



City and Borough of Wrangell
WS & Special Borough Assembly Meeting
AGENDA



NIXLE Registration

Thursday, August 21, 2025
WS at 5:30 PM | Special Meeting to immediately follow

Location: Borough Assembly Chambers

Assembly Meetings are now livestreamed through Zoom Webinar. You can join from your device with the information below:

Link: <https://us02web.zoom.us/j/82198672624?pwd=nQmF3oaRoa5WHYzHCFMvEivvbaFMIS.1>
Passcode: 99929



Or to join via audio by dialing: (253) 215-8782 or (253) 205-0468
Webinar (meeting) ID: 821 9867 2624 | Passcode: 99929

WORK SESSION (starting at 5:30pm – Special Assembly meeting to immediately follow WS)

a. Barge Lines MOU - Discussion

1. CALL TO ORDER
2. PERSONS TO BE HEARD
3. AMENDMENTS TO THE AGENDA
4. CONFLICT OF INTEREST
5. NEW BUSINESS

a. Approval of a MOU between Alaska Marine Lines & CBW

b. Approval of a MOU between American Cruise Lines & CBW

c. Approval of a MOU between Greensparc (Data Center) & CBW

6. ADJOURNMENT

MEMORANDUM OF UNDERSTANDING
BETWEEN
THE CITY AND BOROUGH OF WRANGELL
 A Municipal Corporation and Unified Home Rule Borough of the State of Alaska
AND
ALASKA MARINE LINES, INC.
 An Alaska Corporation

I. PREAMBLE

This Memorandum of Understanding (“MOU”) is entered into this ____ day of _____, 2025, by and between the City and Borough of Wrangell, Alaska (“CBW”), a municipal corporation organized under the laws of the State of Alaska, whose address is P.O. Box 531, Wrangell, Alaska 99929, and Alaska Marine Lines, Inc. (“AML”), a Washington corporation, whose principal office is located at 5615 W. Marginal Way SW, Seattle, Washington 98106. CBW and AML may hereinafter be referred to individually as a “Party” and collectively as the “Parties.”

II. RECITALS

WHEREAS, CBW owns the approximately 40-acre 6-Mile Mill Site south of Wrangell’s downtown waterfront (“6-Mile Mill site”), a property featuring deep-water access suitable for industrial and marine development; and

WHEREAS, the existing downtown barge landing and freight facility, which has long served as the primary freight access point for Wrangell, has reached the end of its useful service life, creating safety and capacity concerns and leading to its decommissioning in 2025; and

WHEREAS, relocation of barge operations to the 6-Mile site will remove industrial freight activity from downtown Wrangell, enabling redevelopment of the CBW waterfront for other community and economic uses while ensuring continuity of critical freight service; and

WHEREAS, AML is a provider of marine freight services to Wrangell and requires a modern barge landing and freight facility to continue serving the community safely, reliably, and cost-effectively; and

WHEREAS, CBW has secured \$421,000 in federal Port Infrastructure Development Program (PIDP) funding to support site planning and intends to pursue additional state and federal funding to assist in either the relocation of barge operations to the 6-Mile Mill site and/or further site improvements in the long-term (“Project”); and

WHEREAS, the Parties mutually recognize that a collaborative “public-private partnership” combining CBW’s access to public funding and regulatory authority with AML’s private investment potential and operational expertise provides the most viable path toward Project implementation and sustainable long-term operations; and

WHEREAS, the ultimate goal of this “public-private partnership” is to achieve a definitive agreement that enables construction of a new barge landing and freight facility at the 6-Mile site under an ownership and operating structure that:

- (1) Protects the public interest and represents the CBW’s priorities;
- (2) Ensures dependable, safe, and cost-effective freight service for Wrangell; and
- (3) Provides a reasonable return on investment for AML;

NOW, THEREFORE, in consideration of the mutual promises set forth herein, the Parties agree as follows:

III. PURPOSE AND INTENT

A. Purpose:

The purpose of this non-binding MOU is to memorialize the Parties’ intent to work collaboratively toward the planning, design, and development of a new barge landing and freight facility at the 6-Mile Mill Site. The Project will be developed in a manner that prioritizes reliable and cost-effective freight service for the people and businesses of Wrangell, ensures long-term safety, and enhances community economic growth and supports AML’s long range business strategies for growth and viability.

B. Intent:

This MOU provides a general framework for cooperation, including Project governance, conceptual planning, cost evaluation, and identification of an ownership and financing structure. It is expressly understood that any binding commitments, including but not limited to construction, financing, or operation of the new barge landing and freight facility shall be set forth in one or more future definitive agreements approved by both Parties.

IV. ROLES AND RESPONSIBILITIES

A. Mutual Responsibilities:

- (1) Project Governance and Coordination: The Parties shall establish a joint coordination process, including designated representatives and regular meetings, to ensure timely decision-making, accountability, and effective communication throughout the planning process.
- (2) Concept Development and Cost Analysis: The Parties shall collaboratively pursue, review, and evaluate preliminary engineering concepts, design alternatives, and associated cost estimates for the new barge landing and freight facility. These evaluations shall determine feasibility, scope, and scalable development options.
- (3) Ownership and Financial Structure Development: Based on conceptual designs and cost analyses, the Parties shall jointly identify and evaluate potential structures (such as a development agreement, ground lease, or other arrangement) and prepare a preliminary financing plan, integrating public grants and private capital contributions.

- (4) Path to Definitive Agreement: The ultimate objective of this collaboration is to use reasonable efforts to negotiate and execute a binding definitive agreement(s) on or before December 31, 2025, that enables construction of the new barge landing and freight facility in 2026 and implements an ownership and operating structure that:
- i. Serves the CBW 's public interest and community priorities;
 - ii. Ensures reliable, affordable, and efficient freight service for Wrangell; and
 - iii. Provides AML with a reasonable return on investment and operational stability.
- (5) Stakeholder Engagement and Communication: The Parties shall jointly participate in stakeholder outreach, community engagement, and public communications to ensure transparency and maintain community support throughout the planning and decision-making process.
- (6) Project Schedule. The Parties acknowledge and agree that the timely completion of the Project is in the best interests of all Parties hereto and that the Parties shall diligently negotiate in good faith to facilitate the design, development and construction of the Project in accordance with the preliminary Project Schedule attached hereto. The Project Schedule represents the Parties' presently contemplated critical path schedule for the completion of the Project. The Parties understand and acknowledge that failure to meet the Project Schedule will have adverse financial impacts to the Project and the Parties. The foregoing notwithstanding, the Parties acknowledge and agree that the Project Schedule shall be amended by agreement of the Parties from time to time during the course of obtaining the entitlements for the Project and achieving various Project milestones.
- (7) Active Participation in the Industry Transformation Path Coalition: The Parties acknowledge that the Project is one of several large-scale, coordinated initiatives intended to form an "Industry Transformation Path" portfolio under the U.S. Economic Development Administration's (EDA) Disaster Supplemental Grant Program. The Parties agree to actively participate in the overarching regional coalition organized by CBW for the purposes of planning, implementing, and sustaining the targeted industry transformation strategy. This participation includes, but is not limited to:
- i. contributing technical expertise, operational input, and strategic guidance relevant to the Project;
 - ii. engaging in regular coalition meetings, governance activities, and collaborative planning sessions;
 - iii. providing investment and/or policy commitments, as mutually agreed, to help leverage EDA funding and catalyze additional public and private investment;
 - iv. supporting workforce development, job creation, and innovation consistent with the coalition's overarching industry growth strategy; and
 - v. maintaining cooperation and alignment with coalition goals during the grant period and beyond, to help ensure long-term sustainability of the industry transformation and regional economic resilience.

B. Responsibilities of CBW:

- (1) Property Interests and Access: CBW shall make available sufficient property interests within the 6-Mile Mill Site to allow planning and evaluation of the proposed Project. The Parties acknowledge that the ultimate disposition of property—whether by long-term lease, sale, easement, or other arrangement—has not been determined. AML will identify its operational land requirements as part of the planning process, and the Parties will use reasonable efforts to negotiate a mutually agreed upon form and terms of property use or transfer in a definitive agreement(s), subject to Assembly approval, AML approval, and compliance with all applicable laws.
- (2) Permitting and Regulatory Approvals: CBW will lead efforts to secure local, state, and federal regulatory approvals and permits necessary for site development, initial feasibility and pre-development work.
- (3) Funding and Incentives: CBW will actively pursue additional state and federal funding opportunities, including grants and appropriations, to reduce overall Project cost. CBW will consider reasonable economic development incentives, consistent with applicable law and Assembly authorization, to support AML’s investment.
- (4) Community Engagement: CBW will coordinate public engagement to ensure the project reflects community priorities and complies with all applicable public notice and approval requirements.
- (5) Utility Infrastructure Planning: CBW will work toward a plan to establish the utility infrastructure required for the facility, including water, sewer, storm drainage, and electric service, and will coordinate with AML on design requirements for those utilities to support operational needs.

C. Responsibilities of AML:

- (1) Operational Specifications and Technical Input: AML will define operational specifications and technical requirements for the new barge landing and freight facility, ensuring the design supports AML’s freight operations.
- (2) Participation in Design and Cost Analysis: AML will actively participate in conceptual design and cost evaluation activities in collaboration with CBW and its consultants.
- (3) Investment Exploration: AML will explore opportunities for private capital investment and/or direct construction of key facility components, subject to mutually agreed terms in a definitive agreement(s).
- (4) Commitment to Facility Use: AML agrees to relocate freight operations to the new 6-Mile Mill facility upon successful completion and execution of a definitive agreement(s) and construction of required temporary or permanent facilities.

- (5) Maintenance Obligation: The Parties acknowledge that responsibility for ongoing maintenance has not yet been determined; this issue will be resolved in the definitive agreement(s), ensuring a fair and practical allocation of duties that balances public benefit and operational efficiency.

V. FUTURE AGREEMENTS

The Parties anticipate entering into one or more definitive agreements that will govern final project development and implementation. Such agreements will address, at minimum:

- (A) Final design standards and construction responsibilities;
- (B) Allocation of financial contributions, grant administration, and risk management;
- (C) Ownership structure for land and improvements;
- (D) Operational rights and responsibilities, including maintenance obligations; and
- (E) Term, revenue structure, and provisions to ensure community benefit and AML's return on investment.

VI. GENERAL TERMS

- (A) Non-Binding Effect: This MOU expresses the Parties' mutual intent and does not create enforceable obligations except as expressly provided herein.
- (B) Exclusivity: During the term of this MOU, the Parties shall negotiate exclusively with each other regarding development of a new barge landing and freight facility at the 6-Mile Mill site.
- (C) Confidentiality: The Parties shall protect proprietary and confidential information consistent with applicable law.
- (D) Term and Termination: This MOU shall remain in effect from the Effective Date through December 31, 2025, unless extended or terminated earlier by mutual consent or by either Party upon thirty (30) days' prior written notice. The Parties further agree that if, despite their good faith efforts, they are unable to reach a mutually acceptable definitive agreement(s), this non-binding MOU may be terminated by either Party upon written notice to the other.
- (E) Governing Law: This MOU shall be governed by and construed under the laws of the State of Alaska.
- (F) Non-Binding: This MOU, is non-binding and imposes no obligations upon or grants any rights, preferential interests or value in and to the Parties hereto. No such obligations, rights, interests or value shall accrue to any Party until the execution of a binding definitive agreement(s) and upon appropriations being made from time to time by the Assembly in support thereof. The purpose of this MOU is to set forth the respective intent of the Parties to advance the prompt design, development and construction of the Project. The Parties shall diligently and in good faith negotiate the terms of a definitive agreement(s). However, if in accordance with the

Project Schedule (or within a reasonable time thereafter), the Parties fail to reach agreement as to the terms of a definitive agreement(s), either party may terminate this MOU without recourse by and to the other, unless otherwise expressly stated herein. The foregoing notwithstanding, once any or all of the definitive agreements are fully executed by the Parties thereto, the terms of such agreements shall supersede and control over any contrary provisions of this non-binding MOU.

VII. SIGNATURES

CITY AND BOROUGH OF WRANGELL

By: _____

Name: Mason Villarma

Title: Borough Manager

Date: _____

ALASKA MARINE LINES, INC.

By: _____

Name: Don Reid

Title: President

Date: _____

CITY & BOROUGH OF WRANGELL, ALASKA BOROUGH ASSEMBLY AGENDA STATEMENT

| | | |
|---------------------------|---------------------------|-----------------|
| <u>AGENDA ITEM TITLE:</u> | <u>DATE:</u> | August 21, 2025 |
| | <u>Agenda Section</u> | 5 |

Approval of a Memorandum of Understanding between Alaska Marine Lines & the City and Borough of Wrangell

SUBMITTED BY:

Mason Villarma, Borough Manager

FISCAL NOTE:

Expenditure Required:

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| FY 24: \$ | FY 25: | FY26: |
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Reviews/Approvals/Recommendations

| | |
|--------------------------|--------------------------------|
| <input type="checkbox"/> | Commission, Board or Committee |
| Name(s) | Dated |
| Name(s) | |
| <input type="checkbox"/> | Attorney |
| <input type="checkbox"/> | Insurance |

ATTACHMENTS: 1. Proposed MOU

RECOMMENDATION MOTION:

Move to approve a Memorandum of Understanding between Alaska Marine Lines & the City and Borough of Wrangell.

SUMMARY STATEMENT:

Background and Purpose

The proposed Memorandum of Understanding (MOU) between the City and Borough of Wrangell (CBW) and Alaska Marine Lines, Inc. (AML) represents a major step toward resolving Wrangell's long-term freight and barge landing challenges. The Borough's downtown barge ramp has reached the end of its useful service life, requiring decommissioning in 2025. This creates an urgent need to establish a modern, reliable, and safe replacement facility to ensure continuity of freight services that are vital to Wrangell's economy and residents.

In evaluating options, CBW, AML, and Samson Tug & Barge pursued cost estimates for a closer downtown alternative, whereby the old mill dock adjacent to the Marine Service Center would be demolished, sheet-piled, and filled to create space for a new barge ramp. The cost estimate for demolition and fill alone exceeded \$20 million. This figure did not include the cost of constructing a new ramp, necessary utility and support infrastructure, or reconfiguring downtown roadways to accommodate oversized freight. Given its scale, this alternative was far beyond the Borough's financial capacity and would not generate a positive return on investment for either freight operator.

As a result, the Borough and AML have determined that the 6-Mile Mill Site is the most practical and financially sustainable option for relocation. Samson Tug & Barge was engaged by the Borough and AML in this process. The site offers deepwater access, ample acreage for industrial use, and the opportunity to separate freight activity from Wrangell's downtown, enabling future redevelopment of the waterfront for marine service center expansion, tourism, commercial, and community uses.

The MOU memorializes CBW's and AML's intent to collaborate on planning, design, and financing of a new barge landing and freight facility at the 6-Mile Mill Site, securing Wrangell's freight future while aligning with long-standing community planning priorities.

Why this Site and this Partnership

The decision to pursue the 6-Mile Mill Site reflects both years of community planning and a rigorous evaluation of alternatives. The downtown mill dock option described above proved financially infeasible, while the mill property provides a scalable, long-term solution consistent with community goals.

The site choice is the culmination of several decades of community-driven planning:

- **2010 Comprehensive Plan:** Identified the need to address freight conflicts on the downtown waterfront and encouraged industrial activities to be located outside the core:

"The location of the downtown barge landing is convenient for quick transport of goods to local businesses; in fact, forklifts carrying palletized goods sometimes travel right down Front Street or alleys to deliver goods. On the other hand, it is adjacent to Wrangell's major waterfront hotel and in a part of the downtown waterfront more oriented toward water-related tourism and enjoyment activities with a lot of pedestrian traffic. Relocation to a suitable waterfront location that was not in the middle of town would reduce congestion and help transition this part of the

waterfront, between the City Dock/Cruise Ship Dock and the Nolan Center, to a less industrial nature. In the 2009 Community Opinion Survey, residents were asked about their level of support for potential new barge landing locations. The 6-Mile sawmill site was supported or strongly supported by 66 percent of respondents [28 percent opposed], while a potential site on Spur Road, on the waterfront past the golf course, was supported by 56 percent of respondents. The advantages of the site at 6-Mile are that it is more centrally located in terms of shipping throughout the region and that it is a location protected from the wind. On the other hand, moving the operation would be expensive, and the additional distance from downtown would add to the overall cost of shipping in the community.

A future move of the barge landing out of the downtown would open up some space along the downtown waterfront at a key location between the City Dock/Cruise Ship Dock and the Nolan Center. This space could be used to expand visitor-related opportunities, marine services, and provide a southwest-facing public waterfront park” (Wrangell Comprehensive Plan Pg. 84).

- **2015 Waterfront Master Plan:** Recommended relocation of freight and barge operations to allow the downtown waterfront to focus on marine service, tourism, and public access.

“For nearly four decades, the community of Wrangell has been discussing moving its freight operations away from the downtown waterfront. While Wrangell residents are strong supporters of their local barge services and Wrangell’s Freight Yard Heritage Waterfront Building operators, there is nearly unanimous and pointed agreement among officials and residents that participated in the waterfront master planning process that it is not the best use of prime waterfront real estate in the heart of the downtown. For this reason, the final phase of the project recognizes this sentiment and relocates the barge operations to a more appropriate location, thus freeing up this significant City owned property to be repurposed as Gateway Park” (Wrangell Waterfront Master Plan Pg.19).

- **2022 6-Mile Zimovia Deep Water Industrial Site.** The December 14, 2022, public forum engaged more than 40 Wrangell residents in a structured planning session focused on redevelopment of the former mill property. Participants consistently identified the site’s deep-water access, large acreage, and separation from the downtown core as key strengths supporting industrial use. Across all working groups, there was clear consensus that relocating barge service and freight operations to the mill site should be a central component of future development. The relocation was repeatedly tied to broader objectives including expansion of the marine service sector, industrial diversification, and removal of heavy freight traffic and industrial activity from Wrangell’s downtown waterfront. Participants outlined essential infrastructure needs to support this transition, such as utilities, bulkhead improvements, barge ramps, and site access. The forum’s outcomes reflect broad community alignment around using the mill property as a strategic solution for modernizing and consolidating Wrangell’s freight and barge operations.
- **2024 Community Survey and Stakeholder Engagement:** Taken together, the 116-person survey and the 40+ participant public forum reveal a strong and consistent community sentiment in favor of moving barge service and freight operations to the Six Mile Mill

property. With 76 respondents selecting freight and shipping as the top desired use and every small group in the forum recommending barge relocation as part of their vision, the evidence is clear: Wrangell residents widely support this transition. Their rationale blends economic development, safety, and quality of life — relocating freight activity from the downtown waterfront to a site specifically suited for industrial and maritime operations. These engagements provide a robust foundation for moving forward with planning, funding, and implementation of this community-supported priority.

Why AML and not Samson Tug & Barge

Both AML and Samson Tug & Barge are important freight carriers serving Wrangell. However, AML has expressed readiness and willingness to enter into a public-private partnership with the Borough for development of a new facility at the 6-Mile Mill Site. Samson has been invited to these discussions including evaluation of the downtown alternative but has not committed to a joint development arrangement. Execution of this MOU does not preclude future collaboration with Samson or other freight providers; rather, it ensures that at least one freight operator is positioned to move forward with CBW on the necessary site development.

What this Accomplishes

This MOU is non-binding, but it achieves several important objectives:

- Establishes a framework for cooperation between CBW and AML on governance, planning, cost evaluation, and financing.
- Positions CBW to leverage federal and state grant funding (including \$421,000 already secured through the Port Infrastructure Development Program) alongside AML's potential investment.
- Creates a clear path toward a definitive agreement in 2025 that would enable construction of a new freight facility in 2026.
- Aligns Wrangell with the EDA Disaster Supplemental Grant "Industry Transformation Path" Coalition, where the barge facility project is identified as one of several regional infrastructure initiatives designed to strengthen long-term economic resilience. Wrangell's participation in this coalition ensures that the project is not viewed in isolation but as part of a broader strategy to diversify the regional economy, attract outside investment, and improve supply chain reliability across Southeast Alaska.
- Advances the broader community vision of moving industrial freight out of downtown, aligning with multiple planning documents and long-standing community priorities.

Recommendation

It is recommended that the Assembly approve the Memorandum of Understanding with Alaska Marine Lines, Inc. Doing so positions Wrangell to address its most pressing freight infrastructure challenge, secures a partner ready to invest alongside public funding, and advances decades of planning and public input that consistently support freight relocation to the 6-Mile Mill Site.

MEMORANDUM OF UNDERSTANDING
BETWEEN
THE CITY AND BOROUGH OF WRANGELL
 A Municipal Corporation and Unified Home Rule Borough of the State of Alaska
AND
ALASKA MARINE LINES, INC.
 An Alaska Corporation

I. PREAMBLE

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II. RECITALS

WHEREAS, CBW owns the approximately 40-acre 6-Mile Mill Site south of Wrangell’s downtown waterfront (“6-Mile Mill site”), a property featuring deep-water access suitable for industrial and marine development; and

WHEREAS, the existing downtown barge landing and freight facility, which has long served as the primary freight access point for Wrangell, has reached the end of its useful service life, creating safety and capacity concerns and leading to its decommissioning in 2025; and

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WHEREAS, the Parties mutually recognize that a collaborative “public-private partnership” combining CBW’s access to public funding and regulatory authority with AML’s private investment potential and operational expertise provides the most viable path toward Project implementation and sustainable long-term operations; and

WHEREAS, the ultimate goal of this “public-private partnership” is to achieve a definitive agreement that enables construction of a new barge landing and freight facility at the 6-Mile site under an ownership and operating structure that:

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C. Responsibilities of AML:

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The Parties anticipate entering into one or more definitive agreements that will govern final project development and implementation. Such agreements will address, at minimum:

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- (C) Ownership structure for land and improvements;
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Project Schedule (or within a reasonable time thereafter), the Parties fail to reach agreement as to the terms of a definitive agreement(s), either party may terminate this MOU without recourse by and to the other, unless otherwise expressly stated herein. The foregoing notwithstanding, once any or all of the definitive agreements are fully executed by the Parties thereto, the terms of such agreements shall supersede and control over any contrary provisions of this non-binding MOU.

VII. SIGNATURES

CITY AND BOROUGH OF WRANGELL

By: _____

Name: Mason Villarma

Title: Borough Manager

Date: _____

ALASKA MARINE LINES, INC.

By: _____

Name: Don Reid

Title: President

Date: _____

CITY & BOROUGH OF WRANGELL, ALASKA BOROUGH ASSEMBLY AGENDA STATEMENT

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|---------------------------|---------------------------|-----------------|
| <u>AGENDA ITEM TITLE:</u> | <u>DATE:</u> | August 21, 2025 |
| | <u>Agenda Section</u> | 5 |

Approval of a Memorandum of Understanding between American Cruise Lines & the City and Borough of Wrangell

SUBMITTED BY:

Mason Villarma, Borough Manager

FISCAL NOTE:

Expenditure Required:

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|-----------|--------|-------|
| FY 24: \$ | FY 25: | FY26: |
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Reviews/Approvals/Recommendations

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|--------------------------|--------------------------------|
| <input type="checkbox"/> | Commission, Board or Committee |
| Name(s) | Dated |
| Name(s) | |
| <input type="checkbox"/> | Attorney |
| <input type="checkbox"/> | Insurance |

ATTACHMENTS: 1. Proposed MOU

RECOMMENDATION MOTION:

Move to approve a Memorandum of Understanding between American Cruise Lines & the City and Borough of Wrangell.

SUMMARY STATEMENT:

BACKGROUND:

The City and Borough of Wrangell (CBW) continues to prioritize strategic partnerships that align

with the community's values, infrastructure goals, and long-term economic resilience. American Cruise Lines, Inc. (ACL), a Delaware-based company and long-standing cruise operator in Alaska, has demonstrated a consistent and respectful presence in Wrangell and has proven to be a strong fit for the community's scale, expectations, and waterfront character.

To support ACL's continued operations and to ensure port infrastructure keeps pace with evolving operational needs, CBW and ACL have engaged in collaborative discussions regarding targeted improvements at the Port of Wrangell. These discussions have culminated in the proposed Memorandum of Understanding (MOU), which outlines the Parties' mutual intent to pursue planning, design, and financing for a cruise dock expansion project that supports ACL's operational needs while preserving Wrangell's community-led vision for its working waterfront.

The attached non-binding MOU sets forth a framework for further planning and coordination and establishes ACL as a coalition partner in CBW's Industry Transformation Path application to the U.S. Economic Development Administration (EDA) under the Disaster Supplemental Grant Program.

Key components of the MOU include:

- A shared commitment to concept development and cost evaluation, with each party contributing up to \$25,000 for preliminary design and cost analysis;
- Joint exploration of an ownership and financial structure that includes public investment and private contributions;
- ACL's commitment to continued use of Wrangell's expanded port facilities, consistent with current operations;
- Collaboration on community engagement efforts to ensure alignment with public values and transparency throughout the process;
- Integration of the project into the EDA coalition portfolio as a foundational component of Wrangell's long-term infrastructure and economic development strategy.

This MOU does not commit either party to specific construction, operational, or financial obligations. Any final lease terms, construction responsibilities, or revenue agreements will be subject to Assembly review and approval through future definitive agreements.

RECOMMENDATION:

Staff recommends that the Assembly approve the attached Memorandum of Understanding with American Cruise Lines, Inc., and authorize the Borough Manager to execute the agreement.

MEMORANDUM OF UNDERSTANDING
BETWEEN
THE CITY AND BOROUGH OF WRANGELL
A Municipal Corporation and Unified Home Rule Borough of the State of Alaska
AND
AMERICAN CRUISE LINES, INC.
A Delaware Corporation

I. PREAMBLE

This Memorandum of Understanding (“MOU”) is entered into this ____ day of _____, 2025, by and between the City and Borough of Wrangell, Alaska (“CBW”), a municipal corporation organized under the laws of the State of Alaska, whose address is P.O. Box 531, Wrangell, Alaska 99929, and American Cruise Lines, Inc. (“ACL”), a Delaware corporation, whose principal office is located at 741 Boston Post Road, Suite 200, Guilford, Connecticut 06437. CBW and ACL may hereinafter be referred to individually as a “Party” and collectively as the “Parties.”

II. RECITALS

WHEREAS, CBW owns and operates the Port of Wrangell, an essential maritime gateway for cruise ship operations, tourism, barge landings, the marine service center haul-out, and associated economic development activities vital to the community’s economic health; and

WHEREAS, ACL is a recognized leader in cruise operations with an established and growing presence in Alaska, and requires expanded port infrastructure to sustainably support and optimize cruise services to Wrangell; and

WHEREAS, both parties recognize the economic development potential in jointly improving port infrastructure to support more efficient operations, strengthen Wrangell’s local economy, and advance shared long-term goals through strategic collaboration; and

WHEREAS, this public-private partnership seeks to align CBW’s regulatory role and access to State and Federal funding with ACL’s private capital and operational expertise, providing a framework for coordinated planning, financing, and development of port improvements that benefit both parties and the broader community; and

WHEREAS, the ultimate objective of this MOU is to use reasonable efforts to negotiate in good faith to formalize definitive agreement(s) facilitating port expansion and related cruise facility improvements (“Project”) under an ownership and operational structure that:

- (1) prioritizes public benefit and CBW’s community interests;
- (2) ensures safe, reliable, and high-quality visitor experiences; and
- (3) generates a reasonable return on investment for both Parties.

NOW, THEREFORE, in consideration of the mutual promises set forth herein, the Parties agree as follows:

III. PURPOSE AND INTENT

Purpose:

This non-binding MOU memorializes the Parties' intent to collaborate toward comprehensive planning, detailed design, and strategic development of port expansion facilities at the Port of Wrangell. The Project aims to develop a dock that stimulates local economic growth and supports ACL's strategic objectives for market expansion and operational effectiveness.

Intent:

This MOU provides a general framework for cooperation, including project governance, conceptual planning, cost evaluation, and identification of an ownership and financing structure. It is expressly understood that any binding commitments shall be set forth in future definitive agreement(s) approved by both Parties.

IV. ROLES AND RESPONSIBILITIES

(A) Mutual Responsibilities:

- (1) Project Governance and Coordination: Establish and maintain a joint governance structure, including regular coordination meetings and designated representatives to ensure timely decision-making, effective communication, accountability, and efficient project oversight.
- (2) Concept Development and Cost Analysis: Jointly pursue, review, and assess preliminary engineering concepts, design alternatives, and associated cost estimates. The Parties agree to equally share conceptual planning costs, not to exceed fifty thousand dollars (\$50,000).
- (3) Ownership and Financial Structure Development: Collaboratively explore, define, and evaluate feasible ownership and operational structures, preparing a preliminary financing framework that incorporates public funding avenues and private investment.
- (4) Path to Definitive Agreement: Utilize diligent efforts to negotiate and formalize binding definitive agreement(s) by March 31, 2026, enabling timely commencement of construction and operation of the expanded facilities under mutually beneficial ownership arrangements.

- (5) Stakeholder Engagement and Communication: Jointly undertake community outreach, stakeholder consultations, and public communication activities ensuring transparent, informed decision-making and community backing.
- (6) Project Schedule: Commit to collaboratively pursue timely project completion according to a jointly agreed schedule, with recognition of potential amendments through mutual agreement based on evolving project circumstances.
- (7) Active Participation in the Industry Transformation Path Coalition: The Parties acknowledge that the Project is one of several large-scale, coordinated initiatives intended to form an “Industry Transformation Path” portfolio under the U.S. Economic Development Administration’s (EDA) Disaster Supplemental Grant Program. The Parties agree to actively participate in the overarching regional coalition organized by CBW for the purposes of planning, implementing, and sustaining the targeted industry transformation strategy. This participation includes, but is not limited to:
 - a. contributing technical expertise, operational input, and strategic guidance relevant to the Project;
 - b. engaging in regular coalition meetings, governance activities, and collaborative planning sessions;
 - c. providing investment and/or policy commitments, as mutually agreed, to help leverage EDA funding and catalyze additional public and private investment. Neither party shall be under an obligation to make any investment commitments under this MOU;
 - d. supporting workforce development, job creation, and innovation consistent with the coalition’s overarching industry growth strategy; and
 - e. maintaining cooperation and alignment with coalition goals during the grant period and beyond, to help ensure long-term sustainability of the industry transformation and regional economic resilience.

(B) Responsibilities of CBW:

- (1) Property Interests and Access: Provide necessary access and secure adequate property interests essential for effective Project planning and assessment, ensuring alignment with Project requirements.
- (2) Permitting and Regulatory Approvals: Assume primary responsibility for navigating and securing requisite local, state, and federal regulatory permits and approvals to facilitate Project development and implementation.
- (3) Funding and Incentives: Actively identify, pursue, and secure supplemental public funding sources, including grant funding, to alleviate Project financial burdens. CBW will also evaluate appropriate economic development incentives.

- (4) Community Engagement: Lead community engagement efforts, ensuring Project alignment with community aspirations and compliance with all mandatory public processes.
- (5) Utility Infrastructure Planning: Spearhead efforts to develop necessary infrastructure plans covering water, sewer, storm drainage, and electrical utilities, coordinating closely with ACL regarding operational requirements.

(C) Responsibilities of ACL:

- (1) Operational Specifications and Technical Input: Clearly articulate and document operational specifications, technical standards, and logistical requirements guiding the port facility expansion design process.
- (2) Participation in Design and Cost Analysis: Engage actively and constructively in the design conceptualization and cost evaluation phases, contributing industry-specific insights and operational expertise.
- (3) Investment Exploration: Investigate and propose viable pathways for direct private capital investment and/or direct facility component construction, aligning with the Project's strategic direction and financial sustainability.
- (4) Commitment to Facility Use: Provide assurance of relocating and sustaining cruise operations at the expanded Port of Wrangell facilities upon successful Project execution and formalized definitive agreements.
- (5) Maintenance Obligation: Acknowledge and address ongoing maintenance responsibilities in subsequent definitive agreements, ensuring equitable and sustainable facility upkeep commitments.

V. FUTURE AGREEMENTS

The Parties anticipate establishing definitive agreement(s) that will comprehensively address:

- (A) Final facility design standards and respective construction responsibilities;
- (B) Detailed allocation of financial commitments, grant administration roles, and risk management strategies;
- (C) Ownership structures and responsibilities for land and infrastructure improvements;
- (D) Clearly delineated operational rights, responsibilities, and long-term maintenance obligations;

- (E) Revenue models, duration terms, and explicit provisions balancing community interests and ACL's investment returns.

VI. GENERAL TERMS

- (A) Non-Binding Effect: This MOU expresses the Parties' mutual intent and does not create enforceable obligations except as expressly provided herein.
- (B) Exclusivity: During the term of this MOU, the Parties shall negotiate exclusively with each other regarding development of a new port facility in downtown Wrangell.
- (C) Confidentiality: The Parties shall protect proprietary and confidential information consistent with applicable law.
- (D) Term and Termination: This MOU shall remain in effect from the Effective Date through December 31, 2025, unless extended or terminated earlier by mutual consent or by either Party upon thirty (30) days' prior written notice. The Parties further agree that if, despite their good faith efforts, they are unable to reach a mutually acceptable definitive agreement(s), this non-binding MOU may be terminated by either Party upon written notice to the other.
- (E) Governing Law: This MOU shall be governed by and construed under the laws of the State of Alaska.
- (F) Non-Binding: This MOU is non-binding and imposes no obligations upon or grants any rights, preferential interests or value in and to the Parties hereto. No such obligations, rights, interests or value shall accrue to any Party until the execution of a binding definitive agreement(s) and upon appropriations being made from time to time by the Assembly in support thereof. The purpose of this MOU is to set forth the respective intent of the Parties to advance the prompt design, development and construction of the Project. The Parties shall diligently and in good faith negotiate the terms of a definitive agreement(s). However, if in accordance with the Project Schedule (or within a reasonable time thereafter), the Parties fail to reach agreement as to the terms of a definitive agreement(s), either party may terminate this MOU without recourse by and to the other, unless otherwise expressly stated herein. The foregoing notwithstanding, once any or all of the definitive agreements are fully executed by the Parties thereto, the terms of such agreements shall supersede and control over any contrary provisions of this non-binding-MOU.

VII. SIGNATURES

CITY AND BOROUGH OF WRANGELL

By: _____

Name: Mason F. Villarma

Title: Borough Manager

Date: _____

AMERICAN CRUISE LINES, INC.

By: _____

Name: Charles B. Robertson

Title: Chief Executive Officer

Date: _____

CITY & BOROUGH OF WRANGELL, ALASKA BOROUGH ASSEMBLY AGENDA STATEMENT

| | | |
|---------------------------|---------------------------|-----------------|
| <u>AGENDA ITEM TITLE:</u> | <u>DATE:</u> | August 21, 2025 |
| | <u>Agenda Section</u> | 5 |

Approval of a Memorandum of Understanding between Greensparc & the City and Borough of Wrangell

SUBMITTED BY:

Mason Villarma, Borough Manager

FISCAL NOTE:

Expenditure Required:

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| FY 24: \$ | FY 25: | FY26: |
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Reviews/Approvals/Recommendations

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| <input type="checkbox"/> | Commission, Board or Committee |
| Name(s) | Dated |
| Name(s) | |
| <input type="checkbox"/> | Attorney |
| <input type="checkbox"/> | Insurance |

ATTACHMENTS: 1. Proposed MOU

RECOMMENDATION MOTION:

Move to approve a Memorandum of Understanding between Greensparc & the City and Borough of Wrangell.

SUMMARY STATEMENT:

BACKGROUND:

The City and Borough of Wrangell (CBW) continues to seek strategic partnerships that advance

economic diversification and capitalize on the Borough's infrastructure strengths. Greensparc, Inc., a Delaware-based technology firm specializing in GPU-as-a-Service (GPUaaS) infrastructure for artificial intelligence and advanced data processing applications, has identified Wrangell as a highly attractive location for siting a new GPUaaS facility.

Wrangell's appeal for Greensparc is driven in large part by the community's abundant and reliable supply of renewable hydropower. This clean energy source provides a unique competitive advantage for energy-intensive operations such as high-performance computing, while also aligning with sustainability objectives that are increasingly important to private investors and federal funding agencies.

The attached non-binding Memorandum of Understanding (MOU) establishes the Parties' mutual intent to collaborate on feasibility planning, infrastructure coordination, and pursuit of external funding. It also formalizes Greensparc's role as a coalition partner in CBW's application to the U.S. Economic Development Administration (EDA) under the Industry Transformation Path Disaster Supplemental Grant Program.

Key elements of the MOU include:

- Joint commitment to conduct feasibility assessments and utility planning (electric and broadband) to support the proposed project;
- Recognition of CBW's interest in securing economic development outcomes through long-term lease and operational agreements for a portion of the 6-Mile Mill Site;
- Cost-sharing of pre-development activities, subject to mutual agreement;
- Active participation in the broader EDA coalition led by CBW, aimed at industry diversification and regional economic resilience.

The MOU does not establish any binding obligations beyond good-faith collaboration and planning. Any final lease terms, financial commitments, or utility service agreements will require subsequent Assembly approval through definitive agreements.

RECOMMENDATION:

Staff recommends that the Assembly approve the attached Memorandum of Understanding with Greensparc, Inc., and authorize the Borough Manager to execute the agreement.

MEMORANDUM OF UNDERSTANDING
BETWEEN
THE CITY AND BOROUGH OF WRANGELL
A Municipal Corporation and Unified Home Rule Borough of the State of Alaska
AND
GREENSPARC, INC.
A Delaware Corporation

I. PREAMBLE

This Memorandum of Understanding (“MOU”) is entered into the last day set forth below, by and between the City and Borough of Wrangell, Alaska (“CBW”), a municipal corporation organized under the laws of the State of Alaska, whose address is P.O. Box 531, Wrangell, Alaska 99929, and Greensparc, Inc. (“Greensparc”), a Delaware corporation, whose principal office is located at 2466 Francisco Street Apt. 103 San Francisco, CA 94123. CBW and Greensparc may hereinafter be referred to individually as a “Party” and collectively as the “Parties.”

II. RECITALS

WHEREAS, CBW owns the approximately 40-acre 6-Mile Mill Site south of Wrangell’s downtown waterfront (“6-Mile Mill Site”), a property featuring deep-water access and sufficient upland area suitable for industrial, technological, and marine development; and

WHEREAS, CBW seeks to diversify and expand its economic base through the development of high-value, technology-driven industries that can utilize Wrangell’s infrastructure, renewable hydropower resources, and strategic location; and

WHEREAS, Greensparc has expressed interest in siting an artificial intelligence (“AI”) information technology infrastructure facility for GPU-as-a-Service (“GPUaaS”) operations within the CBW’s territory, and has identified a portion of the 6-Mile Mill Site as a suitable location for such a project (“Project”); and

WHEREAS, Greensparc’s Project will involve deployment of high-performance GPU clusters and related infrastructure to deliver commercial compute services for AI and advanced data processing applications, creating opportunities for local economic growth and infrastructure investment; and

WHEREAS, CBW is preparing an application to the U.S. Economic Development Administration (“EDA”) under the Industry Transformation Path Disaster Supplemental Grant Program and has identified Greensparc as a coalition partner, with the Project serving as a potential catalyst for industry diversification and long-term economic resilience; and

WHEREAS, the Parties mutually recognize that a collaborative “public-private partnership” approach—leveraging CBW’s site control, public funding opportunities, and utility infrastructure with Greensparc’s technological expertise, private investment potential to purchase the necessary data center equipment and services, and operational capabilities—

provides the most viable path toward Project implementation and sustainable long-term operations; and

WHEREAS, the ultimate goal of this “public-private partnership” is to achieve a definitive agreement that enables siting, installation, and operation of the Project at the 6-Mile Mill Site under a mutually agreed lease and operating framework that:

1. Supports CBW’s public interest and economic diversification objectives;
2. Ensures the Project’s operational requirements, including reliable electric and data connectivity; and
3. Provides an acceptable return on investment for Greensparc.

NOW, THEREFORE, in consideration of the mutual promises set forth herein, the Parties agree as follows:

III. PURPOSE AND INTENT

a. Purpose:

The purpose of this non-binding MOU is to memorialize the Parties’ intent to work collaboratively toward the planning, design, and development of the Project at a portion of the 6-Mile Mill Site. The Project will be developed in a manner that promotes sustainable economic growth, utilizes Wrangell’s renewable hydropower resources, and integrates seamlessly with CBW’s broader infrastructure and economic development plans.

b. Intent:

This MOU provides a general framework for cooperation, including site planning, feasibility assessment, utility coordination, and identification of a mutually agreeable lease and operational structure. It is expressly understood that any binding commitments, including but not limited to construction, financing, utility service, or operation of the Project, shall be set forth in one or more future definitive agreements approved by both Parties.

IV. ROLES AND RESPONSIBILITIES

a. Mutual Responsibilities:

- i. Project Coordination: Establish a joint coordination process, including designated representatives and regular meetings, to ensure timely decision-making, accountability, and effective communication throughout planning and development.
- ii. Feasibility and Infrastructure Assessment: Collaboratively conduct assessments of site suitability, power supply, broadband connectivity, permitting requirements, and logistical considerations.
- iii. Cost-Sharing for Pre-Development Activities: Share in the costs of certain mutually agreed pre-development activities, including conceptual site layouts,

power demand studies, and utility design coordination, as determined in writing before expenses are incurred.

- iv. Path to Definitive Agreement: Work in good faith to negotiate and execute binding definitive agreement(s) by December 31, 2026, enabling the Project's commencement in 2027.

b. Responsibilities of CBW:

- i. Site Access and Property Interests: Provide Greensparc with access to the identified portion of the 6-Mile Mill Site for site evaluations. The ultimate lease term and rental rate will be determined in definitive agreements, subject to Assembly approval and compliance with applicable laws.
- ii. Utility Coordination: Facilitate planning and coordination for electric and broadband service to support the Project, including providing information on existing capacity, rate structures, and potential upgrades.
- iii. Permitting and Regulatory Support: Lead or assist with local permitting and coordinate with state and federal agencies on regulatory approvals necessary for development and operation.
- iv. Funding Support: Continue pursuing public funding opportunities, including through the EDA Industry Transformation Path Disaster Supplemental Grant Program, in collaboration with Greensparc.
- v. Active Participation in the Industry Transformation Path Coalition: The Parties acknowledge that the Project is one of several large-scale, coordinated initiatives intended to form an "Industry Transformation Path" portfolio under the U.S. Economic Development Administration's (EDA) Disaster Supplemental Grant Program. The Parties agree to actively participate in the overarching regional coalition organized by CBW for the purposes of planning, implementing, and sustaining the targeted industry transformation strategy. This participation includes, but is not limited to:
 - 1. contributing technical expertise, operational input, and strategic guidance relevant to the Project;
 - 2. engaging in regular coalition meetings, governance activities, and collaborative planning sessions;
 - 3. providing investment and/or policy commitments, as mutually agreed, to help leverage EDA funding and catalyze additional public and private investment. Neither party shall be under an obligation to make any investment commitments under this MOU;
 - 4. supporting workforce development, job creation, and innovation consistent with the coalition's overarching industry growth strategy; and
 - 5. maintaining cooperation and alignment with coalition goals during the grant period and beyond, to help ensure long-term sustainability of the industry transformation and regional economic resilience.

c. Responsibilities of Greensparc:

- i. Technical Specifications: Provide CBW with operational and technical requirements for the Project, including power demand forecasts and connectivity needs.
- ii. Feasibility Analysis: Meaningfully participate in a comprehensive feasibility assessment of the site, including infrastructure, logistics, and operational readiness.
- iii. Investment Planning: Explore and, if viable, commit to private capital investment for purchase and installation of the necessary data center equipment and services, as well as operation of the Project's facilities.
- iv. Good-Faith Negotiation: Negotiate in good faith with CBW for a long-term lease and utility service agreements that reflect market terms and the mutual objectives of the Parties.

V. FUTURE AGREEMENTS

The Parties anticipate entering into one or more definitive agreements that will govern the Project's final development and implementation. Such agreements will address, at minimum:

- a. Lease terms, rental rate, and property description;
- b. Final design standards and construction specifications;
- c. Allocation of financial contributions and grant administration;
- d. Utility service terms, including electric and broadband capacity commitments; and
- e. Operational responsibilities and provisions to ensure mutual benefit and sustainability.

VI. GENERAL TERMS

- a. Non-Binding Effect: This MOU expresses the Parties' mutual intent and does not create enforceable obligations except as expressly provided herein.
- b. Exclusivity: During the term of this MOU, the Parties shall negotiate exclusively with each other regarding development of the Project at the 6-Mile Mill Site.
- c. Confidentiality: The Parties shall protect proprietary and confidential information consistent with the terms of their previously executed Non-Disclosure Agreement dated ____.
- d. Term and Termination: This MOU shall remain in effect from the Effective Date through December 31, 2026, unless extended or terminated earlier by mutual consent or upon thirty (30) days' prior written notice. The Parties further agree that if, despite their good faith efforts, they are unable to reach a mutually acceptable definitive agreement(s), this non-binding MOU may be terminated by either Party upon written notice to the other.
- e. Governing Law: This MOU shall be governed by and construed under the laws of the State of Alaska.
- f. Non-Binding: This MOU is non-binding and imposes no obligations upon or grants any rights, preferential interests or value in and to the Parties hereto. No such obligations, rights, interests or value shall accrue to any Party until the execution of a binding definitive agreement(s) and upon appropriations being made from time to time by the Assembly in support thereof. The purpose of this MOU is to set forth the respective intent of the Parties to advance the prompt design, development and construction of the Project. The Parties shall diligently and in good faith negotiate the terms of a

definitive agreement(s). However, if in accordance with the Project Schedule (or within a reasonable time thereafter), the Parties fail to reach agreement as to the terms of a definitive agreement(s), either party may terminate this MOU without recourse by and to the other, unless otherwise expressly stated herein. The foregoing notwithstanding, once any or all of the definitive agreements are fully executed by the Parties thereto, the terms of such agreements shall supersede and control over any contrary provisions of this non-binding MOU.

VII. SIGNATURES

CITY AND BOROUGH OF WRANGELL

By: _____
Name: Mason F. Villarma
Title: Borough Manager
Date: _____

GREENSPARC, INC.

By: _____
Name: Sam Enoka
Title: CEO & Founder
Date: _____