

**ORDINANCE NO. 6131**

**AN ORDINANCE AUTHORIZING A LEASE OF SPACE IN CITY HALL  
TO THE BOYS & GIRLS CLUB OF ALASKA, INC.**

**WHEREAS**, the City owns and maintains the Patrick B. Cole City Hall, located at 800 Cushman Street, also known as Block 104A, Fairbanks Townsite; and

**WHEREAS**, the City has provided lease space in City Hall for the Boys & Girls Club since 1995; and

**WHEREAS**, the current Boys & Girls Club lease will expire on June 22, 2020; and

**WHEREAS**, the Boys & Girls Club wishes to continue in the same space at City Hall that it currently occupies under the lease approved by Ordinance No. 5979, as Amended, and the lease amendment for additional space approved by Ordinance No. 6051, as Amended (a diagram of the space is included in Exhibit A); and

**WHEREAS**, the City administration has reviewed the space currently leased by the Boys & Girls Club and has determined that it is not required for municipal purposes and can be leased; and

**WHEREAS**, FGC Sec. 70-44 provides that the City may lease to a non-profit organization without public sale and for less than market value whenever, in the judgment of the City Council, it is advantageous to do so; and

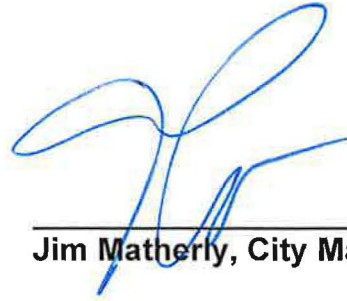
**WHEREAS**, it is the finding of the City Council that continuing to lease space in City Hall to the Boys & Girls Club is in the best interest of the community.

**NOW, THEREFORE, BE IT ENACTED BY THE CITY COUNCIL OF THE CITY OF FAIRBANKS, ALASKA, as follows:**

**Section 1.** That a lease instrument substantially in the form shown in Exhibit A is hereby authorized by the City Council for the purposes stated therein, providing for a five-year lease term.

**Section 2.** That the Mayor is authorized and directed to execute the lease on behalf of the City, and the City Clerk is authorized to attest and affix the City Seal to the lease instrument, with the execution to take place not less than thirty days after the effective date of this ordinance, as prescribed by City Charter Sec. 8.3 and FGC Sec. 70-56.

**Section 3.** That the effective date of this Ordinance will be the 1st day of July 2020.



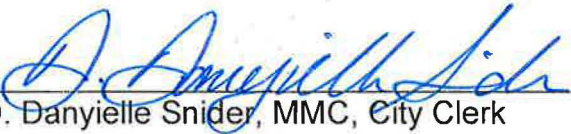
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Jim Matherly, City Mayor

AYES: Kun, Gibson, Therrien, Pruhs, Cleworth, Rogers  
NAYS: None  
ABSENT: None  
ADOPTED: June 29, 2020

ATTEST:

APPROVED AS TO FORM:



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D. Danyielle Snider, MMC, City Clerk



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Paul J. Ewers, City Attorney

EXHIBIT "A" TO ORDINANCE NO. 6131

**REAL ESTATE LEASE**

THIS LEASE, executed and effective this 1st day of July 2020, between THE CITY OF FAIRBANKS, a municipal corporation of the State of Alaska, 800 Cushman Street, Fairbanks, Alaska 99701 (Lessor), and BOYS AND GIRLS CLUB OF SOUTHCENTRAL ALASKA, INC., an Alaska Nonprofit Corporation, 2300 W. 36th Avenue, Anchorage, Alaska 99517 (Lessee);

WHEREAS, the City of Fairbanks, by Ordinance No. 6131, authorized execution of this lease of City-owned property identified below.

NOW THEREFORE, Lessor, in consideration of the rent specified and of the mutual covenants and agreements, does lease the real property described below under the following terms and conditions:

1. Lease of Premises. The Lessor leases to Lessee and Lessee leases from Lessor, the real property located at Fairbanks, Alaska, more particularly described as follows:

1.1 Premises. A portion of 800 Cushman Street, Fairbanks, Alaska, located within Block 104, Fairbanks Townsite (known as "City Hall"), containing 11,540 square feet and comprised of the following identified building areas, herein referred to as the "Premises" and as shown in Attachment A:

1.2 Cafeteria. Containing approximately 3,520 square feet;

1.3 Gymnasium. Containing approximately 3,920 square feet (includes chair storage area, excludes the existing shower facilities); and

1.4 Basement Area. The south portion of the basement level, City Hall "Northwest Tower", located in the northwest addition to City Hall, containing 2,650 square feet, and the basement area located in the northwest addition with entry adjacent to Eighth Avenue, containing 1,450 square feet.

1.5 Parking. Lessee shall have exclusive use of 14 designated parking spaces on the west side of City Hall, with four parking spaces on the southern end of the parking area reserved for use by the Lessor. Such use will continue during the term of this lease. Lessor shall provide appropriate signage. No vehicles may be parked in the designated area in a manner that would impede traffic flow in the driving lane. No vehicles may be allowed to stand in the driving lane except for active loading or unloading of passengers or materials.

2. Term. The term of this Lease is for five years, commencing on July 1, 2020, and ending at midnight on June 30, 2025.

3. Escape/Cancellation. Lessee, upon 90 days advance written notice delivered to the Lessor, may cancel and terminate this lease, surrendering the premises in a neat and clean condition.

4. Rent. As compensation for use of the premises during the life of this lease and any extensions thereof, Lessee shall pay monthly its estimated pro-rata share of all utility expenses for City Hall, including cost of vehicle headbolt heaters. Lessee's pro-rata share of utilities will be computed as a portion of the total average monthly utility expenses for City Hall, allocated by the percentage of total building area occupied by Lessee. For purposes of this lease, the pro-rated amount is \$1,665 per month. Rent is subject to increase or decrease upon annual review of actual utility expenses.

5. Renovation and Hazardous Materials. If abatement of asbestos or other hazardous materials within the lease area becomes necessary during performance of any tenant renovations, the cost of such abatement will be the responsibility of Lessee. Abatement of asbestos or other hazardous substances, which must be performed as part of a renovation or occupancy of the premises, will be conducted in compliance with rules and requirements of the Alaska Department of Labor, Division of Labor Standards, OSHA, and the US Environment Protection Agency. Qualified, certified, and competent workers, techniques, notice, and reporting requirements will be used at all times. Abatement of asbestos or other hazardous substances will be subject to review and approval by the Building Official and City Engineer. Any tenant renovations or modifications of the lease space will first be submitted to the City Building Official for review and then to the Mayor for approval, at the Mayor's discretion.

6. Condition. Lessee has inspected the premises, is familiar with its physical condition, and accepts the premises in its "as-is" condition.

7. Permitted Uses. Lessee shall use the premises for the nonprofit business of youth sports, educational, and development activities and necessary administrative office space. Lessee shall provide 48 hours advance written notice of events or activities that include overnight boarding.

7.1 Third Party Use. Lessee agrees to notify Lessor of any agreements made to allow agencies, groups, or organizations to use the leased premises. Lessor shall have the right to reject or restrict such agreements.

7.2 Gymnasium Use. Lessor and its approved licensees may use the gymnasium portion of the leased premises without charge for up to 20 hours per week, with the use to be scheduled in advance with the Executive Director or designee of the Lessee. Such use will not conflict with Lessee's prime activity times. Lessor will be responsible for the cost of any maintenance or repair arising from Lessor's use under this section, and the provisions of subsection 11 will not apply for claims arising from Lessor's use or the use by those licensed by Lessor under this section.

8. Prohibited Uses. Lessee shall not use or permit the use of the premises or any part thereof in violation of any applicable law, ordinance, or regulation. Other uses specifically prohibited include: athletic activities involving trampolines, marksmanship using metal darts, arrows, or other projectiles, boxing or wrestling, except that self-defense courses employing limited or noncontact techniques may be allowed.

9. Access and Security. Access to the lease area for all purposes will be through the northwest entrance and Eighth Avenue entrance only, as shown on Attachment A-1 and A-2. Lessee shall be responsible for operation and security of the doors at these locations. The southwest exit may be used for emergency exit only. Entry into or use of City Hall space beyond the leased area is prohibited for any purpose. Lessee shall exercise constant diligence to keep Boys and Girls Club members within the lease area, bearing responsibility any violation. Child pedestrian safety is of the highest concern to the Parties. To the extent possible, and within the context of the Boys and Girls Club "Open Campus Policy," children crossing any public street will have adult supervision.

10. Payment of Expenses Relating to the Premises.

10.1 Utilities. Lessee shall be responsible for payment of telephone, cable TV, internet, and other privately contracted services as required by the utility provider. Lessee shall also pay a monthly fee to compensate for general utility usage as set forth in Section 4 Rent.

10.2 Maintenance. Lessee shall perform all routine interior maintenance associated with the leased premises proper, including but not limited to incidental replacement of light bulbs, repair of electrical and mechanical systems within the lease area, and general maintenance, keeping the premises in a clean, safe condition. In the event that Lessor performs maintenance or repair under this section, whether at its election or upon request of Lessee, Lessee shall repay Lessor for the actual costs of materials and labor expended. Such charges will not include indirect costs of Lessor's employees. Lessor shall perform maintenance of the building exterior, roof, and walls, including mechanical and electrical systems beyond the lease area, exterior maintenance, and snow removal. Lessor shall also maintain sidewalk and grounds adjoining the leased premises. Lessee shall notify Lessor of hazards or safety concerns in the exterior common areas in a timely manner.

10.3 Janitorial and Garbage Collection. Janitorial and garbage service within the premises, if any, will be provided by Lessee.

10.4 Taxes. Lessor is a municipality of the State of Alaska and is therefore exempt from property taxes. If taxes are levied against the leased premises by a governmental body while Lessor is the owner of record, any such taxes will be paid by Lessee. Should taxes be levied against the property at such time as the record owner of the leased fee estate is a taxable entity, the owner shall be responsible for

payment of taxes.

11. Exculpation and Indemnity.

11.1 Exculpation of Lessor. Lessor shall not be liable to Lessee for any damage to Lessee or Lessee's property from any cause. Lessee shall bear all risk of loss as to all personal property of the Lessee, stored, or remaining on or near the premises, including without limitation, inventory, equipment, fixtures, and employees' personal effects.

11.2 Indemnity. Lessee shall defend and hold the Lessor harmless from all damages arising out of any damage or injury to any person or property occurring in, about, or on the premises, excluding exterior public areas.

11.3 Public Liability and Damage Insurance. Lessee at its sole cost shall at all times maintain public liability and damage insurance with a single combined liability limit of \$2,000,000 and insuring against all liability of Lessee and its authorized representatives arising out of and in connection with Lessee's use or occupancy of the premises, excluding exterior public areas. All public liability insurance and property damage insurance will insure performance by Lessee of the indemnity provisions provided herein. Lessor must be named as an additional insured.

12. Prevention of Waste and Nuisance. Lessee shall not use the premises in any manner that will constitute waste, nuisance, or unreasonable annoyance to Lessor or the owners or occupants of adjacent properties. Violation or breach under this section will be determined at the sole discretion of the Mayor.

13. Assignment and Sublease. Lessee shall not assign its rights under this Lease or sublet all or any portion of the premises without the prior written consent of Lessor. Consent will be at the sole discretion of Lessor.

14. Liens. Lessee shall keep the premises free from any liens, including without limitation those liens arising out of any work performed, materials furnished, or obligations incurred by Lessee.

15. Consultation with Attorney. Lessee acknowledges that it has the right to review this Lease and all other documents relating to the Lease with its own attorney. Each party electing to have this Lease reviewed by an attorney shall bear the costs and expenses so incurred.

16. Destruction. If during the Lease term, the premises are totally or partially destroyed by any cause, rendering the premises totally or partially inaccessible or unusable, Lessee, at its election, may either terminate this Lease or restore the premises. Lessor shall have no duty to repair or restore the premises. If Lessee elects to restore the premises, Lessee will have 120 days in which to complete the repairs. If

Lessee elects not to repair the premises, this agreement will terminate 60 days from the date of the casualty.

17. Right of Entry. Lessor, its agents and authorized employees, shall have the right to enter the leased premises to examine it and to make repairs as Lessor may deem necessary or desirable during Lessee's business hours. All such entry will be preceded by 72 hours advance notice to Lessee, except that immediate entry shall be allowed in event of emergency, as determined by the City Engineer or Building Official.

18. Default. Failure to occupy and operate the premises for 30 consecutive days, or failure to perform any provision of this Lease will constitute default by Lessee. Upon Lessee's default, Lessor shall give Lessee ten days' notice to cure the default. No default notice shall be deemed a forfeiture or a termination of this Lease unless Lessor so elects in the notice.

19. Notice. Any notice, demand, request, consent, approval, or communication that either party desires or is required to give to the other party or any other person must be in writing and either served personally or sent by prepaid, first class mail, addressed to the other party at the address set forth in the introductory paragraph of this Lease. Either party may change its address by notifying the other party of the change of address.

20. Effect of Prior Agreements. This lease supersedes and replaces the previous lease dated June 23, 2015, and Lease Amendment No. 1, as approved by Ordinance No. 6051, as Amended (July 11, 2017).

21. Attorney's Fees. If Lessor brings or maintains an action for enforcement of any of the covenants, terms, or conditions of this Lease, Lessee shall pay all costs incurred by Lessor for such action, including attorney's fees, in the event Lessee is found to be at fault.

22. Time of the Essence. Time is of the essence for each provision of this Lease.

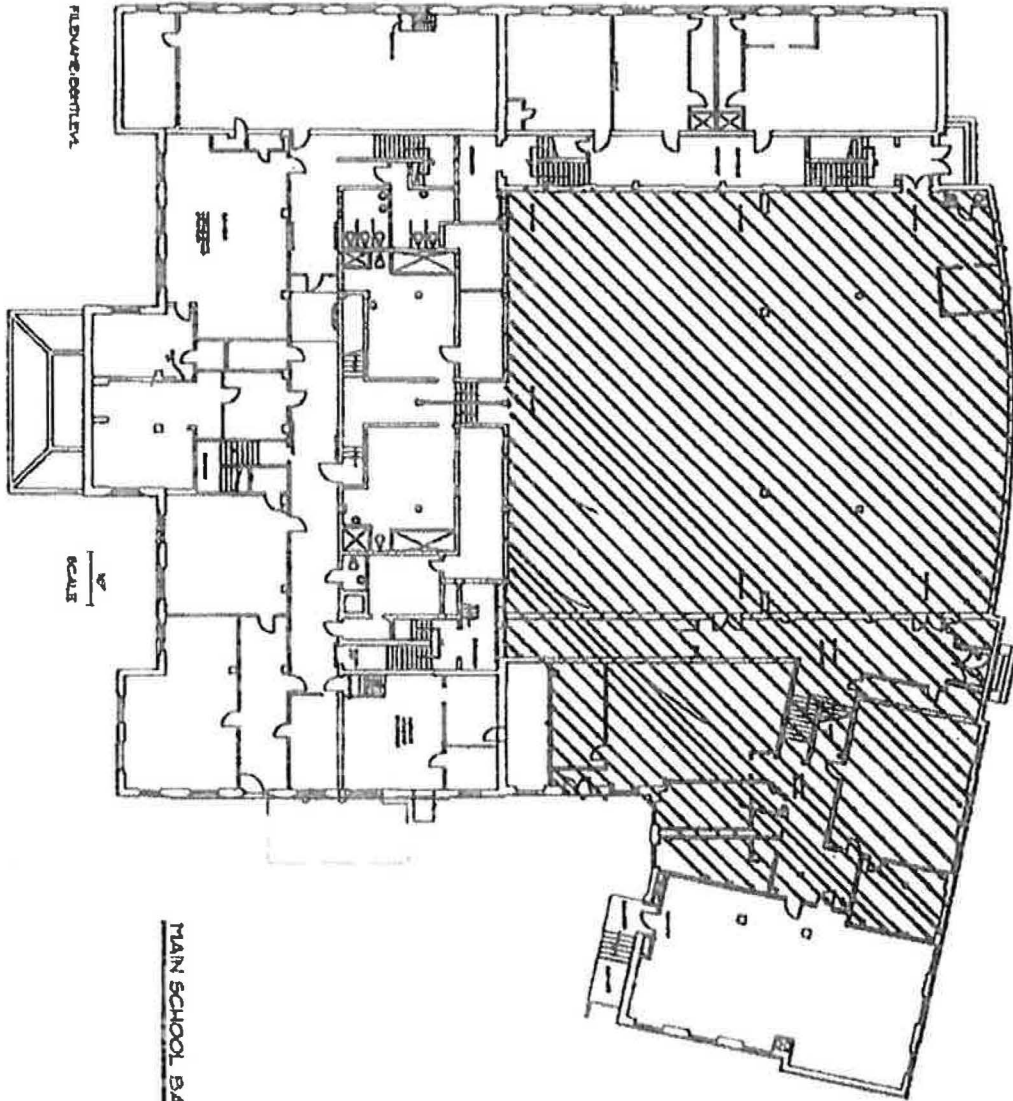
23. Successors. This Lease is binding on and inures to the benefit of the parties and their successors.

24. Severability. The unenforceability, invalidity, or illegality of any provision of this Lease will not render the other provisions unenforceable, invalid, or illegal.





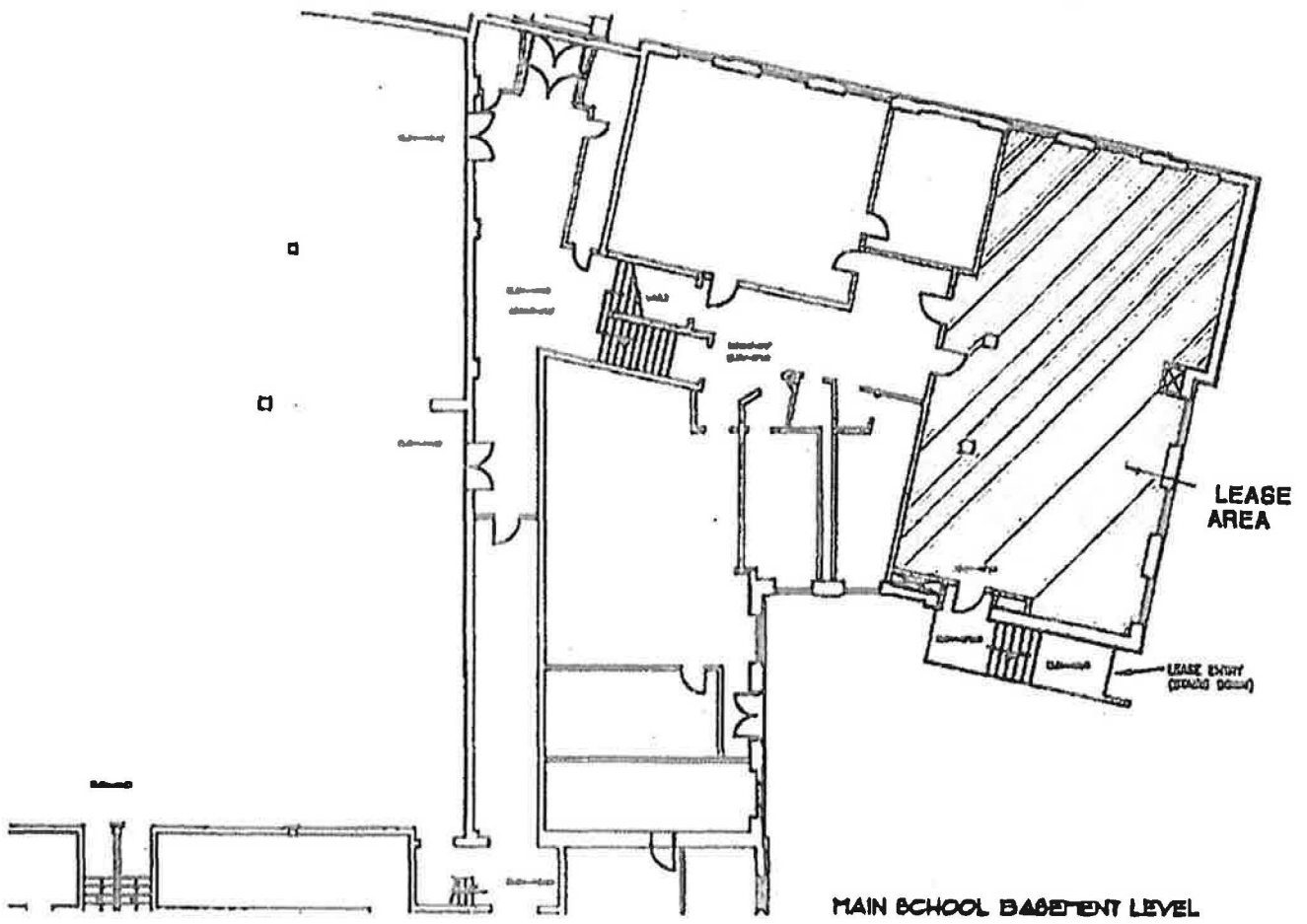




MAIN SCHOOL BASEMENT LEVEL

Ordinance No. 6131

LEASE ATTACHMENT A-1  
BOYS and GIRLS Club Lease



ORDINANCE NO. 6131

LEASE ATTACHMENT A-2  
Boys and Girls Club Lease