

CLERK'S OFFICE

APPROVED

Date: 3-13-07

ANCHORAGE, ALASKA

AO NO. 2007-40

1 AN ORDINANCE AUTHORIZING A GROUND LEASE AGREEMENT BETWEEN THE
2 MUNICIPALITY OF ANCHORAGE AND CHUGIAK SENIOR CENTER, INC., AN ALASKA
3 NON-PROFIT CORPORATION, FOR A PARCEL LEGALLY DESCRIBED AS LOT 3, SECTION
4 16, TOWNSHIP 15 NORTH, RANGE 1 WEST, SEWARD MERIDIAN, LOCATED IN CHUGIAK,
5 ALASKA, FOR CONSTRUCTING AND OPERATING RENTAL HOUSING FOR THE ELDERLY

6
7 WHEREAS, the Municipality of Anchorage owns a 7.25-acre± parcel legally described as Lot 3,
8 Section 16, Township 15 North, Range 1 West, in Chugiak, Alaska; and

9
10 WHEREAS, Chugiak Senior Center, Inc., is a non-profit corporation which owns and operates
11 the Chugiak Senior Center on property adjacent to the subject parcel, and has requested a
12 long-term, less than fair market value lease with the Municipality Of Anchorage of the subject
13 parcel in order to construct and operate a housing facility for the elderly; and

14
15 WHEREAS, the Municipality of Anchorage has drafted a fifty-year Ground Lease Agreement
16 with Chugiak Senior Center for construction and operation of said housing facility; and

17
18 WHEREAS, per AMC 25.30.040.B, "the municipality may dispose of municipal land to... a non-
19 profit corporation or association for less than fair market value of the interest disposed of, upon
20 a finding by the Assembly that the disposal will allow the use of the land for a public purpose
21 beneficial to the municipality;" and

22
23 WHEREAS, Chugiak Senior Center, Inc., as the Lessee, shall pay to the Municipality of
24 Anchorage One Dollar per year in rent for the term of the lease, and may require adjustments
25 to the amount of the rental for each five-year renewal period commencing July 1, 2057; and

26
27 WHEREAS, Chugiak Senior Center, Inc., shall be responsible for any and all taxes,
28 assessments and applicable fees during the lease term; and

29
30 WHEREAS, Chugiak Senior Center, Inc., must commence construction of such housing on or
31 before June 30, 2012, or the lease terminates and the premises revert to the Municipality Of
32 Anchorage,

33
34 NOW THEREFORE, the Anchorage Assembly Ordains:

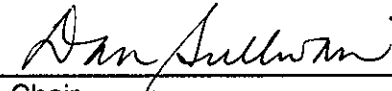
35
36 **Section 1.** The Assembly hereby finds that leasing the subject parcel to the Chugiak Senior
37 Center, Inc. for purposes of constructing and providing affordable housing to the elderly under the
38 terms described herein will allow use of the land for a public purpose and this purpose is beneficial
39 to the Municipality.

40
41 **Section 2.** The Municipality of Anchorage is authorized to approve the material terms and
42 conditions of a 50-year, less than fair market value Ground Lease Agreement with Chugiak Senior
43 Center, Inc., as set forth in the Assembly Memorandum accompanying this ordinance for the
44 purpose of constructing and operating an affordable housing facility for the elderly in Chugiak,
45 Alaska.

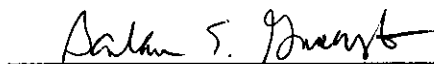
Section 3. In the event that Chugiak Senior Center, Inc., has not commenced construction of rental Housing on or before June 30, 2012, this agreement shall be terminated.

Section 4. This ordinance shall take effect immediately upon passage and approval.

PASSED AND APPROVED by the Anchorage Municipal Assembly this 13th day of March, 2007.


Chair

ATTEST:


Municipal Clerk

MUNICIPALITY OF ANCHORAGE
Summary of Economic Effects - General Government

AO Number: 2007- 40 Title: AN ORDINANCE AUTHORIZING A GROUND LEASE AGREEMENT BETWEEN THE MUNICIPALITY OF ANCHORAGE AND CHUGIAK SENIOR CENTER, INC., AN ALASKA NON-PROFIT CORPORATION, FOR A PARCEL LEGALLY DESCRIBED AS LOT 3, SECTION 16, TOWNSHIP 15 NORTH, RANGE 1 WEST, SEWARD MERIDIAN, LOCATED IN CHUGIAK, ALASKA, FOR CONSTRUCTING AND OPERATING RENTAL HOUSING FOR THE ELDERLY.

Sponsor: Real Estate Services
Preparing Agency: HLB
Others Impacted: DHHS

CHANGES IN EXPENDITURES AND REVENUES:

(Thousands of Dollars)

	FY07	FY08	FY09	FY10	FY11
<hr/>					
Operating Expenditures					
1000 Personal Services					
2000 Supplies					
3000 Other Services					
4000 Debt Service					
5000 Capital Outlay					
<hr/>					
TOTAL DIRECT COSTS:	0	0	0	0	0
<hr/>					
6000 IGCs	0	0	0	0	0
<hr/>					
FUNCTION COST:	0	0	0	0	0
<hr/>					
REVENUES:	0	0	0	0	0
<hr/>					
CAPITAL:	0	0	0	0	0
<hr/>					
POSITIONS: FT/PT and Temp.	0	0	0	0	0

PUBLIC SECTOR ECONOMIC EFFECTS:

A senior facility will provide a beneficial public need for the Chugiak area.

PRIVATE SECTOR ECONOMIC EFFECTS:

Low-cost housing to be available for the elderly in Chugiak.

Prepared by: **Robin E. Ward**
Director, Heritage Land Bank and Real Estate Services

Telephone: **343-4337**



Municipality of Anchorage

Assembly Memorandum

No. AM 166-2007

Meeting Date: February 27, 2007

From: Heritage Land Bank - Real Estate Services Division

Subject: An Ordinance Authorizing a Ground Lease Agreement Between the Municipality of Anchorage and Chugiak Senior Center, Inc., an Alaska Non-profit Corporation, for a Parcel Legally Described as Lot 3, Section 16, Township 15 North, Range 1 West, Seward Meridian, Located in Chugiak, Alaska, for Constructing and Operating Rental Housing for the Elderly

The purpose of this Ordinance is to authorize a fifty-year, less than fair market value, lease between the Municipality of Anchorage (MOA) and the Chugiak Senior Center, Inc., of municipal property located adjacent to the Chugiak Senior Center in Chugiak, Alaska (see map, attached).

In 2005, the Assembly approved AO 2005-82, authorizing the withdrawal from the Heritage Land Bank (HLB) inventory of HLB Parcel #1-101, legally described as Lot 3 in Section 16, Township 15 North, Range 1 West in Chugiak. The parcel was transferred to Real Estate Services, which negotiated a lease with Chugiak Senior Center, Inc., (CSCI) for the construction and operation of a low-income housing facility for seniors. It is anticipated the federal agency HUD will provide funds for the facility and require rental rate and eligibility restrictions.

Pursuant to AMC 25.30.040.B, "The municipality may dispose of municipal land to the United States, the state or any political subdivision thereof, or a nonprofit corporation or association for less than the fair market value of the interest disposed of, upon a finding by the assembly that the disposal will allow the use of the land for a public purpose beneficial to the municipality." The attached ordinance authorizes the Municipality Of Anchorage to enter into a fifty-year lease with CSCI, with CSCI paying One Dollar (\$1) per year for the initial term of the lease. If the Lessee exercises its option to renew the Agreement after fifty years, MOA may require an adjustment in the amount of the rental for each five-year period of the renewal term.

The Lease Agreement allows for the parcel to return to municipal ownership and termination of the lease in the event the Lessee has not commenced construction of rental housing for the elderly on or before June 30, 2012.

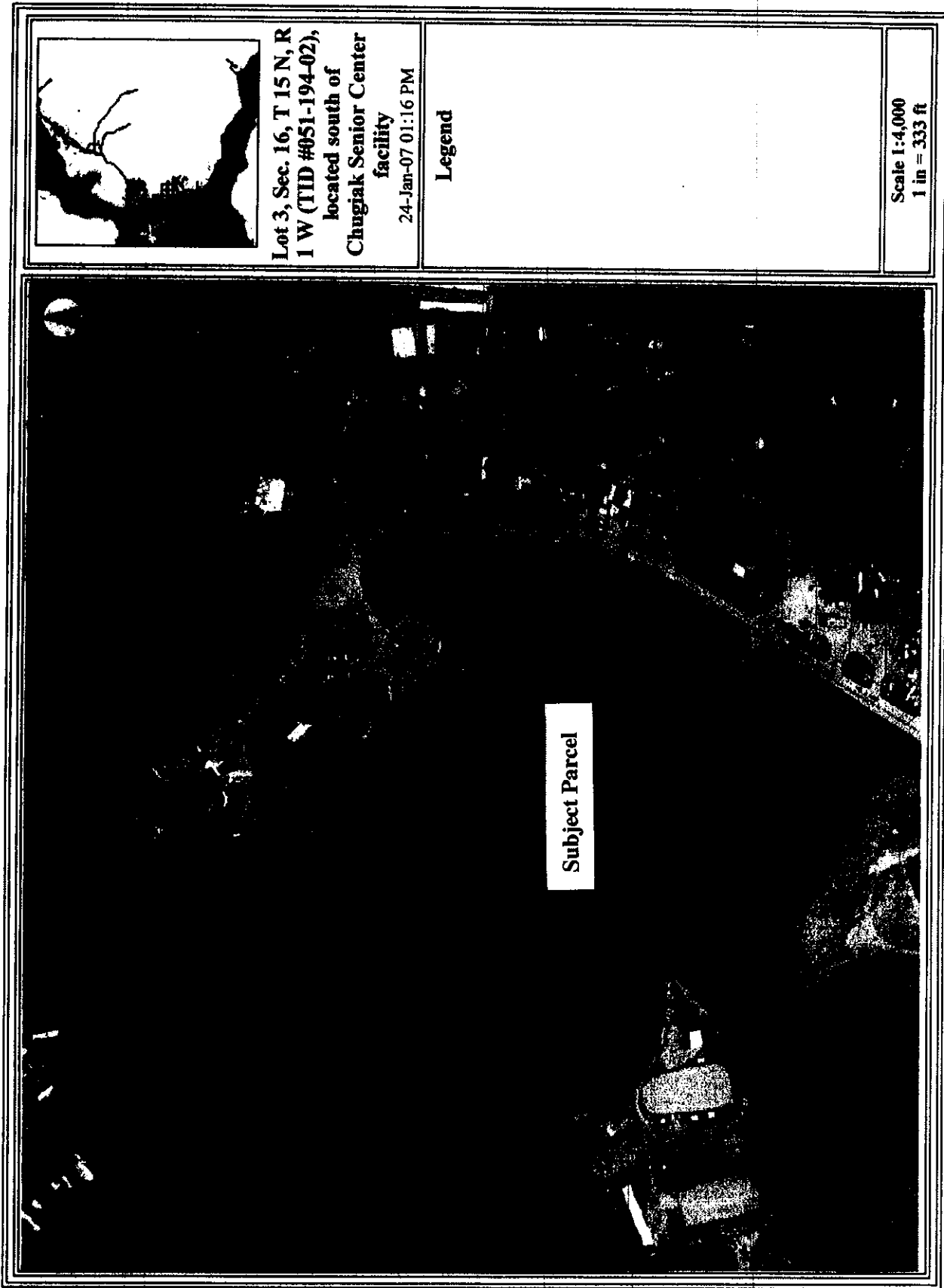
Lessee shall be responsible, per the terms of the lease agreement, for any and all taxes, assessments, license fees and other charges which may become a lien or charge on or against the premises. At the expiration or earlier termination of the agreement,

1 Lessee shall surrender to MOA the premises, including all improvements upon the
2 property.
3

4 Lessee shall also be responsible through the term of the agreement for all maintenance
5 of the premises, including all buildings and improvements, at no cost to the Lessor
6 (MOA).
7

8 THE ADMINISTRATION RECOMMENDS APPROVAL OF THE ATTACHED
9 ORDINANCE AUTHORIZING A FIFTY-YEAR, LESS THAN FAIR MARKET VALUE,
10 LEASE AGREEMENT BETWEEN THE MUNICIPALITY OF ANCHORAGE AND
11 CHUGIAK SENIOR CENTER, INC., A NON-PROFIT ORGANIZATION, FOR
12 PURPOSES OF CONSTRUCTION AND OPERATION OF A HOUSING FACILITY FOR
13 THE ELDERLY, TOGETHER WITH ACTIVITIES INCIDENTAL OR RELATED
14 THEREIN.
15

16
17 Prepared by: Tammy R. Oswald, Real Estate Services Manager
18 Concur: Robin Ward, Executive Director, Heritage Land Bank and
19 Real Estate Services
20 Concur: Mary Jane Michael, Executive Director, Office of Economic
21 and Community Development
22 Concur: Beverly Wooley, Director, Dep't. of Health & Human
23 Services
24 Respectfully submitted: Mark Begich, Mayor



Content Information**Content ID :** 004766**Type:** Ordinance - AO**Title:** Ground Lease Agreement with Chugiak Sr. Center**Author:** vanhornlr**Initiating Dept:** HLB**Review Depts:** HHS**Description:** Ground Lease Agreement Between MOA and Chugiak Sr. Center
for sr. housing construction**Keywords:** Chugiak Sr. Center housing Lease Agreement**Date Prepared:** 1/25/07 4:44 PM**Director Name:** Robin E. Ward**Assembly Meeting**
Date MM/DD/YY: 2/27/07**Public Hearing Date**
MM/DD/YY: 3/13/07

2007 FEB 16 AM 11:13
 CLEMENS OFFICE
 M.O.A.

Workflow History

Workflow Name	Action Date	Action	User	Security Group	Content ID
AllOrdinanceWorkflow	1/25/07 4:51 PM	Checkin	vanhornlr	Public	004766
HLB_SubWorkflow	1/26/07 9:59 AM	Approve	wardre	Public	004766
ECD_SubWorkflow	1/26/07 10:19 AM	Approve	thomasm	Public	004766
HHS_SubWorkflow	1/31/07 4:10 PM	Approve	wooleybk	Public	004766
AllOrdinanceWorkflow	2/6/07 9:44 AM	Reject	mitsonjl	Public	004766
AllOrdinanceWorkflow	2/6/07 11:25 AM	Checkin	vanhornlr	Public	004766
HLB_SubWorkflow	2/6/07 12:36 PM	Approve	wardre	Public	004766
ECD_SubWorkflow	2/6/07 1:21 PM	Approve	thomasm	Public	004766
HHS_SubWorkflow	2/6/07 2:12 PM	Approve	wooleybk	Public	004766
OMB_SubWorkflow	2/7/07 8:14 AM	Approve	mitsonjl	Public	004766
AllOrdinanceWorkflow	2/7/07 1:05 PM	Reject	gatesdt	Public	004766
AllOrdinanceWorkflow	2/7/07 2:06 PM	Checkin	vanhornlr	Public	004766
HLB_SubWorkflow	2/7/07 2:13 PM	Approve	wardre	Public	004766
ECD_SubWorkflow	2/7/07 3:04 PM	Approve	thomasm	Public	004766
HHS_SubWorkflow	2/7/07 4:06 PM	Approve	wooleybk	Public	004766
AllOrdinanceWorkflow	2/7/07 5:29 PM	Reject	mitsonjl	Public	004766
AllOrdinanceWorkflow	2/8/07 8:12 AM	Checkin	vanhornlr	Public	004766
HLB_SubWorkflow	2/8/07 10:48 AM	Approve	wardre	Public	004766
ECD_SubWorkflow	2/8/07 11:24 AM	Approve	thomasm	Public	004766
HHS_SubWorkflow	2/8/07 5:41 PM	Approve	wooleybk	Public	004766
OMB_SubWorkflow	2/9/07 9:23 AM	Approve	mitsonjl	Public	004766
Legal_SubWorkflow	2/9/07 9:38 AM	Approve	gatesdt	Public	004766
MuniManager_SubWorkflow	2/16/07 9:23 AM	Approve	leblancdc	Public	004766
MuniMgrCoord_SubWorkflow	2/16/07 9:53 AM	Approve	maglaquijp	Public	004766