

MEMORANDUM

CITY/BOROUGH OF JUNEAU

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TO: Chair Bryson and the Public Works and Facilities Committee
FROM: Dan Bleidorn, Lands and Resources Manager *Daniel Bleidorn*
SUBJECT: City Leased Office Space Update
DATE: March 2, 2023

The Lands Office manages three lease agreements for office space downtown. The Municipal Way Building lease expires in June 2023, the Sealaska Plaza lease expires December 2023, and the Marine View Building expires in June 2024.

The Lands Office is currently working on lease extension for the Sealaska Plaza lease, a lease extension is authorized within the existing lease and does not need additional assembly review. This will be completed within a few weeks. The city first leased this space in 2013 and leases 2,600 square feet for \$84,200 per year.

The City leases a total of 12,125 square feet for \$301,560 per year in the Municipal Way Building. The City has leased space in this building since 1984 and the current lease expires at the end of June 2023. In February Sealaska Heritage Institute (SHI) purchased the building. The Manager will meet with SHI next week to evaluate the options for extending the lease and to learn more about SHI's timeline for remodeling and occupying the building.

The Marine View lease negotiations are scheduled to begin later this year in order to execute a new lease for the June 2024 expiration. The city leases 17,700 square feet for \$383,189 per year on the third and fourth floors. The City has leased this space since 1987. Over the past few years there have been more complains about the buildings systems malfunctioning to the point where the Marine View Building is arguably no longer appropriately functioning. It does not function because there are regular leaks of unknown sources, water shutoffs during business hours, heat system failures, unannounced elevator shutoffs and it often smells like marijuana. Shutoffs and leaks are so frequent that staff and the public cannot even use restroom facilities on a near weekly basis.