MATANUSKA-SUSITNA BOROUGH INFORMATION MEMORANDUM IM No. 25-226

SUBJECT: INFORMING THE ASSEMBLY OF THE SUBMITTAL OF FY2025 PORT INFRASTRUCTURE DEVELOPMENT PROGRAM GRANT APPLICATION REQUESTING $6,281,645 FOR THE PORT MACKENZIE CELL 1 REPLACEMENT AND DRY STORAGE PROJECT.

AGENDA OF: October 7, 2025

ASSEMBLY ACTION: Presented to the Assembly 10/07/25 - BJH

AGENDA ACTION REQUESTED: Present to the Assembly for consideration.

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	9/24/2025 X Nicholas Spiropoulos Signed by: Nicholas Spiropoulos
Borough Manager	9/24/2025 X Michael Brown Signed by: Mike Brown
Borough Clerk	9/25/2025 X Brenda J. Henry for Signed by: Brenda Henry

ATTACHMENT(S): Grant Application (22 pp)

SUMMARY STATEMENT: The Borough Finance Department, in collaboration with Port staff, has submitted a FY2025 U.S. Department of Transportation Maritime Administration (MARAD) Port Infrastructure Development Program (PIDP) grant application for the Port MacKenzie Cell 1 replacement and Dry Storage Project. The application requests $6,281,645 in Federal funding, with a 20% match of $1,570,412, for a total project cost of $7,852,057.

Match funding may be reallocated from the Local and Tribal Consistency Fund – Port MacKenzie Barge Ramp project account (70012-8400-8402), or the Port Capital Improvement Project account (70012-1800-1808), which is included in the FY2026 capital budget. This will be determined after the Port MacKenzie Barge Ramp grant agreement is executed and a contract is awarded.

If PIDP funding is awarded for the Port MacKenzie Cell 1 Replacement and Dry Storage Project, a contractor will be procured to design, permit, and construct a pipe pile combi-wall or similar structure to replace Cell 1 of the barge dock and rebuild the adjacent bow ramp. This application also includes the purchase and installation of a pre-engineered, 27,000 square foot, tensioned fabric structure to be used as a dry storage warehouse for bulk commodities and other freight moving through the Port.

Funding Source	**Component 1 [Cell 1 Replacement]**	**Component 2 [Dry Storage Warehouse]**	**Total Funding**
PIDP Funds:	$5,161,920	$1,119,725	$6,281,645
Local Share (Match):	$1,290,480	$279,932	$1,570,412
Total Project Cost:	**$6,452,400**	**$1,399,657**	**$7,852,057**

The infrastructure improvements requested in this grant application will contribute to the longevity of the barge dock, the integrity of freight moving through Port MacKenzie, and the safety of port users and staff.

OMB Number: 4040-0004
Expiration Date: 11/30/2025

Application for Federal Assistance SF-424

* 1. Type of Submission:
- [ ] Preapplication
- [x] Application
- [ ] Changed/Corrected Application

* 2. Type of Application:
- [x] New
- [ ] Continuation
- [ ] Revision

* If Revision, select appropriate letter(s):

* Other (Specify):

* 3. Date Received: Completed by Grants.gov upon submission.

4. Applicant Identifier:

5a. Federal Entity Identifier:

5b. Federal Award Identifier:

State Use Only:

6. Date Received by State:

7. State Application Identifier:

8. APPLICANT INFORMATION:

* a. Legal Name: Matanuska-Susitna Borough

* b. Employer/Taxpayer Identification Number (EIN/TIN): 920030816

* c. UEI: QRK7LJ2Y3RJ1

d. Address:

* Street1: 350 E Dahlia Avenue
Street2:
* City: Palmer
County/Parish: Matanuska-Susitna Borough
* State: AK: Alaska
Province:
* Country: USA: UNITED STATES
* Zip / Postal Code: 99645-0000

e. Organizational Unit:

Department Name: Port MacKenzie

Division Name:

f. Name and contact information of person to be contacted on matters involving this application:

Prefix: Mr.
* First Name: David
Middle Name:
* Last Name: Griffin
Suffix: MPE

Title: Director

Organizational Affiliation:

* Telephone Number: 9078617799
Fax Number:

* Email: david.griffin@matsugov.us

IM 25-226

Application for Federal Assistance SF-424

*** 9. Type of Applicant 1: Select Applicant Type:**

B: County Government

Type of Applicant 2: Select Applicant Type:

Type of Applicant 3: Select Applicant Type:

* Other (specify):

*** 10. Name of Federal Agency:**

Maritime Administration

11. Assistance Listing Number:

Assistance Listing Title:

*** 12. Funding Opportunity Number:**

MA-PID-25-001

* Title:

Port Infrastructure Development Program

13. Competition Identification Number:

MA-PID-25-001-114719

Title:

2025 Port Infrastructure Development Program

14. Areas Affected by Project (Cities, Counties, States, etc.):

Add Attachment | Delete Attachment | View Attachment

*** 15. Descriptive Title of Applicant's Project:**

Port MacKenzie Barge Dock Cell 1 Replacement and Dry Storage Warehouse Projects

Attach supporting documents as specified in agency instructions.

Add Attachments | Delete Attachments | View Attachments

Application for Federal Assistance SF-424

16. Congressional Districts Of:

* a. Applicant: AK-ALL

* b. Program/Project: AK-ALL

Attach an additional list of Program/Project Congressional Districts if needed.

Add Attachment | Delete Attachment | View Attachment

17. Proposed Project:

* a. Start Date: 05/01/2026

* b. End Date: 04/30/2031

18. Estimated Funding ($):

* a. Federal	6,281,645.00
* b. Applicant	1,570,412.00
* c. State	0.00
* d. Local	0.00
* e. Other	0.00
* f. Program Income	0.00
* g. TOTAL	7,852,057.00

*** 19. Is Application Subject to Review By State Under Executive Order 12372 Process?**

☐ a. This application was made available to the State under the Executive Order 12372 Process for review on .

☐ b. Program is subject to E.O. 12372 but has not been selected by the State for review.

☒ c. Program is not covered by E.O. 12372.

*** 20. Is the Applicant Delinquent On Any Federal Debt? (If "Yes," provide explanation in attachment.)**

☐ Yes ☒ No

If "Yes", provide explanation and attach

Add Attachment | Delete Attachment | View Attachment

21. *By signing this application, I certify (1) to the statements contained in the list of certifications and (2) that the statements herein are true, complete and accurate to the best of my knowledge. I also provide the required assurances** and agree to comply with any resulting terms if I accept an award. I am aware that any false, fictitious, or fraudulent statements or claims may subject me to criminal, civil, or administrative penalties. (U.S. Code, Title 18, Section 1001)**

☒ ** I AGREE

** The list of certifications and assurances, or an internet site where you may obtain this list, is contained in the announcement or agency specific instructions.

Authorized Representative:

Prefix: Mr.

* First Name: Michael

Middle Name:

* Last Name: Brown

Suffix:

* Title: Borough Manager

* Telephone Number: (907) 861-8689

Fax Number:

* Email: mike.brown@matsugov.us

* Signature of Authorized Representative: Completed by Grants.gov upon submission.

* Date Signed: Completed by Grants.gov upon submission.

PORT MACKENZIE
CELL 1 REPLACEMENT AND DRY STORAGE PROJECT

Contact:
David Griffin
Director, Port MacKenzie
Matanuska-Susitna Borough, Alaska
David.Griffin@matsugov.us
907-707-4174

Field Name	Guidance
Name of lead applicant	Matanuska-Susitna Borough
Is the applicant applying as a lead applicant with any joint applicants?	No
Does the applicant or joint applicant own the property where the grant-funded improvements will occur?	Yes
Is the applicant seeking funding under the small project at a small port set-aside?	Yes
Project Name	Port MacKenzie Cell 1 Replacement and Dry Storage Project
Project description	This project will fund design, permitting, and construction to replace Cell 1 of the Port MacKenzie barge dock and adjacent bow ramp, and construction of a dry storage warehouse.
Is this a planning project?	No
Is this a project at a coastal, Great Lakes, or inland river port?	Costal
Is this project located in a noncontiguous State or U.S. territory?	Yes
Geographic Coordinates (in Latitude and Longitude format)	61.269049, -149.919323
Is this project in an urban or rural area?	Rural
Project Zip Code	99623
Is the project located in a Historically Disadvantaged Community?	Yes
Has the same project been previously submitted for PIDP funding?	No
Is the applicant applying for other Federal discretionary grant programs (managed by DOT or a separate agency) in 2025 for the same work or related scopes of work?	No
Has the applicant previously received DOT funding for the same work or related scope of work?	No
Has the applicant previously received TIGER, BUILD, RAISE, FASTLANE, INFRA, USMHP, or PIDP funding?	BUILD FY 2025 PIDP FY 2024
PIDP Grant Amount Requested	$6,281,645

Total Project Cost	$7,852,057
Total Federal Funding	$6,281,645
Total Non-Federal Funding	$1,570,412
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

Contents

Project Narrative

a) Project Description

The Matanuska-Susitna (Mat-Su) Borough (MSB) is the owner and operator of Port MacKenzie, an industrial port facility located on the Knik Arm of Upper Cook Inlet in a rural area of southcentral Alaska[1]. To address needs for greater safety, efficiency, economic viability, and reliability of loading and unloading of goods at the port, and goods moving into, out of, around, and within the port, the MSB is seeking a Port Infrastructure Development Program (PIDP) grant of $6,281,645 for the Port MacKenzie Cell 1 Replacement and Dry Storage Project. The total cost for this project is $7,852,057, $1,570,412 of which (20%) is match funding secured by MSB.

Figure 1. Port MacKenzie barge dock

The Port MacKenzie barge dock (Fig. 1) was constructed in 2000. The 500-foot-long dock is comprised of 15 “open cell” interlocking galvanized sheet piles. This sheet pile bulkhead is continuously exposed to the extreme tidal fluctuations of Knik Arm and Upper Cook Inlet, averaging 30 feet per tide cycle, along with strong currents on the ebb and flood tides. High concentrations of silt and sediment exist in the water column, creating an abrasive, sandpaper-like effect on the sheet piling and interlocks. Ice floes last approximately five months in the region, resulting in additional wear and tear on the barge dock.

The Port MacKenzie Cell 1 Replacement component of this project consists of design, engineering, and construction activities, and is necessary based upon the Facility Condition

[1] Matanuska-Susitna Borough, Alaska (MSB) Data: Census Tract 6.04; Population Density: 42.8; Total population: 7,470; Land area (sq mi): 174.4

Assessment (FCA) conducted by Moffatt & Nichol (M&N) in 2024 (Appendix A). The purpose of the FCA was to determine the structural condition of the portions of the Port MacKenzie barge dock sheet pile cells that could be accessed and inspected, including with the use of divers. The findings indicate that Cell 1, the southern anchor segment of the barge dock, has received a critical rating due to overstressing and damage from corrosion. M&N recommends that Cell 1, in its current state, should not be subject to heavy loads such as equipment and freight storage, or any loads beyond light maintenance. The existing damage to Cell 1 places the adjacent segments of the barge dock at risk of future damage and potential failure. Their recommendation is to repair or replace Cell 1.

Figure 2. Cell 1 previous repairs and current critical damage

Cell 1 has previously undergone repairs, which involved replacing sheet piles and interlocks that were originally damaged during installation. This cell also underwent emergency repairs in 2022 and 2023 (Fig. 2). Although the emergency repairs remain intact, the adjoining interlocks have not been repaired and are susceptible to failure. The FCA states that standard preservation measures of concrete encasement and Fiber Reinforced Plastic sheet pile are not suitable repair solutions due to the conditions that exist in Cook Inlet; therefore, replacement of Cell 1 with a pipe pile combi-wall type structure, as suggested by M&N, is essential to restoring the structural integrity of the Port MacKenzie barge dock.

Adjacent to Cell 1 is a rock revetment that serves as a bow ramp berth. This berth is intended to be used by barges as a site to drop bow or stern ramps for roll-on/roll-off cargo operations. As

the bow ramp will be directly affected by the replacement of Cell 1, it will need to be included in the design, engineering, and construction process.

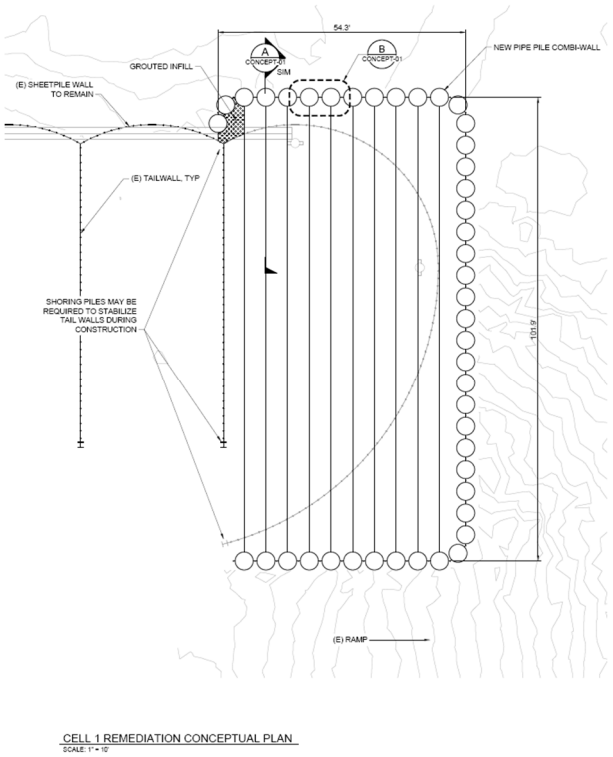

Figure 3. Design concept for Cell 1 replacement

Figure 4. Cell 1 and bow ramp

The second component of this project is the construction of a 27,000 square foot (120'x225') tensioned fabric Dry Storage Warehouse. While the surface area of the Port MacKenzie district encompasses an unparalleled 9,033 acres (14 square miles), there is no staging area available that protects freight from wind, rain, and snow. This presents a challenge to vessel operators seeking to use Port MacKenzie for the transport of cargo, especially bulk commodities such as wood chips and salt. The construction of a Dry Storage Warehouse will provide a dedicated staging area for bulk commodities to be moved between vessels and trucks. This will ensure that commodities moving into and out of the port will maintain their condition throughout loading and offloading operations.

The Dry Storage Warehouse will be a pre-engineered structure constructed using a rigid aluminum frame covered by a sturdy tensioned fabric membrane capable of withstanding the harshest winter weather conditions. A foundation is not required for this type of structure as it can be securely anchored to the ground. The structure can also be dismantled and reinstalled at another location at the port if needed in the future. Tensioned fabric structures can be engineered with a free-standing interior, providing adequate space for equipment to operate safely and efficiently. Installation of a tensioned fabric Dry Storage Warehouse can be completed in weeks

to months, compared to traditional construction methods that take significantly longer to complete.

Figure 5. Conceptual image of Dry Storage Warehouse

Completion of this project will result in improvements to safety, functionality, and efficiency in port operations. Design, permitting, and construction are expected to begin in Spring 2026 and are anticipated to take five years to complete. All permits and authorizations are expected to be secured before the end of 2027, with construction commencing in Spring 2028. Construction activities will include removal and placement of riprap, pipe pile driving, interlock and sheet pile installation, welding, and earthmoving operations. If dredging activity is required for this project, it will not be for channel improvements or harbor deepening. Additional construction activities will involve compaction, mobilization and demobilization, erosion and sediment control, pollution control, and construction surveying. Final project completion is expected by the end of 2031.

When completed, the Port MacKenzie Cell 1 Replacement and Dry Storage Project will support greater safety, reliability, and efficiency for port users and staff, allowing Port MacKenzie to increase economic competitiveness and create more opportunities for the MSB, leading to a better quality of life for MSB residents. Multiple sizes and classes of vessels use the barge dock, including during most windows of Cook Inlet's strong tide cycles[2]. Through partnerships and collaborations with Alaska Native Tribes and industry groups, this project will ensure that Port MacKenzie is in a state of good repair and prepared to serve the growing needs of the Borough, its Tribes, residents, and businesses.

[2] Cook Inlet has the highest and strongest tides in the United States, sometimes changing more than 30 feet of vertical elevation twice per day.

b) Project Location

Port MacKenzie (Fig. 1) is a small, rural, coastal seaport located on the western shore of Cook Inlet's Knik Arm in southcentral Alaska within the 9,000-acre Port District of the MSB. A rural location (Census tract 6.04), the port is located approximately 2 nautical miles across Cook Inlet from Anchorage, Alaska's largest community. While situated on the coast, Port MacKenzie is approximately 75 road miles from Anchorage. It is accessible by road from the George Parks Highway via Knik-Goose Bay Road and West Point MacKenzie Road. It serves the communities of Wasilla, Palmer, Joint Base Elmendorf-Richardson (JBER), Houston, Willow, Talkeetna, Nenana, Fairbanks, North Pole, and others along the road system and rail belt.

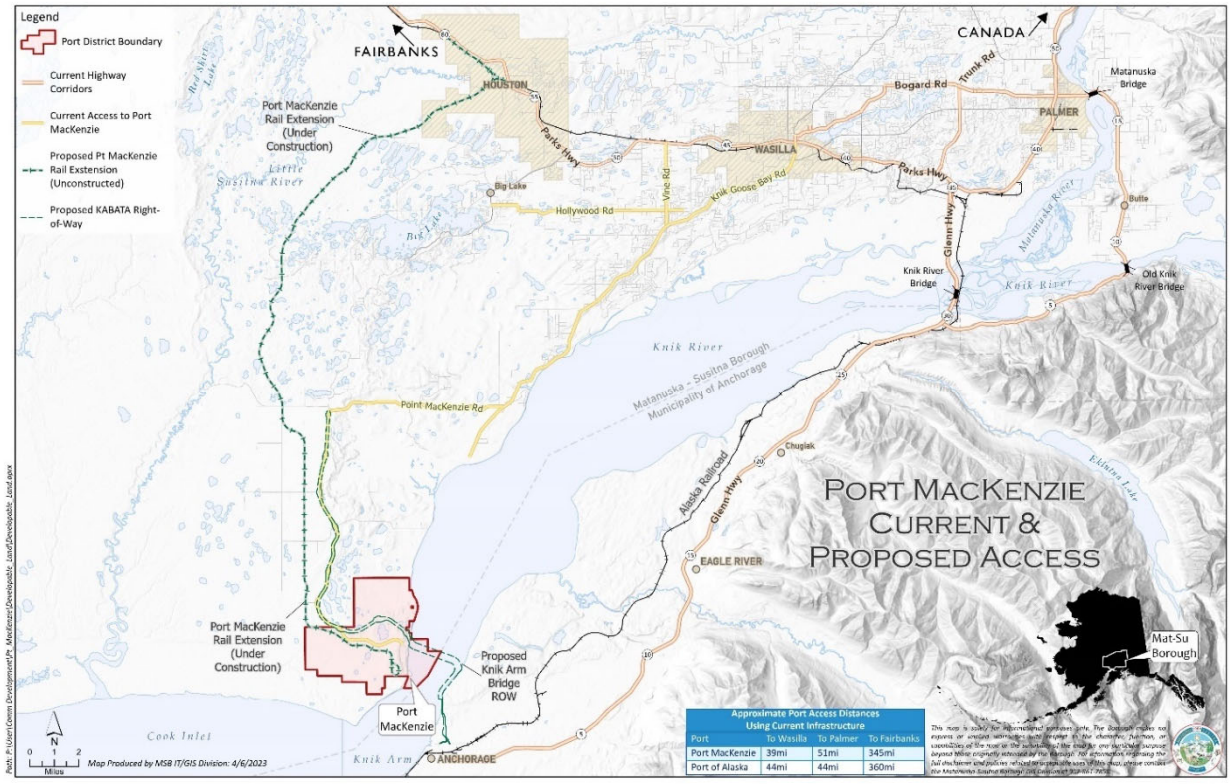

Figure 6. Port MacKenzie, Cook Inlet, Alaska

Port MacKenzie was constructed in phases beginning in the late 1990s and completed in the mid-2000s, and was designed for large-scale industrial use. Today it serves commercial, industrial, and military users. The Port is connected to southcentral Alaska's road and highway system, including the Parks and Glenn Highways, and is the terminus of the forthcoming Port MacKenzie Rail Extension, which will connect the Alaska Railroad system to the port. The port consists of uplands, an administration building, a sheet pile wharf, a deepwater dock, a bulkhead dock, and a small landing area that can only be used at high tide by a landing craft or small barge. MSB was awarded a FY2025 Better Utilizing Investments to Leverage Development (BUILD) grant in August 2025 for the Port MacKenzie Barge Ramp Project, to be administered by MARAD. Port MacKenzie was constructed in phases starting in the late 1990s . The upland area was created by placing fill on the tidelands. The filled area is protected from erosion by the bulkhead and armored slopes.

c) Grant Funds, Sources, and Use of Funds

According to the Opinion of Probable Construction Cost (OPCC) provided by M&N and MSB engineering staff, the total cost of the Port MacKenzie Cell 1 Replacement and Dry Storage Project is estimated at $7,852,057. This consists of $6,452,400 to complete the Cell 1 replacement and $1,399,657 to construct the Dry Storage Warehouse. MSB is requesting $6,281,645 (80%) in PIDP grant funding and has committed to a local match of $1,570,412 (20%) to complete the project. No prior federal funds have been utilized for this project, and no other federal funds have been requested. The conceptual design provided by M&N forms the basis of the Cell 1 OPCC, and design, engineering, and construction activities are included in the scope of work for this project. All cost data in the budget was obtained in 2024 and 2025. Supporting cost information can be found in Appendix B.

MSB's non-federal match is available as unrestricted port improvement funds. No risk or uncertainty is associated with accessing and obligating any of the non-federal match funding to complete the project. MSB has provided grant match funding specific to applications that would develop Port MacKenzie, which is allocated during the annual budget process with additional funding, as needed, in the port's annual operating budget. This funding is accessible immediately upon notice of grant award, to be used in the event of pre-obligation authorization, or after obligation.

Funding Source	Component 1 [Cell 1 Replacement]	Component 2 [Dry Storage Warehouse]	Total Funding
PIDP Funds:	$5,161,920	$1,119,725	$6,281,645
Other Federal Funds:	$0	$0	$0
Non-Federal Funds:	$1,290,480	$279,932	$1,570,412
Total Project Cost:	$6,452,400	$1,399,657	$7,852,057

Table 1 Rounded to whole dollars.

Without PIDP grant funding, the Port MacKenzie Cell 1 Replacement and Dry Storage Project will be postponed indefinitely while the Borough seeks alternate funding sources. This has strong implications for regional supply chain resiliency, as a single point of failure at either the Port of Alaska or Glenn Highway would severely disrupt the flow of goods into the Mat-Su Borough and much of Interior Alaska. The project anticipates having a final design in hand in the spring of 2027; funds will be spent within approximately 5 years (project completion in late 2031).

d) Merit Criteria

1) Achieving Safety, Efficiency, or Reliability Improvements

Safety

Safety is a primary purpose of this project. The current load limit recommendations for the barge dock at Port MacKenzie present challenges during loading and offloading, as tidal swings and swell necessitate quick operations, and in some cases, require vessel operators to reposition

multiple times. Extreme winds create waves with white caps and can result in significant tidal flat erosion between April and October. Strong currents or tides that move up to 7 knots are a frequent occurrence along the barge dock. Attempting to load or offload while moored in such conditions creates a safety challenge for barge and tug operators and crews navigating at and around the port, with the potential of slip-and-fall incidents due to continuous movement. Ensuring vessel operators have full access to the barge dock will increase safety for crews working on the vessel and the dock.

Replacement of Cell 1 is necessary to ensure a safe, stable working environment for dock workers and barge crews. Vessels using the bow ramp for loading and unloading face challenges due to the conditions that exist in Cook Inlet, as well as a narrow staging area adjacent to the bow ramp. Being unable to use Cell 1 as a staging area for vehicles, equipment, and freight reduces efficiency for barge operators and increases the risk of injury. As heavy snow removal equipment is not recommended for use on Cell 1, winter will present safety challenges with snow and ice buildup increasing the risk of slip, trip, and fall injuries. As the conditions of the interior of Cell 1 are not known, the built-up snow and ice and the resulting melt-off may cause further damage, potentially including complete failure of the cell.

Replacement of Cell 1 will provide stability to the entire face of the barge dock and ensure barge operations are executed on a safe and stable surface. This project will provide port staff, dockworkers, and tug and barge crews with sufficient space to operate safely and efficiently.

Figure 7. Port MacKenzie dock

Having a designated Dry Storage Warehouse will enhance safety at Port MacKenzie by providing a safe location out of the elements for staging bulk commodities and initiating

transport by vessel or truck. Port users and staff will be able to direct the movement of bulk freight in an orderly manner, in a specific location, without impeding use of the port by others, including roll-on/roll-off barge operators, maintenance staff, and crane operators. The open interior of the tensioned fabric structure allows for the safe operation of heavy equipment without obstacles like structural supports. Protecting bulk commodities from precipitation will eliminate the risk of contaminants from dispersing due to runoff.

Efficiency

The current reduced load limits at the Port MacKenzie barge dock require additional preparation, planning, and cost to execute barge operations. Replacement of Cell 1 is necessary to ensure efficient operations at the bow ramp and barge dock. The recommendation by M&N to keep heavy loads, including freight, cranes, and large snow removal equipment, presents a challenge to port staff and barge operators. If Cell 1 is not replaced, the surface of the barge dock immediately adjacent to the bow ramp will not be usable as a staging area for vehicles, equipment, and freight. This also affects loading and offloading of cargo along the face of the barge dock, as cranes, forklifts, and freight cannot stage on Cell 1. Loading and offloading will take additional time to complete as staging must occur at a greater distance, and barges may be required to reposition for equipment. Additionally, snow accumulation in winter will provide an obstacle to barge operations, as snow removal activities will be limited.

The Dry Storage Warehouse will contribute to efficient operations at Port MacKenzie. Vessel operators and truck drivers will have a designated location to load and offload bulk commodities without impeding other operations on the dock.

Reliability

Port MacKenzie operates year-round, even in Alaska’s often harsh winter conditions. Frequent disruptions reported by port users and staff primarily relate to vessel repositioning due to tidal changes, debris, and snow removal. The current recommendations exclude the use of heavy snow removal equipment in the area of Cell 1. If the Port MacKenzie Cell 1 Replacement and Dry Storage Project is not completed, the reliability of the barge dock will deteriorate. The current damage and corrosion to Cell 1 have resulted in the determination that it has reached the end of its useful life, while the remainder of the barge dock has a useful life of at least 10 more years. While Cell 1 suffering complete failure is not an imminent threat, replacement is urgently needed to prevent further damage and restore the structural integrity of the entire barge dock.

2) Supporting Economic Vitality at the Regional or National Level

Increasing Port MacKenzie’s ability to safely, efficiently, and reliably provide services to barge traffic will improve its standing as an alternative to the Port of Alaska and will increase traffic through the port from local users. As a small project at a small port, a Benefit Cost Analysis (BCA) is not required for the Port MacKenzie Cell 1 Replacement and Dry Storage Project. However, the benefits of completing this project are considerable. Costs for labor, fuel, and wear and tear on port users' vessels and vehicles can result in significant savings, allowing them to operate more efficiently.

Port MacKenzie is located near Alaska's major population centers, including the Municipality of Anchorage and the Mat-Su Borough, which are closer than other ports in the state except the Port of Alaska and the Port of Whittier. Still, it offers a rural, remote location within the MSB that is free from conflict with other uses, allowing for greater flexibility in operations. As a redundant port, if something affected operations at the Port of Alaska:

- For each truckload of cargo that is transported to Anchorage via Port MacKenzie instead of Seward, the benefits amount to $106.77 per one-way vehicle trip.
- 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 $503.30 per one-way vehicle trip.

NANA Construction owns a fabrication facility in Big Lake, Alaska. As noted on its website, "NANA Construction's fabrication facility in Big Lake is one of the largest and most modern in Alaska" (NANA Construction 2025). The facility is capable of fabricating large equipment, such as that used on the North Slope or for other oil and gas applications, as well as residential products like modular housing. 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 relocating barge operations to Port MacKenzie, the road transportation distance could be reduced by half (from nearly 60 miles to 30 miles, one-way).

NANA Construction accounts for $60-$70 million worth of lumber, steel, pilings, and other supplies each year. Trucks move between Anchorage and Big Lake daily during manufacturing season, which begins at the end of March and continues through September. For each truckload of cargo transported to Big Lake via Port MacKenzie instead of the Port of Alaska, the benefits amount to $56.40 per one-way vehicle trip. At 180 trucks per year, this would amount to an annual savings of $10,152 and, over 30 years, the present value of benefits could exceed $190,000 for this company's operations alone.

An additional local construction company that could bring potential cargo volumes to Port MacKenzie is Colaska. Colaska is part of the Colas Group, a world leader in transport infrastructure construction and maintenance. Within Alaska, Colaska operates several companies, including QAP based in Anchorage. QAP constructs major infrastructure projects, including roads and airports, and specializes in logistics operations that facilitate project completion in remote areas of Alaska (Colaska 2024).

Cruz Construction Inc. is another local company that operates out of the MSB. With an office in Palmer, Alaska, Cruz describes itself as an Alaska oilfield support and heavy civil construction company whose projects range from ice road construction to airport rehabilitation, spanning all areas of the state (Cruz Construction 2024).

Port MacKenzie's remote location and the absence of simultaneous cargo and passenger operations provide an opportunity for the U.S. Department of Defense (DOD) to 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 $493.14 of savings for each one-way vehicle trip due to reductions in operating costs, travel time, and emissions. Using Port MacKenzie for offloading would also address safety concerns during operations.

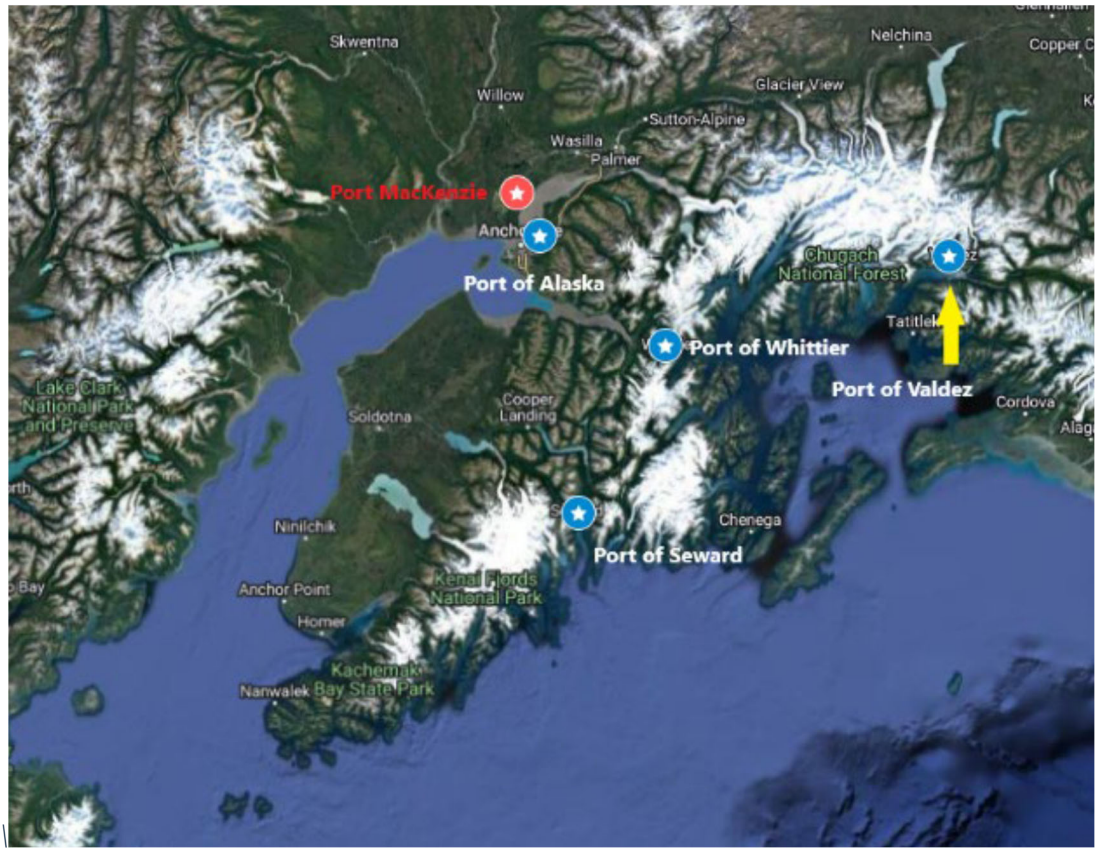

Figure 8. Southcentral Alaska Ports

3) Leveraging Federal Funding to Attract Non-Federal Sources of Infrastructure Investment

While Port MacKenzie is just two nautical miles from the Port of Alaska in Anchorage, the distance between the ports by road is 83 miles. The frequency and diversity of use of Port MacKenzie have been steadily increasing, largely due to overcrowding issues at the Port of Alaska and an increase in economic activity occurring in the MSB. This project will improve Port MacKenzie's standing as an alternative to the Port of Alaska for uses that are less compatible with the Port of Alaska's facilities, including bulk commodities, and to operate as a redundant port in the event the Port of Alaska becomes unavailable.

In November 2024, the Anchorage Assembly approved a significant tariff increase on goods passing through the Port of Alaska. This increase went into effect on January 1, 2025, with higher fees expected to be passed on to consumers throughout the state by shipping companies.[3]

[3] With Port of Alaska tariffs rising, consumers may see slightly higher prices on goods statewide

- Tariffs rose from $0.59 per ton to $4.80 per ton, an increase of nearly 800%.
- For full loads, the price was increased from $9.50 per container to $75.50.
- One shipping company, Span Alaska, announced that these tariffs were responsible for a 7.5% price increase in shipping.4

The Port of Alaska currently receives 75% of Alaska's inbound cargo. The alternative ports of Seward, Valdez, and Port MacKenzie are considered by companies transporting cargo into and throughout Alaska. Port MacKenzie provides an economic advantage as an alternative to shipping Anchorage-area cargo through Seward and Valdez; the total savings realized by using Port MacKenzie for delivering Anchorage-area cargo equate to $106.77 per trip from Seward and $503.30 per trip from Valdez. Port MacKenzie is a better alternative than Valdez for transporting munitions to JBER, resulting in annual savings of $54,443 for an average of three shipments per year (Appendix C).

4) Port Resilience

The Port MacKenzie Cell 1 Replacement and Dry Storage Project will significantly increase the resilience of the port. Replacing Cell 1 is necessary to prevent operational disruptions and sustain critical operations for vessel operators and port staff. As Port MacKenzie currently offers an alternative to the Port of Alaska in the event operations there are disrupted, restoring the structural integrity of the barge dock is essential to the resilience of the supply chain in southcentral Alaska.

The current damage to Cell 1 has been rated as critical and requires urgent remediation to prevent further disruptions to loading and offloading of freight at the barge dock and bow ramp, and potential additional damage to adjacent cells, which would further impede operations. Southcentral Alaska is a region with a high seismic hazard rating[5], and it is unknown whether Cell 1, in its current state, could withstand a significant seismic event or other natural or manmade hazards.

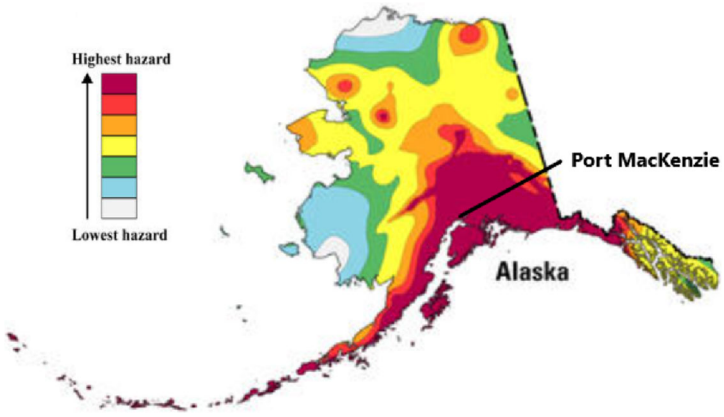

Figure 9. Alaska Seismic Hazard - USGS

[4] Cost of living across Alaska will spike next month as Anchorage Assembly tariffs passed to consumers - Must Read Alaska

[5] **USGS Hazard Map, January 2024 – Retrieved September 4, 2025.**

e) Additional Considerations

5) Workforce Development and Job Quality

Ports create an economic boost as they are hubs of activity that create jobs, leading to more employment opportunities and increased economic stability for residents in the surrounding communities. This project will create several construction and operational jobs for MSB residents. It will also provide support to industrial activity, including the growing mining sector in the MSB. This project improves access to direct and indirect jobs, which will become a daily destination for workers residing in the MSB.

6) Project Readiness

a) Technical Capacity

MSB staff have the experience and understanding of Federal requirements to implement this project. The Port MacKenzie Barge Ramp Project was selected for a $7,981,044 FY2025 BUILD grant in August 2025 and is currently being implemented through MARAD. Additionally, MSB has been awarded Federal grants by the Environmental Protection Agency (EPA), Federal Emergency Management Agency (FEMA), US Department of Commerce Economic Development Administration (EDA), US Department of the Treasury, US Fish and Wildlife Service (USFWS), and U.S. Department of Transportation, Federal Highway Administration (FHWA), as well as a variety of state and foundation grants.

Milestone	Start Date	Completion Date
Procure Design-Build Contract	5/1/2026	12/31/2026
NEPA/Environmental Reviews and Permitting	5/1/2026	4/30/2028
Design	10/1/2026	4/30/2027
Installation - Dry Storage Warehouse	5/1/2027	9/30/2027
Construction - Cell 1	5/1/2028	9/30/2030
Project Close0out		4/30/2031

As part of the 2024 FCA, M&N provided a conceptual design and OPCC for the replacement of Cell 1 with a pipe pile combi-wall type structure. This design provides a solid foundation for MSB to issue a request for proposals for a design-build contract with a qualified engineering and construction firm in accordance with federal purchasing requirements. Activities anticipated to be included in the contract are:

- Design, permitting, and construction administration
- Local, State, and Federal permitting
- National Environmental Policy Act (NEPA) requirements
- Mobilization and demobilization
- Construction of a pipe pile combi-wall and tieback system
- Earthwork

Cost estimates associated with the purchase and installation of the Dry Storage Warehouse were compiled in September 2025 after receiving a quote from a tensioned membrane structure manufacturer.

MSB expects to complete all pre-award activities well in advance of the September 29, 2029, obligation deadline. Requests for proposals will be published and bids selected for the design-build contract for Cell 1 and the Dry Storage warehouse within six to nine months of award obligation and will include the selected contractor securing the necessary permits. Construction is anticipated to begin in the Spring of 2028 and is expected to take approximately two and a half years. This timeline provides allowances for potential delays due to issues with the procurement of materials, weather conditions, or other external factors. No real property or right-of-way acquisition is required, as Port MacKenzie is owned and operated by MSB.

b) NEPA Process and Permitting Risk

The MSB will apply for a Department of the Army (DA) Permit (404/10) with the U.S. Army Corps of Engineers (USACE), initiating the NEPA process consultations, including National Historic Preservation Act (NHPA) Sec. 106 and Endangered Species Act (ESA) Sec. 7. It is anticipated that the NEPA process will take between 12 and 24 months, concluding between April 2027 and 2028. As this site has previously received all environmental approvals for construction, MSB does not foresee any significant risk associated with the permitting process. There are no anticipated challenges to the NEPA process, and MSB anticipates a class of action of Environmental Assessment/Finding of No Significant Impact.

The project is not controversial and is widely supported by local and state government, industry, Tribes, and the general public. All in-water work can be done using observers to mitigate potential temporary impacts to marine wildlife. Impacts to fish, if any, would be minor, temporary, and behavioral (non-lethal). The MSB is compliant with the current NEPA process.

g) Statutory Determinations

Statutory Determination	Response
1. The project improves the safety, efficiency, or reliability of the movement of goods through a port or intermodal connection to the port.	This project ensures port operations continue without significant interruption. The deteriorating state of Cell 1 threatens safe and efficient barge operations for port users and staff. Failure to replace Cell 1 will increase the risk of further damage to the adjacent segments of the barge dock and bow ramp, which would significantly reduce the movement of goods through Port MacKenzie.

	Construction of a Dry Storage Warehouse will provide safe, efficient, and reliable staging for bulk commodities moving through the port. It will be a dedicated location for staging goods, ensuring vehicles loading or unloading have a specific location to operate.
2. The project is cost effective.	This determination is not applicable to small projects at small ports.
3. The eligible applicant has the authority to carry out the project.	The Matanuska-Susitna Borough (MSB) has authority to execute this project. MSB was incorporated as a second-class borough, a political subdivision of the State of Alaska, in 1964. The legislative authority of the MSB is vested in a seven-member Assembly. Pursuant to Alaska Statute (AS) 29.35.605, the MSB established a port authority by Assembly ordinances in 1984, 1987, and 1994 (MSB Code 1.10.125). Title 18 “Ports” of adopted MSB Code details port establishment, powers, organization, and development standards. The MSB Port District was established via Assembly Ordinance 2000-154. The Port is managed by the Port Commission, established via assembly ordinances in 1988 and 1990. The MSB has receipt authority for federal funding programs and the authority to carry out this project. MSB is the landowner of the port acreage where construction will occur under this project scope.
4. The eligible applicant has sufficient funding available to meet the matching requirements.	The MSB Port Budget has sufficient funding to dedicate to this project. The proposed MSB FY 2026 budget includes $1,570,412 of dedicated port improvement funds. The MSB has committed to the match funding (see attached Estimates, MSB letter of commitment, MSB Assembly resolutions of support).
5. The project will be completed without unreasonable delay.	MSB is ready to begin the project once funded. Potential delays associated with design, permitting, procurement, shipping, bidding, weather, and construction have been

	figured into cost estimates, contingencies, and the project schedule.
6. The project cannot be easily and efficiently completed without Federal funding or financial assistance available to the project sponsor.	If funding is not received, the entire project scope will be delayed indefinitely or until funded through this grant or another external funding source. Project costs are subject to increasing inflation and labor costs in the meantime. The cost of lost opportunity for the MSB and the State of Alaska may be substantial.

Figure 10. Port MacKenzie and Knik Arm, Anchorage in the distance (MSB, undated)