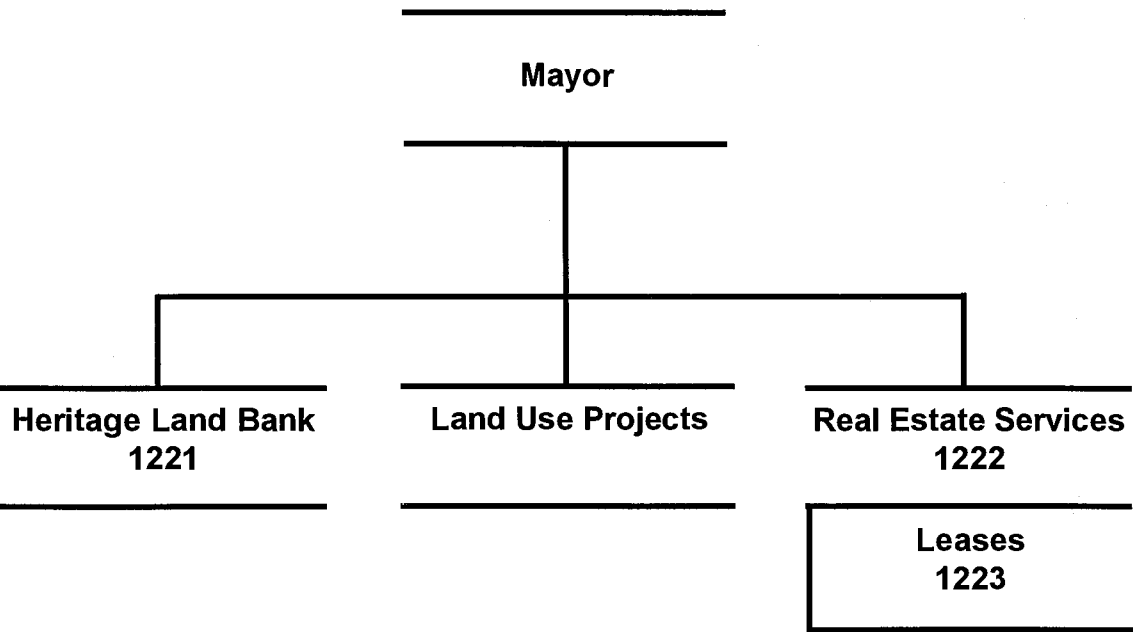


REAL ESTATE

REAL ESTATE



REAL ESTATE

Strategic Framework

Customers Served: We serve the present and future citizens of Anchorage; the Municipality of Anchorage including the Anchorage School District, as well as state and federal agencies that have an interest in municipally owned land in the Municipality of Anchorage.

Mission: To manage all municipal land, both uncommitted and under authority of municipal agencies, by providing real estate services on behalf of the MOA in a manner designed to benefit the present and future citizens of Anchorage, promote orderly development, and achieve the goals of the Comprehensive Plan.

Goal:

- ❑ To continue providing for the community's growth and improvement through sound real estate management, reducing the tax burden to its citizens, and maintaining the Municipality's land inventory and the Heritage Land Bank Fund in a financially responsible manner.

Objectives:

- ❑ Annually process and dispose of foreclosed properties as repayment to the Municipality of Anchorage's tax base for lost revenue by conducting an auction of tax-foreclosed properties
- ❑ Sell a minimum of two uncommitted municipally owned properties that have been determined to be excess to the MOA's needs per year and listed in the annual work program for disposal
- ❑ Safeguarding the HLB Fund through careful land management, investment and land sales

Performance Measures:

Real Estate seeks to provide for the citizens of Anchorage by working with the community to enhance livability and reduce pressure on undeveloped areas. The Heritage Land Bank has an inventory of approximately 8,000 acres in uncommitted land throughout the municipality. Developable parcels in the inventory that are not needed for local government purposes are sold or otherwise used in land transactions as a means to reduce this pressure on the few remaining undeveloped areas in Anchorage. These transactions also insure that the Heritage Land Bank remains a self-funded department and does not add to the tax burden to Anchorage citizens.

Through the Real Estate Services division, citizens' taxes are further decreased by recovering lost revenue from its tax base (property taxes) by ensuring that all property owners do not have to pay more than their share as a means of covering for those who refuse to pay. Also, actively managing accounts that are undergoing foreclosure and regular notification to delinquent payers will maximize the number of properties that do pay before any must be foreclosed upon.

Those properties that have been foreclosed and to which the MOA has received tax deeds will be sold at auction. A specific goal of the Real Estate Services Division is to sell all foreclosed properties that do not present a hazard to potential buyers.

An important tool for coordinating activities in managing the land and funds of the Heritage Land Bank is an annual work program. The HLB drafts the program every year as a means to coordinate the use and disposal of HLB properties in an orderly manner, by coordinating the development of lands and public facilities, and the creation of parks and open spaces throughout the Municipality of Anchorage. The work program also serves as a guide for the appropriate use of the HLB Fund.

Measures:

- ☐ Sales/disposals of land listed in the annual work program
- ☐ Annual return on HLB fund from investing activities

Services Provided:

Core Services:

- ☐ Implement the Anchorage Comprehensive Plan by facilitating the acquisition, exchange, preservation, development and disposal of land throughout the municipality.
- ☐ Manage leases held by the municipal government for MOA offices, warehouses and facilities via the Leases Section within Real Estate Services.
- ☐ Oversee transfer of State of Alaska land to the MOA and into HLB inventory under the Municipal Entitlements program.
- ☐ Maintain an updated listing of HLB inventory and management authority lists of municipal properties.

Direct Services Provided:

- ☐ Provide information and customer service to the public, service organizations and government agencies regarding municipal real estate.
- ☐ Annual Work Program.
- ☐ Disposal of properties via sealed bid sale.

Performance Measures Dictionary

Department: Real Estate

Measure Title: Sales/disposals of land listed in the annual work program.

Type: Effectiveness.

Goal Supported: To insure that a minimum of two parcels considered excess to municipal needs are disposed from the Heritage Land Bank inventory per year, with the intent of providing for the growth of the Anchorage economy and supporting the HLB Fund revenue.

Definition: Disposal of property from HLB inventory can be accomplished through a variety of means: sealed bid sales at minimum Fair Market Value (FMV), sales at less than FMV to non-profit organizations via sole source sale agreement, or land exchanges.

Method: Properties under consideration for disposal are listed in the annual HLB Work Program, which is approved by the Municipal Assembly. Properties are deemed excess to municipal needs through an agency review process before a recommendation for disposal is made by the Heritage Land Bank Advisory Commission. A public hearing is required, with the subject property posted as notification. Following recommendation for disposal, the Municipal Assembly must approve specific property disposals, also through a public hearing process.

Frequency: Sales are conducted annually, usually in late summer.

Measured by: The Real Estate Director compares sales activities with the annual HLB Work Program.

Reporting: Reports of sales and other property disposals are included in the following year's HLB Work Program and reported as they occur to the HLB Advisory Commission at its public meetings.

Used by: The Director will assess the process and progress of land disposals for effectiveness and benefit to the community and to the MOA.

Department: Real Estate

Measure Title: Annual return of HLB fund from investing activities

Type: Effectiveness

Goal Supported: Sound real estate management of municipally-owned property provides for the community's continued growth and improvements while preserving the fund. A central goal is to provide careful, financially responsible management of the

**ANCHORAGE:
INVESTING FOR RESULTS!**

HLB Fund to make the best available financial decisions for its use and through investment of the fund. These steps will help realize the HLB's goal to preserve the fund for future use and benefit to the community and to the MOA.

Definition: The HLB Fund is a discreet fund within the MOA financial system that supports the Heritage Land Bank's capital, operating and savings account functions. As a self-supported municipal department, it is imperative for the HLB that its fund is carefully managed and preserved for both immediate needs and long-term goals.

Method: A number of investment options are available to the Heritage Land Bank through the MOA as a government entity. Bonds and other government-issued investment opportunities are available, such as Treasury bills and FNMA (Fannie Mae) investments. In 2001, \$1,000,000 of the fund was placed into a two-year Freddie Mac account, earning \$47,500 per year for the HLB Fund. For 2002, the HLB Director will examine ways to invest more of the cash balance (currently at 2.5 million dollars) into long-term, higher interest rate programs. Consideration will be given for cash pools to cover operating and capital program costs.

Frequency: Quarterly review of the HLB Fund.

Measured by: The Director will review this information with Financial Information Systems Department personnel and track the progress of current and potential investment options.

Reporting: The investment portfolio will be included in the General Ledger Balance Sheet, with detailed information available from the Treasury Department's administrative personnel.

Used by: The Director will oversee investment progress as a management tool in determining long-term goals of Real Estate.

2002 Resource Plan

Department: Real Estate

Division	Financial Summary		Personnel Summary							
	2001	2002	2001 Revised				2002 Proposed			
	Revised	Proposed	FT	PT	Temp	Total	FT	PT	Temp	Total
Real Estate Services	250,880	4,599,520	2			2	2			2
Heritage Land Bank	677,412	486,240	4	1		5	4	1		5
Operating Cost	928,292	5,085,760	6	1	0	7	6	1	0	7
Add Debt Service	0	0								
Direct Organization Cost	928,292	5,085,760								
Charges From/(To) Others	168,400	(3,963,610)								
Function Cost	1,096,692	1,122,150								
Less Program Revenues	(713,940)	(822,120)								
Net Program Cost	382,752	300,030								

2002 Resource Costs by Category

Division	Personal Services	Supplies	Other Services	Capital Outlay	Total Direct Cost
Real Estate Services	139,130	550	4,459,840		4,599,520
Heritage Land Bank	343,510	3,200	131,730	7,800	486,240
Operating Cost	482,640	3,750	4,591,570	7,800	5,085,760
Less Vacancy Factor					0
Add Debt Service					0
Total Direct Organization Cost	482,640	3,750	4,591,570	7,800	5,085,760

RECONCILIATION FROM 2001 REVISED BUDGET TO 2002 PROPOSED BUDGET
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DEPARTMENT: REAL ESTATE

	<u>DIRECT COSTS</u>	<u>POSITIONS</u>		
		<u>FT</u>	<u>PT</u>	<u>T</u>
2001 REVISED BUDGET:	\$ 928,290	6	1	
2001 ONE-TIME REQUIREMENTS:				
- Transfer to HLB Capital Fund	(182,380)			
CHANGES FOR CONTINUATION OF EXISTING PROGRAMS IN 2002:				
- Salaries and benefits adjustment for continuing employees	25,130			
- Non-rep wage increase	7,650			
TRANSFERS (TO)/FROM OTHER AGENCIES:				
- From Facility Mgmt: Leases	4,485,030			
- From Finance: Foreclosure costs	51,800			
MISCELLANEOUS INCREASES (DECREASES):				
- Insurance	680			
- Leases: City Hall, Permit Ctr, Downtown Fire Station Land lease, and other leases	(211,220)			
2002 PROGRAMMATIC BUDGET CHANGES:				
- Reduce funds for remediation of contaminated properties	(19,220)			
2002 PROPOSED BUDGET:	<u>\$ 5,085,760</u>	<u>6</u>	<u>1</u>	<u>0</u>

REAL ESTATE HERITAGE LAND BANK DIVISION

Strategic Framework

Customers Served: The present and future citizens of Anchorage, municipal agencies including the Anchorage School District, plus state and federal agencies that may have an interest in land use within the Municipality of Anchorage as a means of providing for the city's coordinated growth.

Purpose: The Heritage Land Bank was created in 1983 to provide land for a wide variety of public purposes, including parkland, open space, municipal facilities and school sites. Associated purposes are: to provide land not needed for public purposes to the private sector for development of residential, commercial and industrial activities as the city grows; inform the public regarding proposed uses of Heritage Land Bank property, and to steward the inventory of HLB property and the HLB Fund.

Goal:

- ❑ To provide land for public purposes through sale, exchange or lease to public and private organizations and citizens as a means of providing for the economic and population growth in Anchorage.

Objectives:

- ❑ Draft an HLB 2002 Work Program, outlining activities and functions of HLB and specifying particular properties for disposal via sale or exchange where at least two of the specified properties are disposed as part of the annual work program.
- ❑ Maintain a current inventory of HLB properties to determine their potential use for the benefit of Anchorage citizens, and manage the HLB Fund for these same ends.

Performance Measures:

In order to provide current information to other municipal agencies, organizations and for the public, the HLB will create an updated inventory listing of its holdings in 2002. It will also provide and promote better community input in the HLB land management process for the use, disposition and general management of HLB land and the HLB Fund. Through these measures, the HLB helps preserve neighborhood integrity, provide for additional amenities such as parks in growing areas of the city, and to provide areas for commercial growth that will provide direct benefit to our citizens.

Performance measures of the Heritage Land Bank department are greatly influenced by a number of factors. Economic factors that directly affect the HLB are market conditions and the overall strength or weakness of the local economy. Public and government processes also influence the outcome of land transactions, as the disposal of any land in the HLB inventory must first be recommended by the HLB Advisory Commission in a

public hearing, and then approved by the Municipal Assembly also by public hearing process.

Administrative influences can also affect the completion of work measures, as the need often arises to provide land management services for unanticipated projects. For example, in 1999 the Heritage Land Bank provided \$1,139,700 from the HLB Fund to purchase the Eagle River Town Commons, and in 2000, the Heritage Land Bank donated \$1,488,000 from the HLB Fund to assist in the purchase of the Cuddy Family Mid-Town Park. Neither of these major undertakings was anticipated by our 1999 or 2000 work programs.

To provide for the HLB Fund and to reduce the HLB inventory of lands deemed excess to municipal needs, the Heritage Land Bank has set a goal, subject to market conditions, to sell a minimum of two properties from its disposal list on the 2002 HLB Work Program. In 2001, two properties are scheduled for sale: a 7.02-acre parcel located in Anchorage at Reeve Boulevard and Commercial Drive (appraised at \$1.3 million), and a 5.6-acre lot in Girdwood (appraised at \$175,000). Anticipated revenue from the sale of these two properties is estimated at \$1,475,000.

Revenues from land sales help restore the HLB Fund balance for other municipal needs and assure the HLB's continued role in municipal land management. Without property sales, the fund would be depleted to an unusable level and would not be able to assist other MOA departments in their land use needs. Therefore, carefully planned land disposals are considered essential to the HLB and to the Municipality of Anchorage as a whole.

Measures:

- ☐ Create updated inventory of HLB property every three years.
- ☐ Number of properties disposed of as part of the annual work program.

Services Provided:

Core services supported:

- ☐ Carefully manage HLB inventory and the HLB Fund to ensure continuation of this program in order to provide land for planned growth and improved facilities as Anchorage grows.
- ☐ Transfer uncommitted municipal land to other municipal agencies for public purposes on an as-needed basis for parks, facilities and other functions.

Direct services provided:

- ☐ Conduct sales of HLB inventory determined through agency reviews to be excess to municipal needs.
- ☐ Provide information to private and MOA requests for Heritage Land Bank resources and provide office-public contact for basic customer service needs.
- ☐ Assist the Mayor and MOA with land use projects involving HLB and other properties.

Performance Measures Dictionary

Department: Real Estate

Measure Title: Create updated inventory of HLB property every third year.

Type: Efficiency.

Goal Supported: Maintaining reasonably current publication of the HLB Inventory as a means to insure our ability to provide land for public purposes as well as to public and private organizations through sale, exchange or lease, and provide new areas of economic and population throughout the municipality.

Definition: The Heritage Land Bank inventory book is a publication that provides basic information on each parcel under management authority of the HLB. Maps are included, noting size, zoning, accessibility, and other data for each parcel. Changes to the inventory occur over time, and per the Heritage Land Bank Policies adopted by the Anchorage Assembly in 1997, the inventory is to be updated "not less than once every three years." It is a publication that is made available to the public either through purchase or to review. However, changes gradually occur over time, and revised editions are necessary.

The next revision is scheduled for 2002, and is anticipated to incorporate color maps, photos and an index of all Heritage Land Bank properties. The HLB plans on hiring a university intern to assist HLB staff in the compilation of graphics and data for the publication.

Method: HLB Land Management Officers will compile current, comprehensive data on all property held in the HLB inventory. Maps will be included, prepared in-house with the assistance of a hired intern and through the Planning Department, identifying parcel size and location. A spreadsheet containing key data on each parcel will also be included, divided by region.

Frequency: Due to the size of this project, this measurement is normally performed every three years. A revision is scheduled for 2002.

Measured by: The Director will review compilation of this data with staff to insure that all pertinent data and statistics on each parcel is included. Following its completion, the HLB Advisory Commission will review the material and approve its publication.

Reporting: The Director will provide monthly progress reports to the HLB Advisory Commission and track its completion in book form before the end of 2002.

Used by: The resulting HLB inventory book will be available for sale to the public, to all other municipal agencies, and any organizations interested in a comprehensive understanding of the size and nature of the Heritage Land Bank inventory.

Department:	Real Estate
Measure Title:	Number of properties disposed of as part of the annual work program.
Type:	Effectiveness.

Goal Supported: To provide land to the Municipality of Anchorage and the citizens of Anchorage as a means for adding services and amenities to the community.

Definition: The HLB inventory primarily consists of uncommitted property throughout the Municipality of Anchorage, both developable and undevelopable. Developable property can be used in a large number of ways to add community services and amenities such as libraries, ballfields, wastewater treatment plants, and schools, to name a few. Undevelopable property can be used in the community for parks, greenbelt buffers and undeveloped wetlands for local wildlife.

Method: Parcels can be requested by other municipal agencies or by the Mayor for specific municipal uses. The process requires a public meeting of the HLB Advisory Commission so that local citizens can express their opinions. If the recommendation for a parcel's specific use is approved by the commission, the request goes to the Assembly for public hearing and approval. Once the parcel's designation is approved by the Assembly, management authority for the subject parcel is transferred from the HLB to the requesting agency. The parcel is then removed from the HLB inventory.

Frequency: On an as-needed basis, and as directed through the annual HLB Work Program.

Measured by: The Director against the HLB Work Program and Municipal Code.

Reporting: The Director and staff maintain permanent records of land transactions and designations and are reported annually in the HLB Work Program.

Used by: The Director will oversee transfers and utilization of uncommitted lands as a management tool for Real Estate.

2002 P R O G R A M P L A N

DEPARTMENT: REAL ESTATE
PROGRAM: Heritage Land Bank

DIVISION: HERITAGE LAND BANK

PURPOSE:

To manage uncommitted Municipal land and the Heritage Land Bank Fund in a manner designed to benefit the present and future citizens of Anchorage, promote orderly development, and achieve the goals of the Comprehensive Plan (AMC 25.40.010).

2001 PERFORMANCES:

See Strategic Framework

2002 PERFORMANCE OBJECTIVES:

See Strategic Framework

RESOURCES:

	2000 REVISED			2001 REVISED			2002 BUDGET		
	FT	PT	T	FT	PT	T	FT	PT	T
PERSONNEL:	4	1	0	4	1	0	4	1	0
PERSONAL SERVICES	\$	308,600		\$	322,390		\$	343,510	
SUPPLIES		3,200			3,200			3,200	
OTHER SERVICES		185,030			169,440			131,730	
CAPITAL OUTLAY		8,180			0			7,800	
TOTAL DIRECT COST:	\$	505,010		\$	495,030		\$	486,240	
PROGRAM REVENUES:	\$	646,300		\$	638,730		\$	716,010	

WORK MEASURES:

See Strategic Framework

18 SERVICE LEVELS ARE FUNDED FOR THE DEPARTMENT. THIS PROGRAM HAS LEVELS:
1, 3, 4, 7, 8

REAL ESTATE - REAL ESTATE SERVICES DIVISION

Strategic Framework

Customers served: The public, Municipality of Anchorage departments, and state and federal agencies.

Mission: To facilitate economic development through sound real estate activities, serve the public and all levels of government by providing real estate services on behalf of Anchorage citizens through reclaiming lost tax revenue, responsible property and lease management, and conduct the sale of tax-foreclosed properties to repay the MOA tax base.

Goals:

- Reduce foreclosures and recover revenue from tax-foreclosed real property through sale by sealed bid auction and to return foreclosed properties to tax-producing status.

Objectives:

- To minimize the number of properties that must eventually go for sale due to non-payment of taxes and for delinquent BID (Business Improvement District) assessments.
- To maximize the number of payments on properties in tax foreclosure through responsive administration and regular notification to delinquent taxpayers.

Performance measures:

Real Estate Services assists all taxpayers by regaining lost revenue from unpaid taxes. This is primarily accomplished by enforcing the Alaska Statutes regarding property tax payments (AS Sec. 29.45.320-340), which is required annually. In 2002 (as it has in 2001), the Real Estate Services division will conduct three mass mail-outs of foreclosure notices to delinquent real property owners -two mandatory and an additional courtesy notification- as a means to maximize the number of anticipated payments by delinquent property owners. This mandated foreclosure process recovers an average revenue of delinquent taxes and BID assessments of approximately \$4,000,000 per year.

In 1999 there were four separate auctions, resulting in the sale of fourteen properties. Through regular notification to delinquent taxpayers and management of delinquent properties, the number of parcels that actually went to auction in 2000 was reduced to four properties. We anticipate that due to this notification process, the 2001 auction, slated for November, will also result in less than ten properties having to be sold.

The number of properties deeded to the MOA is generally influenced by local economic factors. We anticipate that through regular notification process and provided there is no significant change in health of the local economy, 2002 will bring in approximately the same numbers of delinquent payments and properties sold at auction as are estimated

for 2001. Should the economy lose strength over the next year, it is likely that more delinquent properties will go into foreclosure. However, the sale of such properties presents the opportunity for the MOA to recover lost revenue, decrease the overall tax burden to the general home-owning and tax-paying citizenry, and ultimately provide a true return on the MOA's investment of time and labor in recovering these revenues.

Measures:

- ❑ Sell 90% of available, uncontaminated foreclosed properties via sealed bid auction
- ❑ % of property tax recovered annually from delinquent accounts

Services Provided:

Core services supported:

- ❑ To replace lost revenue to the MOA tax base, those properties that are not redeemed and upon which the Municipality of Anchorage takes tax deed are then sold at auction. Recovery of lost revenue is essential to the Municipality of Anchorage in ensuring that all property owners pay their fair share for government support, for it recovers money essential for the functioning of local government, thereby bringing services to the community at large.
- ❑ Real Estate Services will minimize the number of properties that must go to auction by maximizing the number of redeemed properties through the above-described notification process.

Direct services provided:

- ❑ Assist the public and municipal agencies with information regarding municipally-owned properties.
- ❑ Reduce the possibility of increased taxes to cover for any shortfall through inequitable property tax payments by property owners. This is accomplished by regular, aggressive management of delinquent accounts held by property owners.

Performance Measures Dictionary

Department: Real Estate

Division: Real Estate Services

Measure Title: Sell 90% of available, uncontaminated foreclosed properties via sealed bid auction.

Type: Effectiveness.

Goal Supported: This is the second of a two-pronged method for recovering taxes owed the Municipality of Anchorage: selling foreclosed properties recovers lost tax revenue. All foreclosed property that is considered inhabitable, developable or is otherwise not contaminated is put up for auction. However, some foreclosed properties

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do not sell due to other circumstances, such as lack of access. It is therefore a goal of this division to sell at least 90% of all uncontaminated foreclosed parcels in order to recoup lost tax revenue and to return these properties to the private sector and back onto the tax rolls. This has an overall impact on the effectiveness of municipal government by providing it with needed support.

An associated goal of Real Estate Services is to insure that the overall tax burden of the community is equally shared. Unequally supported taxation results in having those who do pay their taxes paying more than their fair share in order to compensate for the lost revenue.

Definition: Properties that have been foreclosed upon for nonpayment of taxes are deeded to the Municipality of Anchorage. As MOA property, they no longer provide tax support, and are often of no viable use to any municipal agencies.

Method: Properties are foreclosed upon after a year in foreclosure. During the foreclosure period, the property owner is considered delinquent and still has deed to the property. After the property has been foreclosed, it is tax-deeded to the municipality and the owner of record is now the Municipality of Anchorage. State statute AS Sec. 29.45.320-340 requires this process. In order to recover lost tax revenues from foreclosed properties, they are sold at auction via sealed bid process. An auction of foreclosed properties must first be approved by the Assembly. Public notice of sale is advertised and bids are submitted by a specified date. Minimum bids cover only the lost tax revenue, penalties and administrative fees required for processing and selling foreclosed properties. Through this process, the highest bidder of each foreclosed property sold at auction pays the lost taxes and accrued costs. Once the property title is cleared and goes to the new owner, it returns to the municipal tax rolls to generate taxes again.

Frequency: Provided a foreclosed properties sale receives Assembly approval and economic conditions warrant it, auctions are held annually.

Measured by: The Real Estate Services Manager oversees the auction process. A goal of the RES Manager is to reduce the number of properties that actually go to auction by aggressively managing the list of foreclosures and having the delinquent taxpayers redeem their properties before they must go to auction. Management success is largely dictated by the strength or weakness of the local economy.

Reporting: The Real Estate Services Manager provides an auction report to the Anchorage Assembly.

Used by: The Real Estate Services Manager will use this information to assess the MOA's success in recovering its lost revenue, contributing to the overall support of municipal government.

Department:	Real Estate
Division:	Real Estate Services
Measure Title:	% of property tax recovered annually from delinquent accounts

Type: Effectiveness.

Goal Supported: To recover owed property taxes from delinquent property owners before foreclosure. A secondary goal of this division is to maximize the number of payments before delinquent properties go into foreclosure.

Definition: This is the first of a two-pronged method for recovering taxes owed to the Municipality of Anchorage. This helps all taxpaying property owners by making sure that all share equally in the responsibility for providing for good local government. If some do not pay their taxes, the responsibility falls unevenly upon those that do. Late payments are closely monitored by the Foreclosure Specialist in Real Estate Services and notifications are regularly made to delinquent taxpayers. Although the desire of this division is to see that all property taxes are paid before the foreclosure process is completed and properties are deeded to the MOA, a small, annually variable percentage of properties become foreclosed.

Method: Real Estate Services sends out three mass mailings to delinquent accounts. This process is enforced under the State of Alaska Statutes (AS Sec. 29.45.320-340), which requires two mail-outs to delinquent taxpayers. A third, courtesy, notice is sent from this office as an additional request for payment of delinquent accounts. In this courtesy notice, delinquent taxpayers are notified that they will pay less in penalties if their taxes are paid before a certain specified date. This third notice has been successful in recovering additional monies owed the MOA, thus maximizing recovery of potentially lost taxes.

Frequency: This is a year-round process that follows a monthly schedule.

Measured by: The Foreclosure Specialist and the Real Estate Services Manager oversee the progress of delinquent account collections with the intention of maximizing payments before properties go through foreclosure. Their success is directly related to then-current local economic factors such as unemployment, inflation and periods of recession.

Reporting: The Real Estate Services staff maintains regular reports of mailings and collection of delinquent tax payments. These are available for review by the Assembly and executive offices.

Used by: The Real Estate Services division uses these reports to determine relative progress in tax recovery from year to year. However, local economic conditions often affect the degree of success in certain years.

REAL ESTATE - REAL ESTATE SERVICES – LEASES

Strategic Framework

Customers served: Public and private businesses acting as Lessors of facilities space for municipal agencies. As a result, this serves the public by providing leased space for local government agencies and programs that also serve the public.

Mission: To negotiate, manage and fund the leasing of office, warehouse and other required spaces for local government agencies in order for them to perform their services on behalf of citizens.

Goals:

- Provide the most cost-effective space management services to general government agencies for municipal office facilities.

Objectives:

- Provide competitively negotiated leases and effectively administer lease contracts for municipal agencies throughout the Municipality of Anchorage.
- Provide office and program spaces, including City Hall, the Weatherization Program, local branch libraries, APD sub-stations, and Eagle River Parks and Recreation spaces.

Performance measures:

The Leases Section of Real Estate Services is a new service of RES, and manages seventeen leases throughout the Municipality of Anchorage. This section of the Heritage Land Bank represents another way the Municipality of Anchorage supports the local private sector: by leasing privately owned office, warehouse and other necessary building spaces for municipal offices and programs.

It is in the interest of the Leases Section to renew leases in a timely manner and at local competitive rates. With the rise in rates on available office in the general Anchorage area, a budget increase is anticipated for 2002. In 2001, the total budget for the seventeen leases currently with the MOA was \$4,430,030. The 2002 budget of \$4,528,746 represents a 2.2% increase (\$98,716), which is well below the rate of increase for general office-warehouse space in the past year.

Leases assist the Municipality of Anchorage in providing government and public services to its citizens. The impact of not providing office and other forms of building space to the various municipal government and public service agencies would mean the displacement and probable areawide closure of such services and facilities to the public, and is therefore a necessary function of local government service.

Measures:

- ❑ Maintain lease rates within 5% of current competitive market rates.
- ❑ Provide building space for 100% of municipal agencies.

Services Provided:

Core service provided:

- ❑ Competitively negotiate leases of office, warehouse and other required building spaces for municipal agencies with local businesses throughout the Municipality of Anchorage.

Direct service provided:

- ❑ Manage properties for government agencies, including library, police sub-stations, recreational facilities, communications, storage, the Weatherization Program, City Hall and Eagle River Town Hall building spaces.

Performance Measures Dictionary

Department: Real Estate

Division: Real Estate Services
Section: Leases

Measure Title: Maintain lease rates within 5% of current competitive market rates.

Type: Effectiveness

Goal Supported: One of two main goals for the Leases Section of the Heritage Land Bank Department is to provide lease space for municipal agencies and programs at competitive rates.

Definition: Leases are paid to private companies for use of office, warehouse and other interior spaces so as to provide services to the community.

Method: The Real Estate Services Manager negotiates lease rates and lease renewals based upon known market rates. This is achieved through maintaining extensive knowledge of market conditions, local economic strength and expertise in real estate and brokering.

Frequency: Leases are created and/or renewed on an as-needed basis, with a goal toward long-term lease periods to maintain constant rates and provide long-term use of leased space.

Measured by: The Real Estate Manager negotiates lease contracts, oversees and manages lease contracts and lease payments in a sometimes volatile lease market.

Reporting: Payments are processed through PeopleSoft query reports, and leases are maintained in specific vendor files.

Used by: The Real Estate Manager tracks the progress of leases management and payments.

Department: Real Estate

Division: Real Estate Services

Section: Leases

Measure Title: Provide building space for all municipal agencies.

Type: Effectiveness

Goal Supported: A main goal of the Leases Section of the Heritage Land Bank is to provide conveniently located sites of sufficient size and features that are best suited for all necessary municipal programs and agencies.

Definition: Needs for building space varies widely between the many municipal services. Some simply need heated warehouse space, while others may need office and other kinds of interior spaces specially suited to particular functions.

Method: A review is made of the requested size and type of space needed along with budget limitations, and commercial listings of available building spaces is cross-matched with those requirements and limitations.

Frequency: Performed on an as-needed basis.

Measured by: The Real Estate Manager compares current commercial rates and listings with the needs of the municipal agency or program and manages the leases program.

Reporting: The Real Estate Division maintains lease reports.

Used by: The Real Estate Manager.

2002 P R O G R A M P L A N

DEPARTMENT: REAL ESTATE
PROGRAM: Real Estate Services

DIVISION: REAL ESTATE SERVICES DIV

PURPOSE:

Acquire, manage and dispose of property rights for gov't. agencies, Anch. School District and AWWU, and provide real estate services on behalf of citizens. Includes property mgmt., processing and disposing of foreclosed properties as repayment to the municipality for its tax base.

2001 PERFORMANCES:

See Strategic Framework

2002 PERFORMANCE OBJECTIVES:

See Strategic Framework

RESOURCES:

	2000 REVISED			2001 REVISED			2002 BUDGET		
	FT	PT	T	FT	PT	T	FT	PT	T
PERSONNEL:	1	0	0	2	0	0	2	0	0
PERSONAL SERVICES	\$	72,040		\$	127,400		\$	139,130	
SUPPLIES		500			500			550	
OTHER SERVICES		20,160			122,980			186,030	
CAPITAL OUTLAY		450			0			0	
TOTAL DIRECT COST:	\$	93,150		\$	250,880		\$	325,710	
PROGRAM REVENUES:	\$	15,210		\$	75,210		\$	106,110	

WORK MEASURES:

See Strategic Framework 0 0 0

18 SERVICE LEVELS ARE FUNDED FOR THE DEPARTMENT. THIS PROGRAM HAS LEVELS:
2, 5

2002 P R O G R A M P L A N

DEPARTMENT: REAL ESTATE
PROGRAM: Space Management

DIVISION: REAL ESTATE SERVICES DIV

PURPOSE:

To negotiate, manage and fund the lease of office, warehouse and other types of space as required by general government agencies. The actual lease general government lease expense and related costs are recorded in this budget unit.

2001 PERFORMANCES:

See Strategic Framework

2002 PERFORMANCE OBJECTIVES:

See Strategic Framework

RESOURCES:

	2000 REVISED			2001 REVISED			2002 BUDGET		
	FT	PT	T	FT	PT	T	FT	PT	T
PERSONNEL:	0	0	0	0	0	0	0	0	0
OTHER SERVICES			4,115,570			4,485,030			4,273,810
TOTAL DIRECT COST:	\$		4,115,570	\$		4,485,030	\$		4,273,810
PROGRAM REVENUES:	\$		21,600	\$		21,600	\$		0

WORK MEASURES:

See Strategic Framework

18 SERVICE LEVELS ARE FUNDED FOR THE DEPARTMENT. THIS PROGRAM HAS LEVELS:
6, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18

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M U N I C I P A L I T Y O F A N C H O R A G E
2002 DEPARTMENT RANKING

DEPT: 07 -REAL ESTATE

DEPT	BUDGET UNIT/ RANK	PROGRAM	SL CODE	SVC LVL
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1 1221-HERITAGE LAND BANK
0792-Heritage Land Bank
SOURCE OF FUNDS, THIS SVC LEVEL:

CB	1	Minimal response to private and Municipal requests for Heritage Land Bank (HLB) resources at this level.
	OF	
	5	Oversee transfer of State land to MOA under the Municipal Entitlements program. Maintain HLB inventory. Provide office-public contact for basic customer service purposes.

PROGRAM REVENUES 523,250

PERSONNEL			PERSONAL		OTHER	DEBT	CAPITAL	
FT	PT	T	SERVICE	SUPPLIES	SERVICES	SERVICE	OUTLAY	TOTAL
3	0	0	224,100	1,750	84,990	0	4,800	315,640

2 1222-REAL ESTATE SERVICES
0793-Real Estate Services
SOURCE OF FUNDS, THIS SVC LEVEL:
TAX SUPPORT

cb	1	To manage, acquire and sell real property owned by the Municipality.
	OF	
	3	Duties require regular updating of management authority for all municipal agencies, title records, contracts and inventory. Provide basic property research data. Basic support to public regarding MOA real estate information and leases. Leases management for MOA agencies.

PROGRAM REVENUES 12,500

1	0	0	79,050	200	53,260	0	0	132,510
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3 1221-HERITAGE LAND BANK
0792-Heritage Land Bank
SOURCE OF FUNDS, THIS SVC LEVEL:

CO	2	Minimal land use projects for Heritage Land Bank (HLB) properties. Oversee appropriation of HLB assets for acquisition and management of real property for Municipal use. Advise on privately initiated requests for purchase or lease of Municipal real property on limited basis. Conduct sales of HLB property as warranted.
	OF	
	5	

PROGRAM REVENUES 18,000

1	0	0	92,030	750	29,950	0	3,000	125,730
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2002 DEPARTMENT RANKING

DEPT: 07 -REAL ESTATE

DEPT RANK	BUDGET UNIT/ PROGRAM	SL CODE	SVC LVL
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4 1221-HERITAGE LAND BANK
0792-Heritage Land Bank
SOURCE OF FUNDS, THIS SVC LEVEL:

CO	3	Funding for personnel, services and
	OF	supplies to support level for
	5	planning, management of HLB inventory.
		The disposal of surplus properties will
		bring increased revenues to both the HLB
		as well as general fund by returning
		lands to tax rolls. Lands needed for
		public purposes will be identified and
		retained for improving quality of life
		for MOA citizens.

PROGRAM REVENUES 10,500

PERSONNEL			PERSONAL	SUPPLIES	OTHER	DEBT	CAPITAL	TOTAL
FT	PT	T	SERVICE					
0	1	0	27,380	400	1,290	0	0	29,070

5 1222-REAL ESTATE SERVICES
0793-Real Estate Services
SOURCE OF FUNDS, THIS SVC LEVEL:
TAX SUPPORT

co	2	Assistance to prepare for tax
	OF	and special assessment properties sale
	3	via auction. Additional assistance is
		provided by HLB office for the public.
		Process foreclosure of properties due to
		nonpayment of necessary tax revenues.
		Conduct foreclosure auctions to recoup
		loss to tax base support of MOA.

PROGRAM REVENUES 93,610

PERSONNEL			PERSONAL	SUPPLIES	OTHER	DEBT	CAPITAL	TOTAL
FT	PT	T	SERVICE					
1	0	0	60,080	350	132,770	0	0	193,200

6 1223-LEASES
0546-Space Management
SOURCE OF FUNDS, THIS SVC LEVEL:
TAX SUPPORT
IGC SUPPORT

CB	1	Provide space management services to
	OF	general government agencies for
	11	city office facilities. This includes
		lease costs for the City Hall Building
		and the Eagle River Town Hall located
		in the Valley River Centre, and includes
		E.R. Parks & Rec. offices.

PERSONNEL			PERSONAL	SUPPLIES	OTHER	DEBT	CAPITAL	TOTAL
FT	PT	T	SERVICE					
0	0	0	0	0	2,317,280	0	0	2,317,280

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M U N I C I P A L I T Y O F A N C H O R A G E
2002 DEPARTMENT RANKING

DEPT: 07 -REAL ESTATE

DEPT BUDGET UNIT/
RANK PROGRAM

SL SVC
CODE LVL

7 1221-HERITAGE LAND BANK
0792-Heritage Land Bank
SOURCE OF FUNDS, THIS SVC LEVEL:

CO 4 To better provide for full office sup-
OF port of HLB activities with public.
5 Includes public hearing support, on-
site inspections (as needed) of HLB land
as requested by public for Municipal
code violations and related services.
Provide more task-based assistance for
requests from public and private sectors
regarding HLB inventory and projects.
Provide office support to HLB projects.

PROGRAM REVENUES 0

PERSONNEL			PERSONAL	SUPPLIES	OTHER	DEBT	CAPITAL	TOTAL
FT	PT	T	SERVICE					
0	0	0	0	300	4,000	0	0	4,300

8 1221-HERITAGE LAND BANK
0792-Heritage Land Bank
SOURCE OF FUNDS, THIS SVC LEVEL:

CO 5 Fund source for HLB operations pertain-
OF ing to land acquisitions, sales and
5 related transactions.
Special assessments coverage for land
transactions. Support for additional,
as-needed land administration necessary
for immediate changes in function.
Provide for additional administrative
and monetary support for projects
pertaining to land management issues.

PROGRAM REVENUES 164,260

PERSONNEL			PERSONAL	SUPPLIES	OTHER	DEBT	CAPITAL	TOTAL
FT	PT	T	SERVICE					
0	0	0	0	0	11,500	0	0	11,500

9 1223-LEASES
0546-Space Management
SOURCE OF FUNDS, THIS SVC LEVEL:
TAX SUPPORT
IGC SUPPORT

CO 2 Provide funding for the lease of
OF 10,200 square feet of space in the
11 Dimond Center Shopping Mall in South
Anchorage for the Samson-Dimond Library.

PERSONNEL			PERSONAL	SUPPLIES	OTHER	DEBT	CAPITAL	TOTAL
FT	PT	T	SERVICE					
0	0	0	0	0	113,840	0	0	113,840

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2002 DEPARTMENT RANKING

DEPT: 07 -REAL ESTATE

DEPT BUDGET UNIT/
RANK PROGRAM

SL SVC
CODE LVL

10 1223-LEASES CO 3 Provide funding for the lease of 8,000
0546-Space Management OF square feet of space in the Boniface
SOURCE OF FUNDS, THIS SVC LEVEL: 11 Shopping Mall for the Muldoon Library.
TAX SUPPORT
IGC SUPPORT

PERSONNEL			PERSONAL		OTHER	DEBT	CAPITAL	
FT	PT	T	SERVICE	SUPPLIES	SERVICES	SERVICE	OUTLAY	TOTAL
0	0	0	0	0	107,570	0	0	107,570

11 1223-LEASES CO 4 Provide funding for lease of 12,000
0546-Space Management OF square feet of space at 12400 Old Glenn
SOURCE OF FUNDS, THIS SVC LEVEL: 11 Highway in Eagle River for the Eagle
River Library.
IGC SUPPORT

PERSONNEL			PERSONAL		OTHER	DEBT	CAPITAL	
FT	PT	T	SERVICE	SUPPLIES	SERVICES	SERVICE	OUTLAY	TOTAL
0	0	0	0	0	188,640	0	0	188,640

12 1223-LEASES CB 5 Provide funding for lease of facilities
0546-Space Management OF for two police substations, one located
SOURCE OF FUNDS, THIS SVC LEVEL: 11 downtown and the other in Fairview, and
TAX SUPPORT for lease of space in the State Court
IGC SUPPORT House for the APD Warrants Section.
There are no lease costs to the
Municipality for the substations at
Spenard, Muldoon and Mountain View.

PERSONNEL			PERSONAL		OTHER	DEBT	CAPITAL	
FT	PT	T	SERVICE	SUPPLIES	SERVICES	SERVICE	OUTLAY	TOTAL
0	0	0	0	0	33,140	0	0	33,140

13 1223-LEASES CO 11 Lease of the Public Works Permit
0546-Space Management OF Development Center located at the
SOURCE OF FUNDS, THIS SVC LEVEL: 11 Tudor Road Complex. This is full year
TAX SUPPORT funding. It is a 25 year lease that
IGC SUPPORT commenced February 2000.

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M U N I C I P A L I T Y O F A N C H O R A G E
2002 DEPARTMENT RANKING

DEPT: 07 -REAL ESTATE

DEPT	BUDGET UNIT/	SL	SVC
RANK	PROGRAM	CODE	LVL

PERSONNEL			PERSONAL		OTHER	DEBT	CAPITAL	
FT	PT	T	SERVICE	SUPPLIES	SERVICES	SERVICE	OUTLAY	TOTAL
0	0	0	0	0	1,055,520	0	0	1,055,520

14	1223-LEASES	CO	6	Provide funding for lease of space for
	0546-Space Management		OF	two communication towers, one located
	SOURCE OF FUNDS, THIS SVC LEVEL:		11	in downtown Anchorage and the other in
	TAX SUPPORT			Knik and for the lease of 5,000 square
	IGC SUPPORT			feet of warehouse space for use by
				Traffic Engineering for storage of
				signalization and radio equipment.

0	0	0	0	0	59,580	0	0	59,580
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15	1223-LEASES	CB	7	Provide funding for lease of 7589 square
	0546-Space Management		OF	feet of space in the 410 L Street
	SOURCE OF FUNDS, THIS SVC LEVEL:		11	Building for the Municipal Prosecutor's
	TAX SUPPORT			Office.
	IGC SUPPORT			

0	0	0	0	0	147,000	0	0	147,000
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16	1223-LEASES	CO	8	Provide funding for lease of 5,074
	0546-Space Management		OF	square feet of warehouse space in the
	SOURCE OF FUNDS, THIS SVC LEVEL:		11	Campbell Creek Business Park for the
				Municipal Weatherization Office.
	IGC SUPPORT			Manage the lease of space for the
				JTPA Program in the Ann Steven Bldg and
				the Women Infant Child Food Program
				located in the Boniface Mall.

0	0	0	0	0	66,000	0	0	66,000
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M U N I C I P A L I T Y O F A N C H O R A G E
2002 DEPARTMENT RANKING

DEPT: 07 -REAL ESTATE

DEPT BUDGET UNIT/
RANK PROGRAM

SL SVC
CODE LVL

17 1223-LEASES CO 9 Provide funding for lease of locations
0546-Space Management OF #109 and 110 on the first level of the
SOURCE OF FUNDS, THIS SVC LEVEL: 11 6th & G Parking Garage for the Bus
TAX SUPPORT Accommodation Center from the Anchorage
IGC SUPPORT Parking Authority. This is
approximately 1,498 square feet.

PERSONNEL			PERSONAL		OTHER	DEBT	CAPITAL	
FT	PT	T	SERVICE	SUPPLIES	SERVICES	SERVICE	OUTLAY	TOTAL
0	0	0	0	0	30,000	0	0	30,000

18 1223-LEASES CO 10 Provide funding for lease of 13,490
0546-Space Management OF square feet of space in the Muldoon
SOURCE OF FUNDS, THIS SVC LEVEL: 11 Mall for the Northeast Community
TAX SUPPORT Center.
IGC SUPPORT

PERSONNEL			PERSONAL		OTHER	DEBT	CAPITAL	
FT	PT	T	SERVICE	SUPPLIES	SERVICES	SERVICE	OUTLAY	TOTAL
0	0	0	0	0	155,240	0	0	155,240

SUBTOTAL OF FUNDED SERVICE LEVELS, REAL ESTATE

PERSONNEL			PERSONAL		OTHER	DEBT	CAPITAL	
FT	PT	T	SERVICE	SUPPLIES	SERVICES	SERVICE	OUTLAY	TOTAL
6	1	0	482,640	3,750	4,591,570	0	7,800	5,085,760

----- DEPARTMENT OF REAL ESTATE

FUNDING LINE -----

5,085,760

19 1222-REAL ESTATE SERVICES 3 3 Additional funds for the remediation of
0793-Real Estate Services OF contaminated properties; \$39,780 still
SOURCE OF FUNDS, THIS SVC LEVEL: 3 remain in 2002 budget.
TAX SUPPORT

PERSONNEL			PERSONAL		OTHER	DEBT	CAPITAL	
FT	PT	T	SERVICE	SUPPLIES	SERVICES	SERVICE	OUTLAY	TOTAL
0	0	0	0	0	19,220	0	0	19,220

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M U N I C I P A L I T Y O F A N C H O R A G E
2002 DEPARTMENT RANKING

DEPT: 07 -REAL ESTATE
DEPT BUDGET UNIT/
RANK PROGRAM

SL SVC
CODE LVL

TOTALS FOR DEPARTMENT OF REAL ESTATE

, FUNDED AND UNFUNDED

PERSONNEL			PERSONAL		OTHER	DEBT	CAPITAL	
FT	PT	T	SERVICE	SUPPLIES	SERVICES	SERVICE	OUTLAY	TOTAL
6	1	0	482,640	3,750	4,610,790	0	7,800	5,104,980