

**State of Alaska**  
**FY2004 Governor's Operating Budget**

**Department of Transportation/Public Facilities**  
**Northern Region Leasing and Property Management**  
**Component Budget Summary**

## **Component: Northern Region Leasing and Property Management**

**Contact: James H. Little, Northern Region M&O Director**

**Tel:** (907) 451-2294 **Fax:** (907) 451-5311 **E-mail:** James\_Little@dot.state.ak.us

### **Component Mission**

The mission of the Northern Region Leasing and Property Management component is to benefit the traveling public and Alaskan communities through sound and effective leasing and property management practices at the region's airports and harbors.

### **Component Services Provided**

- Research, negotiate, write, administer, and inspect approximately 600 leases/leaseholds at 102 airports in the Northern Region.
- Review applications for compliance with land title restrictions, Federal Aviation Administration grant assurances, airport development plans, security plans and operations criteria. Many applications are unique in nature and require development of precedent-setting documents.
- Facilitate communication and coordination between various sections in the Department of Transportation and Public Facilities and other state and federal agencies regarding property management issues.
- In addition to land use contracts, coordinate, review, and provide final approval in the Northern Region for building permit applications, appraisals, assignments of interest, security assignments, tie-down permits, commercial passenger vehicle permits, boundary crossing permits and environmental contamination site assessment and remediation plans.

### **Component Goals and Strategies**

Proactively manage Northern Region airport properties:

- Effectively negotiate and administer leases and permits.
- Increase the frequency of inspections at airports to reduce the misuse and contamination of airport properties.
- Actively enforce uniform methods for handling trespasses and illegal use of airport properties.

Enhance rural commerce:

- Encourage development of aviation and related businesses.
- Critically review airport improvement project plans and master plans for potential impacts to leaseholds and for creation of new leasable areas on airports.
- Regularly update land occupancy drawings for accuracy and availability of airport land.

Generate and optimize revenues:

- Expeditiously process pending lease applications and building permits.
- Bring lease rates closer to fair market rent and implement programs to generate new revenues.
- Ensure revenues due the State are assessed and paid in a timely manner.

### **Key Component Issues for FY2003 – 2004**

- Implement new revenue generating programs pursuant to 17 AAC 45. Commercial passenger vehicle permits, business activity permits, assigned aircraft space permits with associated wait lists and lotteries and collections for transient aircraft and heavy aircraft parking fees are some of the new programs anticipated for implementation. The initial development of these programs and subsequent administration will require creation of forms, policies, public notice and collection costs. Increased clerical duties will be performed on a time-available basis by existing staff, affecting the component's mission-critical work in administering existing leases and proactively managing Northern Region airport properties. Estimated annual revenue to be derived from these programs is \$130,300.

- Closely inspect leaseholds for and address environmental concerns relative to fueling operations and other sources of contamination. With new fire codes in place, the Department has created new fueling system guidelines for airport tenants. Inspections are necessary to bring existing fueling systems into compliance.
- Continue reviewing leases for rent adjustments. There are approximately 600 active leases in Northern Regions, with 28% due for rent reviews in FY2004.

### **Major Component Accomplishments in 2002**

- Processed 86 airport land use applications and made major changes to 49 existing contracts; processed 64 building permit applications.
- Executed 37 new contracts and consented to 43 lease assignments and subleases.
- Closed 99 agreements.
- Completed rent reviews for 221 leases, increasing FY02 revenue by \$170,900
- Inspected 31 airports.
- Completely revised 18 land occupancy drawings.
- Reduced the 90-day past due accounts to less than \$1,000.
- Reduced and remediated contamination on lease lots by working with lessees.
- Developed land leases for village fuel tank farms with state agencies and local communities.
- Created contracts for joint-use facilities with FAA.

### **Statutory and Regulatory Authority**

AS 02-Aeronautics  
AS 35 Public Buildings and Improvements  
AS 35.05.020-Administration  
AS 36.30-Procurement/Supply  
AS 44-State Government  
Chapter 36/SLA 90  
17 AAC 45-Leasing and Property Management

**Northern Region Leasing and Property Management**  
**Component Financial Summary**

*All dollars in thousands*

	FY2002 Actuals	FY2003 Authorized	FY2004 Governor
<b>Non-Formula Program:</b>			
<b>Component Expenditures:</b>			
71000 Personal Services	520.0	555.8	561.3
72000 Travel	16.5	13.4	11.4
73000 Contractual	34.9	41.2	37.7
74000 Supplies	20.8	7.2	7.2
75000 Equipment	0.0	0.0	0.0
76000 Land/Buildings	0.0	0.0	0.0
77000 Grants, Claims	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
<b>Expenditure Totals</b>	<b>592.2</b>	<b>617.6</b>	<b>617.6</b>
<b>Funding Sources:</b>			
1005 General Fund/Program Receipts	557.5	0.0	0.0
1007 Inter-Agency Receipts	34.7	57.2	57.5
1156 Receipt Supported Services	0.0	560.4	560.1
<b>Funding Totals</b>	<b>592.2</b>	<b>617.6</b>	<b>617.6</b>

**Northern Region Leasing and Property Management  
Proposed Changes in Levels of Service for FY2004**

Implementation of new revenue generating programs pursuant to 17 AAC 45 could impact the new revenue projections.

**Summary of Component Budget Changes  
From FY2003 Authorized to FY2004 Governor**

*All dollars in thousands*

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
<b>FY2003 Authorized</b>	<b>0.0</b>	<b>0.0</b>	<b>617.6</b>	<b>617.6</b>
<b>Adjustments which will continue current level of service:</b>				
-Annualize FY2003 COLA for General Government and Supervisory Bargaining Units	0.0	0.0	5.5	5.5
<b>Proposed budget decreases:</b>				
-Reduce Receipt Supported Svcs receipt and expenditure authority	0.0	0.0	-5.5	-5.5
<b>FY2004 Governor</b>	<b>0.0</b>	<b>0.0</b>	<b>617.6</b>	<b>617.6</b>

**Northern Region Leasing and Property Management**

**Personal Services Information**

	Authorized Positions		Personal Services Costs	
	<u>FY2003</u> <u>Authorized</u>	<u>FY2004</u> <u>Governor</u>		
Full-time	8	8	Annual Salaries	407,613
Part-time	0	0	Premium Pay	15,234
Nonpermanent	0	0	Annual Benefits	153,977
			<i>Less 2.69% Vacancy Factor</i>	(15,524)
			Lump Sum Premium Pay	0
<b>Totals</b>	<b>8</b>	<b>8</b>	<b>Total Personal Services</b>	<b>561,300</b>

**Position Classification Summary**

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Administrative Assistant	0	1	0	0	1
Administrative Clerk III	0	1	0	0	1
Leasing Officer II	0	4	0	0	4
Leasing Officer III	0	1	0	0	1
Leasing Officer IV	0	1	0	0	1
<b>Totals</b>	<b>0</b>	<b>8</b>	<b>0</b>	<b>0</b>	<b>8</b>