

SB

317

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SB317
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STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

April 27, 2006

The Honorable Ben Stevens
President of the Senate
Alaska State Legislature
State Capitol, Room 111
Juneau, AK 99801-1182

Dear President Stevens:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill relating to the purchase by the Alaska Housing Finance Corporation of a parking garage in Anchorage, Alaska; approving the issuance of bonds for the purchase of that parking garage; and providing notice of and authorizing the commissioner of the Department of Administration to enter into a lease-purchase agreement with the Alaska Housing Finance Corporation for that parking garage.

This bill would authorize the Alaska Housing Finance Corporation (AHFC) to finance, with bond proceeds, the purchase of an up to approximately 830-space parking garage to serve the parking needs of the Atwood Building in downtown Anchorage. The bill also would authorize the Department of Administration to enter into a lease-purchase agreement with the AHFC for that parking garage.

I urge your prompt and favorable action on this measure.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Frank H. Murkowski".

Frank H. Murkowski
Governor

Enclosure

COMMITTEE COPY

SENATE FINANCE COMMITTEE REPORT

DATE: 4/27/06

FURTHER:

REPORTED OUT

APR 28 2006

SENATE FINANCE COMMITTEE

DATE TURNED
IN TO OFFICE:

4/28/06

Finance Committee considered

SENATE BILL NO. 317

SB 317 ANCHORAGE PARKING GARAGE

"An Act relating to the purchase by the Alaska Housing Finance Corporation of a parking garage in Anchorage, Alaska and approving the issuance of bonds for the purchase of that parking garage; providing notice of, and authorizing the commissioner of the Department of Administration to enter into, a lease-purchase agreement with the Alaska Housing Finance Corporation for that parking garage; and providing for an effective date."

and recommends:

- be replaced with _____ CS _____ (_____)
- adopt previous _____ CS _____ (_____)
- attached amendment(s)
- adopt Letter of Intent by _____ Committee
- further referral to _____ Committee

CS Senate Bill:

- Same Title
- New Title

SCS House Bill:

- Same Title
- Technical Title Change
- New Title w/ SCR # _____

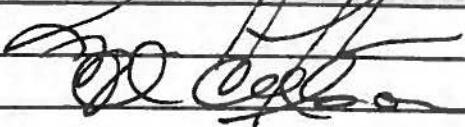
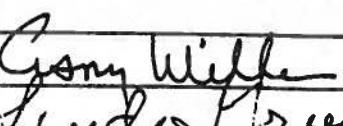
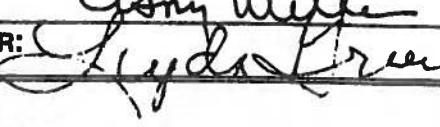
NEW FISCAL NOTE(S):

Department	Date	Fiscal	Ind.	Zero	FN#

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Ind.	Zero	FN#
DOA	4/27/06				✓ /

- APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:		Do Pass	Do Not Pass	No Rec	Amend
				✓	
COCHAIR: 					
COCHAIR: 		✓		✓	

HOUSE COMMITTEE REPC T

(11)

Date Referred to Committee: May 2, 2006

FURTHER REFERRALS:

Date of Committee Action: 5/3/06

The FINANCE Committee considered:

SB 317

SENATE BILL NO. 317

ANCHORAGE PARKING GARAGE

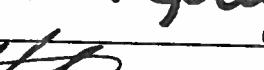
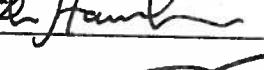
"An Act relating to the purchase by the Alaska Housing Finance Corporation of a parking garage in Anchorage, Alaska and approving the issuance of bonds for the purchase of that parking garage; providing notice of, and authorizing the commissioner of the Department of Administration to enter into, a lease-purchase agreement with the Alaska Housing Finance Corporation for that parking garage; and providing for an effective date."

Recommends it be replaced with [] HCS or [] CS for _____ ()
For Senate Bills with new title: [] Technical Title [] New Title: HCR _____ [] Same Title [] New Title

- attach amendments
- add new referral to _____ Committee
- Letter of Intent _____ Committee

List of Abbrev for Depts.:

ADM	CED	COR	CRT	EED	DEC	DFG	GOV	HSS	LEG	LAW	LWF	MVA	DNR	DPS	REV	DOT	UIA
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Signing with recommendations		Printed Last Name	DP	DNP	NR	AM
		KERTTULA			✓	
		MOSES	X			
		Joule			✓	
		Holm			✓	
		Hawke	OR			
						
						
Chair:		STORYED				
Chair:		FOSTER	X			✓
		Meyer		✓		

FISCAL NOTE

**STATE OF ALASKA
2006 LEGISLATIVE SESSION**

Fiscal Note Number:	1
Bill Version:	SB 317
(S) Publish Date:	4/27/06

Revision Date/Time (Note if correction): 4/27/06 8:10 a.m.	Dept. Affected: Administration
Title An Act relating to the purchase by AHFC of an Anchorage Parking Garage	RDU State Owned Facilities
Sponsor Rules Committee	Component Facilities
Requester Governor	Component No. 2429

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Personal Services						
Travel						
Contractual		3,700.0	3,700.0	3,700.0	3,700.0	3,700.0
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	3,700.0	3,700.0	3,700.0	3,700.0	3,700.0
CAPITAL EXPENDITURES						
CHANGE IN REVENUES ()						
FUND SOURCE						
1002 Federal Receipts						
1003 GF Match						
1004 GF		3,700.0	3,700.0	3,700.0	3,700.0	3,700.0
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type—Do not abbreviate)						
TOTAL	0.0	3,700.0	3,700.0	3,700.0	3,700.0	3,700.0

Estimate of any current year (FY2006) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2007 budget proposal:

POSITIONS

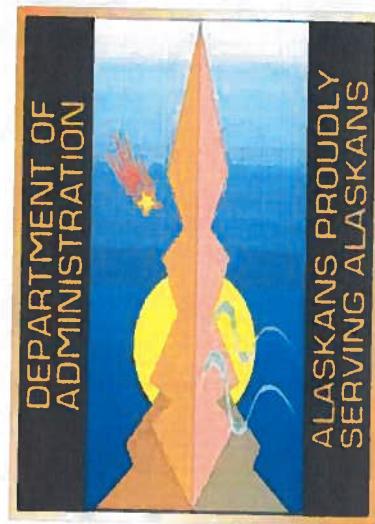
Full-time						
Part-time						
Temporary						

ANALYSIS: *(Attach a separate page if necessary)*

The Alaska Housing Finance Corporation will finance, with bond proceeds, the purchase of a parking garage in Anchorage which will be leased to the state to provide parking for the Atwood Office Building. The maximum purchase price of the parking garage may not exceed \$44,000,000, including the cost of purchasing the facility and issuing the bonds for purchase. Subject to an annual appropriation, the Commissioner of Administration is authorized to enter into a lease-purchase for the parking garage. The anticipated total cost of the project is \$44,000,000 and the anticipated annual amount of the rental obligation is \$3,700,000. This fiscal note represents the amount necessary to satisfy the required annual lease payment of \$3,700,000.

Prepared by: <u>Remond Henderson, Deputy Director</u>	Phone 465-5687
Division <u>General Services</u>	Date/Time <u>4/27/2006 8:10 a.m.</u>
Approved by: <u>Michael Tibbles, Deputy Commissioner</u>	Date <u>4/27/2006</u>
Agency <u>Administration</u>	

Atwood Building Parking Center



DEPARTMENT OF
ADMINISTRATION

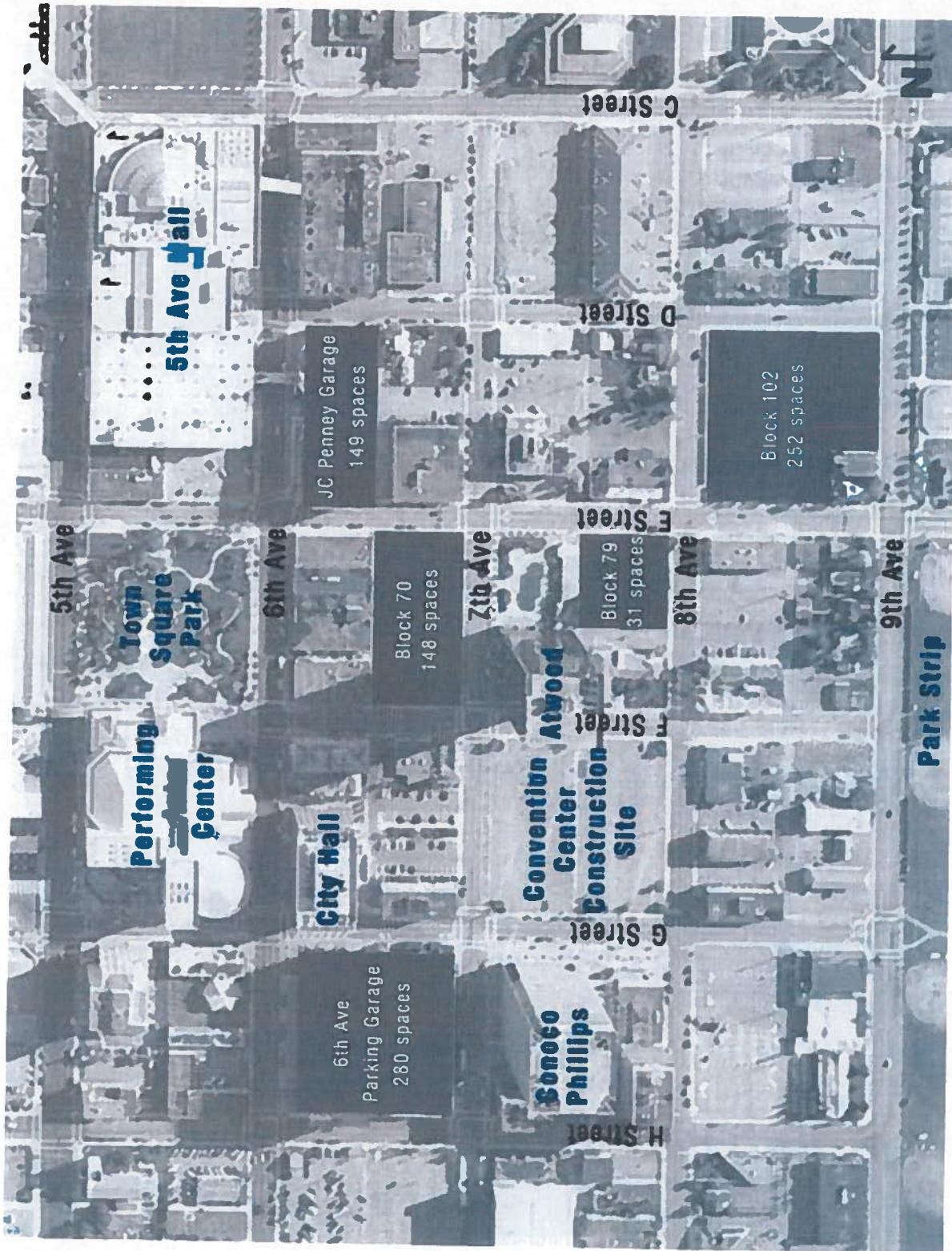
ALASKANS PROUDLY
SERVING ALASKANS

Atwood Building Currently

9/03/57

- Challenges

- Block 80 deal with MOA
- Previous and current scattered site parking arrangement
- Current agreements with expiration dates (MOA, JC Penney, Block 70)
- Increased demand in 2 years from Convention Center



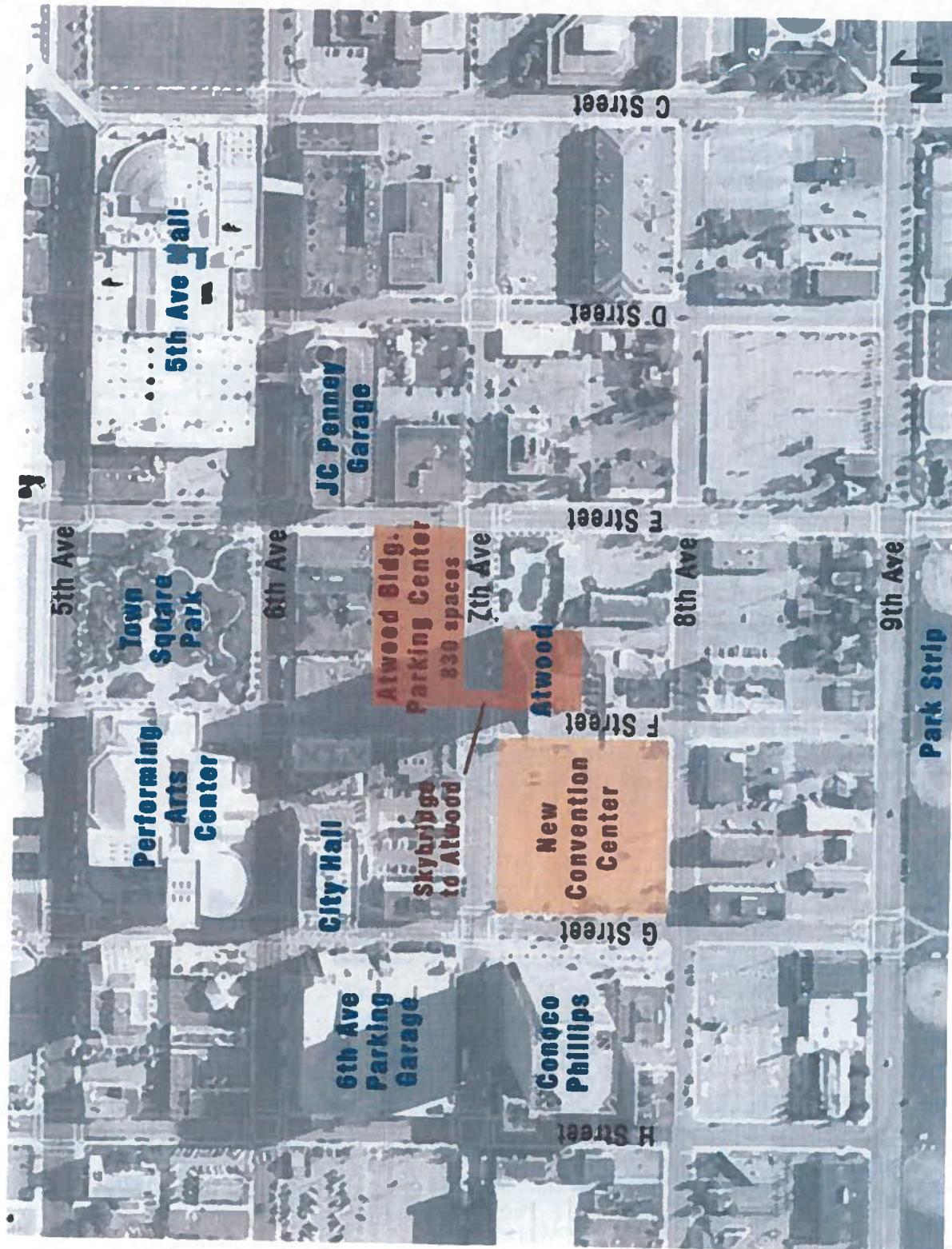
Atwood Building Currently

- Opportunity

- Recent acquisition of $\frac{1}{2}$ block 70
- Ability to consolidate all spaces into central facility
- Ability to leverage other revenue sources
- Preliminary due diligence work completed by others

Atwood Building Parking Center

- Long Term Solution
 - Parking Facility for up to 830 cars on Block 70
 - Skybridge to Atwood Building
 - Retail facilities at Street Level



Atwood Building Parking Center

- Requirements

- AHFC owns Atwood Building
- MOA to design and construct for fixed price
- AHFC to issue debt & purchase from MOA
- DOA to lease from AHFC; State owns at end of lease/debt payoff
- Same arrangement as Atwood Building
- DOA builds cost into lease rate charged to agencies

Atwood Building Parking Center

- Financial Terms
 - AHFCC bonds up to \$44 million
 - \$3,700,000 annual lease payments (21 years)
 - Debt issued at beginning of construction with progress payments thereafter

Atwood Building Parking Center

- Lease Cost Analysis

- $\$3,700,000 / 252,000 \text{ SF} / 12 = \1.22 p/SF
 - Existing Lease Rate
 - New Lease Rate
 - Market Rate Comparable

- New lease rate does not reflect offsetting revenues and savings

Atwood Building Parking Center

- **Revenues & Savings**
 - Existing Parking Cost (280 spaces with MOA; \$170,000 p/yr)
 - Future Parking Cost Increases (MOA)
 - Retail Lease Income (\$360,000 p/yr est.)
 - Land Sale (Block 102; \$4 million est.)
 - Convention Center Cash payment (\$2.3 million)
 - After Hours Parking Revenue (\$200,000 p/yr est.)
- Total when capitalized \$23.5 million
- **Revenues & Savings estimated to reduce SF cost for Parking Center by half**

Atwood Building Parking Center

- Summary

- A current demand exists
- Future cost and demand impacts are imminent
- A current opportunity for resolution
- A sound financial investment
- No general fund appropriation needed
- Safety and convenience for visitors and 1000 state employees and other tenants