



# ALASKA STATE LEGISLATURE LEGISLATIVE COUNCIL

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**COMMITTEE CONTACT:****Session/Interim:**

State Capitol 429  
Juneau, AK 99801-1182  
(907) 465-4925

**Committee Aide:**

Katrina Matheny  
(907) 465-4713

## *AGENDA*

**Date: May 16, 2016**

**Time: 4:00pm – 5:00pm**

**Location: Bill Ray Center – House Finance Room 208**

**Teleconferenced – 844-586-9085**

- I. Call to Order
- II. Committee Business
  - a. Anchorage Office Space
  - b. Bill Ray Center Lease
- III. Adjourn

## **LEASE AGREEMENT**

THIS LEASE, entered into this 26<sup>th</sup> day of April 2016, by and between: and to be recorded in the  
**Juneau Recording District**, by and between:

**FIRST NATIONAL BANK ALASKA  
A Federally Chartered National Bank  
101 W. 36<sup>th</sup> Avenue  
ANCHORAGE, ALASKA 99503**

With All Correspondence and Lease Documents Sent to:

**FIRST NATIONAL BANK ALASKA  
840 W. 10<sup>th</sup> Street  
JUNEAU, ALASKA 99801  
ATTN: Luke Fanning, V.P. Southeast**

hereinafter called the Lessor, and

**LEGISLATIVE AFFAIRS AGENCY  
STATE CAPITOL, ROOM 3  
JUNEAU, ALASKA 99801-1182**

hereinafter called the Lessee.

In accordance with the provisions hereinafter contained, the Lessor hereby leases to Lessee the following described premises:

Approximately 22,000 gross square feet of office space, plus or minus, in the Bill Ray Building, located at 1108 F Street, Juneau, Alaska 99801. The subject real property is more particularly described as follows:

Lots 1, 2, 3, 6, and 7 of Block 5, Harborview Urban Renewal Project No. 1; and, Lot 3, Block 6A, Harborview No 2, Urban Renewal Project No. 2, First Judicial District Juneau Recording District, Juneau, State of Alaska.

to have and to hold the same, with all appurtenances unto the Lessee for the term **beginning on the 26<sup>th</sup> day of April 2016 and ending on the date Lessee vacates the premises and removes all personal property belonging to Lessee therefrom (Expected to be some time during summer 2016)** at and for the **rental of \$25,000 per month, initially payable on the first day of this lease in the amount of \$28,333 (one month and four days)**, and thereafter on the first day of each and every month of said term at the office of the Lessor or in advance at the option of the Lessee. Payment for any partial months occupancy shall be prorated to the day based on a thirty (30) day month.

<b>COVENANTS OF THE LESSEE</b>
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1. The Lessee does hereby covenant and agree with the Lessor that it will:
  - a) pay said rent at the times and place and in the manner aforesaid;
  - b) use and occupy said premises in a careful and proper manner;
  - c) not use or occupy said premises for any unlawful purpose;
  - d) not assign this lease, not underlet said premises, nor any part thereof, without the written consent of the Lessor, provided however such consent shall not be unreasonably withheld;

- e) not use or occupy said premises or permit the same to be used or occupied, for any purpose or business deemed extra-hazardous on account of fire or otherwise;
- f) make no alterations or additions in or to said premises without the written consent of the Lessor, such consent shall not unreasonably be withheld. Lessor has consented to immediate installation of, or modification of existing, telecommunication cables and connections by GCI, ACS, or other vendor, all at the sole expense of Lessee;
- g) leave the premises at the expiration or prior termination of this lease or any renewal or extension thereof, in as good condition as received, excepting reasonable wear and tear and/or, loss or damage caused by fire, explosions, earthquakes, acts of God, other casualty or as provided for in section 2.b below. Nothing in this paragraph requires removal of telecommunication cables and connections installed by or for Lessee;
- h) permit the Lessor to enter upon said premises, except into closed sessions, for the purpose of showing the premises to prospective purchasers or to examine the conditions of the same;
- i) maintain insurance coverage of the type and in the amount shown on "Attachment A" hereto;
- j) provide and pay for janitorial services to the entire premises, including common and public use areas, and also including the provision of soap, toilet tissue, sanitary seat covers, paper towels, and feminine hygiene products in the restrooms.

#### **COVENANTS OF THE LESSOR**

2. And the Lessor on its part covenants and agrees with the Lessee that it will:

- a) maintain the demised premises in good repair and tenantable condition during the continuance of this lease or any renewal or extension thereof;



- b) indemnity: The Lessor shall indemnify, hold harmless, and defend the Lessee from any liability, action, suit, property damage, or personal injury of whatever kind resulting from or arising out of negligent acts or intentional misconduct of the Lessor, Lessor's agents, or employees, under this agreement. The Lessor shall not be required to indemnify the Lessee for a claim of, or liability for, the independent negligence of the Lessee. If there is a claim of, or liability for, any action, suit, property damage, or personal injury, or the joint negligent error or omission of the Lessor and the independent negligence of the Lessee, the indemnification and hold harmless obligation shall be apportioned on a comparative fault basis. "Lessor" and "Lessee", as used within this paragraph, include the employees, agents and other contractors who are directly or indirectly responsible, respectively, to each.
- c) Insurance: Without limiting Lessor's indemnification, maintain insurance coverage of the type and in the amount shown on "Attachment A" hereto.
- d) furnish heat and cooling, electricity, water, trash removal, and sewage disposal without additional cost to the Lessee except that Lessee will pay its own telephone, telecommunications cable or internet recurring fees, and provide its own janitorial services ;
- e) furnish separate restrooms for men and women, all of which shall have hot and cold running water at all lavatories and similar fixtures and which shall be equipped with mirrors and dispensers for consumable paper products, including, in the Women's restrooms, sanitary napkin dispensers and means for disposal of feminine hygiene products.
- f) maintain and keep the stairway and common or public hallway used for access to the leased premises in a safe condition;
- g) maintain the premises in keeping with good fire prevention practices. Recommended improvements recommended by the State Fire Marshall or other fire protection inspectors will be given every consideration by the Lessor;
- h) the Lessor agrees that facilities provided in this lease are tenantable and that they comply with all laws pertaining to tenantability, including ADA Accessibility

as set forth below. Due to the short duration of this lease, Lessor is not obligated to pay the cost of any building alterations which may be needed during the period of the Lessee's occupancy for purposes of correcting any violation of the law cited by a regulatory agency of government except health and safety matters requiring immediate attention;

- i) maintain the building free of any mechanical, structural or electrical hazards and in a good state of general repair and maintenance;
- j) If the leased property is sold during the term of the lease, or an extension thereof, the sale will be made subject to the lease. This also applies to any sale as a result of an encumbrance on the property that existed prior to the execution of this lease.
- k) keep available for use by Lessee, its agents and invitees, all parking places shown on the appended Parking Easement Depiction except those in the "Exclusive Use Area," which are reserved to Lessor.

#### **MUTUAL COVENANTS**

3. It is mutually agreed by and between the Lessor and Lessee that:

- a) all terms and conditions of the preceding covenants of both Lessee and Lessor are agreeable and accepted in their entirety, except as herein noted;
- b) all fixtures and/or equipment of whatsoever nature as shall have been installed in the demised premises by the Lessee, whether permanently affixed thereto or otherwise, shall continue to be the property of the Lessee, and may be removed by it at the expiration or termination of this lease or renewal and at its own expense repair any injury to the premises resulting from such removal. Nothing in this paragraph requires removal of telecommunication cables or connections installed by or for Lessee;
- c) if the Lessee shall at any time default in the payment of rent, or in the performance of any of the covenants, terms and conditions, or provision of this lease, and the Lessee shall fail to remedy such default within sixty (60) days after written notice thereof from the Lessor, it shall be lawful for the Lessor to enter



Lessor must provide space that meets the same level of ADA compliance as if the leased space were in a State-owned facility constructed at the time Bill Ray Center was constructed, from which all program services are directly delivered to the public.

Lessee's acceptance of the Lessor's space and any inspection by Lessee do not relieve the Lessor of responsibility for ADA compliance. Lessor certifies that the space currently meets ADA guidelines as currently written.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year written below.

Lessor: FIRST NATIONAL BANK ALASKA

Lessee: STATE OF ALASKA

By: [Signature]

By: [Signature]

Name: Luke Fanning

Name: Pamela A. Varni

Title: Vice President

Title: Executive Director

Date: 4/26/2016

Date: 4/27/2016

**ACKNOWLEDGMENT OF LESSOR: FIRST NATIONAL BANK ALASKA**

This is to certify that on this 26<sup>th</sup> day of April, 2016 before me a Notary Public in and for the State of Alaska duly commissioned and sworn personally appeared Luke Fanning to me known and known by me to be the person(s) described in and who executed the instruments set forth above and severally stated to me under oath that he/she is Vice president and that he/she has been authorized by **FIRST NATIONAL BANK ALASKA** to execute the foregoing lease for and on behalf of the said federally chartered bank and he/she executed same freely and voluntarily as a free act and deed of same.

WITNESS my hand and official seal the day and year this certificate first above written

[Signature]  
Notary Public for Alaska  
My Commission Expires: 05/08/18  
Residing at: FNBA Building



**ACKNOWLEDGMENT BY LESSEE: STATE OF ALASKA**

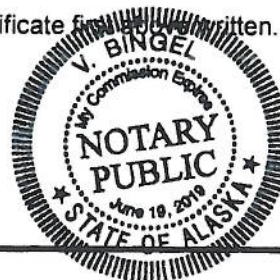
CITY OF ANCHORAGE Juneau July

This is to certify that on this 27<sup>th</sup> day of April, 2016 before me a Notary Public in and for the State of Alaska duly commissioned and sworn, personally appeared Pamela Varni to me known and known by me to be the person described in the executed instruments set forth above as an agent of the **LEGISLATIVE AFFAIRS AGENCY, STATE OF ALASKA** and that this person has been authorized by the Legislative Affairs Agency to execute the

foregoing lease on behalf of said agency and that this person executed the same freely and voluntarily as the free act and deed of same.

**WITNESS** my hand and official seal the day and year this certificate first above written.

V. Bingel  
Notary Public for Alaska  
My Commission Expires: 6-19-19  
Residing at: Juneau



#### ATTACHMENT A FINANCIAL RESPONSIBILITY REQUIREMENTS

Both Lessor and Lessee shall maintain the following insurance coverages and endorsements, issued by insurers licensed to transact the business of insurance in Alaska and/or self-insurance:

- I. **General Liability, in a form\* which includes the following types of coverages:**
  - a) Premises/Operations;
  - b) Products and completed operations;
  - c) Broad form property damage;
  - d) Personal & advertising injury;
  - e) Independent contractors;
  - f) Limit: Not less than \$1,000,000 per occurrence and \$2,000,000 aggregate.

\* If the policy form used is other than commercial general liability (e.g., manufacturers' & contractors' form; owners', landlords' & tenants' form; etc.), the policy must be endorsed to include above coverages b, and e, applicable to this contract.
- II. **Automobile Liability, to include the following coverages:**
  - a) Owned auto liability;
  - b) Non-owned auto liability;
  - c) Hired auto liability (when applicable);
  - d) Limit: Not less than \$1,000,000 bodily injury and property damage combined single limit.
- III. **Workers' Compensation and Employer's Liability**
  - a) Statutory Workers' Compensation limit, as required or prescribed by law, with
  - b) Minimum Employer's Liability limit of \$500,000 for accidental bodily injury, or death, or for occupational disease.
  - c) Organizations using volunteer labor will provide evidence of coverage for volunteers.



PROCUREMENT OFFICER'S DECISION  
LEGISLATIVE COUNCIL PROCUREMENT POLICY SEC. 040 EXEMPTION  
BILL RAY CENTER LEGISLATIVE SPACE 2016

Introduction

This is the decision of the Procurement Officer including written findings and a determination that the contract between the Legislative Affairs Agency (LAA) and First National Bank of Alaska (Lessor), for the rental of the Bill Ray Center in Juneau to provide legislative space as needed during the Second Session of the Twenty-Ninth Alaska State Legislature, from the last week of April through December if necessary, is exempt from Legislative Procurement Procedures under Sec. 040. This decision, in summary, is based on the fact that it was not practicable to award a contract by competitive sealed bidding, or by competitive sealed proposals or other competitive methods during the legislative session, and that the award of the contract under this exemption is in the LAA's best interest.

Decision

The LAA rented the Bill Ray Center for a monthly rate of \$25,000 through midsummer of 2016, to provide alternate space for the legislature due to the seismic retrofit construction that is underway on the Capitol. A copy of the contract is attached to this decision. The Lessor is providing the Bill Ray Center at a reduced rate during the contract period.

At present, the Capitol is not suitable for legislative work due to the previously scheduled multi-year contract that includes exterior and interior demolition and construction work. The work requires access to legislative offices and legislative meeting spaces, is noisy, restricts access to the Capitol, and presents other safety issues that cannot be resolved to both allow the contractor to proceed with the work required by the contract, and at the same time allow the legislature to conduct legislative business.


Accordingly, LAA took possession of the Bill Ray Center during the last week of April on an expedited basis as the regular session extended beyond 90 days. LAA expended considerable effort in resources and human capital to move and install the necessary furniture, telephones, computer connectivity, and audio visual capability to allow legislative committee meetings and provide legislators and legislative staff with office space.

For the following reasons, as procurement officer, I find that the contract entered into between the LAA and Lessor is exempt under Legislative Procurement Procedures Sec. 040(a)(1) from the solicitation requirements of secs. 030 and 145 of the Alaska Legislative Procurement Procedures based on the fact that it was not practicable to award a contract by competitive sealed bidding or by competitive sealed proposals or other competitive methods during the legislative session and that the award of the contract under this exemption is in the LAA's best interest:

- the expedited need for the large amount of space provided by the Bill Ray Center with close proximity to the temporary legislative chambers in the Terry Miller Legislative Building;

- the expedited need for substantial temporary infrastructure investments made by LAA to the Bill Ray Center for the use of the legislature during the remainder of the Twenty-Ninth Alaska State Legislature to provide the legislature with appropriate legislative office space and meeting spaces;
- the continuing need for legislative space to accommodate the legislature during the remainder of the Second Regular Session of the Twenty-Ninth Alaska Legislature, and any special session called without the disruption of any further relocation.

Dated this 16<sup>th</sup> day of May, 2016.

  
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Senator Gary Stevens, Chair Legislative Council  
Procurement Officer

DDG:lem  
16-415.lem

Attachment