

Submitted by: Chairman of the Assembly at the
Request of the Mayor
Prepared by: Anchorage Water & Wastewater Utility
For reading: November 16, 2004

CLERK'S OFFICE

APPROVED

Date: 12-7-04 ANCHORAGE, ALASKA
AO No. 2004- 157

**AN ORDINANCE AUTHORIZING A LEASE BETWEEN THE MUNICIPALITY AND
ACS WIRELESS, INC. OF SPACE ON A COMMUNITY INTEREST TOWER AND
OF GROUND SPACE FOR A SUPPORT BUILDING AT THE MUNICIPALITY'S
SHIP CREEK WATER TREATMENT FACILITY SITE.**

WHEREAS, the Municipality of Anchorage owns property described as Seward Meridian, T13N, R2W, Section 7, lots 6, 8, and 9; and, T13N, R3W, Section 12, lot 2, collectively the "site", on which is located the Ship Creek Water Treatment Facility in Anchorage, Alaska. Land management of this site was designated to the Anchorage Water & Wastewater Utility (AWWU) in 1983; and

WHEREAS, AWWU requires a community interest (communications) tower at the site for its existing mobile radio equipment and its new Supervisory Control and Data Acquisition (SCADA) communications equipment. The location for the tower will be the southwest corner of lot 9 referenced herein; and

WHEREAS, in addition to AWWU's communications requirements, the tower will accommodate and be available for placement of antenna and equipment for other public (fire, police, emergency response, public safety) and private users; and

WHEREAS, ACS Wireless offers to construct and contribute the tower to AWWU in exchange for lease space privileges on the tower and on the ground under proposed terms of a lease agreement between ACS Wireless, Inc. and the Municipality of Anchorage dba AWWU; and

WHEREAS, AMC section 25.30.020 states that disposal of Municipal land or interest therein shall be by ordinance only; and

WHEREAS, AMC section 25.30.040 states that, notwithstanding exceptions, all disposals of municipal land shall be for fair market value of the interest disposed of, and the municipality may accept in exchange for municipal land any consideration of sufficient value not prohibited by law; now therefore,

THE ANCHORAGE MUNICIPAL ASSEMBLY ORDAINS:

Section 1. The Municipality is authorized to lease space on the new tower to be located at the Ship Creek Water Treatment Facility site at Seward Meridian, T13N, R2W Section 7, lot 9 to ACS Wireless, Inc. upon the terms and conditions summarized in the Assembly Memorandum submitted to the Assembly with this ordinance.

Section 2. The Municipality is authorized to lease ground space at the Ship Creek Water Treatment Facility site at Seward Meridian, T13N, R2W Section 7, lot 9 to ACS Wireless, Inc. upon the terms and conditions summarized in the Assembly Memorandum submitted to the Assembly with this ordinance.

Section 3. Authorization to enter into the leases referenced in Sections 1 and 2 above is conditioned on ASC Wireless, Inc. fully vesting ownership of the tower to AWWU upon tower construction and installation.

Section 4. The lease shall not be subject to interval rental adjustments. The lease shall be calculated by dividing ACS Wireless, Inc.'s actual and certified cost to construct and install the tower by \$19,800/year (\$1,650/month); in no event, however, shall the term of the lease, for purposes of lease allocation and credit to ACS Wireless, exceed twenty (20) years. Any lease term beyond this initial 20 years shall be renegotiated at fair market value.

Section 5. This ordinance shall take effect immediately upon passage and approval by the Anchorage Municipal Assembly.

PASSED AND APPROVED by the Anchorage Municipal Assembly this 7th day of December, 2004.


Chair

ATTEST:


Municipal Clerk

Municipality of Anchorage

Summary of Economic Effects - Utilities

AO Number: 2004- 157 Title: AN ORDINANCE AUTHORIZING THE LEASE BETWEEN THE MUNICIPALITY AND ACS WIRELESS, INC. OF SPACE ON A COMMUNITY INTEREST TOWER AND OF GROUND SPACE FOR SUPPORT BUILDING AT THE MUNICIPALITY'S SHIP CREEK WATER TREATMENT FACILITY SITE

Sponsor: Mark Premo

Preparing Agency: AWWU

Others Affected: None

CHANGES IN EXPENDITURES AND REVENUES (Thousands of Dollars)

Operating Revenues:	FY 05	FY06	FY07	FY08	FY09
Total Operating Revenues:	19.8*	19.8*	19.8*	19.8*	19.8*
Operating Expenses:					
Total Operating Expenses:	19.8*	19.8*	19.8*	19.8*	19.8*
Non-Operating Revenues:					
Total Non-Operating Revenues:	0	0	0	0	0
Non-Operating Expenses					
Total Non-Operating Expenses:	0	0	0	0	0
NET INCOME (Regulated)	0	0	0	0	0
Positions: FT/PT/TEMP	0	0	0	0	0

Impact on General Government: YES **NO** (If yes, attach SEE for General Government agency impacted.)

Public Sector Economic Effects:

*AWWU will acquire an asset from ACSW estimated at \$400,000, and in return, AWWU will provide ACSW with space on the tower and ground space for an ACSW support building housing tower-related communications equipment for a period not to exceed 20 years at no additional cost to ACSW. Operating revenues depict the yearly credit allocated for the capital (tower) acquisition. Operating expenses depict the yearly costs (including depreciation) for the tower operations.

Summary of Economic Effects - Page 2

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Public Sector Economic Effects *Continued*:

Private Sector Economic Effects:

ACSW has agreed to provide and install a 180' communications tower at the Ship Creek Water Treatment Plant site. ACSW will then transfer ownership of the tower to AWWU. The estimated value of the asset being provided to AWWU including the tower and installation costs is approximately \$400,000. AWWU will provide ACSW tower space for a rate of \$1650 per month not to exceed 20 years – for a total of \$396,000.

ACSW also receives benefit of a tower that meets its needs – supporting additional equipment/antennae at an elevated and higher location.

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

Prepared By: Don Keefer, Planning Supervisor Telephone: 564-2717
(Name, Title)

MUNICIPALITY OF ANCHORAGE

ASSEMBLY MEMORANDUM

No. AM 849 -2004

Meeting Date: November 16, 2004

From: Mayor

Subject: **AN ORDINANCE AUTHORIZING THE LEASE BETWEEN THE MUNICIPALITY AND ACS WIRELESS, INC. OF SPACE ON A COMMUNITY INTEREST TOWER AND OF GROUND SPACE FOR A SUPPORT BUILDING AT THE MUNICIPALITY'S SHIP CREEK WATER TREATMENT FACILITY**

The Anchorage Water & Wastewater Utility (AWWU) requires a new community interest tower (a.k.a. communications tower) for its existing mobile radio communications system and its SCADA communications equipment under installation at remote facilities throughout AWWU's service area. This tower will also provide space to support communication programs of other municipal departments, communications associated with routine and emergency response of fire and police personnel and equipment, public safety, etc., and space to lease to private entities.

In addition to providing enhanced and expanded communication services, a new tower will allow AWWU to decommission and/or remove several existing community and local interest towers throughout the Ship Creek Water Treatment Facility site that do not comply with municipal code. Equipment and antennae on facilities to be decommissioned and/or removed are anticipated to move to the new tower.

The attached ordinance seeks authorization for AWWU to enter into a lease agreement with ACS Wireless, Inc. (ACSW), to include construction of the tower by ACSW.

ACSW currently has communications equipment installed at this site, but needs 1) to add additional antenna beyond what the existing structures can support, and 2) to raise their antenna to improve system reception. Therefore, ACSW has offered to provide and install the tower in exchange for tower and ground space privileges.

The lease agreement provides for ACSW to construct a one hundred eighty foot (180') communications tower at the Ship Creek Water Treatment Facility site in Northeast Anchorage, and for the Municipality of Anchorage, dba AWWU, to lease tower space and ground space to ACSW in consideration for ACSW having funded, furnished and installed the tower and, upon completion, ACSW having vested ownership of the tower to AWWU. The ground space is for an ACSW support building to house its tower-related equipment.

The communications tower to be installed has an estimated value of \$400,000. In return for this capital investment, AWWU will provide ACSW with designated space on the tower and designated ground space for the ACSW support building (200 square feet) for a period of up to, but not to exceed, twenty (20) years. The

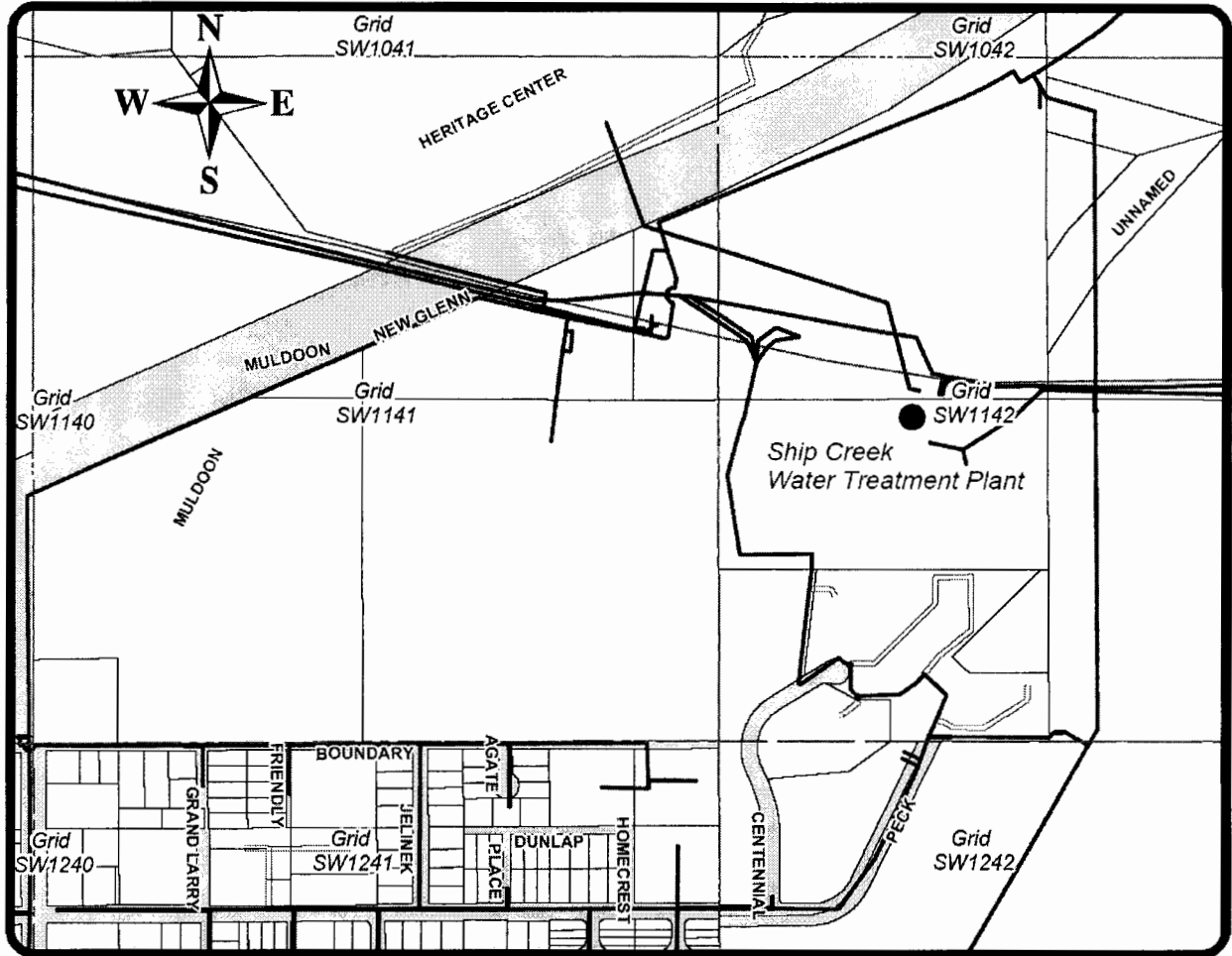
1 actual term is to be determined by dividing the actual and certified cost of the
2 tower construction and installation by a flat rate of \$1650 per month (or
3 \$19,800/year). The monthly rate is credited toward the construction cost.

4
5 This annual rate is comparable with the high end fee range charged by the State
6 of Alaska (\$20,000) for land use under similar circumstances.

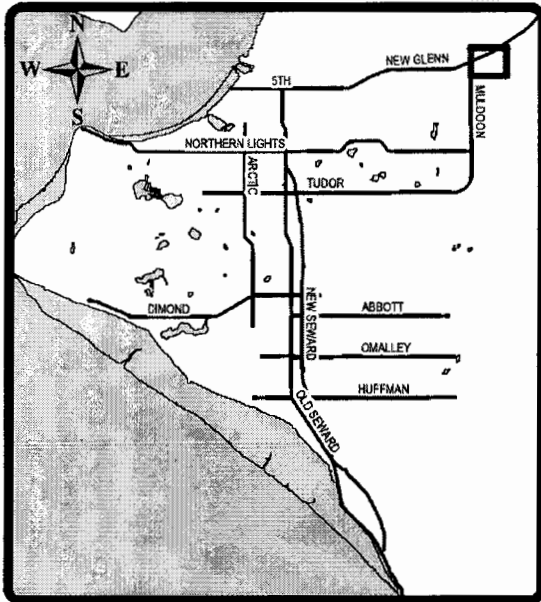
7
8 AWWU and ACSW have completed all necessary steps required to begin
9 construction to include FAA authorization, Municipal Planning & Zoning
10 Commission approvals, and final design approval.

11
12 THE ADMINISTRATION RECOMMENDS APPROVAL OF THE ORDINANCE
13 AUTHORIZING EXECUTION OF THE LEASE AGREEMENT CONTAINING THE
14 ABOVE TERMS AND CONDITIONS BETWEEN THE MUNICIPALITY OF
15 ANCHORAGE AND ACS WIRELESS, INC.




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17
18 Prepared by: Mark Premo, P.E., General Manager, AWWU
19 Concur: Denis C. LeBlanc, Municipal Manager
20 Respectfully submitted: Mark Begich, Mayor



Maps Not-to-Scale



LEGEND

-  Existing Water Mains
-  Project Location
-  Project Map Area



Map Created
9/9/04 sdn

Communications Tower Ship Creek Water Treatment Facility

Anchorage Water & Wastewater Utility

Content Information**Content ID :** 002339

AN ORDINANCE AUTHORIZING A LEASE BETWEEN THE
MUNICIPALITY AND ACS WIRELESS, INC. OF SPACE ON A
Title: COMMUNITY INTEREST TOWER AND OF GROUND SPACE FOR A
SUPPORT BUILDING AT THE MUNICIPALITY'S SHIP CREEK
WATER TREATMENT FACILITY SITE

Author: gibsonam**Initiating Dept:** AWWU**Select Routing:** All Ordinances AO**Date Prepared:** 11/2/04 8:32 AM**Director Name:** Mark Premo**Assembly****Meeting Date** 11/16/04**MM/DD/YY:****Public Hearing****Date** 12/7/04**MM/DD/YY:**

2

2004 NOV - 8 PM 2:10

2004 NOV - 8 PM 2:10

4.0.0

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	11/2/04 8:34 AM	Checkin	gibsonam	Public	002339
AWWU_SubWorkflow	11/2/04 8:37 AM	Approve	premomc	Public	002339
OMB_SubWorkflow	11/4/04 2:21 PM	Approve	pearcydl	Public	002339
Legal_SubWorkflow	11/4/04 4:12 PM	Approve	gatesdt	Public	002339
MuniManager_SubWorkflow	11/4/04 8:47 PM	Approve	leblancdc	Public	002339
MuniMgrCoord_SubWorkflow	11/8/04 8:09 AM	Approve	katkusja	Public	002339