



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

Date: January 16, 2025

Time: 9:00 AM

Join Zoom Meeting

<https://us02web.zoom.us/j/87011503839?pwd=L7QZRQOpiojqTQ5F8tcAb697dpMC9N.1>

Meeting ID: 870 1150 3839

Passcode: 810857

Customer Communication:

- Customer Meetings

Board Action Items:

➤ *AFE's / Resolutions to be presented to the Board:*

- Resolution No. 2025-01 - Relating to a Second Increase in Funding for Access Improvements to the Rail Complex (AFE No.11076 S-2)

➤ *Contracts to be presented to the Board:*

- Contract 21134 – Pioneer Park Hospitality, LLC - Fairbanks

Briefing / Update

Real Estate Customer Marketing Survey- Results

Seward

- Dock Traffic
- Tariff Update
- Passenger Dock and Terminal Project (A portion of this discussion may be held in Executive Session to address confidential financial and legal matters.)

Whittier

- Whittier Seafoods Update
- Whittier Master Plan
- City of Whittier Waterfront Plan
- Land Purchase, Sale, Exchange

Anchorage

- Odom Building
- Freight Shed Truss Repairs Completed
- 90th Fur Rendezvous February 20- March 2
- 200 Post Road LLC
- Alaska Industrial Paint – 1300 North Post Road

Matanuska-Susitna Borough

- Port MacKenzie Rail Extension

Fairbanks

- Aurora Energy
- Customer Party

Nenana

- EPA Community Change Grant

Executive Session Agenda:

- Other matters, if any, appropriate for Executive Session that are identified by the Committee members and successfully moved for inclusion in the Executive Session.”

Committee Members: Committee of the whole

Adopted:

Resolution No. 2025-01

Relating to a Second Increase in Funding for Phase 3 of Access Improvements to the Rail Complex (AFE No. 11076 S-2)

WHEREAS, the Alaska Railroad Corporation (“ARRC”) owns several acres of prime, mostly undeveloped land located to the west of the Anchorage Historical Depot in the ARRC Anchorage Reserve (the “Rail Complex Land”); and

WHEREAS, located on the Rail Complex Land is a building owned and occupied by 49th State Brewing Company (“49th State”), which leases the underlying land from ARRC; and

WHEREAS, it is critical to ARRC’s prospects for developing the undeveloped portion of the Rail Complex Land, as well as important to the success of ARRC’s lessee, 49th State, and its tenant that safe, reliable access is available to the Rail Complex Land and 49th State’s building; and

WHEREAS, ARRC designed a multi-year project to reconfigure, widen and pave the existing access road, known as Depot Drive, which connects First Avenue to the Rail Complex Land; and

WHEREAS, ARRC began construction of the Depot Drive Project in 2019 and has constructed or will construct additional phases of the Project in 2020 through 2027, including Phase 3 planned for 2023; and

WHEREAS, in November 2022, the ARRC Board of Directors approved, as part of the ARRC 2023 Capital Budget, AFE No. 11076 in the amount of \$750,000, in order to fund the work on Phase 3 of the Depot Drive Project planned for 2023, based on preliminary cost estimates; and

WHEREAS, on April 23, 2024, based on his approval authority with respect to unbudgeted or overrun expenditures, the President and CEO approved AFE No. 11076 S-1 in the amount of \$295,000 due to higher construction costs than initially expected and delays to allow for utility relocations, bringing the total amount of AFE No. 11076 at that time to \$1,045,000; and

WHEREAS, proposed AFE No. 11076 S-2 would increase project funding by \$67,326 in order to address (i) increased costs related to unforeseen soil conditions that required higher-than-expected handling costs due to greater volumes of both material exports and imports than set out in the original scope of work; and (ii) unbudgeted environmental disposal permitting charges imposed by the Municipality of Anchorage and associated post-contract award changes; and

WHEREAS, approval of the additional funding provided by AFE No. 11076 S-2 will align the Depot Drive Project budget with actual spending in preparation for completion and closeout of the project; and

WHEREAS, funding for this project will be 100% ARRC internal funds; and

WHEREAS, the authority of ARRC's President & Chief Executive Officer to approve an unbudgeted or overrun capital expenditure is limited to matters with an estimated total cost of no more than \$300,000, with higher estimated cost matters requiring Board approval pursuant to ARRC's Approval Authority Guide.

NOW THEREFORE BE IT RESOLVED that the ARRC Board of Directors has considered the proposed increase in funding for Phase 3 of the Depot Drive Project presented by ARRC Management and hereby approves AFE No. 11076 S-2 in the amount of \$67,326 for the purposes stated therein which brings the total amount of AFE No. 11076 to \$1,112,326.

Alaska Railroad Corporation
Authorization for Expenditure Form

For Accounting Use Only

AFE# 11076 S-2

Page 1

General Information:	
AFE Title:	2023 Depot Dr. Improvements Phase 3
Prepared By:	Angela Lacina
Resp. Center (Name):	Real Estate/Facilities
Resp. Center (#):	8900
Depreciation Center:	8900-Real Estate
Line of Business:	Real Estate/Facilities
Spending Timetable:	
2023	\$ 750,000
2024	\$ 362,326
2025	\$ -
2026	\$ -
2027	\$ -
Total	\$ 1,112,326
Other Information	
Useful Life (Years):	25
Annual Depreciation:	\$ 44,493
Estimated Annual Operating Costs	\$ -

Included in Capital Budget:		
Capital Budget	Year:	2023 Budgeted
Total Amount	\$	1,112,326
Source of Funding	ARRC	\$ 1,112,326
Source of Funding		\$ -
Source of Funding		\$ -
Grant Number	N/A	
Grant Name	N/A	
AFE History:		
	Amount	Date Prepared
Original AFE	\$ 750,000	12/15/22
Supplemental #1	\$ 295,000	04/11/24
Supplemental #2	\$ 67,326	11/21/24
Supplemental #3	\$ -	
Supplemental #4	\$ -	
Supplemental #5	\$ -	
Supplemental #6	\$ -	
Supplemental #7	\$ -	
Total	\$ 1,112,326	

Required Signatures for Approval:			
(if applicable)	Last Name(s) (Print)	Signature	Date
Project Manager:	Shane Maloney	<i>Shane Maloney</i>	1/9/2025
Responsible Owner:	Andrew Donovan	<i>Andrew Donovan</i>	1/10/2025
VP, Owner Department:	Christy Terry	<i>Christy Terry</i>	1/9/2025
Functional User(s):	Andrew Donovan	<i>Andrew Donovan</i>	1/10/2025
Chief Operating Officer:	Clark Hopp		
Grant Administration:	Christina Isabelle-Glover	N/A	
Chief Financial Officer:	Michelle Maddox	<i>Michelle Maddox</i>	1/10/2025
Accounting Department:	Amy Kinnanman	<i>Amy Kinnanman</i>	1/10/2025
CEO & President:	Bill O'Leary	<i>Bill O'Leary</i>	1/9/2025
Board of Directors:	John Shively		

Alaska Railroad Corporation
Authorization for Expenditure Form

For Accounting Use Only

AFE# 11076 S-2

Page 2

Is this project related to health and/or safety?	Yes	If yes describe:
Repairing the damaged 1st Ave road will increase local traffic safety, and defining the Depot Dr. bus route and pedestrian traffic areas will separate vehicle traffic from pedestrian movement. Removing the overhead lines and utility poles will allow for expansion of the property and eliminate the hazards associated with increased traffic under these lines.		
Scope of Work:		
Project will include extension of Depot Dr. 300' to accommodate tractor trailer and passenger bus traffic for tenants and ARRC customers. The project will eliminate traffic on unpaved wash boarded roads, connect the bus lane to the main road, as well as general filling and grading of the area to improve drainage. Additionally, Chugach Electric will begin removing utility poles and relocating the overhead lines that cross the area underground. ARRC will be responsible to pay for a portion of the cost of this project. 300' road extension: \$425,000 ARRC utility relocation responsibility: \$325,000 Supplemental No.1 increases project funding to complete original scope of work. This project was delayed a year to allow CEA to relocate overhead utilities underground within the footprint of the proposed Depot Dr project. As a result of the delay, project engineering estimates were higher than anticipated due to increased material and labor costs. Supplemental No.2 increases project funding by \$67,326 due to unforeseen soil conditions that required more material exports, imports, and handling costs that where not account for in the original scope of work. Additionally, there was unbudgeted environmental disposal costs and post contract award changes that were imposed by the Municipality or Anchorage permitting department that were not included in the original budget. This cost increase will align the project budget with actual spend in preparation for closeout and capitalization.		
ARRC Business Justification		
With the newly developed businesses and residential units, the area is experiencing a greater traffic volume. This has caused the need to de-conflict ARRC passenger service bus traffic and patron and tourist traffic visiting the local businesses. Connecting the bus lane to the road and defining the drivable areas, will increase safety during passenger operations, as well as eliminate standing water and large mud puddles that buses would have to drive through. Removing the overhead lines and utility poles will allow for expansion of the property and eliminate the hazards associated with increased traffic under these lines.		
Alternatives Considered:		
Postpone phase 3 of project and delay improvement plan.		
Preliminary Budget:		
Line Description	Amount	
Equipment	\$ -	
Labor (Fully Burdened)	\$ 20,000	
Materials	\$ -	
Contracts	\$ 1,092,326	
Other Expenses	\$ -	
Total	\$ 1,112,326	

Note: All health and/or safety related project(s) should be the highest ranked project(s) in the department.

LEASE SUMMARY

LESSEE: Pioneer Park Hospitality, LLC

CONTRACT NO: 21134

LEASE DESCRIPTION: Tract 10 of Chena Landings Subdivision, within the ARRC Fairbanks Reserve, containing 149,105.88 square feet (3.42 acres), more or less.

KEY CONTRACT PROVISIONS:

Estimated Effective Date: January 1, 2025

Prior Annual Rent: \$63,370.05 annually

Lease Term: Forty (40) Years

Rent Rate: 8%

Option to Extend: N/A

Lease Area: 149,105.88 sq. ft., more or less.

Base Annual Rent: \$63,370.05 (based on 2024 appraised value)

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; except in lease year 35, when rent will be adjusted to fair market value without any caps or floors.

PUBLIC NOTICE: Yes, public comment will expire January 26, 2025.

LEGAL REVIEW: Yes

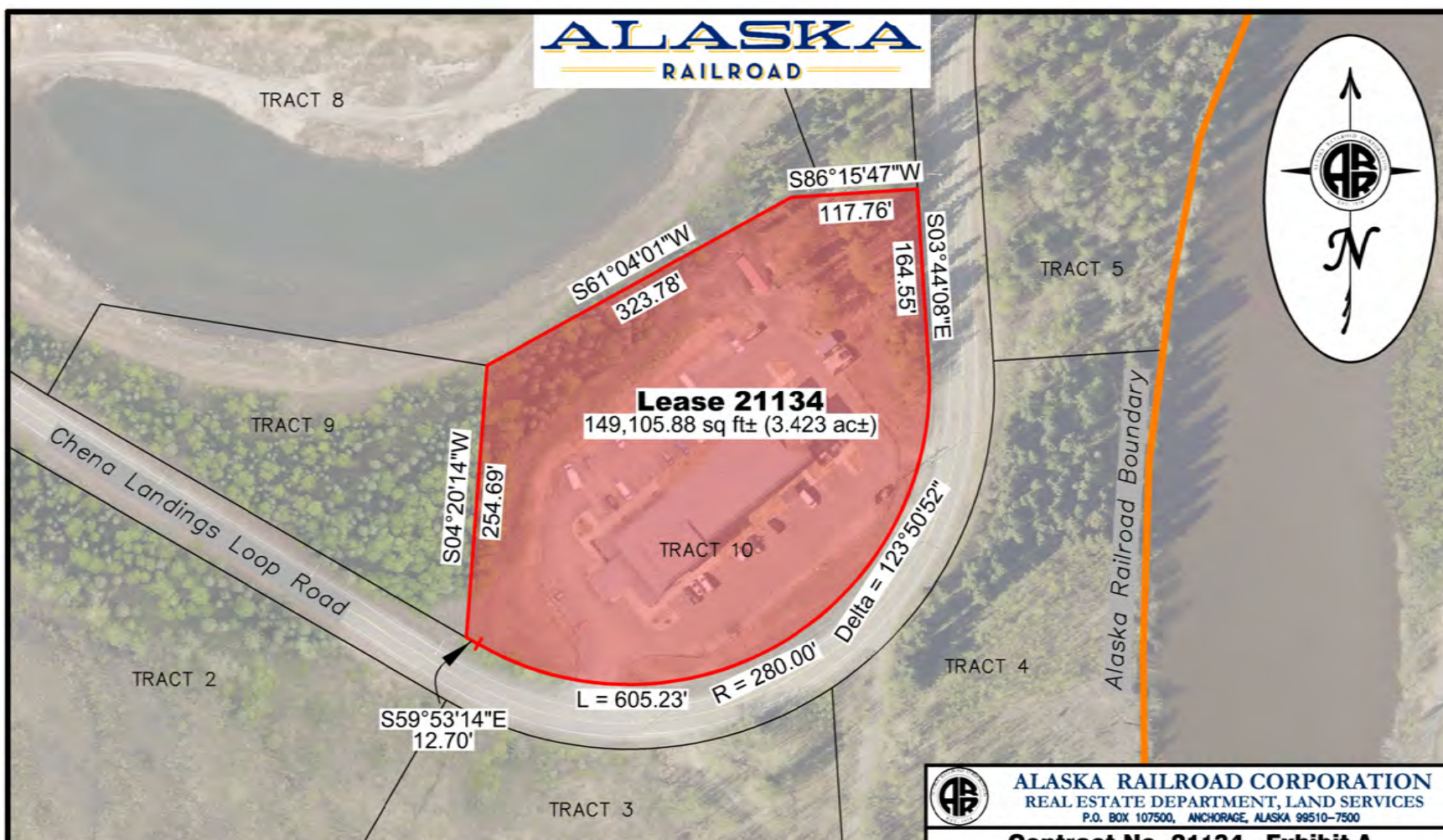
INTENDED USE: Hotel operations consistent with Lessee's business.

SUMMARY AND RECOMMENDATIONS: Lessee currently leases the property under a ground lease for a term of thirty-five (35) years. The current lease is due to expire July 31, 2029. Lessee plans to continue to invest in upgrades of existing improvements and is requesting a new forty (40)-year Ground Lease for financing purposes. Approval is recommended.

APPROVED: _____ Board Meeting Date: _____

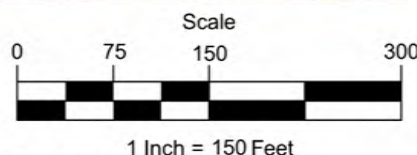
Jennifer Mergens
ARRC Board Secretary

ALASKA RAILROAD



The meridian of this exhibit is based on Chena Landings Subdivision (2000-31) Fairbanks Recording District

For indexing purposes this property is located in the W1/2 Sec. 9, 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. 21134 - Exhibit A
Pioneer Park Hospitality, LLC
Area = 149,105.88 sq ft ± (3.423 ac ±)

ARRC title - Patent 50-2006-0464
USRS T1S, R1W, FM - Lots 1-5, N1/2 NW1/4

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

SCALE: 1" = 150'

DATE: 2024-12-17

Fairbanks Terminal Reserve

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U.S. Survey No. 9008

U.S. SURVEY 9008
U.S. SURVEY 2559

Lease 20286
56,530 sq ft± (1.30 ac±)

N11°06'00"E
115.37'

S78°54'00"E
490.00'
N78°54'00"W
490.00'

115.37'
S11°06'00"W
Cor 5

Cor 6

PARCEL A
U.S. SURVEY 2559

ARRC Whittier Reserve Boundary
GLACIER AVENUE

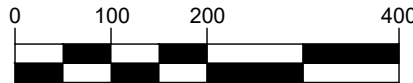
WHITTIER STREET
U.S. Survey No. 2559, and
Subdivision of Whittier Townsite

ARRC Whittier Reserve Boundary

EASTERN AVENUE
PARK

LOT 1
LOT 2
LOT 3
LOT 4
LOT 5
LOT 6
LOT 7
LOT 8
LOT 9
LOT 10
LOT 11
20' ALLEYWAY

The meridian of this exhibit is based on
a line between Corners 5 and 6 of U.S.
Survey 2559, dated November 29, 1994



1 Inch = 200 Feet

For indexing purposes this property is located in the NW1/4 Sec. 24 T8N R4E S.M.

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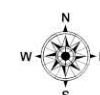
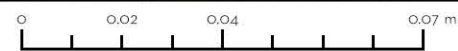
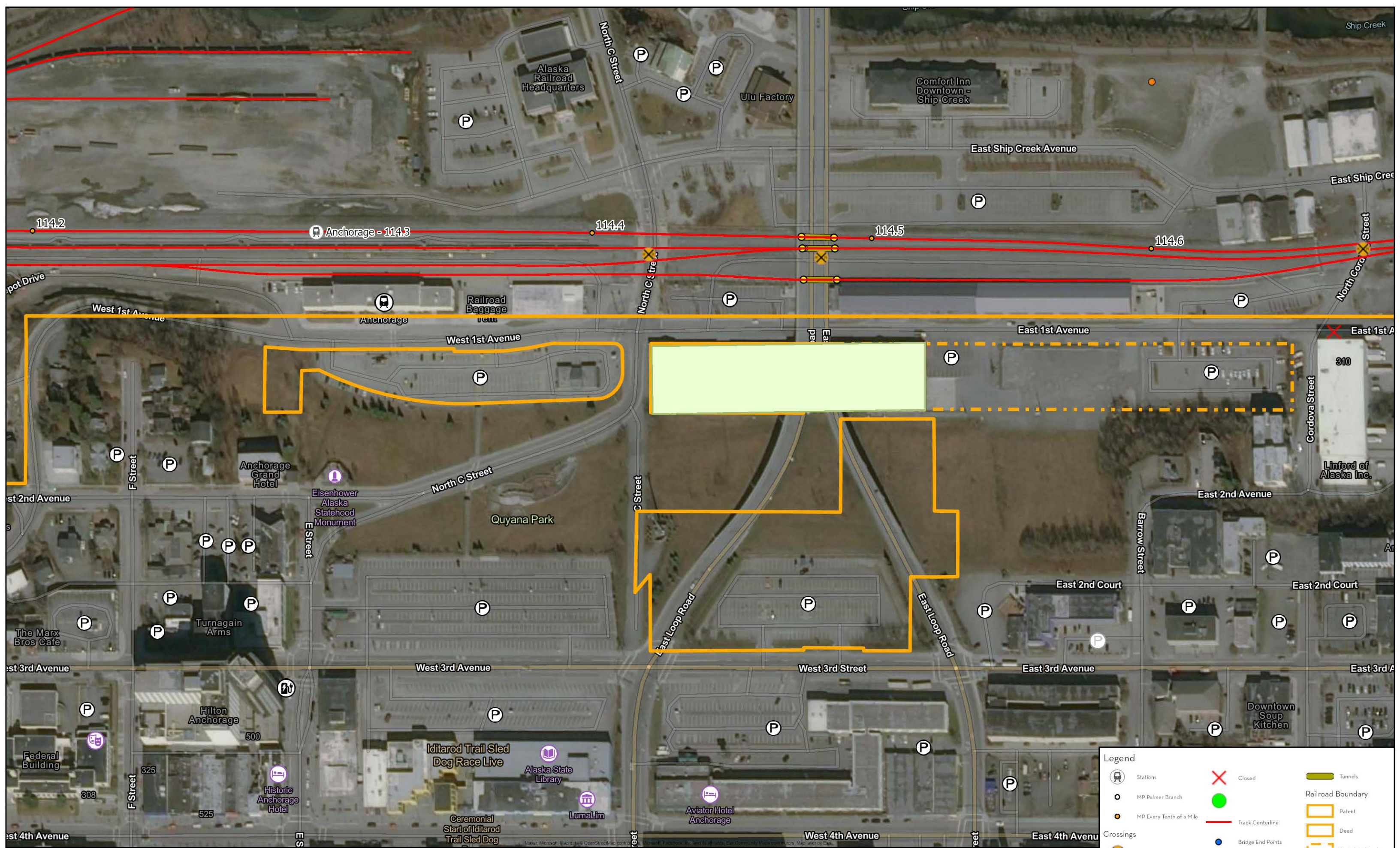
ALASKA RAILROAD CORPORATION
REAL ESTATE DEPARTMENT, LAND SERVICES
P.O. BOX 107500, ANCHORAGE, ALASKA 99510-7500

Contract No. 20286 - Exhibit A
Whittier Seafood, LLC

Area = 56,530 sq ft± (1.30 ac±)

ARRC title - Patent 50-2005-0045 - USS 2559 Parcel A

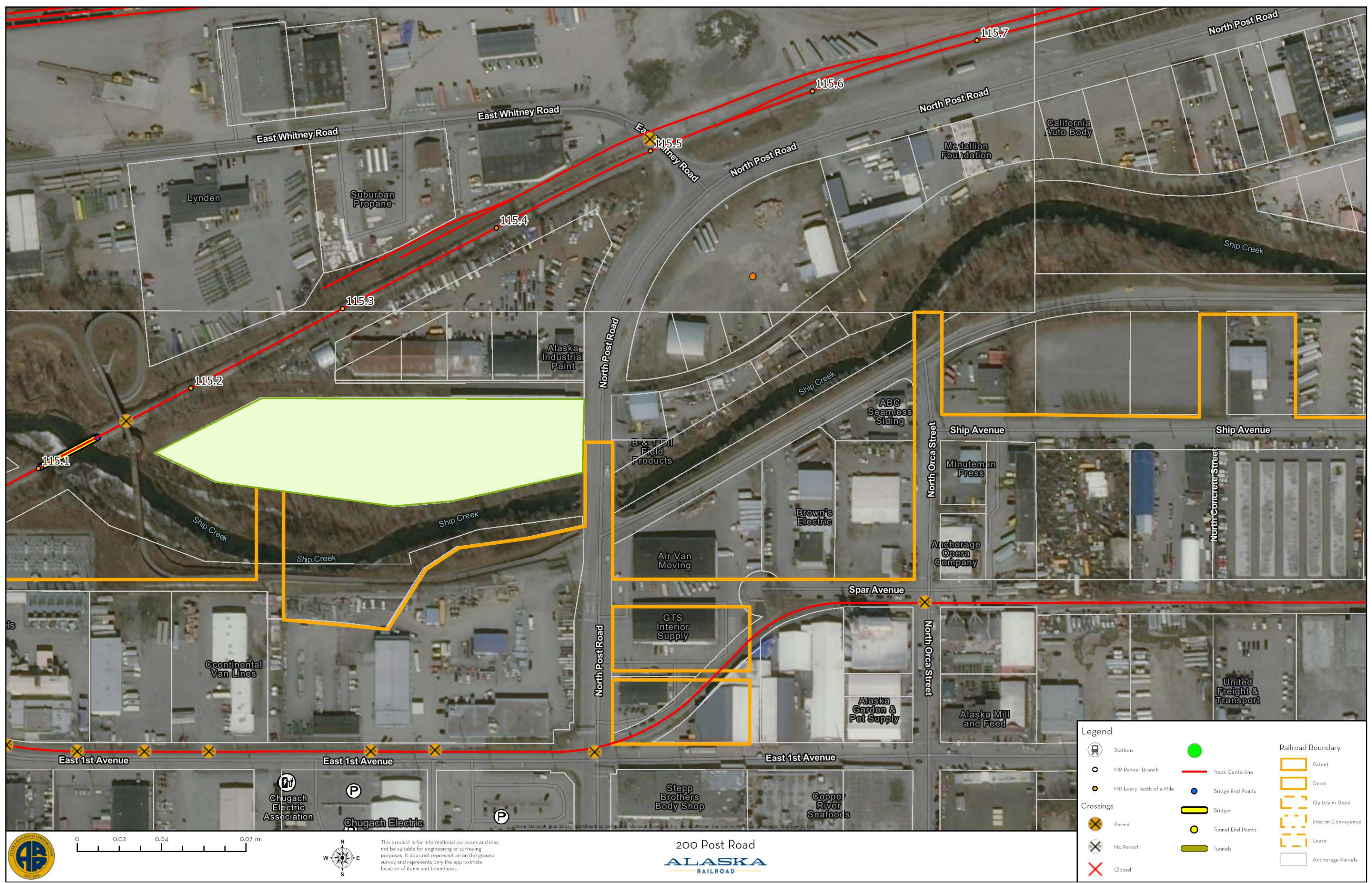
DRAWN BY:	AMB	SCALE: 1" = 200'	DATE: 2017-03-28
CHECKED BY:	DAS	Whittier Terminal Reserve	
APPROVED BY:	DAS		
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This product is for informational purposes and may not be suitable for engineering or surveying purposes. It does not represent an on the ground survey and represents only the approximate location of items and boundaries.



Legend				
	Stations	 Closed	 Tunnels	
	MP Palmer Branch		Railroad Boundary	
	MP Every Tenth of a Mile	 Track Centerline		 Patent
	Permit	 Bridge End Points		 Deed
	No Permit	 Bridges	 Quitclaim Deed	
		 Tunnel End Points	 Interim Conveyance	
			 Lease	



Stations

MP Palmer Branch

MP Every Tenth of a Mile

Permit

No Permit

Closed

Track Centerline

Bridge End Points

Bridges

Tunnel End Points

Tunnels

Patent

Deed

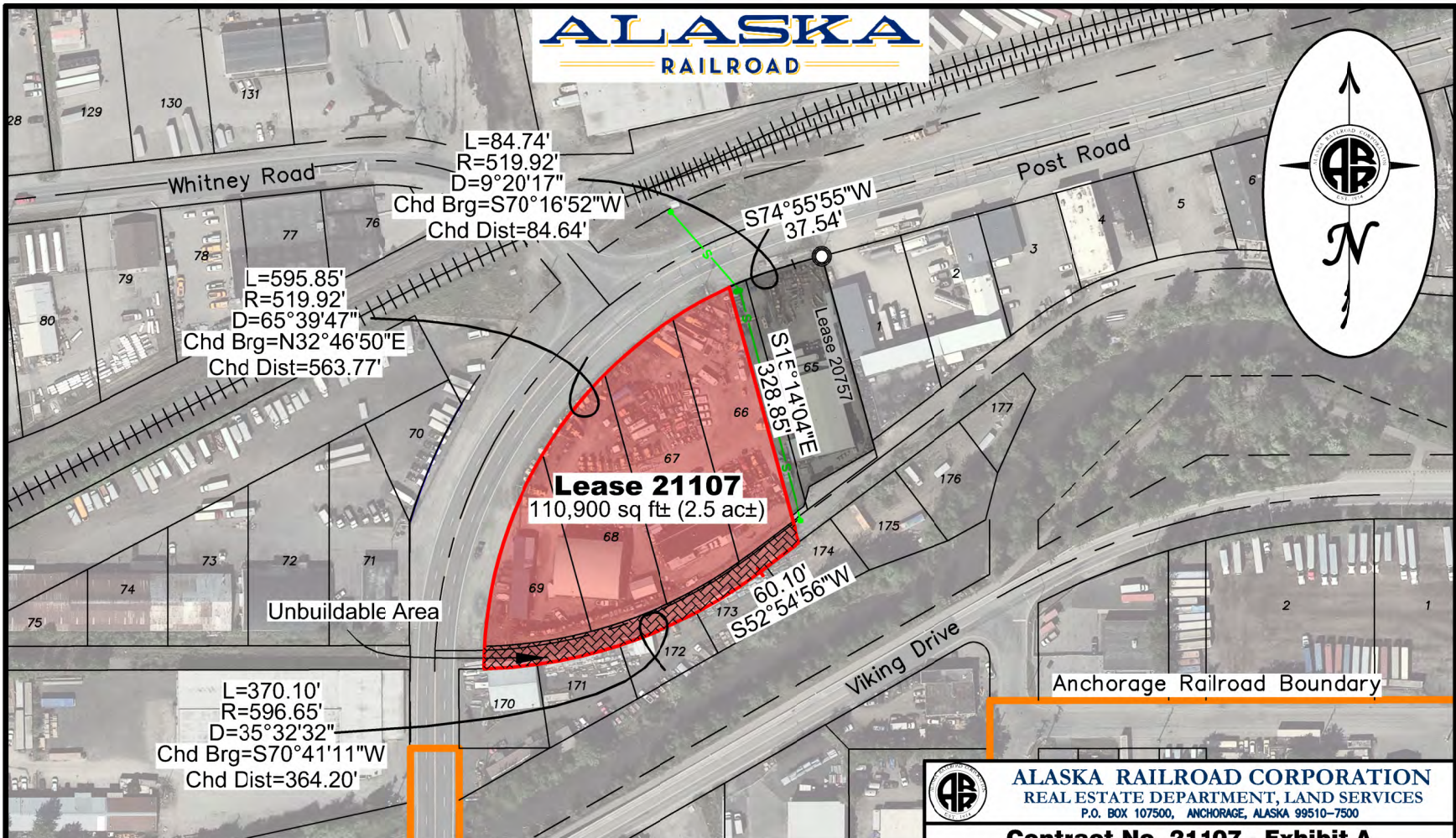
Quitclaim Deed

Interim Conveyance

Lease

Anchorage Parcels

This product is for informational purposes and may not be suitable for engineering or surveying purposes. It does not represent an on the ground survey and represents only the approximate location of items and boundaries.



The lease area shown on this exhibit are based on those shown on Sheet 1 of the unrecorded plat titled Post Road Industry Spur and Lease Lots, dated October 27, 1959 redrawn March 27, 1974, and having file number 3451.10.



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

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

Contract No. 21107 - Exhibit A
Alaska Industrial Paint
Area = 110,900 sq ft± (2.5 ac±)

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

DRAWN BY:

DCA

SCALE: 1" = 200'

DATE: 2024-10-08

CHECKED BY:

JSR

APPROVED BY:

JSR

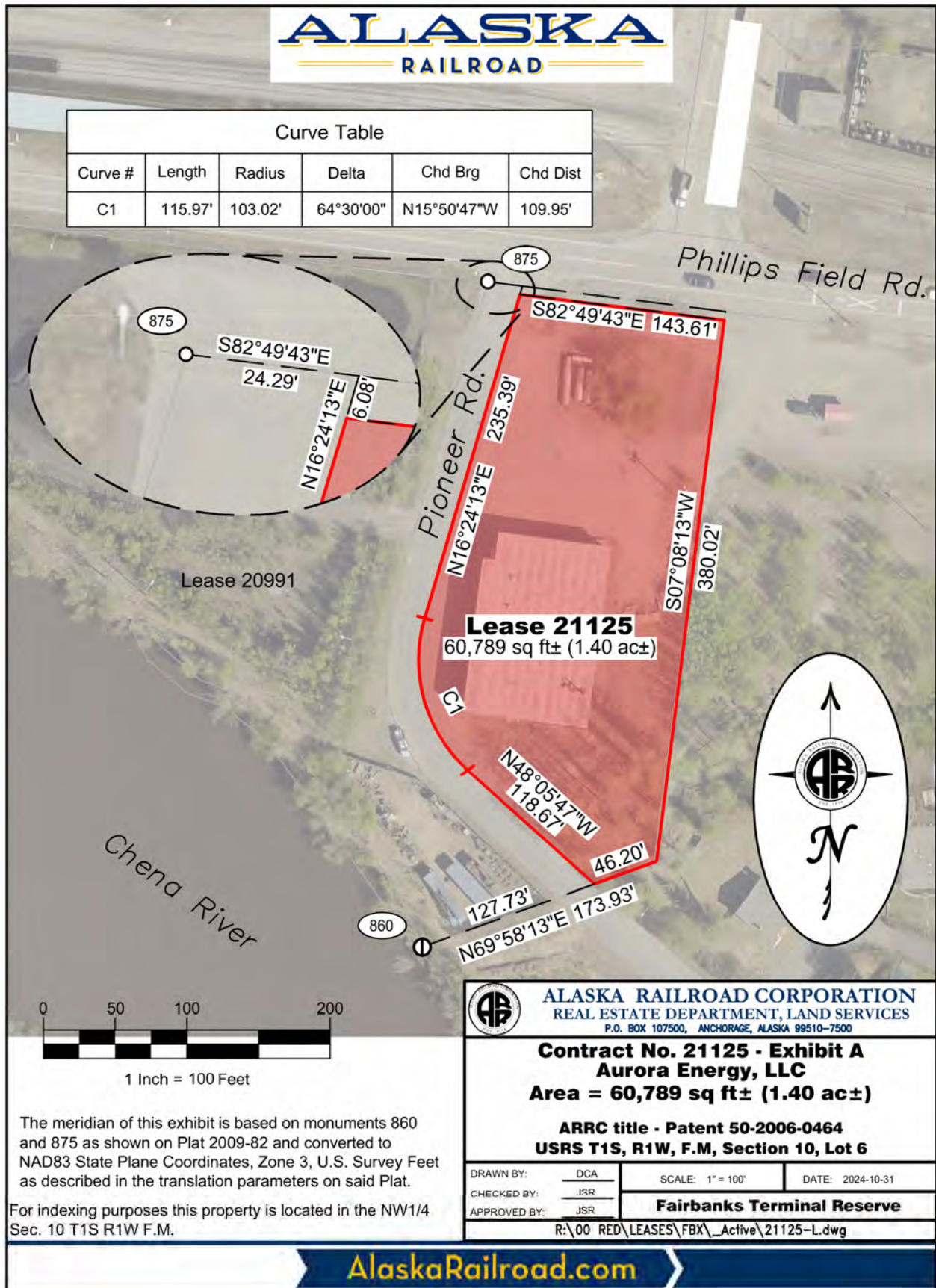
Anchorage Terminal Reserve

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ALASKA RAILROAD

Curve Table

Curve #	Length	Radius	Delta	Chd Brg	Chd Dist
C1	115.97'	103.02'	64°30'00"	N15°50'47"W	109.95'



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.



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

Contract No. 21125 - Exhibit A
Aurora Energy, LLC
Area = 60,789 sq ft ± (1.40 ac ±)

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

DRAWN BY: DCA

CHECKED BY: JSR

APPROVED BY: JSR

SCALE: 1" = 100'

DATE: 2024-10-31

Fairbanks Terminal Reserve

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- Record Iron Pipe
- Record Alum. Cap



The meridian of this exhibit is based on monuments 857-860 & 865 of Plat 2008-62.



1 Inch = 150 Feet

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

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

Contract No. 21127 - Exhibit A
Aurora Energy, LLC
Area = 134,805 sq ft± (3.1 ac±)

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

DRAWN BY: DCA

SCALE: 1" = 150'

DATE: 2024-11-01

CHECKED BY: JSR

APPROVED BY: JSR

Fairbanks Terminal Reserve

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