

**INTERAGENCY
MEMORANDUM OF AGREEMENT
REGARDING
GARY PAXTON INDUSTRIAL PARK LEASE**

This Interagency Memorandum of Agreement Regarding Gary Paxton Industrial Park Lease (“Lease”), effective the 1st day of April, 2019, regarding lease space (“Property”) at Gary Paxton Industrial Park (“GPIP”) with the City and Borough of Sitka Electric Department (“Agency”). The lease of the Property was approved by GPIP’s Board of Directors (“GPIP Board”) on September 24, 2018, and the GPIP Director is authorized to sign this Lease on behalf of the GPIP Board.

The following terms and conditions apply regarding the Lease:

1. Agency shall lease from GPIP Board the following Property within the GPIP in Sitka, Alaska:
 - Block 4, Lot 16b consisting of 20,135 square feet at a rate of \$0.03 SF/month, at the lease rate of \$607.50 per month; and
 - Block 4, Lot 20 consisting of 13,088 square feet at a rate of \$0.03 SF/month, at the lease rate of \$408 per month.
2. The term of this Lease is month-to-month, and commences on the effective date of this Lease, April 1, 2019. If the effective date is other than the first day of a month, the lease payment for the first month shall be prorated.
3. Agency shall pay rent for the Property through a transfer of funds to the GPIP Enterprise Fund at the rates defined paragraph 1 above for a total monthly payment of \$1,015.50. Municipal sales tax and property tax does not apply.
4. The Property is being leased in its “as is” condition. The cost of any improvements and any necessary permits to Property is the responsibility of Agency, with prior approval of GPIP Board required for any improvements.
5. Agency understands that any improvements to the leasehold made by Agency must conform to Municipal building codes, and other applicable laws, and that the improvements must be approved by GPIP Board and Director of Public Works or other applicable officials prior to improvements (e.g., electrical – Electric Department).
6. If GPIP Board determines a better and higher use for Property, or for good cause, GPIP Board may give Agency a 30-day written notice to vacate or arrange another property within GPIP for the Agency to lease, with any expense to be incurred by Agency.
7. If Agency decides to terminate the Lease, a 30-day written notice shall be given to the Municipal Administrator and GPIP Board.

8. GPIP Board may reevaluate the Lease, including rent rate and terms and conditions, if this Lease extends beyond a twelve months period.

9. Agency agrees it is solely responsible for all security necessary to protect its property. SCIP shall not be held liable for damage or loss.

10. Upon termination of this Lease, Agency shall remove all materials, equipment and other personal property from Property, and return Property to a satisfactory condition, as determined by GPIP Board.

**CITY AND BOROUGH OF SITKA
ELECTRIC DEPARTMENT**

GARY PAXTON INDUSTRIAL PARK

BRYAN BERTACCHI, Utility Director

GARRY WHITE, Director

Date: _____

Date: _____

Approved by:

Approved by:

KEITH BRADY
Municipal Administrator

BRIAN HANSON
Municipal Attorney

Attest by:

SARA PETERSON, Municipal Clerk