

Submitted by: Chair of the Assembly at the
Request of the Mayor

Prepared by: Real Estate Department

For Reading: December 6, 2011

CLERK'S OFFICE

APPROVED

Date:

1-17-12

ANCHORAGE, ALASKA

AO No. 2011-124

1 **AN ORDINANCE AUTHORIZING A NON-COMPETITIVE LEASE OF A**
2 **HERITAGE LAND BANK PARCEL LOCATED IN SECTION 15, T10N, R1W,**
3 **S.M, IN BIRD CREEK TO CHUGACH ELECTRIC ASSOCIATION FOR**
4 **MARKET RENT PLUS APPRAISAL COST.**

5
6 **WHEREAS**, the Municipality of Anchorage (MOA) owns Heritage Land Bank (HLB)
7 Parcel 6-009B, legally described as Lot 1, ASLS 2005-36; and
8

9 **WHEREAS**, Chugach Electric Association (CEA) obtained use of this site prior to MOA
10 taking title to the property and such use was authorized by the Alaska Department of
11 Natural Resources, the previous land owner/manager; and
12

13 **WHEREAS**, Chugach Electric Association uses the site as an integral component in their
14 telecommunications network along Turnagain Arm; and
15

16 **WHEREAS**, HLB conducted an agency review for any municipal needs for the subject
17 parcel, and determined it is not needed for any foreseeable municipal purpose; and
18

19 **WHEREAS**, the Heritage Land Bank Advisory Commission held a public hearing
20 resulting in no comments and the Commission's recommendation for Assembly approval
21 of the non-competitive lease of Parcel 6-009B to Chugach Electric Association; and
22

23 **WHEREAS**, CEA has agreed to pay market rent and the appraisal cost; now therefore,
24

25 **THE ANCHORAGE ASSEMBLY ORDAINS:**
26

27 **Section 1.** HLB Parcel 6-009B, Lot 1, ASLS 2005-36 is approved for lease to Chugach
28 Electric Association for 20 years at market rent plus appraisal cost, with a 5-year option.
29

30 **Section 2.** This lease is found to be in the best interest of the Municipality, and the
31 provision of Anchorage Municipal Code Chapter 25.40 governing disposal by competitive
32 bid is hereby waived.
33

34 **Section 3.** This ordinance shall be effective immediately upon passage and approval.
35

36 PASSED AND APPROVED by the Anchorage Assembly this 17th day of
37 January, 2011.
38

Debbie Osseander
Chair of the Assembly

39
40 ATTEST:

41 Shirley S. Juenke
42
43 Municipal Clerk

MUNICIPALITY OF ANCHORAGE
Summary of Economic Effects - General Government

AO Number: 2011-124 Title: **AN ORDINANCE AUTHORIZING A NON-COMPETITIVE LEASE OF A HERITAGE LAND BANK PARCEL LOCATED IN SECTION 15, T10N, R1W, S.M, IN BIRD CREEK TO CHUGACH ELECTRIC ASSOCIATION FOR MARKET RENT PLUS APPRAISAL COST**

Sponsor: MAYOR
 Preparing Agency: Real Estate Department/Heritage Land Bank
 Others Impacted:

CHANGES IN EXPENDITURES AND REVENUES: (Thousands of Dollars)

	FY11	FY12	FY13	FY14	FY15
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:	0	1.6	1.6	1.6	1.6
CAPITAL:	0	0	0	0	0
POSITIONS: FT/PT and Temp.	0	0	0	0	0

PUBLIC SECTOR ECONOMIC EFFECTS: Lease execution adds ongoing annual rental revenue to the HLB Fund (221) balance.

PRIVATE SECTOR ECONOMIC EFFECTS: Lease will allow for upgrade to the site.

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

Telephone: **343-7986**

MUNICIPALITY OF ANCHORAGE

ASSEMBLY MEMORANDUM

No. AM 699-2011

Meeting Date: December 6, 2011

1 **From:** MAYOR

2
3 **Subject:** AN ORDINANCE AUTHORIZING A NON-COMPETITIVE LEASE
4 OF A HERITAGE LAND BANK PARCEL LOCATED IN SECTION 15,
5 T10N, R1W, S.M, IN BIRD CREEK TO CHUGACH ELECTRIC
6 ASSOCIATION FOR MARKET RENT PLUS APPRAISAL COST
7

8 The Municipality of Anchorage owns Heritage Land Bank (HLB) Parcel #6-009B near the
9 Turnagain Arm community of Bird Creek (See map, **Appendix A**). The .32-acre parcel is
10 encumbered with an existing telecommunications site and is legally described as Lot 1, ASLS
11 2005-36, located in Section 15, T10N, R1W, S.M. The parcel is located on the south side of
12 the Seward Highway about one mile south of Bird Creek.
13

14 The existing telecommunications site has been in use under a permit from the State since the
15 mid-1960's and was originally used by the military, then transferred to RCA Communications
16 in 1971. Chugach Electric Association (CEA) obtained the site when it was no longer needed
17 by RCA.
18

19 CEA needs the site as part of its existing telecommunication network for the Turnagain Arm
20 area. Current site use by CEA was approved by Alaska Department of Natural Resources,
21 Division of Parks and Outdoor Recreation because at the time it was mistakenly believed that
22 the land was under their control. The final survey of HLB's lands clarified the extent of the
23 State Parks ownership adjacent to HLB land where the site is actually located.
24

25 The proposed action is disposal of HLB Parcel 6-009B by lease to CEA. The lease document
26 will only allow for CEA telecommunications for their own use. CEA will not be subleasing
27 nor allowing any additional telecomm uses without HLB approval. The earlier use approvals
28 by the State and the importance of the site to the CEA electrical network support the decision
29 that it is appropriate to waive Anchorage Municipal Code 25.40.025.D to allow for a non-
30 competitive disposal by lease to CEA.
31

32 Consistent with other provisions of AMC 25.40.025, the proposed lease rent will be priced at
33 market rental rate of approximately one thousand six hundred dollars (\$1,600) per year for the
34 first five years as set by appraisal, with rental adjustments every five years. The lease term is
35 twenty years with one additional five-year option to extend.
36

37 The Heritage Land Bank Advisory Commission held a hearing on October 13, 2011 and
38 received no comments. HLBAC recommends approval of a lease to CEA. (Appendix B).
39

1 **THE ADMINISTRATION RECOMMENDS ASSEMBLY APPROVAL OF AN**
2 **ORDINANCE AUTHORIZING A NON-COMPETITIVE LEASE OF A HERITAGE**
3 **LAND BANK PARCEL LOCATED IN SECTION 15, T10N, R1W, S.M, IN BIRD**
4 **CREEK TO CHUGACH ELECTRIC ASSOCIATION FOR MARKET RENT PLUS**
5 **APPRAISAL COST**
6

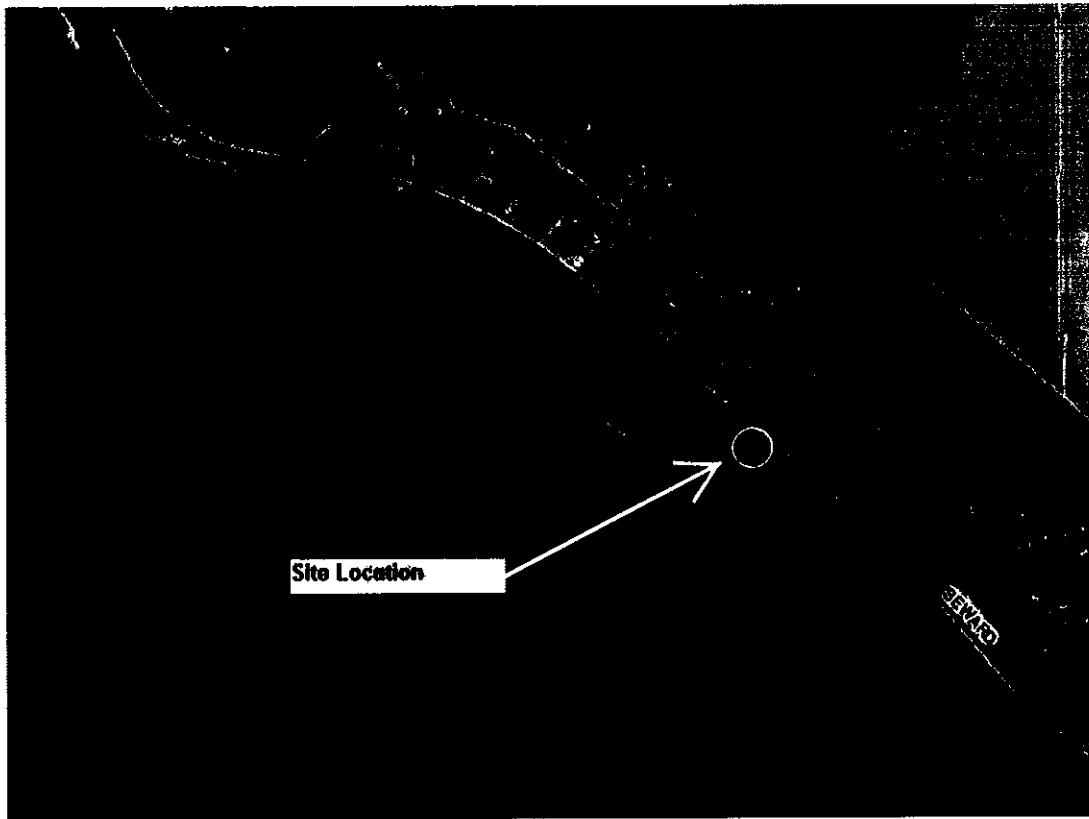
7
8 Prepared by: Alison L. Smith, Heritage Land Bank, Real Estate Dept.
9 Approved by: Tammy R. Oswald, Executive Director, Real Estate Dept.
10 Concur: Dennis A. Wheeler, Municipal Attorney
11 Concur: George J. Vakalis, Municipal Manager
12 Respectfully submitted: Daniel A. Sullivan, Mayor
13

14 Appendices:

- 15 Appendix A—Location Map
16 Appendix B—Heritage Land Bank Advisory Commission Resolution 2011-07

APPENDIX A

Chugach Bird Comm Site



APPENDIX B

MUNICIPALITY OF ANCHORAGE HERITAGE LAND BANK ADVISORY COMMISSION

RESOLUTION No. 2011-07

A RESOLUTION OF THE HERITAGE LAND BANK ADVISORY COMMISSION (HLBAC) RECOMMENDING ASSEMBLY APPROVAL OF A SOLE SOURCE LEASE OF HLB PARCEL 6-009B IN THE TURNAGAIN ARM COMMUNITY OF BIRD CREEK TO CHUGACH ELECTRIC ASSOCIATION FOR NETWORK TELECOMMUNICATION PURPOSES.

WHEREAS, the Heritage Land Bank (HLB) was established to... "Manage uncommitted municipal land and the Heritage Land Bank Fund in a manner designed 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, AMC 25.40.025.A states, "The Heritage Land Bank Advisory Commission shall 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;" and

WHEREAS, this Bird Creek location has been in use as a telecommunication site since the 1960's; and

WHEREAS, Chugach Electric Association obtained the site for network support and has been on the site for about 20 years; and

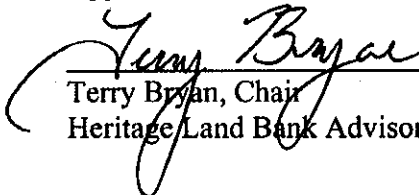
WHEREAS, Chugach Electric Association has requested a long term lease of the site to continue to support their Turnagain Arm operations; and

WHEREAS, HLB posted the property and conducted public notice and a review by all potentially interested Municipal agencies to establish that the subject property is surplus to municipal needs and is therefore available for lease,

NOW, THEREFORE, THE HERITAGE LAND BANK ADVISORY COMMISSION RECOMMENDS ASSEMBLY APPROVAL OF A SOLE SOURCE LEASE OF HLB PARCEL 6-009B IN THE TURNAGAIN ARM COMMUNITY OF BIRD CREEK TO CHUGACH ELECTRIC ASSOCIATION FOR NETWORK TELECOMMUNICATION PURPOSES.


PASSED AND APPROVED the 14th day of July, 2011.

Approved:



Terry Bryan, Chair
Heritage Land Bank Advisory Commission

Attest:



Tammy Oswald, Acting Director
Heritage Land Bank