

Agenda Statement

Meeting Date: November 18, 2025
To: City Council
Through: Jackie C. Wilde, City Manager



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

BACKGROUND, JUSTIFICATION, & INTENT:

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

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

CONSISTENCY CHECKLIST:

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

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

ATTORNEY REVIEW: Yes No Not Applicable

RECOMMENDATION: Administration recommends approval of Resolution 2025-043.