



## **City of Whittier Council Public Work Session on Land Acquisition**

*July 9, 2024, 6-9 pm, Council Chambers*

### **Work Session Summary**

On July 9, 2024, at 6:00 pm Winfluence Strategies facilitated a Whittier City Council public work session on possible properties for land acquisition from the Alaska Railroad Corporation (ARRC), and properties for exchange. All Councilors, key City Administration officials, Christy Terry (V.P. of Real Estate for ARRC), and approximately ten other community members attended the meeting.

Winfluence led a brief discussion outlining a possible land acquisition and exchange process and proposed timeline from the present date to bill drafting and a January 2024 introduction of legislation in the 34th Alaska Legislature.

Councilors agreed the City of Whittier is land-starved, and presently there exists an opportunity to work collaboratively with the Alaska Railroad Corporation and the Governor's office to terminate the ARRC Master Lease, purchase Railroad lands, and consider land exchange possibilities to enable the City to meet present and future growth and operational needs.

A facilitated Councilor discussion identified consensus on specific ARRC lands to pursue for City ownership, and City lands to consider for possible exchange. Consensus was determined via a "five-finger test" by Councilors, with 5 fingers indicating Strong Agreement, and 1 finger indicating Strong Disagreement. For purposes of this report, *Unanimous* means all members of the Council displayed 5 fingers, or Strong Agreement.

### **ARRC Lands To the City of Whittier**

#### **ARRC AOI 1 – Sportsmen's Lounge property**

Council was unanimous in agreement to pursue ownership of this property from ARRC.

This 0.08-acre parcel is the site of the Sportsmen's Lounge.

#### **ARRC AOI 2 – Water Wells, Campground, City Park, Pay Park Area**

Council was unanimous in agreement to pursue ownership of this property from ARRC.

The City currently leases 18 acres of this 39-acre parcel. It is roughly triangular, bounded to the north by the Alaska Railroad Freight Yard, to the south by Chugach National Park, to the east by Glacier Avenue, and to the west by Whittier Creek. It encompasses the City wells, City Park, City Campground, and pay parking areas. City ownership of these lands provides buildable space for more housing, with road access and utilities on site. Once the current pay-park sublease expires, the City can retain revenues for parking on this parcel.

#### **ARRC AOI 4 – Head of Bay - Airstrip, Easement & Waterfront**

Council was unanimous in agreement to pursue ownership of this property from ARRC.

This 21.94-acre parcel at the southwest corner of the Head of the Bay encompasses the airstrip and abuts a dedicated easement on its North side leading from the Tank Farm parcel to the waterfront. City ownership of this parcel will bring commercial and recreational land use options and control of waterfront development for a large portion of the Head of the Bay.

#### **ARRC AOI 5 – Head of Bay – Campground & Beach**

Council was unanimous in agreement to pursue ownership of this property from ARRC.

This 16.27-acre parcel at the Head of the Bay encompasses a 3.82-acre City lease for a campground. This property was identified as the land most used for recreation by residents.

#### **ARRC AOI 3 – The Harbor Uplands**

Council had a strong consensus to pursue ownership of this property from ARRC.

The City currently leases this 9.78-acre entire parcel from ARRC. It encompasses the property south of the City's Small Boat Harbor and north of the Alaska Railroad Freight Yard. This includes all vendor businesses/lessees and lands along Harbor View Drive and Harbor Loop Road and the pay parking areas for the Small Boat Harbor.

#### **City of Whittier Lands for Possible Exchange**

##### **COW AOI 1 – The Uplands near Whittier Manor above Blackstone Road**

Council consensus tipped toward retaining this 6.13-acre parcel of land, displaying an average five-finger test score of 3.5.

Council comments of concern about including this piece in a land exchange focused on a lack of certainty about how ARRC would develop/use the property, and if developed, where the fill material would be deposited.

##### **COW AOI 2 – Tidal Lands adjacent to the former ARRC Marginal Wharf area**

Council was unanimous to retain this 2.70-acre parcel of tidal lands.

Council expressed concern about giving up control of tidal lands along the City's waterfront area. Council comments of concern about including this piece in a land exchange focused on a lack of certainty about how ARRC would develop/use the tidal lands.

Acting City Manager Wilde asked the Council to be open to negotiating this piece if it could be shown not to inhibit City potential for development/use and if the parcel had a high enough value to ARRC that it would significantly facilitate City land acquisition.

### **COW AOI 3 – Tank Farm**

Council was overall neutral (3.0 consensus score) on whether or not to include this parcel in a land exchange with ARRC.

This 56.3-acre parcel is formerly a Defense Fuels Supply Point at the Head of the Bay, south of the rock quarry. In August 2019 the City purchased the Tank Farm for \$228,800.00 after it reached an agreement with the Army Corps of Engineers allowing the City to acquire the property.

Council member views of this parcel ranged from a strong desire to allow it to be part of a land exchange with ARRC, to retaining the parcel for the City's future use for additional parking and vendors. Council comments centered on the desire to better understand the present contamination of the site and possible uses for the land (remediated or not).

City Administration is currently pursuing an update from DEC to get answers to these questions.

### **COW AOI 4 – Possible Utility Access**

Council consensus tipped toward allowing this parcel to be considered as part of a land exchange with ARRC. Council noted this land is in an avalanche zone and would be very difficult to develop.

This 14.2-acre parcel provides a possible route for Huna Totem Whittier Terminal utility access from the tank farm parcel, around the west end of the rock quarry. Beginning at the southwest corner of the rock quarry, the parcel runs north for approximately 1,100 feet along the west edge of the rock quarry, then east for approximately 1,700 feet to the Huna Totem Whittier Terminal sublease from the City.

### **Other Properties of Interest to the City of Whittier**

Council members discussed three other properties of interest, they included the Whittier Seafoods property, the Huna Totem Lease parcel at the Head of the Bay, and the Tidepool lease.

#### **Whittier Seafoods Property**

Council consensus was to purchase this property from ARRC as the parcel was considered good for local business and economic development, and it was believed to be non-essential Railroad land. Some Council members expressed a concern that this would not be a piece the ARRC would consider selling or exchanging with the City.

In a follow-up discussion between the City Administration and ARRC on Wednesday, July 10, 2024, ARRC stated they would not consider giving up the Whittier Seafoods property as part of a land exchange with the City.

#### **Huna Totem Lease (L20753) at Head of the Bay**

Council consensus was to purchase this 20.4-acre parcel from ARRC, which is currently leased by the City and subleased to Huna Totem Corporation for their Whittier Terminal. Council comments centered on the desire for the City to possess all waterfront property at the Head of the Bay, and a direct relationship with Huna Totem without complication of a sublease. Some Council members expressed a concern that

the City had already committed financially to a lease with ARRC and that it may be difficult to terminate it.

In a follow-up discussion between the City Administration and ARRC on Wednesday, July 10, 2024, ARRC stated they would not consider giving up the Huna Totem Lease parcel as part of a land exchange with the City.

### **Tidepool parcel**

Council was mostly ambivalent about the purchase of this 3.09-acre parcel which currently serves to meet the water and wastewater needs of the City. Administration spoke to this parcel and stated it was not necessary or ideal for the City to own this property.

### **Public Comments**

Public Comments were very supportive of the Council's direction, discussion, and prioritization of lands to acquire for the City. All public comments agreed the Master Lease is a failed experiment, and community members were appreciative of recent ARRC efforts to improve the City's position and pursue a more healthy, balanced relationship with the City.

Other community member comments included but were not limited to, a concern about losing access to and control of Depot Road, a desire to retain the Uplands piece near Whittier Manor, a concern about possible creosote contamination on the ARRC AOI 2 parcel, a desire to keep the Head of the Bay in City hands, and uncertainty about selling the COW AOI 4 parcel behind the Huna Totem lease at the Head of the Bay.

City Administration did confirm that the original creosote contamination of the ARRC AOI 2 parcel had been remediated and was no longer a concern for the City.

*Respectfully Submitted by*



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