

Agenda Statement

Meeting Date: December 16, 2025
To: City Council
From: Jackie C. Wilde, City Manager



Agenda Item: Approving a Conditional Letter of Intent Between the City of Whittier and the Alaska Railroad Corporation for the Purchase and Sale of Three Non-Contiguous Parcels Totaling Approximately 47 Acres, and Authorizing the City Manager to Execute the Conditional Letter of Intent and All Necessary Supporting Documents, Including Leases, Permits, and Related Transaction Documents, and to Negotiate a Final Purchase and Sale Agreement

BACKGROUND, JUSTIFICATION, & INTENT:

The City of Whittier has been working with the Alaska Railroad Corporation (ARRC) to clarify property ownership, secure long-term operational certainty, and support municipal development within the Whittier Terminal Reserve. These efforts span several years and are fundamental to harbor redevelopment, emergency response readiness, public access, and overall land-use stability. On September 23, 2025, ARRC issued a formal counterproposal outlining terms for 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 the Black-Smith, Bethard & Carson, LLC appraisal completed November 8, 2024. Together these parcels total approximately 47 acres and are central to municipal operations and future harbor and uplands development.

On December 8, 2025, ARRC transmitted a Conditional Letter of Intent (LOI) formalizing the framework for completing a purchase and sale agreement. The Conditional LOI establishes a 120-day exclusive negotiation period, during which the City may conduct due diligence, initiate survey and title work, verify appraisal data, and negotiate the final terms of a Purchase and Sale Agreement (PSA). The estimated acquisition value is \$4,893,321, subject to survey adjustments, with closing required on or before January 31, 2027, unless extended in writing.

The Conditional LOI also provides for the termination of the 1998 Ground Lease and Management Agreement (“Master Lease”) at closing. Termination of the Master Lease will extinguish certain municipal access and operational rights at the Head of the Bay, including those needed for harbor activity, utilities, road access, and emergency response. The City Council intends that these rights be preserved through recorded easements or binding leases that run with the land, rather than temporary or revocable permits, to ensure uninterrupted municipal operations and public access.

Administration has reviewed the counterproposal and the Conditional LOI and determined the overall structure to be fiscally responsible, aligned with legislative priorities, and consistent with the City's long-term economic development and harbor revitalization goals. Approval of the Conditional LOI authorizes the City Manager to begin due diligence and prepare a PSA for future Council consideration.

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: <i>Harbor Revitalization & Long-Range Land Use Planning</i>	<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 2025-049**, approving the Conditional Letter of Intent with the Alaska Railroad Corporation and authorizing the City Manager to execute the Conditional LOI and all necessary supporting documents, including leases, permits, and related transaction documents, and to negotiate a final Purchase and Sale Agreement.