

Submitted by: Chair of the Assembly at the
Request of the Mayor
Prepared by: Department of Economic and
Community Development
For reading: July 12, 2005

CLERK'S OFFICE
APPROVED
Date: 7-26-05

ANCHORAGE, ALASKA
No. AO 2005- 91

1 AN ORDINANCE CONFIRMING AND AUTHORIZING CONSTRUCTION OF A NEW
2 CIVIC AND CONVENTION CENTER FACILITY ON BLOCK 80, ANCHORAGE
3 ORIGINAL TOWNSITE AND A 600 to 700-CAR PARKING GARAGE ON THE SOUTH
4 ONE-HALF OF BLOCK 70, ANCHORAGE ORIGINAL TOWNSITE.
5

6
7 WHEREAS, Anchorage voters on April 5, 2005, approved a proposition for a new Anchorage
8 civic and convention center projected to create more than 1,300 direct and indirect construction
9 jobs, and more than 3,700 new permanent jobs, and would spur approximately \$50 million in
10 new downtown development; and
11

12 WHEREAS; the new facility is estimated to provide the potential for \$133.2 million in additional
13 annual economic benefit to Anchorage by providing the visitor industry and ACVB access to an
14 expanded market, and allow Anchorage to host multiple smaller and much larger events; and
15

16 WHEREAS, on March 2, 2004, the Assembly approved AO 2004-54, waiving certain public
17 facilities site selection, site plan review, and project landscaping provisions of Title 21, and
18 certain procurement provisions of Chapter 7.20, for a new civic and convention center facility,
19 and associated parking structure, subject to review of the facility site selection, site plans, and
20 project landscaping, and any contract entered into pursuant to the request for proposal (RFP)
21 process; and
22

23 WHEREAS, RFP 24-P009 resulted in a successful proposal from Alaska Center for Convention
24 and Trade, LLC (ACCT) for construction of a new convention center on Block 80, Anchorage
25 Original Townsite, and affiliated parking garage on the south one-half of Block 70, Anchorage
26 Original Townsite, and negotiation of a Development Agreement; and
27

28 WHEREAS, AO No. 2004-179 approved a new convention center for construction, including
29 site selection, site plan review and landscaping; and
30

31 WHEREAS, AO No. 2004-179 was intended to be comprehensive, with respect to authorizing
32 construction, certain additional provisions have been identified as potentially applicable to the
33 convention center and affiliated parking garage which might result in delay; now, therefore,
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1 THE ANCHORAGE ASSEMBLY ORDAINS:
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3 **Section 1.** Notwithstanding section 21.15.130, the right-of-way (alley) between F Street and
4 G Street, as well as right-of-way F Street and G Street between 7th Avenue and 8th Avenue, and
5 shown on attached **Exhibits A, B and C**, are vacated, and title to the land shall rest in the
6 Municipality, pursuant to section 21.15.130D.1. The owner of Block 80, Anchorage Original
7 Townsite, shall cause a revised plat to be recorded within 120 days of the written notice required
8 by section 12, below. Failure to record the revised plat shall cause this vacation to be void and
9 of no effect.

10
11 **Section 2.** Notwithstanding sections 21.15.120 and 21.15.125, the replat of Block 80,
12 Anchorage Original Townsite, combining lots 1-12 and associated vacated rights-of-way, as
13 identified in Section 1 above, is approved. The owner of Block 80, Anchorage Original
14 Townsite, shall cause a revised plat to be recorded within 120 days of the written notice required
15 by section 12, below. Failure to record the revised plat shall cause this vacation to be void and
16 of no effect.

17
18 **Section 3.** Notwithstanding sections 21.40.160H. and 21.40.170H., the general dimensions
19 of the Civic and Convention Center, approved pursuant to AO 2004-179, are approved and, to
20 the extent required, a “bulk variance” is hereby granted.

21
22 **Section 4.** Notwithstanding sections 21.40.160 and 21.140.170, construction of the Civic and
23 Convention Center, approved pursuant to AO 2004-179 and generally similar to the site plans
24 associated with that ordinance, is authorized as a permitted use within the zoning districts
25 applicable to Block 80, Anchorage Original Townsite.

26
27 **Section 5.** Notwithstanding sections 21.40.160D.5. and 21.40.170D.5., marquees, overpasses
28 and similar substantial projections into public airspace, together with any signs to be mounted
29 thereon, are permitted uses as depicted in **Exhibit D**, attached hereto.

30
31 **Section 6.** Notwithstanding sections 21.40.160G. and 21.40.170G., and subject to written
32 approval of the Municipal Engineer, the footings for the foundation of the Civic and Convention
33 Center may encroach into the adjacent rights-of-way, as depicted in **Exhibit D**, attached hereto.

34
35 **Section 7.** Notwithstanding section 21.40.160, the parking structure to be located upon the
36 south one-half of Block 70, Anchorage Original Townsite, in support of the Civic and
37 Convention Center authorized by AO 2004-179 is to be between 600-700 spaces and a Traffic
38 Impact Analysis is not required.

39
40 **Section 8.** Notwithstanding sections 21.15.120 and 21.15.125, the replat of Block 70,
41 Anchorage Original Townsite, combining lots 7, 8, 9, 9A, 10A, 11, East 10' of 11, and 12, into a
42 single lot is approved. The owner of the south one-half of Block 70, Anchorage Original
43 Townsite, shall cause a revised plat to be recorded within 120 days of the written notice required
44 by section 12, below. Failure to record the revised plat shall cause this replat to be void and of
45 no effect.

1
2 **Section 9.** Notwithstanding section 21.40.160, construction of the affiliated parking garage
3 pursuant to AO 2004-179 is authorized as a permitted use within the zoning district applicable to
4 the south one-half of Block 70, Anchorage Original Townsite.

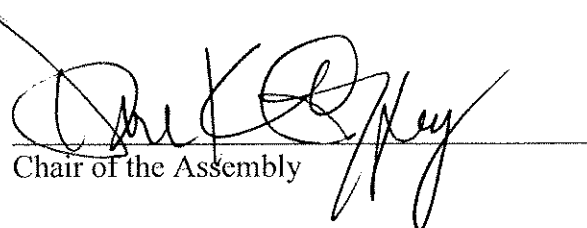
5
6 **Section 10.** Notwithstanding section 21.40.160H., the dimensions of the affiliated parking
7 garage approved pursuant to AO 2004-179 are approved and, to the extent required, a "bulk
8 variance" is hereby granted.

9
10 **Section 11.** Sections 21.15.015, 21.15.025 and 21.15.030 shall not be applicable to
11 construction of the affiliated parking garage provided, however, the developer of the affiliated
12 parking structure shall make informational presentations to the Planning and Zoning
13 Commission and Urban Design Commission to receive comments concerning urban design and
14 landscaping issues. Such informational presentations shall be held prior to completion of
15 Phase II of the Development Agreement, and shall be publicly noticed at least fourteen (14) days
16 before the presentations are given.


17
18 **Section 12.** Sections 21.15.015 and 21.15.025 shall not be applicable to construction of the
19 Civic and Convention Center approved pursuant to AO 2004-179; provided, however, the
20 developer of the project and the Municipality shall hold at least one (1) public meeting to receive
21 public comments concerning urban design and landscaping issues. Such meetings shall be held
22 prior to completion of Phase II of Development Agreement and shall be noticed publicly, at least
23 fourteen (14) days before the meeting is held.

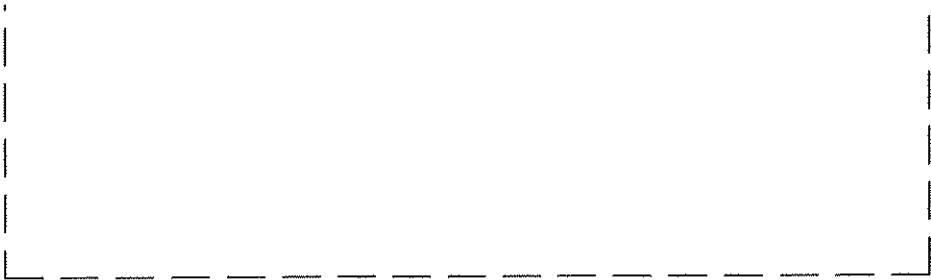
24
25 **Section 13.** This ordinance shall be effective immediately upon passage and approval by the
26 Anchorage Assembly, except sections 1, 2, and 7 shall not become effective until a record owner
27 of Block 80 or Block 70, as the case may be, submits to the Municipality a written notice that the
28 owner elects to replat the property. If the record owner does not submit such written notice by
29 December 31, 2007, sections 1, 2 and 7 shall be void and of no effect.

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31 PASSED AND APPROVED by the Anchorage Assembly this 26th day of
32 July, 2005.

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Chair of the Assembly

37 ATTEST:

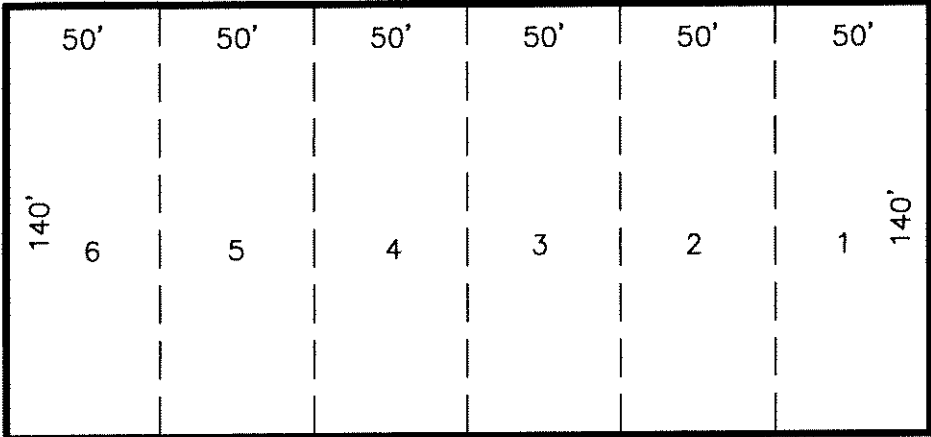
38
39 
40
41 Municipal Clerk
42



WEST 7TH AVENUE

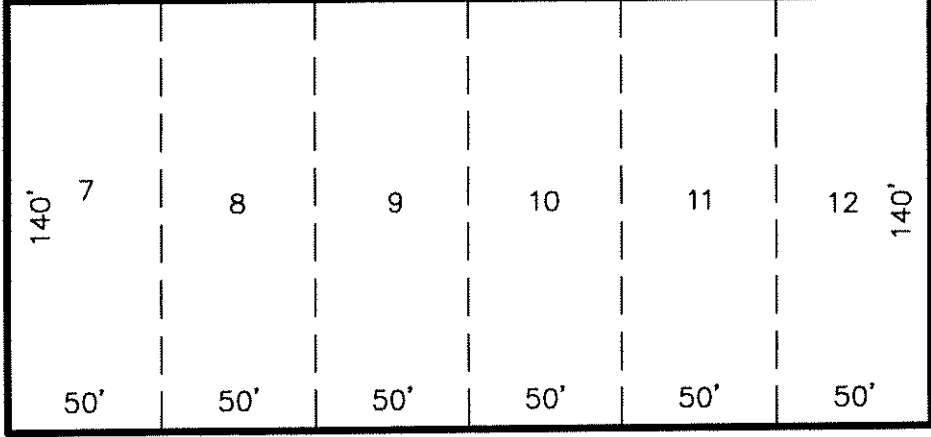
30' 30'

G STREET



BLOCK 80

20' 20'



WEST 8TH AVENUE

30' 30'



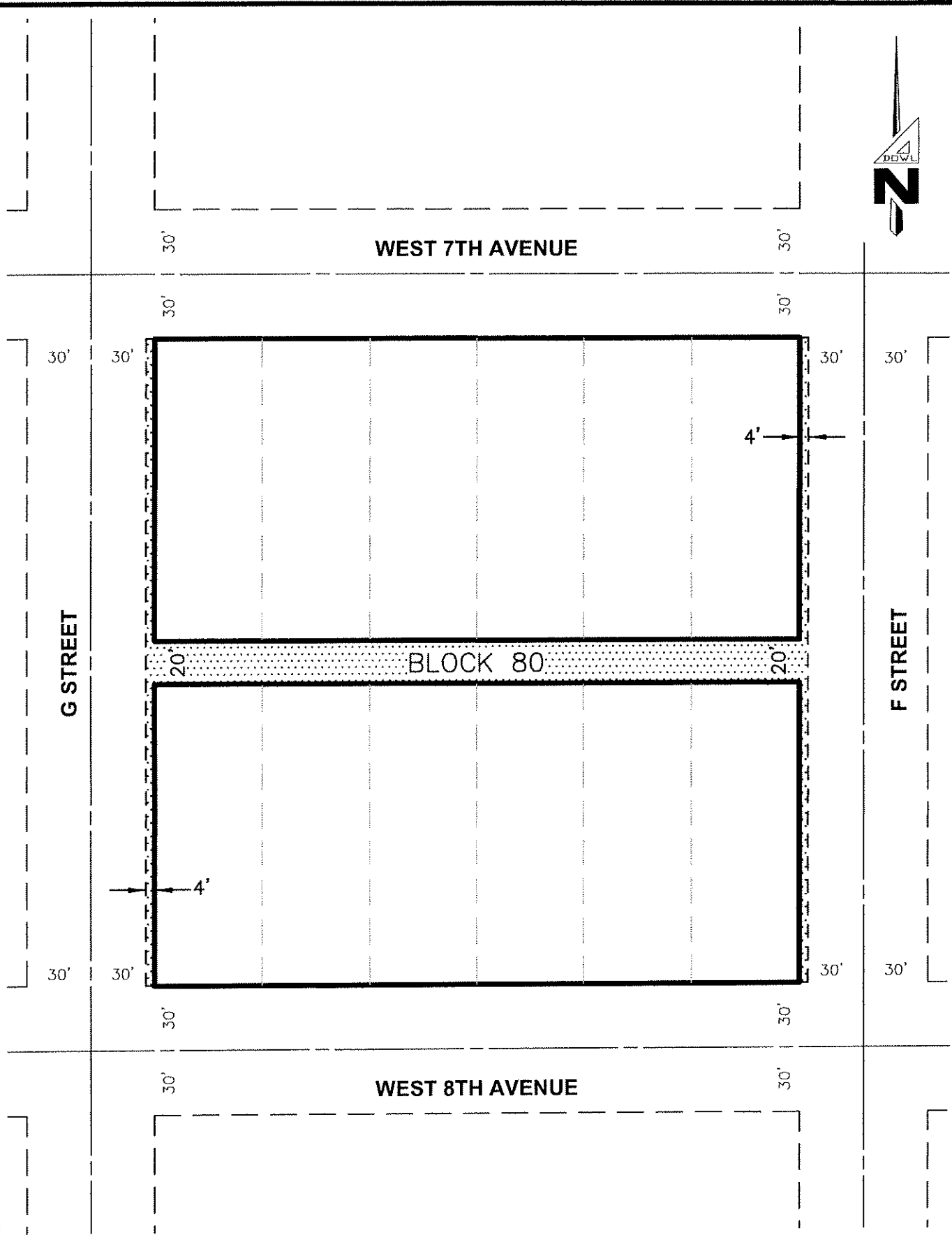
W.O. D58716

SCALE: 1"=60'



EXISTING PLAT CONDITIONS
Alaska Civic and Convention Center

Exhibit A



WEST 7TH AVENUE

BLOCK 80

WEST 8TH AVENUE

G STREET

F STREET

W.O. D58716

SCALE: 1"=60'



PROPOSED VACATIONS
Alaska Civic and Convention Center

Exhibit B



WEST 7TH AVENUE

G STREET

F STREET

TRACT A
BLOCK 80

WEST 8TH AVENUE

W.O. D58716




SCALE: 1"=60'



ENCROACHMENTS INTO ROW
Alaska Civic and Convention Center

Exhibit C

KEY

-  BUILDING FOOTING
-  2ND STORY BUILDING OVERHANG
-  BUILDING MARQUEES, COVERED WALKWAYS AND THE LIKE



WEST 7TH AVENUE

G STREET

F STREET

TRACT A
BLOCK 80

PROPERTY LINE

5'

5'

5'

NEW CURB LINE

WEST 8TH AVENUE

W.O. D58716

SCALE: 1"=60'



EXISTING PLAT CONDITIONS
Alaska Civic and Convention Center

Exhibit D

MUNICIPALITY OF ANCHORAGE
Summary of Economic Effects -- General Government

AO Number: 2005- 91

Title: AN ORDINANCE CONFIRMING AND AUTHORIZING CONSTRUCTION OF A NEW CIVIC AND CONVENTION CENTER FACILITY ON BLOCK 80, ANCHORAGE ORIGINAL TOWNSITE AND A 600 to 700 CAR PARKING GARAGE ON THE SOUTH ONE-HALF OF BLOCK 70, ANCHORAGE ORIGINAL TOWNSITE.

Sponsor: Dept. of Economic & Community Development
 Preparing Agency: Dept. of Law
 Others Impacted:

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:					
CAPITAL:					
POSITIONS: FT/PT and Temp					

PUBLIC SECTOR ECONOMIC EFFECTS:

The proposed ordinance has less than \$30,000.00 impact on the public section.

PRIVATE SECTOR ECONOMIC EFFECTS:

The proposed ordinance has no private sector economic effects.

Prepared by: Dept. of Law

Telephone: 343-4545

MUNICIPALITY OF ANCHORAGE

ASSEMBLY MEMORANDUM

No. AM 439 -2005

Meeting Date: July 12, 2005

1 **From:** MAYOR

2
3 **Subject:** AN ORDINANCE CONFIRMING AND AUTHORIZING CONSTRUCTION OF
4 A NEW CIVIC AND CONVENTION CENTER FACILITY ON BLOCK 80,
5 ANCHORAGE ORIGINAL TOWNSITE AND 600 TO 700 CAR PARKING
6 GARAGE ON THE SOUTH ONE-HALF OF BLOCK 70, ANCHORAGE
7 ORIGINAL TOWNSITE.
8

9 This ordinance is a more detailed follow-up to two ordinances previously approved by the Assembly to
10 implement expeditious construction of a convention center facility on Block 80, Anchorage Original
11 Townsite. In March 2004, the Assembly passed an ordinance establishing an expedited RFP process to
12 solicit bids for construction of a new convention center facility. At that time, the Assembly established
13 itself as the approving authority for site selection and site plan approval. See AO 2004-54 and AM 133-
14 2004, attached hereto as **Exhibit 1**. In January 2005, the Assembly approved the site selection, site
15 plans and landscaping plans, the Development Agreement and further authorized various departments of
16 the Municipality to “approve the Final Plans, Final Budget and Final Schedule and determination of
17 financial feasibility, without further review by the Anchorage Assembly.” See AO 2004-179 and AM
18 941-2004, attached hereto as **Exhibit 2**.

19
20 Establishing the Assembly as the decision maker (rather than the various regulatory boards and
21 commission with routine jurisdiction) was appropriate because the public hearing process afforded by
22 Assembly adoption of these ordinances, combined with the extensive public discussions, presentations
23 and debate, allowed considerable opportunity to comment upon all aspects of the project. This
24 discussion and debate commenced with selection of ACCT, LLC as the successful bidder and ended
25 with a vote in favor of construction of the convention at the April 5, 2005 municipal election and makes
26 formal proceeding in connection with the site selection and site plans inapplicable.

27
28 As part of the planning and design process, ACCT, LLC is now undertaking fulfillment of its
29 obligations under Phase II of the Development Agreement. ACCT identified certain planning and
30 platting matters which, given the fairly broad but general language of the prior ordinances, may or may
31 not be exempted by prior Assembly action. If these platting matters had been specifically identified in
32 December, when AO 2004-179 was submitted to the Assembly for approval, they would have been
33 expressly addressed in more detailed language. However, because the planning and design process was
34 only at the ten percent (10%) level, the specific items addressed in this ordinance were not focused on at
35 that time.

36
37 Rather than leave open the question of what procedures are exempt and what procedures are not exempt
38 (and the opportunity to cause delay through a legal challenge), the Administration and ACCT concluded
39 a new ordinance is the soundest approach. Thus, this ordinance contains a more detailed and specific
40 approval of certain land use related items, without requiring ACCT to submit these issues to the Platting
41 Board, the Zoning Board of Examiners and Appeals, and/or the Planning and Zoning Commission.

1
2 Specifically, this ordinance allows for replatting of Blocks 70 and 80. This is necessary because the
3 various lots must be combined into a single lot. On Block 80, vacation of the east-west running alley
4 easement down the center of the block must also be vacated. This ordinance also allows for waiver of
5 the bulk variance and conditional use requirements for both the convention facility and the parking
6 garage on Block 70. (For example, the parking garage, because it exceeds 50 cars, requires a
7 conditional use permit.) This ordinance authorizes vacation of a portion of the street easements on the
8 east and west sides of the convention center. The exact location and dimensions, however, are not yet
9 known.

10
11 THE ADMINISTRATION RECOMMENDS APPROVAL OF THE ORDINANCE AUTHORIZING
12 CONSTRUCTION OF A NEW CIVIC AND CONVENTION CENTER FACILITY ON BLOCK 80,
13 ANCHORAGE ORIGINAL TOWNSITE AND A 600 to 700 CAR PARKING GARAGE ON THE
14 SOUTH ONE-HALF OF BLOCK 70, ANCHORAGE ORIGINAL TOWNSITE.

15
16 Prepared by: Department of Law
17 Approved by: Frederick H. Boness, Municipal Attorney
18 Concur: Jeffrey E. Sinz, Chief Fiscal Officer
19 Concur: Denis C. LeBlanc, Municipal Manager
20 Respectfully submitted: Mark Begich, Mayor
21
22

Submitted by: Chair of the Assembly at the Request of the Mayor
Prepared by: Dept. of Economic & Community Development
For reading: February 3, 2004

CLERK'S OFFICE

APPROVED

Date: 3-2-04

ANCHORAGE, ALASKA

AO NO. 2004- 54

AN ORDINANCE AUTHORIZING ELEMENTS FOR SITE SELECTION, SITE PLAN, LIMITED WAIVER OF TITLE 7 PROCEDURES AND ESTABLISHMENT OF BOUNDARIES FOR A NEW CONVENTION CENTER AND ESTABLISHING THE ANCHORAGE ASSEMBLY AS THE APPROVING AUTHORITY FOR SITE SELECTION AND SITE PLAN APPROVAL

WHEREAS, the current size constraints of the existing Egan Convention Center facility and the rise in bookings at the Sullivan Arena have begun to limit local meeting and convention opportunities in Anchorage;

WHEREAS, the current facility cannot be economically expanded at its current location to accommodate the current and future convention and event needs of Anchorage;

WHEREAS, there are recognized economic advantages to having a new convention facility located in the downtown business area;

WHEREAS, it is recognized that a new privately owned and operated convention facility, or a combination of private/public ownership has economical and beneficial advantages to citizens of Anchorage over one that is solely owned and maintained by the Municipality;

WHEREAS, current Anchorage Municipal Code Title 7 provisions limit the method of acquisition; and

WHEREAS, the Assembly will approve the site selection, the site plan, authorize limited revisions to Title 7 procedures and define the boundaries to which a new convention center can be built; now therefore,

THE ANCHORAGE ASSEMBLY ORDAINS:

Section 1. Anchorage Municipal Code (AMC) Title 21 provisions governing public facility site selection, site plan review, and public facility project landscaping review are hereby waived and made inapplicable to the site selection and site plan review for a new convention center facility.

Section 2. The Anchorage Assembly shall review and approve a site selection and site plan in conjunction with the award of a contract for a convention facility pursuant to the Request For Proposals (RFP) process. The final site plan, including landscaping, may be approved with the award of a contract or may be approved at a later date.


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Section 3. For this convention facility, provisions detailed in AMC subsection 7.20.060 B., D., E., and section 7.20.130 shall be waived. The RFP shall allow for a two-step procurement process and allow the responses received in Step One to be open for review by the competing proposers, and the public, upon selection of the most responsive proposal(s) (up to a maximum of two). The appeals processes in Section 7.20.130 are made inapplicable to the selection process. All appeals shall be made in accordance with the appeal procedures and timelines established in the RFP and may be heard on an expedited basis. Publishing of the essential terms and conditions under the RFP shall be waived, however, the resulting terms and conditions of any agreement or contract between the successful proposer and the Municipality shall be subject to review and approval by the Assembly.

Section 4. For this RFP, the boundaries for a new convention facility shall be located within the boundaries of Ship Creek to the north; Gambell Street extended to the east; 9th Avenue to the south; and L Street to the west.

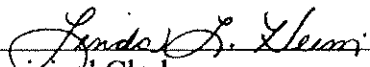
Section 5. This ordinance shall be effective immediately upon its passage and approval by the Assembly.

PASSED AND APPROVED by the Anchorage Assembly this 2nd day of March, 2004.



Chair of the Assembly

ATTEST:



Municipal Clerk
Deputy



MUNICIPALITY OF ANCHORAGE

ASSEMBLY MEMORANDUM

No. AM 133-2004

Meeting Date: February 3, 2004

1 **FROM:** Mayor

2
3 **SUBJECT:** AN ORDINANCE AUTHORIZING ELEMENTS FOR SITE SELECTION, SITE PLAN,
4 LIMITED WAIVER OF TITLE 7 PROCEDURES AND ESTABLISHMENT OF
5 BOUNDARIES FOR A NEW CONVENTION CENTER AND ESTABLISHING THE
6 ANCHORAGE ASSEMBLY AS THE APPROVING AUTHORITY FOR SITE SELECTION
7 AND SITE PLAN APPROVAL
8

9 The existing Egan Convention Center is rapidly beginning to exceed its capacity. The existing facility
10 does not meet the future convention or event needs of Anchorage for several reasons. Among those are:
11

12 *Functionality.* Local smaller civic events are being displaced by larger events that are
13 booked several years out. Large trade shows currently held at the Sullivan Arena are
14 beginning to displace sporting events. The Egan Center's size and site constraints limit
15 its usefulness to groups over 1,500. Many larger conventions cannot be attracted to
16 Anchorage. A new convention center can better serve these civic events, as well as allow
17 access to a significant additional market of conventions hosting up to 5,000 delegates.
18

19 *Economic Considerations.* A new convention center may generate approximately \$100
20 million of construction. It may trigger approximately \$60 million in associated new hotel
21 construction as additional rooms will be needed, along with approximately 800
22 construction jobs. A new privately owned convention center, along with projected new
23 hotel construction will add significant revenue to the property tax roles. It could generate
24 up to 40,000 convention delegates to Anchorage every year. Annually, this means
25 approximately 700 new jobs, an additional \$2.3 million in bed taxes, \$32 million in direct
26 spending to Anchorage businesses, 90,000 additional bed nights, and 27,000 additional
27 airline round trips.
28

29 *Expanding the Existing Facility.* The expansion of the Egan Center was considered and
30 found not to be feasible due to its location and configuration. It is surrounded by parks,
31 historic buildings and quality urban fabric. The building footprint is too small, the
32 building is not structurally designed to expand vertically and underground expansion is
33 cost prohibitive.
34

35 *Location.* Civic and convention center success is directly attributable to close adjacency
36 to key amenities such as hotels, shopping, dining, cultural activities and other areas of
37 interest within a city. Downtown Anchorage is the only region in the city that has the
38 necessary adjacencies. Also, Anchorage is a winter city for much of the convention
39 season, and the need for close adjacencies is much greater.
40

1 In light of the existing facility's shortcomings, it is recommended that the Municipality seek proposals
2 for a replacement convention center. It is desirable to expedite the procurement process to allow the
3 voters of Anchorage to make a decision on whether a new convention center is in their best interests.
4 However, certain provisions in Anchorage Municipal Code need to be waived to achieve the goal of
5 placing a ballot issue in front of the voters on the State election in August 2004.

6
7 A crucial element of the project involves ownership rights to the facility and whether the facility would
8 be classified as a public or private venture. The RFP is being developed to allow for a privately owned
9 facility with potential Municipal contributions through increased bed taxes, or allow for a private/public
10 ownership. If the successful proposal is strictly a privately owned and operated facility, Title 21
11 provisions regarding site selection and site plan reviews may not apply. However, if the successful
12 proposal is a joint private/public ownership, those Title 21 provisions would apply. It is therefore
13 recommended that the Title 21 waivers requested in the AO be approved.

14
15 Title 7 procedures contain restrictions on the procurement process that do not lend itself to the use for a
16 project of this nature. Specifically, Title 7 has the following limitations that are recommended to be
17 waived for this unique project;

18
19 Subsection 7.20.060B.:

20 Requires that the all contractual terms and conditions be published with the RFP. To allow for
21 maximum flexibility, it is requested this requirement be waived and allow the Municipality and
22 the successful proposer to negotiate a final contract subject to review and approval by the
23 Assembly.

24
25 Subsection 7.20.060D.:

26 Does not allow for the disclosure of competing proposals to be released until after award of a
27 contract. To ensure a fair and open process, it is recommended that all proposals (except for
28 proprietary company financial information not generally available to the general public) be open
29 for public inspection upon selection of the most qualified proposal(s) in step one.

30
31 Subsection 7.20.060E.:

32 Further prohibits the disclosure of proposals during the step-one process. It is recommended that
33 this prohibition be removed consistent with the above.

34
35 Subsection 7.20.130:

36 Allows any person adversely affected by the procurement process to request the mayor or the
37 Assembly to refer the matter to the Bidding Review Board. It is recommended that this
38 subsection be waived and the process and timeline for any appeal be established in the RFP.

39
40 The boundaries for this project are Ship Creek to the north; Gambell Street extended to the east; 9th
41 Avenue to the south; and L Street to the west. These boundaries are consistent with preservation
42 and economic development of the core downtown business district and associated amenities.

43
44 THE ADMINISTRATION RECOMMENDS APPROVAL OF THE ORDINANCE FOR A NEW
45 CONVENTION CENTER FACILITY.

46
47 Prepared by: Mary Jane Michael, Executive Director, Office of Economic & Community Development
48 Concur: Denis C. LeBlanc, Municipal Manager
49 Respectfully submitted: Mark Begich, Mayor

Content Information

Content ID : 001501

Type: Ordinance - AO

Title: An Ordinance Authorizing Elements for Site Selection, Site Plan, Limited Waiver of Title 7 Procedures and Establishment of Boundaries for a New Convention Center and Establishing the Anchorage Assembly as Approving Authority for Site Selection Approval

Author: barkleyva

Initiating Dept: ECD

Description: Ordinance Authorizing Site Selection, Site Plan, Limited Waiver of Title 7 Procedures and Establishment of Boundaries for a new Convention Center

Keywords: Ordinance New Convention Center

Date Prepared: 1/29/04 3:41 PM

Director Name: Mary Jane Michael

Assembly Meeting Date 02/03/04
MM/DD/YY:

Public Hearing Date 03/02/04
MM/DD/YY:

2004 JAN 30 PM 4:45
 CLEARING OFFICE
 M.J.M.

Workflow History

Workflow Name	Action Date	Action	User	Security Group	Content ID
AllOrdinanceWorkflow	1/29/04 4:09 PM	Checkin	barkleyva	Public	001501
ECD_SubWorkflow	1/29/04 4:17 PM	Approve	thomasm	Public	001501
OMB_SubWorkflow	1/30/04 10:45 AM	Approve	wiltsep	Public	001501
Legal_SubWorkflow	1/30/04 10:54 AM	Approve	bonessfh	Public	001501
MuniManager_SubWorkflow	1/30/04 11:30 AM	Approve	leblancdc	Public	001501
MuniMgrCoord_SubWorkflow	1/30/04 11:33 AM	Approve	katkusja	Public	001501

Submitted by: Chair of the Assembly at the Request of the Mayor

Prepared by: Department of Economic & Community Development

For reading: December 14, 2004

CLERK'S OFFICE

APPROVED

Date: 1-11-05
IMMEDIATE RECONSIDERATION

FAILED 1-11-05

ANCHORAGE, ALASKA
AO NO. 2004-179

1 AN ORDINANCE APPROVING A NEW CONVENTION FACILITY, INCLUDING
2 SITE SELECTION, SITE PLANS, LANDSCAPING, AND A MULTI-YEAR
3 DEVELOPMENT AGREEMENT FOR CONSTRUCTION WITH ALASKA CENTER
4 FOR CONVENTION & TRADE, LLC.

6
7 WHEREAS, on March 2, 2004, the Assembly approved AO 2004-54, waiving certain
8 public facilities site selection, site plan review, and project landscaping provisions of
9 title 21, and certain procurement provisions of chapter 7.20, for a new convention center
10 facility, subject to review of the facility site selection, site plans, and project landscaping,
11 and any contract entered into pursuant to the request for proposal (RFP) process; and

12
13 WHEREAS, RFP 24-P009 resulted in a successful proposal from Alaska Center for
14 Convention & Trade, LLC (ACCT) for construction of a new convention center on Block
15 80, Original Townsite of Anchorage (Block 80), and negotiation of a Development
16 Agreement; and

17
18 WHEREAS, the Development Agreement commits and allocates how proceeds and other
19 funds for renovations to the Egan Civic and Convention Center, together with
20 connectivity between the two convention centers, existing or new parking facilities, the
21 acquisition and replatting of Block 80, and financing; now, therefore,

22
23 THE ANCHORAGE ASSEMBLY ORDAINS:

24
25 **Section 1.** The site selection, site plans, and landscaping plans for the new convention
26 center are approved.

27
28 **Section 2.** The Development Agreement, the essential terms and conditions of which
29 are set out in the accompanying Assembly Memorandum, is approved.


30
31 **Section 3.** The Municipality is authorized to perform the Municipality's obligations
32 under the Development Agreement, including approval of Final Plans, Final Budget, and
33 Final Schedule and determination of financial feasibility, without further review or
34 approval by the Anchorage Assembly.
35

1 **Section 4.** This ordinance shall be effective immediately upon passage and approval
2 by the Anchorage Assembly.

3
4 PASSED AND APPROVED this 11th day of January, 2005.

5
6
7
8 
9 _____
Chair of the Assembly

10 ATTEST:

11
12 
13 _____
14 Municipal Clerk



MUNICIPALITY OF ANCHORAGE
ASSEMBLY MEMORANDUM

No. AM 941-2004

Meeting Date: December 14, 2004

1 **From:** MAYOR

2
3 **Subject:** AN ORDINANCE APPROVING A NEW CONVENTION FACILITY,
4 INCLUDING SITE SELECTION, SITE PLANS, LANDSCAPING,
5 AND A MULTI-YEAR DEVELOPMENT AGREEMENT FOR
6 CONSTRUCTION WITH ALASKA CENTER FOR CONVENTION
7 & TRADE, LLC.
8

9 **SUMMARY**

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11 Pursuant to Request For Proposal 24-P009 (RFP), Alaska Center for Convention & Trade, LLC
12 (ACCT), was chosen as the successful proposer for development of a convention center on
13 Block 80, Original Townsite of Anchorage (Block 80). The projected cost of the convention
14 center, together with upgrades to the existing Egan Civic and Convention Center, parking, and
15 connectivity between them (Project), is expected to be approximately \$93 million, to be paid for
16 principally through the sale of revenue bonds financed with receipts from a 2005 ballot
17 proposition authorizing a four percent (4%) increase in the Municipality's room tax.
18

19 An essential goal and purpose of the Development Agreement is to transfer the risk of cost
20 overruns from the Municipality to the developer and its owners, contractors, insurers, and
21 bonding company. The Development Agreement and financing plan does not require
22 Anchorage property taxpayers to pay for construction or operation of the new convention center.
23

24 To protect against construction cost overruns, the final budget must include a minimum
25 contingency fund of \$6 million, and a guaranteed maximum price construction contract. In
26 addition, 4 principals of ACCT are providing up to an additional \$2M each. The Project also
27 will be bonded and insured, and under the guaranteed maximum price design/build contract
28 (GMP Contract), the design builder assumes the risk of the cost overruns.
29

30 During construction, ACCT is entitled to (1) reimbursement of costs, not to exceed the final
31 budget line items; (2) a development fee of \$3 million; and (3) the possibility to collect a
32 completion fee equal to one-half the balance, if any, of the contingency fund remaining (not to
33 exceed \$3 million) upon substantial completion of the Project. Some or all of the remainder of
34 the contingency fund will be deposited in an operating reserve fund.
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3 **NEW CONVENTION CENTER PROJECT**

4 The new convention center project has three phases:

5 **Phase I**

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7 Phase I began with release of RFP 24-P009, and ends with passage of the ballot proposition to
8 increase the hotel-motel room tax on April 2005.

9
10 **Phase II**¹

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12 Phase II is completion of 35% design plans, adjustment of Project budget and schedule, subject
13 to Municipality review, comment, and approval, and entering into the guaranteed maximum
14 price contract. Upon approval, financial feasibility of the Project will be examined, in light of
15 then-existing financial markets. If the costs of the Project *exceed* the anticipated available
16 Project funds, the Municipality may either:

- 17
18 1. Suspend development of the Project, and pay ACCT certain costs and fees
19 incurred from increased room tax revenues; or
20
21 2. Convey land, in lieu of portion of ACCT's development fee (valued at no more
22 than \$1.5 million), decreasing the amount of cash required for the Project; or
23
24 3. Reduce the scope of the Project, so costs are less than anticipated available
25 Project funds, and proceed under the Development Agreement.
26

27 In the event the costs of the Project are *equal to or less* than anticipated available Project funds,
28 the GMP Contract will be executed, per the RFP proposal, and the Project will advance to Phase
29 III.

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31 **Phase III**

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33 During Phase III, the design of the Project is finalized, incorporating the design previously
34 developed by the Municipality and ACCT, and complete construction of the Project completed
35 within the budget and schedule agreed upon by the Municipality and ACCT. Completion of the
36 Project is scheduled for fall 2008. Upon completion, Phase III ends and the Development
37 Agreement terminates, except for any warranty or other provisions thereof (or of the GMP
38 Contract) that survive termination.
39
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1. If the voters do not approve the room tax increase, the Municipality agrees to pay ACCT \$60,000 for the costs of its proposal, and the Development Agreement terminates without further obligation to ACCT or the MOA.

ESSENTIAL AGREEMENT TERMS

The essential terms of the development agreement are summarized below:

A. **Developer:** Alaska Center for Convention & Trade LLC

B. **Contract Price:**

1. **Estimated Construction Costs:** \$93M payable from 4 non-property tax sources (for no cost to property taxpayers):
 - a. Revenue bond proceeds (net);
 - b. Bed tax increase receipts;
 - c. \$500K annually (escalated annually for inflation) from MOA ; and
 - d. Investment earnings on 3 sources listed above.
2. **April 2005 Ballot Proposition:** In the event the ballot proposition for an increase in the bed tax is not approved by the voters in April 2005, the agreement provides for \$60K payment to ACCT as partial reimbursement of cost to prepare preliminary plans, budget and schedule, and 10% design package.
3. **Financial Feasibility Determination:** If the MOA suspends the project following the financial feasibility determination in Phase 2, contract provides for payment to ACCT from the sources listed in B.1.b. above:
 - a. Reimbursement of cost of proposal submittal plus \$150,000, as partial reimbursement for developer costs;
 - b. \$250,000 as partial payment of development fee (in B.4. below); and
 - c. A sum sufficient to meet the obligation set forth in Phase II, Addendum 1 of RFP (\$150,000).
 - d. If, after suspension, the project is resumed, these amounts are applied to the total amount due ACCT in accordance with the budget.
4. **Development Fee:** \$3M paid in quarterly installments during construction (from combination of sources in B.1. above).

1 5. Completion Fee: One half of the contingency fund available upon substantial
2 completion, but in no event greater than \$3M.
3

4 6. Annual Operating Costs: The developer will not be the operator of the
5 convention center and hence this agreement does not create a legal commitment
6 by the MOA for the payment of funds to support operation of the convention
7 center. This agreement is premised upon the assumption there will be \$1.6M
8 generated annually from project financing to support operation of the convention
9 center. The commitment of those funds will be detailed in an agreement between
10 the MOA and ACVB, finalized after April 2005.
11

12 C. Nature & quality of performance:
13

14 1. Phased project:

15 a. Phase I: 10% design and voter approval of bed tax;
16
17

18 b. Phase II: Maximum price for design/build established; 35% design;
19 final proposed schedule and budget; financial feasibility
20 determination; and execution of design/build (GMP)
21 contract;
22

23 c. Phase III: Actual construction with \$2 million guarantees from each
24 of the (4) primary developers.

25 D. Using agency:
26

27 1. Anchorage Convention & Visitor's Bureau (ACVB) to market, operate and
28 maintain new convention center through an agreement with the MOA.
29

30 2. Anchorage Civic & Convention Center (ACCC), a separate legal entity to be
31 created by the MOA, shall issue revenue bonds and own the facility, pending
32 repayment of the revenue bonds. No later than repayment of revenue bonds, the
33 facilities will be deeded to the MOA for payment of one dollar.
34

35 E. Estimated Time for Performance:
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37 1. Phase 1: May 2005, when April 2005 election results certified.
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39 2. Phase 2: October 31, 2005.
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41 3. Phase 3: Actual construction begins Spring 2006, with completion expected
42 early summer 2008, and occupancy by early fall 2008.

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THE ADMINISTRATION RECOMMENDS APPROVAL OF THE ORDINANCE
APPROVING THE SITE SELECTION, SITE PLANS, AND LANDSCAPING FOR A NEW
CONVENTION CENTER FACILITY, AND FURTHER APPROVING THAT CERTAIN
MULTI-YEAR DEVELOPMENT AGREEMENT WITH ANCHORAGE CENTER FOR
CONVENTION & TRADE LLC.

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Approved by: Mary Jane Michael, Executive Director
Dept. of Economic & Community Development
Concur: Denis C. LeBlanc, Municipal Manager
Respectfully submitted: Mark Begich, Mayor

Content Information

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AN ORDINANCE CONFIRMING AND AUTHORIZING
CONSTRUCTION OF A NEW CIVIC AND CONVENTION CENTER

Title: FACILITY ON BLOCK 80, ANCHORAGE ORIGINAL TOWNSITE AND
A 600 to 700 CAR PARKING GARAGE ON THE SOUTH ONE-HALF
OF BLOCK 70, ANCHORAGE ORIGINAL TOWNSITE.

Author: thomasm

Initiating Dept: ECD

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Keywords: convention center

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Director Name: Mary Jane Michael

Assembly

Meeting Date 7/12/05

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Public Hearing
Date MM/DD/YY: ~~8/9/05~~ 7/26/05

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 M.O.A
 CLERKS OFFICE

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Legal_SubWorkflow	7/8/05 12:00 PM	Approve	fehlenrl	Public	003056
CFO_SubWorkflow	7/8/05 12:00 PM	Approve	sinzje	Public	003056
MuniManager_SubWorkflow	7/8/05 12:06 PM	Approve	leblancdc	Public	003056
MuniMgrCoord_SubWorkflow	7/8/05 12:06 PM	Approve	curtiscr2	Public	003056