

September 23, 2025

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

Re: Response to Revised Land Purchase Proposal dated 7.7.2025

Dear City Manager Wilde,

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

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

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

- ARRC AOI 1 – "The Sportsman's Lounge" 0.8 acres**
- ARRC AOI 2 – "Harbor Parking Area/Whittier Creek/Well Site" 36 acres**
- ARRC AOI 3 – "Harbor Uplands" 10.2 acres**

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

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

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

3. Payment of the sale price shall be in cash due in full at closing. No financing will be available from ARRC.
4. COW will be responsible for all survey and closing costs.
5. COW agrees that the Ground Lease and Management Agreement dated November 13, 1998 ("Master Lease") is terminated as of the date of the transaction. Prior to final closing of the sale transaction, ARRC and COW will collaborate to develop and mutually agree upon new contracts for those portions of the Master Lease area that were adequately developed by COW to meet the development requirements of the Master Lease, but which are excluded from the above-described land purchase transaction.


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

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

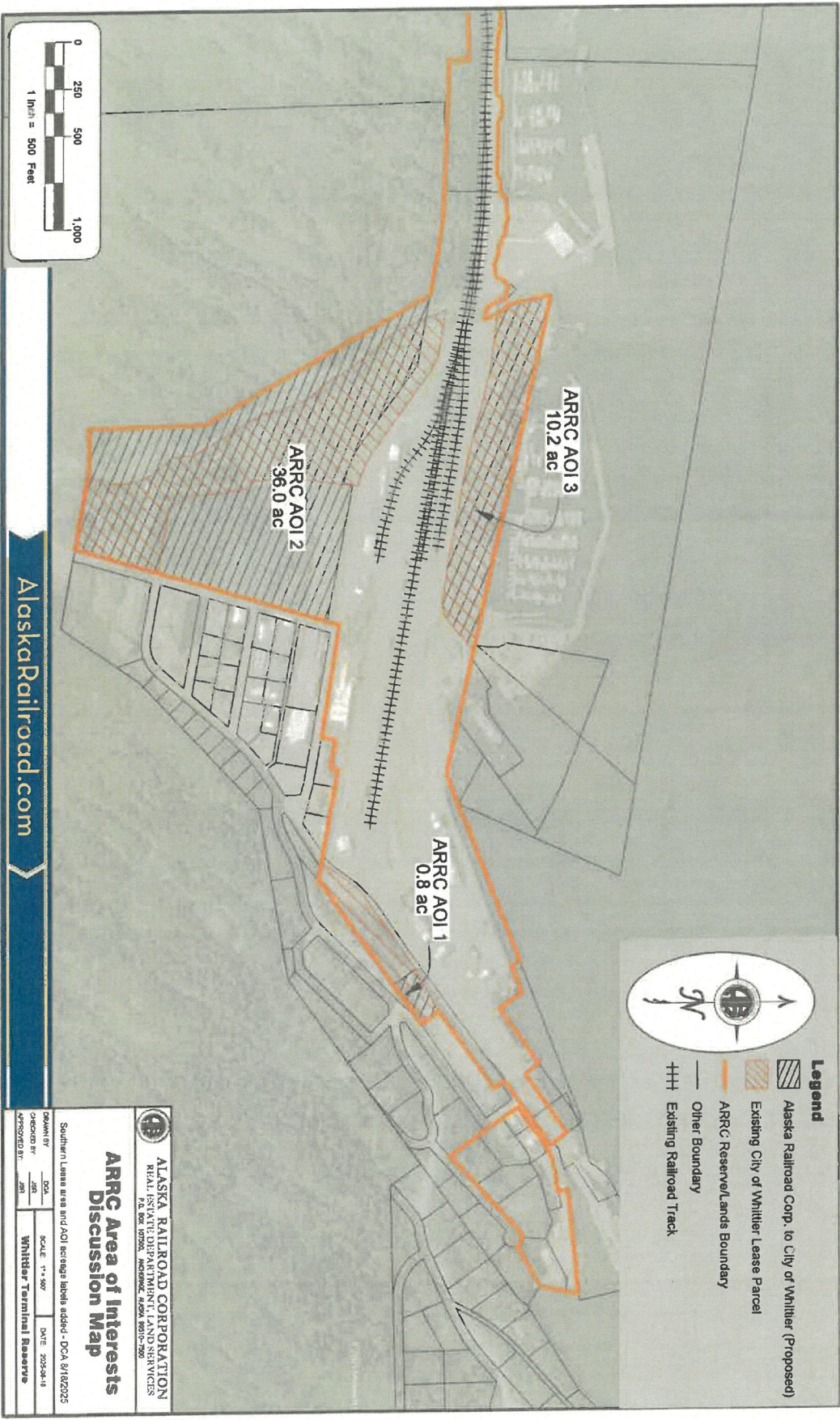
It is our belief and expectation that this proposal represents a mutual benefit to both COW and ARRC. We look forward to your consideration and confirmation of these terms by a written response to this proposal within the longer of (i) 60 days after the date of the proposal or (ii) 15 days after the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



AlaskaRailroad.com

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ALASKA RAILROAD CORPORATION
 REAL ESTATE DEPARTMENT, LAND SERVICES
 P.O. Box 07500, Anchorage, Alaska 99510-7500

ARRC Area of Interests Discussion Map

Southern Lease area and AOI acreage labels added - DCA 8/18/2025

DESIGNED BY	DCA	SCALE	1" = 400'	DATE	2024-01-18
CHECKED BY	JBN				
APPROVED BY	JBN	Whittier Terminal Reserve			

Legend

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

Agenda Statement

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



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

BACKGROUND, JUSTIFICATION, & INTENT:

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

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

CONSISTENCY CHECKLIST:

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

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

ATTORNEY REVIEW: Yes No Not Applicable

RECOMMENDATION: Administration recommends approval of Resolution 2025-043.

Sponsored by: Wilde

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

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

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

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

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

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

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

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

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

CITY OF WHITTIER, ALASKA
RESOLUTION 2025-___
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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.
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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.
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51 **Section 3.** This resolution shall be effective immediately upon adoption.
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53 **PASSED AND APPROVED** by a duly constituted quorum of the Whittier City Council
54 on this 18th day of November, 2025.
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58 _____
59 **Victor Shen**
Mayor

- 60 AYES:
61 NOES:
62 ABSENT:
63 ABSTAIN:
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66 **ATTEST:**
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69 _____
70 **Shelby Carlson**
71 Acting City Clerk

(City Seal)