



**Alaska Railroad Corporation
Board of Directors
Real Estate Committee Agenda**

Date: January 14, 2026

Time: 9:00 AM

Join Zoom Meeting

Meeting ID: 819 6104 3647

Passcode: 230633

Dial In: 1 669 900 6833 or 1 253 215 8782

Customer Communication:

- Customer Meetings

Board Action Items:

➤ *AFE's / Resolutions to be presented to the Board:*

- Resolution No. 2026-01 – Relating to an Increase in Funding for the Wasilla Shops Elevator Installation (AFE No. 11328 S-2)
- Resolution No. 2026-02 - Relating to the Sale of Railroad Land in the Chena Landings Subdivision in Fairbanks, Alaska, Including Tracts 2 and 3 Thereof

➤ *Contracts to be presented to the Board:*

- Contract No. 09999– State of Alaska DOT&PF – Anchorage Reserve (Change of Allowed Use)
- Contract No. 20232 – Westwood Properties, LLC – Anchorage Reserve
- Contract No. 21258 – 8 Star Alaska, LLC – ROW
- Contract No. 21176 – Tesoro Alaska Pipeline - ROW

Briefing / Update

Seward

- Dock Traffic
- Freight Dock Project - Update
- Passenger Dock and Terminal Project - Update

Whittier

- Whittier Moves Transportation Master Plan – COW and DOT&PF
- City of Whittier (COW) Land Sale- with documents for reference:
 1. ARRC Response to Revised Land Purchase Proposal to COW
 2. COW Resolution 2025-043 approving moving forward with accepting ARRC's proposal dated September 23, 2025 and next steps
 3. ARRC Conditional Letter of Intent sent to Whittier December 8, 2025 with attachments
 4. COW Resolution 2025-049 approving the Conditional Letter of Intent
 5. Map ARRC proposed three parcel sale to COW

Anchorage

- Downtown Trail Connection Plaza

Fairbanks

- Customer Party January 12, 2026

Executive Session Agenda:

- Matters, if any, appropriate for Executive Session that are identified by the Committee members and successfully moved for inclusion in the Executive Session.

Committee Members: Committee of the whole

Adopted:

Resolution No. 2026-01

Relating to Switch in Funding from AFEs for ARRC General Facility Repairs and Birchwood Operations Improvements to the AFE for the Wasilla Elevator Installation Project (AFE Nos. 11328 S-2, 11373 S-1 and 11212 S-1)

WHEREAS, the Alaska Railroad Corporation (ARRC) owns a two-story commercial building in Wasilla, Alaska ("Building"), and entered into a lease of office space on the second floor of the Building with a new tenant (the "Lease"), which required ARRC to install by October 1, 2025, an ADA-compliant elevator for use by the tenant and its clients, many of whom will be dealing with disabilities; and

WHEREAS, the ARRC Board previously approved AFE No. 11328 as part of the 2025 Capital Budget, which authorized a total expenditure of \$550,000 for the design, fabrication and installation of an elevator in the Building to comply with ARRC's obligation to do so under the Lease (the "Project"); and

WHEREAS, when the Project was put out for bid, proposals came in higher than the initial engineering estimates due to increased material and labor costs, as well as additional building code requirements imposed by the electric utility and local building authorities, resulting in a lowest proposal of \$699,000 and a second lowest proposal of \$835,000; and

WHEREAS, in order to meet ARRC's obligations under the Lease and in light of the higher-than-expected bids, the ARRC President and Chief Executive Officer on May 20, 2025, approved AFE No. 11328 S-1, which added \$290,000 to AFE No. 11328 as an unbudgeted capital expenditure, bringing the total amount of AFE No. 11328 S-1 to \$840,000; and

WHEREAS, the contract for the Project was awarded to the lowest bidder and was due to be completed no later than October 1, 2025, but the contractor began to exhibit sustained and profound deficiencies in its performance, including but not limited to failing to order the elevator, to pay for utility relocation or to communicate adequately with ARRC, which culminated in the contractor's failure to meet the contractual deadline and in ARRC terminating the contract in early November 2025 for failure to perform; and

WHEREAS, during the duration of the contract, ARRC was invoiced for Project costs of \$270,000 and AFE No. 11328 has a remaining balance of \$530,000; and

WHEREAS, although ARRC is currently exploring potential avenues for recouping those invoiced costs, such as against the contractor's performance bond, it remains late in meeting the October 15, 2025 deadline set forth in the Lease for the completion of the Project; and

WHEREAS, ARRC has obtained a new quote of \$866,000 from the second lowest bidder to complete the Project; and

WHEREAS, the latest estimate for the total cost of completing the Project, including the amount previously invoiced, is \$1,205,000, which includes an additional \$365,000 above the amount previously approved under AFE No. 11328; and

WHEREAS, ARRC proposes to increase funding for the Project by an additional \$365,000 by transferring unused funds approved under AFE Nos. 11373 and 11212 due to the unexpected circumstances described above; and

WHEREAS, AFE No. 11373 authorized a total expenditure of \$330,000 to effect general repairs to ARRC facilities, including Bill Sheffield Depot concrete replacement, but the scope was reduced to minor repairs due to lack of contractor availability with the result that ARRC's expenditures under AFE No. 11373 have totaled \$33,401, which is \$296,599 less than previously approved under that AFE ; and

WHEREAS, AFE No. 11212 authorized a total expenditure of \$300,000 to effect improvements to the Birchwood Operations facilities, including electrical improvements, but actual expenditures for such electrical improvements came in well below budget, with the result that ARRC's expenditures under AFE No. 11212 have totaled \$148,821, which is \$151,179 less than previously approved under that AFE; and

WHEREAS, there are no restrictions on the use of funds under AFE Nos. 11373 and 11212 that would prevent the use of funds initially approved for the general repairs to ARRC facilities or for the Birchwood electrical improvements to cover the increased costs for the Project under AFE No. 11328; and

WHEREAS, AFE No. 10328 S-2 would increase the approved funding for the Project under AFE No. 10328 by \$365,000, in conjunction with which the Corporation would reduce the total approved funding under AFE No. 11373 by \$290,000 and also would reduce the total approved funding under AFE No. 11212 by \$75,000 for a total reduction of \$365,000, thereby resulting in a net zero change in the combined approved expenditures under AFE Nos. 11328, 11373 and 11212; and

WHEREAS, the funds to be switched from AFE Nos. 11373 and 11212 to AFE No. 11328 as proposed consist of 100% ARRC internal funds; and

WHEREAS, ARRC's Approval Authority Guide requires Board approval of unbudgeted capital expenditures in excess of \$300,000.

NOW, THEREFORE, BE IT RESOLVED, that the ARRC Board of Directors has considered the proposed transfer of funds previously approved under AFE No. 11373 for general repairs to ARRC facilities and under AFE No. 11212 for electrical improvements Birchwood Operations to AFE No. 10328 for the Project involving the Wasilla elevator, as presented by ARRC Management, and hereby approves AFE No. 10328 S-2, which increases AFE No. 10328 by \$365,000; AFE No. 11373 S-1, which decreases AFE No. 11373 by \$290,000; and AFE No. 11212 S-1, which decreases AFE No. 12212 by \$75,000, for the purposes stated therein, bringing the total for AFE No. 10328 to \$1,205,000 and reducing the combined totals for AFE Nos. 11373 and 11212 by \$365,000.

DRAFT

Alaska Railroad Corporation
Authorization for Expenditure Form

For Accounting Use Only

AFE# 11328 S-2

Page 1

General Information:		Included in Capital Budget:		
AFE Title:	Wasilla Elevator Installation	Capital Budget	Year:	2025 Unbudgeted
Prepared By:	Adam Godfrey	Total Amount	\$ 1,205,000	
Resp. Center (Name):	Facilities/Real Estate	Source of Funding	ARRC	\$ 1,205,000
Resp. Center (#):	1830	Source of Funding		
Depreciation Center:	1830-Office Buildings	Source of Funding		\$ -
Line of Business:	Real Estate/Facilities	Grant Number	N/A	
Spending Timetable				
2025	\$ 308,375			
2026	\$ 896,625			
2027	\$ -			
2028	\$ -			
2029	\$ -			
Total	\$ 1,205,000			
Other Information				
Useful Life (Years):	20			
Annual Depreciation:	\$ 60,250			
Estimated Annual Operating Costs	\$ -			
Required Signatures for Approval:				
(if applicable)	Last Name(s) (Print)	Signature	Date	
Project Manager:	Shane Maloney	<i>Shane Maloney</i>	12/17/2025	
Responsible Owner:	Shane Maloney	<i>Shane Maloney</i>	12/17/2025	
VP, Owner Department:	Christy Terry	<i>Christy Terry</i>	12/18/2025	
Functional User	Shane Maloney	<i>Shane Maloney</i>	12/17/2025	
Chief Operating Officer:	Clark Hopp	<i>Clark Hopp</i>	12/23/2025	
Grant Administration:	Christina Isabelle	NA		
Chief Financial Officer:	Michelle Maddox			
Accounting Department:	Amy Kinnaman	<i>Amy Kinnaman</i>	12/23/2025	
CEO & President:	Bill O'Leary	<i>Bill O'Leary</i>	12/23/2025	
Board of Directors:	John Shively			

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

*

Alaska Railroad Corporation
Authorization for Expenditure Form

For Accounting Use Only

AFE# 11328 S-2

Page 2

Is this project related to health and/or safety?	Yes	If yes describe:
The tenant's customers require access to the 2nd floor of the space. It is dangerous to expect an individual with disabilities to access the space using the stairwell. Installing the elevator will allow customers a safe ADA compliant mode to access the second floor.		
Scope of Work:		
Obtain quotes from local contractors, submit a requisition, and issue a purchase order to install an elevator in the Wasilla tenant space. Deliverable will be an installed elevator in the space. Structural work: \$240,000 Elevator unit: \$250,000 Internal labor: \$10,000		
Supplemental No.1 increases project funding to complete the original scope of work. Contractor's proposals were higher than initial project engineering estimates due to increased material and labor costs, as well as, additional code requirements imposed by the utility and the local jurisdiction having authority.		
Supplemental No.2 increases project funding to complete the contractually obligated scope of work. The original contractor has defaulted due to lack of performance. ARRC has reached out to the next lowest bidder to obtain their price to finish the elevator installation. Funds will be made available from AFE 11373 2025 General Repair (\$290,000) and AFE 11212 Birchwood Ops Improvements (\$75,000).		
ARRC Business Justification		
Installation of this critical ADA device is needed to allow safe access to the second floor of the building. Under the conditions of the lease, we are required to install an elevator NLT 10/1/2015. Additionally, installing an elevator increases the versatility of the lease space and brings the building into compliance with local ADA requirements.		
Alternatives Considered:		
N/A		
Preliminary Budget:		
Line Description		Amount
Equipment		
Labor (Fully Burdened)		\$ 10,000
Materials		
Contracts		\$ 1,195,000
Other Expenses		\$ -
Total		\$ 1,205,000

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

Alaska Railroad Corporation
Authorization for Expenditure Form

For Accounting Use Only

AFE# 11373 S-1

Page 1

General Information:		Included in Capital Budget:		
AFE Title:	2025 General Repair	Capital Budget	Year:	2025 Budgeted
		Total Amount	\$	40,000
Prepared By:	Adam Godfrey	Source of Funding	ARRC	\$ 40,000
Resp. Center (Name):	Facilities/Real Estate	Source of Funding		
Resp. Center (#):	1835	Source of Funding		
Depreciation Center:	1835-Depots	Grant Number	N/A	
Line of Business:	Real Estate/Facilities	Grant Name	N/A	
Spending Timetable:		AFE History:		
2025	\$ 40,000		Amount	Date Prepared
2026	\$ -	Original AFE	\$ 330,000	11/18/24
2027	\$ -	Supplemental #1	\$ (290,000)	12/17/25
2028	\$ -	Supplemental #2	\$ -	
2029	\$ -	Supplemental #3	\$ -	
Total	\$ 40,000	Supplemental #4	\$ -	
Other Information		Supplemental #5	\$ -	
Useful Life (Years):	25	Supplemental #6	\$ -	
Annual Depreciation:	\$ 1,600	Supplemental #7	\$ -	
Estimated Annual Operating Costs	\$ -	Total	\$ 40,000	12/17/25
Required Signatures for Approval:				
(if applicable)	Name(s) (Print)	Signature	Date	
Project Manager:	Kyle Brown	<i>Kyle Brown</i>	12/23/2025	
Responsible Owner:	Shane Maloney	<i>Shane Maloney</i>	1/5/2026	
VP, Owner Department:	Christy Terry	<i>Christy Terry</i>	1/5/2026	
Functional User:	Shane Maloney	<i>Shane Maloney</i>	1/5/2026	
Chief Operating Officer:	Clark Hopp			
Grant Administration:	Christina Isabelle	N/A		
Chief Financial Officer:	Michelle Maddox	<i>Michelle Maddox</i>	12/18/2025	
Accounting Department:	Amy Kinnaman			
CEO & President:	Bill O'Leary			
Board of Directors:	John Shively	N/A		

Original Form Must Be Returned to Accounting

Alaska Railroad Corporation
Authorization for Expenditure Form

For Accounting Use Only

AFE# 11373 S-1

Page 2

Is this project related to health and/or safety?	Yes	If yes describe:														
<p>The degrading concrete at the Bill Sheffield Depot (BSD) is becoming a tripping hazard to guests and the general public, and need to be repaired as soon as possible. We have made temporary repairs, but a permanent solution is needed.</p>																
<p>Scope of Work: This is a continuing program which helps us upgrade the facilities and have money set aside for large emergency maintenance items. Repair degrading concrete at the BSD and remodel the Fairbanks Car Shop Restrooms.</p> <p>BSD Concrete repairs: \$250,000 Car Shop Restrooms: \$80,000</p> <p>Supplemental No.1 decreases project funding of this project by (\$290,000) to complete the contractually obligated elevator installation as part of a tenant improvement. These funds will be reallocated to AFE 11328 Wasilla Elevator Installation.</p>																
<p>ARRC Business Justification: Failing to make these repairs will cause further damage to the building, causing more costly repairs to take place. The degrading concrete at the BSD is becoming a tripping hazard to guests and the public and needs to be repaired as soon as possible. We have made temporary repairs, but a permanent solution is needed. The Car Shop restrooms are very dated, and the wood finishes are unsanitary for the given application. Upgrades are needed to increase morale in the shop and improve working conditions.</p>																
<p>Alternatives Considered: N/A</p>																
<p>Preliminary Budget:</p> <table border="1"> <thead> <tr> <th>Line Description</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td>Equipment</td> <td></td> </tr> <tr> <td>Labor (Fully Burdened)</td> <td>\$ 5,000</td> </tr> <tr> <td>Materials</td> <td>\$ -</td> </tr> <tr> <td>Contracts</td> <td>\$ 35,000</td> </tr> <tr> <td>Other Expenses</td> <td>\$ -</td> </tr> <tr> <td>Total</td> <td>\$ 40,000</td> </tr> </tbody> </table>			Line Description	Amount	Equipment		Labor (Fully Burdened)	\$ 5,000	Materials	\$ -	Contracts	\$ 35,000	Other Expenses	\$ -	Total	\$ 40,000
Line Description	Amount															
Equipment																
Labor (Fully Burdened)	\$ 5,000															
Materials	\$ -															
Contracts	\$ 35,000															
Other Expenses	\$ -															
Total	\$ 40,000															

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

Alaska Railroad Corporation
Authorization for Expenditure Form

For Accounting Use Only

AFE# 11212 S-1

Page 1

General Information:	
AFE Title:	2024 Birchwood Operational Improvements Phase 2
Prepared By:	Adam Godfrey
Resp. Center (Name):	Facilities/Real Estate
Resp. Center (#):	1845
Depreciation Center:	1845-Section Buildings
Line of Business:	Real Estate/Facilities
Spending Timetable	
2024	\$ 225,000
2025	\$ -
2026	\$ -
2027	\$ -
2028	\$ -
Total	\$ 225,000
Other Information	
Useful Life (Years):	30
Annual Depreciation:	\$ 7,500
Estimated Annual Operating Costs	\$ -

Included in Capital Budget:		
Capital Budget	Year:	2024 Budgeted
Total Amount	\$ 225,000	
Source of Funding	ARRC	\$ 225,000
Source of Funding		
Source of Funding		
Grant Number	N/A	
Grant Name	N/A	
AFE History:		
	Amount	Date Prepared
Original AFE	\$ 300,000	12/06/23
Supplemental #1	\$ (75,000)	12/17/25
Supplemental #2	\$ -	
Supplemental #3	\$ -	
Supplemental #4	\$ -	
Supplemental #5	\$ -	
Supplemental #6	\$ -	
Supplemental #7	\$ -	
Total	\$ 225,000	12/17/25

Required Signatures for Approval:			
(if applicable)	Last Name(s) (Print)	Signature	Date
Project Manager:	Shane Maloney	<i>Shane Maloney</i>	12/18/2025
Responsible Owner:	Andrew Donovan	<i>Andrew Donovan</i>	12/19/2025
VP, Owner Department:	Christy Terry	<i>Christy Terry</i>	12/19/2025
Functional User:	Andrew Donovan	<i>Andrew Donovan</i>	12/19/2025
Chief Operating Officer:	Clark Hopp	<i>Clark Hopp</i>	12/23/2025
Grant Administration:	Christina Isabelle-Glover	N/A	
Chief Financial Officer:	Michelle Maddox	<i>Michelle Maddox</i>	12/18/2025
Accounting Department:	Amy Kinnaman	<i>Amy Kinnaman</i>	12/23/2025
CEO & President:	Bill O'Leary	N/A	
Board of Directors:	John Shively	N/A	

Original Form Must Be Returned to Accounting

Alaska Railroad Corporation
Authorization for Expenditure Form

For Accounting Use Only

AFE# 11212 S-1

Page 2

Is this project related to health and/or safety?	No	If yes describe:														
<p>Scope of Work: This multi-year program will improve operational efficiency and safety of the newly acquired property by: Phase one, relocating approximately 1,100 feet of overhead power lines. Phase two, installing electrical services and lighting to a MOW approved location. Phase three, constructing an office area, and demising operational lands from lease areas.</p> <p>This AFE is for Phase 2 to extend approximately 550 feet electrical service to the yard's major operations area. Work will also include installing area lighting and a bull rail to plug equipment into during winter operations.</p> <p>Supplemental No.1 decreases project funding of this project by \$75,000 to complete the contractually obligated elevator installation as part of a tenant improvement. These funds will be reallocated to AFE 11328 Wasilla Elevator Installation.</p>																
<p>ARRC Business Justification Currently, there is not commercial electrical power to the operations area in the Birchwood yard. By installing this service, we will have adequate lighting, an area to plug in heavy equipment, and the ability to install additional security cameras. This service will allow for expansion into the yards now that ARRC owns the entire area.</p>																
<p>Alternatives Considered:</p>																
<p>Preliminary Budget:</p> <table border="1"> <thead> <tr> <th>Line Description</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td>Equipment</td> <td>\$ -</td> </tr> <tr> <td>Labor (Fully Burdened)</td> <td>\$ 10,000</td> </tr> <tr> <td>Materials</td> <td>\$ -</td> </tr> <tr> <td>Contracts</td> <td>\$ 215,000</td> </tr> <tr> <td>Other Expenses</td> <td>\$ -</td> </tr> <tr> <td>Total</td> <td>\$ 225,000</td> </tr> </tbody> </table>			Line Description	Amount	Equipment	\$ -	Labor (Fully Burdened)	\$ 10,000	Materials	\$ -	Contracts	\$ 215,000	Other Expenses	\$ -	Total	\$ 225,000
Line Description	Amount															
Equipment	\$ -															
Labor (Fully Burdened)	\$ 10,000															
Materials	\$ -															
Contracts	\$ 215,000															
Other Expenses	\$ -															
Total	\$ 225,000															

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

Adopted

Resolution No. 2026-02

Relating to the Sale of Railroad Land in the Chena Landings Subdivision in Fairbanks, Alaska, Including Tracts 2 and 3 Thereof

WHEREAS, the Alaska Railroad Corporation (“ARRC”) owns two tracts of land comprising a total of approximately 23 acres in the Chena Landings Subdivision in Fairbanks, Alaska, which are more particularly described as “Tract 2 and Tract 3 of Chena Landings Subdivision recorded as Plat 2000-31, Fairbanks Recording District” (the “Property”), as shown on Exhibit 1 to this resolution; and

WHEREAS, the Property consists of riverfront land and nearby areas that are attractive for (i) the development of an extension of the Chena River Walk Trail (the “Trail”); and (ii) the development of other commercial and industrial uses; and

WHEREAS, on May 12, 2018, the Alaska Legislature passed CSHB 119 approving the sale by ARRC of 77.318 acres located within the Chena Landings Subdivision, including the Property, which the Governor signed into law on July 20, 2018; and

WHEREAS, the proposed use of portions of Tracts 2 and 3 for the Trail will require acquisition of a 3.2-acre portion of the Property (the “Trail Parcel”), which will include 0.50 acres for the construction, maintenance and operation of the Trail and 2.75 acres of land along the Chena River side of the Trail that will become non-economic remnants upon construction of the Trail; and

WHEREAS, the Alaska Department of Transportation and Public Facilities (“DOT&PF”) has agreed to purchase the Trail Parcel from ARRC, for purposes of constructing, operating and maintaining the extended section of the Trail; and

WHEREAS, the fair market value (“FMV”) of the Trail Parcel based on (i) valuing both the land directly used for the Trail and any non-economic remnants at full FMV as if the value of such remnants were unimpaired, and (ii) including the damage to the FMV of the remainder of Tracts 2 and 3 caused by the loss of access to and occupancy of the Trail Parcel has been appraised at a total of \$750,888.00; and

WHEREAS, ARRC is authorized to sell its land pursuant to AS 42.40.285, 42.40.350 and 42.40.352 upon (i) the making by the Board of Directors of certain findings relating to sale of the Property, (ii) the provision of public notice of ARRC’s intent to sell the Property, and (iii) approval of the proposed sale by the Alaska Legislature; and

WHEREAS, the Board of Directors finds that the proposed sale of the Property, including the entirety of Tracts 2 and 3, for both (i) DOT&PF's use in constructing, maintaining and operating the Trail on the Trail Parcel and (ii) other commercial and industrial uses on the remainder of the Property, substantially in the form shown on Exhibit 1, in exchange for payment of fair market value prices for such portions of the Property is in the best financial interest of ARRC; and

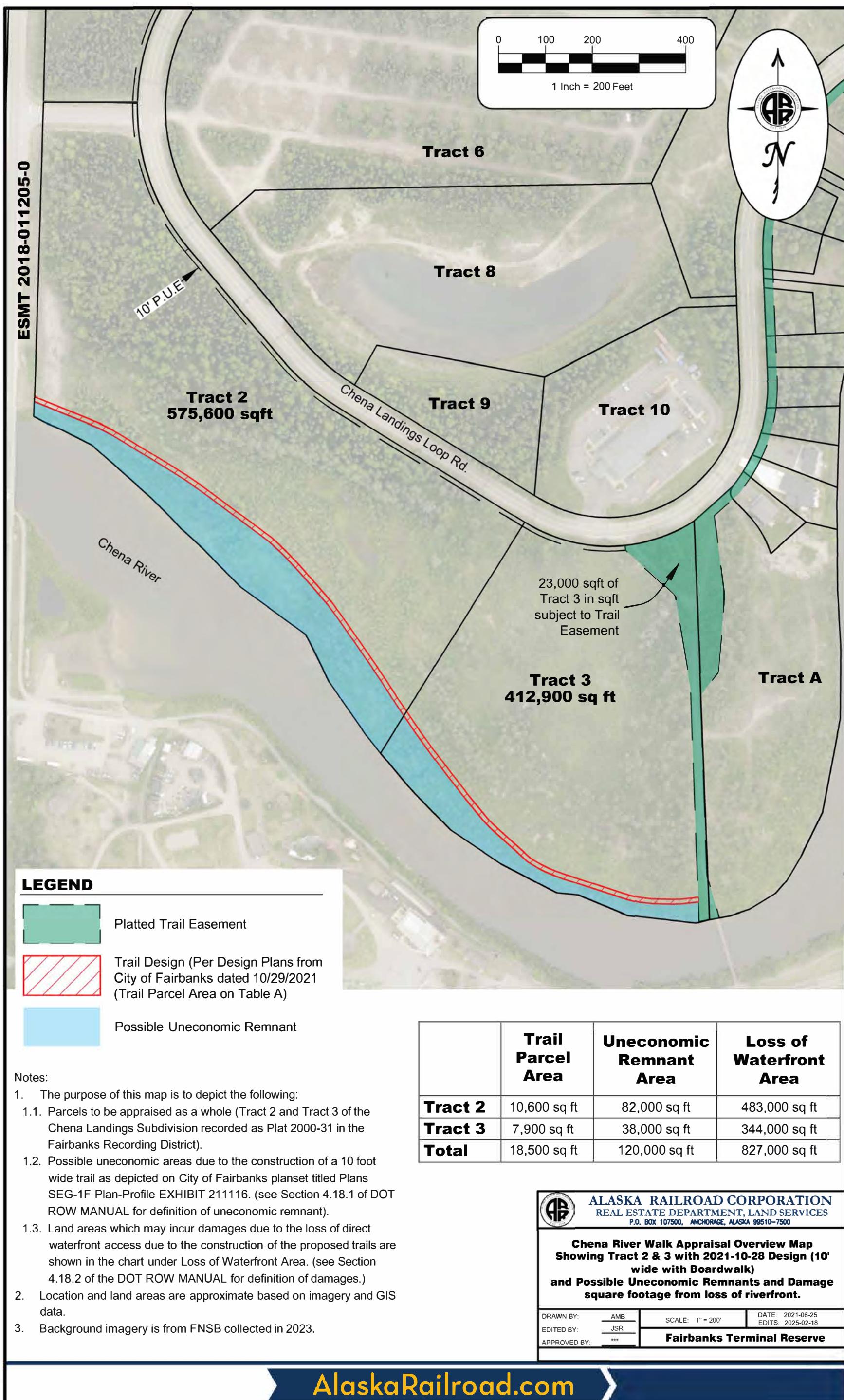
WHEREAS, the Board of Directors specifically and expressly finds that (i) the Property is not necessary for railroad purposes, and (ii) the sale of the land is in the best interest of the State of Alaska.

NOW, THEREFORE, BE IT RESOLVED that the ARRC Board of Directors hereby approves the proposed sale of the Property, including (i) sale of the Trail Parcel to DOT&PF for its use in conjunction with the construction, maintenance and operation of the extension of the Trail, and (ii) sale of the balance of the Property for one or more other commercial and/or industrial uses, with such sales to be subject to the requirements set forth below.

NOW, THEREFORE, BE IT FURTHER RESOLVED, that the sale price of the Trail Parcel to DOT&PF shall be \$750,888.00, with such sale further being conditional upon conveyance of the Property being accomplished on an "as-is, where-is" basis by means of a quit claim deed and subject to the terms and conditions of purchase and sale agreements containing terms similar to other such agreements entered into by the Corporation with respect to similar land transactions; and

NOW, THEREFORE, BE IT FURTHER RESOLVED, that the sale of other portions of the Property shall be made in exchange for payment by purchasers of said land of fair market value based on appraisal or competitive bid and subject to the terms and conditions of purchase and sale agreements containing terms similar to other such agreements entered into by the Corporation with respect to similar land transactions; and

NOW, THEREFORE, BE IT FURTHER RESOLVED that the ARRC Board of Directors hereby directs and authorizes the President and CEO, or his designee, to take such actions as are reasonably necessary to meet all obligations of ARRC relating to the sale of the Property as set forth above, including but not limited to (i) issuing required public notice and (ii) negotiating, finalizing and executing all documents necessary to complete said transaction.





THE STATE
of **ALASKA**
GOVERNOR MIKE DUNLEAVY

Department of Transportation and
Public Facilities

NORTHERN REGION
Design, Engineering, & Construction

2301 Peger Road
Fairbanks, AK 99709-5316
Main: 907-451-2200
TTY: 711 or 1-800-770-8973
dot.alaska.gov

December 22, 2025

Attn: Kristin Gratrix
Alaska Railroad Corporation
P.O. Box 107500
Anchorage, AK 99510-7500

Re: Chena River Walk Stage III - Segment I
NFHWY00280
Preliminary Approval of Administrative Settlement
Parcels 1, 2, 3, TCE-1A, TCE-2A, TCE-3A & 3B & Southern Remainder

Dear Ms. Gratrix:

The State of Alaska, Department of Transportation and Public Facilities (DOT&PF) has preliminarily approved an administrative settlement with the Alaska Railroad Corporation (ARRC) in the following amount:

ARRC Tract 2:

Project Parcel (Parcel 1): **\$63,500.00**
South Remainder 64,661.83 Sq. ft x \$1.50 per sq ft. (per ARRC appraisal): **\$96,993.00**
Damages to Remainder: **\$369,300.00**
TCE1A (24 months): **\$25,549.00**
Total: **\$555,342.00**

ARRC Tract 3:

Project Parcel (Parcel 2): **\$40,500.00**
South Remainder 30,476.35 Sq ft x \$1.25 (per ARRC appraisal): **\$38,095.00**
Damages to Remainder: **\$142,500.00**
TCE2A (24 months): **\$16,007.00**
Total: **\$237,102.00**

Combined Total Approved: \$792,444 + \$1,120.00 (Parcel 3, TCE3A&3B) = **\$793,564.00**

The unit values of the amount preliminarily approved for administrative settlement by DOT&PF match those proposed by ARRC. DOT&PF confirmed the square footage of the southern remainder of the tracts

and calculated the administrative settlement based on those calculations. Additionally, DOT&PF will complete the platting process required by the Fairbanks North Star Borough platting authority.

Upon approval of the administrative settlement by the ARRC Board of Directors, DOT&PF will seek final funding approval from FAST planning.

Sincerely,



Brian K. Roberts
Northern Region Right-of-Way Chief

LEASE AMENDMENT SUMMARY

LESSEE: State of Alaska
Department of Transportation and Public Facilities

CONTRACT NO: 9999

LEASE DESCRIPTION: Lot 1A, Block 6, East Government Hill Subdivision of the Alaska Railroad located at the Southeast corner of Loop Road and Hollywood Drive, containing approximately 15,583 square feet.

KEY CONTRACT PROVISIONS:

Estimated Effective Date of Requested Lease
Amendment: March 1, 2026

Base Annual Rent: \$23,686.16

Lease Term: Fourteen (14) Years remain in current lease term (Lease expires October 31, 2040). Lease term will be unaffected by the requested amendment.

Rental Rate: 8%

Option to Extend: N/A

Rent Adjustment: Every 5 years with adjusted annual rent not to exceed 135% of the prior year's annual rent or to decrease to less than 65% of the prior year's annual rent.

Lease Area: 15,583 Square Feet

PUBLIC NOTICE: Yes, public comment expires January 28, 2026.

LEGAL REVIEW: Yes

INTENDED USE: The requested amendment would revise the authorized premises use in paragraph 4.01 of the existing lease to reflect demolition of existing improvements and future use as vacant greenspace.

SUMMARY AND RECOMMENDATIONS: In November 2014, the ARRC Board of Directors approved an assignment of Ground Lease Contract No. 8954 lease to the State of Alaska, Department of Transportation and Public Facilities (DOT&PF). In conjunction with that lease assignment, DOT&PF acquired the existing gas station and convenience store improvements from the previous lessee. DOT&PF's purpose for taking assignment of the lease and acquisition of the improvements was to accommodate the future development of proposed Knik Arm Bridge and Toll Authority (KABATA) Improvements. The Board's approval of the lease assignment by DOT&PF was conditioned upon DOT&PF continuing the then-existing use and occupancy of the land and improvements as a gas station and convenience store. In 2014, those existing uses were ongoing and were also consistent with the public input and objectives expressed by the Government Hill Community Council (GHCC) to the ARRC Board. To ensure that such use would not be changed, the Board took the unusual step of requiring any change in use of the premises to be approved by formal action of the Board. (Under standard ground lease provisions, the Vice President of Real Estate can approve such a change in use.)

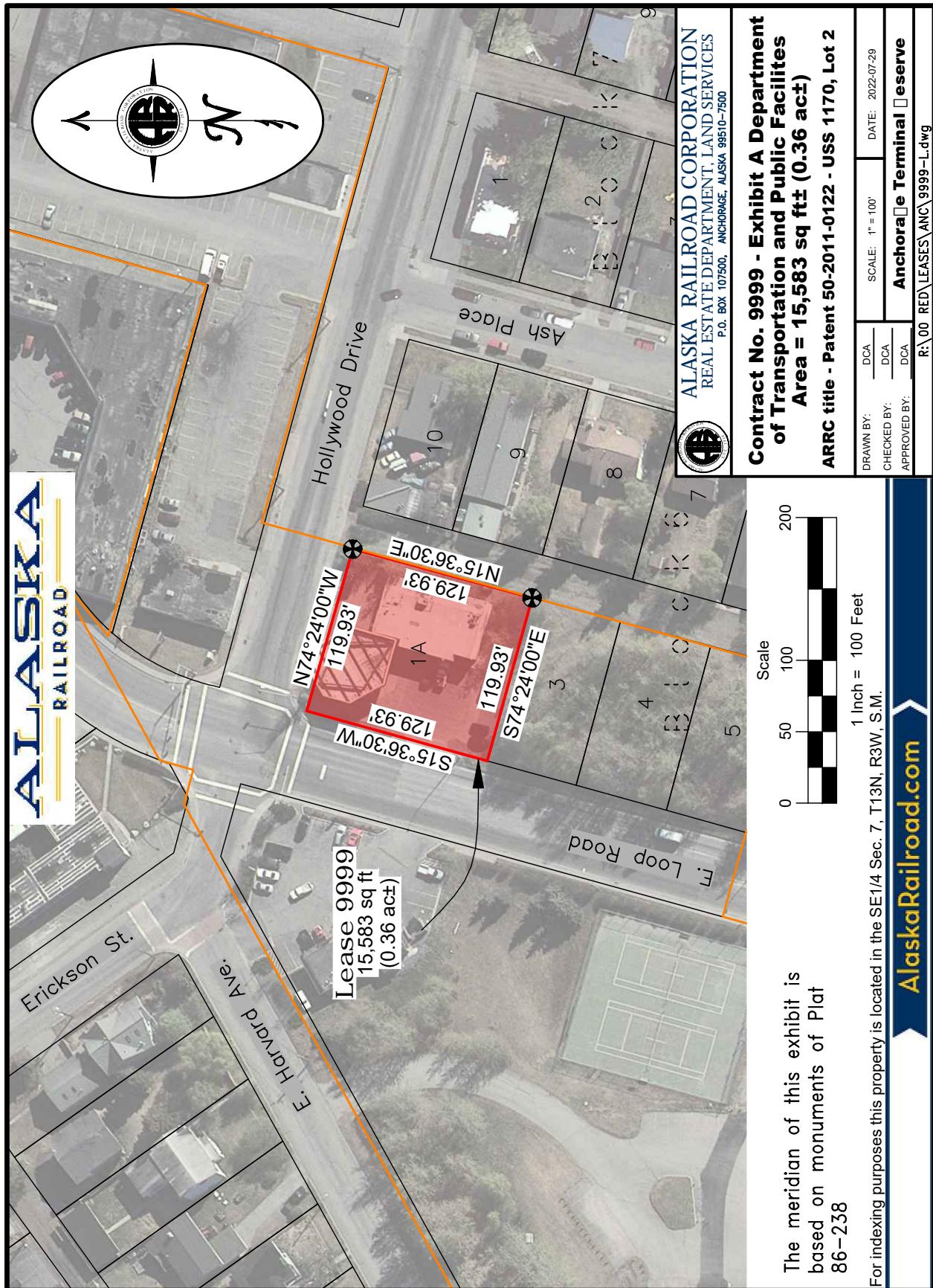
At the time DOT&PF took the lease assignment and acquired the improvements, the property was subleased to a third-party operator that subsequently vacated the premises in 2022. The leased premises have subsequently remained vacant, and the improvements have substantially deteriorated. ARRC and DOT&PF agree that the premises and failing improvements would have no viable subtenant whether or not the current use requirement is modified.

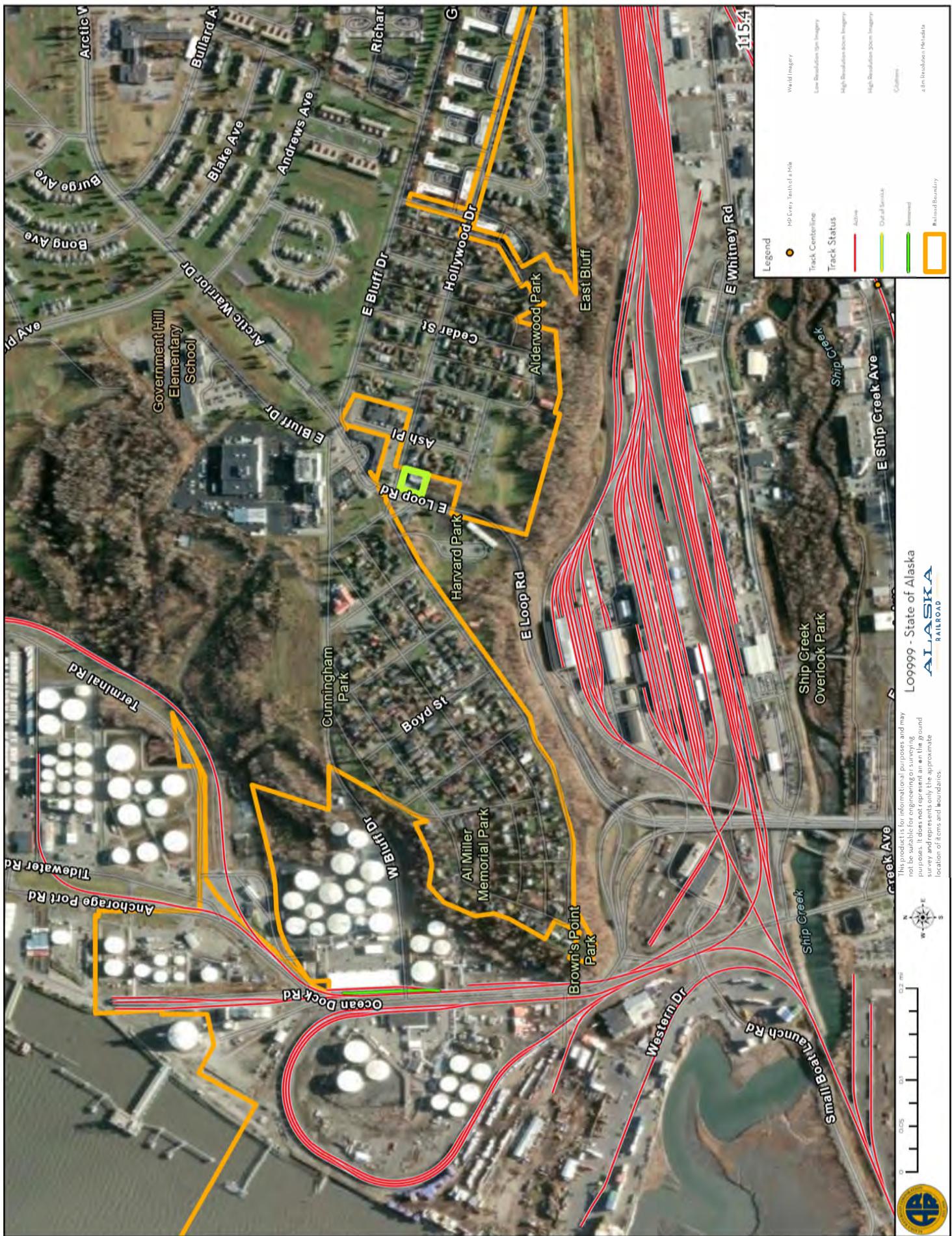
Given the above situation, DOT&PF has worked with the GHCC to explore alternative use of the premises, and with the support of the GHCC, has now applied to the ARRC Board for a change of the allowed use of the leased premises from a gas station/convenience store to a greenspace. If approved, the existing building improvements will be removed and the site restored to a level, landscaped site with shrubs and hydroseeded lawn. The lease site will be fenced and maintained by DOT&PF in accordance with the lease agreement as amended. The proposed change in use will allow DOT&PF to remove the current driveway access to the property but will require DOT&PF to restore such access in the event the Lease is either terminated or is assigned by DOT&PF to another lessee.

If, during the DOT&PF's remaining tenure as lessee, the premises once again are required to accommodate the KABATA improvements, DOT&PF's stated intent would be to request that the ARRC Board approve a sale of the lease premises to accommodate that transportation use and support legislation to that effect.

Staff recommends approval of the lease amendment to reflect the change of allowed use of the leased premises to a secured greenspace on the terms described above.

APPROVED: _____ Board Meeting Date: _____
Jennifer Mergens
ARRC Board Secretary





LEASE AMENDMENT SUMMARY

LESSEE: Westwood Properties, LLC

CONTRACT NO: 20232

PROPOSED AMENDED LEASE DESCRIPTION: A parcel of land located within the ARRC Anchorage Reserve, known as Lots 48A and 49 of the Alaska Railroad Post Road Industrial Lease lots situated in the Alaska Railroad Anchorage Reserve, containing approximately 44,537 square feet.

KEY CONTRACT PROVISIONS:

Estimated Effective Date of Amendment:
March 1, 2026

Base Annual Rent Following
Amendment: \$37,329.60 (based on appraised
value)

Lease Term: Ten (10) Years remain on the
current lease term (Lease expires November 30,
2036). Lease term will be unaffected by the
requested amendment.

Prior Annual Rent: \$32,571.00

Option to Extend: N/A

Rental Rate: 8%

Lease Area Following Amendment: 44,537
square feet, more or less.

Rent Adjustment: Every 5 years from
commencement of lease, with adjusted annual
rent not to exceed 135% of the prior year's
annual rent or to decrease to less than 65% of
the prior year's annual rent

PUBLIC NOTICE: Yes, public comment period expires January 28, 2026

LEGAL REVIEW: Yes

INTENDED USE: Construction activities, including office and yard.

SUMMARY AND RECOMMENDATIONS: Lessee is requesting an expansion of its 38,775 sq. ft. existing leased premises to include the 5,762 sq. ft. of vacant space south of existing lease boundary. Obtaining additional area would secure direct access to the south entrance of their yard space. Approval is recommended.

APPROVED: _____ Board Meeting Date: _____
Jennifer Mergens
ARRC Board Secretary



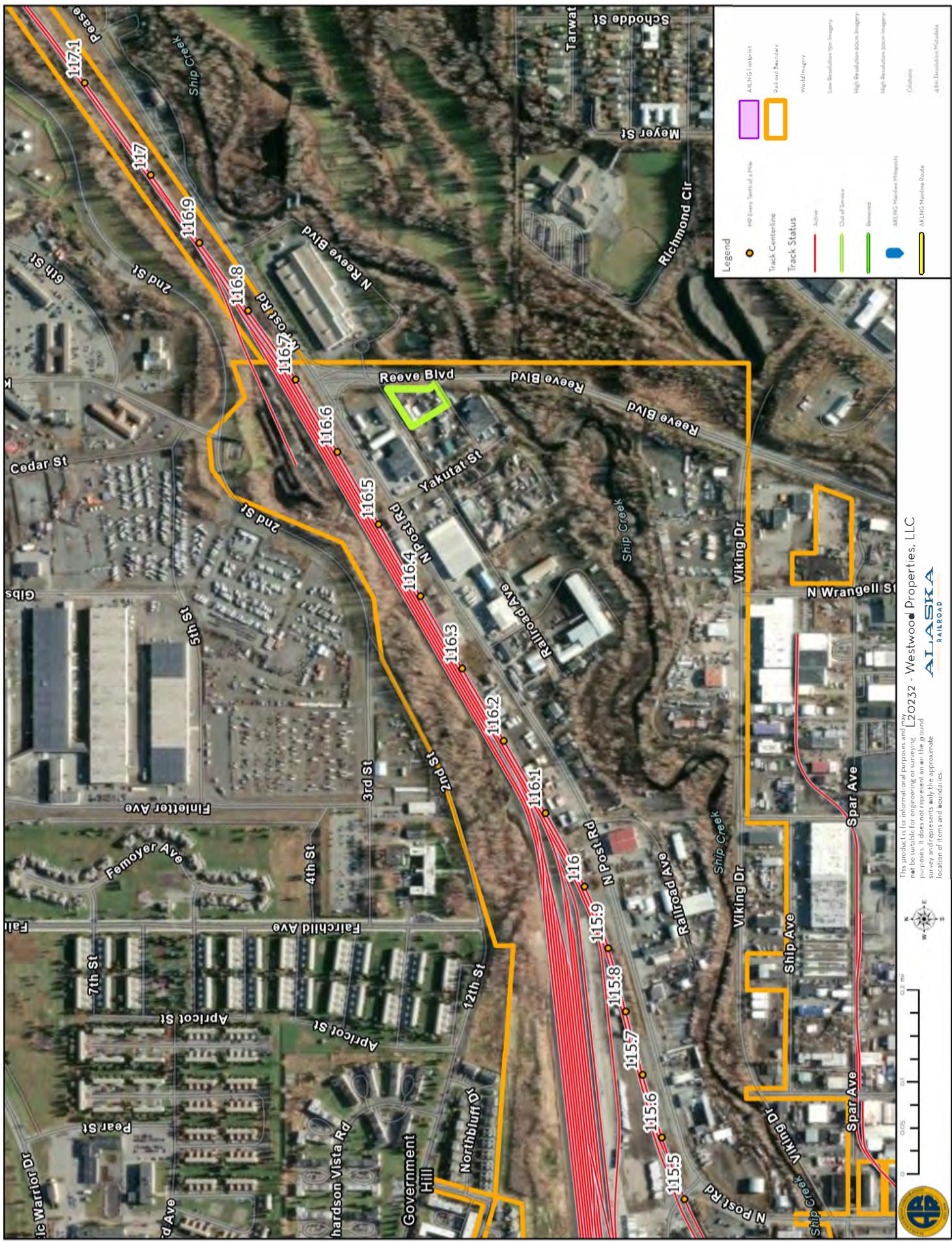
NOTES

1. The meridian of this exhibit is based on monuments 915 and 110 of Recorded Plat 2009-55.
2. Roadway widths are derived from Alaska Post Road Industrial Lease Lot Drawing.
3. As described on the Schedule 1 dated 12/16/2025 attached herewith and made a part hereof.

EXHIBIT A | ARRC CONTRACT NO. 20232
LEASE - WESTWOOD PROPERTIES, LLC
Area = 44,537 sq ft (1.022 ac)
LOCATED WITHIN:
USS 9112 and
SW1/4 Sec. 9, T13N, R3W, S.M.

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

ANCHORAGE RECORDING DISTRICT	SHEET 1 OF 1
DRAWN: JSR	CHECKED: JSR
12/16/2025	



PERMIT SUMMARY

PERMITTEE: 8 Star Alaska, LLC

CONTRACT NO: 21258

PERMIT AREA DESCRIPTION: A petroleum pipeline with multiple non-contiguous segments within the ARRC mainline track right-of-way ("ROW") and Reserves commencing at ARRC MP 279.6 (just south of Hurricane) and running north to the western border of the ARRC Healy Reserve.

KEY CONTRACT PROVISIONS:

Estimated Effective Date: upon signature

Base Annual Permit Fee: \$31,000 (estimated)

Permit Term: 30 years

Rate Structure: Fair Market Value, subject however, to a minimum permit fee of not less than \$1 per foot plus a crossing fee of not less than \$500 per crossing.

Option to Extend: None

Rent Adjustment: CPI adjustment every 5 years

Permit Area: Approximately 28,000 linear feet total in the ROW and Reserves as summarized above.

PUBLIC NOTICE: Yes, public comment period expires January 29, 2026

LEGAL REVIEW: Yes

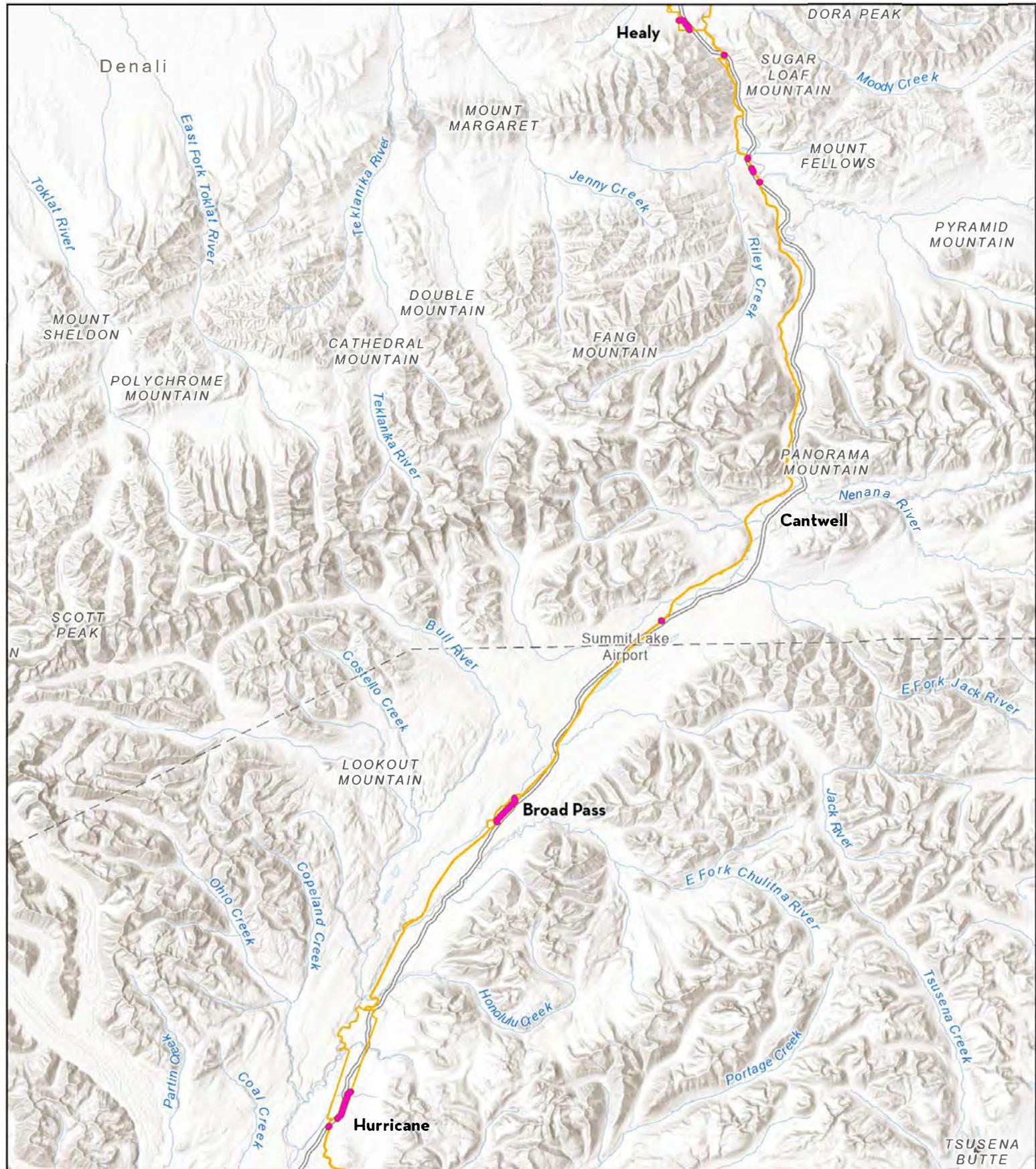
INTENDED USE: Petroleum Pipeline

SUMMARY AND RECOMMENDATIONS: Permittee has applied to ARRC for numerous permits to support the construction of the proposed Alaska LNG Project. Most of these permits are temporary and intended for short-term use before and during construction and therefore do not require Board of Directors approval. The corridor permit, on the other hand, is for a long-term permit for permanent pipeline and related infrastructure to be constructed on various segments of the ARRC ROW and within various portions of some ARRC Reserves. Such long-term corridor permits, which are only terminable for default, require Board approval. Permittee has requested expedited processing to facilitate 8 Star Alaska's required financing. Staff recommends Board approval.

APPROVED: _____

Board Meeting Date: _____

Jennifer Mergens
ARRC Board Secretary



Contract No. 21258

Alaska LNG Mainline
Locations

RR Boundary

0 3.75 7.5 15 Miles



Date: 1/6/2026



Contract No. 21258
8 STAR ALASKA, LLC.
Facility ID 1

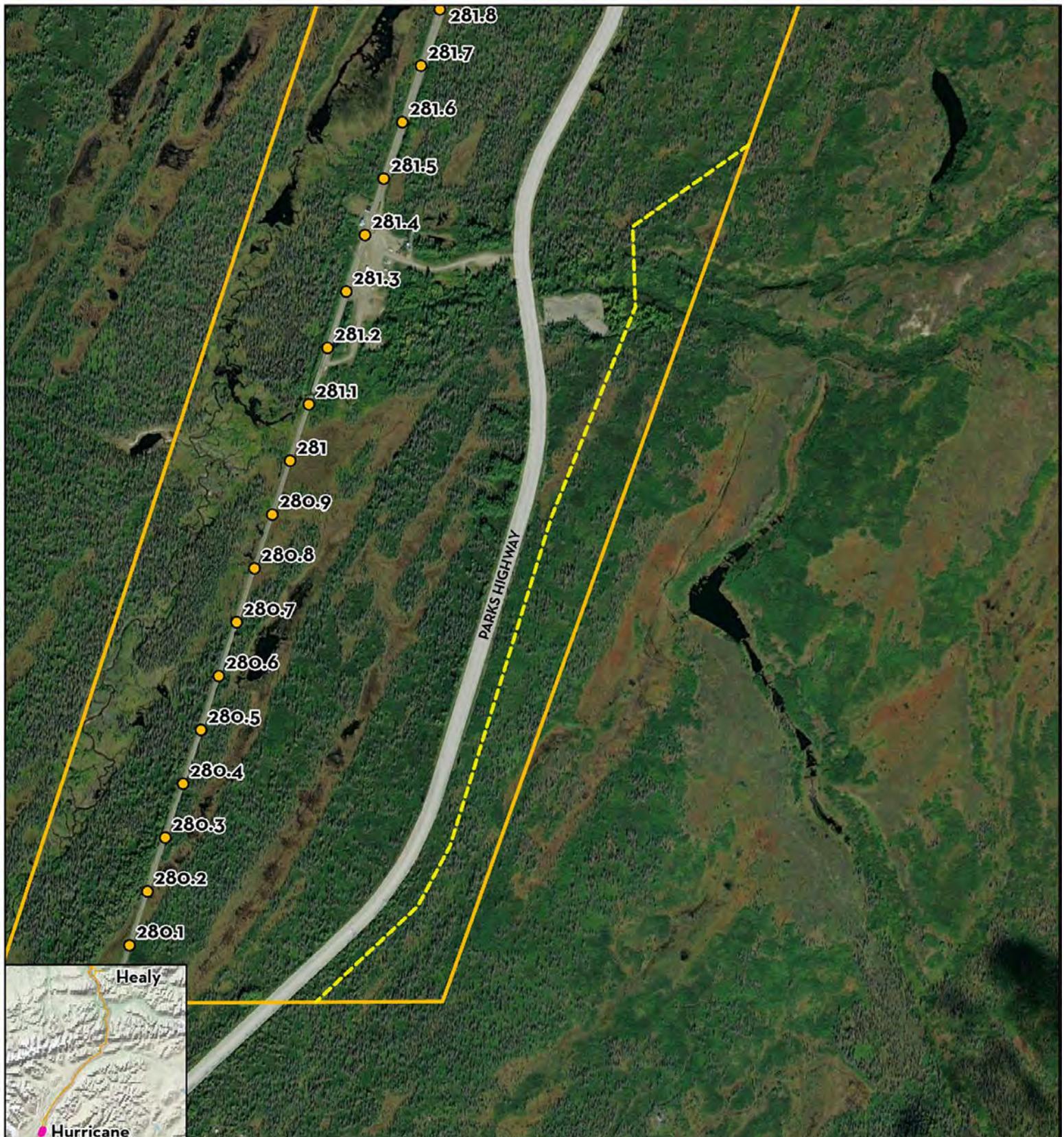


Facility Description: Underground Alaska LNG Mainline at RR MP 279.5. South of the Parks Hwy

Land Services Comments: This LNG line was referenced on 12/24/2025 from the AKLNG GIS

- Alaska LNG Mainline
- RR Boundary
- RR Milepost

0 10 20 40 US Feet



Contract No. 21258
8 STAR ALASKA, LLC.
Facility ID 2

Facility Description: Underground Alaska LNG Mainline on the Eastern side of the Hurricane Reserve

Land Services Comments: This LNG line was referenced on 12/24/2025 from the AKLNG GIS

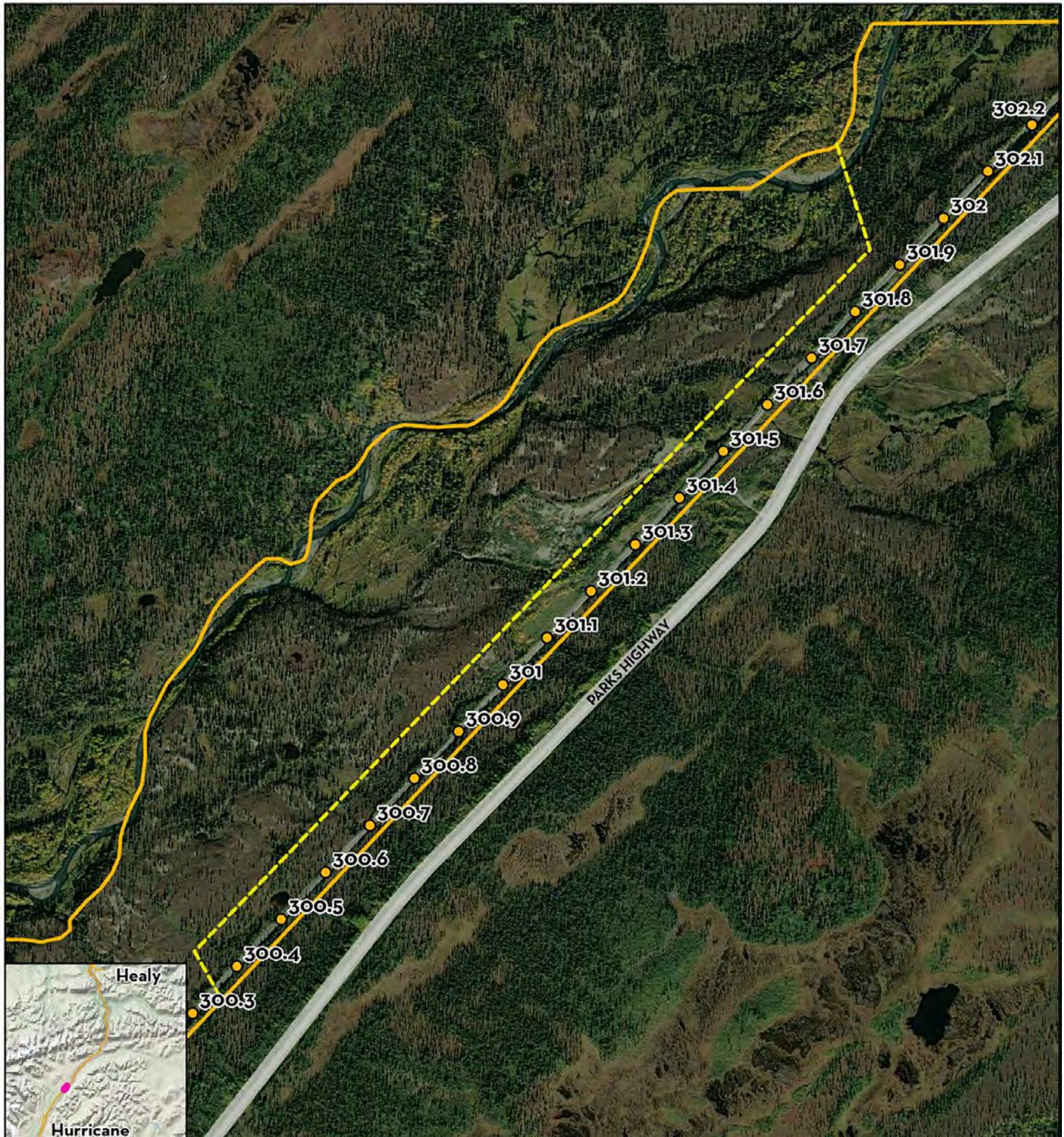


Page 2 of 9

Date: 1/6/2026

- Alaska LNG Mainline
- RR Boundary
- RR Milepost

0 295 590 1,180 US Feet



Contract No. 21258
8 STAR ALASKA, LLC.
Facility ID 3

Facility Description: Underground Alaska LNG Mainline crossing the RR tracks at MP 300.35. Then turning North East and running through the Broad Pass Reserve to MP 301.92 and exiting to the North



Land Services Comments: This LNG line was referenced on 12/24/2025 from the AKLNG GIS

- Alaska LNG Mainline
- RR Boundary
- RR Milepost

0 262.5 525 1.050 US Feet



Contract No. 21258
8 STAR ALASKA, LLC.
Facility ID 4



Facility Description: Underground Alaska LNG Mainline crossing the RR tracks at MP 315.01

Land Services Comments: This LNG line was referenced on 12/24/2025 from the AKLNG GIS

- Alaska LNG Mainline
- RR Boundary
- RR Milepost

0 10 20 40 US Feet



Contract No. 21258
8 STAR ALASKA, LLC.
Facility ID 5

Facility Description: Underground Alaska LNG Mainline crossing the RR tracks at MP 345.16 North of the Parks Hwy

Land Services Comments: This LNG line was referenced on 12/24/2025 from the AKLNG GIS



- Alaska LNG Mainline
- RR Boundary
- RR Milepost

0 10 20 40 US Feet



Contract No. 21258
8 STAR ALASKA, LLC.
Facility ID 6

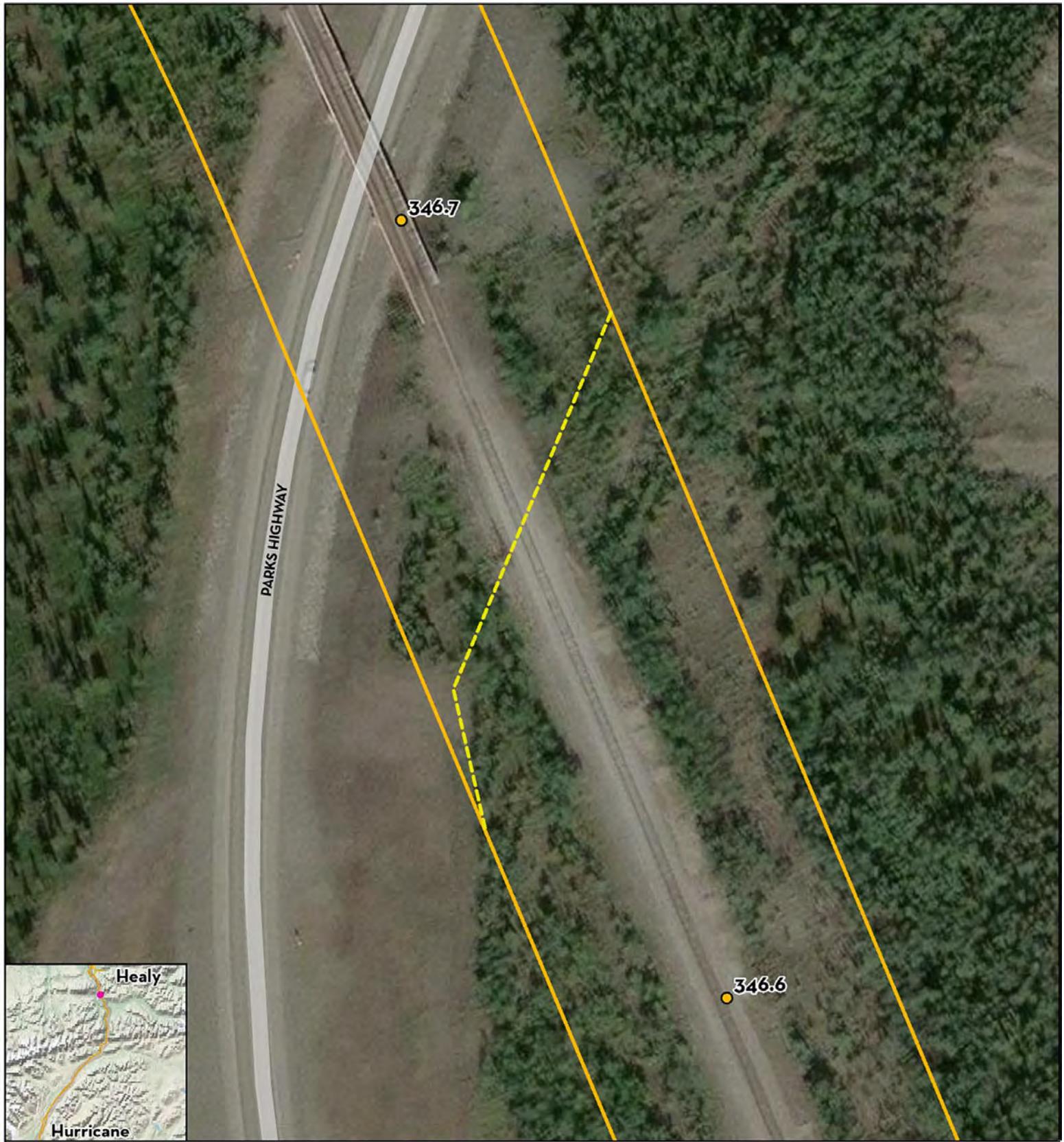
Facility Description: Underground Alaska LNG Mainline running through the RR ROW from MP 345.82 to 346.08.

Land Services Comments: This LNG line was referenced on 12/24/2025 from the AKLNG GIS



- Alaska LNG Mainline
- RR Boundary
- RR Milepost

0 50 100 200 US Feet



Contract No. 21258
8 STAR ALASKA, LLC.
Facility ID 7

Facility Description: Underground Alaska LNG Mainline crossing the RR tracks at MP 346.65

Land Services Comments: This LNG line was referenced on 12/24/2025 from the AKLNG GIS



- Alaska LNG Mainline
- RR Boundary
- RR Milepost

0 20 40 80 US Feet



Contract No. 21258
8 STAR ALASKA, LLC.
Facility ID 8

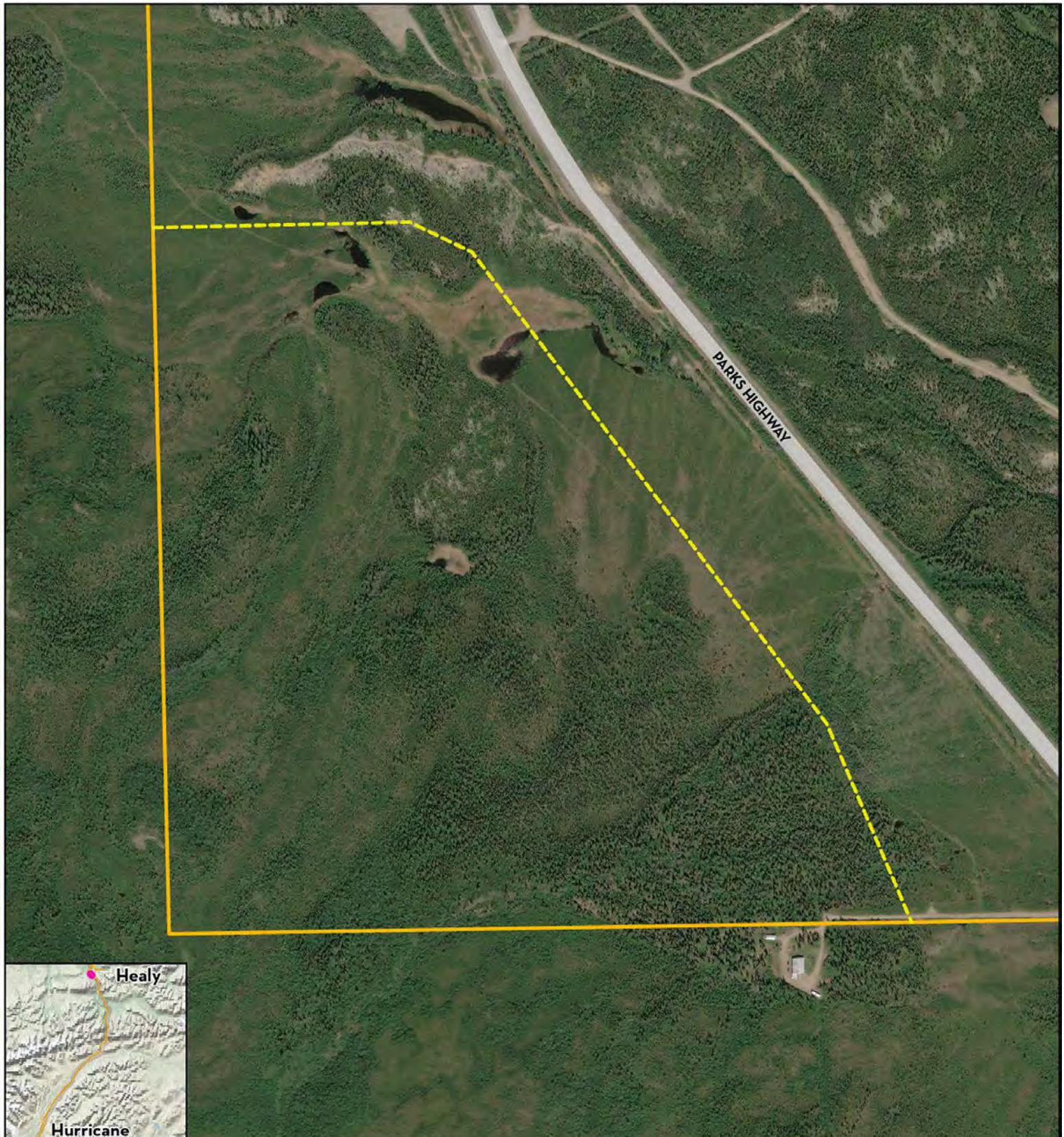
Facility Description: Overhead Alaska LNG Mainline crossing the RR tracks at MP 353.61

Land Services Comments: This LNG line was referenced on 12/24/2025 from the AKLNG GIS



- Alaska LNG Mainline
- RR Boundary
- RR Milepost

0 10 20 40 US Feet

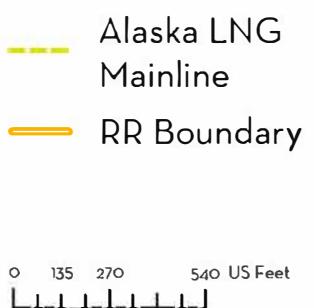


Contract No. 21258
8 STAR ALASKA, LLC.
Facility ID 9



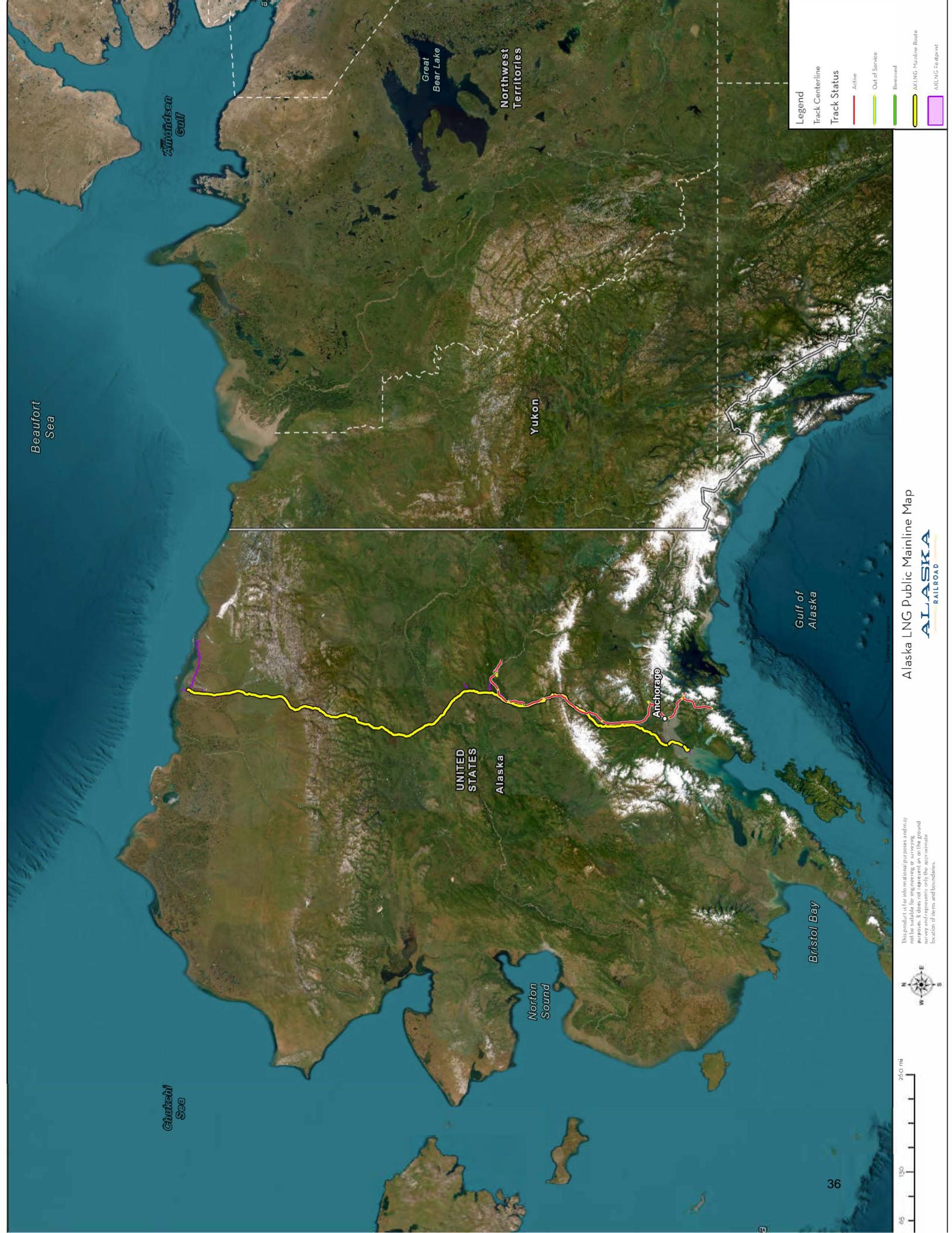
Facility Description: Underground Alaska LNG Mainline running through the South West corner of the Healy Reserve West of the Parks Hwy

Land Services Comments: This LNG line was referenced on 12/24/2025 from the AKLNG GIS



Permit 21258 Facility List

FACILITY ID No.	FACILITY DESCRIPTION	BRANCH	MP FROM	MP TO	CROSSINGS	FACILITY LENGTH (LNFT)
1	Underground Alaska LNG Mainline at RR MP 279.5. South of the Parks Hwy	ROW Main 274-280	279.5	279.5	1	295
2	Underground Alaska LNG Mainline on the Eastern side of the Hurricane Reserve	Hurricane	280	281.6	0	9,181
3	Underground Alaska LNG Mainline crossing the RR tracks at MP 300.35. Then turning North East and running through the Broad Pass Reserve to MP 301.92 and exiting to the North	Broad Pass	300.35	301.92	1	9,372
4	Underground Alaska LNG Mainline crossing the RR tracks at MP 315.01	ROW Main 302-319	315.01	315.01	1	243
5	Underground Alaska LNG Mainline crossing the RR tracks at MP 345.16 North of the Parks Hwy	ROW Main 323-347	345.16	345.16	1	205
6	Underground Alaska LNG Mainline running through the RR ROW from MP 345.82 to 346.08.	ROW Main 323-347	345.82	346.08	0	1,313
7	Underground Alaska LNG Mainline crossing the RR tracks at MP 346.65	ROW Main 323-347	346.62	346.68	1	351
8	Overhead Alaska LNG Mainline crossing the RR tracks at MP 353.61	ROW Main 353-355	353.61	353.61	1	199
9	Underground Alaska LNG Mainline running through the South West corner of the Healy Reserve West of the Parks Hwy	Healy	355.43	356.01	0	4,652
Totals			6	25,813		



PERMIT SUMMARY

PERMITTEE: Alaska Tesoro Pipeline Company, LLC

CONTRACT NO: 21176

PERMIT AREA DESCRIPTION: A petroleum pipeline within the ARRC mainline track right-of-way from Port of Alaska to Northern Lights Boulevard in Anchorage, Alaska.

KEY CONTRACT PROVISIONS:

Estimated Effective Date: upon signature

Prior Annual Rent: \$410,500.00

Permit Term: 50 years

Rent Adjustment: Appraisal Adjustment every 5 years with adjusted annual rent not to exceed 135% of the prior rent or to decrease to less than 65% of the prior year's annual rent.

Option to Extend: None

Permit Area: 17,716 linear feet total

Base Annual Rent: \$419,000.00

PUBLIC NOTICE: Yes, public comment period expires January 28, 2026

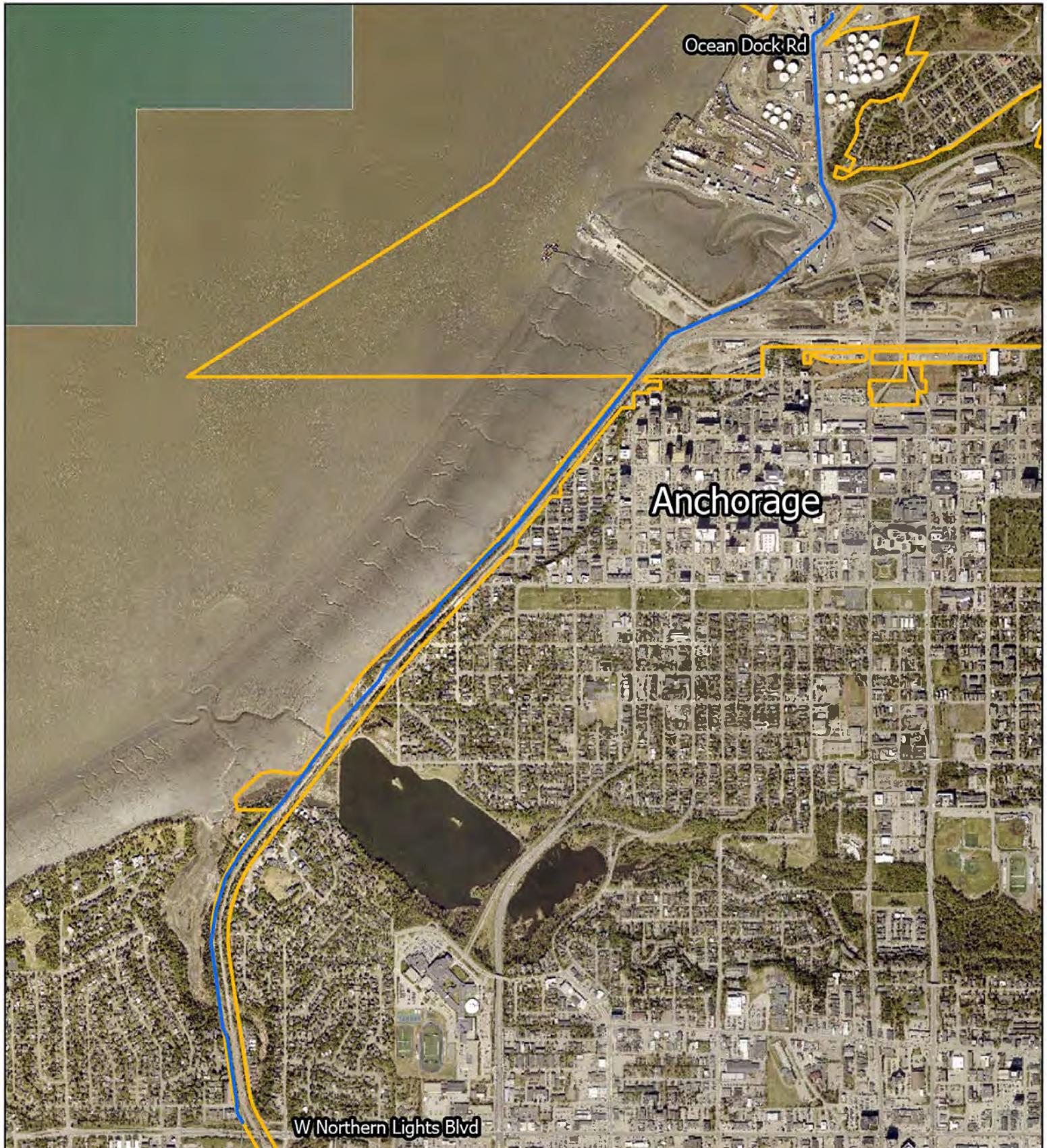
LEGAL REVIEW: Yes

INTENDED USE: Petroleum Pipeline

SUMMARY AND RECOMMENDATIONS: Permittee has requested a renewal of a corridor permit for a petroleum pipeline that was installed in 1976 under ARRC Permit No. 4541. Approval of the proposed permit is recommended.

APPROVED: _____ **Board Meeting Date:** _____

Jennifer Mergens
ARRC Board Secretary



Contract No. 21176-P Overview Tesoro Alaska Pipeline Co.



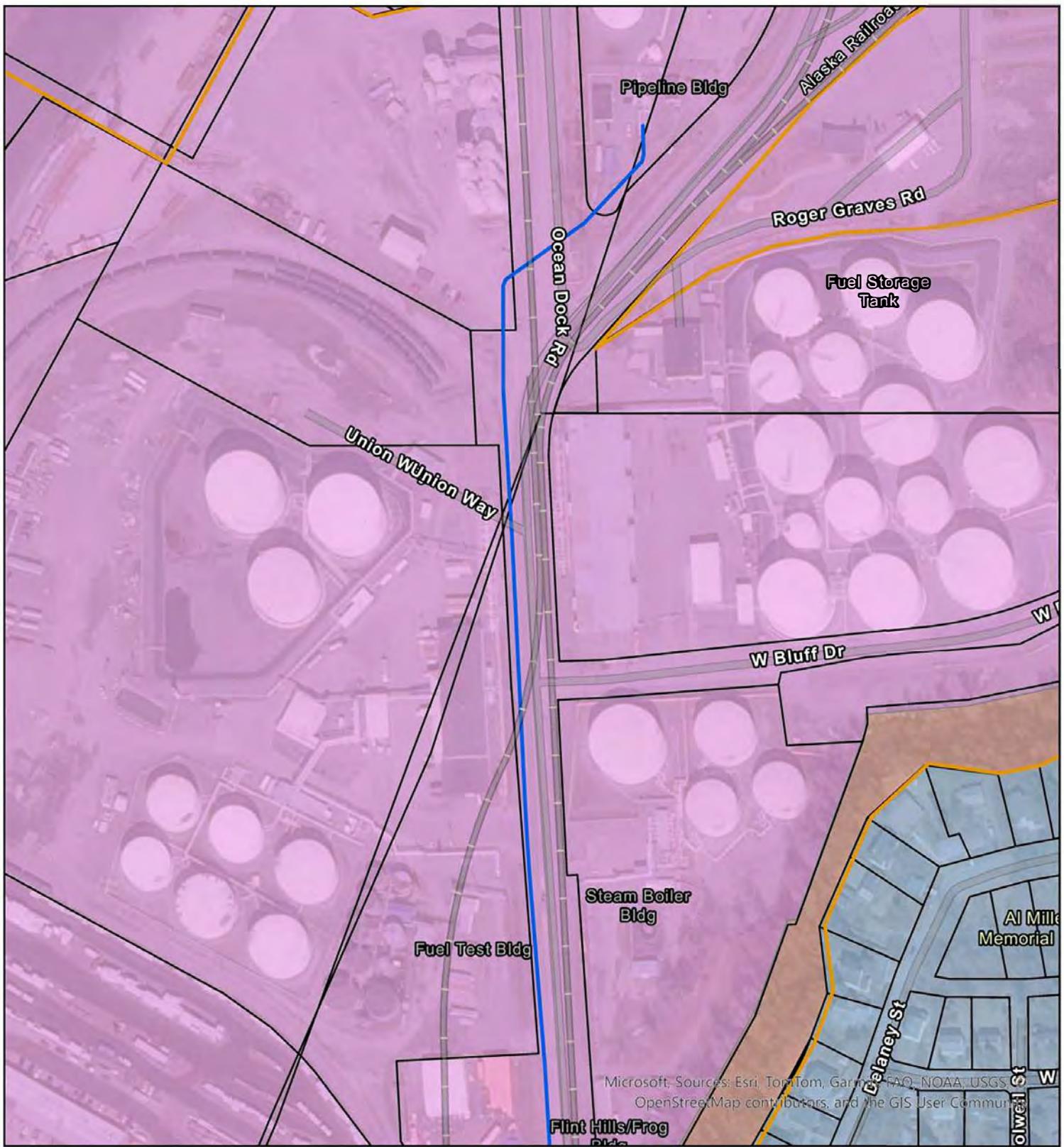
Drawing is for Appraisal purposes only.

Permit 21176

RR Boundary

0 650 1,300 2,600 Feet

Municipality of Anchorage, 2025, MOA Zoning Dataset, accessed June 6, 2025, at URL:
<https://data-muniorg.hub.arcgis.com/datasets/muniorg::zoning-hosted/about>



Contract No. 21176-P

Legend

- Permit 21176
- RR Boundary
- MOA Parcels

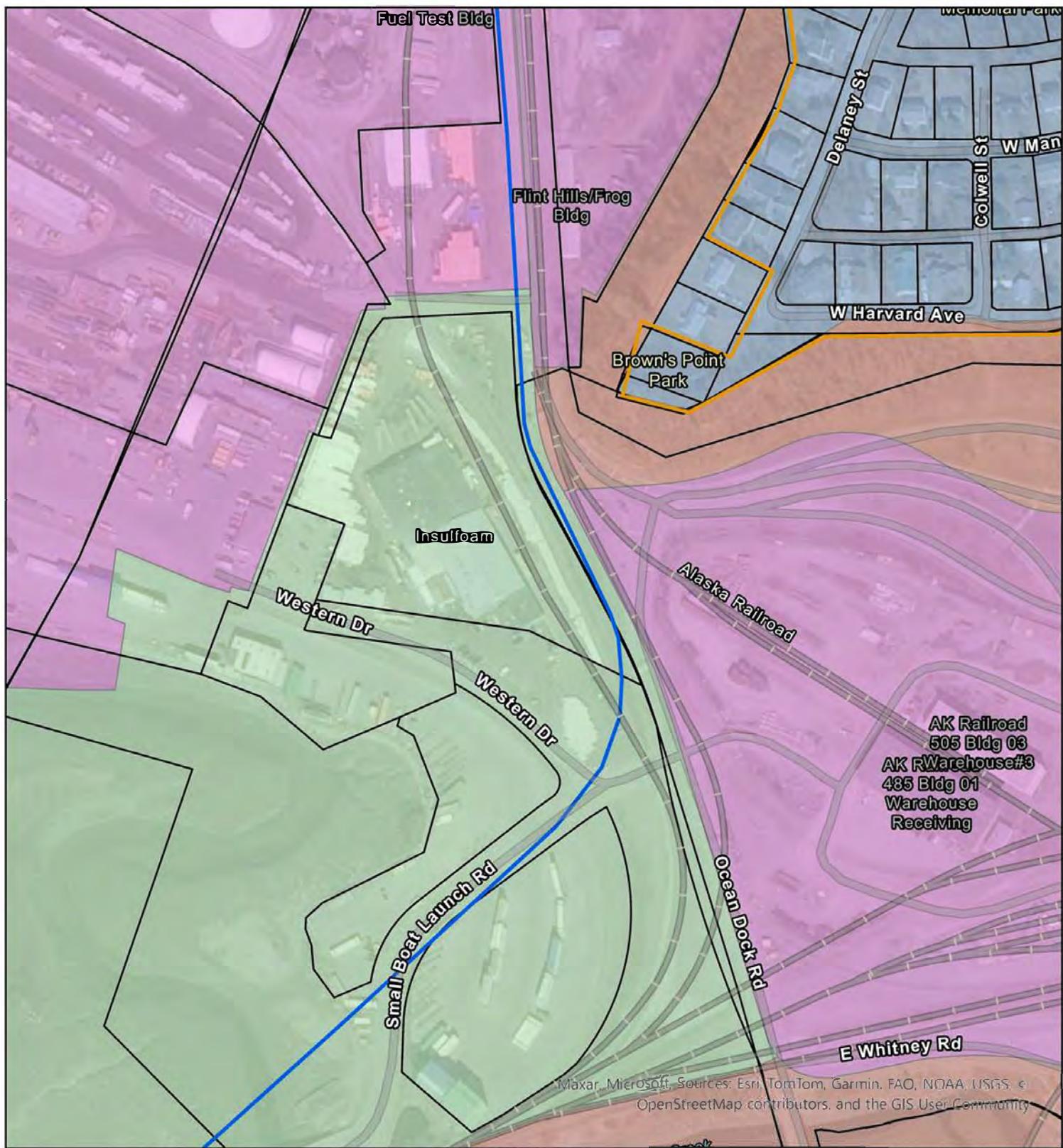
MOA Zoning Districts

- Commercial
- Industrial
- Other
- Residential
- Resort Use



0 100 200 400 US Feet

Drawing is for Appraisal purposes only.



Contract No. 21176-P

Legend

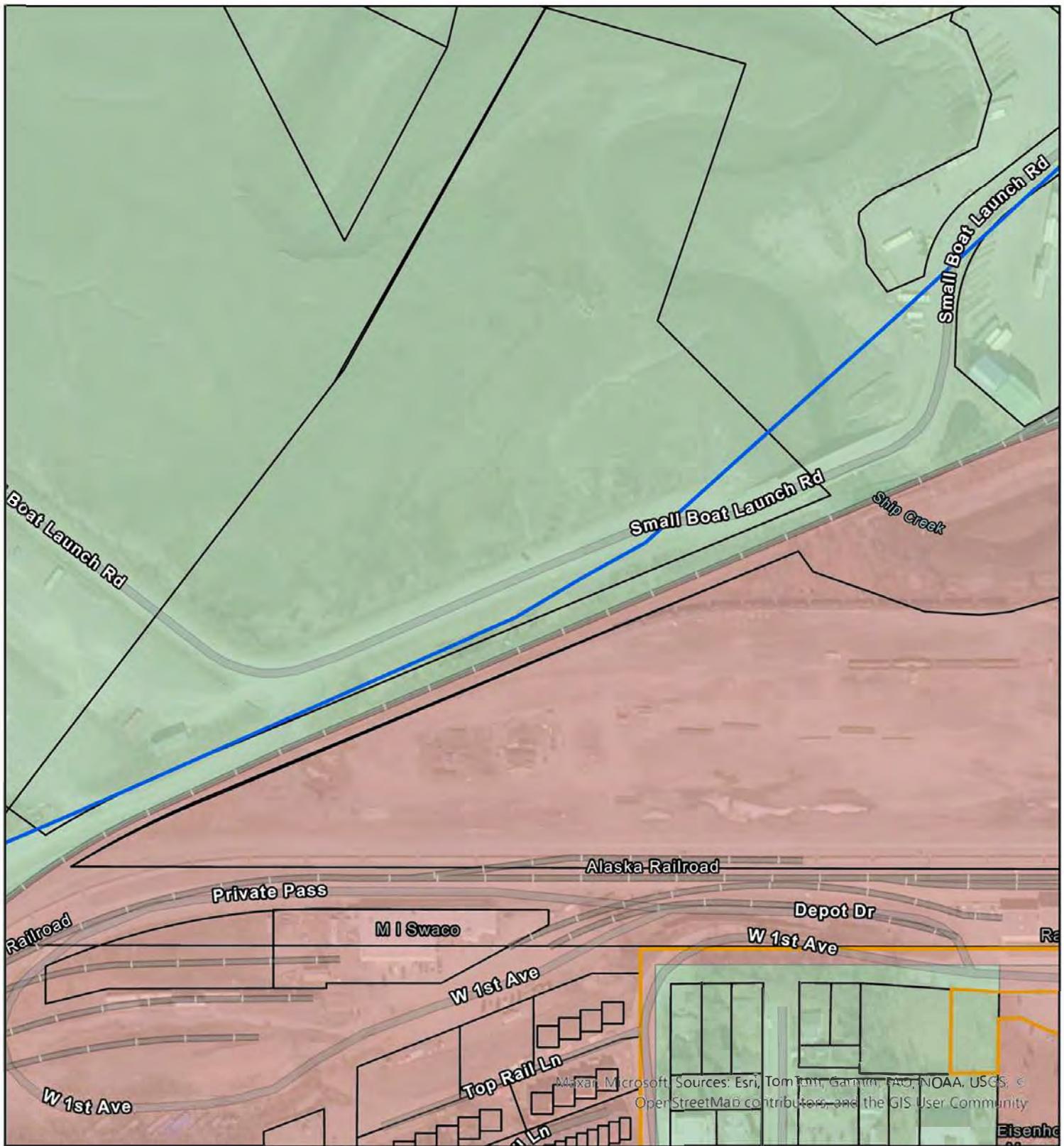
MOA Zoning Districts

- Commercial
- Industrial
- Other
- Residential
- Resort Use



0 100 200 400 US Feet

Drawing is for Appraisal purposes only.



Contract No. 21176-P

Legend

- Permit 21176
- RR Boundary
- MOA Parcels

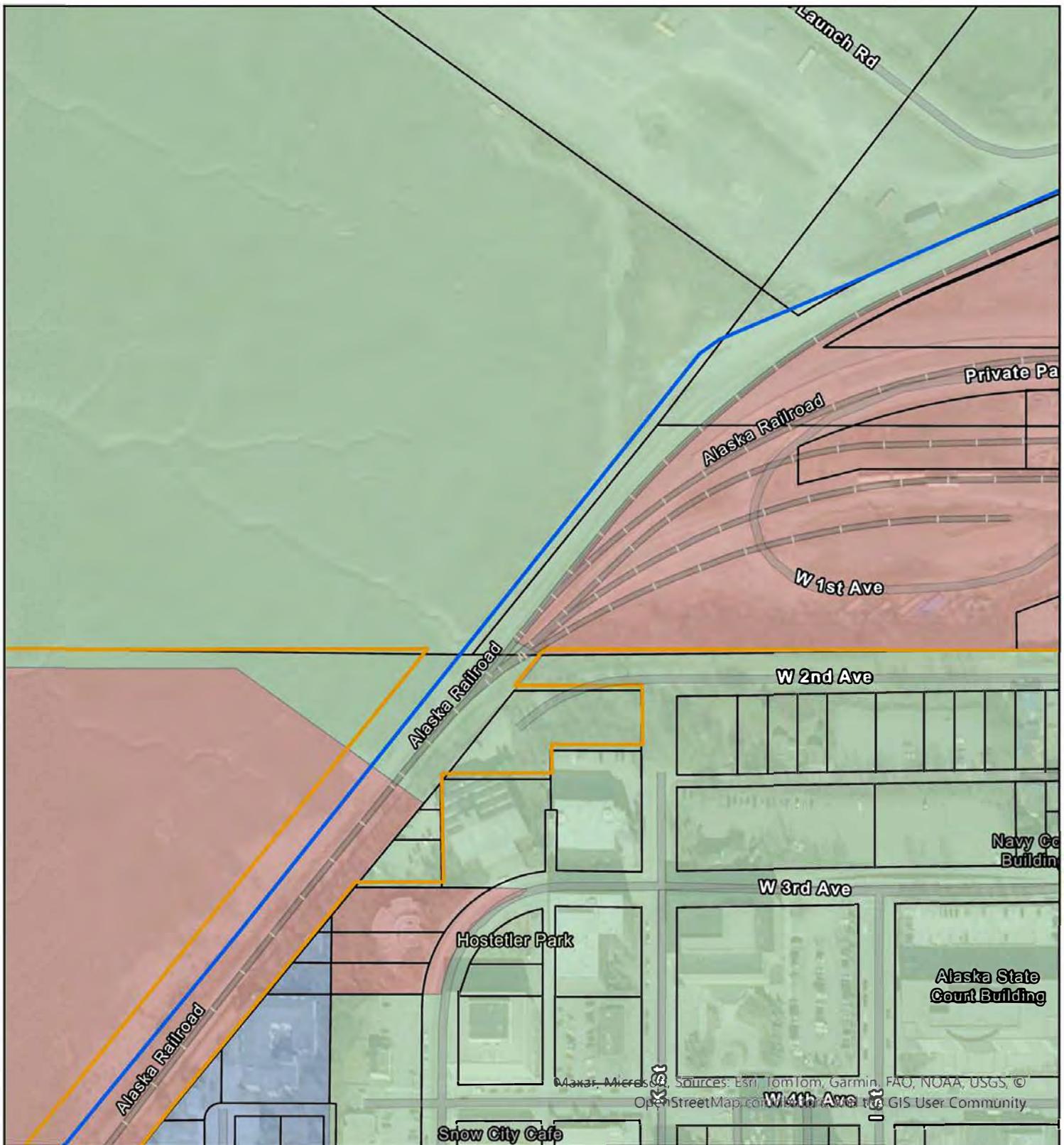
MOA Zoning Districts

- Commercial
- Industrial
- Other
- Residential
- Resort Use



0 100 200 400 US Feet

Drawing is for Appraisal purposes only.



Contract No. 21176-P

Legend

MOA Zoning Districts

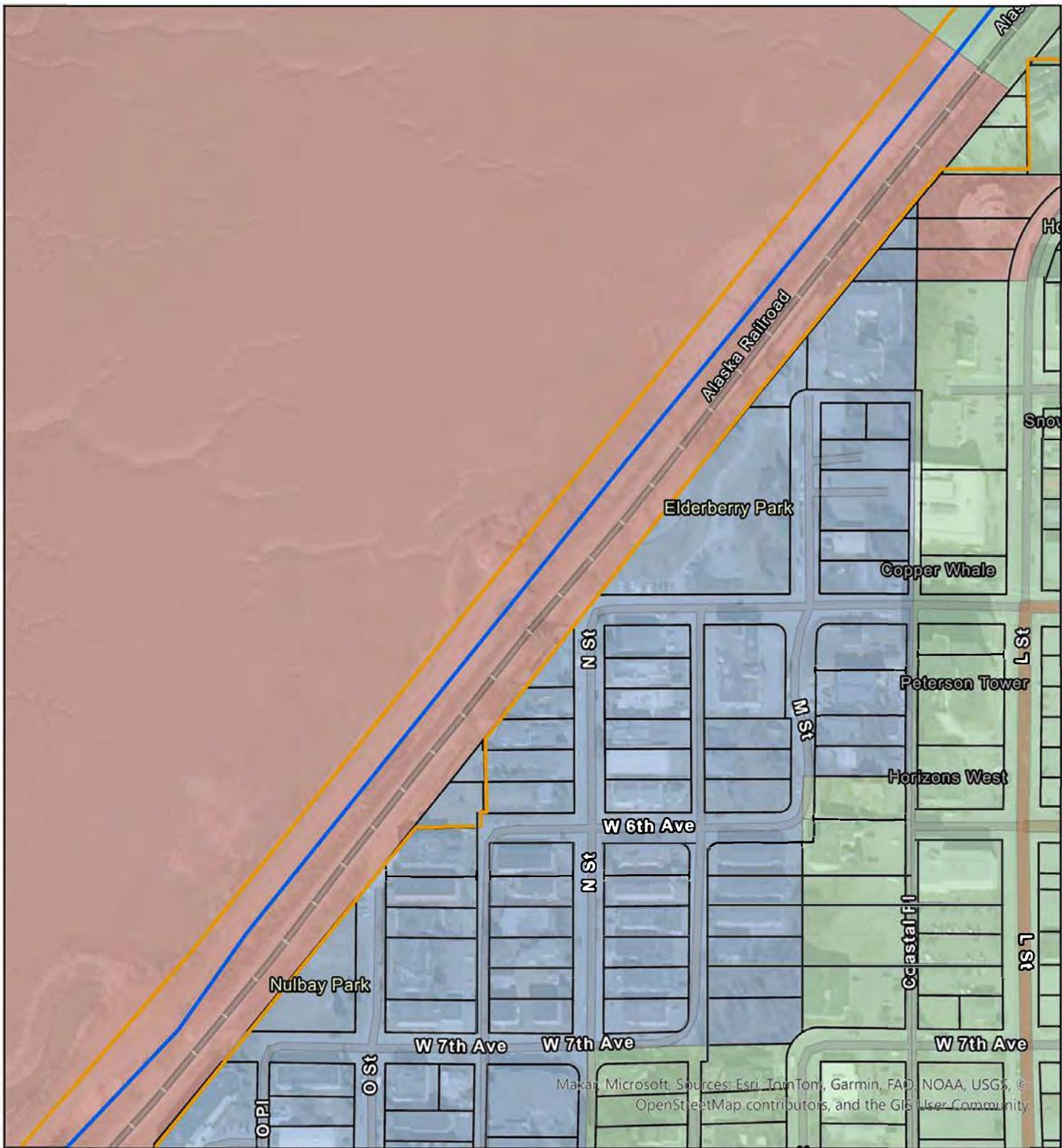
- Permit 21176
- RR Boundary
- MOA Parcels

- Commercial
- Industrial
- Other
- Residential
- Resort Use



0 100 200 400 US Feet

Drawing is for Appraisal purposes only.



Contract No. 21176-P



0 100 200 400 US Feet

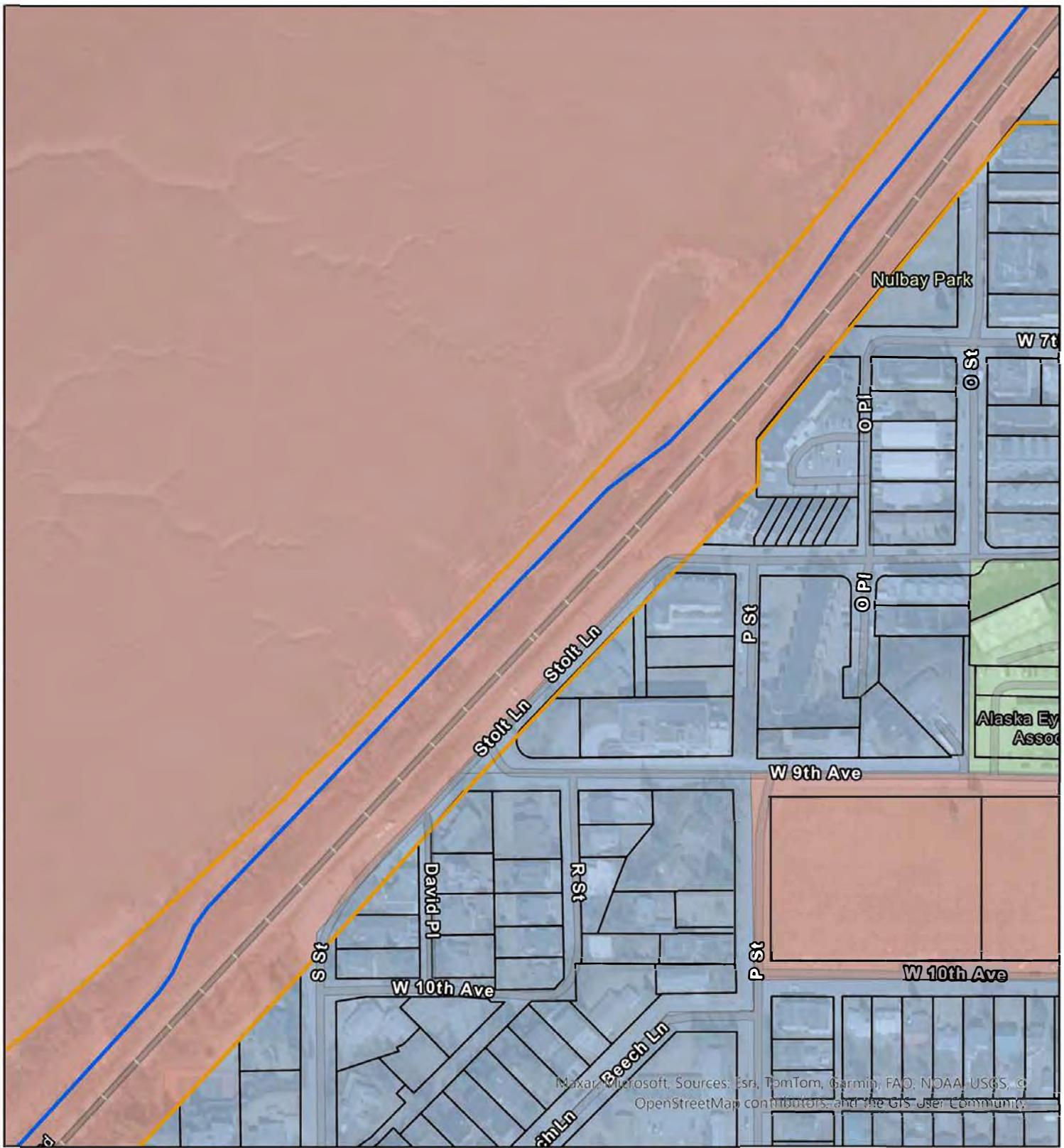
Legend

- Permit 21176
- RR Boundary
- MOA Parcels

MOA Zoning Districts

- Commercial
- Industrial
- Other
- Residential
- Resort Use

Drawing is for Appraisal purposes only.



Contract No. 21176-P



0 100 200 400 US Feet

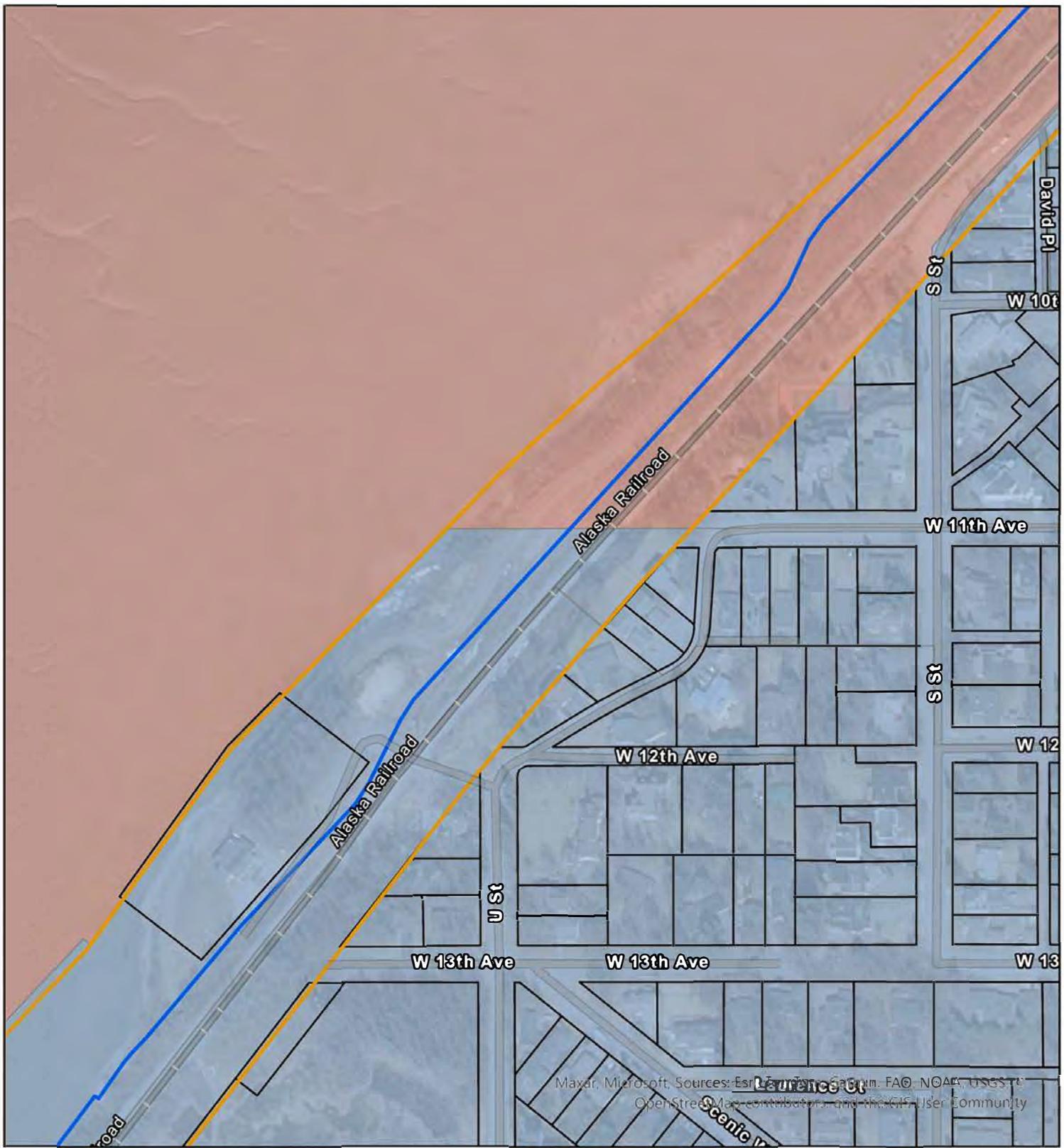
Legend

- Permit 21176
- RR Boundary
- MOA Parcels

MOA Zoning Districts

- Commercial
- Industrial
- Other
- Residential
- Resort Use

Drawing is for Appraisal purposes only.



Contract No. 21176-P

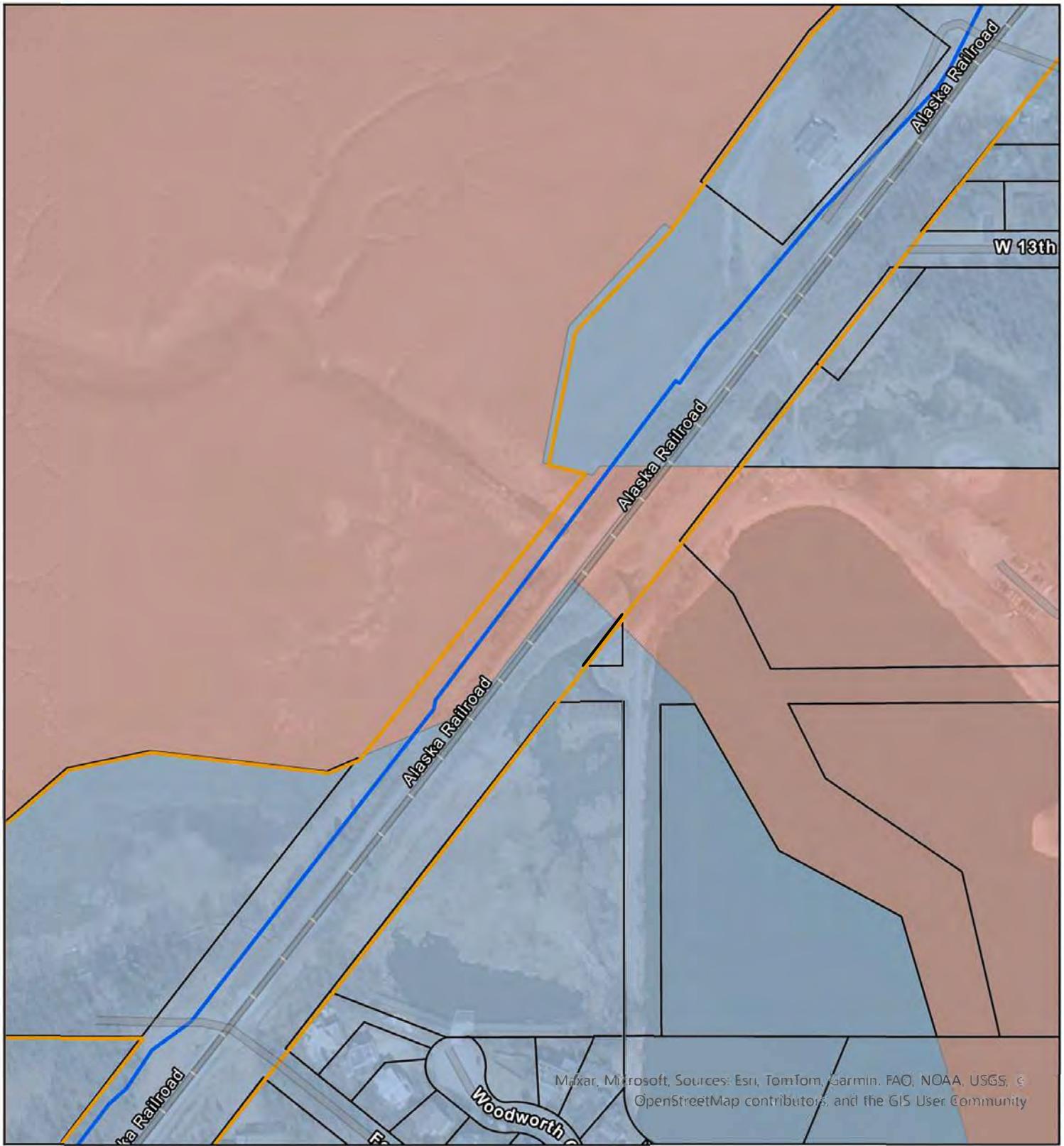
Legend

MOA Zoning Districts	
Commercial	
Industrial	
Other	
Residential	
Resort Use	



0 100 200 400 US Feet

Drawing is for Appraisal purposes only.



Contract No. 21176-P



Legend

- Permit 21176
- RR Boundary
- MOA Parcels

MOA Zoning Districts

- Commercial
- Industrial
- Other
- Residential
- Resort Use

Drawing is for Appraisal purposes only.



Contract No. 21176-P

Legend

- Permit 21176
- RR Boundary
- MOA Parcels

MOA Zoning Districts

- Commercial
- Industrial
- Other
- Residential
- Resort Use



0 100 200 400 US Feet

Drawing is for Appraisal purposes only.



Contract No. 21176-P

Legend

MOA Zoning Districts

- Permit 21176 (Blue line)
- RR Boundary (Yellow line)
- MOA Parcels (White)
- Commercial (Light Green)
- Industrial (Pink)
- Other (Light Red)
- Residential (Light Blue)
- Resort Use (Yellow)



0 100 200 400 US Feet

Drawing is for Appraisal purposes only.



Contract No. 21176-P

Legend



0 100 200 400 US Feet

Drawing is for Appraisal purposes only.

- Permit 21176
- RR Boundary
- MOA Parcels

MOA Zoning Districts

- Commercial
- Industrial
- Other
- Residential
- Resort Use



September 23, 2025

City Manager Jackie Wilde
 City of Whittier, Alaska
 660 Whittier Street, Whittier, AK 99693-0608

Re: Response to Revised Land Purchase Proposal dated 7.7.2025

Dear City Manager Wilde,

Thank you for your letter dated July 7, 2025 containing the City of Whittier's (COW) revised proposal for the acquisition and potential disposal of noted Areas of Interest (AOIs). We appreciate your commitment to working collaboratively with the Alaska Railroad Corporation (ARRC) and your focus on responsible development within your community. We share similar goals for the ARRC Whittier Terminal Reserve as it serves a critical role in providing great benefit to ARRC's mission, our valued customers, and rail belt communities across the State, including the City of Whittier.

Given the importance of ARRC's Whittier Reserve to our mission, the ARRC Real Estate Committee at their meeting of September 11, 2025, continues to express concern related to the total acreage of ARRC land proposed for inclusion in the transaction, with respect to potential future impacts to ARRC's ability to best serve the State. After a thorough review of COW's Proposal #2, the Real Estate Committee directed management to pursue an approach that reduces the total acreage of ARRC land to be included and to structure the transaction as a straight proposal for sale, without requiring COW to transfer land in exchange. Accordingly, the following constitutes ARRC's counterproposal:

ARRC agrees sell to COW the following three parcels at Fair Market Value (see map attached for illustration only), as determined by the Black-Smith, Bethard & Carson, LLC Appraisal conducted on September 9, 2024, and dated November 8, 2024. ARRC makes this proposal subject to the five conditions noted below¹:

ARRC AOI 1 – “The Sportsman’s Lounge” 0.8 acres
ARRC AOI 2 – “Harbor Parking Area/Whittier Creek/Well Site” 36 acres
ARRC AOI 3 – “Harbor Uplands” 10.2 acres

1. The sale must be completed by January 31, 2027, unless both parties mutually agree in writing to an extension.
2. The final sale price will be established based on the fair market value per square foot and will consider the completed surveyed parcel configurations. Estimates of the expected value of the three parcels, which are subject to adjustment based on the surveyed parcel configurations, are as follows:

ARRC AOI 1 – The Sportsman’s Lounge 0.8 acres	~\$ 157,000
ARRC AOI 2 – Harbor Parking Area/Whittier Creek/Well Site 36 acres	~\$1,804,603
ARRC AOI 3 - ARRC AOI 3 – Harbor Uplands 10.2 acres	~\$2,931,718
	TOTAL
	~\$4,893,321

¹ All parcel sizes set forth in this document and all boundaries depicted on the attached map are approximate and subject to finalization of surveyed parcel configurations.

3. Payment of the sale price shall be in cash due in full at closing. No financing will be available from ARRC.

4. COW will be responsible for all survey and closing costs.

5. COW agrees that the Ground Lease and Management Agreement dated November 13, 1998 ("Master Lease") is terminated as of the date of the transaction. Prior to final closing of the sale transaction, ARRC and COW will collaborate to develop and mutually agree upon new contracts for those portions of the Master Lease area that were adequately developed by COW to meet the development requirements of the Master Lease, but which are excluded from the above-described land purchase transaction.

To ensure the process continues to move forward, in addition to legislative approval, next steps will include COW working with ARRC's Real Estate and Legal Departments to prepare a Purchase and Sale Agreement ("PSA") and any other contracts necessary to effectuate the above-described transaction. Assuming the foregoing is accomplished and contingent on the parties' agreement to proceed with the transaction, ARRC Management will present a resolution to the ARRC Real Estate Committee at its January 2026 meeting and, if the resolution is recommended for approval by the Committee, to the ARRC Board at its next general or special meeting.

For clarity, please note that prior to any sale of ARRC land, the ARRC Board must approve the transaction after making certain findings under AS 42.40.352, which relates to the sale of land not necessary for railroad purposes. Specifically, the Board must determine that (1) the land is not essential for railroad operations and (2) the sale serves the best interests of the State. ARRC Management staff believes that, with respect to a proposed sale to COW of parcels constituting ARRC AOIs 1-3 on the terms and conditions described above, a determination by the Board that the transaction meets these criteria appears achievable.

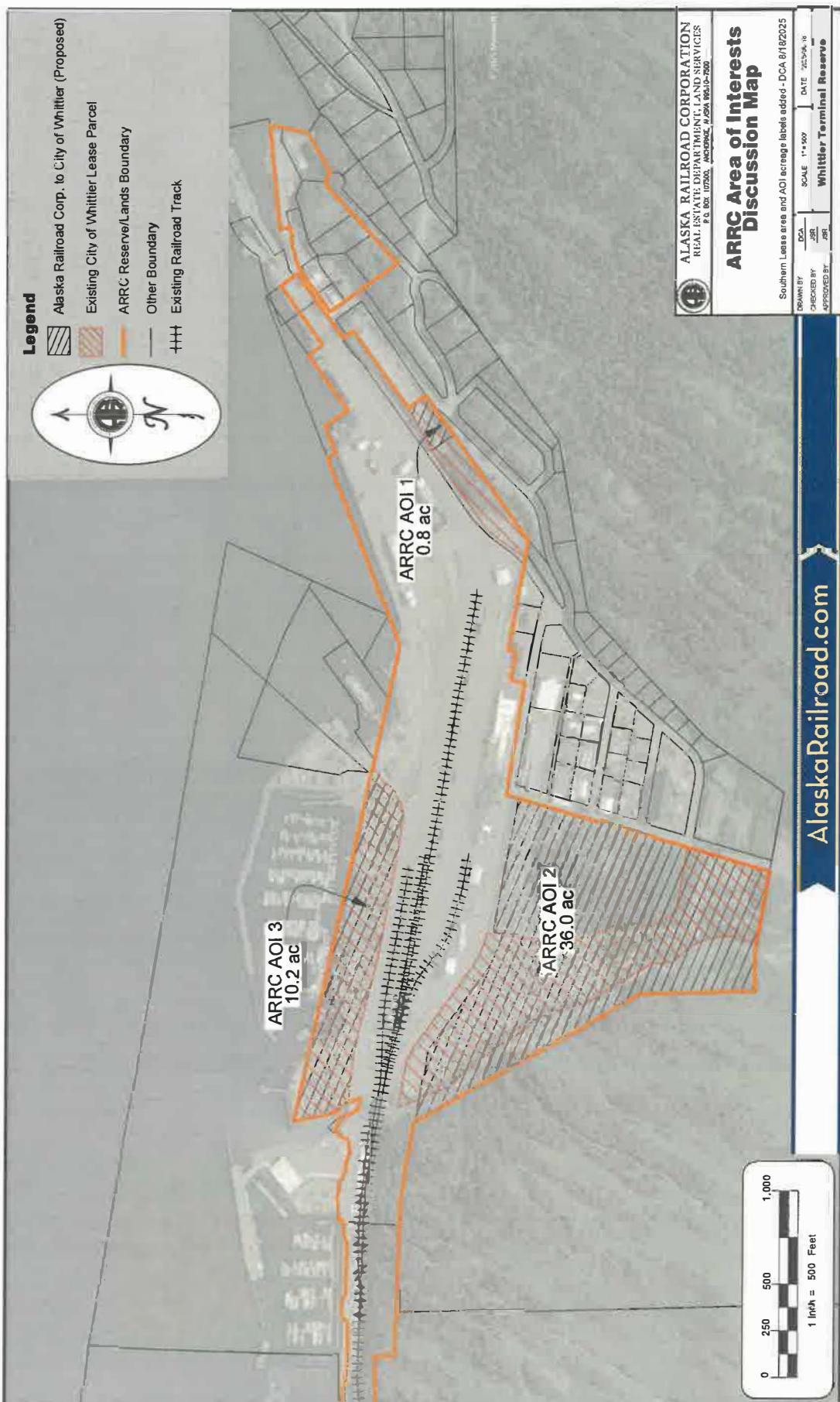
It is our belief and expectation that this proposal represents a mutual benefit to both COW and ARRC. We look forward to your consideration and confirmation of these terms by a written response to this proposal within the longer of (i) 60 days after the date of the proposal or (ii) 15 days after the date on which the Whittier City Council adopts a resolution either accepting or rejecting the proposal submitted by ARRC. Including a description of your preferred timeline for moving forward with the purchase and sale and other necessary agreements. Please do not hesitate to reach out if you have any questions or require further clarification.

Thank you in advance for your cooperation and collaboration. We are optimistic about the potential for development in Whittier and the benefits it can bring to our shared interests.

Sincerely,



Christy Terry
Vice President, Real Estate
Alaska Railroad Corporation



Sponsored by: Wilde

**CITY OF WHITTIER, ALASKA
RESOLUTION 2025-043**

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WHITTIER, ALASKA, APPROVING A CONDITIONAL LETTER OF INTENT BETWEEN THE CITY OF WHITTIER AND THE ALASKA RAILROAD CORPORATION FOR THE PURCHASE AND SALE OF THREE NON-CONTIGUOUS PARCELS TOTALING APPROXIMATELY 47 ACRES AND AUTHORIZING THE CITY MANAGER TO EXECUTE THE CONDITIONAL LETTER OF INTENT AND TAKE NECESSARY ACTIONS TO NEGOTIATE A FINAL PURCHASE AND SALE AGREEMENT AS AMENDED

WHEREAS, the City submitted a revised land acquisition proposal dated July 7, 2025, requesting consideration for the purchase or exchange of several Areas of Interest (AOIs) to facilitate long-term municipal development, harbor improvements, and community growth; and

WHEREAS, on September 23, 2025, the City received a formal response from the Alaska Railroad Corporation (“ARRC”) Real Estate Department outlining the terms of a counterproposal approved by the ARRC Real Estate Committee at its September 11, 2025 meeting; and

WHEREAS, ARRC’s counterproposal authorizes the sale of three parcels—AOI 1 (“Sportsman’s Lounge,” approx. 0.8 acres), AOI 2 (“Harbor Parking Area/Whittier Creek/Well Site,” approx. 36 acres), and AOI 3 (“Harbor Uplands,” approx. 10.2 acres)—to the City at Fair Market Value, as determined by the Black-Smith, Bethard & Carson, LLC appraisal dated November 8, 2024; and

WHEREAS, the proposed transaction represents a significant milestone in advancing mutual goals of responsible development, improved harbor operations, and municipal planning consistency within the Whittier Terminal Reserve; and

WHEREAS, the ARRC proposal includes five conditions, including completion of the sale by January 31, 2027 (unless mutually extended in writing) and establishment of final pricing based on surveyed parcel configurations and appraised values estimated at approximately \$4,893,321; and

WHEREAS, ARRC and the City have expressed a shared commitment to continue working collaboratively on additional ARRC-owned lands to develop appropriate land-use permits that support City economic development or municipal uses, including, but not limited to, coordinated permitting for City activities at the Head of the Bay;

WHEREAS, the Administration has reviewed the terms of the counterproposal and finds the proposed sale structure to be fiscally responsible, aligned with Council’s legislative priorities, and in the City’s long-term economic development interests.

CITY OF WHITTIER, ALASKA

RESOLUTION 2025-043

Page 2 of 2

NOW, THEREFORE, THE WHITTIER CITY COUNCIL HEREBY RESOLVES:

Section 1. The City Council of the City of Whittier hereby accepts the Alaska Railroad Corporation's land sale proposal dated September 23, 2025, for AOI 1, AOI 2, and AOI 3, and authorizes the City Manager to proceed with necessary due diligence, survey coordination, legal review, and negotiation of purchase agreements consistent with the ARRC's conditions and subject to appropriation by Council.

Section 2. The City Manager is authorized to execute all necessary documents and take such administrative actions as are required to advance the transaction and return to Council with final sale agreements for approval prior to closing.

Section 3. This resolution shall be effective immediately upon adoption.

PASSED AND APPROVED by a duly constituted quorum of the Whittier City Council on this 18th day of November, 2025.



Victor Shen
Mayor

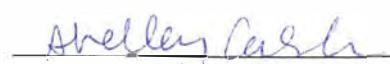
AYES: Wagner, Loan, Macaltao, Pinquoch, Borg, Shen

NOES: Denmark

ABSENT: None

ABSTAIN: None

ATTEST:


Shelby Carlson
Acting City Clerk



(City Seal)

CONDITIONAL LETTER OF INTENT

December 8, 2025

City Manager Jackie Wilde
 City of Whittier, Alaska
 660 Whittier Street, Whittier, Alaska 99693-0608

Re: Conditional Letter of Intent to engage in a purchase/sale transaction involving three non-contiguous parcels of land within the City of Whittier and currently owned by the Alaska Railroad Corporation (referred to herein as "ARRC" or "Seller") comprising a total area of approximately forty-seven (47) acres.

Dear Ms. Wilde:

Please accept this letter as the ARRC's expression of its conditional intention to enter into a contract with the City of Whittier (referred to herein as "City" or "Buyer") for the purchase and sale of land designated and generally shown in the attached map exhibit titled ARRC Area of Interests Discussion Map ("Map") dated August 28, 2025, and generally described as follows:

ARRC AOI 1 – Containing approximately 0.8 acres

A portion of Parcel B of U.S. Survey No. 2559 according to the plat of survey officially filed December 14, 1994, together with a portion of Lot 8 of U.S. Survey 9008 located within Section 23 of Township 8 North, Range 4 East, Seward Meridian.

The parcel is designated "The Sportsman's" on the Map.

ARRC AOI 2 – Containing approximately 36.0 acres

A portion of Lot 8 of U.S. Survey No. 9008 according to the plat of survey officially filed October 12, 1995 together with a portion of Parcel A of U.S. Survey No. 2559 according to the plat of survey officially filed December 14, 1994; located within Section 23 of Township 8 North, Range 4 East, Seward Meridian.

The parcel is designated "Harbor Parking Area/Whittier Creek Well Site" on the Map.

ARRC AOI 3 – Containing Approximately 10.2 acres.

Parcels I, J, and H together with Lot 11 and a portion of Lot 8 of U.S. Survey No. 9008 according to the plat of survey officially filed October 12, 1995; located within Sections 13, 14, 23 & 24 of Township 8 North, Range 4 East, Seward Meridian.

The parcel is designated "Harbor Uplands" on the Map.

The three parcels described above are referred to collectively herein as "the Property." Where discussed individually herein, the three parcels described above are referred to individually herein as "Parcel AOI 1", "Parcel AOI 2" and "Parcel AOI 3" in the order presented above.

The terms of the above-referenced land purchase and sale transaction shall be in accordance with the written counterproposal from Seller to Buyer dated September 23, 2025 ("ARRC Counterproposal"), as accepted and authorized by the Whittier City Council's passage of Resolution No. 2025-043 ("Resolution") at its meeting of December 18, 2025. The ARRC Counterproposal and the Resolution are appended to this Conditional Letter of Intent as Exhibits 1 and 2, respectively.

The components of the agreed transaction, as set forth in the ARRC Counterproposal and accepted and agreed to in the Resolution, include (i) purchase and sale of the Property must be completed by January 31, 2027 unless mutually extended; (ii) the final sale price will be determined as set forth in the ARRC Counterproposal; (iii) payment of the sale price shall be in cash due in full at closing; (iv) the City shall be responsible for all survey and closing costs; and (v) the Ground Lease and Management Agreement dated November 13, 1998 (the "Master Lease") shall be terminated as of the date of the purchase/sale transaction. Prior to closing, the Parties will collaborate to develop and mutually agree on new land contracts for those portions of the Master Lease premises that were adequately developed by the City under the development requirements of the Master Lease, including the RV Park/Campground at the Head of the Bay.

During the pendency of this Conditional Letter of Intent, ARRC will prepare a Purchase and Sale Agreement ("PSA"), which shall include as exhibits draft transaction documents including but not limited to (i) a Quit Claim Deed from ARRC to the City conveying ARRC's full interest in the Property; (ii) a lease termination agreement terminating the Master Lease; (iii) permit document(s) necessary for the City to continue occupying any portion(s) of ARRC's property that the City has developed in accordance with the terms of the Master Lease; (iv) a Quit Claim Deed from the City to ARRC conveying the City's full interest, if any, in those portions of the land subject to the Master Lease that are neither included in the Property nor the subject of any ongoing permits to be issued to the City; and (v) any other documents reasonably necessary to consummate the purchase and sale transaction set forth in the PSA.

Except as specifically stated otherwise herein, this Conditional Letter of Intent is not intended to impose a legally binding obligation on either of the Parties. Notwithstanding the preceding sentence, during the period of one hundred twenty (120) days following signature to this Conditional Letter of Intent, the Parties shall be obligated to negotiate in good faith to finalize a written PSA for the Property and, as necessary and appropriate, to take steps to obtain the authority to consummate the purchase/sale transaction contemplated herein. Neither Party will become legally bound to consummate the purchase and sale transaction contemplated herein until each of the following conditions have been fulfilled:

1. Optional Due Diligence: Given that Buyer has had possession and use of the Property under the Master Lease, it is unclear whether any due diligence activities will be necessary for Buyer to determine the condition of the Property and its suitability for purchase. Notwithstanding the foregoing, Buyer shall have the right to conduct due diligence activities at its sole expense subject to the following terms and conditions. All due diligence findings must be acceptable to Buyer. If any findings are not acceptable to Buyer, then its obligations under this letter of conditional intent shall terminate unless either (i) Buyer waives its objection; or (ii) the parties mutually agree in writing to terms under which the unacceptable condition can be cured or the purchase price can be discounted to reflect said condition. All on-site inspections of the Property, including physical property inspections, environmental analysis, surveys and other site inspections as deemed necessary by Buyer in its discretion will be performed with reasonable advance notice to Seller. Seller's cooperation in timely providing Buyer or its designated representative with copies of all historic records related to the Property, including but not limited to drawings, occupancy certificates, tax records, and other items requested from Seller by Buyer, will be necessary for the satisfactory and timely completion of Buyer's due diligence. All due diligence costs contracted for by Buyer will be the sole financial responsibility of Buyer. Any costs incurred by the Seller will be the sole responsibility of the Seller unless previously approved in writing by Buyer. Upon return of this letter containing the authorized signature of Buyer acknowledging Buyer's agreement to the terms contained herein, Buyer will have the right, but not be required to, commence due diligence activities. The due diligence period shall be compatible with the 120-day term of this conditional letter of intent.

2. Preliminary Title Commitment. Any acquisition of the Property by Buyer will be conditioned upon its obtaining, reviewing and accepting a Preliminary Title Commitment ("PTC") to be obtained by Buyer. In the event Buyer objects to any condition disclosed in the PTC, Seller shall have thirty (30) days to either cure or remove said objectionable condition or give Buyer reasonable assurances that the condition will be cured or removed before or at Closing. In the event Seller is unable to cure or remove the condition underlying Buyers objections, Buyer's obligations under this conditional letter of intent shall terminate unless either (i) Buyer waives its objection; or (ii) the parties mutually agree in writing to terms under which the objectionable condition can be cured or removed or the purchase price can be discounted to reflect said condition.

3. Title. At Closing, Seller shall convey good and marketable title to the Property to Buyer free and clear of all liens, encumbrances, defects and burdens, except those reservations, restrictions, covenants and easements as agreed. Conveyance of the Property shall be by a Quit Claim Deed prepared by ARRC. Buyer shall obtain a standard form policy of title insurance insuring its title in the full amount of the purchase price, and the premium for said policy shall be paid by the Buyer at Closing. Conveyance of the property shall be by a warranty deed prepared by ARRC.

4. Survey and Title Work: Where a land survey is necessary in order to subdivide one parcel into multiple parcels before conveyance or otherwise to confirm legal boundaries and descriptions, the parties shall jointly develop a set of Survey Instructions ("SI's"). To begin the process, the City of Whittier shall request a set of SI's from ARRC. ARRC shall provide draft SI's within one month of the request for both parties to review, edit and finally agree upon. The SI's shall be based on (i) a full and accurate legal description of the Property or, if a full description is not available, a description based on the limitations of the descriptions and the reason for the limited description; (ii) identification of all or any known lease(s), permit(s) or any known property or contractual interest of any kind currently in effect within or impacting on the Property and provision of copies of such leases, permits or other agreements to the other party with respect to the Property; and (iii) establishment during the final process that the Property is free of encumbrances, liens or other legal impediments to the transfer or that any encumbrances, liens or other legal impediments are known and identified by ARRC or the separate deed or other instrument containing such encumbrance, lien or other legal impediment. The SI's should generally conform to the City of Whittier Title 16.04 – Subdivisions. ARRC shall have the standard rights of a landowner in the City of Whittier to participate in any subdivision of land to be transferred under this Conditional CLOI. The City shall retain a registered land surveyor to perform the work as defined in the SI's. The costs associated with survey and title work under this section shall be borne by the City unless otherwise agreed upon in writing by both parties.

5. Purchase and Sale Agreement. ARRC will not become legally bound to sell the Property and the City will not become legally bound to purchase the Property until (i) the Parties have executed a formal written PSA which incorporates the terms and conditions stated herein; (ii) the Parties have each obtained all necessary approvals for them to legally enter into the purchase and sale transaction, including, if necessary, approval of the ARRC Board of Directors and the Whittier City Council; and (iii) all the terms and conditions of the PSA have been fulfilled. As noted above, the PSA will be prepared by ARRC and provided to Seller upon the return of this signed Letter of Intent and shall be expressly conditioned upon obtaining the required approvals.

6. Closing. The Property sale closing ("Closing") will be held at a location determined by ARRC with all closing fees paid by Buyer. All costs associated with operation of the Property will be prorated as of the date of Closing based on a 360-day calendar year and 30-day month. Date of the Closing will be as mutually agreed by the parties but will not be later than January 31, 2027.

7. Price. ARRC is agreeable to sale of the Property to the City for Four Million Eight Hundred Ninety-Three Thousand Three Hundred Twenty-One and no/100 Dollars (\$4,893,321.00). The purchase price was determined by the Black-Smith, Bethard & Carlson appraisal dated November 8, 2024. The parties agree that the price will be adjusted to reflect final cumulative survey area square footage of the Property. In making said adjustments, the total value of each parcel will be calculated by

City of Whittier
December 8, 2025
Page 5

multiplying the final surveyed area of that parcel by the per square foot value used to determine the value of that same parcel in the 2024 appraisal.

8. Liability. In the event the sale transaction is not finalized for any reason, neither Party shall have any liability to the other Party or any of the other Party's agents, suppliers, and contractors for any loss or expense regarding the proposed transaction.

9. Exclusive Right to Purchase. In consideration of Buyer's commitment to pursue the purchase of the Property through negotiation and due diligence, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by signature hereto, the Seller grants Buyer, subject to the terms and conditions set forth herein, the exclusive right to purchase the Property for a period of one hundred twenty (120) days from the date Seller executes the below stated Acceptance agreeing to the terms of this conditional letter of intent.

10. Lease Termination and Permit to Seller. In conjunction with the purchase of the Property contemplated herein, and as set forth in the ARRC Counterproposal and accepted by the City in the Ordinance, the parties shall terminate the Master Lease upon the closing of the purchase sale transaction set forth herein. Buyer and Seller shall enter into a Special Land Use Permit for the RV Park Campground located at the Head of the Bay. Said permit shall be on standard terms used in similar ARRC permits.

11. Broker Commission. ARRC represents that it has not been represented by any third-party real estate agent or broker other than employees of ARRC and that no commission or brokerage fee is due to ARRC or any agent, broker or other person associated with ARRC regarding this proposed transaction. Seller shall be responsible for the payment of any commission or fee to any real estate agent, broker or other person who is entitled to a commission or fee arising out of this transaction.

If the above terms are acceptable, please return this Conditional Letter of Intent, executed below with an authorized signature of Seller, at the earliest possible date to initiate the ARRC activity necessary to proceed toward the proposed transaction described above. Please contact me if I can be of any assistance.

Sincerely,



Christy Terry
Vice President, Real Estate

ARRC'S OFFER TO ENTER INTO THIS CONDITIONAL LETTER OF INTENT FOR THE PURCHASE AND SALE OF THE PROPERTY AS DESCRIBED HEREIN IS VALID THROUGH JANUARY 2, 2026. LACK OF A RESPONSE ON OR BEFORE THAT DATE SHALL RENDER THIS LETTER OF INTENT NULL AND VOID.

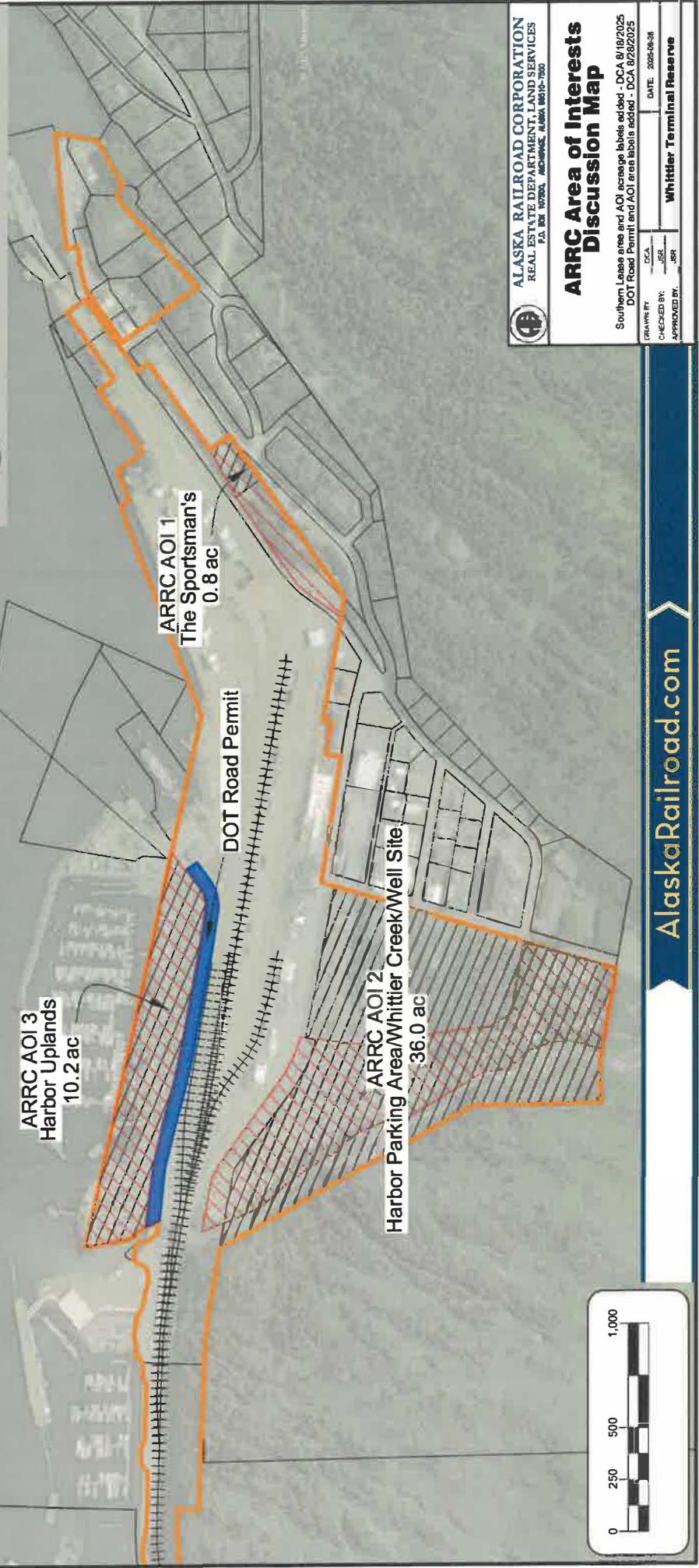
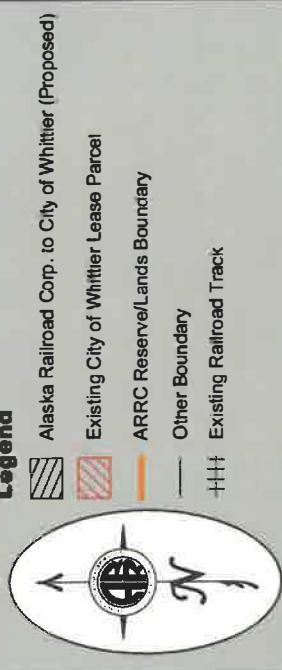
ACCEPTANCE

BUYER HAS REVIEWED THE ABOVE LETTER OF INTENT AND DOES HEREBY ACCEPT THE TERMS AS OUTLINED. THIS ACCEPTANCE SHALL NOT CONSTITUTE A CONTRACT TO PURCHASE, BUT MERELY AN AGREEMENT TO NEGOTIATE IN GOOD FAITH TO FINALIZE A PURCHASE AND SALE AGREEMENT AND PROVIDE THE BUYER THE EXCLUSIVE RIGHT TO PURCHASE THE PROPERTY DESCRIBED HEREIN FOR A PERIOD NOT TO EXCEED ONE HUNDRED TWENTY (120) DAYS FROM THE DATE THIS ACCEPTANCE IS EXECUTED IN ORDER TO ALLOW THE PARTIES TO OBTAIN, IF AND AS NECESSARY, ANY REQUISITE AUTHORIZATIONS FROM THE ARRC BOARD OF DIRECTORS, THE WHITTIER CITY COUNCIL AND THE ALASKA LEGISLATURE.

CITY OF WHITTIER

Signed: _____
By: Jackie C. Wilde
Its: City Manager

Dated this ____ day of _____, 202____



September 23, 2025

City Manager Jackie Wilde
 City of Whittier, Alaska
 660 Whittier Street, Whittier, AK 99693-0608

Re: Response to Revised Land Purchase Proposal dated 7.7.2025

Dear City Manager Wilde,

Thank you for your letter dated July 7, 2025 containing the City of Whittier's (COW) revised proposal for the acquisition and potential disposal of noted Areas of Interest (AOIs). We appreciate your commitment to working collaboratively with the Alaska Railroad Corporation (ARRC) and your focus on responsible development within your community. We share similar goals for the ARRC Whittier Terminal Reserve as it serves a critical role in providing great benefit to ARRC's mission, our valued customers, and rail belt communities across the State, including the City of Whittier.

Given the importance of ARRC's Whittier Reserve to our mission, the ARRC Real Estate Committee at their meeting of September 11, 2025, continues to express concern related to the total acreage of ARRC land proposed for inclusion in the transaction, with respect to potential future impacts to ARRC's ability to best serve the State. After a thorough review of COW's Proposal #2, the Real Estate Committee directed management to pursue an approach that reduces the total acreage of ARRC land to be included and to structure the transaction as a straight proposal for sale, without requiring COW to transfer land in exchange. Accordingly, the following constitutes ARRC's counterproposal:

ARRC agrees sell to COW the following three parcels at Fair Market Value (see map attached for illustration only), as determined by the Black-Smith, Bethard & Carson, LLC Appraisal conducted on September 9, 2024, and dated November 8, 2024. ARRC makes this proposal subject to the five conditions noted below¹:

ARRC AOI 1 – “The Sportsman’s Lounge” 0.8 acres

ARRC AOI 2 – “Harbor Parking Area/Whittier Creek/Well Site” 36 acres

ARRC AOI 3 – “Harbor Uplands” 10.2 acres

1. The sale must be completed by January 31, 2027, unless both parties mutually agree in writing to an extension.
2. The final sale price will be established based on the fair market value per square foot and will consider the completed surveyed parcel configurations. Estimates of the expected value of the three parcels, which are subject to adjustment based on the surveyed parcel configurations, are as follows:

ARRC AOI 1 – The Sportsman’s Lounge 0.8 acres	~\$ 157,000
ARRC AOI 2 – Harbor Parking Area/Whittier Creek/Well Site 36 acres	~\$1,804,603
ARRC AOI 3 - ARRC AOI 3 – Harbor Uplands 10.2 acres	~\$2,931,718
TOTAL	~\$4,893,321

¹ All parcel sizes set forth in this document and all boundaries depicted on the attached map are approximate and subject to finalization of surveyed parcel configurations.

3. Payment of the sale price shall be in cash due in full at closing. No financing will be available from ARRC.

4. COW will be responsible for all survey and closing costs.

5. COW agrees that the Ground Lease and Management Agreement dated November 13, 1998 ("Master Lease") is terminated as of the date of the transaction. Prior to final closing of the sale transaction, ARRC and COW will collaborate to develop and mutually agree upon new contracts for those portions of the Master Lease area that were adequately developed by COW to meet the development requirements of the Master Lease, but which are excluded from the above-described land purchase transaction.

To ensure the process continues to move forward, in addition to legislative approval, next steps will include COW working with ARRC's Real Estate and Legal Departments to prepare a Purchase and Sale Agreement ("PSA") and any other contracts necessary to effectuate the above-described transaction. Assuming the foregoing is accomplished and contingent on the parties' agreement to proceed with the transaction, ARRC Management will present a resolution to the ARRC Real Estate Committee at its January 2026 meeting and, if the resolution is recommended for approval by the Committee, to the ARRC Board at its next general or special meeting.

For clarity, please note that prior to any sale of ARRC land, the ARRC Board must approve the transaction after making certain findings under AS 42.40.352, which relates to the sale of land not necessary for railroad purposes. Specifically, the Board must determine that (1) the land is not essential for railroad operations and (2) the sale serves the best interests of the State. ARRC Management staff believes that, with respect to a proposed sale to COW of parcels constituting ARRC AOIs 1-3 on the terms and conditions described above, a determination by the Board that the transaction meets these criteria appears achievable.

It is our belief and expectation that this proposal represents a mutual benefit to both COW and ARRC. We look forward to your consideration and confirmation of these terms by a written response to this proposal within the longer of (i) 60 days after the date of the proposal or (ii) 15 days after the date on which the Whittier City Council adopts a resolution either accepting or rejecting the proposal submitted by ARRC. Including a description of your preferred timeline for moving forward with the purchase and sale and other necessary agreements. Please do not hesitate to reach out if you have any questions or require further clarification.

Thank you in advance for your cooperation and collaboration. We are optimistic about the potential for development in Whittier and the benefits it can bring to our shared interests.

Sincerely,



Christy Terry
Vice President, Real Estate
Alaska Railroad Corporation

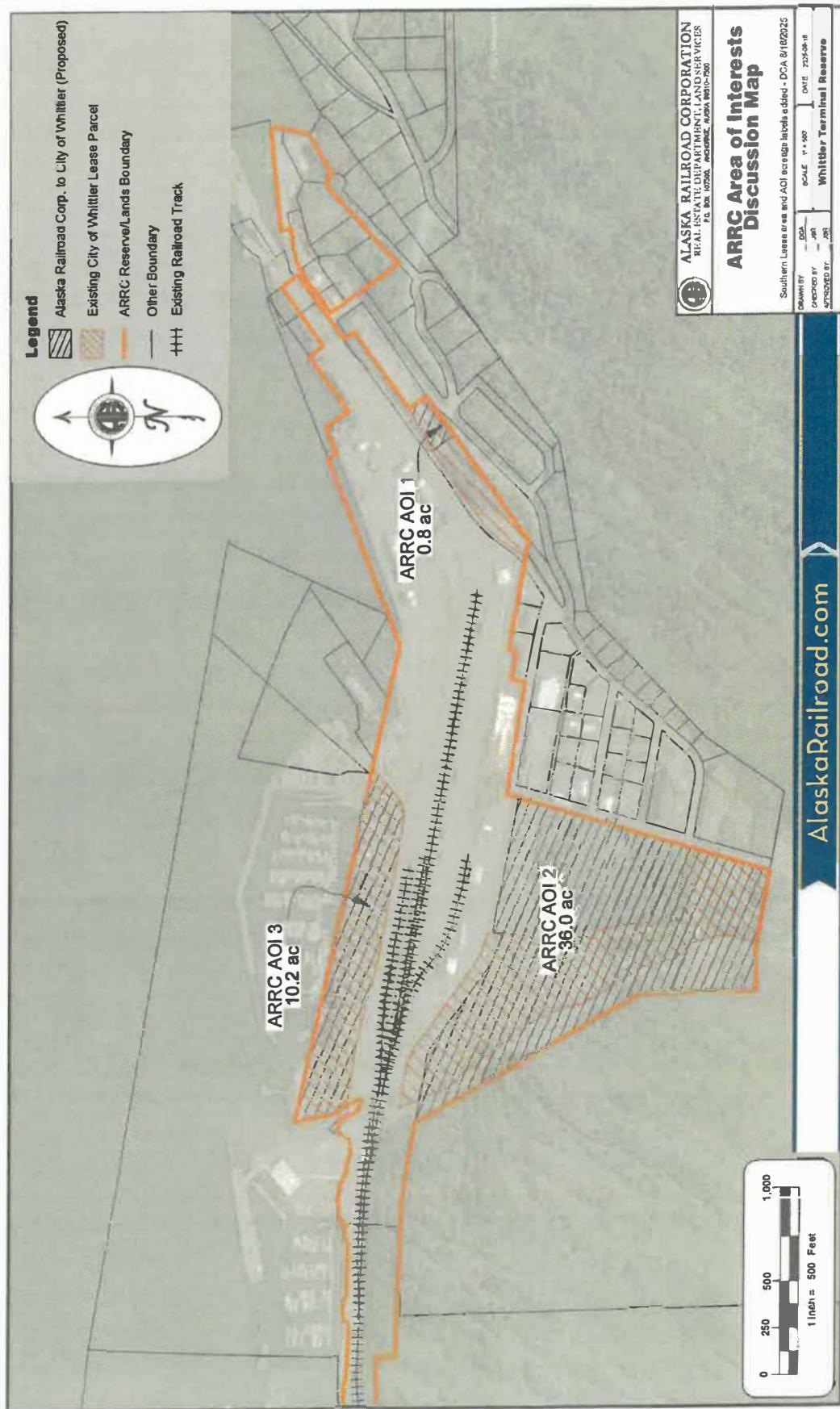


Exhibit 2

Agenda Statement

Meeting Date: November 18, 2025

To: City Council

Through: Jackie C. Wilde, City Manager



Agenda Item: Purchase of Alaska Railroad Corporation's Areas of Interest (AOI) 1, AOI 2, and AOI 3 in the Total Estimated Amount of \$4,893,321

BACKGROUND, JUSTIFICATION, & INTENT:

The City of Whittier has been working with the Alaska Railroad Corporation (ARRC) to clarify property ownership and facilitate long-term land use planning within the Whittier Terminal Reserve. These discussions date back several years and have focused on balancing municipal development needs with ARRC's operational requirements. In July 2025, the City submitted a revised land acquisition proposal seeking to secure key parcels essential for harbor redevelopment, community access, and public infrastructure. On September 23, 2025, ARRC provided a formal written counterproposal approving the sale of three parcels—AOI 1 (Sportsman's Lounge), AOI 2 (Harbor Parking Area/Whittier Creek/Well Site), and AOI 3 (Harbor Uplands)—at Fair Market Value, based on appraisals prepared by Black-Smith, Bethard & Carson, LLC in November 2024.

The estimated total value of the proposed acquisition is approximately \$4.89 million, subject to final survey adjustments. The transaction must be completed by January 31, 2027, unless extended in writing. The sale is structured as a direct purchase, with no land exchange required. The administration has reviewed the proposal and determined it to be fiscally responsible and consistent with Whittier's strategic goals for harbor revitalization, infrastructure investment, and community growth. Acceptance of the ARRC offer represents an important milestone in strengthening the City's ownership of critical waterfront properties and improving long-term coordination between the City and ARRC.

CONSISTENCY CHECKLIST:

	Yes	No	N/A
1. Legislative Priorities: <i>Acquisition of ARRC Non-Operational Lands</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Comprehensive Plan: <i>Pg 47 -50</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Whittier Code	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Other	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

FISCAL NOTE: This transaction will come before the City Council in the future for appropriation. The City has discussed various options for funding the project and given the City's lack of developable land and the need for land to promote the economic viability of the community, this project is the City's highest funding priority

ATTORNEY REVIEW: Yes No Not Applicable

RECOMMENDATION: Administration recommends approval of Resolution 2025-043.

Sponsored by: Wilde

**CITY OF WHITTIER, ALASKA
RESOLUTION 2025-**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WHITTIER, ALASKA,
ACCEPTING THE ALASKA RAILROAD CORPORATION'S REVISED LAND
PURCHASE PROPOSAL FOR AREAS OF INTEREST ARRC AOI 1, AOI 2, AND AOI 3,
AND AUTHORIZING THE CITY MANAGER TO PROCEED WITH THE PURCHASE
PROCESS CONSISTENT WITH THE TERMS PROVIDED BY THE ALASKA
RAILROAD CORPORATION IN THE TOTAL ESTIMATED AMOUNT OF \$4,893,321
AND APPROPRIATING FUNDS**

WHEREAS, the city submitted a revised land acquisition proposal dated July 7, 2025, requesting consideration for the purchase or exchange of several Areas of Interest (AOIs) to facilitate long-term municipal development, harbor improvements, and community growth; and

WHEREAS, on September 23, 2025, the City received a formal response from the Alaska Railroad Corporation (“ARRC”) Real Estate Department outlining the terms of a counterproposal approved by the ARRC Real Estate Committee at its September 11, 2025 meeting; and

WHEREAS, ARRC's counterproposal authorizes the sale of three parcels—AOI 1 (“Sportsman’s Lounge,” approx. 0.8 acres), AOI 2 (“Harbor Parking Area/Whittier Creek/Well Site,” approx. 36 acres), and AOI 3 (“Harbor Uplands,” approx. 10.2 acres)—to the City at Fair Market Value, as determined by the Black-Smith, Bethard & Carson, LLC appraisal dated November 8, 2024; and

WHEREAS, the proposed transaction represents a significant milestone in advancing mutual goals of responsible development, improved harbor operations, and municipal planning consistency within the Whittier Terminal Reserve; and

WHEREAS, the ARRC proposal includes five conditions, including completion of the sale by January 31, 2027 (unless mutually extended in writing) and establishment of final pricing based on surveyed parcel configurations and appraised values estimated at approximately \$4,893,321; and

WHEREAS, ARRC and the City of Whittier have expressed a shared commitment to continue working collaboratively on additional ARRC-owned lands to develop appropriate land-use permits that support City economic development or municipal uses, including, but not limited to, coordinated permitting for City activities at the Head of the Bay;

WHEREAS, the Administration has reviewed the terms of the counterproposal and finds the proposed sale structure to be fiscally responsible, aligned with Council's legislative priorities, and in the City's long-term economic development interests.

**CITY OF WHITTIER, ALASKA
RESOLUTION 2025-**

41 NOW, THEREFORE, THE WHITTIER CITY COUNCIL HEREBY RESOLVES:

42 **Section 1.** The City Council of the City of Whittier hereby accepts the Alaska Railroad
43 Corporation's land sale proposal dated September 23, 2025, for AOI 1, AOI 2, and AOI 3, and
44 authorizes the City Manager to proceed with necessary due diligence, survey coordination, legal
45 review, and negotiation of purchase agreements consistent with the ARRC's conditions.

47 **Section 2.** The City Manager is authorized to execute all necessary documents and take
48 such administrative actions as are required to advance the transaction and return to Council with
49 final sale agreements for approval prior to closing.

51 **Section 3.** This resolution shall be effective immediately upon adoption.

PASSED AND APPROVED by a duly constituted quorum of the Whittier City Council
on this 18th day of November, 2025.

58
59
60 AYES:
61 NOES:
62 ABSENT:
63 ABSTAIN:

66 ATTEST:

Victor Shen

Mayor

70 Shelby Carlson
71 Acting City Clerk

(City Seal)

**CITY OF WHITTIER, ALASKA
RESOLUTION 2025-049**

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WHITTIER, ALASKA, APPROVING A CONDITIONAL LETTER OF INTENT BETWEEN THE CITY OF WHITTIER AND THE ALASKA RAILROAD CORPORATION FOR THE PURCHASE AND SALE OF THREE NON-CONTIGUOUS PARCELS TOTALING APPROXIMATELY 47 ACRES, AND AUTHORIZING THE CITY MANAGER TO EXECUTE THE CONDITIONAL LETTER OF INTENT AND ALL NECESSARY SUPPORTING DOCUMENTS, INCLUDING LEASES, PERMITS, AND RELATED TRANSACTION DOCUMENTS, AND TO NEGOTIATE A FINAL PURCHASE AND SALE AGREEMENT

WHEREAS, the Alaska Railroad Corporation (“ARRC”) owns certain lands within the City of Whittier consisting of three non-contiguous parcels totaling approximately forty-seven (47) acres identified as Parcel AOI 1, Parcel AOI 2, and Parcel AOI 3, and legally described in the Conditional Letter of Intent dated December 8, 2025 (“Conditional LOI”); and

WHEREAS, the Property is generally depicted in the ARRC Area of Interests Discussion Map dated August 28, 2025; and

WHEREAS, ARRC’s counterproposal proposes the sale of three parcels—AOI 1 (“Sportsman’s Lounge,” approx. 0.8 acres), AOI 2 (“Harbor Parking Area/Whittier Creek/Well Site,” approx. 36 acres), and AOI 3 (“Harbor Uplands,” approx. 10.2 acres)—to the City at Fair Market Value, as determined by the Black-Smith, Bethard & Carson, LLC appraisal dated November 8, 2024; and

WHEREAS, ARRC has transmitted a Conditional LOI expressing its conditional intent to pursue a purchase and sale transaction with the City of Whittier, subject to negotiation and execution of a final Purchase and Sale Agreement (“PSA”); and

WHEREAS, the Conditional LOI incorporates the terms of ARRC’s Counterproposal dated September 23, 2025, previously accepted by the City; and

WHEREAS, the Conditional LOI outlines key terms, including the eventual termination of the 1998 Ground Lease and Management Agreement (“Master Lease”) at closing; and

WHEREAS, termination of the Master Lease will extinguish certain municipal interests, access, and rights necessary to City operations and services; and

WHEREAS, preservation of such interests, access, and rights through leases and easements serves the City’s best interest and that of the public at large; and

CITY OF WHITTIER, ALASKA
RESOLUTION 2025-049

Page 2 of 3

WHEREAS, the Administration has reviewed the terms of the counterproposal and the Conditional LOI and found the proposed sale structure to be fiscally responsible, aligned with Council's legislative priorities, and in the City's long-term economic development interests; and

WHEREAS, acceptance of the Conditional LOI enables the City Manager to begin due diligence, initiate survey and title work, coordinate required permits, leases, easements, and related documents, and negotiate transaction instruments necessary for the PSA; and

WHEREAS, the Whittier City Council finds that acquiring these parcels is in the best interest of the City and necessary for long-term planning, harbor development, public infrastructure, and community growth.

NOW, THEREFORE, THE WHITTIER CITY COUNCIL HEREBY RESOLVES:

Section 1. The City Council approves the Conditional Letter of Intent dated December 8, 2025 between the City of Whittier and the Alaska Railroad Corporation for the proposed purchase and sale of three non-contiguous parcels totaling approximately forty-seven (47) acres.

Section 2. The City Manager is authorized to execute the Conditional LOI on behalf of the City, subject to legal review by the City Attorney.

Section 3. The City Manager is authorized to initiate and perform all due diligence activities required under the Conditional LOI, including survey work, title commitments, inspections, environmental review, and coordination of any necessary leases, permits, easements, contracts, or supplementary documents related to the Property or the pending transaction.

Section 4. The City Manager is authorized to negotiate, prepare, and receive from ARRC all associated draft documents referenced in the Conditional LOI, including but not limited to:

- the Purchase and Sale Agreement (PSA),
- Quit Claim Deeds,
- lease termination agreement for the 1998 Master Lease,
- Special Land Use Permit for the RV Park/Campground,
- recorded easements or binding leases preserving municipal access and operational rights at the Head of the Bay,
- permits or leases required for continued City occupancy of ARRC lands not included in the Property,
- any reciprocal conveyance documents,
- and any other documents reasonably necessary to carry out the intent of the Conditional LOI.

Section 5. Approval of this Resolution is expressly conditioned upon the negotiation and execution of all necessary leases and easements by and between the City and ARRC for all properties currently leased by the City under the Master Lease and not acquired by the City in fee simple as part of the purchase and sale transaction contemplated in the Conditional LOI.

CITY OF WHITTIER, ALASKA

RESOLUTION 2025-049

Page 3 of 3

Section 6. The authority granted under this Resolution is limited to negotiation and preparation activities. The City Council retains final approval authority for the Purchase and Sale Agreement and all required conveyance instruments.

Section 7. This resolution shall be effective immediately upon adoption.

PASSED AND APPROVED by a duly constituted quorum of the Whittier City Council on this 16th day of December, 2025.


Victor Shen
Mayor

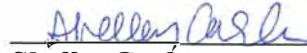
AYES: Loan, Wagner, Macaltao, Pinquoch, Borg, Shen

NOES: Denmark

ABSENT: None

ABSTAIN: None

ATTEST:


Shelby Carlson
Acting City Clerk



(City Seal)

Legend

- Alaska Railroad Corp. to City of Whittier (Proposed)
- ARRC Reserve/Lands Boundary
- Other Boundary
- Existing Track
- ||||| Existing Track



AlaskaRailroad.com

Date: 2026-01-06

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

ARRC Proposed
Three Sale Parcels to COW

0 250 500 1,000

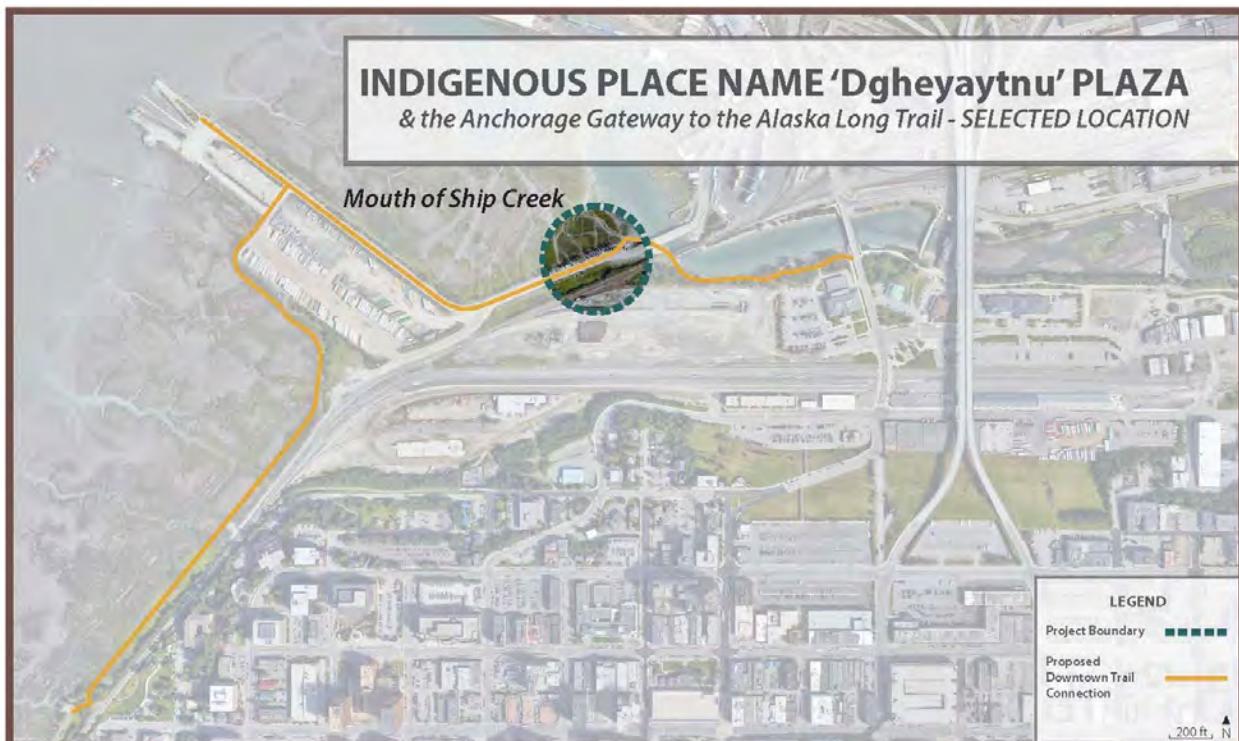
IPN Site Selection Results

IPN 'Dgheyaytnu' Plaza/Alaska Long Trail Gateway

Criteria	Location 3	Location 4
	Mouth of Ship Creek	North C Street Bridge
	TOTAL SCORE	
	(Possible 720)	
Visitor Flow	93	86
Visibility	100	66
Cultural Significance (weighted score x 2)	216	156
Construction Feasibility	79	71
Safety and Security	80	77
TOTAL SCORE	568	456

A detailed summary of the scoring criteria results can be found in the Attachments.

Indigenous Place Name 'Dgheyaytnu' PLAZA & the Anchorage Gateway to the Alaska Long Trail – Selection Location



ALASKA RAILROAD CUSTOMER RECEPTION

PLEASE JOIN US FOR
DRINKS AND DELICIOUS APPS

MONDAY, JANUARY 12 AT 5:30 P.M.
ALASKA RAILROAD FAIRBANKS DEPOT

2026 Alaska Railroad Customer Reception

<input type="checkbox"/>	WILL ATTEND
<input type="checkbox"/>	WILL NOT ATTEND

Join us for an evening of gratitude and celebration! The Alaska Railroad invites you to our Annual Customer Appreciation Reception, where we'll toast to the season and to YOU, our valued customers. Enjoy savory appetizers, refreshing drinks, and fun conversations. We look forward to celebrating together—see you there!

HOSTED BY

Alaska Railroad

DATE

Monday, January 12

ADDRESS

Alaska Railroad Depot

1031 Alaska RR Depot Road

Fairbanks, AK 99701