



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

Date: March 12, 2024

Time: 9:00 AM

Join Zoom Meeting

<https://us02web.zoom.us/j/84262354188?pwd=YUpiRGtWb2ZSM2INSIZ3RU1HVDQ4QT09>

Meeting ID: 842 6235 4188

Passcode: 938354

Customer Communication:

- Customer Meetings

Board Action Items:

- *AFE's / Resolutions to be presented to the Board: None*
- *Contracts to be presented to the Board:*
 - Contract # 21009 – AEY, LLC – Anchorage
 - Contract #21013 – OFD, LLC – Fairbanks
 - Contract #21015 – Robert Burnett - Anchorage

Briefing / Update

Seward

- Dock traffic
- Passenger Dock Project – The Seward Company

Anchorage

- Depot Drive

Whittier

- Head of the Bay Project update
- Whittier Master Plan

Fairbanks

- Yard Waterline update

Healy

- Evans Industries Gravel Agreement
-

Nenana

- Land bill

Other Topics

Executive Session

- Utility permits

- 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: AEY, LLC

CONTRACT NO: 21009

LEASE DESCRIPTION: Lease Lot 26 of the ARRC Post Road Industrial Lease Lots located within the ARRC Anchorage Terminal Reserve containing approximately 15,650 square feet, more or less.

KEY CONTRACT PROVISIONS:

Estimated Effective Date: April 1, 2024

Prior Annual Rent: \$11,424.00 annually

Lease Term: Ten (10) Years

Rent 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: 15,650 sq. ft., more or less.

Base Annual Rent: \$16,589.00 (based on 2023 appraised value)

PUBLIC NOTICE: Yes, public comment will expire March 28, 2024.

LEGAL REVIEW: Yes

INTENDED USE: Logistical warehouse and basic fleet maintenance consistent with Lessee's business.

SUMMARY AND RECOMMENDATIONS: The prospective lessee will be purchasing the existing improvements and desires a new ground lease. The current Lease Contract No. 8586, expired October 31, 2023, but remains in place in holdover status. Subject to Board approval of a new lease, improvement plans include removal of collapsed building (Feb. 2024,) replacement of fencing, updated signage and upgraded to increase overall curb appeal. Approval is recommended.

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

Jennifer Mergens
ARRC Board Secretary



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

Contract No. 21009 - Exhibit A
AEY, LLC

Area = 15,650 sq ft ± (0.36 ac ±)

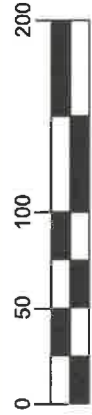
ARRC title - Patent 50-2008-0196 - USS 9112

DRAWN BY: DCA SCALE: 1" = 100' DATE: 2024-02-09

CHECKED BY: JSR APPROVED BY: JSR

Anchorage Terminal Reserve

R:\00 RED\LEASES\ANC\21009-L.dwg



1 Inch = 100 Feet

The meridian of this exhibit is based on monuments 170 and 932 of Plat 2009-55

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

AlaskaRailroad.com

LEASE SUMMARY

LESSEE: OFD, LLC

CONTRACT NO: 21013

LEASE DESCRIPTION: A portion of Lot 13 located Northeasterly from the ARRC Fairbanks Reserve, laying south of Helmericks Avenue and north of West Trainor Gate Road, containing 194,417 square feet (4.45 acres), more or less.

KEY CONTRACT PROVISIONS:

Estimated Effective Date: April 1, 2024

Lease Term: Thirty (30) Years

Prior Annual Rent: \$34,796.25 annually

Option to Extend: N/A

Rent Rate: 8%

Lease Area: 194,417 sq. ft., more or less.

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.

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

PUBLIC NOTICE: Yes, public comment will expire March 28, 2024.

LEGAL REVIEW: Yes

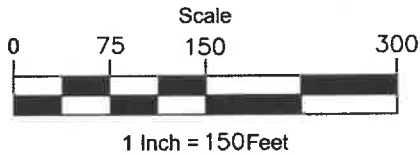
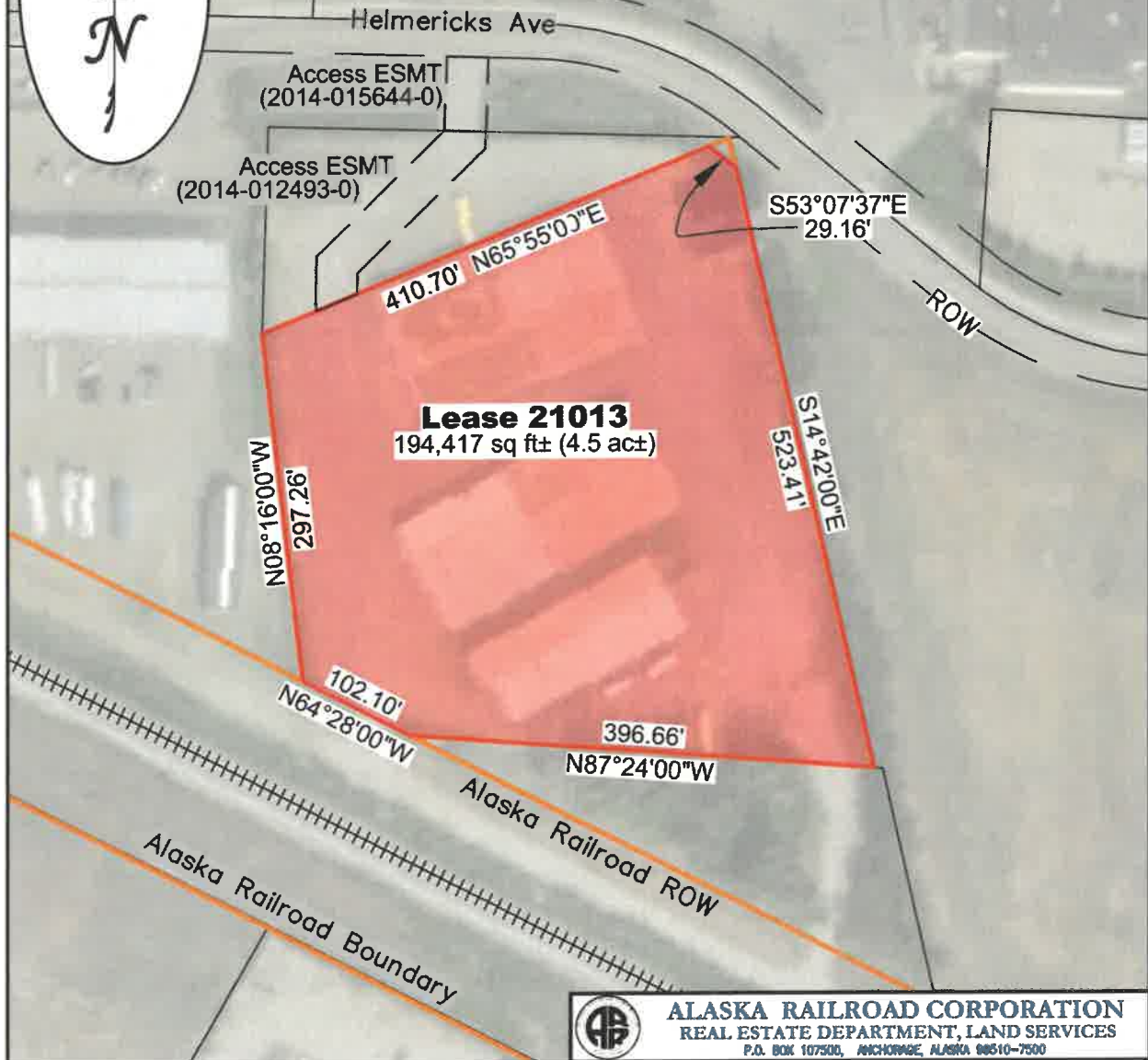
INTENDED USE: Warehouse space, equipment storage, and office space consistent with Lessee's business.

SUMMARY AND RECOMMENDATIONS: Lessee currently leases the property under a ground lease for a term of thirty (30) years, which is due to expire April 30, 2035. Lessee has performed significant renovation to the building since acquiring the lease in October 2023, with plans to invest another \$1M in additional building improvements and repair. Lessee is requesting a new thirty (30)-year ground lease. Approval is recommended.

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

Jennifer Mergens
ARRC Board Secretary

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. 21013 - 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		

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LEASE SUMMARY

LESSEE: Robert Burnett

CONTRACT NO: 21015

LEASE DESCRIPTION: Lot 2-A of Block 41-D located within the ARRC Anchorage Reserve, containing 14,715 square feet, more or less.

KEY CONTRACT PROVISIONS:

Estimated Effective Date: April 1, 2024

Prior Annual Rent: \$14,126.40 annually

Lease Term: Thirty-five (35) Years

Rent 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: 14,715 sq. ft., more or less.

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

PUBLIC NOTICE: Yes, public comment will expire March 28, 2024.

LEGAL REVIEW: Yes

INTENDED USE: Cannabis cultivation, wholesale sales and warehouse space, 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. The current lease is scheduled to expire September 30, 2032. Lessee is requesting a new thirty-five (35)-year ground lease. Approval is recommended.

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

Jennifer Mergens
ARRC Board Secretary

ALASKA RAILROAD



N. Post Rd.

S89°58'50"W
189.28'

S00°00'00"E
128.63'

Lease 21015
14,715 sq ft±
(0.34 ac±)

L=171.09'
D=29°19'37"
R=359.26'

61.12'
N45°00'00"E

1st Ave.



1 Inch = 100 Feet

Information on this exhibit is derived from Plat 62-75 titled "Lots 1A, 2A & 3A, Block 41D and Lots 2B & 3B Block 41C East Addition", recorded in the Anchorage Recording District on September 19, 1963.
For indexing purposes this property is located in the NW1/4 Sec. 17 T13N R3W S.M.



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

Contract No. 21015 - Exhibit A
Robert Burnett
Area = 14,715 sq ft± (0.34 ac±)

ARRC title - Patent 50-2016-0049 - USS 408 Block 41D

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

SCALE: 1" = 100'

DATE: 2024-03-01

Anchorage Terminal Reserve

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AlaskaRailroad.com

PUBLIC NOTICE

PROPOSAL TO ISSUE AN ADDITIONAL LICENSE AGREEMENT

The **Alaska Railroad Corporation** (ARRC) proposes to issue a non-exclusive license agreement to **Evans Industries, Inc.** to take possession of and remove up to 120,000 cubic yards of gravel from within the ARRC Healy Reserve. The purpose of the gravel removal is for use of the gravel in conjunction with Federal, State and other commercial projects in the local area.

Location: ARRC's South Garner Pit and Dry Creek Pit located within the ARRC Healy Reserve, at approximately ARRC Milepost 356 and Milepost 360.9, Sections 31 & 7, respectively, Township 12 South, Range 7 West, Fairbanks Meridian, situated in the Nenana Recording District, Fourth Judicial District.

Proposed Term of Agreement: 5 years or upon taking 120,000 cubic yards, whichever first occurs.

Use of the premises is for no other purpose than: Gravel extraction & processing.

Maps depicting the exact location are available for review. This file (excluding privileged or proprietary information) is available for inspection during regular business hours, Monday through Friday, at the office of the Director of Real Estate, of the Alaska Railroad Corporation, 327 West Ship Creek Avenue, Anchorage, Alaska. Comments may be submitted in writing to the Director, Real Estate, P.O. Box 107500, Anchorage, Alaska 99510-7500 and must be submitted on or before, March 8, 2024 after which time the ARRC's decision to issue the license agreement may become final. Questions may be directed to the Real Estate Manager, Contracts and Billing at 265-2465.

Pub: February 22, 2024