

By: Administration  
Adopted: July 25, 2016  
Vote: Burney, Graham, O'Barr, Sullivan-Leonard, Wilson in favor

**City of Wasilla  
Resolution Serial No. 16-16**

**A Resolution Of The Wasilla City Council Authorizing The Mayor To Execute A Twenty (20) Year Agreement With The Iditarod Trail Committee For Leased Land To Serve As Its Headquarters.**

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WHEREAS, the Iditarod Trail Committee (ITC) is a non-profit organization that has leased this land since 1985; and

WHEREAS, the ITC conducts the Iditarod Trail Sled Dog Race which has grown to be known as the world's premier sled dog race; and

WHEREAS, the Headquarters of the Iditarod Trail Committee and the Iditarod Trail Sled Dog Race generates significant economic impact and promotes both summer and winter tourism for the City of Wasilla.

NOW, THEREFORE, BE IT RESOLVED, that the Wasilla City Council authorize the Mayor to execute a twenty (20) year lease agreement with the ITC for City owned land at 2100 S. Knik-Goose Bay Road, for consideration in terms of publicity, tourism, and economic benefit to the City.

ADOPTED by the Wasilla City Council on July 25, 2016.

  
BERT L. COTTLE, Mayor

ATTEST:

  
JAMIE NEWMAN, MMC, City Clerk

[SEAL]

**CITY COUNCIL LEGISLATION STAFF REPORT**

**Resolution Serial No. 16-16: Authorizing the Mayor to execute a twenty (20) year agreement with the Iditarod Trail Committee for leased land to serve as its Headquarters.**

Originator: Mayor Bert L. Cottle

Date: July 13, 2016

Agenda of: July 25, 2016

Route to:	Department Head	Signature	Date
X	Public Works Director		7/13/16
X	Finance Director		7-13-16
X	Deputy Administrator		7/13/16
X	City Clerk		7/14/16

Reviewed by Mayor Bert L. Cottle:  7:14:2016

**Fiscal Impact:**  no

**Account name/number:**

**Attachments:** Lease Agreement (6 pages); RS16-16 (1pp)

**Summary Statement:** The Iditarod Trail Committee is seeking grant funding to expand tourist services at their headquarters, such as additional parking and restroom facilities. Currently the Trail Committee has a three (3) year renewable lease with the city. However, grant funders require longer lease terms to secure capital grants for improvements. Proposed is a twenty (20) year lease agreement for the Trail Committee to allow for grant opportunities to make improvements at the headquarters.

**Staff Recommendation:** Adopt Resolution Serial No. 16-16.

## LEASE AGREEMENT

THIS AGREEMENT is made and entered into as of the 1st day of August 2016, by and between the CITY OF WASILLA, an Alaska municipal corporation, whose address is 290 E. Herning Avenue, Wasilla, Alaska 99654, hereinafter referred to as the “Lessor”; and the IDITAROD TRAIL COMMITTEE, an Alaska nonprofit corporation, whose address is P.O. Box 870800, Wasilla, Alaska 99687, hereinafter referred to as “Lessee”:

WITNESSETH:

1. Premises. Lessor, for and in consideration of the covenants and conditions hereinafter specified to be performed and observed by Lessee, does hereby let, lease and demise to Lessee the real estate located in the Palmer Recording District, Third Judicial District, State of Alaska, more particularly described as follows:

Alaska State Land Survey No. 80-116, containing 9.78 acres, more or less: that portion of the SW1/4NW1/4SW1/4 and the NW1/4SW1/4SW1/4 of Section 16, T. 17N., R. 1W., Seward Meridian, Alaska, lying North of the Goose Bay Road right-of-way, filed in the Palmer Recording District on April 9, 1982 as Plat No. 82-31.
2. Appurtenances. Lessor leases and grants to Lessee all easements, parking and loading rights, right of ingress and egress, fixtures and appurtenances now or hereafter belonging or appertaining to said premises.
3. Encumbrances. The described premises are leased, subject to deed restrictions, easements, rights-of-way, if any, zoning and building restrictions and governmental regulations now in effect or hereafter adopted by any governmental authority, and subject to any and all existing encumbrances that are visible or that can be viewed by site inspection.
4. Term. The primary term of this lease shall be twenty (20) years, commencing on the 1st day of August 2016, through and including the 31st day of July 2036.
5. Option to Renew. Lessee shall have the right and option to renew and extend this lease for an additional twenty (20) year term provided that Lessee gives notice, in writing, of its intention to renew and extend this lease at least six (6) months prior to the expiration of the primary term hereof.
6. Rental. This lease shall be rent free and is made for the consideration afforded the City of Wasilla in terms of publicity and tourism as described in Resolution No. 16-16. Rental is subject to renegotiation if Lessee becomes a profit making corporation under Alaska law.

7. Compliance With laws and Care of Premises. Lessee shall comply with all applicable laws, ordinances and regulations of duly constituted public authorities now or hereafter in any manner affecting the demised premises or the streets, and ways adjacent thereto or any building, structures, fixtures and improvements or the use thereof, whether or not any such laws, ordinances or regulations which may be hereafter enacted involve a change of policy on the part of the governmental body enacting the same. Lessee further agrees that it will not permit any unlawful occupation, business or trade to be conducted on said premises or any use to be made thereof contrary to any law, ordinance or regulation as aforesaid with respect thereto.
  
8. Lessee's Right. Lessee, when not in default of performance of any of its obligations hereunder shall have the following rights, during the term of this lease, from time to time, in such manner, and to such extent as Lessee may in its sole judgment deem advisable:
  - a. To erect, place or install upon the leased premises, buildings, structures and improvements as from time to time shall be deemed advisable.
  - b. To make such alteration, additions and repairs to the leased premises as it may desire.
  - c. To demolish, remove or otherwise dispose of any improvements presently or subsequently situated upon the demised premises, subject to the restrictions set forth in paragraph 11.
  
9. Termination. All buildings, structures and permanent improvements, including signs, which have been or may be installed, placed or attached in or about the leased premises by Lessee, shall remain the property of the State of Alaska at the expiration or termination of the term of this lease, or any extended term thereof. However, in the event of the expiration or termination of this lease, for any reason whatsoever, Lessor may, upon written notice, require the State of Alaska to either abandon the permanent improvements and grant Lessor ownership thereof within one (1) year from the date of such notice or, alternatively, require removal and/or dismantling of the improvements within one (1) year from the date of such notice.
  
10. Use of Premises. The leased premises are to be used primarily as a headquarters site for the Iditarod Trail Committee. However, the Iditarod Trail committee may use the leased premises in any manner which is consistent with the purposes for which it was formed as a nonprofit Alaska corporation, subject to the restrictions set forth in paragraph 11.
  
11. Wasilla Headquarters. At all times during the term of this Lease, Lessee shall refer to the improvements thereon as the "headquarters of the Iditarod Trail Committee." If at any time Lessee ceases to designate or use the improvements as the "headquarters of the Iditarod Trail Committee," then the

lease shall automatically terminate and revert back to the Lessor. The sign for the headquarters building shall acknowledge the City of Wasilla for the use of City owned property. If at any time the use of the premises is so limited as to effectively end use of the premises as the functional headquarters of the Iditarod Trail Committee, termination of the lease may be demanded by Lessor upon ninety (90) days written notice to Lessee; functional use of the premises as the headquarters of the Iditarod Trail Committee is defined herein as the primary place of administration for the work of the Committee. This provision shall not preclude the operation of satellite retail outlets or operation of information offices in Anchorage or elsewhere that is clearly secondary to the main headquarters office.

12. Utilities. Lessee shall be responsible for paying all utilities and any special assessments for utility purposes, or any real property taxes which may be assessed against the property during the course of the lease, notwithstanding that no such real property taxes presently are assessed.
13. Third-Party Use. Other nonprofit organizations may be afforded the opportunity, at the sole discretion of Lessee, to use the facilities located on the leased premise. Lessee shall have the right to charge an appropriate user fee in the event of such third-party use.
14. Insurance. Lessee shall maintain Commercial General Liability insurance with policy limits of at least One Million and No/100 Dollars (\$1,000,000.00) per occurrence and Two Million and No/100 Dollars (\$2,000,000.00) annual policy aggregate. Lessee shall maintain Special Form Property Insurance on all structure improvements in the amount equal to at least Ninety Percent (90%) of replacement cost, throughout the lease term. Lessor shall be named as additional insured on all insurance policies and copies of all insurance policies, or certificates thereof, shall be provided to Lessor.
15. Quiet Enjoyment. Provided Lessee is not in default hereunder, Lessor covenants that Lessor shall not interfere with Lessee's peaceful and quiet enjoyment of the leased premises. Lessee agrees to peacefully and quietly occupy the premises in a manner which will be consistent with the purposes described herein and without undue interference with the occupancy or use by adjoining land owners.
16. Notices. Any and all notices required or permitted under this lease, unless otherwise specified in writing by the party whose address is changed, shall be as follows:

LESSOR: The City of Wasilla  
290 E. Herning Avenue  
Wasilla, Alaska 99654

LESSEE: Iditarod Trail Committee  
P.O. Box 870800  
Wasilla, Alaska 99687

17. Rights or Remedies. Except insofar as this is inconsistent with or contrary to any provision of this lease, no right or remedy herein conferred upon or reserved to the parties is intended to be exclusive of any other right or remedy, and each and every right and remedy shall be cumulative and in addition to any other right or remedy given hereunder, or now or hereafter existing at law or in equity or by statute.
18. Inspection. Lessor shall at all reasonable times during Lessee's business hours have access to the premises for the purpose of inspection.
19. Successors in Interest. This lease shall be binding upon and inure to the benefit of the respective heirs, successors and assigns of the parties hereto.
20. Assignment or Subletting. Lessee shall not sublet the demised premises, or any part thereof, or assign this lease, or any part thereof, without the prior written consent of Lessor, provided that Lessee may assign this lease, or any part thereof, to a lending institution, for loan security purposes, and provided further that this right to assign shall not be construed as a subordination of Lessor's rights hereunder. Lessor agrees that it will not unreasonably withhold consent to a proposed subletting or assignment by Lessee.
21. Warranty of Title. Lessor warrants and represents that it holds clear title to the subject land, except for easements and encumbrances of record.
22. Mortgage of Leasehold Interest of Tenant.
  - a. Lessee shall have the unrestricted right to encumber, by mortgage, deed of trust, assignment or other appropriate instrument, Lessee's interest in part or in whole to the leased premises in and to this lease.
  - b. A leasehold mortgagee, a beneficiary of a deed of trust, or a security assignee shall have and be subrogated to any all rights of Lessee with respect to the curing of any default hereunder by Lessee.
  - c. If the holder of any such mortgage, the beneficiary of any such deed of trust, or the security assignee shall give Lessor, before any default shall have occurred in the lease, a written notice containing the name and post office address of such holder, Lessor shall thereafter give to such holder a copy of each notice of default by Lessee at the same time as any notice of default shall be given by Lessor to Lessee.

23. Modification and Amendment. This lease may not be modified nor amended except by a writing signed by both parties hereto, and any purported amendment or modification is without effect until reduced to a writing signed by both parties hereto.

24. Recording. Lessee shall record this lease.

25. Hold Harmless. Lessee agrees to hold Lessor harmless and indemnify Lessor from and all claims, actions demands, liability, or judgments which Lessee might incur by reason of the Lessee's use of the leased premises. This paragraph is intended to indemnify Lessor in the event that suit is brought by reason of the actions or failure to act of the Lessee regarding a responsibility or duty of the Lessee.

LESSOR:

\_\_\_\_\_  
Bert L. Cottle, Mayor  
City of Wasilla

\_\_\_\_\_  
Date

LESSEE:

\_\_\_\_\_  
Stan Hooley, CEO  
Iditarod Trail Committee

\_\_\_\_\_  
Date

STATE OF ALASKA )  
 : ss.:  
THIRD JUDICIAL DISTRICT )

THIS IS TO CERTIFY that on the \_\_\_ day of \_\_\_\_\_ 2016, before me, the undersigned, a Notary Public in and for the State of Alaska, duly commissioned and sworn as such, personally appeared Bert L. Cottle, known to me, who declared to me that he is the Mayor of the CITY OF WASILLA, a municipal corporation, and known to me to be the person who executed the within instrument on behalf of the corporation herein named, and acknowledged to me that the same was signed as a free act and deed of the said corporation for the uses and purposes therein stated and pursuant to its Bylaws or a resolution of its Board of Directors.

WITNESS my hand and notarial seal the day and year first above written.

\_\_\_\_\_  
Notary Public in and for Alaska  
My Commission expires:\_\_\_\_\_

STATE OF ALASKA )  
 : ss.:  
THIRD JUDICIAL DISTRICT )

THIS IS TO CERTIFY that on the \_\_\_ day of \_\_\_\_\_ 2016, before me, the undersigned, a Notary Public in and for the State of Alaska, duly commissioned and sworn as such, personally appeared Stan Hooley, known to me, who declared to me that he is the Executive Director of the IDITAROD TRAIL COMMITTEE, a municipal corporation, and known to me to be the person who executed the within instrument on behalf of the corporation herein named, and acknowledged to me that the same was signed as a free act and deed of the said corporation for the uses and purposes therein stated and pursuant to its Bylaws or a resolution of its Board of Directors.

WITNESS my hand and notarial seal the day and year first above written.

\_\_\_\_\_  
Notary Public in and for Alaska  
My Commission expires:\_\_\_\_\_