ARRC Land Use

Planning for the Long Term

As a state-owned entity, many of ARRC's land management policies are dictated by Alaska statutes. For example, ARRC is prohibited from selling, exchanging, or otherwise conveying a complete interest in its land.

However, with board approval, ARRC may lease non-operating lands for up to 95 years as a source of funds for sustaining the railroad's transportation assets. Lease terms are intended to ensure that the railroad can meet and balance its changing transportation and land use needs over time.

ARRC has approximately 260 long term leases, and a history of successful relationships with communities and businesses throughout the

years. In a number of communities, ARRC has endeavored to plan for the highest and best uses of specific areas, and has made capital improvements that support area-specific public and economic objectives. Recent examples of this in Anchorage include the **Ship Creek Development Master Plan**, and pedestrian safety improvements in the rail depot area.

In general terms, ARRC recognizes four classifications of land uses that have specific characteristics, infrastructure needs, and future land use goals. The main classification, **Rail Right-of-Way and Operating Lands** covers fifty percent of ARRC's lands. These lands are dedicated to rail-specific and transportation uses, as described below.

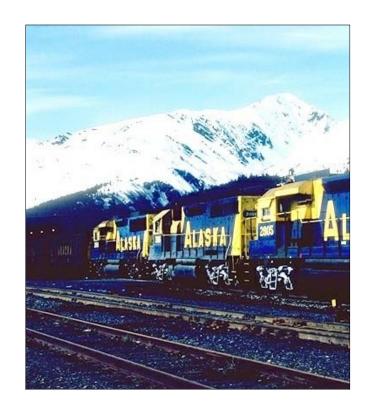
Lease lands are considered "non-operating" and generally host three categories of use, as described on page 4:

- Commercial-Industrial Activities;
- · Passenger Related / Tourism Uses; and
- Commercial Mix / Redevelopment Uses.



Rail Right-of-Way and Operating Lands

Half of ARRC's land is dedicated to supporting and maintaining the corporation's primary activity-freight and passenger transportation services. Although modern transportation technology allows for more efficient use of these lands, unforeseeable future demands must be met by their use.

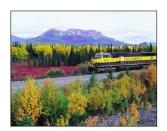






Commercial-Industrial Activities

Industrial and commercial uses are well served by locating next to rail corridors and rail port junctions. ARRC appreciates the needs of its business partners, and seeks to maintain access, transportation links, and delivery systems that help its partners to succeed and grow.









Passenger Related / Tourism Uses

ARRC's passenger service provides access to spectacular scenery and the state's railbelt communities. Growth in the tourism sector means significant co-development opportunities for strategic ARRC lands including retail and resort uses. New transportation services developed by ARRC in the future-including rail service connecting the airport to downtown Anchorage will create additional development opportunities.



Commercial Mix / Redevelopment

ARRC recognizes the untapped potential of some of its highly visible vacant and/or underdeveloped lands. Anchorage's waterfront along Ship Creek and the Chena Landings area in Fairbanks are examples of priority areas for mixed use redevelopment. ARRC planning efforts for these areas are ongoing and have attracted significant community interest.