

## BOARD OF DIRECTORS

### Regular Board Meeting

Thursday, February 5, 2026

Commencing at 9:00 a.m. in person at  
327 West Ship Creek Avenue, Anchorage, Alaska 99501  
&

### Join Virtual Zoom Meeting Room

<https://us02web.zoom.us/j/81479071622?pwd=qzdcKu4W5c4MBVgx7bVKTQsPbocCY3.1>

Meeting ID: 814 7907 1622      Passcode: 046378



One tap mobile

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+17193594580,,81479071622# US

Join by SIP

• [81479071622@zoomcrc.com](mailto:81479071622@zoomcrc.com)

Passcode: 046378

Join instructions

[https://us02web.zoom.us/meetings/81479071622/invitations?signature=6V7wl9wGRkc57Pxp5PB0JzOnOceUNb\\_uX\\_o3\\_x\\_1pMQ](https://us02web.zoom.us/meetings/81479071622/invitations?signature=6V7wl9wGRkc57Pxp5PB0JzOnOceUNb_uX_o3_x_1pMQ)

**ARRC BOARD OF DIRECTORS MEETING  
AGENDA**

Thursday, February 5, 2026 ~ 9:00 a.m.  
327 West Ship Creek Avenue, 3<sup>rd</sup> Floor, Anchorage, Alaska 99501  
[Zoom Virtual Meeting Room](#)

- I. CALL TO ORDER**
- II. ESTABLISH QUORUM**
- III. SAFETY BRIEFING**
- IV. ELECTION OF OFFICERS**
- V. CHAIR COMMENTS**
- VI. ADOPTION OF AGENDA**
- VII. CONFLICT OF INTEREST DISCLOSURES**
- VIII. ADOPTION OF MINUTES**
  - 1. [Approval of Regular Meeting Minutes of November 19, 2025](#)
  - 2. [Approval of Special Meeting Minutes of December 11, 2025](#)
  - 3. [Approval of Special Meeting Minutes of January 14, 2026](#)
- IX. OPPORTUNITY FOR PUBLIC COMMENT**
- X. BRIEFING ITEMS**
  - A. Public Briefings (a portion may be held in Executive Session)**
    - 1. [CEO Update](#)
    - 2. [Safety Update](#)
    - 3. [Business Report](#)
    - 4. [Seward Passenger Dock Project Update](#)
  - B. Committee Reports**
    - 1. [Real Estate Committee](#)
    - 2. Executive Committee
    - 3. Safety Committee
- XI. NEW BUSINESS**
  - C. Executive Session Briefings**
    - 1. Contracts, Claims, Litigation, Personnel and Financial Matters
    - 2. Legislative Update
    - 3. Alaska Liquid Natural Gas Pipeline
    - 4. Port MacKenzie Rail Extension (PMRE)
    - 5. Seward Passenger Dock
  - D. Adoption of Consent Agenda**
    - 1. [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
    - 2. [Resolution No. 2026-03](#) - Relating to the Sale of Railroad Land in Whittier, Alaska
    - 3. [Contract No. 09999](#) - State of Alaska DOT&PF – Anchorage Reserve (Change of Allowed Use)
    - 4. [Contract No. 20232](#) - Westwood Properties, LLC – Anchorage Reserve
    - 5. [Contract No. 21258](#) - 8 Star Alaska, LLC – ROW Corridor Permit
    - 6. [Contract No. 21176](#) - Tesoro Alaska Pipeline – ROW Corridor Permit
- XII. OPPORTUNITY FOR PUBLIC COMMENT/CEO/STAFF/DIRECTORS COMMENTS**
- XIII. ADJOURNMENT**

## **2025 November 19 REGULAR Board Mtg Min**

# ALASKA RAILROAD CORPORATION

## MINUTES OF THE REGULAR BOARD OF DIRECTORS MEETING

**Anchorage, Alaska**  
**Wednesday, November 19, 2025**

### I. CALL TO ORDER

Board Chair John Shively called the meeting to order at 9:00 a.m. on Wednesday, November 19, 2025. The meeting was held in person at 327 West Ship Creek Avenue, Anchorage, Alaska 99501, with virtual participation.

### II. ESTABLISH QUORUM

Chair Shively requested that Board Secretary Jennifer Mergens establish a quorum. Chair John Shively; Vice Chair Judy Petry; Director John Binkley; Director Gale Dinsmore; Director John Reeves; and Commissioner, Department of Transportation & Public Facilities, Ryan Anderson were present. Commissioner, Department of Commerce Community and Economic Development, Julie Sande joined the meeting at 9:25 a.m.

Ms. Mergens established a quorum of six board members, which became a quorum of the full Board upon the arrival of Commissioner Sande.

Staff members present:

A. Behrend, Chief Counsel	M. Maddox, Chief Financial Officer
A. Kinnaman, Controller	C. Terry, VP Real Estate
D. Greenhalgh, VP Marketing & Customer Service	M. Clemens, Director, External Affairs
B. O'Leary, President & Chief Executive Officer	G. Goemer, Director, Supply Management
B. Lindamood, VP Engineering/Chief Engineer	C. Hopp, Chief Operating Officer
L. Hall, Executive & Corporate Administrator	T. Covington, Director Safety
J. Mergens, Chief Human Resources Officer	L. Knox, Director Financial Planning & Analysis
C. Clarke, Corporate Communications Officer	K. Gratrix, Manager Real Estate Contracts
K. Taylor, Manager Leasing, Real Estate	S. Roberts, Chief Special Agent
P. Stokes, Manager Safety	C. Keogh, Director, Safety, Rules & Operating Practices

Guests and members of the public:

Jason Werner	Matt Lindsey
Cynthia Wentworth	Kristopher Lindsey
Kim Stadler	Lauren Lindsey
Chuck Kopp	Tammi Werner
Allen Farberov (Mac Cap)	Kurt Lindsey

Geoff Segal (MacQuarie)  
Katherine Wood ( HDR)  
Tony Hafner (HDR)

John Pickhaver (MacQuarie)  
Michelle Collinridge (HDR)

### **III. SAFETY BRIEFING**

Mr. Covington shared the “5 Whys” technique of examining a Safety incident. He stated that this practice of asking why repeatedly whenever a problem is encountered drills down to the symptoms to the root cause. Mr. Hopp acknowledged the years of service and progress Mr. Covington contributed to the safety environment at the Alaska Railroad, and noted his upcoming retirement stating that he will be missed.

### **IV. CHAIR COMMENTS**

Chair Shively recognized Lafewt Knox’s resignation and shared his appreciation for the many budgeting discussions they shared. Chair Shively acknowledged and welcomed the attendance of what appeared to be a record crowd of participants of any Board meeting during his tenure.

### **V. ADOPTION OF AGENDA**

Director Dinsmore moved to adopt the meeting agenda. Commissioner Anderson seconded the motion. During discussion, Chair Shively stated that an amendment was needed to the Agenda in order to remove Consent Agenda Item Nos. 2 (Resolution 2025-32) and 3 (Resolution 2025-33) from the Consent Agenda and to transfer them to be considered as separate Action Items in the New Business section of the meeting Agenda. Commissioner Anderson moved to amend the agenda as proposed. Director Dinsmore seconded the motion. There was no further discussion or objection, and the meeting agenda was adopted as amended.

### **VI. CONFLICT OF INTEREST DISCLOSURES**

Director Dinsmore indicated that he would recuse himself if any discussion relating to a particular matter contained in the litigation report was discussed. No other members disclosed any conflict of interest.

### **VII. ADOPTION OF MINUTES**

Commissioner Anderson moved to approve the Regular Board Meeting minutes of September 25, 2025. Director Dinsmore seconded the motion. No changes or objections were noted, and the meeting minutes were unanimously approved.

## **VIII. OPPORTUNITY FOR PUBLIC COMMENT**

Cynthia Wentworth spoke in support of developing a commuter rail program, noting an email of ongoing support she shared at an Anchorage Municipal Assembly meeting.

## **IX. ACTION ITEM**

1. Resolution No. 2025-24, Relating to the Naming of the New “DALE R. AND CAROL ANN LINDSEY ALASKA RAILROAD TERMINAL” in Seward, Alaska.

Director Binkley made a motion to approve Resolution 2025-24, which was seconded by Director Dinsmore. During the ensuing discussion, Director Binkley expressed his appreciation for the longstanding railroad service history of Dale Lindsey and acknowledged the significant contributions made by the Lindsey family to both the Seward community and the state of Alaska. Chair Shively also voiced support for the resolution, agreeing with the sentiments shared by Director Binkley.

Ms. Terry presented the Lindsey family with a framed photograph of the previous Seward Terminal and Dock, which was also named for Dale Lindsey, as well as a small framed conceptual drawing of the new facility. The new terminal will be named the “Dale R. and Carol Ann Lindsey Alaska Railroad Terminal” in honor of the Lindsey family’s enduring support for Seward and Alaska. There was no further discussion, and Resolution No. 2025-24 was adopted as presented.

## **X. BRIEFING ITEMS**

### **A. Public Briefings**

#### **1. CEO Update**

Mr. O’Leary stated that 2025 did not meet expectations, but noted some successes during that year and said a recap of 2025 will be presented at the February 2026 Board meeting. ARRC is expecting to finish the year strong and highlighted excellent summer ridership and positive gravel train service. ARRC is prioritizing strategic planning for 2026, including consideration of rail extensions, capital projects, and upcoming business opportunities. The proposed capital program amendments incorporate rail extensions and readiness to support a natural gas pipeline. Mr. O’Leary noted the adverse impacts of the forty-three day government shutdown highlighted in the DC report. He said that the Alaska Railroad’s bond financing for the Seward Dock was awarded the Far West Regional Financing Deal of the Year for 2025 by *Bond Buyer*, a premier trade publication for the municipal finance industry, and was currently under consideration for *Bond Buyer*’s national Deal of the Year, which will be announced on December 2nd. Mr. O’Leary concluded his presentation with a review of the Consent Agenda items.

## **2. Safety Update**

Mr. Covington reported that in 2025 there was one reportable derailment, compared to two last year. There have been 20 FRA casualties with lost days compared to 19 during the same period last year. He noted that year-to-date, there have been 29 employee casualties, compared to 27 last year. Mr. Covington shared that after his report was completed, there was one trespasser casualty, and that recent incident near Anderson is still under review. The current total lost-time rate is 3.5 compared to 3.0 for the same timeframe last year. Mr. Hopp noted that we rebounded from a rough first quarter and that Mr. Covington will be meeting with operational departments over the next several weeks to gain a better understanding of each department's unique safety culture and ongoing needs.

## **3. 2026 Operating and Capital Budgets**

Ms. Maddox provided an overview of the 2025 forecast, which projects a net income of \$36.3 million. Looking ahead to the 2026 operating budget, ARRC expects freight revenue to grow by \$3.6 million over the 2025 forecast budget. She stated that passenger revenue is forecast to increase by \$4.4 million in 2026 as compared to the 2025 forecast budget, primarily driven by eliminating shoulder-season rates, increases to services provided, and higher demand. Real estate revenue is projected to increase by \$4.2 million in 2026 as compared to 2025, driven by an anticipated increase in passengers at the Seward Passenger Dock. Ms. Maddox said that operating expenses in 2026 are anticipated to increase by \$16.9 million over the 2025 forecast resulting from a 2024 Project Management grant recognized in the 2025 forecast. She noted that ARRC has budgeted \$74.6 million in funding for capital projects in 2026. This includes \$54.2 million in FTA formula funds, \$9.4 million from FRA CRISI STC grants, and an additional \$11.0 million in internal funds.

Mr. O'Leary stated that upon Board approval of the 2026 budgets and five-year plan, the latter would be shared with the State of Alaska by December 1, 2025, as statutorily required.

## **B. Committee Reports**

### **1. Real Estate Committee**

Committee Chair Binkley stated that the meeting notes for the November 5 Real Estate Committee meeting were posted and provided in the Board materials. Ms. Terry provided a short summary of the contracts and resolutions that were recommended for Board approval at that meeting.

### **2. Executive Committee**

Chair Shively stated that the Executive Committee met on November 5, and reminded the Board that the notes from the meeting are confidential and are included in the Board materials.

### **3. Audit Committee**

Vice Chair Petry said the Committee met on November 5. She shared that the notes from the meeting are confidential and were emailed to Board members. She shared that financial auditors KPMG presented an overview of the plan for auditing ARRC's 2025 financial statements. She said audit related matters were discussed in executive session without management present, and no issues were noted.

## **X. NEW BUSINESS**

### **C. Executive Session Briefings**

Vice Chair Petry moved to have the Board recess to Executive Session to discuss Executive Session agenda items. Commissioner Anderson seconded the motion. There was no further discussion or objection, and the motion was approved. The Board convened to Executive Session at approximately 10:11 a.m. to discuss the following:

1. Port MacKenzie Rail Extension Project (Macquarie/Martinus participated in this matter only)
2. Contracts, Claims, Litigation, Personnel and Financial Matters
3. Alaska LNG Pipeline Update
4. Seward Passenger Dock Update
5. Legislative Update
6. Administrative Order 360 – ARRC Implementation Plan
7. Business Development Report

Chair Shively called the meeting back into public session at 1:04 p.m.

### **D. Action Items**

1. Resolution No. 2025-32 Relating to Approval of the 2026 Capital Budget and AFE Nos. 11407, 11408, 11410, 11411, 11412, 11413, 11414, 11415, 11416, 11417, 11418, 11419, 11420, 11421, 11422, 11423, 11424, 11425, 11427 and 11428
2. Resolution No. 2025-33 Relating to the 2026 Five-Year Capital Improvement Plan

Chair Shively stated that the Resolutions related to the 2026 Capital Budget and the 2025 Five-Year Capital Improvement Plan (Resolution Nos. 2025-32 and 2025-33, respectively) would be tabled for additional review by an ad-hoc Capital Projects Committee consisting of Commissioner Ryan Anderson, Vice Chair Petry, and Director Binkley, and revisited at a Special Board meeting in mid-December.

### **E. Adoption of Consent Agenda**

Director Dinsmore made a motion to adopt the six items listed in the Consent Agenda. Commissioner Anderson seconded the motion.

1. Resolution No. 2025-31 Relating to Approval of the 2026 Operating, Pension Trust and Alaska Railroad Corporation Health Care Trust Budgets
2. Resolution No. 2025-34 Relating to Approval of Funding for MP 102.5 Culvert Replacement (AFE No. 11426)
3. Resolution No. 2025-35 Relating to Increase in Funding for Replacement of Bridge at ARRC MP 422.9 (AFE No. 11059 S-1)
4. Resolution No. 2025-36 Relating to Increase in Funding for the Vital Functions Project in Support of the Positive Train Control Program (AFE No. 10675 S-4)
5. Contract No. 21123 – Alaska Industrial Paint, LLC – Anchorage Reserve
6. Contract No. 21246 – The Alaska Wild Seafoods, LLC. – Whittier Reserve

There was no further discussion or objection, and all six Consent Agenda items were unanimously approved.

## **XI. DIRECTOR/CEO/STAFF COMMENTS/OPPORTUNITY FOR PUBLIC COMMENT**

Mr. O’Leary commended Ms. Maddox and her staff for all the work that went into preparing the 2026 budgets. He invited the Board to attend both Customer Appreciation parties, including in Anchorage on December 8 and in Fairbanks on January 12. He also highlighted that the June 2026 Board meeting will be held in Seward. Vice Chair Petry wished everyone a Happy Thanksgiving and others concurred. Chair Shively stated that it is always a challenge to meet all demands, but we are off to a great start. He thanked the three members of the ad-hoc Capital Projects Committee for taking on the responsibility to review the capital budgets. He advised the Board to expect a special Board meeting during the second week of December to be held virtually.

## **XII. ADJOURNMENT**

Chair Shively entertained a motion to adjourn. Director Dinsmore so moved, and Commissioner Anderson seconded. The meeting adjourned at 1:10 p.m.

ATTESTED BY:

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Jennifer Mergens  
Board Secretary

Date \_\_\_\_\_

# **2025 DECEMBER 11 Special Board Meeting Final Minutes**

# **ALASKA RAILROAD CORPORATION (ARRC) MINUTES OF THE SPECIAL BOARD OF DIRECTORS MEETING**

**Anchorage, Alaska  
Thursday, December 11, 2025**

## **I. CALL TO ORDER**

Board Chair John Shively called the special meeting to order at 9:00 a.m. on Thursday, December 11, 2025. This special meeting was called for the purpose of considering (1) Resolution No. 2025-32 Relating to Approval of the 2026 Capital Budget and AFE Nos. 11407, 11408, 11410, 11411, 11412, 11413, 11414, 11415, 11416, 11417, 11418, 11419, 11420, 11421, 11422, 11423, 11424, 11425, 11427 and 11428 relating thereto; and (2) Resolution No. 2025-33 Relating to the 2026 Five-Year Capital Improvement Plan.

## **II. ESTABLISH QUORUM**

Chair Shively requested that Board Secretary Jennifer Mergens establish a quorum. Chair John Shively, Vice Chair Judy Petry, Director John Binkley, Director John Reeves, Director Gale Dinsmore; Commissioner, Department of Commerce Community and Economic Development, Julie Sande were present. Commissioner, Department of Transportation & Public Facilities, Ryan Anderson was unable to attend.

A quorum was established by Ms. Mergens.

Staff members present:

A. Behrend, Chief Counsel	M. Maddox, Chief Financial Officer
C. Hopp, Chief Operating Officer	B. Lindamood, VP, Chief Engineer
D. Greenhalgh, VP, Marketing & Customer Service	J. Mergens, Chief Human Resources Officer
L. Hall, Executive & Corporate Administrator	C. Terry, VP Real Estate
B. O'Leary, President & Chief Executive Officer	M. Clemens, Director, External Affairs
C. Clarke, Corporate Communications Officer	A. Kinnaman, Controller

## **III. ADOPTION OF AGENDA**

Director Binkley moved to adopt the agenda as presented and Director Dinsmore seconded the motion. There was no discussion or objection and the agenda was adopted.

## IV. CONFLICT OF INTEREST DISCLOSURES

No member disclosed any conflicts of interest related to the agenda items.

## V. OPPORTUNITY FOR PUBLIC COMMENT

No members of the public were present.

## VI. NEW BUSINESS

### A. Action Items

1. Resolution No. 2025-32 Relating to Approval of the 2026 Capital Budget and AFE Nos. 11407, 11408, 11410, 11411, 11412, 11413, 11414, 11415, 11416, 11417, 11418, 11419, 11420, 11421, 11422, 11423, 11424, 11425, 11427 and 11428

Ms. Maddox outlined updates to the 2026 Capital Budget and Five-Year Plans. Staff reported that ARRC is using a tiered budget strategy to balance current project needs with possible major initiatives like the AKLNG pipeline. \$10.6 million will fund review of eight new spur extensions, with Tier 2 funding available if needed. A rail expansion reserve account starting with \$1.4 million and adding 6% of future annual net income will also support future projects. These approvals position ARRC to improve infrastructure and prepare for Alaska's growth.

Vice Chair Petry, who is a member of the Capital Projects Committee, noted that staff had done an impressive job reviewing and organizing capital projects on short notice, effectively tiering plans and identifying future reserve opportunities. Director Binkley agreed, highlighting that revisiting the capital budget plan helped the Board understand its structure and interconnections. Beyond the plan's strategic value, he emphasized that effective communication to stakeholders is a vital aspect of any capital plan, and this budget achieves that goal. He added that the organization remains adaptable and prepared to support potential growth—such as readiness for an Alaska LNG (AKLNG) project—and is positioned to accommodate ARRC's future expansion as a state asset. Mr. O'Leary also supported these points, saying the process clearly showed how the capital budget prepares the organization for the AKLNG project and enables progress on rail extension projects when opportunities arise.

Chair Shively called for a motion on Resolution No. 2025-32. Director Binkley moved to adopt Resolution No. 2025-32 as presented and Director Dinsmore seconded the motion. There was no discussion or objection, and Resolution No. 2025-32 was adopted.

2. Resolution No. 2025-33 Relating to the 2026 Five -Year Capital Improvement Plan

Vice Chair Petry moved to adopt Resolution No. 2025-33 as presented and Director Dinsmore seconded the motion. There was no discussion or objection, and Resolution No. 2025-33 was adopted.

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

No members of the public were present.

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

Mr. O'Leary thanked everyone for their time. Mr. Greenhalgh recognized Ms. Maddox and her team's leadership and expressed appreciation for the learning process. Mr. Binkley noted that the December 8th Anchorage Customer Appreciation party was successful and looks forward to the Fairbanks event on January 12th. Chair Shively stated his appreciation for the progress on the capital budgets and the Capital Projects Committee's collaboration, noting that managing the reserve fund will be challenging and should be reviewed at the February meeting. He concluded wishing Merry Christmas to all.

## **IX. ADJOURNMENT**

Vice Chair Petry moved to adjourn. Director Dinsmore seconded the motion. The meeting was adjourned at 9:24 a.m.

ATTESTED BY:

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Jennifer Mergens  
Board Secretary

Date \_\_\_\_\_

# **2026 JANUARY 14 Special Board Meeting Final Minutes**

# ALASKA RAILROAD CORPORATION (ARRC) MINUTES OF THE SPECIAL BOARD OF DIRECTORS MEETING

Anchorage, Alaska  
Wednesday, January 14, 2026

## I. CALL TO ORDER

Board Chair John Shively called the special meeting to order at 10:00 a.m. on Wednesday, January 14, 2026. This special meeting has been called for the purpose of Board review and approval of 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).

## II. ESTABLISH QUORUM

Chair Shively requested that Board Secretary Jennifer Mergens establish a quorum. Chair John Shively, Vice Chair Judy Petry, Director John Binkley, Director John Reeves, Director Gale Dinsmore; Commissioner, Department of Commerce Community and Economic Development, Julie Sande; and Commissioner, Department of Transportation & Public Facilities, Ryan Anderson were all present.

A quorum of the full board was established by Ms. Mergens.

Staff members present:

A. Behrend, Chief Counsel	M. Maddox, Chief Financial Officer
C. Hopp, Chief Operating Officer	B. Lindamood, VP, Chief Engineer
D. Greenhalgh, VP, Marketing & Customer Service	J. Mergens, Chief Human Resources Officer
L. Hall, Executive & Corporate Administrator	C. Terry, VP Real Estate
B. O'Leary, President & Chief Executive Officer	A. Kinnaman, Controller
	C. Clarke, Corporate Communications Officer

Guests:

Shelby Carlson	Jackie Wilde
Kellen Spillman	Jack Barnwell
Donald Galligan	Melissa Kellner

### **III. ADOPTION OF AGENDA**

Director Binkley moved to adopt the agenda as presented and Director Dinsmore seconded the motion. There was no discussion or objection and the agenda was adopted.

### **IV. CONFLICT OF INTEREST DISCLOSURES**

No member disclosed any conflicts of interest related to the agenda items.

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

No members of the public provided comment.

### **VI. NEW BUSINESS**

#### **Action Item**

This special meeting has been called for the purpose of Board review and approval of 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).

Chair Shively noted that immediately before this special meeting, staff had reported in detail on the above-referenced matter to the Real Estate Committee (a committee consisting of the entire Board of Directors that meets publicly). Details on the nature and public discussion of this resolution are contained in the notes of the January 14, 2026 Real Estate Committee meeting, which may be found in the materials of the February 5, 2026 General Meeting of the Board of Directors. Chair Shively stated that since staff and all Board members had just engaged in the detailed discussion during the Real Estate Committee meeting, the next step at this Special Board meeting was to proceed with a formal motion with respect to Resolution No. 2026-01, which provides for the reallocation of capital funds between three AFEs. Director Dinsmore moved to adopt that resolution as presented and Vice Chair Petry seconded the motion. There was no discussion or objection and Resolution No. 2026-01 was adopted.

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

No members of the public provided comment.

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

Chair Shively stated his appreciation of the Board's participation in the Special Meeting and stated that the directors could resume the Real Estate Committee meeting.

## **IX. ADJOURNMENT**

Vice Chair Petry moved to adjourn. Director Dinsmore seconded the motion. The meeting was adjourned at 10:03 a.m.

ATTESTED BY:

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Jennifer Mergens  
Board Secretary

Date \_\_\_\_\_

## **X. BRIEFING ITEMS**

### **A. PUBLIC BRIEFINGS**

#### **ITEM 1: CEO Update**

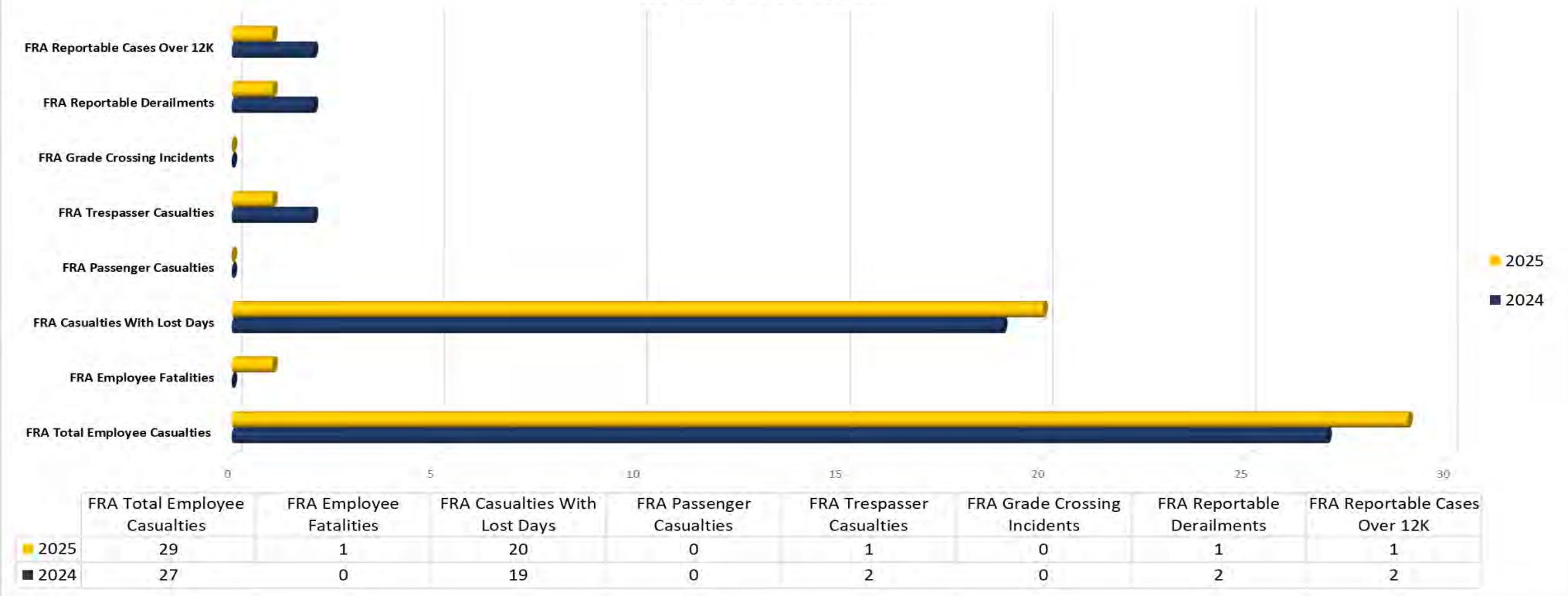
**Verbal presentation**

## **ARRC Bd Safety Report Feb 2026**



# Safety Report

FRA Safety Data  
2024 Vs. 2025, YTD (31 Oct 25)



	FRA Casualty Rate	Lost Time Rate	Lost Workdays	Restricted Workdays
2025	5.1	3.5	486	225
2024	4.2	3.0	545	357

\*FRA Casualty Rate = FRA Reportable Injuries (regardless of lost time) x 200,000 divided by total hours worked.  
Lost Time Rate = Lost Time Cases x 200,000 divided by total hours worked



## ➤ YTD November 2025 Business Results

*Michelle Maddox, CFO*  
February 5, 2026

Photo courtesy: Ben Taylor

Photo courtesy: Ben Taylor





# YTD NOVEMBER 2025 Executive Summary

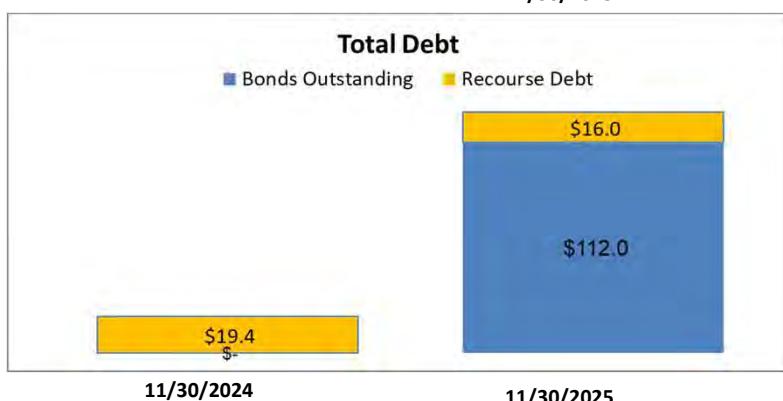
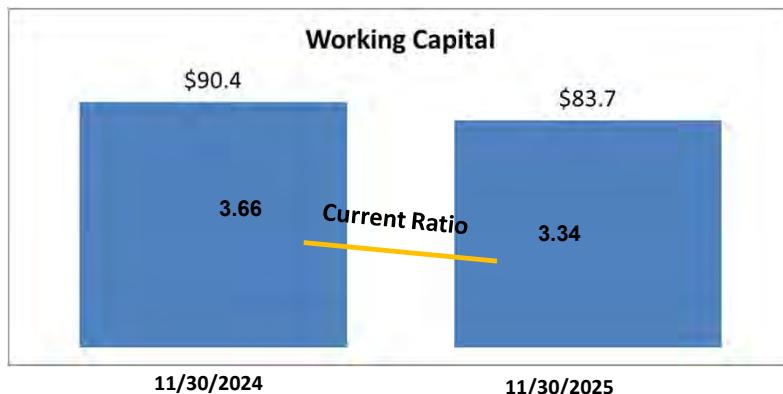
***YTD net income of \$8.2 million was a smaller net income by \$4.2 million according to the revised budget***

- *Freight revenue under-performed revised budget by \$4.4 million, or 3.8%*
  - *Primarily due to under-performance of ARMs barge, Petroleum, TOFC/COFC, and Local Coal business lines and lower fuel surcharge revenue than expected*
- *Passenger revenue under-performed revised budget by \$0.3 million, or 0.6%*
  - *Primarily due to under-performance of Coastal Classic*
- *Operating expenses came in over revised budget by \$1.2 million, or 0.7%*
  - *Primarily due to Materials & Supplies, and Other Expenses (Recoveries) coming in over revised budget*
- *Real Estate net revenue out-performed revised budget by \$0.6 million, or 2.7%*
  - *Driven primarily by Real Estate expenses coming in under revised budget*
- *Other revenue (expense) out-performed revised budget by \$1.1 million*
  - *Driven primarily by interest income and expense variances related to Seward Passenger Dock debt and gains from the sale of assets*

***ARRC cash balance and total debt were \$38.2 million and \$132.1 million, respectively, and net working capital was \$83.7 million.***



# Financial Position at November 30, 2025 (\$ millions)



- Continuing to maintain strong liquidity at more than 3.0x current assets to current liabilities
- Decrease in year-over-year recourse debt, increase in year-over-year total debt
  - Issued Seward Passenger Dock revenue bonds in August 2025
- ARRC's trailing 12-month cash flow decreased on a year-over-year basis and leverage ratios increased significantly due to issuance of Seward Passenger Dock revenue bonds
  - *debt-to-cash flow ratios are a measure of the company's ability to repay its debt from cash flow generated by the business*

	11/30/2024	11/30/2025
Recourse Debt / EBITDA	0.32x	0.48x
Total Debt / EBITDA	0.32x	3.87x

Note: Total bond debt is net of unamortized premium



# YTD NOVEMBER 2025 Freight Revenue Performance

## FREIGHT REVENUE

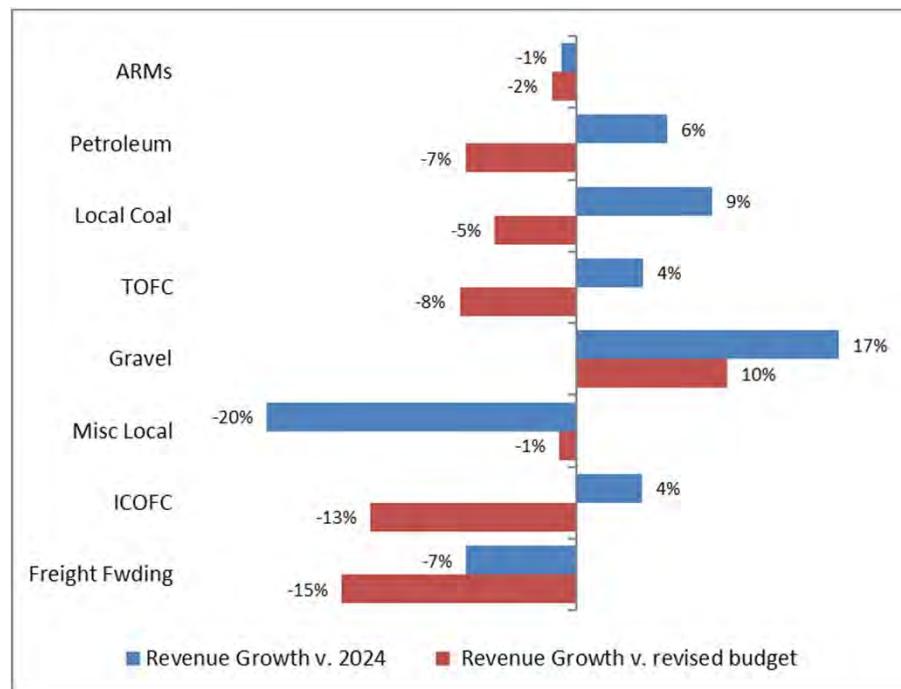
(net of fuel surcharge)

**- 3%**  
v. revised  
budget

**+ 2%**  
v. 2024

- Units: up 6% v. 2024  
down 1% v. revised budget
- Freight Revenue per unit:  
down 4% v. 2024  
down 3% v. revised budget
- *Gravel out-performed revised budget and prior year*
- *Petroleum, Local Coal, TOFC, and iCOFC business lines out-performed prior year*

## Freight revenue variance



# YTD NOVEMBER 2025 Passenger Revenue Performance

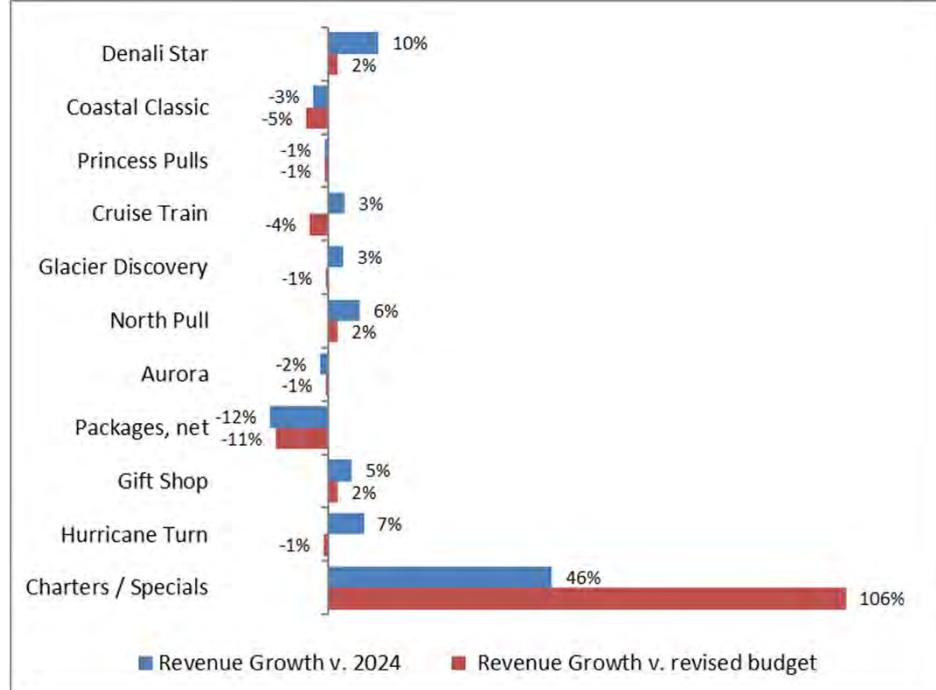
## PASSENGER REVENUE

**- 1%**  
v. revised  
budget

**+ 3%**  
v. 2024

- ARRC Ridership: down 3% v. 2024  
down 2% v. revised budget
- Revenue per ARRC passenger:  
up 7% v. 2024  
up 2% v. revised budget
- *Denali Star, North Pull, Gift Shop, and Charters/Specials out-performed revised budget.*
- *Denali Star, Glacier Discovery, Hurricane Turn, Cruise Train, North Pull, Gift Shop, and Charters/Specials out-performed prior year.*

## Passenger revenue variance



# YTD NOVEMBER 2025 Real Estate Revenue Performance

## REAL ESTATE REVENUE

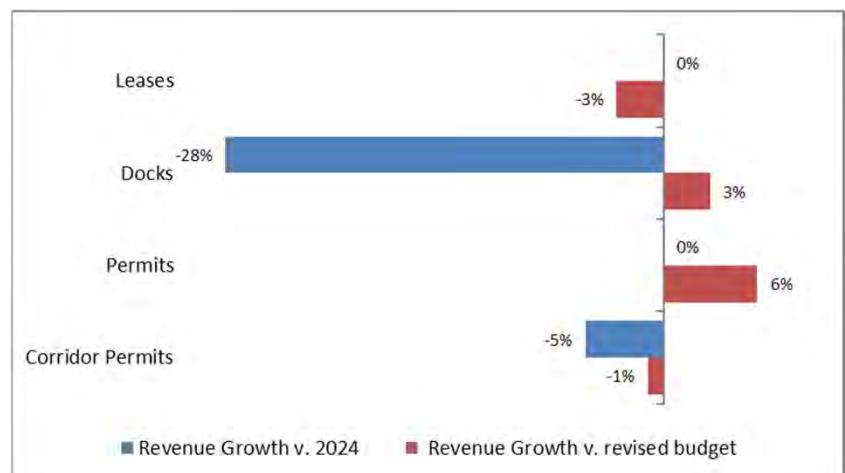
**0%**      **- 13%**

v. revised  
budget

v. 2024

- Dock revenue lower than prior year due to NCL moving to Whittier*
- Docks and Permits out-performed revised budget*

## Real Estate revenue variance



# YTD NOVEMBER 2025 Operating Expense Performance

## OPERATING EXPENSES

+ 1%

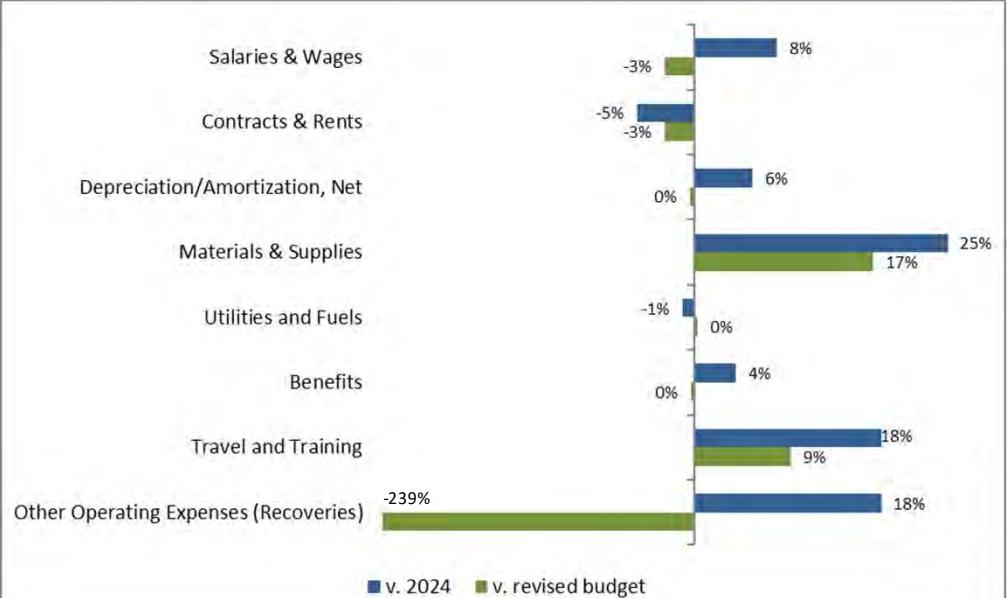
v. revised  
budget

+ 6%

v. 2024

- Total operating expenses is higher than revised budget, primarily due to higher-than-expected material and supplies expense and Other Operating Expenses (Recoveries)
- Total operating expenses is higher than prior year in most categories with the exception of contracts & rents, and fuel expense

## Operating expense variance



# YTD NOVEMBER 2025 Financial Performance

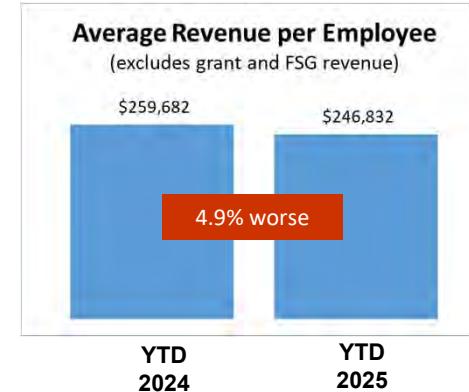
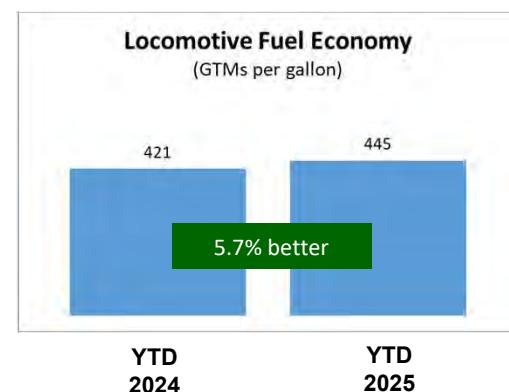
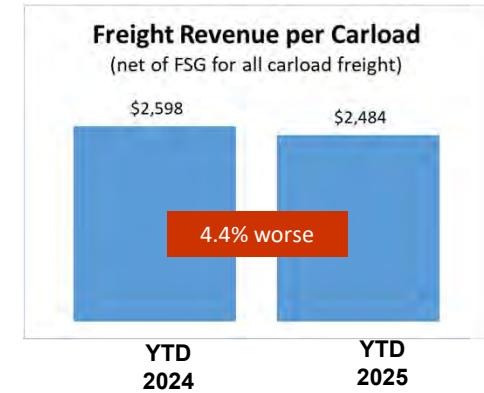
\$ millions

	YTD Nov 2025	YTD Revised Budget	Variance from budget	YTD Nov 2024	Variance from prior year
Operating Revenues	\$ 163.2	\$ 167.8	\$ (4.6)	\$ 160.3	\$ 3.0
Operating Expenses	\$ 178.5	\$ 177.1	\$ 1.3	\$ 168.4	\$ 10.0
Operating Income (Loss)	\$ (15.2)	\$ (9.2)	\$ (6.0)	\$ (8.1)	\$ (7.1)
Real Estate, net	\$ 22.1	\$ 21.5	\$ 0.7	\$ 27.1	\$ (4.9)
Other Income (Expense)	\$ 1.3	\$ 0.2	\$ 1.1	\$ 2.2	\$ (0.9)
Net Income (Loss)	\$ 8.2	\$ 12.5	\$ (4.2)	\$ 21.2	\$ (13.0)

- *Operating revenue under-performed as compared to revised budget, due to under-performance of freight revenue. Operating revenue out-performed as compared to prior year, due to out-performance of freight and passenger revenue.*
- *Operating expenses were over revised budget and prior year*
- *Real Estate net revenue over-performed compared to revised budget and under-performed as compared to prior year*
- *Other Income (Expense) out-performed revised budget and under-performed prior year*
- *As a result, YTD Net Income is lower than revised budget and prior year*



# YTD NOVEMBER 2025 Operating Highlights





# YTD NOVEMBER 2025 Net Income Forecast

***Net income forecast for 2025, given actual YTD November performance and latest revised budget for the remainder of the year, is \$38.1 million, which is \$6.5 million larger than the original budget net income for the year***

- Freight revenue forecast is \$7.1 million lower than reflected in original budget due to lower-than-expected performance of Interline, Petroleum, TOFC, and Local Coal business lines and fuel surcharge revenue
- Passenger revenue forecast is \$0.7 million lower than reflected in original budget due to lower-than-expected performance of Coastal Classic
- Real Estate net revenue forecast is \$0.6 lower than reflected in original budget primarily due to lower-than-expected Lease revenue and Seward Passenger Dock revenue
- Operating expense forecast is \$12.0 lower than what was reflected in original budget with larger variances in Corporate Overhead, Marketing and Customer Service, Mechanical and Technology departments
  - Variance for Corporate Overhead primarily due to 2024 PM grant being recognized in 2025
  - Variance for Marketing and Customer Service is primarily related to lower barge expense related to lower revenue
  - Variance for Mechanical is related to higher-than-expected expense for rolling stock parts and physical inventory adjustment for oil & lube
  - Variance for Technology is related to higher-than-expected computer software, professional fees, and depreciation expense
- Other revenue forecast variance is \$2.8 million primarily due to Seward Passenger Dock bank loan not being issued and the issuance of the Seward Passenger Dock revenue bonds that were not in original budget



## **X. BRIEFING ITEMS**

### **A. PUBLIC BRIEFINGS**

#### **ITEM 4: Seward Passenger Dock Project Update**

**Verbal presentation**

## **X. BRIEFING ITEMS**

### **B. Committee Reports**

- 1. Real Estate Committee Notes (January 14, 2026)**
- 2. Executive Committee Notes – Confidential**
- 3. Safety Committee Notes – Confidential**



## Alaska Railroad Corporation Board of Directors Real Estate Committee Notes

Date: January 14, 2026

Time: 9:00 a.m.

Location: Hybrid Meeting

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### Board Members:

John Binkley, Committee Chair

John Shively, Committee Member

John Reeves, Committee Member

Judy Petry, Committee Member

TJ Dinsmore, Committee Member

Commissioner Ryan Anderson, Committee Member

Commissioner Julie Sande, Committee Member

### Staff present:

Christy Terry, Andy Donovan, Shane Maloney, Kristen Gratrix, Kellyan Taylor, Jon Roder, Bill O'Leary, Jennifer Mergens, David Greenhalgh, Michelle Maddox, Andy Behrend, Clark Hopp, Brian Lindamood, Kate Dueber, Lorine Hall, Amy Kinnaman, Greg Goemer, Yan Teytelman

### Members of the Public:

Shelby Carlson, Assistant City Manager – Whittier

Jackie Wilde, City Manager – Whittier

Kellen Spellman, Director of Community Planning, FNSB

Donald Galligan, Senior Transportation Planner, FNSB

Melissa Kellner, Deputy Director Management Department, FNSB

Jack Barnwell, Fairbanks Daily News-Miner

Chair Binkley called the meeting to order. He then turned the meeting over to Vice President, Real Estate, Christy Terry. Ms. Terry noted that Jackie Wilde, Whittier City Manager, requested permission to speak to the Committee regarding the Whittier Land Sale matter. Chair Binkley approved, and City Manager Wilde requested that the purchase and sale closing date of January 31, 2027, contained in the parties' Conditional Letter of Intent ("CLOI") be extended to later in 2027 or 2028 due to concerns that the State legislature will not pass the bill authorizing the sale during the 2026 session. Committee members' comments included a preference to continue with the January 31, 2027 closing date to encourage passage by the legislature while also

keeping the current language in the MOA providing that the closing date can be mutually extended if agreed to in writing by both parties should an extension be needed.

Customer Communication:

Ms. Terry shared with the group that there is continued interest in land use permit options at the Birchwood and Fairbanks Reserves from potential rail customers. Ms. Terry stated that there was a recent sale of a residential lot in the Chena Landings Subdivision, as she had signed the paperwork for Lot 4 the day prior. Ms. Terry also shared the unfortunate news of a leased property on Post Road on which the leasehold interest has been purchased by the bank in foreclosure proceedings, as well as a structure fire at a lease parcel on Viking Drive.

Contracts to be presented to the Board of Directors for consideration:

- Resolution No. 2026-01 – Relating to an Increase in Funding for the Wasilla Shops Elevator Installation (AFE No. 11328 S-2).

Ms. Terry reminded the group that the Authorization for Expenditure (“AFE”) for the elevator installation at this property was approved as part of the 2025 Capital Budget. The elevator is for a two-story building that houses both Railroad section operations and leased space. The leased space is covered by a single lease that permits occupancy by two different (but related) businesses-one on each floor. Under the lease, ARRC is obligated to install the elevator to fulfil current requirements of the Matanuska Susitna Borough’s Building Code relating to Americans with Disabilities Act (ADA) requirements.

There was further discussion regarding how the original contractor for the elevator installation failed to perform under the contract terms despite ARRC’s attempts to work with the contractor, and steps taken to terminate the contract. Staff noted that additional funds were needed in order to award and fund completion of the contract by the next lowest bidder. Concurrently, staff will take steps to recoup the funds spent paid to the original contractor but not used during construction, with recovery efforts directed at the original contractor’s bond surety. The funds needed to complete the project will be transferred from remaining funds from two other AFEs for projects that came in under budget.

The Committee recommended Board Approval.

- 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

Ms. Terry provided the recent history of the Railroad’s involvement with the community’s desire to construct a portion of the Chena River Walk along the Chena River on ARRC property. The State of Alaska Department of Transportation (AKDOT) has requested to purchase a portion of Tracts 2 and 3 of the Chena Landings Subdivision, including the uneconomic remnants. AKDOT has also agreed to include in its payment

compensation to ARRC for the reduced value of the remaining uplands in Tracts 2 and 3 since once they are subdivided and the Chena River Walk trail is constructed, those tracts will no longer be valued as waterfront property. Included in the funds to be paid by AKDOT will be compensation for temporary construction permits required for the duration of the construction project.

Ms. Terry shared that we have interest from potential customers in purchasing the remaining uplands. She reminded the Committee that the State legislature previously approved the sale of Chena Landing Subdivision Tracts 1 – 10, and that Board of Directors approval was previously provided for Tracts 4 & 5, where residential lots have been sold.

The Committee recommended Board approval of the proposed transaction with AKDOT.

- Contract No. 09999 – State of Alaska – Anchorage Reserve

Ms. Terry reminded the group of the history of the AKDOT lease on Government Hill and how it was acquired as part of the Knik Arm Bridge and Toll Authority (KABATA) project and the long-term involvement of the Government Hill Community Council with respect to AKDOT's use of the property. The Board of Directors previously required Board approval of any change in use of the leased property by AKDOT. AKDOT has applied for a change of use to demolish the existing structure and create a green space within the lease area. AKDOT worked with the Government Hill Community Council, obtaining its support for the change of use.

The Committee recommended Board approval.

- Contract No. 20232 – Westwood Properties, LLC – Anchorage Reserve

Ms. Terry shared that the existing customer has applied to lease an area that is a gap between his lease and a neighboring lease area. Securing this area expands the lessee's storage area and ensures access to the south side of the lease area.

The Committee recommended Board approval.

Real Estate Committee adjourned briefly at 9:55 am for a Special Board Meeting and resumed at 10:03am.

- Contract No. 21258 – 8 Star Alaska, LLC – ROW

Ms. Terry explained to the group the relationship and ownership of Alaska Gas Line Development Corporation (AGDC), Glenfarne and 8 Star Alaska, LLC, a company owned by AGDC and Glenfarne. 8 Star Alaska, LLC has applied for a number of permits from the Alaska Railroad including a corridor permit for the pipeline infrastructure that will be constructed on ARRC property, which requires Board approval. The other

applications are for temporary construction permits for pipeline crossings of the ARRC Right-of-Way, which do not require Board approval. The rental fee structure for the corridor permit was discussed. Committee member Commissioner Sande reminded the committee that her and Committee member Commissioner Anderson both serve on the Board of Directors for AGDC.

The Committee recommended Board Approval.

- Contract No. 21176 – Tesoro Alaska Pipeline – ROW Corridor Permit

Ms. Terry shared that Tesoro, an existing customer, has a jet-fuel pipeline within the ARRC ROW from the Port of Alaska to Northern Lights to serve the Ted Stevens Anchorage International Airport. The pipeline was constructed and originally permitted in 1976, and the existing contract expires in April 2026. Tesoro has applied for a new 50-year corridor permit. There was discussion about the critical benefits this pipeline provides to the State of Alaska.

The Committee recommended Board approval.

#### Briefing/Update

Seward

Dock Traffic

Ms. Terry stated that there has been the usual barge traffic at the freight dock. In January, there will be a pipe ship. The Spenard Builders Supply Sea-Tac Barge will dock in February and in March if there is still ice in Cook Inlet.

Freight Dock Project

Ms. Terry shared that the engineering design is at 85% and is out for review and comment. Sheet piles are scheduled to arrive onsite. Mr. Lindamood shared that the permitting from the Corps of Engineers has been obtained.

Passenger Dock and Terminal Project

Ms. Terry shared that additional excavators for the dock demolition have arrived onsite. The Seward Company will attend the February Board Meeting to provide an update on the project. Installation related to the EPA grant, while not specifically part of the Passenger Dock and Terminal Project, is a great enhancement and is moving forward nicely.

Ms. Terry shared that the Pacific Northwest Cruise Line Agency of Alaska event in February will be attended by members of Senior Staff.

## Whittier

### “Whittier Moves” Transportation Master Plan

Ms. Terry reminded the group of the City of Whittier and AKDOT’s Transportation Master Plan. Ms. Clemens represents the Railroad as a stakeholder and attends the meetings relating to that effort.

## City of Whittier Land Sale

Ms. Terry spoke about the CLOI discussed by the Committee with the Whitter City Manager at the start of the meeting. There were further discussions and agreement amongst the Committee members that the existing closing date in the CLOI, January 31, 2027, coupled with the existing language allowing that date to be extended upon mutual written agreement should continue as part of the CLOI. Committee members agreed that the Resolution approving the sale does not need to wait until the March Committee and Board Meetings and will be considered at the February Board Meeting.

## Anchorage

### Downtown Trail Connection Plaza

Ms. Terry reminded the group of the Downtown Trail Connection that the Board approved in 2025, and mentioned that an Indigenous Place Names (IPN) plaza would be included along the Boat Launch Road.

## Fairbanks

### Customer Reception

Ms. Terry shared that earlier in the week Real Estate staff and members of Senior Management went to Fairbanks to meet with customers and attended the annual customer appreciation reception. Committee Chairman Binkley was in attendance and the party was well-attended.

The meeting was adjourned at 10:39 a.m.

# **ARRC BOARD OF DIRECTORS MEETING EXECUTIVE SESSION AGENDA**

## **XI. NEW BUSINESS**

### **C. Executive Session Briefings**

**Thursday, February 5, 2026**

1. Contracts, Claims, Litigation, Personnel and Financial Matters
2. Legislative Update
3. Alaska Liquid Natural Gas Pipeline
4. Port MacKenzie Rail Extension (PMRE)
5. Seward Passenger Dock

**All Matters Are Confidential. Public Members will be moved into a private waiting room and rejoined when public session reconvene.**

## **XI. NEW BUSINESS**

### **D. Adoption of Consent Agenda**

**February 5, 2026**

- 1. 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**
- 2. Resolution No. 2026-03 – Relating to the Sale of Railroad Land in Whittier, Alaska**
- 3. Contract No. 09999– State of Alaska DOT&PF – Anchorage Reserve (Change of Allowed Use)**
- 4. Contract No. 20232 – Westwood Properties, LLC – Anchorage Reserve**
- 5. Contract No. 21258 – 8 Star Alaska, LLC – ROW Corridor Permit**
- 6. Contract No. 21176 – Tesoro Alaska Pipeline – ROW Corridor Permit**

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.

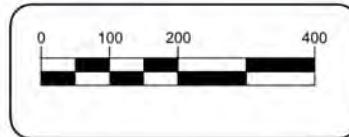
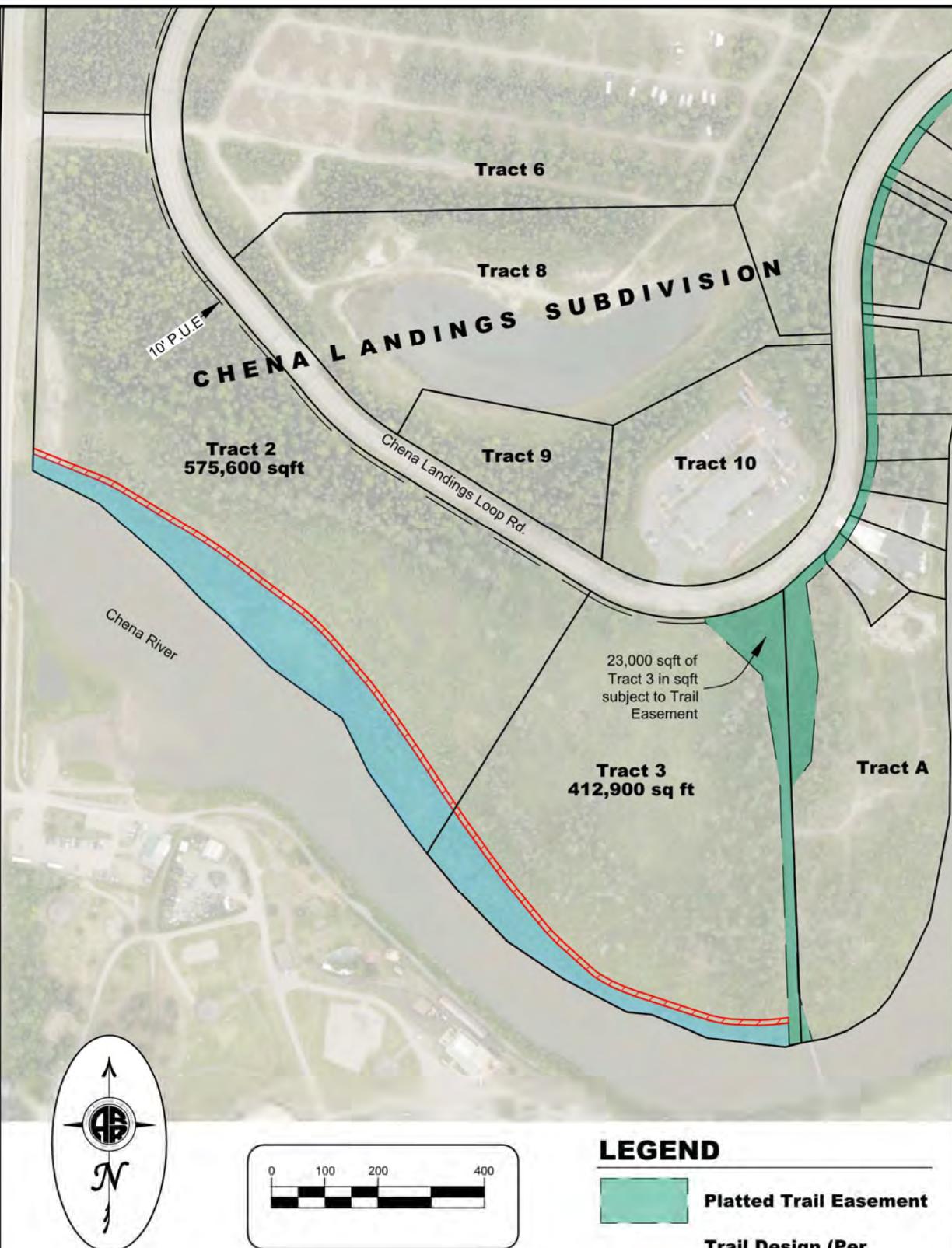
NOW, THEREFORE, BE IT RESOLVED that the ARRC Board of Directors hereby approves the proposed sale of the Property, including (i) sale of the Trail Parcel to DOT&PF for its use in conjunction with the construction, maintenance and operation of the extension of the Trail, and (ii) sale of the balance of 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.

Exhibit 1 to Resolution No. 2026-02.      Diagram of Property.



	<b>Trail Parcel Area</b>	<b>Uneconomic Remnant Area</b>
<b>Tract 2</b>	10,583 sq ft	64,662 sq ft
<b>Tract 3</b>	8,100 sq ft	30,476 sq ft
<b>Total</b>	18,683 sq ft	95,138 sq ft
<b>Grand Total = 113,776 sq ft</b>		

## LEGEND



**Platted Trail Easement**



**Trail Design (Per  
Design Plans from  
City of Fairbanks  
dated 10/29/2021  
(Trail Parcel Area on  
Table A))**



**Un-economic Remnant**



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

**ARRC Proposed  
Sale Parcels to DOT**

Date: 2026-01-06

Adopted

Resolution No. 2026-03

Relating to the Sale of Railroad Land Located  
in Whittier, Alaska

WHEREAS, the Alaska Railroad Corporation (“ARRC”) owns three parcels of land comprising a total area of approximately 47 acres within the Alaska Railroad Whittier Reserve in Whittier, Alaska, which parcels are more particularly shown on Exhibit 1 attached to this resolution (collectively, the “Property”); and

WHEREAS, ARRC and the City of Whittier (the “City”) are parties to a Ground Lease and Management Agreement dated November 13, 1998 (the “Master Lease”) which applies to various parcels of land in the ARRC Whittier Reserve, including the three parcels that are the subject of this resolution; and

WHEREAS, on December 13, 2024, ARRC and the City entered into a Memorandum of Understanding (the “MOU”) regarding a potential purchase or exchange of lands within the ARRC Whittier Reserve and elsewhere in the City of Whittier and the termination of the Master Lease in order to allow each party to develop and control appropriate parcels of land in a manner consistent with their needs and best interests; and

WHEREAS, after engaging in negotiations with the City, ARRC offered to sell the Property to the City in exchange for (i) payment of appraised fair market value determined by the appraisal dated November 8, 2024 conducted by Black-Smith, Bethard & Carlson as adjusted based on a final resurvey of the Property area, and (ii) termination of the Master Lease; and

WHEREAS, the Whittier City Council voted to accept ARRC’s offer at its meeting of December 16, 2025, and agreed to enter into a Conditional Letter of Intent with respect to that proposed purchase-sale transaction, which was executed initially by ARRC on December 8, 2025, and later by the City effective January 21, 2026, and which is set forth as Exhibit 2 to this resolution; and

WHEREAS, the City of Whittier, in collaboration with its elected state Senator and Representative, during the 2025 session of the Alaska Legislature, had filed HB 216/SB 191, seeking legislative approval for ARRC to sell certain lands, including the Property, to the City of Whittier; 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, (iii) the provision to any existing lessee of a right of first refusal to purchase

the parcel they lease; (iv) the provision to adjoining landowners of notice of the proposed land sale; and (v) approval of the proposed sale by the Alaska Legislature; and

WHEREAS, the Board of Directors finds that the proposed purchase price set forth in the preceding recitals constitutes a fair market value offer for the Property; and

WHEREAS, the City has agreed that its purchase of the Property would be conditional on the termination of the Master Lease before or at the time of closing of said purchase; and

WHEREAS, the Board of Directors finds that proposed sale of the Property to the City in exchange for payment of fair market value 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; and

WHEREAS, the Board of Directors has reviewed the terms and conditions of the proposed sale of the Property set forth on the Summary of Terms and Conditions attached to this resolution as Exhibit 2.

NOW, THEREFORE, BE IT RESOLVED that the ARRC Board of Directors hereby approves the proposed sale of the Property, except for mineral rights, to the City of Whittier in exchange for a cash payment of \$4,893,321.00 as determined by the Black-Smith Bethard & Carlson appraisal dated November 8, 2024, and as adjusted to reflect final cumulative resurvey area square footage of the Property plus reasonable Seller's closing costs, with such sale being strictly conditional upon all of the following:

- (a) The Parties terminating the Master Lease no later than the time of closing; and
- (b) The conveyance shall be made by means of a quit claim deed conveying the Property from ARRC to the City, which shall reserve and/or contain the following rights and restrictions: (i) a provision that the conveyance of the Property to the City shall be made on an "as-is, where-is" basis; and (ii) a reservation of mineral rights.

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 described above, including but not limited to (i) issuing required public notices; and (ii) negotiating, finalizing and executing all documents necessary to complete said transaction.

Exhibit 1 to Resolution No. 2026-03.

Diagram of Property.

## Legend

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



Exhibit 2 to Resolution No. 2026-03.

Conditional Letter of Intent from ARRC to the City of Whittier Dated December 8, 2025.

**ALASKA**  
RAILROAD

Real Estate Department  
Telephone: (907) 265-2428  
Fax Number: (907) 265-2450

**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.

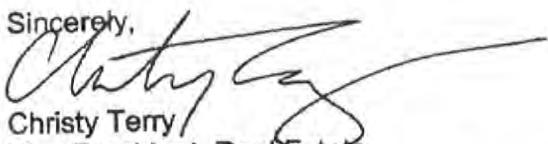
9. Exclusive Right to Purchase. In consideration of Buyer's commitment to pursue the purchase of the Property through negotiation and due diligence, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by signature hereto, the Seller grants Buyer, subject 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

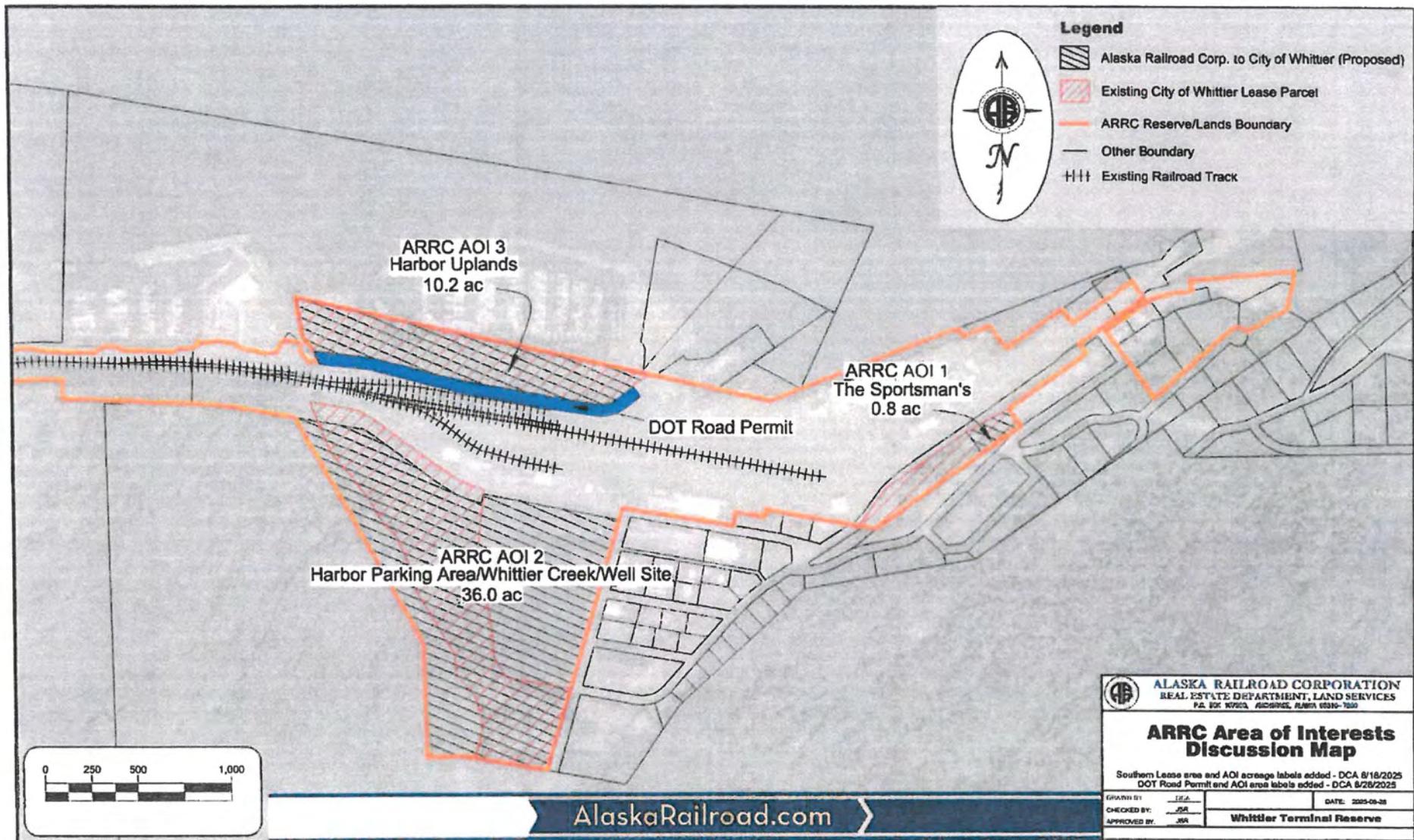
Signed: Jackie C. Wilde  
By: Jackie C. Wilde  
Its: City Manager

Dated this 21<sup>st</sup> day of January, 20216

Attest:

Shelley Carlson  
Shelley Carlson, Acting City Clerk





P:\Resalestate\Land Services\98\_MP\_F0-10\_Whi\07 Due Diligence\2024-04-01 Whi Land Swap With COM\Map-SwapWithTracks\Whi 2024 Land Swap With Track V7.dwg

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 below<sup>1</sup>:

**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

<sup>1</sup> 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.

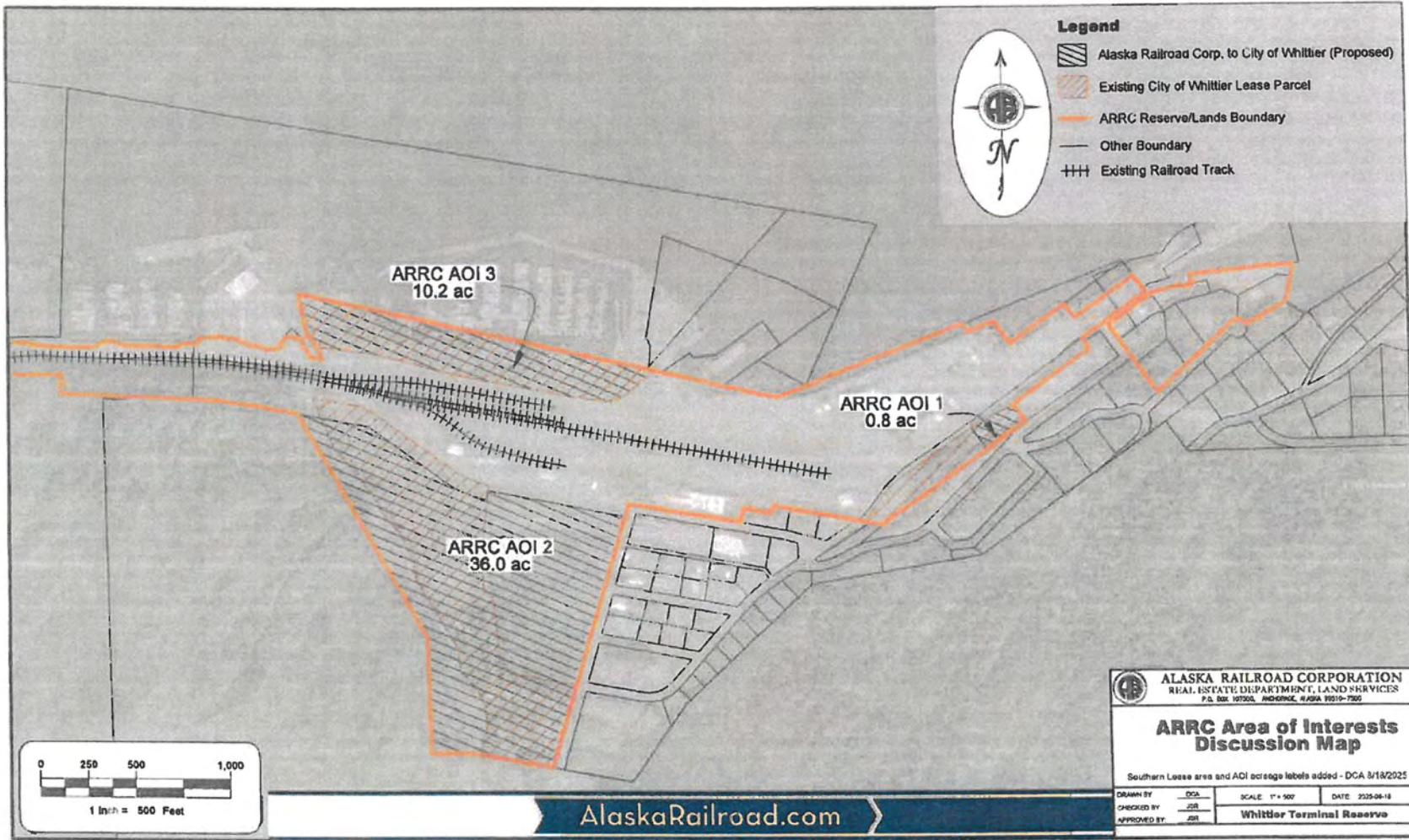
It is our belief and expectation that this proposal represents a mutual benefit to both COW and ARRC. We look forward to your consideration and confirmation of these terms by a written response to this proposal within the longer of (i) 60 days after the date of the proposal or (ii) 15 days after the 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: Pg 47 -50	<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

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**RECOMMENDATION:** Administration recommends approval of Resolution 2025-043.

1 Sponsored by: Wilde  
2  
3  
4  
5

6  
7 **CITY OF WHITTIER, ALASKA**  
8 **RESOLUTION 2025-\_\_\_\_\_**  
9  
10  
11  
12  
13

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

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

24 **WHEREAS**, on September 23, 2025, the City received a formal response from the  
25 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

26 **WHEREAS**, ARRC's counterproposal authorizes the sale of three parcels—AOI 1  
27 ("Sportsman's Lounge," approx. 0.8 acres), AOI 2 ("Harbor Parking Area/Whittier Creek/Well  
28 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

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

32 **WHEREAS**, the ARRC proposal includes five conditions, including completion of the  
33 sale by January 31, 2027 (unless mutually extended in writing) and establishment of final pricing  
34 based on surveyed parcel configurations and appraised values estimated at approximately  
35 \$4,893,321; and

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

40 **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.

53           **PASSED AND APPROVED** by a duly constituted quorum of the Whittier City Council  
54   on this 18<sup>th</sup> day of November, 2025.

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

**Victor Shen**  
Mayor

66 ATTEST:

**Shelby Carlson**  
Acting City Clerk

(City Seal)

## 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

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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.)

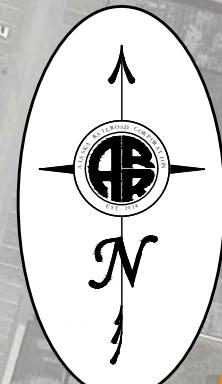
At the time DOT&PF took the lease assignment and acquired the improvements, the property was subleased to a third-party operator that subsequently vacated the premises in 2022. The leased premises have subsequently remained vacant, and the improvements have substantially deteriorated. ARRC and DOT&PF 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

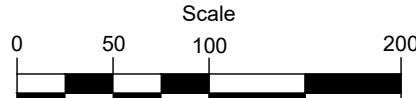


Lease 9999  
15,583 sq ft  
(0.36 ac $\pm$ )

N74°24'00"W  
119.93'  
S15°36'30"W  
129.93'  
1A  
119.93'  
S74°24'00"E  
129.93'  
N15°36'30"E

The meridian of this exhibit is  
based on monuments of Plat  
86-238

For indexing purposes this property is located in the SE1/4 Sec. 7, T13N, R3W, S.M.



AlaskaRailroad.com

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

**Contract No. 9999 - Exhibit A Department  
of Transportation and Public Facilities  
Area = 15,583 sq ft $\pm$  (0.36 ac $\pm$ )**

**ARRC title - Patent 50-2011-0122 - USS 1170, Lot 2**

DRAWN BY:	DCA	SCALE:	1" = 100'	DATE:	2022-07-29
CHECKED BY:	DCA				
APPROVED BY:	DCA				

**Anchorage Terminal Reserve**

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## 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

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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



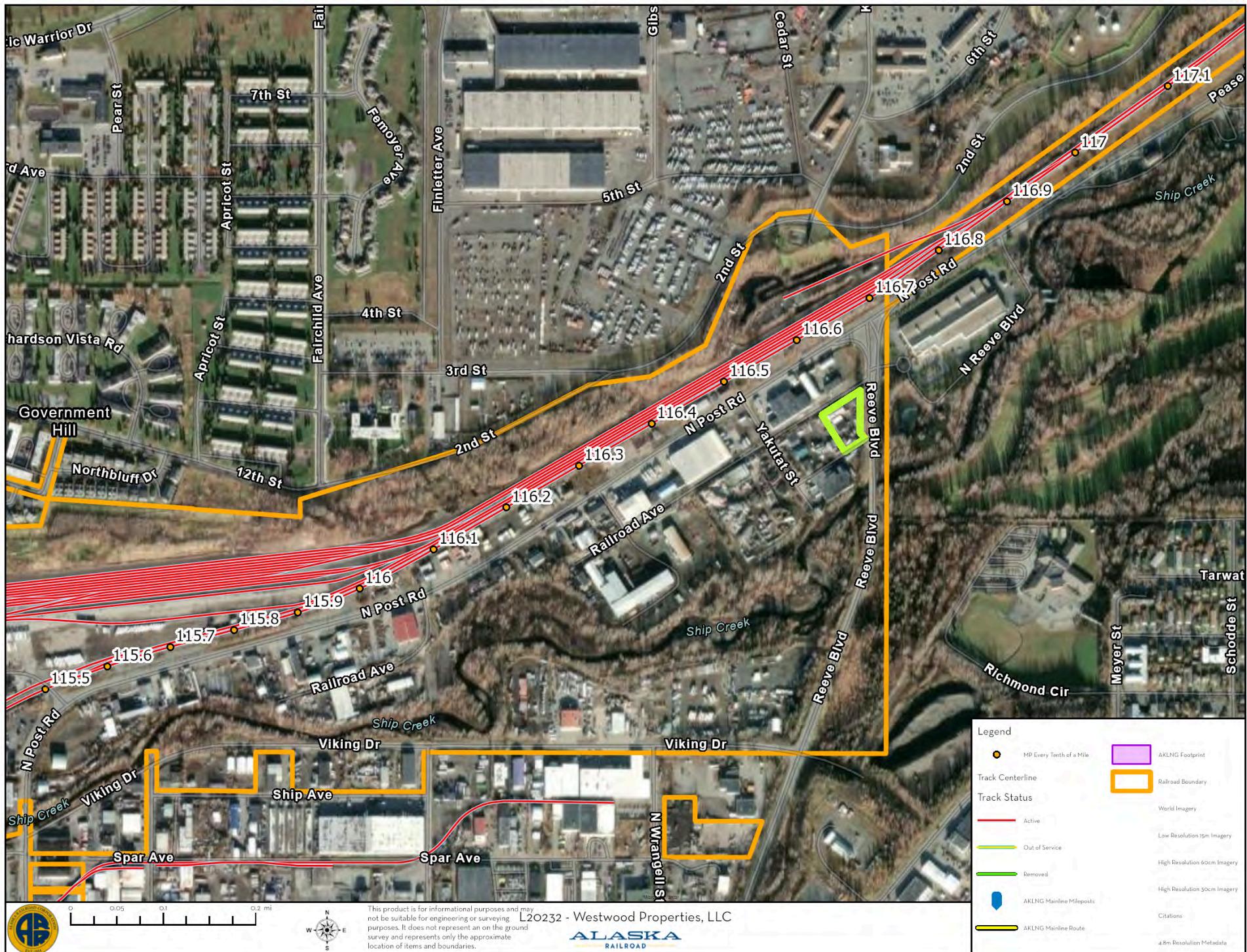
#### NOTES

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.

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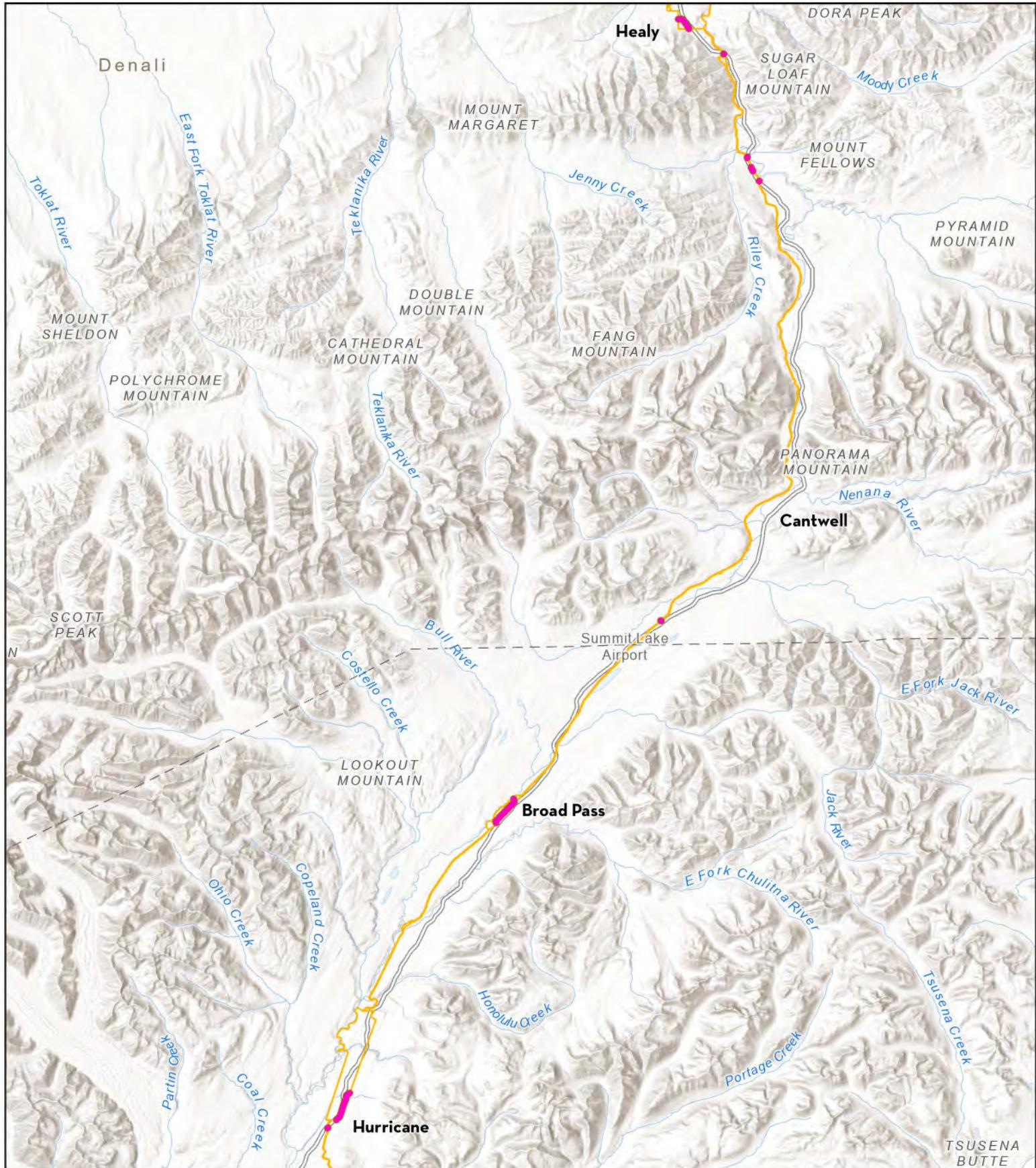
PUBLIC NOTICE: Yes, public comment period expires January 29, 2026

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



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

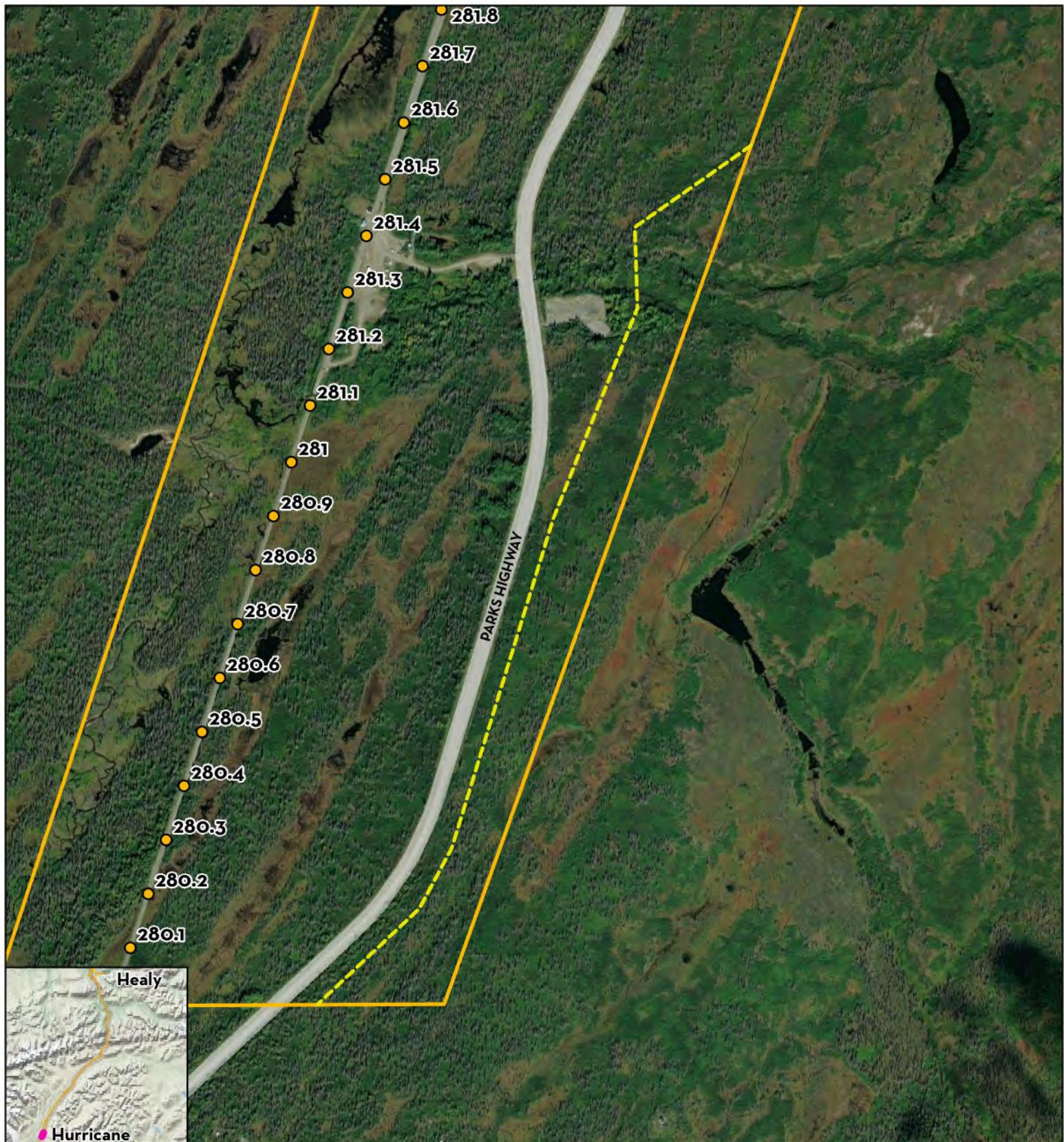
Facility Description: Underground Alaska LNG Mainline at RR MP 279.5. South of the Parks Hwy

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



- Alaska LNG Mainline
- RR Boundary
- RR Milepost

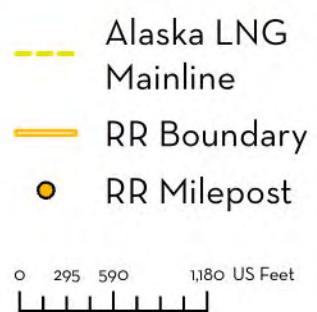
0 10 20 40 US Feet

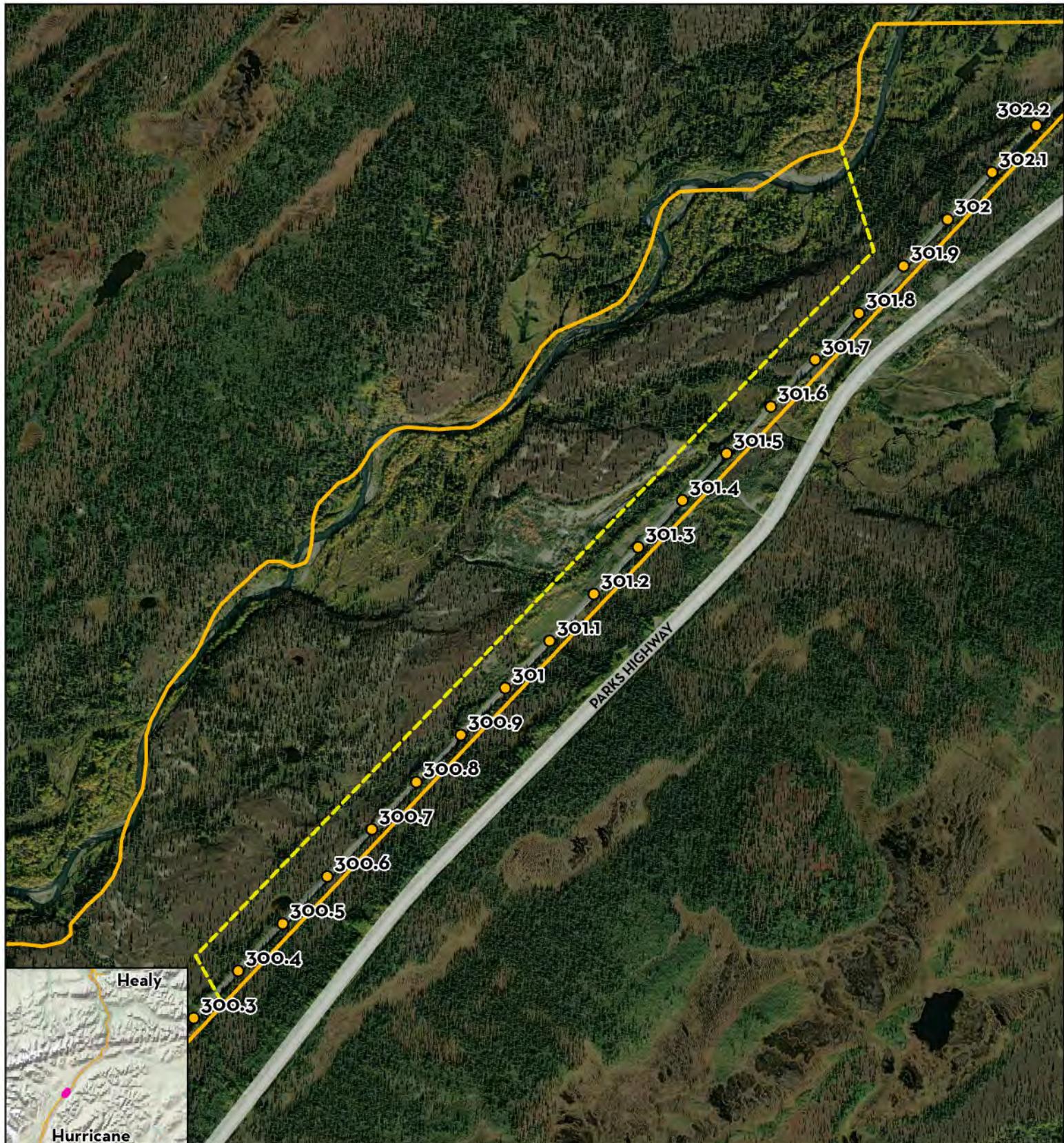


**Contract No. 21258**  
**8 STAR ALASKA, LLC.**  
**Facility ID 2**

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

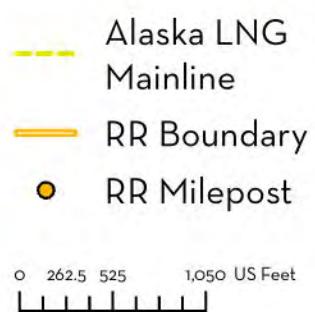
Land Services Comments: This LNG line was referenced on 12/24/2025 from the AKLNG GIS





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

Facility Description: Undergorund 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





Page 4 of 9

Date: 1/6/2026

**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



Page 5 of 9

Date: 1/6/2026

- Alaska LNG Mainline
- RR Boundary
- RR Milepost

0 10 20 40 US Feet



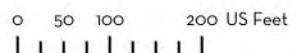
**Contract No. 21258**  
**8 STAR ALASKA, LLC.**  
**Facility ID 6**

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





Page 7 of 9

Date: 1/6/2026

**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



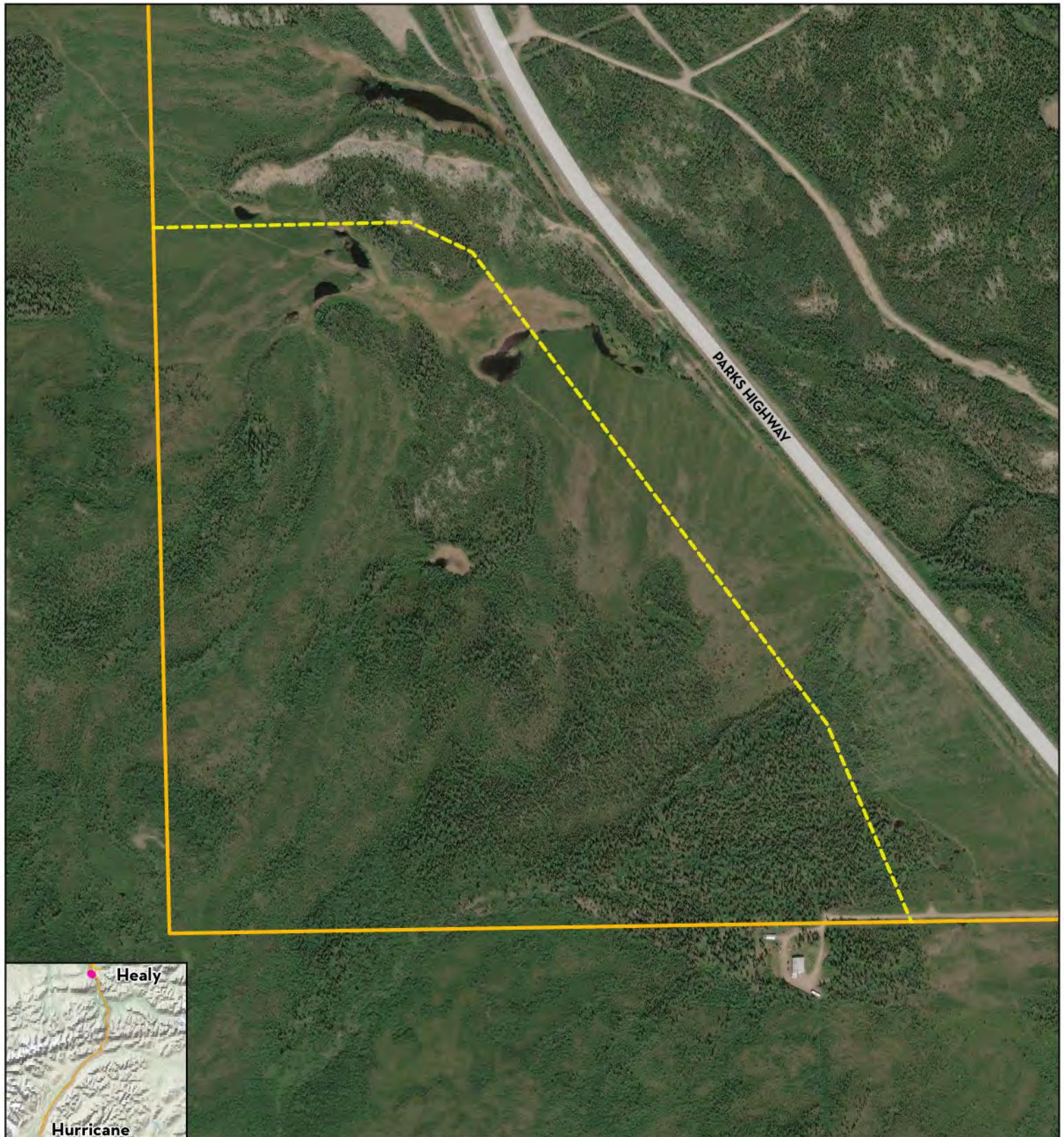
**Contract No. 21258**  
**8 STAR ALASKA, LLC.**  
**Facility ID 8**

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





**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

- Alaska LNG Mainline
- RR Boundary



## 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	Undergorund 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

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**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.

— Permit 21176

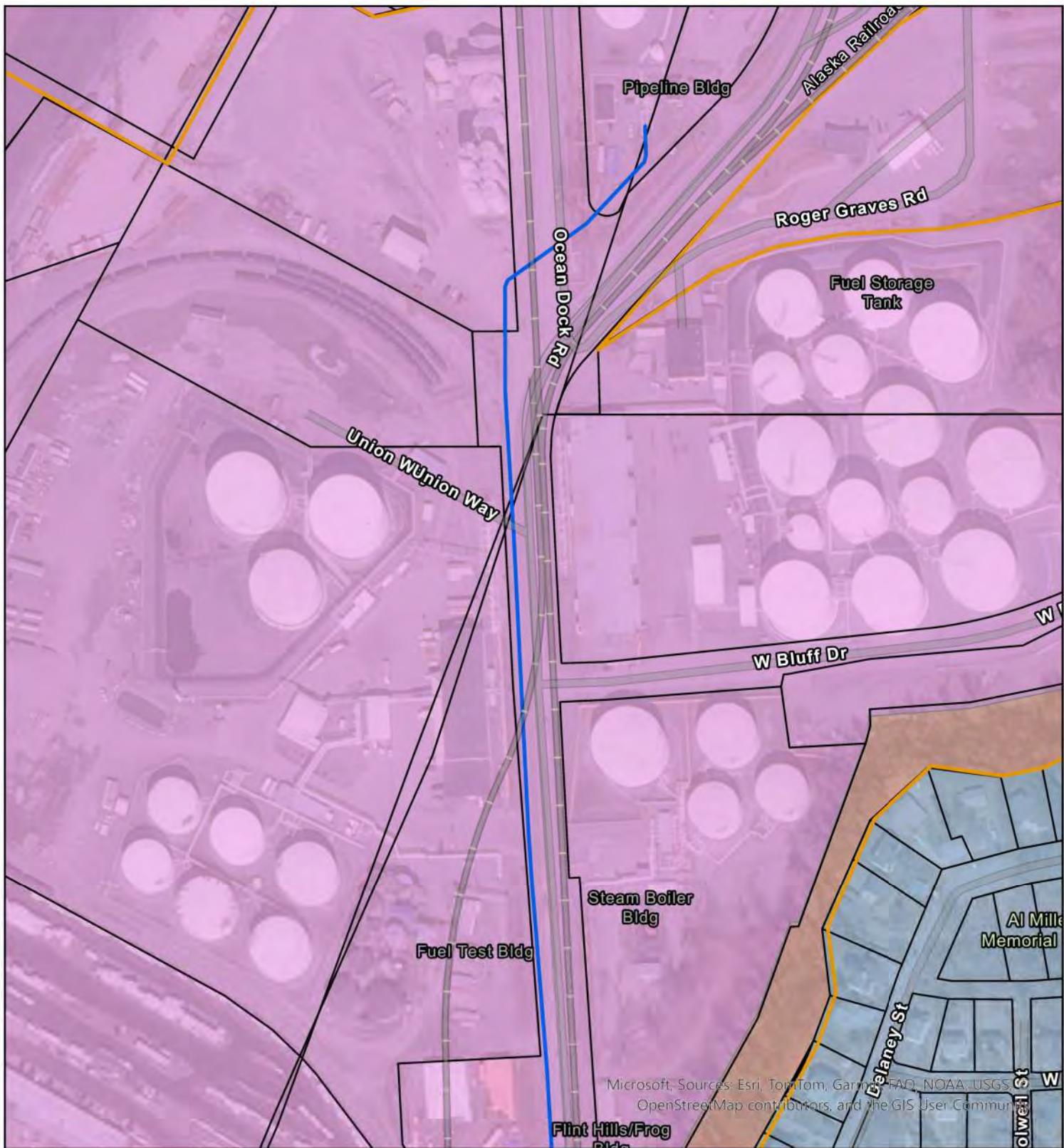
— RR Boundary

0 650 1,300 2,600 Feet



Drawing is for Appraisal purposes only.

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**



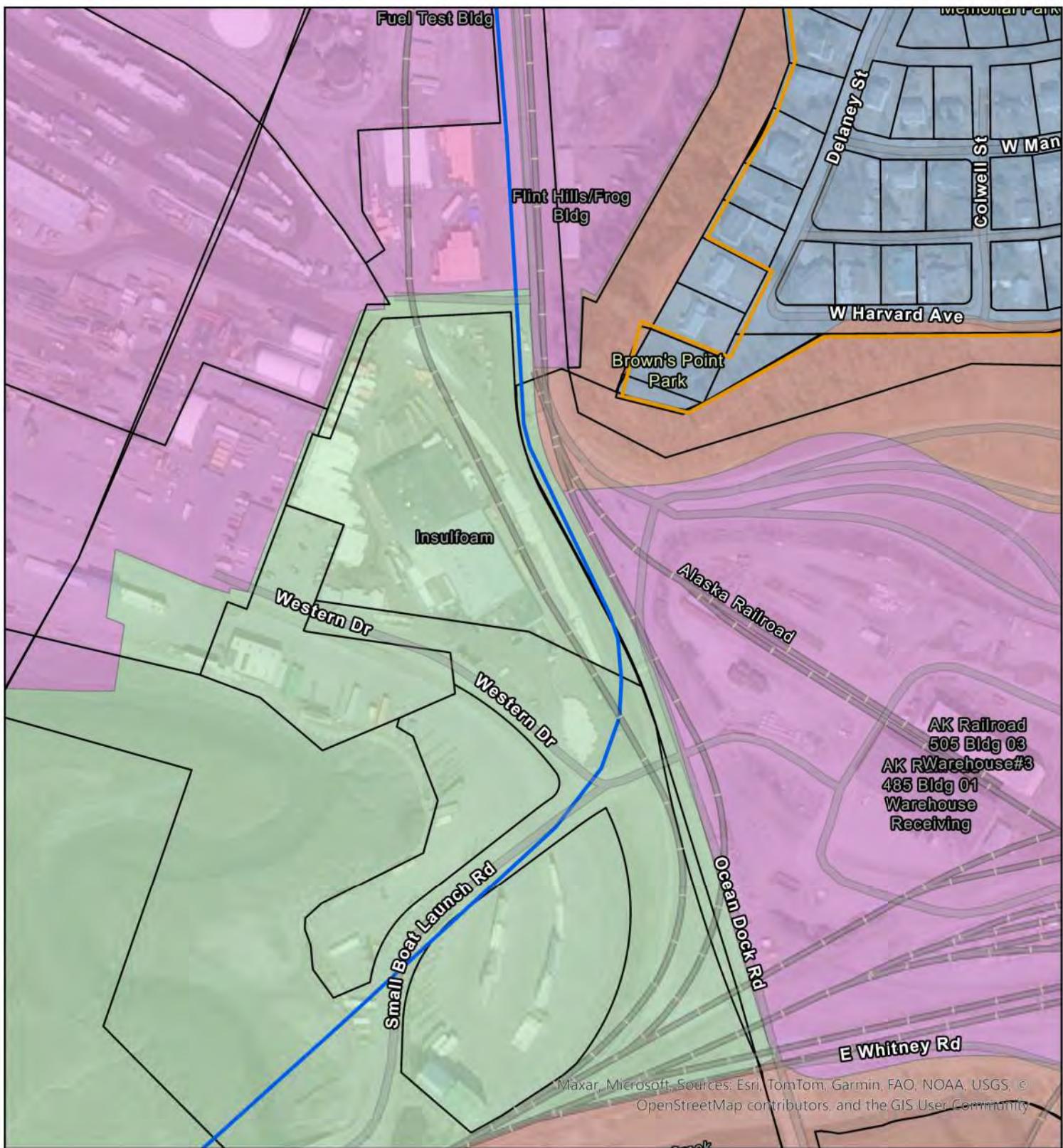
Drawing is for Appraisal purposes only.

### Legend

- Permit 21176
- RR Boundary
- MOA Parcels

### MOA Zoning Districts

- Commercial
- Industrial
- Other
- Residential
- Resort Use



**Contract No. 21176-P**

**Legend**

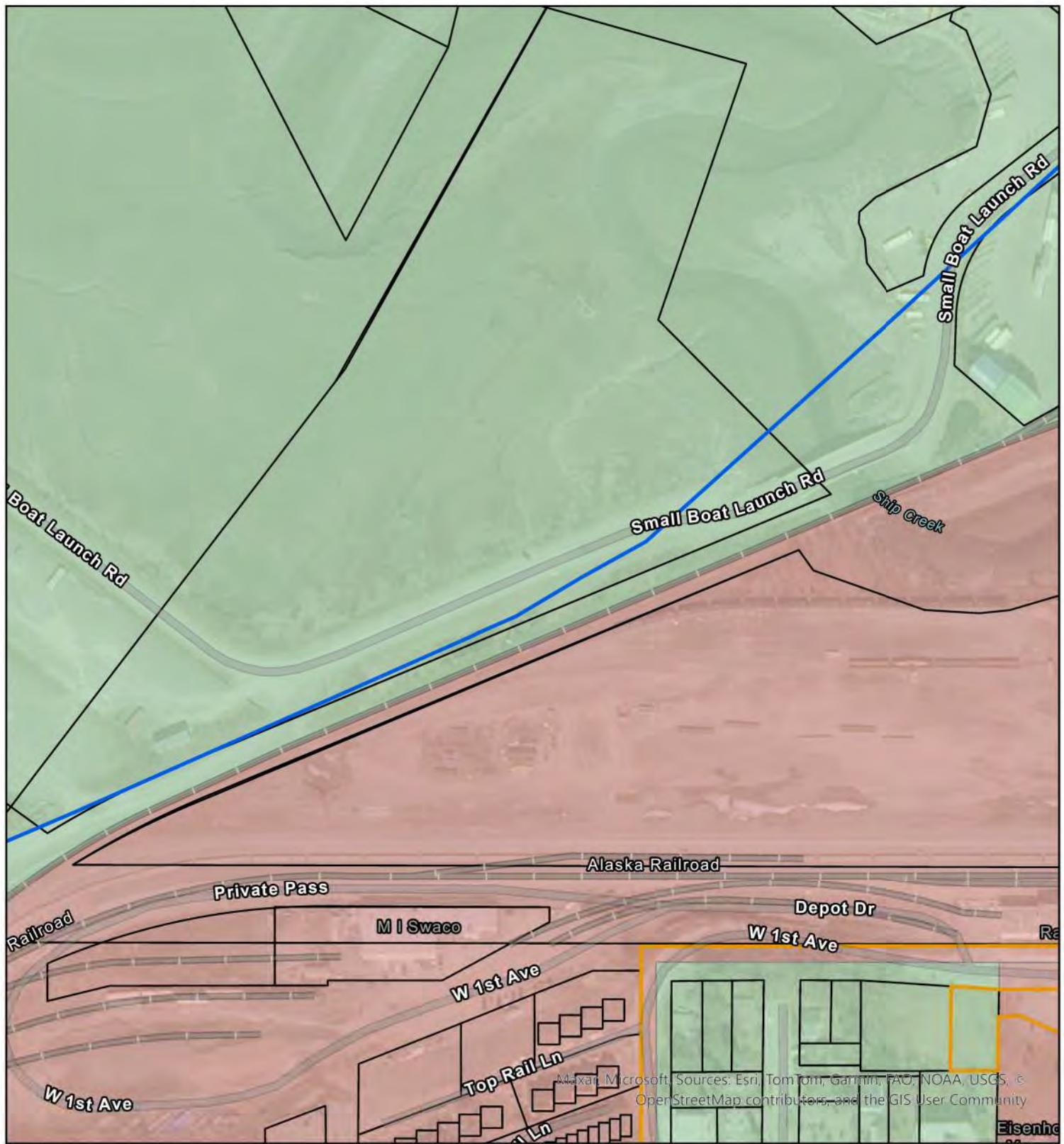
**MOA Zoning Districts**

- Commercial (Green)
- Industrial (Pink)
- Other (Orange)
- Residential (Blue)
- Resort Use (Yellow)



0 100 200 400 US Feet

Drawing is for Appraisal purposes only.



**Contract No. 21176-P**

**Legend**

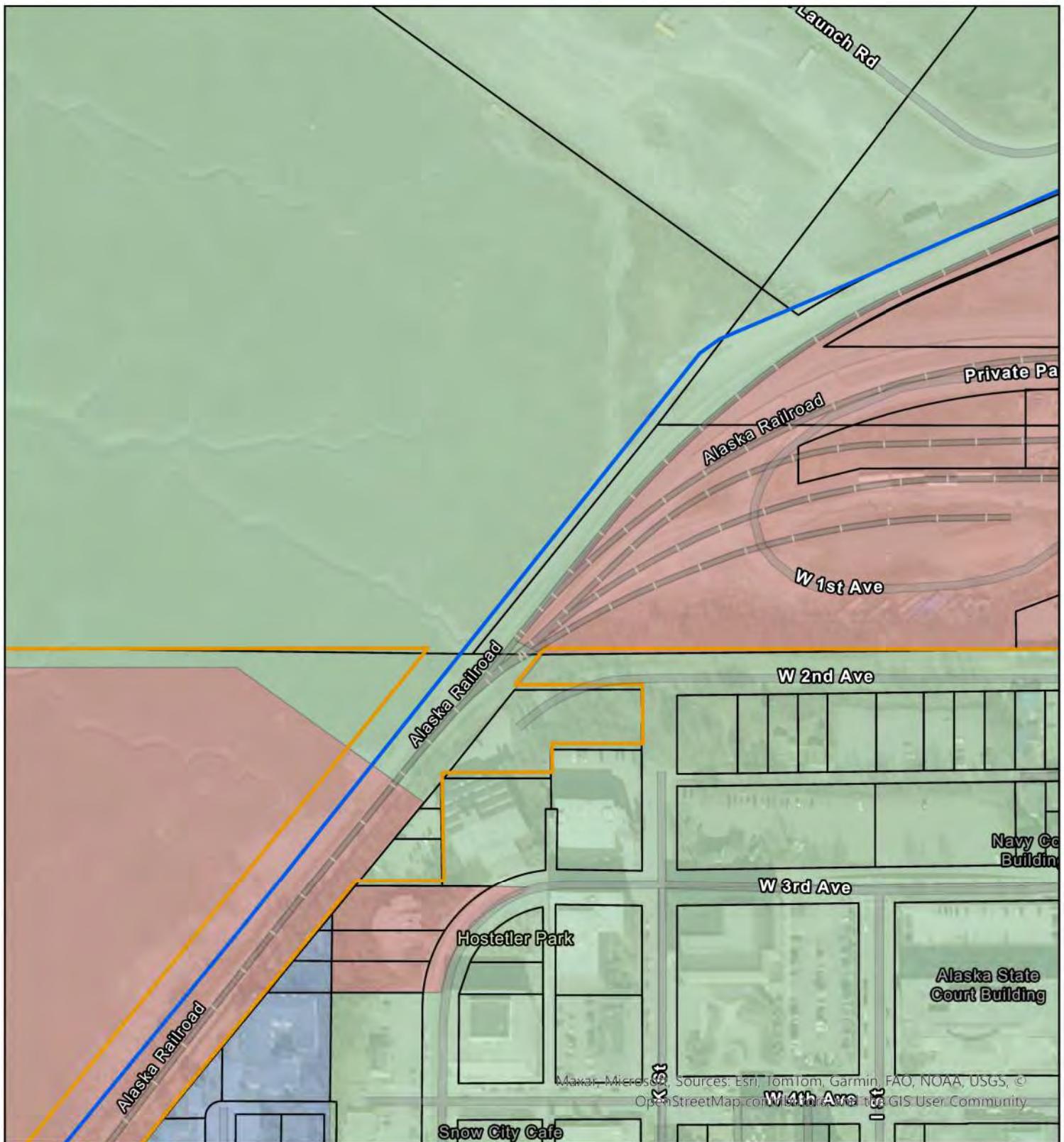
**MOA Zoning Districts**

- Permit 21176
- RR Boundary
- MOA Parcels

- Commercial
- Industrial
- Other
- Residential
- Resort Use



Drawing is for Appraisal purposes only.



**Contract No. 21176-P**



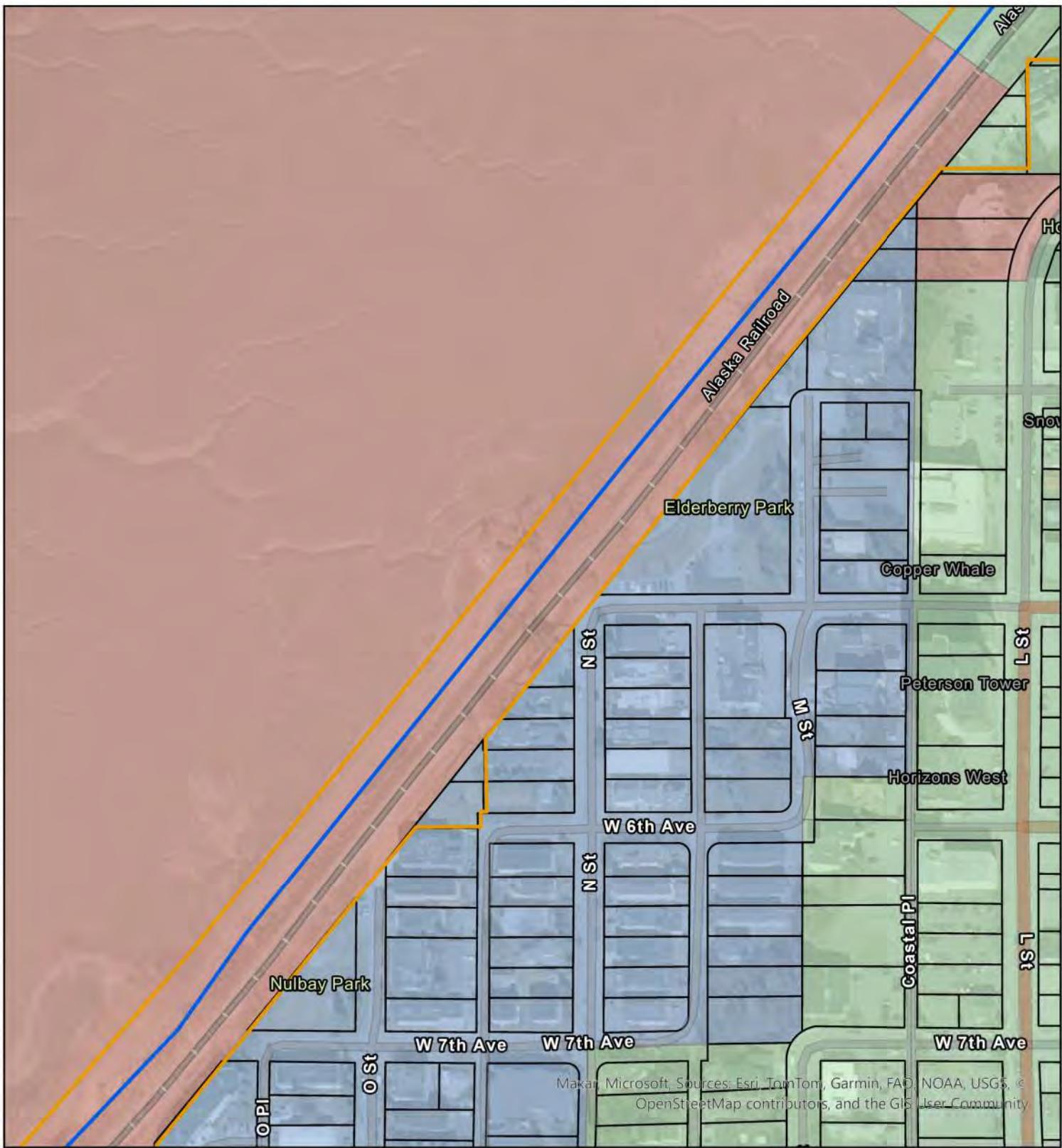
**Legend**

- 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**

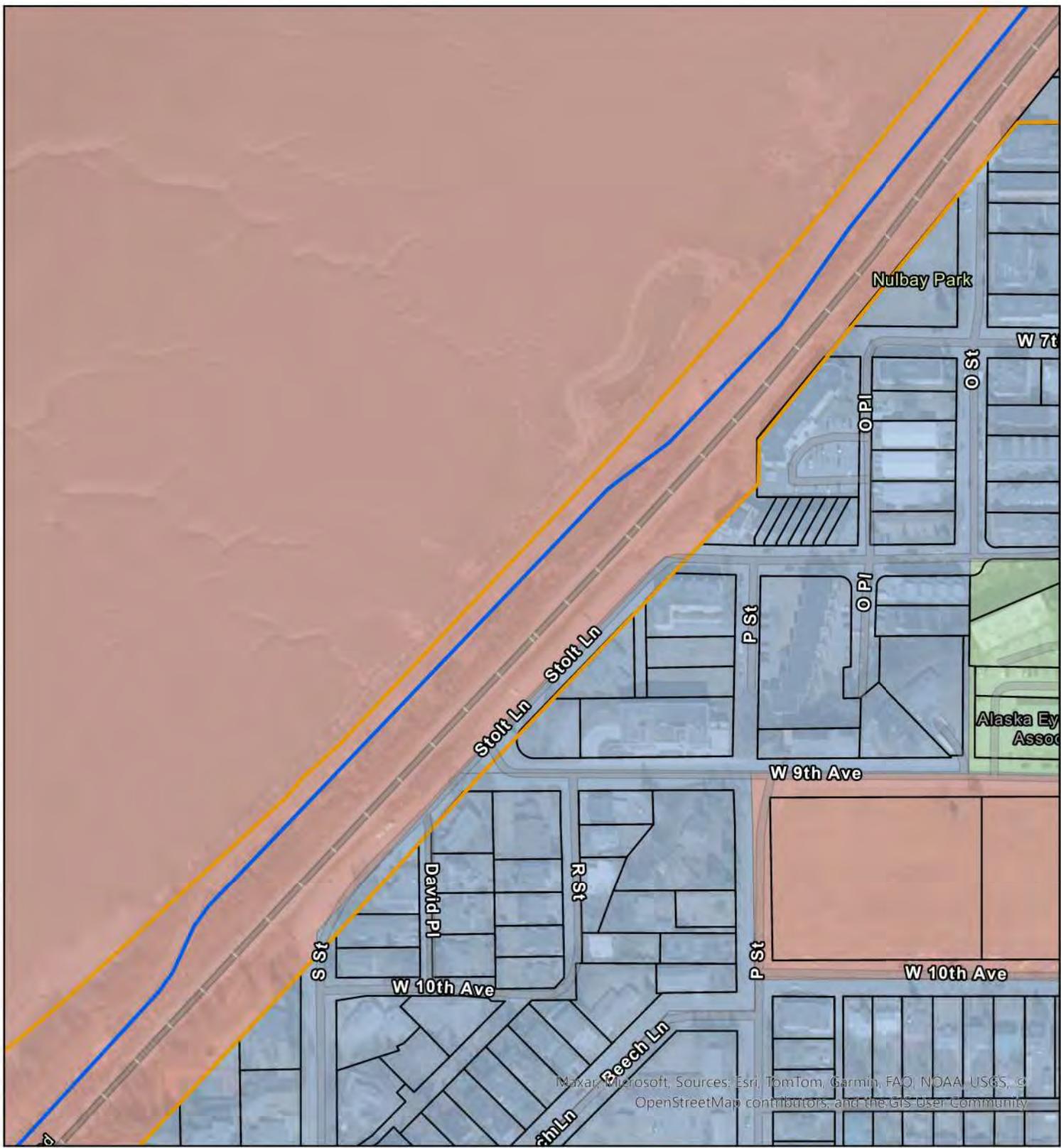
**Legend**

- Permit 21176
- RR Boundary
- MOA Parcels

**MOA Zoning Districts**

- Commercial
- Industrial
- Other
- Residential
- Resort Use

Drawing is for Appraisal purposes only.



**Contract No. 21176-P**



0 100 200 400 US Feet

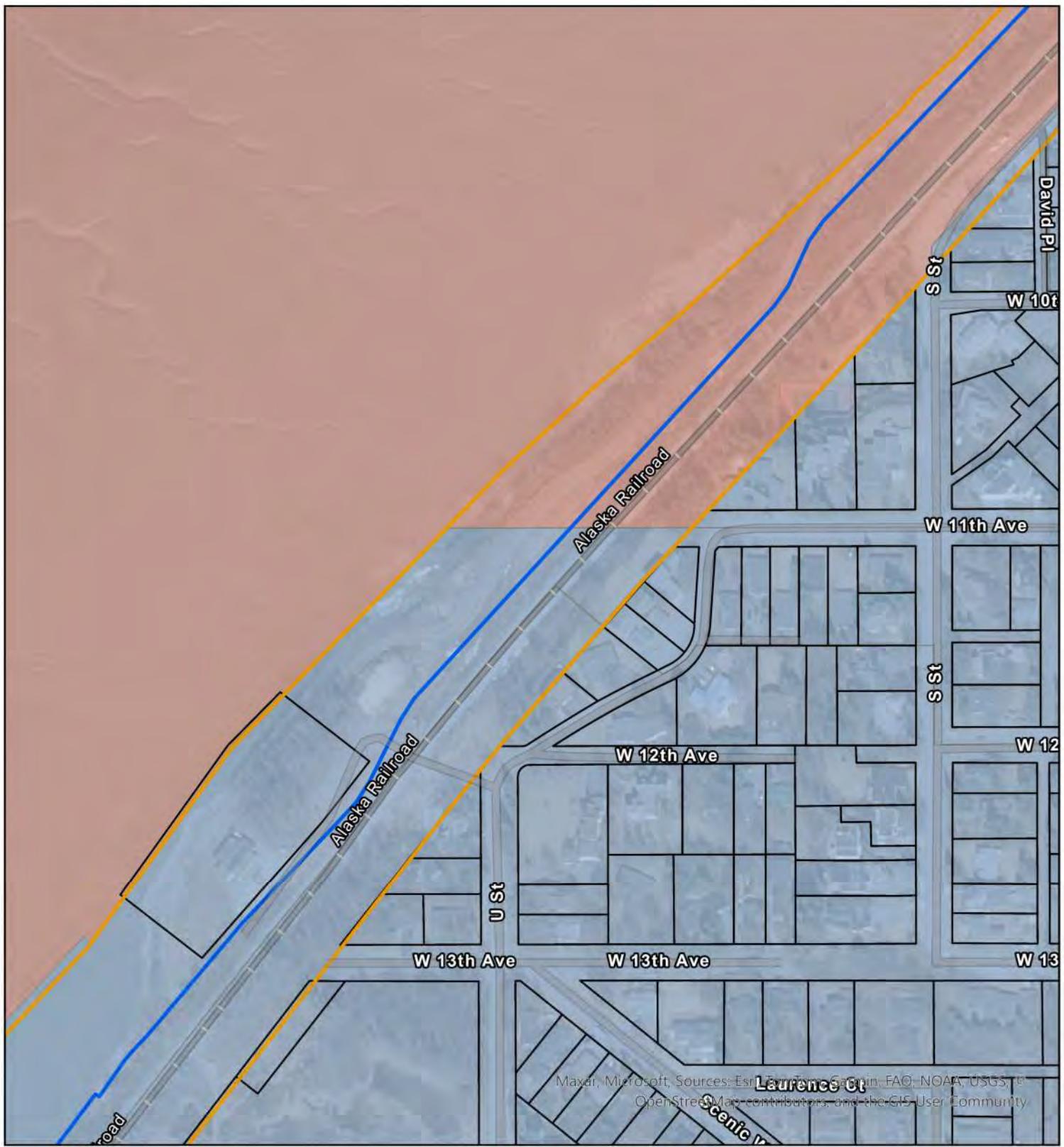
### Legend

- 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**

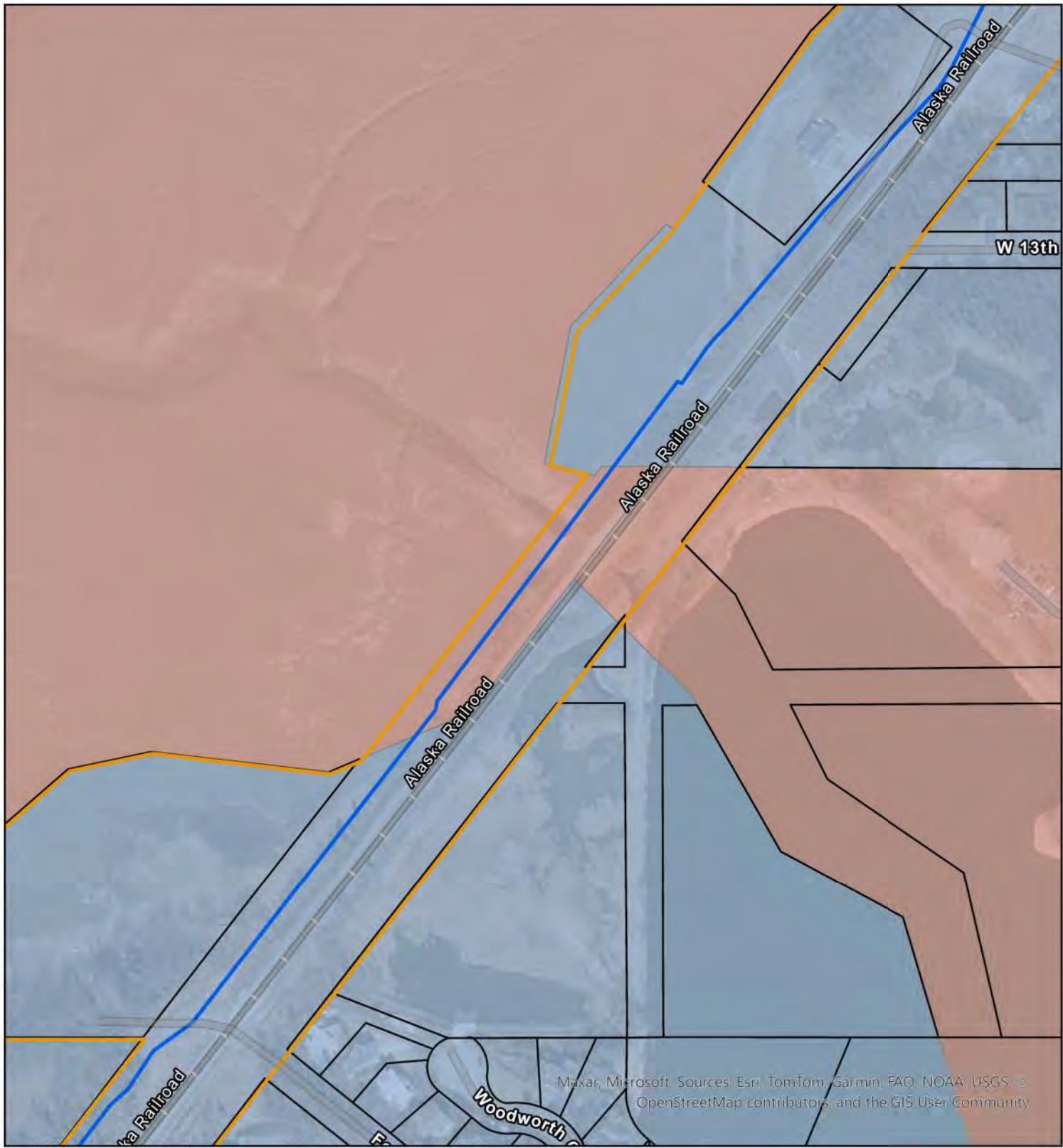
0 100 200 400 US Feet

- 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

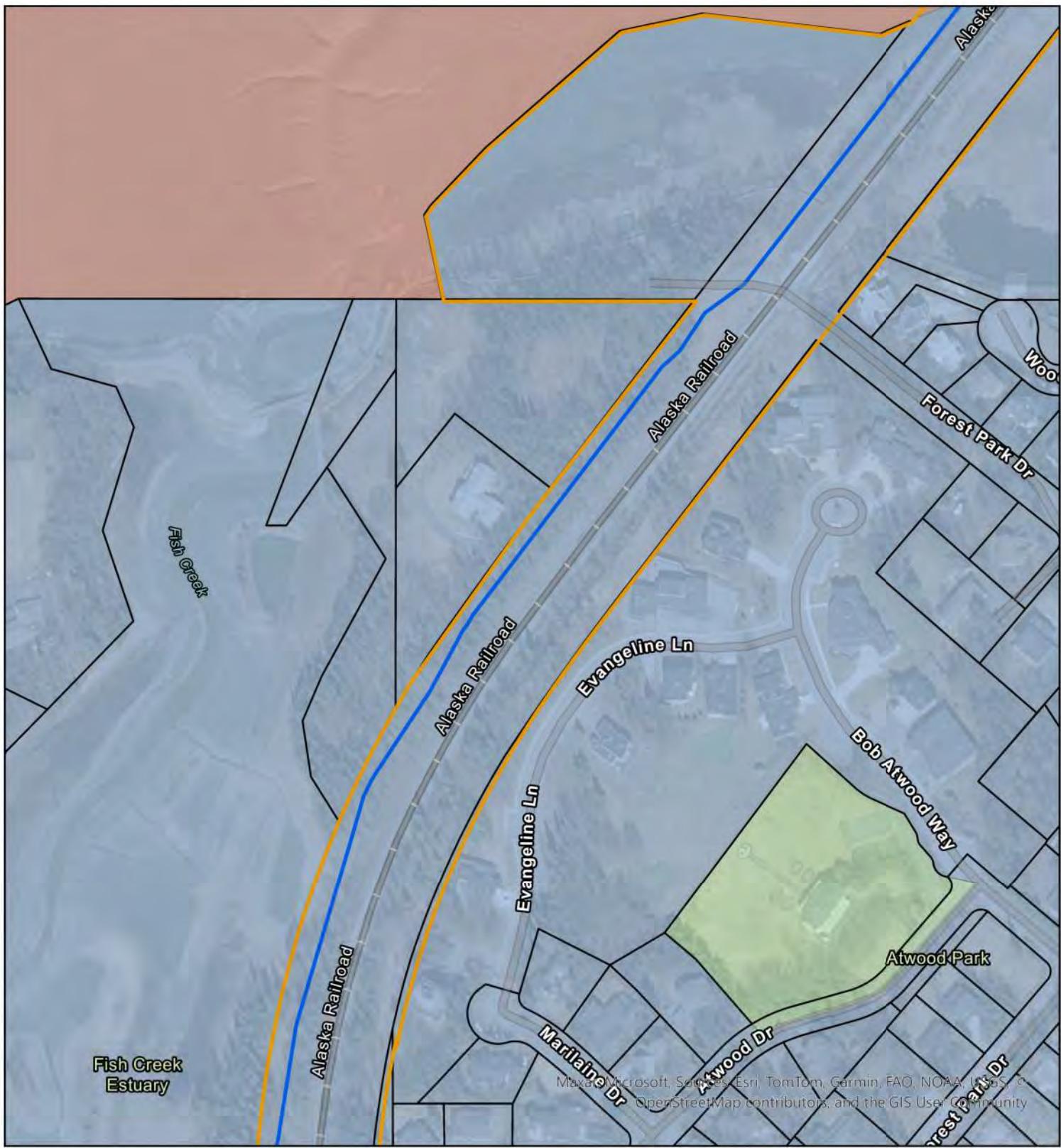
**Legend**

- 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



0 100 200 400 US Feet

Drawing is for Appraisal purposes only.

### MOA Zoning Districts

Commercial
Industrial
Other
Residential
Resort Use

- Commercial
- Industrial
- Other
- Residential
- Resort Use



## 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

Permit 21176

RR Boundary

MOA Parcels



0 100 200 400 US Feet

Drawing is for Appraisal purposes only.