

# **State of Alaska FY2002 Governor's Operating Budget**

Department of Administration  
Leases  
Budget Request Unit

## Leases Budget Request Unit

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### BRU Mission

Provide cost effective and efficient office space for state agencies in a timely manner.

### BRU Services Provided

- Procure private lease space for the use of state agencies.
- Manage and administer over 260 leases statewide.
- Manage and administer use of space in state leased facilities.
- Provide space-planning recommendations.
- Conduct lease rate and lease space availability market research studies.
- Consolidate state owned and/or leases space when economies can be realized.

### BRU Goals and Strategies

Provide cost effective management of the State's lease portfolio.

- Assure efficient use of space in state leased facilities.
- Provide suitable, economical office space that meets state agency needs.
- Replace, in a timely and efficient manner, expiring state leases where needed.
- Implement an improved tracking system to provide better state agency customer service and response time.

### Key BRU Issues for FY2001 – 2002

- Deploy an automated lease tracking and projection data management system.
- Obtain replacement space for leases expiring in FY2001 and FY2002.
- Obtain new or additional space for state agencies as required.

The following leases have expirations during FY2002 and if they are replaced, the cost of a new lease may exceed the limits set in AS 36.30.080 (c) of \$500,000 per year or \$2.5 million for the life of the lease; this list shall serve as the required notification. The annual lease costs are the costs of the current leases. Replacement of these leases will take place throughout the next fiscal year and the actual replacement costs are not known at the time of budget preparation. A projection of the potential total cost of the replacement leases has been included. This estimate is simply the current annual cost multiplied by 15 to represent the average length of a new lease including renewal options. The actual annual and total cost of each lease will be determined by market conditions at the time of solicitation.

Lease #	Location	Current Agency	Annual Sq. Ft.	Expiration Cost	Potential Date	Total Cost
N/A	Anchorage	H&SS	24,076	722,280	N/A	10,834,200
2181	Juneau	Law/DOA	8,673	174,848	6/30/01	2,888,109
N/A	Anchorage	DOA	8,644	217,000	11/30/17	3,255,000
N/A	Anchorage	DCED	23,000	550,000	3/31/26	8,250,000
2371	Fairbanks	DOT/PF	14,202	288,000	7/31/17	4,320,000

### Major BRU Accomplishments for FY2000

- Obtained replacement space for leases expiring in FY2000 and FY2001.
- Consolidated the Department of Health and Social Services administrative offices in Anchorage.

- Provided space to be used by the consolidated Department of Community and Economic Development.
- Designed, planned, constructed and relocated the Office of the Governor, the Department of Revenue, the Department of Community and Economic Development, and the Department of Natural Resources from the Frontier Building to the Atwood Building in Anchorage.

**Leases**

**BRU Financial Summary by Component**

*All dollars in thousands*

	FY2000 Actuals				FY2001 Authorized				FY2002 Governor			
	General Funds	Federal Funds	Other Funds	Total Funds	General Funds	Federal Funds	Other Funds	Total Funds	General Funds	Federal Funds	Other Funds	Total Funds
<b>Formula Expenditures</b>												
None.												
<b>Non-Formula Expenditures</b>												
Leases	23,885.6	0.0	11,447.6	35,333.2	20,331.7	0.0	10,427.6	30,759.3	22,192.6	0.0	10,427.6	32,620.2
Lease Administration	559.3	0.0	114.9	674.2	386.7	0.0	118.8	505.5	385.5	0.0	118.5	504.0
<b>Totals</b>	<b>24,444.9</b>	<b>0.0</b>	<b>11,562.5</b>	<b>36,007.4</b>	<b>20,718.4</b>	<b>0.0</b>	<b>10,546.4</b>	<b>31,264.8</b>	<b>22,578.1</b>	<b>0.0</b>	<b>10,546.1</b>	<b>33,124.2</b>

## Leases

### Proposed Changes in Levels of Service for FY2002

**Funding for Lease Obligations:**

An increment request for \$1,900.0 of General Funds is requested and will be used to pay contractual lease obligations.

**Agency Operations Transfer to PBF Building:**

In FY2001 the Department of Public Safety moved from private leased space to the Juneau Public Safety Building (a Public Building Fund facility). Therefore, a transfer from the Leases component to the Department of Public Safety's State Facilities Rent is requested.

A transfer to the Department of Community and Economic Development State Facilities Rent component will adjust their Atwood Building funding level to their actual level of facility occupancy. During the transition to the Atwood Building from private lease space the measurement of actual space occupied by the agency was not possible due to construction.

## Leases

### Summary of BRU Budget Changes by Component

#### From FY2001 Authorized to FY2002 Governor

*All dollars in thousands*

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
<b>FY2001 Authorized</b>	20,718.4	0.0	10,546.4	31,264.8
<b>Adjustments which will continue current level of service:</b>				
-Leases	-39.1	0.0	0.0	-39.1
-Lease Administration	-1.2	0.0	-0.3	-1.5
<b>Proposed budget increases:</b>				
-Leases	1,900.0	0.0	0.0	1,900.0
<b>FY2002 Governor</b>	<b>22,578.1</b>	<b>0.0</b>	<b>10,546.1</b>	<b>33,124.2</b>