

Presented by: The Manager  
Introduced: 06/08/2020  
Drafted by: R. Palmer III

**ORDINANCE OF THE CITY AND BOROUGH OF JUNEAU, ALASKA**

**Serial No. 2020-26**

**An Ordinance Authorizing the Manager to Renew the Lease of the Mayflower Building and Grounds to the Juneau Montessori Center.**

WHEREAS, the Juneau Montessori Center (Montessori) is a non-profit organization providing education to children in the City and Borough; and

WHEREAS, Montessori has been leasing property for its school from the City and Borough since 1992; and

WHEREAS, Ordinance 2008-37 authorized Montessori to expand its playground, provided it would be available for public use when Montessori was not in session, and allowed Montessori to utilize a portion of the City and Borough public parking lot for its use as long as such use did not conflict with Robert Savikko Recreation Area operations; and

WHEREAS, by Ordinance 2014-44, 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 Tye 2<sup>nd</sup> Millsite Addition, Douglas Townsite (Mayflower Building Lease Agreement); and

WHEREAS, Ordinance 2014-44 authorized a renewed lease of the property for a period of five years at \$2,000.00 per month, which was below the \$3,255.00 market rental rate; and

WHEREAS, Ordinance 2014-44 provided that the lease may be renewed for five additional years, but conditioned that any negotiated rental rate under fair market value during the period of renewal required Assembly approval; and

WHEREAS, the current lease expires June 30, 2020; and

WHEREAS, the Lands Committee considered the lease renewal topic on June 1, 2020, and testimony was provided regarding the financial hardship caused to Montessori as the result of the COVID-19 pandemic; and

WHEREAS, the Lands Committee made a motion to support a one-year renewal of the lease at the current below market rental rate of \$2,000.00 per month; and

WHEREAS, CBJ 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.

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

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

**Section 2. Authorization.** The Manager is authorized to negotiate and renew the Mayflower Building Lease Agreement with Montessori for one additional year under the same terms and conditions agreed upon, subject to the following amendments:


(A) Rent. Pursuant to CBJ 53.09.270(b), rent shall be \$2,000.00 per month, an amount less than the fair market value, for the one-year term starting on July 1, 2020.

(B) Renewal Options. The lease retains four (4) additional one-year renewal options as provided under Ordinance 2014-44.


(C) Adjustment of Rental Rate. 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.

**Section 3. Effective Date.** This ordinance shall be effective 30 days after its adoption.

Adopted this 29<sup>th</sup> day of June, 2020.

  
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Beth A. Weldon, Mayor

Attest:

  
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Elizabeth J. McEwen, Municipal Clerk