

Submitted by: Chair of the Assembly at the
Request of the Mayor
Prepared by: Municipal Light & Power
Reading: March 29, 2011

CLERK'S OFFICE

APPROVED

Date:

4-12-11

**ANCHORAGE, ALASKA
AO No. 2011-47**

1 **AN ORDINANCE AUTHORIZING ACQUISITION OF REAL PROPERTY AT**
2 **ARCTIC BLVD AND 30th AVENUE FOR MUNICIPAL LIGHT & POWER (ML&P)**
3 **FOR A PURCHASE PRICE NOT TO EXCEED THREE MILLION FIVE HUNDRED**
4 **THOUSAND DOLLARS (\$3,500,000), AND DESIGNATION OF MANAGEMENT**
5 **AUTHORITY TO ML&P.**
6

7
8 **WHEREAS**, the Municipality desires to acquire real property located at Arctic
9 Boulevard and 30th Avenue, Anchorage, on behalf of Municipal Light and Power
10 Utility (ML&P), for a purchase price not to exceed \$3,500,000, plus closing costs,
11 consisting of five (5) adjacent lots; and
12

13 **WHEREAS**, ML&P requests acquisition of the property as the site for new
14 Substation 22 in midtown; and
15

16 **WHEREAS**, ML&P determined this property best meets its criteria for immediate
17 availability, reasonable price and construction suitability for Substation 22; and
18

19 **WHEREAS**, Anchorage Municipal Code sections 25.20.010 and 25.20.020
20 authorize the Municipality to acquire land for any public purpose subject to
21 Assembly approval; now therefore,
22

23 **THE ANCHORAGE ASSEMBLY ORDAINS:**
24

25 **Section 1.** Purchase of the subject property for a purchase price not to exceed
26 **THREE MILLION FIVE HUNDRED THOUSAND DOLLARS (\$3,500,000)**, plus
27 closing costs, and upon such other terms and conditions as ML&P determines to
28 be within the best interests of the Municipality, is hereby authorized. The real
29 property to be acquired, totaling 1.01 acres +/-, is legally described as:
30

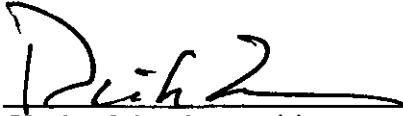
- 31 Lot 5A, Block 5, Northern Lights Subdivision (TID 009-032-39) 14,725 s.f.
- 32 Lot 4, Block 5, Northern Lights Subdivision (TID 009-032-04) 7,350 s.f.
- 33 Lot 9, Block 5, Northern Lights Subdivision (TID 009-032-23) 7,375 s.f.
- 34 Lot 8, Block 5, Northern Lights Subdivision (TID 009-032-24) 7,375 s.f.
- 35 Lot 7, Block 5, Northern Lights Subdivision (TID 009-032-25) 7,375 s.f.
- 36

37 **Section 2.** Pursuant to Anchorage Municipal Code section 25.10.050 B.,
38 transfer of management authority to Municipal Light & Power is hereby approved.
39

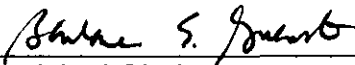
1 **Section 3.** The Municipality retains the right to dispose of any acquired property
2 excess to ML&P needs at any time provided, however, the net proceeds of any
3 such disposition shall be paid to ML&P upon receipt thereof.
4

5 **Section 4.** This ordinance shall take effect immediately upon passage and
6 approval by the Anchorage Assembly.
7

8 PASSED AND APPROVED by the Anchorage Assembly this 12th day of
9 April, 2011.

10
11
12 
13 _____
14 Chair of the Assembly

15 ATTEST:

16
17 
18 _____
19 Municipal Clerk
20

MUNICIPALITY OF ANCHORAGE
Summary of Economic Effects -- Utilities

AO Number: 2011-47

Title: **AN ORDINANCE AUTHORIZING ACQUISITION OF REAL PROPERTY AT ARCTIC BLVD AND 30th AVENUE FOR MUNICIPAL LIGHT & POWER (ML&P) FOR A PURCHASE PRICE NOT TO EXCEED THREE MILLION FIVE HUNDRED THOUSAND DOLLARS (\$3,500,000), AND DESIGNATION OF MANAGEMENT AUTHORITY TO ML&P.**

Sponsor: **MAYOR**
 Preparing Agency: **Municipal Light & Power (ML&P)**
 Others Impacted: **Real Estate Department**

CHANGES IN REVENUES AND EXPENSES: (In Thousands of Dollars)

| | <u>FY11</u> | <u>FY12</u> | <u>FY13</u> | <u>FY14</u> | <u>FY15</u> |
|--|-------------|-------------|-------------|-------------|-------------|
|--|-------------|-------------|-------------|-------------|-------------|

Operating Revenues:

Note: Increase in revenues would not occur until future rate cases are adjudicated using a 2011 or later test year.

| | | | | | |
|---------------------------------|------|------|------|------|------|
| TOTAL OPERATING REVENUES | \$ - | \$ - | \$ - | \$ - | \$ - |
|---------------------------------|------|------|------|------|------|

Operating Expenses:

| | | | | | |
|------|-------|-------|-------|-------|-------|
| MUSA | \$ 53 | \$ 53 | \$ 53 | \$ 53 | \$ 53 |
|------|-------|-------|-------|-------|-------|

| | | | | | |
|---------------------------------|-------|-------|-------|-------|-------|
| TOTAL OPERATING EXPENSES | \$ 53 | \$ 53 | \$ 53 | \$ 53 | \$ 53 |
|---------------------------------|-------|-------|-------|-------|-------|

Non-Operating Revenues:

| | | | | | |
|-------------------------------------|------|------|------|------|------|
| TOTAL NON-OPERATING REVENUES | \$ - | \$ - | \$ - | \$ - | \$ - |
|-------------------------------------|------|------|------|------|------|

Non-Operating Expenses:

| | | | | | |
|-------------------------------------|------|------|------|------|------|
| TOTAL NON-OPERATING EXPENSES | \$ - | \$ - | \$ - | \$ - | \$ - |
|-------------------------------------|------|------|------|------|------|

| | | | | | |
|-------------------------------|---------|---------|---------|---------|---------|
| NET INCOME (REGULATED) | \$ (53) | \$ (53) | \$ (53) | \$ (53) | \$ (53) |
|-------------------------------|---------|---------|---------|---------|---------|

POSITIONS: FT/PT and Temp

PUBLIC SECTOR ECONOMIC EFFECTS:

The Municipality will receive more revenue from ML&P as Municipal Utility Service Assessment (MUSA) than as property taxes on the Starn property since the \$3,500,000 plus closing costs is the value used to calculate MUSA and is higher than the tax assessed value used in the calculation of property taxes. The MUSA calculation uses the same mill rate that is used for property taxes.

PRIVATE SECTOR ECONOMIC EFFECTS:

Over time when 2011 is used as a test year in a revenue requirement/rate case filing the additional MUSA expense and a return on the \$3,500,000 addition to rate base will be recovered in rates. The estimated increase in rates to an average residential customer would be 16 cents per month or 6 cents per month if lot 5A and building were sold. The amount could also vary based on the rate of return approved by the Regulatory Commission of Alaska.

Prepared by: Richard E. Miller Telephone: 263-5205

MUNICIPALITY OF ANCHORAGE

ASSEMBLY MEMORANDUM

No. AM 204-2011

Meeting Date: March 29, 2011

1 **From:** MAYOR

2
3 **Subject:** AN ORDINANCE AUTHORIZING ACQUISITION OF REAL
4 PROPERTY AT ARCTIC BLVD AND 30th AVENUE FOR MUNICIPAL
5 LIGHT & POWER (ML&P) FOR A PURCHASE PRICE NOT TO
6 EXCEED THREE MILLION FIVE HUNDRED THOUSAND DOLLARS
7 (\$3,500,000), AND DESIGNATION OF MANAGEMENT AUTHORITY
8 TO ML&P.
9

10 I. Purpose & Property Description

11
12 This ordinance authorizes the Real Estate Department to acquire five (5) adjacent
13 lots on behalf of Municipal Light and Power (ML&P), located in Anchorage, Alaska,
14 at Arctic Boulevard and 30th Avenue. The property (Starn property) is owned by the
15 Starn family (Nancy Frances Starn Trust and Glen Starn Credit Shelter Trust), and
16 is the midtown site selected by ML&P for its critically essential new Substation 22.
17 The Starn property, all located in the Northern Lights Subdivision, consists of 1.01
18 acres +/-, and is legally described as:

19
20 Lot 5A, Block 5, Northern Lights Subdivision (TID 009-032-39) 14,725 sf
21 Lot 4, Block 5, Northern Lights Subdivision (TID 009-032-04) 7,350 sf
22 Lot 9, Block 5, Northern Lights Subdivision (TID 009-032-23) 7,375 sf
23 Lot 8, Block 5, Northern Lights Subdivision (TID 009-032-24) 7,375 sf
24 Lot 7, Block 5, Northern Lights Subdivision (TID 009-032-25) 7,375 sf
25

26 II. ML&P Infrastructure Background

27
28 ML&P's modern infrastructure of generation, transmission and distribution systems
29 is designed to meet constantly evolving needs for electrical power in an urban area
30 with severe climate challenges. Within that infrastructure, substations and included
31 transformers are necessary to reduce or transform electricity from a relatively high
32 transmission voltage, e.g., 115 kV (kilovolts), entering a substation to a distribution
33 voltage suitable for customer usage, typically 12.5 kV exiting an ML&P substation,
34 and then carried by distribution or feeder cables through the neighborhoods to utility
35 customers.
36

37 There are 20 substations in ML&P's service territory of approximately 19 square
38 miles, supplying power to 30,000 residential and commercial customers. ML&P's
39 proposed Substation 22 will be state-of-the-art, highly compact, low profile, and
40 attractively landscaped and fenced (among other enhancements).
41
42
43
44

III. Substation 22 – Need for Property

1
2 The new Substation 22 is identified in the ML&P Transmission and Distribution Long
3 Range Plan (LRP) and the Three Year Construction Work Plan (both dated January
4 2009). Substation 22 is critical to support the ongoing growth of electric load as the
5 midtown area develops and redevelops. The LRP recommends the new substation
6 be located near the intersection of Benson Boulevard and Arctic Boulevard, the
7 primary area to be served by the new feeder cables. The midtown load is currently
8 served through Substations 7 (located north of Fireweed Lane adjacent to Arctic
9 Boulevard) and 16 (located in proximity to the Old Seward Highway and Telephone
10 Avenue). Substations 7 and 16 require immediate remedial attention.

11 12 **IV. Selection of Site 1**

13
14 Over a two-year period, MOA's Real Estate Department and ML&P evaluated a
15 number of potential sites in varying degrees of contiguity to the preferred area,
16 adjacent or in close proximity to the existing utility corridor and 115 kV transmission
17 line along the east side of Arctic Boulevard between Benson Boulevard and 36th
18 Avenue. At the March 4, 2011 Assembly Work Session, the Assembly received a
19 presentation explaining Substation 22 and reviewing the site selection criteria and
20 process, reducing 9 potential sites to a final comparative evaluation of four sites.
21 These sites are depicted on **Figure 2**, with the final four sites are numbered 1, 3, 6
22 & 8. The total construction and land costs associated with building a substation on
23 one of the final four sites is set out in **Figure 3**, with a summary of considerations
24 leading to selection of the Starn Property, also know as Site 1.

25
26 Site 1 met ML&P's need for a willing seller who could deliver a site ready for a
27 standard uncomplicated construction process, and at a constructed substation cost
28 fairly equivalent to two of the other sites and substantially less than the third.

29
30 As explored in more detail at the Work Session, the other properties each presented
31 extensive complications in either construction, adverse public impacts, problematic
32 acquisition of necessary supporting easements from other properties (through
33 either further negotiations with third parties or condemnation), or problematic
34 transfer of public properties with lengthy public process and uncertain
35 costs/requirements.¹

36 37 **V. Terms of Purchase**

38
39 Compared to the alternative sites considered, the purchase price for Site 1 is
40 reasonable, considering the avoided complications presented by the others.²
41 However, the purchase price exceeds a December 15, 2010 appraisal, placing the
42 total five-lot parcel's fair market value at \$1,964,000 (\$1,200,000 for the office
43 building and Lot 5A, and \$764,000 for Lots 4, 7, 8 and 9 with three residential

¹ All three alternate sites generated a delay factor in meeting the December, 2012 in-service target date; **Figure 3** includes a minimum amount for the delay, computed at the cost of the temporary connection, the least expensive delay consequence or strategy.

² A Phase I Environmental Site Assessment (January 14, 2011) also confirmed the absence of any environmental concerns ("...the probability of 'recognized environmental conditions'...existing at the subject property ...[are] low").

1 structures. The office building and its lot are not necessary for the substation;
2 however, the building and lot were included by the seller as a necessary item for the
3 sale. It is possible the office building could be used later by ML&P for its purposes,
4 or sold at fair market value, so the acquisition cost may be fully offset by later value
5 in use or sale.

6
7 Allowing for an offset of \$1.2 million to the \$3.5 million purchase price, plus closing
8 costs, results in an effective purchase price of \$2.3 million, approximately \$1.5
9 million (\$2,300,000 - \$764,000 = \$1,536,000) above appraised value. These
10 economics, and the alternative of condemnation,³ were previously considered in
11 materials and discussed at the Work Session.

12 VI. Timing

13 A. Lead times for equipment

14
15
16 Despite the need for Substation 16 rehabilitation, situational constraints preclude
17 bringing new Substation 22 into service before year-end, 2012. Lead time of 16
18 months (or more) is normally required for bidding, fabrication and shipment of
19 necessary substation items (power transformer, switchgear and high voltage
20 breakers and switches) plus at least four additional months for substation design
21 and subsequent construction activities. Consequently, ML&P is prudently planning
22 for a 20-month period to build Substation 22. (Figure 1 provides further detail
23 regarding timelines).

24 B. Reconstruction of Substation 16

25
26
27 Substation 22 relieves loading levels on the feeder lines between the existing
28 substations and facilitates urgently needed repairs and upgrades to Substation 16.
29 Substation 16, serving most of midtown, is 40 years old and increasingly vulnerable
30 to major failure and system disruption. It operates with equipment well in excess of
31 intended useful lives and, in many instances, no longer supported by original
32 manufacturers. Although a planned reconstruction of Substation 16 is in place, it
33 cannot be taken off-line for a prolonged period for re-build until Substation 22 is
34 completed and available to carry the load from Substation 16. Moreover, the
35 existing feeder cables between Substations 7 and 16 are now being stressed to the
36 transport limits, further compromising system safety and reliability until new feeder
37 cables in conjunction with a new Substation 22 are installed.

38 C. Tie in to Southcentral Power Plant

39
40
41 Acquiring a site for Substation 22 delivers another substantial benefit for the
42 Municipality and ML&P. ML&P is a 30% owner of the Southcentral Power Plant
43 (SPP), sited near Chugach's headquarters at Minnesota Drive and International
44 Airport Road, which is under construction by Chugach Electric Association. The
45 new SPP will provide ML&P with some of the most efficient gas-fired generation in
46 the state, and a new connection point to its 115kV transmission system, greatly
47
48

³ Figure 4 is the summary statement on condemnation presented at the Work Session.

1 increasing system reliability and mitigating overload.
2

3 The SPP generation and associated new switchyard (ITSS or International
4 Switching Station) are strategically located to tie into an existing 115kV transmission
5 line routed into the heart of midtown. This existing 115kV transmission line runs
6 along International Airport Road and the east side of Arctic Boulevard, and is
7 already included in the Municipality's Utility Corridor Plan (UCP). Tudor Road is the
8 southern terminus of ML&P's service area along Arctic Boulevard, so a substation
9 along the UCP transmission corridor on the east side of Arctic and north of Tudor
10 towards Benson Boulevard is the most inexpensive and convenient delivery point for
11 the new SPP generation. Any substation site located off this alignment entails
12 costly additional transmission line expense from the UCP transmission line to reach
13 it (and perhaps also extra feeder line expense), as well as potentially substantial
14 regulatory delay to secure approval for a new transmission corridor.
15

16 Locating Substation 22 along the east side of Arctic Boulevard, in close proximity to
17 Benson Boulevard, is the most economical and expeditious integration of SPP
18 benefits into ML&P's system, as well as meeting the urgent needs of ML&P's
19 midtown load. The scheduled delivery date for SPP power is December, 2012, so
20 Substation 22's simultaneous availability means commencement of required
21 midtown infrastructure support as early as possible, and avoids negative financial
22 consequences from an inability to timely utilize SPP power through the substation.⁴
23

24 D. Condemnation

25 1. Quick take is not an option

26
27
28 Should the Municipality initiate a "quick take" condemnation action for the four lots
29 from site 1 actually needed for Substation 22 (assuming ML&P has no present use
30 for the office building)? Condemnation requires payment of fair market value
31 (\$764,000, as reflected in the appraisal (for Lots 4, 7, 8 and 9), rather than the \$3.5
32 million purchase price (including \$1.2 million for the office building on Lot 5A).
33

34 ML&P did not seek condemnation authority because ML&P's primary concern in
35 acquiring a site for Substation 22 was to locate a willing seller of a property
36 appropriate for our purposes. With Site 1, the seller previously insisted on a long
37 term lease at an unreasonable rent, rather than sale. Near the end of 2010, an
38 agreement for sale was finally reached at a price substantially more advantageous
39 than the proposed lease, and within Substation 22 cost expectancies. The seller's
40 final and best price was also ML&P's reasonable business price for this project (as
41 confirmed by the comparative evaluations attached as Figure 3), so the possibility of
42 condemnation did not arise.
43

44 ML&P considers a decision on whether or not to pursue condemnation to be largely

⁴ These negative consequences may include idling ML&P's \$110 million investment in SPP, if no use is made of its power until Substation 22 is on line (continuing the use of more expensive generation); incurring substantial 'wheeling' charges to use Chugach's transmission facilities to deliver SPP power in ML&P's system through Plant 2; and building a temporary facility to bring SPP power through Substations 7 and 16.

1 a matter of business discretion and philosophy. In recent years, condemnation
2 engendered increasingly adverse responses from the public, and ML&P does not
3 favor condemnation unless unavoidable to a necessary project. With this
4 acquisition, the only question is whether ML&P should pay an objectively
5 reasonable and comparable business price for property suiting ML&P's business
6 needs and priorities.

7 8 2. Risks with Quick-take

9
10 ML&P also believes resort to condemnation is risky to the success of the Substation
11 22 project, as it generates a risk of substantial delay and raises the possibility of
12 ML&P not receiving the property at all. The theory of a "quick take" action is a
13 condemning authority files a declaration of taking that, within a month or so, gives
14 the authority ownership of the property.

15
16 There is, however, more to the process. The condemning authority must also
17 develop a statement of necessity for the property's taking, where necessity must be
18 clearly established. Development of a necessity statement could take a period of
19 several months of drafting plus subsequent processing through the Assembly.

20
21 Potential complications could also arise if the necessity were challenged by a
22 determined opponent, resulting in a Superior Court proceeding entailing
23 considerable discovery and depositions, competing and possibly difficult motion
24 practice, and possibly even trial. Additionally, the prospect of appeal, by one side or
25 the other, cannot be dismissed. Litigation expenses could reach \$200,000 or more.

26
27 Finally, it cannot be assumed opposition to the taking's necessity would be frivolous;
28 once delay is removed, at commencement of the taking process, it is not all certain
29 Site 1 would emerge as the clear necessity.⁵

30 31 3. Additional costs of delay

32
33 Beyond a taking proceeding's obvious expense and diversion of limited utility
34 manpower, the lengthy delay and uncertainty in acquiring a Substation 22 site
35 materially and dangerously exacerbates the already critical infrastructure reliability
36 problems with midtown's current substations, exposing ML&P to possibly substantial
37 delay expenses with an extended re-routing of SPP delivery into the ML&P system.

38 39 E. Certainty and timeliness

40
41 ML&P's overarching concern is certainty and timeliness for the Substation 22 site,
42 and for these reasons ML&P believes use of a condemnation action for Site 1 does
43 not serve the highest public interest.

44 45 46 VII. Conclusion

⁵ The determination of necessity extends to the five properties, from the original pool of nine properties, not considered in the final evaluation due to unwilling sellers. Willingness is no longer a relevant variable in a condemnation assessment.

1
2 A. ML&P Board of Directors Resolution 2011-1
3

4 Accordingly, this acquisition is proposed and supported by the ML&P Board of
5 Directors as reasonable and appropriate for Assembly approval (**Figure 5**).
6

7 B. Management Authority transfer to ML&P
8

9 In addition, this ordinance requests transfer of management authority from the Real
10 Estate Department to ML&P, pursuant to Anchorage Municipal Code section
11 25.10.050 B., with the Real Estate Department retaining the exclusive right to
12 dispose of property excess to ML&P needs at any time by sale, exchange, lease,
13 permit or other conveyance, provided the net proceeds of any disposition shall be
14 paid to ML&P upon receipt thereof.
15

16 **THE ADMINISTRATION RECOMMENDS APPROVAL OF AN ORDINANCE**
17 **AUTHORIZING ACQUISITION OF REAL PROPERTY AT ARCTIC BLVD AND 30th**
18 **AVENUE FOR MUNICIPAL LIGHT & POWER (ML&P) FOR A PURCHASE PRICE**
19 **NOT TO EXCEED THREE MILLION FIVE HUNDRED THOUSAND DOLLARS**
20 **(\$3,500,000), AND DESIGNATION OF MANAGEMENT AUTHORITY TO ML&P.**
21
22

23 Prepared by: James M. Posey, General Manager
24 Municipal Light & Power
25 Fund certification: Lucinda Mahoney, CFO
26 530-M4000-1071-M10119 BP2011 \$3,500,000
27 (2011 Capital)
28 Concur: Dennis A. Wheeler, Municipal Attorney
29 Concur: George J. Vakalis, Municipal Manager
30 Respectfully submitted: Daniel A. Sullivan, Mayor
31
32
33
34
35

Constructed Substation Cost

| Site | Land Cost | Construction Cost | Delay Cost | Total Cost |
|------|--------------|-------------------|------------|---------------|
| 1 | \$ 3,500,000 | \$ 10,335,750 | | \$ 13,835,750 |
| 3 | \$ 1,500,000 | \$ 11,750,000 | \$ 447,100 | \$ 13,697,100 |
| 6 | \$ 1,500,000 | \$ 11,550,000 | \$ 447,100 | \$ 13,497,100 |
| 8 | \$ 700,000 | \$ 13,110,000 | \$ 447,100 | \$ 14,257,100 |

Site 1, East side of Arctic south of Benson, "*Starn Property*"

- Site 1 is readily available and requires no easements or other significant risks.
- Total cost is computed net of the \$1.2 million purchase price for Lot 5A.

Site 3, SW corner of 36th and Arctic, "*Party World*".

- Site 3, Party World, is a "high risk" site in that it would require underground bores in an old stream bed and would find resistance with businesses in the area and require extraordinary coordination.

Site 6, East side of Arctic between 31st and 32nd Streets, *Arctic Benson Park*

- Site 6, this dedicated Park is the lowest cost but may not be achievable in the required time frame, if at all.

Site 8, East side Cheechako Street, Benson to 30th Avenue, "*Cheechako*"

- Cost of easements along Benson or land purchase for transmission easements or condemnation might be up to \$ 910,000 and add to acquisition timeline.

FIGURE 3

Considering Condemnation

- ➔ Costs would increase due to time delays
- ➔ Could a case be made for public use and necessity when the city has parkland available in the area? What would make one site better than the other?
- ➔ If condemnation is litigated will the final accumulated costs be greater than the asking price?

Submitted by: Chair of the Municipal
Light & Power Utility
Board of Directors
Date: February 23, 2011

ANCHORAGE, ALASKA
Resolution No. 2011- 1

1 A RESOLUTION OF BOARD OF DIRECTORS OF THE MUNICIPAL LIGHT AND POWER
2 UTILITY RECOMMENDING APPROVAL BY ANCHORAGE MUNICIPAL ASSEMBLY OF SITE
3 ACQUISITION TO ESTABLISH NEW SUBSTATION 22.
4

5 WHEREAS, the Municipal Light & Power Utility (ML&P) of the Municipality of Anchorage has an
6 immediate need to acquire a property site in rapidly developing midtown Anchorage for construction of
7 a new substation (Substation 22) by December, 2012. Such timely acquisition will allow both
8 scheduled initiation of new and substantially more economic power from jointly-owned
9 ML&P/Chugach Electric Association generation plant now under construction, as well as performance
10 of urgently required reconstruction of Substation 16 also servicing midtown Anchorage; and
11

12 WHEREAS, a number of sites for the new substation have been studied by ML&P Staff, which
13 recommends acquisition of a 1.01 acre parcel of five (5) adjacent lots in midtown owned, by the Starn
14 Family Glen Starn Credit Shelter Trust (the Starn site), and legally described as follows:
15

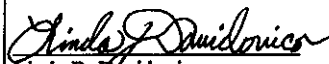
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- 20 Lot 7, Block 5, Northern Lights Subdivision (TID 009-032-25) 7,375 s.f.

21
22 WHEREAS, the ML&P Board of Directors has at length reviewed and discussed with Staff its array of
23 potential sites and evaluations of their suitability, and concurs that the Starn property is the most
24 suitable site for location of new Substation 22.
25

26 NOW, THEREFORE, THE ML&P BOARD OF DIRECTORS RESOLVES THAT:
27

- 28 • The Board of Directors approves selection of the Starn site for location of Substation
29 22 site designated in the attached Assembly Memorandum seeking Municipal
30 Assembly approval for acquisition of the site.
- 31 • The Board of Directors further recommends that the Municipal Assembly authorize
32 acquisition of the Starn site for location of Substation 22.
33

34
35 PASSED AND APPROVED by the ML&P Board of Directors this 23rd day of February, 2011.
36

37 ATTEST:
38 
39 Linda R. Davidovics
40 ML&P Utility Board Secretary
41

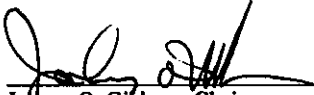

Johnny O. Gjobons, Chairman
ML&P Utility Board of Directors

Figure 5

Content ID: 010049

Type: Ordinance - AO

AN ORDINANCE AUTHORIZING ACQUISITION OF REAL PROPERTY AT ARCTIC BLVD AND 30th AVENUE FOR MUNICIPAL LIGHT & POWER (ML&P)

Title: FOR A PURCHASE PRICE NOT TO EXCEED THREE MILLION FIVE HUNDRED THOUSAND DOLLARS (\$3,500,000), AND DESIGNATION OF MANAGEMENT AUTHORITY TO ML&P.

Author: maglaquijp

Initiating Dept: MLP

Description: AO AUTHORIZING ACQUISITION OF PROPERTY AT ARCTIC BLVD AND 30th AVENUE FOR ML&P FOR \$3,500,000 AND DESIGNATION OF MANAGEMENT AUTHORITY TO ML&P.

Keywords: ML&P, Substation 22, Acquisition of Real Property

Date Prepared: 3/24/11 6:31 PM

Director Name: James Posey

Assembly Meeting Date: 3/29/11

Public Hearing Date: 4/12/11

| Workflow Name | Action Date | Action | User | Security Group | Content ID |
|-------------------------|------------------------|---------|--------------------------|----------------|------------|
| Clerk_Admin_SubWorkflow | 3/25/11 1:39 PM | Exit | Joy Maglaqui | Public | 010049 |
| MuniManager_SubWorkflow | 3/25/11 1:39 PM | Approve | Joy Maglaqui | Public | 010049 |
| MuniManager_SubWorkflow | 3/25/11 1:39 PM | Checkin | Joy Maglaqui | Public | 010049 |
| MuniManager_SubWorkflow | 3/25/11 1:37 PM | Checkin | Joy Maglaqui | Public | 010049 |
| Legal_SubWorkflow | 3/25/11 12:43 PM | Approve | Rhonda Westover | Public | 010049 |
| Finance_SubWorkflow | 3/25/11 11:47 AM | Approve | Nina Pruitt | Public | 010049 |
| OMB_SubWorkflow | 3/25/11 10:01 AM | Approve | Marilyn T. Banzhaf | Public | 010049 |
| MLP_SubWorkflow | 3/24/11 6:45 PM | Approve | Richard Miller | Public | 010049 |
| AllOrdinanceWorkflow | 3/24/11 6:42 PM | Checkin | Rhonda Westover | Public | 010049 |