

State of Alaska FY2014 Governor's Operating Budget

Department of Administration Leases Component Budget Summary

Component: Leases

Contribution to Department's Mission

This component holds funding and interagency receipt authorization to pay State lease costs. Please refer to the Lease Administration component for a complete description of this program.

Core Services

- This component holds the funding to pay State lease costs. Please refer to the Lease Administration component for a complete description of this program.

Major Component Accomplishments in 2012

- Continue to utilize State owned space over procuring lease space through the private sector.

Key Component Challenges

Space Management - General Services will enforce revised space standards to ultimately reduce space needs and associated expenditures. Obtain replacement space for leases expiring in FY2013, FY2014 and FY2015 (for larger leases), and obtain new or additional space for state agencies as required. We will conduct site investigations of leased and state owned space to ensure maximum efficiency and to improve space management. The agency will continue the ongoing task of designing, planning, constructing and relocating departments from private leases for occupancy to the Robert B. Atwood Building, Palmer State Office Building, Linny Pacillo Parking Garage (ground floor), and all other Department of Administration General Services managed facilities.

Space Standards - The division is actively analyzing and revising the space standards developed in 2004, which are based on position descriptions to a universal space standards concept that allocates space based on the number of employees in a suite multiplied by 190 square feet. If approved, the new space standards will allow the State to release an estimated hundreds of thousands of thousands of square feet of office space in private leases.

Contract Management - Site inspections will be performed, and our agency will meet with State occupants and advise lessor of cure issues, as well as audit leases to ensure renovation and insurance clauses are enforced. The agency will continue to reduce average lease cost for expiring leases as provided in AS 36.30.083.

Linny Pacillo Parking Garage - General Services will administer and manage the design, planning, construction and leasing of ground floor suite in the Linny Pacillo Parking Garage for Department of Revenue Permanent Fund Dividend Division, projected occupancy December 2013, and Department of Revenue Child Support Services Division, projected occupancy December 2013.

Lease Renewal or Replacement - The following leases have expirations which require renewal or replacement during FY2013 and before FY2014. When these leases are replaced, the cost of a new lease may exceed the limits set in AS 36.30.080 (c), or \$500,000 per year or \$2.5 million for the life of the lease. The Current Annual Cost is defined as the current annual lease cost of the current lease. 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 under, Potential Cost of Replacement Lease with all Renewal Options. The actual annual and total cost of each lease will be determined by market conditions at the time of solicitation. This list shall serve as the required notification under AS 36.30.080 (c).

Lease #	Location	Agency	Current Sq Ft	Current Annual Cost	Current Lease Expiration Date	Replacement / New Lease Expiration with all Renewal Options	Potential Cost of Lease with all Renewal Options (commencing w/ occupancy)

2392 Extend	Fairbanks	DEC	20,000	\$343,681	7/31/13	5/31/34	\$14,400,000
1668 Extend	Juneau	DOT	52,429	\$1,197,892	5/31/14	5/31/24	\$13,589,896
1607 & 1632 Replace	Juneau	DOL	68,278	\$1,956,587	See Lots A, B & C below		
1607 & 1632 LOT A					6/30/13	6/30/28	\$17,105,955
1607 & 1632 LOT B					6/30/13	6/30/28	\$5,619,060
1607 & 1632 LOT C					6/30/13	1/31/28	\$6,036,003
1328 Extend	Anchorage	DOT	13,000	\$188,304	10/31/12	10/31/22	\$3,510,000
2508 Extend	Anchorage	DOL & DOA	20,350	\$508,583	7/31/12	7/31/22	\$4,573,812
2537 Replace	Anchorage	DEC	5,324	\$29,290	1/31/14	1/31/24	\$2,500,000
2425 Extend	Kenai	HSS & DOL	20,017	\$367,155	10/31/13	10/31/23	\$4,544,613
2519 Replace	Fairbanks	LAW	7,485	\$82,729	10/31/14	2/28/13	\$5,520,000
2428 Extend	Anchorage	DOL & HSS	30,224	\$515,742	9/30/12	9/30/22	\$5,157,423
2230 Extend	Juneau	HSS & DOL	11,560	\$251,335	2/28/14	2/28/24	\$2,996,352
2345 Extend	Anchorage	EED	10,800	\$222,415	5/31/14	5/31/24	\$2,781,000

Significant Changes in Results to be Delivered in FY2014

Private Leased Space - In order to achieve overall lease cost savings a number of strategies will continue in FY2014. In addition to reducing the number of leased facilities, space standards will be used as a guideline to equitably reduce the amount of lease space needed.

State Owned Space - Department of Revenue will continue to utilize State owned space over procuring lease space through the private sector; specifically, the Robert B. Atwood Building will have 12,721 square feet available for lease as the Department of Revenue is scheduled to relocate to the Linny Pacillo Parking Garage by 12/31/13 or possibly sooner.

Statutory and Regulatory Authority

AS 36.30.080 State Procurement Code
AS 44.21.020 (1), (5) Duties of Department

Contact Information

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**Leases
Component Financial Summary**

All dollars shown in thousands

	FY2012 Actuals	FY2013 Management Plan	FY2014 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	0.0	0.0	0.0
72000 Travel	0.0	0.0	0.0
73000 Services	47,348.9	50,032.7	50,132.7
74000 Commodities	0.0	0.0	0.0
75000 Capital Outlay	0.0	0.0	0.0
77000 Grants, Benefits	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	47,348.9	50,032.7	50,132.7
Funding Sources:			
1007 Interagency Receipts	47,348.9	50,032.7	50,132.7
Funding Totals	47,348.9	50,032.7	50,132.7

Estimated Revenue Collections

Description	Master Revenue Account	FY2012 Actuals	FY2013 Management Plan	FY2014 Governor
Unrestricted Revenues				
None.		0.0	0.0	0.0
Unrestricted Total		0.0	0.0	0.0
Restricted Revenues				
Interagency Receipts	51015	47,348.9	50,032.7	50,132.7
Restricted Total		47,348.9	50,032.7	50,132.7
Total Estimated Revenues		47,348.9	50,032.7	50,132.7

**Summary of Component Budget Changes
From FY2013 Management Plan to FY2014 Governor**

All dollars shown in thousands

	<u>Unrestricted Gen (UGF)</u>	<u>Designated Gen (DGF)</u>	<u>Other Funds</u>	<u>Federal Funds</u>	<u>Total Funds</u>
FY2013 Management Plan	0.0	0.0	50,032.7	0.0	50,032.7
Proposed budget increases:					
-Lease Interagency Authority	0.0	0.0	100.0	0.0	100.0
FY2014 Governor	0.0	0.0	50,132.7	0.0	50,132.7

Component Detail All Funds
Department of Administration

Component: Leases (AR11784) (81)
RDU: General Services (17)

	FY2012 Actuals	FY2013 Conference Committee	FY2013 Authorized	FY2013 Management Plan	FY2014 Governor	FY2013 Management Plan vs FY2014 Governor	
71000 Personal Services	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
72000 Travel	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
73000 Services	0.0	50,032.7	50,032.7	50,032.7	50,132.7	100.0	0.2%
74000 Commodities	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
75000 Capital Outlay	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
77000 Grants, Benefits	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
78000 Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Totals	0.0	50,032.7	50,032.7	50,032.7	50,132.7	100.0	0.2%
Fund Sources:							
1007 I/A Rcpts (Other)	0.0	50,032.7	50,032.7	50,032.7	50,132.7	100.0	0.2%
Unrestricted General (UGF)	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Designated General (DGF)	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Other Funds	0.0	50,032.7	50,032.7	50,032.7	50,132.7	100.0	0.2%
Federal Funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Positions:							
Permanent Full Time	0	0	0	0	0	0	0.0%
Permanent Part Time	0	0	0	0	0	0	0.0%
Non Permanent	0	0	0	0	0	0	0.0%

Component Detail All Funds
Department of Administration

Component: Leases (AR11784) (81)
RDU: Leases (316)

	FY2012 Actuals	FY2013 Conference Committee	FY2013 Authorized	FY2013 Management Plan	FY2014 Governor	FY2013 Management Plan vs FY2014 Governor
71000 Personal Services	0.0	0.0	0.0	0.0	0.0	0.0 0.0%
72000 Travel	0.0	0.0	0.0	0.0	0.0	0.0 0.0%
73000 Services	47,348.9	0.0	0.0	0.0	0.0	0.0 0.0%
74000 Commodities	0.0	0.0	0.0	0.0	0.0	0.0 0.0%
75000 Capital Outlay	0.0	0.0	0.0	0.0	0.0	0.0 0.0%
77000 Grants, Benefits	0.0	0.0	0.0	0.0	0.0	0.0 0.0%
78000 Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0 0.0%
Totals	47,348.9	0.0	0.0	0.0	0.0	0.0 0.0%
Fund Sources:						
1007 I/A Rcpts (Other)	47,348.9	0.0	0.0	0.0	0.0	0.0 0.0%
Unrestricted General (UGF)	0.0	0.0	0.0	0.0	0.0	0.0 0.0%
Designated General (DGF)	0.0	0.0	0.0	0.0	0.0	0.0 0.0%
Other Funds	47,348.9	0.0	0.0	0.0	0.0	0.0 0.0%
Federal Funds	0.0	0.0	0.0	0.0	0.0	0.0 0.0%
Positions:						
Permanent Full Time	0	0	0	0	0	0 0.0%
Permanent Part Time	0	0	0	0	0	0 0.0%
Non Permanent	0	0	0	0	0	0 0.0%

Change Record Detail - Multiple Scenarios With Descriptions
Department of Administration

Component: Leases (81)
RDU: General Services (17)

Scenario/Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		NP
										PFT	PPT	
***** Changes From FY2013 Conference Committee To FY2013 Authorized *****												
FY2013 Conference Committee												
ConfCom		50,032.7	0.0	0.0	50,032.7	0.0	0.0	0.0	0.0	0	0	0
1007 I/A Rcpts		50,032.7										
Subtotal		50,032.7	0.0	0.0	50,032.7	0.0	0.0	0.0	0.0	0	0	0
***** Changes From FY2013 Authorized To FY2013 Management Plan *****												
Subtotal		50,032.7	0.0	0.0	50,032.7	0.0	0.0	0.0	0.0	0	0	0
***** Changes From FY2013 Management Plan To FY2014 Governor *****												
Lease Interagency Authority												
Inc		100.0	0.0	0.0	100.0	0.0	0.0	0.0	0.0	0	0	0
1007 I/A Rcpts		100.0										
Totals		50,132.7	0.0	0.0	50,132.7	0.0	0.0	0.0	0.0	0	0	0

The Division of General Services (DGS) has approximately 500 active leases. Early estimates for FY2013 lease costs are projected to total more than the amount authorized. Factors contributing to the cost increases include: consumer price index (CPI) provisions of many lease contracts; expiring leases being replaced at higher cost; and, new lease awards. This increment will enable the leases program to fully collect the increased amounts from customer agencies occupying leased space.

Line Item Detail
Department of Administration
Services

Component: Leases (81)
RDU: General Services (17)

Line Number	Line Name		FY2012 Actuals	FY2013 Management Plan	FY2014 Governor
73000	Services		0.0	50,032.7	50,132.7
Expenditure Account	Servicing Agency	Explanation	FY2012 Actuals	FY2013 Management Plan	FY2014 Governor
73000 Services Detail Totals			0.0	50,032.7	50,132.7
73650	Struc/Infstruct/Land	Fixed rent, lease costs and space expenses for office and other types of lease space.	0.0	50,032.7	50,132.7

Line Item Detail
Department of Administration
Services

Component: Leases (81)
RDU: Leases (316)

Line Number	Line Name		FY2012 Actuals	FY2013 Management Plan	FY2014 Governor
73000	Services		47,348.9	0.0	0.0
			FY2012 Actuals	FY2013 Management Plan	FY2014 Governor
Expenditure Account	Servicing Agency	Explanation			
73000 Services Detail Totals			47,348.9	0.0	0.0
73650	Struc/Infstruct/Land	Fixed rent, lease costs and space expenses for office and other types of lease space.	47,348.9	0.0	0.0

Restricted Revenue Detail
Department of Administration

Component: Leases (81)
RDU: General Services (17)

Master Account	Revenue Description				FY2012 Actuals	FY2013 Management Plan	FY2014 Governor
51015	Interagency Receipts				0.0	50,032.7	50,132.7
Detail Information							
Revenue Amount	Revenue Description	Component	Collocation Code	AKSAS Fund	FY2012 Actuals	FY2013 Management Plan	FY2014 Governor
59015	Office Of The Governr Interagency receipts for leased space costs	Department-wide	2560376	11100	0.0	725.9	725.9
59020	Administration Interagency receipts for leased space costs	Department-wide	2560376	11100	0.0	6,673.7	6,673.7
59030	Law Interagency receipts for leased space costs	Department-wide	2560376	11100	0.0	4,027.0	4,027.0
59040	Revenue Interagency receipts for leased space costs	Department-wide		11100	0.0	0.0	176.3
59040	Revenue	AHFC Operations	2560376	11100	0.0	9.4	0.0
59040	Revenue	ANGDA Operations	2560376	11100	0.0	84.4	0.0
59040	Revenue	Child Support Services	2560376	11100	0.0	12.4	0.0
59040	Revenue	Permanent Fund Dividend Division	2560376	11100	0.0	70.1	0.0
59050	Education Interagency receipts for leased space costs	Department-wide	2560376	11100	0.0	0.0	1,598.0
59050	Education	EED State Facilities Rent	2560376	11100	0.0	1,169.1	0.0
59050	Education	Program Admin & Operations	2560376	11100	0.0	428.9	0.0

Restricted Revenue Detail
Department of Administration

Component: Leases (81)
RDU: General Services (17)

Master Account	Revenue Description				FY2012 Actuals	FY2013 Management Plan	FY2014 Governor
51015	Interagency Receipts				0.0	50,032.7	50,132.7
Detail Information							
Revenue Amount	Revenue Description	Component	Collocation Code	AKSAS Fund	FY2012 Actuals	FY2013 Management Plan	FY2014 Governor
59060	Health & Social Svcs Interagency receipts for leased space costs	Department-wide		11100	0.0	13,100.0	13,200.0
59070	Labor Interagency receipts for leased space costs	Department-wide	2560376	11100	0.0	5,816.4	5,816.4
59080	Commrc & Econmc Dev	Community & Regional Affairs	2560376	11100	0.0	171.1	0.0
59080	Commrc & Econmc Dev Interagency receipts for leased space costs	Department-wide	2560376	11100	0.0	0.0	1,059.1
59080	Commrc & Econmc Dev	Economic Development	2560376	11100	0.0	10.0	0.0
59080	Commrc & Econmc Dev	Investments	2560376	11100	0.0	275.1	0.0
59080	Commrc & Econmc Dev	Reg Comm of AK	2560376	11100	0.0	602.9	0.0
59090	Military & Vet Affrs Interagency receipts for leased space costs	Department-wide	2560376	11100	0.0	148.5	148.5
59100	Natural Resources Interagency receipts for leased space costs	Department-wide	2560376	11100	0.0	1,988.2	1,988.2

Restricted Revenue Detail
Department of Administration

Component: Leases (81)
RDU: General Services (17)

Master Account	Revenue Description				FY2012 Actuals	FY2013 Management Plan	FY2014 Governor
51015	Interagency Receipts				0.0	50,032.7	50,132.7
Detail Information							
Revenue Amount	Revenue Description	Component	Collocation Code	AKSAS Fund	FY2012 Actuals	FY2013 Management Plan	FY2014 Governor
59110	Fish & Game Interagency receipts for leased space costs	Department-wide	2560376	11100	0.0	2,607.5	4,729.2
59110	Fish & Game	F&G State Facilities Rent	2560376	11100	0.0	2,121.7	0.0
59120	Public Safety Interagency receipts for leased space costs	Department-wide	2560376	11100	0.0	2,405.1	2,405.1
59180	Environmental Consvn Interagency receipts for leased space costs	Department-wide	2560376	11100	0.0	2,657.3	2,657.3
59200	Corrections Interagency receipts for leased space costs	Department-wide	2560376	11100	0.0	2,196.5	2,196.5
59250	Dotpf Op, Tpb,& Othr Interagency receipts for leased space costs	Department-wide	2560376	11100	0.0	2,627.9	2,627.9
59310	Legislative Affairs Interagency receipts for leased space costs	Administrative Services	2560376	11100	0.0	49.1	49.1
59410	Alaska Court System Interagency receipts for leased space costs	Trial Courts	2560376	11100	0.0	54.5	54.5

Restricted Revenue Detail
Department of Administration

Component: Leases (81)
RDU: Leases (316)

Master Account	Revenue Description				FY2012 Actuals	FY2013 Management Plan	FY2014 Governor
51015	Interagency Receipts				47,348.9	0.0	0.0
Detail Information							
Revenue Amount	Revenue Description	Component	Collocation Code	AKSAS Fund	FY2012 Actuals	FY2013 Management Plan	FY2014 Governor
59015	Office Of The Governr Interagency receipts for leased space costs	Department-wide	2560376	11100	603.1	0.0	0.0
59020	Administration Interagency receipts for leased space costs	Department-wide	2560376	11100	5,290.1	0.0	0.0
59030	Law Interagency receipts for leased space costs	Department-wide	2560376	11100	4,061.6	0.0	0.0
59040	Revenue Interagency receipts for leased space costs	Department-wide		11100	185.2	0.0	0.0
59050	Education Interagency receipts for leased space costs	Department-wide	2560376	11100	1,788.1	0.0	0.0
59060	Health & Social Svcs Interagency receipts for leased space costs	Department-wide		11100	14,088.6	0.0	0.0
59070	Labor Interagency receipts for leased space costs	Department-wide	2560376	11100	5,896.8	0.0	0.0
59080	Commrc & Economc Dev Interagency receipts for leased space costs	Department-wide	2560376	11100	957.3	0.0	0.0
59090	Military & Vet Affrs Interagency receipts for leased space costs	Department-wide	2560376	11100	108.4	0.0	0.0
59100	Natural Resources Interagency receipts for leased space costs	Department-wide	2560376	11100	1,714.1	0.0	0.0
59110	Fish & Game	Department-wide	2560376	11100	4,003.2	0.0	0.0

Restricted Revenue Detail
Department of Administration

Component: Leases (81)
RDU: Leases (316)

Master Account	Revenue Description				FY2012 Actuals	FY2013 Management Plan	FY2014 Governor
51015	Interagency Receipts				47,348.9	0.0	0.0
Detail Information							
Revenue Amount	Revenue Description	Component	Collocation Code	AKSAS Fund	FY2012 Actuals	FY2013 Management Plan	FY2014 Governor
	Interagency receipts for leased space costs						
59120	Public Safety	Department-wide	2560376	11100	1,963.7	0.0	0.0
	Interagency receipts for leased space costs						
59180	Environmental Consvn	Department-wide	2560376	11100	3,126.2	0.0	0.0
	Interagency receipts for leased space costs						
59200	Corrections	Department-wide	2560376	11100	1,091.4	0.0	0.0
	Interagency receipts for leased space costs						
59250	Dotpf Op, Tpb,& Othr	Department-wide	2560376	11100	2,390.0	0.0	0.0
	Interagency receipts for leased space costs						
59310	Legislative Affairs	Administrative Services	2560376	11100	44.2	0.0	0.0
	Interagency receipts for leased space costs						
59410	Alaska Court System	Trial Courts	2560376	11100	36.9	0.0	0.0
	Interagency receipts for leased space costs						