ALASKA
RAILROAD

"An Act relating to the sale, other disposal, leasing and encumbrance of Alaska Railroad Corporation land"

Benefits

- **ARRC**
  - ARRC will be able to monetize non-performing land assets such as remote areas, unusable small or irregularly shaped parcels or parcels subject to long-term leases that are generating below-market rent due to rent caps.
  - Monetizing non-performing real estate assets will allow investments in real estate infrastructure that will enhance the overall value of the ARRC real estate portfolio.
  - ARRC will be able to react much more quickly with respect to real estate opportunities that could potentially be funded by sale or encumbrance of ARRC land. Under the current situation, delays due to waiting for legislative approval can reduce the benefits of such transactions or completely scuttle or prevent prospective deals.
  - Efficient sales and encumbrances of ARRC land will generate cash flow to respond to opportunities in the real estate market and ensure ARRC complies with its mandate to be self-sufficient.
  - ARRC will be more efficient in engaging with land exchanges with other State entities, such as the DOT-ARRC land exchange currently being discussed.

Additionally potential beneficiaries:

- **LOCAL GOVERNMENT:**
  - Sale of ARRC land could increase private development and will increase local tax base.

- **ARRC CUSTOMERS:**
  - Existing ARRC customers acquiring land would benefit from elimination of rental payments and ARRC lease administration.

- **PUBLIC:**
  - Sale of ARRC land will provide the opportunity for individuals to acquire investment and recreational property promoting economic growth and development.
  - Sale of ARRC land will benefit its shareholder, the State of Alaska.

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