

FISCAL NOTE

STATE OF ALASKA
2009 LEGISLATIVE SESSION

Fiscal Note Number: 1
 Bill Version: CSHB 161(CRA)
 (H) Publish Date: 3/18/09

Identifier (file name): CS(HCRA)HB161-DOA-DGS-03-16-09 Dept. Affected: Administration
 Title: "An Act relating to the Alaska Mental Health Trust Authority RDU Leases
Support office building... Component Leases
 Sponsor: Reps. MUNOZ, Thomas, Kerttula, etc.
 Requester: (H)CRA Component Number 81

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation	Information					
	Required	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
OPERATING EXPENDITURES	FY 2010	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Personal Services							
Travel							
Contractual					1,304.1	1,261.8	1,217.4
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	0.0	0.0	0.0	0.0	1,304.1	1,261.8	1,217.4

CAPITAL EXPENDITURES							
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CHANGE IN REVENUES ()							
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF					1,304.1	1,261.8	1,217.4
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	0.0	0.0	0.0	0.0	1,304.1	1,261.8	1,217.4

Estimate of any current year (FY2009) cost: _____

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: (Attach a separate page if necessary)

In FY 2013, state tenants leasing space in the Department of Labor Building (DOL), and occupying the Douglas Island Building (DIB) and Public Safety Building (PSB) would relocate to the newly constructed AMHTA Office Building authorized in this bill. The amounts reflected above represent the difference between what projected annual lease costs will be for tenants at the new AMHTA Office Building (\$5.4 million) versus costs should the building not be constructed (\$4.1 million). Included in the \$4.1 million is projected cost of a new lease for tenants in the DOL building as the lease expires and it is anticipated DOL tenants will occupy newly procured leased space irrespective of HB 161. In FY 2013, the projected annual cost for 68,278 sq. ft. of DOL space is \$3.3 Mil (\$4.00 sq.ft) versus the current cost of \$1.9 million. (\$2.33 sq.ft). Current annual costs for the DOL, DIB and PSB total \$2.6 million compared to \$4.1 million projected for FY 2013 without HB 161. However, over a 30 year period a \$5.5 Mil. savings occurs with construction.

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Deputy Commissioner

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 Date/Time 3/16/09 5:28 PM
 Date 3/16/2009

FISCAL NOTE #1

STATE OF ALASKA
2009 LEGISLATIVE SESSION

BILL NO. CSHB 161(CRA)

ANALYSIS CONTINUATION

Projected costs with and without HB 161			2009	2013	2014	2015
			Current Annual Payments	Projected Annual Payments	Projected Annual Payments	Projected Annual Payments
Labor Building Lease (new lease in 2013)			1,909,052	3,277,440	3,302,906	3,328,937
Public Safety Building (PSB) operating expenses			254,271	295,277	310,041	325,543
Douglas Island Building (DIB) operating expenses			455,665	525,947	552,244	579,856
DIB Parking Leases			19,051	22,053	23,157	24,314
Costs without the passage of HB161			2,638,039	4,120,717	4,188,348	4,258,650
Costs with the passage of HB 161			N/A	5,424,830	5,450,166	5,476,060
Increase (Decrease) in costs			N/A	1,304,113	1,261,818	1,217,410

Although the calculations above indicate an increase in lease payments for the period shown, over a 30 year period the projected total lease payments with the construction of the new AMHTA Office Building are \$5.5 million less than costs would be if the building were not constructed. The projected annual lease payments over a 30 period assuming a newly constructed office building total \$160,439,082. If the new office building is not constructed, projected lease, operating and capital expenditures for the current buildings (DOL, PSB and DIB) are projected to be \$165,981,393. Included in this amount is anticipated deferred maintenance in FY 2013 of \$1.9 million for the PSB and \$3.6 million for the DIB should the state tenants remain in these buildings. This amount does not include the likely replacement of the DIB or PSB or additional deferred maintenance for these buildings over a 30 year period.