

Submitted by: Chair of the Assembly at the
Request of the Mayor
Prepared by: Economic & Community
Development
For reading: March 13, 2007

CITY CLERK'S OFFICE

APPROVED
Date: 3-27-07

Anchorage, Alaska
AR 2007- 66

1 A RESOLUTION OF THE MUNICIPALITY OF ANCHORAGE APPROPRIATING ONE
2 HUNDRED SIXTY-THREE THOUSAND FIVE HUNDRED FORTY DOLLARS (\$163,540)
3 AS A CONTRIBUTION FROM THE AREAWIDE GENERAL FUND (101) HERITAGE
4 LAND BANK/REAL ESTATE SERVICES DEPARTMENT'S 2007 OPERATING BUDGET
5 TO THE AREAWIDE CAPITAL FUND (401) HERITAGE LAND BANK
6 DEPARTMENT/REAL ESTATE SERVICES DIVISION FOR CITY HALL CAPITAL
7 MAINTENANCE AND IMPROVEMENTS (\$88,540) AND TENANT IMPROVEMENTS
8 (\$75,000).

9
10 THE ANCHORAGE ASSEMBLY RESOLVES:

11
12 **Section 1:** That EIGHTY-EIGHT THOUSAND FIVE HUNDRED FORTY DOLLARS
13 (\$88,540) shall be appropriated from the Areawide General Fund (101) Real Estate
14 Services Department's 2007 Operating Budget into the Areawide Capital Fund (401)
15 Heritage Land Bank Department/Real Estate Services Division as a contribution to the city
16 hall lease capital reserve account for the purpose of capital maintenance and
17 improvements.

18
19 **Section 2:** That SEVENTY FIVE THOUSAND DOLLARS (\$75,000) shall be appropriated
20 from the Areawide General Fund (101) Real Estate Services Division's 2007 Operating
21 Budget into the Areawide Capital Fund (401) Heritage Land Bank Department/Real Estate
22 Services Division as a contribution to the tenant improvement account for the purpose of
23 city hall tenant improvements.

24
25 **Section 3:** This resolution shall become effective immediately upon its passage and
26 approval by the Assembly.

27
28 PASSED AND APPROVED by the Anchorage Assembly this 27th day of
29 March 2007.

30
31 Don Sullivan
32 Chair

33 ATTEST:

34 Sharon S. Grant
35
36 Municipal Clerk

37
38 Departmental Appropriations:

39 Heritage Land Bank/Real Estate Services Division: \$163,540



MUNICIPALITY OF ANCHORAGE

ASSEMBLY MEMORANDUM

AM No. 182 -2007

Meeting Date: March 13, 2007

From: Mayor

Subject: A RESOLUTION OF THE MUNICIPALITY OF ANCHORAGE APPROPRIATING ONE HUNDRED SIXTY-THREE THOUSAND FIVE HUNDRED FORTY DOLLARS (\$163,540) AS A CONTRIBUTION FROM THE AREAWIDE GENERAL FUND (101) HERITAGE LAND BANK DEPARTMENT/REAL ESTATE SERVICES DIVISION'S 2007 OPERATING BUDGET TO THE AREAWIDE CAPITAL FUND (401) HERITAGE LAND BANK DEPARTMENT/REAL ESTATE SERVICES DIVISION FOR CITY HALL CAPITAL MAINTENANCE AND IMPROVEMENTS (\$88,540) AND TENANT IMPROVEMENTS (\$75,000).

On November 20, 2001, the Anchorage Assembly approved AO 2001-183/AM 923-2001, a City Hall lease between the Municipality of Anchorage and Anchorage Public/Private Partnership. Under the terms of the lease regarding "Additional Rent" (Section 5.05, attached as Appendix A), the Lessee (MOA) is responsible for minimum annual payments to both a Capital Reserve Account and a Tenant Improvement Account. The annual contribution to the City Hall Capital Reserve Account is calculated as \$77,503, the original base payment, and adjusted for inflation as measured by changes in the Consumer Price Index (CPI) for Anchorage (attached as Appendix B). The cumulative change in CPI between 2001 and 2006 is 14.24%, so the 2007 minimum deposit to the City Hall Capital Reserve Fund is \$88,540 (attached as Appendix C).

The minimum deposit to the Tenant Improvement Account is a fixed \$75,000, and thus does not change from year-to-year.

Funding for the \$88,540 and the \$75,000 contributions comes from the Areawide General Fund (101) 2007 Operating Budget (Real Estate Services). Both contributions are being appropriated in the Areawide Capital Fund (401).

The accounting detail is as follows:

Revenues:

401-1224-9601	Contributions from Other Funds	\$88,540
401-1225-9601	Contributions from Other Funds	\$75,000
		\$163,540

Expenditures:

401-1224-5201	Building Improvement (Capital Reserve Acct.)	\$88,540
401-1225-5601	Building Improvement (Tenant Improvement Acct.)	\$75,000
		\$163,540

1 THE ADMINISTRATION RECOMMENDS APPROVAL OF THE RESOLUTION OF THE
2 MUNICIPALITY OF ANCHORAGE APPROPRIATING ONE HUNDRED SIXTY-THREE
3 THOUSAND FIVE HUNDRED FORTY DOLLARS (\$163,540) AS A CONTRIBUTION
4 FROM THE AREAWIDE GENERAL FUND (101) HERITAGE LAND BANK
5 DEPARTMENT/REAL ESTATE SERVICES DIVISION'S 2007 OPERATING BUDGET TO
6 THE AREAWIDE CAPITAL FUND (401) HERITAGE LAND BANK DEPARTMENT/REAL
7 ESTATE SERVICES DIVISION FOR CITY HALL CAPITAL MAINTENANCE AND
8 IMPROVEMENTS (\$88,540) AND TENANT IMPROVEMENTS (\$75,000).
9

10 Prepared by: Tammy R. Oswald, Real Estate Services Manager, and Jennifer Allen,
11 Office of Economic and Community Development

12 Recommended by: Robin Ward, Executive Director, Heritage Land Bank Dep't. and Real
13 Estate Services Division

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

15 Fund Certification: Jeffrey E. Sinz, Chief Fiscal Officer

16 101-1223-3901-122300-BP2007 \$163,540

17 (2007 Operating Budget – Heritage Land Bank/Real Estate Services)

18 Concur: Denis C. LeBlanc, Municipal Manager

19 Respectfully submitted: Mark Begich, Mayor

Appendix A

5.05 **Additional Rent.** Lessee will also pay to Lessor promptly when due, in lawful money of the United States at the address specified herein or such other place as Lessor shall designate by notice to Lessee, without notice or demand therefor and without any abatement, deduction or set-off for any reason whatsoever, as additional rent (the "Additional Rent"), all sums, Impositions (as defined in Article VI hereof), insurance premiums, maintenance and repair expenses, major repairs and replacements, and other costs, expenses and payments which Lessee in any of the provisions of this Lease agrees to pay to Lessor or which shall become due and payable from Lessee to Lessor under this Lease (other than Rent) and all sums payable to Lessor pursuant to the Property Management Agreement attached as Exhibit F to this Lease, and, in the event of any non-payment thereof, Lessor shall have (in addition to all other rights and remedies which Lessor may have hereunder) all the rights and remedies provided for herein or by law or equity in the case of non-payment of the Rent. There shall be no reduction, abatement, or offset of Rent for any reason, including casualty, except as specifically set forth in Section 14.01 in the event of condemnation.

5.06 Intentionally deleted.

5.07 **Capital Reserve Account.** Lessee shall pay a minimum of \$6,458.64 per month into a Capital Reserve in a Municipality of Anchorage restricted account, on an annual basis, on or before February 1 of each budget year. The Capital Reserve Account shall be used to pay for major repairs and major systems replacement including but not limited to the roof, parking, interior and exterior paint, HVAC, HVAC piping, carpet, electrical, and plumbing, as further defined in Section 7.01. The amount of the capital reserve account may be voluntarily increased by Lessee, and shall adjust annually starting with the first full lease year after the Commencement Date for increases or decreases in the cost of living as reflected by the Consumer Product Index and consistently applied. Upon the completion of a major repair or major systems replacement, and delivery of an invoice accompanied by a certificate executed by the Property Manager, or the contractor retained by the Property Manager to undertake the work, that the work was completed in accordance with all required permits and licenses, Lessee shall promptly pay such bill within fifteen (15) days of delivery of the invoice. (CPI)

5.08 **Tenant Improvement Account.** Lessee shall establish the Tenant Improvement Account as a Municipality of Anchorage restricted account. On the Commencement Date, Lessor shall make a one-time deposit of \$340,000.00 into the Tenant Improvement Account. Each year, beginning one year after the Commencement Date, Lessee shall deposit a minimum of \$75,000.00 into the Tenant Improvement Account, which shall be held and used for the purpose of paying for the cost of such tenant improvements chosen in the sole discretion of the Lessee. To the extent the balance in the Tenant Improvement Account exceeds \$225,000.00 (excluding Lessor's initial contribution), the Lessee may, in its sole discretion, divert funds in excess of \$225,000.00 to the Capital Improvement Plan or other use, as determined by the Mayor. Any balance remaining in the account upon the termination of the Lease shall be remitted to Lessor to the extent unexpended but only to the extent of Lessor's original contribution.

State of Alaska > DOLWD > Research & Analysis

Alaska Department of Labor
& Workforce Development

Workforce Info

Home | My Home | Career Center | Economic Information | Download Data

Search:

Advanced Search

Tour

Home

- ☒ Population & Census
- ☒ Wages in Alaska
- ☒ Employment
- ☒ Unemployment
- ☒ Industry Information
- ☒ Occupational Information
- ☒ Cost of Living
 - Cost of Living (Trends article)
 - CPI Consumer Price Index
 - Housing Costs
 - Rent/Buy/Build
 - Inflation Calculators
 - Income Data
 - Related Trends Articles
- ☒ Training Information
- ☒ Pubs/Manual/Surveys/News
 - Regional Information
 - Relocating to Alaska Information
 - Workforce Development
 - Links to Related Sites
 - Department of Labor & Workforce Development
 - State of Alaska
 - Download Adobe Acrobat Reader
 - Contact Us

New User? Sign Up.

Username:

Password:

Forgot Password?

CPI Consumer Price Index

CPI for Anchorage and U.S.

Anchorage Municipality & U.S.

Annual Average Consumer Price Index
All Items - All Urban Consumers
(CPI-U) 1997 to Present

Year	U.S.		Anchorage	
	Average	% Change from Previous Year	Average	% Change from Previous Year
2006	201.6	3.2	177.3	3.2
2005	195.3	3.4	171.8	3.1
2004	188.9	2.7	166.7	2.6
2003	184.0	2.3	162.5	2.7
2002	179.9	1.6	158.2	1.9
2001	177.1	2.8	155.2	2.8
2000	172.2	3.4	150.9	1.7
1999	166.6	2.2	148.4	1.0
	163.0	1.6	146.9	1.5
1997	160.5	2.3	144.8	1.5

[Click here to view data from 1960 to present](#)

Source: U.S. Dept. of Labor, Bureau of Labor Statistics (BLS).
Base: 1982-84=100 Last Update: 01/30/07

[Email: us if you have questions or need more information.](#)

What's It Worth Now

What does \$100 in 1980 dollars equal today?

Step 1:

2006 Anchorage CPI $\frac{177.3}{85.5} = 2.07$
divided by
1980 Anchorage CPI

CPI for Anchorage

Anchorage Municipality

Consumer Price Index
All Items - All Urban Consumers
(CPI-U)
1997 to Present

Year	1st Half (Jan-Jun)	2nd Half (Jul-Dec)	Annual Average	Annual Percent Change
2006	176.7	177.9	177.3	3.2%
2005	169.6	174.1	171.8	3.1%
2004	165.6	167.8	166.7	2.6%
2003	161.1	163.9	162.5	2.7%
2002	157.5	159.0	158.2	1.9%
2001	154.4	156.0	155.2	2.8%
2000	150.0	151.9	150.9	1.7%
1999	148.6	148.3	148.4	1.0%
1998	146.7	147.0	146.9	1.5%
1997	144.1	145.4	144.8	1.5%

[Click here to view data from 1984 to present](#)

Source: U.S. Dept. of Labor, Bureau of Labor Statistics (BLS).
Base: 1982-84=100 Last Update: 01/30/07

[Email: us if you have questions or need more information.](#)

Calculating Index Changes

Movements of the indexes from one period to another are usually expressed as percent changes rather than changes in index points because index point changes are affected by the level of the index in relation to its base period while percent changes are not. The example below illustrates the computation of index points and percent changes.

Index Point Change:

CPI- Anchorage 2006 $\frac{177.3}{171.8} = 1.032$
Less CPI for previous period- Anchorage 2005
Equals index point change $1.032 - 171.8 = 5.5$

Step 2:

Multiply 2.07 by any number of 1980 dollars and you will have the 2006 equivalent.

So, \$207 in 2006 would have the same purchasing power as \$100 did in 1980.
($100 \times 2.07 = \$207$)

The formula can be reversed to deflate current dollars. Use the [quick deflation calculator](#) in excel.

For US data prior to 1960, [click here](#) to use an inflation calculator based upon the U.S. CPI-U.

Last Update: 01/30/07

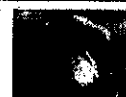
[Email](#) us if you have questions or need more information.

Percent Change:

Index point difference	5.5
Divided by the previous index (Anchorage 2005)	171.8
Equals	0.03201
Results multiplied by 100	0.03201 x 100
Equals percent change (Anchorage CPI 2006)	3.2

Last Update: 01/30/07

[Email](#) us if you have questions or need more information.

Need Help?

Contact us by [Email](#)
Phone: (907) 465-6036
Fax: (907) 465-4506

[Home](#) | [Site Map](#) | [Feedback](#) | [Help](#) | [Privacy Policy](#) | [Terms of Use](#)

APPENDIX C

2007 Calculation for Real Estate Services Division Deposit into the City Hall Capital Reserve Fund

Methodology #1	Year	Index	Change	as a % increase over prior year	Capital Reserve
	2001	155.2			77,503.68
	2002	158.2	0.01933	1.9%	79,000.00
just multiply prior year by the % change	2003	162.5	0.027181	2.7%	81,150.00
	2004	166.7	0.025846	2.6%	83,250.00
	2005	171.8	0.030594	3.1%	85,800.00
i.e., $79000 \times 1.027 =$	2006	177.3	0.032014	3.2%	88,550.00
81,150	Cumulative Change TOTAL			13.5%	

Methodology #2 If calculate the amount cumulatively, comparing back to 2001 as base year

	Year	Index	Change	as a % increase over 2001 base year	Capital Reserve
	2001	155.2			77,503.68
	2002	158.2	0.01933	1.9%	79,000.00
	2003	162.5	0.047036	4.7%	81,150.00
	2004	166.7	0.074098	7.4%	83,250.00
	2005	171.8	0.106959	10.7%	85,790.00
	2006	177.3	0.142397		

contribution for 2007

Takes current year
index (177.3) and
compares directly
back to 2001 index
of 155.2 to calculate
14.2% as cumulative %
change in inflation since
2001

Content Information**Content ID :** 004842**Type:** AR_FundsApprop - Funds Approp Resolution**Title:** City Hall Annual Appropriation**Author:** vanhornlr**Initiating Dept:** HLB**Description:** 2007 Appropriation to Capital Fund for City Hall M&O, per Lease**Keywords:** City Hall Capital Account Tenant Improvements Lease**Date Prepared:** 2/22/07 11:30 AM**Assembly Meeting Date**
MM/DD/YY: 3/13/07**Public Hearing Date**
MM/DD/YY: 3/27/07M.O.A.
2007 MAR -5 AM 9:45
CLEMS OFFICE**Workflow History**

<u>Workflow Name</u>	<u>Action Date</u>	<u>Action</u>	<u>User</u>	<u>Security Group</u>	<u>Content ID</u>
FundsAppropWorkflow	2/22/07 11:34 AM	Checkin	vanhornlr	Public	004842
HLB_SubWorkflow	2/22/07 12:40 PM	Approve	wardre	Public	004842
ECD_SubWorkflow	2/22/07 12:46 PM	Approve	villareallm	Public	004842
FundsAppropWorkflow	2/23/07 1:15 PM	Reject	mitsonjl	Public	004842
FundsAppropWorkflow	2/27/07 3:07 PM	Checkin	vanhornlr	Public	004842
HLB_SubWorkflow	2/27/07 3:08 PM	Approve	wardre	Public	004842
ECD_SubWorkflow	2/27/07 5:15 PM	Approve	thomasm	Public	004842
OMB_SubWorkflow	3/1/07 8:28 AM	Approve	mitsonjl	Public	004842
Finance_SubWorkflow	3/2/07 7:52 AM	Approve	sinzje	Public	004842
MuniManager_SubWorkflow	3/2/07 2:08 PM	Approve	leblancdc	Public	004842
MuniMgrCoord_SubWorkflow	3/2/07 4:21 PM	Approve	abbottmk	Public	004842