



Wednesday, January 07, 2026

Location: By Zoom and/or In Person

5:30-6PM (ACL WS) | 6PM Special Assembly Meeting

Assembly Meetings are livestreamed through Zoom Webinar. You can listen and watch from your device with the information below:

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

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*Please note that Persons to be Heard is not available through Zoom.*



## WORK SESSION/PRESENTATION 5:30 - 6:00 pm

American Cruise Lines Review

### 1. CALL TO ORDER

### 2. PERSONS TO BE HEARD

### 3. AMENDMENTS TO THE AGENDA

### 4. CONFLICT OF INTEREST

### 5. EXECUTIVE SESSION

a. **Executive Session:** Update and discussion on the American Cruise Lines Negotiations

### 6. PUBLIC HEARING

a. **RESOLUTION No. 01-26-2004** OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, APPROVING A TIDELANDS LEASE TO AMERICAN CRUISE LINES INC.

### 7. NEW BUSINESS

a. **RESOLUTION No. 01-26-2012** OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA ESTABLISHING THE CAPITAL PROJECT STATE LEGISLATIVE PRIORITIES FOR FY 2027

b. **RESOLUTION No. 01-26-2013** OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA ESTABLISHING THE CAPITAL PROJECT FEDERAL LEGISLATIVE PRIORITIES FOR FY 2027

c. **RESOLUTION No. 01-26-2014** OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, TO RECOGNIZE AND DECLARE THE CITY AND BOROUGH OF WRANGELL A "COAST GUARD COMMUNITY"

d. **RESOLUTION No. 01-26-2015** OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, AMENDING THE FISCAL YEAR 2026 BUDGET TO TRANSFER \$295,000 FROM THE GENERAL FUND RESERVES TO THE CIP FUND FOR THE

MCKINNON STREET REHABILITATION PROJECT DESIGN PHASE AND AUTHORIZING ITS EXPENDITURES

- e. Approval of a Contract Award to PND Engineers for the McKinnon Street Rehabilitation Project
- f. Approval of the 1st Amendment to the MOU between the CBW and Alaska Marine Lines

**8. ADJOURNMENT**

# **CITY & BOROUGH OF WRANGELL, ALASKA BOROUGH ASSEMBLY AGENDA STATEMENT**

<u>AGENDA ITEM TITLE:</u>	<u>DATE:</u>	January 7, 2026
	<u>Agenda Section</u>	<b>5</b>

## **Executive Session:** Update and discussion on the American Cruise Lines Negotiations

**SUBMITTED BY:**

## Mason Villarma, Borough Manager

## Reviews/Approvals/Recommendations

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

ATTACHMENTS: 1. None.

## **RECOMMENDATION MOTION:**

I move, pursuant to AS 44.62.310 (c)(1), that we recess into executive session and invite the Borough Manager into the session to discuss matters in which the immediate knowledge would clearly have an adverse effect upon the finances of the borough, specifically regarding the update on the American Cruise Lines Negotiations.

**SUMMARY STATEMENT:** None.

## CITY & BOROUGH OF WRANGELL, ALASKA

### BOROUGH ASSEMBLY AGENDA STATEMENT

<u>AGENDA ITEM TITLE:</u>	<u>DATE:</u>	January 7, 2025
	<u>Agenda Section</u>	<b>6</b>

RESOLUTION No. 01-26-2004 OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, APPROVING A TIDELANDS LEASE TO AMERICAN CRUISE LINES INC.

<u>SUBMITTED BY:</u>	<u>FISCAL NOTE:</u>
Mason Villarma, Borough Manager	<b>Expenditure Required:</b> \$XXX Total
	Fiscal Year (FY):      Amount: \$
<u>Amount Budgeted:</u>	<b>Amount Budgeted:</b>
	FY:      \$
<u>Account Number(s):</u>	<b>Account Number(s):</b>
	XXXXX XXX XXXX
<u>Account Name(s):</u>	<b>Account Name(s):</b>
	Enter Text Here
<u>Unencumbered Balance(s) (prior to expenditure):</u>	<b>Unencumbered Balance(s) (prior to expenditure):</b>
	\$XXX

ATTACHMENTS: 1. Resolution No. 01-26-2004 2. Proposed Lease Agreement 3. Lease Request  
4. ACL Presentation 5. Port Commission Memo 6. P&Z Commission Memo 7. Economic  
Development Board Memo 8. Map and aerial image

**MAYOR PROCEDURE:** Declare the Public Hearing open. The Mayor shall ask if there is any administrative report on the Public Hearing Item. Persons who signed up to talk on this item shall be called to the podium.

Once all persons have been heard, declare the Public Hearing closed and entertain a motion.

**RECOMMENDATION MOTION:**

Move to approve Resolution No. 01-26-2004.

## **SUMMARY STATEMENT:**

The proposed Tidelands/Submerged Lands Lease between the City and Borough of Wrangell and American Cruise Lines, Inc. authorizes the construction, operation, and shared use of passenger docking facilities at the Port of Wrangell and includes the following key provisions

### **Lease Term and Extensions**

The lease provides for a forty (40) year original term commencing January 7, 2026, with up to three (3) consecutive five-year extension options, subject to compliance with Borough code, mutual agreement of terms, and Borough Assembly approval.

### **Base Rent and Reappraisal**

The initial annual base rent is set at \$50,000, payable annually. The leased premises and Borough-owned improvements are reappraised every five (5) years in accordance with Wrangell Municipal Code, with rent set at ten percent (10%) of appraised value. Annual rent increases are capped at three percent (3%) per year, compounded annually, relative to the prior five-year period. All appraisal costs are paid by the lessee.

### **Passenger Wharfage Fees**

The lease establishes a per-passenger wharfage fee of \$7.00 through December 31, 2027, increasing to \$10.00 beginning January 1, 2028. Thereafter, the fee is indexed annually to the Anchorage CPI-U or three percent (3%), whichever is less. Wharfage fees are reported monthly and invoiced by the Borough. Turnaround voyages originating and terminating in Wrangell are exempt from passenger wharfage.

### **Guaranteed Minimum Dockings**

American Cruise Lines guarantees a minimum of forty (40) vessel dockings per calendar year. If the minimum is not met, the lessee must compensate the Borough based on the wharfage fee multiplied by 150 passengers per vessel for each docking shortfall.

### **Third-Party Docking and Revenue Sharing**

Dockage and moorage fees collected from non-ACL vessels are split evenly (50/50) between the Borough and the lessee after reimbursement of routine maintenance costs. Fees are jointly established and published in the Borough's Schedule of Fees and Rates.

### **Use, Construction, and Ownership of Improvements**

The lease authorizes the construction and operation of passenger docking facilities consistent

with an approved development plan. Improvements constructed by the lessee remain the personal property of the lessee during the lease term, subject to reversion provisions if the lease terminates prior to specified milestones.

### **Maintenance Responsibilities**

The lessee is responsible for all operations, repairs, and capital maintenance of the docking facilities. The Borough may, at its discretion, perform minor routine maintenance through its Port and Harbors Department, with costs reimbursed from third-party dockage revenues.

### **Berth Scheduling and Priority of Use**

American Cruise Lines receives priority use of the facilities during the summer cruise season and manages scheduling during that period. The Borough manages scheduling outside the cruise season. Both parties retain review and consent rights for third-party vessel use.

### **Public Access and Reserved Rights**

The Borough reserves rights for controlled public access and non-ACL vessel use when facilities are not occupied by ACL, subject to safety, security, and scheduling constraints. The Borough assumes responsibility for managing and insuring public use.

### **Taxes, Utilities, and Charges**

The lessee is responsible for all applicable possessory interest taxes, sales taxes, utilities, insurance, and other charges assessed against the leasehold or improvements.

### **Risk Allocation, Insurance, and Indemnification**

The lease contains comprehensive insurance requirements, mutual indemnification provisions, environmental liability allocations, force majeure protections, and default and termination remedies consistent with long-term marine infrastructure agreements.

### **Public Purpose and Economic Benefit**

The lease advances a public purpose by expanding port capacity, supporting economic development, improving passenger access, and allowing shared public and commercial use of Borough waterfront assets.

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All boards and commissions have reviewed the leased area and recommended moving forward. An exhibit of a preliminary survey will be brought forward at the meeting (i.e., Exhibit B as described in the lease agreement). Administration recommends approval.



## CITY AND BOROUGH OF WRANGELL, ALASKA

### **RESOLUTION NO: 01-26-2004**

A RESOLUTION OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, APPROVING A TIDELANDS LEASE WITH AMERICAN CRUISE LINES INC.

**WHEREAS**, American Cruise Lines Inc. (ACL) submitted a request to lease borough-owned tidelands for a portion of Borough-owned Tidelands, Parcel No. 02-024-600, zoned Waterfront Development; and

**WHEREAS**, the location of the Tidelands is on Campbell Dr. (Outer Dr.) between the AML site and the Old Mill Dock area in the Marine Service Center; and

**WHEREAS**, all requirements as per WMC 16.08 – Tideland Leases, have been followed; and

**WHEREAS**, property owners within 300-feet of the property were mailed notice of the Planning & Zoning Commission meeting's Public Hearing; and

**WHEREAS**, the Economic Development Board, at their meeting on June 3, 2025, approved moving forward with the Lease to ACL; and

**WHEREAS**, the Planning & Zoning Commission, at their meeting on June 3, 2025, approved moving forward with the Lease to ACL conditional on review of the final site plan; and

**WHEREAS**, the Port Commission, at their meeting on June 18, 2025, approved moving forward with the Lease to ACL; and

**WHEREAS**, the Borough Assembly held a Public Hearing on January 7, 2025, as required by WMC 16.08.060; and

**WHEREAS**, notice was given as per WMC 16.08.060 to allow for those who wished to protest the lease, to do so by July 16, 2025; and

**WHEREAS**, there were no protests received; and

**WHEREAS**, the purpose of this tidelands lease is for the purpose of building a dock that will accommodate its vessels, reducing reliance on anchoring offshore and shuttle logistics, and offering more consistent access for cruise passengers; and

**WHEREAS**, the term of this tidelands lease will be for forty (40) years with the option of three (3) five (5) year extensions; and

**WHEREAS**, the borough assembly desires to approve the Tidelands Lease for American Cruise Lines Inc. (ACL), identified as a portion of borough-owned tidelands, Parcel no. 02-024-600, zoned Waterfront Development, for the purpose of building a dock that will accommodate its vessels, reducing reliance on anchoring offshore and shuttle logistics, offering more consistent access for cruise passengers, and bolstering economic development of the visitor industry.

**NOW, THEREFORE, BE IT RESOLVED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA THAT:**

**Section 1: Approval of Lease Agreement.** The Borough Assembly hereby approves the Tidelands Lease between the City and Borough of Wrangell and American Cruise Lines, Inc. ("Lessee"), substantially in the form attached hereto as Exhibit A and incorporated by reference. All terms and conditions of the lease, including but not limited to rent, term, escalation or reappraisal provisions, tax responsibilities, maintenance obligations, and other covenants, are approved as set forth in the attached lease agreement.

**Section 2: Term of Lease.** The Borough Assembly approves a base lease term of forty (40) years for the Tidelands Lease, commencing on January 7, 2026, and expiring on January 7, 2066, unless earlier terminated in accordance with the lease. The lease further provides for up to three (3) successive five-year extension options, exercisable by the Lessee and subject to the terms, conditions, and approvals set forth in the lease agreement.

**Section 3: Revenue Allocation.** All tax revenues, including ad valorem property taxes, attributable to the leased Premises shall be deposited into the Borough's General Fund. All lease payments, port charges, wharfage, tariffs, and other port- or harbor-related fees arising from or associated with the lease shall be deposited into the Port and Harbors Fund. All utility charges incurred under the lease shall be paid to and deposited into the respective utility enterprise funds, in accordance with Borough code, accounting policies, and budgetary appropriations.

**Section 4: Effective Date.** This resolution takes effect upon approval.

PASSED AND APPROVED BY THE ASSEMBLY OF THE CITY & BOROUGH OF WRANGELL, ALASKA THIS 7th DAY OF JANUARY 2026.

CITY & BOROUGH OF WRANGELL

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Patricia Gilbert, Borough Mayor

ATTEST: \_\_\_\_\_  
Kim Lane, MMC, Borough Clerk

# TIDELANDS/ SUBMERGED LANDS LEASE

BY AND 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

### PREAMBLE

This Tidelands/Submerged Lands Lease (the "Lease") is made and entered into as of \_\_\_\_\_ (the "Effective Date"), by and between the City and Borough of Wrangell, Alaska ("Lessor"), 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. ("Lessee"), a Delaware corporation, whose principal office is located at 741 Boston Post Road, Suite 200, Guilford, CT 06437. Lessor and Lessee may hereinafter be referred to individually as a "Party" and collectively as the "Parties."

### RECITALS

**WHEREAS**, Lessor and Lessee entered into that certain Memorandum of Understanding dated \_\_\_\_\_, 2025 (the "MOU") to collaborate on the analysis and strategic development of port expansion facilities at the Port of Wrangell; and

**WHEREAS**, The Parties recognize that expansion of port facilities at the Port of Wrangell will: (1) confer public benefits on the Lessor by stimulating local economic growth and by expanding public access to Southeast Alaska waterways; (2) support Lessee's strategic objectives for market expansion; and (3) provide operational effectiveness to Lessee and other vessel owners and/or operators who will utilize the expanded port facilities; and

**WHEREAS**, On April 11, 2025, Lessee filed an application ("Application") to lease a portion of Lessor's tidelands/submerged lands in accordance with Wrangell Municipal Code 16.08.030. As described in the Application, a true and correct copy of which is attached as Exhibit A hereto and incorporated by reference as if fully set forth herein, Lessee expressed its intent to construct and operate certain docking facilities ("Docking Facilities"), a portion of which will be located on tidelands/submerged lands owned by Lessor; and

**WHEREAS**, Pursuant to WMC 16.08.030 Lessee is required to submit a development plan ("Development Plan") for the Docking Facilities for review and approval by the borough manager and the planning and zoning commission for the expansion of port facilities at the Port of Wrangell; and

**WHEREAS**, Lessee desires to lease from Lessor the tidelands/submerged lands in order to construct the Docking Facilities and Lessor desires to lease the tidelands/submerged

lands to Lessee for the public purpose of constructing and operating the Docking Facilities; and

**WHEREAS**, Lessor has been issued United States Army Corps of Engineer Permit # POA-1990-00114 pursuant to a project it is completing at the location identified in Section 1 below; and

**WHEREAS**, It is in the public interest for Lessee to lease Lessor's tidelands/submerged lands for the purpose of constructing and operating the Docking Facilities.

**NOW, THEREFORE**, in consideration of the mutual covenants herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

**1. LEASE OF TIDELANDS/SUBMERGED LANDS.** Lessor agrees to lease to Lessee and Lessee agrees to lease from Lessor, upon the terms and conditions hereinafter set forth, a portion of the tidelands/submerged property located at Campbell Drive generally described as Parcel ID No. 02-024-600, which is situated in the City and Borough of Wrangell, Alaska (the "Property"), as more particularly described and depicted in that certain survey attached hereto as Exhibit "B" and incorporated by reference as if fully set forth herein

**2. ORIGINAL TERM OF LEASE.** The Original Term of the Lease shall be for a period of forty (40) years commencing on January 7, 2026, ("Commencement Date") and expiring on the last day of the month following forty (40) years after the Commencement Date, unless sooner terminated, cancelled, or extended as hereinafter provided.

**3. OPTIONS TO EXTEND THE LEASE.** Any option granted by Lessor to Lessee is a privilege and is neither a right nor bargained-for-consideration. Notwithstanding, Lessor pursuant to WMC 16.08.070, hereby grants, in its sole discretion, to Lessee three (3) separate consecutive options to extend the Original Term for three (3) separate consecutive additional periods (the "Extension Periods") of five (5) years each provided:

- a. Lessee makes written application therefore at least ninety (90) days prior to the expiration of the Original Term or any Extension Period then in effect;
- b. Lessee is not in default under the Lease;
- c. The proposed use is compatible with the Lease, current use classification, and Borough Code including zoning provisions; and
- d. Mutually agreeable terms, consistent with the provisions of Borough code governing lease terms, are negotiated by Lessor and Lessee and approved by the Borough assembly.

**4. BASE RENT.** Base rent shall be payable in the form of an annual lease payment, which such payment is due on or before January 10th of each subsequent lease year. The initial annual Base Rent shall be fifty thousand (\$50,000) dollars. Thereafter, and every five (5) years from

the Effective Date, the Property and any improvements thereon owned by the Lessor shall be reappraised in accordance with WMC 16.08.040, and the annual lease payment will be based upon ten (10) percent of the new appraised value. Lessor shall notify Lessee of the appraisal value and the annual lease payment upon completion of the appraisal. Notwithstanding, the appraised value every five (5) years, the Base Rent shall not increase by more than three percent (3%) per year, compounded annually, relative to the Base Rent in effect during the immediately preceding five (5) year period. Lessee is solely responsible to pay for the cost of each appraisal as required by WMC 16.08.040B. The Base Rent shall commence upon the earlier of either: (1) May 1, 2027, or (2) the substantial completion of Lessee's construction of the Docking Facilities and improvements on the Property.

- (i) **Guaranteed Minimum Dockings.** Lessee guarantees a minimum of forty (40) dockings by Lessee owned and/or operated vessels at the Docking Facilities each calendar year of the Original Term and any Extension Periods. In the event Lessee does not achieve 40 dockings in a calendar year, by January 31<sup>st</sup> of the following calendar year, Lessee shall pay the Lessor the difference between the actual dockings and the 40 guaranteed dockings. The difference payable to Lessor will be calculated based upon the then applicable Passenger Wharfage Fee multiplied by 150 passengers per each vessel under the 40 guaranteed minimum dockings.

**5. ADDITIONAL RENT.** Any and all property taxes, sales taxes, possessory interest taxes, or substantially equivalent ad valorum taxes as described in Paragraph 23, insurance costs, water, and utility charges that Lessee may be required to pay by the terms of this Lease shall be paid in addition to the Base Rent on or before January 10<sup>th</sup> of each subsequent lease year.

**6. PASSENGER WHARFAGE FEE.** In addition to Base Rent, Additional Rent, and any other amounts due under this Lease, Lessee shall pay to Lessor a per-passenger wharfage fee ("Passenger Wharfage Fee") of Seven Dollars (\$7.00) for each revenue passenger embarking from or disembarking onto the Docking Facilities from any vessel owned, operated, or controlled by Lessee, or calling at the docking facilities at Lessee's request. The Passenger Wharfage Fee shall remain at Seven Dollars (\$7.00) until December 31<sup>st</sup>, 2027.

- a. **Step-up and Indexing.** Effective January 1<sup>st</sup>, 2028, the Passenger Wharfage Fee shall increase to Ten Dollars (\$10.00). Additionally, each January 1 thereafter during the Original Term and any Extension Periods, the Passenger Wharfage Fee shall be increased by the percentage increase, if any, in the Anchorage Consumer Price Index for All Urban Consumers (CPI-U), All Items, published by the U.S. Bureau of Labor Statistics (or any successor index if that index is discontinued), measured over the most recent twelve-month period for which data is available, or three percent (3%) whichever is the lesser amount for that specific time period. Notwithstanding anything to the contrary, the Passenger Wharfage Fee shall not be decreased below the prior year's rate.

- b. Reporting and Payment. Lessee shall provide Lessor with a written report of all passenger movements subject to the Passenger Wharfage Fee within fifteen (15) days after the end of each month, in a format reasonably acceptable to Lessor. Lessor shall then provide Lessee with an invoice for the Passenger Wharfage Fee and Lessee shall remit all Passenger Wharfage Fees due for that month within thirty (30) days from receipt of such invoice.
- c. Nature of Passenger Wharfage Fee. The Parties agree that the Passenger Wharfage Fee is a port fee of Lessor, shall not be subject to any revenue-sharing provisions of this Lease, and shall not be directly tied to or limited by the City and Borough of Wrangell Schedule of Fees and Rates, Habor and Port Facilities , except as expressly amended in writing by the Parties and approved by the Borough Assembly. Notwithstanding anything to the contrary, the Passenger Wharfage Fee shall not exceed the then existing Commercial Passenger Vessel Wharfage set forth in City and Borough of Wrangell Schedule of Fees and Rates, Habor and Port Facilities, as amended from time-to-time.
- d. The Passenger Wharfage Fee will be waived for any Lessee owned and/or operated vessels that originate and terminate an excursion/sailing at the Docking Facilities in the City and Borough of Wrangell, Alaska. The exclusion of the Passenger Wharfage Fee shall include both embarking and disembarking guests in the event Lessee owned vessels conduct turnaround at the Docking Facilities.

**7. LESSEE'S PERMITTED USE.** The Property shall be used by Lessee exclusively for the purpose of constructing the Docking Facilities and related improvements and the operation thereof for the purpose of ensuring suitable docking access and egress for passenger vessels which will allow for the offloading and loading of passengers.

- a. Compliance with Law. Lessee's use of the Property shall conform to all ordinances of the B orough, including any applicable zoning ordinance and with all state and federal regulations, rules, and laws, as the code or any such rules, regulations, or laws may affect the activity upon or associated with the Docking Facilities and Property.
- b. Improvements. Consistent with the Development Plan, Lessee shall, subject to Lessor approval, which approval shall not be unreasonably withheld, not later than two (2) years from the Commencement Date substantially complete construction of the Docking Facilities on the Property or be engaging in reasonable commercial efforts to complete the construction of the Docking Facilities t h a t ensures suitable docking access and egress for passenger vessels which will allow for the offloading and loading of passengers. Lessee may construct other improvements on the Property that support construction, maintenance and operation of the Docking Facilities, with Lessor's prior written approval, which approval shall not be unreasonably withheld. Subject to the conditions set forth in Paragraph 31, all improvements are , and shall remain, the personal property of Lessee.

**8. QUIET POSSESSION.** Lessor warrants and represents that to the best of its knowledge and belief there are no laws, endangered species, wetlands, ordinances, governmental rules or regulations, title restrictions, zoning or any other matters whatsoever which will restrict, limit or prevent Lessee's permitted use of the Property; and, so long as Lessee is not in default under the Lease, Lessee shall have quiet and peaceful possession and enjoyment of the Property.

- a. Notwithstanding any other provisions of this Lease to the contrary or any other rights Lessor may have, Lessor covenants and agrees not to encumber the Property or otherwise alter or permit to the alteration of the status of the title to the Property such that Lessee's right to use the Property for Lessee's permitted use is diminished without Lessee's prior written consent. If Lessor breaches Lessor's covenants as set forth in this section, then Lessee may, in addition to any and all other remedies available at law or in equity, terminate this Lease without owing any liability to Lessor. In the event that Lessor cures such breach within twenty (20) days after written notice from Lessee, then Lessee's termination shall be null and void.

**9. LESSOR'S RESERVATION OF RIGHTS AND PUBLIC USE.** Lessor expressly reserves to itself, the public, and for non-Lessee owned and/or operated vessels certain rights to use and occupy the Property, Docking Facilities, or portions thereof, subject to the priorities of use accorded to Lessee under this Lease as described herein. Lessor shall monitor, control, and supervise the public's access to the Property and Docking Facilities such that the public's use of the Property and Docking Facilities is done in a safe and responsible manner and that it does not interfere with Lessee's permitted use of the Property. As a part of Lessor's responsibility, Lessor shall set forth hours of operation during which time the public may safely access the Property and Docking Facilities, and any public use of the improvements shall be done when Lessee is not utilizing the improvements. Lessor shall bear all responsibility for insuring against the risk of loss associated with the public's use of the Property and Docking Facilities.

- (i) Insuring against the risk of loss associated with the public's use of the Property and Docking Facilities shall require Lessor, at its sole expense, to maintain Commercial General Liability insurance with limits of not less than \$2,000,000 per occurrence to cover this obligation

**10. PERMITS AND APPROVALS.** If Lessee does not receive or is denied or refused any such approval (including, but not limited to, building and renovation permits, signage permits, zoning interpretations and confirmations, permits and approvals and all variances, utility permits, authorizations or easements necessary for Lessee's permitted use as described herein and the Development Plan (collectively, the "Approvals") necessary for Lessee to utilize or develop the Property for its permitted use, or if the necessary Approvals are granted subject to any conditions that materially prevent or impair Lessee from utilizing or developing the Property for its permitted use, or if adequate utilities and

related facilities, including, without limitation, water, storm water/sewage disposal, telephone service and energy sources, to service the Property and any improvements thereto for Lessee's permitted use or easements therefore are not available to the satisfaction of Lessee, then Lessee may terminate this Lease without owing any liability to Lessor by providing written notice to Lessor, and if Lessee has commenced paying Base Rent and Additional Rent, Lessee's obligation to pay Base Rent and Additional Rent shall immediately and automatically terminate, and each Party shall be relieved of all further obligations under this Lease.

**11. RIGHT TO BUILD.** Subject to the provisions of this Lease, the Development Plan, and applicable law, Lessee has the right to design and construct certain Docking Facilities on the Property to allow for the loading and offloading of passengers from its vessels and non-Lessee owned and/or operated vessels.

- a. Lessee shall have discretion in designing the Docking Facilities and selecting a contractor for the construction of the Docking Facilities subject to the prior written approval by Lessor with said approval to not be unreasonably withheld.
- b. Lessee shall also have the right, but not the obligation, to do any and all demolition, grading, drainage and pavement work on the Property Lessee deems necessary or appropriate for the purposes of constructing such Docking Facilities subject to the prior written approval by Lessor with said approval to not be unreasonably withheld.
- c. Subject to the conditions set forth in Paragraph 31 below, during the Original Term and any Extension Periods, title to all such improvements shall remain in Lessee alone and Lessee shall be entitled to claim all depreciation to any improvements constructed on the Property by Lessee. Lessee shall, at its own expense, make any and all repairs, alterations and improvements deemed necessary by Lessee in compliance with all applicable laws.
- d. All improvements constructed on the Property by Lessee shall be constructed and maintained in accordance with all applicable laws, rules, regulations, statutes and ordinances and shall be performed by contractors licensed in the State of Alaska, and in good and workmanlike order.

**12. MAINTENANCE OF THE PROPERTY.** Except as expressly provided otherwise in this Lease, Lessee shall, at its sole cost and expense, be responsible for the operation, repair, and replacement of the Docking Facilities and all other improvements constructed by or on behalf of Lessee on the Property, including but not limited to major/capital maintenance, and shall keep the same in good, safe, and serviceable condition, and in compliance with all applicable laws and regulations. Lessee shall perform capital repair in accordance with this section, regardless of whether the same arises from ordinary wear and tear, age, or obsolescence, except to the extent required maintenance is directly and solely caused by the gross negligence or willful misconduct of Lessor.

- a. Discretionary Minor Routine Maintenance by Lessor's Port & Harbors Department. Lessor's Port and Harbors Department shall perform, in its sole discretion, minor routine maintenance services (e.g., minor repairs, cleaning, snow and ice removal, power washing, painting, lighting/fixture replacements, and bollard/cleat inspection) on the Docking Facilities. Any such services shall be invoiced at Lessor's actual cost, plus materials. Lessor shall be reimbursed for such costs and materials from the Third-Party Dockage Revenues described in Paragraph 14 of this Lease prior to revenue sharing. Use of Lessor's staff for such discretionary minor routine maintenance does not shift or diminish Lessee's overall maintenance obligations under this Lease.
- b. Utilities and Refuse. Lessee shall pay for its metered water and power consumption, if any, at competitive rates established by Lessor for similarly situated commercial users. Lessor shall also provide garbage or refuse collection service to the Docking Facilities and shall bill Lessee for such services at standard commercial rates. Lessor shall invoice Lessee monthly for utilities and refuse, and Lessee shall pay all such invoices within thirty (30) days of receipt.

**13. BERTH SCHEDULING AND PRIORITY OF USE.** Lessor agrees to grant Lessee priority docking rights for the use of the Docking Facilities for each year during the Original Term of this Lease and any Extension Periods subject to the management provisions described below in Subsections 13(a) and 13(b).

- a. Lessee shall manage the docking schedule and business operation of the Docking Facilities commencing on the later of: (i) May 1 of each calendar year or (ii) the first day of Lessee's first scheduled sailing calling at the Docking Facilities during the applicable summer cruise season, and continuing through the earlier of: (A) October 31<sup>st</sup> of each such calendar year or (B) the date of Lessee's last scheduled sailing calling at the Docking Facilities during each such calendar year (the "Lessee Scheduling Period"), including but not limited to receiving and scheduling all docking requests, managing changes to the docking schedule, setting prices, setting payment terms, and setting insurance requirements for third party users.
- b. Lessee shall set its own schedule for vessels owned and/or operated by Lessee at least one year in advance prior to January 31. Thereafter, Lessee may accept reservations for the Lessee Scheduling Period from other vessel owners and/or operators beginning on February 1. All third-party requests for the Lessee Scheduling Period shall be scheduled directly through Lessee. Lessee shall have the right to provide its own vessels priority, then reasonably and commercially accommodate third party vessels. Lessee shall not withhold any dock reservations from a third-party passenger vessel unless one of Lessee's vessels is scheduled to be at the Docking Facilities. Lessor will have the right to review and consent to all of Lessee's accepted and/or rejected third party reservations. In the event that Lessee plans or determines it will have a third-party user utilize

the Docking Facilities for an extended period, i.e. multiple years consecutively, then Lessee shall notify Lessor and an agreement will be reached with that third-party user outside and not related to this Lease subject to Lessor's approval. Lessor shall have the right to review and approve the prices and terms charged by Lessee to third party owners and/or operators, which approval shall not be unreasonably withheld, and which shall consider Lessee's capital investment, as well as comparable facility's competitive rates.

- c. Lessor shall manage the docking schedule and business operations of the Docking Facilities for days outside of the Lessee Scheduling Period, including without limitation for the period commencing on the earlier of: (i) October 31 or (ii) the date of Lessee's last scheduled sailing of each calendar year, and continuing through the later of: (A) May 1 of the following calendar year or (B) the first day of Lessee's first scheduled sailing of the applicable summer cruise season (the "Lessor Scheduling Period"), including but not limited to receiving and scheduling all docking requests, managing changes to the docking schedule, setting prices, setting payment terms, and setting insurance requirements for third party users.
- d. All third-party requests for the Lessor Scheduling Period shall be scheduled directly through Lessor. Lessee will have the right to review and consent to all of Lessor's accepted and/or rejected third party reservations. In the event that Lessor plans or determines it will have a third-party user utilize the docking facility for an extended period, i.e. multiple years consecutively, then Lessor shall notify Lessee and an agreement will be reached with that third-party user outside and not related to this Lease subject to the Lessee's approval. Lessor shall have the right to set prices and payment terms but shall at all times work to protect Lessee's assets, including by setting reasonable maintenance obligations, insurance requirements, and preventing activities which cause excess wear and tear. Prior to May 1<sup>st</sup>, Lessor shall return and/or prepare the Docking Facilities to be in a condition suitable for Lessee's intended use as described in this Lease. Lessor shall also ensure and require any third-party users to repair and remedy any damage caused to the Docking Facilities prior to Lessee's intended use.
- e. Public Access Outside Lessee's Use. Lessor may, in its discretion, allow controlled public access to the Docking Facilities during times when Lessee is not using the facility, subject to reasonable safety and security protocols and subject to Lessee's then-current vessel schedule. Lessor shall be responsible for monitoring, controlling, and supervising any such public access and shall bear the risk and cost of any additional security, policing, or crowd management needs associated solely with such public use. Nothing in this subsection shall be construed to relieve Lessee of its general maintenance obligations under Section 13.

**14. THIRD PARTY DOCKING AND REVENUE SHARE.** For dockage, moorage, and related fees charged to non-Lessee owned and/or operated vessels using the Docking Facilities,

the Parties agree that all such fees actually collected (“Third-Party Dockage Revenues”) shall be divided equally as follows: fifty percent (50%) to Lessor and fifty percent (50%) to Lessee, from the Commencement Date and continuing through the Original Term and any Extension Periods. The Third-Party Dockage Revenues shall be divided equally after Lessor has been paid for the routine maintenance for that calendar year.

- a. Beginning on January 1 of the first full calendar year following the Commencement Date, and on each January 1 every two years thereafter during the Original Term and any Extension Periods, the Parties shall cooperate in good faith to finalize the next two (2) years’ third-party dockage fees. Lessor shall publish the agreed upon fees in City and Borough of Wrangell Schedule of Fees and Rates, Harbor and Port Facilities, as “ACL/CBW Third-Party Dockage Fees.”
- b. Lessor, acting through its Port and Harbors Department, shall invoice and collect Third-Party Dockage Revenues and shall remit Lessee’s 50% share quarterly with a summary report of vessel calls and charges. Costs of routine maintenance reimbursed to Lessor and pass-throughs (e.g., pilotage, tug, or other third-party charges/revenues) are excluded from Third-Party Dockage Revenues, but the 50/50 equal split share shall apply to all dockage and moorage fees published under the ACL/CBW Third-Party Dockage Fee schedule for such non-Lessee owned and/or operated vessel calls.

**15. MUTUAL WAIVER OF CONSEQUENTIAL DAMAGES.** Neither Party shall be liable to the other Party, in connection with or arising out of such Party’s rights or obligations under this Lease, for any special, incidental, indirect, exemplary, punitive, or consequential damages of any nature.

**16. ENVIRONMENTAL.** Lessor makes no warranty or representation with respect to the presence of Hazardous Materials on, above, or beneath the Property or any parcel in proximity thereto. Lessee expressly accepts the risk and assumes any and all liability for the facts, circumstances, conditions, and defects, if any, listed on the Alaska Department of Environmental Conservation, Division of Spill Prevention and Response, Contaminated Sites Database.

- a. As used herein, the term “Hazardous Materials” means: (a) those substances included within the definitions of any one or more of the terms “hazardous materials,” “hazardous wastes,” “hazardous substances,” “industrial wastes,” and “toxic pollutants,” as such terms are defined under Environmental Laws, or any of them; (b) petroleum and petroleum products, including, without limitation, crude oil and any fractions thereof; (c) natural gas, synthetic gas, and any mixtures thereof; (d) asbestos and/or any material which contains any hydrated mineral silicate, including, without limitation, chrysotile, amosite, crocidolite, tremolite, anthophyllite, and/or actinolite, whether friable or non-friable; (e) polychlorinated biphenyl (“PCBs”) or PCB containing materials or fluids; (f) radon; (g) any other hazardous or radioactive substance, material, pollutant, contaminant, or waste; and (h) any other substance with respect to which any Environmental Law or

governmental authority requires environmental investigation, monitoring, or remediation.

- b. As used herein, the term "Environmental Laws" means: all federal, state, and local laws, statutes, ordinances, and regulations, now or hereafter in effect, in each case as amended or supplemented from time-to-time, including, without limitation, all applicable judicial or administrative orders, applicable consent decrees, and binding judgments relating to the regulation and protections of human health, safety, the environment, and natural resources, including without limitation, ambient air, surface water, groundwater, wetlands, land surface or subsurface strata, wildlife, aquatic species and vegetation, including without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 U.S.C. §§ 9601 et seq.), the Hazardous Material Transportation Act, as amended (49 U.S.C. §§ 5101 et seq.), the Federal Insecticide, Fungicide, and Rodenticide Act, as amended (7 U.S.C. §§ 136 et seq.), the Resource Conservation and Recovery Act, as amended (42 U.S.C. §§ 9601 et seq.), the Toxic Substances Control Act, as amended (15 U.S.C. §§ 2601 et seq.), the Clean Air Act, as amended (42 U.S.C. §§ 7401 et seq.), the Federal Water Pollution Control Act, as amended (33 U.S.C. §§ 1251 et seq.), the Safe Drinking Water Act, as amended (42 U.S.C. §§ 300f et seq.) any state or local counterpart or equivalent of any of the foregoing, and any federal, state, or local transfer of ownership notification or approval statutes.
- c. Lessee is relying solely upon Lessee's own knowledge of the Property based on its own investigation, inspection, and due diligence of the Property in determining the Property's value and physical condition and Lessee agrees that it shall, subject to the express warranties, representations, and conditions, if any, contained in this Lease, assume the risk that adverse matters, including but not limited to, construction defects and adverse physical and environmental conditions, may not have been revealed by Lessee's investigations.
- d. Lessee shall not cause any Hazardous Substance to be located, used, spilled, leaked, disposed of, or otherwise released on or under the Property. Lessee shall comply with all environmental laws and exercise a high degree of care in the use and handling of Hazardous Substances in transfer of cargo and maintenance of the docking facilities.
- e. Lessee shall immediately notify Lessor upon becoming aware of the following: (i) any spill, leak, disposal or other release of a Hazardous Substance on, under or adjacent to the Property required to be reported to the United States Coast Guard ("USCG") or the State of Alaska Department of Environmental Conservation ("ADEC") and shall provide Lessor with a copy of any written notification submitted to USCG or ADEC; (ii) any notice or communication from a governmental agency or any other person relating to any Hazardous Substance on, under or adjacent to the Property; or (iii) any violation of any Environmental Law with respect to the Property or Lessee's activities on or in connection with the property or the docking facilities.

- f. In the event of a spill, leak, disposal or other release of a Hazardous Substance on or under the Property caused by Lessee or any of its contractors, agents or employees or invitees, or the suspicion or threat of the same, Lessee shall: (a) immediately undertake all emergency response necessary to contain, clean up and remove the released Hazardous Substance; (b) promptly undertake investigation, remedial removal and other response action necessary or appropriate to insure that any Hazardous Substances contamination is eliminated to Lessor's reasonable satisfaction; and (c) provide Lessor copies of all correspondence with any governmental agency regarding the release (or threatened or suspected release) or the response action, and a detailed report documenting all such response action.
- g. Upon expiration or sooner termination of this Lease for any reason, unless otherwise agreed by Lessor, Lessee shall remove all Hazardous Substances and facilities used for the storage or handling of Hazardous Substances from the Property and shall restore the affected areas by repairing any damage caused by the installation or removal of the facilities.
- h. Lessee shall indemnify, defend, and hold harmless Lessor, its employees and agents and the respective successors and assigns of each of them from and against all claims, demands, liabilities, damages, fines, losses, costs (including without limitation the cost of any investigation, remedial, removal or other response action required by Environmental Law) and expenses (including without limitation attorney fees and expert fees in connection with any trial, appeal, petition for review or administrative proceeding) arising, arisen, or to arise out of or in any way referring or relating to the release or presence of Hazardous Substances on or under the Property caused by Lessee or any of its contractors, agents or employees or invitees.
- i. Lessee's obligations under sub-section h above shall survive the expiration or termination of this Lease for any reason. Lessor's rights under sub-section h above are in addition to and not in lieu of any other rights or remedies to which Lessor may be entitled under this lease or otherwise.
- j. Lessor shall indemnify, defend and hold harmless Lessee, its employees and agents and the respective successors and assigns of each of them from and against all claims, demands, liabilities, damages, fines, losses, costs (including without limitation the cost of any investigation, remedial, removal or other response action required by Environmental Law) and expenses (including without limitation attorney fees and expert fees in connection with any trial, appeal, petition for review or administrative proceeding) arising out of or in any way relating to the use, treatment, storage, generation, transport, release, leak, spill, disposal or other handling of Hazardous Substances on or under the Property caused by Lessor or any of its contractors, agents, or employees or invitees prior to the Commencement Date, or unrelated to, Lessee's or its

contractors', agents' or employees' or invitees' activities on the Property.

- k. Lessor's obligations under sub-section j above shall survive the expiration or termination of this Lease for any reason. Lessee's rights under sub-section j are in addition to and not in lieu of any other rights or remedies to which Lessee may be entitled under this Lease or otherwise.

## **17. RIGHT TO INSPECT AND ASSUMPTION OF THE RISK.**

- a. Lessee shall pay as due all claims for work done on and for services rendered or material furnished to or on the Property and shall keep the property free from any liens. If Lessee fails to pay any such claims or to discharge any lien, Lessor may do so and collect the cost as Additional Rent. Such action by Lessor shall not constitute a waiver of any right or remedy which Lessor may have on account of Lessee's default.
- b. Lessee shall inspect the Property prior to commencement of the Original Term. Lessor agrees to provide reasonable access to the Property during regular business hours for Lessee's inspection.
- c. Lessee expressly assumes the risk of loss, damage, or injury arising, arisen, or to arise out of or referring or relating in any way to conditions existing on the Property prior to the Commencement Date.
- d. Lessor makes no representations with respect to the conditions of the Property. The Parties hereto expressly agree that the risk that actual physical conditions at the Property are materially different from the expected physical conditions at the Property is borne solely by the Lessee.

## **18. INSURANCE** During the Original Term and any Extension Periods of this Lease, Lessee shall obtain and maintain, at Lessee's sole cost and expense:

- a. Comprehensive general liability insurance with limits of not less than \$2,000,000 per occurrence covering all risks arising directly or indirectly out of Lessee's activities on or any condition of the Property, and covering claims of Lessor against Lessee under the indemnity obligations assumed by Lessee in this Lease;
- b. Property damage and fire insurance for the replacement value of any improvements on the Property and on Lessee's personal property located on the Property;
- c. Worker's compensation in accordance with applicable law as well as employer's liability coverage of not less than \$1,000,000 per occurrence, and, if applicable, longshore and harbor worker's insurance coverage; and

- d. Pollution insurance, \$2,000,000 combined single limit per loss applicable to bodily injury, property damage, including loss of use of damaged property or of property that has not been physically injured or destroyed; cleanup costs; and defense, including costs and expenses incurred in the investigation, defense or settlement of claims. Coverage shall apply to sudden and non-sudden pollution conditions resulting from the escape or release of petroleum products, smoke, vapors, fumes, acids, alkalis, toxic chemicals, liquids or gases, waste materials, or other irritants, contaminants, or pollutants.

All of the required insurances (except for worker's compensation and USL&H) shall name Lessor as an additional insured and waive subrogation in favor of Lessor. Lessee's insurance coverage shall be primary insurance as respects Lessor, its officers, officials, employees and volunteers. Any insurance or self-insurance maintained by Lessor, its officers, officials, employees and volunteers shall be excess of Lessee's insurance and shall not contribute to it. Insurance is to be placed with reputable insurers qualified to do business in Alaska. Certificates evidencing such insurance and bearing endorsements requiring 30 days' written notice to Lessor prior to any decrease in limits or cancellation shall be furnished to Lessor prior to the Commencement Date.

**19. LESSEE'S OBLIGATION TO INDEMNIFY.** To the fullest extent allowed by law, during the Original Term and any Extension Periods of this Lease, Lessee shall protect, defend, indemnify and hold harmless Lessor, its elected officials, officers, directors, subsidiaries, Assembly members, employees and agents (collectively, "Indemnitees") from and against any and all demands, claims, causes of action, proceedings, damages, liabilities, fines, losses, costs and expenses, including but not limited to, reasonable attorneys' fees and litigation expenses, arising, arisen, or to arise out of or referring or relating in any way to Lessee's performance, or obligations under this Lease, Lessee's activities, while the Property is under the possession or control of Lessee, or Lessee's acts or omissions whether caused by Lessee's officers, directors, employees, servants, agents, representatives, invitees, or subcontractors, which results in damage to property and/or injuries to persons, provided, however, that Lessee's obligation to indemnify shall not apply to any claims, damages, or losses to the extent they arise from (i) the negligence or willful misconduct of the Lessor or its Indemnitees, or (ii) the public's access to and use of the docking facilities as supervised and controlled by Lessor under Section 9. Such obligation shall not be construed to negate, abridge, or reduce other rights or obligations of indemnity which would otherwise exist as to a Party or person described in this Section. Lessee's obligation to protect, defend, indemnify and hold harmless shall survive the expiration or termination of this Lease.

**20. LESSOR'S OBLIGATION TO INDEMNIFY.** Likewise, to the fullest extent allowed by law, Lessor shall protect, defend, indemnify and hold harmless Lessee, its officers, directors, subsidiaries, commissioners, employees and agents (collectively, "Indemnitees") from and against any and all demands, claims, causes of action, proceedings, damages, liabilities, fines, losses, costs and expenses, including but not limited to, reasonable attorneys' fees and litigation expenses, arising from Lessor's performance of its operations or obligations under this Lease, whether caused by Lessor's officers, directors,

employees, servants, agents, representatives, invitees, or subcontractors, which results in damage to property and/or injuries to persons. Such obligation shall not be construed to negate, abridge, or reduce other rights or obligations of indemnity which would otherwise exist as to a Party or person described in this Section. Lessee's obligation to protect, defend, indemnify and hold harmless shall survive the expiration or termination of this Lease.

**21. POSSESSORY INTEREST AND TAXES.** Lessee acknowledges and agrees that consistent with Lessor's treatment of all Borough real property and tidelands/submerged lands leases, Lessee's leasehold interest in the Property and all leasehold improvements constructed thereon are subject to possessory interest taxation or substantially equivalent ad valorem taxation under applicable Borough ordinances and Alaska law. Accordingly, Lessee shall pay all real property taxes and special assessments levied against the Property.

- a. Lessor shall assess, or cause to be assessed, such possessory interest and improvements on the same basis and in the same manner as other similarly situated Borough lessees. Lessee shall be responsible for payment of all such possessory interest taxes and taxes on its leasehold improvements, when due, and shall not contest the applicability of such taxes on the basis that the underlying land is owned by the City and Borough of Wrangell.
- b. Lessor may, in its discretion, bill Lessee directly for such taxes or require that payment be made to the Borough's tax collection authority, and Lessee shall furnish reasonable evidence of timely payment upon request.

**22. LESSOR'S REPRESENTATIONS.** Lessor hereby covenants, warrants and represents to Lessee that:

- a. Lessor has the sole right, legal power, and authority to enter into this Lease.
- b. All requisite municipal actions or any other required action have been taken and satisfied by Lessor to authorize the execution and performance of this Lease. No other proceedings or actions on the part of Lessor are necessary to authorize this Lease or to carry out the transactions contemplated hereby. This Lease constitutes the legal, valid and binding obligation of Lessor enforceable against Lessor in accordance with its terms.
- c. The individual(s) executing this Lease, on behalf of Lessor, has (or have) the full right, legal power and actual authority to bind Lessor to the terms and conditions hereof.
- d. Neither the execution nor the provisions of this Lease violates or breaches or shall violate or breach any term or provision of any other agreement, written or oral, between Lessor and any third party, and that if legal proceedings are instituted by any party based upon any term or provision of any other agreement to prohibit the use, operation or enjoyment of the Property, or any part thereof, as provided in this Lease, Lessor shall assume the defense of any such legal

proceedings and shall indemnify Lessee from and against any and all claims arising from or out of any such legal proceedings and/or the total or partial loss of the use, operation or enjoyment of the Property.

**23. EMINENT DOMAIN OR DESTRUCTION OF THE PROPERTY.** If a portion of the Property is condemned, this Lease shall continue on the following terms:

- a. Lessee shall be entitled to all of the proceeds of condemnation relating to improvements constructed by Lessee, and Lessor shall be entitled to all of the proceeds of condemnation relating to the unimproved Property.
- b. After the date on which title vests in the condemning authority, the Base Rent and Additional Rent shall be reduced in proportion to the reduction in value of the Property as an economic unit on account of the partial taking.
- c. If such partial taking renders the Property reasonably unusable for Lessee's permitted use, then Lessee may at its option terminate this Lease without owing any liability to Lessor to be effective as of the date title vests in the condemning authority and the rights of Lessor and Lessee shall be as set forth below in the case of a total taking.
- d. If a condemning authority takes all the Property or a portion sufficient to render the remaining Property reasonably unsuitable for the permitted use that Lessee was then making of the Property, this Lease shall terminate as of the date the title vests in the condemning authority. Landlord shall be entitled to all the proceeds of condemnation, and Lessee shall have no claim against Landlord as a result of the condemnation.
- e. Sale of all or part of the Property to a purchaser with the power of eminent domain in the face of a threat or probability of the exercise of the power shall be treated as a total taking by condemnation.
- f. If the Property is damaged or destroyed so that Lessee is unable to reasonably use the Property for its permitted use, Lessor may terminate this Lease effective as of the date of the damage or destruction by giving Lessee written notice within five (5) days of the date of the damage or destruction.

**24. FORCE MAJEURE:** Lessee shall be entitled to suspend its operations or terminate this Lease in the event a Force Majeure occurrence makes Lessee's performance of its rights, duties, and/or obligations under this Lease economically impracticable. Such Force Majeure events shall include, but are not limited to, acts of God; war; invasion; hostilities; rebellion; strikes; lockouts; fire; flood; hurricanes; epidemics; pandemics; outbreak; earthquake; explosion; decision of any court or other judicial body; unavailability of materials; labor shortages; volatile market conditions; transportation; satellite failure; or acts of governments. In the event of Lessee's suspension of operations or termination of this Lease pursuant to this provision, Lessee

shall only be entitled to pay a prorated amount of Base Rent and Additional Rent calculated up and through the date of Lessee's notice of suspension or termination. In the event of suspension, Lessee's Base Rent and Additional Rent obligation shall resume when Lessee resumes use of the Property.

**25. ASSIGNMENT AND SUBLETTING.** No part of the Property may be assigned, mortgaged, or subleased by Lessee without the prior written approval of the Borough Assembly. In the event the Borough Assembly consents to an assignment at any time during this Lease, Lessee shall continue to remain liable to Lessor under the terms of this Lease, unless otherwise agreed in writing. Any assignment/sublease shall be in writing and be subject to the terms and conditions of this Lease and such further terms and conditions as the Borough Assembly may deem appropriate.

**26. DEFAULT.** The following shall be events of default:

- a. Failure of Lessee to pay any rent or other charge within ten (10) days after it is due.
- b. Failure of Lessee to comply with any term or condition or fulfill any obligation of this Lease (other than the payment of rent or other charges) within twenty (20) days after written notice by Lessor specifying the nature of the default with reasonable particularity. If the default is of such a nature that it cannot be completely remedied within the 20-day period, Lessee shall be in compliance with this provision if Lessee begins correction of the default within the 20-day period and thereafter proceeds with reasonable diligence and in good faith to effect the remedy as soon as practicable.
- c. Insolvency of Lessee; an assignment by Lessee for the benefit of creditors; the filing by Lessee of a voluntary petition in bankruptcy; an adjudication that Lessee is bankrupt or the appointment of a receiver of the properties of Lessee; the filing of any involuntary petition of bankruptcy and failure of Lessee to secure a dismissal of the petition within 30 days after filing; attachment of or the levying of execution on the leasehold interest and failure of Lessee to secure discharge of the attachment or release of the levy of execution within 10 days shall each constitute a default.
- d. Lessee's failure to occupy the Property for one or more of the purposes permitted under this Lease, for at least thirty (30) days per year, unless such failure is excused under other provisions of this Lease.
- e. Lessee's failure to comply with all regulations, rules, and the code of the Borough, and with all state and federal regulations, rules, and laws, as the code or any such rules, regulations, or laws may affect the activity upon or associated with the Property.
- f. Failure of Lessor to comply with any term or condition or fulfill any obligation of

this Lease within twenty (20) days after written notice by Lessee specifying the nature of the default with reasonable particularity. If the default is of such a nature that it cannot be completely remedied within the 20-day period, Lessor shall be in compliance with this provision if Lessor begins correction of the default within the 20-day period and thereafter proceeds with reasonable diligence and in good faith to effect the remedy as soon as practicable.

**27. REMEDIES FOR DEFAULT.** In the event of a default, this Lease may be terminated at the option of Lessor or Lessee by written notice to the other Party in default. If the Lease is terminated because of any default by the Lessee, the annual Base Rent and Additional Rent payment last made by the Lessee shall be forfeited and retained by the Lessor. This section shall also identify the event in which Lessee shall be entitled to terminate this Lease.

- a. In the event the Lease is terminated, or in the event that the Property, or any part thereof, are abandoned by the Lessee during the Original Term or any Extension Period, the Lessor or its agents, servants, or representatives may, immediately or any time thereafter, re-enter and resume possession of the Property or such part thereof, and remove all persons and property therefrom either by summary proceedings or by a suitable action or proceeding at law without being liable for any damages therefor. No re-entry by the Lessor shall be deemed an acceptance of a surrender of the Lease.
- b. In the event of termination or retaking of possession following default, Lessor shall be entitled to recover immediately all Base Rent due and payable for the remainder of the calendar year in which the termination took place.
- c. If Lessee or Lessor fail to perform any obligation under this Lease, the Party not in default will have the option to terminate this Lease.
- d. The foregoing remedies shall be the sole remedies available to the Parties.

**28. CANCELLATION AND FORFEITURE.** This Lease may be canceled in whole or in part at any time, upon written consent by the Lessee and the Borough Assembly.

- a. Any lease of tidelands/submerged lands used for an unlawful purpose may be terminated by the Borough Assembly, in its sole discretion.
- b. If the Lessee shall default in the performance or observance of any of the Lease terms, covenants, or stipulations, or any applicable ordinance of the Borough, and said default continues for twenty (20) calendar days after service of written notice by the Lessor on the Lessee without remedy by Lessee of the default, the Borough Assembly shall take such action as is necessary to protect the rights and the best interests of the Lessor, including the exercise of any or all rights after default set forth in this Lease. No improvements may be removed by Lessee or any other person during any

time the Lessee is in default.

- c. Failure to make substantial use of the Property, consistent with the permitted use, within one year of the Commencement Date shall, with the approval of the Borough Assembly, constitute good cause for cancellation. This time period may be extended by the Borough Assembly by resolution in its sole discretion.

**29. EXPIRATION OF LEASE.** Unless the Lease is renewed or sooner terminated as provided herein, the Lessee shall peaceably and quietly leave, surrender, and yield up unto Lessor, the Property on the last day of the Original Term or any Extension Periods.

- a. All Docking Facilities and other improvements constructed or purchased on the Property by Lessee may within sixty (60) calendar days after the expiration of the Original Term or any Extension Periods, be removed by the Lessee; provided, that the Borough Assembly may extend the time for removing such improvements in cases where hardship is proven. All periods of time granted Lessee to remove improvements are subject to Lessee's paying to the Borough pro rata Base Rent and Additional Rent for said periods. If any improvements and/or chattels are not removed within the time allowed, such improvements and/or chattels shall revert to, and absolute title shall vest in, the Lessor.
- b. In the event this Lease is terminated or is cancelled prior to substantial completion of the Docking Facilities, all partially constructed improvements on the Property shall in the discretion of the Borough Assembly be removed by the Lessee at Lessee's sole cost and expense. In such case, the Parties shall work together in good faith to coordinate the removal of all such improvements, except that Lessor shall not obligate Lessee to remove foundations, concrete, or structures at or below docking level, whether submerged or not. Lessee shall bear all costs associated with the removal of the improvements.
- c. In the event this Lease is terminated or is cancelled prior to the expiration of the twentieth (20<sup>th</sup>) year following the Commencement Date, title to the Docking Facilities and any other improvements constructed or purchased on the Property by Lessee shall immediately vest in Lessor.
- d. In the event this Lease is terminated or is cancelled after the expiration of the twentieth (20th) year following the Commencement Date but prior to the expiration of the Original Term or any Extension Periods, title to the Docking Facilities and any other improvements constructed or purchased on the Property by Lessee shall remain in Lessee alone. Title to all improvements which are abandoned by Lessee except, without limitation, Lessee's trade fixtures, equipment, furnishings, merchandise and inventory any or all of which Lessee may remove at its sole option, shall vest in Lessor.

Notwithstanding the above, Lessee shall not be obligated to make any repairs or replacements to any Docking Facilities, parking lot, building, equipment, or fixtures at the Property at the expiration of the Original Term or any Extension Periods and Lessor agrees to accept the same in its then existing condition.

**30. NOTICES.** All notices provided under this Agreement shall be in writing and shall be sent by certified mail, return receipt requested, and addressed as follows:

To the LESSOR:	Mason Villarma, City Manager City and Borough of Wrangell, Alaska P.O. Box 531 Wrangell, Alaska 99929
To the LESSEE:	Eric Dussault, Director of Port Development & Construction American Cruise Lines, Inc. 741 Boston Post Road, Suite 200 Guilford, CT 06437

**31. GENERAL PROVISIONS.**

- a. This Lease (and the documents referred to herein) constitutes the entire agreement between the Parties pertaining to the subject matter contained herein and supersedes any prior and contemporaneous agreements, representations and understandings, oral or otherwise, between or among the parties with respect to the matters contained herein.
- b. This Lease shall be binding upon, and inure to the benefit of, the Parties hereto and their respective heirs, legatees, distributees, legal representatives, successors, and assigns.
- c. This Lease shall not be modified, amended or supplemented, in whole or part, without the prior written consent of the Parties hereto. Each and every waiver of any covenant, representation, warranty or any other provision hereof must be in writing and signed by each Party whose interests are adversely affected by such waiver. No waiver granted in any one instance shall be construed as a continuing waiver applicable in any other instance.
- d. The Parties hereby agree that each Party and its attorneys have reviewed and revised this Lease and that the normal rule of construction, to the effect that any ambiguities are resolved against the drafting party, shall not be employed in the interpretation of this Lease and no other rule of strict construction shall be used against any Party. All exhibits and schedules attached or to be attached hereto, and all other agreements and instruments referred to herein, are hereby incorporated herein by reference, as fully as if copied herein verbatim.

- e. The Parties further agree that upon request, they shall do such further acts and deeds, and shall execute, acknowledge, deliver and record such other documents and instruments, as may be reasonably necessary from time to time to evidence, confirm or carry out the intent and purposes of this Lease.
- f. If any one or more of the provisions hereof shall for any reason be held invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect the validity or enforceability of any other provision hereof, which shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein. The Parties intend that if any provision hereof is capable of two constructions, one of which would render the provision void and the other of which would render the provision valid, then the provision shall have the meaning which renders it valid.
- g. This Lease shall be governed exclusively by the laws of the State of Alaska, regardless of any choice of law provisions that might otherwise be applicable. The Parties shall attempt to resolve any dispute that arises out of or is related to this Lease by first submitting the dispute to mediation. Any mediation will be conducted by one mediator selected by the Parties and will be conducted in Wrangell, Alaska, or such other place selected by the Parties.
- h. The receipt of Base Rent or Additional Rent by Lessor with knowledge of any breach of the Lease by the Lessee or of any default on the part of the Lessee in observance or performance of any of the conditions or covenants of the Lease shall not be deemed to be a waiver of any provision of the Lease. No failure on the part of the Lessor to enforce any covenant or provision therein contained, nor any waiver of any right thereunder by Lessor unless in writing, shall discharge or invalidate such covenants or provisions or affect the right of Lessor to enforce the same in the event of any subsequent breach or default. The receipt by Lessor of any other sum of money after the termination, or after the giving by Lessor of any term demised, or after the giving by Lessor of any notice thereunder to effect such termination, shall not reinstate, continue, or extend the resultant term therein demised, unless so agreed to in writing and signed by the borough mayor.
- i. If suit or any action is instituted in connection with any controversy arising out of this Lease, the prevailing party shall be entitled to recover, in addition to costs, such sum as the court may adjudge reasonable as attorney fees at trial, on petition for review, and on appeal.
- j. Any notice or demand, which under the terms of this Lease or under any statute must be given or made by the Parties thereto, shall be in writing and be given or made by registered or certified mail, addressed to the other party at the address of record. However, either Party may designate in writing such new or other address to which such notice or demand shall thereafter be so given, made, or mailed. A notice given hereunder shall be deemed delivered when deposited in the U.S. mail enclosed in a registered or certified mail prepaid envelope addressed as herein provided.

- k. The Lessee shall allow an authorized representative of Lessor to enter the Property at any reasonable time for the purposes of inspecting the Property and improvements thereon.
- l. Lessor shall have the right to audit Lessee's records and to require Lessee to prepare summaries or reports from its records to determine compliance with the payment terms of this Lease.
- m. Any rent or other payment required of Lessee by this Lease shall, if not paid within twenty (20) days after it is due, bear interest at the rate often percent (10%) per annum from the due date until paid, as Additional Rent.
- n. In the event of commencement or termination of this Lease at a time other than the beginning or end of one of the specified rental periods, for a reason other than breach of Lessee, then the Base Rent and Additional Rent shall be prorated as of the date of commencement or termination and in the event of termination for reasons other than default, all prepaid rent shall be refunded to Lessee or paid on its account; provided, however, that in the event that the Lease should be terminated because of any breach by Lessee, as herein provided, the annual rental payment last made by Lessee shall be forfeited and retained by Lessor.
- o. Time is of the essence of the performance of each of Lessee's obligations under this Lease.
- p. All oil, gas and other minerals and all deposits of stone, earth or gravel valuable for extraction or utilization are reserved by the Lessor and shall not be removed from the Property. The Lessee shall not sell or remove for use elsewhere any timber, stone, gravel, peat moss, topsoil, or any other material valuable for building or commercial purposes; provided, however, that material required for the development of the Property and docking facilities may be used, if its use is first approved by the Borough Assembly in writing.
- q. Lessor expressly reserves the right to grant easements or rights-of-way across the Property if it is determined in the best interest of the Lessor to do so. If Lessor grants an easement or right-of-way across any of the Property, Lessee shall be entitled to damages for all Lessee-owned improvements destroyed or damaged. Damages shall be limited to improvements only and loss shall be determined by fair market value. Annual rentals may be adjusted to compensate the Lessee for the loss of use.
- r. Lessee shall make no temporary or permanent improvements on the Property of any kind without first obtaining all approvals and permits required by federal, state, and local law.
- s. Lessor does not warrant by its classification or leasing of the Property that the Property is suited for the use authorized under the Lease and no guaranty is 16

given or implied that it will be profitable to employ the Property to said use.

- t. Any lawsuit brought by either Landlord or Lessee to enforce, interpret, or apply this Lease may only be brought in a court of competent jurisdiction in Wrangell, Alaska, and Lessor and Lessee hereby consent to the exclusive jurisdiction and venue of such court.
- u. This Lease embodies the entire understanding between the Parties and supersedes all prior Leases and understandings, written or oral, related to the subject matter of this Lease.
- v. In the event any provision, or any portion of any provision of this Lease is held invalid, the other provisions of this Lease and the remaining portion of said provision, shall not be affected thereby, and shall continue in full force and effect.
- w. Nothing contained in this Lease shall be deemed or construed by the Parties, or by any third person, to create the relationship of principal and agent or of partnership or of joint venture or of any association between Lessor and Lessee.
- x. The individuals signing this Lease on behalf of Lessor and Lessee represent and warrant that they are empowered and duly authorized to bind Lessor or Lessee to this Lease according to its terms.
- y. Any headings used in this Lease are for convenience only and do not define or limit the scope of this Lease.
- z. This Lease may be executed in counterparts (including by electronic transmission), each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

**IN WITNESS WHEREOF**, the Parties hereto have executed this Lease as of the day and year first above written.

*SIGNATURE PAGE TO FOLLOW, REMAINDER OF PAGE LEFT INTENTIONALLY  
BLANK*

**LESSOR:**  
CITY AND BOROUGH OF WRANGELL

By: Mason Villarma

Its: Borough Manager

STATE OF \_\_\_\_\_  
BOROUGH OF \_\_\_\_\_

On this \_\_\_\_\_ day of \_\_\_\_\_, 2026, before me, a Notary public in and for the said State and Borough, duly commissioned and qualified, personally appeared \_\_\_\_\_, on behalf of the City and Borough of Wrangell, known to me to be the person identified above and who, upon oath, acknowledged that he voluntarily executed the foregoing Agreement for the purpose therein contained.

---

NOTARY PUBLIC

My Commission Expires: \_\_\_\_\_

**LESSEE:**

American Cruise Lines, Inc., a Delaware corporation

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By: Charles B. Robertson

Its: President & CEO

STATE OF \_\_\_\_\_ COUNTY OF \_\_\_\_\_

On this \_\_\_\_\_ day of \_\_\_\_\_, 2026, before me, a Notary public in and for the said State and County, duly commissioned and qualified, personally appeared \_\_\_\_\_, on behalf of American Cruise Lines, Inc., known to me to be the person identified above and who, upon oath, acknowledged that he voluntarily executed the foregoing Agreement for the purpose therein contained.

---

NOTARY PUBLIC

My Commission Expires: \_\_\_\_\_

**PLANNING DEPARTMENT**

PO BOX 531 WRANGELL, AK, 99929 | +1 (907) 874-2381  
205 BRUEGER STREET, WRANGELL, AK, 99929



**Date:** Monday, November 24, 2025

**To:** Honorable Mayor and Borough Assembly  
Mason Villarma, Borough Manager  
Kim Lane, Borough Clerk

**From:** Kate Thomas, Economic Development Director

**Subject:** Request from American Cruise Lines to lease a portion of Borough-owned tidelands identified as APN 02-024-600, of the Wrangell Townsite, zoned Waterfront Development, for the construction of a new small cruise ship docking facility.

**Recommendation:** The Planning & Zoning Commission, at its June 19, 2025 regular meeting, and the Economic Development Board, at its June 3, 2025 regular meeting, recommend that the Borough Assembly authorize the Borough Manager to enter into lease negotiations with American Cruise Lines, Inc. (ACL) for a 40-year tidelands lease within Parcel 02-024-600, subject to the following conditions:

1. Final lease review by the Borough Attorney and approval by the Borough Assembly in accordance with WMC 16.08.
2. All required federal, state, and local permits must be obtained prior to construction.
3. A professional survey and recorded exhibit must be completed defining the final lease boundaries prior to lease execution.
4. Final lease must clarify public access provisions, shared-use scheduling protocols, emergency coordination, infrastructure ownership, and maintenance responsibilities.
5. Development shall be consistent with Waterfront Development zoning standards.
6. Coordination with the Port & Harbors Department on operational logistics, moorage scheduling, and site access.

**Attachments:** 1.) Staff Report, 2.) Aerial Map

**Summary of Decision:** At their respective meetings, the Economic Development Board on June 3, 2025, and the Planning & Zoning Commission on June 19, 2025, both bodies reviewed the American Cruise Lines (ACL) tidelands lease application, associated staff reports, and preliminary site concepts. Following discussion, both groups voted to support advancing the proposal and recommended that the Borough Assembly authorize the Borough Manager to enter into formal lease negotiations.

Both bodies agreed the project is consistent with the Borough's long-term planning documents, including the 2015 Waterfront Master Plan and the 2025 public re-engagement process, and aligns with Waterfront Development zoning. The proposed privately funded \$3 million dock was recognized as improving visitor access, eliminating weather-dependent anchoring, and strengthening tourism-related economic opportunities.

Across the two meetings, members raised several considerations for negotiation and future planning:

- Questions were raised about the amount of fill needed, spatial limitations within the development footprint, and opportunities to optimize surrounding lands, including potential repurposing of the old barge ramp.
- Both groups emphasized the importance of ensuring non-exclusive use of the dock, with clear scheduling protocols and public access provisions incorporated into the lease.
- Board members noted the need for future traffic analysis and careful planning of operational movement in and around the site.
- Ensuring safe passenger access, emergency coordination, and ADA considerations were highlighted as essential negotiation topics.
- Members encouraged releasing concept drawings and preliminary plans to the public as they become available to maintain trust and clarity throughout the planning process.
- Both groups acknowledged that the one-acre concept footprint is preliminary and that a formal survey and permit agreement will define the final area.

Despite these concerns, which are expected to be addressed through ongoing design refinement and lease negotiations, both bodies expressed support for moving forward. Members cited ACL's demonstrated interest in Wrangell, the economic value of small-vessel visitation, and the company's stated willingness to collaborate with Borough staff to refine project scope.

The recommendations from both bodies forward the matter to the Assembly for direction on entering lease negotiations.

**Public Comment:** No public comment was received prior to or during the meeting regarding board and commission action on the lease application.



# AMERICAN CRUISE LINES & WRANGELL

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# OVERVIEW

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- ★ 100% American
- ★ The largest operator of U.S. cruise ships
- ★ 22 small ships operating in 35 states
- ★ 140 U.S. ports of call
- ★ Focus on small towns with big history
- ★ Educational & cultural programming
- ★ Boutique hotel on a ship
- ★ 2 ships in Alaska with more under construction
- ★ Adding 3 ships per year





# CHESAPEAKE SHIPBUILDING

SHIPBUILDERS & NAVAL ARCHITECTS

- ★ Family business under the same ownership as American Cruise Lines
- ★ Based in Salisbury, MD
- ★ Designers and builders of commercial vessel up to 400 feet
- ★ In-house naval architects and marine engineers
- ★ Steel and aluminum construction
- ★ Builders of every new American Cruise Lines ship
- ★ 8 cruise ships currently under construction with a new ship rolled out every 4 months

**MADE IN AMERICA**  
*with American Materials and Manpower*



*Sharing America's Story on  
the Finest American Ships*

## Our Mission

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- ★ All US-flagged fleet with 100% domestic itineraries
- ★ Ability to operate in public access facilities without CBP control infrastructure
- ★ Ships between 240 and 270 feet carrying less than 200 guests each
- ★ 2 ships currently cruising in Alaska with more under construction
- ★ More time spent in port than any other Alaska cruise line to maximize guest engagement and economic impact





## Our Demographic

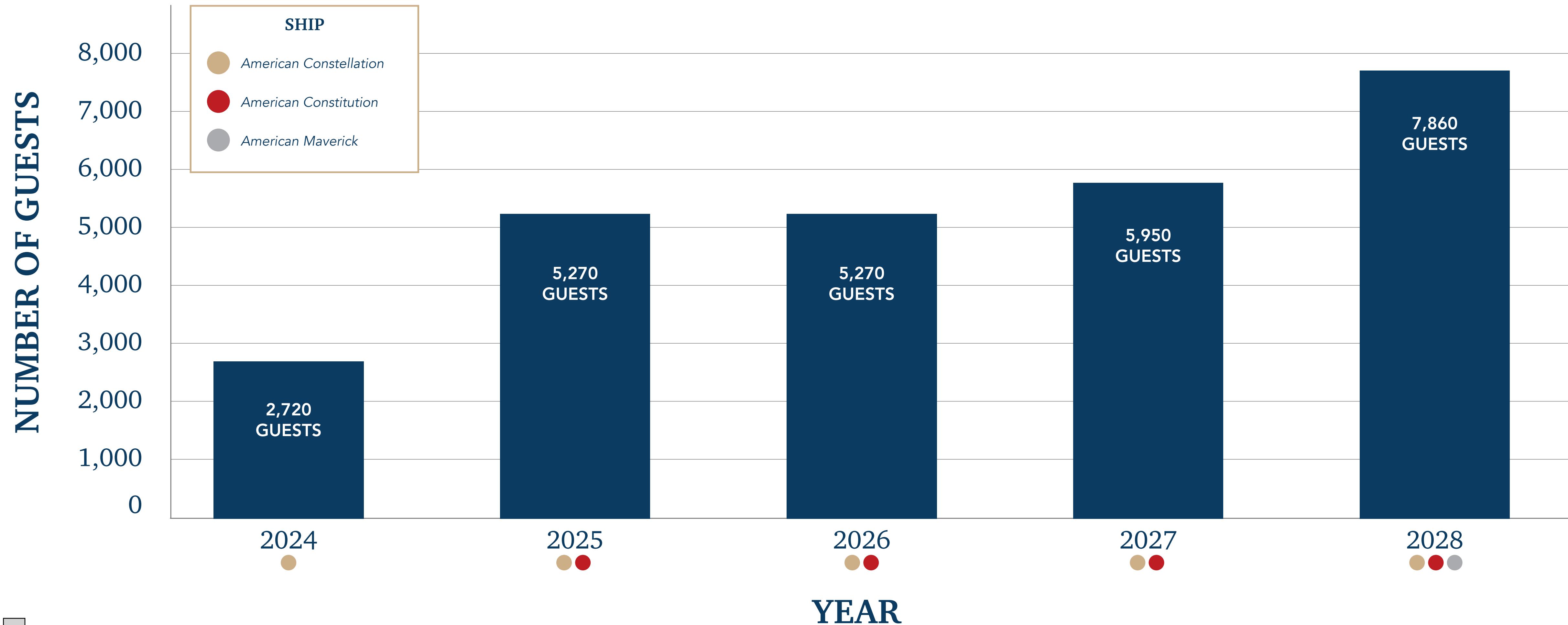
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- ★ Mature affluent Americans
- ★ Former global travelers who now want to explore their own country
- ★ High net worth and retired
- ★ High willingness to spend on genuine or personalized experiences
- ★ Typical cruise costs more than \$1,000 per person, per day, plus shoreside expenses in excess of \$250 per person, per day
- ★ Where others spend 2-4 days in port, we spend 6 days in port



# Southeast Alaska

## *Sustainable Tourism Growth*





# Long-Term Partnership & Infrastructure

*Case Study: Richland, WA*

**Use Agreement between the City of Richland, WA and American Cruise Lines. City sought to monetize an existing dock in a public park.**

- ★ 5 years, with four 5 year options
- ★ American is anchor tenant with fixed annual payments
- ★ American has priority and manages docking schedule
- ★ American designed, permitted, managed, and paid for the construction of brand new berthing dolphins
- ★ Dock remains public access and recreational facility





# Long-Term Partnership & Infrastructure

*Case Study: Kalama, WA*

**Dock usage agreement between the Port of Kalama and American Cruise Lines. Port sought long-term commitments as part of its mixed use development vision which includes open space.**

- ★ 13-year agreement with one 7-year extension followed by two 10-year extensions totaling 40 years
- ★ American made capital contribution to project along with port
- ★ American manages dock schedule and has priority scheduling rights
- ★ Park is always a popular recreation facility for the public even when vessels are docked
- ★ Port managed construction project with input from American through concept, design, and construction

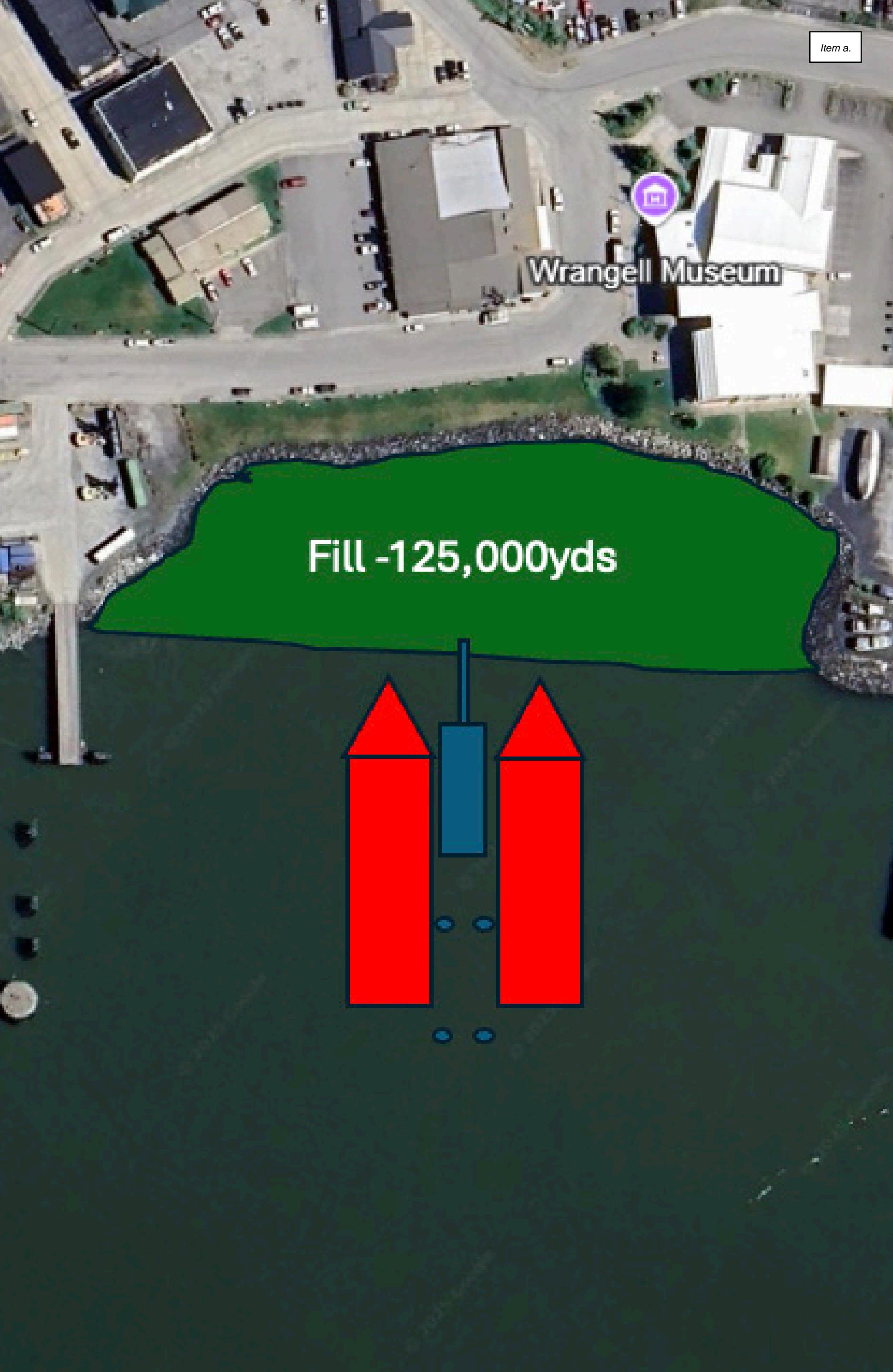


# Long-Term Partnership & Infrastructure

*Potential Partnership: Wrangell, AK*

A long term agreement between the Borough and American Cruise Lines would allow for a consistent schedule in Wrangell allowing for greater economic benefit.

- ★ Projected Dockings by year:  
2024 - 16 ★ 2025 - 31 ★ 2026 - 31 ★ 2027 - 35 ★ 2028 - 51
- ★ American is open to fully funding a dock infrastructure project or partnering with the Borough
- ★ American will work directly with Borough to ensure terms of the lease meet the needs of the community
- ★ Dedicated dock for small, U.S. flagged cruise vessels would eliminate need to anchor. Docking allows guests more flexibility to depart the vessel and explore town on their own
- ★ Docking allows greater operating constantly. 30% of planned anchorages are missed due to weather conditions, resulting in disappointed guests and last minute cancellations for vendors ashore





# Community Partnership & Economic Benefit

## *Current Shoreside Excursions & Community Benefits*

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- ★ Wrangell Experience  
Includes a stop at Wrangell Museum
- ★ Wild Bears of Anan
- ★ Stikine River Wilderness Jet Boat Adventure
- ★ Experience Nature
- ★ Ancient Forest of Anan Jet Boat Cruise
- ★ Collaboration with local Chamber of Commerce

# CITY AND BOROUGH OF WRANGELL, ALASKA

Item a.



1 inch = 341.104573 feet

46 Date: 6/6/2025

Public Map

**DISCLAIMER: THESE MAPS ARE FOR PLANNING PURPOSES ONLY.  
PROPERTY LINES ARE APPROXIMATE. AERIAL 2002.**



## MEMORANDUM

**TO:**

HONORABLE MAYOR AND MEMBERS OF THE ASSEMBLY  
CITY AND BOROUGH OF WRANGELL

**FROM:**

Steve Miller  
Port Director

**SUBJECT:**

Port Commission

**DATE:**

June 18, 2025

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At its regular meeting on June 18, 2025, the Port Commission unanimously approved a motion to proceed with leasing a portion of the tidelands identified as APN 02-024-600 to American Cruise Lines. The Commission expressed enthusiasm about the opportunity to work with the company, noting that the size of its vessels is well-suited to Wrangell's community wishes of smaller vessels. While supportive of the lease, the Commission also acknowledged the importance of preserving public waterfront views and emphasized the need to consider community aesthetics throughout the planning process.

## CITY & BOROUGH OF WRANGELL, ALASKA BOROUGH ASSEMBLY AGENDA STATEMENT

<u>AGENDA ITEM TITLE:</u>	<u>DATE:</u>	January 7, 2026
	<u>Agenda Section</u>	7

RESOLUTION No. 01-26-2012 OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA ESTABLISHING THE CAPITAL PROJECT STATE LEGISLATIVE PRIORITIES FOR FY 2027

<u>SUBMITTED BY:</u>	<u>FISCAL NOTE:</u>
Amber Al-Haddad, Capital Projects Director Mason Villarma, Borough Manager	<u>Expenditure Required:</u> Fiscal Year (FY):      Amount:
	<u>Amount Budgeted:</u> FY:      \$
<u>Reviews/Approvals/Recommendations</u>	<u>Account Number(s):</u>
<input type="checkbox"/> Commission, Board or Committee	<u>Account Name(s):</u>
Name(s)	<u>Unencumbered Balance(s) (prior to expenditure):</u>
Name(s)	
<input type="checkbox"/> Attorney	
<input type="checkbox"/> Insurance	

ATTACHMENTS: 1. Resolution No. 01-26-2012

### **RECOMMENDATION MOTION:**

Move to approve Resolution No. 01-26-2012.

### **SUMMARY STATEMENT:**

The Borough FY2026-2027 Strategic Plan for Capital Improvements Plan (CIP) for Capital Projects has been developed with a recommended priorities list for legislative capital project needs. An Assembly-approved priorities list is necessary to guide staff in developing capital project budgets and in identifying State funding opportunities for those projects.

It is the intent of the Wrangell Borough Assembly to provide the Governor of Alaska, the State Legislature, State agencies, and other potential funding sources with adequate information regarding the Borough priority capital project needs.

It is the intent of the Wrangell Borough Assembly to give priority consideration to projects that:

1. Preserve and protect the health and safety of the community; and
2. Are mandated by the state and/or federal government; and
3. Provide for improvements of existing facilities resulting in a preservation of the community's prior investment, improvements to the environmental quality of the community, or support of economic development opportunities.

Resolution 01-26-2012 proposes to establish the State legislative capital projects priorities for FY 2027 as follows:

<u>Priority</u>	<u>Project Name</u>
1.	Inner Harbor Replacement
2.	Wrangell Harbor Basin Dredging
3.	McKinnon Street Rehabilitation (Storm Drain, Sidewalk and Surfacing)
4.	Nolan Center Civic Center and Museum Roof Recoating
5.	Elevator Replacement - Public Safety Building
6.	Wastewater Treatment Plant Effluent Disinfection Upgrades
7.	Shoemaker Harbor Boat Ramp Replacement
8.	Downtown Waterfront Planning

The approved projects will serve as the City and Borough of Wrangell's established capital project State legislative priorities list for FY 2027.

Should the Assembly desire to change the priority order or otherwise modify the projects listing, those amendments can be offered at the meeting with proposed language such as "I move to amend Resolution 01-26-2012 by [moving, replacing, eliminating, adding, etc.] on the capital project State legislative priorities for FY2027."

**CITY AND BOROUGH OF WRANGELL, ALASKA**  
**RESOLUTION NO. 01-26-2012**

Item a.

A RESOLUTION OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA,  
ESTABLISHING THE CAPITAL PROJECT STATE LEGISLATIVE PRIORITIES FOR FY 2027

**WHEREAS**, it is the intent of the Wrangell Borough Assembly to provide the Governor of Alaska, the State Legislature, State agencies, and other potential funding sources with adequate information regarding the Borough's priority capital project needs; and

**WHEREAS**, it is the intent of the Wrangell Borough Assembly to give priority consideration to projects that preserve and protect the health and safety of the community, are mandated by the state or federal government, and provide for improvements of existing facilities resulting in a preservation of the community's prior investment or in improvements to the environmental quality of the community.

**WHEREAS**, Resolution No. 01-26-2012 establishes the capital project State of Alaska Legislative priorities for FY 2027; and

**NOW, THEREFORE, BE IT RESOLVED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, that:**

**Section 1:** the City and Borough of Wrangell shall establish the State legislative capital projects priorities for FY 2027 as follows:

<u>Priority</u>	<u>Project Name</u>
1.	Inner Harbor Replacement
2.	Wrangell Harbor Basin Dredging
3.	McKinnon Street Rehabilitation (Storm Drain, Sidewalk and Surfacing)
4.	Nolan Center Civic Center and Museum Roof Recoating
5.	Elevator Replacement - Public Safety Building
6.	Wastewater Treatment Plant Effluent Disinfection Upgrades
7.	Shoemaker Harbor Boat Ramp Replacement
8.	Downtown Waterfront Planning

**Section 2:** the Borough Manager, or their Designee, is hereby directed to advise appropriate State representatives and personnel of the Borough's FY 2027 capital project legislative priorities and take appropriate steps to provide necessary supporting information.

PASSED AND APPROVED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA this 7<sup>TH</sup> day of January, 2026.

CITY & BOROUGH OF WRANGELL, ALASKA

---

Patricia Gilbert, Borough Mayor

ATTEST: \_\_\_\_\_

Kim Lane, MMC, Borough Clerk

# CITY & BOROUGH OF WRANGELL, ALASKA

## BOROUGH ASSEMBLY AGENDA STATEMENT

<u>AGENDA ITEM TITLE:</u>	<u>DATE:</u> January 7, 2026
<u>Agenda Section</u>	<b>7</b>

RESOLUTION No. 01-26-2013 OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA ESTABLISHING THE CAPITAL PROJECT FEDERAL LEGISLATIVE PRIORITIES FOR FY 2027

<u>SUBMITTED BY:</u>	<u>FISCAL NOTE:</u>
Amber Al-Haddad, Capital Projects Director Mason Villarma, Borough Manager	<u>Expenditure Required:</u> Fiscal Year (FY):      Amount:
	<u>Amount Budgeted:</u> FY:      \$
<u>Reviews/Approvals/Recommendations</u>	<u>Account Number(s):</u>
<input type="checkbox"/> Commission, Board or Committee	<u>Account Name(s):</u>
Name(s)	<u>Unencumbered Balance(s) (prior to expenditure):</u>
Name(s)	
<input type="checkbox"/> Attorney	
<input type="checkbox"/> Insurance	

ATTACHMENTS: 1. Resolution No. 01-26-2013

### **RECOMMENDATION MOTION:**

Move to approve Resolution No. 01-26-2013.

### **SUMMARY STATEMENT:**

The Borough FY2026-2027 Strategic Plan for Capital Improvements Plan (CIP) for Capital Projects has been developed with a recommended priorities list for legislative capital project needs. An Assembly-approved priorities list is necessary to guide staff in developing capital project budgets and in identifying Federal funding opportunities for those projects.

It is the intent of the Wrangell Borough Assembly to provide the Federal Legislature, Federal agencies, and other potential funding sources with adequate information regarding the Borough priority capital project needs. It is the intent of the Wrangell Borough Assembly to give priority consideration to projects that:

1. Preserve and protect the health and safety of the community; and
2. Are mandated by the state and/or federal government; and
3. Provide for improvements of existing facilities resulting in a preservation of the community's prior investment, improvements to the environmental quality of the community, or support of economic development opportunities.

Resolution 01-26-2013 proposes to establish the Federal legislative capital projects priorities for FY 2027 as follows:

<u>Priority</u>	<u>Project Name</u>
1.	Wrangell Harbor Basin Dredging; Support for Programmatic Funding for the US Army Corps of Engineers Maintenance Dredging Program
2.	Wastewater Treatment Upgrades for Effluent Disinfection
3.	Marine Highway Freight Terminal and Barge Ramp
4.	Deepwater Port Subdivision Development
5.	Flume Replacement for Reclamation and Drought Resiliency
6.	Deepwater Port Development and Downtown Port Expansion
7.	Diesel Power Plant Roof Replacement

The approved projects will serve as the City and Borough of Wrangell's established capital project Federal legislative priorities list for FY 2027.

Should the Assembly desire to change the priority order or otherwise modify the projects listing, those amendments can be offered at the meeting with proposed language such as "I move to amend Resolution 01-26-2013 by [moving, replacing, eliminating, adding, etc.] on the capital project Federal legislative priorities for FY2027."

## CITY AND BOROUGH OF WRANGELL, ALASKA

RESOLUTION NO. 01-26-2013

A RESOLUTION OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL,  
 ALASKA ESTABLISHING THE CAPITAL PROJECT FEDERAL LEGISLATIVE PRIORITIES  
 FOR FY 2027

WHEREAS, it is the intent of the Wrangell Borough Assembly to provide the Federal Legislature, Federal agencies, and other potential funding sources with adequate information regarding the Borough's priority capital project needs; and

WHEREAS, it is the intent of the Wrangell Borough Assembly to give priority consideration to projects that preserve and protect the health and safety of the community, are mandated by the state or federal government, and provide for improvements of existing facilities resulting in a preservation of the community's prior investment or in improvements to the environmental quality of the community.

WHEREAS, Resolution No. 01-26-2013 establishes the capital project Federal Legislative priorities for FY 2027; and

NOW, THEREFORE, BE IT RESOLVED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, that:

Section 1: the City and Borough of Wrangell shall establish the federal legislative capital projects priorities for FY 2027 as follows:

<u>Priority</u>	<u>Project Name</u>
1.	Wrangell Harbor Basin Dredging; Support for Programmatic Funding for the US Army Corps of Engineers Maintenance Dredging Program
2.	Wastewater Treatment Upgrades for Effluent Disinfection
3.	Marine Highway Freight Terminal and Barge Ramp
4.	Deepwater Port Subdivision Development
5.	Flume Replacement for Reclamation and Drought Resiliency
6.	Deepwater Port Development and Downtown Port Expansion
7.	Diesel Power Plant Roof Replacement

Section 2: the Borough Manager, or their Designee, is hereby directed to advise appropriate Federal representatives and personnel of the Borough's FY 2027 capital project legislative priorities and take appropriate steps to provide necessary supporting information.

PASSED AND APPROVED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA this 7<sup>th</sup> day of January, 2026.

CITY & BOROUGH OF WRANGELL, ALASKA

Kim Lane, MMC, Borough Clerk

## CITY & BOROUGH OF WRANGELL, ALASKA BOROUGH ASSEMBLY AGENDA STATEMENT

<u>AGENDA ITEM TITLE:</u>	<u>DATE:</u>	January 7, 2026
	<u>Agenda Section</u>	7

**RESOLUTION No. 01-26-2014** OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, TO RECOGNIZE AND DECLARE THE CITY AND BOROUGH OF WRANGELL A "COAST GUARD CITY"

<p><u>SUBMITTED BY:</u></p> <p>Mason Villarma, Borough Manager</p>	<p><u>FISCAL NOTE:</u></p> <p><b>Expenditure Required: \$0</b></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;">Fiscal Year (FY): 2026</td><td style="width: 50%;">Amount: \$0</td></tr> </table> <p><b>Amount Budgeted:</b></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;">FY: \$ 0</td><td style="width: 50%;"></td></tr> </table> <p><b>Account Number(s):</b></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 100%;">XXXXX XXX XXXX</td></tr> </table> <p><b>Account Name(s):</b></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 100%;">N/A</td></tr> </table> <p><b>Unencumbered Balance(s) (prior to expenditure):</b></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 100%;">N/A</td></tr> </table>	Fiscal Year (FY): 2026	Amount: \$0	FY: \$ 0		XXXXX XXX XXXX	N/A	N/A			
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<p><u>Reviews/Approvals/Recommendations</u></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 10%; text-align: center;"><input type="checkbox"/></td><td>Commission, Board or Committee</td></tr> <tr> <td style="text-align: center;">Name(s)</td><td></td></tr> <tr> <td style="text-align: center;">Name(s)</td><td></td></tr> <tr> <td style="text-align: center;"><input type="checkbox"/></td><td>Attorney</td></tr> <tr> <td style="text-align: center;"><input type="checkbox"/></td><td>Insurance</td></tr> </table>	<input type="checkbox"/>	Commission, Board or Committee	Name(s)		Name(s)		<input type="checkbox"/>	Attorney	<input type="checkbox"/>	Insurance	
<input type="checkbox"/>	Commission, Board or Committee										
Name(s)											
Name(s)											
<input type="checkbox"/>	Attorney										
<input type="checkbox"/>	Insurance										

ATTACHMENTS: 1. RES 01-26-2014.

### RECOMMENDATION MOTION:

Move to Approve RES 01-26-2014.

## **SUMMARY STATEMENT:**

### **BACKGROUND:**

The United States Coast Guard plays a critical role in maritime safety, national security, environmental protection, and emergency response throughout Southeast Alaska and the Arctic. The City and Borough of Wrangell is actively positioning itself as a strategic maritime community capable of supporting future Coast Guard missions through infrastructure readiness, industrial capacity, and regional partnerships.

As part of this effort, the Borough is pursuing development of its deepwater port and a strategic partnership with JAG Marine Group to establish Wrangell as a premier fabrication, maintenance, and repair hub capable of supporting Coast Guard fleet operations, including potential future homeporting of icebreakers and other assets.

Adoption of this resolution formally recognizes the importance of the Coast Guard's mission and declares Wrangell a "Coast Guard City," signaling the Borough's intent to support present and future Coast Guard operations through long-term collaboration and investment.

### **DISCUSSION:**

The Coast Guard City designation is an honorary recognition that reflects a community's commitment to supporting Coast Guard missions and personnel. It does not create any legal or financial obligation for the Borough. Instead, it serves as a formal statement of intent and partnership that may strengthen federal relationships, support advocacy efforts, and align with Wrangell's broader maritime and economic development strategy.

The resolution is forward-looking and does not imply the current presence of a Coast Guard base or homeported vessels.

### **FISCAL IMPACT:**

None.

### **RECOMMENDATION:**

Administration recommends adoption of Resolution No. 01-26-2014 declaring the City and Borough of Wrangell a "Coast Guard City."

## CITY AND BOROUGH OF WRANGELL, ALASKA

### RESOLUTION No. 01-26-2014

A RESOLUTION OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, TO RECOGNIZE AND DECLARE THE CITY AND BOROUGH OF WRANGELL A "COAST GUARD CITY"

**WHEREAS**, the United States Coast Guard, established in 1790, is one of the Nation's oldest continuous maritime services and is charged with critical missions including search and rescue, maritime safety, environmental protection, maritime law enforcement, and national defense; and

**WHEREAS**, the waters surrounding the City and Borough of Wrangell are among the most challenging and economically vital in Southeast Alaska, supporting commercial fishing, maritime transportation, subsistence activities, tourism, and recreation; and

**WHEREAS**, the City and Borough of Wrangell is actively working to establish itself as a Coast Guard City by advancing infrastructure, operational capacity, and regional partnerships necessary to support future United States Coast Guard missions, including the potential homeporting of an icebreaker and other fleet assets; and

**WHEREAS**, the City and Borough of Wrangell is pursuing a strategic partnership with JAG Marine Group to develop the Borough's deepwater port into a premier fabrication, maintenance, and repair hub capable of supporting United States Coast Guard vessels and enhancing long-term fleet readiness in Alaska and the broader Arctic region; and

**WHEREAS**, the Assembly of the City and Borough of Wrangell recognizes the importance of long-term collaboration with the United States Coast Guard to strengthen maritime safety, emergency response capability, industrial capacity, and national security interests in Southeast Alaska and the Arctic; and

**WHEREAS**, designation as a "Coast Guard City" reflects the City and Borough of Wrangell's commitment to supporting the missions of the United States Coast Guard through infrastructure readiness, policy alignment, and community partnership;

**NOW, THEREFORE, BE IT RESOLVED**, that the Assembly of the City and Borough of Wrangell, Alaska, hereby recognizes and declares the City and Borough of Wrangell a "Coast Guard City."

**BE IT FURTHER RESOLVED**, that the City and Borough of Wrangell affirms its intent to support current and future United States Coast Guard missions through continued investment in maritime infrastructure, industrial capability, and strategic partnerships that enhance fleet readiness and operational effectiveness.

**BE IT FURTHER RESOLVED**, that the Mayor and Borough Manager are authorized and directed to transmit a copy of this resolution to the appropriate United States Coast Guard command and district offices as a formal expression of the community's recognition, intent, and commitment.

PASSED AND APPROVED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA this 7<sup>th</sup> day of JANUARY, 2026.

CITY & BOROUGH OF WRANGELL, ALASKA

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Patricia Gilbert, Mayor

ATTEST: \_\_\_\_\_  
Kim Lane, Borough Clerk

## CITY & BOROUGH OF WRANGELL, ALASKA BOROUGH ASSEMBLY AGENDA STATEMENT

<u>AGENDA ITEM TITLE:</u>	<u>DATE:</u> January 7, 2026
	<u>Agenda Section</u> 7

RESOLUTION No. 01-26-2015 OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, AMENDING THE FISCAL YEAR 2026 BUDGET TO TRANSFER \$295,000 FROM THE GENERAL FUND RESERVES TO THE CIP FUND FOR THE MCKINNON STREET REHABILITATION PROJECT DESIGN PHASE AND AUTHORIZING ITS EXPENDITURES

<u>SUBMITTED BY:</u>	<u>FISCAL NOTE:</u>
Amber Al-Haddad, Capital Projects Director	<b>Expenditure Required:</b> \$295,000
	<b>Fiscal Year (FY):</b> 26 <b>Amount:</b> \$295,000
	<b>Amount Budgeted:</b>
	<b>FY:2026</b> \$0
<u>Reviews/Approvals/Recommendations</u>	<b>Account Number(s):</b>
<input type="checkbox"/>	11300-021-9999-XX-11023
Name(s)	<b>Account Name(s):</b>
<input type="checkbox"/>	McKinnon Street Rehabilitation CIP Fund
Name(s)	<b>Unencumbered Balance(s) (prior to expenditure):</b>
<input type="checkbox"/>	\$0
<input type="checkbox"/>	Attorney
<input type="checkbox"/>	Insurance

ATTACHMENTS: 1. Resolution 01-26-2015

### **RECOMMENDATION MOTION:**

Move to Approve Resolution 01-26-2015.

### **SUMMARY STATEMENT:**

The Borough has identified McKinnon Street Rehabilitation as the priority road and utility project to be implemented in 2026/2027.

Following the State Revolving Fund (SRF) program including approximately \$900,000 in loan funding (this loan, with the potential for 100% subsidy, has not yet been full executed) toward the replacement of the water and sewer systems within this roadway, the Borough issued a competitive solicitation to select an engineering design firm to provide design for the project. One Statement of Qualifications was received, from PND Engineers.

A scope of work was developed and PND Engineers provided their proposal for the work. The fee proposal for the engineering services is in the amount of \$267,410.40. With a 10% contingency added, administration requests a budget amendment to the FY26 capital budget by transferring \$295,000 from General Fund Reserves to the McKinnon Street Rehabilitation CIP Fund to fund the design and construction phase engineering services.

As outlined in the scope of work with PND Engineers, detailed cost estimates for the McKinnon Street Rehabilitation construction phase will be provided at the 50% and 95% design submittal milestones. These estimates will allow for accurate assessment of anticipated construction costs before soliciting competitive bids and the requirement for a future budget amendment for the construction phase work.

RES 01-26-2015 requests \$295,000 be transferred from the General Fund Reserves to the McKinnon Street Rehabilitation CIP Fund account to facilitate the advancement of engineering services.

**CITY AND BOROUGH OF WRANGELL**  
**RESOLUTION No. 01-26-2015**

A RESOLUTION OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, AMENDING THE FISCAL YEAR 2026 BUDGET TO TRANSFER \$295,000 FROM THE GENERAL FUND RESERVES TO THE CIP FUND FOR THE MCKINNON STREET REHABILITATION PROJECT DESIGN PHASE AND AUTHORIZING ITS EXPENDITURES

**WHEREAS**, the City and Borough of Wrangell, Alaska adopted the budget for all funds of the City and Borough of Wrangell, Alaska for the fiscal year 2025–2026; and

**WHEREAS**, the Wrangell Municipal Code requires that the Borough Assembly approve any budget amendments over those amounts adopted; and

**WHEREAS**, the Borough wishes to retain engineering services for the McKinnon Street Rehabilitation project engineering services for the design and construction phases necessitating additional funding beyond current appropriations; and

**WHEREAS**, a transfer from the General Fund Reserves to the McKinnon Street Rehabilitation CIP Fund, in the amount of \$295,000, is required in the FY26 capital budget to cover these engineering services; and

**NOW, THEREFORE, BE IT RESOLVED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA THAT:**

**Section 1:** The Assembly of the City and Borough of Wrangell hereby amends the FY26 budget by transferring \$295,000 from the General Fund Reserves to the McKinnon Street Rehabilitation CIP Fund and authorizes project expenditures.

PASSED AND APPROVED BY THE ASSEMBLY OF THE CITY & BOROUGH OF WRANGELL, ALASKA THIS 7<sup>th</sup> DAY OF JANUARY 2026.

CITY & BOROUGH OF WRANGELL

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Patricia Gilbert, Borough Mayor

ATTEST: \_\_\_\_\_  
Kim Lane, MMC, Borough Clerk

## CITY & BOROUGH OF WRANGELL, ALASKA BOROUGH ASSEMBLY AGENDA STATEMENT

<u>AGENDA ITEM TITLE:</u>	<u>DATE:</u>	January 7, 2026
	<u>Agenda Section</u>	7

Approval of a Contract Award to PND Engineers for the McKinnon Street Rehabilitation Project
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<u>SUBMITTED BY:</u>	<u>FISCAL NOTE:</u>
Amber Al-Haddad, Capital Projects Director	<b>Expenditure Required:</b> \$267,410.40 Fiscal Year (FY): 26      Amount: \$267,410.40

<u>Reviews/Approvals/Recommendations</u>	
<input type="checkbox"/>	Commission, Board or Committee
Name(s)	
Name(s)	
<input type="checkbox"/>	Attorney
<input type="checkbox"/>	Insurance
<b>Account Number(s):</b>	
11300-021-9999-XX-11023	
<b>Account Name(s):</b>	
McKinnon Street Rehabilitation CIP Fund	
<b>Unencumbered Balance(s) (prior to expenditure):</b>	
\$295,000	

<u>ATTACHMENTS:</u> 1. PND Engineers Fee Proposal dated December 31, 2025
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### **RECOMMENDATION MOTION:**

Move to Approve a Contract Award to PND Engineers for the McKinnon Street Rehabilitation Project.

## **SUMMARY STATEMENT:**

The Borough has identified McKinnon Street Rehabilitation as the priority road and utility project to be implemented in 2026/2027.

Following the State Revolving Fund (SRF) program including approximately \$900,000 in subsidy loan funding toward the replacement of the water and sewer systems within this roadway, the Borough issued a competitive solicitation to select an engineering design firm to provide design for the project. One Statement of Qualifications was received, from PND Engineers.

A scope of work was developed and PND Engineers has provided their proposal for the work. The fee proposal for the engineering services is in the amount of \$267,410.40. Of this design cost, approximately \$150,000 was included in the cost estimate submitted to the SRF program, as water and sewer utility design costs, to be included for reimbursement under their funding (Note: This loan, with the potential for 100% subsidy, has not yet been fully executed). The balance of the cost for the design phase will be provided from the General Fund Reserves.

The proposal includes additional survey and platting needed to clear the McKinnon Street Right of Way as shown in a recent survey that identified the right of way is encumbered by three Borough-owned lots.

As outlined in the scope of work with PND Engineers, detailed cost estimates for the McKinnon Street Rehabilitation construction phase will be provided at the 50% and 95% design submittal milestones. These estimates will allow for accurate assessment of anticipated construction costs before soliciting competitive bids and the requirement for a future budget amendment for the construction phase work.

Administration recommends approval of the contract award to PND Engineers, in the amount of \$267,410.40, for the McKinnon Street Rehabilitation project.



ENGINEERS, INC.

December 31, 2025

25J121

Amber Al-Haddad  
 Capital Projects Director  
 City and Borough of Wrangell  
 PO Box 531  
 Wrangell, AK 99929

**SUBJECT: MCKINNON ST. REHABILITATION PROJECT, ENGINEERING SERVICES FEE PROPOSAL**

Dear Amber,

Thank you for the opportunity to provide this fee proposal for engineering services on the McKinnon Street Rehabilitation Project. We understand that CBW aims to replace McKinnon Street roadway, sidewalk and utilities, including water sewer and storm drain systems. You requested a fee proposal to perform design, permitting, bid, and construction administration, on the project, aligned with your scope of work document, attached for reference. Additionally, you requested PND perform platting services to vacate CBW owned lots and dedicate new McKinnon Street ROW.

PND proposes the following tasks:

**Tasks 1 - 3 - Design**

Design services will be provided as an iterative process with development of progress submittals and ultimately final construction documents. Specific design tasks are identified in the attached scope and fee spreadsheets.

*Tasks 1-3 Assumptions:*

1. CBW will coordinate and complete all required SRF reporting on the project.
2. CBW will develop SRF and AIS language and bid forms to be included in the contract.
3. The fee assumes (1) bid ready documents submittal. Changes requested after stamped bid documents can be performed for additional cost.
4. Assume no lighting improvements, electrical design has not been included in this fee proposal.

*Tasks 1-3 Deliverables:*

Deliverables will be provided in reproduction ready electronic PDF format. Final documents will include bound CAD and Word files.

1. 50% Design Development Design Review Submittal - Plans, estimate.
2. 95% Final Design Review Submittal - Plans, general contract conditions, technical specifications, estimate.

3. Written responses to CBW comments following each submittal review.
4. Bid Ready Documents.
5. Bound CAD and Word files.

#### **Task 4 - Permitting**

PND will prepare documents required to obtain permits for the project as listed.

##### *Task 4 Assumptions:*

1. Only the permitting tasks specifically listed below have been included in the attached fee proposal.
2. ADEC Dewatering and Construction General permits will be obtained by the Contractor. PND will provide specifications generally listing anticipated requirements and directing contractor procurement of permits by law.
3. Fee assumes Contractor will develop and submit temporary water plan to ADEC. PND will develop specifications requiring Contractor to complete this task. It is assumed that this will be acceptable to ADEC on this project.
4. CBW will pay permit fees as required.

##### *Task 4 Deliverables:*

1. ADEC water system Authorization to Construct and supporting documentation.
2. ADEC water system Temporary Approval to Operate
3. ADEC water system Final Approval to Operate following construction.
4. ADEC sewer system Authorization to Construct and supporting documentation.
5. ADEC sewer system Temporary Approval to Operate following construction.
6. ADEC sewer system Final Approval to Operate following construction.
7. ADEC storm water system Letter of Non-Objection.

#### **Task 5 Property and Platting Services**

PND surveyors will develop preliminary and final plat documents in support of Mckinnon Street ROW modifications. We anticipate CBW will vacate lots 18 and 19, and amend the property line of Lot 17 to be back of sidewalk. It is assumed all impacted lots are currently owned by CBW, including Lot 1, which is otherwise identified in the design survey.

##### *Tasks 5 Assumptions:*

1. PND assumes 1 survey site visit for this task to set corners for final platting. Preliminary plat will be developed based on assumed boundaries from the design survey. Assumes no significant changes are required from preliminary plat to final plat.
2. CBW will shepherd plat through planning and zoning and the Borough assembly as required.

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3. No local processing fees are anticipated.
4. Fee assumes clear ground conditions, free of snow and ice.
5. Fee assumes two days of on-site surveying. Costs from delays due to weather, or inaccessibility of the utilities or sites once mobilized, through no fault of PND will be charged on a time and expenses basis.

*Tasks 5 Deliverables:*

1. Preliminary and Final Plat documents.

### **Task 6 Bid Phase Support**

We anticipate CBW will distribute contract documents to prospective bidders. PND will assist CBW during the bid advertising period as needed. Services will include responding to bidder questions and attending the pre-bid conference. PND will prepare addenda that may result from bid phase interaction. PND will review bids, develop bid tabs, and provide a letter of recommendation identifying the successful bidder.

### **Task 7 – Miscellaneous Services**

Task 7 is for miscellaneous services which may be required outside of other proposed tasks. The task will only be used on a time and expenses basis at CBW direction until consumed.

### **Task 8 – Construction Support**

On a time and expenses basis PND will perform CA tasks as described below and as requested by CBW, including:

- Attend pre-construction meeting and progress meetings with the contractor. Develop agendas, keep and distribute minutes. Weekly construction meetings for 20 weeks are assumed.
- Provide CA support and coordination with contractor and CBW; RFIs, change orders, DCVRs RFPs Field orders, notices, documentation schedule control, pay requests reviews.
- Complete Submittal Reviews, maintain AIS submittal documents for CBW reporting. CBW will coordinate ADEC reporting.
- Consult with the Borough regarding construction progress and quality. CBW will perform construction inspection. Fee estimate includes one construction site visit.
- Assist with solutions to resolve technical and contractual issues; perform construction engineering as needed.
- Perform substantial completion inspection with CBW inspector, develop and distribute substantial completion punch list. Assumes a day trip from CA manager and engineer of record.
- Develop record drawings produced with as-builts provided by the Contractor and field observations performed by CBW.

## Fee Estimate

We have estimated the fees for this work as summarized in the following table. Scope details and individual subtasks are identified on the enclosed fee spreadsheets.

PND proposes to perform the design Tasks 1-6 for a fixed price of \$176,498 and Tasks 7-8 on a time and expenses basis, not to exceed \$90,912.40. The total estimated fee for all tasks is **\$267,410.40**.

Cost Summary			
Task	Description	Cost	Fee Method
1	Preliminary Design - 50%	\$34,835.60	Fixed
2	Final Design - 95%	\$58,343.00	Fixed
3	Bid Ready Documents	\$15,727.00	Fixed
4	Permitting	\$18,802.00	Fixed
5	Property and Platting Services	\$42,790.40	Fixed
6	Bid Phase Support	\$6,000.00	Fixed
7	Misc. Services	\$5,959.00	T&E
8	Construction Support	\$84,953.40	T&E
<b>Total Fee Estimate</b>		<b>\$267,410.40</b>	

## Schedule

PND is ready to commence upon receiving written Notice to Proceed. The following schedule is proposed.

Task	Begin	Complete
<b>NTP</b>		January 9, 2026
<b>50% Design Submittal</b>	January 9, 2026	February 9, 2026
<b>50% Documents Review Meeting</b>		February 11, 2026
<b>95% Design Submittal</b>	February 9, 2026	March 13, 2026
<b>90% Documents Review Meeting</b>		March 16, 2026
<b>Permit Packages Submitted</b>		April 3, 2026
<b>Bid Ready Documents</b>	March 16, 2026	March 27, 2025

We appreciate the opportunity to provide these services to CBW and look forward to working with you on this important project.

Sincerely,

PND Engineers, Inc., Juneau Office



Tyler Bradshaw, PE  
Principal Engineer

### Enclosures:

1. Time and Fee Estimate Spreadsheets
2. CBW SOW



ENGINEERS, INC.

**PND Engineers, Inc.**  
**City and Borough of Wrangell**  
**McKinnon Street Rehabilitation**  
**Engineering Services Fee Proposal**  
**December 31, 2025**

<b>Cost Summary</b>			
<b>Task</b>	<b>Description</b>	<b>Cost</b>	<b>Fee Method</b>
1	Preliminary Design - 50%	\$34,835.60	Fixed
2	Final Design - 95%	\$58,343.00	Fixed
3	Bid Ready Documents	\$15,727.00	Fixed
4	Permitting	\$18,802.00	Fixed
5	Property and Platting Services	\$42,790.40	Fixed
6	Bid Phase Support	\$6,000.00	Fixed
7	Misc. Services	\$5,959.00	T&E
8	Construction Support	\$84,953.40	T&E
<b>Total Fee Estimate</b>		<b>\$267,410.40</b>	



ENGINEERS, INC.

**PND Engineers, Inc.**  
**City and Borough of Wrangell**  
**McKinnon Street Rehabilitation**  
**Engineering Services Fee Proposal**

December 31, 2025

1	Subtask	Description of Services	Civil Engineer VI	Structural Engineer VI	Senior Engineer IV	Senior Engineer II	Staff Engineer IV	Senior Surveyor III	Senior Surveyor I	Technician VI	CAD Designer VII	CAD Designer V	Line Total	Task Subtotal Costs
			\$255.00	\$255.00	\$207.00	\$183.00	\$151.00	\$175.00	\$159.00	\$174.00	\$166.00	\$138.00		
<b>Preliminary Design - 50%</b>														
1.1	Project Management: Team Management, correspondence, scheduling, budget controls, invoicing, reports, contract management, clerical.	6								4				\$2,226
1.2	Progress Meetings/Design Coordination	2	2	2	2							2		\$2,076
1.3	Demolition and Construction Phasing	1			4							2		\$1,263
1.4	AC Pipe Disposal Planning/Coordination	2		4										\$1,338
1.5	Grading, Alignment, Typ. Sections, Crossings	2			6						2	4		\$2,492
1.6	Utility Systems, Water, Sewer, Storm	2		4	4							6		\$2,898
1.7	Power/Fiber conflicts coordination/avoidance	1		2	2							2		\$1,311
1.8	Adjacent Property Access and Encroachments	1			4							4		\$1,539
1.9	Freight movement and turning review	1			6									\$1,353
1.10	Concrete design and joints layout	2	6		2	8						4		\$4,166
1.11	Striping and Signage				2							2		\$642
1.12	Material Quantities Computations and Cost Estimate	2	2	2	8	4						2		\$3,778
1.13	Prepare and Submit 50% Design documents	1		2	2							2		\$1,311
1.14	On Site Design Review Submittal Meeting - Assume Day Trip	14			14									\$6,132
1.15	Respond to CBW Comments in Writing	1			2									\$621
<b>Total Estimated Man-hours</b>			38	10	16	58	12	0	0	4	2	30	170	
<b>Estimated Third Party Expenses</b>			<b>Expenses</b>								Quantity	Unit Cost	Line Total	
Misc.	Reproduction and Misc. Consumables										1	\$100	\$100	
PND Travel	Air fare										2	\$600	\$1,200	
PND Travel	Lodging, per night										0	\$0	\$0	
PND Travel	Vehicle Rental										0	\$0	\$0	
PND Travel	Per Diem, Days										2	\$118	\$236	
Administrative Fee	Expenses Markup										1	10%	\$154	
<b>Subcontractor Fees</b>														
Sub 1	Electrical Engineering Services										0	\$0	\$0	
Sub 2	Architectural Design Services										0	\$0	\$0	
Sub 3	Mechanical Engineering Services										0	\$0	\$0	
Sub 4	Survey Services										0	\$0	\$0	
Administrative Fee	Subcontracor Markup										1	10%	\$0	
<b>Preliminary Design - 50% Total</b>														<b>\$34,835.60</b>



ENGINEERS, INC.

**PND Engineers, Inc.**  
**City and Borough of Wrangell**  
**McKinnon Street Rehabilitation**  
**Engineering Services Fee Proposal**

December 31, 2025

**2**

Subtask	Description of Services	Civil Engineer VI	Structural Engineer VI	Senior Engineer IV	Senior Engineer II	Staff Engineer IV	Senior Surveyor III	Senior Surveyor I	Technician VI	CAD Designer VII	CAD Designer V	Line Total	Task Subtotal Costs								
		\$255.00	\$255.00	\$207.00	\$183.00	\$151.00	\$175.00	\$159.00	\$174.00	\$166.00	\$138.00										
<b>Final Design - 95%</b>																					
2.1	Project Management: Team Management, correspondence, scheduling, budget controls, invoicing, reports, contract management, clerical.	12			4				4				\$4,488								
2.2	Progress Meetings/Design Coordination	4	2	2	4	2					2		\$3,254								
2.3	Demolition and Construction Phasing	2	1	2	4	2					4		\$2,765								
2.4	AC Pipe Disposal Planning/Coordination	2		6	2						4		\$2,670								
2.5	Grading, Alignment, Typ. Sections, Crossings	4		2	20					4	6		\$6,586								
2.6	Utility Systems, Water, Sewer, Storm	4		24	6						8		\$8,190								
2.7	Power/Fiber conflicts coordination/avoidance	2		4	6						3		\$2,850								
2.8	Adjacent Property Access and Encroachments	2			6	2					3		\$2,324								
2.9	Concrete design and joints layout	2	16		4	20					8		\$9,446								
2.10	Striping and Signage	1			6						4		\$1,905								
2.11	Material Quantities Computations and Cost Estimate	2	2	4	6	4					4		\$4,102								
2.12	Specifications	4	4	4	12	4							\$5,668								
2.13	Prepare and Submit 95% Design documents	1	1	1	2	2					2		\$1,661								
2.14	Design Review Submittal Meeting - Virtual	2			2								\$876								
2.15	Respond to CBW Comments in Writing	2	1	1	2								\$1,338								
<b>Total Estimated Man-hours</b>		46	27	50	86	36	0	0	4	4	48	301	\$58,123.00								
<b>Estimated Third Party Expenses</b>		<b>Expenses</b>								Quantity	Unit Cost	Line Total									
Misc.		Reproduction and Misc. Consumables								1	\$200	\$200									
PND Travel	Air fare									0	\$0	\$0									
PND Travel	Lodging, per night									0	\$0	\$0									
PND Travel	Vehicle Rental									0	\$0	\$0									
PND Travel	Per Diem, Days									0	\$0	\$0									
Administrative Fee	Expenses Markup									1	10%	\$20	\$220.00								
<b>Subcontractor Fees</b>																					
Sub 1	Electrical Engineering Services									0	\$0	\$0									
Sub 2	Architectural Design Services									0	\$0	\$0									
Sub 3	Mechanical Engineering Services									0	\$0	\$0									
Sub 4	Survey Services									0	\$0	\$0									
Administrative Fee	Subcontracor Markup									1	10%	\$0	\$0.00								
<b>Final Design - 95% Total</b>																					
<b>\$58,343.00</b>																					



PND Engineers, Inc.  
 City and Borough of Wrangell  
 McKinnon Street Rehabilitation  
 Engineering Services Fee Proposal

December 31, 2025

3	Subtask	Description of Services	Civil	Structural	Senior	Senior	Staff	Senior	Senior	Technician	CAD	CAD	Line Total	Task Subtotal Costs
			Engineer VI	Engineer VI	Engineer IV	Engineer II	Engineer IV	Surveyor III	Surveyor I	VI	Designer VII	Designer V		
<b>Bid Ready Documents</b>														
3.1	Project Management: Team Management, correspondence, scheduling, budget controls, invoicing, reports, contract management, clerical.	4								2			\$1,368	
3.2	Address all final review comments, integrate into package.	2	6	6	6							8	\$5,484	
3.3	Conduct Internal QA Design Audit - plans, specs, calculations, cost estimate, schedule, bid documents, independent final reviews	12	4	2	2							8	\$5,964	
3.4	Prepare final stamped bid ready documents	2			2							4	\$1,428	
3.5	Final Submittals - Bound CAD and Word Files	2			2							4	\$1,428	
3.6													\$0	
3.7													\$0	
3.8													\$0	
3.9													\$0	
3.10													\$0	
3.11													\$0	
3.12													\$0	
3.13													\$0	
3.14													\$0	
3.15													\$0	\$15,672.00
<b>Total Estimated Man-hours</b>		22	10	8	12	0	0	0	2	0	24	78		
<b>Estimated Third Party Expenses</b>		<b>Expenses</b>								Quantity	Unit Cost	Line Total		
Misc.		Reproduction and Misc. Consumables								1	\$50	\$50		
PND Travel		Air fare								0	\$0	\$0		
PND Travel		Lodging, per night								0	\$0	\$0		
PND Travel		Vehicle Rental								0	\$0	\$0		
PND Travel		Per Diem, Days								0	\$0	\$0		
												\$0		
Administrative Fee		Expenses Markup								1	10%	\$5	\$55.00	
<b>Subcontractor Fees</b>														
Sub 1		Electrical Engineering Services								0	\$0	\$0		
Sub 2		Architectural Design Services								0	\$0	\$0		
Sub 3		Mechanical Engineering Services								0	\$0	\$0		
Sub 4		Survey Services								0	\$0	\$0		
Administrative Fee		Subcontracor Markup								1	10%	\$0	\$0.00	
<b>Bid Ready Documents Total</b>														<b>\$15,727.00</b>



**PND Engineers, Inc.**  
**City and Borough of Wrangell**  
**McKinnon Street Rehabilitation**  
**Engineering Services Fee Proposal**

**December 31, 2025**

**4**

Subtask	Description of Services	Civil Engineer VI	Structural Engineer VI	Senior Engineer IV	Senior Engineer II	Staff Engineer IV	Senior Surveyor III	Senior Surveyor I	Technician VI	CAD Designer VII	CAD Designer V	Line Total	Task Subtotal Costs
<b>Permitting</b>													
4.1	Project Management: Team Management, correspondence, scheduling, budget controls, invoicing, reports, contract management, clerical.	4							2			\$1,368	
4.2	ADEC ATC - Water	4		16	4						4	\$5,616	
4.3	ADEC ATC - Sewer	3		10	4						4	\$4,119	
4.4	ADEC LNO - Storm	2		4	2						6	\$2,532	
4.5	ADEC Temporary Approval to Operate Water/Sewer	2		4	2							\$1,704	
4.6	ADEC FATO - Water	2		4	2							\$1,704	
4.7	ADEC FATO - Sewer	2		4	2							\$1,704	
4.8												\$0	
4.9												\$0	
4.10												\$0	
4.11												\$0	
4.12												\$0	
4.13												\$0	
4.14												\$0	
4.15												\$0	
<b>Total Estimated Man-hours</b>		19	0	42	16	0	0	0	2	0	14	93	\$18,747.00
<b>Estimated Third Party Expenses</b>		<b>Expenses</b>						Description	Quantity	Unit Cost	Line Total		



ENGINEERS, INC.

**PND Engineers, Inc.**  
**City and Borough of Wrangell**  
**McKinnon Street Rehabilitation**  
**Engineering Services Fee Proposal**

December 31, 2025

**5**

Subtask	Description of Services	Civil Engineer VI	Structural Engineer VI	Senior Engineer IV	Senior Engineer II	Staff Engineer IV	Senior Surveyor III	Senior Surveyor I	Survey Tech. III	CAD Designer VII	CAD Designer V	Line Total	Task Subtotal Costs
		\$255.00	\$255.00	\$207.00	\$183.00	\$151.00	\$175.00	\$159.00	\$128.00	\$166.00	\$138.00		
<b>Property and Platting Services</b>													
5.1	Project Management: Team Management, correspondence, scheduling, budget controls, invoicing, reports, contract management, clerical.	6											\$1,530
5.2	Prep - Title research, locates, background., coordination, computations								8				\$1,272
5.3	Preliminary Plat Preparation						16	16					\$5,344
5.4	Preliminary Plat Submittal Package	4							8				\$2,292
5.5	Meetings/Coordination/Review	8						8					\$3,440
5.6	QA/QC	2						2	2				\$1,178
5.7	Final Plat Preparation							4	8				\$1,972
5.8	Final Meetings/Coordination	4						4					\$1,720
5.9	Final Plat Submittal Package								4				\$636
5.10	Mob/Demob						20		20				\$6,060
5.11	Boundary Retracement							12		12			\$3,636
5.12	Boundary Adjustments and Computation							8		8			\$2,424
5.13	Set New Monumetation							8		8			\$2,424
5.14	Final Plat Review	2						2	2				\$1,178
5.15	Final Mylar Submission	4						4	4				\$2,356
<b>Total Estimated Man-hours</b>		30	0	0	0	0	88	52	48	0	0	218	
<b>Estimated Third Party Expenses</b>		<b>Description</b>							<b>Quantity</b>	<b>Unit Cost</b>	<b>Line Total</b>		
<b>Expenses</b>													
Misc.	Rebar/Caps/Lath								1	\$150	\$150		
PND Travel	Air fare/Air Cargo								2	\$950	\$1,900		
PND Travel	Lodging, per night								6	\$160	\$960		
PND Travel	Vehicle Rental								4	\$135	\$540		
PND Travel	Per Diem, Days								8	\$118	\$944		
Platting Fee	Subdivision Guarantee/Certificate to Plat/Title Report								1	\$350	\$350		
Platting Fee	Preliminary Plat Application Fee								0	\$100	\$0		
Platting Fee	Recording Fee								0	\$20	\$0		
Administrative Fee	Expenses Markup								1	10%	\$484		\$5,328.40
<b>Subcontractor Fees</b>													
Sub 1	Electrical Engineering Services								0	\$0	\$0		
Sub 2	Architectural Design Services								0	\$0	\$0		
Administrative Fee	Subcontracor Markup								1	10%	\$0		\$0.00
<b>Property and Platting Services Total</b>													<b>\$42,790.40</b>



PND Engineers, Inc.  
 City and Borough of Wrangell  
 McKinnon Street Rehabilitation  
 Engineering Services Fee Proposal

December 31, 2025

**6**

Subtask	Description of Services	Civil Engineer VI	Structural Engineer VI	Senior Engineer IV	Senior Engineer II	Staff Engineer IV	Senior Surveyor III	Senior Surveyor I	Technician VI	CAD Designer VII	CAD Designer V	Line Total	Task Subtotal Costs										
<b>Bid Phase Support</b>																							
6.1	Project Management: Team Management, correspondence, scheduling, budget controls, invoicing, reports, contract management, clerical.												\$0										
6.2	Pre-bid conference, agenda and minutes	2		2									\$924										
6.3	Address bidder questions, addenda prep	4		8							4		\$3,228										
6.4	Bid tabulation, review and recommendation	4		4									\$1,848										
6.5													\$0										
6.6													\$0										
6.7													\$0										
6.8													\$0										
6.9													\$0										
6.10													\$0										
6.11													\$0										
6.12													\$0										
6.13													\$0										
6.14													\$0										
6.15													\$0										
<b>Total Estimated Man-hours</b>		10	0	14	0	0	0	0	0	0	4	28	\$6,000.00										
<b>Estimated Third Party Expenses</b>																							
<b>Expenses</b>																							
Misc.	Reproduction and Misc. Consumables										0	\$0	\$0										
PND Travel	Air fare										0	\$0	\$0										
PND Travel	Lodging, per night										0	\$0	\$0										
PND Travel	Vehicle Rental										0	\$0	\$0										
PND Travel	Per Diem, Days										0	\$0	\$0										
Administrative Fee	Expenses Markup										1	10%	\$0										
<b>Subcontractor Fees</b>																							
Sub 1	Electrical Engineering Services										0	\$0	\$0										
Sub 2	Architectural Design Services										0	\$0	\$0										
Sub 3	Mechanical Engineering Services										0	\$0	\$0										
Sub 4	Survey Services										0	\$0	\$0										
Administrative Fee	Subcontracor Markup										1	10%	\$0										
<b>Bid Phase Support Total</b>																							
<b>\$6,000.00</b>																							



## ENGINEERS, INC.

PND Engineers, Inc.  
City and Borough of Wrangell  
McKinnon Street Rehabilitation  
Engineering Services Fee Proposal

December 31, 2025

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ENGINEERS, INC.

**PND Engineers, Inc.**  
**City and Borough of Wrangell**  
**McKinnon Street Rehabilitation**  
**Engineering Services Fee Proposal**

December 30, 2025

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Subtask	Description of Services	Civil Engineer VI	Structural Engineer VI	Senior Engineer IV	Senior Engineer II	Staff Engineer IV	Senior Surveyor III	Senior Surveyor I	Technician VI	CAD Designer VII	CAD Designer V	Line Total	Task Subtotal Costs
		\$255.00	\$255.00	\$207.00	\$183.00	\$151.00	\$175.00	\$159.00	\$174.00	\$166.00	\$138.00		
<b>Construction Support</b>													
8.1	Project Management: Team Management, correspondence, scheduling, budget controls, invoicing, reports, contract management, clerical.	12		2					4				\$4,170
8.2	CA - CBW and contractor coordination, notices, documentation, schedule control, pay requests.	12		120	2								\$28,266
8.3	Pre-Construction Conference, Agenda and Minutes	2		4									\$1,338
8.4	Progress Meetings, Agenda, Minutes Assume weekly meetings for 20 weeks	12	4	40	4								\$13,092
8.5	Submittals	4	6	20		8							\$7,898
8.6	AIS Documentation	2		8									\$2,166
8.7	Construction Engineering, CO's, DCVRs, RFPs, FOs	6	6	20	2	2				20			\$11,188
8.8	Inspections, field notes and reporting, assume one interim site visit, QA.	2		14									\$3,408
8.9	Substantial and Final Inspections, Punch Lists - Assume one Site Visit	14		14									\$6,468
8.10	As-builts and Closeout Documentation	2	2	8	2					8			\$4,370
8.11													\$0
8.12													\$0
8.13													\$0
8.14													\$0
8.15													\$0
<b>Total Estimated Man-hours</b>		68	18	250	10	10	0	0	4	28	0	388	
<b>Estimated Third Party Expenses</b>		Description								Quantity	Unit Cost	Line Total	
<b>Expenses</b>													
Misc.		Reproduction and Misc. Consumables								1	\$200	\$200	
PND Travel		Air fare								3	\$600	\$1,800	
PND Travel		Lodging, per night								0	\$0	\$0	
PND Travel		Vehicle Rental								0	\$0	\$0	
PND Travel		Per Diem, Days								3	\$118	\$354	
Administrative Fee		Expenses Markup								1	10%	\$235	\$2,589.40
<b>Subcontractor Fees</b>													
Sub 1		Electrical Engineering Services								0	\$0	\$0	
Sub 2		Architectural Design Services								0	\$0	\$0	
Sub 3		Mechanical Engineering Services								0	\$0	\$0	
Sub 4		Survey Services								0	\$0	\$0	
Administrative Fee		Subcontrator Markup								1	10%	\$0	\$0.00
<b>Construction Support Total</b>													<b>\$84,953.40</b>

December 18, 2025

Tyler Bradshaw, PE, Principal  
PND Engineers, Inc., 9360 Glacier Highway, Suite 100,  
Juneau, Alaska 99801

By Email

**Re: Scope of Work for Engineering Services for McKinnon Street Rehabilitation Project**

Dear Tyler:

The City and Borough of Wrangell expresses appreciation to PND Engineers and for your interest in our McKinnon Street Rehabilitation Project. We enjoyed working with you, Micki, and Mark on the St Michael Street project and look forward to working with you both again, along with additional PND staff, on this project. Following a competitive solicitation and scoring PND Engineers as the highest-ranking proposer, we are prepared to engage with you and develop a fee proposal acceptable to each party.

Design and permitting services for the project shall be completed by March 22 allowing for a construction bid start of March 23, 2026.

The project design criteria is based on the scope of work identified in the Request for Qualifications and further outlined here. All aspects of the project shall comply with the SRF funding agency requirements, as attached, since they are providing funding for the water and sewer utility replacements. The SRF requirements apply to the entire project scope.

### Project Background and Overview

McKinnon Street is scheduled for rehabilitation and involves the reconstruction of approximately 280 feet of roadway, sidewalks, storm drainage, and water/sewer utilities. This project will rehabilitate (lower) McKinnon Street between Church Street and Front Street, Wrangell's principal downtown business corridor. The Borough faces financial challenges in road resurfacing due to the aging underground infrastructure, which ranges from 20 to 50 years old and necessitates simultaneous replacement.

(Lower) McKinnon Street is 280' in length between Front Street and Church Street with original asphalt surfacing and several asphalt and concrete patches. The width of the roadway is 50'-wide and accommodates parallel parking on both

sides of the road. Sidewalks exist on both sides of the street with a 54"-width including a standard curb. There is a subsequent 17"-wide separate gutter.

The project will rehabilitate the aging street infrastructure, make repairs to sidewalks, curbs and ramps, rehabilitate existing roadway pavement, install high visibility crosswalks, install vehicle lane and pavement markings, and correct storm structure deficiencies.

The project will replace the water main system. The water main, installed in the 1960s and nearly 65 years old, is critical to replace during the road improvement project, since this section is part of water delivery through our downtown business corridor. The project aims to replace roughly 280 linear feet of the 6-inch Asbestos Cement water main, including necessary appurtenances and new water service laterals and cub boxes. Water lines will be replaced with HDPE water pipe, of adequate size to meet peak capacity and required fire flow at the appropriate pressure. All applicable separation distances between the new water line and existing sewer lines shall be met.

The project will also replace the sewer main system. The sewer main, installed in the 1950s and nearly 75 years old, is critical to replace during the road improvement project, since it carries the majority of sanitary sewer waste from the Mt. Dewey hillside neighborhood to and through the downtown business corridor before flowing to the wastewater treatment plant. This project aims to rehabilitate approximately 280 linear feet of the 12-inch gravity sewer main, including necessary appurtenances and bypass pumping. Sewer lines will be replaced with C900 PVC sewer pipe, of adequate size to meet peak flow capacity. All applicable separation distances between the new water line and existing sewer lines shall be met.

A minimal amount of water modeling may be required to satisfy the permitting requirements, but large-scale modeling is not anticipated for the new design. Various tie ins and service connection transfers between the existing and new lines will be necessary. Preparation of utility easement maps will not be required since the utilities are within the public right-of-way. Engineering design, preparation of construction documents, opinion of probable costs, and bid phase services are included in the scope of work.

PND performed the site survey in 2025 and has that data.

Acquire permits necessary to complete the construction of the new water distribution mains. Permits may include, but may not be limited to, ADEC Approval to Construct and ADEC Interim/Final Approval to Operate.

All documents for this project shall be in a format and on media approved by the Borough using the latest CAD, Acrobat and Microsoft Office Products, as applicable to the document formatting. Upon completion, Owner shall be furnished with an electronic file of all documents in their original format and pdf format.

### **Professional Services Required**

- A. Engineering design services for the replacement of the roadway, sidewalks, and water, sewer and storm utilities. PND services under this contract will be accomplished in two phases, Engineering Design with 50% and 100% Design Development and Construction Administration and Inspection for the Construction Phase. Such services will begin upon Notice to Proceed to the Consultant and run through the construction phase and shall include the following:
  1. Review existing field design survey of the site for the purpose of determining civil engineering design for proposed project scope.
  2. Plan, design, and engineer the construction project. Project design is not limited to, but shall include, establishing horizontal and vertical control for the project; establishing temporary benchmarks for use during construction surveying; performing cross-sections and topographic surveys at spacing not greater than 50' along the construction centerline.
  3. Conduct workshops, as necessary, with key Borough staff to review design at key stages, as proposed by Consultant.
  4. Consultant shall submit 50% and 95% design drawings, specifications, bid schedule and project cost estimates, in conformance with applicable federal and state requirements and applicable codes. The Borough will provide standard front-end documents to the Consultant for using in the development of the construction documents for Divisions 0 and 1. Provide a Construction Schedule, as part of each design submittal phase.
  5. Prepare estimate of quantities to include mobilization, demolition, earthwork, utilities work, road repair and other associated bid item summaries.
  6. Prepare construction bidding documents. The Consultant will compile

the Project Manual and have construction bidding sets in electronic format.

7. Obtain necessary Permits. The Consultant shall be responsible for developing and submitting an Engineering Review Plan to ADEC for Approvals to Construct the water and sewer systems. A professional engineer registered in the State of Alaska must stamp all design drawings.
8. Assist the Owner with conducting the pre-bid meeting, issuing addenda, reviewing the bid tabulation, and providing a recommendation of bids received. The Borough will conduct the bid opening.

A. Construction phase management through the provision of general engineering services and limited inspection services. Such services will begin at the Construction Contractor's start date and shall include the following:

1. Perform construction administration for the project. Selected firm will be tasked with administering paperwork associated with construction.
2. Perform limited field inspections, as needed to assist the Borough's field inspector, to ensure compliance with construction documents, resolving technical and contractual issues. Respond to RFIs and issue DCVR's.
3. Conduct the pre-construction conference and regular progress meetings.
4. Consult with the Borough regarding construction progress and quality.
5. Review and approve contractor submittals, change orders, and pay requests, recommending further approval by the Borough.
6. Substantial and final inspections.
7. Prepare and manage the punch list.
8. Providing reproducible plan drawings to the Borough upon project completion.
9. Prepare a final project report and submit certified "as built" drawings along with Alaska DEC applications for Final Approval to Operate water and wastewater.

## Compensation

Negotiations shall be held to ensure a mutual understanding of the Scope of Work (SOW) and to reach an agreement on a fair and reasonable fee. During negotiations, the SOW may be reviewed and may be revised, as necessary.

PND shall furnish sufficient technical, supervisory, and administrative personnel to ensure satisfactory accomplishment of the work specified in the Scope of Work, including accomplishment of work by agreed milestone dates and progress schedule. Additionally, PND shall furnish all services, materials, supplies, equipment, investigations, studies, and travel required in connection with the Scope of Work.

Compensation shall be based on the following:

- A. Lump Sum method of payment for the Design phase whereby the firm is paid a fixed dollar amount for specific services with a breakdown of compensation based on completion of specific services.
- B. Compensation for the Construction phase services shall be on a T&E not to exceed basis whereby the firm is paid based on standard published rates for each staff. Please provide your current rates for the period of performance along with your proposal.
- C. Fees should include profit, direct salary costs and indirect costs.
- D. With your proposal, please include a design schedule showing significant milestones.

Please call us to review any of the requirements that may be unclear or require further clarification as you finalize your proposal. We look forward to confirming with you the scope of work and to reviewing PND Engineering's proposal.

Best,

*Amber Al-Haddad*

Amber Al-Haddad  
Capital Projects Department  
City and Borough of Wrangell

Reference Documents made a part of the scope or work:

- RFQ for Engineering Services for McKinnon Street Rehabilitation Project, including Appendices A-E
- List of Federal Laws and Authorities (Federal Cross-Cutting Authorities)

## CITY & BOROUGH OF WRANGELL, ALASKA BOROUGH ASSEMBLY AGENDA STATEMENT

<u>AGENDA ITEM TITLE:</u>	<u>DATE:</u>	January 7, 2026
	<u>Agenda Section</u>	7

Approval of the 1<sup>st</sup> Amendment to the MOU between the CBW and Alaska Marine Lines

<p><u>SUBMITTED BY:</u></p> <p>Mason Villarma, Borough Manager</p>	<p><u>FISCAL NOTE:</u></p> <p><b>Expenditure Required:</b> Fiscal Year (FY): 26      Amount: \$0</p> <p><b>Amount Budgeted:</b> FY:      \$ 0</p> <p><b>Account Number(s):</b> N/A</p> <p><b>Account Name(s):</b> N/A</p> <p><b>Unencumbered Balance(s) (prior to expenditure):</b> N/A</p>
<b>ATTACHMENTS:</b> 1. First Amendment to the MOU with Alaska Marine Lines 2) Original MOU	

### **RECOMMENDATION MOTION:**

Move to Approve the first amendment to the MOU between the CBW and Alaska Marine Lines

### **SUMMARY STATEMENT:**

As provided in the original MOU, the Borough continues to evaluate the deepwater port alternative for potential relocation of the cargo transfer facility. The original MOU included a termination date of December 31, 2025; however, both the Borough and AML wish to extend the evaluation period to allow additional analysis to occur. The proposed First Amendment extends the effective term of the MOU through December 31, 2026, while both parties continue to assess the alternative. Administration recommends approval.

## **FIRST AMENDMENT TO MEMORANDUM OF UNDERSTANDING**

This First Amendment to Memorandum of Understanding ("First Amendment") is entered into as of \_\_\_\_\_, 2025, by and between the City and Borough of Wrangell, Alaska, a municipal corporation and unified home rule borough of the State of Alaska ("CBW"), and Alaska Marine Lines, Inc., a Washington corporation ("AML"). CBW and AML may be referred to individually as a "Party" and collectively as the "Parties."

### **RECITALS**

**WHEREAS**, the Parties entered into that certain Memorandum of Understanding dated August 22, 2025 ("MOU"), regarding collaboration toward the planning, design, and development of a new barge landing and freight facility at the 6-Mile Mill Site; and

**WHEREAS**, Section VI(D) of the MOU provides that the MOU remains in effect through December 31, 2025, unless extended by mutual consent of the Parties; and

**WHEREAS**, the Parties desire to extend the term of the MOU to allow additional time for continued collaboration, planning, and pursuit of a definitive agreement.

**NOW, THEREFORE**, in consideration of the mutual promises and covenants herein, the Parties agree as follows:

### **1. AMENDMENT TO TERM**

Section VI(D) – Term and Termination of the MOU is hereby amended to read as follows:

"This MOU shall remain in effect from the Effective Date through **December 31, 2026**, 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."

### **2. NO OTHER AMENDMENTS**

Except as expressly amended by this First Amendment, all other terms and conditions of the MOU remain unchanged and in full force and effect.

### **3. RATIFICATION**

The Parties hereby ratify and reaffirm the MOU, as amended by this First Amendment.

#### **4. COUNTERPARTS**

This First Amendment may be executed in counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument.

#### **SIGNATURES**

##### **CITY AND BOROUGH OF WRANGELL, ALASKA**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

##### **ALASKA MARINE LINES, INC.**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**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 22 day of August, 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.

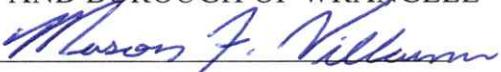
## VI. GENERAL TERMS

- (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

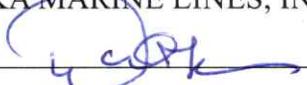
By: 

Name: Mason Villarma

Title: Borough Manager

Date: 8/22/25

ALASKA MARINE LINES, INC.

By: 

Name: Dan Kelly

Title: Vice President

Date: 08/22/25