

Submitted by: Chair of the Assembly At
the Request of the Mayor
Prepared by: Real Estate Services Division,
Heritage Land Bank
For Reading: October 26, 2004

CLERK'S OFFICE

APPROVED

Date: 11-9-04

ANCHORAGE, ALASKA

AO NO. 2004- 148

AN ORDINANCE AUTHORIZING THE MUNICIPALITY TO ENTER INTO A LONG TERM
GROUND LEASE WITH BEAN'S CAFÉ, INC., A NON-PROFIT ORGANIZATION, FOR LESS
THAN FAIR MARKET VALUE.

WHEREAS, Bean's Café, Inc. (Bean's) operates Bean's Café at 1101 East Third Avenue,
Anchorage, Alaska on property managed by the Real Estate Services Division of the Heritage Land
Bank, legally described as Lot 1, Block 33C, Original Townsite, East Addition, Plat No. 84-0374;
and

WHEREAS, Bean's was incorporated in 1979 as a qualifying, not for profit 501(c)(3) organization,
organized and operating pursuant to the Alaska Nonprofit Corporation Act; and

WHEREAS, since 1979 Beans' has provided "a center where the hungry and homeless are provided
with hot nutritious meals, a warm and safe day shelter, information and referral assistance to health
and human service programs" (Bean's mission statement); and

WHEREAS, in 1985 Bean's relocated to its current location on municipal property, and entered into
a twenty-year, less than fair market value, lease with the Municipality; and

WHEREAS, Anchorage Municipal Code section 25.30.040B. states, "[t]he municipality may
dispose of municipal land to ... a nonprofit corporation or association for less than the fair market
value of the interest disposed of, upon a finding by the assembly that the disposal will allow the use
of the land for a public purpose beneficial to the municipality"; and

WHEREAS, Bean's continues to honor its mission and provide a public purpose that is beneficial to
the municipality and wishes to continue leasing with the Municipality of Anchorage the land upon
which it provides these services; now therefore,

THE ANCHORAGE ASSEMBLY ORDAINS:

Section 1. Disposal of municipal land at 1101 East Third Avenue, Anchorage, legally described
as Lot 1, Block 33C, Original Townsite, East Addition, Plat No. 84-0374, to Bean's Café, Inc., a
nonprofit corporation, will allow the use of the land for a public purpose beneficial to the
municipality.

Section 2. The Municipality is authorized to enter into a new, forty-year ground lease at less than fair market value with Bean's Café, Inc., upon the terms and conditions set forth in the accompanying Assembly Memorandum.

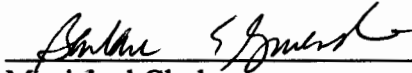
Section 3. The Municipality is authorized to negotiate such other and further business terms as necessary.

Section 4. This ordinance shall take effect immediately upon passage and approval by the Anchorage Assembly.

PASSED AND APPROVED by the Anchorage Assembly this 9th day of November, 2004.


Chairman of the Assembly

ATTEST:


Municipal Clerk

MUNICIPALITY OF ANCHORAGE
Summary of Economic Effects - General Government

AO Number: 2004-148 Title: An Ordinance Authorizing the Municipality to Enter into a Long Term Ground Lease for Less than Fair Market Value with Bean's Café, a Non-Profit Organization.

Sponsor: HLB
Preparing Agency: Heritage Land Bank
Others Impacted: Health and Human Services

CHANGES IN EXPENDITURES AND REVENUES:

	FY04	FY05	FY06	FY07	FY08
Operating Expenditures					
1000 Personal Services					
2000 Supplies					
3000 Other Services	*	*	*	*	
4000 Debt Service					
5000 Capital Outlay					

TOTAL DIRECT COSTS:

6000 IGCs

FUNCTION COST:

REVENUES:

CAPITAL:

POSITIONS: FT/PT and Temp.

PUBLIC SECTOR ECONOMIC EFFECTS:

New lease will allow for continued support to Anchorage's homeless and hungry for the next forty years.

PRIVATE SECTOR ECONOMIC EFFECTS:

All of Anchorage benefits from an effective food program, especially when it also actively promotes self-sufficiency for all its clients. If the program was not available, the long-term social and economic costs to the citizens of Anchorage would be substantial.

Prepared by: **Robin E. Ward**

Telephone: **343-4337**

Validated by OMB: _____

Date: _____

Approved by: Robin E. Ward
(Director, Preparing Agency)

Date: **October 4, 2004**



MUNICIPALITY OF ANCHORAGE

ASSEMBLY MEMORANDUM

AM No. 773-2004

Meeting Date: October 26, 2004

From: Mayor

Subject: AN ORDINANCE AUTHORIZING THE MUNICIPALITY TO ENTER INTO A LONG TERM GROUND LEASE WITH BEAN'S CAFÉ, INC., A NON-PROFIT ORGANIZATION, FOR LESS THAN FAIR MARKET VALUE.

The attached Assembly Ordinance authorizes the Municipality of Anchorage (MOA) to enter into a new ground lease with Bean's Café, Inc. on the following terms:

Lessee: Bean's Café, Inc., a non-profit corporation

Location: 1101 East Third Avenue; aka Lot 1, Block 33C, Original Townsite of Anchorage, East Addition, Plat 84-374

Area: 0.45-acre parcel zoned B-3

Ground Rent: \$1.00 per year, as long as operated on non-profit basis to provide essential community services

Lease Term: Forty (40) years with 5 year renewal options pursuant to code provisions then in effect

Rent Adjustment: No rent adjustments unless Lessee defaults, which may trigger termination or reversion to fair market rental value under specific provisions of the lease

Lessee

Responsibilities: Any and all repair and maintenance of improvements, premises and grounds, including snow removal and sanding; any and all utility connections and services; any and all federal, state, local or other taxes and assessments

Sale of property: First right of refusal, in the event of bona fide offer, to Bean's

In 1985, Bean's Café opened at its current location under a less than fair market value, twenty-year lease with MOA; that lease expired on September 18, 2004. The Administration strongly supports the ongoing partnership between MOA and Bean's Café to maintain a center in Anchorage for the hungry and homeless that provides support programs, hot meals and a safe day shelter as well as referral assistance to health and human service programs. This organization serves the homeless, families in temporary crisis, those with chronic mental illness, and assists other local agencies in feeding children. Bean's Café strives to provide the most basic human needs without discrimination or cost to anyone requesting assistance.

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2 THE ADMINISTRATION RECOMMENDS AUTHORIZATION OF A LONG-TERM GROUND
3 LEASE BETWEEN THE MUNICIPALITY OF ANCHORAGE AND BEAN'S CAFÉ, INC., A NON-
4 PROFIT CORPORATION.
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7 Prepared By: Robin E. Ward, Executive Director, Heritage Land Bank
8 Concur: Mary Jane Michael, Executive Director,
9 Economic and Community Development
10 Concur: Denis C. LeBlanc, Municipal Manager
11 Respectfully submitted: Mark Begich, Mayor

Content Information**Content ID :** 002232**Type:** Ordinance - AO**Title:** Bean's Cafe Ground Lease**Author:** vanhornlr**Initiating Dept:** HLB**Description:** 40-year ground lease for Bean's Cafe**Date Prepared:** 10/4/04 3:15 PM**Director Name:** Robin E. Ward**Assembly Meeting Date MM/DD/YY:** 10/26/04**Public Hearing Date MM/DD/YY:** 11/9/04

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2004 OCT - 7 10:05

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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>
AllOrdinanceWorkflow	10/4/04 3:21 PM	Checkin	vanhornlr	Public	002232
HLB_SubWorkflow	10/4/04 3:25 PM	Approve	wardre	Public	002232
ECD_SubWorkflow	10/4/04 3:29 PM	Approve	thomasm	Public	002232
AllOrdinanceWorkflow	10/4/04 5:17 PM	Reject	pearcydl	Public	002232
AllOrdinanceWorkflow	10/5/04 7:54 AM	Checkin	vanhornlr	Public	002232
HLB_SubWorkflow	10/5/04 8:18 AM	Approve	wardre	Public	002232
ECD_SubWorkflow	10/5/04 9:30 AM	Approve	thomasm	Public	002232
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ECD_SubWorkflow	10/5/04 5:00 PM	Approve	thomasm	Public	002232
OMB_SubWorkflow	10/5/04 5:02 PM	Approve	pearcydl	Public	002232
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ECD_SubWorkflow	10/6/04 12:38 PM	Approve	thomasm	Public	002232
OMB_SubWorkflow	10/6/04 1:37 PM	Approve	pearcydl	Public	002232
Legal_SubWorkflow	10/6/04 1:50 PM	Approve	fehlenrl	Public	002232
MuniManager_SubWorkflow	10/7/04 8:25 AM	Approve	katkusja	Public	002232
MuniMgrCoord_SubWorkflow	10/7/04 8:27 AM	Approve	katkusja	Public	002232