

Submitted by: Chair of the Assembly at the  
Request of the Mayor  
Prepared by: Port of Anchorage  
For reading: May 2, 2006

CLERK'S OFFICE

APPROVED

Date: 5-16-06

ANCHORAGE, ALASKA

AO NO. 2006- 69

**AN ORDINANCE AUTHORIZING EXTENSION AND AMENDMENT OF THE  
CONSOLIDATED LEASE BETWEEN THE MUNICIPALITY OF ANCHORAGE  
AND TOTEM OCEAN TRAILER EXPRESS, INC. FOR LOTS 1D-1, 2B-1, 3A AND  
1E, PORT OF ANCHORAGE SUBDIVISION.**

THE ANCHORAGE ASSEMBLY ORDAINS:

**Section 1.** The Consolidated Lease approved by the Anchorage Assembly by AO 89-56 on May 16, 1989 between the Municipality of Anchorage and Totem Ocean Trailer Express, Inc. (TOTE) is hereby extended to December 31, 2010 pursuant to timely exercise of extension given by Totem Ocean Trailer Express, Inc.

**Section 2.** The area subject to this Lease extension is an area of approximately 615,365 square feet and is comprised of Lots 1D-1, 2B-1 & 3A and 1E of the Port of Anchorage Subdivision.

**Section 3.** The ground lease rental rate is adjusted by amendment, pursuant to the Lease, to an annual fair market rental rate of FIVE HUNDRED AND NINETY THOUSAND SEVEN HUNDRED FIFTY DOLLARS (\$590,750.00) payable in twelve (12) equal monthly installments of FORTY NINE THOUSAND TWO HUNDRED TWENTY NINE DOLLARS AND 17/100 (\$49,229.17) effective retroactive to January 1, 2006 and through the end of the extended lease term.

**Section 4.** This ordinance is effective immediately upon passage and approval of the Assembly.

PASSED AND APPROVED by the Anchorage Assembly this 16<sup>th</sup> day of May, 2006.

Daniel A. Sullivan  
Chair

ATTEST:

Balme S. Jenson  
Municipal Clerk

# MUNICIPALITY OF ANCHORAGE

## Summary of Economic Effects -- Utilities

AO Number: 2006 -69 Title: AN ORDINANCE AUTHORIZING EXTENSION AND AMENDMENT OF THE CONSOLIDATED LEASE BETWEEN THE MUNICIPALITY OF ANCHORAGE AND TOTEM OCEAN TRAILER EXPRESS, INC. FOR LOTS 1D-1, 2B-1, 3A AND 1E, PORT OF ANCHORAGE SUBDIVISION.

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

<b>CHANGES IN REVENUES AND EXPENSES:</b>		<b>(In Thousands of Dollars)</b>				
		<b>FY06</b>	<b>FY07</b>	<b>FY08</b>	<b>FY09</b>	<b>FY10</b>
<b>Operating Revenues:</b>						
9571 Industrial Park Leases	\$	64.0	\$	64.0	\$	64.0
<b>TOTAL OPERATING REVENUES</b>	<b>\$</b>	<b>64.0</b>	<b>\$</b>	<b>64.0</b>	<b>\$</b>	<b>64.0</b>
<b>Operating Expenses:</b>						
	\$	-	\$	-	\$	-
<b>TOTAL OPERATING EXPENSES</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>-</b>
<b>Non-Operating Revenues:</b>						
<b>TOTAL NON-OPERATING REVENUES</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>-</b>
<b>Non-Operating Expenses:</b>						
<b>TOTAL NON-OPERATING EXPENSES</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>-</b>
<b>NET INCOME (REGULATED)</b>	<b>\$</b>	<b>64.0</b>	<b>\$</b>	<b>64.0</b>	<b>\$</b>	<b>64.0</b>
<b>POSITIONS: FT/PT and Temp</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

### PUBLIC SECTOR ECONOMIC EFFECTS:

This is an extension and fifth amendment of the Consolidated Lease for Lots 1D-1, 1E, 2B-1 and 3A to Totem Ocean

This is an extension and fifth amendment of the Consolidated Lease for Lots 1D-1, 1E, 2B-1 and 3A to Totem Ocean Trailer Express, Inc. The per square foot charge is increased from \$0.85, \$0.89 and \$0.85 respectively, to \$0.96 per square foot for the term commencing January 1, 2006 and ending December 31, 2010. The increase in the lease rate results in an increase of annual rent of \$64,037 in new revenue for this 5-year renewal option.

**SUMMARY OF ECONOMIC EFFECTS**

**PRIVATE SECTOR ECONOMIC EFFECTS:**

Totem Ocean Trailer Express, Inc. is the only private sector entity to be impacted by the Lots 1D, 1E, 2B-1 and 3A renewal option.

Prepared by:	<u>Edward Leon, Director of Finance &amp; Admin.</u>	Telephone:	<u>343-6204</u>
Validated by OMB:	<u>William J. Sheffield, Port Director</u>	Date:	<u></u>
Approved by:	<u></u>	Date:	<u></u>

Lessee: Totem Ocean Trailer Express, Inc.

Specifics:

<b>Lot 1D-1</b>	<b>\$117,134.00</b>	<b>Market Rent / Year</b>
122,015 sq. ft.	\$9,761.16	Market Rent / Month
<b>Lot 2B-1 &amp; 3A</b>	<b>\$385,960.00</b>	<b>Market Rent / Year</b>
402,042 sq. ft.	\$32,163.33	Market Rent / Month
<b>Lot 1E</b>	<b>\$87,656.00</b>	<b>Market Rent / Year</b>
91,308 sq. ft.	\$7,304.66	Market Rent / Month

Rental Adjustment: Five-year term.

Term: The Lease shall be effective for a period of Twenty-one (21) years and eight (8) months commencing May 1, 1989 and ending December 31, 2010.

Services provided

by Lessee: Utilities and maintenance of premises.

Other terms and

Conditions: As negotiated between TOTE and the Municipality of Anchorage.

THE ADMINISTRATION RECOMMENDS APPROVAL OF THE AN ORDINANCE AUTHORIZING EXTENSION AND AMENDMENT OF THE CONSOLIDATED LEASE BETWEEN THE MUNICIPALITY OF ANCHORAGE AND TOTEM OCEAN TRAILER EXPRESS, INC. FOR LOTS 1D-1, 2B-1, 3A AND 1E, PORT OF ANCHORAGE SUBDIVISION.

Prepared by: Port of Anchorage

Approved by: William J. Sheffield, Director, Port of Anchorage

Concur: Mary Jane Michael, Executive Director,  
Department of Economic & Community Development

Concur: Denis LeBlanc, Municipal Manager

Respectfully submitted: Mark Begich, Mayor

# MUNICIPALITY OF ANCHORAGE

## ASSEMBLY MEMORANDUM

No. AM 300 -2006

Meeting Date: May 2, 2006

1 From: **MAYOR**

2  
3  
4 Subject: **AN ORDINANCE AUTHORIZING EXTENSION AND AMENDMENT OF**  
5 **THE CONSOLIDATED LEASE BETWEEN THE MUNICIPALITY OF**  
6 **ANCHORAGE AND TOTEM OCEAN TRAILER EXPRESS, INC. FOR**  
7 **LOTS 1D-1, 2B-1, 3A AND 1E, PORT OF ANCHORAGE**  
8 **SUBDIVISION.**  
9

10 Leases for Lots 1D-1, 2B-1, 3A and 1E were entered into as a series of individual  
11 agreements between the Municipality of Anchorage and Totem Ocean Trailer Express,  
12 Inc. (TOTE), then consolidated in an Agreement For Modification of Leases (Lease) for  
13 a period of Twenty (20) years and eight (8) months from May 1, 1989 to December 31,  
14 2009, approved by the Anchorage Assembly Ordinance 89-56 on May 16, 1989.  
15

16 The first Amendment of Lease was entered into on March 30, 1990 to change the legal  
17 description of some parcels pursuant to a recorded plat, and to add additional square  
18 footage.  
19

20 The Second Amendment to Lease was entered into on February 19, 1991, to adjust  
21 the rent pursuant to Section 4 of the Agreement For Modification of Leases.  
22

23 The Third Amendment to Lease was entered into on August 13, 1996, to adjust the  
24 rent pursuant to Section 4 of the Lease.  
25

26 The Fourth Amendment to Lease was entered into on August 2, 2001, to adjust the  
27 rent pursuant the appraisal method as agreed to between the parties as set forth in  
28 Section 4 of the Lease.  
29

30 Thereafter, in conjunction with TOTE's notice to the Port to extend its Preferential  
31 Usage Agreement (PUA) for another five (5) year term, also commencing January 1,  
32 2006, TOTE tentatively agreed to the adjusted land lease rates, pending successful  
33 conclusion of PUA negotiations.  
34

35 The following provisions are pertinent to Fifth Amendment of Lease on Lots 1D-1, 2B-  
36 1, 3A and 1E:  
37

**Content Information****Content ID :** 003855**Type:** Ordinance-InvolvingFunds - AO**Title:** TOTE Lease Renewal**Author:** kostersa**Initiating Dept:** Port**Description:** TOTE lease renewal.**Keywords:** TOTE Lease Port**Date Prepared:** 4/6/06 2:55 PM**Director Name:** William Sheffield**Assembly Meeting**  
**Date MM/DD/YY:** 5/2/06**Public Hearing**  
**Date MM/DD/YY:** 5/23/06 <sup>16</sup>2006 APR 24 PM 12:05  
CLERK'S OFFICE  
J. P. A.**Workflow History**

<u>Workflow Name</u>	<u>Action Date</u>	<u>Action</u>	<u>User</u>	<u>Security Group</u>	<u>Content ID</u>
AllFundOrdinanceWorkflow	4/6/06 2:57 PM	Checkin	kostersa	Public	003855
Port_SubWorkflow	4/7/06 9:20 AM	Approve	sheffieldwj	Public	003855
ECD_SubWorkflow	4/7/06 10:41 AM	Approve	thomasm	Public	003855
OMB_SubWorkflow	4/7/06 10:57 AM	Approve	mitsonjl	Public	003855
CFO_SubWorkflow	4/7/06 3:40 PM	Approve	sinzje	Public	003855
Legal_SubWorkflow	4/7/06 5:57 PM	Approve	gatesdt	Public	003855
MuniManager_SubWorkflow	4/21/06 1:12 PM	Approve	leblancdc	Public	003855
MuniMgrCoord_SubWorkflow	4/21/06 2:47 PM	Approve	curtiscr	Public	003855