

State of Alaska

Legislative Affairs Agency



Administrative Services, Supply Section

State Capitol Room 3 ~ Juneau, AK 99801-1182 ~ Phone (907) 465-3853 ~ Fax (907) 465-2918

MEMORANDUM

TO: Representative Sam Kito, Chairman
Legislative Council

FROM: Tina Strong, Procurement Officer
Legislative Affairs Agency

DATE: February 26, 2018

SUBJ: Lease Extension for Office of Victims' Rights Office Space

The original lease agreement between the Legislative Affairs Agency and L92, LLC for office space occupied by the Office of Victims' Rights in Anchorage, Alaska, was for a five-year term that began July 1, 2008, and terminated June 30, 2013. There were five additional renewals of lease available under the lease agreement: each for a one-year period. We have exercised all five renewals. Renewal No. 5 expires June 30, 2018.

Under AS 36.30.083, there is a provision where we may extend a real property lease for up to 10 years if a minimum cost savings of at least 10 percent below the market rental value of the real property at the time of the extension would be achieved on the rent due under the lease.

The Agency contracted with Bond Filipenko Commercial Properties, LLC to determine the market rental value of the property that is located at 1007 W 3rd Ave, Suite 205, Anchorage, Alaska.

Per AS 36.30.083, the Agency offered L92, LLC a rate of \$2.10 per square foot for a five (5) year lease extension with five (5) one (1) year renewal options at our option. L92, LLC has accepted our offer.

Based on the above, I recommend approving the lease extension for the Office of Victims' Rights office space located at 1007 W 3rd Ave, Suite 205, Anchorage, Alaska, for a price of \$2.10 per square foot.

This lease exceeds \$35,000 in one fiscal year; therefore, Legislative Council's approval is required.

Office of Victims' Rights Office Space

L92, LLC

Lease Extension

July 1, 2018, through June 30, 2023

\$47,250.00 per year (excluding CPI-U adjustments each July 1)

Additional lease information is attached.

**MOTION: I MOVE THAT LEGISLATIVE COUNCIL APPROVE THE LEASE EXTENSION
WITH L92, LLC FOR THE TIME PERIOD JULY 1, 2018 THROUGH JUNE 30, 2023
IN THE AMOUNT OF \$47,250 PER YEAR EXCLUDING CPI-U ADJUSTMENTS
EACH JULY 1.**

LEASE AGREEMENT INFORMATION

LESSOR:

L92, LLC.

OCCUPANTS:

Office of Victims' Rights (OVR)

LOCATION:

1007 West 3rd Avenue, Suite 205, Anchorage, Alaska

TOTAL SQ. FOOTAGE:

1,875

CURRENT LEASE INFORMATION

MONTHLY RENT: \$4,514.97

PRICE PER SQ. FOOT: \$2.407

LEASE TYPE: Renewal No. 5 of Lease Extension

LEASE TERM: July 1, 2017 – June 30, 2018

TOTAL LEASE AMT.: \$54,179.64

NEW LEASE INFORMATION

MONTHLY RENT: \$3,937.50

PRICE PER SQ. FOOT: \$2.10

LEASE TYPE: Lease Extension

LEASE TERM: July 1, 2018 – June 30, 2023

TOTAL LEASE AMT.: \$47,250.00

COMMENTS: