

By: Finance Department
Adopted: October 11, 2021
Yes: Burney, Harvey, Johnson, Rausa, Velock
No: None
Absent: Brown

**City of Wasilla
Resolution Serial No. 21-21**

A Resolution Of The Wasilla City Council Authorizing The Mayor To Execute A One (1) Year Agreement With The State Of Alaska For Leased Space In The Wasilla Police Department For An Alcohol And Marijuana Control Office (AMCO) Investigator.

WHEREAS, the City of Wasilla owns the land and Police Department building located at 801 N. Wasilla-Fishhook Road; and

WHEREAS, the State of Alaska would like to lease office space in the Wasilla Police Department for an AMCO Investigator; and

WHEREAS, the lease agreement would generate revenue to the City of \$4,050 in fiscal year 2022 and \$1,350 in fiscal year 2023.

NOW, THEREFORE, BE IT RESOLVED, that the Wasilla City Council authorizes the Mayor to execute an agreement with the State of Alaska for the lease of approximately 200 square feet of office space at the Wasilla Police Department for a sworn AMCO Investigator.

Effective Date. This resolution takes effect upon adoption.

ADOPTED by the Wasilla City Council on October 11, 2021.


Glenda D. Ledford, Mayor

ATTEST:


Jamie Newman, MMC, City Clerk

[SEAL]

**City of Wasilla
Legislative Staff Report
Resolution Serial No. 21-21**

A Resolution Of The Wasilla City Council Authorizing The Mayor To Execute A One (1) Year Agreement With The State Of Alaska For Leased Space In The Wasilla Police Department For An Alcohol And Marijuana Control Office (AMCO) Investigator.

Originator: April Dwyer, Purchasing
Date: 9/27/2021

Agenda of: 10/11/2021

Route to:	Department Head	Signature	Date
X	Chief of Police		9/30/21
X	Finance Director		9-29-21
X	Deputy Administrator		9/29/21
X	City Clerk		9/29/2021
X	Mayor		9-29-21

Fiscal Impact: yes or no

Account name/number:

Account Name	Account #	Dollar Amount
Rents & Royalties/City Owned Properties	001-4200-362-11-00	\$4,050 FY2022
		\$1,350 FY2023

Attachments: Resolution Serial No. 21-21 (1 page)
Lease Agreement (13 pages)

Summary Statement: This agreement covers approximately 200 square feet of office space within the Wasilla Police Department and one parking space for a sworn Alcohol and Marijuana Control Office (AMCO) Investigator with the Alaska Department of Commerce Community and Economic Development.

The Investigator is responsible for providing their own computer, router, and all other office supplies. The monthly lease rate will be \$450 per month. This agreement is a one-year agreement and allows for five (5) one-year lease renewals upon mutual agreement between the State and the City.

Proposed Action: Adopt the Resolution.



**STATE OF ALASKA
STANDARD LEASE FORM
LEASE 2730**

THIS LEASE, entered into this _____ day of _____ 2021,
by and between:

**CITY OF WASILLA
DBA CITY OF WASILLA POLICE DEPARTMENT
801 N WASILLA-FISHHOOK RD
WASILLA, AK 99654**

hereinafter called the Lessor, and

**STATE OF ALASKA
DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES - 08
DIVISION OF FACILITIES SERVICES
550 WEST 7th AVENUE SUITE 200
ANCHORAGE, ALASKA 99501-3571**

hereinafter called the Lessee.

The Lessor hereby leases to the State of Alaska the following described premises:

Approximately 200 usable square feet of office space and one (1) parking space utilized by a sworn AMCO investigator with, the Department of Commerce Community and Economic Development, located at 801 N Wasilla-Fishhook Rd, Wasilla, Alaska. Legally described as Tract B Iditarod-Wasilla Schools 2016

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To have and to hold the same, with all appurtenances unto the Lessee for the term of one (1) year **beginning on the 12th day of October, 2021 and ending on the 31st day of September, 2022** at and for the rental of **\$450.00 per month** payable on the first day of each and every month of said term at the office of the Lessor or in advance at the option of the Lessee. Lessee shall have the option to renew this lease for five (5) additional one (1) year periods to be exercised upon mutual agreement with Lessor. Lessee may exercise this option by giving Lessor written notice sixty (60) days prior to the termination of the then current Lease term. Lessee cannot be in default at time of exercising option. Payment for any partial month's occupancy shall be prorated based on a thirty (30) day month.

In consideration of the mutual covenants contained herein, the parties to this Lease agree as follows:

- 1. RENT:** Lessee covenants and agrees to pay to the Lessor rent of \$450.00 per month beginning on the first month of occupancy. Any partial month shall be pro-rated. Said rent is due and payable monthly, in advance, on or before the 10th day of each month, at the office of the Lessor or at such other place as the Lessor shall designate in writing.

- 2. ADJUSTMENTS:** Adjustments in the lease rate may be made if requested in writing by the Lessor at least thirty (30) days prior to the effective date of the adjustment. Such adjustments may be made annually to reflect changes in the Lessor's variable costs, and defined as all operational cost other than debt service and profit and is expressed as: thirty-five percent (35%) of the base monthly lease rate. The monthly lease rate may be adjusted effective October 1, 2022 and each October 1 thereafter, and will be made in accordance with the percentage change in the U.S. Department of Labor Consumer Price Index, for All Urban Consumers, All Items, Urban Alaska, issued for each January through June (1st half) six (6) month average of each lease term.

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The percentage difference between the six month average CPI in effect for the **base year, January through June 2022** and the 1st half six month average thereafter will determine the maximum allowable adjustment of the variable costs over the base monthly lease rate.

Base monthly lease rate is **\$450.00**.

Adjustment to the monthly lease rate will be computed as follows:

[(Variable Cost Percentage X Base Monthly Lease Rate) X Percentage of Change in CPI] + Base Monthly Lease Rate will equal (=) the adjusted monthly lease rate.

The formula is expressed as:

[(35% x Base Monthly Lease Rate) x % change in CPI] + Base Monthly Lease Rate = Adjusted Monthly Lease Rate.

RETROACTIVE adjustments will not be allowed.

- 3. TENANT IMPROVEMENTS:** All tenant improvements shall be at the Lessee's cost.

- 4. BUILDING AND PERSONNEL SAFETY:** Lessee acknowledges it is responsible for compliance with all such statutes, codes and regulations as pertains to its operations within or upon the Premises. Lessee agrees to the AMCO Investigator shall retain a current APSIN clearance.

- 5. ALTERATIONS, INSTALLATION, REMOVAL OF EQUIPMENT AND FURNISHINGS:**
 - a) Lessee agrees not to make any alterations to the Premises without prior written consent of Lessor, which consent shall not be withheld unreasonably.
 - b) All equipment and furnishings constructed or installed in the Premises at the expense of Lessee shall be the property of Lessee and may be removed by Lessee upon the

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termination of this Lease or at any time prior thereto. However, the cost of repairing any damage or disfigurement to the Premises caused by such removal by Lessee shall be borne by Lessee. Lessee shall have no obligation to remove such equipment and furnishings and may, at its option, surrender the same along with the Premises. Any of the same not removed by Lessee upon vacation of the Premises shall be deemed abandoned and shall become the property of the Lessor, in which case, Lessee shall not be liable for removal or repair costs.

6. MAINTENANCE AND REPAIRS:

- a) Lessor shall and specifically agrees to furnish major maintenance to the Premises, the roof, the parking lots, and the electrical, mechanical, plumbing and heating systems of the building at no cost to the Lessee. If Lessor fails to commence making necessary repairs, alterations or replacements within five (5) days after Lessee gives notice reasonably requesting Lessor to do so, or fails to complete the same promptly, Lessee may make such repairs, alterations or replacements and deduct the cost thereof from future rent payments. Lessee shall be responsible for all routine maintenance and minor repairs, including without limitation, general cleanliness, sanitation and janitorial services, changing light bulbs and fixtures, and cosmetic repairs to interior.

- b) If the Premises are rendered wholly or partially unfit for occupancy by any damage or destruction or if, for any reason, possession or beneficial use of the Premises is interfered with, the rent shall abate until the Premises are fully restored to fitness for occupancy or such interference has ceased.

- c) If the Premises are destroyed or damaged by fire, earthquake or other causes to such extent the Premises cannot be restored to tenable condition within ninety (90) days from the date of such destruction or damage, then either party may terminate this Lease

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effective as of the date of such destruction or damage, by written notice given to the other party not later than thirty (30) days following such destruction or damage.

- d) At all times during the term hereof, Lessee shall: (I) keep the Premises safe and orderly; (II) conduct activities upon and generally maintain the Premises in such a manner and with such care commensurate with their age and condition; (III) not use the Premises in such manner to increase the rate of fire and extended coverage insurance or to cause cancellation of the insurance or to make coverage unavailable; (IV) not use or permit any part of the Premises to be used for any unlawful or unauthorized purpose; (V) comply with Municipal, State, Federal and other governmental laws, statutes, ordinances, rules and regulations of whatever type and nature including, but not limited to, zoning ordinances, health, fire, safety and environmental regulations; (VI) not cause or permit any waste, damage or injury to the Premises.

7. RIGHT OF ENTRY: Lessor shall have the right to enter the Premises at all times for the purpose of performing its obligations as stated in this Lease, as may be appropriate for the safety and preservation thereof, including the making of repairs to the building of which the same is a part. Lessor agrees insofar as reasonably practicable not to interfere with the use and enjoyment of the Premises by Lessee. Lessor will additionally follow security clearance protocols.

8. ASSIGNMENT OR LEASE: Lessee shall not assign or sublet this Lease without the prior written consent of Lessor; however,

- a) Any assignment or lease shall be in writing and duly executed by both parties. An executed original shall be delivered to Lessor.

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- b) Any assignment or lease shall include language whereby the assignee or sublessee expressly assumes and agrees to pay the obligations of Lessee under this Lease. No assignment or lease shall release or diminish the obligations of Lessee for performance of Lessee's obligations hereunder and Lessee shall remain liable as if no assignment or lease were made; that is, Lessee and assignee or sublessee will be jointly and severally liable for such obligations unless the Lessor specifically in writing allows the release of the Lessee.
- c) Any assignment or lease shall be subject to all of the terms, covenants and conditions of this Lease and shall authorize Lessor, at Lessee's option, to collect rent from assignee or sublessee and apply it against the obligations of Lessee under this Lease, without waiver of Lessor's rights and remedies hereunder.

9. SERVICES AND UTILITIES: Lessee shall pay for telecommunication. Lessor shall pay for all other services and utilities to the Premises, including without limitation, Janitorial, gas, electric, snow removal, trash collection, water and sewer.

10. INDEMNITY: The Lessee shall indemnify, hold harmless and defend the Lessor from and against any claim of, or liability for error, omission or negligent act of the Lessee under this agreement. The Lessee shall not be required to indemnify the Lessor for a claim of, or liability as a result of the sole negligence of the Lessor. If there is a claim of, or liability for the joint negligent error or omission of the Lessor and Lessee, the indemnification and hold harmless obligation shall be apportioned on a comparative fault basis. "Lessor" and "Lessee", as used within this and the following article, include the employees, agents and other contractors who are directly responsible, respectively, to each.

11. DEFAULT BY LESSEE: Should Lessee default in the payment of any rent or other monies provided herein, or violate any other covenants of this Lease, Lessor, at its

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option, may terminate and cancel this Lease after thirty (30) days written notice to Lessee, provided the default or other violation is not corrected during said period or Lessee is not actively engaged in correcting same. Lessee may, in good faith, dispute payment of an amount of money to Lessor without breach of this Lease, if Lessee pays to Lessor any undisputed portion thereof. Upon such good faith dispute by Lessee, Lessor shall have no right to declare termination or cancellation of this Lease until such good faith dispute is judicially determined and Lessee has, within thirty (30) days after such judicial determination, complied therewith.

12. QUIET POSSESSION: Lessee, upon paying the rent and observing the covenants of this Lease, shall and may lawfully and quietly hold and enjoy the Premises during the term hereof without hindrance or interruption.

13. DEFAULT BY LESSOR: Should Lessor default in the performance or the observance of any covenants of this Lease and fail to fully remedy such default within thirty (30) days after written notice by Lessee, then Lessee, notwithstanding any other provision of this Lease, may cure such default and deduct from the rent the cost thereof, or may, at any time after the expiration of such thirty (30) day period, terminate this Lease. All rents hereunder shall abate during the period of default. Where this Lease provides for a shorter notice period for a specific occurrence of default and/or cure, such shorter notice period shall be controlling.

14. TERMINATION: Either party may terminate this Lease for any reason by giving ninety (90) days' written notice to the other party. Upon termination of this Lease for any reason, Lessor shall refund to Lessee any unearned advance rent paid by Lessee.

15. HOLDING OVER: Any holding over after the expiration date of this lease or any extension or renewal thereof, shall be construed to be a tenancy from month to month,

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at the same monthly rental and on the terms and conditions herein specified so far as applicable.

16. FISCAL NECESSITY -- NON-APPROPRIATION OF FUNDS: The fiscal year for the State of Alaska is a twelve-month period beginning July 1 and ending June 30 of the following calendar year. Lease payments from the State are subject to annual appropriation of funds by the Alaska State Legislature. After the initial fiscal year of the lease, the State has the right to terminate this lease in whole, or in part, if (1) the Alaska State Legislature fails to appropriate funds budgeted for continuation of this lease, and/or (2) the Alaska State Legislature fails to appropriate funds to the occupying agency(s) that results in a material alteration or discontinuance, in whole or in part, of the occupying agency(s)' programs. The termination of the lease for fiscal necessity and non-appropriation of funds under this section shall not cause any penalty or liability to be charged to the State and shall not constitute a breach or an event of default by the State

17. NOTICES: Notices regarding this Lease shall be given only by certified letter, return receipt requested or hand-delivery with signed receipt, or by facsimile with confirmation of receipt, and shall be deemed given when the communication is dispatched, addressed to the party for whom intended at such party's address as herein provided, or at such other address as the party may have substituted therefore by proper written notice to the other.

18. MODIFICATION OF LEASE: The terms, covenants and conditions of this Lease may not be changed orally, but may be changed by an agreement in writing signed by authorized representatives of the parties to this Lease. The failure of either party to insist upon the performance of any term, covenant or condition of this Lease shall not constitute a waiver or relinquishment for the future of any such term, covenant or condition.

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19. SUCCESSORS AND ASSIGNS: The terms, covenants and provisions of this Lease shall be binding upon the Lessor, Lessee, and their respective heirs, successors and assigns.

20. PARAGRAPH HEADINGS: The paragraph headings in this document are inserted only as a matter of convenience, and for reference, and in no way define, limit or describe the scope or intent of this Lease or in any way affect its terms or provisions.

21. The State is tax exempt.

22. INSURANCE COVERAGE. The parties acknowledge that the Lessee is self insured. The Lessee shall issue the Lessor a letter of self insurance as proof of coverage upon commencement of each lease term.

23. SIGNS: Lessee will not erect signs, poles, lights or advertising devices on the structure or building without first obtaining written approval of Lessor.

24. RELEASE/ENVIRONMENTAL INDEMNIFICATION:

- a) To the extent allowed by law, Lessee releases Lessor from and shall indemnify, defend, and hold Lessor harmless from and against any and all claims, demands, damages, losses, liens, costs, and expenses which accrue to, or are incurred by, Lessor on or after the date of this Lease that arise directly from or out of any activities on the Premises during Lessee's possession or control of the Premises that directly or indirectly result in the Premises becoming contaminated with Hazardous Substances.

- b) Lessee further agrees to be held responsible for payment of reasonable and required costs of any cleanup, abatement, remediation, removal, or restorative work required by

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any federal, state, or local governmental agency with appropriate jurisdiction because of any Hazardous Substance present in the soil or groundwater on or under the Premises which is demonstrated to be a result of Lessee's use and occupancy of the Premises.

25. ENVIRONMENTAL RISK FOR PREEXISTING CONTAMINATION: Neither Lessor nor Lessee, nor any of their respective officers, employees, agents, attorneys, or representatives, have previously made, nor does this Lease make, any representations or warranties, and none of the persons or entities described above shall in any way be liable for or with respect to:

- a) the condition of the Premises or the suitability of the Premises for Lessee's intended use(s); or
- b) the presence or existence of any Hazardous Substances or any other substance as to which the discharge, leakage, spillage, or presence on the Premises would be regulated by applicable state or federal law.

Should a preexisting environmental condition be discovered that renders the premises unusable, the Lessee shall have the right to terminate the Lease Agreement with 30 days notice.

Lessor is required to certify that there is no asbestos containing material (ACM) in the building and no presumed asbestos containing material (PACM) in the building. If the lessor is unable to certify that there is no ACM in the building and no presumed PACM in the building, the lessor must take the necessary steps to identify the existence, location(s) of the ACM and PACM, and provide a copy of the lessor's asbestos management plan for the building daily maintenance and operations."

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26. WAIVER: Waiver of the breach of a covenant, term, or condition of this Lease by either party shall not be construed as waiver of a subsequent breach of the same covenant, term or condition. The consent to or approval of any act by the other party of a nature requiring consent or approval shall not be deemed to waive consent to or approval of any subsequent or similar act.

27. SEVERABILITY: If any clause or term of this Lease shall be deemed invalid by any court of law, the enforceability of the remaining clauses and terms of the Lease shall be unaffected.

- a) pay said rent at the times and place and in the manner aforesaid;
- b) use and occupy said premises in a careful and proper manner;
- c) not use or occupy said premises for any unlawful purpose;
- d) not assign this lease, not underlet said premises, nor any part thereof, without the written consent of the Lessor, provided however such consent shall not be unreasonably withheld;
- e) not use or occupy said premises or permit the same to be used or occupied, for any purpose or business deemed extra-hazardous on account of fire or otherwise;
- f) make no alterations or additions in or to said premises without the written consent of the Lessor, such consent shall not unreasonably be withheld;
- g) leave the premises at the expiration or prior termination of this lease or any renewal or extension thereof, in as good condition as received or in which they might be put by the Lessor, excepting reasonable wear and tear and/or, loss or damage caused

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by fire, explosions, earthquakes, acts of God, other casualty or as provided for in section 2.b below;

- h) permit the Lessor to enter upon said premises at all reasonable times to examine the conditions of the same;

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

LESSOR: CITY OF WASILLA

LESSEE: STATE OF ALASKA

By: _____
Glenda D. Ledford
Mayor

By: _____
Rashaad Esters
Contracting Officer III

Date: _____

Date: _____

ACKNOWLEDGMENT OF LESSOR: CITY OF WASILLA

STATE OF _____
CITY OF WASILLA

This is to certify that on this _____ day of _____, 2021 before me a Notary Public in and for the State of Alaska duly commissioned and sworn personally appeared _____ to me known and known by me to be the person(s) described in and who executed the instruments set forth above and severally stated to me under oath that (he, she) is _____ and that (he/she) has been authorized by The City of Wasilla, to execute the foregoing lease amendment for and on behalf of the said company, corporation, individual, or other entity and they executed same freely and voluntarily as a free act and deed of Same.

WITNESS my hand and official seal the day and year this certificate first above written.

Notary Public for _____
My Commission Expires: _____
Residing at: _____

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ACKNOWLEDGMENT BY LESSEE: STATE OF ALASKA
STATE OF ALASKA
MUNICIPALITY OF ANCHORAGE

This is to certify that on this _____ day of _____, 2021 before me a Notary Public in and for the State of Alaska duly commissioned and sworn, personally appeared Rashaad Esters, Contracting Officer III, to me known and known by me to be the person described in the executed instruments set forth above as an agent of the Division of Facilities Services of the State of Alaska and that this person has been authorized by the State of Alaska to execute the foregoing lease amendment on behalf of said State of Alaska and that this person executed the same freely and voluntarily as the free act and deed of the State of Alaska.

WITNESS my hand and official seal the day and year this certificate first above written.

Notary Public for Alaska
My Commission Expires with Office
Residing at: Anchorage, Alaska

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