

Presented by: The Manager
Presented: 08/01/2022
Drafted by: R. Palmer III

ORDINANCE OF THE CITY AND BOROUGH OF JUNEAU, ALASKA

Serial No. 2022-41

An Ordinance Authorizing the Manager to Execute a Lease with the Juneau Arts and Humanities Council for Use of the Juneau Arts and Culture Center Building.

WHEREAS, in 2006, the State of Alaska conveyed to the City and Borough of Juneau (CBJ) the property known as the National Guard Armory, to be used for public purposes; and

WHEREAS, on October 12, 2007, a lease agreement was executed between the City and Borough of Juneau and the Juneau Arts and Humanities Council (JAHC) for the use of the former Armory building, renamed the Juneau Arts and Culture Center (JACC); and

WHEREAS, the purpose of leasing the JACC to the JAHC was to alleviate a chronic need for performance and exhibit space by allowing the JAHC to manage the building as a community arts facility; and

WHEREAS, since that time, the JAHC has used and managed the JACC for the JAHC's nonprofit public purposes and to rent the space for community arts and cultural uses; and

WHEREAS, in identifying the JAHC's nonprofit status and the public service it provides, the CBJ has leased the JACC to the JAHC at less than fair market value; and

WHEREAS, it is the intent of the CBJ that the JAHC continue to operate the JACC for the benefit of the community by providing arts and cultural opportunities for Juneau and the surrounding Southeast communities; and

WHEREAS, the Lands, Housing, and Economic Development Committee (LHED Committee) reviewed this lease request and provided a motion of support to continue to lease this property to the JAHC for the lease rate of \$500.00 per month for the first three years and \$1,000.00 per month for the last two years.

THEREFORE BE IT ENACTED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF JUNEAU, ALASKA:

Section 1. Classification. This ordinance is a noncode ordinance.

1
2 **Section 2. Authorization to Lease.** The Manager is authorized to negotiate and
3 execute a lease agreement with the Juneau Arts and Humanities Council for the property
4 described as:

5 Lot A of Trust Land Survey 2007-01, Juneau Subport Subdivision,
6 according to the official Survey Plat No. 2007-29, recorded May 15,
7 2007, in the Juneau Recording District, First Judicial District, State of
8 Alaska.

9 and generally depicted on the map attached as Exhibit A.

10 **Section 3. Minimum Essential Terms and Conditions.**

11 A. The initial term of the lease shall be five years, ending in 2027. The JAHC may
12 renew the lease for two additional five-year terms, for a maximum of 15 years, subject to
13 written approval by the City and Borough of Juneau. The option to renew must be exercised by
14 providing written notice to the CBJ no later than three months prior to the expiration of the
15 underlying lease term.

16 B. The lease payment shall be in an amount equal to \$500.00 per month for the first
17 three years, then \$1,000.00 per month for the last two years. The LHED Committee shall set
18 the rate for any lease extensions after the initial five-year term. The JAHC shall be responsible
19 for all utilities, landscaping, snow plowing, and any real property tax required by law.

20 C. The leased premises may be used for the JAHC's nonprofit public purpose to
21 provide arts and cultural opportunities to the community. The JAHC may charge user fees for
22 rental of the space at a rate approved by the CBJ. The JAHC shall be responsible for collecting
23 and remitting sales tax to the extent required by law.

24 D. The JAHC may sublease the premises upon written consent and approval of the
25 sublease document by the CBJ. All subleases must comply with CBJ Code, and shall be for the
purpose of furthering the JAHC's mission statement to provide arts and cultural opportunities
or to otherwise enhance or increase the arts and cultural experience provided at the JACC.
Rental fees for subleases shall be in accordance with CBJ Title 53, shall be held in trust by the
JAHC for the City and Borough of Juneau, and shall be remitted to the CBJ on an annual basis.
However, the JAHC may retain actual expenses incurred by the JAHC in managing the
subleases as provided for by the lease agreement. It is the intent of the CBJ, subject to and
conditional upon appropriation for that purpose, that sublease rental fees submitted to the CBJ
be used to fund deferred maintenance costs for the JACC.

 E. The lease agreement, and any sublease approved by the CBJ, must require the
lessee (or sublessee) to be bound by and comply with the use restrictions contained in the Real
Property Purchase Agreement and Quitclaim Deed by which the CBJ obtained ownership of the
property.

Section 4. Effective Date. This ordinance shall be effective 30 days after its adoption.

Adopted this _____ day of _____, 2022.

Beth A. Weldon, Mayor

Attest:

Elizabeth J. McEwen, Municipal Clerk