1 2 3 4	Presented by: The Manager Presented: 7/29/2024 Drafted by: S. Layne
5	ORDINANCE OF THE CITY AND BOROUGH OF JUNEAU, ALASKA
6	Serial No. 2024-27
7 8 9 10	An Ordinance Authorizing the Manager to Execute a Lease of the Mayflower Building located at 750 Saint Ann's Ave to the Juneau Montessori School, an Alaskan Non-Profit Corporation.
11 12 13	WHEREAS, the Juneau Montessori School ("Montessori") is a non-profit organization (Entity #34833D) providing education to the children of the City and Borough of Juneau; and
14 15 16	WHEREAS, Montessori has been leasing property for its school from the City and Borough since 1992; and
17 18 19 20 21	WHEREAS, pursuant to Ordinance 2008-37, the City and Borough executed a lease with Montessori allowing for Montessori's use of the Mayflower Building and an additional 14,816 square feet of Lots 12 and 25 of Block 32 of the Tyee 2 <sup>nd</sup> Millsite Addition, Douglas Townsite with an address of 750 Saint Ann's Ave; and
22 23 24	Whereas, Ordinance 2014-44 authorized the continuation of the lease to Montessori for up to 10 years; and
25 26 27	Whereas, the fair market rental value of the proposed lease premises is $\$3,255$ per month; and
28 29 30 31 32 33	WHEREAS, CBJC 53.09.270(b) authorizes the lease of City and Borough property to a private, nonprofit corporation at less than fair market value provided the lease is approved by the Assembly and the property to be leased is used for the purpose of providing a service to the public that could or should reasonably be provided by the state or the City and Borough; and
34 35 36 37 38	WHEREAS, the Lands, Housing, and Economic Development Committee reviewed this lease request at the April 15, 2024, meeting and provided a motion of support to the full Assembly to continue leasing the property to Montessori for less than fair market with the increased rate of \$2,200 per month.
39 40 41	Now, Therefore, Be It Enacted by the Assembly of the City and Borough of Juneau, Alaska:
42	<b>Section 1. Classification.</b> This ordinance is a noncode ordinance.

1 2 3 4 5	<b>Section 2. Authorization.</b> The manager is authorized to negotiate and execute a lease with Montessori of approximately 5,086 square feet of space known as the Mayflower Building and 14,816 square feet of Lots 12 and 25 of Block 32 of the Tyee 2 <sup>nd</sup> Millsite Addition, Douglas Townsite as shown on Exhibit A, subject to the following essential terms and conditions:
6 7 8	(A) Term. The lease term shall be for a period of five years.
9 10 11 12	(B) Renewal Options. The manager may negotiate any number of lease term extensions, provided that the extensions total no more than five additional years after the original lease term.
13 14 15 16	(C) Adjustment of Rental. The City and Borough may adjust the rent to reflect changes in fair market value at the time each renewal option is exercised, except the Assembly must approve any adjustment that results in a rental amount at less than fair market value.
17 18 19	(D) Use of Premises. Montessori shall use the leased premises solely for the operation of an elementary school and day care facility.
20 21 22 23 24	(E) Hold Harmless. The lease agreement shall provide that Montessori indemnify, defend, and hold harmless the City and Borough, its officers, volunteers, and employees for any claim related to or arising out of Montessori's use, operation, or maintenance of the leased premises.
25 26	(F) Rent. Consistent with CBJC 53.09.270(b), rent shall be \$2,200 per month, an amount less than the fair market value, for the initial five-year term.
27 28 29 30	(G) Other terms and conditions. The manager may include other lease terms and conditions as the manager determines to be in the public interest.
31 32 33	Section 3. Effective Date. This ordinance shall be effective 30 days after its adoption.
34 35	Adopted this day of, 2024.
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37 38 39 40 41	Beth A. Weldon, Mayor Attest:
42 43 44	Elizabeth J. McEwen, Municipal Clerk

Page 2 of 2 Ord. 2024-27