

SUBJECT: INFORMING THE ASSEMBLY OF THE SUBMITTAL OF FY2025 UNITED STATES MARINE HIGHWAY PROGRAM GRANT APPLICATION REQUESTING \$1,324,484.00 FOR THE PORT MACKENZIE CARGO AND FREIGHT CAPACITY PROJECT.

AGENDA OF: August 5, 2025

ASSEMBLY ACTION: Presented to the Assembly 08/05/25 - BJH

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	 Recoverable Signature X John Aschenbrenner Signed by: John Aschenbrenner 7 / 17 / 2025
Borough Manager	 Recoverable Signature X Michael Brown Signed by: Mike Brown 7 / 18 / 2025
Borough Clerk	 Recoverable Signature X Lonnie McKechnie Signed by: Lonnie McKechnie 7 / 21 / 2025

ATTACHMENT (S): Grant Application (20 pp)

SUMMARY STATEMENT: The Matanuska-Susitna Borough has applied to the U.S. Department of Transportation Maritime Administration (MARAD) United States Marine Highway Program (USMHP) for the Port Mackenzie Cargo and Freight Capacity Project. This application requests \$1,324,484.00 for the purchase of a wheeled loader, a rough terrain telehandler forklift, and a compact tracked loader (skid-steer). The application includes a match of \$331,121.00, for a total project cost of \$ 1,655,605.00, which includes a thirty percent contingency.

Project Budget:

	Wheeled Loader	Forklift	Compact Tracked Loader (Skid Steer)	*30% Contingency	Total
USMHP Funds Requested	\$418,200	\$393,492	\$207,142	\$305,650	\$1,324,484
Local Share (Match)	\$104,550	\$98,373	\$51,785	\$76,413	\$331,121
Total	\$522,750	\$491,865	\$258,927	\$382,063	\$1,655,605

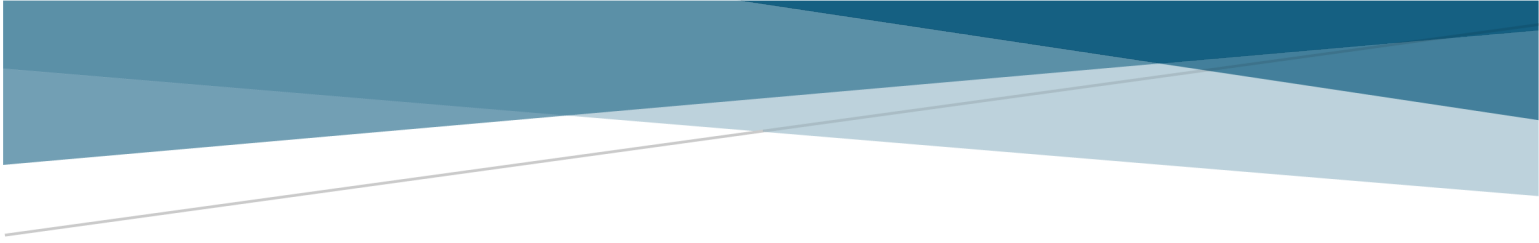
**For purchase/estimating
accuracy*

The equipment requested in this application will facilitate safer and more efficient loading, unloading, and transport of heavy freight, bulk cargo, and equipment between vessels docked at Port MacKenzie and locations around the Port's gravel storage pad and lay-down areas.

Matanuska- Susitna Borough FY 2025 USMHP Grant Application

Name of lead applicant	Matanuska-Susitna Borough
Is the applicant applying as a lead applicant with any joint applicants?	No
Project name	Port MacKenzie Cargo and Freight Capacity
Project description	The purpose of this project is to expand cargo handling capacity at Port MacKenzie. A wheeled loader, rough terrain telehandler forklift, and compact track loader (skid-steer) will facilitate safer and more efficient loading, unloading, and transport of heavy freight, bulk cargo, and equipment between vessels docked at Port MacKenzie and locations around the Port's gravel storage pad and lay-down areas.
Is this a Project for either development phase activities or Marine Highway Transportation Planning Activities?	No
Is the applicant a United States private sector operator of marine highway Projects or private sector owners of facilities, including an Alaska Native Corporation?	No
U.S. Marine Highway Route served	U.S. Marine Highway Transportation Route: M-A1 U.S. Marine Highway Transportation Route Sponsor(s): Matanuska-Susitna Borough
Project location address	28000 S Don Young Rd Wasilla, AK 99623
Geographic coordinates (in latitude and longitude format)	lat. 61.269049, long. -149.919323
Is this Project in an urban or rural area?	Rural, census tract 6.04
Is the applicant a Tribal government?	No
Project Zip Code	99623
Has the same Project been previously submitted for AMH/USMHP funding?	No, however an FY2024 USMHP grant application was submitted but not awarded for a rough terrain telehandler forklift.
Is the applicant applying for other discretionary grant programs in 2025 for the same work or related scope of work?	No
Has the applicant previously received DOT, Environmental Protection Agency (EPA), Department of Energy (DOE) or other Federal funding for the same work or related scope of work?	No
Has the applicant previously received PIDP, TIGER, BUILD, RAISE, FASTLANE, INFRA Mega, or AMH/USMHP funding?	USMHP FY2023 - \$944,804
USMHP FY 2025 Grant Amount Requested	\$1,324,484
Total Project Cost	\$1,655,605
Total Federal Funding	\$1,324,484 - FY2025 USMHP
Total Non-Federal Funding	\$331,121

Will the applicant be seeking approval to expend funds prior to grant agreement execution?	No
Will RRIF or TIFIA funds be used as part of the Project financing?	No
Does the applicant use LOGINK or a similar logistics platform provided or sponsored by the People's Republic of China or Chinese state-affiliated entities?	No



PORT MACKENZIE CARGO AND FREIGHT CAPACITY PROJECT

Matanuska-Susitna Borough, Alaska

Contact:

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Introductory Information

The Matanuska-Susitna Borough (MSB) is a local government in southcentral Alaska that owns and operates Port MacKenzie (Port). MSB is a sponsor of a Designated Route on the US Marine Highway System known as M-A1¹. Construction of the Port began in 1999 and consists of a 375' sheet pile face barge dock, a 1,200' long deep-draft dock, and a bow ramp. This Port is critically important for freight deliveries in Southcentral Alaska. However, it is still developing and requires additional cargo handling equipment to meet the regional and national needs of the commercial maritime industry operating in Cook Inlet.

MSB is requesting funding from the Maritime Administration (MARAD) under the 2025 US Marine Highway Program (USMHP) Grant to purchase one wheeled loader, one rough terrain telehandler forklift, and one compact track loader (skid steer). This equipment will facilitate more efficient loading and unloading of heavy cargo and freight from the deep-draft dock, the barge dock, and the bow ramp. It will be used to manage, move, and stack bulk materials, containers, and other deliveries stored on the gravel pad and lay-down area adjacent to the docks (Figure 1). This equipment is critical for safe and efficient operations at Port MacKenzie, a growing deepwater port that serves many Alaska communities.

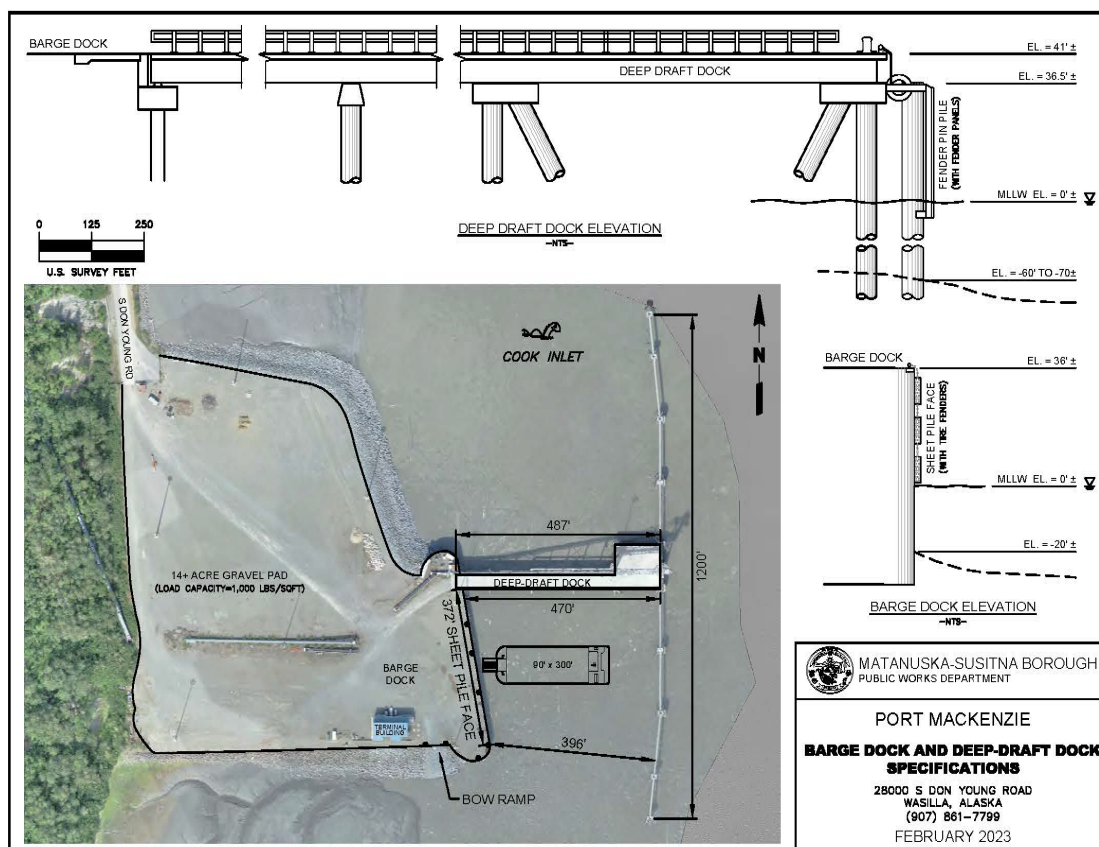


Figure 1 - Port MacKenzie Aerial Schematic

¹ [Marine Highway M-A1 Aug2023.pdf \(dot.gov\)](#)

SECTION I: PROJECT DESCRIPTION

MSB is seeking \$1,324,484 from the 2025 USMHP grant to fund the “Port MacKenzie Cargo and Freight Capacity” project. This will be matched by \$331,121 in MSB funding for a total project cost of \$1,655,605 (Appendix B). The purpose of this project is to expand cargo handling capacity at Port MacKenzie. The wheeled loader, rough terrain telehandler forklift, and compact track loader (skid steer) will facilitate safer and more efficient loading, unloading, and transport of heavy freight, bulk cargo, and equipment between vessels docked at Port MacKenzie and various locations around the Port’s gravel storage pad and lay-down areas. The combined cost of this equipment is estimated to be \$1,655,605. This project will allow Port MacKenzie to provide the essential infrastructure needed to increase cargo and freight handling capacity in southcentral Alaska.



Figure 2: Example images of wheeled loader, track loader (skid-steer), and rough terrain telehandler forklift (Ricobina and ds_30, via Pixabay)

Component 1 – Wheeled Loader - \$522,750

MSB intends to acquire one Wheeled Loader with no less than 300 horsepower (hp), six-cylinder, turbo-charged diesel engine equipped with a minimum five cubic yard (yd³) dump bucket with a bolt-on edge. Each fully loaded bucket will allow safe and efficient movement of over 40,000 pounds (lb.) of aggregates and other bulk materials at 35% turn. The eight-foot pallet forks accessory will allow for safe and efficient movement of palletized freight and containers between vessels, the dock, and the uplands.

The wheeled loader is the highest priority piece of equipment for Port MacKenzie.

Component 2 – Rough Terrain Telehandler Forklift - \$491,865

MSB intends to acquire one Rough Terrain Telehandler Forklift with a minimum weight capacity of 28,000 lbs., at least 34 ft. lift height, and a forward reach of 17 ft. or more. Safety and efficiency when loading, unloading, stacking, and transporting cargo will be maximized by allowing heavy cargo to be moved between vessels and the dock and stacked in a precise and orderly manner. Containerized and non-containerized cargo can be lifted and staged safely with the increased reach provided by the telescoping boom of the rough terrain telehandler forklift, particularly in situations where the cargo is difficult to reach.

The rough terrain telehandler forklift is the second-highest priority piece of equipment.

Component 3 – Compact Track Loader (Skid-Steer) - \$258,927

MSB intends to acquire one Compact Track Loader (skid-steer) with at least 120 horsepower (hp) four-cylinder turbo-charged diesel engine equipped with a 0.9 cubic yard (yd³) dump bucket with bolt-on cutting edge. Each fully loaded bucket will allow safe and efficient movement of over 4,500 pounds (lb.) of aggregates and other bulk materials at 35% turn. The additional accessories (48-inch heavy-duty pallet forks, hydraulic angle broom, brushcutter, mulcher, and snowblower) will be invaluable for a variety of tasks that require maneuverability on the dock and vessels, as well as in the uplands.

The 48-inch pallet forks will allow for the movement and staging of freight and cargo between vessels, the dock, and the lay-down area of Port MacKenzie. The size maneuverability of the compact track loader will allow for direct unloading of freight from vessels with a bow ramp.

Some accessories for the compact track loader are focused on the safety of port users and staff. The brushcutter and mulcher will allow port staff to manually remove and dispose of organic material along the landside of the dock, the roads within the port boundary, and at the gates as needed. This will prevent overgrowth of trees and bushes, and improve safety by providing port users and staff a clear line of sight as they maneuver into and within the port. The hydraulic angle broom will allow for the efficient removal of gravel, debris, light snow, and other materials from the road, dock, and lay-down areas, as well as the decks of vessels. The snowblower is needed to remove snowfall, which is a frequent occurrence at this rural port, quickly and efficiently.

The skid-steer is the third-highest priority piece of equipment needed at Port MacKenzie.

Port MacKenzie was previously awarded a FY2023 USMHP grant for the Port MacKenzie Rough Terrain Cargo Crane project. The award was executed in September 2024, and the procurement process began in March 2025. The bid has been awarded to Construction Machinery Industrial, LLC. for a contract amount of \$1,163,390.

MSB owns and operates Port MacKenzie and is the sponsor of US Marine Highway System Route M-A1², which includes the Upper Cook Inlet, the Matanuska and Susitna Rivers, and connecting commercial navigation channels, ports, and harbors.

SECTION II: PROJECT LOCATION

Port MacKenzie is a small, rural, coastal port located in Upper Cook Inlet on the west side of Knik Arm. The Project is located at the port in the vicinity of lat. 61.269049, long. -149.919323 I census tract 6.04. The CARGO HANDLING EQUIPMENT will be used on the deep-draft dock, the barge dock, and the bow ramp. While the port is notably two miles by water from Anchorage, the state's population center, it is 75 miles by road to Anchorage. It is accessible by road from the

² [Marine Highway M-A1 Aug2023.pdf \(dot.gov\)](#)

George Parks Highway, via Knik-Goose Bay Road and West Point MacKenzie Road, and sits 40 miles by road south of the largest population center in the MSB, Wasilla, AK (Figure 2).

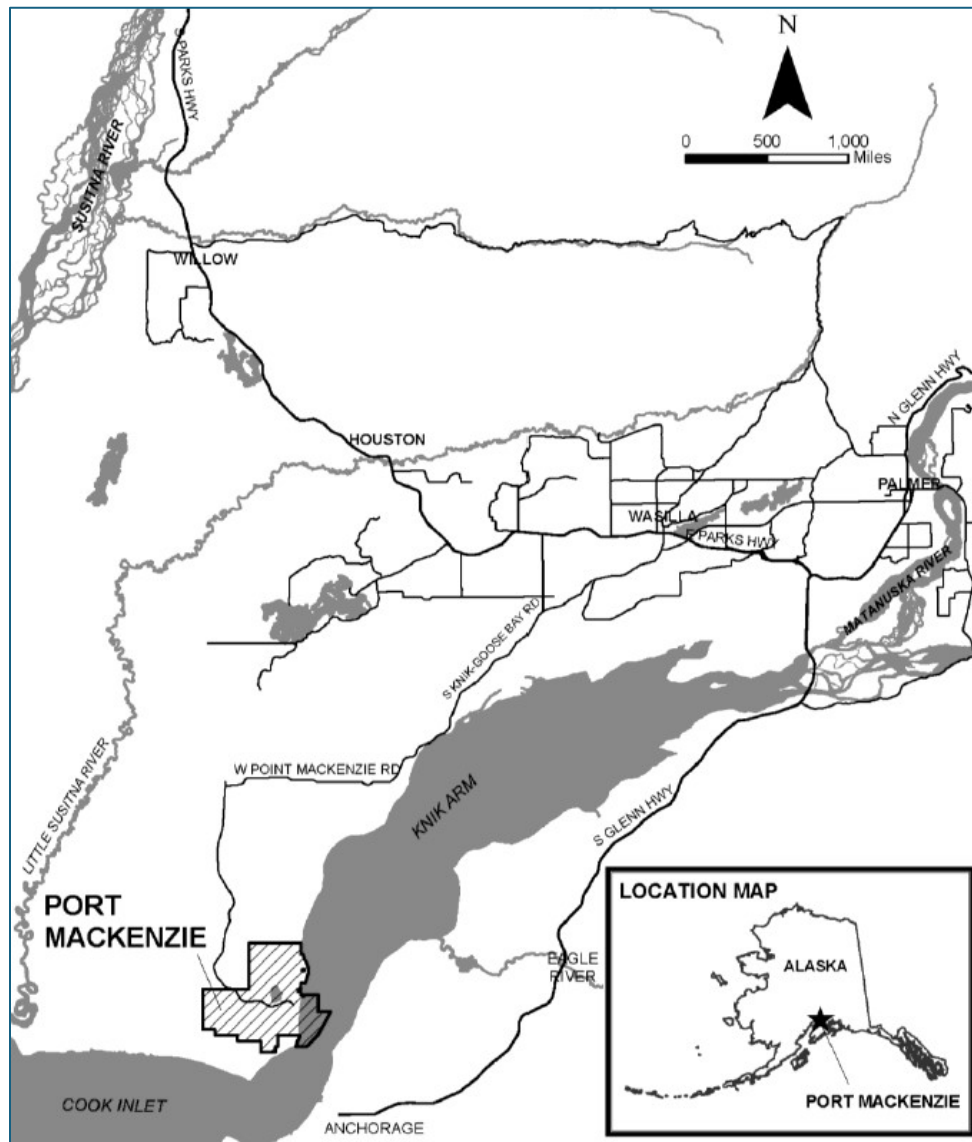


Figure 3 - Port MacKenzie Vicinity Map

Port MacKenzie provides a gateway to many Southcentral and Interior Alaska communities in Alaska, as well as the Arctic. Strategically located about two nautical miles away from the Port of Alaska in Anchorage, the port ensures resiliency and redundancy for Southcentral Alaska communities if the Port of Alaska had to close due to an unforeseen natural disaster or an emergency impacting road and rail transportation corridors. Additionally, the Port of Alaska is experiencing overcrowding, which is now leading to increased use of Port MacKenzie. It is therefore vital that the MSB secure cargo and freight handling equipment to meet the diverse and growing needs around the Port, including at its deep-draft dock, barge dock, bow ramp, and lay-down areas where freight can be stacked, stored, and organized.

Port MacKenzie offers notable advantages, including:

- On a paved road system
- Three-Phase electrical utilities
- The deepest draft capability in the Upper Cook Inlet, Alaska's population center
- Supply chain resilience through essential redundancy with the Port of Alaska in Anchorage, the state's largest port, just two nautical miles away
- A large upland district dedicated to port-related activities
- More direct shipping connections from tidewater to Interior and Northern Alaska
- A rail connection from the port to the Alaska Railroad main line in the Mat-Su Borough at Houston is under construction; rights of way are secured, and the rail is partially constructed.

Port infrastructure is currently limited to a trestle-accessible deep-water marine port with a 1,200-foot deep-draft dock, a small bow ramp, and a 14.7-acre open-cell barge dock. While the lack of vessel-to-shore equipment and water-to-uplands infrastructure is a significant barrier to operations, many industries (LNG, timber curing, bulk fuel storage, solid waste disposal, sewage treatment, and peat processing) have expressed interest in using port facilities but are not currently utilizing the docks. Once completed, the Alaska Railroad's "Port MacKenzie Rail Extension" will dramatically increase transportation of goods and services, as well as encourage bulk commodity exports. However, the port requires additional infrastructure to meet industry demands. The deep-draft and open-cell barge docks are suitable for a variety of vessel types; however, equipment is needed to address activities after vessels dock.

SECTION III: GRANT FUNDS, SOURCES, AND USES OF PROJECT FUNDS

The total cost of the Project is estimated at \$1,655,605. MSB has committed to a local match of \$331,121 (20%) for the Project, but \$1,324,484 (80%) in USMHP funding is required to complete the Project. No prior federal funds have been used for this Project. See Attachment C: Funding Commitment and Letters of Support.

	Wheeled Loader	Forklift	Compact Track Loader (Skid Steer)	30% Contingency*	Total
USMHP Funds	\$418,200	\$393,492	\$207,142	\$305,650	\$1,324,484
Other Federal Funds	\$0	\$0	\$0	\$0	\$0
Non-Federal Funds	\$104,550	\$98,373	\$51,785	\$76,413	\$331,121
Total	\$522,750	\$491,865	\$258,927	\$382,063	\$1,655,605

**For purchase/estimating accuracy*

As Port MacKenzie is in a rural area, MSB could request a Federal share above 80%. However, MSB is committing a 20% match to show their dedication to this project and the expansion of Marine Highway Transportation in the region.

All cost data in the budget was obtained in 2025. The equipment costs are based on quotes obtained in 2025. See supporting cost information in Attachment B: Manufacturer Quotes. Quotes were obtained only to provide current cost estimates for this USMHP application. If awarded, the Mat-Su Borough will follow all federal purchasing requirements for port equipment procurement.

SECTION IV: ADDITIONAL APPLICATION INFORMATION NEEDED FROM ALL PRIVATE SECTOR APPLICANTS

This project is under the purview of the Matanuska-Susitna Borough and does not rely on private sector funding.

SECTION V: MERIT CRITERIA

Demonstrating the Need to Develop, Expand, or Promote Marine Highway Transportation or Shipper Use of Marine Highway Transportation

Market Need

Several construction and fabrication companies located in the Matanuska-Susitna Borough would prefer to use Port MacKenzie versus other ports in southcentral Alaska due to its proximity to their base of operations, primarily in the communities of Houston, Wasilla, Palmer, Meadow Lakes, and Big Lake. The lack of equipment at the port means that either they must rent equipment, which can be hard to come by in the summer months during the height of construction season, or they need to bring their own to the port to use, which is costly for mobilization and demobilization, and also removes it from a jobsite. Typically, area roads have weight restrictions on them during the spring breakup period in late April or early May, when the snow is melting and the ground is thawing; weight restrictions prohibit the transport of heavy loads, which impacts equipment transport. The lack of equipment available at Port MacKenzie means these companies must use other ports to serve their needs, which increases their labor and fuel costs, drive time, and per diem for employees. This Project provides favorable options for the maritime industry operating in Upper Cook Inlet.

Through a series of interviews, we learned the following:

- Local users primarily represent barge traffic, and the equipment and facilities currently at the port do not cater to barge operations.
- While there is a barge dock in place, the absence of a ramp as well as the current design and placement of the dock make it difficult to use due to rocks and debris at low tide, which were noted as obstacles (O'Shea 2023; Mulhaney 2023).
- A loading ramp, portable barge ramps, mobile crane, forklift, telehandler (aka a rough terrain forklift), and facilities for storing and repairing vessels were

specifically noted as equipment that would facilitate barge operations (Elvsaaas 2023; Mulhaney 2023; Miller and Weiss 2023).

If Port MacKenzie had equipment providing versatile ease of use and mobility across the port, accommodating tasks on the deep-draft dock, the barge dock, and the bow ramp, as well as in the gravel lay-down yard, then the Port would attract more business. The types of use the equipment would be tasked with performing would include lifting freight like gravel, salt, and cement onto or from barges and ships; loading, unloading, and moving shipping containers, heavy equipment, fuel drums, pipe, cable, palletized freight, and wood resources such as timber logs; and providing a safe and orderly working environment at the port.

The Department of Defense is currently assessing Port MacKenzie as a strategic port for the unloading and transfer of munitions and explosive ordinance, and this equipment would be needed to facilitate the safe and efficient transfer of those items.

The Federal Emergency Management Agency (FEMA), has identified Port MacKenzie as being a critical part of the supply chain and lifeline planning efforts in the event that a disruption or catastrophic event were to happen to the Port of Alaska (in Anchorage), which is located just two miles away, but separated by several road and rail bridges leading into southcentral and interior Alaska. In a disaster or crisis, Port MacKenzie would serve as a crucial backup for the US Marine Highway and would be immediately identified as a prime location to unload barges and ships to move goods and services to points north and beyond.

Project Need

If Port MacKenzie acquires a wheeled loader, rough terrain telehandler forklift, and track loader (skid-steer) to handle and manage cargo and freight, then a variety of new business opportunities would become realized, as well as the possibilities for the Port to be recognized as a bulwark of resiliency and redundancy in the event it needed to be utilized for emergency purposes. Although located on the road system just two nautical miles from Anchorage, the port is rural and remote, and the distance to the nearest major community is approximately 40 miles. The lack of equipment at the port deters many business owners who would like to use the Port for import or export activities. Every port should have equipment to handle cargo and freight, and having permanent equipment on site makes sense logically and logistically, especially in an area that is primed for growth in every direction.

Several major projects are incorporating Port MacKenzie in their planning process. Current examples include the West Susitna Access Road, a 100-mile-long road to resources with the intention of bringing mineral ore to market through Port MacKenzie, and the Knik Arm Crossing Project envisions a bridge connecting Point MacKenzie to Anchorage. In addition, constant oil and gas exploration is underway in Cook Inlet, and Port MacKenzie is well-positioned to be used for bringing in equipment and supplies.

Project Impact

If the Project is awarded, access to permanent on-site equipment will have a massive impact within the maritime industry operating in Upper Cook Inlet. It will mean that Port MacKenzie is stepping up to the plate and offering something that it has not been able to offer before; reliable and versatile cargo handling capabilities. The equipment will, in effect, be an anchor tenant of the Port, and will drive new opportunities among those using the Designated Route of the US Marine Highway System in Cook Inlet; the official designation of the route is M-A1. With this equipment, the Port will become a serious port of call and an attractive destination for barges and ships operating in Cook Inlet.

Contractors with a history of using the Port will likely plan to use the facility on a regular and consistent basis knowing that cargo handling capabilities exist, which will drive new activity, capture the interest of other operators, and ultimately make Port MacKenzie a place of business that's no longer overlooked as a port in Upper Cook Inlet. This Project will help reorient business activity and opportunity in the region.

Expanding the Benefits of Marine Highway Transportation

This project will expand Marine Highway Transportation Service by increasing Port MacKenzie's cargo and freight handling capacity. Port users have consistently reported that the current equipment and facilities available do not cater to barge operations. Currently, barges that utilize Port MacKenzie are limited to loading and unloading materials and containers with equipment that is rented and delivered to the port, or mobilizing, transporting, and demobilizing their own equipment. Barge operators frequently utilize the distant ports at Seward, Whittier, and Homer, resulting in increased road miles that freight must travel. This also has a fiscal impact due to increased labor and fuel costs.



Figure 4: Bow ramp unloading, Port MacKenzie. Matanuska-Susitna Borough, (undated)

Landside Congestion

The addition of cargo handling capabilities to Port MacKenzie would attract local contractors and fabricators to bring their business to the port, reducing congestion on major highway corridors such as the Parks Highway and the Glenn Highway; both highways are conduits running in a generally north/south direction, and funneling traffic to and from Anchorage. Instead of moving freight and cargo along some of the busiest stretches of public roads, the goods could be brought to Port MacKenzie, saving travel time, decreasing fuel costs, and reducing interruptions due to road maintenance, construction, and accidents.

The use of Port MacKenzie for moving freight and cargo can be timed better than using other ports in the region that are struggling with adequate space, the ability to store cargo, and competing interests among maritime industry businesses operating in Upper Cook Inlet. The decreased congestion and more reliable and efficient operations by using Port MacKenzie would help to minimize unnecessary impacts to the existing road, bridge, and highway infrastructure going to and from communities in the Matanuska-Susitna Borough and Anchorage. Additional details and information specific to distances, mileage, emissions, and cost savings is discussed below in section titled “Alternative to Landside Transportation.”

Economic Competitiveness

The addition of cargo and freight handling equipment at Port MacKenzie that can be used on the deep-draft dock, the barge dock, and the barge ramp, will create new economic opportunities in Upper Cook Inlet. Creating an alternative to other ports in the region to safely and efficiently load and unload cargo and freight will spur competitiveness. Only one other location in the area has easy access to equipment for handling maritime freight, and that is at the Port of Alaska (in Anchorage). They run a massive operation that requires detailed logistics and set time frames, whereas Port MacKenzie offers an experience that is flexible, not congested, and offers competitive rates for use of the facility.

Alternative to Landside Transportation

The addition of cargo handling capabilities to Port MacKenzie would attract local contractors and fabricators to bring their business to the port, and free up congestion on major highway corridors such as the Parks Highway and the Glenn Highway; both highways are conduits running more or less in a north/south direction, and funneling traffic to and from Anchorage. Instead of moving freight and cargo along some of the busiest stretches of public roads, the goods could be brought to Port MacKenzie, saving travel, decreasing fuel costs, and reducing interruptions as a result of road maintenance, construction, and accidents.

The use of Port MacKenzie for moving freight and cargo can be timed better than using other ports in the region that are struggling with adequate space, the ability to store cargo, and competing interests among maritime industry businesses operating in Upper Cook Inlet.

Ultimately, the decreased congestion and more reliable and efficient operations by using Port MacKenzie would help to minimize unnecessary impacts to the existing road, bridge, and highway infrastructure going to and from communities in the Matanuska-Susitna Borough and Anchorage.

Port MacKenzie is advantageous in its proximity to Alaska's major population centers (the Municipality of Anchorage and the Matanuska-Susitna Borough) relative to other ports of call in the state. Some potential benefits to port users include:

- For each truckload of cargo that is transported to Anchorage via Port MacKenzie instead of the Port of Seward, the benefits amount to \$77.84:
 - \$46.46 savings in operating costs
 - \$27.00 in travel time
 - \$4.38 in emissions reductions
- For each truckload of cargo that is transported to Anchorage (including Joint Base Elmendorf-Richardson [JBER]) via Port MacKenzie instead of Port Valdez, the benefits amount to \$365.70:
 - \$221.19 in operating costs
 - \$123.66 in travel time
 - \$20.85 in emissions reductions
- Cargo moving in and out of NANA Construction's Big Lake facility moves through the Port of Alaska via fully dedicated barges, which are then offloaded onto trucks for transport to Big Lake. By switching to Port MacKenzie, the road transportation distance could be cut in half (from nearly 60 miles to 30 miles, one-way). For each truckload of cargo that is transported to Big Lake via Port MacKenzie instead of Port of Alaska, the benefits amount to \$39.05:
 - \$28.28 in operating costs
 - \$8.10 in travel time
 - \$2.67 in emissions reductions

At 180 trucks per year, this would amount to a savings of \$7,028 annually.

- Port MacKenzie's remote location (far from any population centers or other major development) and the absence of simultaneous cargo and passenger operations could increase the safety of munitions and explosive cargo movements. These shipments are currently routed through Valdez; if that cargo were destined for JBER, routing through Port MacKenzie would generate \$365.70 in operating costs, travel time and emissions reductions, in addition to increasing safety.
- Unparalleled upland acreage (in contrast to the neighboring Port of Alaska) allows this Port District to expand considerably over time with fewer land use constraints. Port MacKenzie is uniquely able to service bulk cargo storage needs not met elsewhere in the region.
- The pending rail connection, which would greatly reduce transport mileage and costs, stands to further situate Port MacKenzie as an export and cargo storage hub for Alaska.

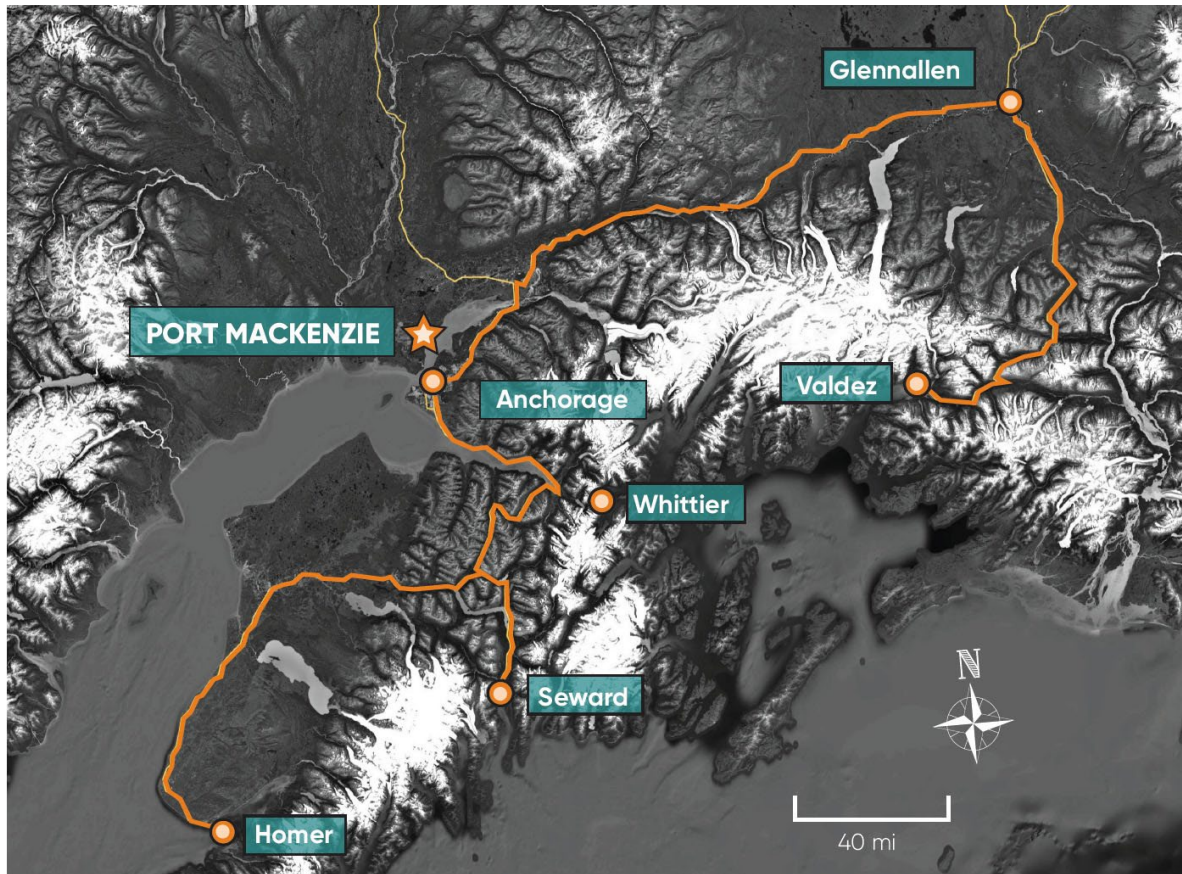


Figure 5: Map of the road system between southcentral Alaska ports

Safety Improvements

The current primary safety concerns at Port MacKenzie relate to its remoteness, specifically the distance and limited transportation options to reach care in case of medical emergencies. Current evacuation options include road travel and helicopter extraction. There is only a single road connecting the port to population centers of the borough and a single road connecting the borough to Anchorage, making road transportation highly susceptible to delay or closure without redundancy. Minimum road distances from Port MacKenzie to medical care facilities range from 31 miles (nearest urgent care facility in Knik- Fairview), 45 miles (emergency room at regional health center in Wasilla), and 80 miles (nearest full-service hospital in Anchorage). However, if able to travel by boat, the same Anchorage Regional Hospital is only 8 miles away: 4 miles by boat to the Anchorage port small boat launch and 4 miles by road to the hospital. All transportation modes are subject to travel delays, interruptions, and complications due to Alaska's unpredictable weather.

By having a wheeled loader, rough terrain telehandler forklift, and skid-steer at the Port, there would be no need to transport equipment on the highway because the equipment would be located at the Port. The alternative is renting equipment, which would require significant transport time on the road system. New equipment at the Port would also feature the newest safety technology, alert systems, and computer programs to alleviate potential for accidents during the operation. The cabs provide good sight distance in all directions, and the units would be easy to operate.

Port MacKenzie is well-positioned to reduce safety risks associated with munitions and explosive cargo movements. These shipments from US Military Joint Base Elmendorf-Richardson (JBER), located north of Anchorage on the east side of Knik Arm, are currently routed through Valdez. Port MacKenzie's distant location from population centers, proximity to JBER (drastically reducing road miles traveled), and unparalleled upland acreage for cargo storage already make the port attractive for safer munitions transport and storage. Improvements from this project make Port Mackenzie more attractive for volatile cargo transport. The equipment will reduce safety risks associated with hazardous cargo handling. US Military Staff were on site at Port MacKenzie meeting with the Port Director to discuss these opportunities in April 2023.

Measuring Project Support

Cargo handling infrastructure improvements at the Port have received significant support from maritime industry professionals, both large and small. Support for improvements is also strong from local landowners who wish to see the Port become more active and developed. Letters of support for this Project have been received from the following entities. See "Attachment C: Funding Commitment & Letters of Support":

- Alaska State Legislature Mat-Su Delegation
- Nova Minerals
- Northern Gravel and Trucking
- Knik Tribe

MSB has indicated its support for Port MacKenzie infrastructure development and this project in resolutions, match commitments, and through a comprehensive master planning process. MSB Assembly Resolutions continue to support investing in the marine port as a legislative priority for federal funding.

Leveraging Federal Funding and Financial Viability

The information from the Benefits Report (Attachment A), based on information procured from Northern Economics, specifically highlights improved cargo handling capability as integral to current and anticipated near-term port user needs. Local users primarily represent barge traffic, but the Port does not currently have on-site equipment to cater to barge operations. Regional maritime industry leaders have been very vocal about the need for cargo handling equipment at the Port to accommodate and attract new business (Elvsaas 2023; Mulhaney 2023; Miller and Weiss 2023). Federal funds used to acquire cargo handling equipment will attract and increase barge and ship traffic.

The 2016 MSB Port MacKenzie Master Plan targets several investment opportunities outlined in Plan Goals 4, 6, and 7:

- 4) To complete a rail line from the existing Alaska Railroad to the Port.
- 6) To construct petroleum product storage and processing facilities, including a connection to Anchorage via pipeline.

- 7) To promote the creation of a natural gas liquids (NGL) processing facility, petrochemical facility, refinery, power plant, LNG plant, or other value-added gas processing facility at Port MacKenzie.

The 2021 Port Mackenzie Business Development Strategic Action Plan notes that the Port's lack of rail connectivity represents a major hurdle to tapping into potential freight opportunities. Port infrastructure improvements through this funding program would increase port viability and traffic, attracting rail and other investments.

The Business Development Strategic Action Plan also recommends acquiring cargo and freight handling equipment as strategic investments to attract additional business (Recommendation C. Equipment/Infrastructure). This Project directly implements the actions included in the Strategic Action Plan.

SECTION VI: SELECTION CONSIDERATIONS

Technical Capacity

MSB is ready to expeditiously deliver a successful project that meets the intent and all requirements of federal funding through the US Marine Highway Program. The project team possesses the necessary technical capacity to complete the project and fulfill all funding obligations.

The Matanuska-Susitna Borough currently manages 72 active grant projects. Historically, MSB has managed up to 225 grants in a year, and as few as 20. We currently have a mix of Federal, State, and Foundation grants. A full list of active grants can be created and provided if needed. The grant management team includes those staff or positions shown below:

- Pamela Graham, Grants Coordinator – with over 20 years of grant writing and management experience Ms. Graham currently manages the borough grant application process as well as several pass-through grant programs the borough is involved with. Ms. Graham is the primary party responsible for completing the US. Treasury Online Reports.
- Tonya Loyer, Accountant - Ms. Loyer started as an accounting specialist with the primary responsibility of completing the financial reporting for active grants and coordinating with the project managers to secure the performance reports to ensure all reporting is done on time. In her role, she reviews the reports provided by the accounting specialists, and does the more complicated reporting activities herself, such as the reports required for CARES act funding, where the documentation was hundreds of pages each month.
- Two Accounting Specialists - with the primary responsibility of completing the financial reporting for active grants and coordinating with the project managers to ensure all performance reports to ensure all reporting is done on time.

- David Griffin, Port Operations Manager – The duties of the Port Operations Manager pertain to a variety of efforts associated with port security, terminal permitting, annual inspections, public relations, business development, planning, and management of capital projects. The Port Operations Manager also provides briefings and updates to the Borough Manager and the Borough Assembly, and serves as the port Facilities Security Officer.
- MSB Port Management Staff - Port MacKenzie staffing consists of a full-time Operations Manager, a full-time Assistant Port Operations Manager, and a full-time Port Maintenance Specialist. The Assistant Port Operations Manager handles invoicing, budget reports, phone, and email inquiries, and is an Alternate Facilities Security Officer. The Port Maintenance Specialist performs routine maintenance of port infrastructure, such as painting, snow plowing, minor electrical and mechanical work, and serves as an Alternate Facilities Security Officer. All port staff are required to maintain a current federal Transportation Worker Identification Credential card.
- MSB has numerous project managers, engineers, and inspectors in its Public Works Department. These employees manage many projects, including roads and public facilities such as Schools and Emergency Services facilities. This staff has successfully managed the construction of the Houston High School, which replaced the school damaged in the 2018 Earthquake, and the Mat-Su Central School Construction. Current projects include construction of the Gateway Visitor Center and Mat-Su First Responder Training Facility, in addition to many other road and facility projects.

The grants below are examples of recent grants managed in the last 5 years. Each of these are either direct Federal Funding or Federal Funding passed through a state agency.

1. **Emergency Management Performance Grant** - Grant received yearly since 2016.
 - a. 2022 Funding - \$500,000 (50/50 split = Grant \$250,000 & MSB Match \$250,000)
 - b. 2023 Funding - \$340,000 (50/50 split = Grant \$170,000 & MSB Match \$170,000)
 - c. 2024 Funding - \$340,000 (50/50 split = Grant \$170,000 & MSB Match \$170,000)
2. **Coronavirus Aid Relief and Economic Security (CARES) Act** - Funding for actions in response to the COVID-19 Public Health Emergency. Once the Spending Area Categories were amended, revised reports were developed and resubmitted for prior months at the request of the agency. Total funding, including interest earned and expended consistent with grant award terms: \$38,036,974.99.
3. **Coronavirus Local Fiscal Recovery Fund-American Rescue Plan Act** - Currently active, and all reports have been completed and submitted through the portal on time. Total funding: \$21,039,307.00.
4. **Spruce Bark Beetle Mitigation Work** - Original agreement was for \$50,000, expired June 30, 2022, and required quarterly and a final report. Amendment 1 increased the funding to a total of \$182,000, modified the scope, and extended the date of completion and final reporting to December 31, 2022. Total funding: \$182,000.00.

5. **Fish and Wildlife Management Assistance** – Fish Passage 2025. Reporting includes interim and final financial and performance reports, and the provision of design and bid documents for review for all culvert replacement projects. This grant also requires “Significant Development Reports” if an event occurs that has a significant impact upon the supported activity. Total funding to date: \$1,022,152 (50/50 split = Grant \$511,076 & MSB Match \$511,076).

MSB maintains a publicly available website where annual budgets and audits can be found at <https://transparency.matsugov.us/pages/financial-information> - this includes a link to the online checkbook.

NEPA Process and Permitting Risks

Should the project receive grant funding for a portion or entirety of the project, MSB would be required to further evaluate potential project impacts to the natural and human environment in accordance with local, state, and federal regulations. Given the scope of the proposed work, no NEPA or Environmental Assessment is anticipated.

No construction or impacts are proposed in the uplands, so Section 106 National Historical Preservation Act compliance will not be required. For local approvals, the Matanuska-Susitna Borough has indicated its support for Port MacKenzie infrastructure development and this project in resolutions, letters of support, match commitments, and through a comprehensive master planning process. MSB Assembly Resolution 22-098 supports investing in the marine port as a legislative priority for federal funding.

Workforce Development and Job Quality

Port improvements, specifically the addition of the equipment requested, will generate more traffic and attract further investment. Analysis of port operation and interviews with port users conducted during the Benefit analysis indicate unmet demand for infrastructure to cater to barge traffic and development of available uplands for out-of-water work and storage. When those infrastructure demands are met, more local jobs are anticipated. The project is within a recognized DOT Historically Disadvantaged Community.



Figure 6: Port MacKenzie. Matanuska-Susitna Borough (undated)