

ALASKA RAILROAD

BOARD OF DIRECTORS SPECIAL Board Meeting

Monday, March 14, 2022
Commencing at 9:00 a.m.

Join Virtual Zoom Meeting Room

<https://us02web.zoom.us/j/85111590188?pwd=RHpvTkR0aWhMUzdCUFdFakdic01mdz09>

Meeting ID: 851 1159 0188

Passcode: 183743



Dial-In by your nearest location to join by audio only

- +1 346 248 7799 US (Houston)
- +1 669 900 6833 US (San Jose)
- +1 253 215 8782 US (Tacoma)
- +1 312 626 6799 US (Chicago)
- +1 929 205 6099 US (New York)
- +1 301 715 8592 US (Washington DC)

ALASKA RAILROAD CORPORATION
BOARD OF DIRECTORS

SPECIAL BOARD MEETING
[Zoom Virtual Conference Room](#), Anchorage, Alaska

Join Zoom Meeting
<https://us02web.zoom.us/j/85111590188?pwd=RHpvTkR0aWhMUzdCUFdFakdic01mdz09>
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AGENDA

Monday, March 14, 2022 - 9:00 a.m. – 11:00 a.m.

I. CALL TO ORDER

This special meeting has been called for the purpose of considering and, if deemed appropriate, approving a ground lease to the City of Whittier for land to be used in the development of a cruise terminal port at the head of the bay in Whittier, Alaska. A portion of this meeting may be held in Executive Session, if necessary and deemed appropriate.

II. ESTABLISHMENT OF QUORUM

III. ADOPTION OF AGENDA

IV. CONFLICT OF INTEREST DISCLOSURES

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

VI. BUSINESS (a portion may be held in Executive Session)

1. [Action Item](#): Consideration and, if deemed appropriate, approval of a ground lease to the [City of Whittier for land to be used](#) in the development of a cruise terminal port at the head of the bay in Whittier, Alaska.

**VII. DIRECTOR/CEO/STAFF COMMENTS/OPPORTUNITY FOR PUBLIC COMMENT
(For Agenda Items Only)**

VIII. ADJOURNMENT

**20753 - City of Whittier HOB Ground Lease - Board
Summary_REVISIED FINAL_3-10-2022**

LEASE SUMMARY

LESSEE: City of Whittier

CONTRACT NO: 20753

LEASE DESCRIPTION: The subject parcel is located within a portion of the Alaska Railroad Whittier Reserve known as the Head of the Bay with a total area measuring approximately 20 acres, more or less. Said parcel being a portion of US Survey 9008, Lot 1, in East ½ Section 15, Township 8 North, Range 4 East of the Seward Meridian.

KEY CONTRACT PROVISIONS:

Estimated Effective Date: April 1, 2022

Lease Term: Thirty-Five (35) Years with option by either party to terminate for non-development of the project.

Option to Extend: Two options to extend, each for a period of Twenty-Five (25) years. Total potential lease term of Eighty-Five (85) years.

Lease Area: Portion of US Survey 9008, Lot 1, in East ½ Section 15, Township 8 North, Range 4 East of the Seward Meridian of approximately 20 acres.

Prepaid Rent for Initial Term: Approximately \$350,000 lump sum prepayment (final prepayment amount TBD upon final determination of leased premises area).

Prior Annual Rent: N/A (currently a portion of the proposed leased premises is permitted for material extraction by a third party)

Rental Rate: 8%

Extended Term Rent Adjustment: Upon exercise of each option period, annual rent will be determined based on 8% of fair market value established by appraisal. Lessee will have option to prepay rent for each entire 25-year extension period in the same manner as for the initial term when options are exercised or may pay annually, with choice to be made at the beginning of each option period.

PUBLIC NOTICE: Yes, public comment period expires March 14, 2022.

LEGAL REVIEW: Yes

INTENDED USE: Cruise Ship Facilities and related infrastructure and improvements

SUMMARY AND RECOMMENDATIONS: The City of Whittier has requested a new lease of approximately 20 acres within the ARRC Whittier Reserve to develop a cruise ship terminal and related facilities. The City may partner with third parties for development or a portion or all of the leased premises may be sublet in accordance with the City of Whittier Comprehensive Plan and

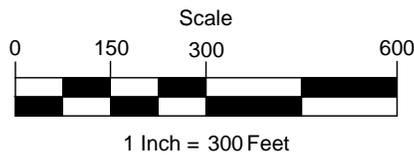
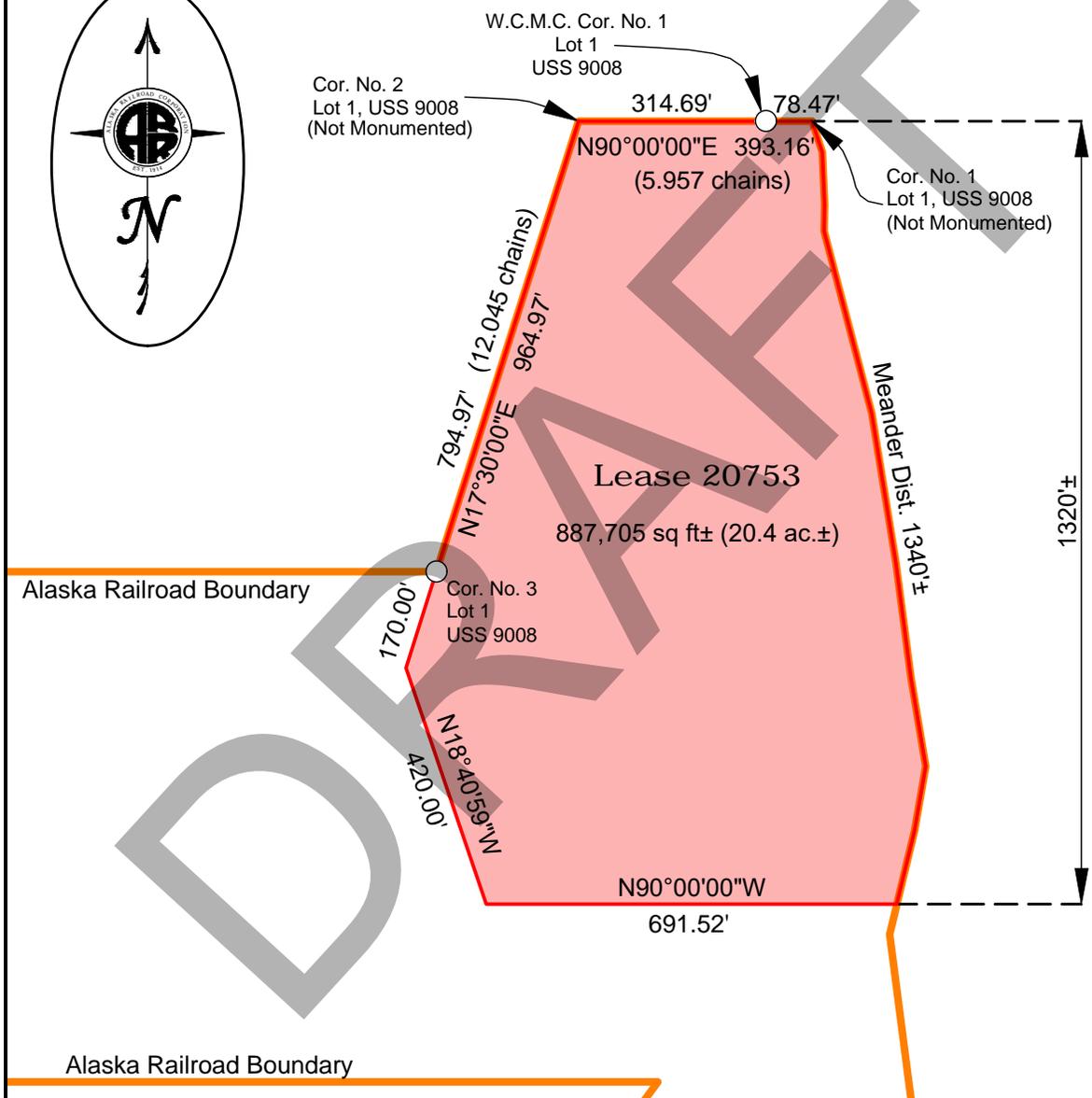
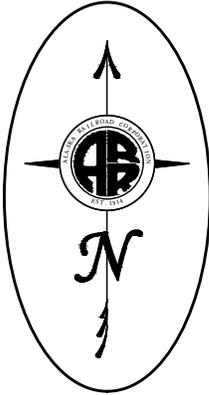
Cruise Ship Port Development Plan. Representatives of the City have agreed to the proposed lease terms described above and will be submitting the proposed terms to the Whittier City Council for approval on March 15, 2022, subsequent to the ARRC Board of Directors' consideration and proposed action at its special meeting scheduled for March 14, 2022. A portion of the proposed 20-acre leased premises is currently occupied by a third party as authorized by ARRC to conduct material extraction. The City is aware that execution of the proposed lease requires an agreement between ARRC, the City and the current occupant with respect to the occupant's rights associated with part of the leased premises. The parties and the current occupant are working together to seek a mutually agreeable solution.

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

Jennifer Mergens
ARRC Board Secretary

DRAFT

ALASKA RAILROAD



The bearings and distances of this exhibit are based on U.S. Survey 9008.

For indexing purposes this property is located in the E1/2 Sec. 15 T8N, R4E, S.M.

 ALASKA RAILROAD CORPORATION REAL ESTATE DEPARTMENT, LAND SERVICES P.O. BOX 107500, ANCHORAGE, ALASKA 99510-7500		
Contract No. 20753 - Exhibit A City of Whittier Area = 887,705 sq ft± (20.4 ac±)		
ARRC title - Patent 50-2005-0045 - USS 9008, Lot 1		
DRAWN BY: <u>AMB</u>	SCALE: 1" = 300'	DATE: 2022-03-09
CHECKED BY: <u>DCA</u>	Whittier Terminal Reserve	
APPROVED BY: <u>AMB</u>	R:\00 RED\LEASES\WHI\20753-L.dwg	