



**KING COUNTY**

1200 King County Courthouse  
516 Third Avenue  
Seattle, WA 98104

**Signature Report**

**October 31, 2000**

**Ordinance 13979**

**Proposed No.** 2000-0135.2

**Sponsors** von Reichbauer

1 AN ORDINANCE authorizing the King County executive  
2 to execute a thirty-five-year lease with Galvin Flying  
3 Service, Inc., at King County International  
4 Airport/Boeing Field located in council district five.

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8 **PREAMBLE:**

9 In accordance with K.C.C. 4.56.160B and 4.56.180A, the King County council  
10 may adopt an ordinance permitting the county, when the county determines it to be  
11 in the best public interest, to award a new lease by direct negotiation with  
12 interested parties without bidding, at fair market rental value, for a term not to  
13 exceed thirty-five years. The lease is substantially as in the form attached.

14 **BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:**

15 SECTION 1. The King County executive is hereby authorized to sign a lease  
16 agreement, that is substantially the same as that attached to this ordinance, with Galvin  
17 Flying Service, Inc. for up to thirty-five years for a parcel of ground totaling up to

18 approximately 332,956SF (7.6 acres) at King County International Airport/Boeing Field.  
19 The initial rent will be at the rate of \$0.60 per foot per year for buildable land and \$0.30  
20 per foot per year for nonbuildable land, which is consistent with fair market value as  
21 determined by a recent appraisal. Subsequent rent will be adjusted triennially in  
22 accordance with future airport appraisals.

23 SECTION 2. Language reflecting voluntary noise abatement procedures and  
24 protecting the county's financial interests in future subleases and assignment of leases  
25 will be added to the lease, consistent with council direction in previous lease approvals.

26 SECTION 3. Pursuant to K.C.C. 4.56.160, the county has given notice of its  
27 intention to execute a lease by publishing a notice in a legal newspaper at least once a  
28 week for the term of two weeks, describing the property to be leased, and containing a  
29 notice that a copy of the lease is available for public inspection at the property services  
30 division.

31 SECTION 4. Galvin Flying Service, Inc. will construct improvements on the  
32 leasehold in an amount equal to the value of the land, which is three million nine hundred  
33 thousand dollars.

34 SECTION 5. It is intended that a fuel farm be established on a sixty-six-  
35 thousand-square-foot parcel adjacent to the leasehold addressed by this ordinance. If the  
36 fuel farm does not require the full sixty-six thousand square feet currently allocated for it,  
37 the lease to Galvin Flying Service, Inc., may be amended to include any remaining square

38 footage from that parcel.

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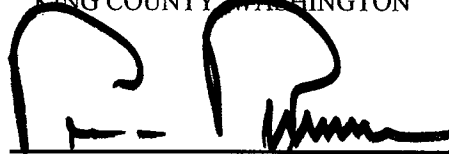
Ordinance 13979 was introduced on 3/6/00 and passed as amended by the Metropolitan King County Council on 10/30/00, by the following vote:

Yes: 12 - Mr. von Reichbauer, Ms. Miller, Ms. Fimia, Mr. Phillips, Mr. McKenna, Ms. Sullivan, Mr. Nickels, Mr. Pullen, Mr. Gossett, Ms. Hague, Mr. Vance and Mr. Irons

No: 1 - Mr. Pelz

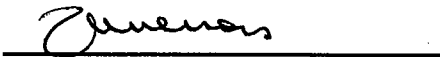
Excused: 0

KING COUNTY COUNCIL  
KING COUNTY, WASHINGTON



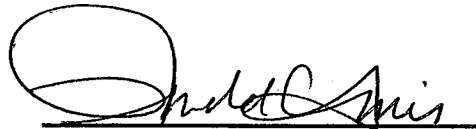
Pete von Reichbauer, Chair

ATTEST:



Anne Noris, Clerk of the Council

APPROVED this 8 day of NOVEMBER 2000.



Ron Sims, County Executive

**Attachments**      A. Airport Lease Agreement #7052 - Draft Dated 9-21-99 amended October 30, 2000

DRAFT

9-21-99

13979

Lease #7052

## AIRPORT LEASE AGREEMENT

1. **PARTIES.** This Lease dated the \_\_\_\_\_ of \_\_\_\_\_, 19\_\_\_\_, is between King County, a municipal corporation and a political subdivision of the State of Washington, and Galvin Flying Service, a Washington Corporation, herein called "Lessee."
2. **PREMISES.** King County hereby leases to Lessee, upon the following terms and conditions, the premises located at 7777 Perimeter Road S., King County International Airport, Seattle, Washington, consisting of approximately 332,956 SF, and legally described on the attached **Exhibit A**. Trade fixtures and personal property listed on the attached **Exhibit B** shall be included within the meaning of premises unless specifically excluded.
3. **TERM.**
  - A. This lease term shall be for thirty five (35) years, and shall begin on the \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, and end of the \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_.
4. **RENT.** Prior to the removal of any existing King County owned structures, Lessee shall pay rent to King County in advance on or before the first (1st) day of each and every calendar month of the lease term as follows:

	<u>ANNUAL</u>	<u>MONTHLY</u>
Hangar A: 40,505SF @ \$4.00/sf/yr	\$162,020	\$13,501.67
Hangar B: 44,522SF @ \$5.50/sf/yr	244,871	20,405.92
Excess Land: 58,848SF @ \$0.67/sf/yr	<u>39,428</u>	<u>3,285.67</u>
<b>TOTAL BASE RENT</b>	<b>\$446,319</b>	<b>\$37,193.26</b>
Lessee shall also pay a Leasehold Excise Tax (currently 12.84%) as follows:	<u>57,307.36</u>	<u>4,775.61</u>
<b>TOTAL RENT &amp; LET</b>	<b>\$503,626</b>	<b>\$41,968.86</b>

Upon demolition of Hangar A, the rent for that structure will no longer be paid, and the excess land will be increased by 94,020 SF for a total of 152,868 SF. Rent for the excess land will be paid at the rate of \$0.67/sf/yr.

Upon demolition of Hangar B, the rent for that structure will no longer be paid, and the excess land will be increased by 180,088 SF for a total of 332,956 SF. Rent for the excess land will be paid at the rate of \$0.67/sf/yr.

The rent is adjustable as set forth in the King County General Terms and Conditions. All rents and tax shall be made payable to the KING COUNTY INTERNATIONAL AIRPORT and are to be received in the office of the:

King County International Airport  
7233 Perimeter Road  
Post Office Box 80245  
Seattle, WA 98108

Said rental is exclusive of any other sale, franchise, business or occupation, or other tax based on rents. Should any such taxes apply during the life of this lease the rent shall be increased by such amount.

5. SECURITY DEPOSIT. At the time of the signing of this lease, the Lessee, shall pay the first (1st) month's rent and leasehold tax. In addition, the Lessee shall deposit with King County the sum of \$83,937.73 (2 X monthly rent and LET) as a security deposit for the payment of rent and tax. The security deposit is the only sum to be credited toward payment of the last month's rent upon Lessee's termination of the lease. The return of this deposit, or any portion of it, shall be conditioned on the performance of all the Lessee's duties. Within sixty (60) days after termination of the tenancy and vacation of the premises King County will return any sum due the Lessee from this deposit retained by King County. Furthermore, the Lessee understands and agrees that all rents, late charges and utility bills owing, unless paid by the Lessee, may be deducted from the deposit at the time of Lessee's vacation of the premises if any amount remains in that fund after subtraction of damage. The deposits need not be held in any special account and no interest will be paid thereon.
6. USE. Lessee shall use said premises for the following purposes and no others without prior written consent of King County: fixed base operations, including aircraft parking, storage, maintenance, repair and sales; flight operations support and administrative offices. As a fixed base operator, the lessee shall not limit its use of this site to a fixed number of personal or corporate aircraft and shall use the site for transient as well as based aircraft as needed to support the fluctuations in demand for Airport parking and storage. No retail fuel vending is allowed on this site.
7. REMOVAL OF EXISTING IMPROVEMENTS. The existing improvements located on the premises will be removed by Lessee at Lessee's expense and at no cost to King County except for personal property and/or fixtures owned by King County and identified on Exhibit B which will be removed by King County and at no cost to Lessee. No building rent will be charged Lessee for time required by King County to remove its personal property and/or fixtures from Hangar A or Hangar B.
8. LESSEE IMPROVEMENTS.
  - A. Lessee shall submit to King County plans and specifications for Phase I required by King County International Airport's Tenant Improvement Process & Minimum Development Standards Section IA attached hereto as **Exhibit C** for the following improvements within 60 days after execution of this lease. Such improvements shall consist of:

Phase 1 Hangar facility comprised of four units totaling approximately 80,000SF

Lessee will begin construction of the Phase 1 improvements no later than 18 months after final lease approval, and in any event, Phase 1 improvements shall be completed within 12 months following the start of construction subject to permitting delays and other force majeure beyond the control of Lessee.

Lessee shall submit to King County plans and specifications for Phase 2 required by King County International Airport's Tenant Approval Process & Minimum Development Standards IA attached hereto as **Exhibit C** for the following improvements within six months of the completion of construction of Phase 1. Such improvements shall consist of:

Phase 2 Hangar/Shop/Administrative Office Complex  
Totaling approximately 80,000SF

Lessee will begin construction of the Phase 2 improvements no later than 12 months after completion of the Phase 1 improvements, and in any event, Phase 2 improvements shall be completed within 12 months following the start of Phase 2 construction subject to permitting delays and other force majeure beyond the control of Lessee.

- B. If Lessee substantially fails to make the improvements or alterations required by this lease, this lease shall be terminated and all rentals paid shall be forfeited to King County.
- C. Construction Bonds. Lessee shall provide Lessor with a payment bond and a performance bond, prior to the commencement of construction of any improvements on the premises, in an amount equal to the estimated cost of all improvements.

The performance bond shall name both Lessee and, if Lessee is not itself constructing the improvements, Lessee's contractor, as principal(s) and Lessor shall be named as obligee. The surety or sureties on the bond shall bind themselves, their heirs, executors, administrators, successors and assigns along jointly and severally with Lessee and Lessee's contractor, to King County, a political subdivision of the State of Washington for payment on the bond. The aforesaid bond shall remain in effect until the principal(s) has promptly and faithfully performed all obligations and duties contained in this lease referring to the construction of improvements. The bond shall be available to claimants for labor and materials in the event principal(s) fail to pay for such labor and materials in addition to the payment bond, however, such claims shall be subject and junior damage claims of the obligations and duties contained in this Lease regarding construction of improvements.

A payment bond, pursuant to R.C.W. 39.08, shall be executed by Lessee and/or Lessee's contractor to assure payment for labor, materials and supplies required for

performance of the lease obligations. This bond is in addition to the performance bond mentioned above.

In any action on the bond for the recovery of any claim or defect, each party shall pay its own costs and attorney's fees.

Surety or sureties on the payment and performance bonds shall waive any notice requirements for any modifications to this lease consented to by the Lessor. Lessor shall notify the surety or sureties in writing of any defects in performance. The surety's or sureties' right of subrogation to the position of Lessee shall be subject to the written consent of Lessor, though not unreasonably withheld.

9. GENERAL TERMS AND CONDITIONS. Attached hereto and incorporated herein by reference are King County General Terms and Conditions. In the event of any conflict or inconsistency between the terms of this Lease and the King County General Terms and Conditions, the terms of this Lease shall control.

10. ENTIRE AGREEMENT – AMENDMENTS. This printed lease together with the attached Terms and Conditions and any and all exhibits expressly incorporated herein by reference and attached hereto shall constitute the whole agreement between the parties. There are no terms, obligations, covenants or conditions other than those contained herein. No modification or amendment of this lease shall be valid or effective unless evidence by an agreement in writing signed by both parties.

11. NOTICES. Required notices except legal notices shall be given in writing to the following respective address:

To King County: KING COUNTY INTERNATIONAL AIRPORT  
7233 Perimeter Road  
Post Office Box 80245  
Seattle, WA 98108

To Lessee: Galvin Flying Service  
7777 Perimeter Road S.  
Seattle, WA 98108

or to such other respective addresses as either party hereto may hereafter from time to time designated in writing. Notices sent by mail shall be deemed to have been given when properly mailed.

12. PERSONAL GUARANTEE. Performance and payment of all obligations of Lessee are jointly and severally guaranteed by the Individuals who sign this agreement. Said guarantors are acting in their individual capacity, on behalf of themselves and of their marital communities consisting of themselves and their respective spouses.





STATE OF WASHINGTON)

) ss.

COUNTY OF KING )

On this \_\_\_\_ day of \_\_\_\_\_, 1999, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared David Preugschat, to me known to be the Manager, King County Property Services Division, and who executed the foregoing instrument and acknowledged to me that said person signed the same pursuant to a delegation of authority from King County Executive Ron Sims as the free and voluntary act and deed of King County, for the uses and purposes therein mentioned.

WITNESS my hand and official seal hereto affixed the day and year in this certificate above written.

Printed Name: \_\_\_\_\_  
NOTARY PUBLIC in and for the State of  
Washington, residing at \_\_\_\_\_  
My Commission Expires: \_\_\_\_\_

Galvin7052LEASE.doc

TAXIWAY A



APRON LIMIT LINE

611.73

398,956 SF

HANGAR # 4  
(7777)

OFFICE/SHOP

HANGAR # 3  
(7827)

212.50

212.50

388

385.00

11.77

71

SITE PLAN TO BE REDUCED BY UP TO 66,000SF TO ACCOMMODATE FUEL FARM. FINAL DESIGN OF THE FARM WILL DETERMINE EXACT SQUARE FOOTAGE. FINAL DESIGN TO MINIMIZE THE AMOUNT OF DEDICATED CIRCULATION SPACE WHERE POSSIBLE.

LEASE/KIHLSTRM

KING COUNTY INTERNATIONAL AIRPORT

PLACE: 7777 PERIMETER ROAD

TENANT: GALVIN

DATE: 6-17-97

SCALE: 1" = 100'

EXHIBIT: 'A'

Lease #7052  
Galvin Flying Service, Inc.

**EXHIBIT B**

The following items are the property of King County International Airport and will be removed by the Airport prior to demolition of Hangars 3 & 4.

1. Compressor located outside of hangar buildings
2. Electrical panel located outside of hangar buildings

EXHIBIT CMINIMUM AIRPORT DEVELOPMENT STANDARDS

AT

## KING COUNTY INTERNATIONAL AIRPORT

The following minimum standards for development on the Airport shall be met. These standards shall be used in the review of individual tenant improvements projects. It is the intent of Airport Management that all of the facilities on the Airport be improved on these standards over time as individual tenants improve their facilities in accordance with these standards.

- A. Building - Comply with all applicable Building codes and other building regulations that may exist. Buildings should be attractive and represent not only an improvement to the tenant's facilities but a general upgrading of the Airport as a whole. Buildings shall be set back at least 5 feet from all property lines and 10 feet from property lines which abut public roads. A set-back of at least 25 feet is required in front of aircraft hangar doors. building heights shall not exceed the 7:1 Transitional Surface established by the Federal Aviation Administration.
- B. Site Development - The location of buildings, auto parking, aircraft parking, landscaping and storage areas should represent intelligent land use planning with long-term master plan development in mind. Adequate off-street automobile parking is essential.
- C. Automobile Parking and Circulation - Entrance drives to Perimeter Road shall be at least 25 feet wide. Access to the site shall be controlled by concrete curb and gutter along Perimeter Road and Portland Street. No parking arrangement that involves backing out onto Perimeter Road will be permitted. Truck loading and unloading operations shall be accomplished within the leasehold. Access to the aircraft operational areas shall be accommodated for the site as needed. Avoid dead end parking arrangements so that there is good traffic circulation. All new parking areas shall be paved with asphalt or concrete. Tenant shall be responsible for paving the shoulder between any new curb and gutter, and the existing Perimeter Road edge. In general 1 parking stall shall be provided for each 200 square feet of office space and for each 1,000 square feet of hangar and storage space. Comply with King County Code 21.50.040.
- D. Aircraft Parking and Circulation - Each site adjoining the aircraft operational area shall be afforded reasonable aircraft access. The tenant shall arrange the aircraft tiedown in such a way as to accommodate his needs on his own leasehold unless other specific arrangements have been made with the Airport. No part of any aircraft shall extend beyond the property lines. Tie down anchors shall not be a hazard to pedestrian and vehicular traffic. Painting the tiedown stall to make a yellow "T" is desirable.

Special aircraft wash pads are desirable for each Fixed Base Operator. The wash pad would consist of 25' square concrete slab with a center drain inlet with the drain connected to the sanitary sewer via an oil water separator.

All new aircraft parking areas shall be paved with asphalt or concrete with strengths to accommodate aircraft weighing at least 12,500 pounds.

- E. Landscaping - All sites shall have at least 5 percent of the total gross leasehold area landscaped. Landscaping shall involve a variety of trees, plants and groundcover. Landscape areas shall be bordered by curbing. Landscaping shall be carried up to the property lines with the exception that landscaping shall be carried up to the back of the curb and gutter along Perimeter Road. A desirable feature is to install street trees along Perimeter Road to create a promenade effect. Meet the specific landscaping requirements of King County Code 21.51.
- F. Signing - All exterior signs shall be approved by the Airport Manager. Signs shall not protrude above eave height unless otherwise approved by Airport Manager. Free standing signs shall be set back at least 5 feet from property lines adjoining Perimeter Road and shall not exceed 40 feet in height. Signing shall be uncluttered with the emphasis on only significant information being stated, such as business name and service and product information of the tenant. Lighted signs shall be non-flashing.
- G. Utilities - All utilities including power and telephone services shall be run underground to the buildings. Common utility trenches for street crossings are required. Minimum storm drain size is 6 inches except from downspouts, which can be 4 inches. Storm drains shall be at least 10 feet from building foundations. Meet the storm water runoff retention and water quality requirements per King County Surface Water Design Manual. Tenant is responsible for making the water service tap-in to the main and setting the meter box with a shut-off valve. King County will furnish a water meter for installation by tenant's contractor. Any relocation of storm drains or water lines shall be the responsibility of the tenant unless otherwise stipulated by King County. All water services over 2 inches shall have a shutoff valve located within 5 feet of the water main. Pressure reducing valves are required since the static water pressure is 125 psi. Street crossings shall be backfilled with at least 6 inches of crushed rock and at least a 4 inch layer of asphalt (in two lifts) or 8 inches of concrete shall be placed to match the road material. Tenant's contractor is responsible for any settling of the street crossing for a period of one year and shall make prompt repairs when notified by King County.
- H. Surface Drainage - Design of drainage for the site shall receive special care. Under normal conditions all on-site surface water shall be accommodated within the leasehold. Care shall be taken to as to not especially surface water from Perimeter Road. Landscape areas along Perimeter Road shall have drainage pipes through them as needed to carry the surface water from the road. Slopes in aircraft tiedown areas should be around 1 percent with a maximum of 2 percent. Slopes in automobile parking areas shall not exceed 5 percent.

- I. Fencing and Security - Tenant is responsible for securing his leasehold by installing fencing to separate the aircraft operational area from the public area. Minimum fencing height adjacent to the aircraft operational area is either 7 feet plus 3 strands of barbed wire or 8 feet without barbed wire. Gates for pedestrian and vehicular access shall be provided.
- J. Outside Storage - All outside storage areas shall be suitably screened from view compatible in design with the permanent structures.

### TENANT IMPROVEMENT APPROVAL PROCESS

#### AT KING COUNTY INTERNATIONAL AIRPORT

##### I. SUBMITTAL PROCESS

A. Tenant submits to Airport Manager two copies of a site plan showing the preliminary details of the improvements that the tenant wishes to make. An informal in-person discussion of the improvements is desirable.

B. Airport Manager reviews preliminary site plan and submits written comments to tenant.

C. Tenant develops architectural working drawings, electrical and mechanical drawings, and site and landscaping plans. Written approval of principle leaseholder must be presented in the case of subtenants. Detail in plans shall be sufficient for normal King County Building Permit review. Following is a brief description of information needed for Airport review:

1. Architectural Plans - Show floor plans to scale no smaller than 1/16 inch per foot (preferably 1/8 inch per foot). Show elevation views of all exposed exterior portions of new building or addition. Note exterior color schemes. Include structural, electrical, plumbing, heating and ventilation drawings for Building Department review.

2. Site Plans (Plot Plans) - Show locations of all utilities, both existing and new property lines, limits of paving, fencing, building locations with dimensions, and elevation data for floor slab and site to determine surface drainage. Scale of site plan shall be no smaller than 1 inch per 50 feet (Preferably 1 inch per 20 feet).

Submit one complete set of all drawings for the work in addition to the number of sets (usually 3) required by the Building Department.

The Airport Engineer is available to explain further these requirements and to assist you in preliminary site planning. He also has records pertaining to existing site utilities.

3. Drainage Plan - Submit site drainage plan either on site plan or on separate drawing per the requirements of King County "Surface Water Design Manual".

4. Landscaping Plan - Show species and location of trees and plants on plan of site to same scale as the Site Plan per the requirements of King County Code 21.51.

D. Airport Manager and Airport Engineer review submittals and notify tenant of approval or need for corrections or further information.

Airport Engineer provides a Certificate of Water Availability and Fire District Receipt to tenant as may be required for the building permit.

A Certificate of Sewer Availability is also required. It can be obtained through the City of Seattle Sewer Permit Section at 501 Seattle Municipal building, 600 Fourth Avenue, Seattle, (206) 684-5253.

E. Once approved by Airport Manager and Engineer, the tenant takes the Plans to the King County Department of Development and Environmental Services, 3600 136th Place Southeast, Bellevue, WA 98006-1400.  
(296-6600).

F. Building Permit is issued.

G. Contractor starts work. Inspection by Development and Environmental Services inspector(s). Coordinate all utility hookups with Airport Engineer. Notify Airport Engineer at least 24 hours in advance of street crossing for utilities and water service connections. Should a sanitary sewer connection be involved, then a Seattle sewer permit is required. (501 Seattle Municipal Building, 600 Fourth Avenue, Seattle, 684-5253). The Airport Engineer will provide an approval memo to give to Seattle for the sewer permit.

A State Electrical Permit is required for all electrical work. (Department of Labor and Industries, 12806 Gateway Drive, Seattle 98168, 248-6630).

H. At the completion of the work, tenant submits one copy of an "as built" site plan showing the utilities as they were placed on the site. Dimensions to key locations would be helpful.