ANCHORAGE, ALASKA
AO No. 2023-79

AN ORDINANCE AUTHORIZING A LEASE BETWEEN THE MUNICIPALITY OF ANCHORAGE (LESSOR) AND HENNING, INC. (LESSEE), A NONPROFIT CORPORATION, FOR PREMISES LOCATED AT 1000 E. 36TH AVENUE FOR ONE YEAR AT LESS THAN FAIR MARKET VALUE (PID 003-241-29).

WHEREAS, the Municipality of Anchorage (MOA) proposes a lease to Henning, Inc. (Henning) for premises located at 1000 E. 36th Avenue, in Anchorage, legally described as Block 4A Central City Subdivision (Plat 76-245) (PID 003-241-29) at less than fair market value on the terms as describe in the assembly memorandum; and

WHEREAS, the premises, formerly known as the Golden Lion Hotel, is owned by the Municipality of Anchorage and has been identified for use as a rooming house; and

WHEREAS, pursuant to AMC 25.30.040B, the MOA may dispose of an interest in land to a non-profit corporation for less than fair market value upon a finding by the Assembly that the use of the land is for a public purpose beneficial to the MOA; and

WHEREAS, Henning, a nonprofit corporation, will operate the premises as a rooming house to provide affordable housing to vulnerable homeless persons within the Municipality; now therefore,

THE ANCHORAGE ASSEMBLY ORDAINS:

Section 1. Pursuant to AMC 25.30.040B, the Assembly finds that granting a lease to Henning, Inc. is for a public purpose beneficial to the MOA.

Section 2. The MOA is authorized to grant a lease to Henning, Inc. for premises located at 1000 E. 36th Avenue, legally described as Block 4A Central City Subdivision (Plat 76-245) (PID 003-241-29)

Section 3. This ordinance shall be effective immediately upon passage and approval by the Assembly.

PASSED AND APPROVED by the Anchorage Assembly this _____ day of ____________, 2023.

____________________
Chair
1  ATTEST:
2
3  
4  Municipal Clerk
5
From: MAYOR

Subject: AN ORDINANCE AUTHORIZING A LEASE BETWEEN THE MUNICIPALITY OF ANCHORAGE (LESSOR) AND HENNING, INC. (LESSEE), A NONPROFIT CORPORATION, FOR PREMISES LOCATED AT 1000 E. 36TH AVENUE FOR ONE YEAR AT LESS THAN FAIR MARKET VALUE (PID 003-241-29).

This Ordinance authorizes a less than fair market value lease between the Municipality of Anchorage (MOA) and Henning, Inc. (Henning) for premises located at 1000 E. 36th Avenue, in Anchorage, legally described as a Block 4A Central City Subdivision (Plat 76-245) (PID 003-241-29).

Pursuant to AMC 25.30.040B, the MOA may dispose of an interest in land to a nonprofit corporation for less than fair market value upon a finding by the Assembly that the use of the land is for a public purpose beneficial to the MOA.

Henning, a nonprofit organization, has a history of successfully managing rooming houses with the MOA that focus heavily on supportive and transitional housing for people who experience homelessness or who are transitioning from homelessness to housing. Henning will operate the premises, formerly known as the Golden Lion Hotel, as a rooming house to provide affordable housing to vulnerable homeless persons within the Municipality. The Administration considers this use to be for a public purpose beneficial to the MOA and the community. Henning meets the criteria for a less than fair market value lease.

The proposed lease term is for one year, with 12 one-month options to extend upon mutual agreement, beginning August 1, 2023, at $1 per year. The tenant will be responsible for insurance, operations, maintenance, utilities, and security.

THE ADMINISTRATION RECOMMENDS APPROVAL.

Prepared by: Real Estate Department/Real Estate Services
Approved by: Tiffany Briggs, Acting Real Estate Director
Concur: Lance Wilber, OECD Executive Director
Concur: Courtney Petersen, OMB Director
Concur: Alden Thern, Acting CFO
Concur: Anne Helzer, Municipal Attorney
Concur: Kent Kohlhase, Municipal Manager
Respectfully submitted: Dave Bronson, Mayor
MUNICIPALITY OF ANCHORAGE
Summary of Economic Effects -- General Government

AO Number: 2023-79  Title: AN ORDINANCE AUTHORIZING A LEASE BETWEEN THE MUNICIPALITY OF ANCHORAGE (LESSOR) AND HENNING, INC. (LESSEE), A NONPROFIT CORPORATION, FOR PREMISES LOCATED AT 1000 E. 36TH AVENUE FOR ONE YEAR AT LESS THAN FAIR MARKET VALUE (PID 003-241-29).

Sponsor: MAYOR
Preparing Agency: Real Estate Department
Others Impacted: 

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<thead>
<tr>
<th>CHANGES IN EXPENDITURES AND REVENUES:</th>
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<tr>
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<tr>
<td>Operating Expenditures</td>
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<tr>
<td>1000 Personal Services</td>
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<tr>
<td>2000 Non-Labor</td>
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<tr>
<td>3900 Contributions</td>
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<tr>
<td>4000 Debt Service</td>
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<tr>
<td>TOTAL DIRECT COSTS:</td>
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<td>$ - $ - $ - $ - $ - $ -</td>
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<tr>
<td>Add: 6000 Charges from Others</td>
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<td>Less: 7000 Charges to Others</td>
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<td>FUNCTION COST:</td>
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<tr>
<td>REVENUES:</td>
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<tr>
<td>CAPITAL:</td>
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<td>POSITIONS: FT/PT and Temp</td>
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PUBLIC SECTOR ECONOMIC EFFECTS:

The proposed less than fair market value lease will allow the property to be used as a rooming house to provide affordable housing to vulnerable homeless persons within the Municipality of Anchorage.

PRIVATE SECTOR ECONOMIC EFFECTS:

The proposed less than fair market value lease will allow the property to be used as a rooming house to provide affordable housing to vulnerable homeless persons within the Municipality of Anchorage.