

CLERK'S OFFICE
APPROVED
Date: 12-16-03

Submitted by: Chair of the Assembly
at the Request of the
Mayor
Prepared by: Real Estate Services
For Reading: December 16, 2003

ANCHORAGE, ALASKA
AR NO. 2003- 391

A RESOLUTION OF THE MUNICIPALITY OF ANCHORAGE ASSEMBLY
APPROPRIATING ONE THOUSAND, FOUR HUNDRED SEVENTY DOLLARS
(\$1,470) AS A CONTRIBUTION FROM THE AREAWIDE GENERAL FUND
BALANCE, AND APPROPRIATING SEVENTY-SEVEN THOUSAND, FIVE HUNDRED
TEN DOLLARS (\$77,510) FROM THE AREAWIDE GENERAL FUND (101) 2003
OPERATING BUDGET, TO THE AREAWIDE CAPITAL RESERVE FUND (401) FOR
CAPITAL MAINTENANCE AND IMPROVEMENTS TO CITY HALL.

WHEREAS, the current City Hall lease was approved by AO 2001-183/ AM 923-2001; and

WHEREAS, Section 5.07 of the City Hall Lease requires the provision of a minimum amount of
\$77,503.68 to be deposited annually into a capital reserve account as well as an amount based upon annual
computation of funds based upon a percentage of the Consumer Price Index (CPI); and

WHEREAS in 2002, \$77,510.00 was budgeted in the Areawide General Fund (101) and
transferred to the Areawide Capital Reserve Fund (401); and

WHEREAS, \$77,510.00 was also budgeted for 2003 in the Areawide General Fund (101), and the
CPI for 2003 has been calculated at 1.9% for an additional \$1,472.57 ; and

WHEREAS, the minimum total funds amounting to \$78,976.25 are to be transferred in 2003 as a
contribution to the Areawide Capital Reserve Fund per terms of said City Hall lease and, rounded to the nearest ten
dollars equals **\$78,980.00**;

Now Therefore, THE ANCHORAGE ASSEMBLY HEREBY RESOLVES:

Section 1. That ONE THOUSAND FOUR HUNDRED SEVENTY DOLLARS (\$1,470) shall be
appropriated from the Areawide General Fund (101) to the Capital Reserve Fund (401) in CPI increase in the 2003
contribution to the reserve account for maintenance and operations of City Hall.

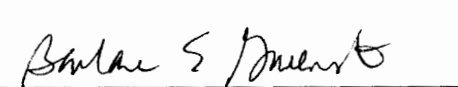
Section 2. That SEVENTY-SEVEN THOUSAND, FIVE HUNDRED TEN (\$77,510) shall be appropriated
into the Capital Reserve Fund (401).

Section 3. That this resolution shall take effect immediately upon Assembly approval.

PASSED AND APPROVED by the Anchorage Assembly this 16th day of December, 2003.

ATTEST:


Chair


Municipal Clerk

Departmental Appropriation:
Real Estate Department/Real Estate Services
Fund #401-9601-1224 \$78,890



MUNICIPALITY OF ANCHORAGE

ASSEMBLY MEMORANDUM

AM No. 984-2003

Meeting Date: December 16, 2003

From: Mayor

Subject: AR 2003- 391 For a Resolution of the Municipality of Anchorage Assembly Appropriating One Thousand, Four Hundred Seventy Dollars (\$1,470) as a Contribution from the Areawide General Fund Balance (101), and Appropriating Seventy-Seven Thousand, Five Hundred Ten Dollars (\$77,510) from the Areawide General Fund (101) 2003 Operating Budget, to the Areawide Capital Reserve Fund (401) for Capital Maintenance and Improvements to City Hall

On November 20, 2001, the Anchorage Assembly approved AO 2001-183/ AM 923-2001, a City Hall lease between the Municipality of Anchorage and Anchorage Public/Private Partnership. Under the terms of the lease regarding "Additional Rent" (Section 5.05, attached as Appendix A), the Lessee (MOA) is responsible for coverage of insurance, maintenance and repair expenses, and is also responsible for payment to a Capital Reserve Account (see Section 5.07, also attached as Appendix A). The minimum annual payment into the Capital Reserve Account is \$77,503.68, per the terms in the abovementioned section of the lease, plus the Lessee is responsible for paying an adjustment to the Capital Reserve Account based upon "increases or decreases in the cost of living as reflected by the Consumer Product Index..."

In 2003, the budgeted annual contribution to the Capital Reserve Account from the Areawide General Fund is \$77,510. An additional \$1,472.57 is to be appropriated from the Areawide General Fund balance to the Areawide Capital Projects Fund for the 2003 CPI rate increase of 1.9% (Appendix B). Rounded to the nearest ten dollars for capital transfer purposes, the amount of the budget transfer equals \$1,470.00. The entire contribution of \$78,980 is being appropriated in the Areawide Capital Projects Fund (401).

The accounting detail is as follows:

REVENUE	NAME	AMOUNT
101-0740	Areawide Fund Balance	\$ 1,470
401-1224-9601	Contributions from other Funds	\$78,980

EXPENDITURES	NAME	AMOUNT
101-1223-3901	Contribution to other Funds	\$ 1,470
401-1224-5201	Buildings and Improvements	\$78,980

The Administration recommends approval of this appropriation as a contribution to the Areawide

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Capital Reserve Fund from the Areawide General Fund as configured in the accounting detail on the previous page.

Prepared By: George J. Cannelos,
Director, Real Estate Department/Heritage Land Bank and Real Estate Services

Fund Certification: Jeffrey E. Sinz, Chief Fiscal Officer
101-0740 (fund balance) BP2003 \$1,470
101-1223-3901 \$77,510

Concur: Denis C. LeBlanc, Municipal Manager

Respectfully submitted: Mark Begich, Mayor

Appendix A

5.05 Additional Rent. Lessee will also pay to Lessor promptly when due, in lawful money of the United States at the address specified herein or such other place as Lessor shall designate by notice to Lessee, without notice or demand therefor and without any abatement, deduction or set-off for any reason whatsoever, as additional rent (the "Additional Rent"), all sums, Impositions (as defined in Article VI hereof), insurance premiums, maintenance and repair expenses, major repairs and replacements, and other costs, expenses and payments which Lessee in any of the provisions of this Lease agrees to pay to Lessor or which shall become due and payable from Lessee to Lessor under this Lease (other than Rent) and all sums payable to Lessor pursuant to the Property Management Agreement attached as Exhibit F to this Lease, and, in the event of any non-payment thereof, Lessor shall have (in addition to all other rights and remedies which Lessor may have hereunder) all the rights and remedies provided for herein or by law or equity in the case of non-payment of the Rent. There shall be no reduction, abatement, or offset of Rent for any reason, including casualty, except as specifically set forth in Section 14.01 in the event of condemnation.

5.06 Intentionally deleted.

5.07 Capital Reserve Account. Lessee shall pay a minimum of \$6,458.64 per month into a Capital Reserve in a Municipality of Anchorage restricted account, on an annual basis, on or before February 1 of each budget year. The Capital Reserve Account shall be used to pay for major repairs and major systems replacement including but not limited to the roof, parking, interior and exterior paint, HVAC, HVAC piping, carpet, electrical, and plumbing, as further defined in Section 7.01. The amount of the capital reserve account may be voluntarily increased by Lessee, and shall adjust annually starting with the first full lease year after the Commencement Date for increases or decreases in the cost of living as reflected by the Consumer Product Index and consistently applied. Upon the completion of a major repair or major systems replacement, and delivery of an invoice accompanied by a certificate executed by the Property Manager, or the contractor retained by the Property Manager to undertake the work, that the work was completed in accordance with all required permits and licenses, Lessee shall promptly pay such bill within fifteen (15) days of delivery of the invoice. (CPI)

5.08 Tenant Improvement Account. Lessee shall establish the Tenant Improvement Account as a Municipality of Anchorage restricted account. On the Commencement Date, Lessor shall make a one-time deposit of \$340,000.00 into the Tenant Improvement Account. Each year, beginning one year after the Commencement Date, Lessee shall deposit a minimum of \$75,000.00 into the Tenant Improvement Account, which shall be held and used for the purpose of paying for the cost of such tenant improvements chosen in the sole discretion of the Lessee. To the extent the balance in the Tenant Improvement Account exceeds \$225,000.00 (excluding Lessor's initial contribution), the Lessee may, in its sole discretion, divert funds in excess of \$225,000.00 to the Capital Improvement Plan or other use, as determined by the Mayor. Any balance remaining in the account upon the termination of the Lease shall be remitted to Lessor to the extent unexpended but only to the extent of Lessor's original contribution.

Appendix B

CONSUMER PRICE INDEX for All Urban Consumers (CPI-U)
Anchorage and U.S.; All Items Indexes, 1982-84=100

Annual Data	Index		Percent Change From Previous Year	
	Anchorage	U.S.	Anchorage	U.S.
1980	85.5	82.4	10.2%	13.5%
1981	92.4	90.9	8.1%	10.3%
1982	97.4	96.5	5.4%	6.2%
1983	99.2	99.6	1.8%	3.2%
1984	103.3	103.9	4.1%	4.3%
1985	105.8	107.6	2.4%	3.6%
1986	107.8	109.6	1.9%	1.9%
1987	108.2	113.6	0.4%	3.6%
1988	108.6	118.3	0.4%	4.1%
1989	111.7	124.0	2.9%	4.8%
1990	118.6	130.7	6.2%	5.4%
1991	124.0	136.2	4.6%	4.2%
1992	128.2	140.3	3.4%	3.0%
1993	132.2	144.5	3.1%	3.0%
1994	135.0	148.2	2.1%	2.6%
1995	138.9	152.4	2.9%	2.8%
1996	142.7	156.9	2.7%	3.0%
1997	144.8	160.5	1.5%	2.3%
1998	146.9	163.0	1.5%	1.6%
1999	148.4	166.6	1.0%	2.2%
2000	150.9	172.2	1.7%	3.4%
2001	155.2	177.1	2.8%	2.8%
2002	158.2	179.9	1.9%	1.6%

Semiannual Data	Index		Percent Change F Same Half Previous	
	Anchorage	U.S.	Anchorage	U.S.
1st half 1991	123.3	135.2	5.5%	5.1%
2nd half 1991	124.7	137.2	3.6%	3.5%
1st half 1992	127.3	139.2	3.2%	3.0%
2nd half 1992	129.1	141.4	3.5%	3.1%
1st half 1993	131.5	143.7	3.3%	3.2%
2nd half 1993	132.8	145.3	2.9%	2.8%
1st half 1994	134.3	147.2	2.1%	2.4%
2nd half 1994	135.8	149.3	2.3%	2.8%
1st half 1995	138.2	151.5	2.9%	3.0%
2nd half 1995	139.5	153.3	2.7%	2.7%
1st half 1996	141.8	155.8	2.6%	2.8%
2nd half 1996	143.7	157.9	3.0%	3.0%
1st half 1997	144.1	159.9	1.6%	2.6%
2nd half 1997	145.4	161.2	1.2%	2.1%
1st half 1998	146.7	162.3	1.8%	1.5%
2nd half 1998	147.0	163.7	1.1%	0.9%
1st half 1999	148.6	165.4	1.3%	1.9%
2nd half 1999	148.3	167.8	0.9%	2.5%
1st half 2000	150.0	170.8	0.9%	3.2%
2nd half 2000	151.9	173.6	2.4%	3.5%
1st half 2001	154.4	176.6	2.9%	3.4%
2nd half 2001	156.0	177.5	2.7%	2.2%
1st half 2002	157.5	178.9	2.0%	1.3%
2nd half 2002	159.0	180.9	1.9%	1.9%

Source: U.S. Department of Labor, Bureau of Labor Statistics: updated February 2003

Post-It® Fax Note	7671	Date	2/26/03	# of pages	▶
To	Rachio Wilson				
Co./Dept.	MOA				
Phone #	343 4346				
Fax #	243 4526				
From					
Co.					
Phone #					
Fax #					



MUNICIPALITY OF ANCHORAGE

**REAL ESTATE SERVICES
FAX**

DATE: 10-07-03

TO: Hogan Smelker

Number of Pages Including Cover Sheet 2

FROM: Gladys Wilson, Manager, Real Estate Services

Phone: 907-343-4396 Fax: 907-343-4526

REMARKS: Here is the CPI which includes figures for Anchorage. We would like use Anchorage figures to be consistent with our other leases. This is what I come with:

$$\begin{array}{r} 158.2 \\ 155.2 \\ \hline 3.0 \end{array} \begin{array}{l} '02 \\ '01 \end{array}$$
$$\frac{3.0}{155.2} = 1.9\% \times 77,503.68 = 1,472.57$$

Content Information**Content ID :** 001191**Title:** Funds transfer from area wide to capital reserve fund**Author:** mooredy**Initiating Dept:** HLB**Description:** Transfer funds from area wide fund to capital reserve funds.**Keywords:** capital reserve , capital maintenance**Date Prepared:** 10/14/03 11:40 AM**Director Name:** George Cannelos**Document Number:** AR 2003-391**Assembly Meeting Date**
MM/DD/YY: 12/16/03

2003 DEC -3 PM 2:10

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Workflow History

<u>Workflow Name</u>	<u>Action Date</u>	<u>Action</u>	<u>User</u>	<u>Security Group</u>	<u>Content ID</u>
FundsAppropWorkflow	10/14/03 11:49 AM	Checkin	mooredy	Public	001191
HLB_SubWorkflow	10/14/03 2:03 PM	Approve	cannelosgj	Public	001191
OMB_SubWorkflow	10/16/03 10:53 AM	Approve	wiltsep	Public	001191
FundsAppropWorkflow	10/17/03 1:00 PM	Reject	sinzje	Public	001191
FundsAppropWorkflow	10/21/03 8:39 AM	Checkin	mooredy	Public	001191
HLB_SubWorkflow	10/23/03 2:11 PM	Approve	cannelosgj	Public	001191
FundsAppropWorkflow	11/4/03 9:41 AM	Reject	wiltsep	Public	001191
FundsAppropWorkflow	11/7/03 9:11 AM	Checkin	mooredy	Public	001191
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FundsAppropWorkflow	11/12/03 8:38 AM	Checkin	mooredy	Public	001191
FundsAppropWorkflow	11/12/03 8:42 AM	Checkin	mooredy	Public	001191
HLB_SubWorkflow	11/12/03 10:30 AM	Approve	cannelosgj	Public	001191
OMB_SubWorkflow	11/12/03 4:12 PM	Approve	wiltsep	Public	001191
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OMB_SubWorkflow	12/3/03 10:41 AM	Approve	wiltsep	Public	001191
Finance_SubWorkflow	12/4/03 5:34 PM	Approve	sinzje	Public	001191
MuniManager_SubWorkflow	12/7/03 2:41 PM	Approve	leblancdc	Public	001191
MuniMgrCoord_SubWorkflow	12/8/03 11:01 AM	Approve	abbottmk	Public	001191

CONSENT AGENDA-RESOLUTIONS FOR ACTION-OTHER