

Real Estate



Real Estate

Department Summary

	2009 Actuals	2010 Revised	2011 Proposed	11 v 10 % Chg
Division Summary				
Heritage Land Bank	681,088	845,891	873,835	3.30 %
Real Estate Services	7,482,728	7,172,082	6,880,420	-4.07 %
Direct Cost	8,163,816	8,017,974	7,754,255	-3.29 %
Intragovernmental Charges				
Charges By Other Departments	445,195	565,677	592,290	4.70 %
Charges To Other Departments	(7,779,752)	(6,497,365)	(6,362,164)	-2.08 %
Function Cost	829,259	2,086,285	1,984,381	-4.88 %
Program Generated Revenue	1,787,788	886,177	886,177	0.00 %
Net Cost	(958,529)	1,200,108	1,098,204	-8.49 %

Expenditures by Category

Personnel	901,124	880,231	922,528	4.81 %
Supplies	5,218	5,200	5,200	0.00 %
Travel	275	1,000	1,000	0.00 %
Contractual/Other Services	7,251,843	7,120,043	6,814,027	-4.30 %
Debt Service/Depreciation	0	0	0	
Equipment, Furnishings	5,356	11,500	11,500	0.00 %
Total Direct Costs	8,163,816	8,017,974	7,754,255	-3.29 %

Personnel Summary As Budgeted

Full-Time	8	8	8	
Part-Time	2	0	0	
Total Positions	10	8	8	

Real Estate

Reconciliation from 2010 Revised Budget to 2011 Proposed Budget

	<u>Direct Costs</u>	<u>Positions</u>		
		<u>FT</u>	<u>PT</u>	<u>T</u>
2010 Revised Budget	\$ 8,017,974	8		
2010 One-Time Requirements				
- Reversal of 2010 1Q one time increase for survey and related sampling costs associated with construction-caused underground tank damage, and resultant well monitoring activity mandated by SOA.	(35,616)	-	-	-
- Reversal of 2010 1Q one time increase for Real Estate Services interfund loan repayment to ML&P for the acquisition of Tract B, Muldoon Estates Subdivision (aka Alaska Greenhouse)	(135,760)	-	-	-
Transfers (to)/from Other Agencies				
- None	-	-	-	-
Debt Service Changes				
- None	-	-	-	-
Changes in Existing Programs/Funding for 2010				
- Salary and benefits adjustments	42,294	-	-	-
2011 Continuation Level	<u>\$ 7,888,892</u>	<u>8</u>	<u>-</u>	<u>-</u>
Transfers (to)/from Other Agencies				
- None	-	-	-	-
Debt Service Changes				
- None	-	-	-	-
2011 Budget Changes				
- Elimination of lease budget for Samson Dimond Center Library, as the branch will be closing.	(134,637)	-	-	-
2010 Proposed Budget	<u><u>\$ 7,754,255</u></u>	<u><u>8</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

Real Estate Department

Anchorage: Performance. Value. Results.

Mission

To manage all municipal land, both uncommitted and under management authority of municipal agencies, in a manner designed to benefit present and future citizens, to promote orderly development and improvement of lands for municipal purposes, and to achieve the goals of the Comprehensive Plan.

Core Services

- Acquisitions and disposals: Authority to administer the acquisition, use and disposal of real property for the Municipality of Anchorage.
- Inventory: Maintain current and accurate inventory of municipal lands
- Property Management: Provide management of municipal lands and improvements
- Protection: Conservation and preservation of wetlands, maintenance and protection of MOA lands and improvements, to include containment of hazardous conditions
- Highest and Best Use: Employ maximum valued use and purpose for municipal lands and improvements
- Tax Foreclosures: Administer foreclosure proceedings for delinquent real estate property taxes

Accomplishment Goals

- Online public access to municipal properties inventory
- Maximize efficient use and minimize expenses through effective property management
- Reduce risk and protect land inventory against hazardous conditions and hazardous contaminations
- Land Use evaluations and periodic value determination
- Stream reparations and wetlands protection
- Negotiations for acquisitions and disposals of real property inventory

Expenditure & Revenue Summary

Heritage Land Bank

Division

(Dept ID # 1221)

Real Estate Department

	2009 Actuals	2010 Revised	2011 Proposed	11 v 10 % Chg
Expenditure by Category				
Salaries and Benefits	603,782	578,491	606,435	4.83 %
Supplies	4,787	4,400	4,400	0.00 %
Travel	275	1,000	1,000	0.00 %
Contractual/Other Services	67,809	251,000	251,000	0.00 %
Equipment, Furnishings	4,435	11,000	11,000	0.00 %
Total Manageable Costs	681,088	845,891	873,835	3.30 %
Debt Service, Depreciation	0	0	0	
Total Direct Cost	681,088	845,891	873,835	3.30 %

Program Generated Revenue by Fund

Division:

Fund 221 - HLB Fund	1,329,659	522,000	522,000	0.00 %
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Positions As Budgeted

	2009 Revised		2010 Revised		2011 Proposed	
	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
Junior Admin Officer	1	-	1	-	1	-
Program & Policy Director	1	-	1	-	1	-
Senior Office Associate	-	1	-	-	-	-
Special Admin Assistant	1	-	1	-	1	-
Special Admin Assistant I	2	-	2	-	2	-
Total	5	1	5	-	5	-

Expenditure & Revenue Detail**Heritage Land Bank****Division**

(Dept ID # 1221)

Real Estate Department

	2009 Actuals	2010 Revised	2011 Proposed	11 v 10 % Chg
<u>Expenditures</u>				
Salaries and Benefits				
1101 - Straight Time Labor	353,885	364,805	374,705	2.71 %
1301 - Leave/Holiday Accruals	41,371	24,405	25,068	2.71 %
1401 - Benefits	208,526	189,281	206,662	9.18 %
Salaries Total	603,782	578,491	606,435	4.83 %
Supplies	4,787	4,400	4,400	0.00 %
Travel	275	1,000	1,000	0.00 %
Contractual/Other Services	67,809	251,000	251,000	0.00 %
Equipment, Furnishings	4,435	11,000	11,000	0.00 %
Manageable Direct Cost Sub-Total	681,088	845,891	873,835	3.30 %
Debt Service, Depreciation	0	0	0	
Direct Cost Total	681,088	845,891	873,835	3.30 %
<u>Intra-Governmental Charges</u>				
Charges By Other Departments	356,827	429,865	440,545	2.48 %
<u>Program Generated Revenue</u>				
9139 - Land Use Permits	18,412	5,000	5,000	0.00 %
9499 - Reimbursed Cost	859	1,000	1,000	0.00 %
9566 - Pipe ROW Fee	174,192	60,000	60,000	0.00 %
9672 - Prior Yr Expense Recovery	6,405	0	0	
9731 - Lease & Rental Revenue	115,769	40,000	40,000	0.00 %
9732 - Lease-St Land Conveyance	10,916	5,000	5,000	0.00 %
9741 - State Land Block	479,971	10,000	10,000	0.00 %
9742 - Other Property Sales	32	0	0	
9744 - Land Sales-Cash	475,000	400,000	400,000	0.00 %
9761 - Cash Pools Short-Term Int	9,673	1,000	1,000	0.00 %
9767 - Unrealized Gains & Losses	37,429	0	0	
9798 - Miscellaneous Revenues	1,000	0	0	
Sub-Total	1,329,659	522,000	522,000	0.00 %
<u>Net Cost</u>				
Direct Cost	681,088	845,891	873,835	3.30 %
Debt Service	0	0	0	
Charges By Other Departments	356,827	429,865	440,545	2.48 %
Program Generated Revenue	(1,329,659)	(522,000)	(522,000)	0.00 %
Total Net Cost	(291,743)	753,756	792,380	

Heritage Land Bank
Real Estate Services Department
Anchorage: Performance. Value. Results.

Purpose

“It is the mission of the Heritage Land Bank (HLB) to manage uncommitted municipal land and the Heritage Land Bank Fund in a manner designed to benefit present and future residents of Anchorage, promote orderly development, and achieve the goals of the Comprehensive Plan.” (AMC 25.40.010)

Direct Services

To provide stewardship of municipal land in the HLB inventory with responsibility for:

- Land placed in the inventory for management is reserved for unspecified purposes
- Land held in the inventory for specific or future public purposes.
- Land held for mitigation and conservation
- Land determined as excess to present or future which may be suitable for disposal
- Land determined excess to municipal needs but unsuitable for disposal

Accomplishment Goals

- Protect HLB land from adverse impacts such as fire, insect damage, illegal dumping of hazardous or contaminated materials, and vandalism
- Maintain market lease and permit rates
- Dispose inventory to appropriate municipal agencies with the capability to manage or utilize the improved facilities
- Mitigate hazardous conditions on properties in the inventory in order to eventually return properties to future municipal use
- Ensure an updated inventory of HLB property is maintained
- Grow HLB Fund revenue through sound investments
- Preserve and protect wetlands through conservation easements and compensatory mitigation agreements.

Performance Measures

Progress in achieving goals will be measured by:

Measure: Percent of HLB inventory that has experienced an adverse action, such as fire, insect damage, illegal dumping of hazardous or contaminated materials, and vandalism.

Data will be reported in January 2011.

Measure: Percent difference between HLB market lease and permit rates and private sector

Data will be reported in January 2011.

Measure: Percent of HLB inventory that has been provided to municipal agencies.

Data will be reported in January 2011.

Measure: Percent of HLB properties in hazardous condition that have been mitigated

Data will be reported in January 2011.

Measure: Percentage of time that HLB inventory is up to date on website.

Data will be reported in January 2011.

Measure: Annual change in the value of the HLB fund.

Data will be reported in January 2011.

Measure: Number of acres protected by conservation easement.

	Number of Acres
2007	45
2009	37
2010	24
2011 Projected	40

Expenditure & Revenue Summary

Real Estate Services

Division

(Dept ID # 1222, 1223)

Real Estate Department

	2009 Actuals	2010 Revised	2011 Proposed	11 v 10 % Chg
Expenditure by Category				
Salaries and Benefits	297,342	301,739	316,093	4.76 %
Supplies	431	800	800	0.00 %
Travel	0	0	0	
Contractual/Other Services	7,184,034	6,869,043	6,563,027	-4.46 %
Equipment, Furnishings	922	500	500	0.00 %
Total Manageable Costs	7,482,728	7,172,082	6,880,420	-4.07 %
Debt Service, Depreciation	0	0	0	
Total Direct Cost	7,482,728	7,172,082	6,880,420	-4.07 %

Program Generated Revenue by Fund

Division:

Fund 101 - Areawide General	458,130	364,177	364,177	0.00 %
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Positions As Budgeted

	2009 Revised		2010 Revised		2011 Proposed	
	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
Administrative Officer	1	-	1	-	1	-
Property Management Ofcr	1	1	1	-	1	-
Senior Office Associate	1	-	1	-	1	-
Total	3	1	3	-	3	-

Expenditure & Revenue Detail**Real Estate Services****Division**

(Dept ID # 1222, 1223)

Real Estate Department

	2009 Actuals	2010 Revised	2011 Proposed	11 v 10 % Chg
<u>Expenditures</u>				
Salaries and Benefits				
1101 - Straight Time Labor	178,649	185,666	189,838	2.25 %
1301 - Leave/Holiday Accruals	16,255	12,421	12,700	2.25 %
1401 - Benefits	102,438	103,653	113,554	9.55 %
Salaries Total	297,342	301,739	316,093	4.76 %
Supplies	431	800	800	0.00 %
Travel	0	0	0	
Contractual/Other Services	7,184,034	6,869,043	6,563,027	-4.46 %
Equipment, Furnishings	922	500	500	0.00 %
Manageable Direct Cost Sub-Total	7,482,728	7,172,082	6,880,420	-4.07 %
Debt Service, Depreciation	0	0	0	
Direct Cost Total	7,482,728	7,172,082	6,880,420	-4.07 %
<u>Intra-Governmental Charges</u>				
Charges By Other Departments	88,367	135,812	151,745	11.73 %
Charges To Other Departments	(7,779,752)	(6,497,365)	(6,362,164)	-2.08 %
<u>Program Generated Revenue</u>				
9004 - Tax Cost Recoveries	260,442	250,000	250,000	0.00 %
9449 - Museum Admission Fees	2,021	1,000	1,000	0.00 %
9492 - Service Fees-School Dist	0	500	500	0.00 %
9499 - Reimbursed Cost	21,692	15,000	15,000	0.00 %
9731 - Lease & Rental Revenue	118,424	97,677	97,677	0.00 %
9744 - Land Sales-Cash	55,552	0	0	
Sub-Total	458,130	364,177	364,177	0.00 %
<u>Net Cost</u>				
Direct Cost	7,482,728	7,172,082	6,880,420	-4.07 %
Debt Service	0	0	0	
Charges By Other Departments	88,367	135,812	151,745	11.73 %
Charges To Other Departments	(7,779,752)	(6,497,365)	(6,362,164)	-2.08 %
Program Generated Revenue	(458,130)	(364,177)	(364,177)	0.00 %
Total Net Cost	(666,786)	446,352	305,824	

Real Estate Services Division
Real Estate Department

Anchorage: Performance. Value. Results.

Purpose

The Real Estate Services Division (RES) provides effective property management of all municipal lands and leased properties, and administers the foreclosure process of delinquent property taxes and assessments. This tax supported division is responsible for administering the acquisition and disposal of all real municipal property not in the Heritage Land Bank (HLB) inventory.

Direct Services

- Provide effective management of all non-HLB or ACDA municipal properties, including leased properties
- Administer the foreclosure process resulting from delinquent property taxes and assessments
- Administrative oversight of acquisition, retention and disposal of municipal lands

Accomplishment Goals:

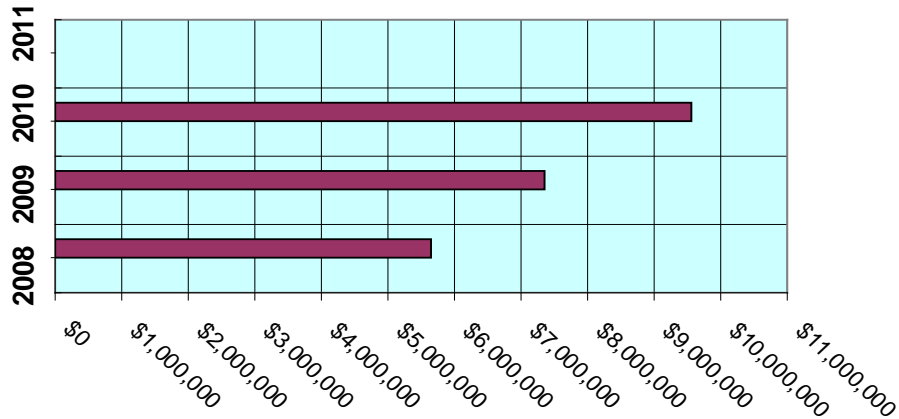
- Manage municipal properties to maximize efficiency and minimize expense, with a focus on significantly reducing risk.
- Reduce foreclosures and recover revenue from tax-foreclosed real property through sale by sealed bid auction and to return foreclosed properties to tax-producing status.
- Minimize the number of properties that must eventually go for sale due to non-payment of taxes, delinquent BID (Business Improvement District), and special assessments.
- Maximize the number of tax payments on properties in delinquency or foreclosure through responsive administration and regular notification to taxpayers.

Performance Measures

Progress in achieving goals shall be measured by:

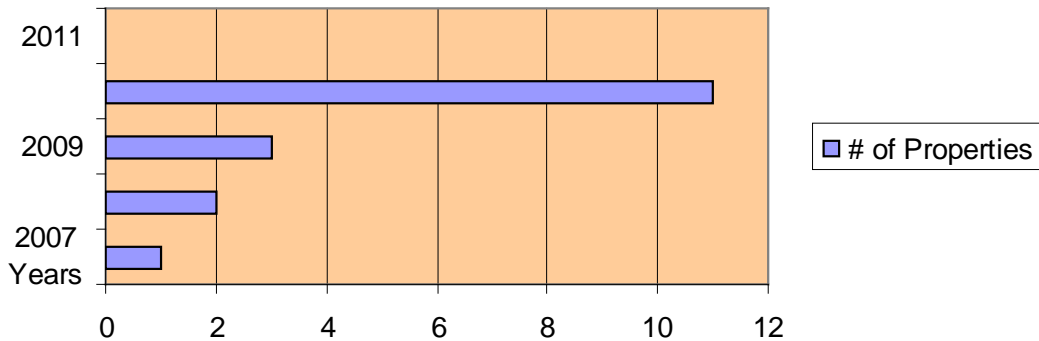
Measure: Dollar value of all available, uncontaminated foreclosed properties via sealed bid auction.

**TABLE 1: Initial Delinquent Taxes & Assessments Due
MOA, 2008-2011**



Note: Delinquencies and Foreclosures are Increasing

**TABLE 2: Number of Foreclosed Properties Sold,
2007-2010**



Properties Sold by Year
Note: Trend is Increasing!

Measure: Percentage of delinquent property taxes recovered during the first delinquency year

Data will be reported in 2011.

Measure: Number of foreclosures resulting in municipal clerk's deeds

Data will be reported in 2011.

Measure: Number of redeemed foreclosed parcels prior to auction date

Data will be reported in 2011.

Background

Real Estate Services assists all taxpayers by regaining lost revenue from unpaid taxes. This is primarily accomplished by enforcing the Alaska Statutes regarding property tax payments (AS Sec. 29.45.320-340), which is required annually. Each year, the Real Estate Services division will conduct three mass mail-outs of foreclosure notices to delinquent real property owners -two mandatory and an additional courtesy notification- as a means to maximize the number of anticipated payments by delinquent property owners. This mandated foreclosure process has recovered average revenue of delinquent taxes and BID assessments in recent years of approximately \$6,500,000 per year.

Through regular notification to delinquent taxpayers and management of delinquent properties, the number of parcels that actually go to auction has been reduced to an annual average of four properties in recent years. We anticipate that due continued exercise of this notification process, the auction slated for July will also result in less than five properties that must be sold.

The number of properties deeded to the MOA is generally influenced by local economic factors. We anticipate that through our continued regular notification process and provided there is no downward change in local economic conditions, we will see approximately the same numbers of delinquent payments and properties sold. Should the economy lose strength over the next year, it is likely that more delinquent properties will go into foreclosure. However, the sale of such properties presents the opportunity for the MOA to recover lost revenue, decrease the overall tax burden to the general home-owning and tax-paying citizenry, and ultimately provide a nearly 100% return on the MOA's investment of time and labor in recovering these tax revenues.

Leases Section
Real Estate Services Division
Real Estate Department

Anchorage: Performance. Value. Results.

Purpose

To negotiate, manage and fund the leasing of office, warehouse and other required spaces for local government agencies in order for them to perform their services on behalf of citizens.

Direct Services

Public and private businesses acting as Lessors of facilities space for municipal agencies. As a result, this serves the public by providing leased space for local government agencies and programs that also serve the public.

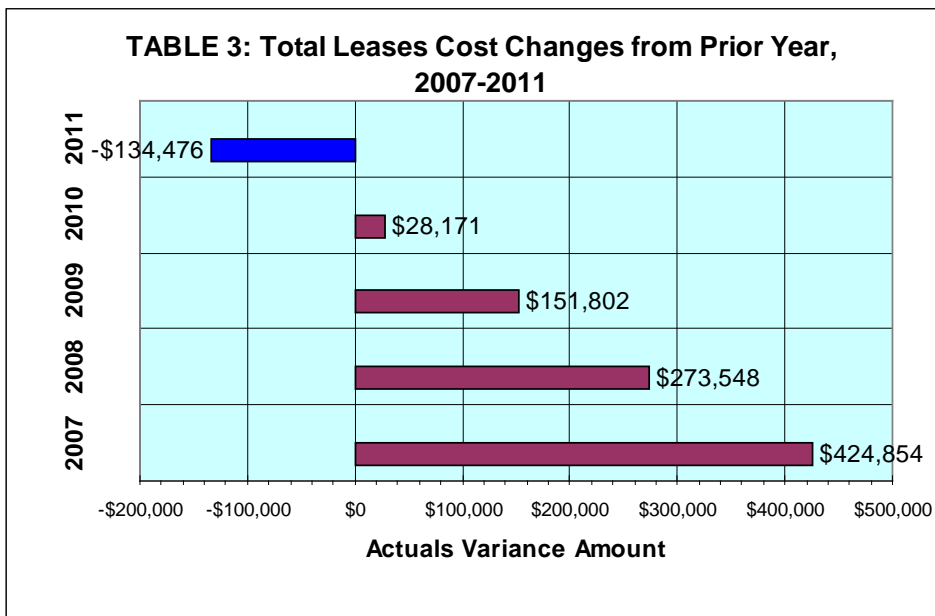
Accomplishment Goals

- Provide competitively negotiated leases and effectively administer lease contracts for municipal agencies throughout the Municipality of Anchorage.
- Provide the most cost-effective space management services to general government agencies for municipal office facilities.

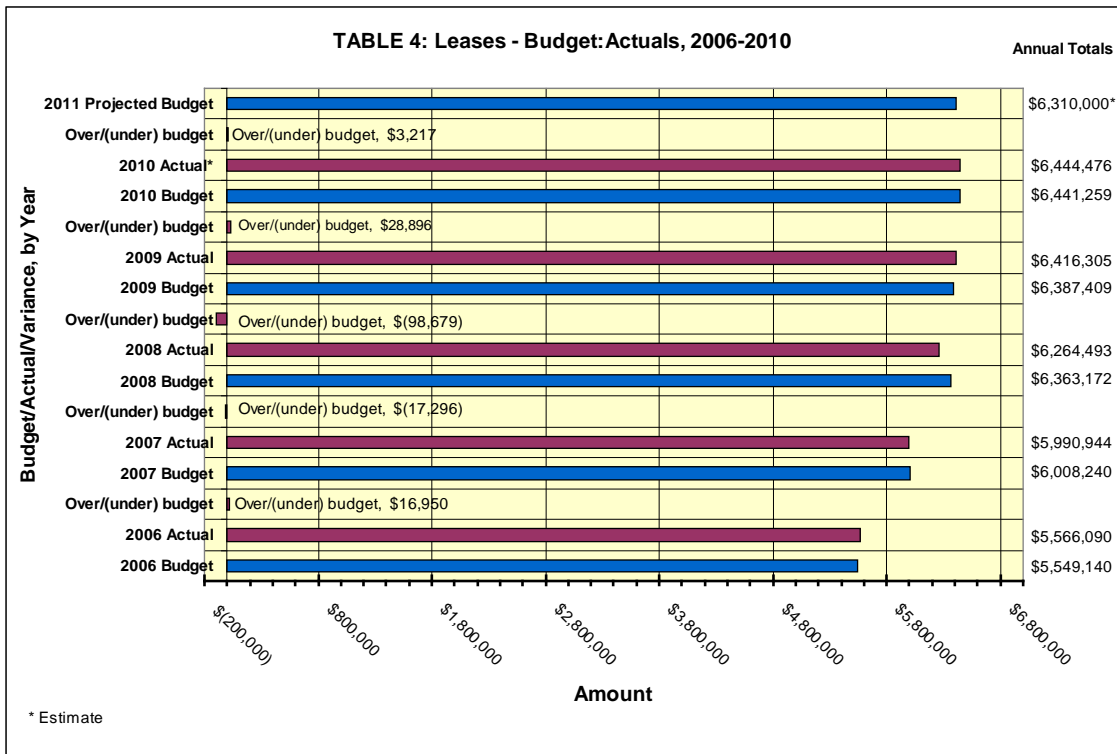
Performance Measures

Progress in achieving goals shall be measured by:

Measure: Acquire and maintain competitive market lease rates



Measure: Competitively negotiate leases of office, warehouse and other required building spaces for municipal agencies.



Background

The Leases Section of the Real Estate Services Division is a service that manages more than a dozen building or land leases throughout MOA for municipal use. This section represents another way the Municipality of Anchorage saves resources by out-sourcing to the local private sector, by leasing privately owned office, warehouse and other necessary building spaces for municipal offices and programs.

It is in the interest of the Leases Section to renew leases in a timely manner and at local competitive rates. With the rise in rates on available space in the general Anchorage area, a budget increase is anticipated each year, and is generally correlated to the Anchorage Cost of Living Index (CPI). The total 2010 budget for leases currently with the MOA is approximately \$6,450,000.