

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: Pamela A. Varni, Executive Director
Legislative Affairs Agency

FROM: Tina Strong, Procurement Officer *TS*
Legislative Affairs Agency

DATE: May 3, 2017

SUBJ: Lease Extension for MatSu Office Space

The current lease agreement between the Legislative Affairs Agency and Wasilla Station, LLC, for office space currently occupied by the MatSu LIO and Legislator's district offices in Wasilla, Alaska, is due to expire July 31, 2017, with no renewal options available.

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 market rental value must be established by a real estate broker's opinion of the rental value or by an appraisal of the rental value.

The Agency contracted with Bond Filipenko Commercial Properties, LLC to determine the market rental value of the property that is located at 600 E Railroad Ave, Wasilla, Alaska. We received their fair market rental analysis and it is their opinion that the market rental value of the property with a full service lease is between \$2.40 and \$2.50 per square foot.

Per AS 36.30.083, the Agency offered Wasilla Station, LLC a rate of \$2.16 per square foot for a five (5) year lease extension with five (5) one (1) year renewal options at our option. Wasilla Station, LLC has accepted our offer.

Based on the above, I recommend approving the lease extension for the MatSu office space located at 600 E Railroad Ave, Wasilla, Alaska, for a price of \$2.16 per square foot.

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

MatSu Office Space

Wasilla Station, LLC

Lease Extension

August 1, 2017, through July 31, 2022

\$179,547.84 per year (excluding CPI-U adjustments each July 1)

Additional lease information is attached.

Attachment(s)

LEASE AGREEMENT INFORMATION

LESSOR: Wasilla Station, LLC

OCCUPANTS: Legislative Information Office, Senator Dunleavy, Senator Hughes, Senator Wilson, Representative Neuman, Representative Gattis, Representative Tilton, Representative Sullivan-Leonard, Representative Rauscher, Representative Eastman

LOCATION: 600 East Railroad Avenue, Wasilla, Alaska

TOTAL SQ. FOOTAGE: 6,927 sq. ft.

CURRENT LEASE INFORMATION

MONTHLY RENT: \$15,472.53

PRICE PER SQ. FOOT: \$2.233

LEASE TYPE: Renewal No. 5 of Lease

LEASE TERM: August 1, 2016 – July 31, 2017

TOTAL LEASE AMT.: \$185,670.36

NEW LEASE INFORMATION

MONTHLY RENT: \$14,962.32

PRICE PER SQ. FOOT: \$2.16

LEASE TYPE: Lease Extension

LEASE TERM: August 1, 2017 – July 31, 2022

TOTAL LEASE AMT.: \$179,547.84 per year (excluding CPI-U adjustments each July 1)
