



July 20, 2021

Fairbanks Area Surface Transportation Planning
Attn: Jackson Fox
100 Cushman Street, Suite 205
Fairbanks, Alaska 99510-7500

Re: Alaska Railroad Corporation (ARRC) Chena Landings Development
Fairbank Area Surface Transportation (FAST) letter dated April 21, 2021

Dear Mr. Fox:

We appreciate your letter dated April 21, 2021 and your participation in the Board of Directors meeting on June 16. As indicated in that meeting, the ARRC Board of Directors is supportive of a trail that enhances ARRC land and accommodates the current Chena Landings development. In an effort to accomplish this mutual objective, the Board of Directors has requested that ARRC President and CEO, Bill O'Leary, along with the ARRC Real Estate Department, explore a trail design and long-term contract agreement that fulfills the federal funding requirement for this project and accomplishes highest and best use of ARRC's Chena Landings property.

The proposed new agreement would include many terms and conditions similar to the existing Permit No. 9837, the contract which will be replaced with the new agreement, as well as provisions designed to accommodate the use of available project funding. In addition to addressing indemnification of ARRC (required by AS 42.40.420) and permanent ownership transfer of the pedestrian bridge, the new agreement should include a project completion date within five years to ensure a timely completion of this project for all stakeholders.

Although the specific details of the trail design and contract terms will need to be agreed to, we did want to respond to the three numbered questions included in your letter.

- 1) ARRC supports the suggested improvements and upgrades to the existing trail and is agreeable to the City of Fairbanks coordinating the maintenance of the current trail in conjunction with the agreement for the new trail. In addition to maintenance, the new agreement would include the permanent ownership of the pedestrian bridge, consistent with the existing permit agreement.
- 2) The ARRC Board of Directors is supportive of a trail within Chena Landings Subdivision that serves the community and accomplishes the land development objectives of ARRC. Consideration for the trail improvement would need to reflect an agreed value that ARRC would have received in light of expected property development without the impact of the trail improvement.
- 3) ARRC's preference would be for a long-term agreement that achieves the requirement for federal funding with a one-time lump sum rent payment that ensures ARRC will receive adequate financial consideration to offset the reduced value of river front property caused by the trail project.



The ARRC Board appreciates the time and hard work that has gone into design of this trail project. We hope and believe that a mutual agreement can be achieved that accommodates both a trail and continuation of the development of Chena Landings Subdivision, which will continue to provide economic benefits for Fairbanks and its citizens. If I can provide any assistance as the design and agreement are finalized, please feel free to contact me.

Sincerely,

A handwritten signature in black ink that reads "Judy Petry".

Judy Petry, Acting Chair
Board of Directors
Alaska Railroad Corporation