

Thursday, November 01, 2012

MEMORANDUM

To: Jim Dinley

From: Garry White, Director

Subject: Barnard Construction Company Lease Requests

**Introduction**

The Sawmill Cove Industrial Park (SCIP) Board of Directors met on Thursday, November 1<sup>st</sup>, 2012 to discuss lease requests from Barnard Construction Company Inc. The SCIP Board recommended CBS Assembly approval of lease requests as presented below.

The term of the leases will be for 1 year. Sitka General Code 2.38.080 requires leases other than month to month leases to be subject to approval by the assembly to authorize the Administrator to sign.

**Background**

Barnard Construction Company Inc. has been awarded and received notice to proceed for Contract 9, General Construction for the Blue Lake Dam Expansion Project.

Barnard Construction is requesting to lease property at the SCIP for staging for the construction project.

All lease rates were researched and set by the SCIP Board through various public meetings throughout the SCIP Board's management of the park. The set lease rates were provided to all contractors bidding on the Blue Lake Dam Project during the bidding process.

**Lease Request**

Barnard Construction request to lease the following properties at the SCIP:

1. Administration Building office space for project management and administration. Term - 1 year with anticipated extension for another year. Estimated time of lease 2 years. Estimated lease execution – 11/20/2012
  - a. Room 104 – 893 SF @ \$1.00/SF = \$893 per month - \$10,716 annually
  - b. Room 113 – 365 SF @ \$1.00/SF = \$365 per month - \$4,380 annually
  - c. Room 115 – 180 SF @ \$1.00/SF = \$180 per month - \$2,160 annually
  - d. Room 117 – 180 SF @ \$1.00/SF = \$180 per month - \$2,160 annually
  - e. Room 118 – 180 SF @ \$1.00/SF = \$180 per month - \$2,160 annually

- f. Room 119 – 240 SF @ \$1.00/SF = \$240 per month – \$2,880 annually
  - g. Room 122 – 240 SF @ \$1.00/SF = \$240 per month - \$2,880 annually
  - h. Room 123 – 180 SF @ \$1.00/SF = \$180 per month - \$2,160 annually
  - i. Room 126 – 360 SF @ \$1.00/SF = \$360 per month - \$4,320 annually
  - j. Room 128 – 240 SF @ \$1.00/SF = \$240 per month –\$2,880 annually
  - k. Portion Rm 136 – 133 SF @ \$1/SF = \$133 per mth - \$1,596 annually
- Total = \$3,191 per month – \$38,292 annually

2. Lots 12 and 13 to be used for a concrete batch plant. Term - 1 year with anticipated extension for another year. Estimated time of lease 2 years. Estimated lease execution – 11/20/2012

- a. Lot 12 – 121,555 SF @ \$0.36/SF/YR = \$43,759.80 annually
  - b. Lot 13 – 20,810 SF @ \$0.36/SF/YR = \$7,491.60 annually
- Total = \$51,251.40 annually

3. Lot 15 to be used for material and equipment storage. Additionally the lot will be used to house trailers for housing. Term - 1 year with anticipated extension for another year. Estimated lease time – 2 years. Estimate lease execution – 11/20/2012.

- a. Lot 15 – 113,369 SF @ \$0.36/SF/YR = \$40,812.84 annually

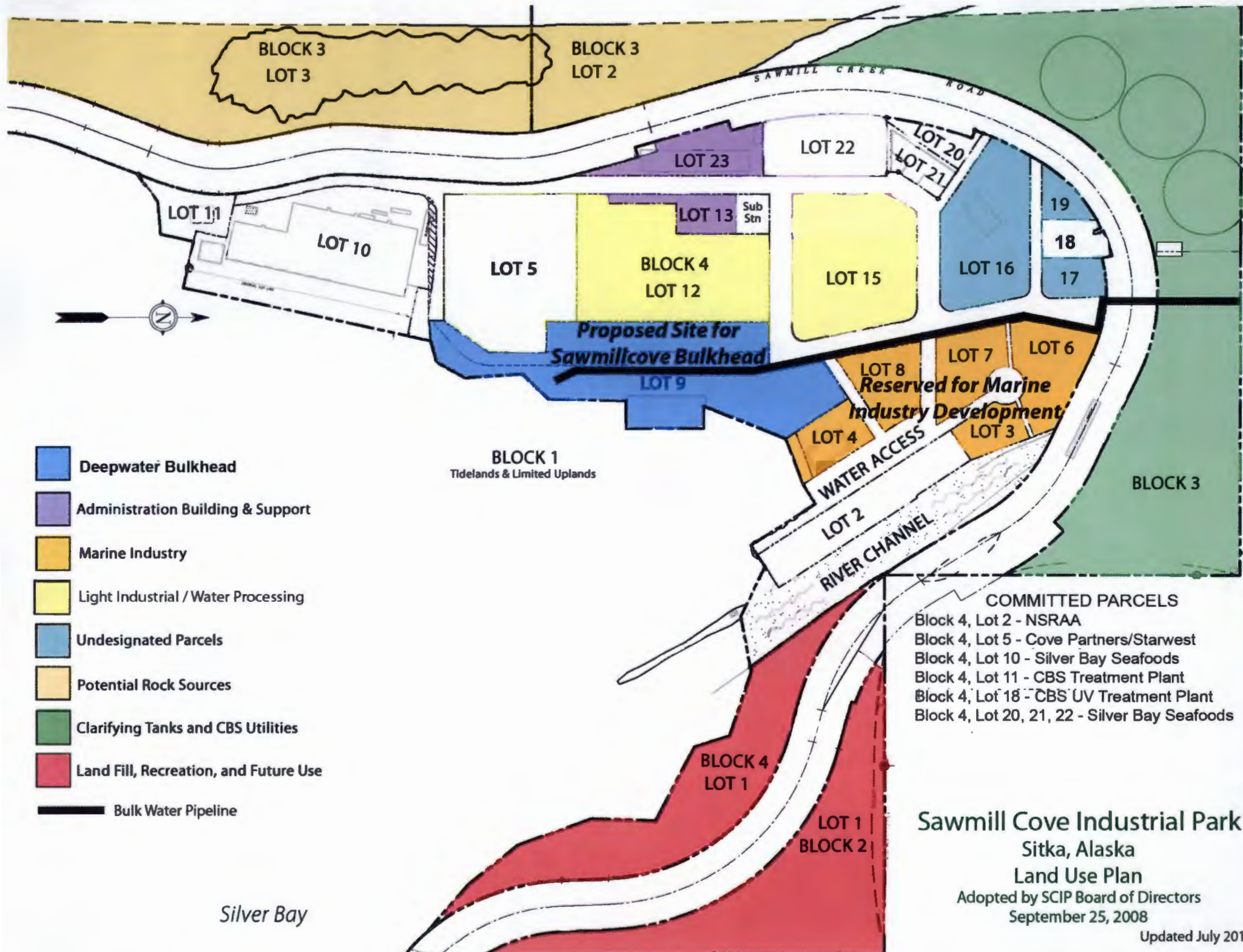
Total lease request = \$130,356.24 annually.

**Additional Information**

- Anticipate lease extensions will be granted at current lease rates
- Standard lease documents will be used.

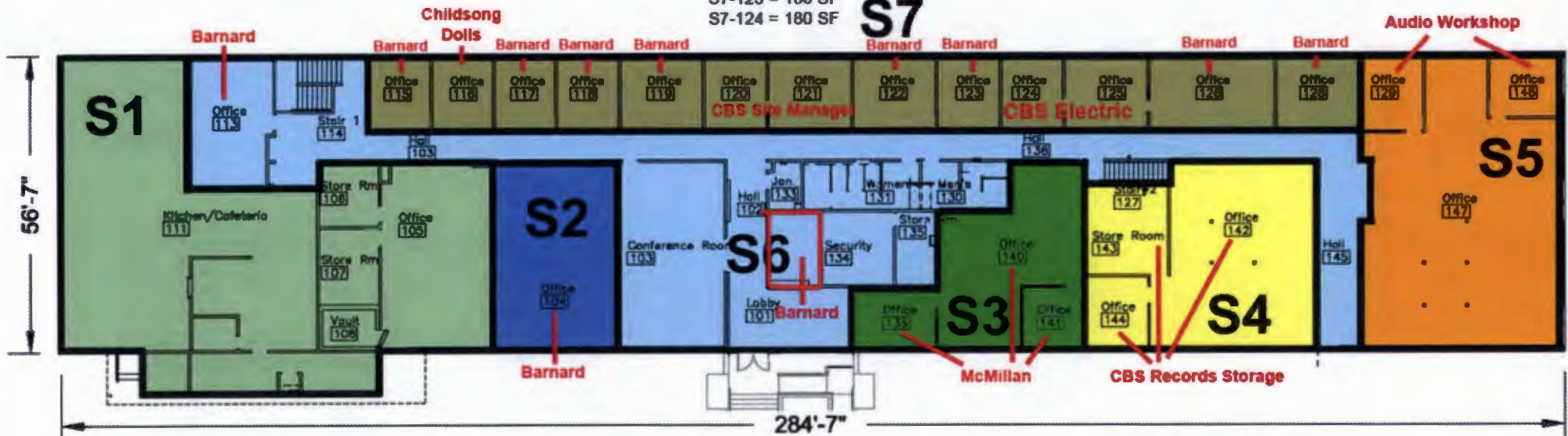
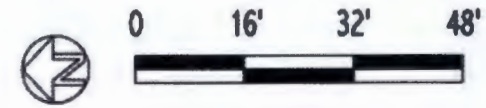
**Action**

**Proposed Motion: I move to authorize the Municipal Administrator enter into lease agreements with Barnard Construction Company, Inc for rooms in the Administration Building and raw land in the Sawmill Cove Industrial Park as presented in this memo to the Administrator from the SCIP Director dated November 1<sup>st</sup>.**



# Administration Building 2nd Floor

S7-115 = 180 SF  
 S7-116 = 180 SF  
 S7-117 = 180 SF  
 S7-118 = 180 SF  
 S7-119 = 240 SF  
 S7-120 = 180 SF  
 S7-121 = 240 SF  
 S7-122 = 240 SF  
 S7-123 = 180 SF  
 S7-124 = 180 SF  
 S7-125 = 240 SF  
 S7-126 = 360 SF  
 S7-128 = 240 SF  
**Total S7 = 2820 SF**  
**\$1.25 per SF**



S1-105+106+107+108+111 = 3756 SF  
**Total S1 = 3756 SF**  
**\$0.65 per SF**

S2-104 = 893 SF  
**Total S2 = 893 SF**  
**\$1.25 per SF**

S3-136 = 200 SF  
 S3-140 = 738 SF  
 S3-141 = ??? SF  
**Total S3 (136+140) = 938 SF**  
**\$1.25 per SF**

S4-142 =  
 S4-143 =  
 S4-144 =  
 S4-127 =  
**Total S4(142+143+144) = 1530 SF**

S5-129 = 180 SF  
 S5-146 = 180 SF  
 S5-147 = 1797 SF  
**Total S5 = 2157 SF**  
**\$1.25 per SF**

**S6 common area**