

ARRC process for selling land:

ARRC is required to provide public notice for all meetings of the Board. The minimum requirements for public notice of Board meetings is 5 days for regular Board meetings and 24 hours for special meetings, although in practice ARRC provides much more notice than these minimums including publishing the agendas for Board meetings. When a land sale is being considered at a meeting, the meeting agenda specifically identifies the transaction resolutions being considered, each of which in turn identifies the property proposed for sale. By statute, the Board can only approve a proposed land sale where it specifically finds both that the land in question is not necessary for railroad purposes and that the proposed sale is in the best interest of the State. That statute also requires ARRC to give public notice of a proposed land sale approved by the Board. Although no public notice period is specified in the statute, ARRC plans to provide at least 30 days' public notice of the approved land sale. The statute also requires that ARRC provide notice and a right of first refusal to current tenants, if any, on the property proposed to be sold. ARRC plans to provide at least 60 days' notice to such tenants to allow them a reasonable opportunity to decide whether to exercise their first refusal rights.

By statute, ARRC must receive fair market value for its land as determined either by appraisal or a competitive bidding process. ARRC requires that all appraisals of its land be conducted by MAI-designated appraisers. Where an exchange of land is contemplated, both parcels of land are appraised by MAI-designated appraisers. Of the proposed land sale transactions listed, appraisals have been conducted by MAI-designated appraisers. In addition, with respect to the residential building lots at Chena Landings, a competitive bidding process is being conducted with minimum bids to be determined by reference to appraisal.

Proceeds from land sales will be used specifically for upgrading infrastructure, including roads and utilities, and other development of ARRC land as well as adding to the ARRC land base.

Port of Alaska Land Sale to Municipality of Anchorage:

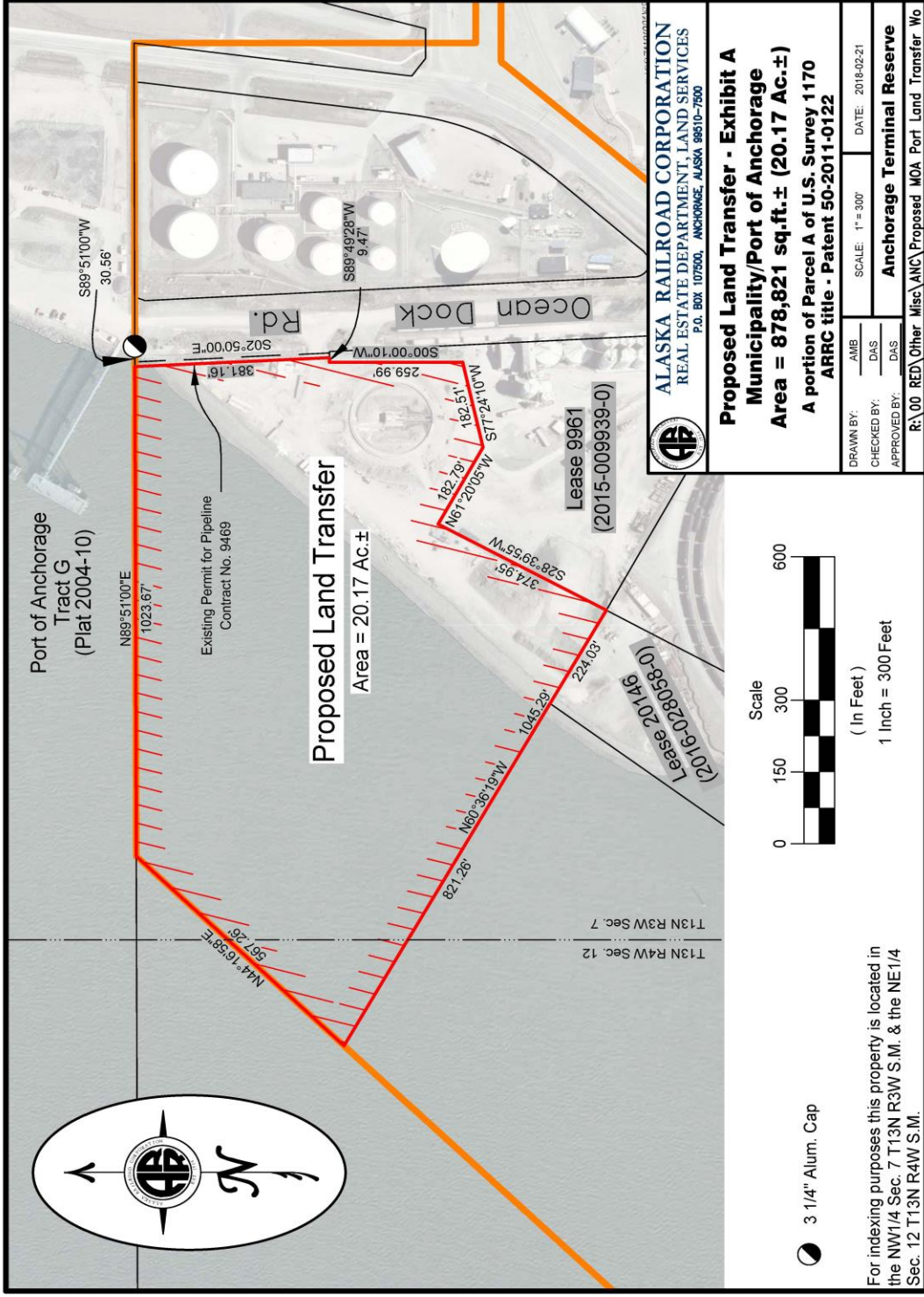
20.2 acres of land located in the Alaska Railroad Anchorage Terminal Reserve, within Section 7, Township 13 North, Range 3 West and Section 12, Township 13N Range 4 West, all in the Seward Meridian.

PUBLIC BENEFIT:

As Alaska's largest port, goods for an estimated 85% of the state pass through the Port of Alaska and in order for the Alaskan economy to grow so too must this, the state's largest port. Currently, approximately 100 acres of port land is located on a lease from the Alaska Railroad to the Municipality of Anchorage. Due to federal requirements, the Municipality of Anchorage cannot solicit or secure federal funding to develop lands without owning them. This sale will transfer 20.2 acres of the Municipality of Anchorage lease to the Municipality, allowing them to solicit funding to help Alaska grow.

ARRC BENEFIT:

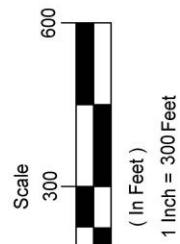
The 100-acre Municipality of Anchorage lease mentioned above is a long-term obligation that does not produce revenue for the Alaska Railroad. By selling the 20.2 acres to the Municipality, the remaining 80 acres will return to ARRC control, allowing ARRC to lease the land under more economically viable terms and will resolve a conflict between ARRC and the Municipality over annual federal transportation funding.



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

Proposed Land Transfer - Exhibit A
Municipality/Port of Anchorage
Area = 878,821 sq.ft. ± (20.17 Ac. ±)
A portion of Parcel A of U.S. Survey 1170
ARRC title - Patent 50-2011-0122

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|---|-------------------------|-------------------------|
| DRAWN BY: <u>AMB</u> | SCALE: <u>1" = 300'</u> | DATE: <u>2018-02-21</u> |
| CHECKED BY: <u>DAS</u> | | |
| APPROVED BY: <u>DAS</u> | | |
| Anchorage Terminal Reserve | | |
| R:\00 RED\Other Misc\ANC\Proposed MOA Port Land Transfer Wo | | |



3 1/4" Alum. Cap

For indexing purposes this property is located in the NW1/4 Sec. 7 T13N R3W S.M. & the NE1/4 Sec. 12 T13N R4W S.M.

Chena Landings First Addition, Phase 1 Lot Sale:

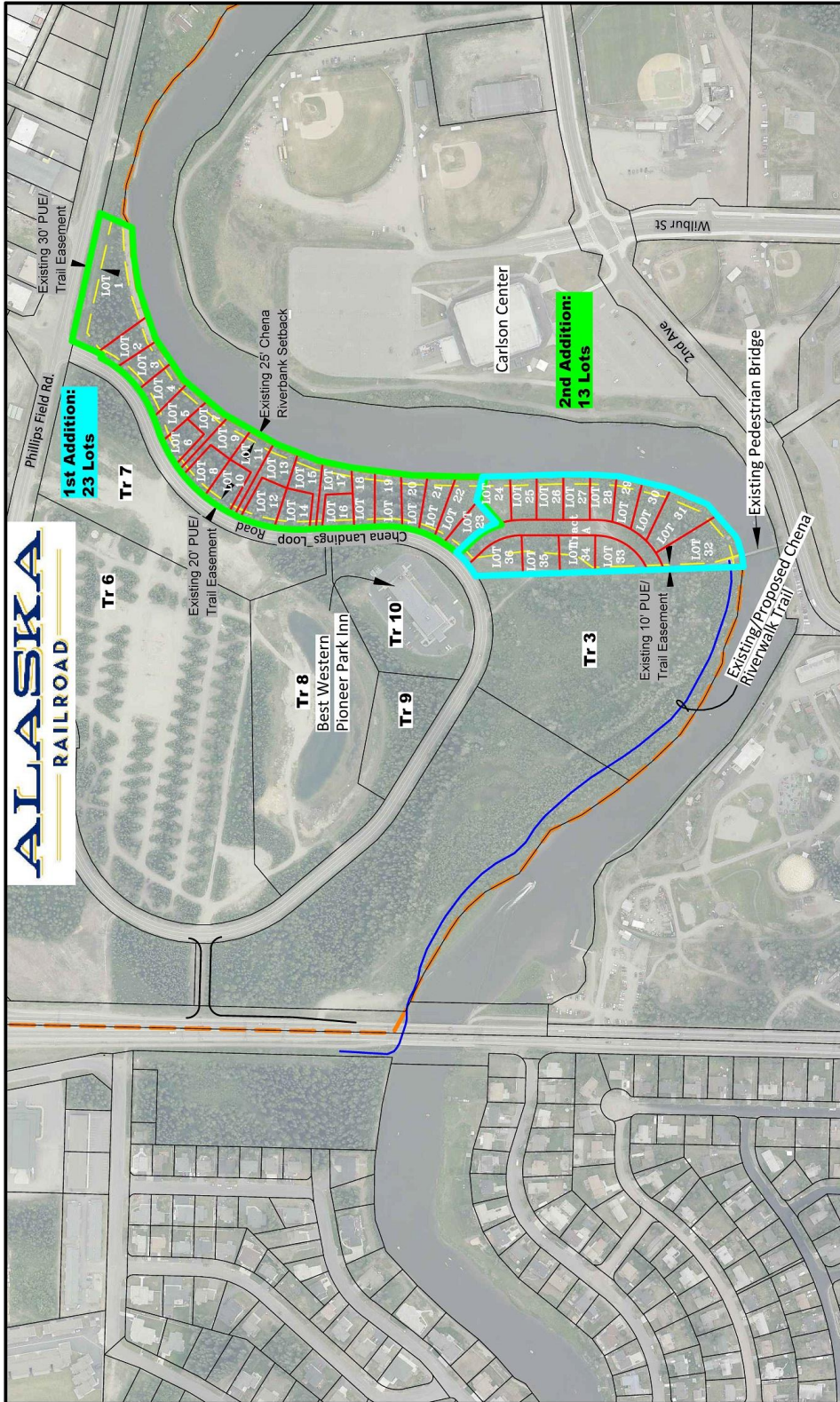
Tracts 4 and 5 of Chena Landings Subdivision, containing 12.6 acres of land located in the Alaska Railroad Fairbanks Terminal Reserve, within Section 9, Township 1 South, Range 1 West, Fairbanks Meridian.

PUBLIC BENEFIT:

This land will be sold as residential building lots. Sales of this residential property in Fairbanks will add much-needed housing options in Fairbanks, including scarce and highly sought after riverfront housing, and will add the properties to the tax rolls for the City of Fairbanks and Fairbanks North Star Borough

ARRC BENEFIT:

This portion of the Chena Landings Subdivision is a non-producing asset that has been vacant for 25 years despite previous investments made to try to attract commercial development. Funds from the sale of lots to private individuals will be invested in other ARRC properties.



Otto Lake Land Sale:

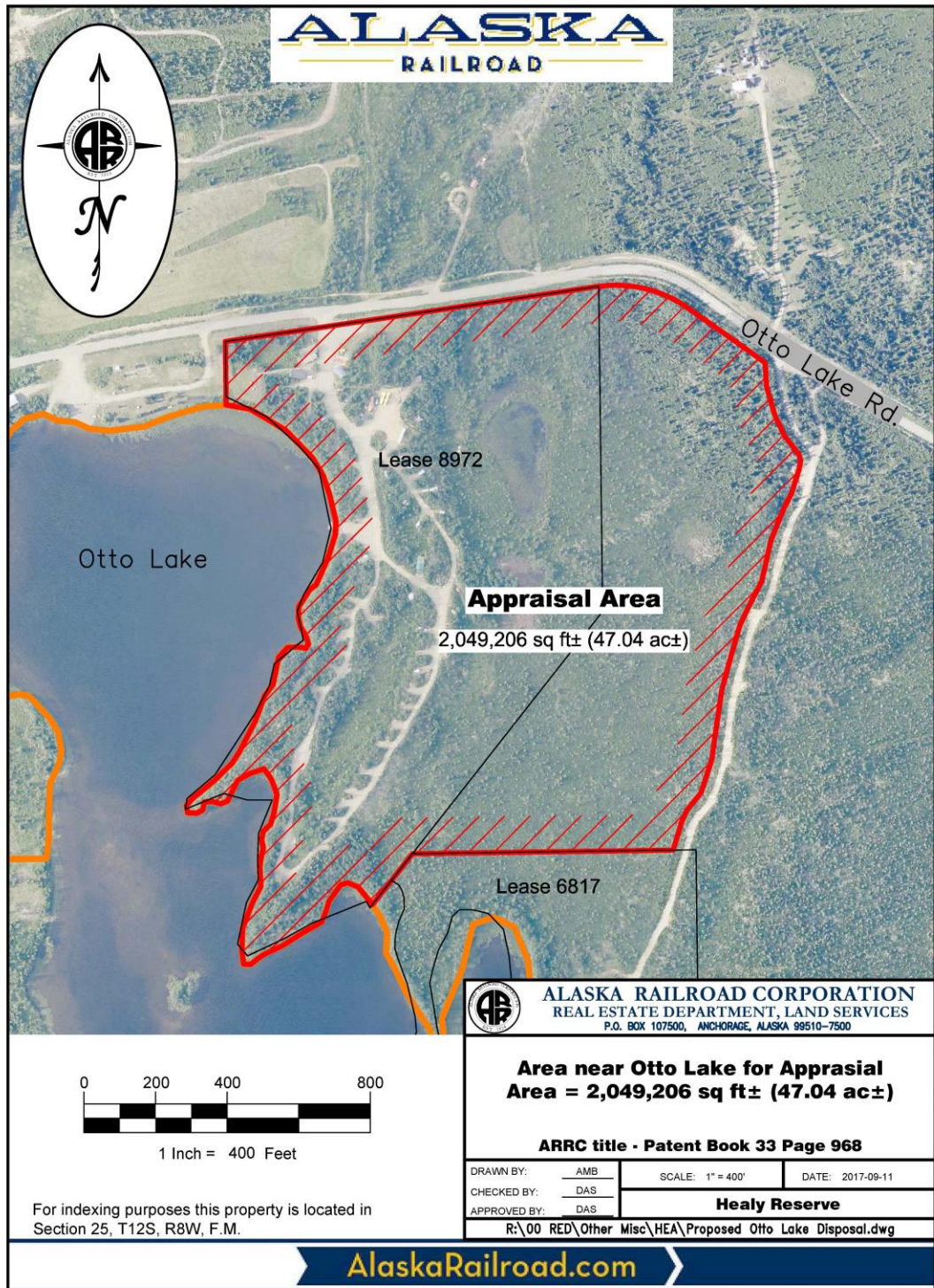
47.0 acres of land located in the Alaska Railroad Healy Reserve, within Section 25, Township 12 South, Range 8 West, Fairbanks Meridian.

PUBLIC BENEFIT:

This land will be used for a proposed \$30+ million hotel project. Development of new hotel properties near Denali National Park is needed to keep up with the increasing number of summer visitors. This will increase the number of jobs during construction and for summer visitor seasons in Healy, as well as adding this property onto the tax rolls.

ARRC BENEFIT:

Increased locations for visitors to stay near Denali Park will increase the number of visitors carried by ARRC. This sale also will increase the value of adjacent ARRC land and will provide funds to reinvest in improving other property.



ARRC / Eklutna Native Corp., Powder Reserve – Birchwood Swap:

399.2 acres of land located in the Alaska Railroad Eagle River Reserve, within Sections 25, 26, and 35, Township 16 North, Range 2 West, Seward Meridian. This transaction would be an exchange of this land for valuable land adjacent to ARRC-owned land in Birchwood, with consideration paid to balance out the fair market values of the properties.

PUBLIC BENEFIT:

This transaction would allow Eklutna to develop gravel resources to supply the strong recent demand for gravel in South Central Alaska, thereby supporting development projects to boost economic recovery.

ARRC BENEFIT:

This transaction would allow ARRC to exchange non-producing land that it cannot develop and that is not located adjacent to other ARRC land for valuable, buildable land adjacent to ARRC-owned land with a commercial spur track in Birchwood. ARRC needs such land to augment its current yard operations in Birchwood, which are critical to taking pressure off the Anchorage Yard, which lacks room for expansion.

