

SB

317

SFIN

FILE

SENATE FINANCE COMMITTEE REPORT

REPORTED OUT APR 28 2006 SENATE FINANCE COMMITTEE

DATE: 4/27/06

FURTHER:

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:	
<input type="checkbox"/>	Same Title
<input type="checkbox"/>	New Title
SCS House Bill:	
<input type="checkbox"/>	Same Title
<input type="checkbox"/>	Technical Title Change
<input type="checkbox"/>	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			✓	1

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	Do PASS	Do NOT PASS	No REC	AMEND
			✓	
			✓	
COCHAIR:			✓	
COCHAIR:	✓			

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,

Frank H. Murkowski
Governor

Enclosure

COMMITTEE COPY

Atwood Building Parking Center

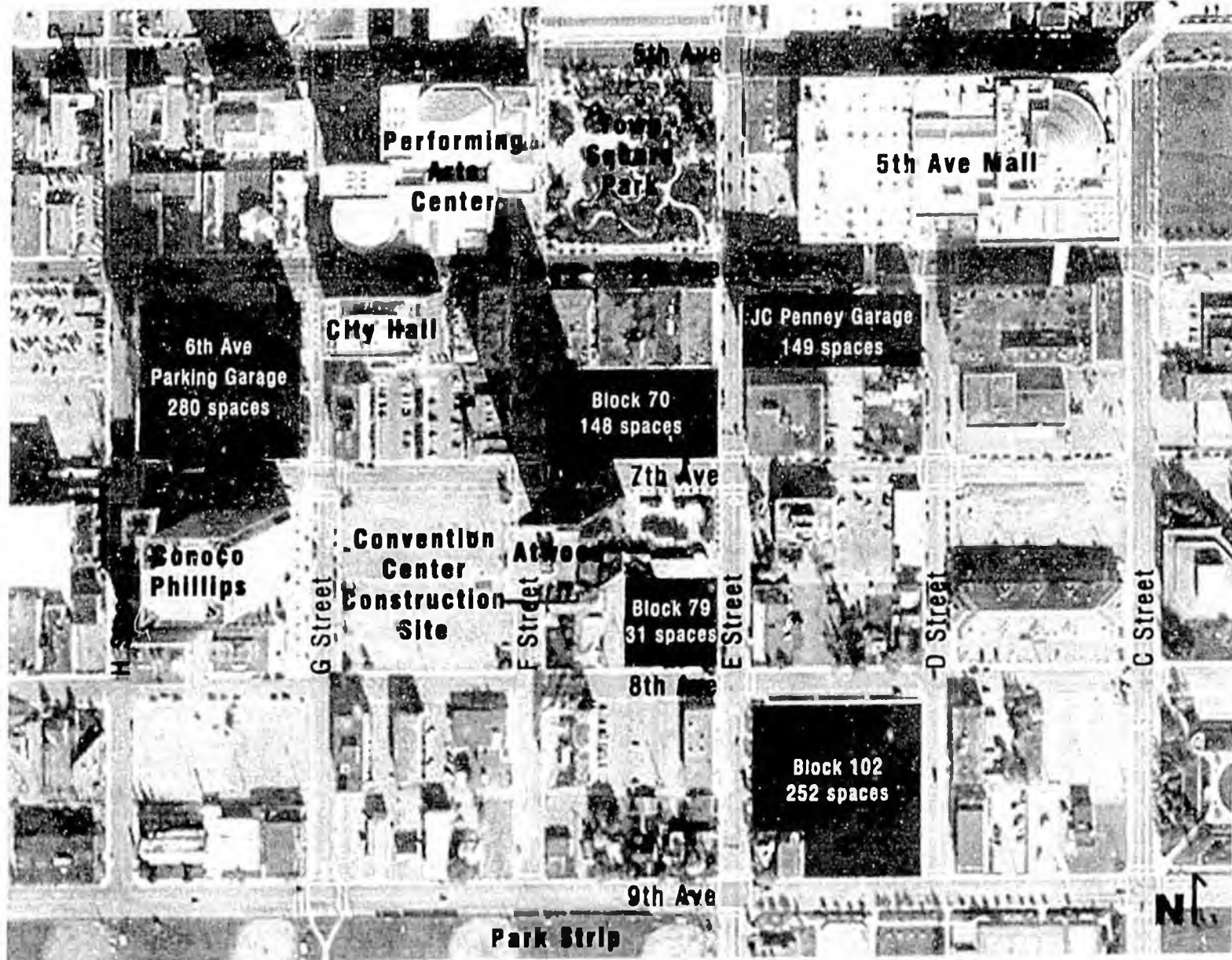


4:33 pm 4/28/06

Atwood Building Currently

- 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



Performing Arts Center

Young Square Park

5th Ave Mall

6th Ave Parking Garage
280 spaces

City Hall

JC Penney Garage
149 spaces

Block 70
148 spaces

SonoCo Phillips

Convention Center Construction Site

Atwood

Block 79
31 spaces

8th Ave

Block 102
252 spaces

9th Ave

Park Strip

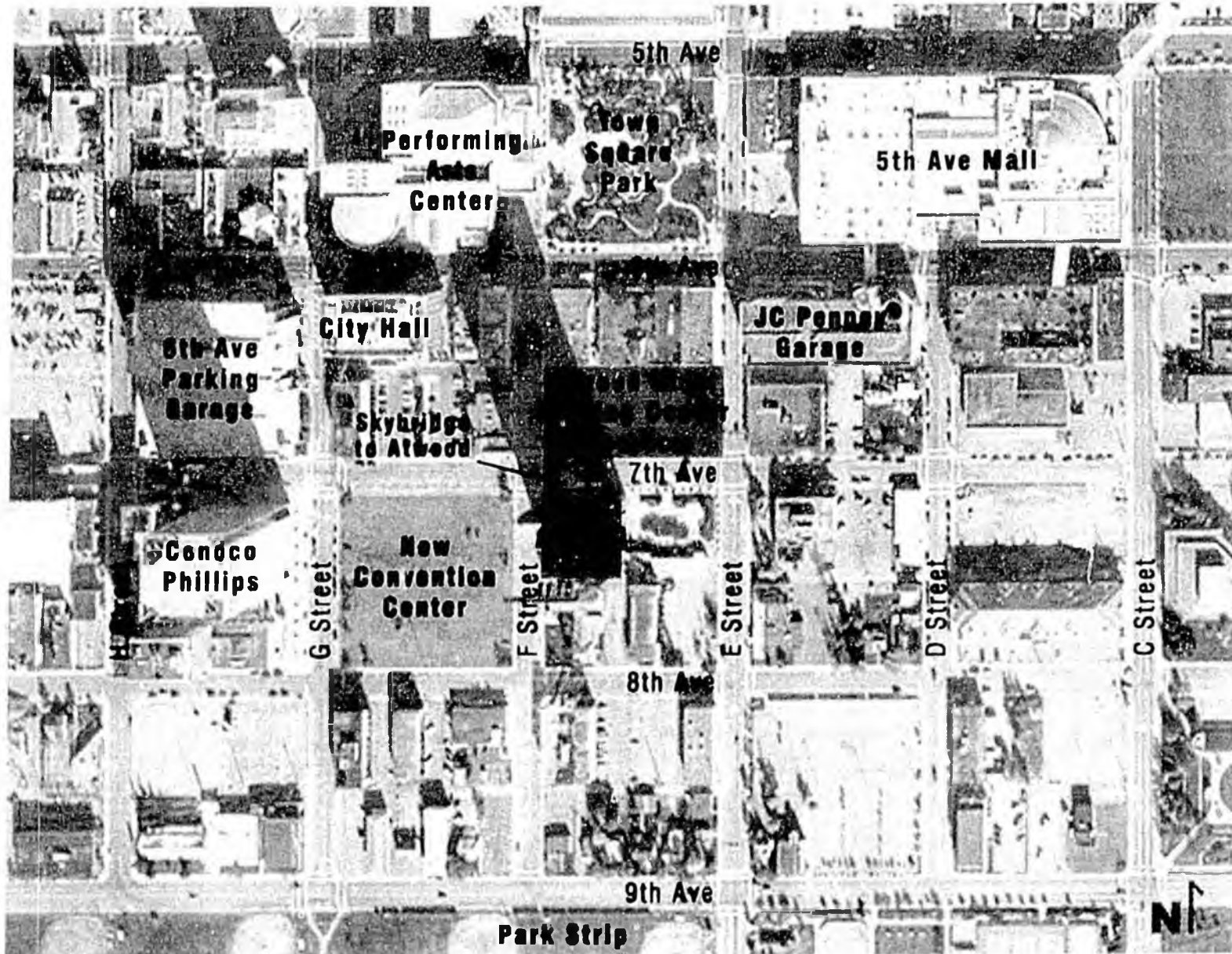


Atwood Building Currently

- Opportunity
 - Recent acquisition of ½ 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



5th Ave

Performing Arts Center

Town Square Park

5th Ave Mall

City Hall

JC Pender Garage

6th Ave Parking Garage

Skybridge to Alameda

7th Ave

New Convention Center

Conoco Phillips

G Street

F Street

E Street

D Street

C Street

8th Ave

9th Ave

Park Strip



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

- AHFC 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 SF/12 =	\$1.22 p/SF
– Existing Lease Rate	\$1.30 per SF
– New Lease Rate	\$2.52 per SF
– Market Rate Comparable	\$2.75 per SF

- 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