

Submitted by: Chair of the Assembly at the
Request of the Mayor
Prepared by: Port of Anchorage
For reading: February 28, 2012

CLERK'S OFFICE

APPROVED

ANCHORAGE, ALASKA

Date: 3-13-12 AO NO. 2012-28

**AN ORDINANCE AUTHORIZING A CONSOLIDATED AMENDMENT OF THE
PREFERENTIAL USAGE AGREEMENT, LEASES AND PERMITS BETWEEN THE
MUNICIPALITY OF ANCHORAGE, PORT OF ANCHORAGE AND TOTEM
OCEAN TRAILER EXPRESS, INC.**

WHEREAS, the Municipality of Anchorage through its department the Port of Anchorage (Anchorage) and Totem Ocean Trailer Express, Inc. (TOTE) entered into a Preferential Usage Agreement (PUA), five Leases and four Revocable Use Permits (Permits); and,

WHEREAS, Anchorage and TOTE have mutually agreed to extend the term of the PUA, Leases and Permits from January 1, 2011 to December 31, 2015, pursuant to an exercised renewal option by TOTE; and,


WHEREAS, AMC section 25.30.020 requires disposal of Municipal land shall be by ordinance only, and AMC section 25.30.050D. allows for lease extensions and renewals; now, therefore,

THE ANCHORAGE ASSEMBLY ORDAINS:


Section 1. The Municipality of Anchorage is authorized to extend the term of the existing PUA, Leases and Permits between the Municipality of Anchorage and Totem Ocean Trailer Express, Inc. as summarized in accompanying Assembly Memorandum, submitted with this ordinance.

Section 2. This ordinance shall take effect immediately upon passage and approval.

PASSED AND APPROVED by the Anchorage Assembly this 13th day of March, 2012.


Chair

ATTEST:


Municipal Clerk

MUNICIPALITY OF ANCHORAGE
Summary of Economic Effects -- Utilities

AO Number: 2012-28

Title: AN ORDINANCE AUTHORIZING A CONSOLIDATED AMENDMENT OF THE PREFERENTIAL USAGE AGREEMENT, LEASES AND PERMITS BETWEEN THE MUNICIPALITY OF ANCHORAGE / PORT OF ANCHORAGE AND TOTEM TRAILER OCEAN EXPRESS, INC.

Sponsor: Mayor
 Preparing Agency: Port of Anchorage
 Others Impacted: None

CHANGES IN REVENUES AND EXPENSES:

(In Thousands of Dollars)

	FY12	FY13	FY14	FY15	FY16
Operating Revenues:					
9571 Industrial Park Lease	\$ 14.2	\$ 28.4	\$ 28.3	\$ 28.3	\$ 28.3
9554 Wharfage	\$ 19.2	\$ 40.5	\$ 33.2	\$ 33.2	\$ 33.2
9551 Dockage	\$ 2.7	\$ 5.8	\$ 4.8	\$ 4.8	\$ 4.8
TOTAL OPERATING REVENUES	\$ 36.1	\$ 74.7	\$ 66.3	\$ 66.3	\$ 66.3
Operating Expenses:					
	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL OPERATING EXPENSES	\$ -	\$ -	\$ -	\$ -	\$ -
Non-Operating Revenues:					
	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL NON-OPERATING REVENUES	\$ -	\$ -	\$ -	\$ -	\$ -
Non-Operating Expenses:					
	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL NON-OPERATING EXPENSES	\$ -	\$ -	\$ -	\$ -	\$ -
NET INCOME (REGULATED)	\$ 36.1	\$ 74.7	\$ 66.3	\$ 66.3	\$ 66.3
POSITIONS: FT/PT and Temp	0	0	0	0	0

PUBLIC SECTOR ECONOMIC EFFECTS:

The consolidated amendment of PUA, Leases and Permits at the Port of Anchorage to Totem Ocean Trailer Express, Inc., will provide the Port of Anchorage with additional revenue of \$36,100 per year for 2012 and \$74,700 for 2013.

SUMMARY OF ECONOMIC EFFECTS

PRIVATE SECTOR ECONOMIC EFFECTS:

None

Prepared by: Steve Ribuffo, Deputy Port Director

Telephone: 343-6200

MUNICIPALITY OF ANCHORAGE

ASSEMBLY MEMORANDUM

No. AM 138-2012

Meeting Date: February 28, 2012

From: **MAYOR**

Subject: **AN ORDINANCE AUTHORIZING A CONSOLIDATED AMENDMENT OF THE PREFERENTIAL USAGE AGREEMENT, LEASES AND PERMITS BETWEEN THE MUNICIPALITY OF ANCHORAGE, PORT OF ANCHORAGE AND TOTEM OCEAN TRAILER EXPRESS, INC.**

The Municipality of Anchorage through its department the Port of Anchorage (Anchorage) and Totem Ocean Trailer Express, Inc. (TOTE), entered into a Preferential Usage Agreement (PUA) on January 3, 1996. The PUA contains an initial five (5) year term, ending December 31, 2000, with two (2) renewal option periods of five (5) years each. TOTE has given Anchorage required notice to extend the terms of the PUA for an additional five-year period to December 31, 2015.

Anchorage and TOTE entered into Leases of various dates for Lots 1-D, 1-E, 2B and 3-A collectively, Amendment via Assembly Ordinance 2006-69 approved May 16, 2006 to a new expiration date of December 31, 2010. TOTE has given Anchorage required notice to extend the terms of the Leases for an additional five-year period to December 31, 2015.

Anchorage and TOTE entered into four Revocable Use Permits (Permits) for a term of two years to mature on December 31, 2010; Tract EE-1 containing 72,999 square feet; Tidewater Road containing 133,140 square feet; Tract A-1 containing 240,841 square feet; and the Transit Shed containing 2,100 square feet. TOTE has given Anchorage the required notice to extend the Permit terms to December 31, 2015.

The terms of the PUA, Leases and Permits are hereby extended to December 31, 2015 as follows:

- Extension of Terms: The terms of the PUA, Leases and Permits are extended to December 31, 2015, with an option to extend for an additional five (5) years. The terms and condition of the Trestle 3-C Lease are not amended.
- Adjustment of Fees: The annual fees of the PUA, Leases, and Permits shall be adjusted annually on January 1. The adjustment effective January 1, 2012, was agreed to be an increase of 1.2%. Adjustments for future years shall be adjusted based upon any change in the Consumer Price Index of the Bureau of Labor Statistics for All Urban Consumers for the Anchorage, Alaska

area (CPI), with any adjustment not to exceed 2.5% nor be less than 1.0%.

2012 Adjusted Fees:

<u>Location</u>	<u>Current sq ft (\$.96 per sq ft)</u>	<u>Increase per sq ft</u>	<u>Adjusted Amount</u>
Lot 1-D	122,015	1.2% to \$.97	\$118,354
Lot 1-E	91,308	1.2% to \$.97	\$ 87,655
Lots 2B & 3A	402,042	1.2% to \$.97	\$389,980
Transit Area "D"	329,250	1.2% to \$.97	\$319,371
Tract EE-1	72,999	1.2% to \$.97	\$ 64,969
Tidewater Road	133,140	1.2% to \$.97	\$118,494
Tract A-1	240,841	1.2% to \$.97	\$214,348
Transit Shed	2,100	1.2% to \$.97	\$ 23,462

Wharfage based on 2011 tonnage – increases from \$1,603,335 to \$1,622,575

Dockage based on 2011 dockage – increases from \$232,407 to \$235,195

Except as expressly referred to herein, all terms and conditions of the PUA, Leases and Permits shall remain in full force and effect and binding upon the parties.

THE ADMINISTRATION RECOMMENDS APPROVAL OF THE ORDINANCE AUTHORIZING A CONSOLIDATED AMENDMENT OF THE PREFERENTIAL USAGE AGREEMENT, LEASES AND PERMITS BETWEEN THE MUNICIPALITY OF ANCHORAGE, PORT OF ANCHORAGE AND TOTEM OCEAN TRAILER EXPRESS, INC.

Prepared by: Port of Anchorage
 Approved by: Stephen Ribuffo, Interim Director, Port of Anchorage
 Concur: Lucinda Mahoney, CFO
 Concur: Dennis A. Wheeler, Municipal Attorney
 Concur: George J. Vakalis, Municipal Manager
 Respectfully submitted: Daniel A. Sullivan, Mayor