

CLERK'S OFFICE  
AMENDED AND APPROVED  
Date: 7-21-98

Notice of reconsideration given  
by Ms. Clementson 7-22-98  
8-18-98 RECONSIDERED

Submitted by: Chairman of the Assembly at the  
Request of the Mayor  
Prepared by: Office of Management and  
Budget  
For Reading: June 9, 1998

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ANCHORAGE, ALASKA  
AO NO. 98- 107

1 AN ORDINANCE AMENDING CHAPTER 11.50 OF THE ANCHORAGE MUNICIPAL CODE BY  
2 ADDING A NEW SECTION 11.50.280 TO PROVIDE FOR AN ANNUAL PAYMENT FROM THE  
3 PORT OF ANCHORAGE TO THE GENERAL FUND AND PROVIDING THE FORMULA FOR  
4 THE PAYMENT CALCULATION

5  
6 THE ANCHORAGE ASSEMBLY ORDAINS:

7  
8 Section 1. That Chapter 11.50 of the Anchorage Municipal Code is amended by adding a new  
9 section 11.50.280 to read as follows:

10  
11 11.50.280 Municipal Enterprise Service Assessment

12 ~~upon approval of an authorizing resolution by the Assembly~~

13 A. The Port of Anchorage shall pay a Municipal Enterprise Service Assessment (MESA) for  
14 governmental services provided by the Municipality, other than those services received by the  
15 Port of Anchorage from the Municipality on a contract or interfund basis.

16  
17 B. The MESA for the Port of Anchorage shall be calculated in accordance with  
18 Section 26.10.025 C. provided, however, that leasehold improvements and public access or  
19 public right-of-way improvements shall be excluded from the Port's adjusted plant in service.

20  
21 1 The calculation required by subsection B. of this section means that the Port's  
22 MESA equals the value of the Port's adjusted plant in service multiplied by the  
23 annual mill rate plus 1.25% times the Port's actual gross operating revenues for  
24 the calendar year preceding the MESA payment. [MESA = (adjusted plant in  
25 service value x mill rate) + (1.25% x actual gross operating revenues)]

26  
27 a. For purposes of this subsection B., "mill rate" means the aggregate of  
28 general property tax mill rates levied against taxable property in the Port's  
29 taxing district in the calendar year preceding the MESA payment including  
30 all areawide general property tax mill rates and general property tax mill  
31 rates levied in service areas within which the Port is located.

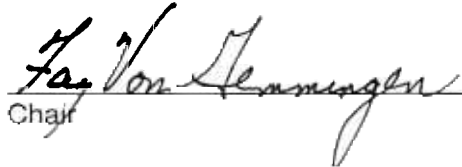
32  
33 b. Notwithstanding anything contained in section 26.10.025C. to the contrary,  
34 for purposes of this subsection B., "adjusted plant in service" means the  
35 final, year-end, audited net classified non-contributed plant in service value,  
36 less exclusions specified in subsection B. of this section, for the calendar  
37 year preceding the mill rate year (e.g., a 1999 MESA payment would be  
38 based on the 1998 mill rate multiplied by the December 31, 1997 adjusted  
39 plant in service). The term "net" means plant values which are net of  
40 accumulated depreciation and amortization and the term "non-contributed"  
41 means that portion of a capital improvement funded directly with Port funds.

- c. The gross operating revenue component of MESA shall be based on 1.25% of the Port of Anchorage's actual gross operating revenues at the end of the calendar year preceding the mill rate year.

C. The Port of Anchorage shall budget annually for the MESA as an operating expense. It is the policy of the Municipality that the MESA be considered a part of the Port of Anchorage rate base as it represents a contribution to local government services comparable to that contributed by municipal utilities and private property owners. In the event that MESA cannot be treated as an operating expense and recovered through the Port of Anchorage rate base, Port of Anchorage retained earnings, if available, may be used to fund the MESA payment.

Section 2. This ordinance shall take effect January 1, 1999.

PASSED AND APPROVED by the Anchorage Municipal Assembly this 18<sup>th</sup> day of August, 1998.

  
Chair

ATTEST:

  
Municipal Clerk