

Proposed by:	Assemblymember Hanson
Attorney Review:	10/14/2022
Vote:	5 Aye 1 Nay 0 Absent

MUNICIPALITY OF SKAGWAY, ALASKA
RESOLUTION NO. 22-33R

A RESOLUTION OF THE MUNICIPALITY OF SKAGWAY, ALASKA, PROVIDING FOR AN EARLY ACCESS AND TRANSITION AGREEMENT BETWEEN THE MUNICIPALITY (MOS) AND PACIFIC AND ARCTIC RAILWAY & NAVIGATION COMPANY (PARN/WPYR).

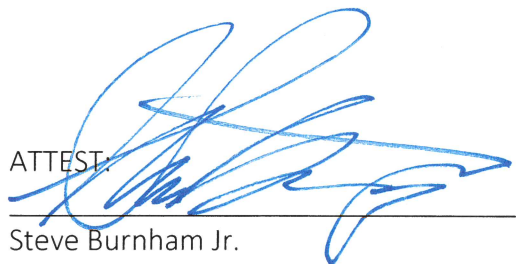
WHEREAS, a 55-year lease between PARN (WPYR) and the Municipality of Skagway (MOS) expires in March of 2023, and both parties have a mutual desire for a smooth transition of the Broadway and Ore Dock properties prior to the 2023 cruise season, for the best interest of all stakeholders and the community of Skagway;

NOW, THEREFORE, BE IT RESOLVED by the Borough Assembly of the Municipality of Skagway that MOS agrees to enter into a written agreement with WPYR on the following terms for early access and transition regarding the tideland lease area:

- WPYR will agree to transfer permanently all tideland improvements in place as-is at the expiration of the Tideland Lease without any compensation at any time from the MOS, and MOS understands, without agreeing, that WPYR estimates the replacement costs of these assets in excess of \$40,000,000; and
- WPYR agrees to allow MOS early access to the leased premises to further its work of enhancing the Ore Dock in time for the 2023 season, which includes replacement and rehabilitation of existing infrastructure; and
- MOS will agree to allow WPYR to continue to operate the port under the Tidelands Lease until expiration of the lease and agree to work in good faith with WPYR so that ore shipping, fuel, and cargo operations can continue as normal; and
- MOS will agree to release WPYR from obligations with respect to any additional environmental remediation that may be deemed to be required for ore contamination within the tidelands lease area prior to the execution of the written agreement, of up to \$15 million, and MOS will also acknowledge the Phase 1 dredging WPYR has already completed in the Ore Basin at an approximate cost of \$3.8 million.

PASSED AND APPROVED this 20th day of October 2022, by the Assembly of the Municipality of Skagway, Alaska.

ATTEST:


Steve Burnham Jr.
Borough Clerk

(SEAL)


Orion Hanson, Vice Mayor

