

# ALASKA RAILROAD

## BOARD OF DIRECTORS REGULAR Board Meeting

Friday, March 27, 2026  
Commencing at 9:00 a.m. in person at  
327 West Ship Creek Avenue, Anchorage, Alaska 99501

&

### Join Virtual Zoom Meeting Room

<https://us02web.zoom.us/j/89175272155?pwd=WUsag9Eazy756j4ZHWDraT0yb3rp3f.1>

Meeting ID: 891 7527 2155

Passcode: 076974



One tap mobile

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+12532050468,,89175272155# US

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Join by SIP

- [89175272155@zoomcrc.com](mailto:89175272155@zoomcrc.com)

Passcode: 076974

Join instructions

<https://us02web.zoom.us/join/89175272155/invitations?signature=RN1VBsdRceuJo8IDXtX5KCKk4LuSX8NRJfcjCHwasII>

**ARRC BOARD OF DIRECTORS MEETING  
AGENDA**

Friday, March 27, 2026 ~ 9:00 a.m.  
327 West Ship Creek Avenue, 3<sup>rd</sup> Floor, Anchorage, Alaska 99501  
[Zoom Virtual Meeting Room](#)

- I. CALL TO ORDER
- II. ESTABLISH QUORUM
- III. SAFETY BRIEFING
- IV. CHAIR COMMENTS
- V. ADOPTION OF AGENDA
- VI. CONFLICT OF INTEREST DISCLOSURES
- VII. ADOPTION OF MINUTES
  - 1. [Approval of Regular Meeting Minutes of February 5, 2026](#)
- VIII. OPPORTUNITY FOR PUBLIC COMMENT
- IX. BRIEFING ITEMS
  - A. **Public Briefings (a portion may be held in Executive Session)**
    - 1. [CEO Update](#)
    - 2. [Safety Update](#)
    - 3. [2025 Financial Audit](#)
      - a. Audit Committee Report
      - b. CFO Presentation
  - B. **Committee Reports**
    - 1. [Real Estate Committee](#)
    - 2. [Executive Committee](#)
- X. NEW BUSINESS
  - C. **Executive Session Briefings**
    - 1. Contracts, Claims, Litigation, Personnel and Financial Matters
    - 2. Legislative Update
    - 3. Alaska LNG Project Discussion
    - 4. PMRE - AIP Phase 1 Report
    - 5. Seward Passenger Dock Project Update
    - 6. Anchorage Reserve Contamination Review
    - 7. Business Development Report
  - D. **Adoption of Consent Agenda**
    - 1. [Resolution No. 2026-04](#) – Relating to [Approval of Appointment to Health Care Trust Committee](#)
    - 2. [Resolution No. 2026-05](#) – Relating to the Approval of the [2025 Financial Annual Report](#)
    - 3. [Contract No. 21273](#) – SAW Jacques, LLC – Fairbanks Reserve
    - 4. [Contract No. 21270](#) – Usibelli Coal Mine, Inc. – Healy Reserve
    - 5. [Contract No. 20551 and No. 20552](#) – Pruhs Corporation – Anchorage Reserve
- XI. OPPORTUNITY FOR PUBLIC COMMENT AND DIRECTORS/CEO/STAFF COMMENTS
- XII. ADJOURNMENT

# 2026 FEBRUARY 5 - Board Meeting Minutes

# ALASKA RAILROAD CORPORATION MINUTES OF THE REGULAR BOARD OF DIRECTORS MEETING

Anchorage, Alaska  
Thursday, February 5, 2026

## I. CALL TO ORDER

Chair John Shively called the meeting to order at 9:00 a.m. on Thursday, February 5, 2026. The meeting was held in person at 327 West Ship Creek Avenue, 3rd Floor, Anchorage, Alaska 99501, with a virtual participation option.

## II. ESTABLISH QUORUM

Chair Shively requested that Board Secretary Jennifer Mergens establish a quorum. Chair Shively; Vice Chair Judy Petry; Director John Binkley; Director John Reeves; Director Gale Dinsmore; and Commissioner, Department of Transportation & Public Facilities, Ryan Anderson were present at the commencement of the meeting. Commissioner, Department of Commerce Community and Economic Development, Julie Sande, joined the meeting slightly after roll call.

Ms. Mergens established a quorum.

Staff members present:

A. Behrend, Chief Counsel	M. Maddox, Chief Financial Officer
A. Kinnaman, Controller	S. Roberts, Chief Special Agent
D. Greenhalgh, VP Marketing & Customer Service	M. Clemens, Director, External Affairs
G. Goemer, Director, Supply Management	C. Hopp, Chief Operating Officer
B. Lindamood, VP Engineering/Chief Engineer	B. O'Leary, President & Chief Executive Officer
J. Mergens, Chief Human Resources Officer	S. Roberts, Chief Special Agent
L. Hall, Executive & Corporate Administrator	T. Wareham, Deputy Chief Counsel
C. Clarke, Corporate Communications Officer	A. Donovan, Director Real Estate Leasing/Permits

Guests and members of the public present:

Mickey Richardson	Kaylee Devine
Katherine Wood	Michelle Collingridge
Marc Luiken	Cynthia Wentworth
Cherie Curry	Eric Whaley
Rona May Chilton	Jackie Wilde
Kris Erchinger	Unidentified Zoom User

### **III. SAFETY BRIEFING**

Mr. Hopp provided an Operation LifeSaver safety update.

### **IV. ELECTION OF OFFICERS**

Vice Chair Petry moved that the Alaska Railroad Board of Directors elect John Shively as Chair, John Binkley as Vice Chair, and re-appoint Jennifer Mergens and Andy Behrend to continue as Board Secretary and Assistant Board Secretary, respectively, for 2026. Commissioner Sande seconded the motion. There was no further discussion, or objection, and the motion was adopted as amended.

### **V. CHAIR COMMENTS**

Chair Shively confirmed that the Real Estate, Audit, Safety, Executive and the External Issues Review Committees' members and Committee Chairs would remain the same for 2026.

### **VI. ADOPTION OF AGENDA**

Director Petry moved to adopt the agenda. Director Dinsmore seconded the motion. There was no further discussion, and the meeting agenda was adopted as presented.

### **VII. CONFLICT OF INTEREST DISCLOSURES**

Director Dinsmore indicated that he would recuse himself if any discussion relating to a particular matter contained in the litigation report was discussed. No other members disclosed any conflict of interest.

### **VIII. ADOPTION OF MINUTES**

Director Petry moved to approve the Regular Board Meeting minutes of November 19, 2025, and the Special Meeting Minutes of December 11, 2025, and January 14, 2026. Director Dinsmore seconded the motion. There was no additional discussion and all three sets of meeting minutes were unanimously approved as presented.

### **IX. OPPORTUNITY FOR PUBLIC COMMENT/STAFF/DIRECTORS**

Cynthia Wentworth advised that she is a member of a group documenting Alaska Railroad history and she hopes to get train service to support the Alaska Scottish Highland Games at the State Fairgrounds similar to service provided for the Alaska State Fair.

## **X. BRIEFING ITEMS**

### **A. Public Briefings**

#### **1. CEO Update**

Mr. O’Leary briefed the Board on key business developments since the November 2025 meeting. He noted ARRC is in the final stages of closing its 2025 financials. He explained that total freight volumes were up in 2025 to nearly 3.9 million tons, largely driven by an early start to the gravel season. He also noted that total passenger ridership was slightly down, with nearly 520,000 riders. As for 2026, Mr. O’Leary shared that an Alaska Marine Lines (AML) barge ran aground in Canada, resulting in one less barge in January, and that ARRC operated one fewer passenger train than originally planned due to the extreme cold temperatures in the Interior during the first weekend of 2026. He also shared that ARRC held eight town hall meetings, engaging with hundreds of employees throughout the Railbelt. Mr. O’Leary stated that ARRC participated in the Cruise Lines International Association (CLIA), Pacific Northwest Symposium conference, which was hosted in Alaska. Vice Chair Binkley added that ARRC hosted CLIA’s opening reception onboard the train, which received positive feedback as one of its best opening events CLIA has conducted. Mr. O’Leary concluded his presentation with a review of the items listed on the Consent Agenda.

#### **2. Safety Update**

Mr. Hopp provided an update comparing 2025 year-end safety statistics to year-end 2024 statistics. He highlighted the lost time and FRA casualty rates, which both came in lower than ARRC’s goal for 2025. He reported that the FRA Casualty Rate for 2025 was 5.1, compared to 4.2 in 2024. The total number of employee casualties in 2025 was 29, up from 27 in 2024. The goal for 2026 is to get back down to less than the 4.2 rate achieved in 2024. The Lost Time Rate was 3.5 in 2025 compared to 3.0 in 2024. He shared that there has been an increase in employees reporting injuries, which is a characteristic of workplaces that prioritize safety, as more employees recognize the importance of reporting all incidents and injuries. Mr. Hopp noted that increased reporting ultimately provides more data and insights to support improvements and to reduce future injuries. Director Petry commented that the incidents in 2025 were less severe, which is good. Mr. Hopp shared that research revealed that senior leaders need to engage more on safety, to develop better or revamped training programs for incoming and established employees, and to continually ask if we provide a safe place to work.

#### **3. Business Report**

Ms. Maddox reported a year-to-date net income through November 2025 of \$8.2 million, which is \$4.2 million below the revised budget. Highlights of Ms. Maddox’s presentation included:

- Freight revenue underperformed the revised budget by \$4.4 million, primarily due to lower-than-expected ARMs, Petroleum, TOFC/COFC, and Local Coal revenue.
- Passenger services underperformed the revised budget by \$0.3 million, driven by lower-than-expected performance of the Coastal Classic this summer.
- Operating expenses exceeded the revised budget by \$1.2 million, largely due to higher expenses for materials, supplies, and other items.
- Real estate outperformed the revised budget by \$0.6 million, mainly due to expenses being below expectations.
- Other real estate revenue exceeded the revised budget by \$1.1 million, driven by positive variances related to Seward Passenger dock debt, investment income, expenses, and gains from some asset sales.

ARRC's net working capital was \$83.7 million, with a cash balance of \$38.2 million and total debt of \$132.1 million. Net income for 2025 is forecast to be \$38.1 million.

#### **4. Seward Passenger Dock Project Update**

Mr. Richardson from The Seward Company gave an update on the Seward Passenger Dock project. He noted much of the work will be completed during the winter months. Arches have already been installed on the pier, and the first ships are expected to arrive in May 2026. He shared that over eight feet of soil material has been removed since the project began, and nearly 10,000 tons of material have been cleared as part of demolition of the dock.

The existing dock, supported by 2,280 piles, is being replaced with a new structure featuring just 12 piles, each measuring 72 inches in diameter. The remaining portion of the current dock is being used as a cantilever to help with dredging work beneath site of the new dock. The upgraded dock will accommodate Royal Caribbean Cruise Line (RCL) Elite class ships, with pocket depth and width designed for future larger vessels. Progress is monitored via onsite cameras, and all steel materials are being crushed and recycled in Seattle.

Mr. Richardson shared that on March 9, the RCL Operations Team will conduct a site inspection. He also noted that Seward Company is partnering with the City of Seward on a \$50 million grant to fund shore power installation. Mr. Richardson confirmed that the project remains on track for completion in May, when the Royal Caribbean Ovation ship is scheduled to arrive.

Vice Chair Binkley remarked that weekly updates from staff to the Board are greatly appreciated, and the team consistently keeps everyone informed. Chair Shively pointed out that although a December deadline was missed, target dates and the calendar appear aligned. Director Reeves asked about debris removal, and Mr. Richardson noted an \$18 million liability for demolition and disposal costs.

## **B. Committee Reports**

### **1. Real Estate Committee**

Committee Chair Binkley stated that the Real Estate Committee met on January 14, 2026, and all Board Members were present. He stated that there are four contracts and two land sale-related resolutions before the Board for approval.

### **2. Executive Committee**

Chair Shively said the Executive Committee met on January 14, 2026, noting the confidential meeting notes for that meeting were included in the Directors' Board materials. He said that the discussions at the January meeting primarily surrounded the items listed under the Consent Agenda.

### **3. Safety Committee**

Committee Chair Dinsmore said the Safety Committee also met on January 14, 2026, with the confidential meeting notes provided to the Board. He highlighted improved morale, reduced loss time rate, and less severe incidents.

## **XI. NEW BUSINESS**

### **C. Executive Session Briefings**

Director Petry moved to have the Board recess to Executive Session to discuss the listed Executive Session agenda items. Director Dinsmore seconded the motion. There was no further discussion or objection. The motion was approved and the Board convened to Executive Session at 10:19 a.m. The following items were discussed:

1. Contracts, Claims, Litigation, Personnel and Financial Matters
2. Legislative Update
3. Alaska Liquid Natural Gas Pipeline
4. Port MacKenzie Rail Extension (PMRE)
5. Seward Passenger Dock

Chair Shively called the meeting back into public session at 11:33 a.m.

### **D. Adoption of Consent Agenda**

Chair Shively read the Consent Agenda into the record. Director Binkley made a motion to adopt the listed items under the Consent Agenda. Director Dinsmore seconded the motion. There was no further discussion or objections and the Consent Agenda, consisting of the following six items, was approved:

1. Resolution No. 2026-02 - Relating to the Sale of Railroad Land in the Chena Landings Subdivision in Fairbanks, Alaska, Including Tracts 2 and 3 Thereof

2. Resolution No. 2026-03 – Relating to the Sale of Railroad Land in Whittier, Alaska
3. Contract No. 09999– State of Alaska DOT&PF – Anchorage Reserve (Change of Allowed Use)
4. Contract No. 20232 – Westwood Properties, LLC – Anchorage Reserve
5. Contract No. 21258 – 8 Star Alaska, LLC – ROW Corridor Permit
6. Contract No. 21176 – Tesoro Alaska Pipeline – ROW Corridor Permit

## **XII. OPPORTUNITY FOR PUBLIC COMMENT/STAFF/DIRECTORS**

Board appreciation was extended to management and staff for successfully navigating ARRC during this exciting and challenging time.

## **XIII. ADJOURNMENT**

Director Petry moved to adjourn, and Director Dinsmore seconded the motion. The meeting adjourned at 11:37 a.m.

ATTESTED BY:

\_\_\_\_\_  
Jennifer Mergens  
Board Secretary

Date \_\_\_\_\_

## **IX. BRIEFING ITEMS**

### **A. PUBLIC BRIEFINGS**

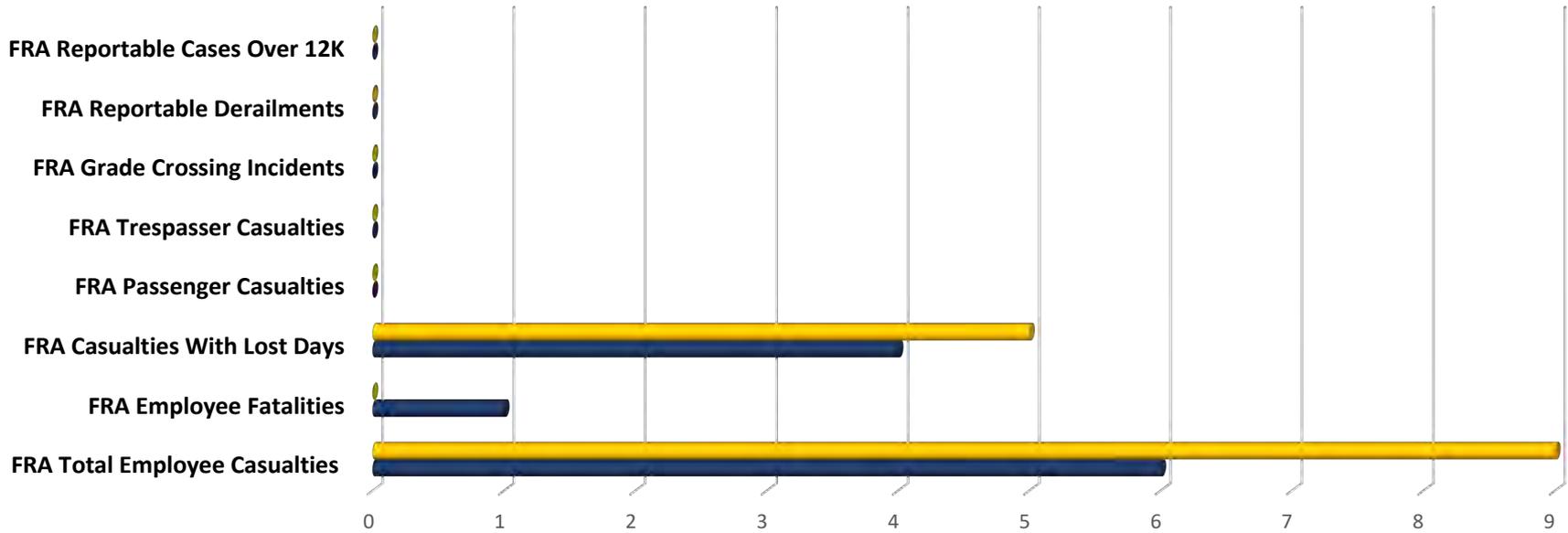
#### **ITEM 1: CEO Update**

**Verbal presentation**



# Safety Report

FRA Safety Data  
2025 vs. 2026 thru February



	FRA Total Employee Casualties	FRA Employee Fatalities	FRA Casualties With Lost Days	FRA Passenger Casualties	FRA Trespasser Casualties	FRA Grade Crossing Incidents	FRA Reportable Derailments	FRA Reportable Cases Over 12K
■ 2026	9	0	5	0	0	0	0	0
■ 2025	6	1	4	0	0	0	0	0

## **IX. BRIEFING ITEMS**

### **A. PUBLIC BRIEFINGS**

#### **ITEM 3: 2025 Financial Audit**

- a. Audit Committee Report**
- b. CFO Presentation**

**The ARRC Audit Committee Meeting is scheduled for Thursday, March 26, 2026. Confidential notes will be distributed to board members via email. Materials pertinent to the 2025 financial audit are currently in preparation. In accordance with AS.42.40.260, ARRC will issue an Annual Financial Report that includes the audited 2025 financial statements. This report will be available at the link below on or before April 1, 2026.**

**<https://www.alaskarailroad.com/corporate/leadership/reports>**

## **IX. BRIEFING ITEMS**

### **B. Committee Reports**

- 1. Real Estate Committee Notes (March 11, 2026 included)**
- 2. Executive Committee Notes – Confidential**



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

Date: March 11, 2026  
Time: 9:00 a.m.  
Location: Hybrid Meeting

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Board Members:

John Binkley, Committee Chair  
John Shively, Committee Member  
John Reeves, Committee Member  
Judy Petry, Committee Member  
TJ Dinsmore, Committee Member  
Commissioner Ryan Anderson, Committee Member  
Commissioner Julie Sande, Committee Member

Staff present:

Christy Terry, Andy Donovan, Kellyan Taylor, Bill O'Leary, Jennifer Mergens, David Greenhalgh, Michelle Maddox, Andy Behrend, Clark Hopp, Brian Lindamood, Kate Dueber, Lorine Hall, Amy Kinnaman, Greg Goemer, Meghan Clemens

Members of the Public:

No Public Attendees

Chair Binkley called the meeting to order at 9:00 a.m. Chair Binkley requested Vice President, Real Estate, Christy Terry to proceed with agenda.

Customer Communication:

Ms. Terry shared with the group that there has been interest in gravel sales in Whittier. The Real Estate Department has been working with Eklutna, Inc. to complete their plat of Powder Ridge Subdivision Phase 2. There continues to be interest from several companies in obtaining lease and permit contracts in the Birchwood Reserve.

Contracts to be presented to the Board of Directors for consideration:

- Contract No. 21273 – SAW Jacques – Fairbanks Reserve

Ms. Terry shared that the existing customer's lease is set to expire in October 2026. Customer is looking to obtain a new thirty-five (35) year ground lease. Leasing an adjacent 6,000 sq. ft. of land is also being considered by the customer and staff would

like Board approval for the entire area, with a final decision by the customer to be made prior to the lease renewal being executed.

The Committee recommended Board approval.

- Contract No. 21270 – Usibelli Coal Mine Inc. – Healy Reserve

Ms. Terry shared that the existing customer's lease expired in 2025 and they remain as tenants in holdover. Lessee has applied to obtain a new thirty-five (35) year ground lease. Ms. Terry shared that this is not for coal extraction, but rather an area to continue operations and to transport coal.

The Committee recommended Board approval.

- Contract Nos. 20551 & 20552 – Pruhs Corporation - Anchorage

Ms. Terry explained to the group that these are two existing lease that have a common boundary. Lessee is requesting an adjustment to that common boundary and a small addition of land to that is currently being utilized by tenant. Ms. Terry explained that the lease terms on both contracts will remain unchanged.

The Committee recommended Board Approval.

### Briefing/Update

Seward

Dock Traffic

Ms. Terry stated that there has been the usual barge traffic at the Freight Dock and mentioned several expected vessels over the next few months including frac sand and military vessels.

Freight Dock Project

Ms. Terry shared that two bids have been solicited for dock lengthening and a fender system project. A BUILD Grant application was submitted by ARRC on February 24, 2026. Over 25 letters of support accompanied the application for the grant. Selection of BUILD grants is expected by June 28, 2026.

Passenger Dock and Terminal Project

Ms. Terry shared that she was in Seward yesterday with RCG, Premier Tours, Port of Tomorrow and Seward Company. RCG shared how they will be managing the flow of passengers on and off of ships and around the community. The Cruise Dock is

scheduled for completion by May 15, 2026. RCG and ARRC are also developing contingency plans, if needed, for any delays in completion of the Cruise Dock.

#### Board Meeting and Community Outreach

The June 4, 2026 Board meeting will be held in Seward. Transportation to Seward via Denali Car will be provided, if desired. A planned community open house at the new terminal will be held on the evening of June 4 with small public tours. On June 5, there will be a naming ceremony and ribbon cutting of new terminal building to be attended by press and invited guests.

#### Whittier

##### City of Whittier Land Sale

Ms. Terry spoke about Senate Bill 191, related to the proposed land sale, which has been passed out of the Senate Community and Regional Affairs Committee. House Bill 216 was heard in house committee and held over. City of Whittier has been sent survey instructions. While waiting on approval from Juneau, ARRC hopes to work with the City's administration and draft a Purchase and Sales Agreement.

#### Anchorage

##### Odom Building

Ms. Terry notified the committee that on February 6, 2026 there was a partial roof collapse of building at 240 W. 1<sup>st</sup> Ave. No injuries were reported. The Lessee, Redevelop First, is working with their insurance company. Further updates to come as provided.

##### 200 Post Road LLC

Environmental has some close out items from ADEC on a past spill. ARRC expects to cap a small area and remove a test well. Kelly Moore is responsible for remediation, but in 2024, Kelly Moore became insolvent but did not declare bankruptcy. There appears to be no opportunity to seek assistance from Kelly Moore. The current leaseholder is aware of the work. We expect to bring a recommendation for a new lease with current leaseholder to the June Board meeting.

##### Tim B. Hester Holdings, LLC

Ms. Terry stated that our tenant declared bankruptcy. First National Bank Alaska took over lease payments and is in the process of selling buildings to Northern Insulation Solutions. The lease assignment is an administrative process and will not require Board of Directors approval.

## Downtown Edge Condos at the Rail

Ms. Terry announced that completion of condos will be finished this summer. The Anchorage Chamber has been working with ARRC on a celebratory event at 49<sup>th</sup> State at the Rail to be held on May 20. Invitations will be forthcoming

## Fairbanks

### Letter of Non-Objection extending Roads and Crossings

Ms. Terry shared that the ARRC provided a Letter of Non-Objection to the City of Fairbanks, to continue a 55-year-old permit. The permit expired in February 2026, but continues in place under a permit clause providing for continuation by mutual agreement. City of Fairbanks was provided with an example of our standard Roads and Crossing permit to review as we move forward in obtaining a new agreement.

### Chena Trail Alignment.

Fairbanks Area Surface Transportation (FAST) met recently and referred the trail plans to the Walk, Ride and Roll advisory committee. The advisory committee is reviewing alignment of the trail, including whether to move the trail to the north via an asphalt sidewalk along Chena Landings Loop or to purchase the land approved by ARRC Board in February. ARRC is waiting for recommendation and determination.

Ms. Terry responded to Commissioner Sande's request regarding project status of the Wasilla Shops facility.

Mr. O'Leary responded to Committee Member Reeves' inquiry regarding the status of Port Mckenzie. Commissioner Anderson provided additional input.

Following confirmation of no other items for discussion, the meeting was adjourned at 9:48 a.m.

# ARRC BOARD OF DIRECTORS MEETING EXECUTIVE SESSION AGENDA

## X. NEW BUSINESS

### C. Executive Session Briefings

Friday, March 27, 2026

1. Contracts, Claims, Litigation, Personnel and Financial Matters
2. Legislative Update
3. Alaska LNG Project Discussion
4. PMRE - AIP Phase 1 Report
5. Seward Passenger Dock Project Update
6. Anchorage Reserve Contamination Review
7. Business Development Report

All Matters Are Confidential. Public Members will be moved into a private waiting room and rejoined when public session reconvene.

**X. NEW BUSINESS**  
**D. Adoption of Consent Agenda**

**March 27, 2026**

1. Resolution No. 2026-04 – Relating to Approval of Appointment to Health Care Trust Committee
2. Resolution No. 2026-05 – Relating to the Approval of the 2025 Financial Annual Report
3. Contract No. 21273 – SAW Jacques, LLC – Fairbanks Reserve
4. Contract No. 21270 – Usibelli Coal Mine, Inc. – Healy Reserve
5. Contract No. 20551 and No. 20552 – Pruhs Corporation – Anchorage Reserve

Date: March 19, 2026  
To: ARRC Board of Directors  
From: Bill O'Leary, President & CEO  
Subject: Nomination of Amy Kinnaman, ARRC Controller, to serve as a Member of the Health Care Trust Committee

As a result of the resignation of Megan Schmidt, Manager, Records & Benefits, a vacancy is occurring on the aforementioned Committee. This Committee is responsible for the administration of the Health Care Trust and investment of the funds associated with the plans.

I am nominating ARRC Controller Amy Kinnaman to serve as a member of the aforementioned Committee. While the terms of the underlying plan documents (ARRC Health Care Trust, ARRC Welfare Benefits Plan, and ARRC Retiree Benefits Plan) vary slightly, for the most part, the ARRC Board of Directors is responsible for appointing members to the Committee.

It is my recommendation that the Board approve Resolution 2026-04, and that Ms. Kinnaman be appointed to the Committee effective March 27, 2026.

Adopted:

Resolution No. 2026-04

Relating to Appointment to Health Care  
Trust Committee

WHEREAS, the Alaska Railroad Corporation (“ARRC”) sponsors the Alaska Railroad Corporation Welfare Benefits Plan and the Alaska Railroad Corporation Retiree Benefits Plan (“Plans”) which provide certain of its employees and their eligible dependents with health care coverage while employed and following retirement; and

WHEREAS, the Plans are administered through the Alaska Railroad Health Care Trust Committee which consists of three employees of the Corporation; and

WHEREAS, it is necessary from time to time to remove people from said committees and to fill vacancies on said committees; and

WHEREAS, Megan Schmidt, Manager, Benefits and Records, who has been a member of the aforementioned Committee, is separating from the Corporation on March 6, 2026.

NOW THEREFORE BE IT RESOLVED, that the ARRC Board of Directors hereby appoints Controller Amy Kinnaman to the Health Care Trust Committee, in accordance with the provisions of the Plan Document.

Adopted:

Resolution No. 2026-05

Relating to the Approval of the 2025  
Financial Annual Report

WHEREAS, pursuant to AS.42.40.260, the Alaska Railroad Corporation (ARRC) is required to publish an annual report within 90 days following the end of the fiscal year which describes the operations and financial condition of the corporation during the preceding fiscal year; and

WHEREAS, ARRC Management has prepared a draft of the annual report for 2025 which has been audited by KPMG, LLC, the corporation's independent external audit firm; and

WHEREAS, the ARRC Board of Directors has reviewed the draft 2025 annual report attached hereto.

NOW THEREFORE BE IT RESOLVED, that the ARRC Board of Directors hereby approves the annual report attached hereto and directs the President & CEO or his designee to publish said report which shall be titled the "2025 Annual Report for the Alaska Railroad Corporation."

## X. NEW BUSINESS

### D. Adoption of Consent Agenda

1. Resolution No. 2026-05 – Relating to the Approval of the 2025 Financial Annual Report

Materials related to **the 2025 Financial Annual Report** are currently in process and **not attached to the resolution as noted**. Pursuant to AS.42.40.260 ARRC will publish its Annual Financial Report reflecting ARRC's audited 2025 financial statements. The final report will be accessible at the link below on or by April 1, 2026.

<https://www.alaskarailroad.com/corporate/leadership/reports>

## LEASE SUMMARY

LESSEE: Saw Jacques, LLC

CONTRACT NO: 21273

**LEASE DESCRIPTION:** Lots 1 through 6 of Block K and the 60' wide unused roadway between Lot 6, Block J and Lot 1, Block K of the Fairbanks Reserve, containing approximately 36,000 square feet. At the election of the lessee, the real property subject to the lease may further include an additional area comprised of the 60' wide unused roadway between Lot 6, Block K and Lot 1, Block L of the Fairbanks Reserve containing approximately 6,000 square feet.

### KEY CONTRACT PROVISIONS:

Estimated Effective Date: TBD

Prior Annual Rent: \$7,200.00 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: No more than 42,000 sq. ft., more or less.

Base Annual Rent: \$TBD (based on upcoming 2026 appraised value)

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**PUBLIC NOTICE:** Yes, public comment will expire March 26, 2026.

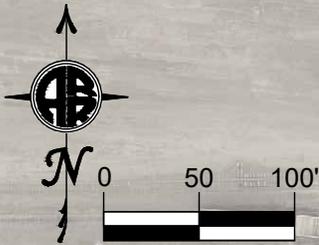
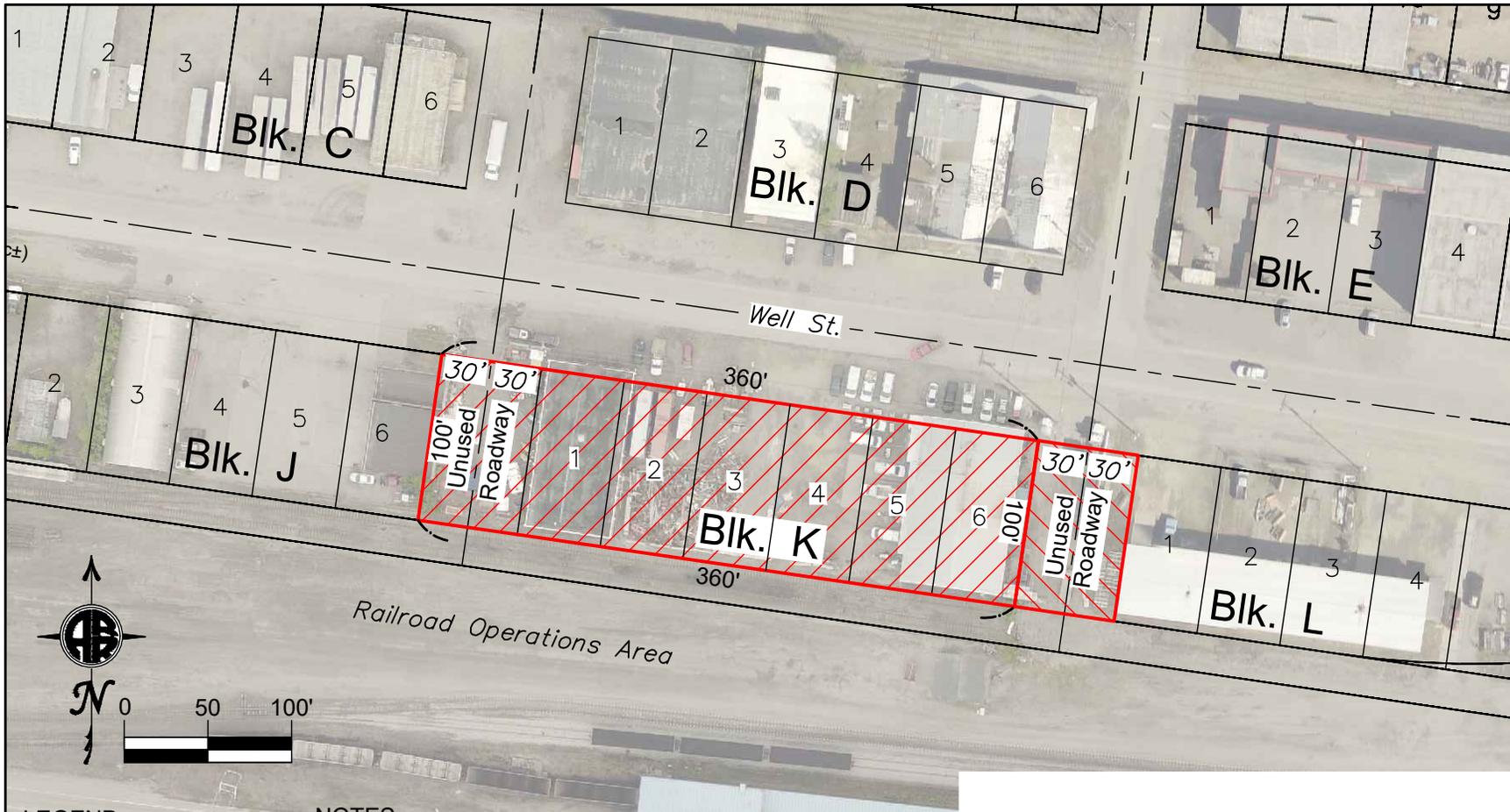
**LEGAL REVIEW:** Yes

**INTENDED USE:** Office, warehouse storage, and shop space consistent with Lessee's business.

**SUMMARY AND RECOMMENDATIONS:** The prospective lessee currently leases the above-described 36,000 square foot area under a short-term commercial lease for a term of five (5) years. The current lease was scheduled to expire October 31, 2026, but remains in place in holdover status. The current lessee is requesting a new thirty-five (35)-year commercial lease for the existing 36,000 square-foot lease parcel, and is considering leasing the adjoining additional 6,000 square-foot area described above. The current lessee will decide whether to lease the additional area before execution of the new lease. Staff seeks approval to lease the entire 42,000 square-foot area in order to

accommodate a lease of the entire area should the prospective lessee so request. Approval is recommended.

APPROVED: \_\_\_\_\_ Board Meeting Date: \_\_\_\_\_  
Jennifer Mergens  
ARRC Board Secretary



**LEGEND**

- Parcel Line
- Lease Parcel
- Option Area
- - - Centerline

**NOTES**

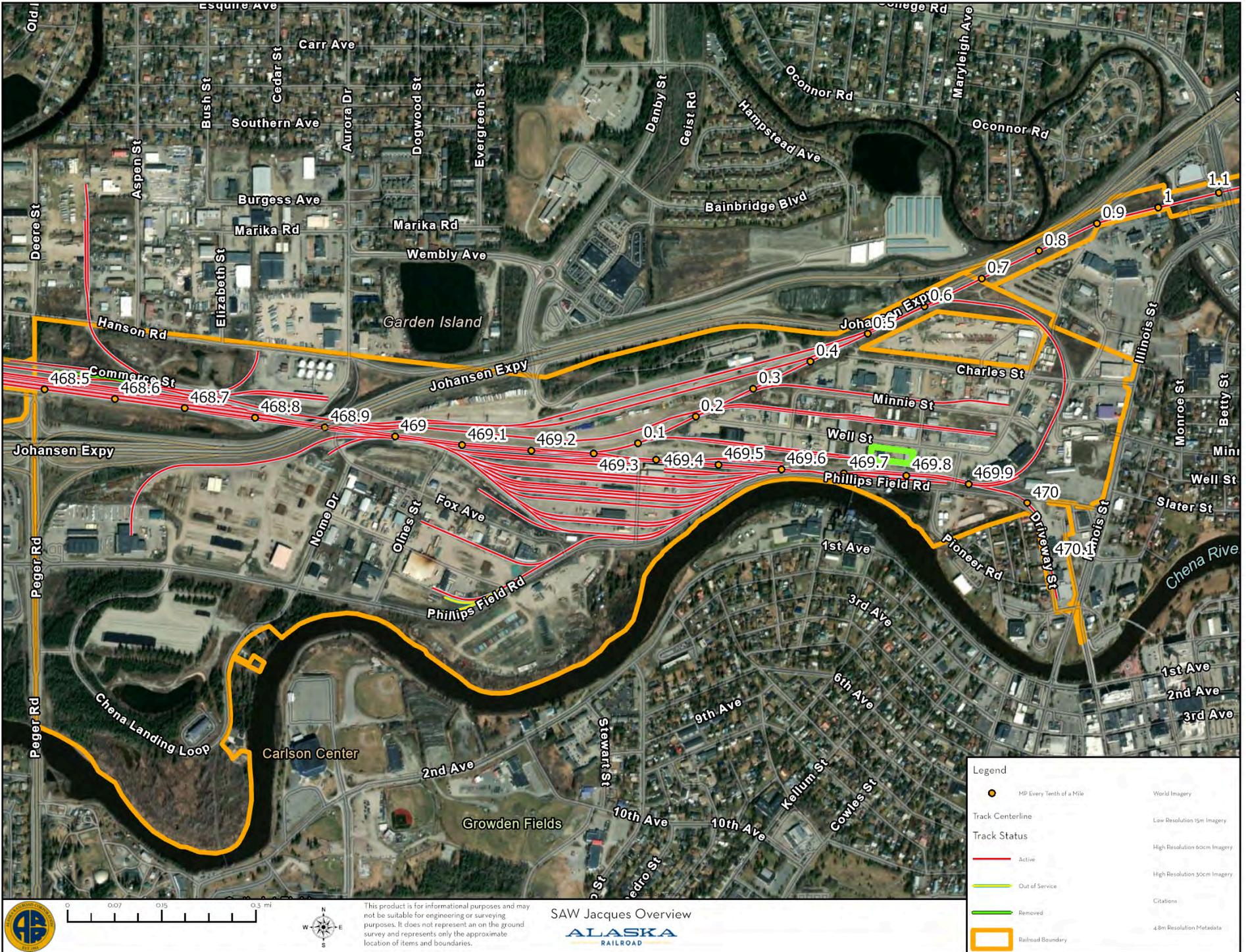
1. The Lots and Blocks shown on this drawing are based on the Alaska Railroad unrecorded plat titled "Fairbanks Terminal Reserve Leasing Areas and Yard", having file number 3542, Sheets 1 of 3 and 2 of 3, dated Feb 23, 1961.
2. Together with Legal Description as Schedule 1 attached to and made apart of.

EXHIBIT A | ARRC CONTRACT NO. 21273  
 COMMERCIAL LEASE - SAW Jacques, LLC  
 Area = 36,000 sq ft | Option Area = 6,000 sq ft  
 LOCATED WITHIN:  
 SW1/4 Sec. 3, & NW1/4 Sec. 10, T. 1 S., R. 1 W., F.M.

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

FAIRBANKS RECORDING DISTRICT	SHEET 01 OF 01
DRAWN: JSR	CHECKED: DCA
DATE: 2/13/2026	

DRAWING: 21273-L.dwg



**LEASE SUMMARY**

LESSEE: Usibelli Coal Mine, Inc.

CONTRACT NO: 21270

**LEASE DESCRIPTION:** Lease of three parcels of land located within Sections 5, 6, 7, and 8, Township 12 South, Range 7 West, Fairbanks Meridian, forming a combined total of approximately 468.9 acres.

**KEY CONTRACT PROVISIONS:**

Estimated Effective Date: January 1, 2026

Base Annual Rent: \$20,020.00 (based on 2025 appraised value)

Expiration Date: December 31, 2060

Prior Annual Rent: \$17,290.00 annually

Lease Term: Thirty-five (35) Years

Rent Rate: 8%

Option to Extend: N/A

Lease Area: 468.9 acres, more or less

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.

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PUBLIC NOTICE: Yes, public comment will expire March 20, 2026.

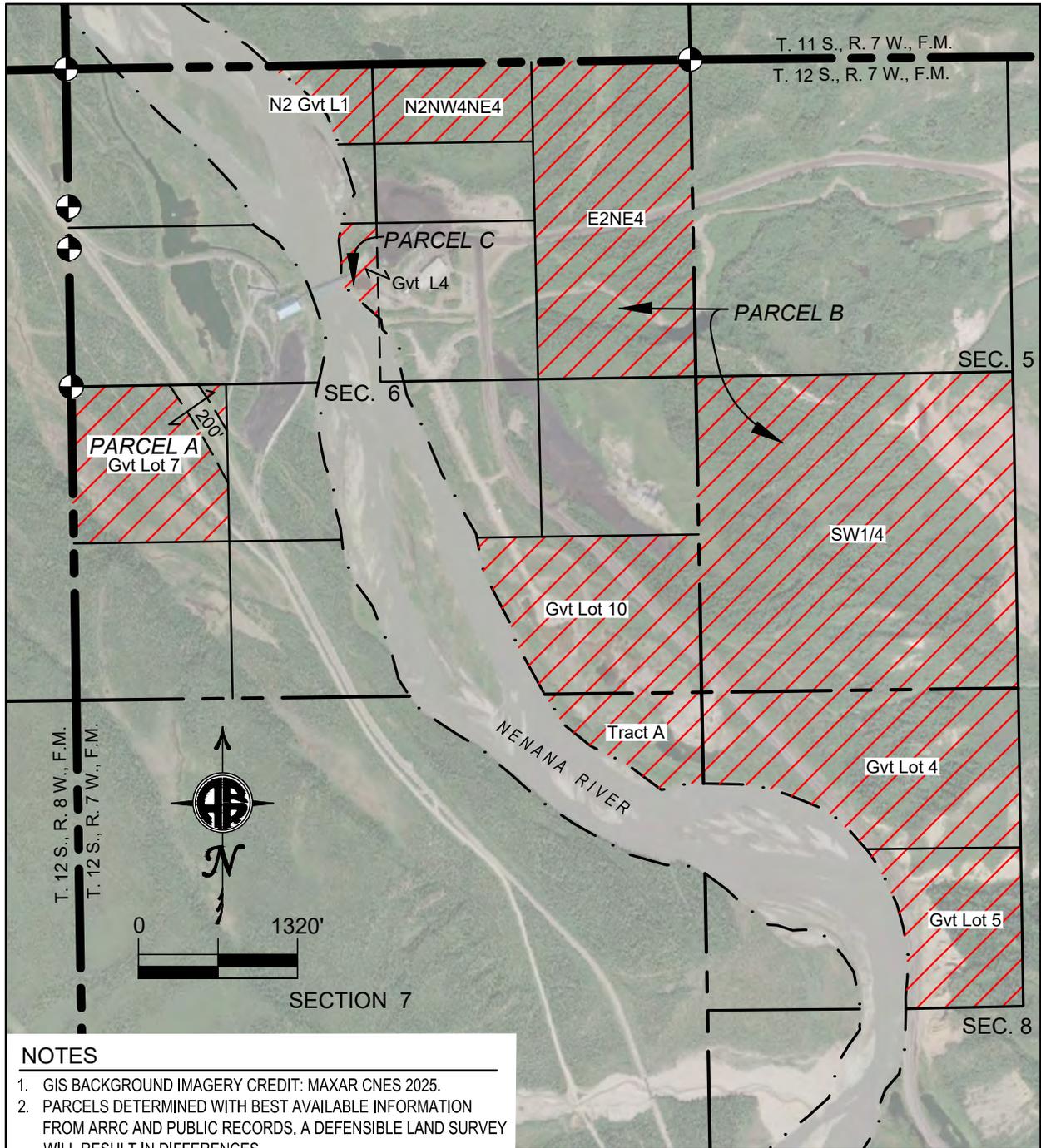
LEGAL REVIEW: Yes

INTENDED USE: Coal handling, transportation and other activities consistent with Lessee's business; provided, however, that no extraction of coal shall be allowed on the leased premises.

SUMMARY AND RECOMMENDATIONS: Lessee currently leases the property under a ground lease for a term of thirty-five (35) years. The current lease expired December 31, 2025, but remains in place in holdover status. Lessee is requesting a new thirty-five (35)-year ground lease. Approval is recommended.

APPROVED: \_\_\_\_\_  
Jennifer Mergens  
ARRC Board Secretary

Board Meeting Date: \_\_\_\_\_



- NOTES**
1. GIS BACKGROUND IMAGERY CREDIT: MAXAR CNES 2025.
  2. PARCELS DETERMINED WITH BEST AVAILABLE INFORMATION FROM ARRC AND PUBLIC RECORDS. A DEFENSIBLE LAND SURVEY WILL RESULT IN DIFFERENCES.
  3. SCHEDULE 1 ATTACHED HERETO AND MADE APART OF.

**LEGEND**

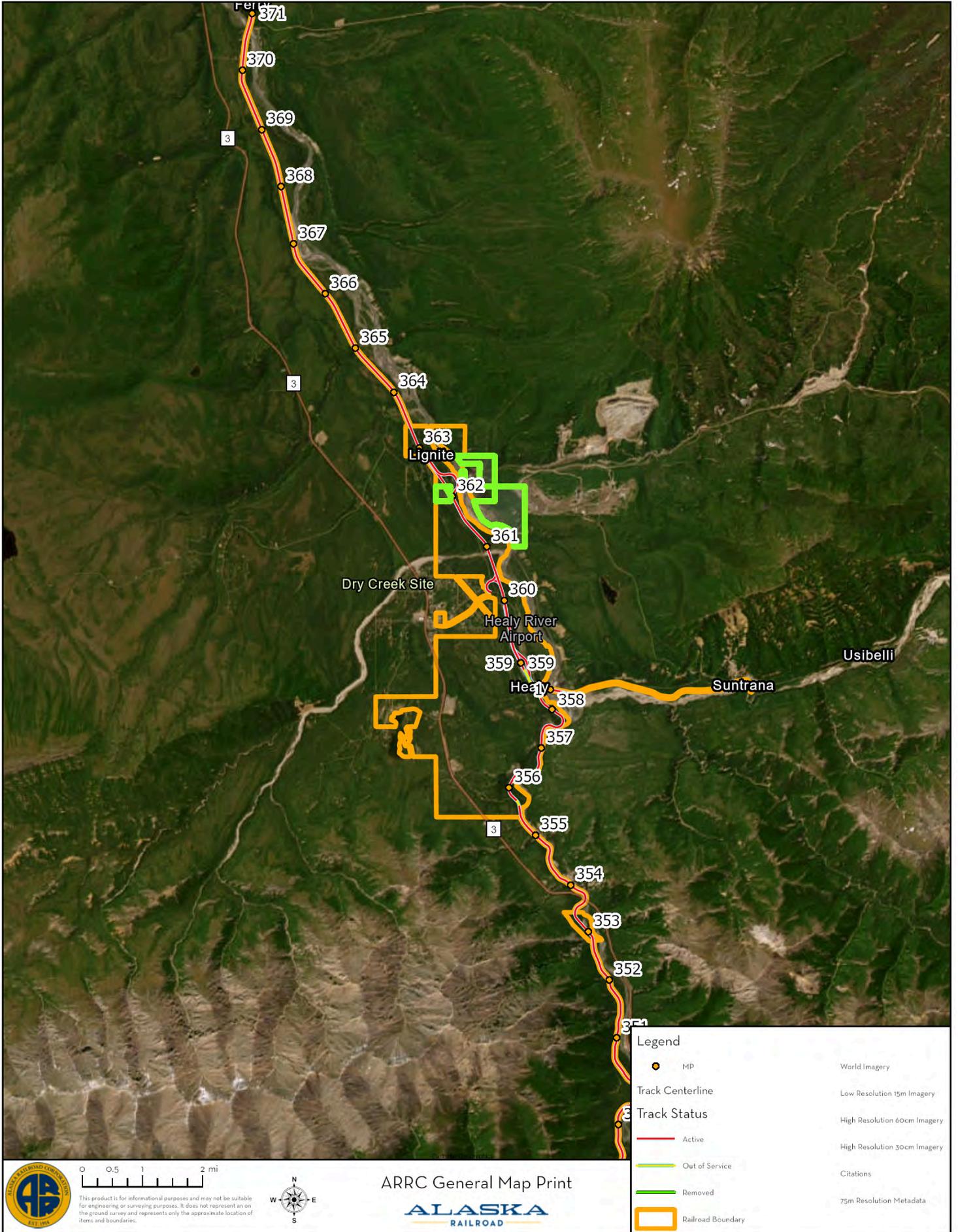
	SURVEYED GLO/BLM MON.
	LEASE 21270 PARCEL AREAS
	SECTION LINE
	TOWNSHIP LINE
	OTHER PARCEL LINE

EXHIBIT A | ARRC CONTRACT NO. 21270  
 GROUND LEASE - Usibelli Coal Mine, Inc.  
 TOTAL AREA = 468.9 acres  
 LOCATED WITHIN  
 T. 12 S., R. 7 W., FM;  
 SECTIONS 5, 6, 7, and 8

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

FAIRBANKS RECORDING DISTRICT	SHEET 1 OF 1
DRAWN: JSR	CHECKED: DCA
	2/25/2026

DRAWING NAME: L21270.dwg



**LEASE AMENDMENT SUMMARY**

LESSEE: Pruhs Corporation

CONTRACT NOS: 20551 & 20552

**PROPOSED AMENDED LEASE DESCRIPTION:** Proposed lease amendments involve two lease parcels of land located within the ARRC Anchorage Reserve, situated between Viking Drive and the Ship Creek Pedestrian Trail, located within U.S. Survey 9112, SE 1/4, Secs. 8 & 9, T13N, R3W, S.M. the Alaska Railroad Anchorage Reserve, containing approximately 152,179 square feet in total. (Leased premises for Contract No. 20551 currently contains approximately 68,757 square feet and leased premises for Contract No. 20552 currently contains approximately 80,723 square feet, for a current total area for the two parcels of 149,480 square feet. The proposed amendment would shift the joint boundary of the parcels to the east and add a small amount of additional land to the parcel under Contract No. 20552. The overall effect of the proposed changes will be to increase the size of the Contract No. 20551 premises to 81,261 square feet and to decrease the size of the Contract No. 20552 premises to 70,918 square feet, for a resulting total area of the two parcels of 152,179 square feet.)

**KEY CONTRACT PROVISIONS:**

Estimated Effective Date of Amendment: April 1, 2026

Lease Term: Twenty-four (24) Years remain on the current lease terms. Both leases are scheduled to expire on June 30, 2050. Lease terms will be unaffected by the requested amendments.

Option to Extend: N/A

Lease Area Following Amendment: 81,261 (L20551) and 70,918 (L20552) square feet, more or less.

Base Annual Rent Following Amendment: L20551 - \$78,010.56  
L20552 \$62,407.84 (based on 2025 appraised value). Total rent: \$140,418.40.

Prior Annual Rent: L20551 - \$66,006.72  
L20552 - \$71,036.24. Total Rent: \$137,042.96

Rental Rate: 8%

Rent Adjustment: Every 5 years from commencement of lease, 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

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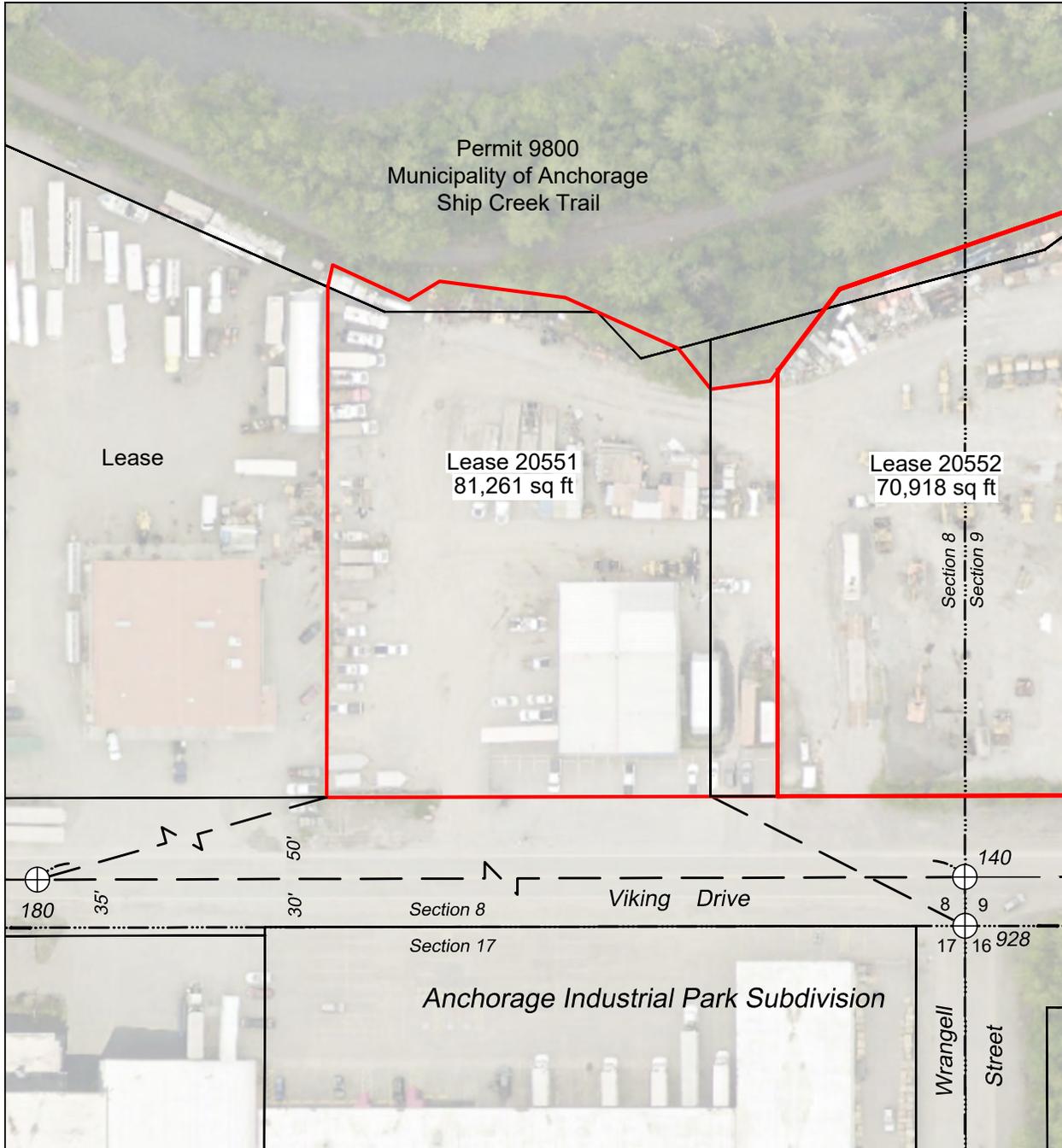
**PUBLIC NOTICE:** Lease areas were previously public noticed in 2020. Requested amendments constitute moving of the line separating the two leaseholds, held by the same entity, plus the addition of a deminimis amount of land (2,699 square feet) to the eastern leasehold.

LEGAL REVIEW: Yes

**INTENDED USE:** Construction activities, including office and yard.

**SUMMARY AND RECOMMENDATIONS:** Lessee leases two adjoining lease parcels in the Anchorage Reserve. Lessee is requesting an adjustment of the respective existing leased premises to relocate the common boundary separating the two leaseholds. Relocating the boundary approximately 41 feet to the east will increase the lease area of Contract No. 20551 and reduce the lease area of Contract 20552, each by approximately 12,500 square feet. This adjustment of the common boundary would align lease boundaries with existing surface improvements and uses. A small amount of additional land also will be added at the northern boundary of the Contract No. 20552 parcel. Approval is recommended.

**APPROVED:** \_\_\_\_\_ **Board Meeting Date:** \_\_\_\_\_  
Jennifer Mergens  
ARRC Board Secretary



Notes:  
 The meridian of this exhibit is based on monuments 140, 180 and 928 of Plat 2009-55.

**Legend**  
 — Revised Lease Area  
 — Existing Lease or Contract

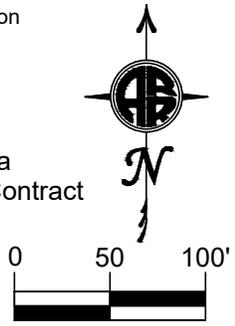
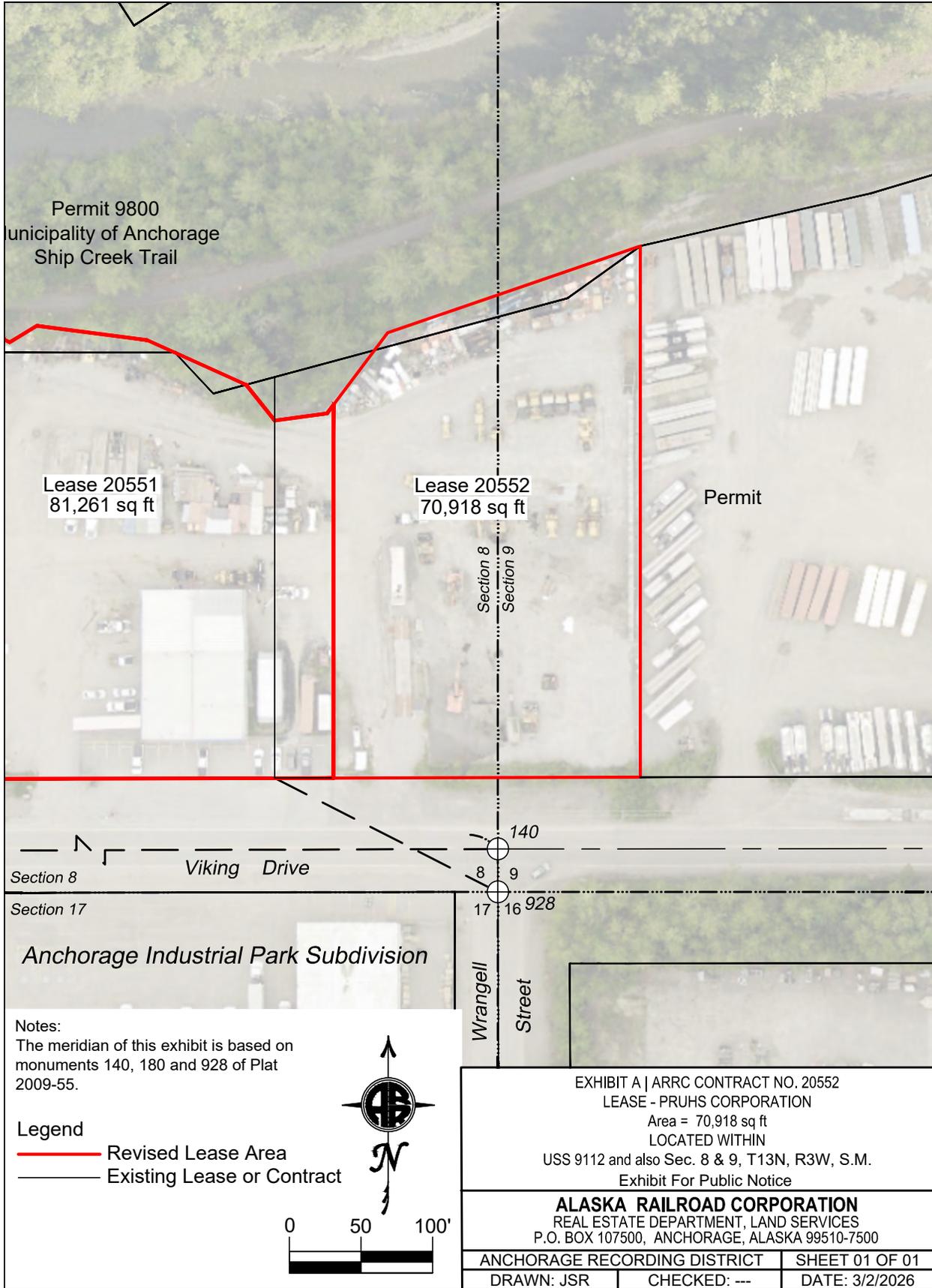


EXHIBIT A | ARRC CONTRACT NO. 20551  
 LEASE - PRUHS CORPORATION  
 Area = 81,261 sq ft  
 LOCATED WITHIN  
 USS 9112 and also Sec. 8, T13N, R3W, S.M.  
 Exhibit For Public Notice

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

ANCHORAGE RECORDING DISTRICT		SHEET 01 OF 01
DRAWN: JSR	CHECKED: ---	DATE: 3/2/2026



Permit 9800  
Municipality of Anchorage  
Ship Creek Trail

Lease 20551  
81,261 sq ft

Lease 20552  
70,918 sq ft

Permit

Section 8  
Section 9

Section 8

Viking Drive

140

8 9  
17 16 928

Section 17

Anchorage Industrial Park Subdivision

Wrangell Street

Notes:  
The meridian of this exhibit is based on monuments 140, 180 and 928 of Plat 2009-55.

Legend  
— Revised Lease Area  
 — Existing Lease or Contract

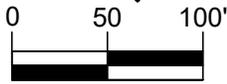


EXHIBIT A | ARRC CONTRACT NO. 20552  
 LEASE - PRUHS CORPORATION  
 Area = 70,918 sq ft  
 LOCATED WITHIN  
 USS 9112 and also Sec. 8 & 9, T13N, R3W, S.M.  
 Exhibit For Public Notice

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

ANCHORAGE RECORDING DISTRICT		SHEET 01 OF 01
DRAWN: JSR	CHECKED: ---	DATE: 3/2/2026

