary to complete said payment.



**Alaska Railroad Corporation**

For Accounting Use Only

**Authorization for Expenditure Form**

**AFE# 11294**

Page 1

General Information:	
AFE Title:	<b>Transfer Span - Seward Passenger Dock Replacement</b>
Prepared By:	<b>LaFewt Knox</b>
Resp. Center (Name):	<b>Docks Operations &amp; Maintenance</b>
Resp. Center (#):	<b>8910</b>
Depreciation Center:	<b>8910-Dock Ops &amp; Maintenance</b>
Line of Business:	<b>Corporate</b>
Spending Timetable:	
2024	\$ 1,800,000
2025	\$ -
2026	\$ -
2027	\$ -
2028	\$ -
<b>Total</b>	<b>\$ 1,800,000</b>
Other Information	
Useful Life (Years):	25
Annual Depreciation:	\$ 72,000
Estimated Annual Operating Costs	\$ -

Included in Capital Budget:		
Capital Budget	Year:	2024 Unbudgeted
Total Amount	\$	1,800,000
Source of Funding	ARRC	\$ 1,800,000
Source of Funding		\$ -
Source of Funding		\$ -
Grant Number		
Grant Name		
AFE History:		
	<b>Amount</b>	<b>Date Prepared</b>
Original AFE	\$ 1,800,000	07/23/24
Supplemental #1	\$ -	
Supplemental #2	\$ -	
Supplemental #3	\$ -	
Supplemental #4	\$ -	
Supplemental #5	\$ -	
Supplemental #6	\$ -	
Supplemental #7	\$ -	
<b>Total</b>	<b>\$ 1,800,000</b>	

Required Signatures for Approval:			
(if applicable)	Last Name(s) (Print)	Signature	Date
<b>Project Manager:</b>	<b>Christy Terry</b>	<i>Christy Terry</i>	7/26/2024
<b>Responsible Owner:</b>	<b>Shane Maloney</b>	<i>Shane Maloney</i>	7/26/2024
<b>VP, Owner Department:</b>	<b>Christy Terry</b>	<i>Christy Terry</i>	7/26/2024
<b>Functional User(s):</b>	<b>Dale Wade</b>		
<b>Chief Operating Officer:</b>	<b>Clark Hopp</b>	<i>Clark Hopp</i>	7/26/2024
<b>Grant Administration:</b>	<b>Christina Isabelle-Glover</b>	<b>N/A</b>	
<b>Chief Financial Officer:</b>	<b>Michelle Maddox</b>	<i>Michelle Maddox</i>	7/26/2024
<b>Accounting Department:</b>	<b>Amy Kinnaman</b>		
<b>CEO &amp; President:</b>	<b>Bill O'Leary</b>	<i>Bill O'Leary</i>	7/26/2024
<b>Board of Directors:</b>	<b>John Shively</b>		

\*\*\*Original Form Must Be Returned to Accounting\*\*\*

**Alaska Railroad Corporation**  
**Authorization for Expenditure Form**

For Accounting Use Only

**AFE# 11294**

Page 2

<b>Is this project related to health and/or safety?</b>	<b>No</b>	<b>If yes describe:</b>
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**Scope of Work:**

The Alaska Railroad Corporation (ARRC) is in the process of removing and replacing its existing Seward Passenger Dock and associated Intermodal Terminal Facility, as it nears the end of its useful life. The funding and subsequent construction of the new assets are made possible through the collaborative business arrangement between ARRC, Seward Company and Royal Caribbean Group (RCG). This project includes a standard truss style cruise ship dock transfer span. This request of \$1.8M will fund the construction of a girder style transfer span which allows for and supports potential future commercial freight opportunities at the new facilities; this functionality was not included in the original design but will increase commercial use of the terminal. This girder style transfer bridge will accommodate forklifts in carrying shipping containers from the float to the uplands.

**ARRC Business Justification**

The project will increase revenue diversity and better facility maintenance efforts. Much of the freight moving through Seward is containerized freight that would be restricted by the truss style bridge due to both width and height. The rightsizing of this asset will allow for additional revenue opportunities during the offseason and also assist with community support. The project will also allow for larger pieces of equipment to access the dock for barge maintenance which is another growing revenue source for dockage in the off season. While the girder style transfer span expands functionality, it is less structurally efficient than the truss style bridges. As a result the construction cost necessary are greater than the typical truss style transfer bridge. The project adds diversity in use at the dock.

**Alternatives Considered:**

Forgo project and limit revenue opportunities and ease in which maintenance efforts can be conducted.

**Preliminary Budget:**

Line Description	Amount
Equipment	\$ -
Labor (Fully Burdened)	\$ -
Materials	\$ -
Contracts	\$ 1,800,000
Other Expenses	\$ -
<b>Total</b>	<b>\$ 1,800,000</b>

**Note:** All health and/or safety related project(s) should be the highest ranked project(s) in the department.



Adopted:

Resolution No. 2024-22

Relating to Approval of a Financing Proposal and Taking Further Action to Finance All or a Portion of the Seward Passenger Dock Project

WHEREAS, the Alaska Railroad Corporation (“Corporation” or “ARRC”) is a public corporation and instrumentality of the State of Alaska (“State”), organized and established pursuant to the Alaska Railroad Corporation Act, AS 42.40 (the “Act”), whose mission includes providing transportation for freight and passengers, operating critical industrial port facilities in Alaska, and promoting the long-term economic growth of the State; and

WHEREAS, Alaska Statute 42.40.250(26) authorizes ARRC to borrow money for the purposes of ARRC, and Alaska Statute 42.40.250(8) authorizes ARRC to encumber and grant security interests in its property to secure such borrowings; and

WHEREAS, ARRC has previously approved the purchase of a new passenger terminal and dock facility at its Reserve in Seward, Alaska (the “Facilities”), and ARRC, in consultation with its municipal advisor, has established a plan of finance (i) to pay a portion of the purchase price of the Facilities, (the “Facilities”), (ii) to fund one or more debt service reserve funds, (iii) to pay capitalized interest, and (iv) to pay the costs of issuance related to the issuance of any indebtedness related to the financing of the Facilities (collectively the “Project”), and a portion of the plan of finance involves one or more privately placed loans in an aggregate amount not to exceed \$65,000,000 (collectively, the “Loan”); and

WHEREAS, ARRC has caused to be solicited proposals from interested lenders to provide the Loan and, after consideration, has selected the proposal from Capital One Public Funding LLC (the “Lender”), which is attached hereto (the “Financing Proposal”); and

WHEREAS, it is necessary and in the best interest of ARRC that it proceed with approval of the Financing Proposal, setting parameters for the finalization of the terms of the Loan, and authorizing the Authorized Persons (as defined herein) to take all actions to carry out the intents and purposes of this resolution; and

WHEREAS, the Board finds that it is necessary and appropriate to delegate to the President and CEO and the Chief Financial Officer (the “Authorized Officers”) authority to negotiate the loan terms, maturity amounts, interest rates and other details of the Loan;

**NOW, THEREFORE,** the ARRC Board of Directors does resolve as follows:

**Section 1. Approval of the Financing Proposal.** The Financing Proposal from the Lender is approved, and the Board approves the Lender (or an affiliate thereof) to provide the Loan. The Board authorizes its Chief Executive Officer, Chief Financial Officer, Chief Counsel, Bond and Borrower Counsel, Financial Advisors, and any member of its management team, or other officer or official of the ARRC (collectively, the “Authorized Persons”) to perform such acts on behalf of ARRC as shall be necessary and appropriate to negotiate the final terms of the Financing Proposal. The Authorized Officers are authorized to execute and deliver, as requested, an acceptance of the Financing Proposal, subject to final terms negotiated by the Authorized Persons on behalf of ARRC, and their execution and delivery of any such final acceptance constitutes approval of this Board.

**Section 2. Loan Parameters.** The Board hereby authorizes the Authorized Persons to perform such acts on behalf of ARRC as shall be necessary and appropriate to incur the Loan, in one or more series, in a maximum aggregate principal amount not to exceed \$65,000,000, and a maximum initial interest rate of not to exceed 5.1%, including, but not limited to: (a) negotiating the final terms and conditions of the loan documents and all related documents necessary to effectuate the Loan (collectively the “Financing Documents”); and (b) performing such other tasks and taking such other actions necessary to structure the terms of the Loan, prepare Financing Documents for future Board approval, and carry out the purposes of this resolution. The Authorized Officers are delegated authority to execute and deliver one or more interest rate lock, purchase agreements or forward purchase agreements (collectively, a “Rate Lock Agreement”) to lock or secure the interest rate prior to a subsequent Board meeting, if necessary, subject to the parameters set forth herein.

**Section 3. Ratification of Prior Actions.** All actions heretofore undertaken by the Authorized Persons in connection with the Project and the Loan are hereby ratified, confirmed and approved.

**Section 4. Preliminary Resolution.** This resolution is the authorization by ARRC to take the necessary and appropriate steps to negotiate the Loan, execute and deliver a Rate Lock Agreement, and to take all necessary and appropriate action to prepare the Loan for final authorization by this Board. Final authorization of the incurrence of the Loan and the approval of the Financing Documents shall be by subsequent resolution or resolutions of ARRC.

**Section 5. Severability.** In the event that any one or more of the provisions contained in this resolution shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this resolution, and this resolution shall be construed and enforced as if such invalid, illegal or unenforceable provision had never been contained herein or therein.



**Section 6. Repealer.** This resolution shall not repeal any other prior resolution of the Board except to the extent such prior resolution is inconsistent herewith and such inconsistent provisions are hereby repealed, rescinded, canceled and annulled.

**Section 7. Governing Law.** The laws of the State shall govern the construction and interpretation of this resolution.

**Section 8. Effective Date.** This Resolution shall take effect immediately upon adoption.

## LEASE SUMMARY

LESSEE: Seward Company, LLC

CONTRACT NO: 21051

**LEASE DESCRIPTION:** A parcel of land located in the Alaska Railroad Seward Reserve, measuring approximately 38.09 acres, more or less, consisting of 7.55 acres of uplands and 30.54 acres of tidelands. Currently the site of the existing passenger cruise terminal and dock.

### KEY CONTRACT PROVISIONS:

**Estimated Effective Date:** August 15, 2024

commencement of that extended term.

**Lease Term:** Not to exceed Thirty-Five (35) Years

Extended term will only begin if ARRC does not purchase newly constructed improvements.

**Option to Extend:** Thirty (30) Years

**Prior Annual Rent:** N/A

**Lease Area:** 1,659,274 sq. ft. (38.09 acres) more or less.

**Rent Rate:** 8%

**Base Annual Rent:** Consideration for initial term (construction period) consists of granting ARRC substantial rights of entry and use at the leased premises. If an extended term commences, annual rent of \$397,393.18 will begin upon

Rent Adjustment: Commencing 5 years after start of extended term lease, rent will be adjusted every 5 years with adjusted annual rent not to exceed 135% of the prior year's annual rent or to decrease to less than 65% of the prior year's annual rent.

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**PUBLIC NOTICE:** Yes, public comment will expire July 31, 2024.

**LEGAL REVIEW:** Yes

**INTENDED USE:** Site control for demolition of existing Cruise Passenger Dock and Terminal and construction of new Cruise Passenger Dock and Terminal. If extended term occurs, the use will be cruise passenger operations.

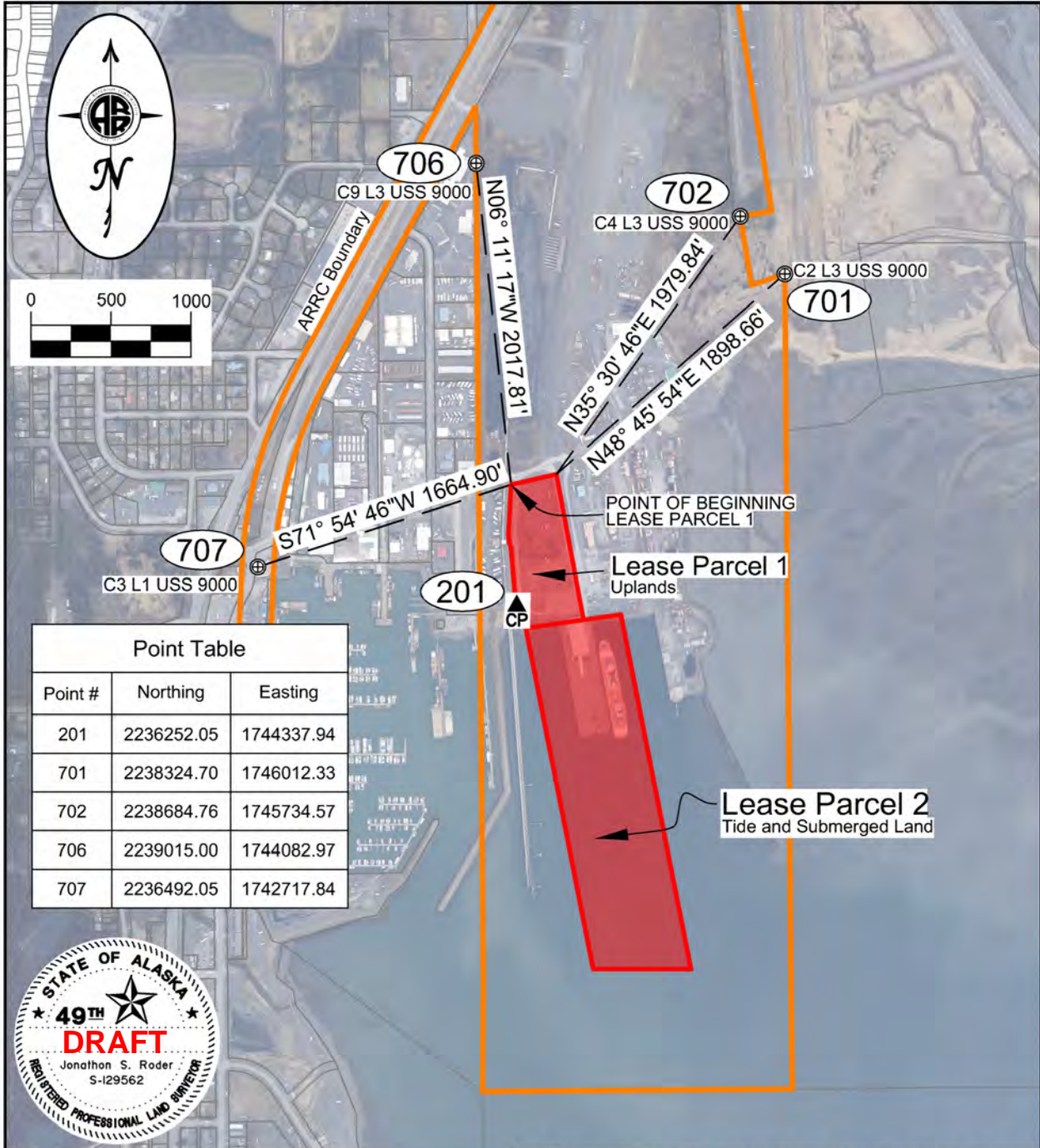
**SUMMARY AND RECOMMENDATIONS:** The prospective lessee will demolish the existing improvements in order to construct a new Passenger Cruise Dock and Terminal. The proposed lease will supply site control to the prospective lessee for demolition and construction during the initial term. The proposed lease includes substantial rights of entry and use to allow ARRC to continue its Port operations at the existing facilities and to retain revenues from the same during the initial term. The grant of those rights to ARRC constitutes prospective lessee's consideration during the initial term.



Subject to the prospective lessee's substantial completion of the above-described project, ARRC will purchase said improvements pursuant to a purchase and sale agreement, at which time the lease will terminate. In the event ARRC does not purchase the improvements, the prospective lessee will continue as lessee for a thirty (30) year extended term with an allowed use of cruise passenger dock and terminal operations. If such an extended term occurs, prospective lessee will have an option for a second extended term of thirty (30) years. Approval is recommended.

APPROVED: \_\_\_\_\_ Board Meeting Date: \_\_\_\_\_

Jennifer Mergens  
ARRC Board Secretary



Point Table		
Point #	Northing	Easting
201	2236252.05	1744337.94
701	2238324.70	1746012.33
702	2238684.76	1745734.57
706	2239015.00	1744082.97
707	2236492.05	1742717.84



Notes:

- The purpose of this exhibit is to be a part of a legal description describing two lease parcels of land for ARRC Contract No. 21051.
- For indexing purposes this property is located in the Sec. 3, T. 1 S., R. 1 W., Seward Meridian.
- Coordinate system and coordinates are NAD 83 (2011) State Plane Zone 4, US Survey Feet.
- The basis of coordinates is an OPUS Shared Solution at Point 201, NOAA Tidal Benchmark 945 5090 N with NGS PID BBHW05. The solution held is dated 2023-08-11. The solution was verified with an independent OPUS solution.
- The point table depicts coordinates for found and held monumentation described in U.S. Survey 9000 and surveyed in June 2024.



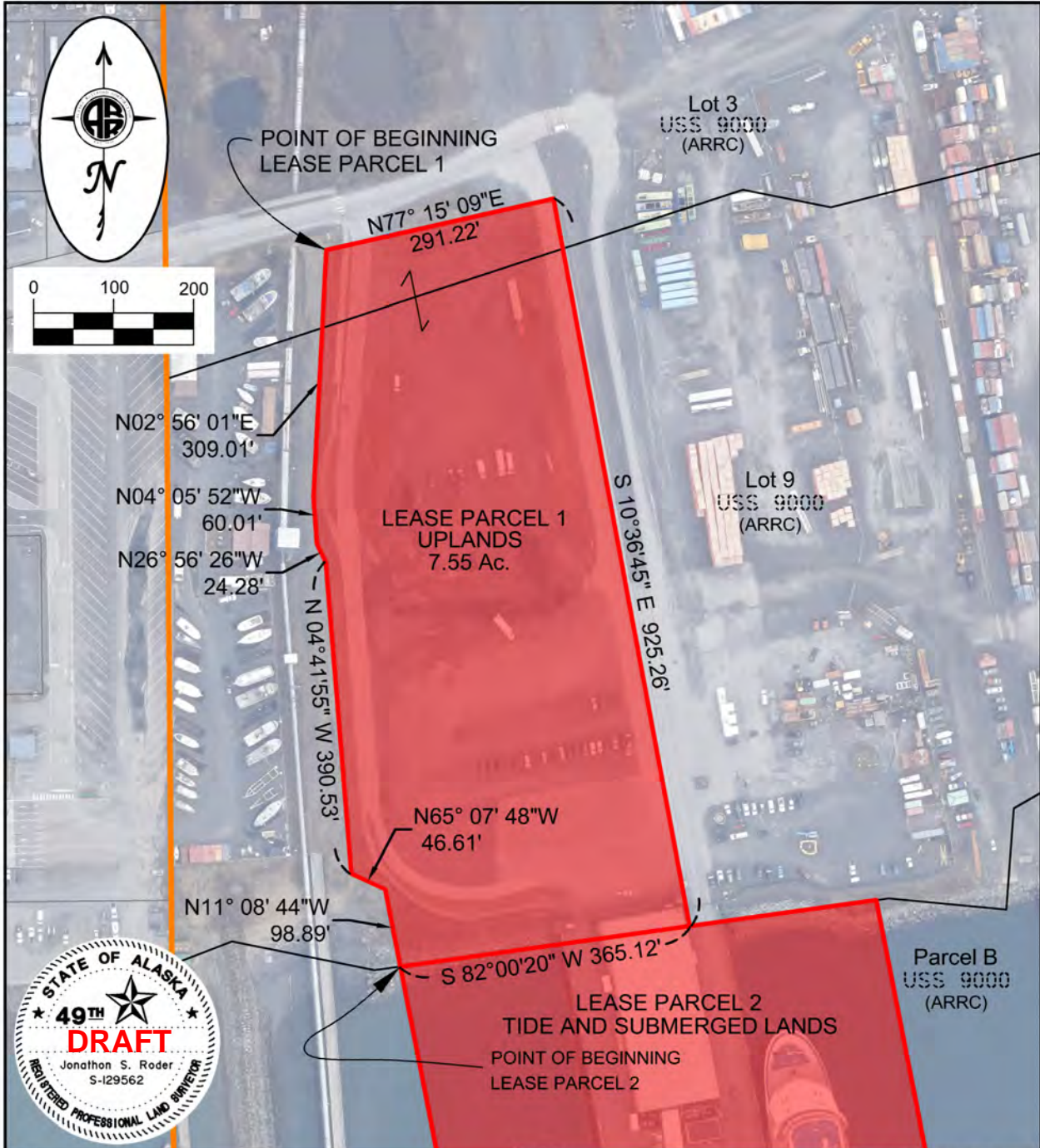
**ALASKA RAILROAD CORPORATION**  
 REAL ESTATE DEPARTMENT, LAND SERVICES  
 P.O. BOX 107500, ANCHORAGE, ALASKA 99510-7500

**Contract No. 21051 - Exhibit A**  
**Seward Company, LLC**  
**Total Area = 1,659,274 sq ft (38.09 ac)**  
**Parcel 1 = 328,822 sq ft (7.55 ac)**  
**Parcel 2 = 1,330,452 sq ft (30.54 ac)**  
**ARRC title - Patent 50-2005-0039 - USS 9000**

DRAWN BY: JSR	Sheet 1 of 3	DATE: 2024-07-08
CHECKED BY: DCA	SCALE: SEE SCALE BAR	
APPROVED BY: JSR	<b>Seward Terminal Reserve</b>	

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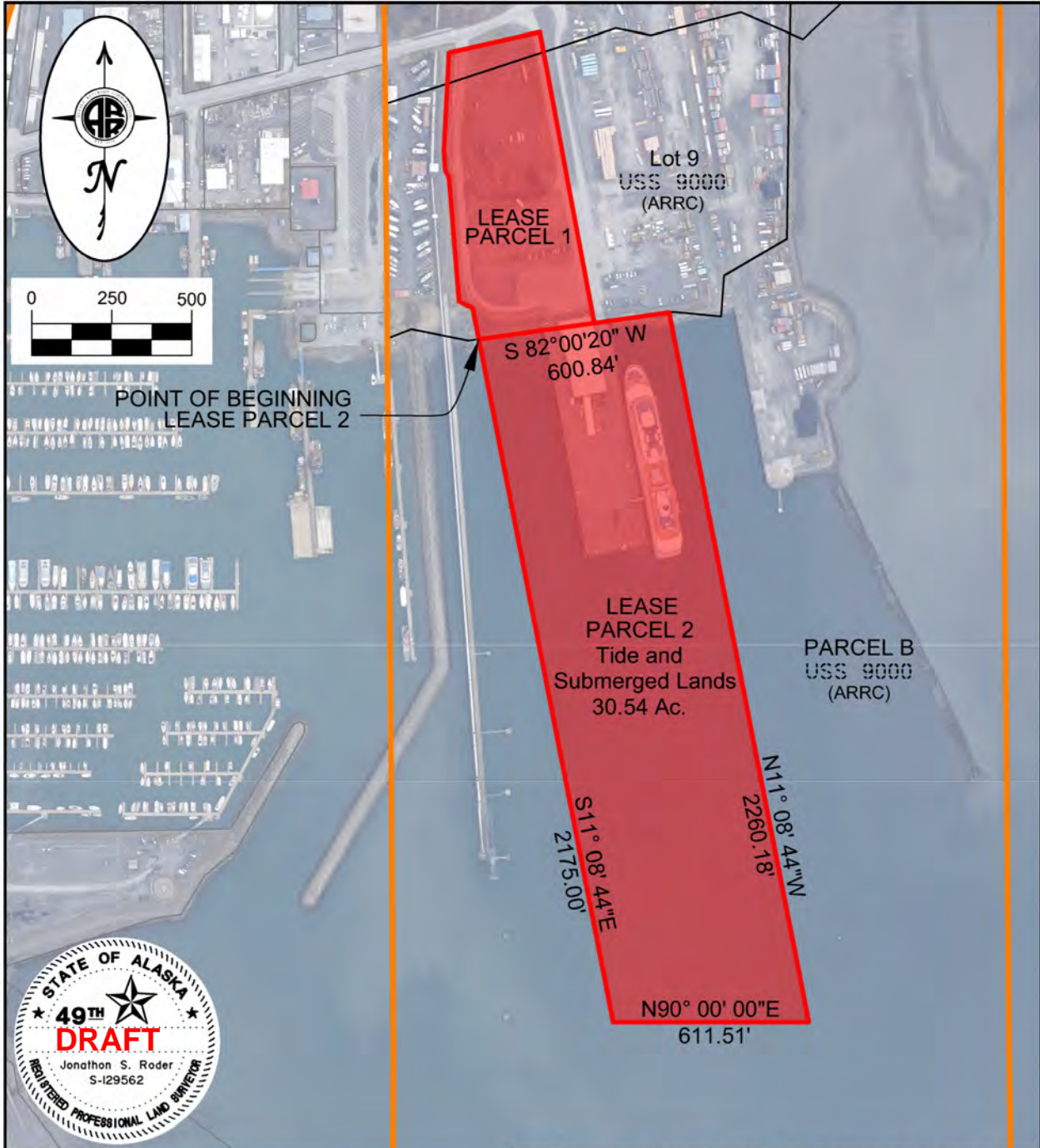




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	<b>ALASKA RAILROAD CORPORATION</b> REAL ESTATE DEPARTMENT, LAND SERVICES <small>P.O. BOX 107500, ANCHORAGE, ALASKA 99510-7500</small>	
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DRAWN BY: JSR CHECKED BY: DCA APPROVED BY: JSR	Sheet 2 of 3 SCALE: SEE SCALE BAR	DATE: 2024-07-08
<b>Seward Terminal Reserve</b>		
R:\00 RED\LEASES\SEW\21051-L Seward Co.dwg		





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**ALASKA RAILROAD CORPORATION**  
REAL ESTATE DEPARTMENT, LAND SERVICES  
P.O. BOX 107500, ANCHORAGE, ALASKA 99510-7500

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DRAWN BY: JSR	Sheet 3 of 3	DATE: 2024-07-08
CHECKED BY: DCA	SCALE: SEE SCALE BAR	
APPROVED BY: JSR	<b>Seward Terminal Reserve</b>	

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