

## Real Estate & Facilities

The federal government transferred land reserves to the Alaska Railroad (ARRC) to provide the land base to build infrastructure for transportation services and to generate income. ARRC owns the right-of-way (ROW) that typically extends 100 feet on either side of the track. ARRC also owns reserves in Seward, Crown Point, Portage, Whittier, Anchorage, Talkeetna, Curry, Hurricane, Healy, Clear, Nenana, Fairbanks, Valdez, Birchwood and Eagle River. Real estate holdings total about 36,000 acres. Nearly 14,000 acres (38%) are devoted to the track bed and ROW and another 2,000 acres (6%) are used for railroad operations (such as rail yards in Seward, Anchorage, Whittier and Fairbanks). Remaining land is available for long-term lease or shorter-term permitted use.

Land reserves in Anchorage and Fairbanks encompass many of ARRC's traditional industrial and commercial leases. Just north of Anchorage, industrial opportunities are available on the 160-acre I-2SL-zoned rail-accessible Birchwood Industrial Park, located next to ARRC's Birchwood rail yard.

A rail yard, rail-barge facility and cruise passenger dock make ARRC's Whittier Reserve an attractive lease location for transportation businesses in particular. Seward is another hotspot

for transportation-related commerce, and ARRC is pursuing master plan-recommended improvements to ARRC freight and passenger intermodal facilities. This includes replacing the passenger dock and terminal, expanding the freight dock, and adding more rail infrastructure to enhance marine customer operations. The plan also proposes acreage for long term intermodal lease customers.

Outside of land reserves, the railroad corridor offers transmission opportunities. Numerous utilities are permitted to locate fiber, cable, pipe and other conduits within the 200-foot wide ROW.

While the majority of railroad real estate transactions involve land, ARRC does lease space in buildings located within the Ship Creek basin. Office space is leased in the Anchorage Historic Depot on 1st Avenue, a prime location just steps away from the downtown core district, Port of Anchorage, Joint Base Elmendorf-Richardson, and some of the best urban salmon fishing in the world. The Anchorage Historic Depot is a hub of activity, connected by rail and vehicle traffic. A block east of the depot, ARRC renovated an historic freight shed also on 1st Avenue. Developed to offer a unique "green" office space alternative, the freight shed is Alaska's first historic building renovated to meet

*The Ship Creek area has potential for developers seeking the many advantages of a lower downtown location. The Anchorage Historic Depot (white building in the photo at right) and Historic Freight Shed (below) offer leased office space.*





The ARRC Real Estate & Facilities Department oversees use of railroad docks, such as the three docks in Seward.

standards established under the U.S. Green Building Council's Leadership Energy and Environmental Design (LEED) program. In 2015, the Freight Shed received Silver LEED certification.

The railroad also provides event rentals in two passenger facilities. Completed in 2002, the Bill Sheffield Alaska Railroad Depot is located at Ted Stevens Anchorage International Airport. Beautiful and modern, the facility includes a spacious area for special gatherings. In Seward, the railroad's passenger terminal building is situated on the passenger dock, and this spacious high-ceiling facility can accommodate large community gatherings, such as the 2020 Summer Olympics community watch party focused on Seward resident and gold medal swimmer Lydia Jacoby.

Real estate is very important to fulfilling ARRC's statutory mandate to remain self-sufficient. In 2022, real estate revenues provided 14% of operating revenues (excluding grants); and a significant portion of corporate net income is derived from real estate. Proceeds from leasing and permitting affords a steady, reliable source of funds with which to invest in capital projects that do not qualify for federal funding, to fund employee retirement and medical trusts, and to provide a buffer for lean years when train operations revenue does not cover expense.

The Alaska Railroad Real Estate & Facilities Department is responsible for property development, land leases and permits, building lease and rentals, facilities maintenance and management, and use of dock facilities in Whittier, Seward and Seattle. Department staff work hand-in-hand with the Alaska Railroad Board of Directors (ARRC Board) Real Estate Committee, which helps to develop real estate policy ultimately considered and approved by the ARRC Board of Directors.

## ARRC Major Land Reserves

