

CLERK'S OFFICE

APPROVED

Date: 12-17-02

Submitted by: Chairman of the Assembly  
At the request of the Mayor  
Prepared by: Port of Anchorage  
For reading: November 26, 2002

ANCHORAGE, ALASKA  
AO NO. 2002- 169

1 AN ORDINANCE OF THE ANCHORAGE MUNICIPAL ASSEMBLY  
2 AUTHORIZING THE LEASE OF LOT 4A, PORT OF ANCHORAGE SUBDIVISION  
3 TO CSX LINES OF ALASKA, LLC  
4

5  
6 WHEREAS, the Municipality of Anchorage (Port of Anchorage) has negotiated terms  
7 with CSX Lines of Alaska, LLC, formerly known as Sea-Land Service, Inc., for lease of Lot  
8 4A, Port of Anchorage Subdivision, totaling approximately 230,497 square feet; and,  
9

10 WHEREAS, AMC 25.30.020 requires that disposal of municipal land shall be by  
11 ordinance only; now therefore,  
12

13 THE ANCHORAGE ASSEMBLY ORDAINS  
14

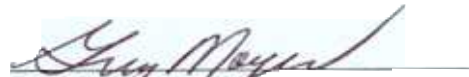
15 Section 1. The Municipality of Anchorage is authorized to lease Lot 4A, Port of  
16 Anchorage Subdivision located in the Anchorage Recording District, Third Judicial District,  
17 State of Alaska, to CSX Lines of Alaska, LLC, upon the terms and conditions summarized in  
18 Assembly Memorandum submitted concurrently to the Assembly with this ordinance.  
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20 Section 2. This ordinance shall take effect immediately upon passage and  
21 approval.  
22

23 PASSED AND APPROVED by the Anchorage Assembly this 17<sup>th</sup> day of  
24 December, 2002.  
25

26  
27   
28 Chairman  
29

30 ATTEST:  
31  
32

33  
34   
35 Municipal Clerk  
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MUNICIPALITY OF ANCHORAGE  
Summary of Economic Effects - Utilities

AO Number: 2002- 169 Title: A lease of Lot 4A, Port of Anchorage Subdivision to CSX Lines of Alaska LLC

Sponsor: William J. Sheffield

Preparing Agency: Port of Anchorage Others Affected: \_\_\_\_\_

CHANGES IN REVENUES AND EXPENSES (Thousands of Dollars)

Operating Revenues:	FY 01	FY 02	FY 03	FY 04	FY 05
Industrial Park Lease (Lot 4A)	200.5	200.5	200.5	200.5	200.5
TOTAL OPERATING REVENUES	200.5	200.5	200.5	200.5	200.5

Operating Expenses					
TOTAL OPERATING EXPENSES					

Non Operating Revenues:					
TOTAL NON OPER. REVENUES					

Non Operating Expenses:					
TOTAL NON OPER. EXPENSES					

NET INCOME (REGULATED):					
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POSITIONS: FT/PT/and Temp.					

Impact on General Government (Yes or No) NO (If yes, attach S.E.E. for General Government agency impacted.)

Public Sector Economic Effects:

This contractual lease rate for the new lease of Lot 4A, Port of Anchorage Subdivision, will provide the Port of Anchorage with additional annual Industrial Park Lease revenue of \$200,500 per year for the five (5) year period beginning January 1, 2001 and ending December 31, 2005.

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

Form ECON1

Private Sector Economic Effects

**No effects**

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

Prepared by: Harry P. Finch  
Port Manager of Finance & Admin.  
(Name, Title)

Telephone: 343-6200

Validated: \_\_\_\_\_  
By OMB/Date

Approved by: \_\_\_\_\_  
Director, Preparing Agency

Date: \_\_\_\_\_

Concurred by: \_\_\_\_\_  
Director, Impacted Agency

Date: \_\_\_\_\_

Approved by: \_\_\_\_\_  
Municipal Manager

Date: \_\_\_\_\_

# MUNICIPALITY OF ANCHORAGE

## ASSEMBLY MEMORANDUM

No. AM 982 -2002

Meeting Date: November 26, 2002

**From:** Mayor

**Subject:** Lease of Lot 4A, Port of Anchorage Subdivision, to CSX Lines of Alaska, LLC

CSX Lines of Alaska, LLC (CSX), formerly known as Sea-Land Services, Inc., has occupied Lot 4A, Port of Anchorage Subdivision, on a month-to-month basis since April, 2000. In a CSX notice dated September 7, 2000, CSX requested extension of its' Preferential Usage Agreement (PUA), and also requested a lease for Lot 4A, Port of Anchorage Subdivision, for an initial term to run concurrent with the option periods of other existing leases and the PUA. The initial term of the Lot 4A lease would run from January 1, 2001 to December 31, 2005.

PUA negotiations were successfully concluded in late 2001 and approved by Assembly Ordinance 2002-1 on January 29, 2002. Finalization of the PUA and other existing agreements, including lease of Lot 4A, were contingent upon negotiation of a general assignment and assumption of existing Sea-Land Services, Inc. leases, contracts and agreements by CSX. The terms and conditions for the general assignment and assumption were finalized in August, 2002, and the Consent to General Assignment & Assumption was executed September 5, 2002.

CSX's use of Lot 4A is restricted to operation of a marshalling yard for marine cargo and is consistent with other leases at the Port of Anchorage. The lease rate is based on the rate in effect for similar Port property. The following provisions are pertinent to the CSX lease of Lot 4A:

Lessee	CSX Lines of Alaska, LLC
Area	Lot 4A, Port of Anchorage Subdivision, totaling approximately 230,497 square feet
Rent	Rental rate is \$200,532.00 per year (\$16,711.00 per month or \$0.87 per sq. ft./year)
Rent Adjustment	First rent adjustment shall be at five (5) years, in conjunction with CSX exercise of a renewal option
Lease Term	The initial five-year term for this lease begins January 1, 2001 and ends December 31, 2005. Two additional five-year options remain.
Services provided by Lessee/CSX:	Utilities and maintenance of the premises

1 The Administration requests authority to execute this lease containing the negotiated business terms  
2 and conditions described above, and authority to negotiate other terms and conditions as reasonably  
3 necessary for the protection and benefit of the Municipality, pursuant to Assembly Ordinance.  
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6 Prepared by: William J. Sheffield, Port Director  
7 Concur: Harry J. Kieling, Municipal Manager  
8 Respectfully submitted: George P. Wuerch, Mayor  
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## Work Flow History Report

Ad 2002-169

### Workflow History

Workflow Name	Action Date	Action	User	Security Group	Content ID	F
AllOrdinanceWorkflow	10/29/02 2:29 PM	Checkin	finchhp	Public	000335	C
Port_SubWorkflow	11/4/02 1:41 PM	Approve	sheffieldwj	Public	000335	C
OMB_SubWorkflow	11/13/02 2:42 PM	Approve	foutzrs	Public	000335	C
Legal_SubWorkflow	11/15/02 9:30 AM	Approve	wheelerda	Public	000335	C
MuniManager_SubWorkflow	11/18/02 11:15 AM	Approve	campbellce	Public	000335	C
MuniMgrCoord_SubWorkflow	11/18/02 4:00 PM	Approve	bealejl	Public	000335	C

### INTRODUCTION

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