

100 YEARS
ALASKA
RAILROAD
1923 - 2023

ARRC BOARD OF DIRECTORS
Real Estate Committee Meeting Is [VIRTUAL ONLY](#)

Wednesday, November 1, 2023
Commencing at 9:00 a.m.

Join Virtual Zoom Meeting Room

<https://us02web.zoom.us/j/84732312714?pwd=TOVMYVY4b3hiQIFRbTFOc1h4dnh3dz09>

Meeting ID: 847 3231 2714

Passcode: 901843



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

- +1 253 205 0468 US
- +1 253 215 8782 US (Tacoma)
- +1 346 248 7799 US (Houston)
 - +1 669 444 9171 US
- +1 669 900 6833 US (San Jose)
 - +1 719 359 4580 US
 - +1 507 473 4847 US
 - +1 564 217 2000 US
 - +1 646 931 3860 US
 - +1 689 278 1000 US
- +1 929 205 6099 US (New York)
- +1 301 715 8592 US (Washington DC)
 - +1 305 224 1968 US
 - +1 309 205 3325 US
- +1 312 626 6799 US (Chicago)



**Alaska Railroad Corporation
Board of Directors
Real Estate Committee Agenda**

Date: November 1, 2023
Time: 9:00 AM

Join Zoom Meeting

<https://us02web.zoom.us/j/84732312714?pwd=T0VMYVY4b3hiQlFRbTFOc1h4dnh3dz09>

Meeting ID: **847 3231 2714**

Passcode: **901843**

Customer Communication:

- Customer Meetings

Board Action Items for November 14 Board Meeting:

- *AFE's / Resolutions to be presented to the Board: None*
- *Contracts to be presented to the Board:*
 - Contract # 20954 – McCarrey, J.L. III, McCarrey, Barbara, McCarrey, Kristen & Finseth, Eric (Anchorage) (drawing)
 - Contract # 20989 – Sunset Properties (Anchorage) (drawing)
 - Contract # 20991 - Aurora Energy (Fairbanks) (drawing)
 - Contract # 20992 - Halliburton (Fairbanks) (drawing)

Briefing / Update

Seward

- Dock traffic
- Dock projects
- Airport Road

Anchorage

- Wetland Mitigation Land Bank
- Depot Drive
- Alaska Hotel, LLC building space lease
- Tomingas Property Access – Seward Highway
- Building sales- Wells and Eklutna
- Alaska Independent Coach Tours, LLC

Whittier

- Head of Bay Project Update
- Ad Hoc City of Whittier Committee

Fairbanks

- First Student to OFD, LLC lease assignment and mitigation (drawing & pictures)
- Yard Water Project Update

Nenana

- Land Bill

Other Topics

Executive Session

- If aspects of agenda items appropriate for Executive Session are identified, those issues may be added to the Executive Session upon motion.

Committee Members: Committee of the whole

LEASE SUMMARY

LESSEE: J.L. McCarrey III, Barbara N. McCarrey,
Kristin McCarrey & Eric Finseth **CONTRACT NO:** 20954

LEASE DESCRIPTION: A portion of Lot 2 of US Survey 9083, officially filed in the records of the Bureau of Land Management on March 12, 2009, and located within the Alaska Railroad Anchorage Reserve, Anchorage Recording District, Third Judicial District, State of Alaska, more particularly described as follows:

Beginning at Corner No. 2 of US Survey 9083; thence westerly on the south boundary of Lot 2 of US Survey 9083 to Corner No 2 of US Survey 9016 and the TRUE POINT OF BEGINNING; thence westerly to Corner 1 of USS 9083; thence northerly on the boundary of Lot 2 of US Survey 9083 to the south limits of Alaska Railroad Corporation Permit No. 9800 for the Tony Knowles Coastal Trail; thence along the south permit limits to a point; thence southwesterly to the TRUE POINT OF BEGINNING at Corner 2 USS 9016, containing approximately 41,125 square feet (0.94 acres).

KEY CONTRACT PROVISIONS:

Estimated Effective Date: November 14, 2023

Base Annual Rent: \$TBD (based on appraised value)

Lease Term: Not to exceed Twenty-Five (25) Years subject to partial termination in the event a public-use trail is approved within a portion of the leased premises as discussed in the Summary and Recommendations section below.

Prior Annual Rent: N/A

Rental Rate: 8%

Option to Extend: N/A

Rent Adjustment: Rent adjusted every 5 years with adjusted annual rent not to exceed 135% of the prior year's annual rent or to decrease to less than 65% of the prior year's annual rent.

Lease Area: 41,125 sq. ft., more or less.

PUBLIC NOTICE: Yes, written public comment expired September 21, 2023.

LEGAL REVIEW: Yes

INTENDED USE: Personal Use Access

SUMMARY AND RECOMMENDATIONS: Applicants' residential lots are adjacent to the proposed lease parcel and applicants are requesting a ground lease with a term not to exceed twenty-five (25) years) to enhance access to the residential lots and to provide additional land area for personal use. The proposed lease area was part of land previously leased to the applicants' family by the federally owned Alaska Railroad, but is not currently leased to any party. Applicants also previously held a

permit from ARRC for a private driveway and railroad crossing within the ARRC ROW. Responsibility for that crossing and the associated permit were assumed by Anchorage Water & Wastewater Utility (AWWU) in 2015.

The Municipality of Anchorage (MOA) and the Alaska Department of Transportation & Public Facilities (DOT&PF) have recently expressed interest in utilizing a portion of the proposed lease parcel for a portion of the proposed Fish Creek Trail Extension Project. That proposed use has generated significant interest and support from local residents and potential trail users. In light of the situation described above, ARRC is willing to consider whether to grant the requested lease, but only if the proposed lease includes a provision relating to the trail proposal. Specifically, ARRC will consider granting a ground lease with a term of up to twenty-five (25) years that is subject to partial termination if and when (i) MOA and DOT&PF select a route for the proposed Fish Creek Trail Extension Project that passes through the proposed lease parcel; and (ii) the ARRC Board approves the location of said trail within the lease parcel in conformance with AS 42.40.420 relating to Public Use of Railroad Land and issues a permit for such use. Said partial lease termination would be sufficient to accommodate the trail as proposed and approved by MOA and DOT&PF. The proposed lease would contain a provision requiring 90 days' notice to the proposed lessees of the intent to execute a partial termination of the lease to accommodate the trail, and would also provide for adjustment to the base annual rent based on the square footage of the leased premises that is designated for the trail project.

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

Jennifer Mergens
ARRC Board Secretary

Line	Bearing	Dist.
L1	N78°06'52"E	18.60'
L2	N86°56'02"E	81.60'
L3	N87°23'53"E	32.04'
L4	N70°01'14"E	17.03'
L5	N59°02'32"E	16.97'
L6	N59°32'26"E	28.70'
L7	N74°44'54"E	49.77'
L8	N76°36'40"E	31.41'
L9	S82°24'28"E	15.43'

U S S 9 0 8 3
LOT 2

Permit 9800
Tony Knowles Coastal Trail



Proposed Lease Area
41,125 sq ft± (0.94 ac±)

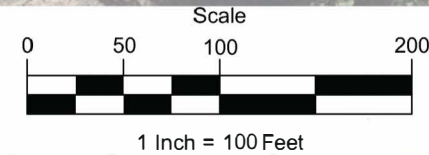


Exhibit Notes:

- For indexing purposes this property is located in the NE1/4 Sec. 23, T13N, R4W, S.M.
- The meridian of this exhibit is based on USS 9083.
- Information on this exhibit is derived from record documents and both internally and publicly available GIS data. Bearings and distance are provided for general appraisal purposes only. No land survey was performed to create this exhibit.

ALASKA RAILROAD CORPORATION
REAL ESTATE DEPARTMENT, LAND SERVICES
P.O. BOX 107500, ANCHORAGE, ALASKA 99510-7500

**DRAFT - Exhibit A for General Reference
and Appraisal Purposes Only
FOR JL McCarrey III
Area = 41,125 sq ft± (0.94 ac±)
ARRC title - Patent 50-2009-0260 - USS 9083 Lot 2**

DRAWN BY: DCA	SCALE: 1" = 100'	DATE: 2023-08-18
CHECKED BY: JSR	Approx ARRC MP 112.62	
APPROVED BY: JSR		

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LEASE SUMMARY

LESSEE: Sunset Properties, LLC.

CONTRACT NO: 20989

LEASE DESCRIPTION: Lots 39, 40, and 41 of The Alaska Railroad's Post Road Lease Lots as shown on Sheet 2A of the unrecorded plat titled Post Road Lease Lots with a redrawn date of 4-2-74, file number 3451, and being located within The Alaska Railroad's Terminal Reserve at Anchorage, Alaska. Containing 60,000 square feet (1.38 acres), more or less.

KEY CONTRACT PROVISIONS:

Estimated Effective Date: December 1, 2023

Prior Annual Rent: \$50,400 annually

Lease Term: Thirty (30) Years

Rental Rate: 8%

Option to Extend: N/A

Rent Adjustment: Rent adjusted every 5 years with adjusted annual rent not to exceed 135% of the prior year's annual rent or to decrease to less than 65% of the prior year's annual rent.

Lease Area: 60,000 sq. ft., more or less.

Base Annual Rent: \$50,400.00 (based on 2022 appraised value)

PUBLIC NOTICE: Yes, public comment will expire November 13, 2023.

LEGAL REVIEW: Yes

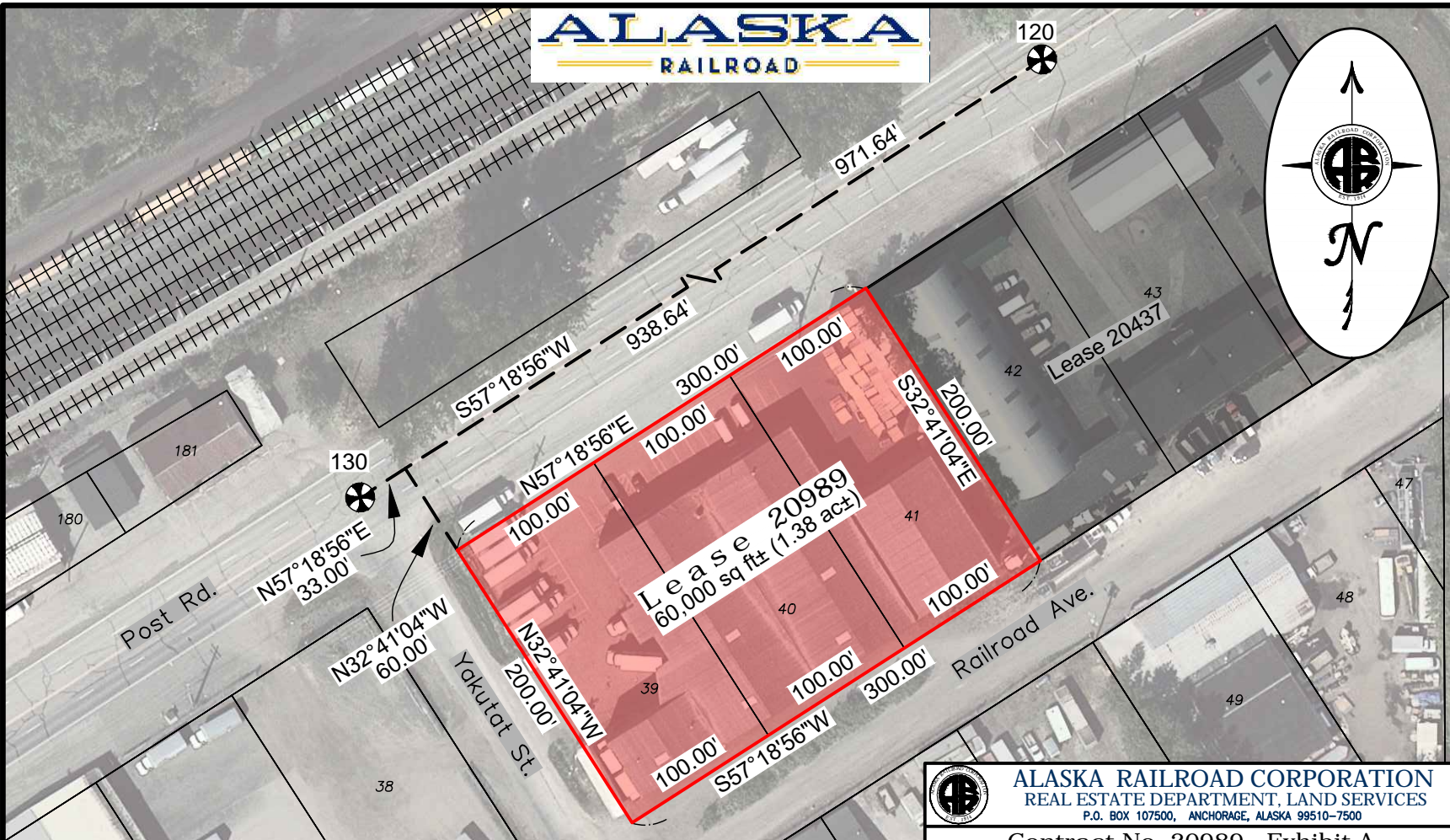
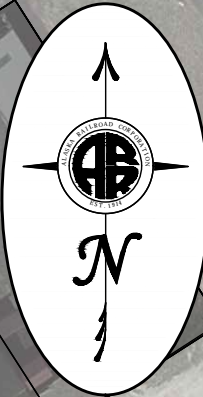
INTENDED USE: Warehouse and office use consistent with Lessee's business.

SUMMARY AND RECOMMENDATIONS: Lessee currently leases the property under a ground lease for a term of thirty (30) years, which is due to expire March 31, 2032. Lessee is requesting a new thirty (30)-year ground lease. Approval is recommended.

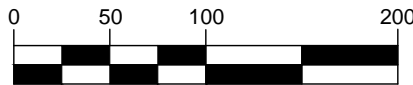
APPROVED: _____

Board Meeting Date: _____

Jennifer Mergens
ARRC Board Secretary



The meridian of this exhibit is based on monuments 120 and 130 of Plat 2009-55



1 Inch = 100 Feet

For indexing purposes this property is located in the SW1/4 Sec. 9, T13N, R3W, S.M.

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ALASKA RAILROAD CORPORATION
REAL ESTATE DEPARTMENT, LAND SERVICES
P.O. BOX 107500, ANCHORAGE, ALASKA 99510-7500

Contract No. 20989 - Exhibit A
Sunset Properties, LLC.
Area = 60,000 sq ft± (1.38 ac±)

ARRC title - Patent 50-2008-0196 - USS 9112

DRAWN BY:	DCA	SCALE: 1" = 100'	DATE: 2023-10-23
CHECKED BY:	JSR	Anchorage Terminal Reserve	
APPROVED BY:	JSR		

R:\00 RED\LEASES\ANC\20989-L.dwg

LEASE SUMMARY

LESSEE: Aurora Energy, LLC

CONTRACT NO: 20991

LEASE DESCRIPTION: Two parcels in a portion of Lots 6 & 7 of Section 10, USRS T1S, R1W, F.M., officially filed June 30, 1986, Alaska Railroad Fairbanks Terminal Reserve, Fairbanks Recording District, Fourth Judicial District, State of Alaska. Containing a total of 170,773 square feet, more or less.

KEY CONTRACT PROVISIONS:

Estimated Effective Date: January 1, 2024

Prior Annual Rent: \$31,422.24 annually

Lease Term: Twenty (20) Years

Rental Rate: 8%

Option to Extend: N/A

Rent Adjustment: Rent adjusted every 5 years with adjusted annual rent not to exceed 135% of the prior year's annual rent or to decrease to less than 65% of the prior year's annual rent.

Lease Area: 170,773 sq. ft., more or less.

Base Annual Rent: \$43,718.00 (based on 2023 appraised value)

PUBLIC NOTICE: Yes, public comment will expire November 13, 2023.

LEGAL REVIEW: Yes

INTENDED USE: Coal handling and manufacturing consistent with Lessee's business.

SUMMARY AND RECOMMENDATIONS: Lessee currently leases the property under a ground lease for a term of thirty-five (35) years, which is due to expire December 31, 2023. Lessee is requesting a new twenty (20)-year ground lease. Approval is recommended.

APPROVED: _____

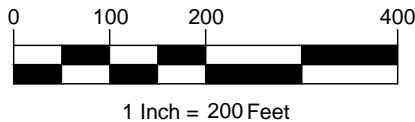
Board Meeting Date: _____

**Jennifer Mergens
ARRC Board Secretary**

Line #	Length	Direction
L1	45.54'	N24°03'33"W
L2	136.82'	N35°48'22"W
L3	38.51'	N51°29'11"W
L4	26.91'	N69°57'47"W
L5	36.12'	N49°52'45"W
L6	44.36'	N26°52'06"W
L7	59.77'	N52°03'32"W
L8	76.56'	N48°17'09"W
L9	126.77'	N57°46'39"W
L10	58.77'	N67°09'57"W
L11	61.15'	N71°42'16"W
L12	22.35'	N07°10'17"E
L13	105.88'	S48°05'32"E
L14	100.54'	S69°58'28"W

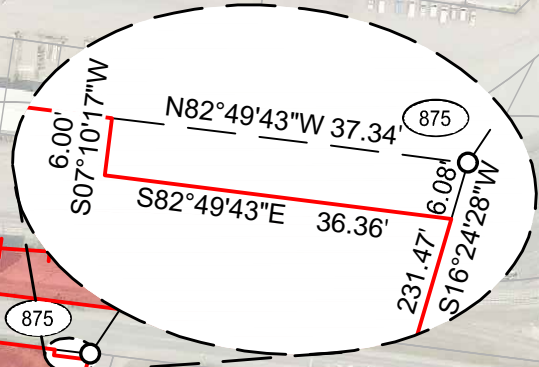
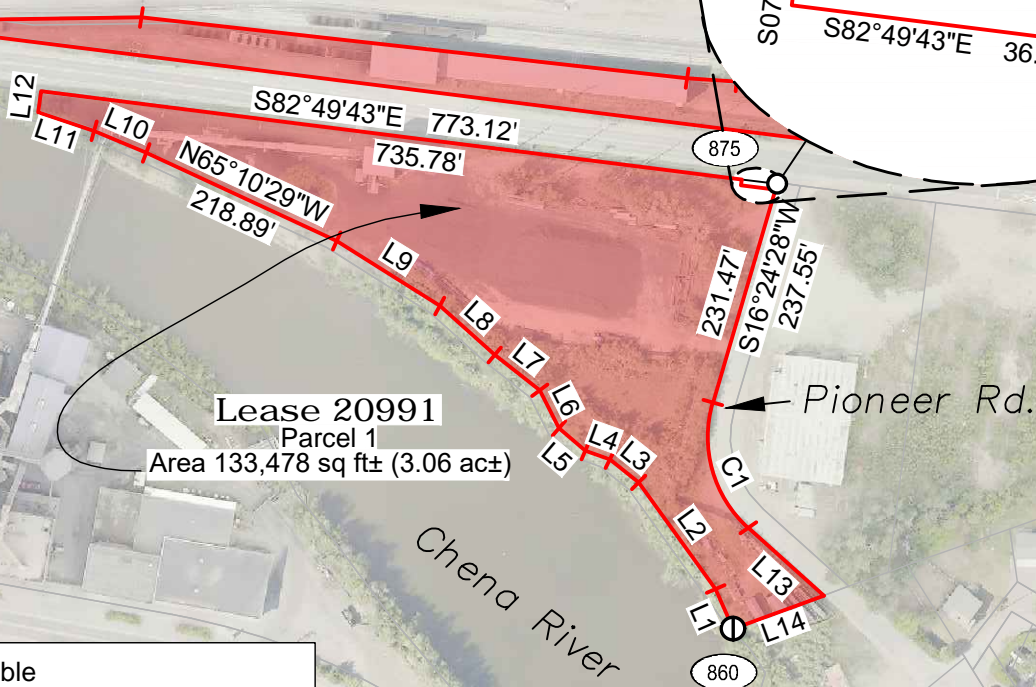
Curve #	Length	Radius	Delta	Chd Brg	Chd Dist
C1	142.99'	127.02'	64°29'58"	S15°50'33"E	135.56'

The meridian of this exhibit is based on monuments 860 and 875 as shown on Plat 2009-82 and converted to NAD83 State Plane Coordinates, Zone 3, U.S. Survey Feet as described in the translation parameters on said Plat.



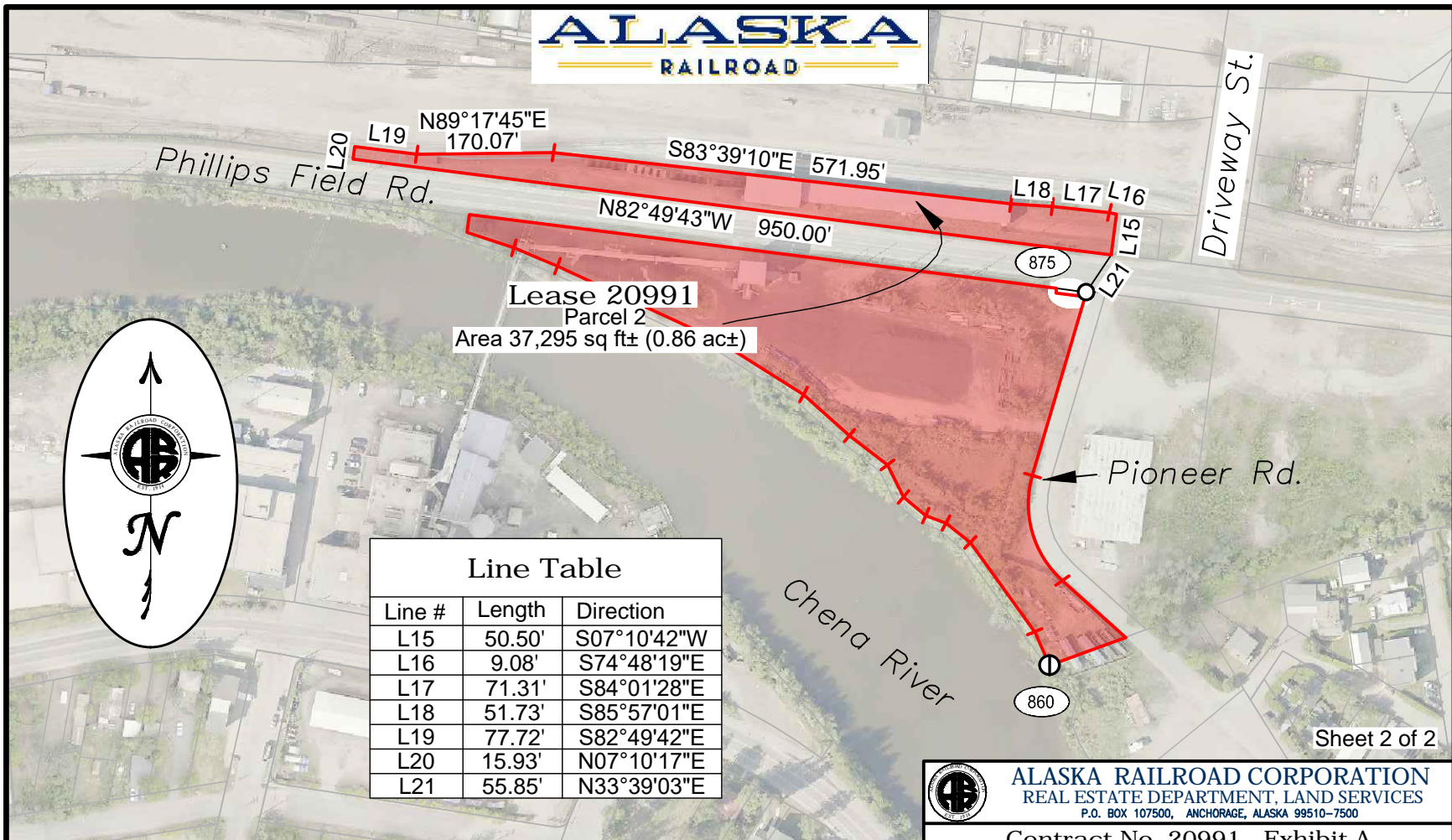
For indexing purposes this property is located in the NW1/4 Sec. 10 T1S R1W F.M.

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Sheet 1 of 2

	ALASKA RAILROAD CORPORATION	
	REAL ESTATE DEPARTMENT, LAND SERVICES P.O. BOX 107500, ANCHORAGE, ALASKA 99510-7500	
Contract No. 20991 - Exhibit A Aurora Energy, LLC		
Total Area = 170,773 sq ft± (3.92 ac±)		
ARRC title - Patent 50-2006-0464 USRS T1S, R1W, F.M, Section 10, Lots 6 & 7		
DRAWN BY: DCA	SCALE: 1" = 200'	DATE: 2023-10-23
CHECKED BY: JSR	Fairbanks Terminal Reserve	
APPROVED BY: JSR	R:\00 RED\LEASES\FBX\20991-L.dwg	

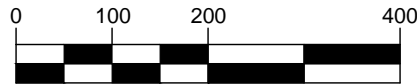


Lease 20991
Parcel 2
Area 37,295 sq ft± (0.86 ac±)

Line Table		
Line #	Length	Direction
L15	50.50'	S07°10'42"W
L16	9.08'	S74°48'19"E
L17	71.31'	S84°01'28"E
L18	51.73'	S85°57'01"E
L19	77.72'	S82°49'42"E
L20	15.93'	N07°10'17"E
L21	55.85'	N33°39'03"E

Sheet 2 of 2

The meridian of this exhibit is based on monuments 860 and 875 as shown on Plat 2009-82 and converted to NAD83 State Plane Coordinates, Zone 3, U.S. Survey Feet as described in the translation parameters on said Plat.



1 Inch = 200 Feet

For indexing purposes this property is located in the NW1/4 Sec. 10 T1S R1W F.M.

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ALASKA RAILROAD CORPORATION
REAL ESTATE DEPARTMENT, LAND SERVICES
P.O. BOX 107500, ANCHORAGE, ALASKA 99510-7500

Contract No. 20991 - Exhibit A
Aurora Energy, LLC
Total Area = 170,773 sq ft± (3.92 ac±)

ARRC title - Patent 50-2006-0464
USRS T1S, R1W, F.M, Section 10, Lots 6 & 7

DRAWN BY: DCA	SCALE: 1" = 200'	DATE: 2023-10-23
CHECKED BY: JSR	Fairbanks Terminal Reserve	
APPROVED BY: JSR		

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LEASE SUMMARY

LESSEE: Halliburton, LLC.

CONTRACT NO: 20992

LEASE DESCRIPTION: Lots 7 through 11 of Block C as depicted on that certain unrecorded plat titled "Fairbanks Terminal Reserve Depot & Leasing Area and Yard," dated February 23, 1961, Sheet 2 of 3, having file number 3452.01; and located within Section 3, Township 1 South, Range 1 West, Fairbanks Meridian, Alaska Railroad Fairbanks Terminal Reserve, Fairbanks Recording District, Fourth Judicial District, State of Alaska. Containing 25,000 square feet (0.57 acres) more or less.

KEY CONTRACT PROVISIONS:

Estimated Effective Date: November 1, 2023

Prior Annual Rent: \$4,800 annually

Lease Term: Twenty (20) Years

Rental Rate: 8%

Option to Extend: N/A

Rent Adjustment: Rent adjusted every 5 years with adjusted annual rent not to exceed 135% of the prior year's annual rent or to decrease to less than 65% of the prior year's annual rent.

Lease Area: 25,000 sq. ft., more or less.

Base Annual Rent: \$7,000 (based on 2023 appraised value)

PUBLIC NOTICE: Yes, public comment will expire November 13, 2023.

LEGAL REVIEW: Yes

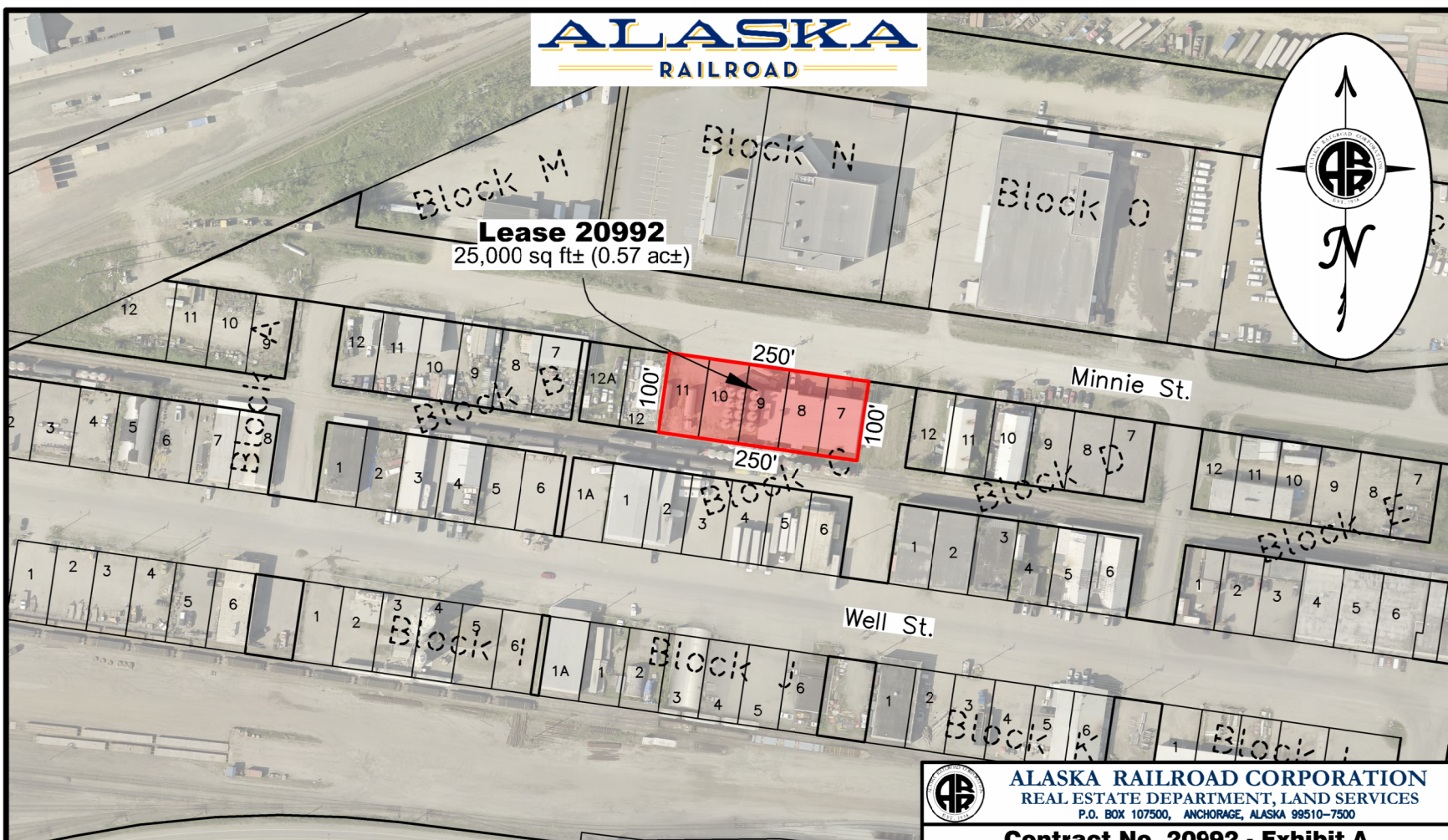
INTENDED USE: Cement bulk plant, warehouse and office consistent with Lessee's business.

SUMMARY AND RECOMMENDATIONS: Lessee currently leases the property under a ground lease for a term of forty (40) years, which is due to expire October 31, 2023. Lessee is requesting a new twenty (20)-year ground lease to be effective retroactive to November 1, 2023. Approval is recommended.

APPROVED: _____

Board Meeting Date: _____

Jennifer Mergens
ARRC Board Secretary



Lease 20992
25,000 sq ft± (0.57 ac±)



ALASKA RAILROAD CORPORATION
REAL ESTATE DEPARTMENT, LAND SERVICES
P.O. BOX 107500, ANCHORAGE, ALASKA 99510-7500

Contract No. 20992 - Exhibit A
Halliburton Energy Services
Area = 25,000 sq ft± (0.57 ac±)

ARRC title - Patent 50-2006-0464
Sec. 3, USRS T. 1 S., R.1 W., F.M.

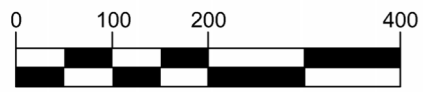
DRAWN BY: DCA
CHECKED BY: JSR
APPROVED BY: JSR

SCALE: 1" = 200'
DATE: 2023-10-23

Fairbanks Terminal Reserve

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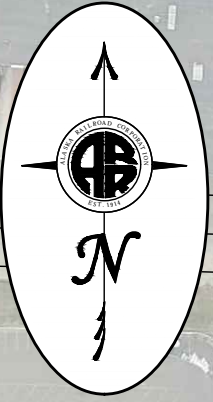
The lots shown on this exhibit are derived from that certain unrecorded plat titled "Fairbanks Terminal Reserve Depot & Leasing Area and Yard", dated February 23, 1961, Sheet 2 of 3 and having file number 3452.01.



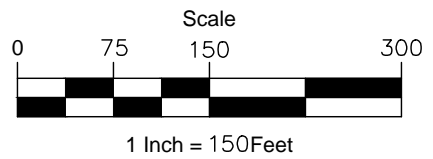
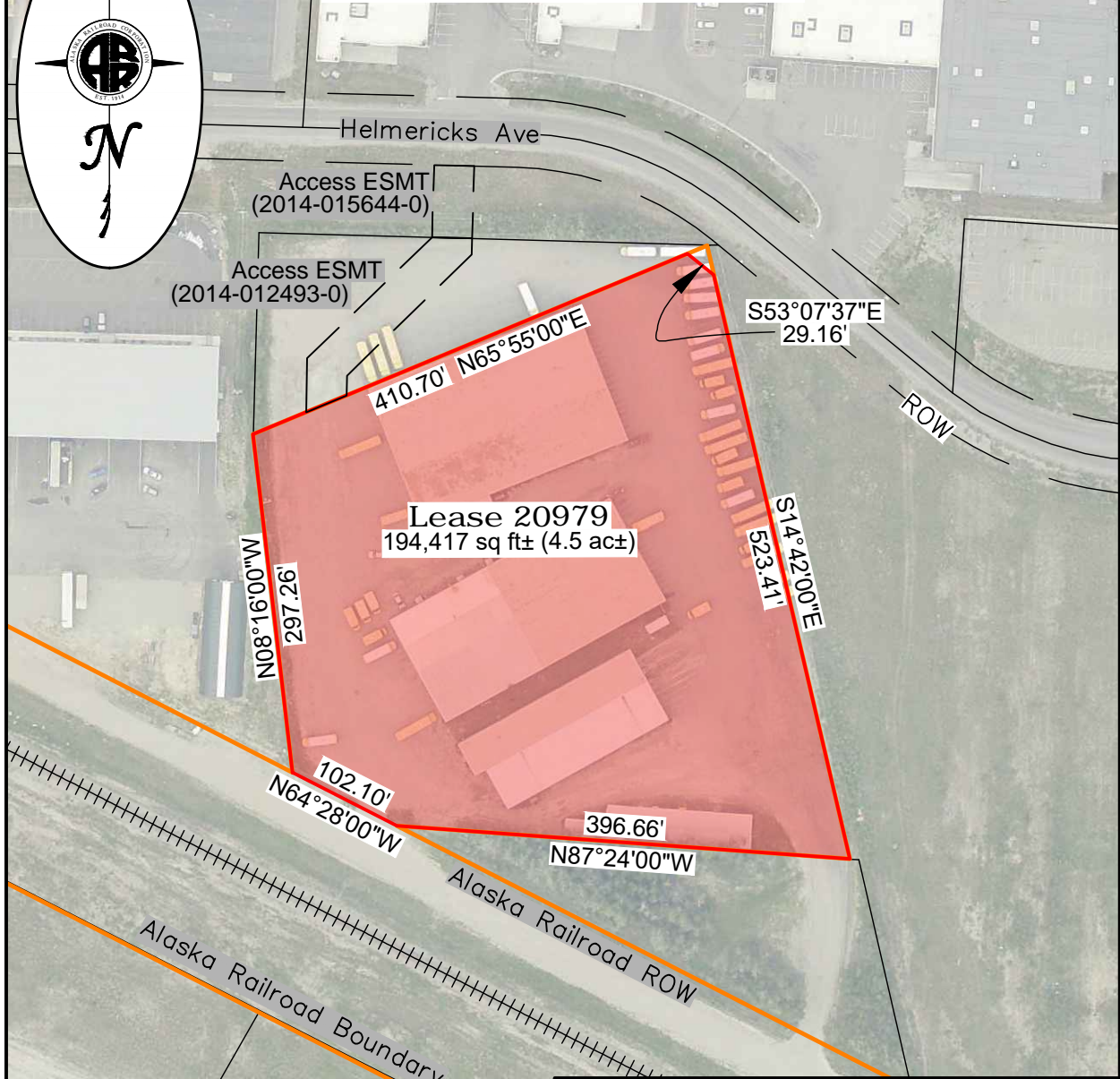
1 Inch = 200 Feet

For indexing purposes this property is located in the SW1/4 of Sec. 3, T. 1 S., R. 1 W., F.M.





ALASKA RAILROAD



For indexing purposes this property is located in the SW1/4 Sec.2, T1S, R1W, F.M.

 **ALASKA RAILROAD CORPORATION**
REAL ESTATE DEPARTMENT, LAND SERVICES
P.O. BOX 107500, ANCHORAGE, ALASKA 99510-7500

Contract No. 20979 - Exhibit A
OFD LLC
Area = 194,417 sq ft± (4.45 ac±)

ARRC title - Patent 50-2006-0464 - USS 9070 Lot 7

DRAWN BY: DCA	SCALE: 1" = 150'	DATE: 2023-09-21
CHECKED BY: JSR	Approx ARRC MP G1.5	
APPROVED BY: JSR		
R:\00 RED\LEASES\FBX\20979-L.dwg		

First Student to OFD, LLC lease assignment and mitigation

Before pictures with nuisance trespass and hazardous conditions.

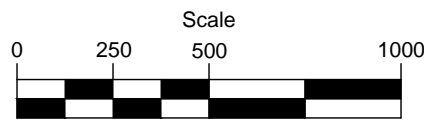
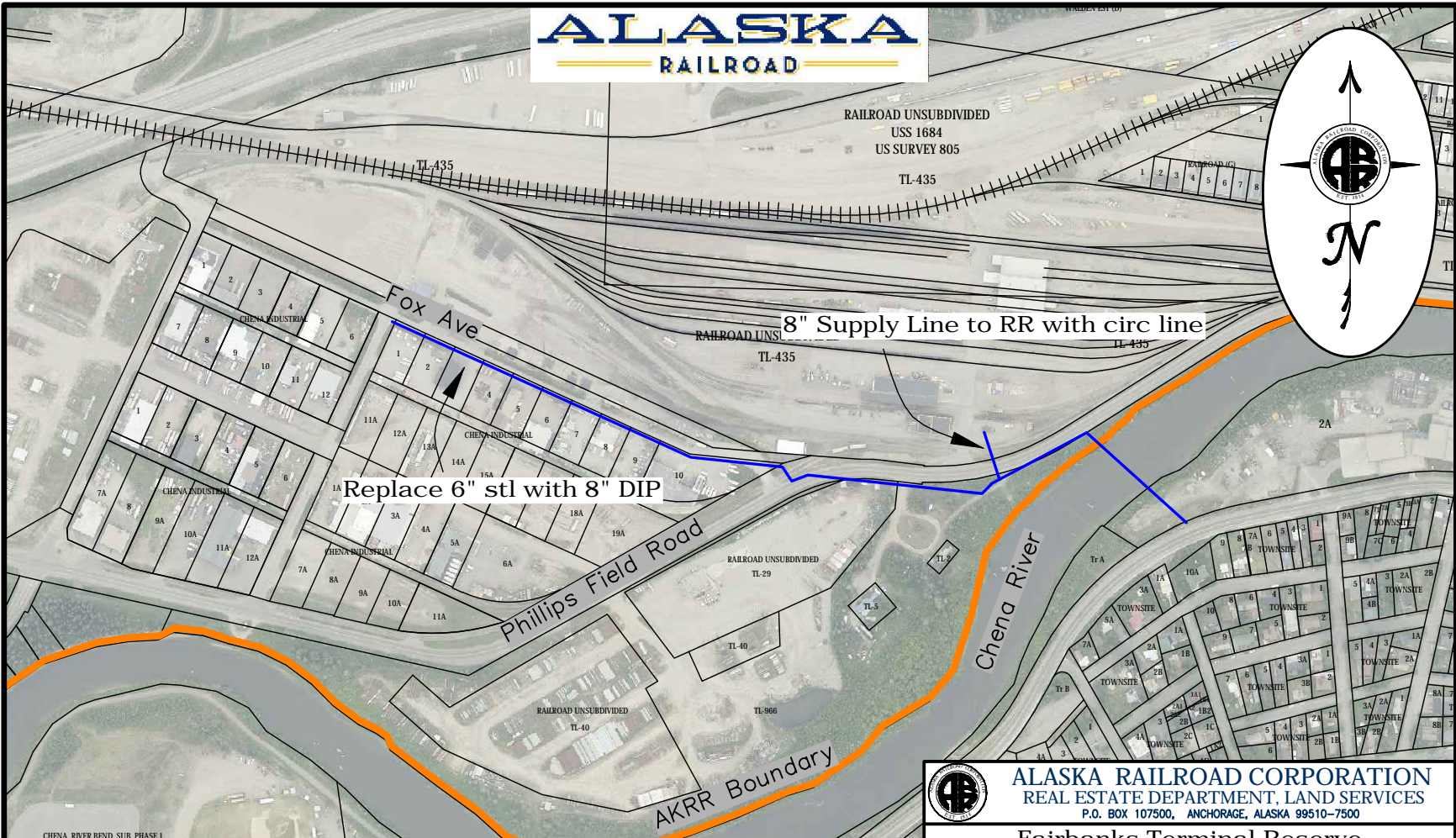
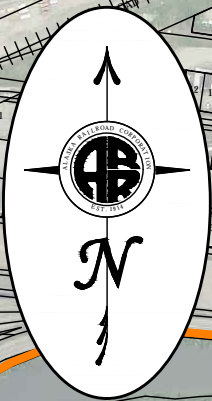




After pictures with mitigation.







1 Inch = 500 Feet

For indexing purposes this property is located in the NW1/4 Sec.9 & NE1/4 Sec.10, T1S, R1W, F.M.

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ALASKA RAILROAD CORPORATION
REAL ESTATE DEPARTMENT, LAND SERVICES
P.O. BOX 107500, ANCHORAGE, ALASKA 99510-7500

**Fairbanks Terminal Reserve
Water Main Replacement
and New Alaska Railroad Service**

ARRC title - Patent 50-2006-0464
USSRS, T1S, R1W, FM, Lots 1-5, 6-8 & 13

DRAWN BY: DCA	SCALE: 1" = 500'	DATE: 2023-03-14
CHECKED BY: ***	Fairbanks Terminal Reserve	
APPROVED BY: ***	R:\00 RED\Other Misc\FAI\Golden Heart Waterline.dwg	