

By: Finance Department
Adopted: March 24, 2014

Vote: Buswell, Harris, O'Barr, Sullivan-Leonard, Wall and Wilson in favor

**City of Wasilla
Resolution Serial No. 14-12**

A resolution of the Wasilla City Council authorizing the Mayor to execute an agreement with Luda's Creations for leased space in the Meta Rose Square in the amount of approximately \$540 for three (3) months.

WHEREAS, the City of Wasilla leases out commercial space in the Meta Rose Square;
and

WHEREAS, the nature of the lessee's business appears to be a good fit with this space;
and

WHEREAS, the lease agreement would generate revenue to the City of \$540 in FY 2014;

NOW, THEREFORE, BE IT RESOLVED, that the Wasilla City Council authorizes the Mayor to execute an agreement with Luda's Creations for leased space in the Meta Rose Square in the amount of approximately \$540 for three (3) months.

ADOPTED by the Wasilla City Council on March 24, 2014.


VERNE E. RUPRIGHT, Mayor

ATTEST:



KRISTIE SMITHERS, MMC, City Clerk

[SEAL]

WASILLA

• ALASKA •

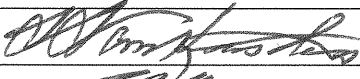


CITY COUNCIL LEGISLATION STAFF REPORT

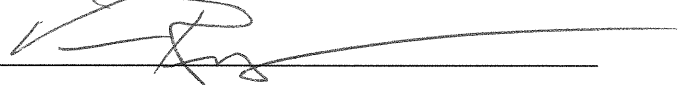
Resolution Serial No. 14-12: A resolution of the Wasilla City Council authorizing the Mayor to execute an agreement with the Luda's Creations for leased space in the Meta Rose Square in the amount of approximately \$540 for three (3) months.

Originator: April Dwyer, Purchasing/Contracting Officer

Date: 3/11/2014

Agenda of: 3/24/2014

Route to:	Department Head	Signature	Date
	Chief of Police		
	Public Works Director		
	Recreation & Cultural Services Director		
X	Finance Director		3/12/14
X	Deputy Administrator		3/12/14
X	City Clerk		3/12/14

Reviewed by Mayor Verne E. Rupright: 

Fiscal Impact: yes or no

Funds Available: yes or no N/A

Account name/number:

Rents & Royalties Meta 001.4300.362.15.00 \$540

Attachments: Lease Agreement (9 pages)

Summary Statement: This agreement covers leased space of approximately 42 square feet of retail space on the main floor at Meta Rose Square which is currently vacant. Luda's Creations contacted the City of Wasilla on February 28th expressing interest in the leased space. Luda's Creations is a small business selling handmade jewelry and lampshades. Luda usually sells her items at local farmers markets around the Valley. She expressed her interest in signing a short term lease initially with hope that sales will support renewing the lease for a longer term. Given the nominal size of the leased area and that no improvements to the space are required, administration supports the lease despite that the term is shorter than normally accepted.

Recommended Action: Adopt Resolution Serial No. 14-12

LEASE FOR THE META ROSE SQUARE

Agreement for space leased, made between: the City of Wasilla, herein called "Landlord" and Luda's Creations herein called "Tenant."

ARTICLE I SPACE LEASED

Section 1.01 Description.

Landlord hereby leases to Tenant, and Tenant leases from Landlord the 42 square foot nook on the main floor.

Section 1.02 Services Furnished by Landlord.

Landlord shall furnish for the benefit of Tenant without additional charge the following services: heat, sewer, one common dumpster, snow removal for public parking and for the front and rear building entrance and janitorial services in the common areas.

Section 1.03 Utility Charges.

Tenant shall contract for in its own name telephone, and janitorial services in the Space Leased. Tenant shall pay all charges for these services as they become due

Section 1.04 Quiet Enjoyment.

Tenant upon paying the rents and performing all of the terms and covenants on its part to be performed, shall peaceably and quietly enjoy the Space Leased subject to the terms of this Lease, and to any deed of trust or mortgage to which this Lease is subordinated.

Section 1.05 Landlord's Right of Entry.

Tenant, at any time during the term of this Lease, shall permit inspection of the Space Leased during reasonable hours by the Landlord or Landlord's agents or representative, and an emergency key shall be provided to Landlord or his designee for entrance into the Space Leased.

**ARTICLE II
LEASE TERM & RENT**

The term of this Lease shall be for three (3) months beginning on March 25, 2014 and ending on June 24, 2014. Landlord may terminate the lease without cause or penalty upon providing a 15-day written notice to the tenant.

City of Wasilla
290 E. Herning Avenue
Wasilla, Alaska 99654
Finance Department

The tenant will pay \$180 one-hundred and eighty dollars per month, due on the first. A deposit of \$180 and the first months' rent of \$180 will be required at the time of lease execution.

**ARTICLE IV
USE OF PREMISES**

Section 3.01 Use of Premises.

Tenant shall use the Space Leased solely for the purpose of selling homemade jewelry and crafts. Tenant shall not use, permit or suffer the use of the Space Leased for any other business, act, or purpose.

Section 3.02 Compliance with Laws.

Tenant shall comply with all applicable laws, statutes, ordinances and regulations of duly constituted public authorities now or hereafter in any manner affecting the Space Leased, 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. Tenant further agrees 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, statute, ordinance or regulation.

Section 3.03 Rules and Regulations of Building.

As a condition to the use of the premises, Tenant shall comply with all reasonable rules and regulations promulgated by Landlord from time to time for any and all Tenants in the building. Landlord shall not be responsible for the nonobservance by any other Tenant of said rules and regulations.

Meta Rose Square is a non-smoking complex in its entirety. A violation of the no smoking policy may result in early termination of the leased space.

Section 3.04 Restriction Against Unpermitted Activities.

Tenant shall not exhibit, sell or offer for sale on the Space Leased or in the building any article or thing except those items essentially connected with the stated use of the Space Leased set forth above by Tenant without the advance written consent of the Landlord. Tenant will not make or allow to be made any use of the Space Leased of any part thereof which would violate any of the covenants, agreements, terms, provisions and conditions of this Lease or which directly or indirectly is forbidden by any federal, state or local law, ordinance, statute or regulation or which may be dangerous to life, limb, or property, or which may invalidate or increase the premium cost of any policy of insurance carried on the building or covering its operation, or which will suffer or permit the Space Leased or any part thereof to be used in any manner or anything to be brought into or kept therein which, in the judgment of Landlord, shall in any way impair the character, reputation or appearance of the building as a first class retail building, or which will impair or interfere with or tend to impair or interfere with any of the services performed by Landlord for the property.

Section 3.05 Security.

No additional locks or similar devices shall be attached to any door or window without Landlord's consent. No keys for any door other than those provided by Landlord shall be made. If more than two keys for one lock are desired, Landlord will provide the same upon payment by Tenant. All keys must be returned to Landlord at the expiration or termination of this Lease.

Section 3.06 No Objectionable Use.

Tenant shall not use, keep or permit to be kept any foul, explosive or noxious gas or substance in the Space Leased, or permit or suffer the Space Leased to be occupied or used in a manner offensive or objectionable to Landlord or other occupants of the building by reason of noise, lighting, music, odors, and/or vibrations, or to interfere in any way with other Tenants or those having business therein, nor shall any animals or birds be brought in or kept in or about the Space Leased unless the animal is a legitimate service animal being utilized by a patron of the Space Leased.

Section 3.07 Securing Premises.

Tenant shall see that the doors and windows, if able to open, are closed and securely locked before leaving the building and must observe strict care and caution that all water faucets or water apparatus are entirely shut off before Tenant or Tenant's employees leave the building, and that all electricity shall be carefully shut off so as to prevent waste or damages, and for any default or carelessness, Tenant shall make good all injuries or losses sustained by either Tenants or occupants of the building or Landlord. Tenant agrees to hold the Landlord harmless for any accidents, damages, injuries or claims for failure to secure the premises.

**ARTICLE V
MAINTENANCE, REPAIR, ALTERATIONS**

Tenant shall during the term of this Lease and any renewal or extension thereof, at its sole expense, keep the interior of the Space Leased in as good order and repair as it is at the date of the commencement of this Lease, except of reasonable wear and tear. Landlord during the term of his Lease shall keep the structural supports and exterior walls of the Space Leased in good order and repair. No alteration or additions are permitted.

**ARTICLE VI
ASSIGNMENT AND SUBLETTING**

Tenant shall not assign, mortgage or encumber this Lease, in whole or in part, or sublet all or any part of the Space Leased without the prior written consent of Landlord. The consent by Landlord to any assignment or subletting shall not constitute a waiver of the necessity for such consent to any subsequent assignment or subletting. This prohibition against any assignment or subletting shall be construed to include a prohibition against any assignment or subletting by operation of law. If this Lease be assigned or if the Space Leased or any part thereof be occupied by anybody other than Tenant, Landlord may collect rent from the assignee or occupant, and apply the net amount collected to the rent herein reserved, but no such assignment, underletting, occupancy or collection shall be deemed a waiver of this provision or the acceptance of the assignee, undertenant or occupant as Tenant, or as a release of Tenant from the further performance herein. Notwithstanding any assignment or sublease, Tenant shall remain fully liable and shall not be released from performing any of the terms of this Lease. Any assignment, hypothecation or sublease of the Space Leased, or any part thereof, whether by operation of law or otherwise without the written consent of Landlord shall be voidable as the option of Landlord.

**ARTICLE VII
INDEMNITY, LANDLORD LIABILITY INSURANCE**

Section 7.01 Indemnity: Landlord Liability.

- a) Tenant shall indemnify Landlord and save it harmless from suits, actions, damages, liability, and expense in connection with loss of life, bodily harm or personal injury or any property damage or loss of property arising from or out of any occurrence in, upon, at or around, or from the Space Leased, or the occupancy or use by Tenant of said Space Leased or any part thereof, occasioned wholly or in part by servants, invitees, licensees or concessionaries, including the sidewalks and common areas and facilities in or about the building;

- b) Tenant shall store its property in and shall occupy the Space Leased at its own risk, and releases Landlord, to the full extent permitted by law, from all claims of every kind resulting in loss of life, personal or bodily injury, or property loss or damage;
- c) Landlord shall not be responsible or liable at any time for any loss or damages to Tenant's panels, decoration, office fixtures, railing, ceiling, floor covering, partitions equipment, fixtures, supplies, merchandise, stock, or any personal property of Tenant, Tenants employees or invitees or to Tenant's business;
- d) Landlord shall not be responsible or liable to Tenant or to those claiming by, through or under Tenant for any loss or damages to either the person or property of Tenant that may be occasioned by or through the acts of omissions of persons occupying adjacent, connecting or adjoining Space Leased;
- e) Landlord shall not be responsible or liable for any defect, latent or otherwise, in the building in which the Space Leased is situated, or any of the equipment, machinery, utilities, appliances or apparatus therein, nor shall it be responsible or liable for any injury, loss or damage to any person or to any property of Tenant or other person caused by or resulting from bursting, breakage or from leakage, steam or snow or ice, running or the overflow of water or sewerage in any part of said Space Leased, common area or for any injury or damage caused by or resulting from acts of God or the elements, or for any injury or damage caused by or resulting from any defect in occupancy, construction, operation or use of any of said Space Leased, common area, building, machinery, apparatus or equipment by any person or from the acts of negligence of any occupancy or invitee or criminal act, in, on or about the Space Leased, common area, or building;
- f) Tenant shall give prompt notice to Landlord in case of any fire or accident in the Space Leased, common area, or in the building of which the Space Leased are a part, or defects therein, or in any fixtures or equipment;
- g) In case Landlord shall without fault on its part be made a party to any litigation commenced by or against Tenant, then Tenant shall protect and hold Landlord harmless and shall pay any and all costs, expenses and attorney's fees.

Section 7.02 Insurance.

Tenant shall maintain at its own cost and expense:

- a) Fire and extended coverage in an amount adequate to cover the cost of replacement of any and all panels, decoration, office fixtures, railing, ceiling, floor covering, partitions carpets, wall coverings, equipment, machinery, vehicles, decorations, improvements, fixtures and contents in or servicing the Space Leased in the event of fire, vandalism, malicious mischief, or other casualty generally included in extended coverage policies;
- b) Public liability insurance on an occurrence basis with minimum limits of liability in an amount of One Million Dollars (\$1,000,000.00) for bodily injury, personal injury death to any one or more persons, and One Million Dollars (\$1,000,000.00) with respect to damages to property. All public liability and property damage insurance shall insure performance by Tenant of the indemnity provisions of paragraph 7.01. Both parties shall be named as additional insured, and the policies shall contain cross-liability endorsements.

Section 7.03 Insured Waiver, Notice.

Any insurance procured by Tenant as herein required shall be issued in the name of Landlord and Tenant by a company licensed to do business in Alaska subject to these requirements:

- a) Such insurance may not be cancelled or amended with respect to Landlord without thirty (30) days written notice by certified or registered mail to Landlord, by the insurance company, at the following address:

City of Wasilla
290 E. Herning Avenue
Wasilla, Alaska 99654

- b) Tenant shall be solely responsible for payment of premiums and deductibles; and
- c) In the event of payment of any loss covered by such policy, payment shall be made to Tenant and Landlord as their interest may appear; and
- d) Shall contain an express waiver of any right of subrogation by the insurance company against the Landlord. The original policy of all such insurance shall be delivered to Landlord by Tenant within (10) days of issuance of such policy by the insurance company. The minimum limits

of any insurance coverage required herein shall not limit Tenant's liability under Section 7.01.

ARTICLE VIII CASUALTIES, DESTRUCTION

If all or any part of the Space Leased or the building in which Space Leased is damaged or destroyed by fire or other casualty insured under the standard fire insurance policy or other casualty insured under the standard fire insurance policy with an extended coverage endorsement applicable to such property, the Landlord, unless it otherwise elects as herein provided, shall repair the same with reasonable dispatch out of the insurance proceeds received by it from the insurer. If the Space Leased or any part thereof is damaged by fire or other casualties to such an extent as to be rendered untenable in whole or in part, then the rent shall be abated to an extent corresponding with the part untenable, and for a period corresponding with the period during such untenability exists. If, however, Tenant fails to adjust its own insurance claim within a reasonable time, and as a result thereof the repairing and restoration is delayed, there shall be no abatement of rent during the period of such resulting delay, or if the fire or damage to said Space Leased was caused by carelessness or negligence or improper conduct of Tenant, then notwithstanding such damage or destruction, Tenant shall be liable for the rent during the unexpired period of the demised term, without abatement. If the Landlord elects to restore the Space Leased as provided in this paragraph, Landlord shall not be required to restore alterations made by Tenant, Tenant's improvements, Tenant's trade fixtures, equipment and Tenant's personal property, including without limitation any panels, decoration, office fixtures, railing, ceiling, floor covering, partitions and the like, such excluded items being the sole responsibility of Tenant to restore. Landlord shall not be responsible for lost profits during the restoration period.

ARTICLE VIV GENERAL PROVISIONS

Section 9.01 Notices.

Any notice or demand which under the terms of this Lease or any statute may or must be given or made by the parties hereto, shall be in writing and given or made by mailing the same by registered or certified mail, addressed to the other party as follows:

Landlord:	City of Wasilla 290 E. Herning Avenue Wasilla, Alaska 99654
Tenant:	Luda's Creations Attn: Luda Trent 202 W. Willmington Drive Wasilla, AK 99654

Either party may, however, designate in writing such new or other address to which such notice or demand shall thereafter be so given, made or mailed. Any notice given hereunder by mail shall be deemed delivered when deposited in the United States general or branch post office, enclosed in a registered or certified prepaid wrapper addressed as hereinbefore provided.

Section 9.02 Binding Effect.

This Lease, subject to the provisions of Section 6, Assignment and Subletting, shall be binding upon and inure to the benefit of the parties hereto their legal representatives, successors, and assigns.

**ARTICLE X
MISCELLANEOUS PROVISIONS**

Section 11.01 Consent in Writing Only.

Whenever consent, permission or approval of the Landlord is required, such must be in writing and signed by Landlord to be valid and must be given in advance.

Section 11.02 All Agreements - Amendments.

This Lease contains all the agreements of the parties and cannot be amended or modified except by a written agreement signed by the parties hereto.

Section 11.03 Landlord's Copy to Control.

In the event of a variation or discrepancy, Landlord's original copy of this Lease shall control.

Section 11.04 Execution of All Parties.

It is understood and agreed that this Lease shall not be binding until and unless all parties have signed it.

Section 11.06 Negotiated and Mutually Drafted Lease.

The Tenant understands that this lease document was drafted by counsel for the City of Wasilla but hereby acknowledges that he has either had his own attorney or counsel review the lease and/or had ample opportunity to have the document reviewed by an attorney of his choice or counsel.

The Tenant also agrees that the lease was mutually created and negotiated by himself and the City of Wasilla. Therefore, if there is a question of interpretation of the drafted language herein the interpretation should not be construed against either author.

LANDLORD:

Verne E. Rupright, Mayor
City of Wasilla

Date

TENANT:

Luda Trent, Owner
Luda's Creations

Date