

Submitted by: Chairman of the Assembly at
the Request of the Mayor

Prepared by: Department of Law

For reading: May 22, 2001

CLERK'S OFFICE

APPROVED

Date: 6-19-01

ANCHORAGE, ALASKA

AO NO. 2001- 112

1 AN ORDINANCE TO APPROVE THE SUBLEASE OF APPROXIMATELY 8 ACRES OF
2 THE MUNICIPALITY OF ANCHORAGE SOUTH TIDELANDS LEASEHOLD TO
3 ALASKA RAILROAD CORPORATION TO ACCOMMODATE THE INSTALLATION OF
4 NEW RAIL TRACKS FOR OFFLOADING PETROLEUM PRODUCTS.
5

6
7 WHEREAS, on September 15, 1992, the Municipality of Anchorage exchanged a portion
8 of its leasehold in Ship Creek Point by conveyance to the Alaska Railroad in exchange for a long
9 term lease, ARRC Ground Lease Contract No. 6434, of approximately 103 acres of land known as
10 the South Tidelands by AO 92-113. The Municipality of Anchorage pays no rent for the South
11 Tidelands leasehold; and
12

13 WHEREAS, the Alaska Railroad requests a sublease from the Municipality of Anchorage
14 of approximately 8 acres in the South Tidelands leasehold to accommodate the installation of new
15 rail tracks for offloading petroleum products; and
16

17 WHEREAS, the Alaska Railroad will pay \$1.60 per square foot, the fair market value of the
18 tidelands, in an annual payment of \$49,236.00 to the Municipality of Anchorage; and
19

20 WHEREAS, the Alaska Railroad's installation of new rail tracks will eliminate traffic delays
21 and congestion in the Port area, will reduce locomotive traffic and fuel consumption, will promote
22 safety and efficiency by eliminating rail crossings over roadways in the Port of Anchorage, will
23 provide additional improvements to the Municipality's tax base, and will enhance and promote
24 economic development into the Municipality; now, therefore,
25

26 THE ANCHORAGE ASSEMBLY ORDAINS:
27

28 **Section 1.** The Municipality is hereby authorized to enter into a sublease of approximately 8
29 acres of its South Tidelands leasehold upon the following general terms and conditions, and
30 delegates to the Mayor, or his designee, in his sole discretion, the authority to negotiate the
31 remaining terms and conditions necessary, appropriate or advisable to carry out the purposes of and
32 achieve the goals of this ordinance:
33

34 A. The Alaska Railroad will pay to the Municipality of Anchorage \$1.60 per square foot
35 as the fair market value of the tidelands, in an annual payment of \$49,236.00.
36
37
38

1 B. The Alaska Railroad will add two (2) pieces of Alaska Railroad land on Terminal
2 Road to the Municipality's blanket permit, at no cost to the Municipality with a present market value
3 of \$17,000.00.

4
5 C. The Alaska Railroad will add ten (10) years to the term of the north portion of the
6 South Tidelands lease situated in front of the Port of Anchorage's multi-purpose dock, at minimal
7 or no cost to the Municipality with a present market value of \$95,000.00.

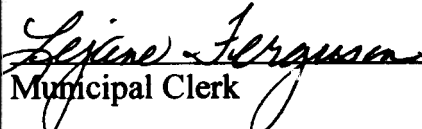
8
9 D. The Alaska Railroad will create a public use easement on Ocean Dock Road for the
10 Port of Anchorage, at no cost to the Municipality with a present market value of \$16,000.00.

11
12 This ordinance shall become effective immediately upon its passage and approval by

13
14
15 PASSED AND APPROVED by the Anchorage Assembly this 19th day of June,
16 2001.

17
18
19 
20 _____
21 Chair of the Assembly

22 ATTEST:

23
24
25 
26 _____
27 Municipal Clerk
28
29

MUNICIPALITY OF ANCHORAGE

Summary of Economic Effects - General Government

AO Number: 2001- 112

Title: Ordinance To Approve the Sublease Of Approximately 8 Acres Of the Municipality's South Tidelands Leasehold To Alaska Railroad Corp. To Accommodate the Installation Of New Rail Tracks For Offloading Petroleum Products.

Sponsor: Port of Anchorage

Preparing Agency: Department of Law

Others Affected: _____

CHANGES IN EXPENDITURES AND REVENUES

(Thousands of Dollars)

Operating Expenditures	FY 01	FY 02	FY 03	FY 04	FY 05
1000 Personal Services					
2000 Supplies					
3000 Other Services					
4000 Debt Service					
5000 Capital Outlay					
TOTAL DIRECT COSTS:					
ADD: 6000 Charge from Others					
LESS: 7000 Charge to Others					
FUNCTION COST:					
REVENUES:	24	49	49	49	49
CAPITAL:					
POSITIONS: FT/PT and Temp.					

PUBLIC SECTOR ECONOMIC EFFECTS:

Annual lease income of \$49,236 with additional benefits at no cost to the public or private sectors. Two pieces of the Railroad property added to the Municipality of Anchorage's blanket permit.

Public use easement from the Railroad on Ocean Dock Road

Ten year extension to north portion of South Tidelands lease at Port's multi purpose dock.

Market value savings estimated at \$128,000.

If further explanation is necessary, a separate page may be attached

SUMMARY OF ECONOMIC EFFECTS

Page 2

PRIVATE SECTOR ECONOMIC EFFECTS:

There will be positive economic impacts on the private sector resulting from efficiencies in business development occasioned by the new rail tracks. However, the precise dollar amount of efficiencies have not yet been quantified.

If further explanation is necessary, a separate page may be attached.

Prepared by: Rhonda L. Fehlen

Telephone: 343-4532

Validated by OMB: Cheryl Grasca

Date: May 18, 2001

Approved by: [Signature]

Date: 5.18.01

Concurred by: _____

Date: _____

Approved by: [Signature]

Date: _____

Approved by: [Signature]

Date: 5/21

Municipal Manager

Municipality of Anchorage
MUNICIPAL CLERK'S OFFICE
Agenda Document Control Sheet

102001-112

(SEE REVERSE SIDE FOR FURTHER INFORMATION)

1	SUBJECT OF AGENDA DOCUMENT Ordinance To Approve the Sublease Of Approximately 8 Acres Of the Municipality's South Tidelands Leasehold To Alaska Railroad Corporation To Accomodate the Installation Of New Rail Tracks For Offloading Petroleum Products	DATE PREPARED <p style="text-align: center; font-size: 1.2em;">5/18/01</p>
	DEPARTMENT NAME Civil/Law	Indicate Documents Attached <input checked="" type="checkbox"/> AO <input type="checkbox"/> AR <input type="checkbox"/> AM <input type="checkbox"/> AIM DIRECTOR'S NAME William A. Greene
2	THE PERSON THE DOCUMENT WAS ACTUALLY PREPARED BY Rhonda L. Fehlen	HIS/HER PHONE NUMBER 343-4532
4	COORDINATED WITH AND REVIEWED BY	INITIALS
X	Mayor	<i>[Signature]</i>
	Heritage Land Bank	
	Merrill Field Airport	
	Municipal Light & Power	
X	Port of Anchorage	<i>MS</i>
	Solid Waste Services	
	Water & Wastewater Utility	
X	Municipal Manager <i>83</i>	<i>W</i>
	Cultural & Recreational Services	
	Employee Relations	
X	Finance, Chief Fiscal Officer	<i>[Signature]</i>
	Fire	
	Health & Human Services	
X	Office of Management and Budget <i>808</i>	<i>CF</i>
	Management Information Services	
	Police	
	Planning, Development & Public Works	
	Development Services	
	Facility Management	
	Planning	
	Project Management & Engineering	
	Street Maintenance	
	Traffic	
	Public Transportation Department	
	Purchasing	
X	Municipal Attorney	<i>[Signature]</i>
	Municipal Clerk	
	Other	
5	Special Instructions/Comments <div style="display: flex; justify-content: space-between;"> Already scheduled on 5/22 agenda. <i>Addendum</i> <i>T.B.9. (Introduction)</i> </div>	
6	ASSEMBLY HEARING DATE REQUESTED 5/22/01	PUBLIC HEARING DATE REQUESTED <div style="display: flex; justify-content: space-around;"> <i>6/05/01</i> <i>6/19/01</i> </div>

MAY 22 AM 8:34
 CLERK'S OFFICE
 M.O.A.