

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- 70

1 AN ORDINANCE AUTHORIZING THE EXTENSION AND AMENDMENT OF THE
2 LEASE BETWEEN THE MUNICIPALITY OF ANCHORAGE AND TOTEM OCEAN
3 TRAILER EXPRESS, INC. FOR TRANSIT AREA "D" OF THE PORT OF
4 ANCHORAGE SUBDIVISION.
5

6
7 THE ANCHORAGE ASSEMBLY ORDAINS:
8

9 **Section 1.** The Third Amendment to Lease agreement approved by the Anchorage
10 Assembly by Ordinance 91-11 on March 11, 1991 between the Municipality of Anchorage
11 and Totem Ocean Trailer Express, Inc. (TOTE) is hereby extended to December 31, 2010
12 pursuant to timely exercise of extension given by Totem Ocean Trailer Express, Inc.
13

14 **Section 2.** The area subject to this Lease extension is an area of approximately 329,250
15 square feet and is comprised of Transit Area "D" of the Port of Anchorage Subdivision.
16

17 **Section 3.** The ground lease rental rate is adjusted pursuant to the Lease agreement to an
18 annual fair market rental rate of THREE HUNDRED SIXTEEN THOUSAND EIGHTY
19 DOLLARS AND NO/100 (\$316,080.00) payable in twelve (12) equal monthly installments
20 of TWENTY-SIX THOUSAND THREE HUNDRED FORTY DOLLARS AND NO/100
21 (\$26,340.00) effective retroactive to January 1, 2006, and through the end of the extended
22 lease term.
23

24 **Section 4.** This ordinance is effective immediately upon passage and approval by the
25 Assembly.
26

27 PASSED AND APPROVED by the Anchorage Assembly this 16th day of
28 May, 2006.
29

30 *Daniel A. Sullivan*
31 Chair
32

33 ATTEST:
34

35 *Barbara S. Duenkel*
36 Municipal Clerk
37

MUNICIPALITY OF ANCHORAGE
Summary of Economic Effects -- Utilities

AO Number: 2006 - 70

Title: AN ORDINANCE AUTHORIZING THE EXTENSION AND AMENDMENT OF THE LEASE BETWEEN THE MUNICIPALITY OF ANCHORAGE AND TOTEM OCEAN TRAILER EXPRESS, INC. FOR TRANSIT AREA "D" OF THE PORT OF ANCHORAGE SUBDIVISION.

Sponsor: William J. Sheffield

Preparing Agency: Port of Anchorage

Others Impacted: None

CHANGES IN REVENUES AND EXPENSES:			(In Thousands of Dollars)							
	FY06		FY07		FY08		FY09		FY10	
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 a renewal and amendment of the Lease for Transit Area "D" to Totem Ocean Trailer Express, Inc. The per square foot charge is increased from \$0.92 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 \$13,170 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 Transit Area "D" Third Amendment.

Prepared by: Edward Leon, Director of Finance & Admin.

Validated by OMB: _____

Approved by: William J. Sheffield, Port Director

Telephone: 343-6204

Date: _____

Date: _____

MUNICIPALITY OF ANCHORAGE

ASSEMBLY MEMORANDUM

No. AM 301 -2006

Meeting Date: May 2, 2006

From: **MAYOR**

Subject: **AN ORDINANCE AUTHORIZING THE EXTENSION AND AMENDMENT OF THE LEASE BETWEEN THE MUNICIPALITY OF ANCHORAGE AND TOTEM OCEAN TRAILER EXPRESS, INC. FOR TRANSIT AREA "D" OF THE PORT OF ANCHORAGE SUBDIVISION.**

A Five (5) year Lease containing four 5-year renewal options for Transit Area "D" between the Municipality of Anchorage and Totem Ocean Trailer Express, Inc. (TOTE) was approved by the Anchorage Assembly Ordinance 91-11 on May 11, 1991.

A First Amendment of the Lease was entered into on October 21, 1996, to adjust the rent pursuant to Section 4 of the Lease and extend the term to December 31, 2000.

A Second Amendment to the Lease was entered into on August 2, 2001, to adjust the rent pursuant to Section 4 of the Lease and extend the term to December 31, 2005.

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

The following provisions are pertinent to the Third Amendment of Lease for Transit Area "D":

Lessee: Totem Ocean Trailer Express, Inc.

Specifics:	Transit Area "D"	\$316,080.00	Market Rent / Year
	329,250 sq. ft.	\$26,340.00	Market Rent / Month

Rent

Adjustment: Five-year term.

Term: The Lease shall be effective for a period of Five (5) years commencing January 1, 2006 and ending December 31, 2010, unless sooner terminated as provided in the Lease.

Services provided

1 by Lessee: Utilities and maintenance of premises.
2

3 Other terms and
4 Conditions: As negotiated between TOTE and the Municipality of Anchorage.
5

6 THE ADMINISTRATION RECOMMENDS APPROVAL OF AN ORDINANCE
7 AUTHORIZING THE EXTENSION AND AMENDMENT OF THE LEASE BETWEEN
8 THE MUNICIPALITY OF ANCHORAGE AND TOTEM OCEAN TRAILER EXPRESS,
9 INC. FOR TRANSIT AREA "D" OF THE PORT OF ANCHORAGE SUBDIVISION.
10

11
12 Prepared by: Port of Anchorage
13 Approved by: William J. Sheffield, Director, Port of Anchorage
14 Concur: Mary Jane Michael, Executive Director,
15 Department of Economic & Community Development
16 Concur: Denis LeBlanc, Municipal Manager
17 Respectfully submitted: Mark Begich, Mayor
18

Content Information**Content ID :** 003856**Type:** Ordinance-InvolvingFunds - AO**Title:** TOTE Lease Transit Area D**Author:** kostersa**Initiating Dept:** Port**Description:** TOTE lease for Transit Area D.**Keywords:** TOTE Lease Transit Area D Port**Date Prepared:** 4/6/06 2:57 PM**Director Name:** William Sheffield**Assembly Meeting Date MM/DD/YY:** 5/2/06**Public Hearing Date MM/DD/YY:** 5/23/06

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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 2:59 PM	Checkin	kostersa	Public	003856
Port_SubWorkflow	4/7/06 9:21 AM	Approve	sheffieldwj	Public	003856
ECD_SubWorkflow	4/7/06 10:41 AM	Approve	thomasm	Public	003856
OMB_SubWorkflow	4/7/06 10:58 AM	Approve	mitsonjl	Public	003856
CFO_SubWorkflow	4/9/06 4:18 PM	Approve	sinzje	Public	003856
Legal_SubWorkflow	4/10/06 10:46 AM	Approve	fehlenrl	Public	003856
MuniManager_SubWorkflow	4/21/06 1:12 PM	Approve	leblancdc	Public	003856
MuniMgrCoord_SubWorkflow	4/21/06 2:47 PM	Approve	curtiscr	Public	003856

2006 APR 24 PM 12:05
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 M. J. A.