

KETCHIKAN GATEWAY BOROUGH SCHOOL DISTRICT AGENDA STATEMENT

No. 10 a

MEETING OF May 12, 2021

Reviewed By

Item Title:

NEW BUSINESS

Motion to approve a lease agreement with the
Ketchikan Gateway Borough for office space

Superintendent
 Finance

SUBMITTED BY Katie Parrott, Acting Superintendent

Contact Person/Telephone

APPROVED FOR SUBMITTAL

Katie Jo Parrott 247-2116
Name Phone

SUMMARY STATEMENT:

Administration is seeking approval of a lease agreement with the Ketchikan Gateway Borough for use of office space

ISSUE: Board Policy governs the district's purchasing and contracting procedures. Board Policy requires Board approval for expenditures and financial obligations over \$25,000. Though this request is technically under \$25,000, because it is close to the \$25,000 threshold and includes an intergovernmental agreement between our entities, the Board is being asked to provide approval.

BACKGROUND: District Administration moved out of the offices located within the Ketchikan High School facility to create much needed space for preschools and special services prior to the beginning of the 2020-2021 school year. Available office space in White Cliff building facilitated the needs for the Business Office. A lease agreement was approved and executed through June 30, 2021. More recently, additional space was made available for the Superintendent's office.

The Borough and School District have calculated the lease payment based on the pro-rata share of the space being occupied by the District. Based on that calculation, the parties have agreed that the School District's share of the debt service for the building would be recognized as an in-kind contribution. The District pays its proportionate share of utilities, insurance, common area janitorial services and maintenance for White Cliff office space directly to the Borough. The proposed agreement is for July 1, 2021 through June 30, 2022. Further extensions would be subject to agreement by the two parties.

RECOMMENDATION:

Approval of the lease agreement with Ketchikan Gateway Borough.

FISCAL NOTE:

EXPENDITURE REQUIRED	\$38,028	AMOUNT AVAILABLE	\$38,028*
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EXHIBITS ATTACHED

- Lease agreement
- White Cliff second & third floor plans with office space

RECOMMENDED ACTION:

"I move that the Board of Education approve the lease agreement with the Ketchikan Gateway Borough, as presented."

**AMENDMENT NO. 1
LEASE AGREEMENT**

THIS AMENDMENT (the "Lease Amendment") is made and entered into this ____ day of _____, 2021 by and between the KETCHIKAN GATEWAY BOROUGH, a general law municipality, whose address is 1900 First Ave., Suite 210, Ketchikan, AK, 99901 (hereinafter called the "Landlord"), and Ketchikan Gateway Borough School District whose address is 333 Schoenbar Road, Ketchikan, AK 99901 (hereinafter called the "Tenant"). Landlord and Tenant may be referred to as a "Party" or Parties" in this Lease Agreement and **IS HEREBY AGREED AS FOLLOWS:**

The parties have a lease in effect dated August 26, 2020 which affords Tenant office space on the second floor of the White Cliff Building at 1900 First Avenue, Ketchikan, Alaska which is effective through the end of Borough Fiscal Year 2021. This lease is referenced as Borough Document No. 20-051.

The parties wish to extend the lease now in effect and modify said lease as set forth below. Terms contained in the lease dated August 26, 2021 and not amended herein shall continue in full force and effect.

The following sections are hereby modified:

1. Defined Terms

The following terms shall have the meanings specified in this section, unless otherwise specifically provided. Other terms may be defined in other parts of the Lease.

Premises: That portion of the Building that will be leased by the Tenant. The Premises consists of offices 223, 223A, 224, and 314, approximately 2,938 square feet of Rentable Space consisting of portions of the building as shown on the Floor Plan(s) attached as Exhibit "A-Amended".

Term: Commencing upon the Commencement Date and expiring on June 30, 2022.

Commencement Date: The Commencement Date shall be the date upon which revised rent amount first starts to accrue and is July 1, 2021.

Base Rent: The Tenant shall pay monthly rent of \$3,169, or \$38,028 annually.

For future years, Base Rent is calculated as a pro-rata share of the operating costs of the White Cliff building using the same formula as allocations for Borough Departments, with the exception that Bond Debt or COP payments shall be excluded from the School District's share.

Exhibits: Exhibit A-Amended: Revised Tenant Leased Spaces

2. Leasehold Defined

2.1 a. is hereby modified to REMOVE Suites 214 and 230, and ADD Suite 314. It also removes the remainder of 2.1 a. (1) through (3) in its entirety.

b. The non-exclusive use of the Common Space of the Building as depicted on Exhibit "A-Amended".

3. Term of the Lease and Renewal

3.2 Term: The Lease shall expire on June 30, 2022. Extensions of this lease are subject to further agreement of the parties. If both parties agree to extend, a renewal letter will be issued by the Finance Director 30 days prior to the lease expiration date each year.

4. Rental Rates

4.1 Base Rent:

In accordance with Section 2.1 above, Tenant shall pay Base Rent of \$3,169 monthly or \$38,028 annually.

Rent shall include base rent per square foot of exclusive space, which rate includes the proportionate cost of common space and the following utilities: water, sewer, garbage pick-up, electricity, and heat. The tenant shall be responsible for all janitorial within exclusive use spaces, any utilities not named in the original lease dated August 26, 2020, and any property taxes on their possessory interest, as applicable.

<< END OF AMENDMENTS >>

All remaining terms and conditions remain in effect. Except as specifically amended herein, all terms, conditions and provisions of said original agreement (Borough Document No. 20-051) shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have hereunto subscribed their names.

APPROVED:

Dated: _____, 2021

Ketchikan Gateway Borough

By: _____
Ruben Duran
Borough Manager

Attest:

By: _____
Kacie Paxton
Borough Clerk

Approved as to Form:

By: _____
Glenn Brown
Borough Attorney

Certified Funds Available:

By: _____
Cynna Gubatayao
Director of Finance

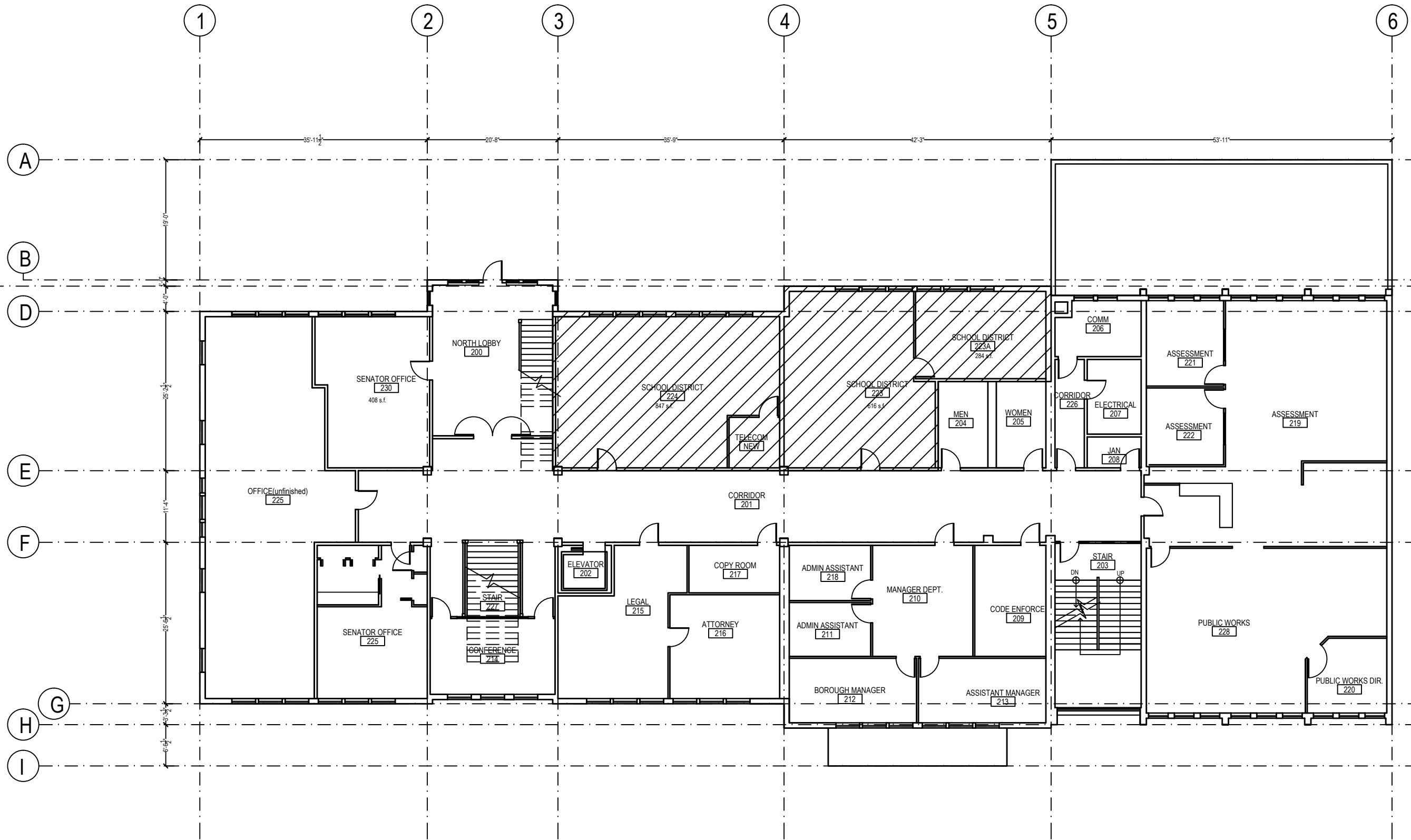
Dated: _____, 2021

Ketchikan Gateway Borough School District

By: _____
Elizabeth Lougee, Superintendent

EXHIBIT A-AMENDED
WHITE CLIFF OFFICE FLOOR PLAN

Ketchikan Gateway Borough
Public Works Department
1900 First Ave. Ste. 219
Ketchikan, AK 99901



Project: **White Cliff Administrative Offices**
Location: **White Cliff Administrative Offices
1900 First Ave.
Ketchikan, AK 99901**

DRAWN BY **MKB**

ENGINEER **N/A**

STAMP

DATE **02.23.21**

REV

SCALE **1/16" = 1'-0"**

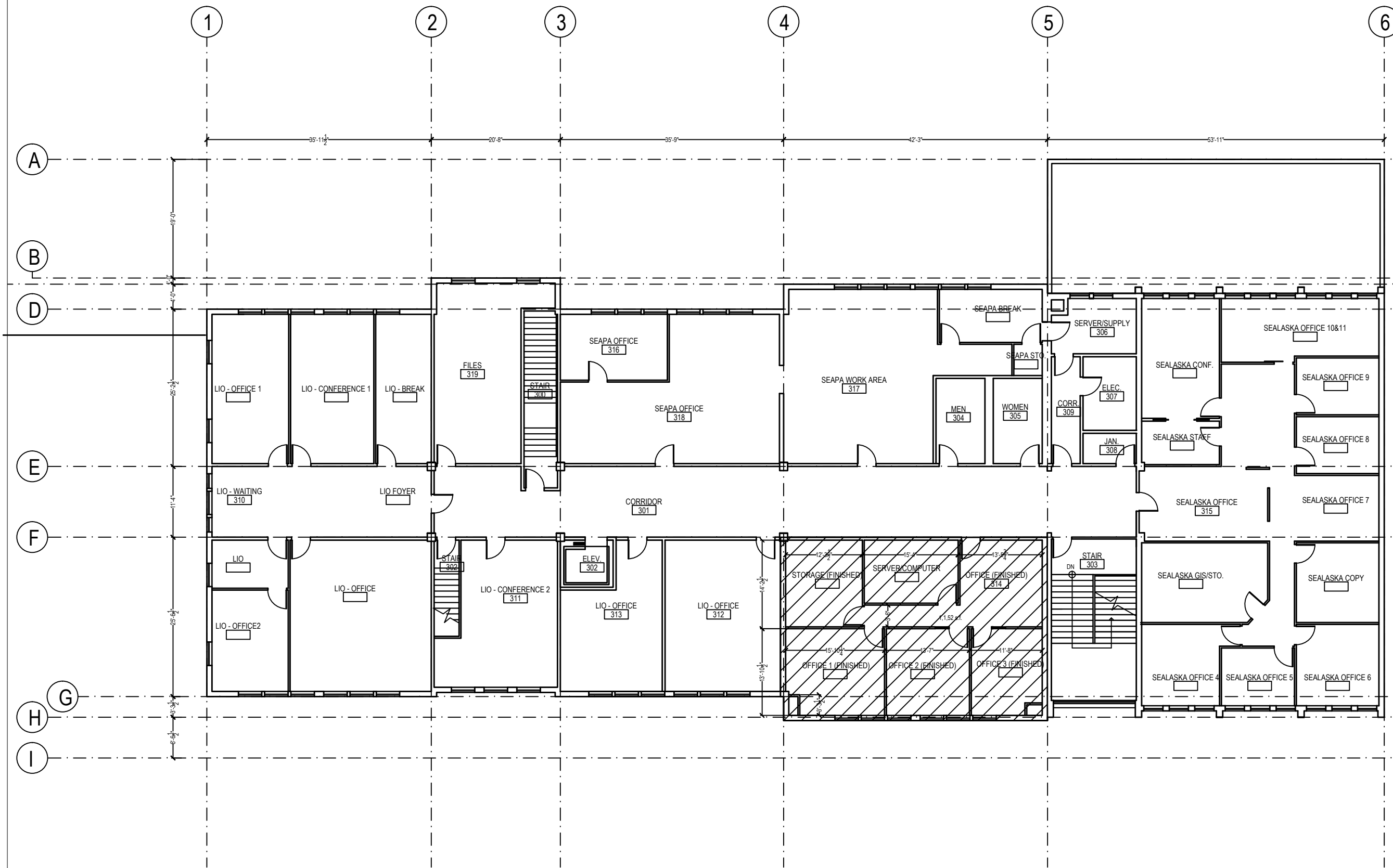
DWG. NO. of

Title: **2nd Floor Plan**

Sheet:

EXHIBIT A-AMENDED
WHITE CLIFF OFFICE FLOOR PLAN

Ketchikan Gateway Borough
Public Works Department
1900 First Ave. Ste. 219
Ketchikan, AK 99901



Project: **White Cliff Administrative Offices**

Location: **White Cliff Administrative Offices
1900 First Ave.
Ketchikan, AK 99901**

DRAWN BY **MKB**

ENGINEER **N/A**

STAMP

DATE **02.23.21**

REV

SCALE **1/16" = 1'-0"**

DWG. NO. of

Title: **3rd Floor Plan**

Sheet: