

FISCAL NOTE

STATE OF ALASKA
2009 LEGISLATIVE SESSION

Fiscal Note Number: 3
 Bill Version: CSHB 161(FIN)
 (H) Publish Date: 4/7/09

Identifier (file name): CS(HCRA)HB161-DOA-DGS-03-25-09 Dept. Affected: Administration
 Title: "An Act relating to the Alaska Mental Health Trust Authority Support RDU: Leases
 Component: Leases
 Sponsor: Reps. MUNOZ, Thomas, Kerttula,etc
 Requester: H(FIN) Component Number: 81

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information						
		FY 2010	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
OPERATING EXPENDITURES								
Personal Services								
Travel								
Contractual						1,340.0	1,299.5	1,257.0
Supplies								
Equipment								
Land & Structures								
Grants & Claims								
Miscellaneous								
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	1,340.0	1,299.5	1,257.0

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

	FY 2010	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
1002 Federal Receipts							
1003 GF Match							
1004 GF					1,340.0	1,299.5	1,257.0
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	0.0	0.0	0.0	0.0	1,340.0	1,299.5	1,257.0

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 \$13.5 million savings occurs with construction.

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 Date 3/25/2009

FISCAL NOTE 3

**STATE OF ALASKA
2009 LEGISLATIVE SESSION**

BILL NO. CSHB 161(FIN)

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			235,748	287,922	302,318	317,434
Douglas Island Building (DIB) operating expenses			408,517	496,330	521,146	547,204
DIB Parking Leases			19,051	23,156	24,314	25,529
Costs without the passage of HB161			2,572,368	4,084,848	4,150,684	4,219,104
Costs with the passage of HB 161			N/A	5,424,830	5,450,166	5,476,060
Increase (Decrease) in costs			N/A	1,339,982	1,299,482	1,256,956

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 \$13.5 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 \$173,956,264. Included in this amount is anticipated deferred maintenance in FY 2013 of \$2.5 million for the PSB and \$5.8 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.