



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

Date: June 11, 2020

Time: 10:00 a.m.

Location: Telephonic Only (Conference Meeting Dial-in or Link Provided Later)

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**Customer Communication:**

- Customer Meetings

**Board Action Items for June 24 Board Meeting:**

- *AFE's / Resolutions to be presented to the Board for approval: None*
  
- *Contracts to be presented to the Board for approval:*
  - Contract # 20551 Pruhs Corporation – Anchorage
  - Contract # 20552 Pruhs Corporation – Anchorage
  - Contract # 20570 Yard Chief Yard Care, Inc. – Anchorage
  - Contract # 20575 Aurora Energy, LLC - Fairbanks

**Briefing / Update**

Land Sale/Exchange Status

- Eklutna, Inc.
- NeighborWorks
- Chena Landings

Other Topics

Executive Session

- (If Necessary)

**Committee Members:**

Committee of the whole

ALASKA  
RAILROAD

Investment Associates of AK LLC c/o Northwest X Southern Hospitality  
108 N Washington Street, Suite 603  
Spokane, WA 99201

April 3, 2020

Re: Alaska Railroad Corporation (ARRC) Lease Contract L09655

Dear ARRC Lease Customer:

As we navigate the rapidly evolving COVID-19 virus situation, our first thought is for the safety and well-being of all individuals and businesses impacted by these challenging circumstances. We are experiencing unprecedented times and ARRC is continually monitoring and adjusting accordingly to safely provide our services throughout the State of Alaska.

Daily freight transportation is continuing to ensure supplies are available to Alaska communities; however, as you may be aware, passenger traffic is now limited primarily to serve those areas without road access. Tourism and cruise ship passenger traffic has been delayed for an undetermined period of time. Although our daily routines have changed, ARRC is committed to providing our customers with information, assistance and any services that may be available.

ARRC recognizes that COVID-19 may be affecting its Real Estate customers as well. To assist businesses with financial obligations in response to COVID-19, the Small Business Administration has made available a Small Business Guidance & Loan Resources packet. For more information visit: [SBA.gov/Coronavirus](https://www.sba.gov/coronavirus). The State of Alaska is also developing an economic stabilization plan which is available for review at: <https://gov.alaska.gov/home/covid-19-economic-plan>. ARRC encourages our customers to investigate these resources and other programs that may be available to assist businesses during this difficult period.

In addition to other resources, ARRC Real Estate staff is available to work with individual customers who at this time may find it difficult to pay their lease invoice due to circumstances related to COVID-19. If you are experiencing such problems and would like to review alternate lease payment arrangements, please contact Andy Donovan by email at [donovana@akrr.com](mailto:donovana@akrr.com) or telephone 907.265.2617. ARRC is committed to working with our customers affected by COVID-19 to ensure our continued long-term partnership. If I can be any additional assistance, please contact me.

Sincerely,



James W. Kubitz  
Vice President, Real Estate

**LEASE SUMMARY**

**LESSEE:** Pruhs Corporation

**CONTRACT NO:** 20551

**LEASE DESCRIPTION:** Approximately 68,757 sq ft± (1.6 ac±) in the Alaska Railroad Anchorage Reserve lying between Viking Drive and the Ship Creek Trail, located within U.S. Survey 9112, SE1/4 Sec. 8, T13N, R3W, S.M.

**KEY CONTRACT PROVISIONS:**

**Estimated Effective Date:** July 1, 2020

**Prior Annual Rent:** \$ 60,506.15

**Lease Term:** Thirty (30) Years

**Rental Rate:** 8%

**Option to Extend:** N/A

**Rent Adjustment:** 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:** Approximately 68,757 square feet

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

**Extended Term Rent:** N/A

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**PUBLIC NOTICE:** Yes, public comment period expires June 24, 2020.

**LEGAL REVIEW:** Yes

**INTENDED USE:** Construction yard

**SUMMARY AND RECOMMENDATIONS:** Lessee is requesting a new 30-year lease for existing ARRC Contract No. 7241. Lessee wants to use this property for a construction yard related to lessee business. Approval is recommended.

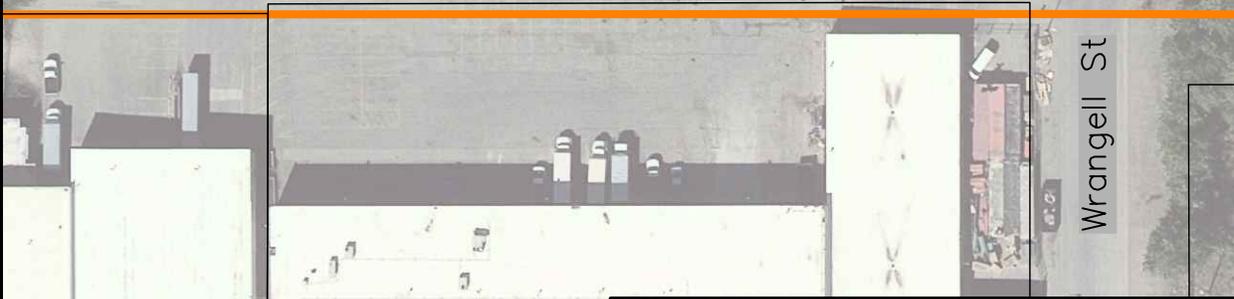
**APPROVED:** \_\_\_\_\_ **Board Meeting Date:** \_\_\_\_\_

**Jennifer Haldane**  
**ARRC Board Secretary**



**Proposed Lease 20551**  
68,757 sq ft± (1.6 ac±)

Viking Drive



Wrangell St

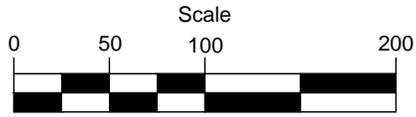


**ALASKA RAILROAD CORPORATION**  
REAL ESTATE DEPARTMENT, LAND SERVICES  
P.O. BOX 107500, ANCHORAGE, ALASKA 99510-7500

Contract No. 20551 - Exhibit A  
For Appraisal  
Pruhs Corporation

**Area = 68,757 sq ft± (1.6 ac±)**

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



1 Inch = 100 Feet

For indexing purposes this property is located in the SE1/4 Sec. 8, T13N, R3W, S.M.

DRAWN BY: AMB	SCALE: 1" = 100'	DATE: 2020-04-30
CHECKED BY: ...	Anchorage Terminal Reserve	
APPROVED BY: ...		
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**LEASE SUMMARY**

**LESSEE:** Pruhs Corporation

**CONTRACT NO:** 20552

**LEASE DESCRIPTION:** Approximately 80,773 sq ft± (1.9 ac±) in the Alaska Railroad Anchorage Reserve lying between Viking Drive and the Ship Creek Trail, located within U.S. Survey 9112, SE1/4 Sec. 8, T13N, R3W, S.M.

**KEY CONTRACT PROVISIONS:**

**Estimated Effective Date:** July 1, 2020

**Prior Annual Rent:** \$ 64,578.40

**Lease Term:** Thirty (30) Years

**Rental Rate:** 8%

**Option to Extend:** N/A

**Rent Adjustment:** 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:** Approximately 80,773 square feet

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

**Extended Term Rent:** N/A

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**PUBLIC NOTICE:** Yes, public comment period expires June 24, 2020.

**LEGAL REVIEW:** Yes

**INTENDED USE:** Construction yard

**SUMMARY AND RECOMMENDATIONS:** Prospective lessee is requesting a new 30-year lease to replace existing ARRC Contract No. 8277. Prospective lessee wants to use this property for a construction yard related to its business. Approval is recommended.

**APPROVED:** \_\_\_\_\_ **Board Meeting Date:** \_\_\_\_\_

**Jennifer Haldane**  
**ARRC Board Secretary**

# ALASKA RAILROAD



**Proposed Lease 20552**  
80,773 sq ft± (1.9 ac±)

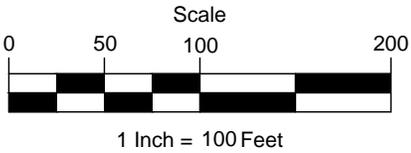
Viking Drive



Wrangell St



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



For indexing purposes this property is located in the SE1/4 Sec. 8, T13N, R3W, S.M.

Contract No. 20552 - Exhibit A  
For Appraisal

Pruhs Corporation  
**Area = 80,773 sq ft± (1.9 ac±)**

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

DRAWN BY: AMB	SCALE: 1" = 100'	DATE: 2020-04-30
CHECKED BY: ***	Anchorage Terminal Reserve	
APPROVED BY: ***		
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**LEASE SUMMARY**

**LESSEE:** Yard Chief Yard Care, Inc.

**CONTRACT NO:** 20570

**LEASE DESCRIPTION:** A parcel of land consisting of the east 175 feet of Lot 1, Block 41-A East Addition of the Anchorage Townsite containing approximately 52,500 square feet.

**KEY CONTRACT PROVISIONS:**

**Estimated Effective Date:** July 1, 2020

**Prior Annual Rent:** \$ 39,772.50

**Lease Term:** Twenty-five (25) Years

**Rental Rate:** 8%

**Option to Extend:** N/A

**Rent Adjustment:** 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:** Approximately 52,500 square feet

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

**Extended Term Rent:** N/A

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**PUBLIC NOTICE:** Yes, public comment period expires June 24, 2020.

**LEGAL REVIEW:** Yes

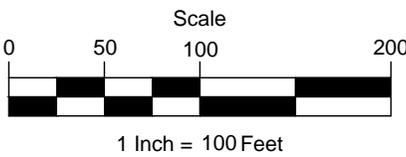
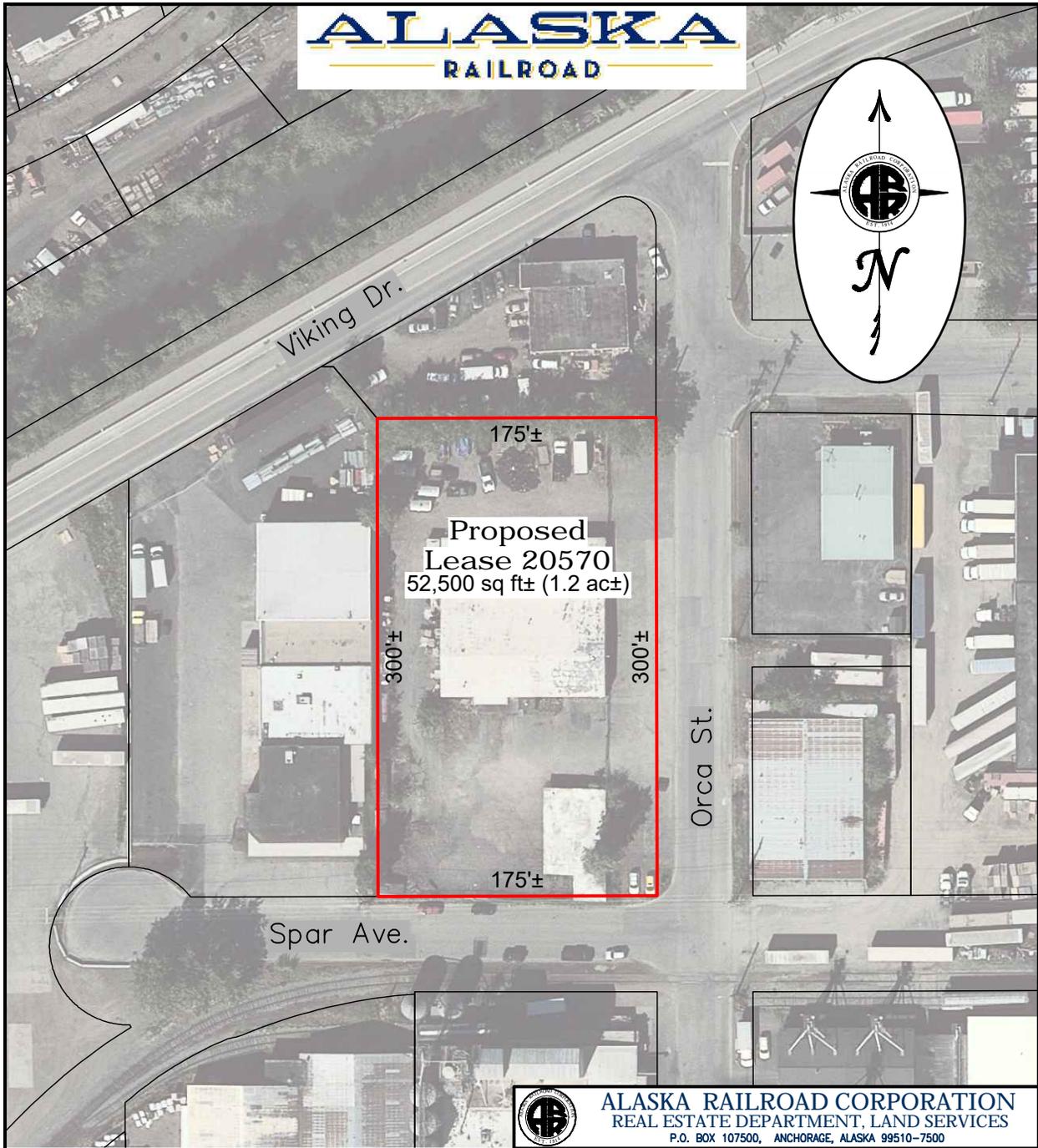
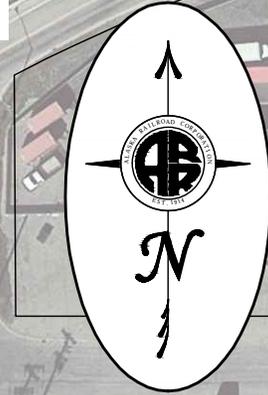
**INTENDED USE:** Office, storage yard for lessee's business

**SUMMARY AND RECOMMENDATIONS:** Prospective lessee is requesting a new 25-year lease for existing ARRC Contract No. 2854. Prospective lessee wants to use this property to operate a ground maintenance yard related to its business. Approval is recommended.

**APPROVED:** \_\_\_\_\_

**Board Meeting Date:** \_\_\_\_\_

**Jennifer Haldane**  
**ARRC Board Secretary**



For indexing purposes this property is located in the NW1/4 Sec. 17, T13N, R3W, S.M.

	<b>ALASKA RAILROAD CORPORATION</b> REAL ESTATE DEPARTMENT, LAND SERVICES <small>P.O. BOX 107500, ANCHORAGE, ALASKA 99510-7500</small>	
	Contract No. 20570 - Exhibit A For Appraisal Yard Chief Yard Care, Inc. <b>Area = 52,500 sq ft± (1.2 ac±)</b> ARRC title - Patent 50-2016-0049 - USS 408, Block 41A	
DRAWN BY: <u>AMB</u> CHECKED BY: <u>***</u> APPROVED BY: <u>***</u>	SCALE: 1" = 100'	DATE: 2020-04-30
Anchorage Terminal Reserve R:\00 RED\LEASES\ANC\20570-L.dwg		

**LEASE SUMMARY**

**LESSEE:** Aurora Energy, LLC

**CONTRACT NO:** 20575

**LEASE DESCRIPTION:** Approximately 137,000 sq ft± (3.1 ac±) located near the intersection of Phillips Field Rd. and Driveway St. within the Alaska Railroad Fairbanks Reserve, N1/2 Sec. 10, T1S, R1W, F.M.

**KEY CONTRACT PROVISIONS:**

**Estimated Effective Date:** June 1, 2020

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

**Lease Term:** Not to exceed Five (5) Years

**Prior Annual Rent:** N/A

**Option to Extend:** N/A

**Rental Rate:** 8%

**Lease Area:** Approximately 137,000 square feet

**Rent Adjustment:** N/A

**Extended Term Rent:** N/A

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**PUBLIC NOTICE:** Yes, public comment period expires June 24, 2020.

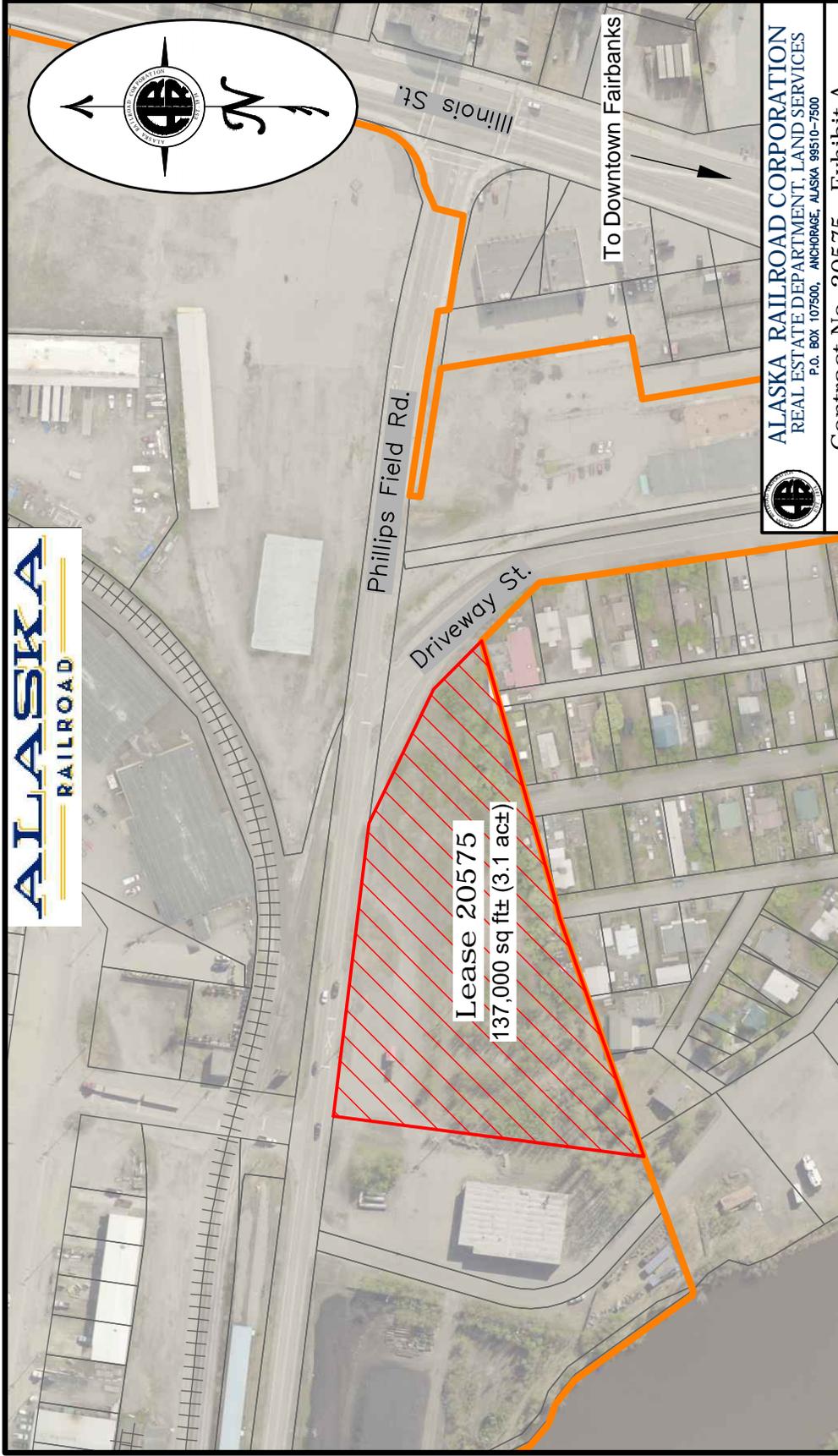
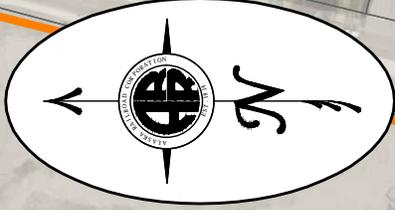
**LEGAL REVIEW:** Yes

**INTENDED USE:** Storage yard

**SUMMARY AND RECOMMENDATIONS:** Prospective lessee is requesting a new lease not to exceed five (5) years. Prospective lessee wants to use this property for a storage yard related to its business. Approval is recommended.

**APPROVED:** \_\_\_\_\_ **Board Meeting Date:** \_\_\_\_\_

**Jennifer Haldane**  
**ARRC Board Secretary**



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

Contract No. 20575 - Exhibit A  
 Aurora Energy, LLC

**Area = 137,000 sq ft ± (3.1 ac ±)**

ARRC title - Patent 50-2006-0464  
 Lots 6, 7, & 13, Sec. 10, USRS T1S, R1W, FM

DRAWN BY: AMB	SCALE: 1" = 200'	DATE: 2020-05-08
CHECKED BY: ***		
APPROVED BY: ***		Fairbanks Terminal Reserve
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1 Inch = 200 Feet

For indexing purposes this property is located in the N1/2 Sec. 10, T1S, R1W, F.M.

[AlaskaRailroad.com](http://AlaskaRailroad.com)