

# 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

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### 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.

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### **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)

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