



CITY OF WASILLA

290 E. HERNING AVE.
WASILLA, ALASKA 99654-7091
PHONE: (907) 373-9050
FAX: (907) 373-0788

COUNCIL MEMORANDUM NO. 92-42

FROM: Deputy Administrator

DATE: April 8, 1992


RE: Wasilla Elementary School Lease

Council recently rejected a request from the school district to consider leasing to them the old elementary school and directed staff to continue the lease with Chugiak Children's Services for the Head Start program.

The enclosed letter from the Head Start executive director requests renewal of the lease for a three-year term with option for further renewal. The revenues from the present lease (\$15,000 annually) do not cover operating costs or major repairs. We have been advised that the pipes on the hot water heating system are badly deteriorated and will probably need replacement in the near future. We should plan to have the roof recovered next year.

Administration, with the concurrence of the lessee, has prepared a renewal of the lease for a three (3) year period and included a rate increase from \$.35 per square foot to \$.40 per square foot. Additionally, the lease rate will be adjusted at the end of each year in accordance with the annual change in the Anchorage Consumer Price Index.

Request Council authorize the Mayor to enter into the new lease agreement.



Robert E. Harris
Deputy Administrator

Approved 4/13/92 ^{410X}



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MEMO

TO: Robert E. Harris,
Deputy Administrator

FROM: William W. Harvey *W.W.H.*
Deputy Director of ~~Public Works~~

DATE: April 3, 1992

RE: Costs for Elementary School

The following are costs for the Elementary School for 1 year:

Electricity	\$4,469.27
Contract Janitorial	\$4,929.36
Water and Sewer	\$1,184.71
Enstar Natural Gas	\$3,319.35
Janitorial Supplies	\$703.18
Security Services	\$857.50
	=====
	\$15,463.37

Enstar Natural Gas, janitorial supplies, and security services were derived by taking 50% of the total cost for FY-91.

The above total does not include man hours for Public Works employees for such tasks as, changing bulbs and repairing fixtures, unstopping sinks, snow and ice removal, or maintenance on the boiler. Nor does it include the cost of parts for the repair of the Elementary School.

CHUGIAK CHILDREN'S SERVICES, inc.

Head Start • Enrichment • Day Care
P.O. Box 670233 • Chugiak, AK 99567 • (907) 688-2660

March 28, 1992

RECEIVED
MAR 31 1992
City of Wasilla, Alaska

City Of Wasilla
290 E. Herning Ave.
Wasilla, Alaska 99687
Attn: Mayor John Stein

Dear Council Members and Mayor Stein;

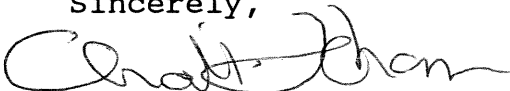
I am writing you for two purposes. First, I want to personally thank you for your most honorable decision to continue allowing rental space for Wasilla Head Start in your facility. The matter was quite touch and go, but I am confident it was the best decision possible! Your supportive statements were overwhelming and encouraging.

Secondly, according to our contract, I must contact you sixty days prior to renewal for any revisions to our contract for the upcoming year. One revision I want to suggest is to extend our contract for a **three year period of time**. Because of our expansion and the renovation costs we are expending on the kitchen, I feel a three year stay is justified. I am aware that previous discussions have been made regarding the extension of a contract to CCS for eight years. (this is also discussed within the contract) Discussion I have been involved in recently with some of you members centers around shortening that term to at least three years. I am in agreement to this provided we have the **opportunity to apply** for a renewal following our three year tenure.

Please give this matter consideration. I am under budget restraints and a timeline of April 20, 1992. Should there be any increase in rent or the like, please contact me **before** April 20, 1992. I will be looking forward to receiving our renewed contract.

Thank you for your support and time spent on this matter.

Sincerely,



Ms. Charlie Johanson
Executive Director



A United Way Agency

RECEIVED AUG 20 1991

12/11/90

WASILLA SCHOOL BUILDING LEASE

This agreement is made and entered into as of the date of execution of this agreement by the City of Wasilla and is a lease agreement between the City of Wasilla, an Alaska municipal corporation, whose address is 290 E. Herning Avenue, Wasilla, Alaska, 99687, hereinafter referred to as the "Lessor," and Chugiak Children's Services, Inc., P. O. Box 670233, Chugiak, Alaska, 99567, hereinafter referred to as the "Lessee."

1. Premises. Lessor, for and in consideration of the covenants and conditions hereinafter specified does hereby let, lease, and demise to Lessee the real property and appurtenant improvements located within the City of Wasilla and referred to as follows:

Rooms 109, 110, 111, 112, 113, 114 and 117 of the Wasilla Elementary School Building adjacent to and connected to the existing Wasilla City Hall located at 290 E. Herning Avenue, Wasilla, Alaska, such rooms comprising approximately 4,200 square feet and further including the non-exclusive use of the playground space located at the West end of the school building (but specifically excluding the use of the remainder of the fenced lot).

Lessee may request an additional room to lease during the course of the lease term. In that event, the City of Wasilla will agree to lease an additional room subject to A) the availability of such a room and B) a signed lease amendment whereby the Lessee agrees to pay an additional amount represented by the additional square footage multiplied by approximately thirty-five cents per month. The concept will be to apply the same rental rate to any additional space requested by the Lessee.

2. Use of Premises. The lease premises are to be used primarily as pre-school and daycare facilities and those activities consistent and desirable for providing pre-school and daycare services. The use contemplated by this lease agreement includes use of the improved facilities for activities reasonably related to the primary purpose and function of the Lessee.

3. Lease Term/Option To Renew. The term of this lease shall be for the 10 month period beginning August 1, 1990 through May 31, 1991. Absent breach of the agreements contained herein the lease shall not be terminated by either

the Lessor or the Lessee, absent mutual agreement, prior to May 31, 1991. In the event that Lessee should vacate the premises prior to May 31, 1991, Lessee shall still remain fully responsible for the payment of the entire lease amount, as provided for below.

Lessee and Lessor, upon mutual agreement, may renew and extend the lease for an additional term of ten months from the date of August 1, 1991 through May 31, 1992, provided that A) Lessee gives notice, in writing, of its intention to renew and extend this lease at least eighty (80) days prior to the expiration of the primary lease term and further providing that B) Lessee agrees to pay no less than the amount of rental payment, as set forth below, during the renewal period and will further agree to pay an additional amount representing any increase in cost to the Lessor in performing the obligations of the Lessor under the terms of this lease agreement. However, it is expressly understood that there is no mandatory obligation on either party to commit to renewal of the lease for an additional ten months. In the event that Lessee notices its intention to renew the lease, as provided above, and in the further event that the Lessor chooses not to allow renewal of the lease, for whatever reason, then and in such events, the Lessor shall notify the Lessee, in writing, that the lease shall not be renewed and such notice shall be sent by mail or delivered to the Lessee no later than sixty (60) days prior to the expiration of the primary lease term.

Further requests by Lessee to renew the lease will be considered for a period of eight years following the first renewal term ending May 31, 1992, as provided for above. As with the initial renewal term of August 1, 1991 through May 31, 1992, any further renewals will be subject to the negotiation process described above for the first renewal. That is, it is expressly understood that there is no mandatory obligation on either party to commit to renewal of the lease but both parties agree to negotiate in the event of a request for a renewal. This responsibility to negotiate shall continue for the eight years following the termination of the first renewal period from the date of August 1, 1991 through May 31, 1992.

The rights of renewal expressed by this paragraph are expressly contingent upon Wasilla City Council approval of this renewal paragraph.

4. Rental Payment. Lessee agrees to pay a total lease amount of \$14,700.00, payable in equal monthly installments of \$1,470.00 per month. Each monthly installment shall be paid on or before the 1st of that particular month thereby rendering the last payment due on or before May 1, 1991

5. Construction Of New Improvements Prohibited Unless By Express Written Permission. Lessee shall submit proposals in the form of plans and specifications for all improvements to be erected or constructed upon the lease premises. Such plans and specifications shall be submitted to the Lessor for Lessor's written approval prior to initiation of any such improvements. Lessor shall not be obligated, in any manner, to agree to proposed construction improvements and may withhold consent to proceed with construction activities for any reason within the sole discretion of Lessor.

On termination of this lease, whether by natural expiration or otherwise, Lessor shall become the owner of any and all improvements and appurtenances that have been constructed by Lessee on, adjacent to, or as part of the lease premises. The termination of the lease, for any reason or cause, shall be deemed to be a conveyance of, by Lessee to Lessor, ownership title to any and all property improvements or appurtenances constructed and attached to the lease premises.

At the lease termination and at the sole discretion of the Lessor, Lessor may direct the Lessee to dismantle and remove any and all improvements constructed by Lessee, such dismantling and removal to be at the sole expense of the Lessee. However, Lessee shall not be required to dismantle or remove permanent improvements previously approved by Lessor pursuant to this lease.

6. Utilities. Lessor shall provide the following utilities for Lessee, as part of the leasehold premises: heat, electrical lighting, water, sewer, ordinary and usual maintenance, and limited janitorial services more specifically described as follows. Janitorial service shall be performed on a daily basis, excluding all holidays and weekend (Saturday and Sunday) days and such daily janitorial services shall be limited to: 1) cleaning of the restrooms, 2) cleaning of the hallways, 3) removal of trash placed by Lessee into waste baskets and trash receptacles, 4) weekly sweeping of the floors and waxing or other maintenance of the floors on an as-needed basis, not to be greater than once weekly.

Lessee shall be responsible for all other utilities and maintenance including, but not limited to, telephone service and other janitorial duties not specifically described above.

Real property taxes and/or improvement assessments, if any, shall remain the obligation of the Lessor. Personal

property taxes assessed by the Matanuska-Susitna Borough shall remain the responsibility of Lessee.

7. Lessee To Comply With All Laws And Ordinances And Nuisance Activities Prohibited. During the term of this lease, Lessee shall comply with all applicable laws affecting the lease premises, including, but not limited to, regulations, ordinances, and statutes which may be applicable to the property or the activities conducted by Lessee thereon. Lessee further agrees not to commit or suffer to be committed any waste upon the lease premises and Lessee further agrees not to commit or allow any nuisance use of the property.

8. Indemnification Of Lessor. Lessee shall indemnify, hold harmless and defend the Lessor, its agents, employees, and representatives, from and against all claims, damages, losses, and expenses, or alleged claims, damages, losses or expenses, including but not limited to attorney fees, alleged to arise out of or result from the performance or failure to perform this agreement or arising out of or resulting from the activities of the Lessee on or in relation to the lease premises. The obligation of the Lessee described by this paragraph is intended to include claims, damages, losses, or expenses 1) attributable to bodily injury, sickness, disease or death, or to injury or destruction of tangible property including the loss of use resulting therefrom, and/or 2) attributable, in whole or in part, to any negligent act or omission of the Lessee, Lessee's subcontractor(s), or anyone directly employed by any of them or anyone for whose acts any of them may be liable. The obligations of the Lessee shall not be applicable in the event that the claim is alleged to be the result of the sole and exclusive negligence of the Lessor but shall be applicable to claims alleging responsibility of both the Lessee and the Lessor.

9. Lessor's Right Of Entry. Lessee shall permit Lessor, and the agents and employees of Lessor, to enter into and upon the lease premises at all reasonable times for the purposes of inspecting the same, or for the purposes of posting notices for the benefit of the general public or for other purposes related to the performance of this agreement.

10. Encumbrances Of Lessor's Interest Not Allowed. The Lessee is not permitted and may not encumber by mortgage, deed of trust, assignment, or other instrument, its leasehold interest and estate in the lease premises whether as security for indebtedness of the Lessee or otherwise. The execution of any such encumbrance by the Lessee shall be held to be a material violation of the terms and conditions of this agreement and shall be void by the fact of such an encumbrance,

constitute an automatic right of the Lessor to terminate the interest of the Lessee in this agreement.

11. Insurance. Lessee shall, at all times during the term of this lease and at Lessee's sole expense, maintain and keep insurance coverage, as provided below, upon the premises, all improvements thereto, and on the persons employed by Lessee.

(A) Personal Injury Liability Insurance. Lessee shall maintain in effect throughout the terms of this lease personal injury and property damage liability insurance covering the premises and its appurtenances, facilities and improvements in the amount of Five Hundred Thousand Dollars (\$500,000.00) for injury to or death of any one person and Five Hundred Thousand Dollars (\$500,000.00) for injury to or death of any number of persons in one occurrence and property damage liability insurance in the amount of Ten Thousand Dollars (\$10,000.00). Such insurance shall specifically insure the Lessee against all liability assumed by it hereunder, as well as liability imposed by law, and shall specifically name the Lessor as an additional named insured on the policy of insurance.

(B) Worker's Compensation Coverage. Lessee shall purchase and maintain disability benefit and other similar employee benefit compensation in an amount equal to at least the mandatory minimum required for any and all employees of Lessee, if any, pursuant to Alaska's Worker's Compensation Act.

(C) Miscellaneous Insurance Issues. Loss adjustment, if any, shall require the written consent of both Lessor and Lessee on any matter within the coverage of insurance pursuant to subparagraph (A), above. Certificates of insurance showing the applicable coverage as required pursuant to the terms of this agreement shall be required and is a pre-condition to initiation of the lease term. The cost of any and all insurance required by the terms of this agreement shall be carried and paid for by the Lessee. Any insurance proceeds recovered by reason of damage to or destruction of the improvements on the lease premises shall be used to repair, restore, or replace improvements so damaged or destroyed and/or to construct additional improvements.

12. Non-Discrimination Policy. Lessee agrees that its activities on the lease premises will be conducted in a non-discriminatory manner and that employment will be based upon principles of equal opportunity.

13. 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.

14. Assignment Or Subletting. Lessee shall not sublet the demised premises, or any part thereof, nor assign this lease, or any part thereof, without the prior written consent of the Lessor, which shall not be unreasonably withheld.

15. Modification And Amendment. This lease may not be modified nor amended except by written agreement signed by both parties hereto, and any purported ammendment or modification is without affect until reduced to writing signed by both parties hereto.

16. Rule Of Contract Interpretation Not Applicable. Both parties to this lease acknowledge their participation in the terms and drafting of this lease agreement. The rule of law that construes ambiguous terms in a contract against the draftsman of that contract shall not be applicable to the interpretation of this agreement.

17. Rights Of Lessor Cumulative. The remedies available to the Lessor pursuant to this agreement shall be deemed cumulative and not exclusive to other legal, equitable, or contractual remedies available to the Lessor.

18. Time Of The Essence. Time is of the essence for this lease and each and every covenant, term, condition and provision hereof.

DATED this 15 day of August, 1990. *JS*

LESSOR:


CITY OF WASILLA

By: 

John C. Stein, Mayor

[SEAL]

ATTEST:


Erling P. Nelson, CMC
City Clerk

DATED this 15 day of August, 1990. ^{js}

LESSEE:

CHUGIAK CHILDREN'S SERVICES, INC.

By: Cheryl Johanson
Its: Executive Director, CCS

STATE OF ALASKA)
) ss.
THIRD JUDICIAL)

^{js} THIS IS TO CERTIFY that on this 15 day of August, 1990, personally appeared before me Cheryl A. Johanson, known to me to be the Executive Director of the Chugiak Children's Services, Inc. and who executed the within Wasilla School Building Lease, and she acknowledged that she signed the same as her free and voluntary act and deed for Children's Services, Inc. and who executed the within Wasilla School Building Lease, and she acknowledged that she signed the same as her free and voluntary act and deed for the uses and purposes therein mentioned.

GIVEN UNDER MY HAND and official seal the day and year last above written.

Cecelia Peterson
Notary Public for Alaska
My Commission Expires: 1/22/93