



## CITY OF WASILLA

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

### INFORMATION MEMORANDUM NO. 92-24

**To:** Council  
**From:** Deputy Administrator  
**Date:** August 6, 1992  
**Subject:** City Shop Building

On July 13, 1992, Council postponed action on Council Memorandum 92-75 and authorization to purchase the building in the B & J Industrial Park pending receipt of additional information.

Attached is a packet of information pertaining to the property provided by the real estate agent and a cost estimate to bid and construct a new similar building.

We have requested a report on the proposed building from a structural engineer and hope to be able to provide it to Council prior to Monday, August 10, 1992.

The Mayor responded to the F.D.I.C. eviction notice with a request to remain in the present building through this next winter and to hold F.D.I.C. harmless in the event of structural failure. An alternative proposal was offered to purchase the existing building for the value of the land less the demolition cost of the building. We have not received an F.D.I.C. response.

Robert E. Harris  
Deputy Administrator

REH/shb

PUBLISHER:  Frontiersman	DATE OF ORDER:  8-18-92
ORDERED BY:  City of Wasilla 290 E. Herning Avenue Wasilla, Alaska 99654-7091	DATES ADVERTISEMENT REQUIRED:  8-21; 8-26; 8-28  (The material below the double lines must be printed in its entirety on the dates shown.)
AFFIDAVIT OF PUBLICATION is required with every billing	

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**REQUEST FOR PROPOSALS  
SHOP BUILDING**

The City of Wasilla wishes to lease or lease/purchase or purchase or construct a building suitable for a Public Works Department garage and shop building. The building must be within the City of Wasilla and contain a minimum of 6,000 square feet on the ground floor. The land area should be a minimum of 1.5 acres for parking and outside storage. The building must have at least one door that provides clearance 14' high and 16' wide. The floor must be capable of supporting road graders and heavy trucks. A drive-through capability is preferred. A small office and restroom are required. The structure must meet state building codes and local zoning codes. Proposals will be received by the City Clerk until 12:00 Noon, Tuesday, September 1, 1992.

This is NOT a request for competitive bids. The City reserves the right to accept or reject any or all proposals and to conduct further negotiations with any proposer. The City is not responsible for any costs incurred in responding to this solicitation.

Publish: 8-21; 8-26; 8-28



# ARCHIMAGE

634 South Bailey, Suite 207, Palmer, Alaska 99645 • (907) 745-8808 Fax: (907) 745-1165

August 05, 1992

Bob Harris  
City of Wasilla  
290 East. Herning Avenue  
Wasilla, Alaska 99654

Re: <sup>CITY</sup> Airport Maintenance Storage Building • Estimate for design services and construction

Dear Sirs:

You have requested estimates for the design and construction of an equipment storage building at an undesignated site in the city of Wasilla.

The building is expected to be rectangular, with a storage mezzanine over an office/ restroom/ shower area, totaling 7,000 square feet plus the area included in the mezzanine. The building is expected to have a pre-engineered metal building enclosure. The construction cost will probably be in the range of \$70 per square foot, depending on specific requirements of the facility. This rough estimate is based on "Means Square Foot Costs (1991)" and adjusted by the Anchorage area location factor. The construction budget of a building of this scope should be around \$ 500,000. The design fees for a building like this are normally around 8% of the construction costs, depending on the requirements of the facility.

We would like to be of service to you as the project designers. Our office is located in Palmer. You can reach only this architectural firm with a local phone call. Our commitment to the quality of architecture and the people of the Wasilla / Mat-Su area remains as solid as ever. This is our home. In order to meet your requirements, we have assembled a team comprised of talented local professionals.

The pages following provide information on the design team members and qualifications, and the "solution finding and achieving" strategy we would employ on the City Shop Building.

The design team has estimated a design budget based on the scope of work described by your phone call. Services included in the budget are described in the accompanying pages.

Architecture	\$ 25,000
Civil Engineering	\$ 2,900
Structural Engineering	\$ 2,500
Mechanical/Electrical Engineering	\$ 17,200
<b>TOTAL DESIGN ESTIMATE</b>	<b>\$ 47,600</b>

We look forward to working with you to make this project a reality.

Sincerely,

*Bonnie G. Allen*

Bonnie G. Allen  
Partner



## CITY OF WASILLA

290 E. HERNING AVE.

WASILLA, ALASKA 99654-7091

PHONE: (907) 373-9050

FAX: (907) 373-0788

August 20, 1992

Federal Deposit Insurance Corporation  
Attention: Stuart Adair  
P. O. Box 196639  
Anchorage, Alaska 99519-6639

Re: Your Asset No. 4009/304304003  
Asset Name - Phillips - Blowers Partnership  
Alliance Bank - In Liquidation

Dear Mr. Adair:

This letter is intended to follow-up on your correspondence dated August 7, 1992.

The above-referenced property, located at 835 Blind Nick Drive, is a shop building leased by the City of Wasilla from Glenn Phillips. Your letter indicates that the FDIC would be agreeable to allow the City to continue in occupancy of the building so long as the City executes an acceptable indemnification agreement absolving the FDIC from any and all responsibility if the structural integrity of the building fails.

It may well be that the City, Mr. Phillips, and FDIC can maintain the existing occupancy of the building without the need for such an indemnification agreement. The City is of the impression that the FDIC has merely exercised its rights, pursuant to a Deed of Trust, to receive the rents paid on the property. The City is of the further impression that the FDIC has not taken steps to transfer ownership of the property from Mr. Phillips to the FDIC. Consequently, the City is not clear, at all, as to why the FDIC would expect to be indemnified as FDIC is not the owner of the building. Put differently, the City is not clear as to what liability exposure FDIC is attempting to avoid by requesting an indemnification agreement from the City.

A further point should be stressed in evaluating whether or not an indemnification agreement is desirable or necessary. Presumably the existing lease/occupancy arrangement can continue. Presumably, the owner/landlord retains insurance on the property. If there were to be a failure of the structural integrity of the building, one would assume that the insurance provided by the owner/landlord would be available to deal with the liability exposure.

The City is currently attempting to analyze the insurability of the liability exposure created by an indemnification agreement between the City and FDIC. Inquiry has been initiated by the City to its insurer, the Joint Insurance Association, Inc. To date, the response to the inquiry by the City has been equivocal. Consequently, the City is not clear, at this time, as to whether or not the liability exposure created by an indemnification agreement would be insurable.

To summarize, the City is reluctant to provide an indemnification agreement, as originally suggested, to deal with FDIC's concerns. The City would suggest that the presumed insurance provided by the current owner/landlord should be satisfactory to relieve FDIC of its liability concerns. In light of these two conclusions, can the existing month-to-month arrangement continue?

Sincerely,

John C. Stein, Mayor  
City of Wasilla

JCS/sbh