



CITY OF WASILLA

290 E. HERNING AVE.

WASILLA, ALASKA 99654-7091

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COUNCIL MEMORANDUM NO. 92-89

From: Mayor Stein
Date: August 19, 1992
Subject: Chugiak Children's Services
Head Start Lease Renewal

Council's concerns about preserving options for police space in the old Wasilla School have been addressed in this version of the Head Start lease renewal.

The renewal provides for:

Lease of approximately 4,420 square feet @ \$.40/sq.ft./month

10-Month annual lease cost - \$17,680.00

Lease of Rooms: 104/105 - Kitchen
 110/111/112 - Office
 109/113/114/117 - Classrooms

Reserving for City Rooms 106 - Cafeteria
 107/108 - Teachers
 118 - Classroom

Common Areas Hallways, Restrooms
 115 - Classroom

3-Year Renewal of 10-Month Lease Through May 31, 1995

Indexing Rental Rate to Consumer Price Index

Approval of Kitchen Remodel

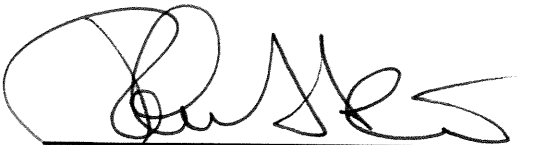
Termination by City Providing for Reimbursement of Remodel Costs Not to Exceed \$7,500
After First Year; \$5,000 After Second Year

Adequate initial space for police should be available in Rooms 106, 107 and 108. The adjoining classroom 109 could later be exchanged or negotiated with Chugiak for additional police space. Classroom 118 is currently in use for public works documents, election central space and Retired Senior Volunteer Program desk.

This renewal provides the City maximum flexibility while providing for the needs of the Head Start Program. The Head Start kitchen improvements have, in fact, been completed. Your inspection is invited.

A plan, square footage table and copy of the draft renewal agreement are attached.

Administration respectfully requests approval and authority for the Mayor to execute the renewal agreement.



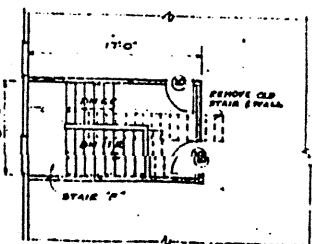
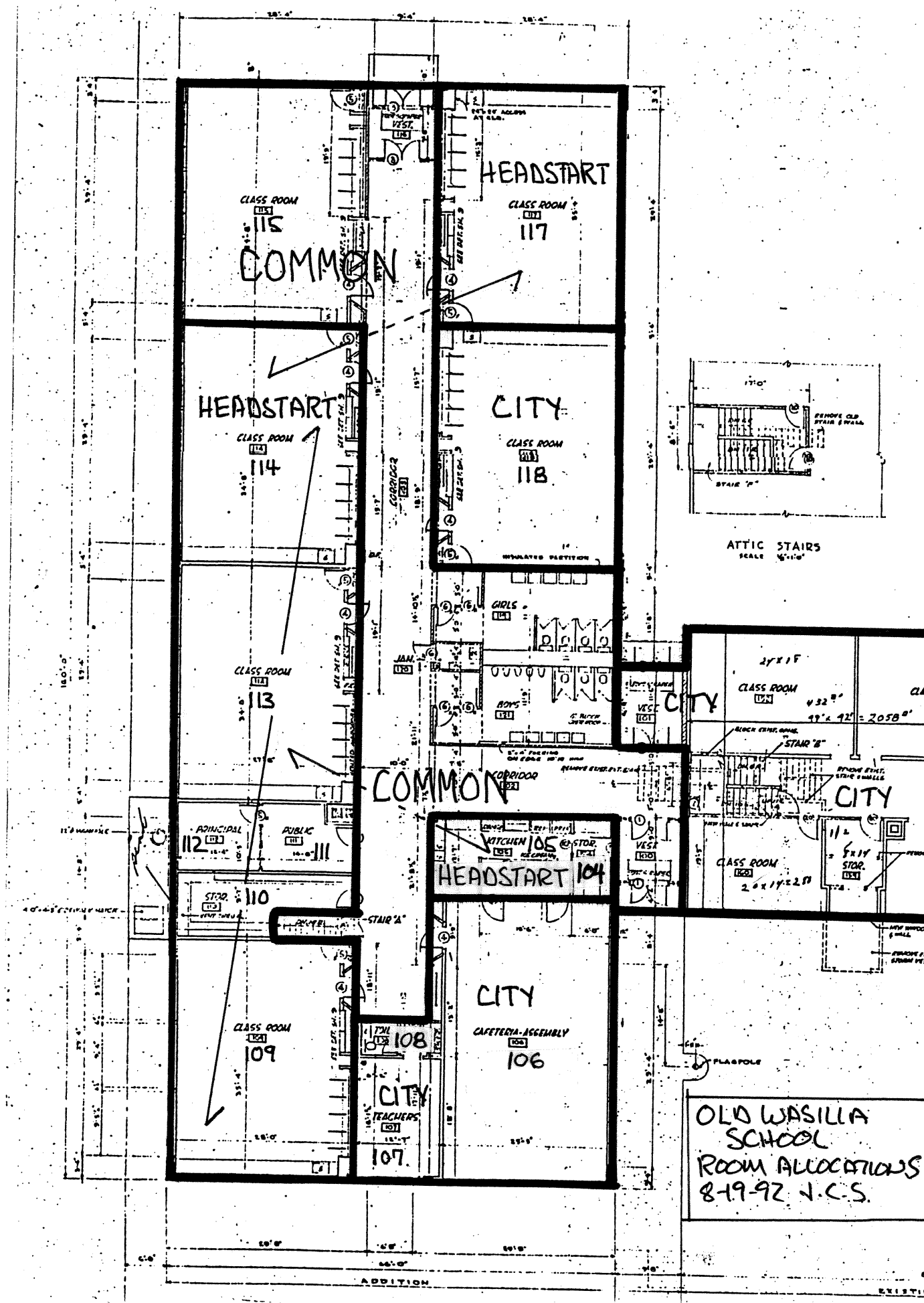
John C. Stein, Mayor

JCS/sbh

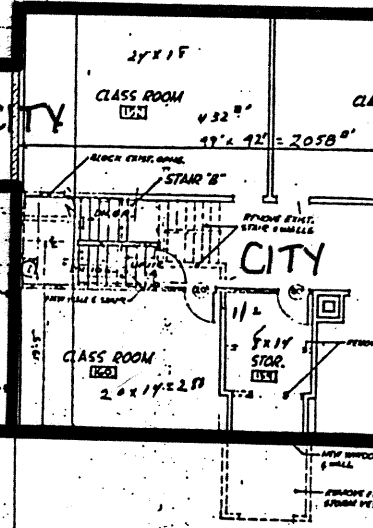
cc: Chugiak Children's Services

APPROVED

DATE: 8/24/92
BY: EM



ATTIC STAIRS
SCALE 1/4" = 1'-0"



OLD WASILLA
SCHOOL
ROOM ALLOCATIONS
8-19-92 J.C.S.

ADDITION

EXISTING

HEAD START LEASE RENEWAL - 1993

<u>Room #</u>	<u>Approximate Area Square Foot</u>
104/105	320
109	900
110/111/112	500
113	900
114	900
117	<u>900</u>
Total	4420

4420 Square Feet x \$.40/sq.ft./month = \$1,768.00

**AGREEMENT TO RENEW LEASE OF
CITY OF WASILLA SCHOOL BUILDING BY
CHUGIAK CHILDREN'S SERVICES, INC.**

THIS AGREEMENT is made and entered into as of the date of the execution of this Agreement by the City of Wasilla. This Agreement represents the renewal of a lease agreement (originally effective August 1, 1990 through to May 31, 1991) 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 Chugiak Children's Services, Inc., Post Office Box 670233, Chugiak, Alaska 99567, hereinafter referred to as the "Lessee". The lease renewal expressed herein is effective August 1, 1992.

1. Reaffirmation of Original Lease. Lessee and Lessor both reaffirm the terms of the original Lease Agreement effective August 1, 1990 through May 31, 1991, except as expressly modified by the terms of this renewal. The modifications expressed herein are adopted by the Lessee and the Lessor by mutual agreement.

2. Description of Leased Premises. The leased premises are slightly modified from the terms of the original lease agreement. The parties agree to modify the original lease agreement so as to include in the description of rooms to be leased the following:

Rooms 104/105, (kitchen), 109, 110/111/112 (Office), 113, 114, and 117. The restrooms (119 and 121) Classroom 115 and hallways are also available for use, in common with other occupants, including the City use of the property.

Rooms 106 (cafeteria), 107 (teacher's room), 108 (toilet), 118, and all other areas within the former Wasilla Elementary School are reserved for City use.

The description of the leased premises from the earlier agreement, referred to above in Paragraph 1, are hereby amended and modified as set forth above.

As will be set forth below, the lease payment is premised upon a lease rate multiplied by the square footage of the premises leased. For purposes of determining the total square footage involved in the leased premises described herein, the parties mutually understand the approximate total square footage to be equal to 4,420 square feet.

3. Rental Payment. Lessee agrees to pay a total monthly lease amount of forty cents per square foot. This rate equals \$1,768.00 per month, payable in equal monthly installments of \$1,768.00, such amount to be paid on or before the 1st day of each month of the term of the lease - to be described below. For example, \$1,768.00 is to be paid on or before August 1, 1992 for the lease period covering August 1, 1992 through August 31, 1992.

4. Adjustment of Lease Rate Pursuant To The Average Annual Consumer Price Index for Anchorage. The preceding establishes that the lease rate is premised upon forty cents per square foot per month. Both parties mutually agree that the lease rate shall be adjusted up or down from forty cents, on an annual basis (effective August 1 of each year of the term of this lease), to reflect the percentage change in the average annual consumer price index for the Anchorage area as established by the statistics maintained by the United States Department of Labor

To be specific, the base time frame for purposes of the starting point from which to gauge whether there has been a change, up or down, in the annual average CPI for the Anchorage area shall be the average annual CPI for 1991. It is the understanding of the parties that the average CPI for the Anchorage area, for calendar year 1991 will be published sometime during the month of August in the calendar year following 1991 (that is the 1991 average annual CPI will be published in August, 1992). The 1991 annual average, to be published in August, 1992, is the base by which to judge if there is a change in the CPI. The lease rate will be adjusted, up or down, by the same percentage change in the average annual CPI for the Anchorage area for that portion of the renewal term covering August 1, 1993 through May 31, 1994 by consulting the difference between the average annual CPI for 1991 as against the average annual CPI for 1992. Since that comparison will not be known until, in all likelihood, sometime shortly after August 1, 1993, the lease rate effective from August 1, 1993 through to and including May 31, 1994 shall be calculated when the CPI information becomes available. In the interim time, the rate of forty cents per square foot shall be payable with reconciliation payments to be made, up or down, when the Department of Labor information becomes published.

Similarly, the lease rate effective August 1, 1994 through May 31, 1995 shall be based on the percentage change in the Anchorage area CPI by comparing the 1991 annual average to the 1993 annual average.

5. Lease Term. The parties mutually agree to a lease renewal that will include three ten month periods, the first ten month period includes August 1, 1992 through May 31, 1993. The second ten month term which is part of this renewal

agreement shall be from August 1, 1993 through May 31, 1994. The third and final ten month period covered by this renewal of the lease shall be from August 1, 1994 through May 31, 1995. As noted above, the first ten month period of this lease renewal shall be governed by the lease rate of forty cents per square foot. The second ten month period covered by this renewal agreement shall be adjusted by the percentage change in the average annual CPI index for 1992 with the average annual index of 1991. The third lease period covered by this renewal agreement shall also include an adjustment of the lease rate by again comparing the percentage change of the average annual CPI index of 1991 with the average annual CPI for 1993. The same percentage change in the CPI shall be the percentage change in the lease rate, whether up or down.

6. Authority To Proceed With Construction Of New Improvements. As set forth in the original lease document, renewed hereby, new construction will only be permitted upon submission of written plans and specifications with written approval to initiate such improvements granted by the Lessor. Both parties to this renewal agreement understand and agree that improvements are anticipated by the Lessee. Specific plans and specifications for those improvements will be submitted subsequent to the execution of this renewal agreement. The Lessor agrees that the permission to proceed with such improvements will not be unreasonably withheld.

7. Authority of Lessor to Terminate Rental Agreement Upon Conclusion of First And/Or Second Lease Periods. As noted above, this agreement includes three separable lease periods, August 1, 1992 through May 31, 1993, August 1, 1993 through May 31, 1994, and August 1, 1994 through May 31, 1995. On or before the last day of

May, 1993 or on or before the last day of May, 1994 (or earlier the City of Wasilla as Lessor is granted the right and power to notify Lessee that the Lease Agreement is terminated and that subsequent lease periods will not be permitted or allowed. If timely notice, pursuant to this paragraph, is given, the Lease Agreement is understood to be null and void for such subsequent lease periods and no claim or recourse, other than that provided by this paragraph, shall be permitted and allowed by Lessee against Lessor.

In the event that the termination notice provided for herein is exercised by the City on or before May 31, 1993, then and in such event the Lessor shall reimburse the Lessee for three-fourths (3/4ths) of the actual costs of construction of improvements undertaken by Lessee pursuant to Paragraph 6 above. However, in no event shall the total costs of constructed improvements to be reimbursed exceed \$10,000. More specifically, in light of the limitation on reimbursement to 3/4ths of the costs of constructed improvements, the maximum allowable reimbursement would equal either 3/4ths of actual costs or \$7,500 in the event that the actual costs of improvements is more than \$10,000.

In the event that the termination notice provided for herein is exercised by the Lessor on or before May 31, 1994, the Lessor shall reimburse the Lessee for one-half (1/2) of the actual costs of construction of improvements undertaken by Lessee pursuant to paragraph 6, above. However, in no event shall the total costs of constructed improvements to be reimbursed exceed \$10,000. More specifically, in light of the limitation on reimbursement to 1/2 of the costs of constructed improvements,

the maximum allowable reimbursement would equal either 1/2 of actual costs or \$5,000 in the event that the actual costs of improvements is more than \$10,000.

8. No Other Changes. The parties mutually agree that all other provisions of the original lease agreement, referred to at the outset of this renewal agreement, are hereby confirmed as applicable and binding upon the parties.

DATED this _____ day of _____, 1992.

LESSOR:
CITY OF WASILLA

By: _____
John C. Stein, Mayor

ATTEST:

Erling P. Nelson, CMC
City Clerk

(Seal)

DATED this _____ day of _____, 1992.

LESSEE:
CHUGIAK CHILDREN'S SERVICES, INC.

By: _____
Its: _____

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

THIS IS TO CERTIFY that on the ____ day of _____, 1992, before me, the undersigned, a Notary Public in and for the State of Alaska, duly commissioned and sworn, personally appeared _____, to me known to be the identical person described in and who executed the within and foregoing instrument as _____ of Chugiak Children's Services, Inc. and acknowledged to me that he/she signed the same as _____ of Chugiak Children's Services, Inc. in the name of and for on behalf of said corporation, that _____ knows and can attest to the signature of _____ that he/she had signed the foregoing, and that he/she had signed the foregoing freely and voluntarily and by authority of the Board of Directors of said corporation for the uses and purposes therein mentioned.

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

Notary Public in and for Alaska
My Commission Expires _____