

CLERK'S OFFICE

APPROVED  
Date: 2-24-09 ANCHORAGE, ALASKA  
AO No. 2009-19

**AN ORDINANCE AUTHORIZING DISPOSAL BY GROUND LEASE OF  
HERITAGE LAND BANK PARCEL 4-013 TO NORTHERN LODGING LLC, DBA  
RAMADA ANCHORAGE DOWNTOWN.**

**WHEREAS**, the Municipality of Anchorage (MOA) owns land in downtown Anchorage in HLB Parcel No. 4-013, Lot 7A, Block 118, Original Townsite (approximately 1/3 acre); and

**WHEREAS**, Heritage Land Bank Advisory Commission unanimously approved HLBAC Resolution 2007-01(S) supporting a lease of the property following a public hearing held on June 26, 2007; and

**WHEREAS**, the lease to the private sector adds the Lot 7A to the tax rolls and creates revenue for the Municipality of Anchorage; and

**WHEREAS**, a use fee of \$9,000 per year was established, pursuant to comparable use of parcels for parking and the HLB fee schedule; now therefore,

**THE ANCHORAGE ASSEMBLY ORDAINS:**

**Section 1.** Due to the short term of this ground lease, an interim use of Lot 7A, Block 118, Original Townsite, for parking by Northern Lodging LLC dba Ramada Anchorage Downtown, is found to be in the best interest of the Municipality and the public, and the provisions of Anchorage Municipal Code chapter 25.40, including competitive bid and appraisal requirements, are hereby waived.


**Section 2.** The lease of Lot 7A for parking to Northern Lodging LLC dba Ramada Anchorage Downtown is approved, subject to the lease disposal provisions contained in section 25.30.050. The lease rate shall be established by Heritage Land Bank based upon comparable uses and its fee schedule.

**Section 3.** This ordinance shall be effective immediately upon passage and approval by the Assembly.

PASSED AND APPROVED by the Anchorage Assembly this 24th day of February, 2009.

  
Chair

ATTEST:

  
Municipal Clerk

**MUNICIPALITY OF ANCHORAGE**  
**Summary of Economic Effects - General Government**

**AO Number: 2009-19    AN ORDINANCE AUTHORIZING DISPOSAL BY GROUND LEASE OF  
HERITAGE LAND BANK PARCEL 4-013 TO NORTHERN LODGING  
LLC dba RAMADA ANCHORAGE DOWNTOWN.**

Sponsor:                    ACTING MAYOR  
Preparing Agency:        Heritage Land Bank  
Others Impacted:

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**CHANGES IN EXPENDITURES AND REVENUES:**                    (Thousands of Dollars)

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	FY09	FY10	FY11	FY12	FY13
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Operating Expenditures

1000 Personal Services

2000 Supplies

3000 Other Services

4000 Debt Service

5000 Capital Outlay

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TOTAL DIRECT COST	0	0	0	0	0
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6000 IGCs	0	0	0	0	0
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FUNCTION COST:	0	0	0	0	0
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REVENUES:	9	9	9	9	9
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CAPITAL:	0	0	0	0	0
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POSITIONS: FT/PT and Temp.	0	0	0	0	0
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**PUBLIC SECTOR ECONOMIC EFFECTS:**

Lease of property nets at least \$9,000 per year to the HLB fund.

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**PRIVATE SECTOR ECONOMIC EFFECTS:**

Lessee is responsible for taxes/assessments on leased property.

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Prepared by: **William M. Mehner**  
Director, Heritage Land Bank and Real Estate Services

Telephone: **343-4337**



# MUNICIPALITY OF ANCHORAGE

## ASSEMBLY MEMORANDUM

No. AM 77-2009

MEETING DATE: February 3, 2009

1 FROM: ACTING MAYOR

2  
3  
4 SUBJECT: AN ORDINANCE AUTHORIZING DISPOSAL BY GROUND LEASE  
5 OF HERITAGE LAND BANK PARCEL 4-013 TO NORTHERN  
6 LODGING LLC dba RAMADA ANCHORAGE DOWNTOWN.  
7

8 Heritage Land Bank (HLB) Parcel 4-013 (TID #002-084-55) is located on the  
9 northeast corner of 3<sup>rd</sup> Avenue and A Street in downtown Anchorage  
10 (**Appendix A: Site Map**). The legal description is Lot 7A, Block 118, Original  
11 Townsite, the parcel is 14,501 square feet in size (approximately 1/3 acre), and  
12 the zoning is B-2C (Central Business District – Periphery).  
13

14 Parcel 4-013 has been utilized for short-term permits for various uses over the  
15 years, including a helicopter pad by Fur Rendezvous, Inc., and a parking lot by  
16 Anchorage Parking Authority. It is currently under a month-to-month permit for  
17 use as an overflow parking lot for the adjoining Ramada Inn. The parcel is in a  
18 seismically unstable area of downtown Anchorage, located in the zone designated  
19 as "high to very high ground failure susceptibility" in a 1979 Harding-Lawson  
20 Report. The current permitted use of this parcel is consistent with the  
21 Anchorage 2020 Comprehensive Plan.  
22

23 HLB initiated an agency review to solicit comments on HLB issuing a short-term  
24 (10 year) ground lease; no objections to the proposal were received. The Parks  
25 and Recreation Department recommended public access be reserved for  
26 pedestrians and bicyclists to adjacent Quiyana Park (**Appendix A**). Additionally  
27 the Planning Department recommended retaining a portion of the property to  
28 preserve for future right of way. Leasing the property, instead of selling, provides  
29 for future uses of the property by the MOA. The lease document provides for  
30 revision of the legal description to accommodate future municipal uses, a 90 day  
31 termination clause, as well as regular rental adjustments.  
32

33 An appraisal conducted in November 2006 by Black-Smith, Bethard & Carlson  
34 estimated fair market value of the land at \$377,000, establishing market rent for  
35 the parcel at 8% per year at \$30,160. However, the short-term lease structure, as  
36 well as the market for parking in the vicinity do not support rent at market rates.  
37 Therefore, HLB established a rental use fee pursuant to HLB's fee schedule; the  
38 fee is based on approximate values in nearby comparable parking lots at \$9,000  
39 per year.

The lease provides as follows:

Lessee: Northern Lodging LLC dba Ramada Anchorage Downtown.  
Lease area: Lot 7A, Block 118, Original Townsite (3<sup>rd</sup> Avenue & A Street),  
consisting of 14,501 sq.ft., or approx. 1/3 acre  
Term: Ten year term, with one five-year option to renew, by mutual  
consent of both parties and Assembly approval, including a  
rent adjustment every five years, 90-day notification of  
termination by either party.  
Lease Rate: \$9,000 per year based upon the HLB fee schedule  
Insurance: Indemnification provisions and protection to the MOA as  
additional insured  
Taxes, etc.: Lessee's sole responsibility

Ramada understands use of the property may be changed in the future. This  
ground lease does not grant rights or preference for future use of the property  
other than those provided for in the lease.

On June 26, 2007, the Heritage Land Bank Advisory Commission approved  
HLBAC Resolution 2007-01(S), recommending approval of a ground lease to  
Northern Lodging LLC, DBA Ramada Anchorage Downtown (**Appendix B**).

**THE ADMINISTRATION RECOMMENDS APPROVAL OF AN ORDINANCE  
AUTHORIZING DISPOSAL BY GROUND LEASE OF HERITAGE LAND BANK  
PARCEL 4-013 TO NORTHERN LODGING LLC dba RAMADA ANCHORAGE  
DOWNTOWN.**

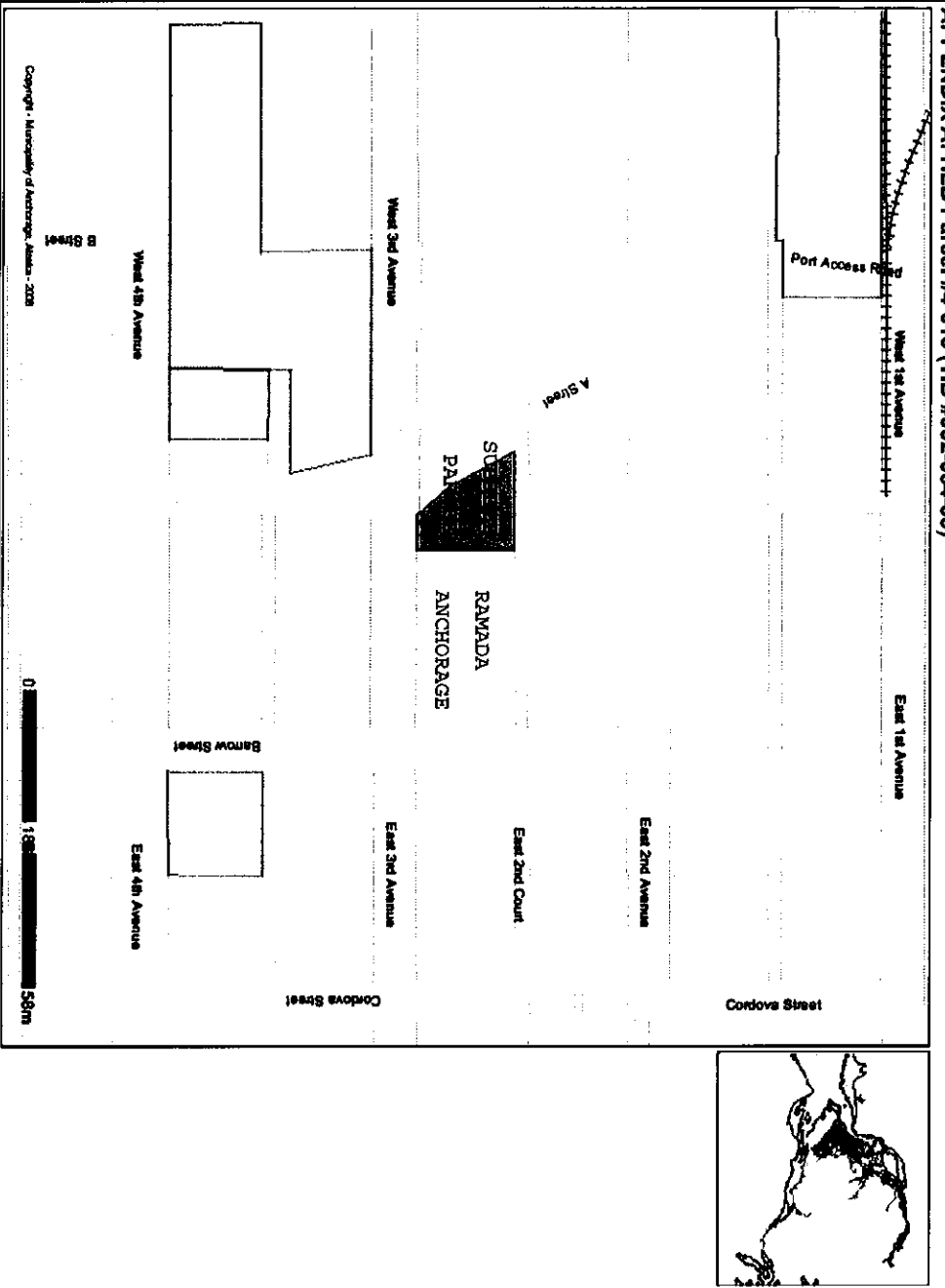
Prepared by: Alison L. Smith, Land Management Officer  
Heritage Land Bank  
Approved: William M. Mehner, Executive Director  
Heritage Land Bank  
Concur: Mary Jane Michael, Executive Director  
Department of Economic and Community Development  
Concur: James N. Reeves, Municipal Attorney  
Concur: Michael K. Abbott, Municipal Manager  
Respectfully submitted: Matt Claman, Acting Mayor

**Appendix A: Site Map**

**Appendix B: HLBAC Resolution 2007-01 (S)**

APPENDIX A

APPENDIX A: HLB Parcel #4-013 (TID #002-084-65)



## **Appendix B**

### **HERITAGE LAND BANK ADVISORY COMMISSION HLB Resolution 2007-01(S)**

**A RESOLUTION OF THE HERITAGE LAND BANK ADVISORY COMMISSION  
RECOMMENDING ASSEMBLY APPROVAL FOR SOLE SOURCE LEASE OR  
LEASE WITH PURCHASE OPTION OF HLB PARCEL NO. 4-013, LOCATED AT THE  
CORNER OF 'A' STREET AND 3<sup>RD</sup> AVENUE**

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WHEREAS, "It is the mission of the Heritage Land Bank to manage uncommitted municipal land ... to benefit the present and future citizens of Anchorage, promote orderly development, and achieve the goals of the comprehensive plan." (AMC 25.40.010); and

WHEREAS, the HLB, at "the direction of the Mayor and Assembly, may convey HLB land or interest not needed for specific public facilities or purposes. Each disposal shall be in the municipal interest and based at or above fair market appraised value or for other equivalent municipal values or objectives" (AMC 25.40.010E); and

WHEREAS, the HLB Advisory Commission is required to hold a public hearing, with public notice as specified in this chapter, prior to making a recommendation to the mayor and assembly regarding the disposal of Heritage Land Bank land or an interest in land (AMC 25.40.025A); and

WHEREAS, land disposals under AMC 25.40.025.F include land sales, land exchanges, leases, and easements; and

WHEREAS, HLB Parcel #4-013-acre parcel is legally described as Lot 7, Block 118, Original Townsite of Anchorage (TID #002-084-55), and is zoned B-2C (Central Business District – Periphery); and

WHEREAS, the subject parcel is unimproved, and is encumbered by a month-to-month land use permit for use as a parking lot; and

WHEREAS, an appraisal of the subject property was conducted on November 21, 2006 by Black-Smith, Bethard & Carlson, estimating a value of \$ 377,000.00 for the fee simple estate; and

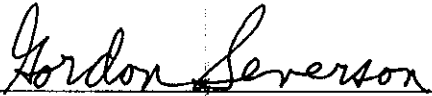
WHEREAS, an agency review has revealed no objections to the proposed action the subject property was posted, and a public notice mailing of the proposed disposal was sent June 12, 19 and 26, 2007, thereby meeting the fourteen-day minimum posting requirement.

**NOW THEREFORE THE HERITAGE LAND BANK ADVISORY COMMISSION  
RECOMMENDS ASSEMBLY APPROVAL FOR SOLE-SOURCE LEASE OR LEASE  
WITH PURCHASE OPTION OF HLB PARCEL NO. 4-013, SUBJECT TO:**

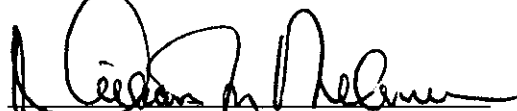
1. This resolution will take effect immediately upon passage and approval.

Amended and approved by the Heritage Land Bank Advisory Commission on this, the  
26<sup>th</sup> day of June, 2007.

APPROVED:

  
Gordon Severson, Chair  
Heritage Land Bank Advisory Commission

ATTEST

  
William M. Mehner, Executive Director  
Heritage Land Bank

**Content ID:** 007303**Revision:** 0**Type:** Ordinance - AO

AN ORDINANCE AUTHORIZING DISPOSAL BY GROUND LEASE OF

**Title:** HERITAGE LAND BANK PARCEL 4-013 TO NORTHERN LODGING LLC,  
DBA RAMADA ANCHORAGE DOWNTOWN**Author:** vanhornlr**Initiating Dept:** HLB

DISPOSAL BY GROUND LEASE OF HLB PARCEL 4-013 TO NORTHERN

**Description:** LODGING, LLC, DBA RAMADA ANCHORAGE DOWNTOWN Disposal of  
corner lot via ground lease to adjacent property owner (Ramada).**Keywords:** Ground Lease Disposal 4-013**Date Prepared:** 1/13/09 5:32 PM**Director Name:** Wm. M. Mehner**Assembly  
Meeting Date:** 2/3/09**Public Hearing  
Date:** 2/24/09

<b>Workflow Name</b>	<b>Action Date</b>	<b>Action</b>	<b>User</b>	<b>Security Group</b>	<b>Content ID</b>
Clerk_Admin_SubWorkflow	1/30/09 10:07 AM	Exit	Joy Maglaqui	Public	007303
MuniMgrCoord_SubWorkflow	1/30/09 10:07 AM	Approve	Joy Maglaqui	Public	007303
MuniManager_SubWorkflow	1/30/09 9:13 AM	Approve	Michael Abbott	Public	007303
Legal_SubWorkflow	1/29/09 2:31 PM	Approve	Rhonda Westover	Public	007303
Finance_SubWorkflow	1/29/09 2:07 PM	Approve	Nina Pruitt	Public	007303
OMB_SubWorkflow	1/29/09 12:20 PM	Approve	Wanda Phillips	Public	007303
ECD_SubWorkflow	1/29/09 11:52 AM	Approve	Tawny Klebesadel	Public	007303
HLB_SubWorkflow	1/29/09 11:34 AM	Approve	William Mehner	Public	007303
AllOrdinanceWorkflow	1/29/09 11:33 AM	Checkin	Lynn Roderick Van Horn	Public	007303
Legal_SubWorkflow	1/20/09 1:37 PM	Reject	Rhonda Westover	Public	007303
Finance_SubWorkflow	1/16/09 1:49 PM	Approve	Sharon Weddleton	Public	007303
OMB_SubWorkflow	1/16/09 11:21 AM	Approve	Wanda Phillips	Public	007303
ECD_SubWorkflow	1/14/09 9:16 AM	Approve	Tawny Klebesadel	Public	007303
HLB_SubWorkflow	1/13/09 7:10 PM	Approve	William Mehner	Public	007303
AllOrdinanceWorkflow	1/13/09 5:35 PM	Checkin	Lynn Roderick Van Horn	Public	007303



CONSENT AGENDA - INTRODUCTION