

Submitted by: Chair of the Assembly at the
Request of the Mayor
Prepared by: Heritage Land Bank/Real
Estate Services
For reading: July 13, 2010

CLERK'S OFFICE
APPROVED

Date: 7-27-10

ANCHORAGE, ALASKA
AR No. 2010-210

1 A RESOLUTION OF THE MUNICIPALITY OF ANCHORAGE APPROPRIATING
2 ONE HUNDRED SEVENTY THOUSAND SEVEN HUNDRED FIFTY DOLLARS
3 (\$170,750) AS A CONTRIBUTION FROM THE AREAWIDE GENERAL FUND (101)
4 REAL ESTATE SERVICES (RES) 2010 OPERATING BUDGET TO THE AREAWIDE
5 CAPITAL FUND (401) HERITAGE LAND BANK/REAL ESTATE SERVICES
6 DEPARTMENT (HLB/RES) FOR CITY HALL CAPITAL MAINTENANCE AND
7 IMPROVEMENTS (\$95,750) AND TENANT IMPROVEMENTS (\$75,000).

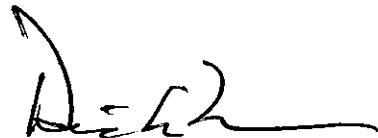
8
9 **THE ANCHORAGE ASSEMBLY RESOLVES:**

10
11 **Section 1:** The sum of NINETY-FIVE THOUSAND SEVEN HUNDRED FIFTY
12 DOLLARS (\$95,750) is hereby appropriated from the Areawide General Fund (101)
13 RES 2010 Operating Budget to the Areawide Capital Fund (401) HLB/RES as a
14 contribution to the City Hall Capital Reserve Fund for the purpose of capital
15 maintenance and improvements.

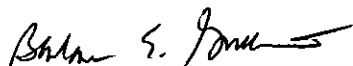
16
17 **Section 2:** The sum of SEVENTY-FIVE THOUSAND DOLLARS (\$75,000) is hereby
18 appropriated from the Areawide General Fund (101) RES 2010 Operating Budget
19 into the Areawide Capital Fund (401) HLB/RES as a contribution to the Tenant
20 Improvement Account for the purpose of City Hall tenant improvements.

21
22 **Section 3:** This resolution shall become effective immediately upon passage and
23 approval by the Assembly.

24
25 PASSED AND APPROVED by the Anchorage Assembly this 27th day of
26 July 2010.

27
28
29
30 
31 Chair

32 ATTEST:

33
34 
35 Municipal Clerk

36
37 Department of Appropriation:
38 HLB/RES: \$170,750



MUNICIPALITY OF ANCHORAGE

ASSEMBLY MEMORANDUM

No. AM 398-2010

Meeting Date: July 13, 2010

1 **From: MAYOR**

2

3 **Subject: A RESOLUTION OF THE MUNICIPALITY OF ANCHORAGE (MOA)**
 4 **APPROPRIATING ONE HUNDRED SEVENTY THOUSAND SEVEN**
 5 **HUNDRED FIFTY DOLLARS (\$170,750) AS A CONTRIBUTION FROM**
 6 **THE AREAWIDE GENERAL FUND (101) REAL ESTATE SERVICES**
 7 **(RES) 2010 OPERATING BUDGET TO THE AREAWIDE CAPITAL FUND**
 8 **(401) HERITAGE LAND BANK/REAL ESTATE SERVICES (HLB/RES)**
 9 **FOR CITY HALL CAPITAL MAINTENANCE AND IMPROVEMENTS**
 10 **(\$95,750), AND TENANT IMPROVEMENTS (\$75,000).**

11

12 On November 20, 2001, the Anchorage Assembly approved AO 2001-183/AM 923-2001,
 13 a City Hall lease between the MOA and Anchorage Public/Private Partnership. Under
 14 the terms of the lease regarding "Additional Rent", the Lessee (MOA) is responsible for
 15 minimum annual payments to both a Capital Reserve Account and a Tenant
 16 Improvement Account (Appendix A). The annual contribution to the City Hall Capital
 17 Reserve Account is calculated as \$77,503, the original base payment, and adjusted for
 18 inflation as measured by changes in the Consumer Price Index (CPI) for Anchorage
 19 (Appendix B). The cumulative change in CPI between 2001 and 2009 is 21.5%,
 20 therefore the 2010 minimum deposit to the City Hall Capital Reserve Fund is \$95,750
 21 (Appendix C). The annual minimum deposit to the Tenant Improvement Account is fixed
 22 at \$75,000.

23

24 Funding for the contribution(s) comes from the Areawide General Fund (101) 2010
 25 Operating Budget (RES). Both contributions are being appropriated to the Areawide
 26 Capital Fund (401).

27 The accounting detail is as follows:

28 **REVENUES:**

<u>Account</u>	<u>Account Name</u>	<u>Amount</u>
31 401-1224-9601-122410-BP2010	Contrib from Other Funds	\$ 95,750
32 401-1225-9601-122510-BP2010	Contrib from Other Funds	<u>75,000</u>
	Total:	\$170,750

33 **EXPENDITURES:**

<u>Account</u>	<u>Account Name</u>	<u>Amount</u>
34 401-1224-5201-122410-BP2010	Building Improvement (Capital Reserve Acct.)	\$ 95,750
35 401-1225-5601-122510-BP2010	Building Improvement (Tenant Improvement Acct.)	<u>75,000</u>
	Total:	\$170,750

1 THE ADMINISTRATION RECOMMENDS APPROVAL OF THE RESOLUTION OF
2 THE MOA APPROPRIATING ONE HUNDRED SEVENTY THOUSAND SEVEN
3 HUNDRED FIFTY DOLLARS (\$170,750) AS A CONTRIBUTION FROM THE
4 AREAWIDE GENERAL FUND (101) RES 2010 OPERATING BUDGET TO THE
5 AREAWIDE CAPITAL FUND (401) HLB/RES FOR CITY HALL CAPITAL
6 MAINTENANCE AND IMPROVEMENTS (\$95,750) AND TENANT
7 IMPROVEMENTS (\$75,000).

8
9 Prepared by: Tammy R. Oswald, Manager, RES
10 Recommended by: William M. Mehner, Executive Director, HLB/RES
11 Concur: Greg Jones, Executive Director, Office of Community
12 Planning and Development
13 Fund Certification: Lucinda Mahoney, CFO
14 101-1223-3901-122300-BP2010 \$170,750
15 (2010 Operating Budget – HLB/RES)
16 Concur: George J. Vakalis, Municipal Manager
17 Respectfully submitted: Daniel A. Sullivan, Mayor

Appendix A

5.05 Additional Rent. Lessee will also pay to Lessor promptly when due, in lawful money of the United States at the address specified herein or such other place as Lessor shall designate by notice to Lessee, without notice or demand therefor and without any abatement, deduction or set-off for any reason whatsoever, as additional rent (the "Additional Rent"), all sums, impositions (as defined in Article VI hereof), insurance premiums, maintenance and repair expenses, major repairs and replacements, and other costs, expenses and payments which Lessee in any of the provisions of this Lease agrees to pay to Lessor or which shall become due and payable from Lessee to Lessor under this Lease (other than Rent) and all sums payable to Lessor pursuant to the Property Management Agreement attached as Exhibit F to this Lease, and, in the event of any non-payment thereof, Lessor shall have (in addition to all other rights and remedies which Lessor may have hereunder) all the rights and remedies provided for herein or by law or equity in the case of non-payment of the Rent. There shall be no reduction, abatement, or offset of Rent for any reason, including casualty, except as specifically set forth in Section 14.01 in the event of condemnation.

5.06 Intentionally deleted.

5.07 Capital Reserve Account. Lessee shall pay a minimum of \$6,458.64 per month into a Capital Reserve in a Municipality of Anchorage restricted account, on an annual basis, on or before February 1 of each budget year. The Capital Reserve Account shall be used to pay for major repairs and major systems replacement including but not limited to the roof, parking, interior and exterior paint, HVAC, HVAC piping, carpet, electrical, and plumbing, as further defined in Section 7.01. The amount of the capital reserve account may be voluntarily increased by Lessee, and shall adjust annually starting with the first full lease year after the Commencement Date for increases or decreases in the cost of living as reflected by the Consumer Product Index and consistently applied. Upon the completion of a major repair or major systems replacement, and delivery of an invoice accompanied by a certificate executed by the Property Manager, or the contractor retained by the Property Manager to undertake the work, that the work was completed in accordance with all required permits and licenses, Lessee shall promptly pay such bill within fifteen (15) days of delivery of the invoice. (CPI)

5.08 Tenant Improvement Account. Lessee shall establish the Tenant Improvement Account as a Municipality of Anchorage restricted account. On the Commencement Date, Lessor shall make a one-time deposit of \$340,000.00 into the Tenant Improvement Account. Each year, beginning one year after the Commencement Date, Lessee shall deposit a minimum of \$75,000.00 into the Tenant Improvement Account, which shall be held and used for the purpose of paying for the cost of such tenant improvements chosen in the sole discretion of the Lessee. To the extent the balance in the Tenant Improvement Account exceeds \$225,000.00 (excluding Lessor's initial contribution), the Lessee may, in its sole discretion, divert funds in excess of \$225,000.00 to the Capital Improvement Plan or other use, as determined by the Mayor. Any balance remaining in the account upon the termination of the Lease shall be remitted to Lessor to the extent unexpended but only to the extent of Lessor's original contribution.

APPENDIX B

CPI Consumer Price Index

CPI for Anchorage and U.S.				
Anchorage Municipality & U.S.				
Annual Average Consumer Price Index All Items - All Urban Consumers (CPI-U) 1998 to Present				
Year	U.S.		Anchorage	
	Average	% Change from Previous Year	Average	% Change from Previous Year
2009	214.537	-0.4	191.744	1.2
2008	215.303	3.8	189.497	4.6
2007	207.342	2.8	181.237	2.2
2006	201.6	3.2	177.3	3.2
2005	195.3	3.4	171.8	3.1
2004	188.9	2.7	166.7	2.6
2003	184.0	2.3	162.5	2.7
2002	179.9	1.6	158.2	1.9
2001	177.1	2.8	155.2	2.8
2000	172.2	3.4	150.9	1.7
1999	166.6	2.2	148.4	1.0

[Click here to view data from 1960 to present](#)
 Source: U.S. Dept. of Labor, Bureau of Labor Statistics (BLS).
 Base: 1982-84=100 Last Update: 01/15/10
 Email: us if you have questions or need more

Calculating Index Changes

Movements of the indexes from one period to another are usually expressed as percent changes rather than changes in index points because index point changes are affected by the level of the index in relation to its base period while percent changes are not. The example below illustrates the computation of index points and percent changes.

Index Point Change:

CPI- Anchorage 2009	
Less CPI for previous period- Anchorage 2008	191.744
	- 189.497
Equals index point change	2.247

What's It Worth Now

What does \$100 in 1980 dollars equal today?

The Anchorage CPI-U can help answer the question. Use the equation below or use the [quick calculator in excel](#).

Step 1:

2009 Anchorage CPI	191.7 = 2.24
divided by	85.5
1980 Anchorage CPI	

Step 2:

Multiply 2.24 by any number of 1980 dollars and you will have the 2009 equivalent.


So, \$224 in 2009 would have the same purchasing power as \$100 did in 1980.
 (100 x 2.24 = \$224)

The formula can be reversed to deflate current dollars. Use the [quick deflation calculator in excel](#).

For US data prior to 1960, [click here](#) to use an inflation calculator based upon the U.S. CPI-U.

Last Update: 02/26/10
 Email: us if you have questions or need more information.

Need Help?



Contact us by **Email**
Phone: (907) 465-6036
Fax: (907) 465-4506

APPENDIX B

Percent Change:

Index point difference	2.247
Divided by the previous index (Anchorage 2008)	189.497

Equals	0.011858
Results multiplied by 100	0.011858×100
Equals percent change (Anchorage CPI 2009)	1.1858 (rounded to 1.2)

Last Update: 02/26/10

Email: us if you have questions or need more information.

APPENDIX C

City Hall Capital Reserve Fund 2010 Deposit Calculations

Year	Index	Change	as a % increase over prior year	Capital Reserve
2001	155.2			77,503.68
2002	158.2	0.01933	1.9%	79,000.00
2003	162.5	0.027181	2.7%	81,150.00
2004	166.7	0.025846	2.6%	83,250.00
2005	171.8	0.030594	3.1%	85,800.00
2006	177.3	0.032014	3.2%	88,550.00
2007	181.2	0.021997	2.2%	90,500.00
2008	189.5	0.045806	4.6%	94,650.00
2009	191.7	0.011609	1.2%	95,790.00
			0.0%	
Cumulative Change TOTAL				21.5%

Methodology #1

Multiply prior year by the % change

Methodology #2

Takes current year index (191.7) and compares directly back to 2001 index # of 155.2 to calculate 23.5% as cumulative % change in inflation since 2001

Year	Index	Change	as a % increase over 2001 base year	Capital Reserve	Actual Appropriations
2001	155.2			77,503.68	\$ 78,980.00
2002	158.2	0.01933	1.9%	79,000.00	\$ 79,600.00
2003	162.5	0.047036	4.7%	81,150.00	\$ 81,690.00
2004	166.7	0.074098	7.4%	83,250.00	\$ 85,790.00
2005	171.8	0.106959	10.7%	85,790.00	\$ 88,540.00
2006	177.3	0.142397	14.2%	88,540.00	\$ 90,500.00
2007	181.2	0.167526	16.8%	90,490.00	\$ 94,650.00
2008	189.5	0.221005	22.1%	94,630.00	\$ 95,750.00
2009	191.7	0.23518	23.5%	95,730.00	

Content ID: 009098**Type:** AR_FundsApprop - Funds Approp Resolution

A RESOLUTION OF THE MUNICIPALITY OF ANCHORAGE APPROPRIATING ONE HUNDRED SEVENTY THOUSAND SEVEN HUNDRED FIFTY DOLLARS (\$170,750) AS A CONTRIBUTION FROM THE AREAWIDE GENERAL FUND

Title: (101) REAL ESTATE SERVICES (RES) 2010 OPERATING BUDGET TO THE AREAWIDE CAPITAL FUND (401) HERITAGE LAND BANK/REAL ESTATE SERVICES DEPARTMENT (HLB/RES) FOR CITY HALL CAPITAL MAINTENANCE AND IMPROVEMENTS (\$95,750) AND TENANT IMPROVEMENTS (\$75,000).**Author:** pruittns**Initiating Dept:** HLB**Description:** Appropriation from RES operating budget to areawide capital fund for City Hall maintenance and tenant improvements**Keywords:** City Hall Lease Tenant Improvements Appropriation from RES 2010 operating**Date Prepared:** 6/2/10 9:03 AM**Director Name:** Wm. M. Mehner**Assembly Meeting Date:** 7/13/10**Public Hearing Date:** 7/27/10

Workflow Name	Action Date	Action	User	Security Group	Content ID
Clerk_Admin_SubWorkflow	7/2/10 9:15 AM	Exit	Nina Pruitt	Public	009098
MuniManager_SubWorkflow	7/2/10 9:15 AM	Approve	Nina Pruitt	Public	009098
Finance_SubWorkflow	6/16/10 10:33 PM	Approve	Lucinda Mahoney	Public	009098
Finance_SubWorkflow	6/15/10 10:47 AM	Checkin	Nina Pruitt	Public	009098
OMB_SubWorkflow	6/14/10 4:48 PM	Approve	Cheryl Frasca	Public	009098
OCPD_SubWorkflow	6/8/10 11:38 AM	Approve	Tawny Klebesadel	Public	009098
HLB_SubWorkflow	6/8/10 8:20 AM	Approve	Tammy Oswald	Public	009098
FundsAppropWorkflow	6/8/10 8:19 AM	Checkin	Lynn Roderick Van Horn	Public	009098
OMB_SubWorkflow	6/7/10 4:11 PM	Reject	Cheryl Frasca	Public	009098
OCPD_SubWorkflow	6/2/10 11:36 AM	Approve	Tawny Klebesadel	Public	009098
HLB_SubWorkflow	6/2/10 9:22 AM	Approve	William Mehner	Public	009098
FundsAppropWorkflow	6/2/10 9:21 AM	Checkin	Lynn Roderick Van Horn	Public	009098