


**SUBJECT:** INFORMING THE ASSEMBLY OF THE BOROUGH MANAGERS SIGNATURE ON A MEMORANDUM OF UNDERSTANDING REGARDING THE SUBMITTAL OF AN FY2025 PORT INFRASTRUCTURE DEVELOPMENT PROGRAM GRANT APPLICATION BY THE ALASKA STATE DEPARTMENT OF TRANSPORTATION FOR THE PORT MACKENZIE MULTIMODAL FREIGHT EXPANSION PROJECT.

**AGENDA OF:** October 7, 2025

**ASSEMBLY ACTION:**

**AGENDA ACTION REQUESTED:** For information only.

Route To	Signatures
Originator	 Recoverable Signature X Kirstie Starr-Watson Signed by: Kirstie Starr-Watson
Department/Finance Director	 Recoverable Signature X Cheyenne Heindel Signed by: Cheyenne Heindel
Borough Attorney	9 / 2 4 / 2 0 2 5 X Nicholas Spiropoulos Signed by: Nicholas Spiropoulos
Borough Manager	9 / 2 4 / 2 0 2 5 X Michael Brown Signed by: Mike Brown
Borough Clerk	9 / 2 5 / 2 0 2 5 X Brenda J. Henry for Signed by: Brenda Henry

**ATTACHMENT (S) :** Memorandum of Understanding (4 pp)

**SUMMARY STATEMENT:** The Alaska State Department of Transportation and Public Facilities (ADOT&PF) approached the Manager with a request to collaborate on a FY2025 U.S. Department of Transportation Maritime Administration (MARAD) Port Infrastructure Development Program (PIDP) grant application for the Port MacKenzie Multimodal Freight Expansion Project. The State is requesting \$39,500,000 in PIDP grant funding to upgrade infrastructure at Port MacKenzie, with a total anticipated project cost of \$72,000,000.

Infrastructure improvements included in the application are as follows:

<b>COMPONENT</b>	<b>ESTIMATED TOTAL</b>
Laydown Yard Development	\$ 8,000,000
Port Roads Upgrades and Circulation	\$12,000,000
Rail Spur and Loop Track Construction	\$22,000,000
Dock and Heavy Lift Infrastructure	\$10,000,000
Buildings and Vertical Construction	\$15,000,000
Utilities, Lighting, Security	\$ 5,000,000
<b>TOTAL</b>	<b>\$72,000,000</b>

The Manager's signature on a Memorandum of Understanding (MOU) between ADOT&PF and the Borough was required to demonstrate site ownership and authority for PIDP application submittal. The MOU outlines roles and responsibilities for the application and provides a framework for future collaboration if ADOT&PF is awarded PIDP funding. The MOU is non-binding and does not constitute a funding commitment by the Borough. The State and Borough will negotiate terms if the State receives a grant award.

This collaboration demonstrates State and Borough commitment to improving the economic vitality and resiliency of Port MacKenzie, the Borough, and the many communities that will benefit from these infrastructure improvements.

**MEMORANDUM OF UNDERSTANDING  
BETWEEN  
  
THE STATE OF ALASKA  
DEPARTMENT OF TRANSPORTATION & PUBLIC FACILITIES (DOT&PF)  
  
AND  
  
THE MATANUSKA-SUSITNA BOROUGH (MSB)**

**I. Parties**

This Memorandum of Understanding (MOU) is entered into by and between the Alaska Department of Transportation & Public Facilities (DOT&PF), a department of the State of Alaska, and the Matanuska-Susitna Borough (MSB), a political subdivision of the State of Alaska and the owner of the Port MacKenzie property (the “Port”). DOT&PF and MSB may be referred to individually as a “Party” and collectively as the “Parties.”

**II. Purpose**

The purpose of this MOU is to establish a mutual understanding and framework of cooperation between DOT&PF and MSB in pursuing a federal Port Infrastructure Development Program (PIDP) grant from the U.S. Maritime Administration (MARAD) in the approximate amount of \$40 million. The project proposed for the PIDP grant involves the construction of laydown yards, turnaround loops, and associated infrastructure at Port MacKenzie. These improvements are intended to facilitate the efficient movement of freight from the Port to the National Highway System. This MOU also acknowledges the requirements of the MARAD Notice of Funding Opportunity (NOFO) for the PIDP grant, as well as relevant MSB and DOT&PF requirements. It outlines the roles, responsibilities, and commitments of each Party regarding the grant application and potential project implementation.

**III. Roles and Responsibilities**

**1. DOT&PF will:**

- Serve as the lead applicant for the PIDP grant application and act as the lead agency responsible for the project.
- Prepare and submit the PIDP grant application (including the project narrative and all required supporting documentation) in coordination with MSB.
- Administer the federal grant, if awarded, in compliance with all MARAD, U.S. Department of Transportation, and State of Alaska requirements.
- Oversee the project’s design, procurement, and construction in accordance with applicable state procurement laws and federal grant regulations. This includes ensuring that all necessary environmental reviews, permits, and regulatory approvals are obtained.
- Act as the primary point of contact with MARAD for all matters related to the application and grant administration.

- Coordinate closely with MSB during all phases of the project to ensure the improvements are designed and constructed to meet the operational needs of Port MacKenzie and to fulfill the grant's objectives.

**2. MSB will:**

- Confirm that the site of the proposed project at Port MacKenzie is owned or controlled by MSB, and provide documentation of such ownership or control as needed for the grant application.
- Provide written authorization and consent for DOT&PF to plan and construct the proposed improvements on MSB property. MSB will grant DOT&PF and its contractors reasonable access to Port MacKenzie property as necessary to carry out project planning (e.g., surveys, geotechnical investigations) and construction activities.
- Coordinate with DOT&PF on obtaining any required local permits, approvals, or consents for the project, and assist in integrating the project with local land use plans and Port operations.
- Upon successful completion of the project, accept ownership of the constructed facilities and infrastructure improvements. MSB will assume full responsibility for the long-term operation, management, and maintenance of the completed improvements.
- Integrate the completed infrastructure into Port MacKenzie's operations and ensure that it is used and maintained in a manner consistent with the project's intended purpose of facilitating freight movement, subject to all applicable Borough policies and regulations.

**IV. Authority to Carry Out the Project**

DOT&PF affirms that it has the legal authority under Alaska law to plan, design, and construct the proposed Port MacKenzie improvements, and to enter into this collaborative agreement for purposes of the PIDP grant. MSB affirms that it is the legal owner of Port MacKenzie, with the authority to allow the proposed improvements on its property and to own, operate, and maintain those improvements upon completion. By this MOU, MSB grants DOT&PF the necessary authority to pursue the federal funding and to carry out the planning and construction of the project on MSB property.

The Parties further acknowledge that, collectively, they possess the requisite authority to plan, construct, own, operate, and maintain the grant-funded project, as required by the MARAD PIDP NOFO. This MOU is intended to satisfy the federal grant application requirement to demonstrate project site control and authority.

Both Parties understand that if the PIDP grant is awarded, the project must be carried out in compliance with all applicable federal requirements (such as the grant terms, federal contracting standards, Buy America provisions, and environmental laws), as well as all relevant State of Alaska and MSB laws and regulations. MSB's consent to the project and DOT&PF's activities under this MOU are contingent upon adherence to these requirements and upon obtaining any further approvals that may be required by each Party's internal processes (for

example, any necessary legislative approval or Borough Assembly authorization to accept funds or proceed with construction).

#### **V. Non-Binding Nature of Agreement**

This MOU reflects the Parties' good-faith intentions to collaborate but is not a legally binding contract with respect to funding or project execution. Nothing in this MOU creates any enforceable financial obligation or commitment by either Party at this stage. In particular, this MOU does not obligate MSB or DOT&PF to provide any specific funding (including any non-federal matching funds) for the project at this time. Any future financial commitments, cost-sharing arrangements, or obligations required for the project (such as a local match or future maintenance funding) will be negotiated and documented in a separate written agreement or through an amendment to this MOU, as appropriate, and in accordance with MARAD's requirements.

Furthermore, this MOU does not guarantee that the PIDP grant will be awarded or that the project will proceed. All undertakings described herein are contingent upon the successful award of the PIDP grant and the subsequent execution of a formal grant agreement and any other necessary project agreements between the Parties. If the grant application is not successful, the Parties may reassess their collaboration on this project without any penalty or continuing obligation under this MOU.

#### **VI. Term**

This MOU becomes effective upon signature by the authorized representatives of both DOT&PF and MSB. It shall remain in effect through the completion of the PIDP grant application process and, if the grant is awarded, until such time as the Parties execute a more definitive, binding agreement (such as a grant agreement or project agreement) governing the implementation of the project.

This MOU may be extended or amended by mutual written agreement of the Parties if circumstances warrant.

Either Party may withdraw from this MOU prior to the submission of the PIDP grant application by providing written notice to the other Party. If the PIDP application does not result in a grant award, this MOU will terminate automatically upon notice that the project was not selected for funding, unless the Parties mutually agree in writing to extend or modify the MOU for other purposes. In the event the project is awarded PIDP funding, this MOU will remain in effect until it is superseded by a subsequent binding agreement or until it is terminated by mutual written consent of the Parties.

#### **VII. General Provisions**

**No Partnership or Agency:** Nothing in this MOU is intended to create, nor shall it be construed as creating, any partnership, joint venture, or agency relationship between the Parties. Each Party will act in its own capacity and not as an agent of the other, and neither Party has the authority to bind the other except as expressly set forth herein.

**Liability and Immunity:** Each Party shall be responsible for any claims, liabilities, or damages arising from the acts or omissions of its own officers, employees, or agents in the performance of this MOU, to the extent provided by law. Nothing in this MOU is intended to waive any immunity or limitation of liability that either Party may have under applicable law, including the sovereign immunity of the State of Alaska and the governmental immunities of MSB as a municipal entity.

**No Third-Party Rights:** This MOU is solely for the benefit of DOT&PF and MSB. It is not intended to confer any rights or benefits on any third party, nor shall it be interpreted as creating any enforceable rights or causes of action in favor of anyone other than the Parties. No third party shall be deemed a beneficiary of this MOU.

**Amendments:** This MOU may be amended or modified only by a written agreement signed by authorized representatives of both Parties. Any amendment must be in writing and will take effect upon signature by both Parties (and approval by any higher authorities if required).

**Entire Understanding:** This document embodies the entire understanding between the Parties with respect to the subject matter discussed herein and supersedes any prior or contemporaneous agreements, negotiations, or communications (whether oral or written) relating to the PIDP grant application for the Port MacKenzie project.

**Counterparts and Electronic Signatures:** This MOU may be executed in counterparts, each of which shall be deemed an original, and all counterparts together shall constitute one and the same instrument. The Parties agree that electronic or facsimile signatures on this MOU shall be considered as valid and binding as original signatures.

**Authority to Sign:** Each individual signing below represents and warrants that they have full legal authority to execute this MOU on behalf of the Party for whom they sign, and that by doing so, they legally bind their respective Party to the terms of this MOU.

## VIII. Signatures

IN WITNESS WHEREOF, the Parties have executed this Memorandum of Understanding as of the dates indicated below.

**Michael Brown** Digitally signed by Michael Brown  
Date: 2025.09.10 08:31:29 -08'00'

**Michael Brown**  
Borough Manager, Matanuska-Susitna Borough  
Date: 09/10/2025

Signed by:  
  
ABB8358134E046F...

**Ryan Anderson, P.E.**  
Commissioner, Alaska DOT&PF  
Date: 9/10/2025