

CLERK'S OFFICE

APPROVED

Date: 5-3-05

Submitted by: Chairman of the Assembly
At the request of the Mayor
Prepared by: Port of Anchorage
For reading: April 12, 2005

ANCHORAGE, ALASKA
AO NO. 2005- 60

1 AN ORDINANCE AUTHORIZING THE THIRD RENEWAL OPTION OF THE
2 LEASE OF LOT 7-B, PORT OF ANCHORAGE SUBDIVISION, TOTALING 380,559
3 SQUARE FEET, TO TESORO ALASKA COMPANY.
4

5
6 WHEREAS, the lease contract between the Municipality of Anchorage, Port of Anchorage
7 and Tesoro Alaska Company for Lot 7-B, Port of Anchorage Subdivision, provides for an
8 initial 30 year term ending June 30, 1994 and 4 five-year renewal options; and
9

10 WHEREAS, two five-year options have been previously exercised, and Tesoro Alaska
11 notified the Municipality of its intent to exercise the option to renew for the third five-year
12 period; and
13

14 WHEREAS, Anchorage Municipal Code section 25.30.020 requires disposal of municipal
15 land shall be by ordinance only; now therefore,
16

17 THE ANCHORAGE ASSEMBLY ORDAINS:
18

19 **Section 1.** The Municipality of Anchorage, Port of Anchorage is authorized to lease
20 Lot 7-B, Port of Anchorage Subdivision, located in the Anchorage Recording District, Third
21 Judicial District, State of Alaska, to Tesoro Alaska Company upon the terms and conditions
22 summarized in Assembly Memorandum submitted concurrently herewith.
23

24 **Section 2.** This ordinance shall take effect immediately upon passage and approval.
25

26 PASSED AND APPROVED by the Anchorage Assembly this 3rd day of
27 May, 2005.
28

29
30 Anna J. Fairclough
31 Chairman
32

33 ATTEST:
34

35
36 Salma S. Duerde
37 Municipal Clerk
38

MUNICIPALITY OF ANCHORAGE
Summary of Economic Effects -- Utilities

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Title: AN ORDINANCE AUTHORIZING THE THIRD RENEWAL OPTION OF THE LEASE OF LOT 7-B, PORT OF ANCHORAGE SUBDIVISION, TOTALING 380,559 SQUARE FEET, TO TESORO ALASKA COMPANY.

Sponsor: William J. Sheffield
 Preparing Agency: Port of Anchorage
 Others Impacted: None

CHANGES IN REVENUES AND EXPENSES:		(In Thousands of Dollars)				
	<u>FY05</u>	<u>FY06</u>	<u>FY07</u>	<u>FY08</u>	<u>FY09</u>	
Operating Revenues:						
9571 Industrial Park Leases	\$ 13.1	\$ 13.1	\$ 13.1	\$ 13.1	\$ 13.1	
TOTAL OPERATING REVENUES	\$ 13.1	\$ 13.1	\$ 13.1	\$ 13.1	\$ 13.1	
Operating Expenses:						
	\$ -	\$ -	\$ -	\$ -	\$ -	
TOTAL OPERATING EXPENSES	\$ -	\$ -	\$ -	\$ -	\$ -	
Non-Operating Revenues:						
TOTAL NON-OPERATING REVENUES	\$ -	\$ -	\$ -	\$ -	\$ -	
Non-Operating Expenses:						
TOTAL NON-OPERATING EXPENSES	\$ -	\$ -	\$ -	\$ -	\$ -	
NET INCOME (REGULATED)	\$ 13.1	\$ 13.1	\$ 13.1	\$ 13.1	\$ 13.1	
POSITIONS: FT/PT and Temp	0	0	0	0	0	

PUBLIC SECTOR ECONOMIC EFFECTS:

This is the third of four five-year renewal options for Lot 7-B available to Tesoro Alaska Company. The per square foot charge is increased from \$0.88 to \$0.92 per square foot for the term commencing July 1, 2004 and ending June 30, 2009. The increase in the lease rate results in an increase of annual rent from \$337,000 to \$350,114, yielding \$13,114 in new revenue for this 5-year renewal option.

SUMMARY OF ECONOMIC EFFECTS

PRIVATE SECTOR ECONOMIC EFFECTS:

Tesoro Alaska Company is the only private sector entity to be impacted by the Lot 7-B renewal option.

Prepared by: Edward Leon, Director of Finance & Admin.
 Validated by OMB: _____
 Approved by: William J. Sheffield, Port Director

Telephone: 343-6204
 Date: _____
 Date: _____