

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

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

Component: Central Region Leasing and Property Management

Contact: Robert L. Norton, Jr., Chief of Leasing & Property Management

Tel: (907) 269-0745 **Fax:** (907) 269-0489 **E-mail:** Bob_Norton@dot.state.ak.us

Component Mission

The mission of the Central 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 leases and leaseholds at Central Region rural airports.
- Review applications from individuals or companies for compliance with land title restrictions, Federal Aviation Administration construction grant assurances, security plans, operations criteria, and airport development plans.
- In addition to land lease contracts, coordinate, review and approve building permit applications, appraisals, assignments of interest, security assignments, tie-down permits, commercial passenger vehicle permits, boundary crossing permits and environmental site contamination assessments and remediation plans.

Component Goals and Strategies

Actively manage Central Region airport properties and harbor facilities:

- Effectively execute and administer leases and permits.
- Increase the frequency of inspections at airports to reduce the misuse and abuse of airport property.
- Actively pursue environmental concerns relative to fueling operations and hazardous substances to minimize the State's liability exposure.
- Continue to work with communities to assume ownership of their local harbors to reduce state liability and maintenance costs.

Enhance rural commerce:

- Encourage development of aviation related businesses.
- Critically review airport improvement project plans and master plans for potential impacts to leaseholds and for the creation of new lease areas on airports.

Generate and optimize revenues:

- Implement programs to generate new revenues in line with recently adopted Title 17 regulations.
- Ensure revenues due the State are assessed and paid in a timely manner.
- Advertise availability of new properties at rural airports to generate the maximum revenue possible for the state.

Key Component Issues for FY2003 – 2004

- Lease rate increases indicated by 1996 and 1999 market studies were partially reflected in adopted Title 17 regulations. New rates were implemented effective April 1, 2002. Additional fees included in the regulations were implemented that will enhance revenue. Work will continue to further update lease rates in Title 17 to more closely align with fair market value.
- Staff will continue working with the Department of Environmental Conservation to address the issue of remaining underground storage tanks. Assist DEC by taking enforcement actions on leases where appropriate.
- Staff will closely examine the leaseholds for and address the environmental concerns relative to fueling operations and other sources of contamination.

Major Component Accomplishments in 2002

- Received and processed 106 applications and executed 80 new leases and permits.
- Completed major changes to 47 existing leases and permits and consented to 16 assignments.
- Reviewed, coordinated and approved 50 building permit applications.
- Closed 53 agreements.
- Inspected 18 airports.
- Reviewed and coordinated 5 airport master plans.
- Reviewed and coordinated over 10 airport improvement projects.
- Coordinated and managed site assessments and remediation efforts for six former MarkAir sites.

Statutory and Regulatory Authority

- AS 02 Aeronautics
- AS 30 Navigation Harbors and Shipping
- AS 35 Public Buildings and Improvements
- AS 36 Procurement/Supply
- AS 44 State Government
- 17 AAC 45 Rural Airports

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

All dollars in thousands

	FY2002 Actuals	FY2003 Authorized	FY2004 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	497.5	571.0	546.5
72000 Travel	14.4	11.6	8.6
73000 Contractual	46.1	69.4	116.5
74000 Supplies	16.5	3.0	3.0
75000 Equipment	1.3	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
Expenditure Totals	575.8	655.0	674.6
Funding Sources:			
1005 General Fund/Program Receipts	474.0	0.0	0.0
1007 Inter-Agency Receipts	75.4	86.1	87.6
1061 Capital Improvement Project Receipts	26.4	0.0	0.0
1156 Receipt Supported Services	0.0	568.9	587.0
Funding Totals	575.8	655.0	674.6

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

Receipt Support Services (RSS) authority is decremented. This authority exceeds the revenues currently anticipated under the rural airport leasing program. As implementation of the revised Title 17 regulations takes place during the next few years, revenues should increase and additional authority will be requested to support the program. Due to the reduction in RSS a Drafting Tech III position has been reduced to six months. After the Land Occupancy Drawings are updated by a contractor, the Drafting Tech III position in Leasing will be required on a part-time basis only.

**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>
FY2003 Authorized	0.0	0.0	655.0	655.0
Adjustments which will continue current level of service:				
-Add funding to create and update Leasing Land Occupancy Drawings	0.0	0.0	50.0	50.0
-Annualize FY2003 COLA for General Government and Supervisory Bargaining Units	0.0	0.0	10.4	10.4
Proposed budget decreases:				
-Reduce Receipt Supported Svcs receipt and expenditure authority	0.0	0.0	-40.8	-40.8
FY2004 Governor	0.0	0.0	674.6	674.6

Central 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	9	8	Annual Salaries	405,662
Part-time	0	1	Premium Pay	0
Nonpermanent	0	0	Annual Benefits	154,051
			<i>Less 2.36% Vacancy Factor</i>	(13,213)
			Lump Sum Premium Pay	0
Totals	9	9	Total Personal Services	546,500

Position Classification Summary

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Administrative Assistant	1	0	0	0	1
Administrative Clerk III	1	0	0	0	1
Drafting Technician III	1	0	0	0	1
Leasing Officer II	4	0	0	0	4
Leasing Officer III	1	0	0	0	1
Leasing Officer IV	1	0	0	0	1
Totals	9	0	0	0	9