

ANCHORAGE, ALASKA
AO No. 2018-91(S), As Amended

AN ORDINANCE AMENDING ANCHORAGE MUNICIPAL CODE SECTIONS 25.30.050 AND 25.35.020 AND ADOPTING 25.35.067 TO REQUIRE INCLUSION OF A LABOR PEACE AGREEMENT FOR HOTEL OPERATORS WITH LEASES UNDER THE ANCHORAGE COMMUNITY DEVELOPMENT AUTHORITY OR THE MUNICIPALITY.

WHEREAS, the Anchorage Community Development Authority (ACDA) has the responsibility to manage real property assets, including the leasing of real property; and

WHEREAS, the ACDA has an ongoing proprietary interest in the leasing of real property and a direct interest in the financial performance of the leased property; and

WHEREAS, the ACDA must make prudent management decisions, similar to any private business entity, to ensure efficient management of its business concerns and to maximize benefits and minimize risks. One risk is the possibility of labor-management conflict; and

WHEREAS, labor-management conflict can result in construction delays, work stoppages, picketing, strikes, consumer boycotts, and other forms of adverse economic pressure. Such conflict may adversely affect the ACDA's financial or other proprietary business interests by causing delay in the completion of a project, reducing the revenues or increasing the costs of the project, and by generating negative publicity; and

WHEREAS, these risks are heightened in the hotel industry because this industry is so closely related to tourism, which is a linchpin of the Municipal economy. Labor-management conflict in hotel projects in which the ACDA is an economic participant can jeopardize the operation of related tourist and commercial facilities; and

WHEREAS, one method of reducing the risk to the ACDA's proprietary interests is to require hotel operators to seek agreements with labor organizations, in which the labor organizations agree to refrain from adverse economic action against the hotel operators, as a condition of the ACDA's lease agreements for hotel operators; **and**

WHEREAS, the Municipality has similar interests in the rare instances where it may act as a lessor of property used for hotel purposes.

NOW THEREFORE, THE ANCHORAGE ASSEMBLY ORDAINS:

1 **Section 1.** Anchorage Municipal Code section 25.35.020, *Definitions*, is hereby
2 amended to read as follows (*other definitions in the section are not affected and*
3 *therefore not set out*):

4
5 **25.35.020 Definitions.**

6
7 The following words, terms and phrases, when used in this chapter, shall
8 have the meanings ascribed to them in this section, except where the context
9 clearly indicates a different meaning:

10 *** *** ***

11
12 Labor organization means any organization of any kind, or any agency or
13 employee representation committee or plan, in which employees participate
14 and which exists for the purpose, in whole or in part, of dealing with
15 employers concerning grievances, labor disputes, wages, rates of pay, hours
16 of employment, or conditions of work.

17
18 Labor peace agreement means an agreement between a lessee~~[contractor]~~,
19 and any subcontractor thereof, and a labor organization representing hotel
20 employees in the Municipality of Anchorage that requires the labor
21 organization and its members to refrain from engaging in labor activity that
22 may disrupt the operations of the hotel, including, but not limited to, strikes,
23 boycotts, work stoppages and picketing.

24 *** *** ***

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26 (AO No. 84-10(S); AO. No. 2004-181(S-1), § 2, 1-18-05; AO No. 2008-
27 124(S), § 1, 5-26-09)

28
29 **Section 2.** Anchorage Municipal Code section 25.35.067 is hereby adopted to
30 read as follows:

31
32 **25.35.067 Labor Peace Agreements.**

33
34 In each instance in which the authority proposes to enter into a~~if any~~
35 portion of any lease of property that permits development of the property
36 as a hotel, and from which the authority will derive revenue, the
37 authority shall make it a material condition of submission of a
38 responsive bid for the development or use, if a request for bids is
39 issued, and, in any case, shall require as a condition precedent for
40 entering into the lease and as an ongoing material term of the lease,
41 that the lessee and any entities~~[the lease agreement shall include, as a~~
42 ~~material term, that the operator, and any entity]~~ selected by the
43 lessee~~[operator]~~ to operate all or part of the hotel, ~~[shall]~~ enter into and
44 maintain a labor peace agreement covering the hotel component of the
45 property with each~~[any]~~ labor organization which represents, or reasonably
46 might represent, workers on the project, requiring the labor organization, on
47 behalf of itself and its members, to forego its right to strike, picket, boycott,
48 or take other economic action detrimental to the hotel project or
49 operations~~[against the project].~~

1 **Section 3.** [This AO section is newly added in the S-version.] Anchorage Municipal
2 Code section 25.30.050, *Disposal by lease*, is hereby amended to read as follows:
3

4 **25.30.050 Disposal by lease**

5
6 In addition to the other provisions of this chapter, all disposals by lease shall
7 conform to the following requirements:
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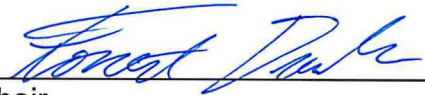
- 9 A. No lease may be assigned without the approval of the municipality.
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11 B. No lease of municipal land may be for a term of more than 55 years
12 unless approved by the assembly upon a finding that the purpose of
13 the lease, the use of the premises and the nature of the improvements
14 to be placed thereon would be beneficial to the municipality.
- 15
16 C. A lease having a term of more than two years shall be subject to a
17 rental adjustment at intervals of no more than two years unless the
18 lease specifies longer intervals. When not otherwise specified by the
19 terms of the lease, all rental adjustments shall be for the fair market
20 rental value of the premises.
- 21
22 D. A lease may grant the lessee a right of renewal upon the expiration of
23 the initial term, provided that the renewal, or any extension of the
24 lease, shall be treated as a new lease and shall be subject to all
25 provisions of this Code then in effect.
- 26
27 E. Every lease of municipal land shall provide that the municipality retains
28 the right to designate or grant rights-of-way or utility easements across
29 the leased premises without compensation, provided that the lessee
30 shall be compensated for the taking or destruction of any
31 improvements and provided further that the lessee at his option may
32 terminate the lease or may demand a rental adjustment to reflect any
33 reduction in value of the leased premises.
- 34
35 **F. In each instance in which the municipality proposes to enter into**
36 **a lease of property that permits development of the property as**
37 **a hotel and from which the municipality will derive revenue, the**
38 **municipality shall make it a material condition of submission of**
39 **a responsive bid for the development or use, if a request for bids**
40 **is issued, and, in any case, shall require as a condition precedent**
41 **for entering into the lease and as an ongoing material term of the**
42 **lease, that the lessee and any entities selected by the lessee to**
43 **operate all or part of the hotel, enter into and maintain a labor**
44 **peace agreement covering the hotel component of the property**
45 **with each labor organization which represents, or reasonably**
46 **might represent, workers on the project, requiring the labor**
47 **organization, on behalf of itself and its members, to forego its**
48 **right to strike, picket, boycott, or take other economic action**
49 **detrimental to the hotel project or operations.**
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(AO No. 79-170; AO No. 2015-47, § 2, 5-14-15)


Section 4. [*This AO section is newly added in the S-version.*] This ordinance shall be effective immediately upon passage and approval.

PASSED AND APPROVED by the Anchorage Assembly this 4th day of December, 2018.



Chair

ATTEST:



Municipal Clerk