



King County

1200 King County
Courthouse
516 Third Avenue
Seattle, WA 98104

Meeting Agenda Budget and Fiscal Management Committee

Councilmembers:
Girmay Zahilay, Chair;
Rod Dembowski, Vice Chair;
Claudia Balducci, Jorge Barón, Teresa Mosqueda, Sarah Perry

Lead Staff: *April Sanders (206-263-3412)*
Committee Clerk: *Marka Steadman (206-477-0887)*

9:30 AM

Wednesday, August 28, 2024

Hybrid Meeting

Hybrid Meetings: Attend King County Council committee meetings in person in Council Chambers (Room 1001), 516 3rd Avenue in Seattle, or through remote access. Details on how to attend and/or provide comment remotely are listed below.

Pursuant to K.C.C. 1.24.035 A. and F., this meeting is also noticed as a meeting of the Metropolitan King County Council, whose agenda is limited to the committee business. In this meeting only the rules and procedures applicable to committees apply and not those applicable to full council meetings.

HOW TO PROVIDE PUBLIC COMMENT: The Budget and Fiscal Management Committee values community input and looks forward to hearing from you on agenda items.

There are three ways to provide public comment:

1. **In person:** You may attend the meeting and provide comment in the Council Chambers.
2. **By email:** You may comment in writing on current agenda items by submitting your email comments to kcccomitt@kingcounty.gov. If your email is received by 8:00 a.m. on the day of the meeting, your email comments will be distributed to the committee members and appropriate staff prior to the meeting.
3. **Remote attendance at the meeting by phone or computer** (see "Connecting to the Webinar" below).

You may provide oral comment on current agenda items during the meeting's public comment period.

	<p>Sign language and interpreter services can be arranged given sufficient notice (206-848-0355). TTY Number - TTY 711.</p> <p>Council Chambers is equipped with a hearing loop, which provides a wireless signal that is picked up by a hearing aid when it is set to 'T' (Telecoil) setting.</p>	
--	--	--

You are not required to sign up in advance. Comments are limited to current agenda items.

You have the right to language access services at no cost to you. To request these services, please contact Language Access Coordinator, Tera Chea at 206-477-9259 or email tera.chea2@kingcounty.gov by 8:00 a.m. three business days prior to the meeting.

CONNECTING TO THE WEBINAR:

Webinar ID: 867 1228 9077

By computer using the Zoom application at <https://zoom.us/join> and the webinar ID above.

Via phone by calling 1-253-215-8782 and using the webinar ID above.

HOW TO WATCH/LISTEN TO THE MEETING REMOTELY: There are several ways to watch or listen in to the meeting:

- 1) Stream online via this link: <http://www.kingcounty.gov/kctv>, or input the link web address into your web browser.
- 2) Watch King County TV on Comcast Channel 22 and 322(HD) and Astound Broadband Channels 22 and 711(HD)
- 3) Listen to the meeting by telephone – See “Connecting to the Webinar” above.

To help us manage the meeting, if you do not wish to be called upon for public comment please use the Livestream or King County TV options listed above, if possible, to watch or listen to the meeting.

1. Call to Order

2. Roll Call

To show a PDF of the written materials for an agenda item, click on the agenda item below.

3. Approval of Minutes

July 24, 2024 meeting **p. 5**

4. Public Comment



Sign language and interpreter services can be arranged given sufficient notice (206-848-0355).
TTY Number - TTY 711.
Council Chambers is equipped with a hearing loop, which provides a wireless signal that is picked up by a hearing aid when it is set to 'T' (Telecoil) setting.



Consent

5. [Proposed Ordinance No. 2024-0237](#) **p. 9**

AN ORDINANCE authorizing the King County executive to enter into a lease agreement with Washington state Department of Transportation, Ferries Division, as landlord, for uplands, tidelands, and facilities located at 201 Alaskan Way S, Seattle, Washington, in council district eight.

Sponsors: Zahilay

Mary Bourguignon, Council staff

Contingent upon referral to the Budget and Fiscal Management Committee.

Briefing

6. [Briefing No. 2024-B0103](#) **p. 63**

Visit Seattle

Tammy Canavan, President & CEO, Visit Seattle

Peter Andersen, Senior Director of Convention Strategy, Visit Seattle

Discussion and Possible Action

7. [Proposed Ordinance No. 2024-0239](#) **p. 78**

AN ORDINANCE authorizing the execution of a new lease to support the operation of the department of public health.

Sponsors: Mosqueda

Sam Porter, Council staff

Contingent upon referral to the Budget and Fiscal Management Committee.



Sign language and interpreter services can be arranged given sufficient notice (206-848-0355).
TTY Number - TTY 711.
Council Chambers is equipped with a hearing loop, which provides a wireless signal that is picked up by a hearing aid when it is set to 'T' (Telecoil) setting.



8. [Proposed Ordinance No. 2024-0244](#) **p. 112**

AN ORDINANCE authorizing the execution of a new lease to support the operation of the department of public health.

Sponsors: Zahilay

Sam Porter, Council staff

Contingent upon referral to the Budget and Fiscal Management Committee.

9. [Proposed Ordinance No. 2024-0229](#) **p. 152**

AN ORDINANCE relating to changing the form of the note authorized under the conveyance of the surplus property located at 906 Pine Street, Seattle, Washington, in council district four; and amending Ordinance 18546, Section 1.



Sponsors: Zahilay

Mary Bourguignon, Council staff

Contingent upon referral to the Budget and Fiscal Management Committee.

Other Business

Adjournment

	<p>Sign language and interpreter services can be arranged given sufficient notice (206-848-0355). TTY Number - TTY 711. Council Chambers is equipped with a hearing loop, which provides a wireless signal that is picked up by a hearing aid when it is set to 'T' (Telecoil) setting.</p>	
---	---	---



King County

1200 King County
Courthouse
516 Third Avenue
Seattle, WA 98104

Meeting Minutes Budget and Fiscal Management Committee

Councilmembers:
Girmay Zahilay, Chair;
Rod Dembowski, Vice Chair;
Claudia Balducci, Jorge Barón, Teresa Mosqueda, Sarah Perry

Lead Staff: *April Sanders (206-263-3412)*
Committee Clerk: *Marka Steadman (206-477-0887)*

9:30 AM

Wednesday, July 24, 2024

Hybrid Meeting

DRAFT MINUTES

1. **Call to Order**

Chair Zahilay called the meeting to order at 9:31 a.m.

2. **Roll Call**

Present: 5 - Balducci, Barón, Dembowski, Perry and Zahilay

Excused: 1 - Mosqueda

3. **Approval of Minutes**

Vice Chair Dembowski moved approval of the July 10, 2024, meeting minutes. There being no objections, the minutes were approved.

4. **Public Comment**

The was no one in attendance wishing to provide public comment.

Briefing

5. **[Briefing No. 2024-B0093](#)**

Briefing on the Proposed Restructure of Payments for the Convention Place Station Sale

Mary Bourguinon, Council staff, briefed the committee and answered questions from the members. Dwight Dively, Director, Office of Performance, Strategy, and Budget, answered questions from the members. Anthony Wright, Director, Facilities Management Division, addressed the committee.

This matter was Presented

Discussion and Possible Action

6. [Proposed Ordinance No. 2024-0200](#)

AN ORDINANCE authorizing the execution of an amendment to an existing lease to support the operation of the department of natural resources and parks.

Sherrie Hsu, Council staff, briefed the committee and answered questions from the members. Anthony Wright, Director, Facilities Management Division, addressed the committee.

This matter was expedited to the August 20, 2024, Council agenda.

A motion was made by Vice Chair Dembowski that this Ordinance be Recommended Do Pass Consent. The motion carried by the following vote:

Yes: 5 - Balducci, Barón, Dembowski, Perry and Zahilay

Excused: 1 - Mosqueda

7. [Proposed Ordinance No. 2024-0144](#)

AN ORDINANCE authorizing the execution of a renewal of an existing lease to support the operation of the department of natural resources and parks.

Sherrie Hsu, Council staff, briefed the committee and answered questions from the members. Anthony Wright, Director, Facilities Management Division, addressed the committee.

This matter was expedited to the August 20, 2024, Council agenda.

A motion was made by Vice Chair Dembowski that this Ordinance be Recommended Do Pass Consent. The motion carried by the following vote:

Yes: 5 - Balducci, Barón, Dembowski, Perry and Zahilay

Excused: 1 - Mosqueda

8. [Proposed Ordinance No. 2024-0204](#)

AN ORDINANCE relating to solid waste fees charged at recycling and transfer facilities, at the Cedar Hills regional landfill, and for construction and demolition waste disposed at landfills by construction and demolition receiving facilities; and amending Ordinance 12564, Section 2, as amended, and K.C.C.10.12.021 and Ordinance 18166, Section 5, and K.C.C.4A.670.300 and establishing an effective date.

Terra Rose, Council staff, briefed the committee and answered questions from the members. Pat McLaughlin, Director, Solid Waste Division, answered questions from the members.

This matter was expedited to the August 20, 2024, Council agenda.

A motion was made by Vice Chair Dembowski that this Ordinance be Recommended Do Pass Consent. The motion carried by the following vote:

Yes: 5 - Balducci, Barón, Dembowski, Perry and Zahilay

Excused: 1 - Mosqueda

9. [Proposed Ordinance No. 2024-0167](#)

AN ORDINANCE that adopts the Harborview Medical Center 2025 Capital Improvement Program Annual Budget for the year ending June 30, 2025, and makes appropriations for the capital improvements for the Harborview Medical Center.

Sam Porter, Council staff, briefed the committee and answered questions from the members. Anthony Wright, Director, Facilities Management Division, addressed the committee.

This matter was expedited to the August 20, 2024, Council agenda.

A motion was made by Vice Chair Dembowski that this Ordinance be Recommended Do Pass Consent. The motion carried by the following vote:

Yes: 5 - Balducci, Barón, Dembowski, Perry and Zahilay

Excused: 1 - Mosqueda

Other Business

There was no further business to come before the committee.

Adjournment

The meeting was adjourned at 10:58 a.m.

Approved this _____ day of _____

Clerk's Signature



King County

**Metropolitan King County Council
Budget & Fiscal Management Committee**

STAFF REPORT

Agenda Item:	5	Name:	Mary Bourguignon
Proposed No.:	2024-0237	Date:	August 28, 2024

SUBJECT

Proposed Ordinance 2024-0237 would authorize a 10-year lease with Washington State Ferries (WSF) at Pier 48 for storage and employee parking, as well as for moorage of a barge north of the pier to moor and maintain King County passenger-only ferry vessels.

SUMMARY

In 2012, the former King County Ferry District (KCFD) authorized a lease¹ with the Washington State Department of Transportation’s Ferries Division (also known as Washington State Ferries, or WSF) to allow KCFD limited access to Pier 48 for employee parking and to moor a barge off the north side of Pier 48 for maintenance and moorage for KCFD’s passenger-only ferry vessels. (Pier 48 is located just south of the King County passenger-only ferry terminal at Pier 50.)

The 2012 lease was for four years with two one-year extensions and month-to-month tenancy after that. Rent was free for the first two years in recognition of the value of passenger-only ferry service in mitigating traffic during the construction of the Alaskan Way Viaduct replacement project; and \$57,000 per year after the first two years.

Proposed Ordinance 2024-0237 would authorize a new lease with WSF for use of Pier 48. The proposed lease would be for 10 years beginning July 1, 2024, with two five-year extensions. The proposed lease would include moorage for the County’s maintenance barge, access from the pier to the barge, as well as five parking spaces for County employees and a fenced storage area on the pier itself.

The proposed lease cost would be \$86,800 annually, adjusted each year by the Consumer Price Index. The proposed lease rate is based on the Port of Seattle’s Tariff No. 5 for moorage of a 200-foot vessel, discounted 25% for the public benefit of passenger-only ferry service and 62% for the condition of Pier 48. Lease costs would be covered by the County’s dedicated property tax for passenger-only ferry service.

¹ Resolution FD2012-05 ([link](#))

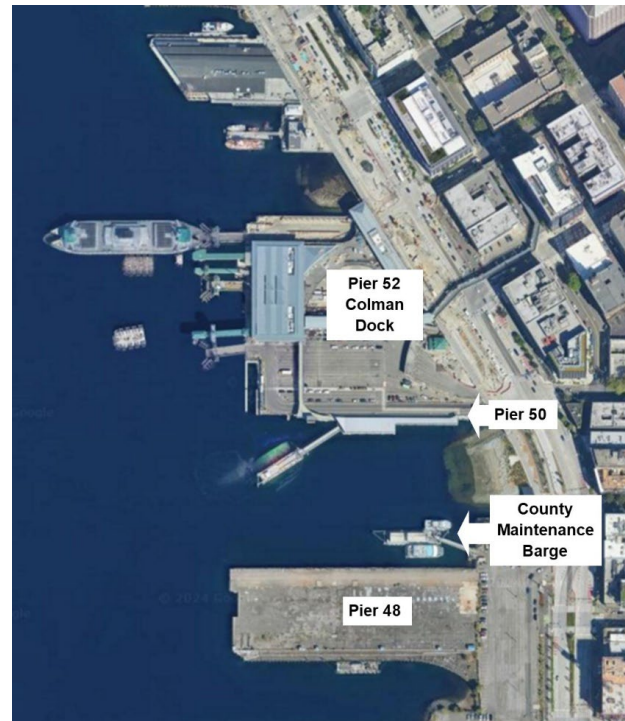
BACKGROUND

Passenger-only ferry service in King County. In 2007, King County established the King County Ferry District (KCFD)² as an independent government under State law³ to provide passenger-only ferry service.⁴

KCFD operated passenger-only ferry service on two routes between Downtown Seattle (from Pier 50 on the Seattle Waterfront) to West Seattle and to Vashon Island.⁵

In 2014, KCFD began planning for a renovation of its passenger-only ferry terminal at Pier 50, as part of the Washington State Ferries' (WSF) development of its Seattle multimodal terminal at Colman Dock (Pier 52).⁶

King County reached an agreement with WSF to split responsibilities and costs for the Pier 50 portion of the project,⁷ negotiated a 50-year lease with WSF⁸ for the continued use of Pier 50, and opened the renovated terminal at Pier 50 to water taxi passengers in 2019.⁹



In 2014, KCFD was assumed into King County, becoming the Marine Division within the King County Department of Transportation.¹⁰ In 2019, the Marine Division was moved into the newly created Metro Transit Department.¹¹

² Ordinance 15739. The King County Ferry District (KCFD) included the entire boundary of King County, and its Board was made up of the members of the King County Council, acting ex officio and independently. The KCFD Board had the authority to levy each year an ad valorem tax on all taxable property located in the district not to exceed \$0.75 per \$1,000 of assessed value to be used only for providing ferry services.

³ RCW 36.54.110

⁴ Passenger-only ferry service is also referred to as water taxi service.

⁵ KCFD assumed operations of King County's seasonal Elliott Bay Water Taxi between Downtown and West Seattle in 2007 (Ordinance 15739) and began year-round service to West Seattle in 2010 (documented in FD2014-05). KCFD began Vashon service in 2009 (FD2009-15, FD2009-17), taking over service that had previously been operated by WSF.

⁶ Washington State Ferries, Seattle Multimodal Terminal at Colman Dock Project ([link](#))

⁷ Resolutions FD2014-11, FD2014-12, FD2014-13

⁸ Ordinance 18340 (The 50-year lease of Pier 50 authorized by Ordinance 18340 was approved in 2016, by which time the KCFD had been assumed into King County.)

⁹ King County Water Taxi, Captain's Blog, August 19, 2019, Scenes from the opening day of the new passenger-only ferry terminal at Pier 50 ([link](#))

¹⁰ Ordinance 17935

¹¹ Ordinance 18777. Metro's adopted policy documents have since been updated (by Ordinance 19367) to incorporate policies related to water taxi service.

King County's passenger-only ferry service is funded through a dedicated property tax, which is currently set at a rate of \$0.00845 per \$1,000 of assessed value,¹² and is estimated to collect \$7 million in 2024.¹³

2012 Pier 48 lease. In 2012, the KCFD Board authorized a lease¹⁴ with WSF to allow KCFD limited access to Pier 48 for employee parking and to the associated tide lands to locate a barge on the north side of Pier 48 for the maintenance and moorage of KCFD's passenger-only ferry vessels.

Pier 48, which is located just south of the King County¹⁵ passenger-only ferry terminal at Pier 50, and is owned by WSF, was used primarily for contractor parking and staging during the construction of the Alaskan Way Viaduct replacement project.¹⁶ King County was granted access to a portion of the pier through its 2012 lease with WSF, including access from the pier to the County maintenance barge moored off the pier.

The 2012 lease had a term of four years, with two one-year extensions, and month-to-month tenancy after that.

The proposed new lease notes that WSF had prepared a draft amendment to the 2012 lease to further extend that lease after it expired, but that King County requested that WSF instead prepare a new lease that would reference King County rather than the former KCFD. As a result, the 2012 lease has been in "holdover" status, using month-to-month tenancy until the establishment of a new lease.¹⁷

Rent under the 2012 lease was free for the first two years, in recognition of the value of passenger-only ferry service in mitigating traffic during the construction of the Alaskan Way Viaduct replacement project; and \$57,000 per year after the first two years.

Following the expiration of the 2012 lease for Pier 48, and with the 50-year lease¹⁸ and renovation of Pier 50 indicating King County's intent to use Pier 50 as a base for passenger-only ferry operations over the long term, the Executive negotiated a proposed new lease with WSF for continued access to Pier 48.

ANALYSIS

Proposed Ordinance 2024-0237 would authorize a 10-year lease with WSF, with two five-year extensions, for the use of Pier 48 and associated tidelands at 201 Alaskan Way in Seattle. This proposed term is shorter than the 50-year lease, with 25-year extension, that King County negotiated in 2016 for terminal operations at Pier 50.¹⁹

¹² King County Assessor, 2024 Codes and Levies, King County Taxing Districts ([link](#))

¹³ July 2024 King County Economic and Revenue Forecast, Office of Economic and Financial Analysis ([link](#))

¹⁴ Resolution FD2012-05 ([link](#))

¹⁵ Note that this staff report refers interchangeably to King County and the KCFD when referring to the 2012 lease. This is because King County assumed the functions and responsibilities of the KCFD in 2014, meaning that use of Pier 48 since then has been under the auspices of King County, not KCFD.

¹⁶ Washington State Department of Transportation, Alaskan Way Viaduct Replacement Program ([link](#))

¹⁷ Proposed Ordinance 2024-0237, Attachment A, p. 2

¹⁸ Ordinance 18350

¹⁹ Ordinance 18350

Metro states that the proposed lease term for Pier 48 is the longest WSF would grant due to its ongoing planning for the future use of Pier 48, including as a potential support location for electrification needs.

The proposed lease cost would be based on the Port of Seattle’s Tariff No. 5²⁰ for moorage of a 200-foot vessel, which would result in a base rate of \$304,560 per year. This base rate would be discounted 25% to account for the public benefit of passenger-only ferry service and 62% for the condition of Pier 48, resulting in the proposed lease cost of \$86,800 annually. Lease costs would be adjusted each year by the Consumer Price Index,²¹ beginning July 1, 2025.

Key conditions of the proposed Pier 48 lease are summarized in Table 1.

Table 1. Pier 48 Proposed Lease, Summary of Key Conditions

Issue	Lease Section	Description
Access and Use Rights	2.1	<ul style="list-style-type: none"> • King County to have access and use rights to: <ul style="list-style-type: none"> ○ A portion of Pier 48 and associated tidelands (“Pier 48”) ○ Infrastructure located at Pier 48, including gangway, fending and gate, and the concrete pad adjacent to the seawall (“Pier 48 Facilities”) ○ An area at Pier 48 for access and parking ○ An area for utility services and connections • King County to locate and secure a maintenance and moorage barge for its passenger-only ferries <ul style="list-style-type: none"> ○ Moorage of up to four passenger-only ferry vessels to the barge allowed at a time ○ King County solely responsible for the security of the barge and any associated vehicles and vessels, loss of or damage to the barge, and any damage resulting from the County’s use and occupancy or Pier 48 • King County to have access to five parking spaces on Pier 48 for County employees or vendors • King County to have 24/7 access to Pier 48, Pier 48 Facilities
Use and Occupancy of Pier 48 for Barge	2.2	<ul style="list-style-type: none"> • King County to use Pier 48 and Pier 48 Facilities for: <ul style="list-style-type: none"> ○ Use of the pile and gangway ○ Utility service installation, including power, potable water, sewer, communication lines, fire, and water ○ Authorized Pier 48 upland parking ○ Use and maintenance of the existing abutment pier ○ The tie-up of the barge ○ The docking of the County’s passenger-only ferry vessels ○ The loading and unloading of supplies from the vessels ○ The moorage of County passenger-only ferry vessels during service hours, non-service hours during the day, and nighttime tie-up ○ Maintenance of the County’s ferry vessels

²⁰ Port of Seattle Tariff No. 5 sets the base rate for a 200-foot vessel at \$846 per day ([link](#))

²¹ Consumer Price Index for the U.S. City Average for All Urban Consumers as published by the U.S. Bureau of Labor Statistics (the “Index”).

Issue	Lease Section	Description
County Improvements	2.3	<ul style="list-style-type: none"> • King County may make improvements²² to Pier 48 and the Pier 48 Facilities, with approved improvements including: <ul style="list-style-type: none"> ○ Gangway ○ Pier installation ○ Pile frame assembly installation ○ Utility installation • WSF to review future modifications or improvements • WSF may use County utility connections if no impact on County's operations
Term	3	<ul style="list-style-type: none"> • The lease commences July 1, 2024 • Lease term is for 10 years • Lease may be extended via two extensions of five years each • If the lease is not extended, ongoing use to be through month-to-month tenancy
Rent	4	<ul style="list-style-type: none"> • County to pay fair market rent, discounted to reflect the limited facilities and access at Pier 48, calculated as: <ul style="list-style-type: none"> ○ Port of Seattle's Tariff No. 5²³ moorage rate for a 200-foot vessel to be used as base rate (\$304,560/year) ○ 25% discount to be applied for public benefit (results in \$228,420 rent/year) ○ 62% discount to be applied for deteriorated condition of Pier 48 (results in \$86,800 rent/year) • Rent to be adjusted each year, beginning July 1, 2025, based on Consumer Price Index²⁴
Taxes and Operating Costs	5	<ul style="list-style-type: none"> • County to pay all relevant taxes • County to pay the cost of all utilities that serve the leased Pier 48 and Pier 48 Facilities • County to pay any law enforcement cost incurred on behalf of the County's use of Pier 48
Capital Projects and Disruptions	6	<ul style="list-style-type: none"> • There may be disruptions to access to Pier 48 due to construction of the Seattle Multimodal Terminal Project (Pier 52) or Seattle Waterfront Redevelopment Project • WSF is not liable to County for any damages from these or other ongoing construction projects
Insurance	7	<ul style="list-style-type: none"> • County to keep its activities, vessels, and equipment insured or self-insured • Insurance policies to name WSDOT/WSF as additional insureds
Responsibilities	8	<ul style="list-style-type: none"> • County responsible for the operation, maintenance, and repair of the leased area of Pier 48 • County responsible for maintenance and security of its barge • WSF responsible for portions of Pier 48 that are not part of the County's lease and that WSF is using
Termination	12	<ul style="list-style-type: none"> • County may terminate the lease with three months' notice • WSF may terminate the lease with 12 months' notice

²² County improvements are documented in Exhibit B to the proposed lease

²³ Port of Seattle Tariff No. 5 sets the base rate for a 200-foot vessel at \$846 per day ([link](#))

²⁴ Consumer Price Index for the U.S. City Average for All Urban Consumers as published by the U.S. Bureau of Labor Statistics (the "Index").

Fiscal Impact. Lease costs would be covered by King County's dedicated property tax for passenger-only ferry service.

ATTACHMENTS

1. Proposed Ordinance 2024-0237 (and its attachment)
2. Transmittal Letter
3. Fiscal Note
4. Property Summary (from Executive transmittal)



KING COUNTY
Signature Report

ATTACHMENT 1
1200 King County Courthouse
516 Third Avenue
Seattle, WA 98104

Ordinance

Proposed No. 2024-0237.1

Sponsors Zahilay

1 AN ORDINANCE authorizing the King County executive
2 to enter into a lease agreement with Washington state
3 Department of Transportation, Ferries Division, as
4 landlord, for uplands, tidelands, and facilities located at 201
5 Alaskan Way S, Seattle, Washington, in council district
6 eight.

7 **STATEMENT OF FACTS:**

8 1. The Metro transit department marine division has decided to
9 continue to support the maintenance operation and moorage of the
10 King County passenger-only water taxi fleet from the current
11 facility located at Pier 48.

12 2. The Metro transit department has successfully negotiated a
13 lease for a portion of Pier 48 and associated tidelands with the
14 Washington state Department of Transportation, Ferries Division.

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

16 **SECTION 1.** The executive is authorized to execute a lease for the property
17 located at 201 Alaskan Way S, Seattle, with the Washington state Department of

- 18 Transportation, Ferries Division, substantially in the form of Attachment A to this
19 ordinance, and to take all actions necessary to implement the terms of the lease.

KING COUNTY COUNCIL
KING COUNTY, WASHINGTON

Dave Upthegrove, Chair

ATTEST:

Melani Pedroza, Clerk of the Council

APPROVED this ____ day of _____, _____.

Dow Constantine, County Executive

Attachments: A. Lease Agreement

**PIER 48 LEASE NO. GCB 4077
FOR PASSENGER - ONLY FERRIES
MAINTENANCE AND MOORAGE BARGE**

**Between
Washington State Department of Transportation
Ferries Division
and
King County**

JULY 2024

**PIER 48 LEASE NO. GCB 4077
FOR PASSENGER - ONLY FERRIES
MAINTENANCE AND MOORAGE BARGE**

TABLE OF CONTENTS

<u>Article</u>	<u>Page</u>
1 INTERPRETATION, DEFINITIONS AND EXHIBITS.....	3
2 LEASE AND USE.....	6
3 TERM OF LEASE.....	8
4 RENT	9
5 TAXES AND OPERATING COSTS.....	12
6 CAPITAL PROJECTS.....	13
7 INSURANCE, RISK AND INDEMNITY.....	14
8 RESPONSIBILITIES.....	16
9 LABOR RELATIONS.....	21
10 MAINTENANCE OF RECORDS.....	21
11. DISPUTE RESOLUTION.....	23
12 TERMINATION.....	24
13 ENVIRONMENTAL PROVISIONS	25
14 GENERAL PROVISIONS.....	29
15 ENTIRE AGREEMENT.....	33
Exhibit A Pier 48 Site Plan 2022	
Exhibit B COUNTY Existing Barge Maintenance Facility Drawings	
Exhibit C Parties' Representatives	

**PIER 48 LEASE NO. GCB 4077
FOR PASSENGER – ONLY FERRIES
MAINTENANCE AND MOORAGE BARGE**

1 This **LEASE** is made and entered into this _____ day of _____ 2024,
2 between the **WASHINGTON STATE DEPARTMENT OF TRANSPORTATION**
3 **FERRIES DIVISION**, operating as Washington State Ferries (hereinafter called “**WSF**”) and
4 **KING COUNTY**, a home rule charter county and political subdivision of the state of Washington,
5 acting by and through its Metro Transit Department and Marine Division (hereinafter called
6 “**COUNTY**”), each referred to individually as “**Party**” and collectively as the “**Parties.**”

RECITALS

- 7
8
9
- 10 1. As components of its property in Seattle and Puget Sound, Washington, the Washington
11 State Department of Transportation (herein after called “**WSDOT**”) owns Pier 48 located
12 at 201 Alaskan Way S, tax parcel number 7666202630, and associated tidelands in
13 downtown Seattle as further described herein, both in King County, Washington
14 (hereinafter jointly called “**Pier 48**”). For this Agreement, **WSF** is acting on behalf of
15 **WSDOT**.
16
 - 17 2. **WSDOT** purchased Pier 48 to serve as parking for contractors and Port of Seattle Pilots
18 during construction of the Alaskan Way Viaduct Project (hereinafter called the “**AWV**
19 **Project**”). Subsequent to the **AWV Project**, **WSF** installed remote vehicle holding lanes at
20 Pier 48 to support the construction of a new Seattle Multimodal Terminal at Colman Dock
21 / Pier 52.
22
 - 23 3. The Parties previously entered into a Pier 48 Lease No. GCB 1144 For Maintenance and
24 Moorage Barge, dated April 14, 2012 (hereinafter called “**Lease No. GCB 1144**”) whereby
25 **WSDOT** leased to the former King County Ferry District certain space on the north side
26 of Pier 48 for moorage of the **COUNTY’S** maintenance and moorage barge (hereinafter
27 called “**Barge**” or “**barge**”) to maintain and moor its passenger-only ferries (hereinafter
28 may be called “**POF**”) and provide associated maintenance facilities on the Barge.
29

- 1 4. The **COUNTY'S** use of Pier 48 and the Pier 48 Facilities for the Barge for **COUNTY** POF
2 vessels has a direct savings benefit to the Early Safety and Mobility Projects by allowing
3 the **COUNTY** to maintain its West Seattle Water Taxi (and Vashon Island POF) at Pier
4 48, which is adjacent to the **COUNTY'S** new POF Terminal at Pier 50. Such proximity
5 enables the **COUNTY** to efficiently maintain its POF vessels serving the **COUNTY'S** Pier
6 50 / West Seattle Water Taxi route and Vashon Island POF route and other potential service
7 routes. Such proximity enables the **COUNTY** to enhance POF service which helps
8 mitigate vehicle traffic congestion on roadways and on **WSF'S** auto / passenger ferries
9 serving the Seattle Multimodal Terminal (Colman Dock / Pier 52).
10
- 11 5. Subsequent to the execution of Lease No. GCB 1144, the **COUNTY** assumed all the rights
12 and responsibilities of the former King County Ferry District under that lease.
13
- 14 6. **WSF** prepared a draft Amendment No. 1 to Lease No. GCB 1144 to further extend the
15 Lease for the period of time specified in this Lease. On review, the **COUNTY** stated that
16 it preferred a new successor lease with all references to the **COUNTY** instead of the former
17 King County Ferry District. Lease No. GCB 1144 has been in holdover until the
18 establishment of a new lease.
19
- 20 7. The Parties wish to enter into this new, successor Lease covering the **COUNTY'S** POF
21 maintenance and moorage Barge activities at Pier 48.
22
- 23 8. **WSF** is authorized to enter into this Lease pursuant to Revised Code of Washington (RCW)
24 47.56.253, RCW 47.60.662, RCW 47.64.090 and RCW 47.12.120. The **COUNTY** is
25 authorized to enter into this Lease pursuant to RCW 36.54.110 and the King County
26 Charter, Sections 120, 220.20, 230.10.10 and 320.20.
27

28 **AGREEMENT**
29

30 **NOW, THEREFORE**, in consideration of the covenants and mutual promises herein, the
31 Parties agree as follows:
32
33

ARTICLE 1
INTERPRETATION, DEFINITIONS, AND EXHIBITS

1.1 Interpretation. In this Lease, the following interpretations apply, except as otherwise expressly provided or unless the context otherwise requires.

A. The headings are for convenience only and are not intended as a guide to interpretation of this Lease or any portion thereof.

B. The word “**including**,” when following any general statement or term, is not to be construed as limiting the general statement or term to the specific items or matters set forth or to similar items or matters, but rather as permitting the general statement or term to refer to all other items or matters that could reasonably fall within its broadest possible scope.

C. Words importing the masculine gender include the feminine or neuter, words in the singular include the plural, words importing a corporate entity include individuals, and vice versa.

D. A reference to “**approval**,” “**authorization**,” or “**consent**” means written approval, authorization, or consent.

1.2 Definitions. The capitalized words and phrases used in this Lease have the meanings set out below.

A. “**Additional Amounts**” means all sums of money other than the Rent, if any, from time to time payable by the **COUNTY** to **WSF** pursuant to agreement of the Parties for taxes or services provided by **WSF** that **WSF** is not otherwise obligated to provide under this Lease.

B. “**Applicable Laws**” means all statutes, laws, regulations, bylaws, building codes, orders, and requirements of any federal, state, municipal, or other public authority having jurisdiction at any time and from time to time in force (including all Environmental Laws).

1 **C.** “**Environmental Laws**” means any federal, state, or local statute, regulation, code,
2 rule, ordinance, order, judgment, decree, injunction, or common law, or any permit
3 issued pertaining in any way to the protection of human health, safety, or the
4 environment including, without limitation, the Comprehensive Environmental
5 Response, Compensation and Liability Act of 1980, 42 U.S.C. § 9602 et. Seq.
6 (“CERCLA”); the Resource Conservation and Recovery Act of 1976, 42 U.S.C. §
7 6901 et seq. (“RCRA”); the Washington State Model Toxics Control Act, Chapter
8 70A.305 RCW (“MTCA”); the Washington Hazardous Waste Management Act,
9 RCW ch. 70A.300; the Federal Water Pollution Control Act, 33 U.S.C. § 1251 et
10 seq., the Washington Water Pollution Control Act, RCW ch. 90.48, and any laws
11 concerning aboveground or underground storage tanks.

12
13 **D.** “**Force Majeure**” means any strike, lock-out, labor dispute, act of God, inability
14 to obtain labor, utilities or services, application of Applicable Laws, enemy or
15 hostile actions, sabotage, war, blockades, insurrections, riots, epidemics,
16 washouts, nuclear and radiation activity or fall-out, civil disturbances, explosions,
17 fire or other casualty, or any other cause, whether similar to or dissimilar from the
18 foregoing, beyond the control of the party seeking to take advantage of such Force
19 Majeure and not avoidable by the exercise of reasonable foresight.

20
21 **E.** “**Governmental Authority**” means any federal, state, municipal, or local
22 government, government authority, office, or official having jurisdiction, or other
23 political subdivision of any of them, or any entity, authority, agency, or court or
24 person exercising executive, legislative, judicial, regulatory, or administrative
25 functions on behalf of such government, government authority, office or official or
26 other political subdivision thereof.

27
28 **F.** “**Hazardous Materials**” as used herein shall mean: (i) any toxic substances or
29 waste, sewage, petroleum products, radioactive substances, medical, heavy metals,
30 corrosive, noxious, acidic, bacteriological or disease-producing substances; (ii) any
31 dangerous waste or hazardous waste as defined in the Washington Hazardous
32 Waste Management Act as now existing or hereafter amended (Chapter Ch.
33 70A.300 RCW) or the Resource Conservation and Recovery Act as now existing
34 or hereafter amended (42 U.S.C. § 6901 et seq.); (iii) any hazardous substance as
35 defined in the Washington Model Toxics Control Act as now existing or hereafter

1 amended (Chapter 70A.305 RCW), or the Comprehensive Environmental
2 Response, Compensation and Liability Act of 1980 as now existing or hereafter
3 amended (42 U.S.C. § 9601 et seq.); or (iv) any pollutants, contaminants, or
4 substances posing a danger or threat to public health, safety or welfare, or the
5 environment, which are regulated or controlled as such by any applicable federal,
6 state or local laws, ordinances or regulations as now existing or hereafter amended.
7

- 8 **G.** “Lease” means this instrument, as amended from time to time.
- 9
- 10 **H.** “Order” means any oral advice or warning or any directive, decision, order, notice
11 including a notice of litigation or proceeding, letter or other written communication,
12 that requires the taking of any measures or actions or refraining from taking any
13 measures or actions, issued or made by any Governmental Authority under any
14 Environmental Law.
- 15
- 16 **I.** “Release” includes spilling, leaking, pumping, pouring, flowing, depositing,
17 emitting, emptying, discharging, escaping, leaching, disposing, and dumping of
18 Hazardous Materials into the environment consistent with definitions in the
19 Environmental Laws and regulations, and except for as authorized under any
20 applicable Environmental Law.
- 21
- 22 **J.** “WSF Pier 48 Maintenance” means, without duplication, the management,
23 operation, maintenance, and repair of Pier 48 that is not COUNTY’S responsibility
24 pursuant to Article 8.1.A and any other related provisions in this Lease. **WSF Pier**
25 **48 Maintenance** includes but is not limited to: maintenance and painting of any
26 **WSF fences**; asphalt repair; fixtures, equipment or other state property located on
27 Pier 48, including major structural and Life Cycle Cost work; landscaping; and
28 maintenance and repair of any utilities that **WSF** is required to make available to
29 the **COUNTY** pursuant to this Lease.
- 30
- 31 **K.** “Term” means the term of this Lease set out in Article 3, or any shorter period
32 resulting from any earlier termination of this Lease.
- 33
- 34 **L.** “WSF or WSDOT contractors” includes but is not limited to: Hoffman Pacific
35 JV, the prime contractor for the Seattle Multimodal Terminal project, and its

1 subcontractors; and any other contractor authorized by **WSF** or **WSDOT** to use a
2 portion of Pier 48, provided such use does not interfere with the **COUNTY'S**
3 activities under this Lease.
4

5 **1.3 Exhibits.** The following Exhibits are part of this Lease:

- 6 Exhibit A Pier 48 Site Plan 2024
 - 7 Exhibit B COUNTY Existing Barge Maintenance Facility Drawings
 - 8 Exhibit C Parties' Representatives
- 9
10
11

12 **ARTICLE 2**
13 **LEASE AND USE**
14

15 **2.1 Grant of Lease.** The purpose of this Lease is to establish the terms and conditions for the
16 **COUNTY'S** use of Pier 48 and associated tidelands at 201 Alaskan Way, Seattle,
17 Washington. Accordingly, **WSF** grants to the **COUNTY** access and use rights to: (i) a
18 portion of Pier 48 and associated tidelands (hereinafter called "Pier 48"); (ii) certain
19 infrastructure located at Pier 48, including gangway, fencing and gate, and the concrete
20 pad adjacent to the seawall (hereinafter collective called "**Pier 48 Facilities**"); (iii) an area
21 at Pier 48 for access and parking; and (iv) area for utility services and connections, all as
22 depicted and legally described on **Exhibit A** and further described below: The combined
23 use areas at Pier 48 may hereinafter be referred to as the "Premises."
24

25 **A. Pier 48.** **WSF** grants to the **COUNTY** the right and Lease to enter onto and to use
26 Pier 48 and the Pier 48 Facilities to locate and secure a maintenance and moorage
27 barge for the **COUNTY'S** passenger-only ferries, as described further in Section
28 2.2 below. Up to four (4) passenger-only ferries may be moored at the Barge at
29 one time.
30

31 The Parties recognize that the upland areas of Pier 48 are very limited and are
32 primarily for the use of **WSF** and its contractors. Therefore, as the priority user of
33 Pier 48, **WSF** and its contractors shall have priority use of the Pier 48 upland areas

1 except for any upland areas leased under this agreement or as otherwise agreed to
2 in writing.

3
4 The **COUNTY** shall be solely responsible for: (i) the security of the Barge and any
5 associated vessels and vehicles; (ii) the loss of or damage to the Barge and any
6 associated vessels and vehicles; and (iii) damage to Pier 48 and the Pier 48 Facilities
7 that results from the **COUNTY'S** use and occupancy which shall be subject to the
8 environmental and other applicable provisions of this Lease.

9
10 **B.** **WSF** also authorizes the **COUNTY** to park up to five (5) **COUNTY** employee
11 vehicles in the area shown on **Exhibit A**. These parking spaces shall be reserved
12 for **COUNTY** employees. **COUNTY** employee use shall mean: (i) **COUNTY**
13 employees and agents while managing or maintaining the Barge at Pier 48 and / or
14 POF service; or (ii) **COUNTY** vendors while delivering products or supplies to
15 Pier 48.

16
17 The **COUNTY'S** employees and agents will have twenty-four (24) hour access to
18 and use of Pier 48, the Pier 48 Facilities, authorized parking spaces, and the
19 **COUNTY** improvements described in Section 2.3 below.

20
21 **2.2 Use and Occupancy of Pier 48 for Barge.** The **COUNTY** and its employees and agents
22 may use and occupy Pier 48 and the Pier 48 Facilities for: (i) use of the pile and gangway;
23 (ii) utility service installation, including power, potable water, sewer, communication lines,
24 fire, and water; (iii) authorized Pier 48 upland parking; (iv) use and maintenance of the
25 existing abutment pier that supports the gangway; (v) the tie-up of the Barge; (vi) the
26 docking of the **COUNTY'S** POF vessels; (vii) the loading and unloading of supplies from
27 such vessels; (viii) the moorage of **COUNTY** POF vessels during service hours, non-
28 service hours during the day, and night tie-up; and (ix) maintenance of the **COUNTY'S**
29 POF vessels.

1
2 **2.3 COUNTY Improvements to Pier 48**
3

4 **A.** The **COUNTY** may make improvements to Pier 48 and the Pier 48 Facilities as
5 shown on the construction plans in **Exhibit B** (“**COUNTY** Improvements”). The
6 **COUNTY** Improvements include a gangway, pier installation, pile frame assembly
7 installation, utility installation, and related work. **WSF** has approved those
8 **COUNTY** Improvements. For any future modifications or improvements, the
9 **COUNTY** will provide to **WSF**, for prior review and consent, the design of any
10 proposed material change(s) to Pier 48 and the Pier 48 Facilities or proposed
11 additional **COUNTY** Improvements. Such consent shall not be unreasonably
12 withheld. Unless otherwise agreed upon by the Parties, the **COUNTY** will be
13 solely responsible for obtaining all permits and approval from applicable
14 jurisdictions for the **COUNTY** Improvements. Additionally, **WSF** shall have no
15 obligation to repair or improve the seawall or rock retaining wall in the vicinity of
16 the **COUNTY’S** gangway where it adjoins the Pier 48 upland.
17

18 **B.** With permission from the **COUNTY**, which shall not be unreasonably withheld,
19 **WSF** may utilize the utility connections installed by the **COUNTY**, if needed, as
20 long as such use does not have a negative impact on the **COUNTY’S** use of Pier
21 48 and the Pier 48 Facilities or cause the **COUNTY** to incur additional
22 infrastructure or ongoing utility costs.
23
24

25 **ARTICLE 3**
26 **TERM OF LEASE**
27

28 **3.1 Term.** The “Commencement Date” for this Lease shall be July 1, 2024. The term of this
29 Lease (“Term”) shall be for a period of ten (10) years, retroactively commencing on the
30 Commencement Date and expiring on June 30, 2034, unless extended or earlier terminated
31 as provided in this Lease.
32

33 **3.2 Extension.** At the **COUNTY’S** written request, the term of the Lease may be extended
34 via two (2) successive Lease extensions for up to five (5) years each. As such, the
35 aggregate Lease extensions shall be for up to ten (10) total additional years, to be

1 documented in a written Lease amendment(s) signed by the Parties. **WSF** approval for
2 such extension(s) shall not be unreasonably withheld except if **WSF** or WSDOT has a
3 legislatively approved and funded project for the Leased Premises. In the event the
4 **COUNTY** desires to so extend the Lease, it shall provide written notice of such intent to
5 **WSF** not less than one (1) year and not more than two (2) years prior to the then existing
6 expiration date of the Lease. If the **COUNTY** does not provide such notice, then the Lease
7 shall expire at the end of the Initial Term specified above, subject to the Holding Over
8 provision in this Article. Any extension of this Lease shall be on the same terms and
9 conditions, as set forth herein, except as modified by any changes in policies, practices,
10 laws, regulations, or contracts that will be reflected in a written Lease amendment signed
11 by both Parties.
12

13 **3.3 Holding Over.** If the **COUNTY** fails to issue a written request to extend the Term of the
14 Lease, and the **COUNTY** continues its use of Pier 48 and the Pier 48 Facilities with **WSF'S**
15 consent, the resulting tenancy shall be on a month-to-month basis unless the Parties agree
16 otherwise in writing. Such month-to-month tenancy shall be governed by the Lease terms
17 and conditions in effect immediately prior to such expiration, unless the Parties agree
18 otherwise in writing, provided, **WSF** reserves the right to make any Extension Term
19 retroactive to cover the period of any preceding hold-over tenancy.
20
21

22 **ARTICLE 4**
23 **RENT**
24

25 **4.2** During the Term of the Lease, including any extensions thereof, the **COUNTY** agrees to
26 pay fair market Rent for the Premises, discounted to reflect the limited facilities and access
27 at Pier 48 and calculated as follows:
28

29 **A.** The Parties agree to utilize the Port of Seattle's updated tariff schedule as a market
30 rate resource. Accordingly, the Port of Seattle's Tariff No. 5, at
31 <https://www.portseattle.org/page/tariffs-terminal-tariff-no-5> (eff 04/01/2023), is the
32 market rate Lease value. Rental discounts will be applied to the base Lease value.
33 The discounted net Rent will be subject to an annual Consumer Price Index (CPI)
34 adjustment, as detailed below.
35

1. Applying the Port of Seattle’s Tariff No. 5 that became effective on April 1, 2023, the moorage rate for a 200-foot vessel is \$846.00 per day, which amounts to \$ 25,380 per month and \$ 304,560 per year.
2. **WSF** will apply two discounts to the above base Lease value. The first discount is a 25% public benefit discount (new for this application), the same as applied to two other **WSF / COUNTY** agreements for premises to directly support the **COUNTY’S** POF operations. The second discount is a 62% discount as provided in Lease No. GCB 1144, principally due to the condition of Pier 48. These discounts are calculated as follows:

Annual base Lease value for calendar year 2024 per Port Tariff No. 5:	\$304,560.00
With 25% (\$76,140) discount for public benefit:	\$228,420.00
With 62% (\$ 141,620) discount for deteriorated condition of Pier 48, with limited facilities, access and parking:	\$86,800.00
Total discounted Rent for calendar year 2024: (Rent will be prorated for partial months, if applicable)	\$86,800.00

4.3 Annual CPI Adjustment. Rent will be adjusted annually on July 1st of each year, commencing July 1, 2025, in accordance with the Consumer Price Index for the U.S. City Average for All Urban Consumers as published by the U.S. Bureau of Labor Statistics (the “Index”). The adjustment will be equal to any increase or decrease reported by the Index for the preceding calendar year; Provided, however, in no event will the annual Rent be less than the annual Rent payable for the twelve (12) month period immediately preceding the applicable anniversary.

If the Index is discontinued or replaced during the Term, then the Parties shall jointly identify in writing another governmental cost-of-living index or computation to replace the Index, and that index shall be used to obtain substantially the same result as would be obtained if the Index had not been discontinued or replaced.

1 **4.4 Invoicing, Payment and Late Fee.** As soon as the Index data is available each year, **WSF**
2 will invoice the **COUNTY**, in advance, for the annual Rent, or prorated amount, as
3 applicable. **WSF** shall send all invoices to the **COUNTY'S** designated representative for
4 invoicing in Exhibit C. The invoice will include the address where checks are to be sent
5 to **WSF**. The **COUNTY** will make the annual rent payment within thirty (30) calendar
6 days following receipt of an invoice from **WSF**.

7
8 In the event that Rent is not received by **WSDOT** within fifteen (15) days of the due date,
9 the **COUNTY** shall pay a late charge of one percent (1%) of the overdue Rent, as well as
10 a Twenty-Five Dollar (\$25.00) administration fee.
11

12 **4.5** **WSF'S** designated Representative, or other designated **WSF** personnel, shall coordinate
13 invoicing for the Rent payable by the **COUNTY**. **WSF** shall provide supporting
14 documentation for any cost reimbursements listed on its invoices. Upon the **COUNTY'S**
15 request, **WSF** shall provide any additional, available accounting records or other
16 documents to satisfy requests from federal funding agencies (if any) and to comply with
17 the **COUNTY'S** audit requirements.

18
19 **4.6** The **COUNTY** shall remit all payments under this Lease to:

20
21 Revenue Accountant
22 Washington State Ferries
23 P.O. Box 3985
24 Seattle, WA 98124-3985
25

26 **4.7** **WSF's** acceptance of late payment charges and/or any portion of the overdue payment
27 shall in no event constitute an accord and satisfaction, compromise of such payment, or a
28 waiver of default with respect to such overdue payment, nor prevent **WSF** from exercising
29 any other rights and remedies granted in this Lease.
30

31 When a delinquency exists, any payments received will be applied first to the late payment
32 charge and late payment fees, next to delinquent rent, and any balance remaining to the
33 current rent and leasehold excise tax, if applicable.
34
35

1
2
3 **ARTICLE 5**
4 **TAXES AND OPERATING COSTS**

5 **5.1 Taxes, Assessments and Fees.** The COUNTY shall pay all taxes that may hereafter be
6 levied or imposed upon the COUNTY by reason of this Lease.

7
8 Immediately upon receiving a notice of intention from an assessing district, as defined in
9 RCW 79.44.003, to initiate an assessment, as defined in RCW 79.44.004, WSF shall notify
10 the COUNTY of such notice of intention. If the assessing district orders the improvement,
11 the Parties shall negotiate and agree upon the benefit, if any, of such improvement to the
12 COUNTY and its lease interest in Pier 48, and the Additional amount to be paid by the
13 COUNTY for such benefit, if any. The Additional Amount shall commence on the
14 approval and confirmation of the assessment roll.

15
16 Additionally, if required by Applicable Laws, the COUNTY will reimburse WSF for any
17 and all applicable taxes, fees or other charges incurred by or that become the obligation of
18 WSF as the result of the COUNTY'S activities under this Lease. If any such taxes, fees
19 or other charges are not directly paid by the COUNTY (i.e., as part of a prorated cost
20 allocation by WSF), they shall be considered an Additional Amount and invoiced by and
21 payable to WSF (or as may be otherwise required by law) as part of the normal invoicing
22 process under this Lease.

23
24 **5.2 Utility Charges.** The COUNTY is responsible for and agrees to pay the cost of all utilities
25 that serve the leased Pier 48 and Pier 48 Facilities, including, but not limited to, surcharges,
26 fuel adjustments, rate adjustments, and taxes. The COUNTY will pay, when due, all
27 charges for utilities that are either: (i) a prorated cost allocation from a WSF utility account
28 based upon estimated utility usage by the COUNTY; and/or (ii) arranged for and billed
29 directly to the COUNTY by the applicable utility provider. The COUNTY shall pay such
30 utility charges within thirty (30) days of receipt of any invoice in respect thereof. In no
31 event will WSF be liable for any interruption or failure in the supply of any utilities or any
32 other services to Pier 48 that WSF is not obligated to provide pursuant to this Lease.

1 **5.3 Law Enforcement Costs.** Any costs incurred by or on behalf of the COUNTY with
2 respect to any use of, or other attendance at, Pier 48 by COUNTY selected law
3 enforcement personnel (e.g., King County Sheriff) will be paid directly by the COUNTY.
4
5

6 **ARTICLE 6**
7 **CAPITAL PROJECTS**
8

9 **6.1 Seattle Multimodal Terminal Project.** Construction of the Seattle Multimodal Terminal
10 to replace the Seattle Ferry Terminal at Colman Dock/Pier 52 is nearing completion. WSF
11 opened the entire renovated Terminal for public access on August 3, 2023, with residual
12 work remaining on the overhead walkway connection to First Ave. WSF will notify the
13 COUNTY of any work on the Seattle Multimodal Terminal project that may impact use
14 of Pier 48.
15

16 During construction of the Seattle Multimodal Terminal, access to Pier 48 may be
17 disrupted. At a minimum, the Pier 48 area could be subject to construction zone conditions.
18 WSF will keep the Pier 48 access open during the construction period to the extent
19 practicable, to minimize any negative business impacts on the COUNTY. In the event that
20 WSF determines this Lease must be terminated to allow for the construction activity, WSF
21 will terminate the Lease for convenience in accordance with Section 12.1 and the prior
22 written notice requirement therein.
23

24 **6.2 Seattle Waterfront Redevelopment Project.** The Seattle Waterfront Redevelopment
25 Project will be underway during the term of this Lease. The Project follows the City of
26 Seattle's construction of a new seawall along the Seattle waterfront and WSDOT's removal
27 of the Alaskan Way Viaduct, both now completed.
28

29 **6.3 No Liability.** WSF will not be liable to the COUNTY for any damages whatsoever arising
30 from the Seattle Multimodal Terminal Project, the Alaskan Way Viaduct Project, the
31 Seattle Seawall Project and / or the Seattle Waterfront Redevelopment Project, including
32 but not limited to: (i) disruption to vendor or delivery access to Pier 48; (ii) changes in
33 access; (iii) lost business opportunities and/or reduced revenues; or (iii) WSF's consequent
34 termination of this Lease for convenience.
35

ARTICLE 7
INSURANCE, RISK AND INDEMNITY

7.1 Insurance.

A. At its sole expense, the **COUNTY** shall keep its activities, vessel and equipment covered by this Lease continuously insured (or self-insured) throughout the term of this Lease against claims for injuries to persons or property damage. The insurance shall be as follows:

1. Marine Hull and Machinery insurance for the vessels utilizing Pier 48, with such amount to be specified by the **COUNTY**, all loss payable to the **COUNTY** or other designated loss payee (e.g., the vessel owner).

2. Marine Protection and Indemnity, Collision Liabilities and Pollution insurance or equivalent with: (i) coverage in the amount of not less than a combined single limit of Three Million Dollars (\$3,000,000.00) per occurrence; (ii) as applicable, coverage for liability under the Jones Act, the Longshoremen's and Harbor Workers' Act and the Federal Water Quality Improvement Act of 1970; and (iii) no exclusion for marine losses (e.g. losses at Pier 48). Coverage in the minimum amount set forth herein shall not be construed to relieve the **COUNTY** from liability in excess of such coverage.

B. Except for coverages self-insured, the insurance policy or policies shall: (i) contain appropriate endorsements that name **WSDOT/WSF** as “additional insureds” during the performance of this Lease; (ii) include a waiver of subrogation for **WSDOT/WSF**; (iii) not be changed or canceled without prior notice to **WSF**; and (iv) be primary with respect to any insurance **WSDOT/WSF** may have except that such insurance shall not be primary to any deductible, self-insurance, retention, or insurance **WSDOT/WSF** may have with respect to its liability or potential liability to its employees or other person arising out of, or related to, the acts or omissions of **WSDOT/WSF** and its officials, employees, agents and contractors in the performance of this Lease. The **COUNTY** shall furnish **WSF** proper evidence of such insurance (or self-insurance) upon execution of this Lease.

1
2 C. The provision of insurance or self-insurance, or the absence thereof, shall not limit
3 the COUNTY's liability to WSF in the performance of this Lease.
4

5 **7.2 Indemnity.**
6

7 **A. COUNTY Indemnity.** The COUNTY and its successors and assigns shall protect,
8 save, indemnify, defend and hold harmless WSF, including its authorized agents
9 and employees, from all claims, actions, costs, damages, or expenses of any nature
10 whatsoever arising out of or relating to the negligent acts or omissions of the
11 COUNTY, its agents, contractors, licensees, invitees or employees, on or in
12 connection with the Premises. The COUNTY obligations under this Section 7.2
13 shall not include any claims, costs, damages, or expenses, arising out of or relating
14 to the acts of WSF or its agents, contractors, licensees, invitees or employees;
15 provided that if claims, actions, costs, damages, or expenses arise out of or relate
16 to: (i) the concurrent acts of WSF, its agents, contractors, licensees, invitees, or
17 employees and the COUNTY, its agents, contractors, licensees, invitees or
18 employees; or (ii) involve actions covered by RCW 4.24.115, then this Section 7.2
19 shall be valid and enforceable only to the extent of the negligent acts or omissions
20 of the COUNTY and its agents, contractors, licensees, invitees or employees.
21

22 **B. WSF Indemnity.** WSF and its successor and assigns shall protect, save, defend,
23 indemnify and hold harmless the COUNTY, including its authorized agents and
24 employees, from all claims, actions, costs, damages, or expenses of any nature
25 whatsoever arising out of or relating to the negligent acts or omissions of WSF, its
26 agents, contractors, licensees, invitees, or employees in connection with the
27 Premises. WSF'S obligations under this Section 7.2 shall not include such claims,
28 costs, damages, or expenses arising out of or relating to the acts of the COUNTY
29 or its agents, contractors, licensees, invitees or employees; provided that if the
30 claims, actions, costs, damages or expenses arise out of or relate to: (i) the
31 concurrent acts of the COUNTY, its agents, contractors, licensees, invitees, or
32 employees and WSF, its agents, contractors licensees, invitees, or employees; or
33 (ii) involves actions covered by RCW 4.24.115, then this Section 7.2 shall be valid
34 and enforceable only to the extent of the negligent acts or omissions of WSF and
35 its agents, contractors, licensees, invitees or employees.

1
2 **C. COUNTY Employees.** The COUNTY specifically assumes potential liability for
3 actions brought by the COUNTY’S own employees against WSF and, solely for
4 the purpose of this indemnification and defense, the COUNTY specifically waives
5 any immunity under the state industrial insurance law, Title 51 RCW, which waiver
6 has been mutually negotiated by the Parties.
7

8 **D. WSF Employees.** WSF specifically assumes potential liability for actions brought
9 by WSF’s own employees against the COUNTY and, solely for the purpose of this
10 indemnification and defense, WSF specifically waives any immunity under the
11 state industrial insurance law, Title 51 RCW, which waiver has been mutually
12 negotiated by the Parties.
13

14 **E. Environmental Matters Excluded.** The indemnities and other duties set forth in
15 this Article 7 do not extend to environmental matters or Hazardous Materials
16 arising out of or related to the Premises.
17

18 **7.3** In the event either Party incurs attorney fees, costs or other legal expenses to enforce the
19 provisions of this Article against the other Party, all such fees, costs and expenses shall be
20 recoverable by the prevailing Party.
21

22 **7.4** The provisions of this Article shall survive any termination of this Lease.
23
24

25 **ARTICLE 8**
26 **RESPONSIBILITIES**
27

28 **8.1 COUNTY Responsibilities.** In the performance of this Lease, the COUNTY’S
29 responsibilities include, but are not limited to the following:
30

31 **A. Maintenance and Repair of the Premises.** The COUNTY shall be responsible
32 for the operation, maintenance and repair, if required, of the Premises at its sole
33 cost. The COUNTY’s maintenance and repair, if any, should be performed on a
34 regular basis to maintain the appearance and safety of the Premises and may include
35 janitorial service, garbage disposal, and sweeping, as reasonably required.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35

B. Maintenance of the Barge. The COUNTY shall maintain the Maintenance and Moorage Barge in a clean and safe condition, and in strict compliance with all directives and certifications issued by WSF and/or governing regulatory authorities.

All COUNTY operations personnel shall conduct themselves in a safe, reliable, efficient, courteous, and/or responsible manner at Pier 48. If the COUNTY or WSF receives complaints regarding one of the COUNTY's employees or contractors and/or it is determined that the employee or contractor is not providing service in a safe, reliable, efficient, courteous and/or responsible manner at the Pier 48, the COUNTY shall take reasonable measures to remedy the situation. If WSF requests in writing that the COUNTY take corrective measures in response to a complaint, the COUNTY shall notify WSF in writing of the corrective measures taken.

C. Utilities. At its sole cost, the COUNTY shall be responsible for securing: (i) shore power, water, sewer, phone, lighting, and any other utility required for the operation of the Barge, as well as (ii) garbage and recycling dumpsters and disposal services. The COUNTY and WSF may enter mutually beneficial and agreed to arrangements for sharing of these utilities.

D. Payment. The COUNTY shall pay the Rent and any Additional Amounts required to be paid by the COUNTY hereunder in accordance with the terms of this Lease.

E. Security. The COUNTY shall be solely responsible for security of the Barge and any COUNTY vehicle parking at Pier 48 at all times.

F. No Encumbrances. The COUNTY shall not charge or encumber in any way its interest in this Lease.

G. Environmental Reports. The COUNTY shall deliver to WSF, upon the full execution of this Lease, copies of environmental reports, studies, plans, and procedures relating to Pier 48 in the COUNTY'S possession or control or which are otherwise available to the COUNTY. The COUNTY'S obligation to provide

1 **WSF** with copies of all environmental reports and studies relating to Pier 48 shall
2 apply to any environmental reports and studies that come into possession or control
3 or which are otherwise available to the **COUNTY** during the Term of this Lease.
4

5 **H. Emergency Action.** In the event of harm, or a threat of imminent harm to property
6 or public safety at Pier 48, the **COUNTY** shall, as soon as practicable, inform **WSF**
7 of emergency actions that have been or will be taken in response to the harm or that
8 may be required to protect against a threat of imminent or potential harm.
9

10 **I. Applicable Laws.** At its sole cost and expense, the **COUNTY** shall comply with
11 all Applicable Laws now in force or which may hereafter be in force including,
12 without limitation, all Applicable Laws pertaining to Pier 48 or to the use or
13 occupancy of Pier 48 by the **COUNTY** (including obtaining all governmental
14 permits or authorizations which may be required in connection with the
15 **COUNTY'S** use of Pier 48) and any regulations by insurance underwriters. The
16 provisions of this Article will survive the expiration or earlier termination of this
17 Lease.
18

19 **J. Rules and Regulations.** The **COUNTY** shall comply with any rules and
20 regulations that **WSDOT/WSF**, the U.S. Coast Guard, or other Governmental
21 Authority may reasonably impose from time to time as respects the use of the Pier
22 48, including, without limitation, safety and navigational directions or
23 requirements.
24
25

1 **8.2 WSF Responsibilities.** In the performance of this Lease, **WSF'S** responsibilities include,
2 but are not limited to the following:
3

4 **A. WSF Pier 48 Maintenance.** Unless undertaken by the **COUNTY** pursuant to this
5 Lease, **WSF** shall be solely responsible for the maintenance of those portions of
6 Pier 48 that are not part of the **COUNTY'S** lease of Pier 48 and the Pier 48
7 Facilities. Such maintenance activity shall be as described in the definition of **WSF**
8 Pier 48 Maintenance in Section 1.2.K. Using its own procurement and contracting
9 procedures, **WSF** shall acquire, construct, maintain, repair and replace those
10 portions of Pier 48 deemed necessary for **WSF** operations. **WSF** shall have no
11 obligation to maintain those portions of Pier 48 that are not used for **WSF**
12 operations, other than obligations imposed by law or through other agreements.
13

14 Unless the Parties agree otherwise, **WSF** shall be responsible for the inventory of
15 and accounting and financial reporting for capital assets at Pier 48, excluding the
16 **COUNTY's** personal property at Pier 48 pursuant to this Lease. Such reporting
17 shall include all required state and federal reporting requirements, including the
18 Federal Transit Administration's annual National Transit Database report, if
19 applicable. As used herein, "capital assets" may include, but are not limited to, the
20 **COUNTY** Improvements.
21

22 Regardless of which Party owns or leases capital assets at Pier 48, the **COUNTY**
23 shall have right to use designated capital assets to manage, operate, and maintain
24 its Barge, piles, gangway, fence, and utilities, subject to the terms and conditions
25 of this Lease.
26

27 **B. Quiet Enjoyment.** To the maximum extent possible, **WSF** will ensure that the
28 **COUNTY'S** use of Pier 48 and the Pier 48 Facilities, as authorized by this Lease,
29 is not subject to unreasonable interference by **WSF** or its contractors and suppliers.
30 Similarly, the **COUNTY** will ensure that **WSF'S** use of Pier 48 is not subject to
31 unreasonable interference by the **COUNTY** or its contractors and suppliers.
32

33 **C. Cooperate with COUNTY Pier Maintenance.** **WSF** shall cooperate with the
34 **COUNTY** in performing its operation and maintenance responsibilities as

1 described herein, including providing necessary information regarding proper
2 disposal and composting of garbage and recycling collected at Pier 48.

3
4 **D. Emergency Action.** In the event of harm, or a threat of imminent harm, to property
5 or public safety at Pier 48, **WSF** shall, as soon as practicable, inform the **COUNTY**
6 of emergency actions that have been or will be taken, in response to the harm or that
7 may be required to protect against a threat of imminent or potential harm.

8
9 **E. Environmental Reports.** **WSF** shall deliver to the **COUNTY**, upon the full
10 execution of this Lease, copies of all environmental reports and studies relating to
11 Pier 48 which are in **WSDOT'S/WSF'S** possession or control or which are
12 otherwise available to **WSDOT/WSF**. **WSF'S** obligation to provide the
13 **COUNTY** with copies of all environmental reports and studies relating to Pier 48
14 shall apply to any environmental reports and studies that come into possession or
15 control or which are otherwise available to **WSF** during the Term of this Lease.

16
17 **F. Laws, Rules, and Regulations.** **WSF** shall comply with all Applicable Laws, rules
18 and regulations pertaining to the ownership and maintenance of Pier 48, as now in
19 force or which may hereafter be in force during the Term. The provisions of this
20 Article will survive the expiration or earlier termination of this Lease.

21
22 **8.3 Mutual Responsibilities.** In the performance of this Lease, the Parties covenant and agree
23 with each other as follows:

24
25 **A. WSF and the COUNTY** will each designate personnel to work with the other Party
26 on the planned and forecasted use of Pier 48 and the Pier 48 Facilities. These tasks
27 include: (i) identify and update access and parking issues; (ii) discuss in advance
28 any conflict between **WSF** and **COUNTY** operations at Pier 48; and (iii) coordinate
29 vendor deliveries.

30
31 **B. Repairs.** The **COUNTY** acknowledges that **WSF** and its contractors have the right
32 to undertake work involving construction, reconstruction, repair, and
33 improvements in and about Pier 48 and the **COUNTY** agrees that **WSF** will not be
34 liable for any damages or losses that may be suffered by the **COUNTY** as a result,

1 unless due to the negligence or willful misconduct of **WSF**, and its employees,
2 contractors or agents or any other person for whom **WSF** is responsible at law.

3
4 **WSF** and its contractors may from time to time perform repairs, maintenance, or
5 improvements to Pier 48 which may require temporary closure of all or a portion
6 of the Pier. For closures that could disrupt the **COUNTY'S** access to the Barge,
7 **WSF** will attempt to schedule the closures around the **COUNTY'S** use and shall
8 give the **COUNTY** notice as soon as practicable. In no event shall notice be less
9 than forty-five (45) days in advance of the anticipated closures that could disrupt
10 the **COUNTY'S** Barge access or fourteen (14) business days in advance of the
11 anticipated closure that does not disrupt **COUNTY** Barge access unless emergent
12 conditions prevent the giving of such notice. In the case of emergency, **WSF** shall
13 provide the **COUNTY** notice as soon as possible under the circumstances.

14
15 **WSDOT/WSF** will not be liable for any associated costs, or incidental or
16 consequential damages (e.g., schedule disruption, loss or interruption of business
17 and revenue), that may be suffered or incurred by the **COUNTY** by reason of any
18 such closures.

19
20
21 **ARTICLE 9**
22 **LABOR RELATIONS**

23
24 **9.1** There are no labor relations provisions for this Lease.

25
26
27 **ARTICLE 10**
28 **MAINTENANCE OF RECORDS**

29
30 **10.1 Availability of Records**

31
32 **A. Financial Records.** **WSF** shall maintain records to support any/all reimbursable
33 costs incurred in accordance with procedures prescribed by the Washington State
34 Auditor's Office and the applicable federal funding agencies. The records shall be
35 open to inspection by the **COUNTY** and the federal government during normal

1 business hours and shall be retained and made available for such inspection for a
2 period of not less than six (6) years from the final reimbursement payment to **WSF**.
3 Copies of said records shall be furnished to the **COUNTY** and/or the federal
4 government upon request.
5

6 **B. Other Records.** Unless exempt from public disclosure, **WSF** shall make available
7 for inspection and copying by the **COUNTY** or its representatives, any available
8 current and historical records, planning documents, budget documents, and other
9 information related to the operation and maintenance of Pier 48.
10

11 **10.2 Audit.** If an audit is requested by the **COUNTY** or required by any applicable federal
12 agency requirements, **WSF** agrees to cooperate fully with the **COUNTY**'s auditor or an
13 independent auditor chosen and retained by the **COUNTY**. In the event that the **COUNTY**
14 has paid **WSF** in excess of the **COUNTY**'s final funding commitment under this Lease,
15 the excess amount will be repaid to the **COUNTY** within thirty (30) days from the date the
16 **COUNTY** notifies **WSF** of the audit results or, upon mutual agreement by the Parties, used
17 as an offset against other amounts owing to **WSF**. Should the audit reveal that the
18 **COUNTY** has underpaid **WSF**, the **COUNTY** will pay the balance due to **WSF** within
19 thirty (30) days from the date the audit is completed.
20

21 **10.3 Electronic Production.** Wherever practicable, the **COUNTY** and **WSF** will maintain
22 electronically all required records relating to this Lease and its performance in a manner
23 which is usable, searchable, retrievable and authentic for the length of the designated
24 retention period. Printing and retaining a hard copy is not a substitute for the electronic
25 version. Whenever the **COUNTY** or **WSF** is required to produce such records or
26 electronically stored information to the other Party under the terms of this Lease or
27 otherwise, the Party in possession of the records or electronically stored information shall
28 produce them in an electronic format that is in a searchable and useable format. Where
29 appropriate, the Parties will confer on the timing and format of production. Each Party will
30 bear its own costs for the preservation and production of records or electronically stored
31 information.
32
33

ARTICLE 11
DISPUTE RESOLUTION

1
2
3
4 **11.1** If a dispute arises between the Parties in connection with this Lease, the Parties agree to
5 use the following described procedure as a condition precedent to either Party pursuing
6 other available remedies.

7
8 **A.** Either Party may notify the other by written notice of the existence of a dispute and
9 a desire to resolve the dispute.

10
11 **B.** A meeting will be held promptly between the Parties, attended by appropriate
12 personnel and by individuals with decision-making authority regarding the dispute,
13 to attempt in good faith to negotiate a resolution of the dispute.

14
15 **C.** In the event the Parties are unable to timely resolve the dispute utilizing the process
16 set forth in Paragraphs A and B above, the Parties shall submit the matter to a non-
17 binding mediation as set forth herein. The mediation shall be conducted by a
18 mediator agreed upon by the Parties from Judicial Dispute Resolution, LLC (JDR)
19 unless the Parties agree to use a mediator from a different organization. The Parties
20 agree to split equally the fee for mediation services. If the mediation does not result
21 in voluntary resolution of the dispute, the Parties will request that the mediator issue
22 a non-binding memorandum of opinion or similar report regarding his or her
23 recommended resolution of the dispute.

24
25 **D.** If, within fourteen (14) days after the issuance of such memorandum of opinion, or
26 such further period as is agreeable to the Parties (“Negotiation Period”), the Parties
27 have not succeeded in negotiating a resolution of the dispute, they agree that neither
28 shall have the right to relief in a court of law until and unless the dispute resolution
29 process described in this Article 11 has been exhausted.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35

ARTICLE 12
TERMINATION

12.1 Termination For Convenience. In addition to such other termination rights as may be set out elsewhere in this Lease, **WSF** and the **COUNTY** agree that:

A. The **COUNTY** may, at any time, terminate this Lease for convenience on at least three (3) months' prior written notice to **WSF**.

B. **WSF** may at any time, terminate this Lease for convenience on at least twelve (12) months' prior written notice to the **COUNTY**.

C. In the event of termination for convenience by either Party, and except as provided in Section 12.4, the **COUNTY** will surrender the Premises, remove the gangway and gangway piles subject to **WSF'S** prior review and approval, and deliver possession of the Premises to **WSF** on the termination date specified in such written notice. All amounts payable hereunder will be adjusted as of such date and the appropriate adjustment payments made between the Parties. The **COUNTY** will be entitled to reimbursement for that portion of any Rent or Additional Amounts paid by the **COUNTY** that relates solely to any period after the aforesaid termination date but will remain subject to any year end adjustment process.

D. If Pier 48 is damaged through no fault of the **COUNTY**, and **WSF** is unable to secure funds to repair the damaged portion(s) of Pier 48 that are **WSF's** responsibility, either Party may elect to immediately terminate this Lease for convenience unless the **COUNTY** elects to fund the repairs at its sole cost.

12.2 Termination For Default. **WSF** may terminate this Lease if the **COUNTY** breaches or fails to comply with any of its obligations under this Lease and fails to remedy such breach or failure within ten (10) days of receiving written notice of such breach or failure or, if such breach or failure reasonably requires more than ten (10) days to remedy, if the **COUNTY** has not commenced diligently remedying such breach or failure within ten (10) days of receipt of such notice or thereafter fails to continue to diligently and expeditiously remedy such breach or failure.

1 **12.3 { Reserved}**
2

3 **12.4 Obligations on Expiration or Termination.** Upon the expiration or earlier termination
4 of this Lease, the COUNTY will cease to have any further right to use Pier 48 and the Pier
5 48 Facilities for any purpose whatsoever. In such event, the COUNTY shall, at its sole
6 cost, remove from the Premises the COUNTY Improvements and the property of those for
7 whom the COUNTY is responsible at law, and shall repair any damage caused by such
8 removal; Provided that for earlier termination this Lease pursuant to Section 12.1.D, the
9 COUNTY shall have one hundred and eighty (180) days after the termination date to
10 remove the COUNTY Improvements and such property. The Parties may agree that
11 certain COUNTY Improvements or property of those for whom the COUNTY is
12 responsible at law may remain at Pier 48.
13

14 **12.5 Survival of Obligations.** Upon the expiration or earlier termination of this Lease, all
15 claims, causes of action, or other outstanding obligations remaining or being unfulfilled as
16 at the date of expiration or termination and all of the provisions of this Lease relating to
17 the obligation of either of the Parties to perform actions or to account to or to indemnify
18 the other and pay to the other any monies owing as at the date of expiration or termination
19 in connection with this Lease will survive such expiration or termination.
20
21

22 **ARTICLE 13**
23 **ENVIRONMENTAL PROVISIONS**
24

25 **13.1 Environmental Requirements.**
26

27 **A.** The COUNTY agrees as follows:
28

- 29 (i) notwithstanding any other provision of this Lease, the COUNTY will fully
30 comply with, and will ensure that all persons who the COUNTY authorizes
31 to use Pier 48 and the Pier 48 Facilities comply with, all applicable
32 Environmental Laws and will not place, store, use, manufacture, or Release
33 any Hazardous Materials under, on, or over Pier 48 and the Pier 48 Facilities
34 in violation of Environmental Laws;
35

- 1 (ii) the **COUNTY** will not authorize, cause, or permit a Release of Hazardous
2 Materials into, onto, or from the Barge, or from any vessels using the Barge,
3 and will take all reasonable measures to ensure that no other persons for
4 whom it is responsible at law authorize, cause, or permit a Release of
5 Hazardous Materials as aforesaid;
6
- 7 (iii) if a Release of Hazardous Materials does occur as a result of any action of
8 the **COUNTY** or any person for whom the **COUNTY** is responsible at law,
9 the **COUNTY** will immediately report the occurrence of the Release to
10 **WSF** and to all applicable Governmental Authorities to whom notification
11 is required under Environmental Laws in the circumstances and will
12 immediately clean up the Release consistent with requirements and/or
13 standards in the Environmental Laws, and restore to its prior-existing
14 condition the property affected by the Release to the satisfaction of **WSF**,
15 the U.S Coast Guard, and any other applicable Governmental Authorities;
16
- 17 (iv) if the **COUNTY** fails or refuses to promptly clean up any such Release of
18 Hazardous Materials and to restore the property affected by such a Release,
19 **WSF** may carry out the whole or any part of the cleanup and restoration at
20 the **COUNTY'S** expense and may, at its sole discretion, terminate this
21 Lease forthwith by a notice in writing to the **COUNTY**;
22
- 23 (v) the **COUNTY** will fully comply with all Orders of any applicable
24 Governmental Authority which may be directed to the **COUNTY** and
25 which relate to the **COUNTY'S** use of Pier 48;
26
- 27 (vi) if an Order of any applicable Governmental Authority is issued to **WSF**
28 requiring **WSF** to do anything in relation to any environmental problem
29 caused by the **COUNTY** or for which the **COUNTY** is responsible under
30 this Lease or at law, the **COUNTY** will, upon receipt of written notice from
31 **WSF**, carry out any related parts of the Order at the **COUNTY'S** expense;
32
- 33 (vii) if the **COUNTY** fails or refuses to promptly and fully carry out the related
34 parts of any Order of any applicable Governmental Authority with respect
35 to any such environmental matter, **WSF** may carry out the related parts of

1 the Order at the **COUNTY'S** expense and may, at the sole discretion of
2 **WSF**, terminate this Lease forthwith by a notice in writing to the
3 **COUNTY**;

4
5 (viii) upon the expiration or earlier termination of this Lease, the **COUNTY** will
6 leave Pier 48 clean of any Hazardous Materials introduced thereto by the
7 **COUNTY** or any person for whom the **COUNTY** is responsible at law;
8 and

9
10 (ix) if **WSF** discovers a breach by the **COUNTY** or any person for whom the
11 **COUNTY** is responsible at law of an Environmental Law or a fact situation
12 which could be reasonably be anticipated to result in such a breach of an
13 Environmental Law, **WSF** will have the right to notify the **COUNTY** of the
14 breach or anticipated breach and the **COUNTY** shall take whatever steps
15 are reasonably required to rectify such breach, or prevent such breach from
16 occurring, as the case may be, all at the **COUNTY's** expense.

17
18 **B.** The **COUNTY** shall defend, indemnify, and hold harmless **WSDOT/WSF**, and all
19 of its officials, employees, principals, and agents, from and against and from any
20 and all damages, losses, liabilities, obligations, penalties, claims, litigation, suits,
21 proceedings, costs, disbursements or expenses (including, without limitation, all
22 legal fees, experts fees and disbursements) of any kind or of any nature whatsoever
23 (collectively, the "Indemnified Matters") which may at any time be imposed upon,
24 incurred by or asserted or awarded against **WSDOT/WSF** to the extent any such
25 damages, losses, liabilities, obligations, penalties, claims, litigation, suits,
26 proceedings, costs, disbursement or expenses, were caused by any breach of or non-
27 compliance with this Article 13 by the **COUNTY** which includes the Release of
28 any Hazardous Materials for which the **COUNTY** is responsible to the extent
29 caused by the **COUNTY** or those for whom it is responsible at law.

30
31 **C.** Indemnified Matters as defined above will include, without limitation, all of the
32 following: (i) the costs of removal of any and all Hazardous Materials brought onto
33 Pier 48 by the **COUNTY** or those for whom it is responsible at law, that are
34 Releasing or pose a threat of Release, (ii) the cost to clean up contamination from
35 Hazardous Materials brought onto Pier 48 by the **COUNTY** or those for whom it

1 is responsible at law, consistent with any order issued by a Governmental Authority
2 and/or the requirements and standards for cleanup contained in the Environmental
3 Laws, and to the extent such contamination was caused by the **COUNTY** or by
4 those for whom it is responsible at law; (iii) additional costs required to take
5 necessary precautions to protect against the Release of Hazardous Materials,
6 brought onto Pier 48 by the **COUNTY** or those for whom it is responsible at law,
7 into the air, the soil, any body of water, any other public area or any surrounding
8 areas, (iv) costs incurred to comply with all Applicable Laws with respect to
9 Hazardous Materials brought onto Pier 48 by the **COUNTY** or by those for whom
10 it is responsible at law, and (v) claims, actions, damages, liability and expenses in
11 connection with loss of life, personal injury and/or damage arising from or out of
12 any occurrence or matter described in (i) to (v) above.

13
14 **D.** **WSF** confirms and agrees that the **COUNTY** will be responsible only for
15 complying with applicable Environmental Laws related to the use, handling,
16 storage, transportation, or other form of management of any Hazardous Materials
17 brought onto Pier 48 and Pier 48 Facilities by the **COUNTY** or those for whom the
18 **COUNTY** is responsible at law, and for any Releases of such Hazardous Materials
19 to the extent caused by the **COUNTY** or those for whom the **COUNTY** is
20 responsible at law, and that the **COUNTY** will not be responsible for any
21 Hazardous Materials brought onto Pier 48 or Pier 48 Facilities by any other persons
22 or for any Releases or the Exacerbation of any Releases of any Hazardous Materials
23 to the extent caused by any other persons, except to the extent any such Release or
24 Exacerbation of Release is caused by the willful act or negligence of the **COUNTY**
25 or any person for whom the **COUNTY** is responsible at law.

26
27 **E.** **WSDOT/WSF** shall defend, indemnify, and hold harmless the **COUNTY**, and all
28 of its officials, employees, principals, and agents, from and against any and all
29 claims, damages, losses, liabilities, obligations, penalties, claims, litigation, suits,
30 proceedings, costs, disbursements, or expenses (including, all legal fees, experts
31 fees and disbursements), including but not limited to removal, remedial action, or
32 other costs recoverable under CERCLA or MTCA (collectively, "Claims"), caused
33 by or arising from any pre-existing Contamination at Pier 48 and/or Pier 48
34 Facilities, or by Releases to the extent caused or contributed to by **WSDOT/WSF**

1 or its employees, agents, consultants and other representatives. Without limiting
2 the generality of the foregoing, the Parties acknowledge that Claims, as defined
3 herein, are not limited to third party Claims, but include Claims made or incurred
4 by the COUNTY. WSDOT/WSF's duties under this Section 13.E. include the
5 duty to pay or reimburse WSDOT's/WSF's direct and indirect costs that it may
6 incur to monitor or oversee the COUNTY'S cleanup or other corrective work on
7 the Premises, including but not limited to engineering and other consulting services,
8 sampling and studies, confirmatory testing, compliance monitoring, and
9 administrative costs and expenses incurred in procuring and managing the same.

10
11 **F.** Either Party obligated will pay to the other Party any amount contemplated pursuant
12 to this Article within thirty (30) days of receipt from the owed Party of a written
13 demand for such amount.
14
15

16 **ARTICLE 14**
17 **GENERAL PROVISIONS**
18

19 **14.1 Damage.** In the event of damage to the Pier 48 Facilities or to portions of Pier 48 that are
20 necessary for operation of or access to the Barge, at the sole discretion of the COUNTY,
21 the COUNTY shall immediately notify WSF which may either: (i) terminate this Lease
22 effective immediately upon notice from the COUNTY; or (ii) repair or rebuild necessary
23 facilities and improvements subject to availability of funding. However, if such damage is
24 caused by the COUNTY, then the COUNTY shall repair or rebuild any such WSF
25 facilities or improvements at its own cost, subject to advance review and approval by WSF
26 (e.g., scope and timing of such work, materials, etc.).
27

28 In the event the COUNTY, in its sole discretion, determines it is unable to use the Pier 48
29 Facilities and portions of Pier 48 that are necessary for operation of or access to the Barge
30 at all or to the extent contemplated due to damage not caused by the COUNTY, the
31 COUNTY shall be released of the obligation to pay Rent and Additional Amounts for the
32 use of the Premises until use can be restored, and the application of any pre-payments of
33 Rent and Additional Amounts shall be suspended until use can be restored. In addition,

1 the COUNTY will not be entitled to any claim of any sort whatsoever against WSF in
2 respect thereof and WSF will not be liable to the COUNTY in any way in respect thereof.
3

4 **14.2 Federal Contract Provisions.** To the extent federal funds are utilized for construction or
5 maintenance, this Lease and all amendments or supplements, shall comply with federal
6 contract funding requirements.
7

8 **14.3 Designated Representatives.** Each Party's designated representatives are named on
9 **Exhibit C.** The contact information may be revised or updated at any time by notice to the
10 other Party.
11

12 **14.4 Time.** Time will be of the essence herein.
13

14 **14.5 Waiver.** No action or failure to act by either Party shall constitute a waiver of any right or
15 duty afforded to the other Party under the Lease, nor shall any such action or failure to act
16 by either Party constitute an approval of, or acquiescence in, any breach hereunder, except
17 as may be specifically stated by the Party in writing.
18

19 **14.6 Remedies Cumulative.** All rights and remedies of either party contained in this Lease
20 will be cumulative and not alternative.
21

22 **14.7 Notices.** Any notice, demand, request, or other instrument (each herein called a "Notice")
23 which may be or is required to be given under this Lease, will be delivered in person,
24 transmitted by facsimile or e-mail, or sent by certified mail, return receipt requested, postage
25 prepaid. Any such notice shall be addressed to the Parties' respective designated
26 representatives listed in **Exhibit C.**
27

28 Any such Notice will be conclusively deemed to have been given or made on the day upon
29 which such Notice is delivered if by personal delivery, or if transmitted by facsimile or e-
30 mail on the day following transmission, or if mailed then on the fifth business day
31 following the date of the mailing unless there is between the day of mailing and actual
32 receipt a slow-down of postal service or other labor dispute which adversely affects mail
33 service, in which case the Party giving the Notice will deliver personally such Notice and
34 the time of giving such Notice will be the time of actual receipt. Either Party may at any
35 time give Notice in writing to the other of any change of address of the Party giving such

1 Notice (or of any other person to receive a notice) and from and after the giving of such
2 Notice, the address therein specified will be deemed to be the address of such Party or
3 person for the giving of Notices hereunder.
4

5 **14.8 Successors.** All rights and liabilities herein given to or imposed upon the respective Parties
6 hereto will extend to and bind the successors, permitted assigns, and legal representatives
7 of the Parties.
8

9 **14.9 Business Day.** Where the time limited to perform anything or to pay any amount herein
10 falls on a Saturday, Sunday, or legal holiday for the State of Washington or King County,
11 the time so limited will extend to and the thing may done or the amount will be paid on the
12 next day which is not a Saturday, Sunday, or statutory holiday.
13

14 **14.10 Transfers.** The COUNTY shall not assign, sublet, mortgage, encumber, or otherwise
15 transfer any interest in this Lease (collectively referred to as a "Transfer") or any part of
16 the Premises, without first obtaining WSF'S written consent, which shall be in WSF'S
17 sole discretion. No Transfer shall relieve the COUNTY of any liability under this Lease
18 notwithstanding WSF'S consent to such transfer. Consent to any Transfer shall not operate
19 as a waiver of the necessity for WSF'S consent to any subsequent Transfer.
20

21 **14.11 No Partnership or Joint Venture.** Nothing herein contained will be construed or deemed
22 to constitute or create a partnership or joint venture of or between the Parties or to render
23 one of them liable for the debts and obligations of the other. In performing work and
24 services hereunder, the COUNTY and its employees, agents and representatives shall be
25 acting as agents of the COUNTY and shall not be deemed or construed to be employees
26 or agents of WSF in any manner whatsoever. No employee of either Party shall hold
27 him/herself out as, or claim to be an officer or employee of the other Party by reason of
28 this Lease and shall not make any claim, demand, or application to, or for any right or
29 privilege applicable to an officer or employee of, the other Party. Each Party shall be solely
30 responsible for any claims for wages or compensation by its employees, agents, and
31 representatives, including consultants, and shall hold the other Party harmless therefrom.
32

33 **14.12 Reasonableness.** Whenever any action of WSF requires the approval or consent of the
34 COUNTY or any action of the COUNTY requires the approval or consent of WSF under
35 this Lease, or whenever any party under this Lease is entitled to exercise any discretion

1 under this Lease, the Party whose approval or consent is required or who is entitled to
2 exercise any discretion agrees that it will act promptly and reasonably in deciding whether
3 or not to grant such approval or consent and in exercising any discretion.
4

5 **14.13 Severability.** If any provision of this Lease or any part thereof is determined to be invalid
6 for any reason it will be severable and severed from this Lease and the remainder of this
7 Lease will be construed as if such invalid provision or part had been deleted from this
8 Lease.
9

10 **14.14 Governing Law/Exclusive Jurisdiction.** This Lease will be construed and governed in
11 accordance with the laws of the state of Washington, and the Superior Court of Thurston
12 County, Washington will have the exclusive jurisdiction to entertain and determine all
13 claims and disputes arising out of or in any way connected with this Lease; subject,
14 however, to the obligation of the Parties to first pursue administrative dispute resolution
15 pursuant to Article 11.
16

17 **14.15 Counterparts.** This Lease may be executed in any number of counterparts, with the same
18 effect as if the Parties had signed the same document and will become effective when one
19 or more counterparts have been signed by both Parties and delivered to the other Party. All
20 counterparts will be construed together and evidence only one agreement, which,
21 notwithstanding the dates of execution of any counterparts, will be deemed to be dated the
22 date first written above.
23

24 **14.16 Execution by Facsimile.** This Lease may be executed by the Parties and transmitted by
25 facsimile, e-mail, or other electronic means and if so executed and transmitted this Lease
26 will be for all purposes as effective as if the Parties had delivered an executed original
27 Lease.

ARTICLE 15
ENTIRE AGREEMENT

1
2
3
4
5
6
7
8
9
10

15.1 This Lease, including all references and Exhibits, sets forth all of the covenants, promises, conditions, agreements, and understandings between **WSF** and the **COUNTY** with respect to the **COUNTY**'s use of Pier 48 and the Pier 48 Facilities, except as may be supplemented by subsequent amendments to this Lease. All prior negotiations and draft written agreements are merged into and superseded by this Lease. No subsequent amendment of this Lease will be binding upon **WSF** or the **COUNTY** unless reduced to writing and signed by both Parties.

IN WITNESS WHEREOF, the Parties hereto have executed this Lease by their duly authorized signatories as of the day and year first written above.

**WASHINGTON STATE
DEPARTMENT OF TRANSPORTATION
FERRIES DIVISION**

By: _____
Steve Nevey
WSDOT Assistant Secretary
Washington State Ferries

**KING COUNTY,
a home rule charter county and political subdivision of the State of Washington**

By: _____
Michelle Allison
General Manager, Metro Transit Department

Approved for Washington State Ferries:

By: _____
Timothy P. McGuigan
Contracts & Legal Services Manager

Date: _____

Approved to Form for King County:

By: _____
Raam Wong, Senior Deputy Prosecuting Attorney

Date: _____

EXHIBIT A
PIER 48 SITE PLAN 2024



EXHIBIT C

PARTIES' REPRESENTATIVES

The following information is current as of the commencement of the subject Lease. Each Party agrees that should any of this information change, **WSF** will update and transmit a new Exhibit to the **COUNTY**. For Lease administration, the Parties' representatives and addresses shall be as follows:

WASHINGTON STATE FERRIES

Lease Management

Attn: Tim McGuigan
Contracts & Legal Services Manager
Washington State Ferries
2901 Third Ave, Suite 500
Seattle, WA 98121-3014

Mobile: 206. 915. 4718

E-mail: mcguigan@wsdot.wa.gov

For Invoicing

Attn: Jamie Volpone
Revenue Manager
Washington State Ferries
2901 Third Ave, Suite 500
Seattle, WA 98121-3014

Office: 206. 389. 8509

Fax: 206. 515. 3969

E-mail: volponj@wsdot.wa.gov

KING COUNTY

Lease Management & Invoice Routing

Attn: Transit Real Estate & Environmental
King County Metro Transit Department
201 S Jackson mailstop:KSC-TR-0431
Seattle, WA 98104

Office: 206. 263.8272

E-mail: transitproperty@kingcounty.gov

NOTE: The parties may periodically update this Exhibit to reflect the parties' updated/current contact information. Each updated Exhibit shall be attached to the Lease and shall replace/supersede the prior Exhibit, without a formal Lease amendment.



King County

Dow Constantine

King County Executive

401 Fifth Avenue, Suite 800

Seattle, WA 98104-1818

206-263-9600 Fax 206-296-0194

TTY Relay: 711

www.kingcounty.gov

July 29, 2024

The Honorable Dave Upthegrove
Chair, King County Council
Room 1200
C O U R T H O U S E

Dear Councilmember Upthegrove,

This letter transmits a proposed Ordinance that, if enacted, will enable King County to lease moorage and parking space for King County Metro Transit Department (Metro), Marine Division, with Washington State Department of Transportation at Pier 48, 201 Alaskan Way S, Seattle, Washington.

The lease supports Metro's Marine Division's continued maintenance of its passenger ferry vessels and ferry service.

This transaction is recommended per the rationale and considerations provided in the attached property summary.

Thank you for your consideration of this ordinance. If your staff have any questions, please feel free to contact Jennifer Lee, Real Property Agent, Capital Division, Metro Transit Department, at 206-263-8272.

Sincerely,

A handwritten signature in black ink, appearing to read "Dow Constantine".

for

Dow Constantine
King County Executive

The Honorable Dave Upthegrove

July 29, 2024

Page 2

Enclosure

cc: King County Councilmembers

ATTN: Stephanie Cirkovich, Chief of Staff

Melani Hay, Clerk of the Council

Karan Gill, Chief of Staff, Office of the Executive

Penny Lipsou, Council Relations Director, Office of the Executive

Caroline Whalen, County Administrative Officer, Department of Executive Services

(DES)

Michelle Allison, General Manager, Metro Transit Department

Mark Ellerbrook, Division Director, Capital Division, Metro Transit Department

GENERAL TRANSACTION INFORMATION

Ordinance/Motion:				Transaction Duration:	10 years + (two 5 year extension opt
Title:	Pier 48 MTD, Marine Div Lease			Fair Market Value:	NA
Affected Agency/Agencies:	King County Metro Transit Department, Marine Division			Legal Transaction:	New Lease
Note Prepared By:	Greg Svidenko/ Jennifer Lee RPA	Date Prepared:	6.11.24	Fiscal Transaction:	Stand Alone
Note Reviewed By:	T.J. Stutman, PSB	Date Reviewed:	7.10.24		
Description of Request:	New Lease on WSDOT's Pier 48 Property for County's Maintenance Barge & Employee Parking				

FINANCIAL IMPACTS

Part 1 - Net Present Value Analysis Results

Net Present Value to King County (all impacts): ***	NA	Net Present Value to Primary Impacted Agency (customer of transaction): ***	NA
---	----	---	----

Part 2 - Revenue and Expenditure Impacts

As of the preparation date of this fiscal note, the impact of the above legislation on the financial affairs of King County is estimated to be as indicated below:

Revenue to: ^{2,3,5}

Appropriation Unit	Appr. Number	Department	Fund Number	Project Number	Revenue Account Code and Source/Description	Sum of Revenues Prior to 2023	2023/2024	2025/2026	2027/2028	Sum of Outyear Impacts ²
						\$ -	\$ -	\$ -	\$ -	\$ -
						\$ -	\$ -	\$ -	\$ -	\$ -
						\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL						\$ -	\$ -	\$ -	\$ -	\$ -

Expenditures from: ^{2,3,4,5}

Appropriation Unit/Expenditure Type	Appr. Number	Department	Fund Number	Project Number	Expenditure Notes	Sum of Expenditures Prior to 2023	2023/2024	2025/2026	2027/2028	Sum of Outyear Impacts ²
Metro Transit Department, Marine Divison		MTD	4641	1140595		\$ -	\$ -	\$ -	\$ -	\$ -
						\$ -	\$ -	\$ -	\$ -	\$ -
Lease Payments/Associated O&M					Annual Base Rent of \$86,800 per year. It will be adjusted annually in accordance with Consumer Price Index starting July 1, 2025. CPI adjustments not included.	\$ -	\$ 43,400	\$ 173,600	\$ 173,600	\$ 390,600
						\$ -	\$ -	\$ -	\$ -	\$ -
						\$ -	\$ -	\$ -	\$ -	\$ -
						\$ -	\$ -	\$ -	\$ -	\$ -
						\$ -	\$ -	\$ -	\$ -	\$ -
SUBTOTAL						\$ -	\$ 43,400	\$ 173,600	\$ 173,600	\$ 390,600
						\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL						\$ -	\$ 43,400	\$ 173,600	\$ 173,600	\$ 390,600

APPROPRIATION IMPACTS

As of the preparation date of this fiscal note, the impact of the above legislation on the budget appropriation of King County is estimated to be as indicated below: ¹

Appropriation Unit	Appr. Number	Department	Fund Number	Project Number	Appropriation Notes	2023/2024 Appropri	Total 6-Year CIP Outyear Planning Level Costs
Metro Transit Department, Marine Divison		Metro Transi			0	\$ -	\$ -
						\$ -	\$ -
						\$ -	\$ -
TOTAL						\$ -	\$ -

Assumption and Additional Notes:

*** Limited term lease.

1. If the expenditure impact equals or exceeds five percent of the fund expenditures, a copy of the most recent applicable appropriation unit financial plan is attached to this transmittal.
2. The sum of outyear impacts is provided for capital projects and agreements. This sum for revenue and expenditures includes all revenues/expenditures for the duration of the lease/other agreement or life of the capital investment.
3. This transaction does not require the use of fund balance or reallocated grant funding.
- 4.
5. A detailed explanation of how the revenue/expenditure impacts were developed is provided below, including major assumptions made in developing the values presented in the fiscal note and other supporting data:
Base rent is \$86,800 and after the first year, the rent will be adjusted annually according to CPI consumer price index

Lease Property Summary

Photos of Property



Property Owner:	Washington State Department of Transportation, Ferry Division
Address:	201 Alaskan Way S, Seattle WA 98104
Rent:	\$86,800 rent payment for the year, then rent will be adjusted annually on July 1st of each year commencing July 1, 2025
Operating Costs:	Utility costs and any costs incurred by County for use of Pier 48 paid by County
Term:	Initial 10-year term with 2 additional 5-year options to extend
Use Dimension:	200 linear-foot moorage plus 5 parking spaces and fenced skiff storage area
Council District:	Eight
Funding Source:	King County Metro Transit Department, Marine Division
Previous Location:	Same location
Offer Timeline:	WSDOT/WSF approval requested by/around 2 nd Quarter of 2024 and County Council approval requested by/around 4th Quarter of 2024

Lease Synopsis:

Washington State Department of Transportation (WSDOT) owns Pier 48 and associated tidelands at 201 Alaskan Way S in Seattle. Pier 48 is just south of the Pier 50 terminal used by King County's West Seattle and Vashon Island passenger-only water taxis. This lease will allow the Metro Transit Department's Marine Division to continue to use Pier 48 to moor its maintenance and moorage barge that services the ferry vessels and will provide parking spaces for Division employees.

Context

Rationale for transaction: The Marine Division previously leased the Pier 48 property from December 28, 2011 until June 30, 2018, when the lease expired. This new lease will allow the Marine Division to continue to moor its maintenance barge and maintain its water taxi vessels at Pier 48.

Policy considerations: Retaining the Marine Division maintenance barge at this location allows the Marine Division to continue to support the adjacent water taxi at Pier 50. This location also provides the Marine Division the opportunity to access future electrical facilities that will be installed to support its future electric fleet.

Political considerations: The proximity between the maintenance operations at Pier 48 and the sailings of the water taxi from Pier 50 enables the Marine Division to efficiently maintain its ferry vessels and enhance passenger-only ferry service, while helping to mitigate vehicular traffic congestion on roadways and on WSDOT's drive-on ferries at Colman Dock, the Seattle ferry terminal, at Pier 52.

Community considerations or partnerships: King County's passenger-only ferry service provides a significant public benefit, and the lease provides a measure of certainty regarding the near and future availability of Pier 48 for the County's existing and long-term planning of the maintenance barge.

Fiscal considerations: The base rent for the initial 10 years is \$86,800 per year.

Other Considerations: None

King County Strategic Plan impact: This lease supports the King County Strategic Plan goal of efficient, accountable regional and local government by optimizing King County operations and delivering consistent, responsive services to all King County departments.

Equity and Social Justice Impact: This location serves the downtown Seattle area of King County and has convenient access to County and City services.

Energy Efficiency impact: Not Applicable

Lease Alternatives Analysis

Summary: N/A – not relevant for this particular transaction.

Vicinity View Map



Site Map





Aug. 28, 2024

Visit Seattle
overview for the
King County Council
Budget and Financial
Management Committee



Who We Are

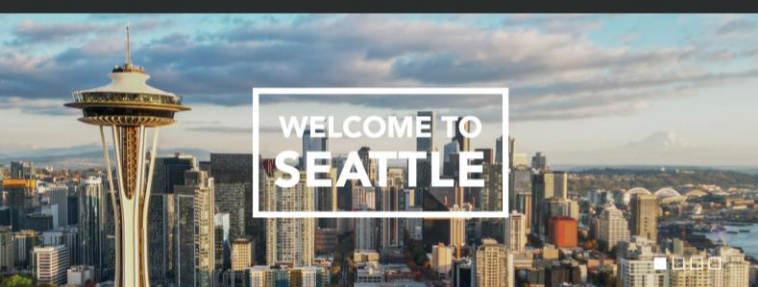
Vision

We are bold, innovative leaders who serve as stewards to broaden perspectives and create ambassadors for our spectacular destination.

Mission

Responsibly grow the visitor economy for the benefit of our community.

What We Do



Your next great Pacific Northwest adventure awaits.



How We're Funded

- Hotel assessment via Seattle Tourism Improvement Area (STIA)
- Lodging tax via the Seattle Convention Center
- Membership and sponsorship
- Last biennium from King County



Economic Impact

2023

38 MILLION VISITORS

\$8.2B

TOTAL VISITOR SPENDING IN KING COUNTY

\$21.5M

AVERAGE DAILY SPEND BY VISITORS



\$2.4B

LODGING



\$1.9B

FOOD & BEVERAGE



\$1.9B

TRANSPORTATION



\$1.0B

RETAIL



\$860M

RECREATION



\$3.8 billion
in labor income

The equivalent of an additional \$4,141 for every household in King County



64,932
Employed friends
& neighbors

3.4% of all jobs in King County,
enough to nearly fill Lumen Field



\$790.4 million
in state & local taxes

Each household in King County would need to be taxed an additional \$863 to replace the visitor taxes received by the state and local governments.

Tax impact



King County lodging tax generated \$38.3 million in 2023

- 37.5% to arts
- 37.5% to affordable housing



Sales tax contributed to King County's

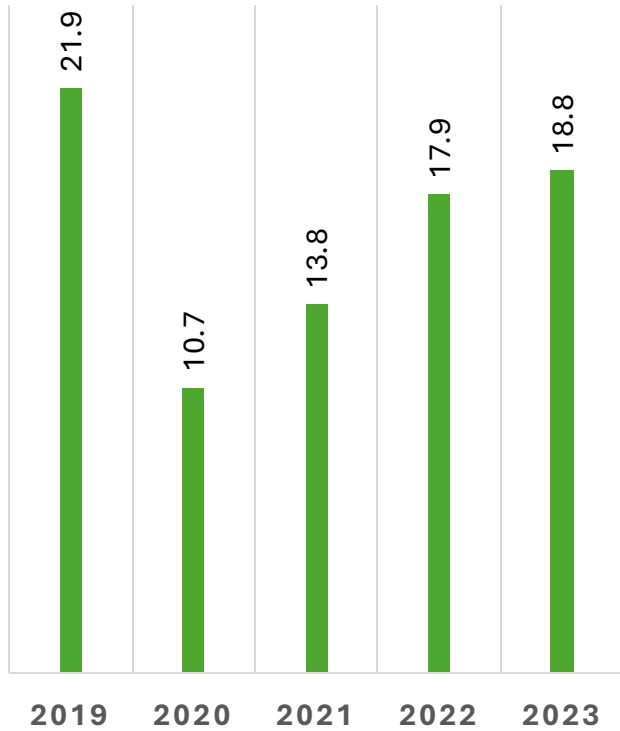
- Metro Sales Tax
- Mental Health Sales Tax
- Cultural Access Program Sales Tax
- Health Through Housing Sales Tax



Still Working on Recovery

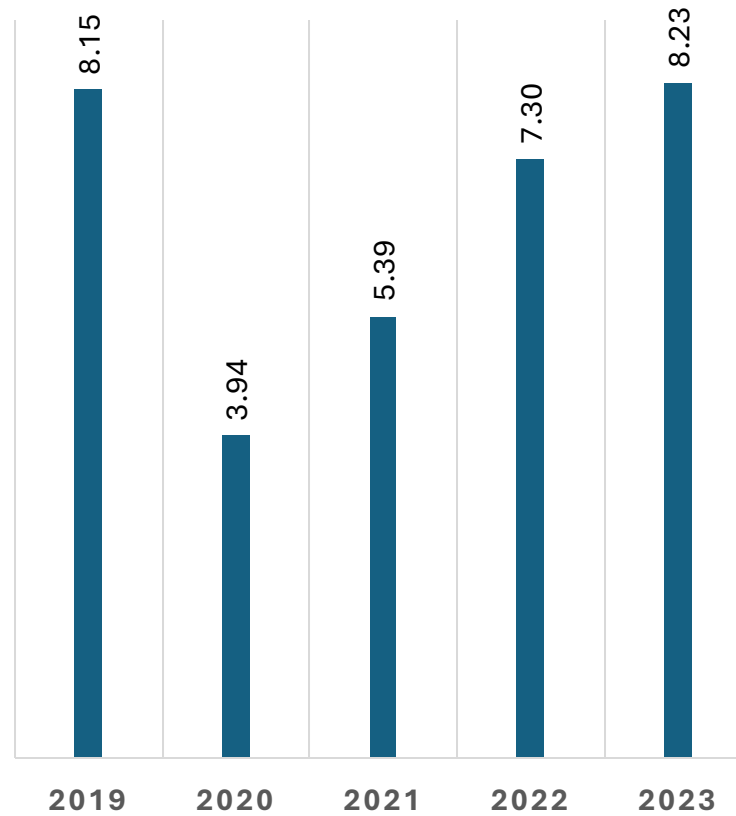
OVERNIGHT VISITORS

■ Millions of visitors



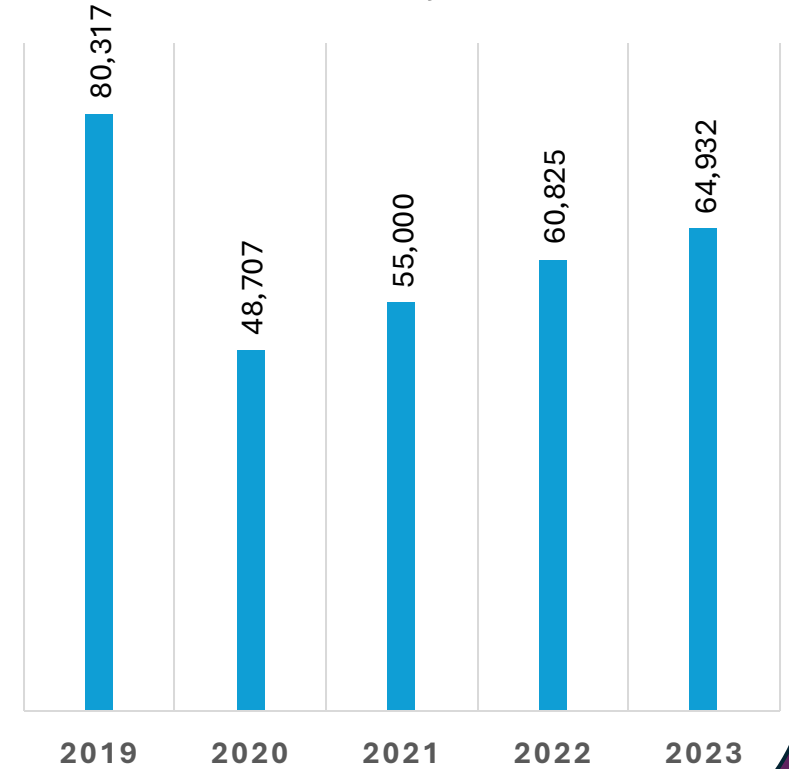
VISITOR SPENDING

■ Billions of dollars



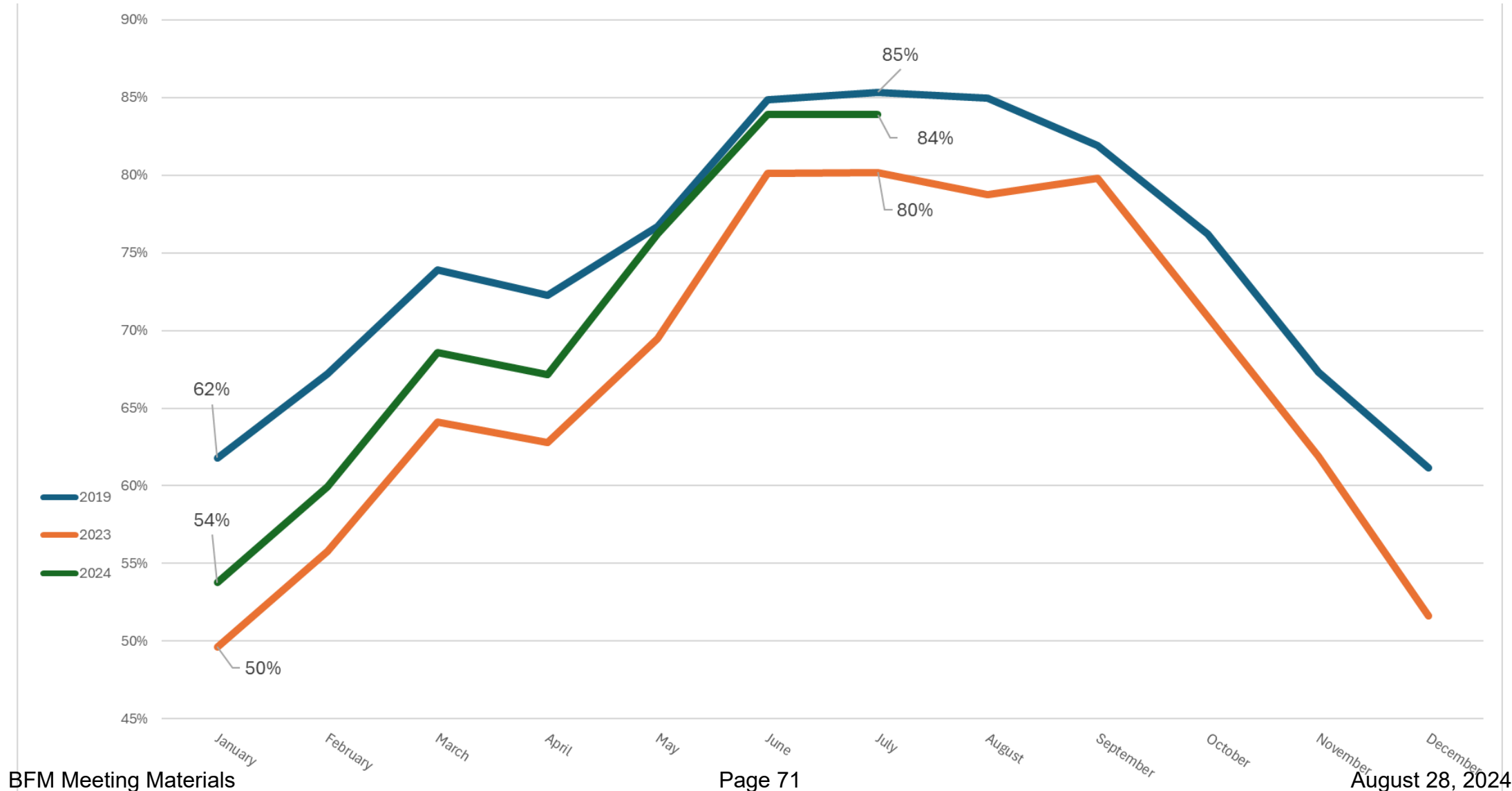
TOURISM EMPLOYMENT

■ Total jobs



King County Hotel Occupancy

2019 vs. 2023 vs. 2024

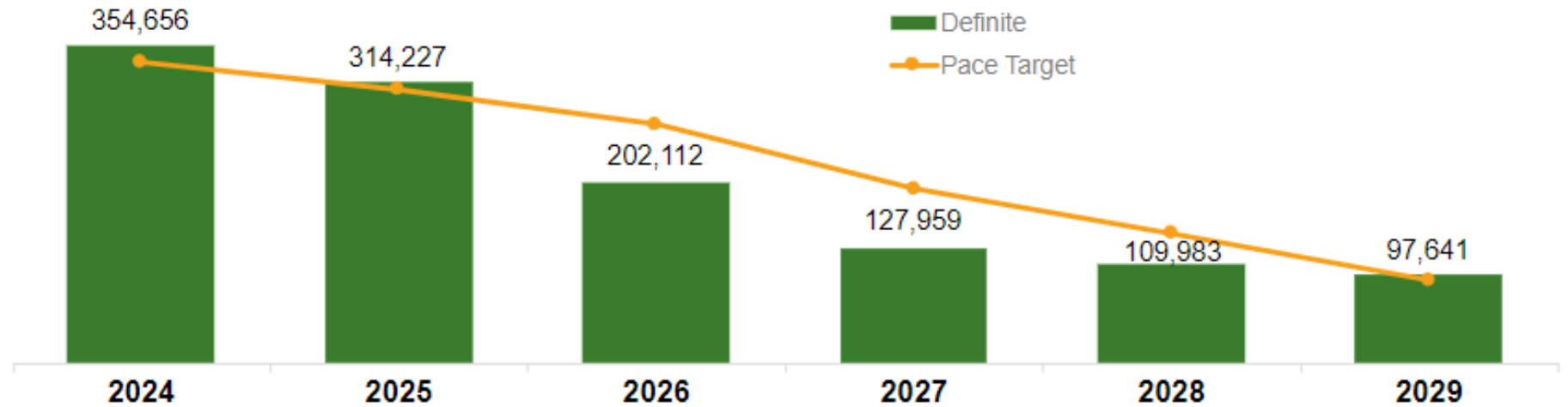


King County Hotels

2024 and 2025 Forecast

	2024	Growth %	2025	Growth %
Occupancy	69.60%	3.70%	69.20%	-0.60%
Average Daily Rate	\$190.61	2.00%	\$192.67	1.10%
Revenue	\$2.10 billion	7.10%	\$2.17 billion	2.90%

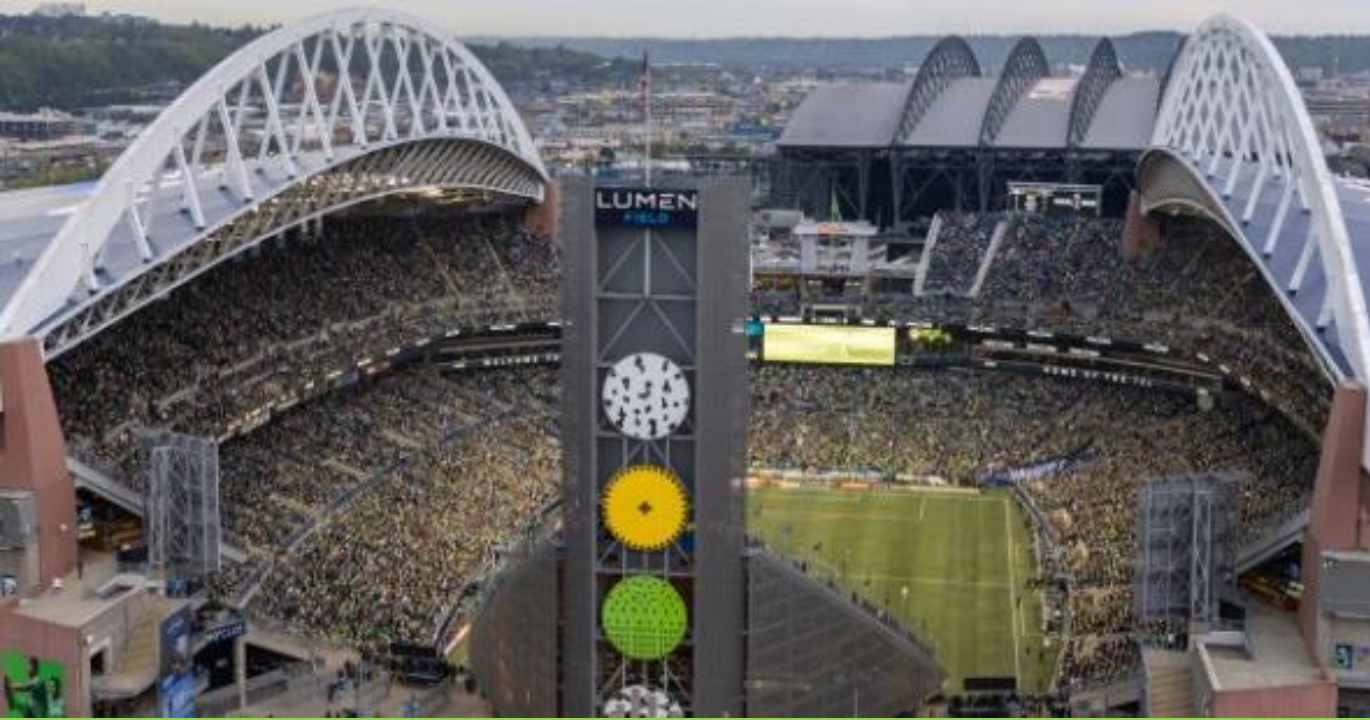
Seattle Convention Center Room Nights



Definite room nights	354,656	314,227	202,112	127,959	109,983	97,641
Year End Goal	338,000	338,000	385,333	432,667	482,160	482,160

All information is privileged and confidential. Group metrics and information should be protected for destination competitiveness.

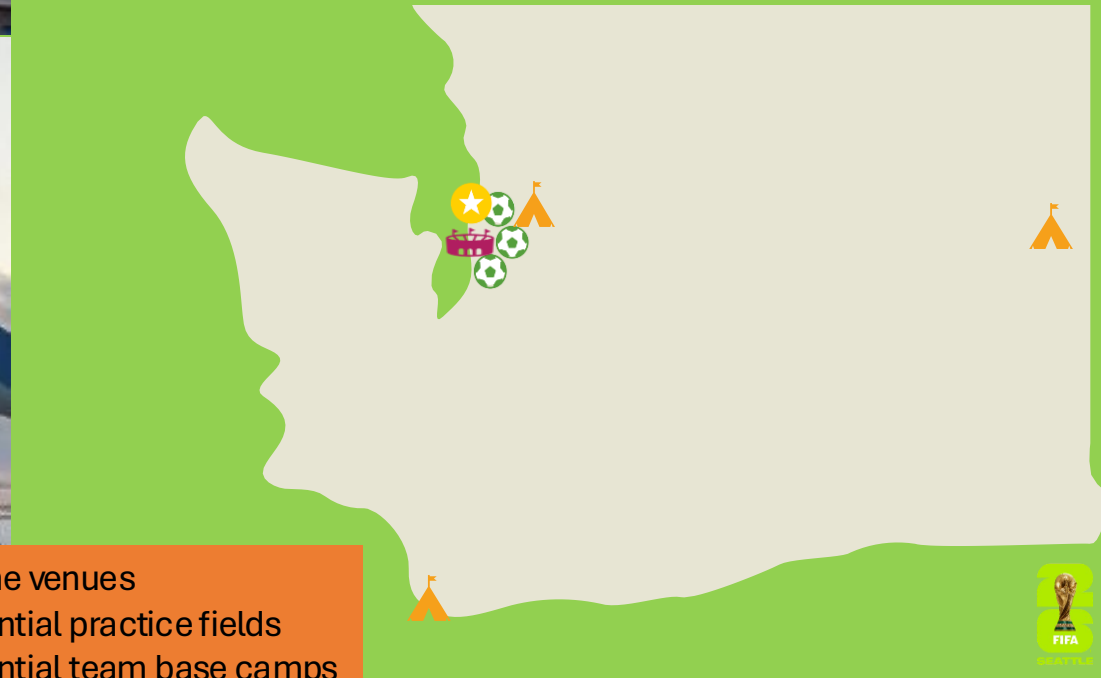
Period ending 7/31/2024







Seizing the opportunity:

The 2026 FIFA Mens World Cup

- Est. 750,000 visitors
- Est. 2 billion viewers
 - Minimum of 200 million per match
- Statewide footprint

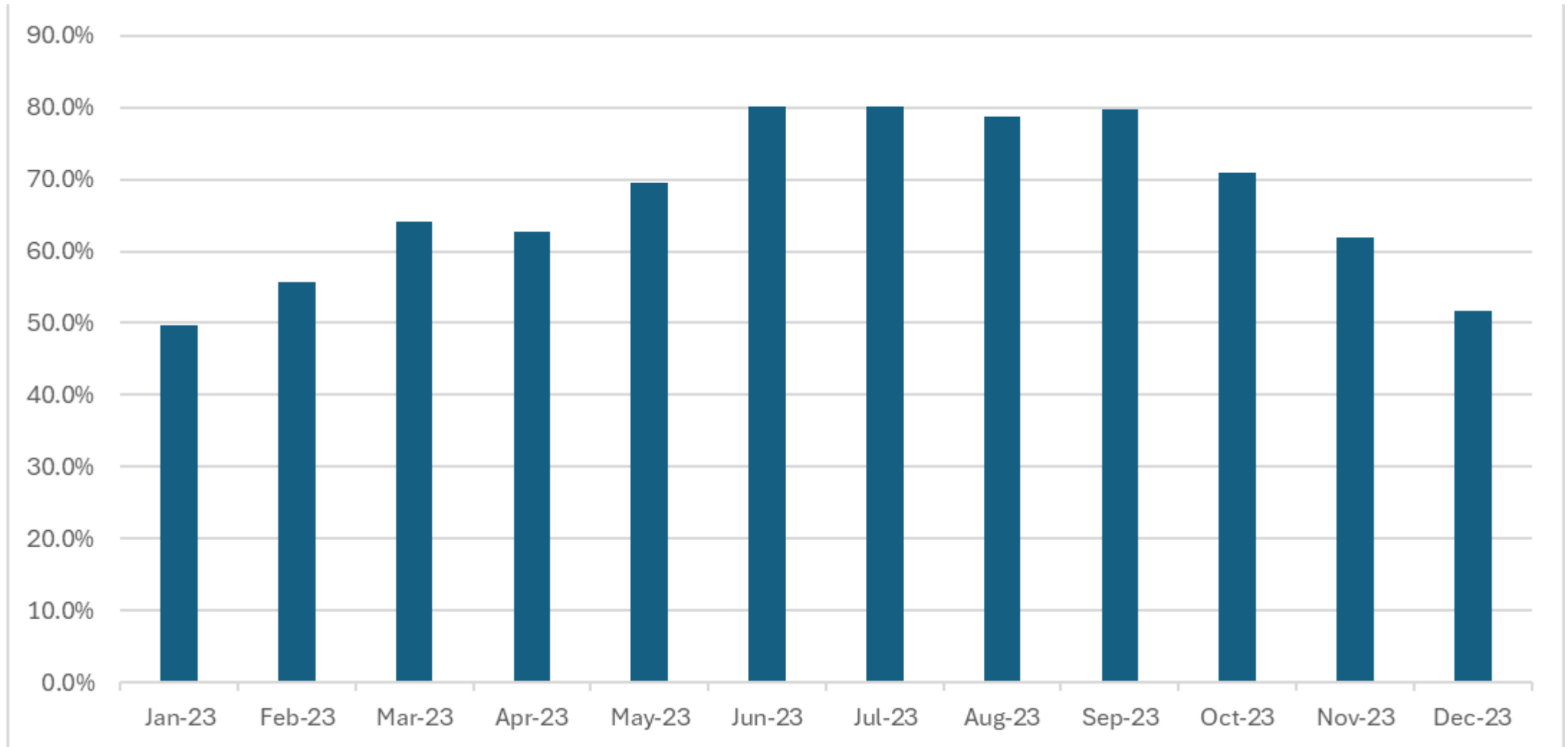


-  Game venues
-  Potential practice fields
-  Potential team base camps
-  Fan activations



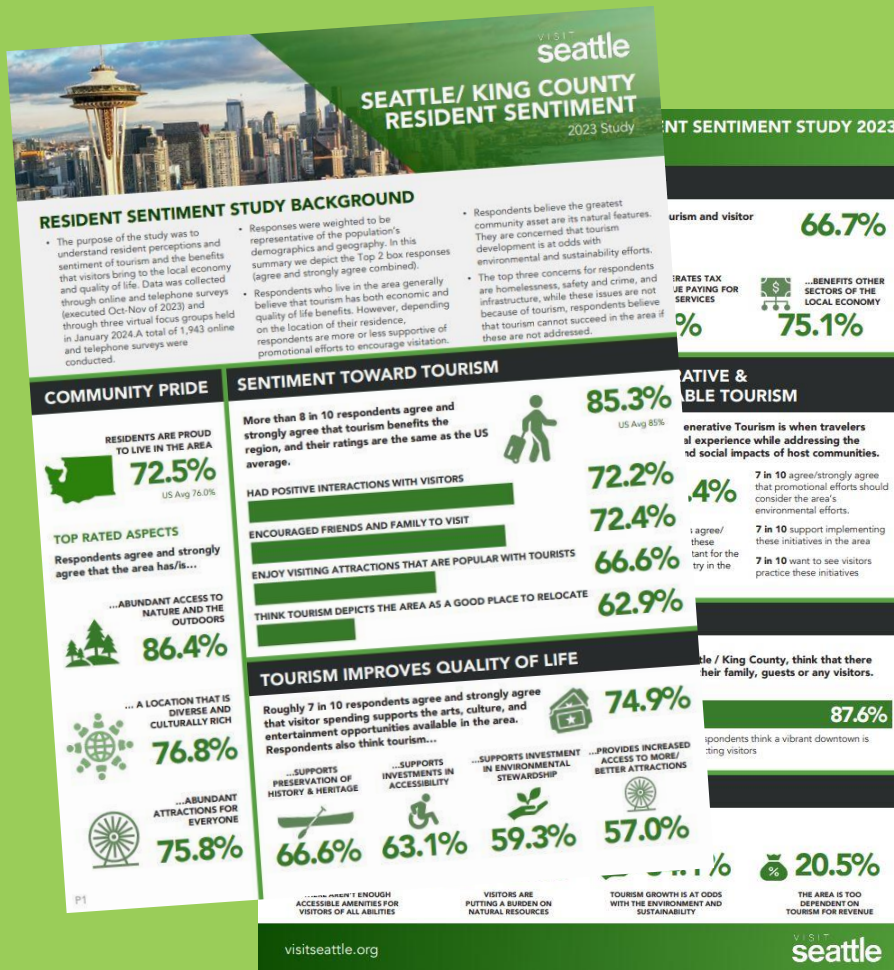
King County Hotel Occupancy

2023 by Month



King County Resident Sentiment Study

October-November 2023



Highlights:

- 85.3% of King County residents believe tourism benefits the region
- 74.9% believe tourism improves quality of life
- 80.9% believe tourism helps businesses in the community thrive
- 66.1% know tourism generates tax revenue paying for public services

**Thank you.
Questions?**

Tammy Canavan

President and CEO

tcanavan@visitseattle.org

Peter Andersen

Senior Director, Convention Strategy

pandersen@visitseattle.org

VISIT
seattle



King County

**Metropolitan King County Council
Budget and Fiscal Management Committee**

STAFF REPORT

Agenda Item:	7	Name:	Sam Porter
Proposed No.:	2024-0239	Date:	August 28, 2024

SUBJECT

An ordinance to authorize the execution of a lease in Burien for continued use by the King County Medic One program.

SUMMARY

Proposed Ordinance 2024-0239 would authorize the Executive to execute a lease with King County Fire District #2 located at 900 SW 146th Street in Burien to allow King County Medic One to continue to provide services to the City of Burien and the surrounding area. The previous agreement commenced in 2016, expired May 31, 2021, and has been in holdover status since. If adopted, this agreement would commence on June 1, 2024. The lease includes a lump sum payment of approximately \$2,000 to the Landlord to compensate for the lack of annual increases to the rent during the holdover period. This payment is being made as consideration to enter into the new lease.

Annual cost of the agreement is \$15,096, \$1,258 per month for 740 square feet of shared space. King County is not responsible for grounds or maintenance costs. This transaction is fully revenue backed by the Emergency Medical Services (EMS) Levy and was anticipated in the current budget.

BACKGROUND

King County's Medic One/Emergency Medical Services (EMS) system provides residents of Seattle and King County with life-saving prehospital medical care through an internationally recognized tiered regional response system. This system relies upon coordinated partnerships with fire departments, paramedic agencies, dispatch centers, and hospitals. For more than 30 years, this system has comprised high service standards for response times and quality training of dispatchers, paramedics, and other responders. The original lease for this location with King County Fire District #2 was executed in 2016.

Proposed Ordinance 2024-0112 was transmitted earlier this year to extend a lease for this location. In May, Executive staff stated that during legal review they determined that

the agreement should be a new lease and therefore would re-transmit a new ordinance in 2024. Proposed Ordinance 2024-0239 contains the new lease agreement.¹

ANALYSIS

Proposed Ordinance 2024-0239 would authorize the Executive to execute a lease with King County Fire District #2 located at Burien Fires District #2, Station 28 where King County Medic One has operated since 2016. The lease includes use of 740 square feet of shared space including a staff kitchen, bathrooms, two bedrooms, storage, one truck bay, associated parking area, and other building spaces.

The lease includes a lump sum payment of approximately \$2,000 to the Landlord to “compensate [the] Landlord for the lack of annual increases to the rent during the holdover period.”

Table 1. Summary of the Lease Terms of Proposed Ordinance 2024-0239

Category	Terms
Square Footage	740 square feet
Cost per Square Foot (Base Rent)	\$1.70 per sf per month, adjusted annually CPI, capped at three percent
Operating Costs	King County is not responsible for grounds or maintenance costs.
Term	Five years with one option to extend for five years.
Other Considerations	None
Lease Effective Date	June 1, 2024

Table 1 summarizes the lease terms and Table 2 estimates the financial impacts of the proposed lease for the current and future biennia. As indicated in the fiscal note, the cost of the proposed lease was included in the current budget, so no corresponding appropriation request was transmitted with this proposed ordinance. The lease is currently in holdover status which is 125 percent of base rate. Monthly rent for the agreement would be \$1,258.

Table 2. Fiscal Impacts of Proposed Ordinance 2023-0435

	2023-2024	2025-2026	2027-2028
2023-0435	\$16,362	\$31,585	\$33,509

The proposed lease was reviewed by Council's legal counsel. A recommended amendment is described in the next section.

¹ Subsequently, Proposed Ordinance 2023-0112 should lapse.

AMENDMENT

Council's legal counsel has recommended an amendment to the statement of facts in the Proposed Ordinance to clarify that payment of additional rent during the holdover period of the previous lease was consideration for the landlord to agree to the new lease. The amendment also makes two technical corrections to the lease agreed upon by Executive staff.

INVITED

1. Tony Wright, Director, Facilities Management Division, Department of Executive Services

ATTACHMENTS

1. Proposed Ordinance 2024-0239 (and its attachments)
2. Amendment 1
3. Transmittal Letter
4. Fiscal Note
5. Property Summary



KING COUNTY
Signature Report

ATTACHMENT 1
1200 King County Courthouse
516 Third Avenue
Seattle, WA 98104

Ordinance

Proposed No. 2024-0239.1

Sponsors Mosqueda

1 AN ORDINANCE authorizing the execution of a new lease
2 to support the operation of the department of public health.

3 STATEMENT OF FACTS:

4 For the new lease from King County Fire District #2, located at 900 SW
5 146th Street, Burien, within council district eight, the facilities
6 management division determined that there was not an appropriate county-
7 owned option and successfully negotiated to lease space.

8 BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

9 SECTION 1. The executive is authorized to execute a new lease for the property
10 located at 900 SW 146th Street, Burien, with King County Fire District #2, substantially

- 11 in the form of Attachment A to this ordinance, and to take all actions necessary to
- 12 implement the terms of the lease.

KING COUNTY COUNCIL
KING COUNTY, WASHINGTON

Dave Upthegrove, Chair

ATTEST:

Melani Pedroza, Clerk of the Council

APPROVED this ____ day of _____, _____.

Dow Constantine, County Executive

Attachments: A. Lease Agreement

ATTACHMENT A:

LEASE AGREEMENT

LEASE AGREEMENT

This LEASE AGREEMENT (“Lease”), dated June 1, 2024 (for reference purposes only), is made and entered into between KING COUNTY FIRE DISTRICT #2, a Washington municipal corporation (“Landlord”) and KING COUNTY, a home rule charter county and political subdivision of the State of Washington (“Tenant”). Landlord and Tenant are sometimes referred to herein individually as a “Party” and together as the “Parties.”

RECITALS

1. The Parties to this Lease previously entered into that certain prior lease for Premises (as defined below) located at 900 SW 146th Street, Burien, Washington, which commenced June 1, 2016, and expired May 31, 2021 (“Prior Lease”). Since the Prior Lease expired, Tenant has remained in holdover status pursuant to Section 19 of the Prior Lease.

2. The Parties desire to enter into this new lease agreement with a five-year term and one option to extend the term for five years.

3. The Parties acknowledge that, pursuant to Section 19 of the Prior Lease, Tenant paid rent during the holdover period based on a flat rate of one hundred percent (100%) of the rent payable during the final month of the Prior Lease’s term before expiration and that holdover rent was never increased. The Tenant desires to pay Landlord a lump sum payment to compensate Landlord for the lack of annual increases to the rent during the holdover period.

AGREEMENT

1. Basic Lease Information

1.1 Lease Date: June 1, 2024 (for reference purposes only)

1.2 Landlord: King County Fire District #2

1.3 Tenant: King County

1.4 Building: The “Building” is a fire station situated on a portion of real property more particularly described in Exhibit A (“Real Property”), with an address of 900 SW 146th, Burien, Washington.

1.5 Premises: The area depicted on the attached Exhibit B containing approximately 740 rentable square feet of exclusive use space and other common areas and specifically consisting of: two (2) sleeping quarters; storage space; two (2) vehicle bays located within the fire station Building; exercise room; decontamination room; laundry room; and pharmaceutical storage (“Premises”).

1.6 Permitted Use: First-responder office and storage and/or any other related legally permitted use.

1.7 Initial Term: Five (5) years.

1.8 Extended Term: Five (5) years.

1.9 Lease Commencement Date: See Section 3.1

1.10 Rent Commencement Date: The Rent Commencement Date shall be the same as the Lease Commencement Date.

1.11 Expiration Date: See Section 3.1

1.12 Rent: Base Rent shall be One Thousand Two Hundred Fifty Eight Dollars and Eighty Two Cents (\$1,258.82) per month.

1.13 Security Deposit: None.

1.14 Landlord's Address for Notices:

King County Fire District #2
PO Box 66029
Burien, WA 98166
Attn: Chris Elwell, Chairman of the Board

And a copy to the following email address:
jasongay@king2fd.org

1.15 Tenant's Address for Notices:

King County
Attn: Real Estate Services
500 4th Ave Suite 830
Seattle, WA 98104

And a copy to the following email address:
RES-LeaseAdmin@kingcounty.gov

Notwithstanding anything in Section 1.14 or this Section 1.15 to the contrary, a Party may provide notice by email only at the email address(es) set forth above or other electronic means with delivery confirmation or read receipt (or both), but the Party providing electronic notice shall bear the burden to prove the date that notice was delivered.

2. Premises.

Landlord hereby leases the Premises to Tenant for the Term set forth above. Tenant, at its sole option, may elect to remeasure the Premises pursuant to the most recent, applicable measurement methodology published by the Building Owners and Managers Association (BOMA), and if the rentable square footage of the Premises varies from that set forth in Section 1.5 above, the parties hereto shall promptly amend this Lease to modify any variables that are dependent upon the same. Landlord warrants that the Premises shall be delivered (i) in good operating condition, including but not limited to all mechanical, electrical, plumbing, and other systems serving the Premises; (ii) in compliance with all applicable laws, codes, ordinances, and regulations; and (iii) free of any Hazardous Material. To the extent that the Premises fails to comply with the prior sentence as of the Commencement Date (without limiting any other rights or remedies that Tenant may have under this Lease and/or at law), Landlord shall promptly correct the same at its sole cost and expense.

Landlord also grants Tenant a nonexclusive license to use those portions of the Building made available from time to time by Landlord for the common use and enjoyment of Tenant, Landlord, and other tenants of the Building and their guests and invitees (the "Common Areas"). The Common Areas shall include, but not be limited to, bathroom and shower facilities for both genders; office space for two computer stations; the kitchen and dining areas; exercise room; day room; study; bunker gear storage; decontamination room; and the laundry room. Landlord shall have the right to do and perform all such acts in and to the Common Areas as Landlord shall determine in its reasonable discretion, including without limitation reconfiguring and temporarily closing the same from time to time, so long as Landlord does not adversely affect Tenant's use and enjoyment of the Premises. Tenant shall also be entitled to two (2) parking spaces in the employee parking lot.

3. Term.

3.1 Commencement Date. This Lease shall commence on the first day of the month following execution by both Parties ("Commencement Date"), which shall be confirmed in a Confirmation of Lease Commencement Date Letter substantially in the form as that contained in Exhibit D.

3.2 Expiration Date. This Lease shall expire five (5) years after the Commencement Date.

3.3 Extension Option. Provided Tenant is not in default under this Lease on the date this option is exercised and as of the last day of the Term, Tenant shall have the option to extend the initial Term for one (1) successive period of 60 months ("Extended Term"). This option to extend may be exercised by Tenant only by giving Landlord written notice no more than twelve (12) months and no less than six (6) months prior to the last day of the initial Term. Tenant's extension option shall apply to all of the Premises then leased by Tenant under this Lease. From and after the commencement of the Extended Term, all of the terms, covenants, and conditions of this Lease shall continue in full force

and effect as written, except that Base Rent for the Extended Term shall be subject to annual Consumer Price Index adjustments based on the Revised Consumer Price Index for all Urban Consumers, CPI-U (Base Years 1982-1984 = 100) for the Seattle area, published by the United States Department of Labor, Bureau of Labor Statistics (“Annual CPI Adjustments”). The monthly Base Rent shall be adjusted on January 1 of each subsequent year based on the percentage increase in the CPI from the preceding June 1. The Base Rent increase will not exceed 3% annually.

If the CPI is discontinued, Landlord and Tenant will agree on a similar index to reflect consumer price increases.

4. Permitted Use. The Premises may be used by Tenant for the uses set forth in Section 1.6 above. Landlord represents and warrants to Tenant that the Premises may lawfully be used for the uses set forth in Section 1.6 above.

5. Rent.

5.1 Tenant covenants and agrees to pay Landlord, at Landlord’s Notice Address set forth in Section 1.14 above, without deduction or offset except as otherwise set forth in this Lease, monthly rent in the amounts set forth in Section 1.12, payable in advance, without prior notice or demand, on or before the first day of each month of the Term (the “Rent”). Rent for any fractional calendar month at the beginning or end of the Term shall be prorated. Monthly Rent shall be adjusted annually based upon the increase in the Consumer Price Index for Seattle and shall become effective the first day of January for each subsequent year of this lease but shall not exceed three percent (3%) annually.

5.2 The Parties agree that during the period between the expiration of the Prior Lease on May 31, 2021, and the Commencement Date of this new Lease (the “Holdover Period”), Tenant paid holdover rent at a rate of \$1,152.00 per month (the “Holdover Rent”) and that this rent was never adjusted. Within ten (10) days of the Commencement Date of this Lease, Tenant agrees to make a lump-sum payment to Landlord for the difference between the Holdover Rent that was paid and what the Holdover Rent would have been had it increased each January 1st at a rate of three percent (3%) annually during the Holdover Period. The Parties agree that for the period of January 1, 2021 to December 31, 2021, the rent would have remained at \$1,152.00. For the period of January 1, 2022 to December 31, 2022, the amount due is \$414.72 (Based on a 3% maximum increase and June 2021 CPI-U Seattle of 5.5%). For the period of January 1, 2023 to December 31, 2023 the amount due is \$841.88 (Based on a 3% maximum increase and June 2022 CPI-U Seattle of 10.1%). For the period of January 1, 2024 to the Commencement Date the amount due is \$106.82 per month (Based on a 3% maximum increase and June 2023 CPI-U Seattle of 4.6%).

6. Security Deposit. None.

7. Utilities and Services. Landlord shall at all times furnish the Premises with: (i) water at those points of supply provided for general use of tenants of the Building; (ii) heated and refrigerated air conditioning as appropriate, at such temperatures and in such

amounts as are required by governmental authority or as are reasonably appropriate for the Building; (iii) recycling and trash removal on weekdays, other than national holidays, and such carpet cleaning and window washing as may from time to time be reasonably required; (iv) replacement of Building-standard light bulbs and fluorescent tubes in the Premises; (v) electrical current reasonably sufficient for Tenant's use and an emergency standby power supply; and (vi) sewer service. Tenant shall furnish its own telephone, internet, and cable service to the Premises. No interruption or failure of any utilities or services from any cause whatsoever shall be deemed an eviction of Tenant, provided that Landlord shall use commercially reasonable efforts to repair, replace, or restore the same as quickly as possible. To the extent any interruption of services occurs due to Landlord's negligence, intentional misconduct or breach of Lease, then Rent shall be abated for the period of interruption in the proportion of the square footage rendered unusable in addition to, and without limiting, Tenant's other rights and remedies available at law and/or under this Lease.

8. Operating Costs. Tenant shall pay no operating costs as part of this Lease. This agreement is a full-service lease, meaning that the cost of all services, utilities, maintenance, and repairs are included in the Rent.

9. Maintenance and Repairs. Subject to Landlord's obligations under this Lease, Tenant shall be responsible for the maintenance and non-structural repairs to the interior of the Premises, which shall be maintained and repaired in a commercially reasonable manner. Landlord shall maintain, repair and replace, if necessary, the Building; all Building systems, including but not limited to interior lighting (including replacement of ballasts and starters as required with the exception of light bulb replacement which shall be the responsibility of the Tenant); plumbing, heating, ventilating and air-conditioning systems (including replacement of filters as recommended in equipment service manual); floor coverings; window coverings; elevators (including communications systems); inside and outside walls (including windows and entrance and exit doors); all structural portions of the Building (including the roof and the watertight integrity of same); porches, stairways; sidewalks; exterior lighting; parking lot (including snow removal, cleaning and restriping as required); wheel bumpers; drainage; landscaping and continuous satisfaction of all governmental requirements (example: fire, building energy codes, indoor air quality and requirements to provide architecturally barrier-free premises for persons with disabilities, etc.).

10. Sublease and Assignment. Tenant may assign this Lease in whole or in part, or sublet all or any portion of the Premises, with the prior written consent of Landlord, which consent shall not be unreasonably withheld, conditioned, or delayed. Tenant shall provide Landlord with at least 60 days' notice of any proposed assignment or sublease and shall furnish all relevant details regarding the proposed assignee or sublessee.

11. Alterations and Improvements. Tenant shall be entitled to perform alterations and/or improvements to the Premises (including, without limitation, the installation of fixtures and signs) subject to Landlord's consent, which shall not be unreasonably withheld, conditioned, or delayed. Upon Tenant's request, Landlord agrees to perform such

alterations or improvements on Tenant's behalf, subject to reimbursement from Tenant for Landlord's actual and reasonable costs. Tenant may from time to time remove any fixtures, alterations, or improvements installed by Tenant in or to the Premises; provided that Tenant agrees to repair any damage caused by such removal.

Notwithstanding the foregoing, Tenant may perform alterations and/or improvements to the Premises without obtaining Landlord's prior consent so long as such alterations and/or improvements: (i) do not exceed \$25,000 per project, (ii) are not visible from the exterior of the Premises, (iii) do not adversely affect any Building system or the structural strength of the Building, and (iv) do not require penetrations into the roof of the Building.

12. Damage and Destruction. In the event the Premises, Building, or both are destroyed or damaged by fire, earthquake, or other casualty so as to render the Premises, Building, or both, in Tenant's sole judgment, unfit for occupancy or Tenant's intended purpose, and the Landlord neglects or refuses to restore the Premises or Building to its former condition within ninety (90) days of such damage or destruction, Tenant may terminate this Lease upon thirty (30) days written notice to Landlord. In the event of such termination, Landlord and Tenant shall have no further obligations hereunder, except those obligations that expressly survive the expiration or earlier termination of the Lease. In the event the Premises are damaged by any of the aforesaid events, the Rent shall be abated in proportion to the percentage of untenable space in the Premises as relates to the total square footage of the Premises until such time that Landlord restores the Premises to its pre-casualty condition. If, in the sole discretion of Tenant, the untenable portion of the Premises or the Building renders the Premises unusable for the Permitted Use, Tenant may unilaterally terminate this Lease upon thirty (30) days written notice to Landlord.

13. Condemnation. If any portion of the Premises, Building, or real property upon which the same are situated (including, without limitation, any parking areas associated with the Premises and/or building) which is necessary, in Tenant's sole judgment, for Tenant's occupancy or intended use of the Premises, or fifty percent (50%) or more of the rentable area of the Building, is made untenable by eminent domain or conveyed under a threat of condemnation, this Lease shall terminate at the option of either Landlord or Tenant as of the earlier of the date title vests in the condemning authority or the condemning authority first has possession of the Premises or the portion of the underlying real property taken by the condemning authority. All Rents and other payments shall be paid to that date. If the condemning authority takes a portion of the Premises or of the Building or the underlying real property necessary for Tenant's occupancy or intended use that does not render them, in Tenant's sole judgment, untenable, then this Lease shall continue in full force and effect and the Rent shall be proportionately reduced based on the percentage by which the floor area of the Premises is reduced. The reduction in Rent shall be effective on the earlier of the date the condemning authority first has possession of such portion or title vests in the condemning authority. If the Tenant, in its sole judgment, determines that the condemnation has rendered the Premises unsuitable for the Permitted Use, Tenant shall be entitled to terminate this Lease upon thirty (30) days advance written notice to Landlord. Landlord shall be entitled to the entire award from the condemning authority attributable to the value of the Premises or the Building and Tenant shall make

no claim for the value of its leasehold. Tenant shall be permitted to make a separate claim against the condemning authority for moving expenses if Tenant terminates the Lease under this section, provided that in no event shall Tenant's claim reduce Landlord's reward.

14. Indemnity and Hold Harmless. Each party shall defend, indemnify and hold the other harmless from and against any claims, suits, causes of action, judgments, damage, loss or liability for injuries to persons or property (excluding consequential damages such as lost profits) (collectively, "Claims") to the extent caused by the negligent acts or omissions of their respective agents, officers and employees acting in the scope of their employment. Where such Claims result from the concurrent negligence of the parties, the indemnity provisions provided herein shall be valid and enforceable only to the extent of each party's negligence. Each of the parties agrees that its obligations under this Section 14 extend to any claim, demand, cause of action, and judgment brought by, or on behalf of, any of its employees or agents. For this purpose, each of the Parties, by mutual negotiation, hereby waives, with respect to each of the other Party's only, any immunity that would otherwise be available against such claims under the industrial insurance provisions of Title 51 RCW. In the event that any of the Parties incurs any judgment, award, and/or cost arising therefrom, including attorney fees, expenses, and costs shall be recoverable from the responsible party to the extent of that party's negligence. Neither Party shall be deemed to be an agent of other Party during the performance of this Lease.

15. Insurance.

15.1 Landlord acknowledges that Tenant, a home-rule charter county under the Constitution of the State of Washington, maintains a fully funded self-insurance program as defined in King County Code 2.21 for the protection and handling of the Tenant's liabilities, including injuries to persons and damage to property. Tenant shall, at its own expense, maintain, through its self-funded program, coverage sufficient for all of its liability exposures for this Lease. Tenant shall provide Landlord with at least thirty (30) days prior written notice of any material change in Tenant's self-funded program and shall provide Landlord with a certificate of self-insurance as proof of coverage. Landlord further acknowledges that Tenant does not maintain a commercial General Liability Insurance policy and is a self-insured government entity; therefore, Tenant does not have the ability to add Landlord as an additional insured to such policy. Should Tenant cease self-insuring its liability exposure and purchase a Commercial General Liability Insurance Policy, Tenant shall add Landlord as an additional insured to such policy. Tenant shall at all times maintain its self-funded program or a Commercial General Liability Insurance Policy, each in an amount sufficient to cover its liability exposure under this Lease.

15.2 Landlord shall maintain throughout the Term commercially reasonable policies of property insurance covering loss of or damage to the Building (including tenant improvements and subsequent alterations) in the full amount of its replacement cost with endorsement to cover code changes. Landlord hereby waives and releases any right of recovery (including by way of subrogation) against Tenant, its officers, employees and agents, for any loss or damage sustained by Landlord with respect to the Building, or Premises or any portion thereof or the contents of the same or any operation therein, to the

extent such loss or damage is actually insured against or is required hereunder to be insured against.

16. Mediation. Landlord and Tenant agree that should any dispute arise concerning this Lease both Parties may jointly elect to submit the dispute to mediation. Notwithstanding the foregoing, nothing herein shall be construed as a condition precedent for either Party to seek legal or equitable relief by initiating a legal action. Landlord and Tenant shall each bear their respective costs of mediation.

17. Liens. Landlord and Tenant shall keep the Premises and the Building free from any liens arising out of any work performed, materials furnished, or obligations incurred by Tenant or Landlord, and each shall indemnify and hold harmless the other from and against all liabilities, losses, damages, and costs (including reasonable attorney fees and costs) incurred in connection with any such lien. Landlord or Tenant may contest the validity or amount of any such lien or encumbrance in good faith provided that, within forty-five (45) days after the filing of such lien or encumbrance, Landlord or Tenant discharges the same by providing and recording a bond which complies with the requirements of RCW 60.04.161 eliminating said lien and/or encumbrance.

18. Quiet Possession. Landlord covenants that as of the Commencement Date, Landlord will have good right to lease the Premises for the purpose and uses stated herein and Tenant shall have and quietly enjoy the Premises for the Lease Term.

19. Holding Over. If Tenant remains in possession of the Premises after the expiration or termination of this Lease, Tenant's continued possession shall be on the basis of a tenancy at the sufferance of Landlord. In such event, Tenant shall continue to comply with or perform all the terms and obligations of Tenant under this Lease, except that the monthly Rent during Tenant's holding over shall be one hundred percent (100%) of the Rent payable in the last full month prior to the termination hereof. Acceptance by Landlord of rent after such termination shall not constitute a renewal or extension of this Lease; and nothing contained in this provision shall be deemed to waive Landlord's right of re-entry or any other right hereunder or at law.

20. Non-Discrimination. Landlord and Tenant, for themselves, their successors, and assigns as a part of the consideration hereof, do hereby covenant and agree to comply with all civil rights and anti-discrimination requirements of federal, state and local laws applicable to the Property, including, without limitation, Chapter 49.60 RCW. Landlord and Tenant shall not discriminate on the basis of sex, race, color, marital status, national origin, religious affiliation, disability, sexual orientation, gender identity or expression, status as a family caregiver, military status or status as a veteran who was honorably discharged or who was discharged solely as a result of the person's sexual orientation or gender identity or expression, or age except by minimum age and retirement provisions, unless based upon a bona fide occupational qualification, in the employment or application for employment or in the administration or delivery of services or any other benefits under King County Code Chapter 12.16, as now codified and as hereafter amended. Landlord and Tenant shall comply fully with all applicable federal, state, and local laws, ordinances,

executive orders, and regulations that prohibit such discrimination. These laws include, but are not limited to, King County Charter Section 840, Chapter 49.60 RCW, and Titles VI and VII of the Civil Rights Act of 1964. Any violation of this provision shall be considered a default of this Lease and shall be grounds for cancellation, termination, or suspension, in whole or in part, of this Lease and may result in ineligibility for further agreements between the Parties.

21. Default.

21.1 The following occurrences shall each constitute a default by Tenant (an “Event of Default” or “Default”):

A. Failure To Pay. Failure by Tenant to pay any sum, including Rent, due under this Lease following ten (10) business days’ notice from Landlord of the failure to pay.

B. Other Non-Monetary Defaults. The breach by Tenant of any agreement, term, or covenant of this Lease other than one requiring the payment of money and not otherwise enumerated in this Section or elsewhere in this Lease, which breach continues for a period of thirty (30) days after written notice by Landlord to Tenant of the breach (provided, if the nature of Tenant’s failure is such that more time is reasonably required in order to cure, Tenant shall not be in Default if Tenant commences to cure promptly and thereafter diligently prosecutes such cure to completion).

21.2 Landlord Default; Remedies. Landlord shall not be in default unless Landlord fails to perform obligations required of Landlord within a reasonable time, but in no event less than thirty (30) days after notice by Tenant to Landlord. If Landlord fails to cure any such default within the allotted time, Tenant may, at in its sole discretion and without limiting Tenant’s other rights or remedies under this Lease and/or at law, terminate this Lease upon thirty (30) days’ advance written notice to Landlord. Tenant shall have all remedies available at law or in equity. Nothing herein contained shall relieve Landlord from its duty to perform of any of its obligations to the standard prescribed in this Lease.

22. Remedies. Landlord shall have the following remedies upon an Event of Default. Landlord’s rights and remedies under this Lease shall be cumulative, and none shall exclude any other right or remedy allowed by law.

22.1 Termination of Lease. Landlord may terminate Tenant’s interest under the Lease. The Lease shall terminate on the date specified in the notice of termination. Upon termination of this Lease, Tenant will remain liable to Landlord for damages in an amount equal to the Rent and other sums that would have been owing by Tenant under this Lease for the balance of the Lease term, less (i) the net proceeds, if any, of any reletting of the Premises by Landlord subsequent to the termination, after deducting all of Landlord’s reasonable, actual reletting expenses or (ii) such amounts as Tenant proves may reasonably be avoided.

22.2 **Re-Entry and Reletting.** Landlord may continue this Lease in full force and effect, and without demand or notice, re-enter and take possession of the Premises or any part thereof, expel the Tenant from the Premises and anyone claiming through or under the Tenant, and remove the personal property of either. Landlord may relet the Premises, or any part of them, in Landlord's or Tenant's name for the account of Tenant, for such period of time and at such other terms and conditions as Landlord, in its discretion, may determine. Landlord may collect and receive the rents for the Premises. To the fullest extent permitted by law, the proceeds of any reletting shall be applied: first, to pay Landlord its reasonable, actual reletting expenses; second, to pay any indebtedness of Tenant to Landlord other than Rent; third, to the Rent due and unpaid hereunder; and fourth, the residue, if any, shall be held by Landlord and applied in payment of other or future obligations of Tenant to Landlord as the same may become due and payable, and Tenant shall not be entitled to receive any portion of such revenue. Re-entry or taking possession of the Premises by Landlord under this Section shall not be construed as an election on Landlord's part to terminate this Lease, unless a notice of termination is given to Tenant. Landlord reserves the right following any re-entry or reletting, or both, under this Section to exercise its right to terminate the Lease. Tenant will pay Landlord the Rent and other sums which would be payable under this Lease if repossession had not occurred, less the net proceeds, if any, after reletting the Premises, including without limitation, all repossession costs, brokerage commissions and costs for securing new tenants, attorneys' fees, remodeling and repair costs, costs for removing persons or property, costs for storing Tenant's property and equipment, and costs of tenant improvements and rent concessions granted by Landlord to any new Tenant, prorated over the life of the new lease.

23. Costs and Attorneys' Fees. If Tenant or Landlord engage the services of an attorney to collect monies due or to bring any action for any relief against the other, declaratory or otherwise, arising out of this Lease, including any suit by Landlord for the recovery of Rent or other payments, or possession of the Premises, the losing party shall pay the prevailing party a reasonable sum for attorneys' fees in such action, whether in mediation or arbitration, at trial, on appeal, or in any bankruptcy proceeding.

24. Hazardous Material.

24.1 For purposes of this Lease, the term "Environmental Law" shall mean: any federal, state or local statute, regulation, code, rule, ordinance, order, judgment, decree, injunction or common law pertaining in any way to the protection of human health, safety, or the environment, including without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. § 9601 et seq. ("CERCLA"); the Resource Conservation and Recovery Act of 1976, 42 U.S.C. § 6901 et seq. ("RCRA"); the Washington State Model Toxics Control Act, RCW ch. 70A.305 ("MTCA"); the Washington Hazardous Waste Management Act, RCW ch. 70A.300; the Federal Water Pollution Control Act, 33 U.S.C. § 1251 et seq., the Washington Water Pollution Control Act, RCW ch. 90.48, and any laws concerning above ground or underground storage tanks. For the purposes of this Lease, the term "Hazardous Material" shall mean: any waste, pollutant, contaminant, or other material that now or in the future becomes regulated or defined under any Environmental Law.

24.2 Landlord represents and warrants to Tenant that there is no Hazardous Material on, in, or under the Premises or the Real Property as of the Commencement Date. If there is any Hazardous Material on, in, or under the Premises or the Real Property which has been or thereafter becomes released, then Landlord (i) shall be solely responsible, at its sole cost, for promptly remediating the same to the extent required by Environmental Law and (ii) shall indemnify, defend and hold Tenant harmless from any and all claims, judgments, damages, penalties, fines, costs, liabilities or losses including without limitation sums paid in settlement of claims, attorneys' fees, consultant fees and expert fees, incurred either during or after the Lease term as the result of such release.

24.3 Tenant shall not cause or permit any Hazardous Material to be brought upon, kept, or used in or about, or disposed of on the Premises or the Real Property by Tenant, its employees, officers, agents, servants, contractors, customers, clients, visitors, guests, or other licensees or invitees, except in strict compliance with all applicable federal, state and local laws, regulations, codes and ordinances. If Tenant breaches the obligations stated in the preceding sentence, then Tenant shall indemnify, defend and hold Landlord harmless from any and all claims, judgments, damages, penalties, fines, costs, liabilities or losses including without limitation sums paid in settlement of claims, attorneys' fees, consultant fees and expert fees, incurred either during or after the Lease term ("Claims") to the extent that said Claims are a result of said breach. Tenant shall promptly notify Landlord of any inquiry, investigation or notice that Tenant may receive from any third party regarding the actual or suspected presence of Hazardous Material on the Premises or the Real Property.

24.4 Without limiting the foregoing, if the presence of any Hazardous Material brought upon, kept or used in or about the Premises or the Real Property by Tenant, its employees, officers, agents, servants, contractors, customers, clients, visitors, guests, or other licensees or invitees, results in any release of any Hazardous Material on the Premises or the Real Property, Tenant shall be solely responsible, at its sole cost, for promptly remediating the same to the extent required by Environmental Law. Landlord's approval of such remediation shall first be obtained, which approval shall not be unreasonably withheld, conditioned or delayed, provided, however, that Tenant shall be entitled to respond immediately to an emergency without prior approval from Landlord, including but not limited to taking actions necessary to prevent the release from migrating, leaching or otherwise spreading, and actions necessary to respond to any immediate obligations imposed on Tenant by Environmental Law. To the extent such Hazardous Material becomes comingled with Hazardous Material released by Landlord or other parties, nothing in this Lease shall prevent Tenant from seeking to recover costs, expenses or any other damages incurred as a result of the presence of such Hazardous Material that was released by Landlord or other parties.

24.5 The provisions of this Article 24 shall survive expiration or earlier termination of this Lease.

25. General.

25.1 Heirs and Assigns. This Lease shall apply to and be binding upon Landlord and Tenant and their respective heirs, executors, administrators, successors, and assigns.

25.2 Brokers' Fees. Tenant represents and warrants to Landlord that it has not engaged any broker, finder, or other person who would be entitled to any commission or fees for the negotiation, execution or delivery of this Lease and shall indemnify and hold harmless Landlord against any loss, cost, liability or expense incurred by Landlord as a result of any claim asserted by any such broker, finder or other person on the basis of any arrangements or agreements made or alleged to have been made by or on behalf of Tenant. Landlord represents and warrants to Tenant that it has not engaged any broker, finder or other person who would be entitled to any commission or fees for the negotiation, execution or delivery of this Lease and shall indemnify and hold harmless Tenant against any loss, cost, liability or expense incurred by Tenant as a result of any claim asserted by any such broker, finder or other person on the basis of any arrangements or agreements made or alleged to have been made by or on behalf of Landlord.

25.3 Entire Agreement. This Lease contains all of the covenants and agreements between Landlord and Tenant relating to the Premises. No prior or contemporaneous agreements or understandings pertaining to the Lease shall be valid or of any force or effect and the covenants and agreements of this Lease shall not be altered, modified, or amended except in writing, signed by Landlord and Tenant.

25.4 Severability. Any provision of this Lease which shall prove to be invalid, void, or illegal shall in no way affect, impair, or invalidate any other provision of this Lease.

25.5 Force Majeure. Time periods for either Party's performance under any provisions of this Lease (excluding payment of Rent) shall be extended for periods of time during which the Party's performance is prevented due to circumstances beyond such party's control, including without limitation, fires, floods, earthquakes, lockouts, strikes, embargoes, governmental regulations, acts of God, public enemy, war, or other strife.

25.6 Governing Law. This Lease shall be governed by and construed in accordance with the laws of the State of Washington.

25.7 Addenda/Exhibits. The following Exhibits are made a part of this Lease. The terms of any Addendum to Lease and the Exhibits shall control over any inconsistent provision in the sections of this Lease:

- Exhibit A: Legal Description of the Real Property
- Exhibit B: Diagram of the Premises
- Exhibit C: Special Conditions
- Exhibit D: Confirmation of Lease Commencement Date Letter

25.8 Counterparts. This Lease may be executed in counterparts, each of which shall constitute an original and all of which constitute but one original.

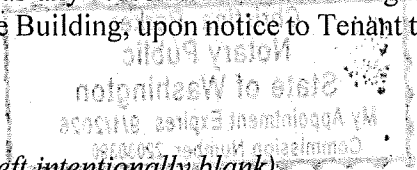
26. Early Termination. Tenant may unilaterally terminate this Lease based on Tenant's sole determination that demographic or jurisdictional changes, political decisions, or regional response needs necessitate a change in station location to ensure adequate delivery of EMS services. The right to early terminate under this Section 26.2 may be exercised by Tenant by giving Landlord written notice no more than twelve (12) months and no less than three (3) months prior to the early termination date. Tenant shall not be subject to any obligation under this Lease to pay any termination penalties.

27. Signage. Tenant shall obtain Landlord's written consent, which shall not be unreasonably withheld, conditioned, or delayed, as to size, location, materials, method of attachment, and appearance, before installing any signs upon the Premises. Tenant shall install any approved signage at Tenant's sole cost and expense and in compliance with all applicable laws.

28. Self-Help. Notwithstanding anything to the contrary, if Landlord fails to make and complete any maintenance or repair obligation of Landlord within twenty-four (24) hours of notice from Tenant with respect to any item of maintenance or repair that is deemed necessary by Tenant for its use of the Premises, or within thirty (30) days of notice from Tenant with respect to any other Landlord maintenance or repair obligation, then Tenant shall be entitled to take such actions and make such repairs to the Premises, Building or property associated with the same, as Tenant may deem necessary to correct such interruption, and Landlord shall reimburse Tenant for the cost of the same within thirty (30) days of invoice.

29. Subordination, Nondisturbance and Attornment. This Lease shall be subordinate to all existing and future mortgages and/or deeds of trust on the Premises, or the Building, and Tenant agrees to subordinate this Lease to any future mortgage or deed of trust and to attorn to Landlord's successor following any foreclosure, sale or transfer in lieu thereof, provided that the mortgagee, transferee, purchaser, lessor or beneficiary ("Landlord's Successor") agrees in a written instrument in form and substance satisfactory to Tenant that Tenant's use or possession of the Premises shall not be disturbed, nor shall its obligations be enlarged or its rights be abridged hereunder by reason of any such transaction. Notwithstanding any foreclosure or sale under any mortgage or deed of trust (or transfer by deed in lieu thereof), this Lease shall remain in full force and effect.

30. Rules and Regulations. Tenant shall be bound by and shall comply with the Special Conditions attached as Exhibit C to the extent those rules and regulations are not in conflict with the terms of this Lease, as well as any reasonable rules and regulations hereafter adopted by Landlord for all tenants of the Building, upon notice to Tenant thereof (collectively, the "Building Rules").



(The remainder of this page is left intentionally blank)

IN WITNESS WHEREOF, the Parties hereto have executed this Lease as of the dates and year set forth below.

LANDLORD:

KING COUNTY FIRE DISTRICT #2

By: [Signature]
Name: JASON GAY
Title: FIRE CHIEF KCFD#2
Date: 05/28/2024

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

I certify that I know or have satisfactory evidence that JASON GAY is the person who appeared before me, and said person acknowledged that they signed this instrument, on oath stated that they were authorized to execute the instrument and acknowledged it as the FIRE CHIEF of KING COUNTY FIRE DISTRICT #2 to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

GIVEN UNDER MY HAND AND OFFICIAL SEAL this 28th day of MAY, 2024.

Notary Public [Signature]
Print Name CHRISTINA PARKER
My commission expires 09/01/2026

(Use this space for notarial stamp/seal)

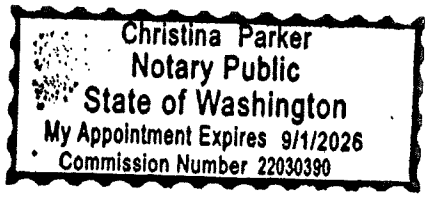


EXHIBIT A
Legal Description of Real Property

**LOT A OF BURIEN LLA02-0352A REC #20020718900008
LOCATED IN NE 1/4 OF NE 1/4 OF NW 1/4**

EXHIBIT B Diagram of Premises

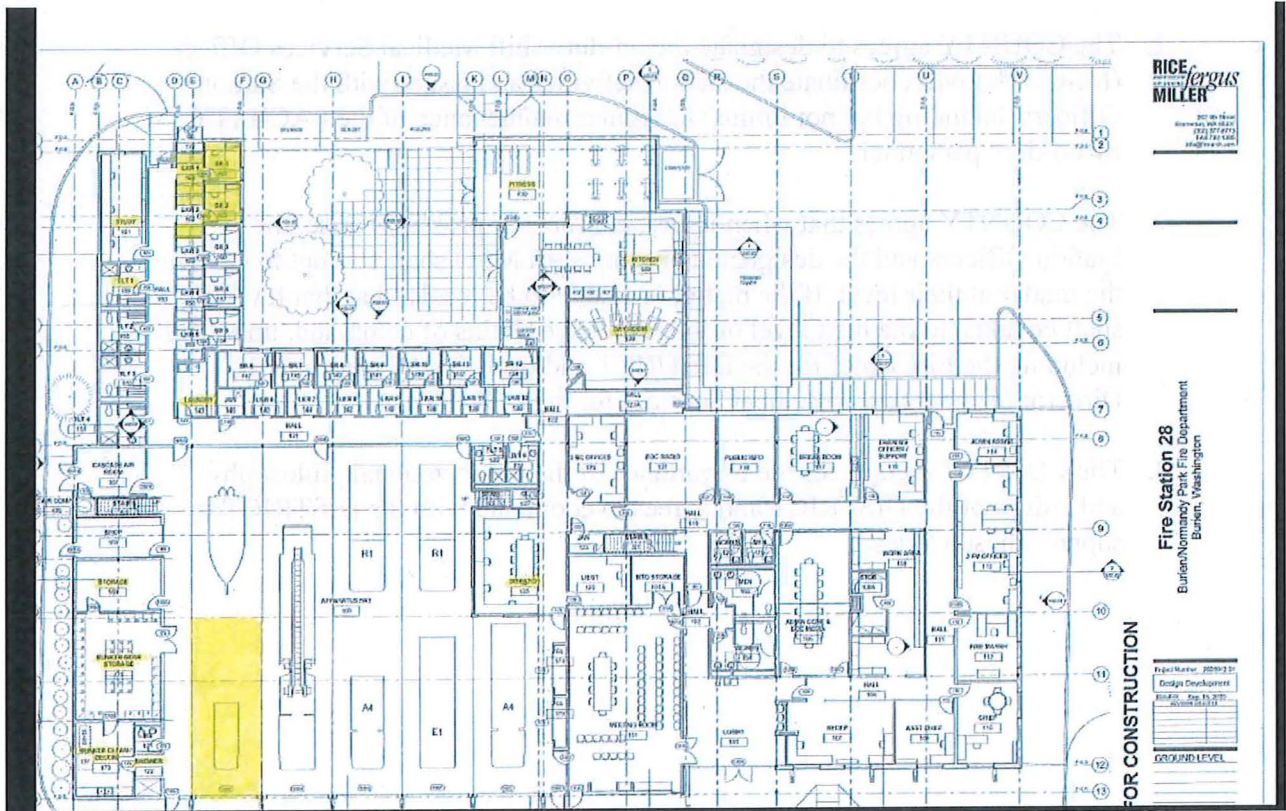


EXHIBIT C
SPECIAL CONDITIONS
INTERAGENCY COOPERATION

1. The COUNTY agrees to designate the on-duty shift Medical Services Officer (MSO) who will coordinate the station activities and issues with the Station Officers, including but not limited to regular maintenance of the FACILITY by on-duty personnel.
2. The COUNTY agrees that when issues, conflicts or problems arise, the Station Officers and the designated on-duty shift MSO shall attempt to resolve the matter at their level. If the matter is unable to be resolved at that level, it shall be taken to the next level of the respective chains of command, up to and including the Fire Chief for the DISTRICT and/or their designee, and the Director of Emergency Medical Services for the COUNTY.
3. The COUNTY recognizes the importance of the organizational philosophy and values of the DISTRICT and agrees to cooperate with the DISTRICT to support those values.

EXHIBIT D
CONFIRMATION OF LEASE COMMENCEMENT DATE LETTER



King County
Facilities Management Division
Anthony Wright, Division Director
Department of Executive Services
500 Fourth Avenue, Room 800
Seattle, WA 98104
Phone: (206) 477-9352
Fax: (206) 205-5070

CONFIRMATION OF LEASE COMMENCEMENT DATE LETTER

LANDLORD: _____
TENANT: KING COUNTY
LOCATION: _____
DATE: _____

This Confirmation of Lease Commencement Date Letter is in connection with the Lease Agreement dated () between (), ("Landlord") and King County, a home rule charter county and political subdivision of the State of Washington, ("Tenant").

In accordance with the terms of the Lease, the Parties wish to confirm the following:

Lease Commencement Date: ()
Lease Expiration Date: ()
Lease Term: ()

Base Rent:

Lease Months	Dates	Monthly Rent

ACKNOWLEDGEMENTS:

LANDLORD

TENANT

By: KING COUNTY FIRE DISTRICT #2
FIRE CHIEF

By: _____

Name: JASON GAY

Name: _____

Date: 05/28/2024

Date: _____

Very faint, illegible text or markings, possibly bleed-through from the reverse side of the page.

1

August 21, 2024

Payment in consideration of
new lease and technical
corrections

[S. Porter]

Sponsor: Mosqueda

Proposed No.: 2024-0239

1 **AMENDMENT TO PROPOSED ORDINANCE 2024-0239, VERSION 1**

2 On page 1 at the beginning of line 4, insert "1."

3 On page 1, after line 7, insert:

4 "2. The lump sum payment referenced in the third recital of the lease is
5 consideration required of the landlord to enter into a new lease."

6 In Attachment A, on page 7, in section 15. Insurance, in the fourth line, after "King
7 County Code" insert "Chapter"

8 In Attachment A, on page 13 in section 26. Early Termination, in the fourth line, after
9 "this Section" delete "26.2" and insert "26."

10 ***EFFECT prepared by S. Porter: The amendment clarifies that payment of additional***
11 ***rent during the holdover period of the previous lease was consideration for the***
12 ***landlord to agree to the new lease and makes technical correction to the lease.***



King County

Dow Constantine
King County Executive
401 Fifth Avenue, Suite 800
Seattle, WA 98104-1818
206-263-9600 Fax 206-296-0194
TTY Relay: 711
www.kingcounty.gov

July 29, 2024

The Honorable Dave Upthegrove
Chair, King County Council
Room 1200
C O U R T H O U S E

Dear Councilmember Upthegrove:

This letter transmits a proposed Ordinance that, if enacted, will enable King County to enter into a new lease at an existing location for the Department of Public Health, with King County Fire District #2 for space located at 900 SW 146th Street, Burien, Washington.

This facility houses the Medic One Program, whose primary mission is to provide emergency medical services to the Burien area. Approval of this new lease agreement supports the provision of King County operations and services.

This transaction is recommended per the rationale and considerations provided in the attached property summary.

Thank you for your consideration of this proposed Ordinance.

If your staff have any questions, contact Anthony Wright, Director, Facilities Management Division at 206-477-9352.

Sincerely,

A handwritten signature in black ink, appearing to read "Dow Constantine", written in a cursive style.

for

Dow Constantine
King County Executive

The Honorable Dave Upthegrove

June 29, 2024

Page 2

cc: King County Councilmembers

ATTN: Stephanie Cirkovich, Chief of Staff

Melani Hay, Clerk of the Council

Karan Gill, Chief of Staff, Office of the Executive

Penny Lipsou, Council Relations Director, Office of the Executive

Lorraine Patterson-Harris, County Administrative Officer, Department of Executive Services (DES)

Anthony Wright, Director, Facilities Management Division (FMD), DES

Julie Ockerman, Manager, Real Estate Services, FMD, DES

Dr. Faisal Kahn, Director, King County Public Health

GENERAL TRANSACTION INFORMATION

Ordinance/Motion:				Transaction Duration:	5 yrs
Title:	Public Health Medic One Lease - Burien			Fair Market Value:	NA
Affected Agency/Agencies:	Public Health			Legal Transaction Type:	New Lease
Note Prepared By:	Carolyn Mock / Steven Tease	Date Prepared:	6/3/24	Fiscal Transaction Type:	Stand Alone
Note Reviewed By:					
Description of Request:	Public Health Medic One Lease - Burien				

FINANCIAL IMPACTS

Part 1 - Net Present Value Analysis Results

Net Present Value to King County (all impacts): ***	NA	Net Present Value to Primary Impacted Agency (customer of transaction): ***	NA
---	----	---	----

Part 2 - Revenue and Expenditure Impacts

As of the preparation date of this fiscal note, the impact of the above legislation on the financial affairs of King County is estimated to be as indicated below:

Revenue to: ^{2,3,5}

Appropriation Unit	Appr. Number	Department	Fund Number	Project Number	Revenue Account Code and Source/Description	Sum of Revenues Prior to 2023	2023 / 2024	2025 / 2026	2027 / 2028	Sum of Outyear Impacts ²
						\$ -	\$ -	\$ -	\$ -	\$ -
						\$ -	\$ -	\$ -	\$ -	\$ -
						\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL						\$ -	\$ -	\$ -	\$ -	\$ -

Expenditures from: ^{2,3,4,5}

Appropriation Unit/Expenditure Type	Appr. Number	Department	Fund Number	Project Number	Expenditure Notes	Sum of Expenditures Prior to 2023	2023 / 2024	2025 / 2026	2027 / 2028	Sum of Outyear Impacts ²
Public Health EMS	A830000	DPH	1190							
Real Estate Services Labor Costs						\$ -	\$ -	\$ -	\$ -	\$ -
King County Project Management						\$ -	\$ -	\$ -	\$ -	\$ -
Lease Payments/Associated O&M					Assume rent adjusted annually by 3%; lease term 9/1/2024 - 8/31/2029; 2024 cost includes additional due for 2022 and 2023	\$ -	\$ 16,362	\$ 31,585	\$ 33,509	\$ 11,675
Service Costs (Appraisal, Title, Move)						\$ -	\$ -	\$ -	\$ -	\$ -
Tenant and Other Improvements						\$ -	\$ -	\$ -	\$ -	\$ -
10% Art for General Fund Transactions						\$ -	\$ -	\$ -	\$ -	\$ -
Other Transaction Costs						\$ -	\$ -	\$ -	\$ -	\$ -
SUBTOTAL						\$ -	\$ 16,362	\$ 31,585	\$ 33,509	\$ 11,675
Real Estate Services Labor Costs						\$ -	\$ -	\$ -	\$ -	\$ -
King County Project Management						\$ -	\$ -	\$ -	\$ -	\$ -
Lease Payments/Associated O&M						\$ -	\$ -	\$ -	\$ -	\$ -
Service Costs (Appraisal, Title, Move)						\$ -	\$ -	\$ -	\$ -	\$ -
Tenant and Other Improvements						\$ -	\$ -	\$ -	\$ -	\$ -
10% Art for General Fund Transactions						\$ -	\$ -	\$ -	\$ -	\$ -
Other Transaction Costs						\$ -	\$ -	\$ -	\$ -	\$ -
SUBTOTAL						\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL						\$ -	\$ 16,362	\$ 31,585	\$ 33,509	\$ 11,675

APPROPRIATION IMPACTS

As of the preparation date of this fiscal note, the impact of the above legislation on the budget appropriation of King County is estimated to be as indicated below: ¹

Appropriation Unit	Appr. Number	Department	Fund Number	Project Number	Appropriation Notes	2023 / 2024 Appropriation Change
					The transaction was anticipated in the current budget; no supplemental appropriation is required.	\$ -
						\$ -
TOTAL						\$ -

Total 6-Year CIP Outyear Planning Level Costs	\$ -
	\$ -
	\$ -
	\$ -
	\$ -

Assumption and Additional Notes:

*** An NPV analysis was not performed because this is an amendment for a lease at an existing site.

1. If the expenditure impact equals or exceeds five percent of the fund expenditures, a copy of the most recent applicable appropriation unit financial plan is attached to this transmittal.
2. The sum of outyear impacts includes all expenditures for the duration of the lease based on estimated 3% annual increases.
3. This transaction does not require the use of fund balance or reallocated grant funding.
4. The transaction is not backed by new revenue.
5. A detailed explanation of how the revenue/expenditure impacts were developed is provided below, including major assumptions made in developing the values presented in the fiscal note and other supporting data:

- Commencement date is the 1st of the month following execution of lease. Estimated commencement 9/1/24 for cost calculation.
- Annual rent increases based on CPI, capped at 3%.
- Cost estimate includes additional rent due for 2022 and 2023 using 3% annual increases to be paid in 2024. Assume 3% annual increases for out year cost estimates.
- Initial term is 5 years with option to extend for one additional 5 year period.

Lease Property Summary

Photo of Property



Property Owner:	King County Fire District #2
Address:	900 SW 146 th Street, Burien, 98166
Cost Per Sq. Ft.:	\$1.70 per square foot per month
Operational Costs:	N/A
Term:	Five years with one five-year option
Square Footage:	740 square feet of shared space
Council District:	Eight
Funding Source:	EMS Levy funding
Previous Location:	New lease at existing location

Lease Synopsis:

The property is currently used by King County Fire District #2 and Medic One to provide emergency medical services to the City of Burien and surrounding area. King County Medic One began leasing space in the King County Fire District #2, Station 28, location in 2016. This new lease extends Medic One's

presence at the Station 28 location an additional five years with one five-year option.

Station 28 is located near King County Metro transit services. The lease includes the shared use of 740 square feet, which includes a common entry, staff kitchen, bathrooms, two bedrooms, storage space, one truck bay, associated parking area, and other building spaces. The proposed new lease will allow Medic One to continue to operate from this location.

Context

Rationale for transaction: This new lease allows Medic One to continue to provide services from the Burien location, which is strategically located with convenient access to major roads and highways to allow for rapid deployment of emergency vehicles and minimize response times.

Policy considerations: This proposed new lease supports Medic One's mission to provide Advanced Life Support (ALS) services and Basic Life Support (BLS) services to Burien and the surrounding area.

Political considerations: N/A

Community considerations or partnerships: Entering into this new lease enables Medic One and Burien Fire Department to continue to provide ALS and Basic Life Support (BLS) services to Burien and the surrounding area.

Fiscal considerations: The annual cost to use the facility is \$15,105.84. KC is not responsible for common area maintenance costs.

Other considerations: N/A

CIP/operational impacts: N/A

King County Strategic Plan impact: N/A

Equity and Social Justice impact: In accordance with Real Property Asset Management Plan (RAMP) policies, the Facilities Management Division (FMD) and the Department of Public Health (DPH) reviewed this proposed legislation for Equity and Social Justice (ESJ) impacts. The Medic One

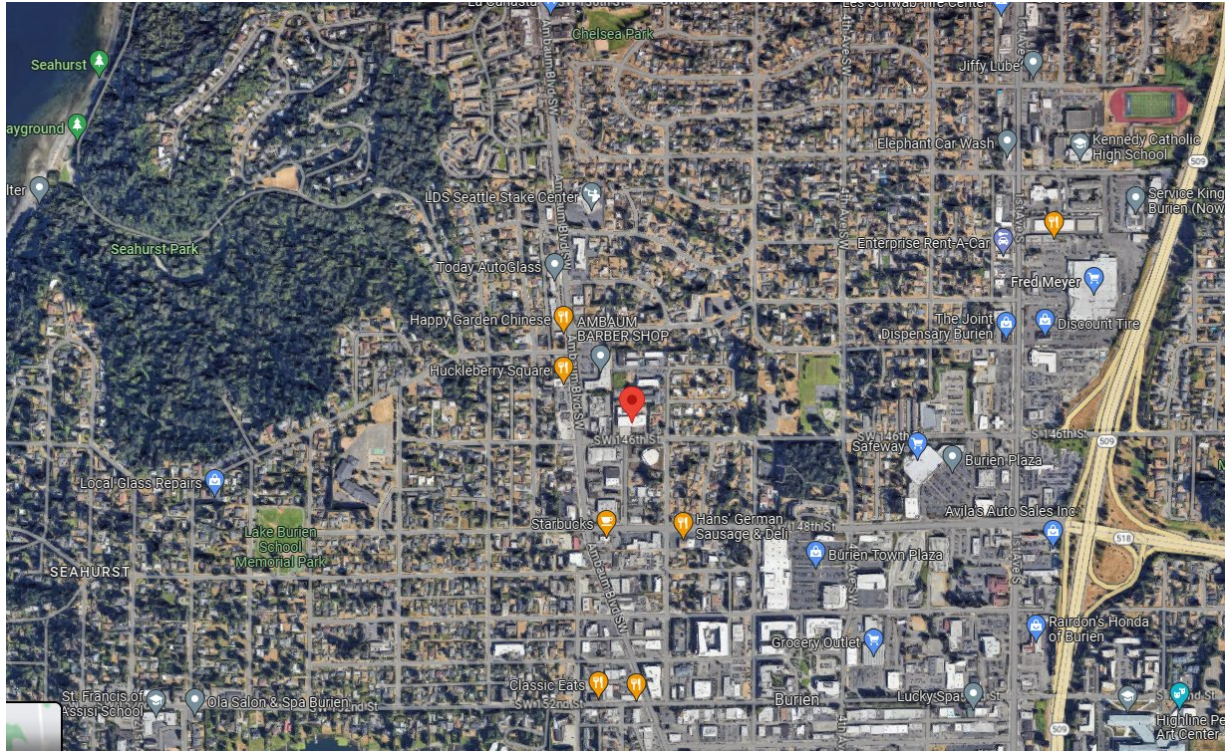
program provides Advanced Life Support (ALS) emergency medical services and this existing location services Burien and the surrounding community.

Energy Efficiency impact: N/A

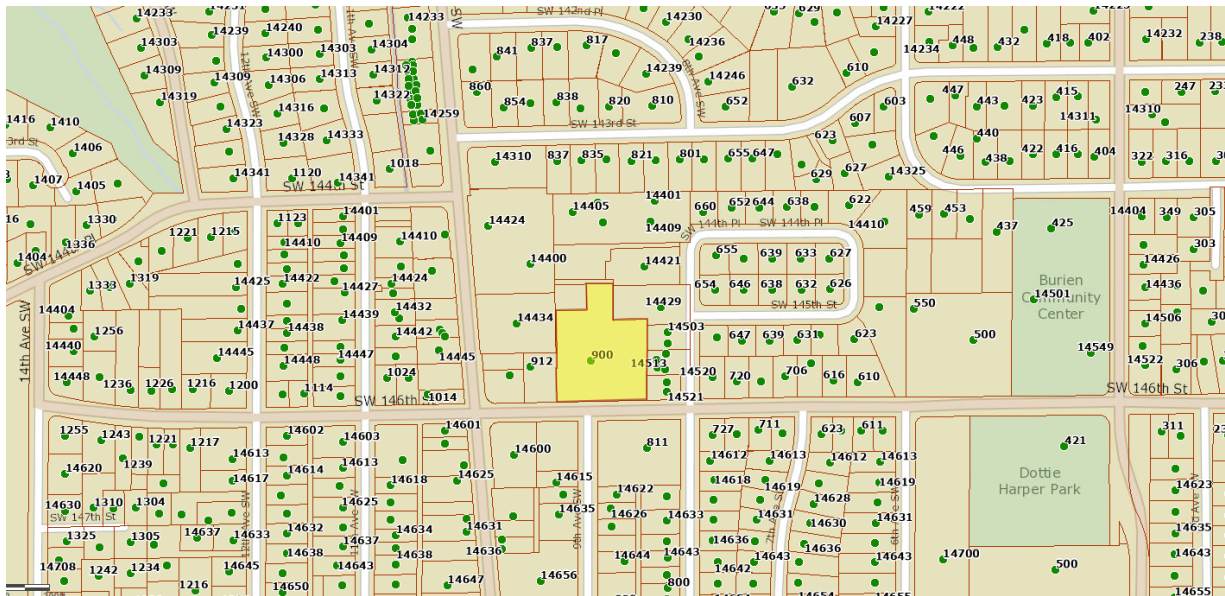
Lease Alternatives Analysis

Summary: King County conducted a facility search prior to the original agreement, signed in 2016, at this location. Fire Station 28 in Burien met, and continues to meet, the needs of the City of Burien and King County EMS.

Vicinity View Map



Parcel Map





King County

**Metropolitan King County Council
Budget and Fiscal Management Committee**

STAFF REPORT

Agenda Item:	8	Name:	Sam Porter
Proposed No.:	2024-0244	Date:	August 28, 2024

SUBJECT

An ordinance to authorize the execution of a lease on Vashon Island for continued use by the King County Medic One Program.

SUMMARY

Proposed Ordinance 2024-0244 would authorize the Executive to execute a lease agreement with Vashon Island Fire & Rescue for space at 10020 SW Bank Road to support King County Medic One operations. Medic One has occupied this space since February 2017. Annual cost of the agreement is \$23,804 for 3,452 square feet of shared space with no operating costs.

This agreement would commence February 1, 2022, and expire January 31, 2027, with two options to renew for five years each through January 2037. The agreement would include back payments of \$900 per month (totaling \$30,451.20) dating back to February 2022. For the period from August 1, 2024, to the commencement date of the new lease, the amount would accrue at the rate of \$1,083.70 per month on top of \$900.00 per month Medic One is currently paying as holdover rent. Monthly rent for the agreement would be \$1967.64.

The agreement also includes a contribution of \$250,000 for tenant improvements being made as part of the \$3.2 million fire station expansion and renovation project Vashon Fire is conducting starting in August 2024. During the period of construction, the tenant would be placed in modular housing.

All costs associated with this agreement are fully revenue backed by the Emergency Medical Services (EMS) Levy.

BACKGROUND

King County's Medic One/Emergency Medical Services (EMS) system provides residents of Seattle and King County with life-saving prehospital medical care through an internationally recognized tiered regional response system. This system relies upon coordinated partnerships with fire departments, paramedic agencies, dispatch centers, and hospitals. For more than 30 years, this system has comprised high service

standards for response times and quality training of dispatchers, paramedics, and other responders. Medic One has occupied this space on Vashon Island since February 2017.

ANALYSIS

Proposed Ordinance 2024-0244 would authorize the Executive to execute a lease agreement with Vashon Island Fire & Rescue for space at 10020 SW Bank Road to support King County Medic One operations that has been occupied since 2017. The lease agreement includes shared use of space including a public counter and waiting area, staff kitchen, dayroom, two bedrooms, bathrooms, an office, storage room, and the use of one truck bay easily accessible to major roads on Vashon Island. According to the property summary, King County conducted a facility search prior to securing this location in 2017. According to the property summary this location continues to meet the needs of Vashon Island and the Medic One program.

The agreement includes a \$250,000 payment for tenant improvements made as part of a larger \$3.2 million station improvement project conducted by Vashon Island Fire & Rescue.¹ Executive staff state that, "The total project cost is anticipated to increase due to inflation but the EMS Levy's contribution is fixed." Executive staff state that King County's contribution is revenue backed by the EMS Levy and there is sufficient existing appropriation authority to cover this cost.

During construction on the tenant occupied space, Medic One would move into modular housing. Executive staff state that construction for the tenant improvements is set to begin August 2024 and finish in 2026. Rent would remain at the regular rate and Medic One would retain the same access to bathrooms and showers during this period in modular housing.

Exhibit E of the agreement outlines the planned scope of tenant improvements specific to the contemplated lease area. This includes, but is not limited to, the following:

- a. Complete Renovation to 2nd floor living quarters
- b. New HVAC in staff office areas and individual controlled HVAC in bedrooms
- c. New fire alarm system
- d. Adds 900 sq/ft to 2nd floor common area
- e. New alerting system throughout building
- f. Four new gender-neutral bathrooms/showers
- g. Five new bedrooms
- h. Designated lactation room
- i. New kitchen with several built-in health and safety components
- j. Airlock on first floor to prevent infiltration of contaminated air to living quarters or administration area
- k. Adds a walk-in aid room to treat patients in a safe and effective space
- l. Adds a new decontamination room with a Personal Protective Equipment ("PPE") extractor, dryer, and decontamination wash sinks.

¹ Vashon-Maury Island Beachcomber, "VIFR upgrades fleet, starts renovation" July 4, 2024, <https://www.vashonbeachcomber.com/news/vifr-upgrades-fleet-starts-renovation/>

Table 1. Summary of the Lease Terms of Proposed Ordinance 2024-0244

Category	Terms
Square Footage	3,452 square feet
Cost per Square Foot (Base Rent)	\$0.54 per sf per month, adjusted annually by the CPI and capped at three percent`
Operating Costs	King County is not responsible for grounds or maintenance costs.
Term	Five years with two options to renew for five years each through January 2037.
Other Considerations	None
Lease Effective Date	February 1, 2022

Table 1 summarizes the lease terms and Table 2 estimates the financial impacts of the proposed lease for the current and future biennia. As indicated in the fiscal note, the cost of the proposed lease was included in the current budget, so no corresponding appropriation request was transmitted with this proposed ordinance. For the period from August 1, 2024, to the commencement date of the new lease, the amount will accrue at the rate of \$1,083.70 per month on top of \$900.00 per month Medic One is currently paying as holdover rent. Monthly rent for the agreement would be \$1967.64.

Table 2. Fiscal Impacts of Proposed Ordinance 2024-0244

	2023-2024	2025-2026	2027-2028
2024-0111	\$45,770	\$49,773	\$52,804

The proposed lease amendment was reviewed by Council's legal counsel.

INVITED

1. Tony Wright, Director, Facilities Management Division, Department of Executive Services

ATTACHMENTS

1. Proposed Ordinance 2024-0244 (and its attachments)
2. Transmittal Letter
3. Fiscal Note
4. Property Summary



KING COUNTY
Signature Report

ATTACHMENT 1
1200 King County Courthouse
516 Third Avenue
Seattle, WA 98104

Ordinance

Proposed No. 2024-0244.1

Sponsors Zahilay

1 AN ORDINANCE authorizing the execution of a new lease
2 to support the operation of the department of public health.

3 STATEMENT OF FACTS:

4 For the lease from Vashon Fire and Rescue, located at 10020 SW Bank
5 Road, Vashon, within council district eight, the facilities management
6 division determined that there was not an appropriate county-owned
7 option and successfully negotiated to lease space.

8 BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

9 SECTION 1. The executive is authorized to execute a lease for the property
10 located at 10020 SW Bank Road, Vashon, with Vashon Island Fire and Rescue,

- 11 substantially in the form of Attachment A to this ordinance, and to take all actions
- 12 necessary to implement the terms of the lease.

KING COUNTY COUNCIL
KING COUNTY, WASHINGTON

Dave Upthegrove, Chair

ATTEST:

Melani Pedroza, Clerk of the Council

APPROVED this ____ day of _____, _____.

Dow Constantine, County Executive

Attachments: A. Lease Agreement

ATTACHMENT A:

LEASE AGREEMENT

LEASE AGREEMENT

THIS LEASE AGREEMENT (“Lease”) is made and entered into between Vashon Island Fire and Rescue (VIFR), a government agency ("Landlord"), and KING COUNTY, a home rule charter county and political subdivision of the State of Washington ("Tenant"). Landlord and Tenant are sometimes referred to herein individually as a “Party” and together as the “Parties.”

RECITALS

- A. The Parties to this Lease previously entered into that certain prior lease for Premises (as defined below) located at 10020 SW Bank Road, Vashon, Washington, which commenced February 1, 2017, and expired on January 31, 2022, (“Prior Lease”). Since the Prior Lease expired, Tenant has remained in holdover status pursuant to Section 19 of the Prior Lease.
- B. The Parties desire to enter into this new lease agreement for the same Premises with a five-year term and two five-year options to extend the term.
- C. The Parties acknowledge that, pursuant to Section 19 of the Prior Lease, Tenant paid rent during the holdover period based on a flat rate of one hundred percent (100%) of the rent payable during the final month of the Prior Lease’s term before expiration and that holdover rent was never increased. Due in part to Tenant’s delay in executing a new lease, the Parties agree that Tenant shall pay Landlord a lump sum payment to account for the difference between holdover rent and the negotiated rent that would have accrued under a new lease.
- D. Whereas, the Parties desire that, in accordance with the Workletter Agreement attached hereto as Exhibit E, Landlord will make certain improvements to the Premises (“Tenant Improvements”), and Tenant will contribute \$250,000.00 towards the Tenant Improvements, which contribution shall be funded through King County Public Health (Fund 1190 EMS).

NOW, THEREFORE, Landlord and Tenant agree as follows:

1. Basic Lease Information

- 1.1 Lease Date: July 1, 2024 (for reference purposes only)
- 1.2 Landlord: VIFR Station 55
- 1.3 Tenant: King County, a political subdivision of the State of Washington
- 1.4 Building: Located at: 10020 SW Bank Rd. Vashon, Washington 98070, that certain real property that is legally described on the attached Exhibit A (“Real Property”).

- 1.5 Premises: The area depicted on the attached Exhibit B, containing approximately 3,452 rentable square feet, consisting of exclusive use space and other common areas and specifically including, but not limited to: Medic Office, Exercise Area, Supply Storage, Medic Unit Parking for Two Medic Units in Fire Station Apparatus Bay with 30 Amp Shore Power, Gear Lockers, Two Bedrooms, and Day Room/Kitchen. Two outside, staff parking stalls will also be provided. For the avoidance of doubt, and notwithstanding any provision herein to the contrary, expansion of the common areas pursuant to completion of the Tenant Improvements described below and in Exhibit E shall not increase or otherwise affect the Rent amount described in this Lease.

Tenant's Pro Rata Share: Not Applicable

- 1.6 Permitted Use: First responder office and storage, and/or any other related, legally permitted use.
- 1.7 Term: Five (5) years
- 1.8 Extended Term(s): Option to extend for two five (5) year terms.
- 1.9 Lease Commencement Date ("LCD"): See Section 3.1
- 1.10 Rent Commencement Date: Same as LCD
- 1.11 Expiration Date: See Section 3.2
- 1.12 Base Rent: \$1,983.70 with annual increases as described in Section 5.1
- 1.13 Security Deposit: None
- 1.14 Landlord's Address for Notices:
- Vashon Island Fire & Rescue
PO Box 1150
Vashon, WA 98070
Email: MVinci@VIFR.org
- 1.15 Tenant's Address for Notices:
- King County Real Estate Services
King County Administration Building
500 4th Avenue, Seattle, WA 98104
Email: RES-LeaseAdmin@KingCounty.gov

- 1.16 Notices may be sent by either United States mail or by electronic mail. Notwithstanding anything in this Lease to the contrary, a party may provide email notice only at the email address(es) set forth above or other electronic means with delivery confirmation or read receipt (or both) but the party providing electronic notice shall bear the burden to prove the date that notice was delivered. Notices shall be effective upon the date of first attempted delivery.
- 1.17 Tenant Improvements: Landlord shall perform, and Tenant shall reimburse Landlord for, certain Tenant Improvements described in Section 11.1 below and Exhibit E hereto.

2. Premises.

Landlord hereby leases the Premises to Tenant for the Term set forth above. Tenant, at its sole option, may elect to remeasure the Premises pursuant to the most recent, applicable measurement methodology published by the Building Owners and Managers Association (BOMA), and if the rentable square footage of the Premises varies from that set forth in Section 1.5 above, the Parties hereto shall promptly amend this Lease to modify any variables that are dependent upon the same.

Landlord warrants that the Premises shall be delivered (i) in good operating condition, including, but not limited to, all mechanical, electrical, plumbing, and other systems serving the Premises; (ii) in compliance with all applicable laws, codes, ordinances, and regulations; and (iii) free of any Hazardous Material. To the extent that the Premises fails to comply with the prior sentence as of the Commencement Date (without limiting any other rights or remedies that Tenant may have under this Lease and/or at law), Landlord shall promptly correct the same at its sole cost and expense.

Landlord also grants Tenant a nonexclusive license to use those portions of the Building made available from time to time by Landlord for the common use and enjoyment of Tenant, Landlord, and other tenants of the Building and their guests and invitees (the "Common Areas"). The Common Areas shall include, but not be limited to bathroom and shower facilities; office space for two computer stations; the kitchen and dining areas; exercise room; day room; study; bunker gear storage; decontamination room; and the laundry room. Landlord shall have the right to do and perform all such acts in and to the Common Areas as Landlord shall determine in its reasonable discretion, including, without limitation, reconfiguring and temporarily closing the same from time to time, so long as Landlord does not adversely affect Tenant's use and enjoyment of the Premises. Tenant shall also be entitled to two parking spaces in the employee parking lot, as may be increased pursuant to the Tenant Improvements.

3. Term.

3.1 **Commencement Date.** This Lease Agreement shall commence on the first day of the month following execution by both Parties ("Lease Commencement Date"), which shall be confirmed in a Confirmation of Lease Commencement Date Letter substantially in the form as that contained in **Exhibit D.**

3.2 **Expiration Date.** This Lease Agreement shall expire on the last day of the calendar month that is five (5) years after the Commencement Date ("Expiration Date").

3.3 **Extension Option.** Provided Tenant is not in default under this Lease on the date an option is exercised and as of the last day of the Term, Tenant shall have the option to extend the initial Term for two (2) successive periods of 60 months (the "First Extended Term" and "Second Extended Term"). An option to extend may be exercised by Tenant by giving Landlord written notice no more than twelve (12) months and no less than six (6) months prior to the last day of the then current Term. Tenant's extension options shall apply to all of the Premises then leased by Tenant under this Lease. From and after the commencement of either the First Extended Term or the Second Extended Term, all of the terms, covenants, and conditions of this Lease shall continue in full force and effect as written, except that Base Rent for the Extended Term shall be subject to annual Consumer Price Index adjustments based on the Revised Consumer Price Index for all Urban Consumers, CPI-U (Base Years 1982-1984 = 100) for the Seattle area, published by the United States Department of Labor, Bureau of Labor Statistics ("Annual CPI Adjustments"). The monthly Base Rent shall be adjusted on February 1 of each subsequent year based on the percentage increase in the CPI from the preceding June 1. The Base Rent increase will not exceed 3% annually.

4. Permitted Use. The Premises may be used by Tenant for the uses set forth in Section 1.6 above. Landlord represents and warrants to Tenant that the Premises may lawfully be used for the uses set forth in Section 1.6 above.

5. Rent.

5.1 Tenant covenants and agrees to pay Landlord, at Landlord's Notice Address set forth in Section 1.14 above, without deduction or offset except as otherwise set forth in this Lease Agreement, monthly rent in the amounts set forth in Section 1.12, payable in advance, without prior notice or demand, on or before the first day of each month of the Term (the "Rent"). Rent for any fractional calendar month at the beginning or end of the Term shall be prorated. Monthly Rent shall be adjusted annually based upon the increase in the Consumer Price Index for Seattle and shall become effective the first day of January for each subsequent year of this Lease Agreement but shall not exceed an annual increase of 3.0%.

5.2 The Parties agree that during the period between the expiration of the Prior Lease on January 31, 2022, and the Commencement Date of this new Lease (the "Holdover Period"), Tenant paid holdover rent at a rate of \$900.00 per month (the "Holdover Rent")

and that this rent was never adjusted. Within ten (10) days of the Commencement Date of this Lease, Tenant agrees to make a lump-sum payment to Landlord for the difference between the Holdover Rent that was paid and the new rent that was negotiated under this Lease. The Parties agree that for the period of February 1, 2022 to January 31, 2023, the anticipated rent was \$1,869.83 per month and the amount due is \$11,637.96. For the period of February 1, 2023 to January 31, 2024, the anticipated rent was \$1,925.92 per month and the amount due is \$12,311.04. For the period of February 1, 2024 to the Commencement Date anticipated rent was \$1,983.70 and the amount due is \$1,083.70 per month.

6. Security Deposit. None.

7. Utilities and Services. Landlord shall, at all times, furnish the Premises with: (i) water at those points of supply provided for general use of tenants of the Building; (ii) heated and refrigerated air conditioning as appropriate, at such temperatures and in such amounts as are required by governmental authority or as are reasonably appropriate for the Building; (iii) recycling and trash removal on weekdays, other than national holidays, and such carpet cleaning and window washing as may from time to time be reasonably required; (iv) replacement of Building-standard light bulbs and fluorescent tubes in the Premises; (v) electrical current reasonably sufficient for Tenant's use and an emergency standby power supply; (vi) internet and cable television service; (vii) medical oxygen; (viii) medical waste disposal; and (ix) sewer service. Tenant shall furnish its own telephone service to the Premises. No interruption or failure of any utilities or services from any cause whatsoever shall be deemed an eviction of Tenant, provided that Landlord shall use commercially reasonable efforts to repair, replace or restore the same as quickly as possible. To the extent any interruption of services occurs due to Landlord's negligence, intentional misconduct, or breach of the Lease Agreement, then Rent shall be abated for the period of interruption in the proportion of the square footage rendered unusable in addition to, and without limiting, Tenant's other rights and remedies available at law and/or under this Lease Agreement.

8. Operating Costs. Tenant shall pay no operating costs as part of this Lease Agreement. This agreement is a full-service lease, meaning that the cost of all services, utilities, maintenance, repairs provided by Landlord, and Landlord's other operating costs are included in the monthly Rent.

9. Maintenance and Repairs. Tenant shall not be responsible for the maintenance and non-structural repairs to the interior of the Premises, which shall be maintained and repaired by Landlord in a commercially reasonable manner. Landlord shall maintain, repair and replace, if necessary, the Building; all Building systems, including but not limited to interior lighting (including replacement of ballasts and starters as required, with the exception of light bulb replacement which shall be the responsibility of the Tenant); plumbing, heating, ventilating and air-conditioning systems (including replacement of filters as recommended in equipment service manual); floor coverings; window

coverings; elevators (including communications systems); inside and outside walls (including windows and entrance and exit doors); all structural portions of the Building (including the roof and the watertight integrity of same); porches, stairways; sidewalks; exterior lighting; parking lot (including snow removal, cleaning and restriping as required); wheel bumpers; drainage; landscaping and continuous satisfaction of all governmental requirements (example: fire, building energy codes, indoor air quality and requirements to provide architecturally barrier-free premises for persons with disabilities, etc.)

10. Sublease and Assignment. Tenant may assign this Lease Agreement in whole or in part, or sublet all or any portion of the Premises, with the prior written consent of Landlord, which consent shall not be unreasonably withheld, conditioned, or delayed.

11. Alterations and Improvements.

11.1 The Tenant Improvements. In accordance with the Workletter Agreement attached hereto as Exhibit E, Landlord will make certain improvements to the Premises (“Tenant Improvements”), and Tenant will contribute \$250,000 towards the Tenant Improvements, which contribution shall be funded through King County Public Health (Fund 1190 EMS). Pursuant to the Workletter Agreement, the Parties have designated certain areas for the use and occupation of Tenant during construction of the Tenant Improvements, to the extent areas of the current Premises shall be untenable.

11.2 Alterations and Improvements in General. Tenant shall be entitled to perform alterations and/or improvements to the Premises (including, without limitation, the installation of fixtures and signs) subject to Landlord's consent, which shall not be unreasonably withheld, conditioned, or delayed. Upon Tenant's request, Landlord agrees to perform such alterations or improvements on Tenant's behalf, subject to reimbursement from Tenant for Landlord's actual and reasonable costs. Tenant may from time to time remove any fixtures, alterations or improvements installed by Tenant in or to the Premises; provided that Tenant agrees to repair any damage caused by such removal.

Notwithstanding the foregoing, Tenant may perform alterations and/or improvements to the Premises without obtaining Landlord's prior consent so long as such alterations and/or improvements: (i) do not exceed \$2,500 per project, (ii) are not visible from the exterior of the Premises, (iii) do not adversely affect any Building system or the structural strength of the Building, (iv) do not require penetrations into the roof of the Building, (v) comply with all applicable laws, codes, ordinances, and regulations, including obtaining any necessary permits or approvals, and (vi) do not unreasonably interfere with the operation or access to the Building.

12. Damage and Destruction. In the event the Premises or Building are destroyed or damaged by fire, earthquake, or other casualty, so as to render the Premises or Building, in Tenant's sole judgment, unfit for occupancy or Tenant's intended purpose, and the Landlord neglects or refuses to restore the Premises to its former condition within one hundred twenty

(120) days of such damage or destruction, Tenant may terminate this Lease Agreement upon thirty (30) days' written notice to Landlord. In the event of such termination, Landlord and Tenant shall have no further obligations hereunder, except those obligations that expressly survive the expiration or earlier termination of the Lease. In the event the Premises are damaged by any of the aforesaid events, the Rent shall be abated in proportion to the percentage of untenable space in the Premises as relates to the total square footage of the Premises, until such time that Landlord restores the Premises to its pre-casualty condition. If, in the sole discretion of Tenant, the untenable portion of the Premises or the Building renders the Premises unusable for the Permitted Use, Tenant may unilaterally terminate this Lease upon thirty (30) days written notice to Landlord.

13. Condemnation. If any portion of the Premises, Building or real property upon which the same are situated (including, without limitation, any parking areas associated with the Premises and/or Building) which is necessary, in Tenant's sole judgment, for Tenant's occupancy or intended use of the Premises, or fifty percent (50%) or more of the rentable area of the Building, is made untenable by eminent domain or conveyed under a threat of condemnation, this Lease shall terminate at the option of either Landlord or Tenant as of the earlier of the date title vests in the condemning authority or the condemning authority first has possession of the Premises or the portion of the underlying real property taken by the condemning authority. All Rents and other payments shall be paid to that date. If the condemning authority takes a portion of the Premises or of the Building or the underlying real property necessary for Tenant's occupancy or intended use that does not render them, in Tenant's sole judgment, untenable, then this Lease Agreement shall continue in full force and effect and the Rent shall be proportionately reduced based on the percentage by which the floor area of the Premises is reduced. The reduction in Rent shall be effective on the earlier of the date the condemning authority first has possession of such portion or title vests in the condemning authority. If the Tenant, in its sole judgment, determines that the condemnation has rendered the Premises unsuitable for the Permitted Use, Tenant shall be entitled to terminate this Lease Agreement upon thirty (30) days advance written notice to Landlord. Landlord shall be entitled to the entire award from the condemning authority attributable to the value of the Premises or the Building and Tenant shall make no claim for the value of its leasehold. Tenant shall be permitted to make a separate claim against the condemning authority for moving expenses if Tenant terminates the Lease under this section, provided that in no event shall Tenant's claim reduce Landlord's reward.

14. Indemnity and Hold Harmless. Each Party shall defend, indemnify, and hold the other harmless from and against any claims, suits, causes of action, judgments, damage, loss, or liability for injuries to persons or property (collectively, "Claims") to the extent caused by the negligent acts or omissions of their respective agents, officers, contractors, and employees acting in the scope of their employment. Where such Claims result from the concurrent negligence of the Parties, the indemnity provisions provided herein shall be valid and enforceable only to the extent of each Party's negligence. Each of the Parties agrees that its obligations under this Section 14 extend to any claim, demand, cause of action and judgment brought by, or on behalf of, any of its employees or agents. For this purpose, each of the Parties, by mutual negotiation, hereby waives, with respect to the other Party only, any immunity that would otherwise be available against such claims

under the industrial insurance provisions of Title 51 RCW. In the event that any of the Parties incurs any judgment, award, and/or cost arising therefrom, including attorney fees, expenses, and costs, the same shall be recoverable from the responsible party to the extent of that Party's negligence.

15. Insurance.

15.1 Landlord acknowledges that Tenant, a Charter County Government under the Constitution of the State of Washington, maintains a fully funded self-insurance program for the protection and handling of the Tenant's liabilities, including injuries to persons and damage to property. Tenant shall, at its own expense, maintain, through its self-funded program, coverage sufficient for all of its liability exposures for this Lease Agreement. Tenant shall provide Landlord with at least thirty (30) days prior written notice of any material change in Tenant's self-funded program and shall provide Landlord with a certificate of self-insurance as proof of coverage. Landlord further acknowledges that Tenant does not maintain a commercial General Liability Insurance policy and is a self-insured government entity; therefore, Tenant does not have the ability to add Landlord as an additional insured to such policy. Should Tenant cease self-insuring its liability exposure and purchase a Commercial General Liability Insurance Policy, Tenant shall add Landlord as an additional insured to such policy. Tenant shall, at all times, maintain its self-funded program or a Commercial General Liability Insurance Policy, each in an amount sufficient to cover its liability exposure under this Lease Agreement.

15.2 Landlord shall maintain, throughout the Term, commercially reasonable policies of property insurance covering loss of or damage to the Building (including tenant improvements and subsequent alterations) in the full amount of its replacement cost with endorsement to cover code changes. Landlord hereby waives and releases any right of recovery (including by way of subrogation) against Tenant, its officers, employees and agents, for any loss or damage sustained by Landlord with respect to the Building, or Premises or any portion thereof or the contents of the same or any operation therein, to the extent such loss or damage is actually insured against or is required hereunder to be insured against.

16. Mediation. Landlord and Tenant agree that should any dispute arise concerning this Lease Agreement, both Parties may jointly elect to submit the dispute to mediation. Notwithstanding the foregoing, nothing herein shall be construed as a condition precedent for either party to seek legal or equitable relief by initiating a legal action. Landlord and Tenant shall each bear their respective costs of mediation.

17. Liens. Landlord and Tenant shall keep the Premises and the Building free from any liens arising out of any work performed, materials furnished, or obligations incurred by Tenant or Landlord, and each shall indemnify and hold harmless the other from and against all liabilities, losses, damages, and costs (including reasonable

attorney fees and costs) incurred in connection with any such lien. Landlord or Tenant may contest the validity or amount of any such lien or encumbrance in good faith provided that, within forty-five (45) days after the filing of such lien or encumbrance, Landlord or Tenant discharges the same by providing and recording a bond which complies with the requirements of RCW 60.04.161 eliminating said lien and/or encumbrance.

18. Quiet Possession. Landlord covenants that as of the Commencement Date, Landlord will have good right to lease the Premises for the purpose and uses stated herein and Tenant shall have and quietly enjoy the Premises, except as described in the attached Workletter, for the Lease Term.

19. Holding Over. If Tenant remains in possession of the Premises after the expiration or termination of this Lease Agreement, Tenant's continued possession shall be on the basis of a tenancy at the sufferance of Landlord. In such event, Tenant shall continue to comply with or perform all the terms and obligations of Tenant under this Lease Agreement, except that the monthly Rent during Tenant's holding over shall be one hundred percent (100%) of the Rent payable in the last full month prior to the termination hereof. Acceptance by Landlord of rent after such termination shall not constitute a renewal or extension of this Lease Agreement; and nothing contained in this provision shall be deemed to waive Landlord's right of re-entry or any other right hereunder or at law.

20. Non-Discrimination. Landlord shall not discriminate on the basis of race, color, marital status, national origin, religious affiliation, disability, sexual orientation, gender identity or expression, military status or status as a veteran who was honorably discharged, or age except by minimum age and retirement provisions, unless based upon a bona fide occupational qualification, in the employment or application for employment or in the administration or delivery of services or any other benefits under King County Code Ch. 12.16.125. Landlord shall comply fully with all applicable federal, state, and local laws, ordinances, executive orders, and regulations that prohibit such discrimination. These laws include, but are not limited to, chapter 49.60 RCW, and Titles VI and VII of the Civil Rights Act of 1964. Any violation of this provision shall be considered a default of this Lease and shall be grounds for cancellation, termination, or suspension, in whole or in part, of the Lease and may result in ineligibility for further agreements with King County. Notwithstanding anything to the contrary, Tenant shall be entitled to terminate this Lease effective upon written notice to Landlord, in the event that Landlord violates the requirements of this Section 20.

21. Default.

21.1 The following occurrences shall each constitute a default by Tenant (an "Event of Default" or "Default"):

A. Failure to Pay. Failure by Tenant to pay any sum, including Rent, due under this Lease Agreement following ten (10) business days' notice from Landlord of the failure to pay, except as otherwise provided in the Workletter Agreement.

B. Other Non-Monetary Defaults. The breach by Tenant of any agreement, term, or covenant of this Lease Agreement other than one requiring the payment of money and not otherwise enumerated in this Section or elsewhere in this Lease Agreement, which breach continues for a period of thirty (30) days after written notice by Landlord to Tenant of the breach (provided, if the nature of Tenant's failure is such that more time is reasonably required in order to cure, Tenant shall not be in Default if Tenant commences to cure promptly and thereafter diligently prosecutes such cure to completion).

21.2 Landlord Default: Remedies. Landlord shall be in default if Landlord fails to perform obligations required of Landlord within a reasonable time, but in no event less than thirty (30) days after notice by Tenant to Landlord. If Landlord fails to cure any such default within the allotted time, Tenant may, at in its sole discretion and without limiting Tenant's other rights or remedies under this Lease Agreement and/or at law, terminate this Lease Agreement upon thirty (30) days advance written notice to Landlord. Tenant shall have all remedies available at law or in equity. Nothing herein contained shall relieve Landlord from its duty to perform of any of its obligations to the standards prescribed in this Lease Agreement, which include, but are not limited to, the obligations and standards described in Workletter Agreement.

22. Remedies. Landlord shall have the following remedies upon an Event of Default. Landlord's rights and remedies under this Lease Agreement shall be cumulative, and none shall exclude any other right or remedy allowed by law.

22.1 Termination of Lease. Landlord may terminate Tenant's interest under the Lease Agreement. The Lease Agreement shall terminate on the date specified in the notice of termination. Upon termination of this Lease Agreement, Tenant will remain liable to Landlord for damages in an amount equal to the Rent and other sums that would have been owing by Tenant under this Lease Agreement for the balance of the Lease Agreement term, less (i) the net proceeds, if any, of any reletting of the Premises by Landlord subsequent to the termination, after deducting all of Landlord's reasonable, actual reletting expenses or (ii) such amounts as Tenant proves may reasonably be avoided.

22.2 Re-Entry and Reletting. Landlord may continue this Lease Agreement in full force and effect, and without demand or notice, re-enter and take possession of the Premises or any part thereof, expel the Tenant from the Premises and anyone claiming through or under the Tenant, and remove the personal property of either. Landlord may relet the Premises, or any part of them, in Landlord's name, for such period of time and at such other terms and conditions as Landlord, in its discretion, may determine. Landlord

may collect and receive the rents for the Premises. To the fullest extent permitted by law, the proceeds of any reletting shall be applied: first, to pay Landlord its reasonable, actual reletting expenses; second, to pay any indebtedness of Tenant to Landlord other than Rent; third, to the Rent due and unpaid hereunder; and fourth, the residue, if any, shall be held by Landlord and applied in payment of other or future obligations of Tenant to Landlord as the same may become due and payable, and Tenant shall not be entitled to receive any portion of such revenue. Re-entry or taking possession of the Premises by Landlord under this Section shall not be construed as an election on Landlord's part to terminate this Lease Agreement, unless a notice of termination is given to Tenant. Landlord reserves the right following any re-entry or reletting, or both, under this Section to exercise its right to terminate the Lease Agreement. Tenant will pay Landlord the Rent and other sums which would be payable under this Lease if repossession had not occurred, less the net proceeds, if any, after reletting the Premises, including without limitation, all repossession costs, brokerage commissions and costs for securing new tenants, attorneys' fees, remodeling and repair costs, costs for removing persons or property, costs for storing Tenant's property and equipment, and costs of tenant improvements and rent concessions granted by Landlord to any new Tenant, prorated over the life of the new lease.

23. Costs and Attorney's Fees. If Tenant or Landlord engage the services of an attorney to collect monies due or to bring any action for any relief against the other, declaratory or otherwise, arising out of this Lease Agreement, including any suit by Landlord for the recovery of Rent or other payments, or possession of the Premises, the losing party shall pay the prevailing party a reasonable sum for attorneys' fees in such action, whether in mediation or arbitration, at trial, on appeal, or in any bankruptcy proceeding. The hourly rates for any award of attorneys' fees will be calculated based on the rate that would be charged for the services provided by an attorney who is in private practice, of the same expertise and experience as the prevailing party's attorney(s).

24. Hazardous Material.

24.1 For purposes of this Lease Agreement, the term "Environmental Law" shall mean: any federal, state, or local statute, regulation, code, rule, ordinance, order, judgment, decree, injunction or common law pertaining in any way to the protection of human health, safety, or the environment, including without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. § 9602 et seq. ("CERCLA"); the Resource Conservation and Recovery Act of 1976, 42 U.S.C. § 6901 et seq. ("RCRA"); the Washington State Model Toxics Control Act, RCW ch. 70A.305 ("MTCA"); the Washington Hazardous Waste Management Act, RCW ch. 70A.300; the Federal Water Pollution Control Act, 33 U.S.C. § 1251 et seq., the Washington Water Pollution Control Act, RCW ch. 90.48, and any laws concerning above ground or underground storage tanks. For the purposes of this Lease Agreement, the term "Hazardous Material" shall mean: any waste, pollutant, contaminant, or other material that now or in the future becomes regulated or defined under any Environmental Law.

24.2 Landlord represents and warrants to Tenant that, to the best of its knowledge and belief, there is no Hazardous Material on, in, or under the Premises or the Real Property as of the Commencement Date of the Prior Lease. If there is any Hazardous

Material on, in, or under the Premises or the Real Property which has been or thereafter becomes released through no fault of Tenant, then Landlord (i) shall be solely responsible, at its sole cost, for promptly remediating the same to the extent required by Environmental Law and (ii) shall indemnify, defend, and hold Tenant harmless from any and all claims, judgments, damages, penalties, fines, costs, liabilities or losses including, without limitation, sums paid in settlement of claims, attorneys' fees, consultant fees, and expert fees, incurred or suffered by Tenant either during or after the Lease Agreement term as the result of such release.

24.3 Tenant shall not cause or permit any Hazardous Material to be brought upon, kept, or used in or about, or disposed of on the Premises or the Real Property by Tenant, its employees, officers, agents, servants, contractors, customers, clients, visitors, guests, or other licensees or invitees, except in strict compliance with all applicable federal, state, and local laws, regulations, codes, and ordinances. If Tenant breaches the obligations stated in the preceding sentence, then Tenant shall indemnify, defend, and hold Landlord harmless from any and all claims, judgments, damages, penalties, fines, costs, liabilities, or losses including, without limitation, sums paid in settlement of claims, attorneys' fees, consultant fees and expert fees, incurred or suffered by Landlord either during or after the Lease term ("Claims") to the extent that said Claims are a result of said breach. Tenant shall promptly notify Landlord of any inquiry, investigation, or notice that Tenant may receive from any third party regarding the actual or suspected presence of Hazardous Material on the Premises or the Real Property.

24.4 Without limiting the foregoing, if the presence of any Hazardous Material brought upon, kept or used in or about the Premises or the Real Property by Tenant, its employees, officers, agents, servants, contractors, customers, clients, visitors, guests, or other licensees or invitees, results in any release of any Hazardous Material on the Premises or the Real Property, Tenant shall be solely responsible, at its sole cost, for promptly remediating the same to the extent required by Environmental Law. Landlord's approval of such remediation shall first be obtained, which approval shall not be unreasonably withheld, conditioned, or delayed, provided, however, that Tenant shall be entitled to respond immediately to an emergency without prior approval from Landlord, including, but not limited to, taking actions necessary to prevent the release from migrating, leaching, or otherwise spreading, and actions necessary to respond to any immediate obligations imposed on Tenant by Environmental Law. To the extent such Hazardous Material becomes comingled with Hazardous Material released by Landlord or other parties, nothing in this Lease Agreement shall prevent Tenant from seeking to recover costs, expenses, or any other damages incurred as a result of the presence of such Hazardous Material that was released by Landlord or other parties.

24.5 The provisions of this Article 24 shall survive expiration or earlier termination of this Lease Agreement.

25. General.

25.1 Heirs and Assigns. This Lease Agreement shall apply to and be binding upon Landlord and Tenant and their respective heirs, executors, administrators,

successors, and assigns.

25.2 Brokers' Fees. Tenant represents and warrants to Landlord that it has not engaged any broker, finder, or other person who would be entitled to any commission or fees for the negotiation, execution, or delivery of this Lease Agreement, and shall indemnify and hold harmless Landlord against any loss, cost, liability, or expense incurred by Landlord as a result of any claim asserted by any such broker, finder, or other person, on the basis of any arrangements or agreements made or alleged to have been made by or on behalf of Tenant. Landlord represents and warrants to Tenant that it has not engaged any broker, finder, or other person who would be entitled to any commission or fees for the negotiation, execution, or delivery of this Lease Agreement, and shall indemnify and hold harmless Tenant against any loss, cost, liability, or expense incurred by Tenant as a result of any claim asserted by any such broker, finder, or other person, on the basis of any arrangements or agreements made or alleged to have been made by or on behalf of Landlord.

25.3 Entire Agreement. This Lease Agreement contains all of the covenants and agreements between Landlord and Tenant relating to the Premises and supersedes all prior discussions and understandings between them. No prior or contemporaneous agreements or understandings pertaining to the Lease Agreement shall be valid or of any force or effect and the covenants and agreements of this Lease Agreement shall not be altered, modified, or amended except in writing, signed by Landlord and Tenant.

25.4 Severability. Any provision of this Lease Agreement which shall prove to be invalid, void, or illegal shall in no way affect, impair, or invalidate any other provision of this Lease Agreement.

25.6 Force Majeure. Time periods for either Party's performance under any provisions of this Lease Agreement shall be extended for periods of time during which the Party's performance is prevented due to circumstances beyond such party's control, including without limitation, fires, floods, earthquakes, lockouts, strikes, embargoes, governmental regulations, acts of God, public enemy, war, or other strife.

25.7 Governing Law. This Lease Agreement shall be governed by and construed in accordance with the laws of the State of Washington.

25.8 Addenda/Exhibits. The following Exhibits are made a part of this Lease Agreement:

- Exhibit A: Legal Description
- Exhibit B: Diagram of the Premises
- Exhibit C: Special Conditions
- Exhibit D: Confirmation of Lease Commencement Date Letter
- Exhibit E: Workletter Agreement

25.9 Counterparts. This Lease Agreement may be executed in counterparts,

each of which shall constitute an original and all of which constitute but one original.

25.10 Agency. Neither party shall be deemed to be an agent of the other party, for purposes of this Lease Agreement.

26. Reserved.

27. Signage. Tenant shall obtain Landlord's written consent, which shall not be unreasonably withheld, conditioned, or delayed, as to size, location, materials, method of attachment, and appearance, before installing any signs upon the Premises. Tenant shall install any approved signage at Tenant's sole cost and expense and in compliance with all applicable laws.

28. Self Help. Notwithstanding anything to the contrary, if Landlord fails to make and complete any maintenance or repair obligation of Landlord within twenty-four (24) hours of notice from Tenant with respect to any item of maintenance or repair that is deemed necessary by Tenant for its use of the Premises, or within thirty (30) days of notice from Tenant with respect to any other Landlord maintenance or repair obligation, then Tenant shall be entitled to take such actions and make such repairs to the Premises, Building or property associated with the same, as Tenant may deem necessary to correct such interruption, and Landlord shall reimburse Tenant for the cost of the same within thirty (30) days of invoice.

29. Subordination, Non-disturbance, and Attornment. This Lease Agreement shall be subordinate to all existing and future mortgages and/or deeds of trust on the Premises, or the Building, and Tenant agrees to subordinate this Lease Agreement to any future mortgage or deed of trust and to attorn to Landlord's successor following any foreclosure, sale, or transfer in lieu thereof, provided that the mortgagee, transferee, purchaser, Landlord, or beneficiary ("Landlord's Successor") agrees in a written instrument in form and substance satisfactory to Tenant that Tenant's use or possession of the Premises shall not be disturbed, nor shall its obligations be enlarged or its rights be abridged hereunder by reason of any such transaction. Notwithstanding any foreclosure or sale under any mortgage or deed of trust (or transfer by deed in lieu thereof), this Lease Agreement shall remain in full force and effect.

30. Rules and Regulations. Tenant shall be bound by and shall comply with the Special Conditions attached as Exhibit C to the extent those rules and regulations are not in conflict with the terms of this Lease Agreement, as well as any reasonable rules and regulations hereafter adopted by Landlord for all tenants of the Building, upon notice to Tenant thereof (collectively, the "Building Rules").

[Signature pages follow]

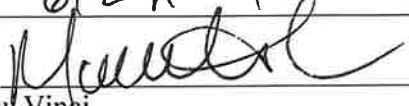
IN WITNESS WHEREOF, the Parties hereto have executed this Lease as of the date and year set forth below.

LANDLORD: Vashon Island Fire & Rescue,
a government agency

TENANT: King County, a political
subdivision of the State of Washington

Dated: 6/24/24

Dated: _____

By: 
Matthew Vinci
Fire Chief

By: _____
Anthony Wright, Director
Facilities Management Division

APPROVED AS TO FORM ONLY:

By: _____
Erin Ferrell, Senior Deputy Prosecuting Atty.

Date: _____

APPROVED BY CUSTODIAL AGENCY:

By: _____
Date: _____

STATE OF WASHINGTON)
) ss
COUNTY OF KING)

I certify that Matthew Vinci signed this instrument, on oath stated that he was authorized to execute this instrument, and acknowledged it as the Fire Chief of King County, Washington to be the free and voluntary act of said County for the uses and purposes mentioned in the instrument.

GIVEN under my hand and official seal this 24, day of June 2024.



Christina Bosch

Christina Bosch
NOTARY PUBLIC in and for the State of Washington residing at Gig Harbor.
My appointment expires 01-05-2027.

STATE OF WASHINGTON)
) ss
COUNTY OF KING)

On this day personally appeared before me _____, to me known to be the Fire Chief of the government agency that executed the foregoing instrument and acknowledged the said instrument to be the free and voluntary act and of Vashon Island Fire & Rescue for the uses and purposes therein mentioned and that he was authorized to execute the said instrument.

GIVEN under my hand and official seal this _____, day of _____, .

NOTARY PUBLIC in and for the State of Washington residing at _____.
My appointment expires _____.

Exhibit A
LEGAL DESCRIPTION

Parcel 302303-9166
Name KC FIRE DIST 13
Site Address 10020 SW BANK RD 98070
Geo Area 47-10
Spec Area
Property Name Vashon Island Fire and Rescue

Jurisdiction KING COUNTY
Levy Code 4060
Property Type C
Plat Block / Building Number
Plat Lot / Unit Number
Quarter-Section-Township-Range SE-30-23-3

Legal Description
W 1/4 OF SE 1/4 OF SE 1/4 OF SE 1/4 LESS N 203.90 FT EXC W 30 FT THOF LESS
CO RDS

Exhibit B
DIAGRAM OF PREMISES

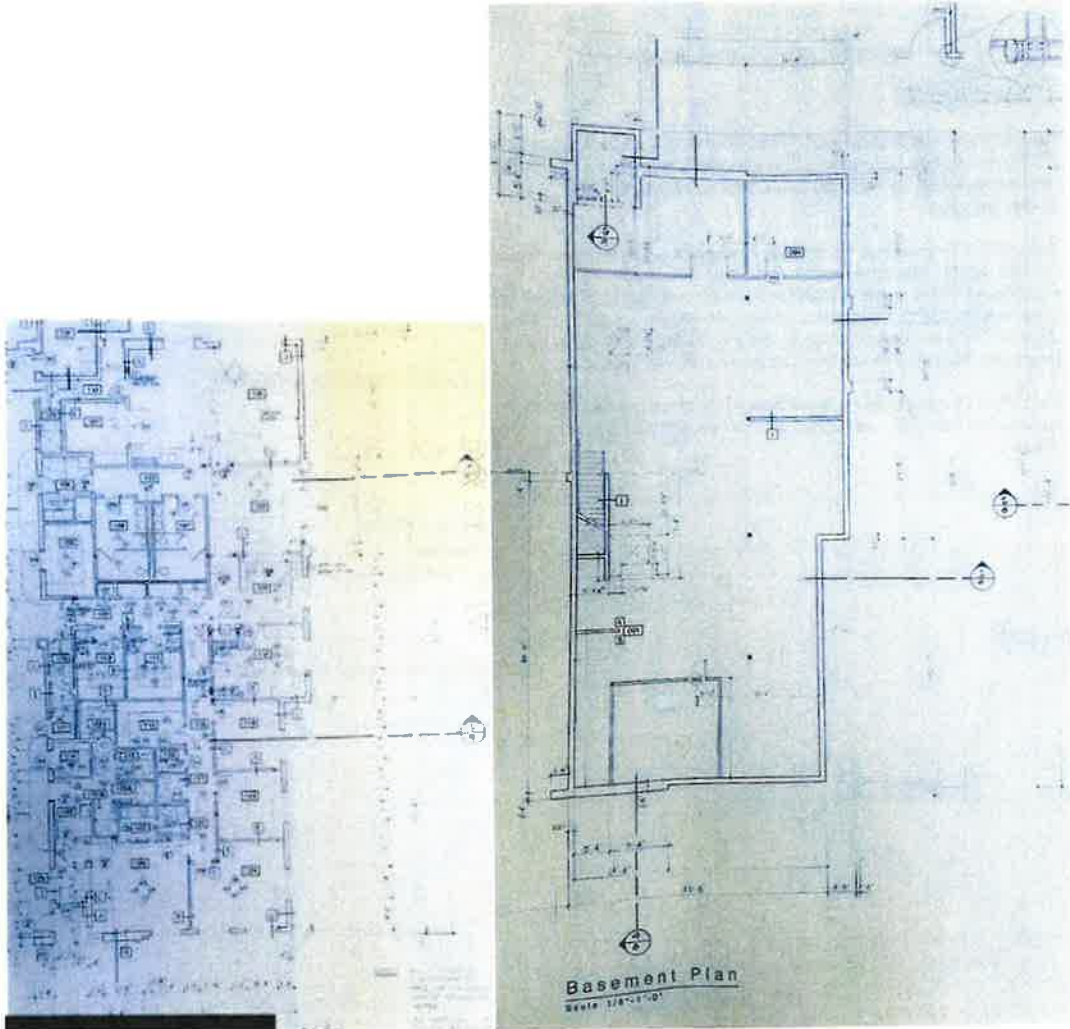


Exhibit C
SPECIAL CONDITIONS

1. King County agrees to designate the on-duty shift Medical Services Officer (MSO) who will coordinate the station activities and issues with the Station Officers, including but not limited to clean-up and housekeeping of the Premises by on-duty personnel.
2. King County agrees that when issues, conflicts or problems arise, the Station Officers and the designated on-duty shift MSO shall attempt to resolve the matter at their level. If the matter is unable to be resolved at that level, it shall be taken to the next level of the respective chains of command, up to and including the Fire Chief for VIFR and/or their designee, and the Director of Emergency Medical Services for King County.
3. King County recognizes the importance of the organizational philosophy and values of Fire District 13 and agrees to cooperate with VIFR to support those values.

Exhibit D
CONFIRMATION OF LEASE COMMENCEMENT DATE LETTER

King County Facilities Management Division
Anthony Wright, Division Director
Department of Executive Services
500 Fourth Avenue, Room 800
Seattle, WA 98104
Phone: (206) 477-9352

CONFIRMATION OF LEASE COMMENCEMENT DATE LETTER

LANDLORD: _____
TENANT: KING COUNTY
LOCATION: _____
DATE: _____

This Confirmation of Lease Commencement Date Letter is in connection with the Lease Agreement dated () between (), (“Landlord”) and King County, a home rule charter county and political subdivision of the State of Washington, (“Tenant”).

In accordance with the terms of the Lease, the Parties wish to confirm the following:

Lease Commencement Date: ()
Lease Expiration Date: ()
Lease Term: ()

Base Rent:

Lease Months	Dates	Monthly Rent

ACKNOWLEDGEMENTS:

LANDLORD

TENANT

By: _____

By: _____

Name: _____

Name: _____

Date: _____

Date: _____

Exhibit E
WORKLETTER AGREEMENT

This **WORKLETTER AGREEMENT** (the "Workletter") is attached to and made a part of that certain Lease Agreement dated (for reference purposes only) July 1, 2024 (the **Lease**) between **Vashon Island Fire and Rescue** (hereinafter called Landlord), and **King County**, a political subdivision of the State of Washington (hereinafter called Tenant):

The purpose of this Workletter is to set forth how the Tenant Improvements to the Premises are to be constructed and designed, who will be responsible for constructing and designing the Tenant Improvements, and who will pay for the construction and design of the Tenant Improvements. Landlord and Tenant agree as follows:

1. Defined Terms. Unless the context otherwise requires, terms used in this Workletter shall have the same meaning as such terms in the Lease. Notwithstanding the foregoing, the following capitalized terms shall have the meanings set forth below.

"**Landlord's Architect**" means TCA Architecture + Planning + Design, retained by Landlord for the purposes of designing the Tenant Improvements.

"**Business Day**" means any day other than a Saturday, Sunday, or other day on which United States national banks in Seattle, Washington are authorized or required by law to be closed for business.

"**Construction Costs**" means the construction and construction-related costs associated with Landlord's overall facility modernization project for joint operational health and safety improvements to the Property, including the Tenant Improvements. Total Construction Costs of \$3,200,000.00, are budgeted for the overall project, of which approximately 8% (\$250,000.00) represents Tenant's contribution.

"**Construction Contract**" means the contract between Landlord and Contractor for the construction and installation of the Tenant Improvements.

"**Contractor**" means the general contractor selected by Landlord for purposes of completing the Tenant Improvements.

"**Funding Agreement**" means King County Public Health (Fund 1190 EMS), through which Tenant shall draw funds allocated to pay Landlord for the construction of the Tenant Improvements (defined below).

"**Improved Premises**" means the Premises upon completion of the Tenant Improvements, as depicted in Exhibit A-1.

"**Tenant's Representative**" means the individual designated by Tenant as its Tenant Improvement representative pursuant to Paragraph 10 of this Workletter.

"**Substantially Complete**" and "**Substantial Completion**" mean the Work is complete to

the extent that Tenant may reasonably use and occupy the Improved Premises for the purpose for which the same were intended, subject to minor details of construction and mechanical adjustments that remain to be completed by Landlord (“punchlist items”), as evidenced by issuance of a certificate of occupancy (or other substantially equivalent governmental approval permitting the occupancy of the Improved Premises by Tenant) by the local governmental authority.

"Tenant Improvements" means those certain improvements to the Premises described in Exhibit A-1, as the same may be modified pursuant to Section 8 below, including all items of Work, labor and materials, that are utilized directly or indirectly in altering, repairing, improving, adding to, modifying or otherwise changing the Premises.

"Work" means the design, permitting and construction of the Tenant Improvements in accordance with the Interior Drawings.

2. **Interior Drawings:** Landlord and Landlord’s Architect have designed the Tenant Improvements as illustrated in Exhibit __ to this Agreement and prepared the Construction Cost estimate which is the subject of Tenant’s payment of \$250,000.00 in Landlord’s costs pursuant to section 6, below.

3. **Tenant Improvements:** As illustrated in Exhibit A-1 to this Workletter, Tenant Improvements shall include, but not be limited to the following:

- Complete Renovation to 2nd floor living quarters
- New HVAC in staff office areas and individual controlled HVAC in bedrooms
- New fire alarm system
- Adds 900 sq/ft to 2nd floor common area
- New alerting system throughout building
- 4 new gender neutral bathrooms/showers
- 5 new bedrooms
- designated lactation room
- new kitchen with several built-in health and safety components
- airlock on first floor to prevent infiltration of contaminated air to living quarters or administration area
- adds a walk-in aid room to treat patients in a safe and effective space
- adds a new decontamination room with a Personal Protective Equipment (“PPE”) extractor, dryer, and decontamination wash sinks

4. **Lessor’s Contractor and Construction Bids:** Landlord is subject to public bidding and public work requirements under Washington State Law. All work done by Landlord pursuant to Section 3 shall be performed in full compliance with all laws, rules, orders and ordinances, including compliance with prevailing wage requirements for public works pursuant to RCW Chapter 39.12; specifically, Landlord agrees to cause, and to require all contractors and subcontractors performing Tenant Improvements work to cause, all laborers, workers, and mechanics (as such terms are defined in RCW Chapter 39.12) performing the work to be paid the prevailing rate of wages (as defined in RCW Chapter 39.12). Landlord, at its expense, shall obtain all necessary governmental permits and certificates in connection therewith, and shall cause all such work to be performed in compliance with the same. King County’s consent to any proposed work

shall not be deemed a waiver of, or an opinion respecting, the compliance of the proposed work with the requirements of this Article 4. All Tenant Improvements work shall be conducted expeditiously in a good and workmanlike manner.

5. **Construction of Tenant Improvements:** In accordance with Section 4, Landlord will enter into the Construction Contract with Contractor and will cause the Tenant Improvements to be constructed in accordance with the Interior Drawings, as the same may be revised in accordance with Section 8 below. Landlord shall cause its Contractor to complete the Tenant Improvements on or before the end of the Lease Expiration Date, or earlier, as may be mutually agreed upon by the parties.

6. **Amounts Payable by Tenant:** Upon approval of the Lease by King County Council, Tenant shall pay Landlord \$250,000.00 for the Tenant Improvements, as provided herein. Landlord shall forward Landlord's invoices for approved Construction Costs for the Tenant Improvements including, without limitation, copies of invoices and other documentation reasonably requested by Tenant, for audit purposes. Landlord shall be responsible for remedying any underlying building conditions that will increase the cost of the Tenant Improvements, and Landlord warrants that no such conditions are known, including, but not limited to asbestos, lead paint, or other latent conditions. In no event shall the Tenant's payment for costs of Tenant Improvements exceed the mutually agreed upon \$250,000.00.

7. **Interim Premises; Acceptance of the Improved Premises:**

(a) During construction of the Tenant Improvements, Tenant will temporarily occupy modular housing on the Property, ("Interim Premises") until Substantial Completion of the Tenant Improvements. Rights and obligations of the parties pursuant to the Lease shall govern the parties' use of the Interim Premises; however, Tenant shall have no obligations with respect to the Premises under construction until Substantial Completion and re-entry of the Tenant into the Improved Premises.

(b) Landlord will notify Tenant when the Tenant Improvements are Substantially Complete. Within three (3) Business Days after receiving such notice, and prior to move-in of any furniture, fixtures or equipment, Tenant shall inspect the Improved Premises for any deficiencies in the Work. A "punchlist" of all the deficiencies in the Work shall be prepared and agreed upon by both Landlord and Tenant. Landlord will correct defective items stated in the punchlist which are the responsibility of Landlord or the Contractor. If Tenant does not so provide Landlord with a punchlist prior to occupying the Improved Premises, Tenant shall be deemed to have accepted the Improved Premises and the Tenant Improvements in their then present condition, except for latent defects not reasonably discoverable upon an inspection of the Improved Premises. The existence of minor punchlist items shall not postpone the move-in date or result in a delay or abatement of Tenant's obligation to pay Rent or give rise to a damage claim against Landlord. Landlord agrees to complete all punchlist items which are Landlord's or the Contractor's responsibility within thirty (30) calendar days after receiving the final punchlist (or longer if reasonably necessary subject to Landlord's prompt initiation of the completion of said punchlist items and continuing good faith efforts to expeditiously and continuously complete said punchlist items). Landlord shall provide for a 1 year parts and labor warranty for all work covered by Tenant's consideration. Failure of any such work shall be promptly repaired at no cost to Tenant.

8. **Changes in Work:** Landlord shall notify Tenant in writing of any construction delays, changes to the Work resulting in the reduction of area in the Improved Premises, or other failure of Landlord to complete any of the Tenant Improvements, and shall provide Tenant a refund of Tenant's proportionate share of the Construction Costs within 10 Business Days of Tenant's request for the same.

9. **Early Entry:** With Landlord's prior written approval, Tenant and Tenant's contractors shall have the privilege of entering into the Improved Premises prior to the Substantial Completion of the Tenant Improvements for purposes of cable, telephone, furniture and fixtures installation; provided that such entry or work does not interfere with the construction of the Tenant Improvements by Contractor. All of the terms and provisions of the Lease shall be applicable upon such early entry, except for those provisions applicable to the commencement of the Lease Term, acceptance of the Premises and the payment of Rent. Tenant shall be responsible for any damages to the Building or the Premises caused by Tenant as a result of such early entry.

10. **Tenant Improvement Representative:** Prior to the commencement of the Work, Tenant shall designate in writing one individual who shall be the Tenant's Representative during the Work. Except as provided herein, Landlord and Contractor shall be entitled to rely on the decisions of such person regarding the Work (and the decisions of such person shall be binding upon Tenant) until Landlord and Contractor have received written notice from Tenant that such person's authority has been revoked.

11. **Disputes:** Landlord and Tenant shall act in good faith and deal fairly in performing their respective duties under this Workletter. If a dispute arises with respect to design or construction of the Tenant Improvements, or any obligation of the parties under this Workletter, including the calculation or allocation of costs, the parties agree to work diligently to resolve the dispute. In the event the parties cannot resolve the dispute, they may jointly elect to submit the dispute to mediation with a mutually agreeable mediation firm located in Seattle, Washington with each party bearing their own costs. The decision of the mediator shall be non-binding and shall not constitute a condition precedent to having such dispute decided in a court, including seeking injunctive relief.

12. **Insurance.** If the Landlord uses a contractor to perform work under this Workletter, after taking into account the scope of work and services which may be performed by its contractor(s), the Landlord shall require that the Landlord's contractor maintain Commercial General Liability, Professional Liability if professional services are required, Automobile Liability insurance, Statutory Workers Compensation, Employers Liability/Stop and other insurance as may be required with prudent limits of liability as established by a Landlord risk assessment. Builder's Risk insurance shall be required for the full replacement value of the improvements and Tenant shall be a named insured as its interests may appear. Such contractor insurance shall insure the Landlord, its contractor, and the Tenant and its officers, officials, agents and employees against loss arising out of or in connection with activities, performed in furtherance of this agreement by the Landlord's contractor. Contractor's general and automobile liability insurance and other liability insurance as may be required shall include the Tenant and its officers, officials, agents and employees as an additional insured. The Landlord's contractor's insurance shall be primary to and not contributing with any insurance or self-insurance that may be carried by the Tenant.

13. **Additional Provisions.** Neither this Workletter nor any of the provisions contained in this Workletter may be changed or waived, except by a written instrument signed by both parties. To the extent any of the terms or conditions of this Workletter conflict with any of the terms or conditions of the Lease, this Workletter shall control.

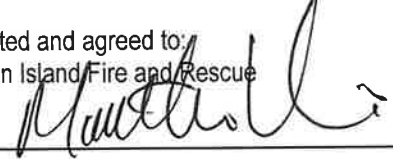
Accepted and agreed to:
KING COUNTY

By _____

Title Director, Facilities Management Division

Date _____

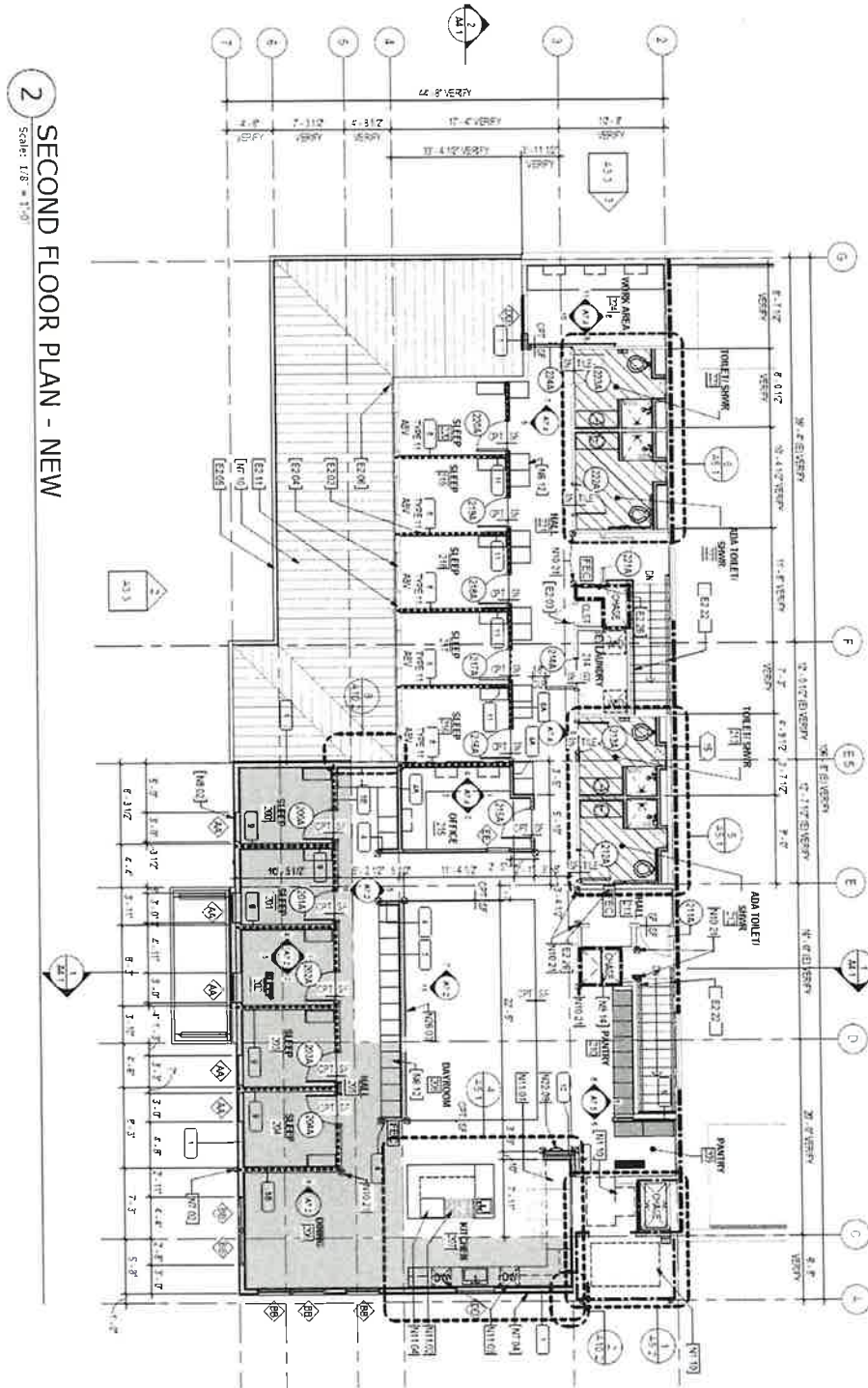
Accepted and agreed to:
Vashon Island Fire and Rescue

By  _____

Title Fire Chief

Date 6/24/24

Exhibit A-1 IMPROVED PREMISES Page 2 of 2





King County

Dow Constantine
King County Executive
401 Fifth Avenue, Suite 800
Seattle, WA 98104-1818
206-263-9600 Fax 206-296-0194
TTY Relay: 711
www.kingcounty.gov

July 31, 2024

The Honorable Dave Upthegrove
Chair, King County Council
Room 1200
C O U R T H O U S E

Dear Councilmember Upthegrove:

This letter transmits a proposed Ordinance that, if enacted, will enable King County Department of Public Health, Medic One Program, to enter into a new lease at an existing location with Vashon Island Fire and Rescue for space located at 10020 SW Bank Road, Vashon, Washington.

This facility houses the Medic One Program whose primary mission is to provide emergency medical services to Vashon Island. Approval of this new lease supports the provision of King County operations and services.

This transaction is recommended per the rationale and considerations provided in the attached property summary.

Thank you for your consideration of this proposed Ordinance.

If your staff have any questions, contact Anthony Wright, Director, Facilities Management Division at 206-477-9352.

Sincerely,

A handwritten signature in black ink, appearing to read "Dow Constantine", written in a cursive style.

for

Dow Constantine
King County Executive

The Honorable Dave Upthegrove

July 31, 2024

Page 2

cc: King County Councilmembers
 ATTN: Stephanie Cirkovich, Chief of Staff
 Melani Hay, Clerk of the Council
Karan Gill, Chief of Staff, Office of the Executive
Penny Lipsou, Council Relations Director, Office of the Executive
Lorraine Patterson-Harris, County Administrative Officer, Department of Executive
 Services (DES)
Anthony Wright, Director, Facilities Management Division (FMD), DES
Julie Ockerman, Manager, Real Estate Services, FMD, DES
Dr. Faisal Kahn, Director, King County Public Health

GENERAL TRANSACTION INFORMATION

Ordinance/Motion:				Transaction Duration:	5 yrs
Title:	Public Health Medic One Vashon			Fair Market Value:	NA
Affected Agency/Agencies:	Public Health			Legal Transaction Type:	New Lease
Note Prepared By:	Carolyn Mock / Steven Tease	Date Prepared:	6/25/2024	Fiscal Transaction Type:	Stand Alone
Note Reviewed By:					
Description of Request:	Public Health Vashon Medic One Lease				

FINANCIAL IMPACTS

Part 1 - Net Present Value Analysis Results

Net Present Value to King County (all impacts): ***	NA	Net Present Value to Primary Impacted Agency (customer of transaction): ***	NA
---	----	---	----

Part 2 - Revenue and Expenditure Impacts

As of the preparation date of this fiscal note, the impact of the above legislation on the financial affairs of King County is estimated to be as indicated below:

Revenue to: ^{2,3,5}

Appropriation Unit	Appr. Number	Department	Fund Number	Project Number	Revenue Account Code and Source/Description	Sum of Revenues Prior to 2023	2023 / 2024	2025 / 2026	2027 / 2028	Sum of Outyear Impacts ²
						\$ -	\$ -	\$ -	\$ -	\$ -
						\$ -	\$ -	\$ -	\$ -	\$ -
						\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL						\$ -	\$ -	\$ -	\$ -	\$ -

Expenditures from: ^{2,3,4,5}

Appropriation Unit/Expenditure Type	Appr. Number	Department	Fund Number	Project Number	Expenditure Notes	Sum of Expenditures Prior to 2023	2023 / 2024	2025 / 2026	2027 / 2028	Sum of Outyear Impacts ²
Public Health	A830000	DPH	1190							
Real Estate Services Labor Costs						\$ -	\$ -	\$ -	\$ -	\$ -
King County Project Management						\$ -	\$ -	\$ -	\$ -	\$ -
Lease Payments/Associated O&M					Rent adjusted annually by the CPI capped at 3%; Estimate LCD 11/1/24, calculations cover 2/1/22 to 10/31/29	\$ -	\$ 45,770	\$ 49,773	\$ 52,804	\$ 22,997
Service Costs (Appraisal, Title, Move)						\$ -	\$ -	\$ -	\$ -	\$ -
Tenant and Other Improvements						\$ -	\$ -	\$ -	\$ -	\$ -
10% Art for General Fund Transactions						\$ -	\$ -	\$ -	\$ -	\$ -
Other Transaction Costs						\$ -	\$ -	\$ -	\$ -	\$ -
SUBTOTAL						\$ -	\$ 45,770	\$ 49,773	\$ 52,804	\$ 22,997
Real Estate Services Labor Costs						\$ -	\$ -	\$ -	\$ -	\$ -
King County Project Management						\$ -	\$ -	\$ -	\$ -	\$ -
Lease Payments/Associated O&M						\$ -	\$ -	\$ -	\$ -	\$ -
Service Costs (Appraisal, Title, Move)						\$ -	\$ -	\$ -	\$ -	\$ -
Tenant and Other Improvements						\$ -	\$ -	\$ -	\$ -	\$ -
10% Art for General Fund Transactions						\$ -	\$ -	\$ -	\$ -	\$ -
Other Transaction Costs						\$ -	\$ -	\$ -	\$ -	\$ -
SUBTOTAL						\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL						\$ -	\$ 45,770	\$ 49,773	\$ 52,804	\$ 22,997

APPROPRIATION IMPACTS

As of the preparation date of this fiscal note, the impact of the above legislation on the budget appropriation of King County is estimated to be as indicated below: ¹

Appropriation Unit	Appr. Number	Department	Fund Number	Project Number	Appropriation Notes	2023 / 2024 Appropriation Change
					The transaction was anticipated in the current budget; no supplemental appropriation is required.	\$ -
						\$ -
TOTAL						\$ -

Total 6-Year CIP Outyear Planning Level Costs	\$ -
	\$ -
	\$ -
	\$ -
	\$ -

Assumption and Additional Notes:

*** An NPV analysis was not performed because this is a new lease for space at an existing site.

- If the expenditure impact equals or exceeds five percent of the fund expenditures, a copy of the most recent applicable appropriation unit financial plan is attached to this transmittal.
- The sum of outyear impacts is provided for capital projects and agreements. This sum for revenue and expenditures includes all revenues/expenditures for the duration of the lease/other agreement or life of the capital investment.
- This transaction does not require the use of fund balance or reallocated grant funding.
- The transaction is not backed by new revenue.
- A detailed explanation of how the revenue/expenditure impacts were developed is provided below, including major assumptions made in developing the values presented in the fiscal note and other supporting data:
 - Cost estimate is based on estimated lease commencement date 11/1/24, expiration date 10/31/29.
 - Annual rent increases are based on CPI, capped at 3%. Base rent calculation assumes 3% adjustments.
 - Cost estimate includes additional rent due for 2/1/2022 through YTD 2024. Actual base rent paid 2022, 2023 and YTD 2024 is \$900/month.
 - Initial term is 5 years with option to extend for 2 additional 5 year terms.

Lease Property Summary

Photo of Property



- Property Owner:** Vashon Island Fire and Rescue
- Address:** 10020 SW Bank Road, Vashon, WA 98070
- Cost Per Sq. Ft.:** \$0.57 per square foot per month
- Operational Costs:** N/A
- Term:** Five years with two five-year options to extend
- Square Footage:** 3,452 square feet
- Council District:** Eight
- Funding Source:** EMS Levy
- Previous Location:** N/A, new lease extending term at currently occupied location

Lease Synopsis:

The property is currently used by Vashon Island Fire and Rescue and the King County Medic One program to provide Advanced Life Support (ALS) emergency medical services to Vashon Island. The lease agreement includes

the shared use of a common entry, public counter and waiting area, staff kitchen, dayroom, two bedrooms, bathrooms, and office. The lease also includes a storage room and the use of one truck bay. The property is located near King County Metro Transit services.

Vashon Fire is planning to break ground on a \$3,200,000 fire station expansion and renovation in August 2024, which includes the leased space. Medic One will pay Vashon Fire a capital contribution in the amount of \$250,000 as Medic One's share of Vashon Fire's \$3,200,000 Fire Station construction project. Medic One will be housed in temporary quarters on the property during construction.

Context

Rationale for transaction: This new lease agreement at an existing location maintains Medic One's presence in the current location, which is easily accessible to major roads on Vashon Island and transit services at the corner of SW Bank Road and Vashon Highway SW in central Vashon.

Policy considerations: This lease agreement supports Medic One's mission to provide ALS services to Vashon Island.

Political considerations: n/a

Community considerations or partnerships: By maintaining this co-location with Vashon Fire, approval of this agreement supports Medic One's mission to provide ALS services to the community on Vashon Island.

Fiscal considerations: The annual cost to use the facility is \$23,804.40. Medic One is not responsible for grounds or maintenance costs. Medic One will make a lump sum payment for retroactive rent dating back to the expiration of the prior lease on February 1, 2022. For the period February 1, 2022 through July 31, 2024 the lump sum amount will be \$30,451.20. For the period from August 1, 2024, to the commencement date of the new lease, the amount will accrue at the rate of \$1,083.70 per month on top of \$900.00 per month Medic One is currently paying as holdover rent. Medic One will pay Vashon Fire a capital contribution in the

amount of \$250,000 as Medic One's share of Vashon Fire's \$3,200,000 Fire Station construction project.

Other considerations: n/a

CIP/operational impacts: This location provides easy access to major roads and highways and specific facility configurations. Operating expenses are limited to monthly costs of the rent. There are no other anticipated operational expenses.

King County Strategic Plan impact: N/A

Equity and Social Justice impact: In accordance with Real Property Asset Management Plan (RAMP) policies, the Facilities Management Division (FMD) and the Department of Public Health reviewed this proposed legislation for Equity and Social Justice (ESJ) impacts. The Medic One program provides Advanced Life Support (ALS) emergency medical services, and this existing location serves the Vashon Island community.

Energy Efficiency impact: n/a

Lease Alternatives Analysis

Summary: King County conducted a facility search prior to securing this location in 2017. Fire Station 55 in Vashon met, and continues to meet, the needs of Vashon Island and the Medic One program.



King County

**Metropolitan King County Council
Budget and Fiscal Management Committee**

STAFF REPORT

Agenda Item:	9	Name:	Mary Bourguignon
Proposed No.:	2024-0229	Date:	August 28, 2024

SUBJECT

Proposed Ordinance 2024-0229 would amend the terms of the promissory note for the Washington State Convention Center’s¹ purchase of Convention Place Station from King County.

SUMMARY

In 2017, the Council authorized the sale of Metro’s Convention Place Station to the Washington State Convention Center (WSCC) for construction of an expansion to the Seattle Convention Center.²

The adopted purchase and sale agreement set the purchase price at \$162 million, with a \$1 million credit given to WSCC for hazardous material remediation. WSCC was to make payments until 2049, paying \$20 million at closing and the remainder via a promissory note, through which the County would finance the purchase at 1% interest until 2024 (interest-only payments) and at 4.25% interest (payments of interest plus principal) with a 3% inflator from 2025 to 2049.³

During the pandemic, WSCC hosted fewer events, collected less in lodging taxes, and faced higher costs for the construction of the expansion. As a result, WSCC has requested, and the Executive has proposed, changing the terms of the promissory note.

Proposed Ordinance 2024-0229 would allow WSCC to continue to make interest-only payments until 2031 and extend the payment schedule until 2056. This would result in Metro receiving \$42 million less in payments in the short term, between 2025 and 2031, but a net of \$69.3 million more (\$6.5 million more in net present value) through the end of payments in 2056.

¹ In 2022, the Washington State Convention Center began doing business as the Seattle Convention Center ([link](#)). However, its official name remains Washington State Convention Center.

² Ordinance 18546 ([link](#))

³ In addition to the purchase price, WSCC was to contribute \$14 million for housing (\$5 million to King County and \$9 million to the City of Seattle) and \$4.6 million for public art.

BACKGROUND

Development of the convention center. In 1982, the Washington State Legislature supported the creation of a non-profit corporation to design, construct, promote, and operate a new convention center in Downtown Seattle.⁴ That non-profit opened the Washington State Convention & Trade Center in 1988, and opened expansions in 2001 and 2010, resulting in a total of more than 400,000 square feet of meeting and exhibit space.⁵

In 2010, following authorization from the State Legislature,⁶ King County created the Washington State Convention Center (WSCC⁷) Public Facilities District to take over the facilities and responsibilities from the non-profit corporation that had developed the convention center.⁸

Development of the Downtown Seattle Transit Tunnel. In 1983, to address increasing traffic congestion in Downtown Seattle, the Municipality of Metropolitan Seattle⁹ approved the development of the Downtown Seattle Transit Tunnel (DSTT), a 1.3 mile north-south pathway through the downtown core that was designed to expedite bus operations. The DSTT opened to 27 Metro bus routes in September 1990, with four underground stations (Chinatown International District, Pioneer Square, University Street, and Westlake), and one above-ground station (Convention Place), which was located just north of the tunnel, adjacent to the recently opened convention center.

In 1992, voters approved the merger of the Municipality of Metropolitan Seattle's functions into King County.¹⁰ As part of this merger King County assumed operations of Metro Transit and became the owner and operator of the DSTT.

Plans for joint bus/rail use in the DSTT. In 1996, voters approved Sound Transit's Sound Move plan,¹¹ which proposed regional commuter rail and express bus service, as well as a light rail line between Seattle-Tacoma International Airport and the University of Washington, with a future extension planned to Northgate. The new Link light rail system was expected to use the DSTT to travel through Downtown Seattle.¹²

In 2002, King County and Sound Transit approved a DSTT Joint Use Agreement,¹³ which outlined a plan under which buses and light rail trains would both operate in the

⁴ RCW 67.40.020

⁵ History of the Seattle Convention Center ([link](#))

⁶ RCW 36.100.230

⁷ In 2022, the Washington State Convention Center began doing business as the Seattle Convention Center ([link](#)). However, its official name remains Washington State Convention Center.

⁸ Ordinance 16883, KCC 2.300

⁹ In 1958, King County voters approved the creation of a new regional authority, the Municipality of Metropolitan Seattle (called Metro), to oversee wastewater treatment. In 1973, Metro began operating a regional bus system, taking over operations from the City of Seattle's Seattle Transit System and the private Metropolitan Transit Corporation ([link](#)).

¹⁰ History of the Charter Review ([link](#))

¹¹ Sound Transit, History of Voter-Approved Plans ([link](#))

¹² The DSTT was constructed with embedded rails in anticipation of future light rail service. These were later removed and replaced, and the DSTT was closed between 2005 and 2007 to accommodate this.

¹³ Ordinance 14396

DSTT until the volume of trains became too high for buses to be accommodated. In 2017, when the Council began deliberations on the proposed sale of the DSTT's Convention Place Station, the DSTT was being used for both Link light rail trains and seven bus routes, with approximately 7,000 daily riders using the bus stops at Convention Place Station.¹⁴ Information provided to the Council at that time indicated that buses would need to leave the DSTT sometime between mid-2019 and mid-2020 to accommodate Sound Transit's construction of its East Link light rail extension.^{15,16}

Sale of Convention Place Station for convention center expansion. In 2017, to support the further expansion of the convention center, the Council authorized¹⁷ the sale of the above-ground DSTT Convention Place Station¹⁸ to WSCC. The sale required Metro buses to leave the DSTT somewhat earlier than had originally been anticipated, as Convention Place Station had provided the northern entrance and exit for buses between surface streets and the tunnel.¹⁹

The adopted purchase and sale agreement²⁰ set the purchase price for Convention Place Station at \$162 million, with a \$1 million credit given to WSCC for hazardous material remediation. King County agreed to finance the purchase, with payments from WSCC to be made in three parts over the course of 31 years:

1. \$20 million to be paid at closing.
2. \$1.41 million to be paid each year on June 30 for six years (2019-2024) to cover interest only at 1% interest on the remaining principal of \$141 million.²¹
3. Principal plus interest payments to be paid each year on June 30 for 25 years (2025-2049) at 4.25% interest with a 3% inflator.

Attachment 4 to this staff report shows the payment schedule for the years 2025-2049 as approved as part of the 2017 purchase and sale agreement.

In addition to the purchase price, WSCC was to contribute \$14 million for housing (\$5 million to King County and \$9 million to the City of Seattle) and \$4.6 million for public art. WSCC also agreed to a project labor agreement that included requirements to use

¹⁴ Light rail did not serve Convention Place Station but rather continued underground north to Capitol Hill Station.

¹⁵ Council staff report prepared for Proposed Ordinance 2017-0094 (Ordinance 18546) ([link](#))

¹⁶ Metro buses actually left the DSTT in March 2019. The Joint Use Agreement had required King County to retain ownership of the DSTT until after buses left; ownership was transferred to Sound Transit in 2022 (Ordinance 19514). The Joint Use Agreement also required that Metro be hired under contract to operate Link light rail (Ordinances 14661, 18914, 19513).

¹⁷ Ordinance 18546

¹⁸ Convention Place Station was a four-acre contiguous property consisting of two parcels located at 906 Pine Street in Downtown Seattle. The parcels had been acquired by King County through (1) its assumption of the Municipality of Metropolitan Seattle and (2) negotiations with Sound Transit.

¹⁹ The adopted purchase and sale agreement (Ordinance 18546) stated that buses would be required to leave the DSTT by September 30, 2018, with provision for a possible extension due to substantial delay of the convention center construction. Buses actually left the DSTT in March 2019.

²⁰ Ordinance 18546

²¹ Information from the Council's 2017 deliberations on the property sale indicated that this interest-only payment period was structured to allow for smaller payments during WSCC's construction process.

apprentices and commit to local hiring during the construction of the convention center expansion.

WSCC agreed to use revenues from its State-authorized lodging taxes to make its payments on the Convention Place Station property.²²

Analysis completed during the Council's deliberations on the Convention Place Station sale in 2017 indicated that there were both benefits and risks involved with King County holding a promissory note that would be repaid over time by WSCC. The analysis noted that the promissory note's interest rate (4.25%) and inflator (3%) were structured to benefit King County, as forecasts at that time indicated the County would realize greater returns than if it received the entire purchase price at once and invested the proceeds in the King County Investment Pool. However, the analysis also indicated that King County could potentially face risks because it would have given up title to the property at closing and would therefore not be able to foreclose if WSCC defaulted on the agreement at some point in the future.²³

To protect the County from this increased exposure, WSCC was required to conduct a stress test regarding its financial ability to repay its obligations.²⁴ The financing plan also included a list of other strategies that could be sought to mitigate future financial difficulties at WSCC. Analysis at the time indicated that:

While the stress test and contingency plan would mitigate some risk, there is higher risk associated with this deal compared to an "all-cash at closing" approach. Because hotel-motel²⁵ revenues are volatile it is entirely possible that a financial downturn between now and 2048 could impair the WSCC's ability to repay the debt on time. However, because of the structure of the financial plan and the financial contingency plan, the most likely outcome in the event of a downturn would not be a total default, but an extension of the repayment period.²⁶

The fiscal note for the property sale anticipated that King County would collect a total of \$275 million in principal and interest payments from WSCC during the payment period. These payments were to be used to cover transaction costs (\$403,000 to the Facilities Management Division) and to reimburse Metro for the cost of the property.²⁷ Metro's proceeds were to be deposited in the Transit Infrastructure Capital Fund.²⁸

²² Section 18.1 of the Purchase and Sale Agreement (Ordinance 18546) covers WSCC's agreement to pledge its lodging tax revenues for the purpose of repaying its promissory note to King County. RCW 36.100.040(4) and (5) allow WSCC to impose lodging taxes of up to 7% within Seattle, 2.8% elsewhere in King County, and an additional 2% within Seattle. ([link](#))

²³ Council staff report prepared for Proposed Ordinance 2017-0094 (Ordinance 18546) ([link](#))

²⁴ Ordinance 18546, Exhibit D-1 to Purchase and Sale Agreement, Financing Plan

²⁵ The lodging tax is also referred to as the hotel-motel tax.

²⁶ Council staff report prepared for Proposed Ordinance 2017-0094 (Ordinance 18546) ([link](#))

²⁷ Approximately \$6 million, reflecting the Federal Transit Administration (FTA) share of the original Convention Place Station cost, would be reserved for use on a Metro project approved by the FTA.

²⁸ The fiscal note and purchase and sales agreement also estimated Metro's costs and described Metro's responsibilities to relocate equipment, including a traction power substation, out of the DSTT, and to reroute buses onto Downtown surface streets.

Pandemic impacts on WSCC. In response to the COVID-19 pandemic, the Governor issued a statewide stay-home-stay-healthy proclamation on March 23, 2020,²⁹ which required individuals to remain at home except for essential activities and closed all businesses except for essential businesses. Restrictions were eased gradually over the next several years, with WSCC reporting that it was not able to hold events without a vaccine, mask, or social distancing requirement in place until March 2022.³⁰

WSCC’s recent audited annual financial reports summarize the impacts of the pandemic on operations and finances. Table 1 shows events and attendees from 2019 through 2023. Table 2 shows lodging tax collections from 2017 through 2023.

Table 1. WSCC Events and Attendees

Year	WSCC Events	WSCC Attendees
2019	212	369,204
2020	30	94,885
2021	28	65,166
2022	145	271,018
2023	160	352,728

Sources: 2023,³¹ 2022,³² 2021,³³ and 2019³⁴ WSCC audited financial reports

Table 2. WSCC Lodging Tax Revenues³⁵

Year	Lodging Tax Regular	Lodging Tax Extended	Lodging Tax Total
2017	\$69,705,450	\$0	\$69,705,450
2018	\$74,866,406	\$0	\$74,866,406
2019	\$76,997,207	\$1,917,849	\$78,915,056
2020	\$18,384,474	\$906,446	\$19,290,920
2021	\$40,123,263	\$2,219,006	\$42,342,269
2022	\$77,653,484	\$4,406,920	\$82,060,404
2023	\$83,365,806	\$5,649,629	\$89,015,435

Sources: 2023, 2022, 2021, and 2019 WSCC audited financial reports

²⁹ State of Washington, Office of the Governor, Amending Proclamation 20-05, 20-25 Stay Home – Stay Health ([link](#))

³⁰ Washington State Convention Center Public Facilities District: Independent Auditor’s Report and Financial Report, for the fiscal years ended December 31, 2022, and 2021 ([link](#))

³¹ Washington State Convention Center Public Facilities District: Audited Financial Report for Fiscal Years Ended December 31, 2023 and 2022 ([link](#))

³² Washington State Convention Center Public Facilities District: Independent Auditor’s Report and Financial Report, for the fiscal years ended December 31, 2022, and 2021 ([link](#))

³³ Washington State Convention Center Public Facilities District: Independent Auditor’s Report and Financial Report, for the fiscal years ended December 31, 2021, and 2020 ([link](#))

³⁴ Washington State Convention Center Public Facilities District, Financial Statements and Independent Auditor’s Report, for the years ended December 31, 2019, and 2018 ([link](#))

³⁵ RCW 36.100.040(4) and (5) allow WSCC it to impose lodging taxes of up to 7% within Seattle, 2.8% elsewhere in King County, and an additional 2% within Seattle. ([link](#))

Convention center expansion. WSCC began construction of the convention center expansion during the pandemic. In March 2021, WSCC secured \$342 million in municipal bonds to close the financing gap that had resulted from the drop in lodging tax revenues due to the pandemic. The King County Executive had raised the possibility of proposing a loan to WSCC to offset its funding gap, but the 2021 bond issue was sufficient for WSCC to complete construction.³⁶ WSCC opened the expansion in January 2023, with 574,000 additional square feet of event space.³⁷

During the construction years and for the year following construction, as required by the 2017 purchase and sale agreement, WSCC paid King County \$1.4 million each year, to cover the interest-only payments toward its promissory note. The most recent payment, which was due on June 30, 2024, was to have been the last interest-only payment, with principal and interest payments at the higher interest rate beginning on June 30, 2025.

ANALYSIS

In response to the decline in events, attendance, and lodging taxes during the pandemic, as well as the increase in construction costs, WSCC has requested, and the Executive has proposed, changing the terms of the promissory note.

Proposed Ordinance 2024-0229 would allow WSCC to continue to make interest-only payments until 2031 and extend the total repayment schedule until 2056.

This change in the repayment schedule is what had been anticipated during the Council's deliberations in 2017 based on the stress test of WSCC's use of lodging tax revenues to finance the purchase of Convention Place Station: that the most likely outcome in the event of a downturn would not be a default on the promissory note, but rather an extension of the repayment period.

Attachment 4 to this staff report provides a comparison between the payment schedule and payment amounts for the 2017 purchase and sale agreement and the proposed 2024 restructure of the payment schedule.

The continuation of interest-only payments until 2031 would result in Metro receiving \$42 million less in payments between 2025 and 2031 than had been anticipated under the terms of the 2017 purchase and sale agreement. Metro states that these lower payments in the short term would not have a negative impact on its capital plan due to the nearly \$1 billion in one-time funding Metro received as part of three federal pandemic relief packages.³⁸

³⁶ WSCC, Washington State Convention Center Addition Secures Financing, Construction Continues with Planned 2022 Completion, March 31, 2021 ([link](#))

³⁷ History of the Seattle Convention Center ([link](#))

³⁸ Metro received a total of **\$897 million** in three tranches of federal pandemic relief through the Puget Sound Regional Council. In March 2020, Congress passed the Coronavirus Aid, Relief, and Economic Security (**CARES**) Act, from which Metro was allocated **\$243.7 million** in April 2020. Metro used this funding to cover the revenue losses and emergency operational expenses during the early months of the pandemic, fully expending the funds by the end of 2020. In December 2020, Congress passed the Coronavirus Response and Relief Supplemental Appropriations Act (**CRRSAA**), from which Metro was allocated **\$258 million** in April 2021. Much of this funding was incorporated into Metro's revenue

During 2050 to 2056, the years in which WSCC's payments would have been completed (and therefore \$0) under the terms of the 2017 purchase and sale agreement, Metro would expect to receive approximately \$102 million it would not otherwise have received.

In net, the proposed restructuring of the payments would result in Metro receiving an additional \$69.3 million in payments between 2025 and 2056.

Because a dollar tomorrow is worth less than a dollar today, the Executive conducted a net present value analysis on the new cash flow that would result from the restructured promissory note. The net present value analysis used a 3.5% nominal discount rate,³⁹ (the rate adopted for 2024 by the King County Forecast Council) and calculated a net present value of \$6,510,036. This means that the proposed restructure to the promissory note would result in \$69.3 million in additional payments between 2025 and 2056, which would be valued today at an additional \$6.5 million.

The Executive states that WSCC did not conduct an updated stress test but did agree to terms that would improve WSCC's cash flow and reduce its financial stress.

Proposed loan. As a separate matter from the proposal to restructure the repayment schedule, WSCC has also requested an eight-year, \$20 million flexible loan from King County via the County's investment pool. WSCC has stated that this loan would help facilitate its cash management and would provide cashflow flexibility if needed, for instance, if hotel occupancy declines due to a recession.

WSCC, as a King County chartered Public Facilities District, has offered to make the County the co-treasurer of a portion of its funds by joining the King County Investment Pool. Interest on the loan would be repaid monthly at the earnings rate on the Investment Pool. The loan requires approval from the Executive Finance Committee.⁴⁰ Council action is not needed.

Next steps. Council action on Proposed Ordinance 2024-0229 would amend the terms of the promissory note for the WSCC's purchase of Convention Place Station to provide for the longer payment schedule described above.

estimates prior to the end of 2020, with the remainder appearing in the revenue estimates in the 2021-2022 mid-biennial budget ordinance (Ord 19364). In March 2021, Congress passed the American Rescue Plan Act (**ARPA**), from which Metro was allocated **\$395.6 million** in September 2021. This latest round of federal relief funding was incorporated into Metro's revenue estimates as part of the 2021-2022 mid-biennial budget ordinance (Ordinance 19364).

³⁹ The King County Forecast Council adopted discount rate for 2024 is 3.5% ([link](#))

⁴⁰ The King County Investment Pool invests cash reserves for all County agencies and approximately 110 special districts and other public entities such as fire, school, sewer and water districts and other public authorities. It is one of the largest investment pools in the State, with an average asset balance of over \$9 billion. On average, County agencies comprise 50% of the pool and outside districts 50%. The Executive Finance Committee (EFC) establishes County investment policies and oversees the investment portfolio to ensure that specific investments comply with both those investment policies and State law. The Pool is only allowed to invest in certain types of highly rated securities, including certificates of deposit, U.S. treasury obligations, federal agency obligations, municipal obligations, repurchase agreements and commercial paper. The Council's Budget Chair is a member of the EFC. ([link](#))

INVITED

- Dwight Dively, Budget Director, Office of Performance Strategy & Budget

ATTACHMENTS

1. Proposed Ordinance 2024-0229 (and its attachment)
2. Transmittal letter
3. Fiscal Note
4. Comparison of Payment Schedule from Ordinance 19546 and Proposed Ordinance 2024-0229



KING COUNTY
Signature Report

ATTACHMENT 1
1200 King County Courthouse
516 Third Avenue
Seattle, WA 98104

Ordinance

Proposed No. 2024-0229.1

Sponsors Zahilay

1 AN ORDINANCE relating to changing the form of the
2 note authorized under the conveyance of the surplus
3 property located at 906 Pine Street, Seattle, Washington, in
4 council district four; and amending Ordinance 18546,
5 Section 1.

6 **STATEMENT OF FACTS**

- 7 1. Ordinance 18546 authorized conveyance of the surplus property
8 located at 906 Pine Street, Washington, commonly known as Convention
9 Place Station and is now the location of the expanded Convention Center.
10 2. As part of that conveyance, the Washington State Convention Center
11 ("the WSCC") agreed to a purchase price to be paid over time, with
12 interest. Payments were low during construction and then gradually
13 increased.
14 3. Then the COVID-19 pandemic occurred, which delayed construction
15 and devastated lodging tax revenue that supports the WSCC.
16 4. The WSCC approached the executive about restructuring the payment
17 schedule.

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

19 **SECTION 1. Findings:** The county council finds that it is in the best interests of
20 the county to amend Attachment A to Ordinance 18546, Exhibit C-1 to Purchase and Sale

21 Agreement, Form of Note, to substitute in a revised form of note, Attachment A to this
22 ordinance, Exhibit C-1, Amended and Restated Promissory Note, that restructures the
23 payment schedule to further postpone payments.

24 SECTION 2. Ordinance 18546, Section 1, is hereby amended to read as follows:

25 The executive is authorized to convey the Convention Place Station to the
26 Washington State Convention Center consistent with the terms set forth in the purchase
27 and sale agreement substantially in the form of Attachment A to ~~((this o))~~Ordinance
28 18546, as amended by Attachment A to this ordinance (Proposed Ordinance 2024-0229),

29 and to take all actions necessary to implement the terms of the purchase and sale
30 agreement.

KING COUNTY COUNCIL
KING COUNTY, WASHINGTON

Dave Upthegrove, Chair

ATTEST:

Melani Pedroza, Clerk of the Council

APPROVED this ____ day of _____, ____.

Dow Constantine, County Executive

Attachments: A. Exhibit C-1 Amended and Restated Promissory Note

Replace Exhibit C-1 of Attachment A to Ordinance 18546 with this document

EXHIBIT C-1

AMENDED AND RESTATED

PROMISSORY NOTE

\$141,010,940 (U.S.)

July 25, 2018

Seattle, Washington

Amended and Restated as of _____, 2024

THIS AMENDED AND RESTATED PROMISSORY NOTE is made by the Washington State Convention Center Public Facilities District, a King County public facilities district (“Maker”), for the benefit of King County, a home-rule charter county and political subdivision of the State of Washington (“Holder”), in substitution for and in replacement of, but not in repayment of, the following Original Note (as hereinafter defined), which Holder holds:

Promissory Note dated as of July 25, 2018, in the original principal amount of \$141,010,940 executed by Maker in favor of Holder (the “Original Note”).

The repayment terms under the Original Note are hereby replaced by this Amended and Restated Note (the “Note”). In furtherance of the foregoing, the manner and timing of payment and other terms, covenants, agreements and provisions of the Original Note are hereby modified, amended and restated in their entirety so that after the date hereof the terms, provisions, covenants and agreements thereof shall be as set forth below. In the event of any conflict in the terms, provisions, covenants or agreements between the Original Note and this Note, this Note shall prevail.

NOW THEREFORE, the Original Note is hereby amended and restated in its entirety as follows:

FOR VALUE RECEIVED, the undersigned Washington State Convention Center Public Facilities District, a King County public facilities district, (“Maker”), promises to pay to the order of King County, a home-rule charter county and political subdivision of the State of Washington (“Holder”), at its office at 401 Fifth Avenue, Suite 800, Seattle, WA 98104, or at such other place as the Holder may from time to time designate in writing, the sum of ONE HUNDRED FORTY ONE MILLION TEN THOUSAND NINE HUNDRED FORTY DOLLARS (\$141,010,940) in lawful money of the United States.

SECTION 1. Interest Rate.

This Note shall bear interest prior to maturity or acceleration during the term of this Note as provided in this Section 1 (the "Note Rate"). From twelve (12) months before the first payment date in Section 2 until the June 30 that is six (6) years later (the "Initial Note Rate Period"), the Note Rate shall be one percent (1.0%). After the Initial Note Rate Period until the Maturity Date, the Note Rate shall be four and 25/100 percent (4.25%). In the event of a default under this Note, interest shall begin to accrue at the Default Rate set forth in Section 7 below. Interest shall compound annually and be paid annually in accordance with Section 2 below.

SECTION 2. Annual Payments.

Payments shall be due and payable to Holder in accordance with this Section 2. On June 30, 2019, a payment shall be due and payable to Holder in the amount of ONE MILLION FOUR HUNDRED TEN THOUSAND ONE HUNDRED NINE DOLLARS (\$1,410,109), \$1,317,390 of which shall be applied to interest for the number of days between the date hereof and June 30, 2019, and the remaining \$92,719 shall be applied to principal.

On June 30 of 2019, 2020, 2021, 2022, and 2023, Maker has made payments for accrued interest in accordance with the attached *Schedule A*. For the payments beyond those years to the Maturity Date, the Maker and Holder have agreed on the schedule of interest, accrued interest added to principal, and payments shown on the attached Schedule A.

SECTION 3. Maturity.

Unless sooner repaid, the entire unpaid principal balance of this Note, plus all accrued but unpaid interest, and all other amounts owing hereunder shall be due and payable on June 30, 2056 (the "Maturity Date").

SECTION 4. Application of Payments.

Payments shall be applied: (a) first, to the payment of accrued interest, to the extent applicable; (b) second, at the option of Holder, to the payment of any late charges due hereunder; and (c) third, to the reduction of principal of this Note.

SECTION 5. Prepayment.

Maker does not have the sole right to prepay its obligation under this Note in full or in part at any time prior to June 30, 2035 (the "Prepayment Date"). Nevertheless, if either Maker or Holder believes it is in their mutual interest to pay off the obligations, that party may make a proposal to the other party for consideration. As of the Prepayment Date, and any June 30 thereafter, Maker may pay off the entire note by paying an additional 5% of the outstanding principal at the payoff. Maker must provide Holder with one year notice of its intent to pay off the remaining balance. In addition to the above described

prepayment options, Maker has the right at any time to establish an escrow fully funding all interest, principal and redemption premium on the Note through June 30, 2035. Upon funding such escrow with permitted investments (US Treasury obligations or, upon approval of Holder, equivalent), the Note will be considered legally defeased and all restrictions on the issuance of additional indebtedness by the Maker described herein shall no longer be in force.

SECTION 6. Late Charge.

If any payment under Section 2 above is paid more than three (3) business days after the due date thereof, Maker promises to pay a late charge of three percent (3%) of the delinquent amount as liquidated damages for the extra expense in handling past due payments.

SECTION 7. Default; Remedies.

If Maker fails to make payment of any amount payable hereunder within thirty (30) days of when due, or in the event this Note is not repaid in full by the Maturity Date, the entire unpaid balance of this Note, including all accrued but unpaid interest, shall thereafter bear interest at a rate of two percent (2%) per annum above the Note Rate, compounded annually (the "Default Rate").

SECTION 8. Attorneys' Fees.

Holder shall be entitled to its reasonable attorneys' fees and other costs and expenses in enforcing or interpreting its rights under this Note, including attorneys' fees in both trial and appellate courts and in any bankruptcy or reorganization proceeding.

SECTION 9. Miscellaneous.

(a) Every person or entity at any time liable for the payment of the indebtedness evidenced hereby waives presentment for payment, demand and notice of nonpayment of this Note.

(b) The headings to the various sections have been inserted for convenience of reference only and do not define, limit, modify, or expand the express provisions of this Note.

(c) This Note is made with reference to and is to be construed in accordance with the laws of the state of Washington.

(d) This Note is for business or commercial purposes and is not for personal, family or household purposes.

SECTION 10. Security.

(a) Maker hereby irrevocably covenants and agrees for as long as its obligations under this Note (the "Obligations") are outstanding that each year it will continue to impose the Lodging Tax pursuant to RCW 36.100.040(4) and (5), as the same may be amended from time to time or any successor statute (the revenues from such Lodging Tax are hereinafter referred to as the "Lodging Tax Revenues"), to the extent permitted by applicable law. Maker hereby irrevocably obligates and binds itself to set aside and pay from Lodging Tax Revenues the amount necessary to pay the Obligations as and when due, from amounts available after payments have been made as described as priorities First through Seventh in the Flow of Funds set forth in Section 9(c) of Resolution No. 2010-12 of Maker adopted on November 12, 2010 (the "2010 Bond Resolution"), a copy of which is attached to the Purchase and Sale Agreement, executed by Maker as Buyer and Holder as Seller, ("PSA") as Exhibit C-2 subject to the amendments described in the PSA including the obligation of Maker as Buyer set forth in Section 18.1(c) of the PSA. The foregoing sentence shall constitute a pledge of Lodging Tax Revenues to the payment of the Obligations, as authorized by RCW 36.100.040(7).

(b) Maker shall cause the Lodging Tax Revenues so pledged for payment of the Obligations to be deposited monthly into an account identified and maintained by Holder from amounts available after payments have been made as described as priorities First through Seventh in the Flow of Funds set forth in Section 9(c) of the 2010 Bond Resolution of Maker, subject to the amendments described in the PSA including pursuant to the obligation of Maker as Buyer set forth in Section 18.1(c) of the PSA. The Obligations shall not be subject to acceleration.

(c) Maker will exercise due regard for the anticipated financial requirements to be satisfied as priorities First through Seventh of Section 9(c) of the 2010 Bond Resolution each Fiscal Year prior to authorizing or making any disbursement of Lodging Tax Revenues for payment of its Obligations as set forth in the PSA. Maker shall not issue Additional First Priority Bonds or Subordinate Priority WSCC Obligations without Holder's consent except as permitted under the PSA.

(d) Capitalized terms used but not defined herein have the meanings set forth in the 2010 Bond Resolution. In lieu of providing a Bond Trust Agreement the foregoing provisions are intended to confirm the priority of the payment of the Obligations from the Lodging Tax Revenues on the terms set forth in the PSA. The conditions to subordination of Seller (Holder herein) set forth in Section 18.1(b) of the PSA are incorporated herein by reference.

SECTION 11. Right of Offset.

Pursuant to that certain Temporary Joint Use Agreement dated as of February 20, 2018 by and between Maker and Holder, Maker has the right to offset certain obligations of Holder against the interest owed pursuant to this Note.

SECTION 12. Modifications.

Maker, and by acceptance of this Note, Holder, acknowledge that certain provisions of the PSA may require modifications to this Note to adjust the principal amount, the calculation of interest payable hereon or the timing of payments under this Note. At any time, and from time to time, upon request by the other party, this Note will be modified accordingly.

PLEASE BE ADVISED THAT ORAL AGREEMENTS OR ORAL COMMITMENTS TO LOAN MONEY, EXTEND CREDIT OR FOREBEAR FROM ENFORCING REPAYMENT OF A DEBT ARE NOT ENFORCEABLE UNDER WASHINGTON LAW.

DATED as of the day and year first above written.

Maker:

WASHINGTON STATE CONVENTION CENTER PUBLIC FACILITIES DISTRICT,
a King County public facilities district

By: _____
Name: Frank Finneran
Its: Chairman of the Board

Approved as to form:

By: _____
Matthew R. Hendricks
General Counsel

Approved by Holder:

King County, a home-rule charter county and political subdivision of the State of Washington

By: _____
Its authorized representative

**King County****Dow Constantine**

King County Executive

401 Fifth Avenue, Suite 800

Seattle, WA 98104-1818

206-263-9600 Fax 206-296-0194

TTY Relay: 711

www.kingcounty.gov

July 17, 2024

The Honorable Dave Upthegrove
Chair, King County Council
Room 1200
C O U R T H O U S E

Dear Councilmember Upthegrove:

This letter transmits a proposed Ordinance that, if enacted, would reset the payment schedule for the Washington State Convention Center (WSCC) to the Metro Transit Department for the Convention Place property. This property was sold to the WSCC in 2017 to support the WSCC's expansion at the Summit location.

As originally structured, the payment agreement called for small payments in early years and an escalating stream of payments thereafter. This was done for two reasons. First, since the WSCC's principal revenue is a lodging tax that was expected to grow once the new facility opened, it was reasonable to tie the payments to the expected revenue stream. Second, Metro was looking for a growing source of revenue to support future operations and this structure met the agency's needs.

The COVID-19 pandemic greatly disrupted the WSCC expansion. Construction of the new building took longer than expected due to working conditions limitations necessary to preserve the health of construction workers and because of supply chain disruptions for building materials. Meanwhile, declining tourism and convention activity substantially reduced lodging tax revenue. Only in 2023 did lodging tax revenue return to pre-pandemic levels.

The WSCC has asked the County to restructure the payment stream to offset the effects of the pandemic. The revised agreement would reschedule payments by seven years. The Convention Center would continue to pay 4.25 percent interest, well above the long-term average earnings of the County's investment pool, so the ultimate payments to Metro would be significantly larger. Metro received an influx of about \$1 billion in federal funds during the pandemic, so its need for the funds has also been postponed from the original assumptions.

The Honorable Dave Upthegrove

July 17, 2024

Page 2

The WSCC has also requested that the County provide a flexible loan from the County's investment pool, similar to what is done for County agencies and other local governments. This request will be subject to approval by the Executive Finance Committee. The loan would help facilitate the WSCC's cash management, which is complicated because of the combination of a complex debt structure and variability in lodging tax revenue. The WSCC is a King County chartered public facilities district and to facilitate this agreement, it will make the County the co-treasurer of a portion of its funds by joining the King County Investment Pool. The proposal will be for an eight-year loan at a maximum of \$20 million, with interest paid monthly at the earnings rate on the investment pool.

Thank you for your consideration of this proposed Ordinance. The proposed legislation supports the financial health of the Washington State Convention Center and provides a future funding stream for Metro operations. If your staff have questions, please contact Dwight Dively, Director, King County Office of Performance, Strategy and Budget, at 206-263-9687.

Sincerely,



for

Dow Constantine
King County Executive

Enclosure

cc: King County Councilmembers
ATTN: Stephanie Cirkovich, Chief of Staff
Melani Hay, Clerk of the Council
Karan Gill, Chief of Staff, Office of the Executive
Penny Lipsou, Council Relations Director, Office of the Executive
Dwight Dively, Director, Performance, Strategy and Budget

Ordinance/Motion:	An ordinance amending Ordinance 18546 adopted by the council on July 6, 2017, which authorized the conveyance of the surplus property located at 906 Pine Street, Seattle, Washington, in council district four.
Title:	
Affected Agency and/or Agencies:	Metro Transit
Note Prepared By:	Dwight Dively
Date Prepared:	June 13, 2024
Note Reviewed By:	
Date Reviewed:	

Description of request:

This ordinance revises the payment schedule for the Washington State Convention Center(WSCC) to Metro Transit for the purchase of the Convention Place property in 2017.

Revenue to:

Agency	Fund Code	Revenue Source	2023-2024	2025	2026-2027
Metro Transit	4641	WSCC Payments	2,818,364	1,409,182	2,818,364
TOTAL			2,818,364	1,409,182	2,818,364

Expenditures from:

Agency	Fund Code	Department	2023-2024	2025	2026-2027
N/A					
TOTAL			0	0	0

Expenditures by Categories

	2023-2024	2025	2026-2027
N/A			
TOTAL	0	0	0

Does this legislation require a budget supplemental? Yes/No

Notes and Assumptions:

1. The revised payment schedule reduces 2024 payments by \$5,361,199, 2025 payments by \$5,564,310, and 2026-2027 payments by \$11,762,511.
2. Annual payments beginning in 2032 are generally \$500,000 to \$1,000,000 higher than in the original agreement.

Comparison of Payment Schedule: Ordinance 18546 and Proposed Ordinance 2024-0229

June 30 of Year	Agreement Year	2017 Agreement (Ordinance 18546)				Proposed Agreement (PO 2024-0229)				Payment Difference
		Beginning Balance	Interest	Payment	Ending Balance	Beginning Balance	Interest	Payment	Ending Balance	
2019	Year 1					\$141,010,940	\$1,317,390	\$1,410,109	\$140,918,221	
2020	Year 2					\$140,918,221	\$1,409,182	\$1,409,182	\$140,918,221	
2021	Year 3					\$140,918,221	\$1,409,182	\$1,409,182	\$140,918,221	
2022	Year 4					\$140,918,221	\$1,409,182	\$1,409,182	\$140,918,221	
2023	Year 5					\$140,918,221	\$1,409,182	\$1,409,182	\$140,918,221	
2024	Year 6					\$140,918,221	\$1,409,182	\$1,409,182	\$140,918,221	
2025	Year 7	\$144,010,940	\$5,992,965	\$6,770,381	\$140,233,524	\$140,918,221	\$5,989,024	\$1,409,182	\$145,498,063	(\$5,361,199)
2026	Year 8	\$140,233,524	\$5,959,925	\$6,973,492	\$139,219,957	\$145,498,063	\$6,183,668	\$1,409,182	\$150,272,549	(\$5,564,310)
2027	Year 9	\$139,219,957	\$5,916,848	\$7,182,697	\$137,954,108	\$150,272,549	\$6,386,583	\$1,409,182	\$155,249,950	(\$5,773,515)
2028	Year 10	\$137,954,108	\$5,863,050	\$7,398,178	\$136,418,980	\$155,249,950	\$6,598,123	\$1,409,182	\$160,438,891	(\$5,988,996)
2029	Year 11	\$136,418,980	\$5,797,807	\$7,620,123	\$134,596,663	\$160,438,891	\$6,818,653	\$1,409,182	\$165,848,362	(\$6,210,941)
2030	Year 12	\$134,596,663	\$5,720,358	\$7,848,727	\$132,468,294	\$165,848,362	\$7,048,555	\$1,409,182	\$171,487,735	(\$6,439,545)
2031	Year 13	\$132,468,294	\$5,629,903	\$8,084,189	\$130,014,008	\$171,487,735	\$7,288,229	\$1,409,182	\$177,366,782	(\$6,675,007)
2032	Year 14	\$130,014,008	\$5,525,595	\$8,326,714	\$127,212,889	\$177,366,782	\$7,538,088	\$8,548,049	\$176,320,821	\$221,335
2033	Year 15	\$127,212,889	\$5,406,548	\$8,576,516	\$124,042,921	\$176,320,821	\$7,493,635	\$9,234,049	\$174,580,407	\$657,533
2034	Year 16	\$124,042,921	\$5,271,824	\$8,833,811	\$120,480,934	\$174,580,407	\$7,419,667	\$9,491,571	\$172,508,504	\$657,760
2035	Year 17	\$120,480,934	\$5,120,440	\$9,098,826	\$116,502,548	\$172,508,504	\$7,331,611	\$9,756,818	\$170,083,298	\$657,992
2036	Year 18	\$116,502,548	\$4,951,358	\$9,371,790	\$112,082,116	\$170,083,298	\$7,228,540	\$10,030,022	\$167,281,816	\$658,232
2037	Year 19	\$112,082,116	\$4,763,490	\$9,652,944	\$107,192,662	\$167,281,816	\$7,109,477	\$10,311,423	\$164,079,870	\$658,479
2038	Year 20	\$107,192,662	\$4,555,688	\$9,942,532	\$101,805,818	\$164,079,870	\$6,973,394	\$10,601,266	\$160,451,999	\$658,734
2039	Year 21	\$101,805,818	\$4,326,747	\$10,240,808	\$95,891,757	\$160,451,999	\$6,819,210	\$10,899,804	\$156,371,405	\$658,996
2040	Year 22	\$95,891,757	\$4,075,400	\$10,548,033	\$89,419,124	\$156,371,405	\$6,645,785	\$11,207,298	\$151,809,892	\$659,265
2041	Year 23	\$89,419,124	\$3,800,313	\$10,864,474	\$82,354,963	\$151,809,892	\$6,451,920	\$11,524,017	\$146,737,796	\$659,543
2042	Year 24	\$82,354,962	\$3,500,086	\$11,190,408	\$74,664,641	\$146,737,796	\$6,236,356	\$11,850,237	\$141,123,916	\$659,829
2043	Year 25	\$74,664,641	\$3,173,247	\$11,526,120	\$66,311,768	\$141,123,916	\$5,997,766	\$12,186,244	\$134,935,438	\$660,124
2044	Year 26	\$66,311,768	\$2,818,250	\$11,871,904	\$57,258,115	\$134,935,438	\$5,734,756	\$12,532,331	\$128,137,862	\$660,427
2045	Year 27	\$57,258,115	\$2,433,470	\$12,228,061	\$47,463,524	\$128,137,862	\$5,445,859	\$12,888,801	\$120,694,920	\$660,740
2046	Year 28	\$47,463,524	\$2,017,200	\$12,594,903	\$36,885,821	\$120,694,920	\$5,129,534	\$13,205,965	\$112,618,489	\$611,062
2047	Year 29	\$36,885,821	\$1,567,647	\$12,972,750	\$25,480,719	\$112,618,489	\$4,786,286	\$13,214,144	\$104,190,630	\$241,394
2048	Year 30	\$25,480,719	\$1,082,931	\$13,361,932	\$13,201,717	\$104,190,630	\$4,428,102	\$13,223,669	\$95,395,063	(\$138,263)
2049	Year 31	\$13,201,717	\$561,073	\$13,762,790	\$0	\$95,395,063	\$4,054,290	\$13,224,879	\$86,224,475	(\$537,911)
2050	Year 32					\$86,224,475	\$3,664,540	\$13,228,125	\$76,660,890	\$13,228,125
2051	Year 33					\$76,660,890	\$3,258,088	\$13,323,769	\$66,685,208	\$13,323,769
2052	Year 34					\$66,685,208	\$2,834,121	\$13,252,182	\$56,267,148	\$13,252,182
2053	Year 35					\$56,267,148	\$2,391,354	\$13,253,747	\$45,404,754	\$13,253,747
2054	Year 36					\$45,404,754	\$1,929,702	\$15,968,860	\$31,365,596	\$15,968,860
2055	Year 37					\$31,365,596	\$1,333,038	\$16,447,926	\$16,250,708	\$16,447,926
2056	Year 38					\$16,250,708	\$690,655	\$16,941,363	\$0	\$16,941,363
TOTAL from Years 7+				\$246,843,103				\$316,210,833		\$69,367,730