

Submitted by: Chair of the Assembly at the
Request of the Mayor
Prepared by: Real Estate Department,
Real Estate Services Division
For Reading: December 6, 2011

CLERK'S OFFICE

APPROVED

1-17-12

ANCHORAGE, ALASKA
AO No. 2011-123

Date: _____

1 **AN ORDINANCE AUTHORIZING LEASES OF OFFICE SPACE IN THE JOHN**
2 **THOMAS BUILDING, LOCATED AT 3RD AVENUE AND CORDOVA STREET, IN**
3 **ANCHORAGE.**

4
5 **WHEREAS**, the Municipality of Anchorage (MOA) owns the John Thomas
6 Building, located at 325 East 3rd Avenue, in Anchorage; and

7
8 **WHEREAS**, four non-profit organizations as described in the accompanying
9 Assembly Memorandum currently occupy building space in the John Thomas
10 Building and pay less than fair market value rent on a month-to-month basis at a
11 rental rate of seven cents (\$.07) per square foot; and

12
13 **WHEREAS**, this ordinance authorizes a one year lease for each of the four non-
14 profit organizations at the new rate of twenty-five cents (\$.25) per square foot of
15 office space, and include an option to extend for two additional one-year terms;
16 and


17
18 **WHEREAS**, the location of the four non-profits at the John Thomas Building has
19 benefited MOA and its citizens by providing community support and services to
20 the Anchorage area; Now, therefore,

21
22 **THE ANCHORAGE ASSEMBLY ORDAINS:**

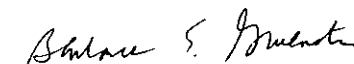
23
24 **Section 1.** One-year leases for each of the four non-profit organizations
25 currently occupying office space in the John Thomas Building at the rate of
26 twenty-five cents per square foot is authorized.

27
28 **Section 2.** This ordinance shall be effective immediately upon passage and
29 approval by the Assembly.

30
31 PASSED AND APPROVED by the Anchorage Assembly this 17th day of
32 January, 2012.

33
34 
35 Chair

36 ATTEST:

37 
38 _____

39 Municipal Clerk

MUNICIPALITY OF ANCHORAGE
Summary of Economic Effects - General Government

AO Number: 2011-123 Title: **AN ORDINANCE AUTHORIZING LEASES OF OFFICE SPACE
 IN THE JOHN THOMAS BUILDING, LOCATED AT 3RD AVE.
 AND CORDOVA STREET, IN ANCHORAGE.**

Sponsor: MAYOR
 Preparing Agency: Real Estate Department/Real Estate Services Division
 Others Impacted:

CHANGES IN EXPENDITURES AND REVENUES: (Thousands of Dollars)

	FY12	FY13	FY14	FY15	FY16
Operating Expenditures					
1000 Personal Services					
2000 Supplies					
3000 Other Services					
4000 Debt Service					
5000 Capital Outlay					
TOTAL DIRECT COST	0	0	0	0	0
6000 IGCs	0	0	0	0	0
FUNCTION COST:	0	0	0	0	0
REVENUES:	3.2	3.2	3.2	3.2*	3.2*
CAPITAL:	0	0	0	0	0
POSITIONS: FT/PT and Temp.	0	0	0	0	0

PUBLIC SECTOR ECONOMIC EFFECTS: Revenue provides partial compensation to Facility Maintenance for operating and maintenance expenses of John Thomas Building, and provides operations space for nonprofit support organizations.

*Lease rate after third year (in 2015) may be adjusted from current estimates.

PRIVATE SECTOR ECONOMIC EFFECTS: Anchorage citizens benefit from these organizations that provide local community support.

Prepared by: **Tammy R Oswald**, Executive Director
 Real Estate Department

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MUNICIPALITY OF ANCHORAGE

ASSEMBLY MEMORANDUM

No. AM 698-2011

Meeting Date: December 6, 2011

1 **From: MAYOR**

2
3 **Subject: AN ORDINANCE AUTHORIZING LEASES OF OFFICE SPACE IN**
4 **THE JOHN THOMAS BUILDING, LOCATED AT 3RD AVENUE**
5 **AND CORDOVA STREET, IN ANCHORAGE.**
6

7 This ordinance authorizes four new leases between the Municipality of Anchorage
8 (MOA) as Landlord and four non-profit organizations as Tenants, for use of office
9 space in the John Thomas Building, located at 325 East 3rd Avenue, in
10 Anchorage.

11
12 The four non-profit organizations are:

- 13 • Mabel T. Caverly Senior Center
- 14 • Older Person's Action Group (OPAG)
- 15 • National Association for the Advancement of Colored People
16 (NAACP)
- 17 • Intervention Helpline, Inc.

18
19 These organizations currently occupy space in the John Thomas Building under
20 expired leases, but continue to pay rent to Facility Maintenance on a month-to-
21 month basis as holdover tenants at a rate of seven cents (\$.07) per square foot.
22 The purpose of these leases is to provide needed office space to local non-profit
23 organizations that provide community support and services to the Anchorage
24 area.

25
26 The Municipality of Anchorage (MOA) is responsible for covering utilities and
27 building maintenance of the John Thomas Building, and in the intervening years
28 since the last lease was established for the current tenants, these costs have
29 escalated.

30
31 New leases are overdue, and rental rates must be increased to help offset utility
32 and maintenance costs. The new lease rate will be twenty-five cents (\$.25) per
33 square foot, a rate that is well below the current market value rate for downtown
34 Anchorage office space, but will serve as partial compensation to Facility
35 Maintenance for its operating expenses for the facility.

36
37 Terms of these leases conform to the requirements as set forth in Anchorage
38 Municipal Code (AMC) section 25.30.050. The term for each lease shall be for
39 one year, beginning January 1, 2012 and ending December 31, 2012, with two,
40 one-year options to extend upon mutual consent of both parties.

41
42 The less than fair market value rent rate for the leases also conforms to the
43 requirements as set forth in AMC 25.30.040.B, which states, "The municipality

1 may dispose of municipal land to... a nonprofit corporation or association for less
2 than the fair market value of the interest disposed of, upon a finding by the
3 assembly that the disposal will allow the use of the land for a public purpose
4 beneficial to the municipality.”
5

6 Rental rate shall be at twenty-five cents (\$.25) per square foot, with total monthly
7 payment for each organization based on the amount of square footage required
8 for use.
9

10 **THE ADMINISTRATION RECOMMENDS APPROVAL OF AN ORDINANCE**
11 **AUTHORIZING LEASES OF OFFICE SPACE IN THE JOHN THOMAS**
12 **BUILDING, LOCATED AT 3RD AVENUE AND CORDOVA STREET, IN**
13 **ANCHORAGE.**

14
15 Prepared by: Real Estate Services Division
16 Approved by: Tammy R. Oswald, Executive Director
17 Real Estate Department
18 Concur: Dennis A. Wheeler, Municipal Attorney
19 Concur: George J. Vakalis, Municipal Manager
20 Respectfully submitted, Daniel A. Sullivan, Mayor