



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

Date: May 28, 2024
Time: 9:00 AM

Join Zoom Meeting

<https://us02web.zoom.us/j/82146464373?pwd=TmRKWWlzcj9WQ3I5VVhNU25lbFdrQT09>

Meeting ID: 821 4646 4373
Passcode: 509401

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 #21053 – JL Healy Hotel, LLC – Healy
 - Contract #21057 – Joshua Baumgartner– Fairbanks

Briefing / Update

Seward

- Dock Traffic
- Passenger Dock and Terminal Project
- Coal Dock Loading Equipment Demolition

Anchorage

- Depot Drive
- Small Boat Harbor Operations
- Girdwood Depot Fire
- Homeless Camps

Whittier

- Head of the Bay Project update
- Whittier Master Plan
- Land Exchange

Fairbanks

- Yard Waterline update
- Water Tower update

Cantwell

- Land Purchase

Nenana

- Land Bill

Other Topics

Executive Session

- 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: JL Healy Hotel, LLC

CONTRACT NO: 21053

LEASE DESCRIPTION: A parcel of land located within the Alaska Railroad Healy Reserve in the Nenana Recording District, Fourth Judicial District, lying west of the west right-of-way line of the Parks Highway, and north of the northerly right-of-way line of Otto Lake Road, containing 522,670 sq. ft., more or less.

KEY CONTRACT PROVISIONS:

Estimated Effective Date: June 1, 2024

Prior Annual Rent: \$14,880.00 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: Approx. 522,670 sq. ft. (12 acres)

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

PUBLIC NOTICE: Yes, public comment will expire June 10, 2024.

LEGAL REVIEW: Yes

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

SUMMARY AND RECOMMENDATIONS: Lessee currently leases the property under a ground lease with a term of thirty-five (35) years. The current lease is set to expire August 30, 2045. Lessee is requesting a new thirty-five (35)-year ground lease. Approval is recommended.

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

Jennifer Mergens
ARRC Board Secretary



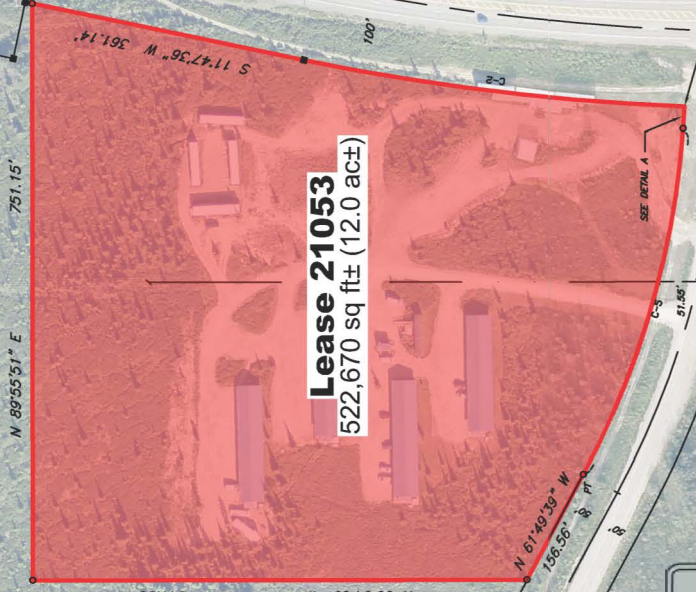
NOTE:

1. EXHIBIT "A" HAS BEEN PREPARED ACCORDING TO THE LEGAL DESCRIPTION PROVIDED BY Ms. MICHELLE L. VAH, PLLC, ATTORNS AS A RESULT OF A FIELD SURVEY FOR CS, ALASKA, LLC FOR THE PURPOSE OF THIS LEASE.



ARRC
NE 1/4, NE 1/4

ARRC
NE 1/4, NE 1/4



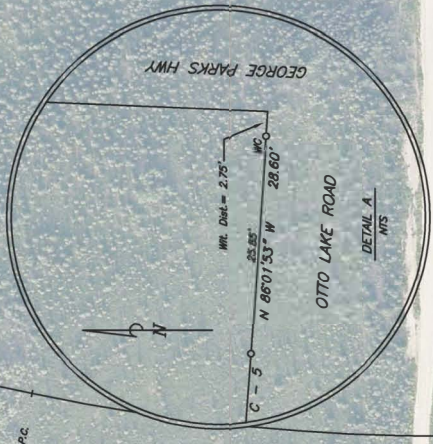
Lease 21053
522,670 sq ft± (12.0 ac±)

Curve	Delta	Radius	Length	Chd Brg	Chd Dst
C-2	9°39'29"	2958.25'	498.66'	S08°57'51" W	498.07'
C-5	24°12'13"	1115.96'	471.42'	N73°55'46" W	467.92'



For indexing purposes this property is located in the NE1/4 Sec. 25, T12S, R8W, and the NW1/4 Section 30, T12S, R7W, F.M.

- LEGEND**
- ✕ GLO/BLM MONUMENT RECOVERED
 - RECOVERED 5/8" REBAR WITH 2" ALUMINUM CAP SET IN 2001 AS SHOWN ON THE CURRENTLY UNRECORDED SURVEY OF ARRC LEASE CONTRACTS NO. 7870, NO. 7033 PARCEL-0 and NO. 7492.
 - ✕ SET 5/8" X 36" REBAR WITH 2" ALUMINUM CAP, THIS SURVEY SHOWING CORNER DESIGNATION.
 - ✕ RECOVERED ALASKA DEPARTMENT OF TRANSPORTATION CONCRETE R.O.W. MONUMENT.
 - PP WOOD POLE, POWER DISTRIBUTION LINE.
 - Rec. RECORD.
 - NRD NEVADA RECORDING DISTRICT.



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

Contract No. 21053 - Exhibit A
JL Healy Hotel, LLC.
Area = 522,670 sq ft± (12.0 ac±)

ARRC title - Patent Book 33, Page 968 NRD

DRAWN BY: DCA SCALE: 1" = 250'
CHECKED BY: JSR DATE: 2024-05-21
APPROVED BY: JSR
R:\00 RED\LEASES\HEA\21053-L.dwg

AlaskaRailroad.com

LEASE SUMMARY

LESSEE: Joshua Baumgartner

CONTRACT NO: 20157

LEASE DESCRIPTION: Lease of Lots 1 and 2, Block B of the ARRC Fairbanks Terminal Reserve, within the Fairbanks Recording District, Fourth Judicial District, containing 10,000 square feet, more or less.

KEY CONTRACT PROVISIONS:

Estimated Effective Date: August 1, 2024

Prior Annual Rent: \$2,200 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: 10,000 sq. ft., more or less.

Base Annual Rent: \$TBD (based on 2024 appraised value)

PUBLIC NOTICE: Yes, public comment will expire June 10, 2024.

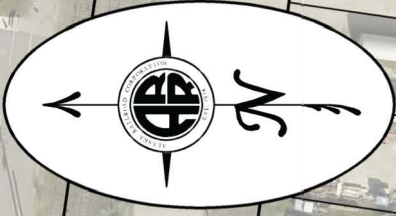
LEGAL REVIEW: Yes

INTENDED USE: Art & Music Studio, Café, Apothecary Store and Office consistent with the Lessee's business.

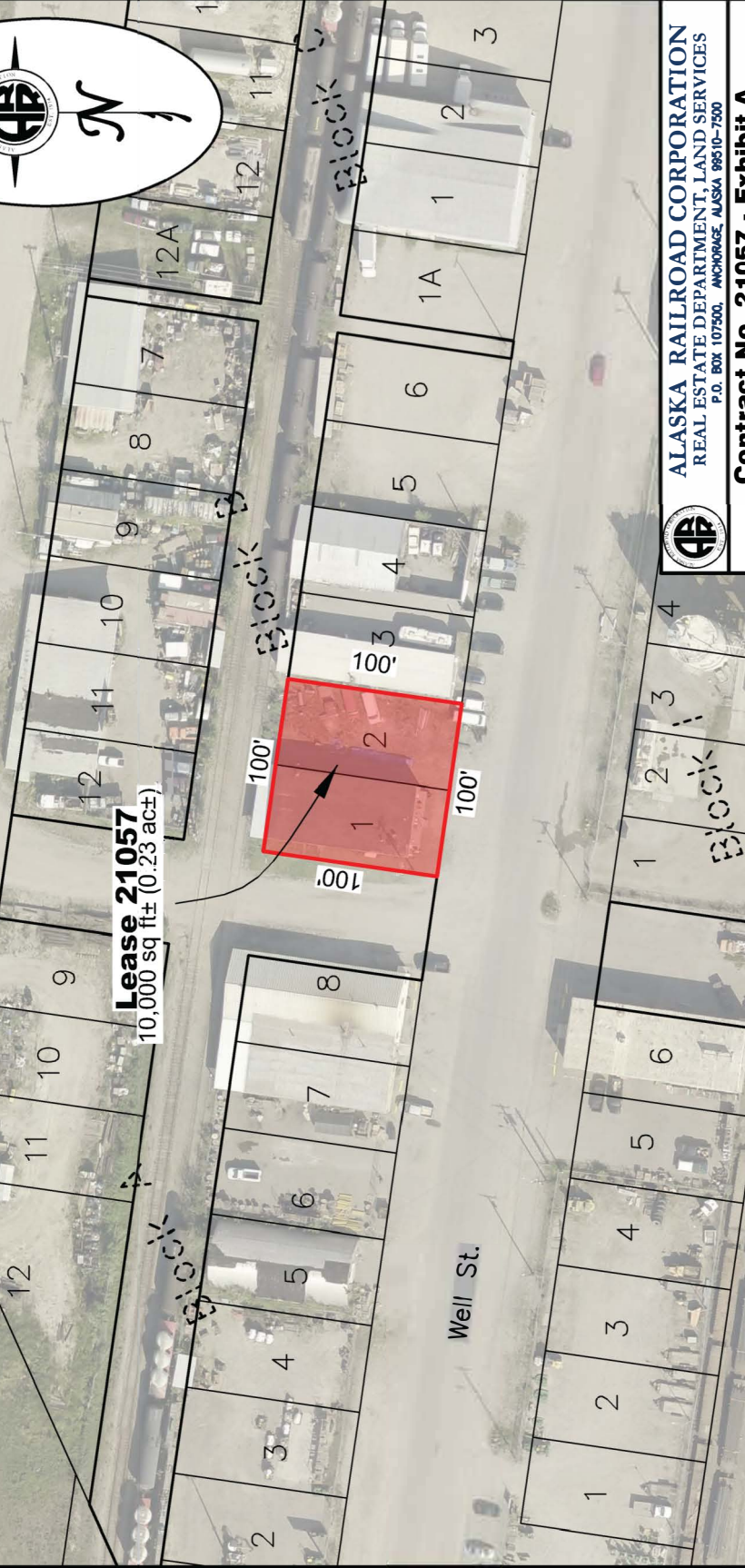
SUMMARY AND RECOMMENDATIONS: The prospective lessee will be purchasing the existing improvements and desires a new ground lease. The current Lease Contract No. 6223, expires July 31, 2024. Subject to Board approval of a new lease, improvement plans include a new roof, replace & update porches, with interior improvements continuing this winter. Lessee is requesting a new thirty-five (35)-year ground lease. Approval is recommended.

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

Jennifer Mergens
ARRC Board Secretary

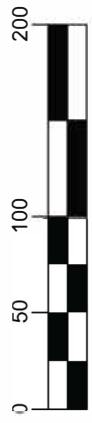


Minnie St.



Lease 21057
10,000 sq ft ± (0.23 ac ±)

The lots shown on this exhibit are derived from that certain unrecorded plat titled "Fairbanks Terminal Reserve Depot & Leasing Area and Yard", dated February 23, 1961, Sheet 2 of 3 and having file number 3452.01.



1 Inch = 100 Feet

For indexing purposes this property is located in the SW1/4 of Sec. 3, T. 1 S., R. 1 W., F.M.



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

Contract No. 21057 - Exhibit A
Joshua Baumgartner
Area = 10,000 sq ft ± (0.23 ac ±)

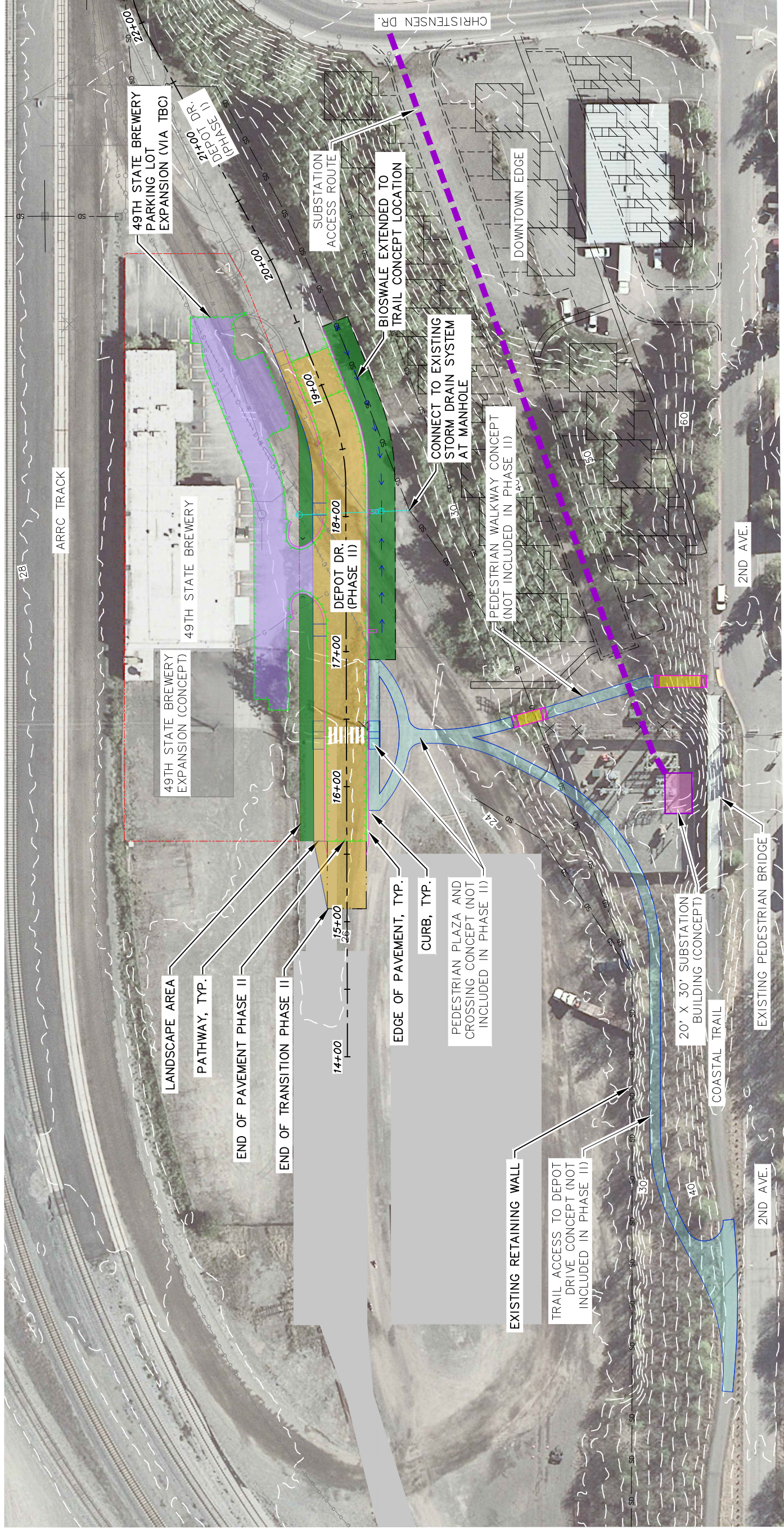
ARRC title - Patent 50-2006-0464
Sec. 3, USRS T. 1 S., R. 1 W., F.M.

DRAWN BY:	DCA	SCALE:	1" = 100'	DATE:	2024-05-17
CHECKED BY:	JSR				
APPROVED BY:	JSR				









- LEGEND:**
- LEASE BOUNDARY
 - DEPOT DRIVE ROADWAY EXPANSION (CONCEPT)
 - 49TH STATE BREWERY EXPANSION (CONCEPT VIA TBC)
 - TRAIL/WALKWAY ACCESS (CONCEPT)
 - REDUCED SUBSTATION (CONCEPT)
 - SUBSTATION ACCESS ROUTE
 - DEPOT DRIVE PHASE II LANDSCAPE AREAS

NOTES:

1. AERIAL IMAGE: 2015 MUNICIPALITY OF ANCHORAGE
2. TOPOGRAPHY: COMPOSITE OF 2019 ARRC SURVEY AND 2015 MUNICIPALITY OF ANCHORAGE LIDAR DATA.
3. CONTOURS SHOWN AT 2' INTERVALS.



PROJECT: 31105.03
STATUS: CONCEPT

DEPOT DRIVE
PHASE II
SITE FIGURE

DATE: 04 2023
SCALE: GRAPHIC
FIGURE: 1