



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

Date: November 2, 2022

Time: 9:00 a.m.

Join Zoom Meeting

<https://us02web.zoom.us/j/88913370265?pwd=LzE5c3FnbVQrYTNKV1EvdjhOek5Xdz09>

Meeting ID: 889 1337 0265

Passcode: 516750

Join by Audio: 1 253 215 8782 US (Tacoma)

Customer Communication:

- Customer Meetings

Board Action Items for November 15 Board Meeting:

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

- Authorization for Expenditure #10979 S-1 2022 Roofing Upgrades
- Authorization for Expenditure #10918 S-2 2022 Fairbanks Yard Drainage Improvements

➤ *Contracts to be presented to the Board for approval:*

- Contract # 9999 – State of Alaska DOT&PF (Anchorage)

Briefing / Update

Anchorage

- Enstar/ Alaska Pipeline
 - Appraisal dispute
 - Pending sale
- Fish Creek Trail (Brian Lindamood)
- Chugach Electric Undergrounding of Power Lines

Other Topics

Executive Session

- City of Whittier – Head of the Bay
- If aspects of other agenda items appropriate for Executive Session are identified during the meeting, they may be added to the Executive Session upon motion.

Committee Members: Committee of the whole

LEASE AMENDMENT SUMMARY

LESSEE: State of Alaska
Department of Transportation and Public Facilities

CONTRACT NO: 9999

LEASE DESCRIPTION: Lot 1A, Block 6, East Government Hill Subdivision of the Alaska Railroad located at the Southeast corner of Loop Road and Hollywood Drive, containing approximately 15,583 square feet.

KEY CONTRACT PROVISIONS:

Estimated Effective Date of Requested Lease Amendment: November 1, 2022

Base Annual Rent: \$22,127.86

Lease Term: Eighteen (18) Years remaining (Lease expires October 31, 2040). Lease term will be unaffected by the requested amendment.

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: 15,583 Square Feet

PUBLIC NOTICE: Not required for amendment to authorized use provision.

LEGAL REVIEW: Yes

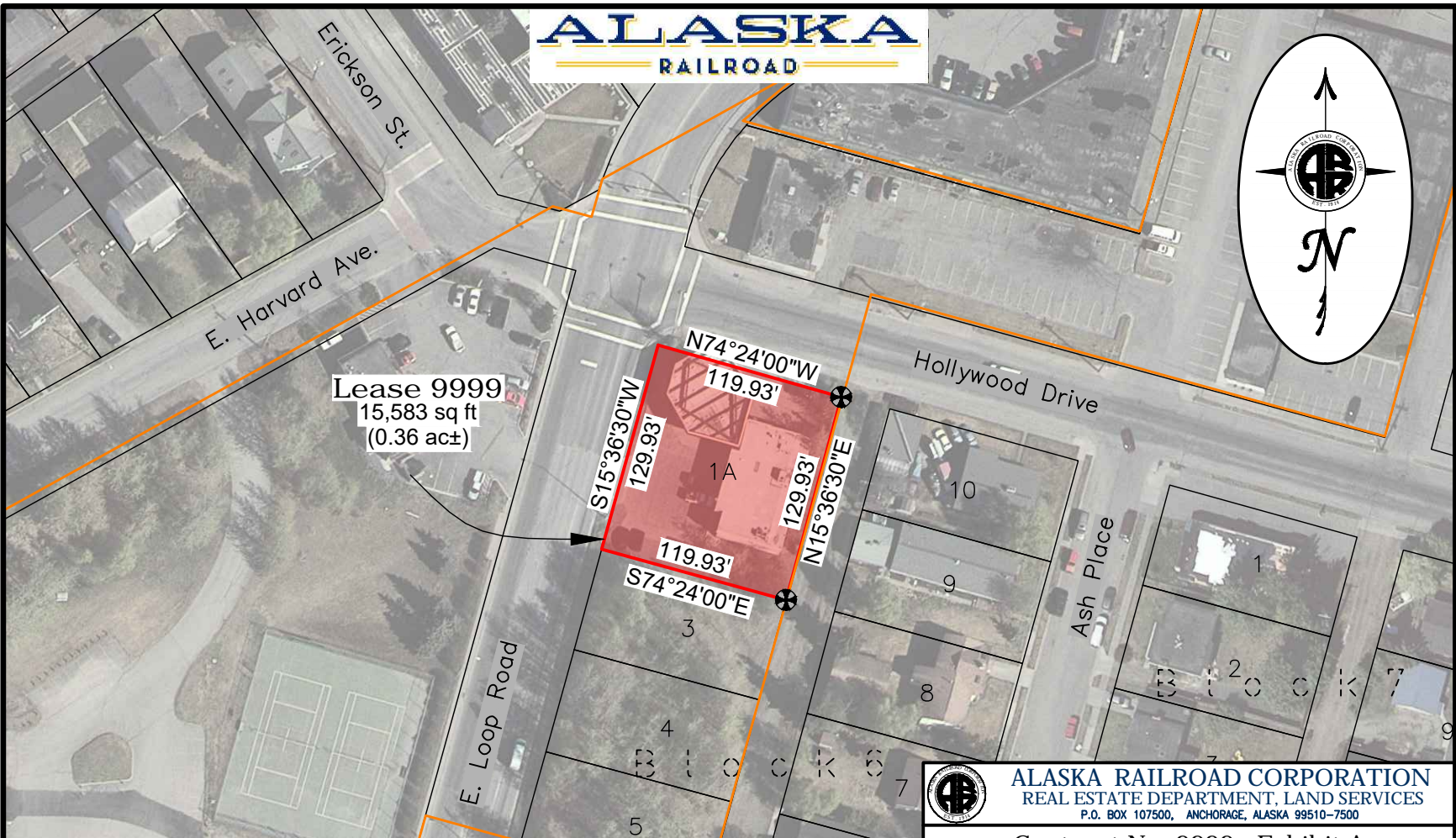
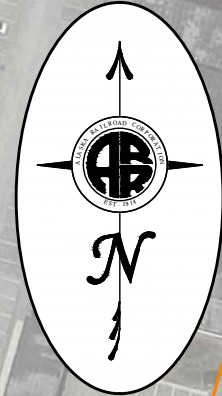
INTENDED USE: Revise authorized premises use in paragraph 4.01 of the existing lease to include vacant green space and demolition of existing improvements. Revised use will not include the previous authorized use as a gas station and convenience store.

SUMMARY AND RECOMMENDATIONS: ARRC Board of Directors previously approved (Nov. 2014) an Assignment of Lease (With Consent) for the State of Alaska, Department of Transportation and Public Facilities (DOT&PF) to assume existing lease Contract No. 8954. DOT&PF indicated that its intent was to continue the existing use and occupancy as a gas station and convenience store until such time the land subject to the lease was required for the proposed Knik Arm Bridge Road Improvements, at which time DOT&PF would seek approval to purchase the land. As reflected in the attached Lease Summary from the November 2014 decision, the ARRC Board approved the assignment to DOT&PF on the condition that the then-existing use would of the property would continue. That conditional Board approval required that any proposed change in use of the property must be submitted to the Board for consideration and potential approval. Earlier this year, the convenience store operator vacated the premises which are currently vacant. DOT now requests ARRC Board approval to modify the use provision of the lease (paragraph 4.02) to authorize a vacant landscaped site. Consistent with the previous ARRC Board authorization described above and in the attached 2014 Lease Summary, this change of use and occupancy requires Board of Director review and approval. In addition, any future request to purchase the land will be subject to separate consideration by Staff and the Board, as well as to legislative approval of any Board recommendation to sell the land.

APPROVED: _____ Board Meeting Date: _____

Jennifer Mergens
ARRC Board Secretary

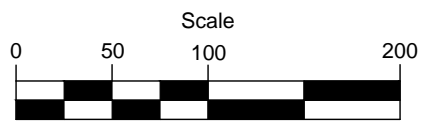
DRAFT



Lease 9999
15,583 sq ft
(0.36 ac±)

N74°24'00"W
119.93'
S15°36'30"W
129.93'
1A
129.93'
N15°36'30"E
119.93'
S74°24'00"E

The meridian of this exhibit is based on monuments of Plat 86-238



1 Inch = 100 Feet

For indexing purposes this property is located in the SE1/4 Sec. 7, T13N, R3W, S.M.

AlaskaRailroad.com

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

Contract No. 9999 - Exhibit A
Department of Transportation and
Public Facilities

Area = 15,583 sq ft ± (0.36 ac±)

ARRC title - Patent 50-2011-0122 - USS 1170, Lot 2

DRAWN BY:	DCA	SCALE: 1" = 100'	DATE: 2022-07-29
CHECKED BY:	DCA	Anchorage Terminal Reserve	
APPROVED BY:	DCA		

R:\00 RED\LEASES\ANC\9999-L.dwg

LEASE SUMMARY

LESSEE: State of Alaska
Brauin/Department of Transportation and Public Facilities

CONTRACT NO: 8954

LEASE DESCRIPTION: Lot 1A, Block 6, East Government Hill Subdivision of the Alaska Railroad located at the Southeast corner of Loop Road and Hollywood Drive, containing approximately 15,583 square feet.

KEY CONTRACT PROVISIONS:

Estimated Effective Date: December 1, 2014

Prior Annual Rent: \$19,354.00

Lease Term: Twenty Six (26) Years (remaining term of existing lease to be assigned)

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: 15,583 Square Feet

Base Annual Rent: \$19,354.00

PUBLIC NOTICE: Not Required.

LEGAL REVIEW: Yes

INTENDED USE: Gas Station and Convenience Store

SUMMARY AND RECOMMENDATIONS: The State of Alaska, Department of Transportation and Public Facilities (DOT&PF) is requesting an Assignment of Lease (With Consent) to assume existing lease Contract No. 8954. DOT&PF indicates that its intent is to continue the existing use and occupancy as a gas station and convenience store until such time the land subject to the lease is required for the proposed Knik Arm Bridge Road Improvements, at which time DOT&PF intends to seek to purchase the land. ARRC Real Estate Committee and Staff concur with the requested lease assignment based on no change in use; however, any future change in use or occupancy will require a separate lease application and Board of Director review and approval. In addition, any request to purchase the land will be subject to separate consideration by Staff and the Board, as well as legislative approval of any Board recommendation to sell the land.

APPROVED:


Wendy Lindskoog
ARRC Board Secretary

Board Meeting Date:

11/13/14

Supplement No. 3 to
ARRC Contract No. 8954
[New Contract No. 9999]

ASSIGNMENT OF LEASE
(With Consent)

THIS ASSIGNMENT is made on the day executed by the last signatory hereto, between **BRAUVIN ALASKA LLC** ("ASSIGNOR"), a Delaware limited liability company, whose mailing address is 205 N. Michigan Avenue, Suite 1900, Chicago, Illinois 60601, and the **STATE OF ALASKA, DEPARTMENT OF TRANSPORTATION & PUBLIC FACILITIES** ("ASSIGNEE"), whose mailing address is P.O. Box 196900, Anchorage, AK 99519-6900.

RECITALS

A. The **ALASKA RAILROAD CORPORATION**, a public corporation created pursuant to AS 42.40 ("LESSOR"), whose mailing address is P.O. Box 107500, Anchorage, Alaska 99510-7500, is the lessor of real property (the "Leased Premises") more fully described in the attached Schedule 1, located in the Anchorage Recording District, Third Judicial District, State of Alaska under that certain lease, ARRC Contract No. 8954, dated November 2, 2005, between LESSOR and Brauvin Net Capital, LLC (the "Lease"). The Lease was immediately assigned to Brauvin Alaska LLC ("ASSIGNOR") by means of that certain Consent to Assignment, Supplement No. 1 to Contract No. 8954, also dated November 2, 2005. A memorandum of the Lease and the above-referenced Consent to Assignment were recorded December 20, 2005, at Document Numbers 2005-091068-0 and 2005-091069-0, respectively, in the records of said recording district.

B. ASSIGNOR now wishes to assign the Lease to ASSIGNEE. ASSIGNEE has represented to LESSOR that following the requested assignment of the Lease, ASSIGNEE intends to continue to use the Leased Premises for purposes of a gas station/convenience store, which are the approved uses under paragraph 4.01 of the Lease, as long as the Lease remains in place. ASSIGNEE has further stated that it ultimately intends to request to purchase the Leased Premises so that it can be used by ASSIGNEE as part of its Knik Arm Crossing Project.

C. Any future requests by ASSIGNEE to purchase or otherwise to obtain a possessory interest in the Leased Premises greater than the leasehold interest assigned hereunder and/or to change the authorized use of the Leased Premises under the Lease must be made in writing separately and



apart from the instant request for assignment of the Lease. Any request to purchase the Leased Premises or otherwise to obtain a possessory interest in the same greater than the leasehold interest being assigned hereunder will be subject to (i) review by ARRC staff and the ARRC Board of Directors' Real Estate Committee; (ii) review and approval by the ARRC Board of Directors (the "ARRC Board") after complying with statutory notice procedures and making the findings expressly required by AS 42.40.352(a); and (iii) legislative approval as required by AS 42.40.285(1). Any sale of the Leased Premises to ASSIGNEE must be made at fair market value as required by AS 42.40.350(d). Any request to change the use of the Leased Premises under the Lease will be subject to the same review and approval process described above for a request to purchase or obtain another possessory interest in the Leased Premise, except that a request for change in use will not require legislative approval.

D. LESSOR is amenable to approving the requested assignment of the Lease subject to the continued use of the Leased Premises as a gas station/convenience store for as long as the Lease remains in place. By approving the requested assignment, however, LESSOR is neither considering nor in any way indicating LESSOR's present or future approval of or position regarding any potential future request by ASSIGNEE to purchase or otherwise obtain a possessory interest in the Leased Premises greater than the leasehold interest assigned hereunder.

E. It is the desire of ASSIGNOR to assign and transfer all rights, interest, liabilities and obligations in the Lease and the Leased Premises to ASSIGNEE, and it is the desire of ASSIGNEE to accept all rights, interest, liabilities and obligations in the Lease and the Leased Premises.

AGREEMENT

NOW THEREFORE, the ASSIGNOR and ASSIGNEE agree:

1. ASSIGNOR hereby assigns all of its rights, title and interest in the Lease to ASSIGNEE.
2. ASSIGNEE shall at all times henceforth be considered as the Lessee under the terms of the Lease, and shall perform all of the obligations of Lessee as set forth in the Lease and all amendments thereto.
3. This assignment shall have no force and effect until such time as it is consented to by LESSOR pursuant to the terms of the Lease.



Brauvn Alaska, LLC

ASSIGNOR

By:
By:

BRAUVIN NET CAPITAL, LLC

Brauvn Net Capital Manager, LLC, its sole manager

Dated: 11/21/14

By: [Signature]

Printed Name: James L. Brault

Title: President

ASSIGNEE

STATE OF ALASKA, DEPARTMENT OF
TRANSPORTATION & PUBLIC FACILITIES

Dated: 11-19-14

By: [Signature]

Printed Name: Judy Dougherty

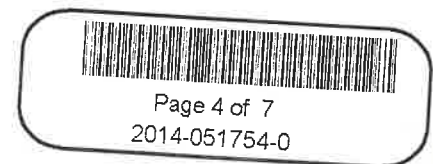
Title: Fiik Arm Crossing Director

CONSENT TO ASSIGNMENT

The ALASKA RAILROAD CORPORATION, as LESSOR under the Lease, hereby consents to the assignment of the Lease by ASSIGNOR to ASSIGNEE subject to the terms and conditions of this Consent to Assignment ("this Consent"). This Consent shall not release ASSIGNOR from any obligations that may have arisen or accrued or be based on events which occurred before the assignment.

Henceforth, this Lease shall be known and administered as LESSOR'S Contract No. 9999.

Except as otherwise expressly stated herein, nothing in this Consent is intended to amend or alter any of the terms and conditions of the Lease or any amendments thereto previously executed by LESSOR and ASSIGNOR, or any predecessor in interest to either of them, all of which terms and conditions remain in full force and effect. Consistent with and without limiting the foregoing, nothing in this Consent is intended to affect in any way the use restrictions in paragraph 4.01 of the Lease. Accordingly, following assignment of the Lease to ASSIGNEE, use of the Leased Premises for any purpose other than operation of a gas station and/or a convenience store shall remain expressly prohibited. Any request to change the use of the Leased Premises to something other than operation of a gas station and/or convenience store must be made to LESSOR in writing and shall be subject to review by LESSOR's staff and the Real Estate Committee of the ARRC Board, and must be approved in writing by the ARRC Board. ASSIGNEE shall make no additional or modified use of the Leased Premises until such time as said use is approved by the ARRC Board.



ASSIGNEE has made certain representations and warranties to LESSOR regarding its financial position. Any representation or warranty made by ASSIGNEE orally or in any document or certificate furnished to LESSOR in connection herewith which is untrue in any material respect as of the date on which made shall be an event of default for which the LESSOR may terminate the Lease.

Nothing in this Consent is to be construed as a consent by LESSOR to any subsequent assignment.

Nothing in this Consent is to be construed as an approval by LESSOR of any anticipated future request by ASSIGNEE to obtain a possessory interest in the Leased Premises greater than the leasehold interest conveyed by this assignment of the Lease, whether such request is to purchase the Leased Premises in fee or to obtain such an interest by other means, including but not limited to a long-term lease or a land exchange. Any future request by ASSIGNEE to purchase the Leased Premises or otherwise obtain a possessory interest greater than the leasehold interest conveyed hereunder must be submitted in writing to LESSOR separately and apart from the request for the assignment of the Lease consented to herein. Any such request shall be subject to review by LESSOR's staff and by the Real Estate Committee of LESSOR's Board of Directors, must be approved by the ARRC Board after making findings required by AS 42.40.352, and must further be approved by legislative action as required by AS 42.40.285(1). Any approved purchase of the Leased Premises must be made at fair market value, as required by AS 42.40.350(d).

LESSOR's consent expressed in this document to the assignment of lease described herein shall be null and void from the outset if this assignment document is not fully executed and recorded within ninety (90) days of LESSOR'S signature below.

ALASKA RAILROAD CORPORATION

Dated: 11/14/2014

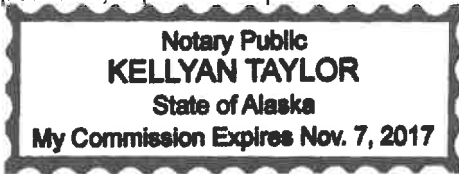
By:


James W. Kubitz
Vice President, Corporate Planning & Real Estate



STATE OF ALASKA)
)ss.
THIRD JUDICIAL DISTRICT)

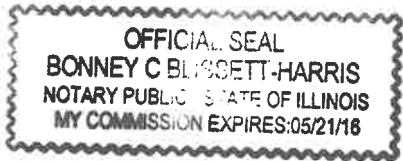
The foregoing instrument was acknowledged before me this 14th day of November, 2014, by James W. Kubitz, Vice President, Corporate Planning and Real Estate of the Alaska Railroad Corporation, a public corporation created by Alaska Statute 42.40, on behalf of the corporation.



Kellyan Taylor
Notary Public in and for Alaska
My Commission expires: Nov. 7, 2017

STATE OF ALASKA)
)ss.
THIRD JUDICIAL DISTRICT)

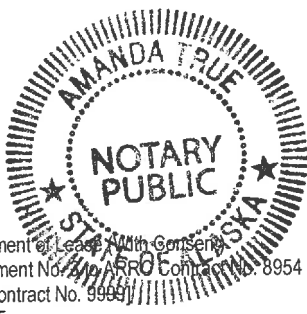
The foregoing instrument was acknowledged before me this 2th day of November, 2014, by James L. Brault, the Signatory of Brauvn Alaska LLC, a Delaware limited liability company, on behalf of the company.



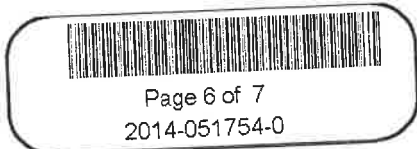
Bonney C. Blissett-Harris
Notary Public in and for Alaska
My Commission expires: 5/21/16

STATE OF ALASKA)
)ss.
THIRD JUDICIAL DISTRICT)

The foregoing instrument was acknowledged before me this 19th day of November, 2014, by Judge J. Dougherty, the Knik Arm Crossing Director of the State of Alaska, Department of Transportation & Public Facilities, on behalf of the same.



Amanda True
Notary Public in and for Alaska
My Commission expires: with office



Brauvn Net Capital, LLC
Supplement No. 3 to
ARRC Contract No. 8954
[New Contract No. 9999]

SCHEDULE 1

LEGAL DESCRIPTION
(Revised 11/04/2014)

A parcel of land located within the Alaska Railroad Anchorage Reserve situated in the Anchorage Recording District, Third Judicial District, State of Alaska and described as follows:

Lot 1A, Block 6, East Government Hill Subdivision of the Alaska Railroad, Plat 86-238, located at the southeast corner of Loop Road and Hollywood Drive, containing 15,583 square feet, more or less.

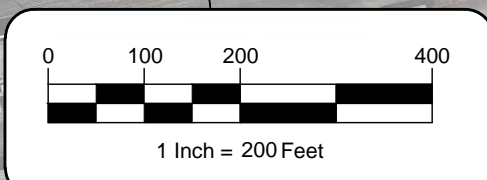
Being a portion of Lot 2, U.S. Survey 1170 officially filed December 13, 2010 as conveyed to the Alaska Railroad Corporation by U.S. Patent 50-2011-0122.

For indexing purposes this land lies within Section 7 T13N R3W Seward Meridian.

RECORDERS OFFICE RETURN TO:
ALASKA RAILROAD CORPORATION
ATTN: REAL ESTATE
P.O. BOX 107500
ANCHORAGE, AK 99510-7500

STATE BUSINESS – NO CHARGES





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

Government Hill Overview

ARRC title - Patent 50-2011-0122 - USS 1170 Lot2

DRAWN BY: DCA	SCALE: 1" = 200'	DATE: 2022-10-25
CHECKED BY: DCA	Anchorage Terminal Reserve	
APPROVED BY: DCA		

For indexing purposes this property is located in the SE1/4 Sec.7, T13N, R3W, S.M.

R:\00 RED\Other Misc\ANC\G-Hill Overview.dwg



GOVERNMENT HILL COMMUNITY COUNCIL

c/o Community Councils Center • 1057 West Fireweed Lane, Suite 100

Anchorage, AK 99503

Jody Sola, President

Stephanie Kesler, Vice President

Peter Partnow, Secretary

Susanne DiPietro, Treasurer

Bob French, FCC Representative

Belinda MacIntire, Ron Clark, Pete Murphy At-Large Board Members

Mr. Andy Mills
Special Assistant to the Commissioner
Legislative Liaison
Alaska Department of Transportation and Public Facilities

Dear Mr. Mills:

I am writing on behalf of the Government Hill Community Council (“GHCC”) to follow up on plans for the former convenience store on the lot at 500 Hollywood Drive, at the entrance to our neighborhood. DOTP&F has owned the lease on this lot since 2014, and the lease requires operation of a convenience store there. This summer, DOT&PF abruptly ended its sublease with the convenience store, fenced off the lot with jersey barriers and chain link, and boarded up the building. GHCC respectfully insists that DOTP&F comply with its lease by re-opening a convenience store there.

You may recall the meeting on June 14, 2022, between GHCC and DOTP&F personnel, when GHCC questioned DOT&PF’s decision to evict the tenant and fence off the lot. In that conversation, DOT&PF said the store could not continue in operation because it is against DOT&PF policy to enter into long-term leases on property held for right of way, and because the lessee did not want to operate under the existing constraints. Several of us pushed back on that stance, arguing that our unique circumstances merited an exception to the policy. To reiterate, those unique circumstances include: a convenience store has been operating in that location for 30 or more years; many residents of the nearby low-income housing units used that store to purchase food; there is no comparable store nearby where residents can buy a variety of food without a car; the project for which the parcel is being reserved is not included in any approved transportation plans and is unlikely to be constructed within the next decade or more. We asked for an exception to the policy.

In a follow up communication dated June 27, you denied the neighborhood’s request, saying that DOT&PF does not want to establish a precedent for making exceptions, and worrying that DOT&PF might be liable to fund relocation assistance for any business in the event the project actually went forward in the future. While we found DOT&PF’s insistence on closing the store puzzling at the time, we now find it frankly disturbing.

At our September community council meeting, GHCC was informed for the first time that the lease currently held by DOT&PF on the lot at 500 Hollywood requires:

Lessee specifically agrees that for the term of this Lease, it shall use the Leased Premises for no other purpose other than Gas Station/Convenience Store. . . . Any change in use will require prior written approval of Lessor. [\[1\]](#)

GOVERNMENT HILL COMMUNITY COUNCIL

Established 1915 • Anchorage’s First and *Oldest* Neighborhood

This particular provision was included in the original lease by the Alaska Railroad Corporation because it understood that continuing the convenience store at that location was important to the neighborhood. Moreover, when DOT&PF asked to assume the existing lease in 2014, it assured the Board of Directors of the Alaska Railroad Corporation that it would “continue the existing use and occupancy as a gas station and convenience store until such time the land subject to the lease is required for the proposed Knik Arm Bridge Road Improvements...”^[2] The assignment document was signed on 11/19/14 by longtime DOTP&F employee Judy Dougherty.

The lease is clear that DOTP&F must operate a convenience store on the lot. DOT&PF has offered no good reason why it should be allowed to ignore this longstanding contractual requirement. Absent an amendment to the lease, which GHCC would oppose, the DOTP&F has clearly acted illegally. In order to cure this violation, GHCC respectfully insists that DOT&PF offer a short- or longer-term sub-lease for a convenience store at 500 W Hollywood and hold in abeyance any plans to destroy the building.

We await your response.

Jody Sola, President, GHCC

Cc: Senator Tom Begich
Assembly Member Chris Constant
Assembly Member Daniel Volland
Christy Terry, Alaska Railroad Corp.
Jim Kubitz, Alaska Railroad Corp.

ANCHORAGE, ALASKA
AR No. 2022-_____

1 **A RESOLUTION OF THE ANCHORAGE ASSEMBLY IMPLORING THE ALASKA**
2 **RAILROAD CORPORATION TO DENY THE STATE OF ALASKA DEPARTMENT**
3 **OF TRANSPORTATION AND PUBLIC FACILITIES REQUEST FOR A CHANGE**
4 **OF USE PERTAINING TO 500 W. HOLLYWOOD DRIVE, FORMERLY THE 2-GO**
5 **TESORO STORE, AND REQUIRING THAT THE TERMS OF LEASE #9999 BE**
6 **FULLY HONORED POST HASTE.**
7

8
9 **WHEREAS**, the community of Government Hill has long depended on the
10 convenience store located at 500 W. Hollywood Drive to serve its immediate needs
11 with the next closest location over x miles away; and
12

13 **WHEREAS**, this store provided gas and food for residents of the nearby homes and
14 high-density apartments, as well as Joint Base Elmendorf-Richardson and was
15 especially vital to those without motorized transportation; and
16

17 **WHEREAS**, in November 2014, the State of Alaska Department of Transportation
18 and Public Facilities (ADOT&PF) assumed the lease for the property owned by the
19 Alaska Railroad Corporation (ARR) as part of the right-of-way for the Knik Arm
20 Crossing Project with specific assurances that ADOT&PF would “continue the
21 existing use & occupancy as a gas station and convenience store until such time as
22 the land subject to the lease is required for the proposed Knik Arm Bridge Road
23 Improvements” with those terms being included in the lease Article 4, Lessee’s
24 Covenants, paragraph 4.01; and
25

26 **WHEREAS**, in 2016, the Knik Arm Crossing Project was terminated and is no longer
27 an active or viable transportation project; and
28

29 **WHEREAS**, despite the cancellation of the Knik Arm project, ADOT&PF evicted the
30 tenant operator of the convenience store and moth-balled the building with fencing
31 and plywood, violating the terms of the lease and the trust of the community; and
32

33 **WHEREAS**, the failure to comply with the lease terms has created an attractive
34 nuisance and being at the entrance to Government Hill, a look of abandonment and
35 economic decline, in addition to being a hardship for those who depended on the
36 store for food, gas and other basic provisions; and
37

38 **WHEREAS**, compliance with this lease requirement is both reasonable and
39 enforceable; now, therefore,
40

41 **THE ANCHORAGE ASSEMBLY RESOLVES TO:**
42

43 **Section 1.** Implore the Alaska Railroad Corporation to deny the State of Alaska
44 Department of Transportation and Public Facilities request for a change of use

1 pertaining to 500 W. Hollywood Drive, formerly the 2-Go Tesoro store, and requiring
2 that the terms of Lease #9999 be fully honored post haste.
3

4 **Section 5.** This resolution shall be effective immediately upon passage and
5 approval by the Assembly.
6

7
8 PASSED AND APPROVED by the Anchorage Assembly this _____ day
9 of _____, 2022.
10

11
12
13 _____
Chair of the Assembly

14 ATTEST:

15
16
17
18 _____
19 Municipal Clerk
20

Kristen Gratrix

From: Volland, Daniel R. <Daniel.Volland@anchorageak.gov>
Sent: Tuesday, October 25, 2022 10:24 AM
To: Constant, Christopher; Mills, Andy J (DOT); GHCC Pres
Cc: senator.tom.begich@akleg.com; Christy Terry; James Kubitz; Susanne DiPietro; Steve Gerlek; Stephanie Kesler; Partnow, Peter; Bob French; Jody Sola
Subject: Re: 500 Hollywood Dr.

Mr. Mills,

As I understand it, in Article 4 of the Lessee's covenants, paragraph 4.01, Lease reference #9999, ADOTPF agreed, for the term of the lease, "to use the Leased Premises for no other purpose that Gas Station/Convenience Store..."

If ADOTPF did not actually intend to find a way to honor this provision, then they should not have knowingly entered into the lease in 2014. As you know, the lease which extends through 2040.

Attempting to back out of this portion of the agreement is essentially requesting to turn Government Hill into a food desert. This presents an issue for folks in the community with limited access to travel via car. It is yet another instance in ADOTPF's repeated pattern that demonstrates an apparent lack of regard for Anchorage's land use priorities, economic equality, and quality of life in our neighborhoods.

Daniel Volland
Assembly Member
Representing District 1, North Anchorage

Thank you for adding your voice to the permanent record of the Municipality of Anchorage.

From: Constant, Christopher <christopher.constant@anchorageak.gov>
Sent: Tuesday, October 25, 2022 10:11 AM
To: Mills, Andy J (DOT) <andy.mills@alaska.gov>; GHCC Pres <ghccpres@gmail.com>
Cc: senator.tom.begich@akleg.com <senator.tom.begich@akleg.com>; Volland, Daniel R. <Daniel.Volland@anchorageak.gov>; Christy Terry <TerryC@akrr.com>; kubitzj@akrr.com <kubitzj@akrr.com>; Susanne DiPietro <susanne.dipietro@gmail.com>; Steve Gerlek <steve72x@outlook.com>; Stephanie Kesler <SKesler@gci.com>; Partnow, Peter <PartnowP@lanepowell.com>; Bob French <bgkfrench@gmail.com>; Jody Sola <jody.sola@yahoo.com>
Subject: Re: 500 Hollywood Dr.

Thanks Mr Mills,

I think everyone knows there is no force of government to make someone operate there. But there are in fact entities who may consider operating there should the space be available.

Christopher Constant
Anchorage Municipal Assembly, District 1

I want to thank you for adding your voice to the permanent record of the Municipality of Anchorage.

From: Mills, Andy J (DOT) <andy.mills@alaska.gov>
Sent: Tuesday, October 25, 2022 9:25 AM
To: GHCC Pres <ghccpres@gmail.com>
Cc: senator.tom.begich@akleg.com <senator.tom.begich@akleg.com>; Volland, Daniel R. <Daniel.Volland@anchorageak.gov>; Constant, Christopher <christopher.constant@anchorageak.gov>; Christy Terry <TerryC@akrr.com>; kubitj@akrr.com <kubitj@akrr.com>; Susanne DiPietro <susanne.dipietro@gmail.com>; Steve Gerlek <steve72x@outlook.com>; Stephanie Kesler <SKesler@gci.com>; Partnow, Peter <PartnowP@lanepowell.com>; Bob French <bgkfrench@gmail.com>; Jody Sola <jody.sola@yahoo.com>
Subject: FW: 500 Hollywood Dr.

[EXTERNAL EMAIL]

Jody and members of the GHCC,

Thank you for the time to review the matter requested. I have conferred with our central region ROW office and sought review of your question with our legal team at the Department of Law. Pursuant to your letter and those conversations, we are discussing the lease, and specifically the lease language you have highlighted, with the Alaska Railroad board. There is not a timeline associated with a final determination in those discussions so I am unable to provide you with an estimate of when we will have further word but I will look to provide another update as soon as we do receive something definitive.

We note there is a resolution on this matter coming before the Anchorage Assembly today:
https://meetings.muni.org/AgendaOnline/Documents/ViewDocument/AR%202022-331_ADOT_AMP%3BPF%20LEASE%20FROM%20ARR%20AT%20500%20W%20HOLLYWOOD%20DR.DOCX.pdf?meetingId=4481&documentType=Agenda&itemId=46229&publishId=34441&isSection=false

I want to highlight again that it was expressed clearly to the State's legal team that Tesoro Northstores/Marathon/7-11 Corporation intended to close the store in Government Hill as inconsistent with their business model. The department cannot compel or force a party to operate a private business. While a GHCC member mentioned in a previous conversation that they heard differently from a marathon spokesperson, that was not consistent with what our legal team received from their legal representatives.

Best regards,

Andy Mills
Special Assistant to the Commissioner • Legislative Liaison
Alaska Department of Transportation and Public Facilities
Office: (907) 465-8124



From: GHCC Pres <ghccpres@gmail.com>
Sent: Tuesday, October 4, 2022 3:57 PM
To: Mills, Andy J (DOT) <andy.mills@alaska.gov>
Cc: senator.tom.begich@akleg.com; Daniel Volland <daniel.volland@anchorageak.gov>; Constant, Christopher

<christopher.constant@anchorageak.gov>; Christy Terry <TerryC@akrr.com>; kubitzj@akrr.com; Susanne DiPietro <susanne.dipietro@gmail.com>; Steve Gerlek <steve72x@outlook.com>; Stephanie Kesler <SKesler@gci.com>; Partnow, Peter <PartnowP@lanepowell.com>; Bob French <bgkfrench@gmail.com>; Jody Sola <jody.sola@yahoo.com>
Subject: 500 Hollywood Dr.

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Please see attached letter.

Thank you,
Jody Sola, President GHCC