

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- 71

AN ORDINANCE AUTHORIZING RENEWAL OF A PREFERENTIAL USAGE AGREEMENT WITH TOTEM OCEAN TRAILER EXPRESS, INC. FOR BERTHING AND USE OF THE PORT OF ANCHORAGE PIER AND OTHER AMENDMENTS.

WHEREAS, the Preferential Usage Agreement, dated January 3, 1996, between the Municipality of Anchorage and Totem Ocean Trailer Express, Inc. (TOTE) provides for an initial five (5) year term ending on December 31, 2000 and provides for five 5-year renewal options by TOTE; and,

WHEREAS, TOTE elects to exercise their option to renew for the second 5-year option period commencing on January 1, 2006; and,

WHEREAS, the Port of Anchorage and TOTE negotiated new dockage and wharfage fees and other changes in terms to the Agreement, to be in effect for the second 5-year renewal period; and,

WHEREAS, AMC section 25.30.020 requires disposal of Municipal land by ordinance only; now, therefore,

THE ANCHORAGE ASSEMBLY ORDAINS:

Section 1. The Municipality is authorized to extend the Preferential Usage Agreement for preferential berthing privileges and use of 920 feet of the Port of Anchorage pier, all located in the Anchorage Recording District, Third Judicial District, to Totem Ocean Trailer Express, Inc. for the second 5-year renewal period beginning January 1, 2006, upon the terms and conditions summarized in the Assembly Memorandum accompanying this ordinance.

Section 2. This ordinance shall be effective immediately upon its passage and approval by the Assembly.

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


Chair of the Assembly

ATTEST:


Municipal Clerk

MUNICIPALITY OF ANCHORAGE
Summary of Economic Effects -- Utilities

AO Number: 2006 - 71

Title: AN ORDINANCE AUTHORIZING RENEWAL OF A PREFERENTIAL
USAGE AGREEMENT WITH TOTEM OCEAN TRAILER EXPRESS, INC.
FOR BERTHING AND USE OF THE PORT OF ANCHORAGE PIER AND

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	\$ 124.3	\$ 124.3	\$ 124.3	\$ 124.3	\$ 124.3	
TOTAL OPERATING REVENUES	\$ 124.3	\$ 124.3	\$ 124.3	\$ 124.3	\$ 124.3	
Operating Expenses:						
	\$ -	\$ -	\$ -	\$ -	\$ -	
TOTAL OPERATING EXPENSES	\$ -	\$ -	\$ -	\$ -	\$ -	
Non-Operating Revenues:						
TOTAL NON-OPERATING REVENUES	\$ -	\$ -	\$ -	\$ -	\$ -	
Non-Operating Expenses:						
TOTAL NON-OPERATING EXPENSES	\$ -	\$ -	\$ -	\$ -	\$ -	
NET INCOME (REGULATED)	\$ 124.3	\$ 124.3	\$ 124.3	\$ 124.3	\$ 124.3	
POSITIONS: FT/PT and Temp	0	0	0	0	0	

PUBLIC SECTOR ECONOMIC EFFECTS:

This is the Second Amendment to Totem Ocean Trailer Express's Preferential Usage Agreement. The amendment extends the term, increases the Dockage rate and changes the Wharfage computation from Revenue Loads to \$2.03 per Ton.

SUMMARY OF ECONOMIC EFFECTS

PRIVATE SECTOR ECONOMIC EFFECTS:

Totem Ocean Trailer Express, Inc. is the only private sector entity to be impacted by the Preferential Usage Agreement.

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 317 -2006

Meeting Date: May 2, 2006

1 **From: MAYOR**

2
3 **Subject: AN ORDINANCE AUTHORIZING RENEWAL OF A PREFERENTIAL USAGE**
4 **AGREEMENT WITH TOTEM OCEAN TRAILER EXPRESS, INC. FOR**
5 **BERTHING AND USE OF THE PORT OF ANCHORAGE PIER AND OTHER**
6 **AMENDMENTS.**
7

8 The Municipality and Totem Ocean Trailer Express, Inc. (TOTE) entered into a Preferential
9 Usage Agreement (PUA) on January 3, 1996. The PUA contains an initial five (5) year term,
10 ending December 31, 2000, with five (5) renewal option periods of five (5) years each. The
11 agreement also provides for PUA fee adjustments at the beginning of each 5-year renewal
12 option period.
13

14 TOTE formally notified the Port it wanted to exercise its option to renew the PUA for the second
15 option period, running from January 1, 2006 to December 31, 2010. Thereafter, the Port and
16 TOTE negotiated fee adjustments for TOTE's preferential berthing privileges and use of 920
17 feet of the Port of Anchorage pier, resulting in an increase over year 2005 in dockage fees, and
18 a revision to the method of wharfage fee calculation from a revenue load basis to a per-ton
19 basis.
20

21 The following amendments are proposed to TOTE's PUA for the second option period:
22

1. Dockage Fee: \$1,519.00 per 12 hour period, or portion thereof, regardless of any
change in tariff dockage rates.
2. Wharfage Fee: \$2.03 per ton
Wharfage fees were previously based on revenue loads but the Port will capture
additional revenue through the per-ton basis calculation, particularly with the
emerging trend of shippers to load containers heavier than in the past.
3. Annual Wharfage Charge Adjustment.
The Annual Wharfage Charge for 2007, paid in twelve (12) equal monthly payments,
will be adjusted to the total of TOTE's tonnage for the previous year multiplied by
\$2.03.

23
24 Preferential usage agreements are subject to approval by the Anchorage Assembly, and then
25 filed with the Federal Maritime Commission. The Port requests appropriate authority to renew
26 TOTE's PUA and to amend the PUA as set out in this AM.
27

1
2 THE ADMINISTRATION RECOMMENDS APPROVAL OF AN ORDINANCE AUTHORIZING
3 RENEWAL OF A PREFERENTIAL USAGE AGREEMENT WITH TOTEM OCEAN TRAILER
4 EXPRESS, INC. FOR BERTHING AND USE OF THE PORT OF ANCHORAGE PIER AND
5 OTHER AMENDMENTS.
6

7
8 Prepared by: Port of Anchorage
9 Approved by: William J. Sheffield, Director, Port of Anchorage
10 Concur: Mary Jane Michael, Executive Director,
11 Department of Economic & Community Development
12 Concur: Denis C. LeBlanc, Municipal Manager
13 Respectfully submitted: Mark Begich, Mayor
14
15

Content Information

Content ID : 003853

Type: Ordinance-InvolvingFunds - AO

Title: TOTE PUA

Author: kostersa

Initiating Dept: Port

Description: TOTE PUA renewal.

Keywords: TOTE PUA Port

Date Prepared: 4/6/06 2:50 PM

Assembly Meeting Date MM/DD/YY: 5/2/06

Public Hearing Date MM/DD/YY: 5/1^{1/2}/06

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 2:53 PM	Checkin	kostersa	Public	003853
Port_SubWorkflow	4/7/06 9:20 AM	Approve	sheffieldwj	Public	003853
ECD_SubWorkflow	4/7/06 10:41 AM	Approve	thomasm	Public	003853
OMB_SubWorkflow	4/7/06 10:56 AM	Approve	mitsonjl	Public	003853
CFO_SubWorkflow	4/7/06 3:41 PM	Approve	sinzje	Public	003853
Legal_SubWorkflow	4/7/06 5:47 PM	Approve	gatesdt	Public	003853
MuniManager_SubWorkflow	4/21/06 1:13 PM	Approve	leblancdc	Public	003853
MuniMgrCoord_SubWorkflow	4/21/06 2:47 PM	Approve	curtiscr	Public	003853

2006 APR 24 PM 2:52
CLEANING OFFICE
M. J. A.