

Submitted by: Chairman of the Assembly
at the Request of the Mayor
Prepared by: Merrill Field Airport
For reading: March 29, 2005

ANCHORAGE, ALASKA
AO No. 2005-45

CLERK'S OFFICE
APPROVED
Date: 4-12-05

1 AN ORDINANCE OF THE ANCHORAGE MUNICIPAL ASSEMBLY AUTHORIZING
2 THE LONG TERM LEASE BETWEEN THE MUNICIPALITY OF ANCHORAGE AS
3 LESSOR AND THE UNIVERSITY OF ALASKA AS LESSEE OF LOT 4 AND LOT 5,
4 BLOCK 4, MERRILL FIELD REPLAT, LOCATED BETWEEN RUNWAY 06/24 AND
5 MERRILL FIELD DRIVE.
6

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8 WHEREAS, University of Alaska has entered into a purchase agreement with
9 the existing leaseholder of Lot 4 and Lot 5, Block 4, Merrill Field Replat; and
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11 WHEREAS, University of Alaska is planning to utilize the existing facilities on Lot
12 4 and Lot 5 to house a new Transportation Research Center; and
13

14 WHEREAS, University of Alaska is planning to make considerable improvements
15 to the leasehold which includes numerous life safety improvements, interior and exterior
16 remodeling and implementation of a landfill gas control system; and
17

18 WHEREAS, University of Alaska requires additional lease term to make the
19 proposed improvements economically feasible, the existing lease term for Lot 4 expires
20 April 30, 2010 (6 years) and the existing lease term for Lot 5 expired May 31, 1989
21 (currently month to month holdover tenancy); and
22

23 WHEREAS, Merrill Field Airport is very supportive of the proposed development
24 and recommends entering into one new Lease as opposed to an extension to the two
25 existing Leases for the additional lease term; and
26

27 WHEREAS, disposal by lease of the real property described will permit
28 development of Lot 4 and Lot 5 by the University of Alaska at its own cost and expense
29 which further reflects a new sense of confidence and revitalization for our locally owned
30 airport thereby having a positive economic benefit to the Municipality; and
31

32 WHEREAS, the current Merrill Field lease rate is consistent for all Merrill Field
33 Airport land leases with like uses and considered to be the market rate for airport
34 properties that are restricted to aeronautical uses; and
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36 WHEREAS, AMC Section 25.30.020 states that disposal of Municipal land shall
37 be by ordinance only; now, therefore
38
39
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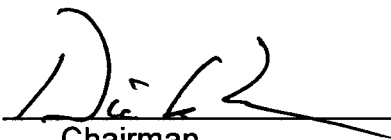
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THE ANCHORAGE MUNICIPAL ASSEMBLY ORDAINS:

Section 1. The Municipality of Anchorage is authorized to lease Lot 4, Block 4, Merrill Field Replat, located within the Anchorage Recording District of the Third Judicial District, composed of approximately 102,509 square feet and Lot 5, Block 4, Merrill Field Replat, located within the Anchorage Recording District of the Third Judicial District, composed of approximately 72,655 square feet, to University of Alaska, upon the terms and conditions summarized in Assembly Memorandum No. 199-2005 submitted to the Assembly in conjunction with this ordinance and attached hereto.

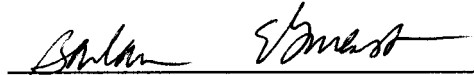
Section 2. This ordinance shall take effect immediately upon passage and approval by the Anchorage Municipal Assembly.

PASSED AND APPROVED by the Anchorage Municipal Assembly this 12th day of April, 2005.



Chairman

ATTEST:



Municipal Clerk

MUNICIPALITY OF ANCHORAGE
Summary of Economic Effects -- General Government

AO Number: **2005- 45** Title: New Long Term Lease with University of Alaska for Lot 4 & Lot 5, Block 4,
Merrill Field Replat
Sponsor: David A. Lundeby
Preparing Agency: Merrill Field Airport
Others Impacted: None

| CHANGES IN EXPENDITURES AND REVENUES: | (In Thousands of Dollars) | | | | |
|--|----------------------------------|---------------------|---------------------|---------------------|---------------------|
| | <u>FY05</u> | <u>FY06</u> | <u>FY07</u> | <u>FY08</u> | <u>FY09</u> |
| Operating Expenditures | | | | | |
| 1000 Personal Services | | | | | |
| 2000 Non-Labor | | | | | |
| 3900 Contributions | | | | | |
| 4000 Debt Service | | | | | |
| TOTAL DIRECT COSTS: | \$ - | \$ - | \$ - | \$ - | \$ - |
| Add: 6000 Charges from Others | | | | | |
| Less: 7000 Charges to Others | | | | | |
| FUNCTION COST: | \$ - | \$ - | \$ - | \$ - | \$ - |
| REVENUES: | <\$ 7> | <\$ 7> | <\$ 7> | <\$ 7> | <\$ 7> |

CAPITAL:

POSITIONS: FT/PT and Temp

PUBLIC SECTOR ECONOMIC EFFECTS:

The proposed leasing action results in a small decrease in property tax revenues as the property moves to a non-taxable status.

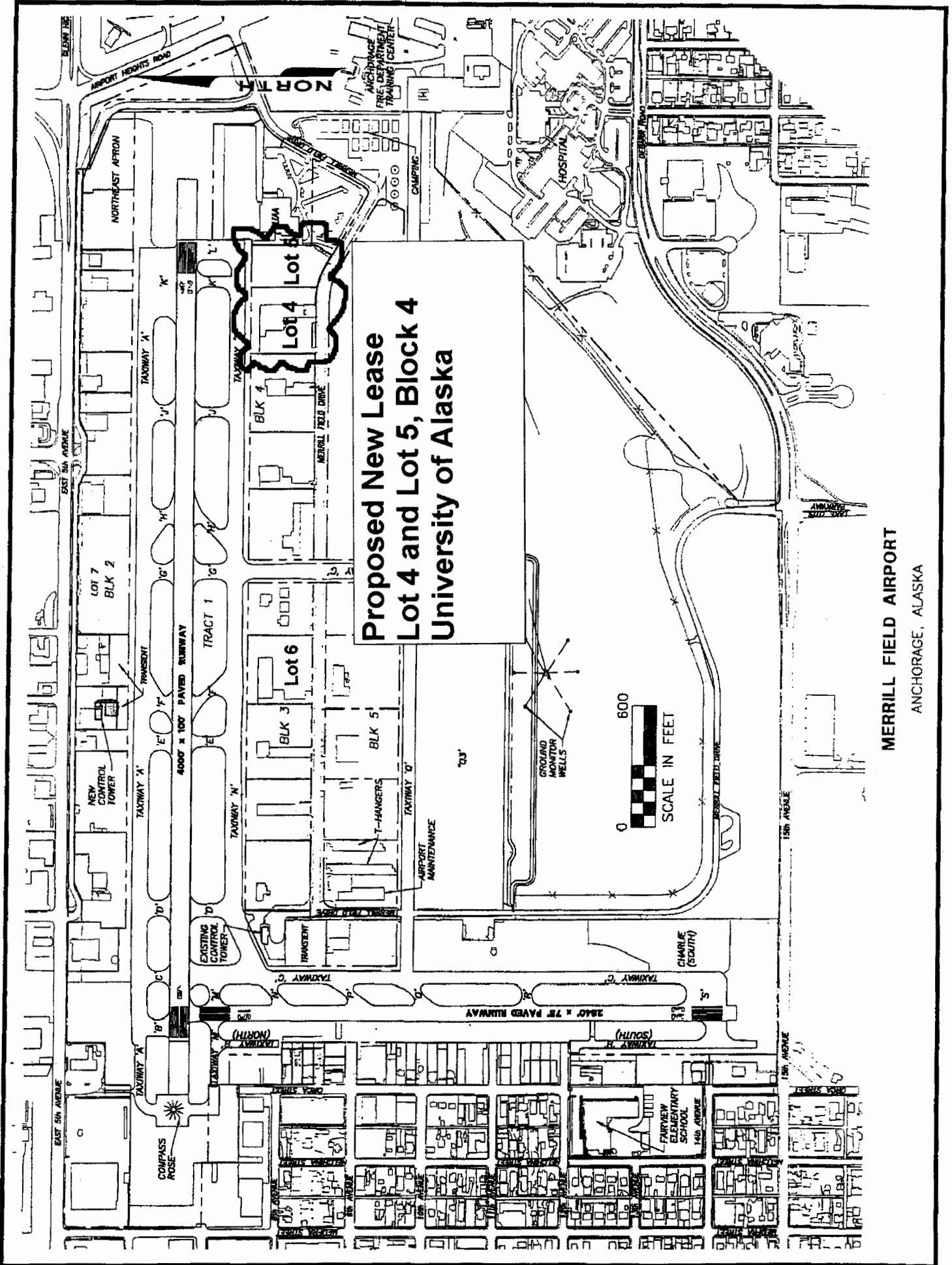
PRIVATE SECTOR ECONOMIC EFFECTS:

Planned construction improvements will provide business and employment opportunities to the local community.

SUMMARY OF ECONOMIC EFFECTS FOR UTILITIES:

No Effects to Utilities:

The ground rental rate for Lot 4 and Lot 5, Block 4 remains the same.



**Proposed New Lease
 Lot 4 and Lot 5, Block 4
 University of Alaska**

MERRILL FIELD AIRPORT
 ANCHORAGE, ALASKA