



King County

1200 King County
Courthouse
516 Third Avenue
Seattle, WA 98104

Meeting Agenda Budget and Fiscal Management Committee

Councilmembers:
Rod Dembowski, Chair;
Jorge L. Barón, Vice Chair;
Claudia Balducci, Reagan Dunn, Teresa Mosqueda, Sarah Perry,
De'Sean Quinn, Pete von Reichbauer, Girmay Zahilay

Lead Staff: April Sanders (206-263-3412)
Committee Clerk: Gabbi Williams (206-477-7470)

9:30 AM

Tuesday, October 28, 2025

Hybrid Meeting

REVISED AGENDA - SPECIAL 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.

The committee will accept public comment on items on today's agenda in writing. You may do so by submitting your written comments to budget.council@kingcounty.gov or by visiting the King County Council's 2026-2027 budget review website at <https://bit.ly/kcc-budget>.

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.

	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.	
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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.

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.

Consent

3. [Proposed Ordinance No. 2025-0271](#) p. 5

AN ORDINANCE authorizing the executive to execute an amendment to an agreement approved under Ordinance 19821 with the Washington state Department of Ecology for loan financing for a wastewater capital project.

Sponsors: Dembowski

Jenny Giambattista, Council staff

4. [Proposed Ordinance No. 2025-0246](#) p. 38

AN ORDINANCE authorizing the execution of a new lease at an existing location to support the operation of the King County department of information technology.

Sponsors: Dembowski

Miranda Leskinen, Council staff

Discussion Only

5. [Proposed Motion No. 2025-0294](#) p. 100

A MOTION requesting the executive complete a report on the feasibility of establishing a child savings account program in King County.

Sponsors: Dembowski

Leah Krekel-Zoppi, Council staff



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6. [Proposed Ordinance No. 2025-0305](#) p. 107

AN ORDINANCE relating to the department of public defense standards for indigent defense; and amending Ordinance 17588, Section 4, as amended, and K.C.C. 2.60.026.

Sponsors: Dembowski

Melissa Bailey, Council staff

7. [Proposed Ordinance No. 2025-0186](#) p. 135

AN ORDINANCE relating to the creation of housing court commissioner positions of the King County superior court.

Sponsors: Dunn

Melissa Bailey, Council staff

8. [Proposed Motion No. 2025-0328](#) p. 156

A MOTION acknowledging receipt of the spending plan for \$46,000,000 of county hospital levy revenue to be expended or encumbered solely to support Harborview Medical Center operations for the fiscal year 2026 as required under the 2025 Annual Budget Ordinance, Ordinance 19861, Section 102, Expenditure Restriction E3.

Sponsors: Balducci

Sam Porter, Council staff

9. [Proposed Ordinance No. 2025-0289](#) p. 162

AN ORDINANCE relating to establishing the Harborview construction and infrastructure division in the department of executive services; and amending Ordinance 14199, Section 11, as amended, and K.C.C. 2.16.035.

Sponsors: Balducci

Sam Porter, Council staff



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TTY Number - TTY 711.
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10. [Proposed Ordinance No. 2025-0331](#) p. 192

AN ORDINANCE making a net supplemental appropriation of \$14,700,000 to various general fund agencies, a net supplemental appropriation of \$22,895,000 to various non-general fund agencies and a net supplemental appropriation of \$1,670,000 from various capital fund budgets; and amending the 2025 Annual Budget Ordinance, Ordinance 19861, Sections 34, 54, 55, 86, 117, 120, and 130, as amended, and Attachment A, as amended.

Sponsors: Dembowski

April Sanders, Council staff

Adjournment



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King County

Metropolitan King County Council Budget and Fiscal Management Committee

STAFF REPORT

Agenda Item:	3	Name:	Jenny Giambattista
Proposed No.:	2025-0271	Date:	October 28, 2025

SUBJECT

Proposed Ordinance 2025-0271 would authorize the Executive to amend a loan agreement with the Washington State Department of Ecology for loan financing of some of the capital costs associated with the West Duwamish Combined Sewer Overflow (CSO) Control project.

SUMMARY

Proposed Ordinance 2025-0271 would authorize the Executive to execute an amendment to a loan agreement approved under Ordinance 19821 with the Washington State Department of Ecology (Ecology) for loan financing of capital costs associated with the West Duwamish Combined Sewer Overflow (CSO) Project. This amendment would close out the design phase of the project and add construction loans funds for the West Duwamish CSO Control project. This agreement is estimated to save King County more than \$28 million in interest expense over the term of the loan compared to conventional bond financing.

BACKGROUND

The State Revolving Fund (SRF) Loan Program. The Clean Water Act established the State Revolving Fund low-interest loan program. Washington State administers this program under Chapter 173-98 WAC. It is managed by the Department of Ecology and provides low-interest and forgivable principal loan funding for wastewater treatment construction projects, eligible nonpoint source pollution control projects, and eligible “green” projects. The Department of Ecology makes SRF funding available annually. There is a limit to the amount of funding that an entity is eligible to receive in each SRF loan funding cycle. Since 2000, the WTD has been awarded over \$711 million in SRF loans.

West Duwamish Combined Sewer Overflow (CSO). This project will improve water quality in the Duwamish River through the storage of untreated wastewater discharges and conveyance of stored wastewater to the West Point Treatment Plan in the City of Seattle. The project involves construction of a 1.25-million-gallon underground storage

tank near the intersection of Southwest Michigan Street and Second Avenue Southwest on the west side of the Duwamish River, reducing CSOs from the Highland Park and South Park basins. This will reduce stormwater overflow events to once per year on a rolling average at two discharge points. This project will meet the requirement of the 2013 Consent Decree with State and federal agencies to meet the Washington State standard of no more than one untreated discharge per year per CSP outfall based on a 20-year moving average, by the year 2037.

The project is in the Implementation phase. The completed phases include 100 percent design and permitting, culminating in advertisement for construction bidding on July 29, 2025, with anticipated bid opening in fall 2025. Next steps include Construction Notice to Proceed, which is planned for December 2025. As of August 2025, the total estimated cost at completion for this project is \$107 million.

Ordinance 19821 Authorized SRF Loan Agreement. Ordinance 19821 authorized the King County Executive to enter into an agreement with the Washington Department of Ecology for loan financing for the design phase of the West Duwamish Combined Sewer Overflow Control project. The original loan agreement for the design phase of the West Duwamish CSO Control project had a maximum loan of \$10,163,264 and a loan expiration date of July 31, 2025.

WTD has been awarded \$43,896,000 in additional SRF loan funding for the fiscal year 2025 cycle for the construction phase of the West Duwamish CSO Control project. The SRF loan will partially fund King County's construction phase expenditures for the West Duwamish CSO project.

ANALYSIS

Proposed Ordinance 2025-0271 would authorize King County to enter into an amendment to the agreement (Ordinance 19821) with Washington State Department of Ecology for loan financing of capital costs associated with the West Duwamish CSO Control project. This loan amendment would officially closeout the original design loan and add construction loans funds for the West Duwamish CSO Control project. The maximum loan amount is increased to \$52,825,093 plus interest.

The following are the major agreement terms:

- Total loan amount: \$10,163,264
- Loan Term: 30 years
- Effective Interest Rate¹: 1.6 percent

¹ Includes 0.3% Ecology Administration Charge

- **Repayment:** Semiannual payments of principal and interest commence one year after the project is completed and is repaid over 60 equal semi-annual installments from the Water Quality Capital Improvement Fund.
- **Effective date:** February 1, 2022. The effective date goes back to the start of the design which allows WTD to go back to this date for purposes of submitting design expenditures for reimbursement.
- **Expiration date:** December 31, 2027. This expiration date is the last day in which eligible expenditures could be utilized for reimbursement so any expenditures after December 31, 2027, would be ineligible for loan participation.

Savings and Repayment. The estimated savings on utilizing SRF loan financing instead of conventional debt financing are detailed in the fiscal note. For this loan agreement, the 1.6 percent interest rate is projected to save King County more than \$28 million, which is \$17.9 million net present value over 30 years, as compared to conventional 30-year bond financing.

Loan Requirements. The proposed SRF loan comes with various requirements, including quarterly reporting to Ecology. The Wastewater Treatment Division does not anticipate any difficulties in complying with the performance requirements for the loan.

Legal Review. Complete.

INVITED

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

ATTACHMENTS

1. Proposed Ordinance 2025-0271 (and its attachments)
2. Transmittal Letter
3. Fiscal Note



KING COUNTY

Signature Report

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

Ordinance

Proposed No. 2025-0271.1

Sponsors Dembowski

1 AN ORDINANCE authorizing the executive to execute an
2 amendment to an agreement approved under Ordinance
3 19821 with the Washington state Department of Ecology
4 for loan financing for a wastewater capital project.

5 BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

6 **SECTION 1. Findings:**

7 A. Ordinance 19821 authorized the King County executive to enter into an
8 agreement with the Washington state Department of Ecology for loan financing for the
9 design phase of the West Duwamish Combined Sewer Overflow (CSO) Control project.
10 The original loan agreement for the design phase of the West Duwamish CSO Control
11 project had a maximum loan amount of \$10,163,264 and a loan expiration date of July
12 31, 2025. The Washington state Department of Ecology has awarded the department of
13 natural resources and parks \$43,896,000 in a State Revolving Fund loan for the fiscal
14 year 2025 cycle for the construction phase of the West Duwamish CSO Control project.

15 B. Amendment No. 1 to the agreement for the West Duwamish CSO Control
16 project will increase loan funding by \$43,896,000 and will officially closeout the original
17 design loan. The low-interest loan will save King County ratepayers \$28,000,000 in
18 interest payments over thirty years, which is \$17,900,000 net present value, as compared
19 to conventional bond financing.

20 C. The State Revolving Fund loan will assist in financing the construction phase
21 for the West Duwamish CSO Control project that is part of King County's wastewater
22 capital improvement program.

23 SECTION 2. A. The King County executive or designee is hereby authorized to
24 enter into this amendment to the original loan agreement with the Washington state
25 Department of Ecology to close-out the design phase loan and to add construction loan
26 funds for the West Duwamish CSO Control project.

27 B. The maximum loan amount for the West Duwamish CSO Control project shall
28 be \$52,825,093.27 plus interest.

29 C. The original loan agreement for the design loan funds has a twenty-year term
30 with an interest rate of 1.2 percent. The loan amendment for the construction loan funds
31 will have a thirty-year loan term and shall have an annual interest rate of 1.6 percent.

- 32 D. The amendment to the original loan agreement shall be substantially in the
33 form of Attachment A to this ordinance.

KING COUNTY COUNCIL
KING COUNTY, WASHINGTON

Girmay Zahilay, Chair

ATTEST:

Melani Pedroza, Clerk of the Council

APPROVED this ____ day of _____, ____.

Shannon Braddock, County Executive

Attachments: A. Amendment NO. 1 to Agreement NO. WQC-2024-KCoNRP-00004 Between the State of WA Dept. of Ecology and KC Natural Resource & Parks Dept.

**AMENDMENT NO. 1
TO AGREEMENT NO. WQC-2024-KCoNRP-00004
BETWEEN
THE STATE OF WASHINGTON DEPARTMENT OF ECOLOGY
AND
King County Natural Resource and Parks Department**

PURPOSE: To amend the above-referenced agreement (AGREEMENT) between the state of Washington Department of Ecology (ECOLOGY) and King County Natural Resource and Parks Department (RECIPIENT) for the West Duwamish CSO Control Project (PROJECT).

This amendment is needed to: 1) Establish actual design disbursement amounts; 2) Officially closeout Design Loan EL240626 and establish the final loan repayment schedule; 3) Add FY25 funding; and 4) Add the construction scope of work task.

- 1) The total funded amount is increased by \$43,896,000, from \$8,929,093.27 to \$52,825,093.27.
- 2) The Expiration Date of July 31, 2025, is changed to December 31, 2027.
- 3) Loan EL240626 is reduced by \$1,234,170.73, from \$10,163,264.00, to \$8,929,093.27. In addition, accrued interest is added in the amount of \$31,535.09, for a total loan amount of \$8,960,628.36.
- 4) The Loan EL240626 Completion Date of July 31, 2025, remains the same. Based on this date, loan repayment will begin no later than July 31, 2026.
- 5) Added a Construction task and the associated scope of work and deliverables.
- 6) Added Standard Loan Number EL250629 (Fed-BIL), in the amount of \$39,549,000, and Standard Loan Number EL250633 (Fed-Base) in the amount of \$4,347,000, for a total increase of \$43,896,000.
- 7) Loan EL240626 Estimated Loan Repayment Schedule Number 821, created on March 6, 2024, is replaced with Final Loan Repayment Schedule Number 1053, created on June 12, 2025.
- 8) Loan EL250629 Estimated Loan Repayment Schedule Number 1051, created on June 11, 2025.
- 9) Loan EL250633 Estimated Loan Repayment Schedule Number 1052, created on June 11, 2025.
- 10) This amendment only includes the portions of the agreement that are changed/amended. If not referenced or changed in this or other amendments, the terms and conditions outlined in the original agreement are still legally applicable.”

IT IS MUTUALLY AGREED that the AGREEMENT is amended as follows:

Total Cost:

Original: 10,163,264.00 Amended: 52,825,093.27
Total Eligible Cost:
Original: 10,163,264.00 Amended: 52,825,093.27
Expiration Date:
Original: 07/31/2025 Amended: 12/31/2027

CHANGES TO THE BUDGET

Funding Distribution EL250633

Funding Title: SRF Loan (FY25-Federal Base)
Funding Type: Loan
Funding Effective Date: 02/01/2022 Funding Expiration Date: 12/31/2027
Funding Source:

Title: CWSRF-SFY25 (Federal-Base) (WQC-2024)
Fund: FD0727
Type: Federal
Funding Source %: 100%
Description: The Clean Water Act (CWA) (33 U.S.C 1251-1387) established the State Revolving Fund (SRF) low interest loans program (40. C.F.R. Part 31, 35 Sub Part K). Washington State administers the program under Chapter 173-98 WAC. This project has been identified as a Designated Equivalency project (DEP) and is subject to all federal requirements EPA applies to Clean Water State Revolving Funds. In addition to the federal requirements outlined in Section 4 and 5 of agreement terms and conditions, the RECIPIENT must maintain documentation of compliance with all federal cross cutters, federal procurement requirements for architectural and engineering services (Chapter 11 of Title 40, U.S.C) and Build America, Buy America Act (BABA). The portion of the project funded by this funding distribution is subject to the Single Audit Act (SAA) and Federal Funding Accountability and Transparency Act (FFATA) and funds disbursed using this funding distribution should be tracked and reported as federal funds on the recipients Schedule of Expenditures of Federal Awards (SEFA) reporting form.

Federal Awarding Agency: Environmental Protection Agency (EPA)
Federal Awarding Agency Contact: Ryan Gross
Federal Awarding Agency Phone: 206-553-6293
Federal Awarding Agency Email: Gross.Ryan@epa.gov
Federal Awarding Agency Address: 1200 Sixth Avenue, Suite 155, 19-H16, Seattle WA 98101-3188

CFDA Catalog Name: Capitalization Grants for State Revolving Fund

CFDA Number: 66.458
FAIN: 53000124
Research Grant: No
Federal Award Date: 08/25/2024
Total Federal Award Amount: \$14,197,000.00
Federal Funds Obligated To Recipient: \$4,347,000.00

Approved Indirect Costs Rate: Approved State Indirect: 30%
Recipient Match %: 0%
InKind Interlocal Allowed: No
InKind Other Allowed: No
Is this Funding Distribution used to match a federal grant? No
Effective Interest Rate: 1.6% Interest Rate: 1.3% Admin Charge: 0.3%
Terms: 30 years
Project Start Date: 02/01/2022 Project Completion Date: 12/31/2027
Estimated Initiation of Operation date: 12/31/2027
Loan Security: Revenue Secure Lien Obligation of the Recipient
Final Accrued Interest: \$
Final Loan Amount: \$
Repayment Schedule Number: 1052

SRF Loan (FY25-Federal Base)	Task Total
Construction	\$ 4,347,000.00

Total: \$ 4,347,000.00

CHANGES TO THE BUDGET

Funding Distribution EL250629

Funding Title: SRF Loan (FY25 Federal-BIL)
Funding Type: Loan
Funding Effective Date: 01/01/2024 Funding Expiration Date: 12/31/2027

Funding Source:

Title: CWSRF-SFY25 (Federal-BIL) (WQC-2024)

Fund: FD0727

Type: Federal

Funding Source %: 100%

Description: The Clean Water Act (CWA) (33 U.S.C 1251-1387) established the State Revolving Fund (SRF) low interest loans program (40. C.F.R. Part 31, 35 Sub Part K). Washington State administers the program under Chapter 173-98 WAC. This project has been identified to receive Bipartisan Infrastructure Law (BIL) funding and is a Designated Equivalency project (DEP). This project is subject to all federal requirements EPA applies to Clean Water State Revolving Funds. In addition to the federal requirements outlined in Section 4 and 5 of agreement terms and conditions, the RECIPIENT must maintain documentation of compliance with all federal cross cutters, federal procurement requirements for architectural and engineering services (Chapter 11 of Title 40, U.S.C) and Build America, Buy America Act (BABA). The portion of the project funded by this funding distribution is subject to the Single Audit Act (SAA) and Federal Funding Accountability and Transparency Act (FFATA) and funds disbursed using this funding distribution should be tracked and reported as federal funds on the recipients Schedule of Expenditures of Federal Awards (SEFA) reporting form.

Federal Awarding Agency: Environmental Protection Agency (EPA)

Federal Awarding Agency Contact: Ryan Gross

Federal Awarding Agency Phone: 206-553-6293

Federal Awarding Agency Email: Gross.Ryan@epa.gov

Federal Awarding Agency Address: 1200 Sixth Avenue, Suite 155, 19-H16, Seattle WA 98101-3188

CFDA Catalog Name: Capitalization Grants for State Revolving Fund

CFDA Number: 66.458

FAIN: 02J759011

Research Grant: No

Federal Award Date: 08/28/2024

Total Federal Award Amount: \$39,549,000.00

Federal Funds Obligated To Recipient: \$39,549,000.00

Approved Indirect Costs Rate: Approved State Indirect: 30%

Recipient Match %: 0%

InKind Interlocal Allowed: No

InKind Other Allowed: No

Is this Funding Distribution used to match a federal grant? No

Effective Interest Rate: 1.6% Interest Rate: 1.3% Admin Charge: 0.3%
Terms: 30 years
Project Start Date: 01/01/2024 Project Completion Date: 12/31/2027
Estimated Initiation of Operation date: 12/31/2027
Loan Security: Revenue Secure Lien Obligation of the Recipient
Final Accrued Interest: \$
Final Loan Amount: \$
Repayment Schedule Number: 1051

SRF Loan (FY25 Federal-BIL)	Task Total
Construction	\$ 39,549,000.0

Total: \$ 39,549,000.0

CHANGES TO THE BUDGET

Funding Distribution EL240626

Funding Title: SRF Loan (Federal)
Funding Type: Loan
Funding Effective Date: 02/01/2022 Funding Expiration Date: 07/31/2025
Funding Source:

Title: CWSRF-SFY24 (Federal-Base)
Fund: FD0727
Type: Federal
Funding Source %: 100%
Description: The Clean Water Act (CWA) (33 U.S.C 1251-1387) established the State Revolving Fund (SRF) low interest loans program (40. C.F.R. Part 31, 35 Sub Part K). Washington State administers the program under Chapter 173-98 WAC. This project has been identified as a Designated Equivalency project (DEP) and is subject to all federal requirements EPA applies to Clean Water State Revolving Funds. In addition to the federal requirements outlined in Section 4 and 5 of agreement terms and conditions, the RECIPIENT must maintain documentation of compliance with all federal cross cutters, federal procurement requirements for architectural and engineering services (Chapter 11 of Title 40, U.S.C) and Build America, Buy America Act (BABA). The portion of the project funded by this funding distribution is subject to the Single Audit Act (SAA) and Federal Funding Accountability and Transparency Act (FFATA) and funds disbursed using this funding distribution should be tracked and reported as federal funds on the recipients Schedule of Expenditures of Federal Awards (SEFA) reporting form.

Federal Awarding Agency: EPA
Federal Awarding Agency Contact: David Carcia
Federal Awarding Agency Phone: 206-533-0890
Federal Awarding Agency Email: carcia.david@epa.gov
Federal Awarding Agency Address: 1200 Sixth Avenue, Suite 900, Seattle, WA 98101

CFDA Catalog Name: Capitalization Grants for Clean Water State Revolving Funds

CFDA Number: 66.458
FAIN: 53000123
Research Grant: No
Federal Award Date: 7/1/2023
Total Federal Award Amount: \$13,045,000.00
Federal Funds Obligated To Recipient: \$8,929,093.00

Approved Indirect Costs Rate: Approved State Indirect: 30%
Recipient Match %: 0%
InKind Interlocal Allowed: No
InKind Other Allowed: No
Is this Funding Distribution used to match a federal grant? No
Effective Interest Rate: 1.2% Interest Rate: 0.9% Admin Charge: 0.3%
Terms: 20 years
Project Start Date: 02/01/2022 Project Completion Date: 07/31/2025
Estimated Initiation of Operation date: 07/31/2025
Loan Security: Revenue Secure Lien Obligation of the Recipient
Final Accrued Interest: \$31,535.09
Final Loan Amount: \$8,960,628.36
Repayment Schedule Number: 1053

SRF Loan (Federal)	Task Total
Design	\$ 7,059,747.09
Design Oversight - Force Account	\$ 1,869,346.18

Total: \$ 8,929,093.27

CHANGES TO SCOPE OF WORK

Task Number: 2 **Task Cost: \$7,059,747.09**

Task Title: Design

Task Description:

- A. The RECIPIENT will procure engineering services in accordance with state law. The RECIPIENT will include ECOLOGY's specification insert in the contract documents. The RECIPIENT must submit all contracts for engineering services before ECOLOGY will provide reimbursement for work performed under this task.
- B. The RECIPIENT will design the West Duwamish CSO Control Project. Plans and specifications developed by the RECIPIENT must be consistent with the requirements of Chapter 173-240 WAC. The plans and specifications, and addenda, will be approved by the RECIPIENT prior to submittal for ECOLOGY review. All construction plans submitted to ECOLOGY for review and approval will be reduced to no larger than 11" x 17" in size. The project manager may request plans be submitted in either PDF or AutoCAD electronic format, and specifications in a searchable PDF or Microsoft Word electronic file. An updated construction cost estimate will be submitted with each plan/specification submittal. The project manager may request a spreadsheet of the estimate in Excel electronic file format.
- C. The RECIPIENT will conduct an Investment Grade Efficiency Audit (IGEA). The RECIPIENT will review their energy use for cost-effective energy savings. The RECIPIENT may submit documentation of an energy efficiency review conducted within the last 5 years as an alternative.
- D. The RECIPIENT will submit requirements outlined in the EID Guidance, Part A, and in the SERP EID, with plans and specification submitted to ECOLOGY for approval.
- E. The RECIPIENT will comply with all applicable state and federal laws and authorities. The RECIPIENT will coordinate with ECOLOGY to determine which federal assurances are required. For SERP, the RECIPIENT will submit the minimum requirements as outlined in the EID Guidance, Part B and in the SERP EID at the time plans and specification are submitted to ECOLOGY for approval. The RECIPIENT will provide an Ecology Cultural Resources Review form as part of the minimum SERP requirements. The RECIPIENT will provide any additional information for ECOLOGY to lead the required cultural resources consultation.
- F. The RECIPIENT will complete an Ecology inadvertent discovery plan template for their project.
- I. The RECIPIENT will notify Ecology when deliverables are available and have been uploaded to EAGL.
- G. All mitigation measures committed to in documents developed in the SERP process, such as the environmental mitigation plan, environmental checklist, environmental report, SEPA environmental impact statement (EIS), the finding of no significant impact/environmental assessment, or record of decision/federal EIS will become revolving fund loan agreement conditions. All recipients of funding for water pollution control facility projects must comply with the SERP in accordance with WAC 173-98-720.

Task Goal Statement:

See overall goal.

Task Expected Outcome:

See overall goal.

Deliverables

Number	Description	Due Date
2.1	Executed contracts for engineering services, and documentation of the RECIPIENT's process for procuring engineering services.	
2.2	One electronic copy of the draft design, and one electronic copy and one paper copy of the final design.	
2.3	Documentation of an energy efficiency review.	
2.4	SERP EID documents.	
2.5	Ecology Cultural Resources Review form.	
2.6	Inadvertent Discovery Plan.	
2.7	Environmental Mitigation Plan.	

CHANGES TO SCOPE OF WORK

Task Number: 3

Task Cost: \$1,869,346.18

Task Title: Design Oversight - Force Account

Task Description:

A. The RECIPIENT will provide oversight of the consultant's design portion of the project using Recipient's forces. The RECIPIENT acknowledges that it has the legal authority to perform the work, and adequate and technically qualified staff to perform the work without compromising other government functions. The RECIPIENT will coordinate design oversight to avoid redundant work effort performed by the consultant in Task 2.

B. The RECIPIENT will provide design oversight and review the design for the West Duwamish CSO Control Project. The RECIPIENT will review plans and specifications for consistency with the requirements of Chapter 173-240 WAC and the Recipient's own requirements. Elements of the design oversight accomplished by Force Account will include:

- Manage elements of the design scope, including schedule, budget, risks, quality, procurement, completeness of design, and other aspects as needed.
- Oversee the technical and engineering elements of the project.
- Provide support on contract, scheduling, cost, risk, and budget management.
- Provide constructability reviews.

C. The RECIPIENT will provide an exhibit of anticipated work indicating hours, hourly rates, and personnel proposed to be used.

Task Goal Statement:

See overall goal.

Task Expected Outcome:

See overall goal.

Deliverables

Number	Description	Due Date
3.1	Design Oversight-Force Account description of work and budget for the Design Oversight-Force Account services.	
3.2	Salary and benefit documentation by staff personal will be provided as backup to the Payment Request/Progress Report submitted for reimbursement of Design Oversight-Force Account expenditures and will include dates worked, hours worked, hourly rate paid, and benefits earned for only the time worked on this project.	

CHANGES TO SCOPE OF WORK

Task Number: 4

Task Cost: \$43,896,000.00

Task Title: Construction

Task Description:

A. The RECIPIENT will execute a contract with a contractor selected in compliance with state law. The RECIPIENT will include ECOLOGY's State Revolving Fund Specification Insert, Contract Clauses, and Pre-Selection Inserts in the construction contract documents as applicable. The RECIPIENT will submit Bid Tabs, the Notice of Award, the Notice to Proceed, and a copy of the executed contract before ECOLOGY will provide reimbursement for work performed under this task.

B. The RECIPIENT will complete the construction in accordance with the approved construction contract documents. The construction project will include these major construction items as also provided in project long description for the design agreement:

- Below-grade 1.25-million-gallon combined sewage storage tank.
- 100-foot-long-36-inch diameter pipeline, from the existing West Michigan Street RS Outfall to the new storage tank.
- 140-foot-long-36-inch diameter pipeline, from the storage tank to the lower segment of the West Michigan Street RS Outfall.
- Above-grade facility building and outdoor odor control area, electrical and instrumentation and control (I&C) systems, and utility water system.
- Standby emergency generator.

- Stormwater bioretention facility.
- Modifications to the existing T115 overflow structure.
- New WDI diversion structure.

C. The RECIPIENT will conduct a pre-construction conference and invite ECOLOGY staff to the meeting.

D. All recipients of funding for water pollution control facility projects must comply with the SERP in accordance with WAC 173-98-720.

E. This project is subject to all federal requirements EPA applies to Clean Water State Revolving Funds. In addition to the federal requirements outlined in Section 4 of agreement terms and conditions, the RECIPIENT will maintain documentation of compliance with all single audit act, federal cross cutters, and federal procurement requirements for architectural and professional services (Chapter 11 of Title 40, U.S.C).

Task Goal Statement:

See overall goal.

Task Expected Outcome:

See overall goal.

Deliverables

Number	Description	Due Date
4.1	Documentation of the RECIPIENTs procurement process; copy of the advertisement for bids, the affidavit of publication.	
4.2	Bid Tabs, the Notice of Award, the Notice to Proceed and a copy of the executed construction contract.	
4.3	Minutes of the pre-construction meeting.	
4.4	Complete SERP EID.	
4.5	Ecology Cultural Resources Review Form.	
4.6	Inadvertent Discovery Plan (IDP).	
4.7	Picture of BIL signage.	

CHANGES TO SCOPE OF WORK

Task Number: 5

Task Cost: \$0.00

Task Title: Construction Management

Template Version 10/30/2015

Task Description:

- A. The RECIPIENT will provide adequate and competent construction management, inspection, and material testing for the Project. This may involve procuring the professional services. If professional services are procured, the RECIPIENT will procure them in accordance with state law. The RECIPIENT will include ECOLOGY's specification insert in the contract documents. The RECIPIENT must submit all contracts for construction management services, and materials testing, before ECOLOGY will provide reimbursement for work performed under this task.
- B. The RECIPIENT will develop a detailed Construction Quality Assurance Plan (WAC 173-240-075) and submit it to ECOLOGY for approval. This plan will describe the activities which the RECIPIENT will undertake to achieve adequate and competent oversight of all construction work.
- C. The RECIPIENT will provide updates to the plan of interim operation for the facility if the Plan is updated while under construction.
- D. The RECIPIENT will ensure construction progresses according to a timely schedule developed to meet completion dates indicated in the construction contract. The RECIPIENT will revise or update the schedule whenever major changes occur and resubmit to ECOLOGY. In the absence of any major changes, the RECIPIENT will describe progress of the construction in the quarterly progress reports.
- E. As a condition of receiving this funding, the RECIPIENT will prepare an asset management program (fiscal sustainability plan). The RECIPIENT will certify that a program that contains at least the minimum required elements listed below has been developed and is being implemented:
- An inventory of critical assets that belong to the utility.
 - An evaluation of the condition and performance of the critical assets.
 - A plan to maintain, repair, and replace the critical assets and to fund those activities.
 - A process to evaluate and implement water and energy conservation efforts as part of the plan
- F. The RECIPIENT will prepare an approvable Operation and Maintenance (O&M) manual update in compliance with WAC 173-240. A DRAFT O&M Manual update will be submitted to the Ecology NPDES permit manager for review & approval, prior to start-up. The O&M manual update will be sufficient to allow the operator to operate the facility within the permit limits.
- G. The RECIPIENT will conduct an Investment Grade Efficiency Audit (IGEA). The RECIPIENT will review their energy use looking for cost effective energy savings. A preliminary IGEA indicating "no obtainable energy savings" can also be used to satisfy this requirement. The recipient may also submit documentation of an energy efficiency review conducted within the last five years
- H. Upon completion of construction, the RECIPIENT will provide ECOLOGY's Project Manager with a set of record construction drawings "as-built plans" which reflect changes, modifications, or other significant revisions made to the approved plans and specifications during construction).
- I. Upon project completion, the RECIPIENT will submit the Declaration of Construction Completion form to ECOLOGY in accordance with WAC 173-240-090. The form, when signed by a professional engineer, indicates that the project was

completed in accordance with the plans, specifications, and change orders, approved by ECOLOGY, and is accurately shown on the as-built plans.

Task Goal Statement:

See overall goal.

Task Expected Outcome:

See overall goal.

Deliverables

Number	Description	Due Date
5.1	Executed contract for construction management services if construction management services are funded.	
5.2	Documentation of the RECIPIENT's process for procuring construction management services if construction management services are funded.	
5.3	Construction Quality Assurance Plan.	
5.4	Certification that the asset management program (fiscal sustainability plan) has been developed and is being implemented.	
5.5	Record drawings "as-built plans".	
5.6	Declaration of Construction completion.	
5.7	An approvable Operation and Maintenance Manual.	
5.8	Plan of Interim Operations.	

CHANGES TO SCOPE OF WORK

Task Number: 6

Task Cost: \$0.00

Task Title: Change Order Allowance

Task Description:

A. The RECIPIENT will negotiate all change orders to the construction contract necessary for successful completion of the project requirements.

B. The RECIPIENT will submit executed change orders and the engineer's cost estimate to ECOLOGY. Change orders that affect approved design criteria, or water quality, and are a significant deviation from the approved plans/specifications will be submitted for approval prior to execution. All other change orders will be submitted within 30 days after execution.

Task Goal Statement:

See overall goal.

Task Expected Outcome:

See overall goal.

Deliverables

Number	Description	Due Date
6.1	Two copies of executed change orders, with PE stamp if the change order contains engineering content.	
6.2	Change order justification documentation.	

Funding Distribution Summary

Recipient / Ecology Share

Funding Distribution Name	Recipient Match %	Recipient Share	Ecology Share	Total
SRF Loan (Federal)	0 %	\$ 0.00	\$ 8,929,093.27	\$ 8,929,093.27
SRF Loan (FY25 Federal-BIL)	0 %	\$ 0.00	\$ 39,549,000.00	\$ 39,549,000.00
SRF Loan (FY25-Federal Base)	0 %	\$ 0.00	\$ 4,347,000.00	\$ 4,347,000.00
Total		\$ 0.00	\$ 52,825,093.27	\$ 52,825,093.27

Final loan repayment schedule

Loan number:	EL240626	Loan amount:	\$8,960,628.36
Agreement #:	WQC-2024-KCoNRP-00004	Term of loan:	20 Years
Recipient name:	KING COUNTY NATURAL RESOURCES	Effective interest rate:	1.200%
Amortization method:	Compound-365 D/Y	Interest compounded:	Monthly
Initiation of Operations:	7/31/2025	Loan date:	6/12/2025
Project Completion:	7/31/2025	Schedule creation date:	6/12/2025
Schedule number:	AS-000001053		

Payment number	Due date	Payment amount	Principal amount	Interest amount	Admin amount	Balance amount
1	7/31/2026	254,644.11	131,909.35	92,051.07	30,683.69	8,828,719.01
2	1/31/2027	254,644.11	201,539.19	39,828.69	13,276.23	8,627,179.82
Subtotal	FY 2027	509,288.22	333,448.54	131,879.76	43,959.92	8,627,179.82
3	7/31/2027	254,644.11	202,751.45	38,919.49	12,973.17	8,424,428.37
4	1/31/2028	254,644.11	203,971.00	38,004.83	12,668.28	8,220,457.37
Subtotal	FY 2028	509,288.22	406,722.45	76,924.32	25,641.45	8,220,457.37
5	7/31/2028	254,644.11	205,197.89	37,084.66	12,361.56	8,015,259.48
6	1/31/2029	254,644.11	206,432.16	36,158.96	12,052.99	7,808,827.32
Subtotal	FY 2029	509,288.22	411,630.05	73,243.62	24,414.55	7,808,827.32
7	7/31/2029	254,644.11	207,673.86	35,227.69	11,742.56	7,601,153.46
8	1/31/2030	254,644.11	208,923.02	34,290.82	11,430.27	7,392,230.44
Subtotal	FY 2030	509,288.22	416,596.88	69,518.51	23,172.83	7,392,230.44
9	7/31/2030	254,644.11	210,179.70	33,348.31	11,116.10	7,182,050.74
10	1/31/2031	254,644.11	211,443.93	32,400.13	10,800.05	6,970,606.81
Subtotal	FY 2031	509,288.22	421,623.63	65,748.44	21,916.15	6,970,606.81
11	7/31/2031	254,644.11	212,715.77	31,446.25	10,482.09	6,757,891.04
12	1/31/2032	254,644.11	213,995.26	30,486.64	10,162.21	6,543,895.78
Subtotal	FY 2032	509,288.22	426,711.03	61,932.89	20,644.30	6,543,895.78
13	7/31/2032	254,644.11	215,282.45	29,521.24	9,840.42	6,328,613.33
14	1/31/2033	254,644.11	216,577.37	28,550.05	9,516.69	6,112,035.96
Subtotal	FY 2033	509,288.22	431,859.82	58,071.29	19,357.11	6,112,035.96
15	7/31/2033	254,644.11	217,880.09	27,573.01	9,191.01	5,894,155.87
16	1/31/2034	254,644.11	219,190.64	26,590.10	8,863.37	5,674,965.23
Subtotal	FY 2034	509,288.22	437,070.73	54,163.11	18,054.38	5,674,965.23
17	7/31/2034	254,644.11	220,509.08	25,601.27	8,533.76	5,454,456.15

Payment number	Due date	Payment amount	Principal amount	Interest amount	Admin amount	Balance amount
18	1/31/2035	254,644.11	221,835.45	24,606.49	8,202.17	5,232,620.70
Subtotal	FY 2035	509,288.22	442,344.53	50,207.76	16,735.93	5,232,620.70
19	7/31/2035	254,644.11	223,169.79	23,605.74	7,868.58	5,009,450.91
20	1/31/2036	254,644.11	224,512.16	22,598.96	7,532.99	4,784,938.75
Subtotal	FY 2036	509,288.22	447,681.95	46,204.70	15,401.57	4,784,938.75
21	7/31/2036	254,644.11	225,862.61	21,586.12	7,195.38	4,559,076.14
22	1/31/2037	254,644.11	227,221.18	20,567.20	6,855.73	4,331,854.96
Subtotal	FY 2037	509,288.22	453,083.79	42,153.32	14,051.11	4,331,854.96
23	7/31/2037	254,644.11	228,587.92	19,542.14	6,514.05	4,103,267.04
24	1/31/2038	254,644.11	229,962.88	18,510.92	6,170.31	3,873,304.16
Subtotal	FY 2038	509,288.22	458,550.80	38,053.06	12,684.36	3,873,304.16
25	7/31/2038	254,644.11	231,346.11	17,473.50	5,824.50	3,641,958.05
26	1/31/2039	254,644.11	232,737.66	16,429.84	5,476.61	3,409,220.39
Subtotal	FY 2039	509,288.22	464,083.77	33,903.34	11,301.11	3,409,220.39
27	7/31/2039	254,644.11	234,137.58	15,379.90	5,126.63	3,175,082.81
28	1/31/2040	254,644.11	235,545.92	14,323.64	4,774.55	2,939,536.89
Subtotal	FY 2040	509,288.22	469,683.50	29,703.54	9,901.18	2,939,536.89
29	7/31/2040	254,644.11	236,962.74	13,261.03	4,420.34	2,702,574.15
30	1/31/2041	254,644.11	238,388.07	12,192.03	4,064.01	2,464,186.08
Subtotal	FY 2041	509,288.22	475,350.81	25,453.06	8,484.35	2,464,186.08
31	7/31/2041	254,644.11	239,821.98	11,116.60	3,705.53	2,224,364.10
32	1/31/2042	254,644.11	241,264.52	10,034.69	3,344.90	1,983,099.58
Subtotal	FY 2042	509,288.22	481,086.50	21,151.29	7,050.43	1,983,099.58
33	7/31/2042	254,644.11	242,715.73	8,946.28	2,982.10	1,740,383.85
34	1/31/2043	254,644.11	244,175.67	7,851.33	2,617.11	1,496,208.18
Subtotal	FY 2043	509,288.22	486,891.40	16,797.61	5,599.21	1,496,208.18
35	7/31/2043	254,644.11	245,644.39	6,749.79	2,249.93	1,250,563.79
36	1/31/2044	254,644.11	247,121.94	5,641.63	1,880.54	1,003,441.85
Subtotal	FY 2044	509,288.22	492,766.33	12,391.42	4,130.47	1,003,441.85
37	7/31/2044	254,644.11	248,608.39	4,526.79	1,508.93	754,833.46
38	1/31/2045	254,644.11	250,103.77	3,405.25	1,135.09	504,729.69
Subtotal	FY 2045	509,288.22	498,712.16	7,932.04	2,644.02	504,729.69
39	7/31/2045	254,644.11	251,608.15	2,276.97	758.99	253,121.54
40	1/31/2046	254,644.07	253,121.54	1,141.90	380.63	0.00
Subtotal	FY 2046	509,288.18	504,729.69	3,418.87	1,139.62	0.00

Grand total	10,185,764.36	8,960,628.36	918,851.95	306,284.05	0.00
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Estimated loan repayment schedule

Loan number:	EL250629	Loan amount:	\$39,549,000.00
Agreement #:	WQC-2024-KCoNRP-00004	Term of loan:	30 Years
Recipient name:	KING COUNTY NATURAL RESOURCES	Effective interest rate:	1.600%
Amortization method:	Compound-365 D/Y	Interest compounded:	Monthly
Initiation of Operations:	12/31/2027	Loan date:	12/31/2028
Project Completion:	12/31/2027	Schedule creation date:	6/11/2025
Schedule number:	AS-000001051		

Payment number	Due date	Payment amount	Principal amount	Interest amount	Admin amount	Balance amount
1	12/31/2028	839,881.53	200,675.97	519,354.52	119,851.04	39,348,324.03
2	6/30/2029	839,881.53	524,043.78	256,618.17	59,219.58	38,824,280.25
Subtotal	FY 2029	1,679,763.06	724,719.75	775,972.69	179,070.62	38,824,280.25
3	12/30/2029	839,881.53	528,250.13	253,200.51	58,430.89	38,296,030.12
4	6/30/2030	839,881.53	532,490.25	249,755.41	57,635.87	37,763,539.87
Subtotal	FY 2030	1,679,763.06	1,060,740.38	502,955.92	116,066.76	37,763,539.87
5	12/30/2030	839,881.53	536,764.39	246,282.68	56,834.46	37,226,775.48
6	6/30/2031	839,881.53	541,072.85	242,782.05	56,026.63	36,685,702.63
Subtotal	FY 2031	1,679,763.06	1,077,837.24	489,064.73	112,861.09	36,685,702.63
7	12/30/2031	839,881.53	545,415.88	239,253.34	55,212.31	36,140,286.75
8	6/30/2032	839,881.53	549,793.78	235,696.30	54,391.45	35,590,492.97
Subtotal	FY 2032	1,679,763.06	1,095,209.66	474,949.64	109,603.76	35,590,492.97
9	12/30/2032	839,881.53	554,206.82	232,110.70	53,564.01	35,036,286.15
10	6/30/2033	839,881.53	558,655.28	228,496.33	52,729.92	34,477,630.87
Subtotal	FY 2033	1,679,763.06	1,112,862.10	460,607.03	106,293.93	34,477,630.87
11	12/30/2033	839,881.53	563,139.44	224,852.95	51,889.14	33,914,491.43
12	6/30/2034	839,881.53	567,659.60	221,180.32	51,041.61	33,346,831.83
Subtotal	FY 2034	1,679,763.06	1,130,799.04	446,033.27	102,930.75	33,346,831.83
13	12/30/2034	839,881.53	572,216.04	217,478.21	50,187.28	32,774,615.79
14	6/30/2035	839,881.53	576,809.06	213,746.38	49,326.09	32,197,806.73
Subtotal	FY 2035	1,679,763.06	1,149,025.10	431,224.59	99,513.37	32,197,806.73
15	12/30/2035	839,881.53	581,438.94	209,984.60	48,457.99	31,616,367.79
16	6/30/2036	839,881.53	586,105.98	206,192.63	47,582.92	31,030,261.81
Subtotal	FY 2036	1,679,763.06	1,167,544.92	416,177.23	96,040.91	31,030,261.81
17	12/30/2036	839,881.53	590,810.49	202,370.22	46,700.82	30,439,451.32

Payment number	Due date	Payment amount	Principal amount	Interest amount	Admin amount	Balance amount
18	6/30/2037	839,881.53	595,552.76	198,517.13	45,811.64	29,843,898.56
Subtotal	FY 2037	1,679,763.06	1,186,363.25	400,887.35	92,512.46	29,843,898.56
19	12/30/2037	839,881.53	600,333.09	194,633.11	44,915.33	29,243,565.47
20	6/30/2038	839,881.53	605,151.79	190,717.91	44,011.83	28,638,413.68
Subtotal	FY 2038	1,679,763.06	1,205,484.88	385,351.02	88,927.16	28,638,413.68
21	12/30/2038	839,881.53	610,009.17	186,771.29	43,101.07	28,028,404.51
22	6/30/2039	839,881.53	614,905.54	182,792.99	42,183.00	27,413,498.97
Subtotal	FY 2039	1,679,763.06	1,224,914.71	369,564.28	85,284.07	27,413,498.97
23	12/30/2039	839,881.53	619,841.21	178,782.76	41,257.56	26,793,657.76
24	6/30/2040	839,881.53	624,816.50	174,740.34	40,324.69	26,168,841.26
Subtotal	FY 2040	1,679,763.06	1,244,657.71	353,523.10	81,582.25	26,168,841.26
25	12/30/2040	839,881.53	629,831.72	170,665.47	39,384.34	25,539,009.54
26	6/30/2041	839,881.53	634,887.20	166,557.89	38,436.44	24,904,122.34
Subtotal	FY 2041	1,679,763.06	1,264,718.92	337,223.36	77,820.78	24,904,122.34
27	12/30/2041	839,881.53	639,983.26	162,417.34	37,480.93	24,264,139.08
28	6/30/2042	839,881.53	645,120.22	158,243.56	36,517.75	23,619,018.86
Subtotal	FY 2042	1,679,763.06	1,285,103.48	320,660.90	73,998.68	23,619,018.86
29	12/30/2042	839,881.53	650,298.42	154,036.28	35,546.83	22,968,720.44
30	6/30/2043	839,881.53	655,518.18	149,795.22	34,568.13	22,313,202.26
Subtotal	FY 2043	1,679,763.06	1,305,816.60	303,831.50	70,114.96	22,313,202.26
31	12/30/2043	839,881.53	660,779.83	145,520.13	33,581.57	21,652,422.43
32	6/30/2044	839,881.53	666,083.73	141,210.71	32,587.09	20,986,338.70
Subtotal	FY 2044	1,679,763.06	1,326,863.56	286,730.84	66,168.66	20,986,338.70
33	12/30/2044	839,881.53	671,430.19	136,866.71	31,584.63	20,314,908.51
34	6/30/2045	839,881.53	676,819.57	132,487.84	30,574.12	19,638,088.94
Subtotal	FY 2045	1,679,763.06	1,348,249.76	269,354.55	62,158.75	19,638,088.94
35	12/30/2045	839,881.53	682,252.20	128,073.83	29,555.50	18,955,836.74
36	6/30/2046	839,881.53	687,728.45	123,624.38	28,528.70	18,268,108.29
Subtotal	FY 2046	1,679,763.06	1,369,980.65	251,698.21	58,084.20	18,268,108.29
37	12/30/2046	839,881.53	693,248.65	119,139.21	27,493.67	17,574,859.64
38	6/30/2047	839,881.53	698,813.16	114,618.05	26,450.32	16,876,046.48
Subtotal	FY 2047	1,679,763.06	1,392,061.81	233,757.26	53,943.99	16,876,046.48
39	12/30/2047	839,881.53	704,422.33	110,060.60	25,398.60	16,171,624.15
40	6/30/2048	839,881.53	710,076.53	105,466.56	24,338.44	15,461,547.62
Subtotal	FY 2048	1,679,763.06	1,414,498.86	215,527.16	49,737.04	15,461,547.62

Payment number	Due date	Payment amount	Principal amount	Interest amount	Admin amount	Balance amount
41	12/30/2048	839,881.53	715,776.11	100,835.65	23,269.77	14,745,771.51
42	6/30/2049	839,881.53	721,521.44	96,167.57	22,192.52	14,024,250.07
Subtotal	FY 2049	1,679,763.06	1,437,297.55	197,003.22	45,462.29	14,024,250.07
43	12/30/2049	839,881.53	727,312.88	91,462.03	21,106.62	13,296,937.19
44	6/30/2050	839,881.53	733,150.82	86,718.70	20,012.01	12,563,786.37
Subtotal	FY 2050	1,679,763.06	1,460,463.70	178,180.73	41,118.63	12,563,786.37
45	12/30/2050	839,881.53	739,035.61	81,937.31	18,908.61	11,824,750.76
46	6/30/2051	839,881.53	744,967.64	77,117.54	17,796.35	11,079,783.12
47	12/30/2051	839,881.53	750,947.28	72,259.08	16,675.17	10,328,835.84
48	6/30/2052	839,881.53	756,974.92	67,361.62	15,544.99	9,571,860.92
49	12/30/2052	839,881.53	763,050.94	62,424.85	14,405.74	8,808,809.98
50	6/30/2053	839,881.53	769,175.73	57,448.46	13,257.34	8,039,634.25
51	12/30/2053	839,881.53	775,349.68	52,432.13	12,099.72	7,264,284.57
52	6/30/2054	839,881.53	781,573.19	47,375.53	10,932.81	6,482,711.38
53	12/30/2054	839,881.53	787,846.66	42,278.33	9,756.54	5,694,864.72
54	6/30/2055	839,881.53	794,170.48	37,140.23	8,570.82	4,900,694.24
55	12/30/2055	839,881.53	800,545.06	31,960.88	7,375.59	4,100,149.18
56	6/30/2056	839,881.53	806,970.80	26,739.97	6,170.76	3,293,178.38
57	12/30/2056	839,881.53	813,448.13	21,477.14	4,956.26	2,479,730.25
58	6/30/2057	839,881.53	819,977.44	16,172.07	3,732.02	1,659,752.81
59	12/30/2057	839,881.53	826,559.17	10,824.42	2,497.94	833,193.64
60	6/30/2058	839,881.45	833,193.64	5,433.85	1,253.96	0.00
Subtotal	Undefined	13,438,104.40	12,563,786.37	710,383.41	163,934.62	0.00
Grand total		50,392,891.72	39,549,000.00	8,810,661.99	2,033,229.73	0.00

Estimated loan repayment schedule

Loan number:	EL250633	Loan amount:	\$4,347,000.00
Agreement #:	WQC-2024-KCoNRP-00004	Term of loan:	30 Years
Recipient name:	KING COUNTY NATURAL RESOURCES	Effective interest rate:	1.600%
Amortization method:	Compound-365 D/Y	Interest compounded:	Monthly
Project Completion:	12/31/2027	Loan date:	12/31/2028
Schedule number:	AS-000001052	Schedule creation date:	6/11/2025

Payment number	Due date	Payment amount	Principal amount	Interest amount	Admin amount	Balance amount
1	12/31/2028	92,314.98	22,057.16	57,084.48	13,173.34	4,324,942.84
2	6/30/2029	92,314.98	57,599.90	28,206.00	6,509.08	4,267,342.94
Subtotal	FY 2029	184,629.96	79,657.06	85,290.48	19,682.42	4,267,342.94
3	12/30/2029	92,314.98	58,062.24	27,830.35	6,422.39	4,209,280.70
4	6/30/2030	92,314.98	58,528.29	27,451.69	6,335.00	4,150,752.41
Subtotal	FY 2030	184,629.96	116,590.53	55,282.04	12,757.39	4,150,752.41
5	12/30/2030	92,314.98	58,998.08	27,069.98	6,246.92	4,091,754.33
6	6/30/2031	92,314.98	59,471.64	26,685.21	6,158.13	4,032,282.69
Subtotal	FY 2031	184,629.96	118,469.72	53,755.19	12,405.05	4,032,282.69
7	12/30/2031	92,314.98	59,949.00	26,297.36	6,068.62	3,972,333.69
8	6/30/2032	92,314.98	60,430.19	25,906.39	5,978.40	3,911,903.50
Subtotal	FY 2032	184,629.96	120,379.19	52,203.75	12,047.02	3,911,903.50
9	12/30/2032	92,314.98	60,915.25	25,512.28	5,887.45	3,850,988.25
10	6/30/2033	92,314.98	61,404.20	25,115.01	5,795.77	3,789,584.05
Subtotal	FY 2033	184,629.96	122,319.45	50,627.29	11,683.22	3,789,584.05
11	12/30/2033	92,314.98	61,897.07	24,714.55	5,703.36	3,727,686.98
12	6/30/2034	92,314.98	62,393.90	24,310.88	5,610.20	3,665,293.08
Subtotal	FY 2034	184,629.96	124,290.97	49,025.43	11,313.56	3,665,293.08
13	12/30/2034	92,314.98	62,894.72	23,903.96	5,516.30	3,602,398.36
14	6/30/2035	92,314.98	63,399.56	23,493.78	5,421.64	3,538,998.80
Subtotal	FY 2035	184,629.96	126,294.28	47,397.74	10,937.94	3,538,998.80
15	12/30/2035	92,314.98	63,908.45	23,080.31	5,326.22	3,475,090.35
16	6/30/2036	92,314.98	64,421.42	22,663.52	5,230.04	3,410,668.93
Subtotal	FY 2036	184,629.96	128,329.87	45,743.83	10,556.26	3,410,668.93
17	12/30/2036	92,314.98	64,938.52	22,243.37	5,133.09	3,345,730.41
18	6/30/2037	92,314.98	65,459.76	21,819.87	5,035.35	3,280,270.65

Payment number	Due date	Payment amount	Principal amount	Interest amount	Admin amount	Balance amount
Subtotal	FY 2037	184,629.96	130,398.28	44,063.24	10,168.44	3,280,270.65
19	12/30/2037	92,314.98	65,985.19	21,392.95	4,936.84	3,214,285.46
20	6/30/2038	92,314.98	66,514.83	20,962.62	4,837.53	3,147,770.63
Subtotal	FY 2038	184,629.96	132,500.02	42,355.57	9,774.37	3,147,770.63
21	12/30/2038	92,314.98	67,048.73	20,528.83	4,737.42	3,080,721.90
22	6/30/2039	92,314.98	67,586.91	20,091.56	4,636.51	3,013,134.99
Subtotal	FY 2039	184,629.96	134,635.64	40,620.39	9,373.93	3,013,134.99
23	12/30/2039	92,314.98	68,129.41	19,650.78	4,534.79	2,945,005.58
24	6/30/2040	92,314.98	68,676.26	19,206.46	4,432.26	2,876,329.32
Subtotal	FY 2040	184,629.96	136,805.67	38,857.24	8,967.05	2,876,329.32
25	12/30/2040	92,314.98	69,227.51	18,758.57	4,328.90	2,807,101.81
26	6/30/2041	92,314.98	69,783.18	18,307.09	4,224.71	2,737,318.63
Subtotal	FY 2041	184,629.96	139,010.69	37,065.66	8,553.61	2,737,318.63
27	12/30/2041	92,314.98	70,343.31	17,851.98	4,119.69	2,666,975.32
28	6/30/2042	92,314.98	70,907.93	17,393.23	4,013.82	2,596,067.39
Subtotal	FY 2042	184,629.96	141,251.24	35,245.21	8,133.51	2,596,067.39
29	12/30/2042	92,314.98	71,477.09	16,930.79	3,907.10	2,524,590.30
30	6/30/2043	92,314.98	72,050.82	16,464.63	3,799.53	2,452,539.48
Subtotal	FY 2043	184,629.96	143,527.91	33,395.42	7,706.63	2,452,539.48
31	12/30/2043	92,314.98	72,629.15	15,994.74	3,691.09	2,379,910.33
32	6/30/2044	92,314.98	73,212.12	15,521.07	3,581.79	2,306,698.21
Subtotal	FY 2044	184,629.96	145,841.27	31,515.81	7,272.88	2,306,698.21
33	12/30/2044	92,314.98	73,799.77	15,043.61	3,471.60	2,232,898.44
34	6/30/2045	92,314.98	74,392.14	14,562.31	3,360.53	2,158,506.30
Subtotal	FY 2045	184,629.96	148,191.91	29,605.92	6,832.13	2,158,506.30
35	12/30/2045	92,314.98	74,989.27	14,077.14	3,248.57	2,083,517.03
36	6/30/2046	92,314.98	75,591.18	13,588.09	3,135.71	2,007,925.85
Subtotal	FY 2046	184,629.96	150,580.45	27,665.23	6,384.28	2,007,925.85
37	12/30/2046	92,314.98	76,197.93	13,095.10	3,021.95	1,931,727.92
38	6/30/2047	92,314.98	76,809.55	12,598.16	2,907.27	1,854,918.37
Subtotal	FY 2047	184,629.96	153,007.48	25,693.26	5,929.22	1,854,918.37
39	12/30/2047	92,314.98	77,426.08	12,097.23	2,791.67	1,777,492.29
40	6/30/2048	92,314.98	78,047.56	11,592.28	2,675.14	1,699,444.73
Subtotal	FY 2048	184,629.96	155,473.64	23,689.51	5,466.81	1,699,444.73
41	12/30/2048	92,314.98	78,674.02	11,083.28	2,557.68	1,620,770.71

Payment number	Due date	Payment amount	Principal amount	Interest amount	Admin amount	Balance amount
42	6/30/2049	92,314.98	79,305.52	10,570.19	2,439.27	1,541,465.19
Subtotal	FY 2049	184,629.96	157,979.54	21,653.47	4,996.95	1,541,465.19
43	12/30/2049	92,314.98	79,942.08	10,052.98	2,319.92	1,461,523.11
44	6/30/2050	92,314.98	80,583.75	9,531.62	2,199.61	1,380,939.36
Subtotal	FY 2050	184,629.96	160,525.83	19,584.60	4,519.53	1,380,939.36
45	12/30/2050	92,314.98	81,230.57	9,006.08	2,078.33	1,299,708.79
46	6/30/2051	92,314.98	81,882.59	8,476.32	1,956.07	1,217,826.20
47	12/30/2051	92,314.98	82,539.84	7,942.30	1,832.84	1,135,286.36
48	6/30/2052	92,314.98	83,202.36	7,404.00	1,708.62	1,052,084.00
49	12/30/2052	92,314.98	83,870.20	6,861.38	1,583.40	968,213.80
50	6/30/2053	92,314.98	84,543.40	6,314.41	1,457.17	883,670.40
51	12/30/2053	92,314.98	85,222.01	5,763.04	1,329.93	798,448.39
52	6/30/2054	92,314.98	85,906.06	5,207.25	1,201.67	712,542.33
53	12/30/2054	92,314.98	86,595.61	4,646.99	1,072.38	625,946.72
54	6/30/2055	92,314.98	87,290.68	4,082.24	942.06	538,656.04
55	12/30/2055	92,314.98	87,991.34	3,512.96	810.68	450,664.70
56	6/30/2056	92,314.98	88,697.62	2,939.10	678.26	361,967.08
57	12/30/2056	92,314.98	89,409.57	2,360.65	544.76	272,557.51
58	6/30/2057	92,314.98	90,127.24	1,777.54	410.20	182,430.27
59	12/30/2057	92,314.98	90,850.66	1,189.76	274.56	91,579.61
60	6/30/2058	92,314.69	91,579.61	597.25	137.83	0.00
Subtotal	Undefined	1,477,039.39	1,380,939.36	78,081.27	18,018.76	0.00
Grand total		5,538,898.51	4,347,000.00	968,417.55	223,480.96	0.00



King County

Shannon Braddock

King County Executive

401 Fifth Avenue, Suite 800
Seattle, WA 98104

206-296-9600 Fax 206-296-0194

TTY Relay: 711

www.kingcounty.gov

September 2, 2025

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

Dear Councilmember Zahilay:

This letter transmits a proposed Ordinance that if approved, would authorize entering into a loan agreement, in the form of Amendment No. 1 (sic) to the original loan, with the Washington State Department of Ecology (Ecology) for loan financing of capital costs associated with the West Duwamish Combined Sewer Overflow (CSO) Control project.

The West Duwamish CSO Control project will reduce overflow events to once per year on a rolling average at two discharge points and will improve water quality in the downstream Duwamish River and Elliott Bay by reducing the discharge of untreated wastewater and stormwater. This project will benefit the public by protecting water quality in our region and the loan amendment will reduce costs to ratepayers.

The proposed legislation would authorize the execution of an Ecology State Revolving Fund (SRF) loan amendment with an interest rate of 1.6 percent and a 30-year term. The loan amendment adds construction funds to the loan agreement in the amount of \$43,896,000. The low-interest loan for the construction funds will save King County ratepayers \$28,000,000 payments over 30 years, which is \$17,900,000 net present value as compared to 30-year conventional bond financing. The amendment also closes out the original loan, for design phase expenditures for the West Duwamish CSO Control project.

Thank you for your consideration of this proposed Ordinance. This important legislation will save King County ratepayers money and protect water quality in our region.

The Honorable Girmay Zahilay

September 2, 2025

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If your staff have questions, please contact Kamuron Gurol, Division Director of the Wastewater Treatment Division of the Department of Natural Resources and Parks, at 206-549-1190.

Sincerely,



for

Shannon Braddock
King County Executive

Enclosure

cc: King County Councilmembers

ATTN: Stephanie Cirkovich, Chief of Staff, King County Council

Melani Hay, Clerk of the Council

Karan Gill, Deputy Executive, Chief of Staff, Office of the Executive

Stephanie Pure, Council Relations Director, Office of the Executive

John Taylor, Director, Department of Natural Resources and Parks (DNRP)

Kamuron Gurol, Division Director, Wastewater Treatment Division, DNRP

2025 FISCAL NOTE

Ordinance/Motion:	2025-XXXX	
Title:	The Washington State Department of Ecology State Revolving Fund Loan Agreement for the West Duwamish CSO Control Project	
Affected Agency and/o	The Wastewater Treatment Division (WTD), Department of Natural Resources and Parks (DNRP)	
Note Prepared By:	Andrés Bas Moore, WTD	
Date Prepared:	5/28/2025	
Note Reviewed By:	Caitlyn Hall, WTD	Elena Davert, PSB
Date Reviewed:	5/29/2025	8/12/2025

Description of request:

This ordinance authorizes the King County Executive to enter into an agreement with the Washington State Department of Ecology (Ecology) for loan financing of the construction phase associated with the West Duwamish CSO Control Project.

Revenue to:

Agency	Fund Code	Revenue Source	2025	2026-2027	2028-2029
Water Quality Capital Improvement Fund/Wastewater	3611	SRF Loan	\$0	\$43,896,000	\$0
Water Quality Capital Improvement Fund/Wastewater	3611	Revenue Bond Proceeds	\$0	(\$43,896,000)	\$0
TOTAL			\$0	\$0	\$0

Expenditures from:

Agency	Fund Code	Department	2025	2026-2027	2028-2029
Water Quality Capital Improvement Fund/Wastewater	8920	DNRP	\$0	\$3,707,618	\$3,707,618
Water Quality Capital Improvement Fund/Wastewater	8920	DNRP	\$0	(\$5,577,031)	(\$5,577,031)
TOTAL			\$0	(\$1,869,413)	(\$1,869,413)

Expenditures by Categories

	2025	2026-2027	2028-2029
Debt Service	\$0	(\$1,869,413)	(\$1,869,413)
TOTAL	\$0	(\$1,869,413)	(\$1,869,413)

Does this legislation require a budget supplemental? No

Notes and Assumptions:

- 1) Total savings in debt service payments compared to bond funding is estimated at \$28.0 million with a present value of \$17.9 million (2025, 3.18% discount rate).
- 2) SRF loan proceeds are presumed to displace bond-funded expenditures one-for-one.
- 3) Debt service begins in 2026 and assumes the SRF loan has been fully drawn upon, including both principal and interest.
- 4) Bond debt service assumes a 0.5% issuance cost
- 5) Bond assumes a 4.75% interest rate; SRF has an agreed fixed rate of 1.6%.



King County

Metropolitan King County Council Budget and Fiscal Management Committee

STAFF REPORT

Agenda Item:	4	Name:	Miranda Leskinen
Proposed No.:	2025-0246	Date:	October 28, 2025

SUBJECT

A proposed ordinance to authorize execution of a KCIT radio shop new lease agreement.

SUMMARY

Proposed Ordinance 2025-0246 would authorize the Executive to enter into a new lease for the facility that houses the King County Department of Information Technology (KCIT) Radio Communication Services Division's radio shop at its existing location (since 2010) in SeaTac. The radio shop, as part of its services portfolio, installs and services public safety radios that operate on the Puget Sound Emergency Radio Network (PSERN). The current lease expired on March 31, 2025, and is currently in holdover status on a month-to-month basis.

The proposed new lease term would be five years and two months, with one five-year extension option. The lease also provides for the first two months' base rent to be abated. The rental rate would be \$16.36 per square feet during the first year, with an annual four percent escalator. It would be a triple net lease, whereby the County as tenant would pay for their portion of property taxes, insurance, and common area maintenance in addition to the base rent, which is \$6.40 per square foot for 2025 (with an estimated 5 percent annual increase). Lease costs would be revenue backed (covered by shop customer service charges).

BACKGROUND

The King County Department of Information Technology (KCIT) Radio Communication Services Division's radio shop, as part of its services portfolio, installs and services public safety radios that operate on the Puget Sound Emergency Radio Network (PSERN). The radio shop has resided at its current location in SeaTac at the SeaTac Logistics Park, (855 South 192nd Street) since the Council first approved a ten-year lease in 2010, at which time the radio shop was moved from leased space located in the Green River Valley floodplain to its current site¹. A lease amendment was subsequently

¹ Ordinance 16850

approved by the Council in 2020 (Ordinance 19087) that extended the lease term for five additional years to March 31, 2025.

ANALYSIS

Proposed Ordinance 2025-0246 would authorize the Executive to enter into a new lease for the facility that houses the King County Department of Information Technology (KCIT) Radio Communication Services Division's radio shop at its existing location in SeaTac.

Current Lease Status. The current lease expired on March 31, 2025, and is currently in holdover status on a month-to-month basis.

New Lease Overview: The proposed new lease term would be five years and two months, with one five-year extension option. The base rent rate would be \$16.36 per square foot during the first year, with an annual four percent escalator. The rentable square footage of the premises is 21,338.

The lease also provides for the first two months' base rent to be abated, which the County will receive as a credit as opposed to owing the difference of the rent increase since the County continued (during the holdover period) to pay the rent amount based upon the previous lease. Once the credit zeroes out, the County will begin paying the new lease rate according to the rent schedule in the new lease at that time.

If approved by the Council, the new lease will be retroactively dated April 1, 2025, and the County and landlord will reconcile the amount due or owed King County upon mutual lease execution of the new lease in accordance with the table below.

Month	Base Rent Amount Due Under New Lease	Base Rent Amount Paid Under Previous Lease	Amount Due on Execution of New Lease	Total Difference Due by Month
April 2025	\$0.00	\$24,476.67	-\$24,476.67	-\$24,476.67
May 2025	\$0.00	\$24,476.67	-\$24,476.67	-\$48,953.34
June 2025	\$29,098.56	\$24,476.67	\$4,621.89	-\$44,331.45
July 2025	\$29,098.56	\$24,476.67	\$4,621.89	-\$39,709.56
August 2025	\$29,098.56	\$24,476.67	\$4,621.89	-\$35,087.67
September 2025	\$29,098.56	\$24,476.67	\$4,621.89	-\$30,465.78
October 2025	\$29,098.56	\$24,476.67	\$4,621.89	-\$25,843.89
November 2025	\$29,098.56	\$24,476.67	\$4,621.89	-\$21,222.00
December 2025	\$29,098.56	\$24,476.67	\$4,621.89	-\$16,600.11

The new lease, similar to the current/expired lease, would be a triple net lease, whereby the County as tenant would pay for its portion of property taxes, insurance, and

common area maintenance in addition to the base rent. This amount for 2025 is \$6.40 per square foot (with an estimated 5 percent annual increase). Estimated 2026 operating costs are estimated to be approximately \$143,000 (approximately \$6.70 per square foot). Lease costs would be revenue backed (covered by shop customer service charges), and no supplemental appropriation would be necessary.

Additionally, the proposed new lease includes landlord-provided tenant improvements (Lease Exhibit G) to including new carpet, new flooring, paint in existing office spaces, new fixtures in the restrooms and break room, as well as LED retrofit in the warehouse and office area.

Legal reviewed the transmitted agreement and found no issues requiring an amendment.

ATTACHMENTS

1. Proposed Ordinance 2025-0246
 - a. Lease Agreement
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. 2025-0246.1

Sponsors Dembowski

1 AN ORDINANCE authorizing the execution of a new lease
2 at an existing location to support the operation of the King
3 County department of information technology.

4 STATEMENT OF FACTS:

5 For the lease from LBA NCC2-Company IX, LLC, located at 855 South
6 192nd Street, SeaTac, within council district five, the facilities
7 management division determined that there was not an appropriate county-
8 owned option and successfully negotiated to lease space.

9 BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

10 SECTION 1. The executive is authorized to execute a lease for the property
11 located at 855 South 192nd Street, SeaTac with LBA NCC2-COMPANY IX, LLC,

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

KING COUNTY COUNCIL
KING COUNTY, WASHINGTON

Girmay Zahilay, Chair

ATTEST:

Melani Pedroza, Clerk of the Council

APPROVED this ____ day of _____, ____.

Shannon Braddock, County Executive

Attachments: A. Lease Agreement

ATTACHMENT A:

LEASE AGREEMENT

MULTI-TENANT COMMERCIAL/INDUSTRIAL LEASE (NNN)

SEATAC LOGISTICS PARK I
SeaTac, Washington

LANDLORD:

LBA NCC2-COMPANY IX, LLC,
a Delaware limited liability company

TENANT:

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

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EXHIBITS:

Exhibit A	Premises Floor Plan
Exhibit B	Site Plan
Exhibit C	Notice of Lease Term Dates
Exhibit D	Rules and Regulations
Exhibit E	Estoppel Certificate Sample
Exhibit F	Environmental Questionnaire and Disclosure Statement
Exhibit G	Tenant Improvements

RIDERS:

Rider No. 1	Extension Option
Rider No. 2	Fair Market Rental Rate

THIS MULTI-TENANT COMMERCIAL/INDUSTRIAL LEASE (NNN) (“**Lease**”), entered into as of this 29th day of May, 2025 for reference purposes, is by and between LBA NCC2-COMPANY IX, LLC, a Delaware limited liability company, hereinafter referred to as “**Landlord**”, and KING COUNTY, a home rule charter county and political subdivision of the State of Washington, hereinafter referred to as “**Tenant**”.

RECITALS

- A. Tenant is currently in possession of and leasing from Landlord (as successor-in-interest to AMB Institutional Alliance Fund III, L.P.) the “Premises” (as defined below) pursuant to that certain Industrial Multiple-Tenant Lease dated January 15, 2010, as amended by that certain First Amendment to Industrial Multi-Tenant Lease dated October 10, 2019 (collectively, the “**Prior Lease**”).
- B. The Term of the Prior Lease expired by its terms on March 31, 2025 and Tenant has remained in the Premises while Landlord and Tenant finalize this Lease.
- C. Landlord and Tenant desire to enter this Lease, effective as of April 1, 2025 and superseding the Prior Lease from and after April 1, 2025, subject to the terms and conditions set forth herein.

ARTICLE 1 - LEASE SUMMARY AND PROPERTY SPECIFIC PROVISIONS

1.1 **Landlord’s Address:**

LBA NCC2-COMPANY IX, LLC
c/o LBA, Inc.
600 University Street, Suite 3025
Seattle, WA 98101
Attn: Regional Operations Manager
Telephone: (206) 812-1000
E-mail: leasingnotices@lbarealty.com

With copies to:

LBA NCC2-COMPANY IX, LLC
3347 Michelson Drive, Suite 200
Irvine, CA 92612
Attn: ROM & Asset Manager – SeaTac Logistics Park 1
Telephone: (949) 833-0400
E-mail: leasingnotices@lbarealty.com

Sustainability Contact:
For Insurance:

sustainability@lbarealty.com
insurance@lbarealty.com

For payment of Rent:

LBA NCC2-COMPANY IX, LLC
P.O. Box 102233
Pasadena, CA 91189-2233

1.2 **Tenant’s Address:**

King County Real Estate Services Section
401 5th Avenue, Suite 930
Seattle, WA 98104-3279
Attn: Lease Administrator
Telephone: (206) 477-9400
E-mail: res-leaseadmin@kingcounty.gov

1.3 **Building; Property:** The building in which the Premises are situated, commonly known as Building B (the “**Building**”), located at 855 South 192nd Street, SeaTac, WA 98148. The Building, together with all other buildings (together with the Building, the “**Buildings**”), improvements and facilities, now or subsequently located upon the land (the “**Site**”) as shown on the Site Plan attached hereto as Exhibit B (as such area may be expanded or reduced from time to time) is referred to herein as the “**Property**” or the “**Project**”. The Project is commonly known as SeaTac Logistics Park I. Landlord and Tenant stipulate and agree that the Project contains 239,223 rentable square feet of building area in the aggregate and the Building contains 92,482 rentable square feet, for all purposes of this Lease.

1.4 **Premises:** Suite 1000 of the Building, as outlined on the Premises Floor Plan attached hereto as Exhibit A. Landlord and Tenant stipulate and agree that the Premises consists of approximately 21,338 rentable square feet (inclusive of 4,000 rentable square feet of office space), for all purposes of this Lease.

1.5 **City:** The City of SeaTac, State of Washington.

1.6 **Commencement Date:** April 1, 2025.

1.7 **Term:** Sixty-two (62) months, commencing on the Commencement Date and ending on May 31, 2030 (the “**Expiration Date**”).

1.8 **Monthly Base Rent:**

<u>Lease Period</u>	<u>Monthly Base Rent</u>
4/01/2025 – 3/31/2026	\$29,098.56*
4/01/2026 – 3/31/2027	\$30,262.50
4/01/2027 – 3/31/2028	\$31,473.00
4/01/2028 – 3/31/2029	\$32,731.92
4/01/2029 – 3/31/2030	\$34,041.20
4/01/2030 – 5/31/2030	\$35,402.85

*Notwithstanding the foregoing, provided Tenant is not in default under this Lease beyond any applicable notice and cure period, Landlord hereby agrees to abate Tenant’s obligation to pay Monthly Base Rent during the two (2) months of May and June 2025, inclusive (such total amount of abated Monthly Base Rent being hereinafter referred to as the “**Abated Amount**”). During such abatement period, Tenant will still be responsible for the payment of all other monetary obligations under the Lease. Tenant acknowledges that any default by Tenant under this Lease will cause Landlord to incur costs not contemplated hereunder, the exact amount of such costs being extremely difficult and impracticable to ascertain, therefore, should Tenant at any time during the Term be in default after having been given notice and opportunity to cure, and Landlord elects to terminate this Lease as a result of such default, then the total unamortized sum of such Abated Amount (amortized on a straight line basis over the initial Term of this Lease) so conditionally excused shall become immediately due and payable by Tenant to Landlord; provided, however, Tenant acknowledges and agrees that nothing in this subparagraph is intended to limit any other remedies available to Landlord at law or in equity under applicable law, in the event Tenant defaults under this Lease beyond any applicable notice and cure period.

Following the expiration of the Prior Lease, Tenant has continued to pay Monthly Base Rent as set forth in the Prior Lease in the amount of \$24,476.67, which is \$4,621.89 per month less than the \$29,098.56 Monthly Base Rent for this Lease. Within thirty (30) days following the execution of this Lease, Tenant shall pay to Landlord \$4,621.89 for each calendar month from April 2025 until the execution of this Lease. For example, if this Lease is executed on June 15, 2025, and Tenant has already paid for the months of April, May, and June, 2025, then the amount Tenant would owe to Landlord would be for a period of three (3) months in the amount of \$13,865.67, and Tenant would then pay the \$29,098.56 Monthly Base Rent for this Lease starting July 1, 2025.

Additionally, Tenant shall continue to pay Tenant’s Percentage of Estimated Operating Expenses (pursuant to Section 7.2), currently in the amount of \$11,376 per month as of April 1, 2025.

The aforementioned payments owed by Tenant to Landlord are subject to the Abated Amount of \$58,197.12 that Landlord will credit to Tenant upon execution of this Lease.

- 1.9 **Security Deposit:** None.
- 1.10 **Permitted Use:** General office and warehouse use, subject to the provisions set forth in this Lease and as permitted by Law, provided in any event no outside storage shall be permitted.
- 1.11 **Parking:** Fourteen (14) unreserved parking spaces located directly in front of the Premises, and six (6) unreserved parking spaces located directly behind the Premises, subject to the terms of Article 11 of the Standard Lease Provisions.
- 1.12 **Broker:** NAI Puget Sound Properties, representing Landlord, and CBRE, Inc., representing Tenant.
- 1.13 **Interest Rate:** The lesser of: (a) Ten percent (10%) or (b) the maximum rate permitted by law in the State where the Property is located.
- 1.14 **Tenant Improvements:** Landlord, at Landlord’s cost, using Building-standard methods, materials, finishes and specifications, shall complete those certain improvements in the Premises (the “**Tenant Improvements**”) identified in Exhibit G attached hereto. Landlord will complete the Tenant Improvements in the Premises while Tenant is in occupancy thereof and paying Rent under this Lease, and Tenant acknowledges that some interruptions and/or interference with Tenant’s business may occur during the course of Landlord’s completion of the Tenant Improvements, but agrees that no interruptions and/or interference to Tenant or its business suffered as a result of Landlord’s completion of the Tenant Improvements shall excuse Tenant from paying any Rent that it is scheduled to pay pursuant to this Lease, and shall not constitute a constructive eviction under this Lease. Tenant agrees to cooperate with Landlord to make the Premises available to Landlord and its agents for the performance of the Tenant Improvements. Tenant shall be responsible for, at Tenant’s sole cost and expense, the relocation of Tenant’s personal property, including any furniture and equipment in the Premises, prior to and during the period Landlord is completing the Tenant Improvement.
- 1.15 **Tenant’s Percentage:** 23.07%, which is the ratio that the rentable square footage of the Premises bears to the rentable square footage of the Building. **Building Percentage of Property:** 38.66%, which is the ratio that the rentable square footage of the Building bears to the rentable square footage of all buildings within the Property (hereinafter, the “**Building Percentage**”). Accordingly, as more particularly provided in Section 7.2 hereof, Operating Expenses include the Building Percentage of all such items which are common to the entire Property.

1.16 **Access.** Tenant shall be permitted to access the Premises, including the loading doors applicable thereto, twenty-four (24) hours per day, seven (7) days per week, fifty-two (52) weeks per year, except in the event of an emergency or repairs to the Premises or Building, and for Landlord’s reasonable security requirements.

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STANDARD LEASE PROVISIONS

ARTICLE 2 - LEASE

2.1 **Lease Elements; Definitions; Exhibits.** The Lease is comprised of the Lease Summary and Property Specific Provisions (the “**Summary**”), these Standard Lease Provisions (“**Standard Provisions**”) and all exhibits, and riders attached hereto (collectively, “**Exhibits**”), all of which are incorporated together as part of one and the same instrument. All references in any such documents and instruments to “Lease” means the Summary, these Standard Provisions and all Exhibits attached hereto. All terms used in this Lease shall have the meanings ascribed to such terms in the Summary, these Standard Provisions and any Exhibits. To the extent of any inconsistency between the terms and conditions of the Summary, these Standard Provisions, or any Exhibits attached hereto, the Summary and any Exhibits attached hereto shall control over these Standard Provisions.

2.2 **Prior Lease.** The parties hereby acknowledge and agree that this Lease supersedes the Prior Lease in its entirety effective as of the Commencement Date. This Lease is effective as of the Commencement Date and governs Tenant’s continued occupancy of the Premises following the expiration of the Prior Lease. As an inducement to Landlord to execute this Lease, Tenant hereby certifies to Landlord as follows: (a) Landlord is currently not in default under the Prior Lease; and (b) as of the date hereof, there are no existing claims, defenses, or offsets that Tenant has against Landlord nor have any events occurred that would constitute a default on the part of Landlord under the Prior Lease.

ARTICLE 3 - PREMISES

3.1 **Lease of Premises.** Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord, the Premises, upon and subject to, the terms, covenants and conditions of this Lease. Each party covenants and agrees, as a material part of the consideration for this Lease, to keep and perform their respective obligations under this Lease. Tenant shall have the right to utilize the Premises 24 hours per day, 7 days per week, 365 days per year.

3.2 **Landlord’s Reserved Rights.** Landlord reserves the right from time to time to do any of the following: (a) expand the Building and construct or alter other buildings or improvements on the Property as long as Tenant’s parking ratio is not substantially and adversely impacted; (b) make any changes, additions, improvements, maintenance, repairs or replacements in or to the Property, Common Areas and/or the Building (including the Premises if required to do so by any existing or future applicable Laws or to the extent necessary in conjunction with any improvements to the Property, Common Areas and/or the Building, provided that Tenant’s use of the Premises is not materially and adversely affected), and the fixtures and equipment thereof, including, without limitation: (i) maintenance, replacement and relocation of pipes, ducts, conduits, wires and meters and equipment above the ceiling surfaces, below the floor surfaces and within the walls of the Building and the Premises; and (ii) changes in the location, size, shape and number of driveways, entrances, sidewalks, stairways, elevators, loading and unloading areas, ingress, egress, direction of traffic, landscaped areas and walkways, easements, parking spaces and parking areas as long as Tenant’s parking ratio is not substantially and adversely impacted; (c) close temporarily any of the Premises or the Property while engaged in making repairs, improvements or alterations to the Property; (d) to place an energy technology installation, such as a solar system, on the roof of the Building or otherwise at the Property or Site, or to enter into a lease allowing a third party the right to do so; provided the energy technology system does not subject Tenant to any additional costs or expenses or other material obligations, unless Tenant benefits from any such solar or energy technology installation (e.g., if Tenant utilizes and benefits from the energy generated by such solar system or energy technology system), then Landlord may impose reasonable additional costs, expenses and other obligations upon Tenant based upon such system use and benefits to Tenant, and Tenant waives all rights to any environmental attributes or incentives resulting from an energy technology installation by Landlord; and (e) perform such other acts and make such other changes with respect to the Premises and/or the Property, as Landlord may, in the exercise of good faith business judgment, deem to be appropriate. If Landlord is required to reconfigure the Premises as a result of any changes to the Property, Common Areas and/or the Building as a result of Landlord’s exercise of its rights under this Section 3.2, Landlord shall provide Tenant with reasonable advance written notice of the construction schedule to the extent that the Premises are affected, and Landlord shall endeavor to minimize, as reasonably practicable, the interference with Tenant’s business as a result of any such construction. All measurements of rentable area in this Lease shall be deemed to be correct.

3.3 **Common Areas; Definitions; Tenant’s Rights.** During the Term, Tenant shall have the non-exclusive right to use, in common with other tenants in the Property, and subject to the Rules and Regulations referred to in Article 9 of the Standard Lease Provisions, those portions of the Property (the “**Property Common Areas**”) not leased or designated for lease to tenants that are provided for use in common by Landlord, Tenant and any other tenants of the Property (or by the sublessees, agents, employees, customers invitees, guests or licensees of any such party), whether or not those areas are open to the general public. The Property Common Areas shall include, without limitation, all other buildings on the Property exclusive of areas maintained and repaired by tenants, and all parking areas (subject to Article 11 of the Standard Lease Provisions), loading and unloading areas, trash areas, roadways, sidewalks, walkways, parkways, driveways and landscaped areas appurtenant to the Building, fixtures, systems, decor, facilities and landscaping contained, maintained or used in connection with those areas, and shall be deemed to include any city sidewalks adjacent to the Property, any pedestrian walkway system, park or other facilities located on the Site and open to the general public. The common areas of the Building shall be referred to herein as the “**Building Common Areas**” and shall include, without limitation, the following areas of the Building: the common entrances, lobbies, common restrooms, accessways, loading docks, ramps, drives and platforms and any passageways and service ways thereto to the extent not exclusively serving another tenant or contained within another tenant’s premises, and the common pipes, conduits, wires and appurtenant equipment serving the Premises. The Building Common Areas and the Property Common Areas shall be referred to herein collectively as the “**Common Areas**.” If Tenant is leasing the entire Building, then all elements of the Building and the Building Common Areas shall constitute part of the

Premises and all references to Common Areas contained in this Lease shall mean and refer to those elements of the Property outside of the Premises.

ARTICLE 4 - TERM AND POSSESSION

4.1 **Term; Notice of Lease Dates.** The Term shall be for the period designated in the Summary commencing on the Commencement Date and ending on the Expiration Date, unless the Term is sooner terminated or extended as provided in this Lease. If the Commencement Date falls on any day other than the first day of a calendar month then the Term will be measured from the first day of the month following the month in which the Commencement Date occurs. Within ten (10) days after Landlord’s written request, Tenant shall execute a written confirmation of the Commencement Date and Expiration Date of the Term in the form of the Notice of Lease Term Dates attached hereto as Exhibit C. The Notice of Lease Term Dates shall be binding upon Tenant unless Tenant reasonably objects thereto in writing within such ten (10) day period.

4.2 **Possession.** Tenant acknowledges that (a) it is presently in possession of the Premises pursuant to the Prior Lease, (b) it is fully aware of the condition of the Premises, and (c) except as provided in this Lease, Landlord shall not be obligated to refurbish or improve the Premises or to otherwise fund improvements for the Premises in any manner whatsoever, and Tenant hereby accepts the Premises in its “AS-IS” condition. Notwithstanding the foregoing, prior to the Commencement Date as a condition to commencement of this Lease, Tenant shall deliver to Landlord all of the following: (i) a copy of this Lease fully executed by Tenant; (ii) the first installment of Monthly Base Rent and Additional Rent, due under this Lease; and (iii) copies of Tenant’s insurance certificates as required hereunder.

4.3 **Condition of Premises.** Tenant acknowledges that, except as otherwise expressly set forth in this Lease, (i) neither Landlord nor any agent of Landlord has made any representation or warranty with respect to the Premises, the Building or the Property or their condition, or with respect to the suitability thereof for the conduct of Tenant’s business, and (ii) the mutual execution of this Lease by Landlord and Tenant shall establish that the Premises, the Building and the Property are complete and in good, sanitary and satisfactory condition and repair, and without any obligation on Landlord’s part to make any alterations, upgrades or improvements thereto. The warranties made by Landlord in this Section 4.3 shall be of no force or effect if prior to the Commencement Date Tenant was the owner or occupant of the Premises, in which event Tenant accepts the condition of the Premises and shall be responsible for any necessary corrective work.

ARTICLE 5 - RENT

5.1 **Monthly Base Rent.** Commencing on the Commencement Date or as otherwise provided in Section 1.8 of the Summary, Tenant agrees to pay Landlord, the Monthly Base Rent as designated in the Summary. Monthly Base Rent and recurring monthly charges of Additional Rent (defined below) shall be paid by Tenant in advance on the first day of each and every calendar month (“**Due Date**”) during the Term. Monthly Base Rent for any partial month shall be prorated in the proportion that the number of days this Lease is in effect during such month bears to the actual number of days in such month.

5.2 **Additional Rent.** All amounts and charges payable by Tenant under this Lease in addition to Monthly Base Rent, if any, including, without limitation, payments for Operating Expenses, Taxes, Insurance Costs and Premises Utilities Costs to the extent payable by Tenant under this Lease shall be considered “**Additional Rent**”, and the word “**Rent**” in this Lease shall include Monthly Base Rent and all such Additional Rent unless the context specifically states or clearly implies that only Monthly Base Rent is referenced. Rent shall be paid to Landlord, without any prior notice or demand therefor and without any notice, deduction or offset, in lawful money of the United States of America.

5.3 **Late Charges & Interest Rate.** If Landlord does not receive Rent or any other payment due from Tenant by the Due Date, Tenant shall pay to Landlord a late charge equal to ten percent (10%) of such past due Rent or other payment. Tenant agrees that this late charge represents a fair and reasonable estimate of the cost Landlord will incur by reason of Tenant’s late payment. Accepting any late charge shall not constitute a waiver by Landlord of Tenant’s default with respect to any overdue amount nor prevent Landlord from exercising any other rights or remedies available to Landlord. If any installment of Monthly Base Rent or Additional Rent, or any other amount payable by Tenant hereunder is not received by Landlord by the Due Date, it shall bear interest at the Interest Rate set forth in the Summary from the Due Date until paid. All interest, and any late charges imposed pursuant to this Section 5.3, shall be considered Additional Rent due from Tenant to Landlord under the terms of this Lease.

ARTICLE 6 – INTENTIONALLY OMITTED

ARTICLE 7 - OPERATING EXPENSES/UTILITIES & SERVICES/TAXES/INSURANCE

7.1 **Triple Net Lease.** Except as otherwise provided herein, all Rent shall be absolutely net to Landlord so that this Lease shall yield net to Landlord the Rent to be paid each month during the Term of this Lease. Accordingly, and except as otherwise provided in this Lease, all costs, expenses and obligations of every kind or nature whatsoever relating to the Premises which may arise or become due during the Term of this Lease including, without limitation, all costs and expenses of maintenance and repairs, insurance and taxes, shall be paid by Tenant. Nothing herein contained shall be deemed to require Tenant to pay or discharge any liens or mortgages of any character whatsoever which may exist or hereafter be placed upon the Premises by an affirmative act or omission of Landlord.

7.2 **Operating Expenses.** In addition to the Monthly Base Rent, Tenant shall pay to Landlord Tenant’s Percentage of Operating Expenses (which includes the Building Percentage of all costs and expenses of operation and

maintenance of the Property Common Areas and the Site), in the manner and at the times set forth in the following provisions of this Section 7.2.

a. **“Operating Expenses”** shall consist of all costs and expenses of operation, maintenance and repair of the Common Areas of the Property as determined by standard accounting practices and calculated assuming the Property is one-hundred percent (100%) occupied. Operating Expenses include the following costs by way of illustration but not limitation: (i) any and all assessments imposed with respect to the Property pursuant to any covenants, conditions and restrictions affecting the Property; (ii) costs, levies, fees or assessments resulting from statutes, rules or regulations promulgated by any government authority in connection with the use or occupancy of the Property, including costs resulting from compliance with Building Performance Standards (“BPS”) defined as outcome-based policies and regulations tailored by state and local jurisdictions to reduce the carbon impact of buildings which require that existing buildings comply with specified BPS related to energy usage or greenhouse gas emissions (provided if BPS are imposed on the Building during the Term, Tenant will bear any costs, fees, assessments or fines resulting from any non-compliance by Tenant with any such BPS which directly result from or are imposed due to Tenant’s use); (iii) costs of utilities serving the Common Areas and any costs of utilities for the Premises and other premises in the Project which are not separately metered, (iv) all Taxes and Insurance Costs, (v) costs incurred in the management of the Property, including, without limitation: (1) supplies, materials, equipment and tools, (2) wages, salaries, benefits, pension payments and fringe benefits, (and payroll taxes, insurance and similar governmental charges related thereto) of employees used in the operation and maintenance of the Property, (3) the rental of personal property used by Landlord’s personnel in the maintenance, repair and operation of the Property, (4) accounting fees, legal fees and real estate consultant’s fees, and (5) a management/administrative fee; (vi) costs of repair and maintenance of all portions of the Building and all Buildings on the Property other than such portions as are maintained by Tenant or any other tenants, including common restrooms (if any), structural and non-structural portions of the Building and all other Buildings on the Property, and the plumbing, heating, ventilating, air-conditioning and electrical systems installed or furnished by Landlord and not maintained by Tenant pursuant to Section 8.2; (vii) maintenance, costs and upkeep of all parking and Common Areas including costs related to security for the Project; (viii) amortization on a straight-line basis over the useful life together with interest at the Interest Rate (as defined in Section 1.13 of the Lease Summary) on the unamortized balance of all costs of a capital nature (including, without limitation, capital improvements, capital replacements, capital repairs, capital equipment and capital tools): (1) reasonably intended to produce a reduction in operating charges or energy consumption; (2) required after the date of this Lease under any Law that was not applicable to the Building at the time it was originally constructed; or (3) for repair, replacement or addition of any equipment or improvements needed to operate and/or maintain the Property at the same quality levels as prior to the repair, replacement or addition; (ix) costs and expenses of gardening and landscaping; (x) costs of obtaining and maintaining green building certification (such as LEED, BOMA, U.S. EPA or comparable rating agency certifications; (xi) repairs and maintenance of electrical equipment and services; (xii) fire and life safety equipment and services; (xiii) maintenance of common Project signage, if any, and directional and parking area signage, if any (other than signs of tenants of the Property); (xiv) personal property taxes levied on or attributable to personal property used in connection with the Property; and (xv) costs and expenses of repairs, resurfacing, repairing, maintenance, painting, lighting and similar items, including appropriate reserves. Landlord shall have the right, from time to time, to equitably allocate some or all of the Operating Expenses among different tenants and/or different buildings and/or different premises of the Property based upon differing levels of use, demand, risk or other distinctions among such parties, premises or Buildings (the “**Cost Pools**”). Such Cost Pools may include, for example, all office space tenants or industrial/R&D space tenants in the Property and may be modified to take into account the addition of any additional buildings within the Property. Accordingly, in the event of such allocations into Cost Pools, Tenant’s Percentage shall be appropriately adjusted to reflect such allocation. In addition, if Landlord does not furnish a particular service or work (the cost of which, if furnished by Landlord would be included in Operating Expenses) to a tenant (other than Tenant) that has undertaken to perform such service or work in lieu of receiving it from Landlord, then Operating Expenses shall be considered to be increased by an amount equal to the additional Operating Expenses that Landlord would reasonably have incurred had Landlord furnished such service or work to that tenant.

b. **Exclusions from Operating Expenses.** Notwithstanding anything to the contrary contained elsewhere in this Section 7.2, the following items shall be excluded from Operating Expenses: (i) Costs of decorating, redecorating, or special cleaning or other services provided to certain tenants and not provided on a regular basis to all tenants of the Property; (ii) Any charge for depreciation of the Property or equipment and any interest or other financing charge (other than PACE financing); (iii) All costs relating to activities for the marketing, solicitation, negotiation and execution of leases of space in the Property, including without limitation, costs of tenant improvements; (iv) All costs for which Tenant or any other tenant in the Property is being charged other than pursuant to the operating expense clauses of leases for space in the Property; (v) The cost of correcting defects in the construction of the Building or any other building in the Property or in the building equipment, except that conditions (not occasioned by construction defects) resulting from ordinary wear and tear will not be deemed defects for the purpose of this category; (vi) To the extent Landlord is reimbursed by third parties, the cost of repair made by Landlord because of the total or partial destruction of the Property or the condemnation of a portion of the Building or any other building in the Property; (vii) The cost of any items for which Landlord is reimbursed by insurance or otherwise compensated by parties other than tenants of the Building or any other building in the Property pursuant to clauses similar to this paragraph; (viii) Any operating expense representing an amount paid to a related corporation, entity, or person which is in excess of the amount which would be paid in the absence of such relationship; (ix) The cost of any work or service performed for or facilities furnished to any tenant of the Building or any other building in the Property to a greater extent or in a manner more favorable to such tenant than that performed for or furnished to Tenant; (x) The cost of alterations of space in the Building or any other Building in the Property which is leased to other tenants; (xi) Ground rent or similar payments to a ground lessor; (xii) Legal fees and related expenses incurred by Landlord (together with any damages awarded against Landlord) due to the gross negligence or willful misconduct of Landlord; (xiii) Costs arising from the presence of any Hazardous Materials within, upon or beneath the Property by reason of Landlord’s introduction thereof to the Property in violation of Environmental Law applicable as of the date of such

introduction; (xiv) Salaries and compensation of ownership and management personnel above the level of vice-president of operations; and (xv) Costs of selling or financing the Property, the Building or any portions thereof.

c. **Estimate Statement and Payment of Tenant's Percentage of Operating Expenses.** By the first day of April (or as soon as practicable thereafter) of each calendar year during the Term, Landlord shall endeavor to deliver to Tenant a statement ("**Estimate Statement**") estimating Tenant's Percentage of Operating Expenses for the current calendar year ("**Tenant's Percentage of Estimated Operating Expenses**"). If at any time during the Term, but not more often than quarterly, Landlord reasonably determines that the estimated amount of Tenant's Percentage of Operating Expenses payable by Tenant for the current calendar year will be greater or less than the amount set forth in the then current Estimate Statement, Landlord may issue a revised Estimate Statement and Tenant agrees to pay Landlord, within ten (10) days after receipt of the revised Estimate Statement, the difference between the amount owed by Tenant under such revised Estimate Statement and the amount owed by Tenant under the original Estimate Statement for the portion of the then current calendar year which has expired. Thereafter Tenant agrees to pay Tenant's Percentage of Estimated Operating Expenses based on such revised Estimate Statement until Tenant receives the next calendar year's Estimate Statement or a new revised Estimate Statement for the current calendar year. Tenant's Percentage of Estimated Operating Expenses shown on the Estimate Statement (or revised Estimate Statement, as applicable) shall be divided into twelve (12) equal monthly installments, and Tenant shall pay to Landlord, concurrently with the regular monthly Rent payment next due following the receipt of the Estimate Statement (or revised Estimate Statement, as applicable), an amount equal to one (1) monthly installment of such Tenant's Percentage of Estimated Operating Expenses multiplied by the number of months from January in the calendar year in which such statement is submitted to the month of such payment, both months inclusive (less any amounts previously paid by Tenant with respect to any previously delivered Estimate Statement or revised Estimate Statement for such calendar year). Subsequent installments shall be paid concurrently with the regular monthly Rent payments for the balance of the calendar year and shall continue until the next calendar year's Estimate Statement (or current calendar year's revised Estimate Statement) is received.

d. **Actual Statement.** By the first day of June (or as soon as practicable thereafter) of each subsequent calendar year during the Term, Landlord shall endeavor to deliver to Tenant a statement ("**Actual Statement**") which states Tenant's Percentage of actual Operating Expenses payable by Tenant for the immediately preceding calendar year. Such obligation will be a continuing one which will survive the expiration or earlier termination of this Lease. If the Actual Statement reveals that Tenant's Percentage of actual Operating Expenses were less than Tenant's Percentage of Estimated Operating Expenses paid by Tenant with respect to the preceding calendar year, Landlord will credit any overpayment toward the next monthly installment(s) of Rent due from Tenant; provided, however, if the Term has expired and no remaining monthly installments of Rent remain due, Landlord shall refund any such overpayment to Tenant within thirty (30) days. Within one (1) month following the expiration or sooner termination of the Term (or as soon as reasonably possible thereafter, if actual Operating Expenses are not yet available) and Landlord's acceptance of Tenant's surrender of the Premises, Landlord shall provide to Tenant the Actual Statement of Operating Expenses due for the then final calendar year within the Term and the appropriate party shall pay to the other party the deficiency or overpayment, as applicable, within thirty (30) days following delivery of the final Actual Statement.

e. **Review.** Within sixty (60) days after receiving an Actual Statement, Tenant may, through an independent certified public accountant mutually acceptable to Landlord and Tenant and not working on a contingency fee basis, shall have the right to inspect and audit Landlord's books and records with respect to this Lease once each year to verify actual Operating Costs. Landlord's books and records shall be kept in accordance with generally accepted accounting principles. If Tenant's audit of the Operating Expenses reveals an overcharge of more than five percent (5%), Landlord shall promptly reimburse Tenant for the cost of the audit not to exceed \$5,000.00. Any overcharge or underpayment of Operating Costs shall be due from one party to the other within thirty (30) days. If the Actual Statement reveals that Tenant's Percentage of actual Operating Expenses were more than Tenant's Percentage of Estimated Operating Expenses paid by Tenant with respect to the preceding calendar year, Tenant agrees to pay Landlord the difference in a lump sum within thirty (30) days after receipt of the Actual Statement.

f. **No Release.** Any delay or failure by Landlord in delivering any Estimate Statement or Actual Statement pursuant to this Section 7.2 shall not constitute a waiver of its right to receive Tenant's payment of Tenant's Percentage of Operating Expenses, nor shall it relieve Tenant of its obligations to pay Operating Expenses pursuant to this Section 7.2, except that Tenant shall not be obligated to make any payments based on such Estimate or Actual Statement until thirty (30) days after receipt of such statement.

7.3 Utilities and Services.

a. **Premises Utilities Costs.** As used in this Lease, "**Premises Utilities Costs**" shall mean all actual charges for utilities for the Premises of any kind, including but not limited to water, sewer, gas, and electricity, telecommunications and cable service, and the costs of heating, ventilating and air conditioning and other utilities as well as related fees, assessments and surcharges. Tenant shall contract directly for all utilities services for the Premises and shall pay all Premises Utilities Costs directly to the various utility service providers providing such utility services to the Premises. Landlord shall have the right to charge Tenant monthly, as additional rent, for Tenant's use of HVAC beyond ordinary Business Hours for the Premises as defined below, as fairly determined by Landlord, including an hourly use charge and any minimum hour charges for after-hours requests and any special start-up costs for after-hours services which requires a special start-up (such as late evenings, weekends and holidays). For purposes of this section, Business Hours for the Premises shall be deemed to be 6:00 a.m. to 6:00 p.m., Mondays through Fridays (except Holidays) and 9:00 a.m. to 1:00 p.m. on Saturdays (except Holidays). For purposes of this section, Holidays shall mean New Year's Day, Labor Day, Presidents' Day, Thanksgiving Day, Memorial Day, Independence Day and Christmas Day and such other national holidays as are adopted by Landlord as holidays. Landlord shall have the right to install meters to measure HVAC use so as to establish the hourly use of HVAC by Tenant beyond Business Hours.

Tenant shall reimburse Landlord within ten (10) days after billing for fixture charges and/or water tariffs, if applicable, which are charged to Landlord by local utility companies. Landlord will notify Tenant of this charge as soon as it becomes known. This charge will increase or decrease with current charges being levied against Landlord, the Premises or the Building by the local utility company and will be due as Additional Rent. In no event shall Landlord be liable for any interruption or failure in the supply of any such utility or other services to Tenant.

b. **Interruption of Utilities.** Landlord shall have no liability to Tenant for any interruption in utilities or services to be provided to the Premises when such failure is caused by all or any of the following: (a) accident, breakage or repairs; (b) strikes, lockouts or other labor disturbances or labor disputes of any such character; (c) governmental regulation, moratorium or other governmental action; (d) inability, despite the exercise of reasonable diligence, to obtain electricity, water or fuel; (e) service interruptions or any other unavailability of utilities resulting from causes beyond Landlord’s control including without limitation, any electrical power “brown-out” or “black-out”; or (f) any other cause beyond Landlord’s reasonable control. In addition, in the event of any such interruption in utilities or services, Tenant shall not be entitled to any abatement or reduction of Rent (except as expressly provided in Article 17 and Article 18 if such failure is a result of any casualty damage or taking described therein), no eviction of Tenant shall result, and Tenant shall not be relieved from the performance of any covenant or agreement in this Lease. In the event of any stoppage or interruption of services or utilities which are not obtained directly by Tenant, Landlord shall diligently attempt to resume such services or utilities as promptly as practicable. Tenant hereby waives the provisions of any applicable existing or future Law, ordinance or governmental regulation permitting the termination of this Lease due to an interruption, failure or inability to provide any services.

7.4 **Taxes.** As used in this Lease, the term “**Taxes**” means: All real property taxes and assessments, possessory interest taxes, sales taxes, personal property taxes, business or license taxes or fees, gross receipts taxes, license or use fees, franchise and excise taxes, transit charges, and other impositions of any kind (including fees “in-lieu” or in substitution of any such tax or assessment) which are now or hereafter assessed, levied, charged or imposed by any public authority upon the Building, Site, Property and/or Premises or any portion thereof, its operations or the Rent derived therefrom (or any portion or component thereof, or the ownership, operation, or transfer thereof), and any and all costs and expenses (including, without limitation, reasonable attorneys’ fees) incurred in attempting to protest, reduce or minimize the same. Taxes shall not include inheritance or estate taxes imposed upon or assessed against the interest of Landlord, gift taxes, federal or state income taxes, excess profit taxes or similar taxes on Landlord’s business or any other taxes computed upon the basis of the net income of Landlord. If it shall not be lawful for Tenant to reimburse Landlord for any such Taxes, the Monthly Base Rent payable to Landlord under this Lease shall be revised to net Landlord the same net rent after imposition of any such Taxes by Landlord as would have been payable to Landlord prior to the payment of any such Taxes. Tenant shall pay for or contribute to Taxes as part of Operating Expenses as provided in this Article 7. Notwithstanding anything herein to the contrary, Tenant shall be liable for all taxes levied or assessed against personal property, furniture, fixtures, above-standard Tenant Improvements and alterations, additions or improvements placed by or for Tenant in the Premises. Furthermore, Tenant shall pay prior to delinquency any (i) rent tax or sales tax, service tax, transfer tax or value added tax, or any other applicable tax on the rent or services provided herein or otherwise respecting this Lease, (ii) taxes assessed upon or with respect to the possession, leasing, operation, management, maintenance, alteration, repair, use or occupancy by Tenant of the Premises or any portion of the Property; or (iii) taxes assessed upon this transaction or any document to which Tenant is a party creating or transferring an interest or an estate in the Premises.

7.5 **Insurance Costs.** As used in this Lease, “**Insurance Costs**” means the cost of insurance obtained by Landlord pursuant to Article 15 (including self-insured amounts and deductibles, if any). Tenant shall pay for or contribute to Insurance Costs as provided in this Article 7.

ARTICLE 8 - MAINTENANCE AND REPAIR

8.1 **Landlord’s Repair Obligations.** Subject to inclusion in Operating Expenses as provided in Section 7.2 above, Landlord shall repair, maintain and replace, as necessary so as to keep the Project in good operating condition and state of repair: (a) the exterior areas of the Project outside of the walls of all Buildings in the Project, including, without limitation, the exterior walls, fences and gates, if any, of the Project; parking areas, surfaces, curb stops and striping; driveways and drive aisles, sidewalks, curb and gutter; exterior parking area, site and landscape lighting, if any; and any landscaping irrigation and drainage systems and equipment including drainage culverts and bioswales and similar systems; (b) the shell and other structural portions of the Buildings (including the roof structure, foundations and load bearing walls, columns and beams); (c) the roof membrane, skylights, gutters and downspouts, exterior windows and exterior entrance doors of the Buildings; and (d) common utilities to the point of connection to the Buildings including transformers and water, gas and electricity meters; the basic heating, ventilating, air conditioning (“**HVAC**”) systems and equipment of the Buildings; the security, fire and life safety systems and access and lighting and HVAC control systems, and including standard conduits, connections and distribution systems thereof within the Premises as installed by Landlord (but not any above standard improvements installed in the Premises such as, for example, but not by way of limitation, custom lighting, special or supplementary HVAC or plumbing systems or distribution extensions, special or supplemental electrical panels or distribution systems, or kitchen or restroom facilities and appliances to the extent such facilities and appliances are intended for the exclusive use of Tenant or any other tenants of any Building); provided, however, to the extent such maintenance, repairs or replacements are required as a result of any act, neglect, fault or omission of Tenant or any Tenant Parties, Tenant shall pay to Landlord, as Additional Rent, the actual and documented costs incurred by Landlord for such maintenance, repairs and replacements. Except as otherwise expressly provided in this Lease, Landlord shall have no obligation to alter, remodel, improve, repair, renovate, redecorate or paint all or any part of the Premises or the Project. Tenant waives the right to make repairs at Landlord’s expense under any existing or future applicable Laws. Tenant shall cooperate fully at all times with Landlord and abide by current ASHRAE Standards and all reasonable regulations and requirements which Landlord may prescribe for the proper functioning and protection of the Building’s services and systems. Tenant shall not connect any conduit, pipe, apparatus or other device to the Building’s water, waste or other

supply lines or systems for any purpose. Neither Tenant nor its employees, agents, contractors, licensees or invitees shall at any time enter, adjust, tamper with, touch or otherwise in any manner affect the mechanical installations or facilities of the Building. Notwithstanding the repair obligations of Landlord or Tenant set forth in this Article 8, Landlord shall repair, maintain and replace as necessary, at its sole cost and expense and not as part of Operating Expenses, the foundation and structural elements of the Building (including structural load bearing walls, columns, beams and roof structure, and drains, gutters, and downspouts); provided, however, to the extent such maintenance, repairs or replacements are required as a result of any act, neglect, fault or omission of Tenant or any Tenant Parties, Tenant shall pay to Landlord, as Additional Rent, the costs of such maintenance, repairs and replacements.

8.2 Tenant's Repair Obligations. Except for Landlord's obligations specifically set forth in Section 8.1 above or elsewhere in this Lease, Tenant shall at all times and at Tenant's sole cost and expense, keep, maintain, clean, repair, preserve and replace, as necessary, the interior of the Premises and all parts thereof, including, without limitation, all Tenant Improvements, Alterations, and all furniture, fixtures and equipment, including, without limitation, all computer, telephone and data cabling and equipment, Tenant's signs, if any, door locks, closing devices, security devices, interior of windows, window sashes, casements and frames, floors and floor coverings, shelving, kitchen, restroom facilities and/or appliances of any kind located within the Premises, if any, custom lighting, and any additions and other property located within the Premises, so as to keep all of the foregoing elements of the Premises in good condition and repair, reasonable wear and tear and casualty damage excepted. Tenant shall replace, at its expense, any and all plate and other glass in and about the Premises which is damaged or broken from any cause whatsoever except due to the negligence or willful misconduct of Landlord, its agents or employees. Such maintenance and repairs shall be performed with due diligence, lien-free and in a first-class and workmanlike manner, by licensed contractor(s) that are selected by Tenant and approved by Landlord, which approval Landlord shall not unreasonably withhold or delay. If Tenant refuses or neglects to repair and maintain the Premises properly as required hereunder to the reasonable satisfaction of Landlord, then at any time following ten (10) days from the date on which Landlord makes a written demand on Tenant to effect such repair and maintenance, Landlord may enter upon the Premises and make such repairs and/or maintenance, and upon completion thereof, Tenant agrees to pay to Landlord as Additional Rent, Landlord's costs for making such repairs plus an amount not to exceed ten percent (10%) of such costs for overhead, within ten (10) days after receipt from Landlord of a written itemized bill therefor. Any amounts not reimbursed by Tenant within such ten (10) day period will bear interest at the Interest Rate until paid by Tenant. Without relieving Tenant of liability resulting from Tenant's failure to exercise and perform good maintenance practices in accordance with the requirements of this Lease, if the HVAC system exclusively serving the Premises cannot be repaired other than at a cost which is in excess of fifty percent (50%) of the cost of replacing such system, then Landlord shall replace such system and the cost thereof shall be prorated between Landlord and Tenant (as opposed to the cost being included in Operating Expenses) with Tenant being obligated to pay on the first day of each month during the remainder of the Term of this Lease, as Additional Rent, an amount equal to the product of multiplying the cost of such replacement by a fraction, the numerator of which is one, and the denominator of which is 144 (i.e., 1/144th of the cost per month), together with interest on the unamortized balance at a commercially reasonable rate established by Landlord. Tenant may prepay such amount at any time. All cleaning and janitorial services, including regular removal of trash and debris, for the Premises shall be performed and obtained, at Tenant's sole cost and expense, exclusively by or through Tenant or Tenant's janitorial contractors as reasonably approved by Landlord. Tenant shall, at its sole cost and expense, maintain and repair, and enter into a regularly scheduled preventive maintenance/service contract with a maintenance contractor to service all hot water, and HVAC systems and equipment within the Premises, or which serve the Premises exclusively, including, without limitation, any rooftop package HVAC units, distribution lines and internal venting systems. Such repair and maintenance shall include any and all services required to conform and maintain the HVAC units in compliance with current ASHRAE Standards. As used herein, "**ASHRAE Standards**" shall mean those standards established by the American Society of Heating, Refrigerating and Air-Conditioning Engineers, Inc. ("**ASHRAE**") and Air Conditioning Contractors of America ("**ACCA**") Standard Practice for Inspection and Maintenance of Commercial Building HVAC Systems, ANSI/ASHRAE/ACCA Standard 180-2008, as the same may be amended from time to time. The maintenance contractor and janitorial contractor and the contracts for same must be approved in writing by Landlord in advance. All maintenance/service contracts shall include all services recommended by the equipment manufacturer within the operation/maintenance manual and all services required to conform and maintain the HVAC in compliance with current ASHRAE Standards and shall become effective (and a copy thereof delivered to Landlord) within thirty (30) days following the date Landlord and Tenant mutually execute this Lease. Landlord reserves the right, upon notice to Tenant, to procure and maintain any or all of such service contracts, and if Landlord so elects, Tenant shall reimburse Landlord, as Additional Rent, upon demand, for the cost therefor.

ARTICLE 9 - USE

Tenant shall procure, at its sole cost and expense, any and all permits required by applicable Law for Tenant's use and occupancy of the Premises. Tenant shall use the Premises solely for the Permitted Use specified in the Summary and shall not use or permit the Premises to be used for any other use or purpose whatsoever without Landlord's prior written approval. Tenant shall observe and comply with the Rules and Regulations attached hereto as Exhibit D, as the same may be modified by Landlord from time to time, and all reasonable non-discriminatory modifications thereof and additions thereto from time to time put into effect and furnished to Tenant by Landlord. Landlord shall endeavor to enforce the Rules and Regulations but shall have no liability to Tenant for the violation or non-performance by any other tenant or occupant of any such Rules and Regulations. Tenant shall, at its sole cost and expense, observe and comply with all existing and future applicable Laws and all requirements of any board of fire underwriters or similar body relating to the Premises now or hereafter in force relating to or affecting the condition, use, occupancy, alteration or improvement of the Premises (whether, except as otherwise provided herein, structural or nonstructural, including unforeseen and/or extraordinary alterations and/or improvements to the Premises and regardless of the period of time remaining in the Term) such as for example, maintaining fire extinguishers in any kitchen areas, if any. Tenant shall not use or allow the Premises to be used for any improper, immoral, unlawful or reasonably objectionable purpose; by signing this Lease, Landlord acknowledges that the Permitted Use is not improper, immoral, unlawful nor a reasonably objectionable purpose. Tenant shall not do or permit to be done anything

that will obstruct or interfere with the rights of other tenants or occupants of the Building or the Property, if any, or injure or annoy them. Tenant shall not cause, maintain or permit any nuisance in, on or about the Premises, the Building or the Property, nor commit or suffer to be committed any waste in, on or about the Premises. Without limiting the foregoing, Tenant agrees that the Premises shall not be used for the use, growing, producing, processing, storing (short or long term), distributing, transporting, or selling of marijuana, cannabis, cannabis derivatives, or any cannabis containing substances (“**Cannabis**”), or any office uses related to the same, nor shall Tenant permit, allow or suffer, any of Tenant’s officers, employees, agents, servants, licensees, subtenants, concessionaires, contractors and invitees to bring onto the Premises, any Cannabis. Without limiting the foregoing, the prohibitions in this paragraph shall apply to all Cannabis, whether such Cannabis is legal for any purpose whatsoever under state or federal law or both. Notwithstanding anything to the contrary, any failure by Tenant to comply with each of the terms, covenants, conditions and provisions of this paragraph shall automatically and without the requirement of any notice be a Default that is not subject to cure, and Tenant agrees that upon the occurrence of any such Default, Landlord may elect, in its sole discretion, to exercise all of its rights and remedies under this Lease, at law or in equity with respect to such Default. Furthermore Tenant is prohibited from engaging or permitting others to engage in any activity which would be a violation of any existing or future state and/or federal Laws relating to the use, sale, possession, cultivation and/or distribution of any controlled substances (whether for commercial or personal purposes) regulated under any applicable Law or other applicable Law relating to the medicinal use and/or distribution of marijuana/cannabis (“**Prohibited Drug Law Activities**”).

ARTICLE 10 - HAZARDOUS MATERIALS

10.1 **Environmental Laws; Hazardous Materials.** As used in this Lease, the term “**Environmental Law(s)**” means any past, present or future federal, state or local Law relating to (a) the environment, human health or safety, including, without limitation, emissions, discharges, releases or threatened releases of Hazardous Materials (as defined below) into the environment (including, without limitation, air, surface water, groundwater or land), or (b) the manufacture, generation, refining, processing, distribution, use, sale, treatment, receipt, storage, disposal, transport, arranging for transport, or handling of Hazardous Materials. As used in this Lease, the term “**Hazardous Materials**” means and includes any hazardous or toxic materials, substances or wastes as now or hereafter designated or regulated under any existing or future Environmental Laws including, without limitation, asbestos, petroleum, petroleum hydrocarbons and petroleum-based products, urea formaldehyde foam insulation, polychlorinated biphenyls (“**PCBs**”), and freon and other chlorofluorocarbons. Except for ordinary and general office supplies, such as copier toner, liquid paper, glue, ink and common household cleaning materials, and motor vehicle fuel stored in fuel tanks of motor vehicles used on site in compliance with all existing or future existing and future Environmental Laws (some or all of which may constitute Hazardous Materials), Tenant agrees not to cause or permit any Hazardous Materials to be brought upon, stored, used, handled, generated, released or disposed of on, in, under or about the Premises, the Building, the Common Areas or any other portion of the Property by Tenant, its agents, officers, directors, shareholders, members, managers, partners, employees, subtenants, assignees, licensees, contractors or invitees (each and all, “**Tenant Parties**”), without the prior written consent of Landlord, which consent Landlord may withhold in its sole and absolute discretion. Upon the expiration or earlier termination of this Lease, Tenant agrees to promptly remove from the Premises, the Building and the Property, at its sole cost and expense, any and all Hazardous Materials, including any equipment or systems containing Hazardous Materials which are installed, brought upon, stored, used, generated or released upon, in, under or about the Premises, the Building and/or the Property or any portion thereof by Tenant or any Tenant Parties. To the fullest extent permitted by law, Tenant agrees to promptly indemnify, protect, defend and hold harmless Landlord and Landlord’s members, shareholders, partners, officers, directors, managers, employees, agents, contractors, successors and assigns (collectively, “**Landlord Parties**”) from and against any and all claims, damages, judgments, suits, causes of action, losses, liabilities, penalties, fines, expenses and costs (including, without limitation, clean-up, removal, remediation and restoration costs, sums paid in settlement of claims, attorneys’ fees, consultant fees and expert fees and court costs) which arise or result from the presence of Hazardous Materials on, in, under or about the Premises, the Building or any other portion of the Property and which are caused or permitted by Tenant or any Tenant Parties.

10.2 **Environmental Questionnaire; Disclosure.** Prior to the execution of this Lease, Tenant shall complete, execute and deliver to Landlord an Environmental Questionnaire and Disclosure Statement (the “**Environmental Questionnaire**”) in the form of Exhibit F, and Tenant shall certify to Landlord all information contained in the Environmental Questionnaire as true and correct to the best of Tenant’s knowledge and belief. The completed Environmental Questionnaire shall be deemed incorporated into this Lease for all purposes, and Landlord shall be entitled to rely fully on the information contained therein. On each anniversary of the Commencement Date (each such date is hereinafter referred to as a “**Disclosure Date**”), until and including the first Disclosure Date occurring after the expiration or sooner termination of this Lease, Tenant shall disclose to Landlord in writing the names and amounts of all Hazardous Materials, or any combination thereof, that were stored, generated, used or disposed of on, under or about the Premises for the twelve (12) month period prior to each Disclosure Date, and that Tenant intends to store, generate, use or dispose of on, under or about the Premises through the next Disclosure Date. At Landlord’s request, Tenant’s disclosure obligations under this Section 10.2 shall include a requirement that Tenant update, execute and deliver to Landlord the Environmental Questionnaire, as the same may be reasonably modified by Landlord from time to time; provided, however, Tenant shall not be required to update the Environmental Questionnaire more than once per year unless an environmental event of default has occurred or Tenant has materially changed its business. In addition to the foregoing, Tenant shall promptly notify Landlord of, and shall promptly provide Landlord with true, correct, complete and legible copies of, all of the following environmental items relating to the Premises: reports filed pursuant to any self-reporting requirements; reports filed pursuant to any existing or future Environmental Laws or this Lease; all permit applications, permits, monitoring reports, workplace exposure and community exposure warnings or notices, and all other reports, disclosures, plans or documents (even those that may be characterized as confidential) relating to water discharges, air pollution, waste generation or disposal, underground storage tanks or Hazardous Materials; all orders, reports, notices, listings and correspondence (even those that may be considered confidential) of or concerning the release, investigation, compliance, clean up, remedial and corrective actions, and abatement of Hazardous Materials whether or not required by any existing or future

Environmental Laws; and all complaints, pleadings and other legal documents filed against Tenant related to Tenant's use, handling, storage or disposal of Hazardous Materials.

10.3 Inspection; Compliance. Landlord and any Landlord Parties shall have the right, but not the obligation, to inspect, investigate, sample and/or monitor the Premises, including any air, soil, water, groundwater or other sampling, and any other testing, digging, drilling or analyses, at any time to determine whether Tenant is complying with the terms of this Article 10, and in connection therewith, Tenant shall provide Landlord with access to all relevant facilities, records and personnel. If Tenant is not in compliance with any of the provisions of this Article 10, or in the event of a release of any Hazardous Materials on, under, from or about the Premises, Landlord and Landlord Parties shall have the right, but not the obligation, without limitation on any of Landlord's other rights and remedies under this Lease, to immediately enter upon the Premises and to discharge Tenant's obligations under this Article 10 at Tenant's expense, including without limitation the taking of emergency or long term remedial action. Landlord and Landlord Parties shall endeavor to minimize interference with Tenant's business but shall not be liable for any such interference. In addition, Landlord, at Tenant's sole cost and expense, shall have the right, but not the obligation, to join and participate in any legal proceedings or actions initiated in connection with any claims or causes of action arising out of the storage, generation, use or disposal by Tenant or any Tenant Parties of Hazardous Materials on, under, from or about the Premises. All sums reasonably disbursed, deposited or incurred by Landlord in connection herewith, including, but not limited to, all costs, expenses and actual attorneys' fees, shall be due and payable by Tenant to Landlord, as an item of Additional Rent, on demand by Landlord, together with interest thereon at the Interest Rate from the date of such demand until paid by Tenant. Landlord agrees that if any testing proves that Tenant or any Tenant Parties have no responsibility for the presence of said Hazardous Materials, Tenant shall not be liable for any costs or expenses in connection with such inspection, testing and monitoring.

10.4 Mold. Tenant shall give Landlord written notice of any evidence of Mold, water leaks or water infiltration in the Premises promptly upon discovery of same. At its expense, Tenant shall investigate, clean up and remediate any Mold in the Premises caused or permitted by Tenant or any Tenant Parties. Investigation, clean up and remediation may be performed only after Tenant has Landlord's written approval of a plan for such remediation. All clean up and remediation shall be done in compliance with all existing and future applicable Laws and to the reasonable satisfaction of Landlord. As used in this Lease, "**Mold**" means mold, fungi, spores, microbial matter, mycotoxins and microbiological organic compounds.

10.5 Tenant Obligations. If the presence of any Hazardous Materials on, under or about the Premises or the Property caused or permitted by Tenant or any Tenant Parties results in (i) injury to any person, (ii) injury to or contamination of the Premises or any portion of the Property, or (iii) injury to or contamination of any real or personal property wherever situated, Tenant, at its sole cost and expense, shall promptly take all actions necessary to return the Premises and/or the Property to the condition existing prior to the introduction of such Hazardous Materials to the Premises and/or the Property and to remedy or repair any such injury or contamination. Without limiting any other rights or remedies of Landlord under this Lease, Tenant shall pay the cost of any cleanup work performed on, under or about the Premises and/or the Property as required by this Lease or any existing or future Environmental Laws in connection with the removal, disposal, neutralization or other treatment of such Hazardous Materials caused or permitted by Tenant or any Tenant Parties. If Landlord has reason to believe that Tenant or any Tenant Parties may have caused or permitted the release of any Hazardous Materials on, under, from or about the Premises and/or the Property, then Landlord may require Tenant, at Tenant's sole cost and expense, to conduct monitoring activities on or about the Premises and/or the Property satisfactory to Landlord, in its sole and absolute judgment, concerning such release of Hazardous Materials on, under, from or about the Premises and/or the Property. Notwithstanding anything to the contrary contained in the foregoing, Tenant shall not, without Landlord's prior written consent, take any remedial action in response to the presence of any Hazardous Materials on, under or about the Premises and/or the Property, or enter into any settlement agreement, consent decree or other compromise with any governmental agency with respect to any Hazardous Materials claims; provided, however, Landlord's prior written consent shall not be necessary in the event that the presence of Hazardous Materials on, under or about the Premises and/or the Property (i) poses an immediate threat to the health, safety or welfare of any individual, or (ii) is of such a nature that an immediate remedial response is necessary and it is not possible to obtain Landlord's consent before taking such action. Tenant's failure to timely comply with this Article 10 shall constitute an event of default under this Lease.

10.6 Tenant's Responsibility at Conclusion of Lease. Promptly upon the expiration or sooner termination of this Lease, Tenant shall represent to Landlord in writing that (i) Tenant has made a diligent effort to determine whether any Hazardous Materials are on, under or about the Premises and the Property, as a result of any acts or omissions of Tenant or any Tenant Parties and (ii) no such Hazardous Materials exist on, under or about the Premises and the Property, other than as specifically identified to Landlord by Tenant in writing. If Tenant discloses the existence of Hazardous Materials on, under or about the Premises and the Property or if Landlord at any time discovers that Tenant or any Tenant Parties caused or permitted the release of any Hazardous Materials on, under, from or about the Premises and the Property, Tenant shall, at Landlord's request, immediately prepare and submit to Landlord within thirty (30) days after such request a comprehensive plan, subject to Landlord's approval, specifying the actions to be taken by Tenant to return the Premises and the Property to the condition existing prior to the introduction of such Hazardous Materials. Upon Landlord's approval of such clean-up plan, Tenant shall, at Tenant's sole cost and expense, without limitation on any rights and remedies of Landlord under this Lease or at law or in equity, immediately implement such plan and proceed to clean up such Hazardous Materials in accordance with all existing and future Environmental Laws and as required by such plan and this Lease.

10.7 Survival. The provisions of this Article 10 will survive the expiration or earlier termination of this Lease.

ARTICLE 11 - PARKING

During the Term, Tenant shall be entitled to utilize the number and type of parking spaces specified in the Summary within the parking areas for the Property as designated by Landlord from time to time. Landlord shall at all times have the right to establish and modify the nature and extent of the parking areas for the Building and Property (including whether such areas shall be surface, underground and/or other structures). In addition, if Tenant is not the sole occupant of the Property, Landlord may, in its discretion, designate any unreserved parking spaces as reserved parking. The terms and conditions for parking at the Property shall be as specified in the Summary and in the Rules and Regulations regarding parking as contained in Exhibit D attached hereto, as the same may be modified by Landlord from time to time. Tenant shall not use more parking spaces than its allotment and shall not use any parking spaces specifically assigned by Landlord to other tenants, if any, or for such other uses such as visitor, handicapped or other special purpose parking. Tenant's visitors shall be entitled to access to the parking areas on the Property designated for visitor use, subject to availability of spaces and the terms of the Summary.

ARTICLE 12 - TENANT SIGNS

Tenant shall have the right to have Landlord's signage vendor install, at Tenant's sole cost and expense, one (1) Building standard entry sign (restricted solely to Tenant's name) on the exterior of the Building above the doorway to the Premises or such other location as may be reasonably determined by Landlord, subject to the provisions of this Article 12. Subsequent changes to Tenant's sign and/or any additional signs, to the extent permitted by Landlord herein, shall be made or installed at Tenant's sole cost and expense. All aspects of any such signs shall be subject to the prior written consent of Landlord (which shall not be unreasonably withheld), and shall be per Landlord's standard specifications and materials, as revised by Landlord from time to time. Tenant shall have no right to install or maintain any other signs, banners, advertising, notices, displays, stickers, decals or any other logo or identification of any person, product or service whatsoever, in any location on or in the Property except as (i) shall have been expressly approved by Landlord in writing prior to the installation thereof (which approval may be granted or withheld in Landlord's sole and absolute discretion), (ii) shall not violate any signage restrictions or exclusive sign rights contained in any then existing leases with other tenants of the Property, if any, and (iii) are consistent and compatible with all existing and future applicable Laws, and the design, signage and graphics program from time to time implemented by Landlord with respect to the Property, if any. Landlord shall have the right to remove any signs or signage material installed without Landlord's permission, without being liable to Tenant by reason of such removal, and to charge the cost of removal to Tenant as Additional Rent hereunder, payable within ten (10) days after written demand by Landlord. Any additional sign rights of Tenant, if any, shall be as provided in the Summary.

ARTICLE 13 - ALTERATIONS

13.1 **Alterations.** After installation of the initial Tenant Improvements for the Premises, if any, Tenant may, at its sole cost and expense, make alterations, additions, improvements, and decorations to the Premises ("**Alteration(s)**") subject to and upon the following terms and conditions:

a. Tenant shall not make any Alterations which: (i) affect any area outside the Premises including the outside appearance, character or use of any portions of the Building or other portions of the Property; (ii) affect the Building's roof, roof membrane, any structural component or any base Building equipment, services or systems (including fire and life/safety systems), or the proper functioning thereof, or Landlord's access thereto; (iii) in the reasonable opinion of Landlord, lessen the value of the Building or the Property; (iv) will violate or require a change in any occupancy certificate applicable to the Premises; or (v) would trigger a legal requirement which would require Landlord to make any alteration or improvement to the Premises, Building or other aspect of the Property.

b. Tenant shall not make any Alterations not prohibited by Section 13.1(a), unless Tenant first obtains Landlord's prior written consent, which consent Landlord shall not unreasonably withhold, provided Landlord's prior approval shall not be required for any Alterations that is not prohibited by Section 13.1(a) above and is of a cosmetic nature that satisfies all of the following conditions (hereinafter a "**Pre-Approved Alteration**"): (i) the costs of such Alterations do not exceed One Dollar (\$1.00) per rentable square foot of the Premises; (ii) to the extent reasonably required by Landlord or by Law due to the nature of the work being performed, Tenant delivers to Landlord final plans, specifications, working drawings, permits and approvals for such Alterations at least ten (10) days prior to commencement of the work thereof; (iii) Tenant and such Alterations otherwise satisfy all other conditions set forth in this Section 13.1; and (iv) the making of such Alterations will not otherwise cause a default by Tenant under any provision of this Lease. Tenant shall provide Landlord with ten (10) days' prior written notice before commencing any Alterations. In addition, before proceeding with any Alteration, Tenant's contractors shall obtain, on behalf of Tenant and at Tenant's sole cost and expense: (A) all necessary governmental permits and approvals for the commencement and completion of such Alterations, and (B) if the cost of such Alterations exceeds \$25,000.00, a completion and lien indemnity bond, or other surety satisfactory to Landlord for such Alterations. Landlord's approval of any plans, contractor(s) and subcontractor(s) of Tenant shall not release Tenant or any such contractor(s) and/or subcontractor(s) from any liability with respect to such Alterations and will create no liability or responsibility on Landlord's part concerning the completeness of such Alterations or their design sufficiency or compliance with existing and future Laws.

c. All Alterations shall be performed: (i) in accordance with the approved plans, specifications and working drawings, if any; (ii) lien-free and in a first-class workmanlike manner; (iii) in compliance with all then applicable building codes and Laws; (iv) in such a manner so as not to impose any additional expense upon nor delay Landlord in the maintenance and operation of the Building; (v) by licensed and bondable contractors, subcontractors and vendors selected by Tenant and reasonably approved by Landlord (provided Landlord reserves the right to require Tenant to utilize Landlord's preferred contractors, subcontractors and vendors for certain work performed within the Premises or as to systems serving the Premises as approved by Landlord such as for fire/life

safety, HVAC control work, architectural and engineering services), and (vi) at such times, in such manner and subject to such rules and regulations as Landlord may from time to time reasonably designate. Tenant shall pay to Landlord, within ten (10) days after written demand, the costs of any increased insurance premiums incurred by Landlord to include such Alterations in the causes of loss-special form property insurance obtained by Landlord pursuant to this Lease, if Landlord elects in writing to insure such Alterations; provided, however, Landlord shall not be required to include the Alterations under such insurance. If the Alterations are not included in Landlord's insurance, Tenant shall insure the Alterations under its causes of loss-special form property insurance pursuant to this Lease. Without limitation on the foregoing, upon Landlord's obtaining knowledge of the commencement of any alteration, change, improvement, or addition to the Premises, Landlord shall be permitted to post a timely Notice of Non-Responsibility at the Premises, which shall also be recorded in the office of the Recorder of the County in which the Building is located. Upon the completion of any alteration, change, improvement, or addition to the Premises, Tenant shall cause a timely Notice of Completion to be recorded in the office of the Recorder of the County in which the Building is located, and Tenant shall deliver to Landlord a conformed copy of such Notice of Completion.

d. Tenant shall pay to Landlord, as Additional Rent, the reasonable costs of Landlord's engineers and other consultants for review of all plans, specifications and working drawings for the Alterations, within ten (10) business days after Tenant's receipt of invoices either from Landlord or such consultants. In addition to such costs, Tenant shall pay to Landlord, within ten (10) business days after completion of any Alterations, a construction supervision fee equal to five percent (5%) of the total cost of the Alterations and the actual, reasonable costs incurred by Landlord for any services rendered by Landlord's management personnel and engineers to coordinate and/or supervise any of the Alterations to the extent such services are provided in excess of or after the normal on-site hours of such engineers and management personnel.

e. Throughout the performance of the Alterations, Tenant shall obtain, or cause its contractors to obtain, workers compensation insurance and commercial general liability insurance in compliance with the insurance provisions of this Lease.

13.2 **Removal of Alterations.** All Alterations and the initial Tenant Improvements in the Premises (whether installed or paid for by Landlord or Tenant), shall become the property of Landlord and shall remain upon and be surrendered with the Premises at the end of the Term; provided, however, Landlord may, by written notice delivered to Tenant within thirty (30) days after Landlord's receipt of plans for any Alterations identify those Alterations which Landlord shall require Tenant to remove at the end of the Term. If Landlord requires Tenant to remove any such Alterations, Tenant shall, at its sole cost, remove the identified items on or before the expiration or sooner termination of this Lease and repair any damage to the Premises caused by such removal to its original condition (or, at Landlord's option, Tenant shall pay to Landlord all of Landlord's costs of such removal and repair).

13.3 **Liens.** Tenant shall not permit any mechanic's, materialmen's or other liens to be filed against all or any part of the Property or the Premises, nor against Tenant's leasehold interest in the Premises, by reason of or in connection with any repairs, alterations, improvements or other work contracted for or undertaken by Tenant or any Tenant Parties. If any such liens are filed, Tenant shall, at its sole cost, immediately cause such liens to be released of record or bonded so that such lien(s) no longer affect(s) title to the Property, the Building or the Premises. If Tenant fails to cause any such lien to be released or bonded within ten (10) days after filing thereof, Landlord may cause such lien to be released by any means it shall deem proper, including payment in satisfaction of the claim giving rise to such lien, and Tenant shall reimburse Landlord within five (5) business days after receipt of invoice from Landlord, any sum paid by Landlord to remove such liens, together with interest at the Interest Rate from the date of such payment by Landlord.

ARTICLE 14 - TENANT'S INSURANCE

Landlord acknowledges that Tenant, a Charter County Government under the Constitution of the State of Washington, maintains a funded self-insurance program for the protection and handling of the Tenant's liabilities, including injuries to persons and damage to property. Upon request by Landlord, Tenant shall provide Landlord with a certificate or letter of self-insurance as proof of coverage. 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. Landlord further acknowledges that Tenant does not maintain commercial insurance and is a self-insured government entity; therefore, Tenant does not have the ability to add Landlord as an additional insured. Should Tenant cease self-insuring its liability exposure and purchase commercial liability insurance, Tenant shall add Landlord as an additional insured to such policies and Landlord shall have the right to require all standard insurance coverages required by Landlord for other tenants in the Project. Tenant shall always maintain its self-funded program or commercial liability insurance in an amount sufficient to cover its liability exposure under this Lease.

ARTICLE 15 - LANDLORD'S INSURANCE

During the Term, Landlord shall maintain property insurance written on a Special Form basis covering the Property and the Building, including the initial Tenant Improvements (excluding, however, Tenant's furniture, equipment and other personal property and Alterations, unless Landlord otherwise elects to insure the Alterations pursuant to Section 13.1 above) against damage by fire and standard extended coverage perils and with vandalism and malicious mischief endorsements, rental loss coverage, at Landlord's option, earthquake damage coverage, and such additional coverage as Landlord deems appropriate. Landlord shall also carry commercial general liability insurance in such reasonable amounts and with such reasonable deductibles as would be carried by a prudent owner of a similar building in the state in which the Building is located. At Landlord's option, all such insurance may be carried under any blanket or umbrella policies that Landlord has in force for other buildings and projects. In addition, at Landlord's option, Landlord may elect to self-insure all or any part of such required insurance coverage. Landlord may but shall

not be obligated to carry any other form or forms of insurance as Landlord or any Mortgagee or ground lessors of Landlord may reasonably determine is advisable. The cost of insurance obtained by Landlord pursuant to this Article 15 (including self-insured amounts and deductibles) shall be included in Insurance Costs, except that any increase in the premium for the property insurance attributable to the replacement cost of the Tenant Improvements in excess of Building standard shall not be included as Insurance Costs, but shall be paid by Tenant within thirty (30) days after receipt of an invoice from Landlord.

ARTICLE 16 - INDEMNIFICATION AND EXCULPATION

16.1 Tenant's Assumption of Risk and Waiver. Except to the extent such matter is not covered by the insurance required to be maintained by Tenant under this Lease and/or except to the extent such matter is attributable to the negligence or willful misconduct of Landlord or Landlord's agents, contractors or employees, Landlord shall not be liable to Tenant, or any Tenant Parties for: (i) any damage to property of Tenant, or of others, located in, on or about the Premises, (ii) the loss of or damage to any property of Tenant or of others by theft or otherwise, (iii) any injury or damage to persons or property resulting from fire, explosion, falling ceiling tiles masonry, steam, gas, electricity, water, rain or leaks from any part of the Premises or from the pipes, appliance of plumbing works or from the roof, street or subsurface or from any other places or by dampness or by any other cause of whatsoever nature, (iv) any such damage caused by other tenants or persons in the Premises, occupants of any other portions of the Property, or the public, or caused by operations in construction of any private, public or quasi-public work, or (v) any interruption of utilities and services. Landlord shall in no event be liable to Tenant or any other person for any consequential, special or punitive damages or for loss of business, revenue, income or profits and Tenant hereby waives any and all claims for any such damages. Notwithstanding anything to the contrary contained in this Section 16.1, all property of Tenant and all Tenant Parties kept or stored on the Premises, whether leased or owned by any such parties, shall be so kept or stored at the sole risk of Tenant and Tenant shall hold Landlord harmless from any claims arising out of damage to the same, including subrogation claims by Tenant's insurance carriers. Landlord or its agents shall not be liable for interference with light or other intangible rights.

16.2 Tenant's Indemnification. Tenant shall be liable for, and shall indemnify, defend, protect and hold Landlord and the Landlord Parties harmless from and against, any and all claims, damages, judgments, suits, causes of action, losses, liabilities and expenses, including, without limitation, attorneys' fees and court costs (collectively, "**Indemnified Claims**"), arising or resulting from (a) any occurrence in the Premises following the date Landlord delivered possession of all or any portion of the Premises to Tenant, except to the extent caused by the negligence or willful misconduct of Landlord or Landlord's agents, contractors or employees, (b) any act or omission of Tenant or any Tenant Parties; and/or (c) any default by Tenant as to any obligations on Tenant's part to be performed under the terms of this Lease or the terms of any contract or agreement to which Tenant is a party or by which it is bound, affecting this Lease or the Premises. The foregoing indemnification shall include, any injury to, or death of, any person, or any loss of, or damage to, any property on the Premises, connected with the use, condition or occupancy thereof arising from Tenant's negligence. In case any action or proceeding is brought against Landlord or any Landlord Parties by reason of any such Indemnified Claims, Tenant, upon notice from Landlord, shall defend the same at Tenant's expense by counsel approved in writing by Landlord, which approval shall not be unreasonably withheld. Tenant's indemnification obligations under this Section 16.2 and elsewhere in this Lease shall survive the expiration or earlier termination of this Lease. Tenant's covenants, agreements and indemnification in Section 16.1 and this Section 16.2 are not intended to and shall not relieve any insurance carrier of its obligations under policies required to be carried by Tenant pursuant to the provisions of this Lease. Tenant specifically and expressly waives any immunity that may be granted it under the Washington State Industrial Insurance Act, Title 51 RCW.

16.3 Landlord's Indemnification of Tenant. Notwithstanding anything to the contrary contained in Section 16.1 or 16.2, Tenant shall not be required to protect, defend, save harmless or indemnify Landlord from any liability for injury, loss, accident or damage to any person resulting from Landlord's negligent acts or omissions or willful misconduct or that of its agents, contractors, servants, employees or licensees, in connection with Landlord's activities on or about the Premises, and subject to the terms of Article 22, Landlord hereby indemnifies and agrees to protect, defend and hold Tenant harmless from and against Indemnified Claims arising out of Landlord's negligent acts or omissions or willful misconduct or those of its agents, contractors, servants, employees or licensees in connection with Landlord's activities and obligations on or about the Premises. Such exclusion from Tenant's indemnity and such agreement by Landlord to so indemnify and hold Tenant harmless are not intended to and shall not relieve any insurance carrier of its obligations under policies required to be carried by Landlord pursuant to the provisions of this Lease to the extent that such policies cover (or, if such policies would have been carried as required, would have covered) the result of negligent acts or omissions or willful misconduct of Landlord or those of its agents, contractors, servants, employees or licensees; provided, however, the provisions of this sentence shall in no way be construed to imply the availability of any double or duplicate coverage. Landlord's and Tenant's indemnification obligations hereunder may or may not be coverable by insurance, but the failure of either Landlord or Tenant to carry insurance covering the indemnification obligation shall not limit their indemnity obligations hereunder.

ARTICLE 17 - CASUALTY DAMAGE/DESTRUCTION

17.1 Landlord's Rights and Obligations. If the Premises or the Building is damaged by fire or other casualty not caused by the negligence or willful misconduct of Tenant ("**Casualty**") to an extent not exceeding twenty-five percent (25%) of the full replacement cost thereof, and Landlord's contractor estimates in writing delivered to the parties that the damage thereto is such that the Building and/or Premises may be repaired, reconstructed or restored to substantially its condition immediately prior to such damage within one hundred twenty (120) days from the date of such Casualty, and Landlord will receive insurance proceeds sufficient to cover the costs of such repairs, reconstruction and restoration (including proceeds from Tenant and/or Tenant's insurance which Tenant is required to deliver to Landlord pursuant to this Lease), then Landlord shall commence and proceed diligently with the work of repair, reconstruction and restoration and this Lease shall continue in full force and effect. If, however, the Premises

or the Building is damaged to an extent exceeding twenty-five percent (25%) of the full replacement cost thereof, or Landlord's contractor estimates that such work of repair, reconstruction and restoration will require longer than one hundred twenty (120) days to complete from the date of Casualty, or Landlord will not receive insurance proceeds (and/or proceeds from Tenant, as applicable) exclusive of Landlord's applicable deductibles sufficient to cover the costs of such repairs, reconstruction and restoration, then Landlord may elect to either: (a) repair, reconstruct and restore the portion of the Premises or Building damaged by such Casualty (including the Tenant Improvements, the Alterations that Landlord elects to insure pursuant to Section 13.1 and, to the extent of insurance proceeds received from Tenant, the Alterations that Tenant is required to insure pursuant to Section 13.1), in which case this Lease shall continue in full force and effect; or (b) terminate this Lease effective as of the date which is thirty (30) days after Tenant's receipt of Landlord's election to so terminate. Under any of the conditions of this Section 17.1, Landlord shall give written notice to Tenant of its intention to repair or terminate within the later of sixty (60) days after the occurrence of such Casualty, or fifteen (15) days after Landlord's receipt of the estimate from Landlord's contractor or, as applicable, thirty (30) days after Landlord receives approval from Landlord's Mortgagee to rebuild.

17.2 Tenant's Costs and Insurance Proceeds. In the event of any damage or destruction of all or any part of the Premises, Tenant shall immediately: (a) notify Landlord thereof; and (b) deliver to Landlord all insurance proceeds received by Tenant with respect to the Tenant Improvements and Alterations (to the extent such items are not covered by Landlord's property insurance obtained by Landlord pursuant to this Lease) and with respect to Alterations in the Premises that Tenant is required to insure pursuant to Section 13.1, excluding proceeds for Tenant's furniture and other personal property, whether or not this Lease is terminated as permitted in Section 17.1, and Tenant hereby assigns to Landlord all rights to receive such insurance proceeds. If, for any reason (including Tenant's failure to obtain insurance for the full replacement cost of any Alterations which Tenant is required to insure pursuant to Section 13.1 hereof), Tenant fails to receive insurance proceeds covering the full replacement cost of such Alterations which are damaged, and Landlord's insurance does not provide coverage, Tenant shall be deemed to have self-insured the replacement cost of such Alterations, and upon any damage or destruction thereto, Tenant shall immediately pay to Landlord the full replacement cost of such items, less any insurance proceeds actually received by Landlord from Landlord's or Tenant's insurance with respect to such items.

17.3 Abatement of Rent. If as a result of any such damage, repair, reconstruction and/or restoration of the Premises or the Building, Tenant is prevented from using, and does not use, the Premises or any portion thereof, then Rent shall be abated or reduced, as the case may be, during the period that Tenant continues to be so prevented from using and does not use the Premises or portion thereof, in the proportion that the rentable square feet of the portion of the Premises that Tenant is prevented from using, and does not use, bears to the total rentable square feet of the Premises, from the date of the damage until the Premises is restored. Notwithstanding the foregoing to the contrary, if the damage is due to the negligence or willful misconduct of Tenant or any Tenant Parties, there shall be no abatement of Rent. Except for abatement of Rent as provided hereinabove, Tenant shall not be entitled to any compensation or damages for loss of, or interference with, Tenant's business or use or access of all or any part of the Premises resulting from any such damage, repair, reconstruction or restoration.

17.4 Inability to Complete. Notwithstanding anything to the contrary contained in this Article 17, if Landlord is obligated or elects to repair, reconstruct and/or restore the damaged portion of the Building or Premises pursuant to Section 17.1 above, but is delayed from completing such repair, reconstruction and/or restoration beyond the date which is six (6) months after the date estimated by Landlord's contractor for completion thereof pursuant to Section 17.1, by reason of any causes beyond the reasonable control of Landlord (including, without limitation, delays due to Force Majeure, and delays caused by Tenant or any Tenant Parties), then Landlord or Tenant may elect to terminate this Lease upon thirty (30) days' prior written notice to the other Party: provided however, if Landlord completes such repair, reconstruction or restoration prior to the expiration of such thirty (30) day notice period, then this Lease shall not terminate, and Tenant's election to terminate this Lease in accordance with this Section 17.4 shall be null, void and of no further force and effect.

17.5 Damage to the Property. If there is a total destruction of the improvements on the Property or partial destruction of such improvements, the cost of restoration of which would exceed one-third (1/3) of the then replacement value of all improvements on the Property, by any cause whatsoever, whether or not insured against and whether or not the Premises are partially or totally destroyed, Landlord may within a period of one hundred eighty (180) days after the occurrence of such destruction, notify Tenant in writing that it elects not to so reconstruct or restore such improvements, in which event this Lease shall cease and terminate as of the date of such destruction.

17.6 Damage Near End of Term. In addition to the termination rights in Sections 17.1, 17.4 and 17.5 above, Landlord shall have the right to terminate this Lease if any damage to the Building or Premises occurs during the last twelve (12) months of the Term and Landlord's contractor estimates in writing delivered to the parties that the repair, reconstruction or restoration of such damage cannot be completed within the earlier of (a) the scheduled expiration date of the Term, or (b) sixty (60) days after the date of such casualty.

17.7 Tenant's Termination Right. In the event of any damage or destruction which affects Tenant's use and enjoyment of the Premises which is not caused by Tenant or any Tenant Parties, if Tenant's possession and use of the Premises cannot be restored by Landlord within two hundred seventy (270) days for reasons other than delays caused by Tenant or any Tenant Parties, Tenant shall have the right to terminate this Lease upon written notice to Landlord given within thirty (30) days after the expiration of said 270-day period, unless Landlord completes the restoration within said 30-day notice period, in which case this Lease shall continue in full force and effect.

17.8 Waiver of Termination Right. This Lease sets forth the terms and conditions upon which this Lease may terminate in the event of any damage or destruction. Accordingly, except as expressly provided herein, Tenant hereby waives any and all provisions of applicable present or future Law that provide alternative rights for the parties in the event of damage or destruction to the extent not covered by contract (i.e., this Lease).

ARTICLE 18 - CONDEMNATION

18.1 **Substantial or Partial Taking.** Subject to the provisions of Section 18.3 below, either party may terminate this Lease if any material part of the Premises is taken or condemned for any public or quasi-public use under law, by eminent domain or private purchase in lieu thereof (a “**Taking**”). Landlord shall also have the right to terminate this Lease if there is a Taking of any portion of the Building or the Property which would have a material adverse effect on Landlord’s ability to profitably operate the remainder of the Building and/or the Property. The terminating party shall provide written notice of termination to the other party within thirty (30) days after it first receives notice of the Taking. The termination shall be effective as of the effective date of any order granting possession to, or vesting legal title in, the condemning authority. If this Lease is not terminated, Monthly Base Rent and all other elements of this Lease which are dependent upon the area of the Premises, the Building or the Property shall be appropriately adjusted to account for any reduction in the square footage of the Premises, Building or Property, as applicable. All compensation awarded for a Taking shall be the property of Landlord. The right to receive compensation or proceeds are expressly waived by Tenant, however, Tenant may file a separate claim for Tenant’s furniture, fixtures, equipment and other personal property, loss of goodwill and Tenant’s reasonable relocation expenses, provided the filing of the claim does not diminish the amount of Landlord’s award.

18.2 **Condemnation Award.** Subject to the provisions of Section 18.3 below, in connection with any Taking of the Premises or the Building, Landlord shall be entitled to receive the entire amount of any award which may be made or given in such taking or condemnation, without deduction or apportionment for any estate or interest of Tenant, it being expressly understood and agreed by Tenant that no portion of any such award shall be allowed or paid to Tenant for any so-called bonus or excess value of this Lease, and such bonus or excess value shall be the sole property of Landlord. Tenant shall not assert any claim against Landlord or the taking authority for any compensation because of such taking (including any claim for bonus or excess value of this Lease); provided, however, if any portion of the Premises is taken, Tenant shall be granted the right to recover from the condemning authority (but not from Landlord) any compensation as may be separately awarded or recoverable by Tenant for the taking of Tenant’s furniture, fixtures, equipment and other personal property within the Premises, for Tenant’s relocation expenses, and for any loss of goodwill or other damage to Tenant’s business by reason of such taking.

18.3 **Temporary Taking.** In the event of a Taking of the Premises or any part thereof for temporary use, (a) this Lease shall be and remain unaffected thereby and Rent shall not abate, and (b) Tenant shall be entitled to receive for itself such portion or portions of any award made for such use with respect to the period of the taking which is within the Term, provided that if such taking shall remain in force at the expiration or earlier termination of this Lease, Tenant shall perform its obligations with respect to surrender of the Premises and shall pay to Landlord the portion of any award which is attributable to any period of time beyond the Term expiration date. For purpose of this Section 18.3, a temporary taking shall be defined as a taking for a period of two hundred seventy (270) days or less.

18.4 **Waiver.** Tenant hereby waives any rights it may have pursuant to any existing or future applicable Laws relative to Takings and agrees that the provisions hereof shall govern the parties’ rights in the event of any Taking.

ARTICLE 19 - WAIVER OF CLAIMS; WAIVER OF SUBROGATION

19.1 **Tenant and Landlord Waiver.** Tenant and Landlord hereby waive their rights against the other Party for any claims or damages or losses, including any deductibles and self-insured amounts, which are caused by or result from (a) any occurrence insured under any property insurance policy carried by Tenant or Landlord, or (b) any occurrence which would have been covered under any property insurance required to be obtained and maintained by Tenant or Landlord under this Lease had such insurance been obtained and maintained as required. The foregoing waiver shall be in addition to, and not a limitation of, any other waivers or releases contained in this Lease.

19.2 **Waiver of Insurers.** Tenant and Landlord shall cause each property insurance policy carried by Tenant and Landlord to provide that the insurer waives all rights of recovery by way of subrogation against the other Party, in connection with any claims, losses and damages covered by such policy. If Tenant or Landlord fails to maintain insurance for an insurable loss, such loss shall be deemed to be self-insured with a deemed full waiver of subrogation as set forth in the immediately preceding sentence.

ARTICLE 20 - ASSIGNMENT AND SUBLETTING

20.1 **Restriction on Transfer.** Except with respect to a Permitted Transfer pursuant to Section 20.6 below, Tenant shall not, without the prior written consent of Landlord, which consent Landlord will not unreasonably withhold, assign this Lease or any interest herein or sublet the Premises or any part thereof, or permit the use or occupancy of the Premises by any party other than Tenant (any such assignment, encumbrance, sublease, license or the like being sometimes referred to as a “**Transfer**”). In no event may Tenant encumber or hypothecate this Lease or the Premises. This prohibition against Transfers shall be construed to include a prohibition against any assignment or subletting by operation of law. Any Transfer without Landlord’s consent (except for a Permitted Transfer pursuant to Section 20.6 below) shall constitute a default by Tenant under this Lease, and in addition to all of Landlord’s other remedies at law, in equity or under this Lease, such Transfer shall be voidable at Landlord’s election. For purposes of this Article 20, other than with respect to a Permitted Transfer under Section 20.6 and transfers of stock of Tenant if Tenant is a publicly-held corporation and such stock is transferred publicly over a recognized security exchange or over-the-counter market, if Tenant is a corporation, partnership or other entity, any transfer, assignment, encumbrance or hypothecation of twenty-five percent (25%) or more (individually or in the aggregate) of any stock or other ownership interest in such entity, and/or any transfer, assignment, hypothecation or encumbrance of any controlling

ownership or voting interest in such entity, shall be deemed an assignment of this Lease and shall be subject to all of the restrictions and provisions contained in this Article 20.

20.2 Landlord's Options. If Tenant desires to effect a Transfer, then at least thirty (30) days prior to the date when Tenant desires the Transfer to be effective (the "**Transfer Date**"), Tenant shall deliver to Landlord written notice ("**Transfer Notice**") setting forth the terms and conditions of the proposed Transfer and the identity of the proposed assignee, sublessee or other transferee (sometimes referred to hereinafter as a "**Transferee**"). Tenant shall also deliver to Landlord with the Transfer Notice, a current financial statement and such evidence of financial responsibility and standing as Landlord may reasonably require of the Transferee which have been certified or audited by a reputable independent accounting firm acceptable to Landlord, and such other information concerning the business background and financial condition of the proposed Transferee as Landlord may reasonably request. Except with respect to a Permitted Transfer, within fifteen (15) business days after Landlord's receipt of any Transfer Notice, and any additional information requested by Landlord pursuant to this Section 20.2, Landlord will notify Tenant of its election to do one of the following: (a) consent to the proposed Transfer subject to such reasonable conditions as Landlord may impose in providing such consent; (b) refuse such consent, which refusal shall be on reasonable grounds; or (c) terminate this Lease as to all or such portion of the Premises which is proposed to be sublet or assigned and recapture all or such portion of the Premises for reletting by Landlord, which termination shall be effective as of the proposed Transfer Date. If Landlord exercises its option to terminate this Lease with respect to only a portion of the Premises following Tenant's request for Landlord's approval of the proposed sublease of such space, Landlord shall be responsible for the construction of any demising wall which Landlord reasonably deems necessary to separate such space from the remainder of the Premises.

20.3 Additional Conditions; Excess Rent. A condition to Landlord's consent to any Transfer will be the delivery to Landlord of a true copy of the fully executed instrument of assignment, sublease, transfer or hypothecation, in form and substance reasonably satisfactory to Landlord, an original of Landlord's standard consent form executed by both Tenant and the proposed Transferee, and an affirmation of guaranty in form satisfactory to Landlord executed by each guarantor of this Lease, if any. In addition, Tenant shall pay to Landlord as Additional Rent within thirty (30) days after receipt thereof, without affecting or reducing any other obligations of Tenant hereunder, fifty percent (50%) of the "**Net Bonus Rent**" received by Tenant, defined as any rent or other economic consideration received by Tenant as a result of any Transfer which exceeds, in the aggregate, (i) the total Rent which Tenant is obligated to pay Landlord under this Lease (prorated to reflect obligations allocable to any portion of the Premises subleased) for the applicable period, plus (ii) any reasonable brokerage commissions and attorneys' fees actually paid by Tenant in connection with such Transfer, which commissions and fees shall, for purposes of the aforesaid calculation, be amortized on a straight-line basis over the term of such assignment or sublease. If Tenant effects a Transfer or requests the consent of Landlord to any Transfer (whether or not such Transfer is consummated), then, upon demand, and as a condition precedent to Landlord's consideration of the proposed assignment or sublease, Tenant agrees to pay Landlord a non-refundable administrative fee of Five Hundred Dollars (\$500.00), plus Landlord's reasonable attorneys' and paralegal fees and other costs incurred by Landlord in reviewing such proposed assignment or sublease (whether attributable to Landlord's in-house attorneys or paralegals or otherwise). Acceptance of the Five Hundred Dollar (\$500.00) administrative fee and/or reimbursement of Landlord's attorneys' and/or paralegal fees shall in no event obligate Landlord to consent to any proposed Transfer. In connection with any Transfer, Tenant shall include in Tenant's Transfer Notice a breakdown of (i) the total rent payable by the Transferee over the remainder of the Term or portion thereof (in the case of a sublease), (ii) any and all reasonable brokerage commissions and attorneys' fees payable by Tenant in connection with such Transfer, and (iii) Tenant's computation of the Net Bonus Rent based thereon, if any. Landlord shall have the right to calculate any Net Bonus Rent and to request any additional back up information in support of Tenant's determination of rent, expenses and Net Bonus Rent and to invoice Tenant for any Net Bonus Rent payable by Tenant as Additional Rent payable by Tenant monthly together with Monthly Base Rent, or Landlord may, at its election, invoice Tenant annually in arrears for Net Bonus Rent payable for the preceding calendar year resulting from any such Transfer.

20.4 Reasonable Disapproval. Without limiting in any way Landlord's right to withhold its consent on any reasonable grounds, it is agreed that Landlord will not be acting unreasonably in refusing to consent to a Transfer if, in Landlord's reasonable opinion: (a) the proposed Transfer would result in more than one (1) sublease of all or a portion of the Premises being in effect at any one time during the Term; (b) the net worth or financial capabilities of a proposed assignee is less than that of Tenant and each guarantor of this Lease, if any, or the proposed assignee or subtenant does not have the financial capability to fulfill the obligations imposed by the Transfer; (c) the proposed Transferee is an existing tenant of the Building or Property or is negotiating with Landlord (or has negotiated with Landlord in the last six (6) months) for space in the Building or the Property; (d) the proposed Transferee is a governmental entity; (e) the portion of the Premises to be sublet or assigned is irregular in shape or has inadequate means of ingress and egress; (f) the proposed Transfer involves a change of use of the Premises or would violate any exclusive use covenant to which Landlord is bound; (g) the Transfer would likely result in significant increase in the use of the parking areas by the Transferee's employees or visitors, and/or significantly increase the demand upon utilities and services to be provided by Landlord to the Premises; or (h) the Transferee is not in Landlord's reasonable opinion of reputable or good character or consistent with Landlord's desired tenant mix for the Property.

20.5 No Release. No Transfer, occupancy or collection of rent from any proposed Transferee shall be deemed a waiver on the part of Landlord, or the acceptance of the Transferee as Tenant and no Transfer shall release Tenant of Tenant's obligations under this Lease or alter the primary liability of Tenant to pay Rent and to perform all other obligations to be performed by Tenant hereunder. Landlord may require that any Transferee remit directly to Landlord on a monthly basis, all monies due Tenant by said Transferee, and each sublease shall provide that if Landlord gives said sublessee written notice that Tenant is in default under this Lease, said sublessee will thereafter make all payments due under the sublease directly to or as directed by Landlord, which payments will be credited against any payments due under this Lease. Tenant hereby irrevocably and unconditionally assigns to Landlord all rents and other sums payable under any sublease of the Premises; provided, however, that Landlord hereby grants

Tenant a license to collect all such rents and other sums so long as Tenant is not in default under this Lease. Consent by Landlord to one Transfer shall not be deemed consent to any subsequent Transfer. In the event of default by any Transferee of Tenant or any successor of Tenant in the performance of any of the terms hereof, Landlord may proceed directly against Tenant without the necessity of exhausting remedies against such Transferee or successor. Landlord may consent to subsequent assignments of this Lease or sublettings or amendments or modifications to this Lease with assignees of Tenant, without notifying Tenant, or any successor of Tenant, and without obtaining its or their consent thereto and any such actions shall not relieve Tenant of liability under this Lease.

20.6 Permitted Transfers. Notwithstanding the provisions of Section 20.1 above to the contrary, provided that Tenant is not then in default, Tenant may assign this Lease or sublet the Premises or any portion thereof (herein, a “**Permitted Transfer**”), without Landlord’s consent to any entity that controls, is controlled by or is under common control with Tenant, or to any entity resulting from a merger or consolidation with Tenant, or to any person or entity which acquires all the assets of Tenant’s business as a going concern (each, a “**Permitted Transferee**”), provided that: (a) at least thirty (30) days prior to such assignment or sublease, Tenant delivers to Landlord a reasonably detailed description of the proposed Transfer and the financial statements and other financial and background information of the assignee or sublessee described in Section 20.2 above; (b) in the case of an assignment, the assignee assumes, in full, the obligations of Tenant under this Lease (or in the case of a sublease, the sublessee of a portion of the Premises or Term assumes, in full, the obligations of Tenant with respect to such portion) pursuant to an assignment and assumption agreement (or a sublease, as applicable) reasonably acceptable to Landlord, a fully executed copy of which is delivered to Landlord within thirty (30) days following the effective date of such assignment or subletting; (c) each guarantor of this Lease executes a reaffirmation of its guaranty in form satisfactory to Landlord; (d) the tangible net worth of the assignee or sublessee equals or exceeds that of Tenant as of (i) the date of execution of this Lease, or (ii) the date immediately preceding the proposed Transfer, whichever is greater; (e) Tenant remains fully liable under this Lease; (f) the use of the Premises is pursuant to Section 1.10 of this Lease; (g) such transaction is not entered into as a subterfuge to avoid the restrictions and provisions of this Article 20 and will not violate any exclusive use covenant to which Landlord is bound; (h) with respect to a subletting only, Tenant and such Permitted Transferee execute Landlord’s standard consent to sublease form; and (i) Tenant is not in Default under this Lease.

ARTICLE 21 - SURRENDER AND HOLDING OVER

21.1 Surrender of Premises. Upon the expiration or sooner termination of this Lease, Tenant shall surrender all keys for the Premises and exclusive possession of the Premises to Landlord broom clean and in good condition and repair, reasonable wear and tear excepted (and casualty damage excepted), with all of Tenant’s personal property, electronic, fiber, phone and data cabling and related equipment that is installed by or for the exclusive benefit of Tenant (to be removed in accordance with the National Electric Code and other existing or future applicable Laws) and those items, if any, of Alterations identified by Landlord pursuant to Section 13.2, removed therefrom and all damage caused by such removal repaired. If Tenant fails to remove by the expiration or sooner termination of this Lease all of its personal property and Alterations identified by Landlord for removal pursuant to Section 13.2, Landlord may, (without liability to Tenant for loss thereof), at Tenant’s sole cost and in addition to Landlord’s other rights and remedies under this Lease, at law or in equity: (a) remove and store such items in accordance with applicable Law; and/or (b) upon ten (10) days’ prior notice to Tenant, sell all or any such items at private or public sale for such price as Landlord may obtain as permitted under applicable Law. Landlord shall apply the proceeds of any such sale to any amounts due to Landlord under this Lease from Tenant (including Landlord’s attorneys’ fees and other costs incurred in the removal, storage and/or sale of such items), with any remainder to be paid to Tenant.

21.2 Holding Over. Tenant will not be permitted to hold over possession of the Premises after the expiration or earlier termination of the Term without the express written consent of Landlord, which consent Landlord may withhold in its sole and absolute discretion. If Tenant holds over after the expiration or earlier termination of the Term with or without the express written consent of Landlord, then, in addition to all other remedies available to Landlord, Tenant shall become a tenant at sufferance only, upon the terms and conditions set forth in this Lease so far as applicable (including Tenant’s obligation to pay all Additional Rent under this Lease), but at a Monthly Base Rent equal to one hundred fifty percent (150%) of the Monthly Base Rent applicable to the Premises immediately prior to the date of such expiration or earlier termination for the first two (2) months of such holdover, and thereafter at a Monthly Base Rent equal to two hundred percent (200%) of the Monthly Base Rent applicable to the Premises immediately prior to the date of such expiration or earlier termination. Any such holdover Rent shall be paid on a per month basis without reduction for partial months during the holdover. Acceptance by Landlord of Rent after such expiration or earlier termination shall not constitute consent to a hold over hereunder or result in an extension of this Lease. This Section 21.2 shall not be construed to create any express or implied right to holdover beyond the expiration of the Term or any extension thereof. Tenant shall be liable, and shall pay to Landlord within ten (10) days after demand, for all losses incurred by Landlord as a result of such holdover, and shall indemnify, defend and hold Landlord and the Landlord Parties harmless from and against all liabilities, damages, losses, claims, suits, costs and expenses (including reasonable attorneys’ fees and costs) arising from or relating to any such holdover tenancy, including without limitation, any claim for damages made by a succeeding tenant. Tenant’s indemnification obligation hereunder shall survive the expiration or earlier termination of this Lease. The foregoing provisions of this Section 21.2 are in addition to, and do not affect, Landlord’s right of re-entry or any other rights of Landlord hereunder or otherwise at law or in equity.

ARTICLE 22 - DEFAULTS

22.1 Tenant’s Default. The occurrence of any one or more of the following events which are not cured within the applicable notice and cure period specified shall constitute a “**Default**” under this Lease by Tenant:

a. the abandonment of the Premises by Tenant. “**Abandonment**” is herein defined to include, but is not limited to, any absence by Tenant from the Premises for five (5) business days or longer while in default of

any other provision of this Lease; provided, however, that Tenant's vacation or abandonment of the Premises shall not constitute a Default if, prior to abandoning the Premises, Tenant has made reasonable arrangements to (i) ensure that Tenant's insurance for the Premises will not be voided or cancelled with respect to the Premises as a result of such vacancy, (ii) ensure that the Premises are secure, and (iii) ensure that the Premises will be properly maintained in accordance with this Lease after such vacation, and will be inspected by Tenant at intervals as may be reasonably required to insure such maintenance is being performed;

b. the failure by Tenant to make any payment of Rent, Additional Rent or any other payment required to be made by Tenant hereunder, where such failure continues for three (3) days after written notice thereof from Landlord that such payment was not received when due; provided that if Landlord provides two (2) or more notices of late payment within any twelve (12) month period, then the third failure of Tenant to make any payment of Rent or any other payment required to be made by Tenant hereunder when due in the twelve (12) month period following the second (2nd) such notice shall be an automatic Default without notice from Landlord;

c. the failure by Tenant to observe or perform any of the express or implied covenants or provisions of this Lease to be observed or performed by Tenant, other than as specified in Sections 22.1(a) or (b) above, where such failure shall continue for a period of thirty (30) days after written notice thereof from Landlord to Tenant; provided, however, that if the nature of Tenant's default is such that it may be cured but more than thirty (30) days are reasonably required for its cure, then Tenant shall not be deemed to be in default if Tenant shall commence such cure within said thirty (30) day period and thereafter diligently prosecute such cure to completion, which completion shall occur not later than sixty (60) days from the date of such notice from Landlord;

d. Engaging or permitting any Prohibited Drug Law Activities at the Property;

e. A general assignment by Tenant or any guarantor or surety of Tenant's obligations hereunder ("**Guarantor**") for the benefit of creditors;

f. The filing of a voluntary petition in bankruptcy by Tenant or any Guarantor, the filing by Tenant or any Guarantor of a voluntary petition for an arrangement, the filing by or against Tenant or any Guarantor of a petition, voluntary or involuntary, for reorganization, or the filing of an involuntary petition by the creditors of Tenant or any Guarantor, said involuntary petition remaining undischarged for a period of one hundred twenty (120) days;

g. Receivership, attachment, or other judicial seizure of substantially all of Tenant's assets on the Premises, such attachment or other seizure remaining undismissed or undischarged for a period of thirty (30) days after the levy thereof; or

h. Death or disability of Tenant or any Guarantor, if Tenant or such Guarantor is a natural person, or the failure by Tenant or any Guarantor to maintain its legal existence, if Tenant or such Guarantor is a corporation, partnership, limited liability company, trust or other legal entity.

Any notice sent by Landlord to Tenant pursuant to this Section 22.1 shall be in lieu of, and not in addition to, any notice required under any applicable Law.

ARTICLE 23 - REMEDIES OF LANDLORD

23.1 Landlord's Remedies; Termination. In the event of any such Default by Tenant, in addition to any other remedies available to Landlord under this Lease, at law or in equity, Landlord shall have the immediate option to terminate this Lease and all rights of Tenant hereunder and to re-enter the Premises and remove all persons and property from the Premises; such property may be removed, stored and/or disposed of as permitted by applicable Law. If Landlord shall elect to so terminate this Lease, then Landlord may recover from Tenant: (a) the worth at the time of award of any unpaid Rent which had been earned at the time of such termination; plus (b) the worth at the time of the award of the amount by which the unpaid Rent which would have been earned after termination until the time of award exceeds the amount of such rental loss that Tenant proves could have been reasonably avoided; plus (c) the worth at the time of award of the amount by which the unpaid Rent for the balance of the term after the time of award exceeds the amount of such rental loss that Tenant proves could be reasonably avoided; plus (d) any other amount necessary to compensate Landlord for all the detriment proximately caused by Tenant's failure to perform its obligations under this Lease or which, in the ordinary course of things, would be likely to result therefrom including, but not limited to: the total unamortized sum of any Abated Amount (amortized on a straight line basis over the initial Term of this Lease); tenant improvement costs; attorneys' fees; brokers' commissions; any costs required to return the Premises to the condition required at the end of the Term; the costs of refurbishment, alterations, renovation and repair of the Premises; and removal (including the repair of any damage caused by such removal) and storage (or disposal) of Tenant's personal property, equipment, fixtures, Alterations, Tenant Improvements and any other items which Tenant is required under this Lease to remove but does not remove; plus (e) all other monetary damages allowed under applicable Law.

As used in Sections 23.1(a) and 23.1(b) above, the "worth at the time of award" is computed by allowing interest at the Interest Rate set forth in the Summary. As used in Section 23.1(c) above, the "worth at the time of award" is computed by discounting such amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of award plus one percent (1%).

23.2 Landlord's Remedies; Continuation of Lease; Re-Entry Rights. In the event of any such Default by Tenant, in addition to any other remedies available to Landlord under this Lease, at law or in equity, Landlord shall also have the right to (a) continue this Lease in effect after Tenant's breach and abandonment and recover Rent as it

becomes due, and (b) with or without terminating this Lease, to re-enter the Premises and remove all persons and property from the Premises; such property may be removed, stored and/or disposed of as permitted by applicable Law. No re-entry or taking possession of the Premises by Landlord pursuant to this Section 23.2, and no acceptance of surrender of the Premises or other action on Landlord's part, shall be construed as an election to terminate this Lease unless a written notice of such intention be given to Tenant or unless the termination thereof be decreed by a court of competent jurisdiction. No notice from Landlord or notice given under a forcible entry and detainer statute or similar existing or future Laws relating to tenant defaults will constitute an election by Landlord to terminate this Lease unless such notice specifically so states. Notwithstanding any reletting without termination by Landlord because of any Default, Landlord may at any time after such reletting elect to terminate this Lease for any such Default.

23.3 Landlord's Right to Perform. Except as specifically provided otherwise in this Lease, all covenants and agreements by Tenant under this Lease shall be performed by Tenant at Tenant's sole cost and expense and without any abatement or offset of Rent. In the event of any Default by Tenant, Landlord may, without waiving or releasing Tenant from any of Tenant's obligations, make such payment or perform such other act as required to cure such Default on behalf of Tenant. All sums so paid by Landlord and all necessary incidental costs incurred by Landlord in performing such other acts shall be payable by Tenant to Landlord within thirty (30) days after demand therefor as Additional Rent.

23.4 Rights and Remedies Cumulative. All rights, options and remedies of Landlord contained in this Article 23 and elsewhere in this Lease shall be construed and held to be cumulative, and no one of them shall be exclusive of the other, and Landlord shall have the right to pursue any one or all of such remedies or any other remedy or relief which may be provided by law or in equity, whether or not stated in this Lease. Nothing in this Article 23 shall be deemed to limit or otherwise affect Tenant's indemnification of Landlord pursuant to any provision of this Lease.

23.5 Costs Upon Default and Litigation. Tenant shall pay to Landlord and its Mortgagee as Additional Rent all the expenses incurred by Landlord or its Mortgagee in connection with any default by Tenant hereunder or the exercise of any remedy by reason of any default by Tenant hereunder, including reasonable attorneys' fees and expenses. If Landlord or its Mortgagees shall be made a party to any litigation commenced against Tenant or any litigation pertaining to this Lease or the Premises, at the option of Landlord and/or its Mortgagee, Tenant, at its expense, shall provide Landlord and/or its Mortgagee with counsel approved by Landlord and/or its Mortgagee and shall pay all costs incurred or paid by Landlord and/or its Mortgagee in connection with such litigation.

ARTICLE 24 - ENTRY BY LANDLORD

Subject to Tenant's reasonable security arrangements and requirements, Landlord and its employees and agents shall upon no less than twenty-four (24) hours advance written notice and during normal business hours (except in case of emergency or for regularly scheduled services) have the right to enter the Premises to inspect the same during Tenant's business hours, to supply any service required to be provided by Landlord to Tenant under this Lease, to exhibit the Premises to prospective lenders, partners, appraisers or purchasers (or during the last year of the Term or during any default by Tenant, to prospective tenants), to post notices of non-responsibility, and/or to alter, improve or repair the Premises or any other portion of the Building or Property, all without being deemed guilty of or liable for any breach of Landlord's covenant of quiet enjoyment or any eviction of Tenant, and without abatement of Rent. In exercising such entry rights, Landlord shall endeavor to minimize, to the extent reasonably practicable, the interference with Tenant's business, and shall provide Tenant with reasonable advance notice (oral or written) of such entry (except in emergency situations and for scheduled services). For each of the foregoing purposes, Landlord shall at all times have and retain a key with which to unlock all of the doors in, upon and about the Premises, excluding Tenant's vaults and safes, and Landlord shall have the means which Landlord may deem proper to open said doors in an emergency in order to obtain entry to the Premises. Any entry to the Premises obtained by Landlord by any of said means or otherwise shall not under any circumstances be construed or deemed to be a forcible or unlawful entry into, or a detainer of, the Premises, or an eviction of Tenant from the Premises or any portion thereof, or grounds for any abatement or reduction of Rent and Landlord shall not have any liability to Tenant for any damages or losses on account of any such entry by Landlord.

ARTICLE 25 - LIMITATION ON LANDLORD'S LIABILITY

Notwithstanding anything contained in this Lease to the contrary, the obligations of Landlord under this Lease (including as to any actual or alleged breach or default by Landlord) do not constitute personal obligations of the individual members, managers, investors, partners, directors, officers, or shareholders of Landlord or Landlord's members or partners, and Tenant shall not seek recourse against the individual members, managers, investors, partners, directors, officers, or shareholders of Landlord or Landlord's members or partners or any other persons or entities having any interest in Landlord, or any of their personal assets for satisfaction of any liability with respect to this Lease. In addition, in consideration of the benefits accruing hereunder to Tenant and notwithstanding anything contained in this Lease to the contrary, Tenant hereby covenants and agrees for itself and all of its successors and assigns that the liability of Landlord for its obligations under this Lease (including any liability as a result of any actual or alleged failure, breach or default hereunder by Landlord), shall be limited solely to, and Tenant's and its successors' and assigns' sole and exclusive remedy shall be against, Landlord's interest in the Building, and no other assets of Landlord. The term "Landlord" as used in this Lease, so far as covenants or obligations on the part of the Landlord are concerned, shall be limited to mean and include only the owner or owners, at the time in question, of the fee title to, or a lessee's interest in a ground lease of, the Property. In the event of any transfer or conveyance of any such title or interest (other than a transfer for security purposes only), the transferor shall be automatically relieved of all covenants and obligations on the part of Landlord contained in this Lease. Landlord and Landlord's transferees and assignees shall have the absolute right to transfer all or any portion of their respective title and interest in the Premises,

the Building, the Property and/or this Lease without the consent of Tenant, and such transfer or subsequent transfer shall not be deemed a violation on Landlord's part of any of the terms and conditions of this Lease.

ARTICLE 26 - SUBORDINATION

Tenant accepts this Lease subject and subordinate to any mortgage(s), deed(s) of trust, ground lease(s) or other lien(s) now or subsequently arising upon the Premises, the Building or the Property, and to renewals, modifications, refinancings and extensions thereof (collectively referred to as a "**Mortgage**"). This clause shall be self-operative, but no later than ten (10) days after written request from Landlord or any holder of a Mortgage (a "**Mortgagee(s)**"), Tenant shall execute a commercially reasonable subordination agreement. As an alternative, a Mortgagee shall have the right at any time to subordinate its Mortgage to this Lease. No later than ten (10) days after written request by Landlord or any Mortgagee, Tenant shall, without charge, attorn to any successor to Landlord's interest in this Lease. Tenant hereby waives its rights under any current or future Law which gives or purports to give Tenant any right to terminate or otherwise adversely affect this Lease and the obligations of Tenant hereunder in the event of any such foreclosure proceeding or sale. Should Tenant fail to sign and return any such documents within said ten (10) business day period, Tenant shall be in default hereunder.

ARTICLE 27 - ESTOPPEL CERTIFICATE

Within ten (10) days following Landlord's written request, Tenant shall execute and deliver to Landlord a commercial reasonable estoppel certificate, in a form substantially similar to, and/or covering the terms contained in the sample form of Exhibit E attached hereto. Any such estoppel certificate delivered pursuant to this Article 27 may be relied upon by any Mortgagee, beneficiary, purchaser or prospective purchaser of any portion of the Property, as well as their assignees. Tenant's failure to deliver such estoppel certificate following an additional two (2) business day cure period after notice shall constitute a default hereunder. Tenant's failure to deliver such certificate within such time shall be conclusive upon Tenant that this Lease is in full force and effect, without modification except as may be represented by Landlord, that there are no uncured defaults in Landlord's performance, and that not more than one (1) month's Rent has been paid in advance.

ARTICLE 28 - RELOCATION OF PREMISES

If Tenant occupies less than 25% of the Building and Landlord requires the Premises for use by another tenant or for other reasons connected with Landlord's space management plans for the Building or the Property, then Landlord shall have the right, upon sixty (60) days' prior written notice to Tenant, to relocate the Premises to other space of substantially similar size as the Premises, and with tenant improvements of substantially similar age, quality and layout as then existing in the Premises. In the event of any such relocation, Landlord shall pay for the cost of providing such substantially similar tenant improvements (but not any furniture or personal property), and Landlord shall reimburse Tenant, within thirty (30) days after Landlord's receipt of invoices and paid receipts, for the reasonable moving, telephone and data installation and stationery reprinting costs actually paid for by Tenant in connection with such relocation. If Landlord so relocates Tenant, the terms and conditions of this Lease shall remain in full force and effect and apply to the new space, except that (a) a revised Exhibit A and/or Exhibit B shall become part of this Lease and shall reflect the location of the new space, (b) the Summary shall be amended to include and state all correct data as to the new space, and (c) such new space shall thereafter be deemed to be the "Premises". Landlord and Tenant agree to cooperate fully in order to minimize the inconvenience of Tenant resulting from such relocation.

ARTICLE 29 - MORTGAGEE PROTECTION

If, in connection with Landlord's obtaining or entering into any financing or ground lease for any portion of the Building or Property, the lender or ground lessor shall request modifications to this Lease, Tenant shall, within thirty (30) days after request therefor, execute an amendment to this Lease including such modifications, provided such modifications are reasonable, do not increase the obligations of Tenant hereunder, or adversely affect the leasehold estate created hereby or Tenant's rights hereunder. In the event of any default on the part of Landlord, Tenant will give notice by registered or certified mail to any beneficiary of a deed of trust or Mortgagee covering the Premises or ground lessor of Landlord whose address shall have been furnished to Tenant, and shall offer such beneficiary, Mortgagee or ground lessor a reasonable opportunity to cure the default (including with respect to any such beneficiary or Mortgagee, time to obtain possession of the Premises, subject to this Lease and Tenant's rights hereunder, by power of sale or judicial foreclosure, if such should prove necessary to effect a cure).

ARTICLE 30 - QUIET ENJOYMENT

Landlord covenants and agrees with Tenant that, upon Tenant performing all of the covenants and provisions on Tenant's part to be observed and performed under this Lease (including payment of Rent hereunder), Tenant shall have the right to use and occupy the Premises in accordance with and subject to the terms and conditions of this Lease as against all persons claiming by, through or under Landlord. This covenant shall be binding upon Landlord and its successors only during its or their respective periods of ownership of the Building.

ARTICLE 31 - MISCELLANEOUS PROVISIONS

31.1 **Broker.** Tenant represents to Landlord that it has not had any dealings with any real estate broker, finder or intermediary with respect to this Lease, other than the Brokers specified in the Summary. Tenant shall indemnify, protect, defend (by counsel reasonably approved in writing by Landlord) and hold Landlord harmless from and against any and all claims, judgments, suits, causes of action, damages, losses, liabilities and expenses (including attorneys' fees and court costs) resulting from any breach by Tenant of the foregoing representation, including, without

limitation, any claims that may be asserted against Landlord by any broker, agent or finder undisclosed by Tenant herein.

31.2 Governing Law. This Lease shall be governed by, and construed pursuant to, the Laws of the state in which the Building is located. Venue for any litigation between the parties hereto concerning this Lease or the occupancy of the Premises shall be initiated in the county in which the Premises are located. Tenant shall comply with all governmental and quasi-governmental laws, ordinances and regulations applicable to the Building, Property and/or the Premises, and all rules and regulations adopted pursuant thereto and all covenants, conditions and restrictions applicable to and/or of record against the Building, Property and/or the Premises (individually, a “**Law**” and collectively, “**Laws**”). Landlord and Tenant desire and intend that any disputes arising between them with respect to or in connection with this Lease be subject to expeditious resolution in a court trial without a jury. Consequently, Landlord and Tenant each hereby waives the right to trial by jury of any cause of action, claim, counterclaim or cross complaint in any action, proceeding or other hearing brought either by Landlord against Tenant, or by Tenant against Landlord, on any matter whatever arising out of, or in any way connected with, this Lease, the relationship of Landlord and Tenant, Tenant’s use or occupancy of the Premises, any claim of injury or damage, and the enforcement of any remedy under any law, statute and regulation, emergency or otherwise, now or hereafter in effect; provided, however, the foregoing waiver shall not apply to any action for personal injury or property damage. If Landlord commences any summary or other proceeding for nonpayment of Rent or the recovery of possession of the Premises, Tenant shall not interpose any counterclaim of whatever nature or description in any such proceeding. The foregoing shall not, however, constitute a waiver of Tenant’s right to assert any claim against Landlord in any separate action brought by Tenant. This waiver is knowingly, intentionally, and voluntarily made by each of parties hereto and each party acknowledges to the other that neither the other party nor any person acting on its respective behalf has made any representations to induce this waiver of trial by jury or in any way to modify or nullify its effect. The parties acknowledge that they have read and understand the meaning and ramifications of this waiver provision and have elected same of their own free will.

31.3 Successors and Assigns. Subject to the provisions of Article 25 above, and except as otherwise provided in this Lease, all of the covenants, conditions and provisions of this Lease shall be binding upon, and shall inure to the benefit of, the parties hereto and their respective heirs, personal representatives and permitted successors and assigns; provided, however, no rights shall inure to the benefit of any Transferee of Tenant unless the Transfer to such Transferee is made in compliance with the provisions of Article 20, and no options or other rights which are expressly made personal to the original Tenant hereunder or in any rider attached hereto shall be assignable to or exercisable by anyone other than the original Tenant under this Lease.

31.4 No Merger. The voluntary or other surrender of this Lease by Tenant or a mutual termination thereof shall not work as a merger and shall, at the option of Landlord, either (a) terminate all or any existing subleases, or (b) operate as an assignment to Landlord of Tenant’s interest under any or all such subleases.

31.5 Professional Fees. If either Landlord or Tenant should bring suit (or initiate alternate dispute resolution proceedings) against the other with respect to this Lease, including for unlawful detainer, forcible entry and detainer, or any other relief against the other hereunder, then all actual, reasonable and documented costs and expenses incurred by the prevailing party therein (including, without limitation, its actual, reasonable and documented appraisers’, accountants’, attorneys’ and other professional fees, expenses and court costs), shall be paid by the other party, including any and all costs incurred in enforcing, perfecting and executing such judgment and all reasonable attorneys’ fees and costs associated with any appeal.

31.6 Waiver. The waiver by either party of any breach by the other party of any term, covenant or condition herein contained shall not be deemed to be a waiver of any subsequent breach of the same or any other term, covenant and condition herein contained, nor shall any custom or practice which may become established between the parties in the administration of the terms hereof be deemed a waiver of, or in any way affect, the right of any party to insist upon the performance by the other in strict accordance with said terms. No waiver of any default of either party hereunder shall be implied from any acceptance by Landlord or delivery by Tenant (as the case may be) of any Rent or other payments due hereunder or any omission by the non-defaulting party to take any action on account of such default if such default persists or is repeated, and no express waiver shall affect defaults other than as specified in said waiver.

31.7 Terms and Headings. The words “Landlord” and “Tenant” as used herein shall include the plural as well as the singular. Words used in any gender include other genders. The Article and Section headings of this Lease are not a part of this Lease and shall have no effect upon the construction or interpretation of any part hereof. Any deletion of language from this Lease prior to its execution by Landlord and Tenant shall not be construed to raise any presumption, canon of construction or implication, including, without limitation, any implication that the parties intended thereby to state the converse of the deleted language. The parties hereto acknowledge and agree that each has participated in the negotiation and drafting of this Lease; therefore, in the event of an ambiguity in, or dispute regarding the interpretation of, this Lease, the interpretation of this Lease shall not be resolved by any rule of interpretation providing for interpretation against the party who caused the uncertainty to exist or against the draftsman.

31.8 Time. Time is of the essence with respect to performance of every provision of this Lease in which time or performance is a factor.

31.9 Business Day. A “business day” is Monday through Friday, excluding holidays observed by the United States Postal Service and reference to 5:00 p.m. is to the time zone of the recipient. Whenever action must be taken (including the giving of notice or the delivery of documents) under this Lease during a certain period of time

(or by a particular date) that ends (or occurs) on a non-business day, then such period (or date) shall be extended until the immediately following business day.

31.10 Payments and Notices. All Rent and other sums payable by Tenant to Landlord hereunder shall be paid to Landlord at the address designated in the Summary, or to such other persons and/or at such other places as Landlord may hereafter designate in writing. Any notice required or permitted to be given hereunder must be in writing and may be given by personal delivery (including delivery by nationally recognized overnight courier or express mailing service), by registered or certified mail, postage prepaid, return receipt requested, addressed to Tenant at the address(es) designated in the Summary, by email, or to Landlord at the address(es) designated in the Summary. Either party may, by written notice to the other, specify a different address for notice purposes. Notice given in the foregoing manner shall be deemed given (i) upon confirmed transmission if sent by email transmission, provided such transmission is prior to 5:00 p.m. on a business day (if such transmission is after 5:00 p.m. on a business day or is on a non-business day, such notice will be deemed given on the following business day), (ii) when actually received or refused by the party to whom sent if delivered by a carrier or personally served or (iii) if mailed, on the day of actual delivery or refusal as shown by the certified mail return receipt or the expiration of three (3) business days after the day of mailing, whichever first occurs.

31.11 Prior Agreements; Amendments. This Lease, including the Summary and all Exhibits attached hereto, contains all of the covenants, provisions, agreements, conditions and understandings between Landlord and Tenant concerning the Premises and any other matter covered or mentioned in this Lease, and no prior agreement or understanding, oral or written, express or implied, including without limitation any marketing materials, brochures, or the like, written or verbal, provided by Landlord or its agents pertaining to the Premises or any such other matter shall govern the parties or be effective for any purpose, once this Lease has been executed by the parties. No provision of this Lease may be amended or added to except by an agreement in writing signed by the parties hereto or their respective successors in interest. The parties acknowledge that all prior agreements, communications, representations and negotiations are deemed superseded by the execution of this Lease to the extent they are not expressly incorporated herein.

31.12 Severability. The invalidity or unenforceability of any provision of this Lease shall in no way affect, impair or invalidate any other provision hereof, and such other provisions shall remain valid and in full force and effect to the fullest extent permitted by law.

31.13 Recording. Neither Landlord nor Tenant shall record this Lease or a short form memorandum of this Lease.

31.14 Accord and Satisfaction. No payment by Tenant or receipt by Landlord of a lesser amount than the Rent payment herein stipulated shall be deemed to be other than on account of the Rent, nor shall any endorsement or statement on any check or any letter accompanying any check or payment as Rent be deemed an accord and satisfaction, and Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of such Rent or pursue any other remedy provided in this Lease. Tenant agrees that each of the foregoing covenants and agreements shall be applicable to any covenant or agreement either expressly contained in this Lease or imposed by any statute or at common law.

31.15 Financial Statements. Upon ten (10) days prior written request from Landlord (which Landlord may make at any time during the Term including in connection with Tenant's exercise of any Option in this Lease, but no more often than two (2) times in any calendar year, other than in the event of a default by Tenant during such calendar year or the exercise of any Option in such calendar year, when such limitation shall not apply), Tenant shall deliver to Landlord for review by Landlord and by Landlord's accountants, investors and prospective purchasers and lenders: (a) current year financial statements (including income statement, balance sheet and statement of cash flows) of Tenant and any guarantor of this Lease, and (b) financial statements (including income statement, balance sheet and statement of cash flows) of Tenant and such guarantor for the two (2) years prior to the current year financial statements. Landlord covenants and agrees not to disclose any information regarding Tenant's financial statements to any parties other than its accountants, investors, purchasers, and lenders to keep all of Tenant's financial information confidential. Such statements shall be prepared in accordance with generally acceptable accounting principles and certified as true in all material respects by Tenant (if Tenant is an individual) or by an authorized officer, member/manager or general partner of Tenant (if Tenant is a corporation, limited liability company or partnership, respectively). Notwithstanding the foregoing, so long as Tenant is King County, Tenant shall not be obligated to provide financial information other than as it provided to Landlord, if any, prior to the execution of this Lease by Tenant.

31.16 No Partnership. Landlord does not, in any way or for any purpose, become a partner of Tenant in the conduct of its business, or otherwise, or joint venture or a member of a joint enterprise with Tenant by reason of this Lease.

31.17 Force Majeure. If either party hereto shall be delayed or hindered in or prevented from the performance of any act required hereunder by reason of strikes, lock-outs, labor troubles, inability to procure materials, failure of power, governmental moratorium or other governmental action or inaction (including, without limitation, failure, refusal or delay in issuing permits, approvals and/or authorizations), injunction or court order, riots, insurrection, war, governmental boycott or trade embargo, terrorism, bioterrorism, epidemic, pandemic, fire, earthquake, inclement weather including rain, flood or other natural disaster or other reason of a like nature not the fault of the party delaying in performing work or doing acts required under the terms of this Lease (but excluding delays due to financial inability) (herein collectively, "**Force Majeure Delay(s)**"), then performance of such act shall be excused for the period of the delay and the period for the performance of any such act shall be extended for a period equivalent to the period of such Force Majeure Delay. The provisions of this Section 31.17 shall not apply to nor

operate to excuse Tenant from the payment of Monthly Base Rent, or any Additional Rent or any other payments strictly in accordance with the terms of this Lease.

31.18 Green Initiatives. The parties agree it is in their mutual best interest that the Building and Premises be operated and maintained in a manner that is environmentally responsible, fiscally prudent, and provides a safe and productive work environment. Accordingly, Tenant shall endeavor to conduct its operations in the Building and within the Premises to: (a) minimize to the extent reasonably feasible: (i) direct and indirect energy consumption and greenhouse gas emissions; (ii) water consumption; (iii) the amount of material entering the waste stream; and (iv) negative impacts upon the indoor air quality of the Building; and (b) permit the Building to achieve and maintain its U.S. Green Building Council's LEED Green Building Rating System certification, Building Owners and Managers Association (BOMA) International's 360 Performance Program, The Center for Active Design Fitwel certification, U.S. Environmental Protection Agency's ENERGY STAR rating, UL Verified Healthy Building Mark, the GRESB Survey, or any comparable rating, certification or performance program now or hereafter in existence as to which Landlord may pursue certification (without hereby obligating Landlord to seek such certification). Landlord shall have the right, but not the obligation, to operate and maintain the Common Area to minimize to the extent reasonably feasible: (i) direct and indirect energy consumption and greenhouse gas emissions; (ii) water consumption; (iii) the amount of material entering the waste stream; and (iv) negative impacts upon the indoor air quality of the Building. In addition, if requested by Landlord or a governmental entity having jurisdiction over the Premises, Tenant shall report to Landlord and such requesting entity Tenant's utility usage and such other related information as may be requested within the time required by the governmental entity or such other reasonable time frame as may be requested by Landlord or, at Landlord's option, provide any written authorization or other documentation required for Landlord to request information regarding Tenant's utility usage with respect to the Premises directly from the applicable utility company. In the event Landlord cannot obtain the requisite utility data from Tenant, Landlord shall have the right, but not the obligation, upon written notice to Tenant, to install a metering device to collect utility usage data for the Premises and maintain corresponding software in connection with such metering device at Tenant's sole cost and expense.

31.19 Counterparts. This Lease may be executed in one or more counterparts, each of which shall constitute an original and all of which shall be one and the same agreement. Signatures and initials required in this document may be executed via "wet" original handwritten signature or initials, or via electronic signature or mark, including DocuSign, which shall be binding on the parties as originals, and the executed signature pages may be delivered using pdf or similar file type transmitted via electronic mail, cloud based server, e-signature technology or other similar electronic means, and any such transmittal shall constitute delivery of the executed document for all purposes of this Lease.

31.20 Nondisclosure of Lease Terms. Tenant acknowledges and agrees that the terms of this Lease are confidential and constitute proprietary information of Landlord. Disclosure of the terms could adversely affect the ability of Landlord to negotiate other leases and impair Landlord's relationship with other tenants. Accordingly, Tenant agrees that it, and its partners, officers, directors, shareholders, members, managers, employees, agents and attorneys, shall not intentionally and voluntarily disclose the terms and conditions of this Lease to any newspaper or other publication or any other tenant or apparent prospective tenant of the Building or other portion of the Property, or real estate agent, either directly or indirectly, without the prior written consent of Landlord, provided, however, that Tenant may disclose the terms to prospective subtenants or assignees under this Lease or if compelled by law.

31.21 Authority. If either party executes this Lease as a partnership, corporation or limited liability company, then such party and the persons and/or entities executing this Lease on behalf of such party represent and warrant that: (a) such party is a duly organized and existing partnership, corporation or limited liability company, as the case may be, and is qualified to do business in the state in which the Project is located; (b) such persons and/or entities executing this Lease are duly authorized to execute and deliver this Lease; and (c) this Lease is binding upon such party in accordance with its terms. Tenant shall provide to Landlord a copy of any documents reasonably requested by Landlord evidencing such qualification, organization, existence and authorization within ten (10) days after Landlord's request.

31.22 Joint and Several Liability. If more than one person or entity executes this Lease as Tenant: (a) each of them is and shall be jointly and severally liable for the covenants, conditions, provisions and agreements of this Lease to be kept, observed and performed by Tenant; and (b) the act or signature of, or notice from or to, any one or more of them with respect to this Lease shall be binding upon each and all of the persons and entities executing this Lease as Tenant with the same force and effect as if each and all of them had so acted or signed, or given or received such notice.

31.23 No Option. The submission of this Lease for examination or execution by Tenant does not constitute a reservation of or option for the Premises and this Lease shall not become effective as a Lease until the final lease has been approved by any and all Mortgagee(s) and it has been executed by Landlord and delivered to Tenant.

31.24 OFAC. Tenant represents and warrants to Landlord that Tenant is not, and the entities or individuals constituting Tenant or which may own or control Tenant or which may be owned or controlled by Tenant, are not in violation of any Laws relating to terrorism or money laundering and will not, act, directly or indirectly, for or on behalf of any of the following:

a. Any person, group, entity, or nation named by any Executive Order or the United States Treasury Department as a terrorist, including without limitation, pursuant to Executive Order 13224 for the purpose of identifying suspected terrorists or on the most current list published by the U.S. Treasury Department Office of

Foreign Assets Control (“OFAC”) at its official website, <http://www.treas.gov/ofac/tllsdn.pdf> or any replacement website or other replacement official publication of such list;

- b. Any “Specially Designated National” or “Blocked Person” as designated pursuant to any law, order, rule, or regulation that is enforced or administered by the United States Government or any of its departments or agencies; or
- c. Any other banned or blocked person, entity, nation or transaction pursuant to any law, order, rule, or regulation that is enforced or administered by OFAC.

In addition, if the foregoing representations are untrue at any time during the Term (or any extension of the Term) of the Lease, an Event of Default will be deemed to have occurred, without the necessity of notice to Tenant, and shall entitle Landlord to terminate this Lease and realize any and all remedies available under this Lease and/or at law or in equity.

31.25 **Light, Air, and View.** No diminution of light, air or view by any structure, whether or not erected by Landlord, shall entitle Tenant to any reduction of Rent, result in any liability of Landlord to Tenant, or in any other way affect this Lease or Tenant’s obligations hereunder.

31.26 **Options and Rights in General.** Any option (each an “Option” and collectively, the “Options”), including without limitation, any option to extend, option to terminate and/or option to expand, granted to Tenant is personal to the original Tenant executing this Lease or a Permitted Transferee and may be exercised only by the original Tenant executing this Lease while occupying the entire Premises and without the intent of thereafter assigning this Lease or subletting the Premises or a Permitted Transferee and may not be exercised or be assigned, voluntarily or involuntarily, by any person or entity other than the original Tenant executing this Lease or a Permitted Transferee. The Options, if any, granted to Tenant under this Lease are not assignable separate and apart from this Lease, nor may any Option be separated from this Lease in any manner, either by reservation or otherwise. Tenant will have no right to exercise any Option, notwithstanding any provision of the grant of option to the contrary, and Tenant’s exercise of any Option may be nullified by Landlord and deemed of no further force or effect, if (i) Tenant is in default under the terms of this Lease (or if Tenant would be in such default under this Lease but for the passage of time or the giving of notice, or both) as of Tenant’s exercise of the Option in question or at any time after the exercise of any such Option and prior to the commencement of the Option event, (ii) Tenant has sublet all or more than fifty percent (50%) of the Premises except pursuant to a Permitted Transfer, or (iii) Landlord has given Tenant two (2) or more notices of default, whether or not such defaults are subsequently cured, during any twelve (12) consecutive month period of this Lease, or (iv) if in Landlord’s determination Tenant’s financial condition is not equal to or greater than Tenant’s financial condition as reported by Tenant to Landlord in connection with and as of the execution date of this Lease by Tenant. Each Option granted to Tenant, if any, is hereby deemed an economic term which Landlord, in its sole and absolute discretion, may or may not offer in conjunction with any future extension of the Term.

31.27 **Non-Discrimination.** Landlord 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 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.

[NO FURTHER TEXT ON THIS PAGE; SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, Landlord and Tenant have caused this Lease to be executed as of the last date set forth below.

Tenant:

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

By: _____
Name: _____
Its: _____

Date: _____

[SIGNATURES CONTINUED ON FOLLOWING PAGE]

Landlord:

LBA NCC2-COMPANY IX, LLC,
a Delaware limited liability company

By: LBA NC CORE INDUSTRIAL, L.P.,
a Delaware limited partnership,
its Sole Member

By: LBA Industrial Management Company II, LLC,
a Delaware limited liability company,
its General Partner

By: LBA Realty LLC,
a Delaware limited liability company,
its Manager

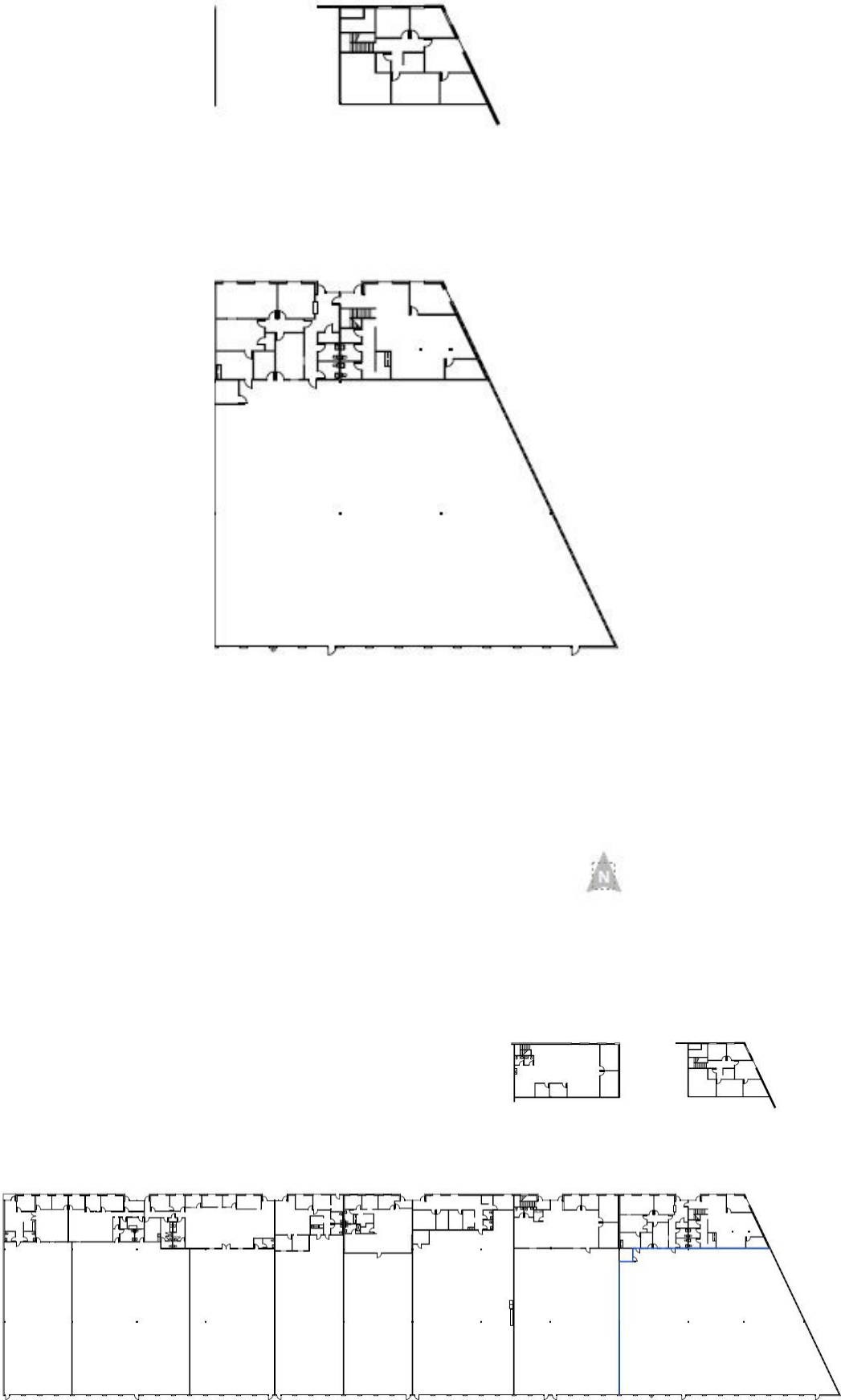
By: LBA Inc.,
a California corporation,
its Managing Member

DocuSigned by:

By: _____
Name: Tim Brosnan
Title: Trustee
Date: 5/30/2025

For LBA Office Use Only: Prepared & Reviewed by:  _____ 

EXHIBIT A
PREMISES FLOOR PLAN



Drawings may not be to scale and may not represent the current as-built-conditions at the Premises.

EXHIBIT B
SITE PLAN

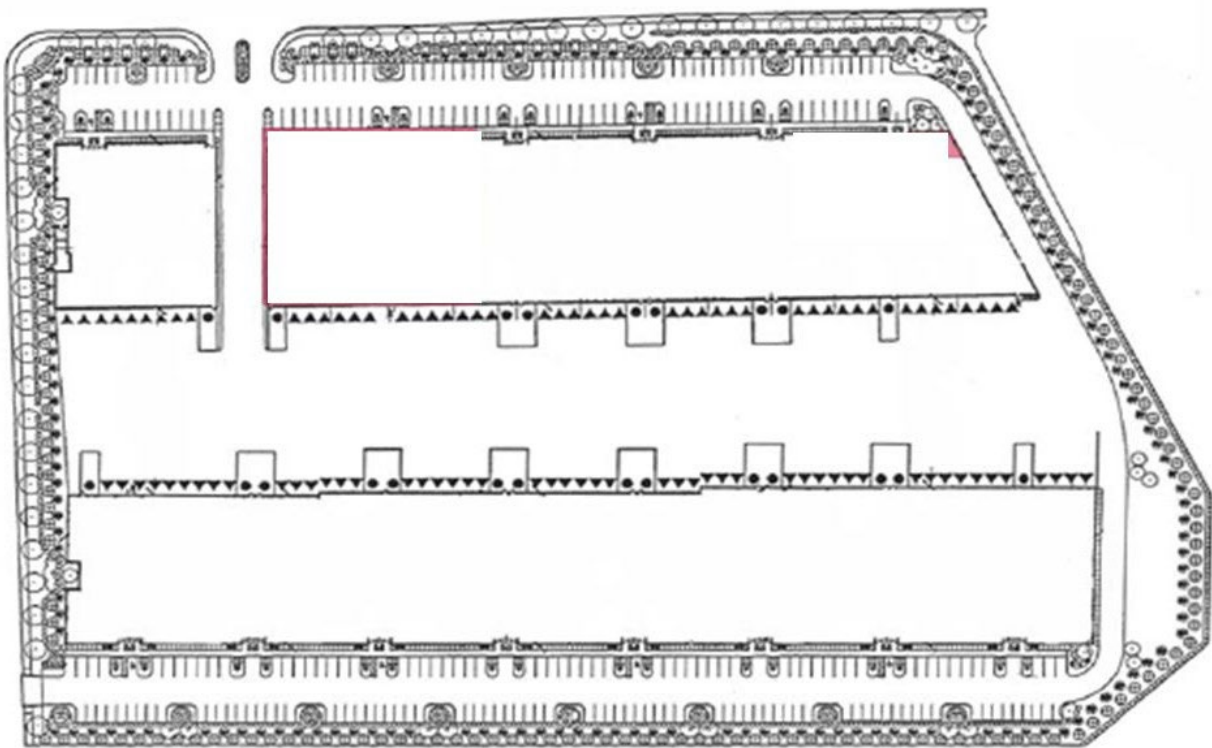


EXHIBIT C

NOTICE OF LEASE TERM DATES

Date: _____, ____

To: _____

Re: Multi-Tenant Commercial/Industrial Lease dated _____, (“**Lease**”) by and between _____ (“**Landlord**”), and _____ (“**Tenant**”), for the premises commonly known as Suite 1000, in the building commonly known as Building B, located at 855 South 192nd Street, SeaTac, WA 98148 (“**Premises**”).

Dear _____:

In accordance with the above-referenced Lease, we wish to advise and/or confirm as follows:

- That Tenant has accepted and is in possession of the Premises and acknowledges the following:
 - Term of the Lease: _____ months
 - Commencement Date: _____
 - Expiration Date: _____
 - Rentable Square Feet: _____
 - Tenant’s Percentage of Building: _____%
- That in accordance with the Lease, rental payments have commenced on _____ and rent is payable in accordance with the following schedule:

Months	Monthly Base Rent
00/00/0000 – 00/00/0000	\$00,000.00
00/00/0000 – 00/00/0000	\$00,000.00
00/00/0000 – 00/00/0000	\$00,000.00

- Rent is due and payable in advance on the first day of each and every month during the Term of the Lease.

Your rent checks should be made payable to: _____

ACCEPTED AND AGREED

TENANT:

LANDLORD:

_____,
a _____

_____,
a _____

By: _____
Name: _____
Title: _____

EXHIBIT D

RULES AND REGULATIONS

1. Tenant agrees that it shall comply with all fire and security regulations that may be issued from time to time by Landlord, and Tenant also shall provide Landlord with the name of a designated responsible employee to represent Tenant in all matters pertaining to such fire or security regulations. Tenant shall cooperate fully with Landlord in all matters concerning fire and other emergency procedures.
2. Tenant assumes any and all responsibility for protecting its Premises from theft, robbery and pilferage. Such responsibility shall include keeping doors locked and other means of entry to the Premises closed.
3. Tenant shall not lay linoleum, tile, carpet or other similar floor covering so that the same shall be affixed to the floor of the Premises in any manner except by a paste, or other material which may easily be removed with water, the use of cement or other similar adhesive materials being expressly prohibited. The method of affixing any such linoleum, tile, carpet or other similar floor covering shall be subject to the approval of Landlord. The expense of repairing any damage resulting from a violation of this rule shall be borne by Tenant.
4. Tenant shall not without Landlord’s consent, which may be given or withheld in Landlord’s sole and absolute discretion, receive, store, discharge, or transport firearms, ammunition, or weapons or explosives of any kind or nature at, on or from the Premises.
5. No vehicle or equipment of any kind shall be dismantled, repaired or serviced on the Common Area.
6. Signs will conform to sign standards and criteria established from time to time by Landlord. No other signs, placards, pictures, advertisements, names or notices shall be inscribed, displayed or printed or affixed on or to any part of the outside or inside of the building without the written consent of Landlord and Landlord shall have the right to remove any such non-conforming signs, placards, pictures, advertisements, names or notices without notice to and at the expense of Tenant.
7. No antenna, aerial, discs, dishes or other such device shall be erected on the roof or exterior walls of the Premises, or on the grounds, without the written consent of the Landlord in each instance. Any device so installed without such written consent shall be subject to removal without notice at any time.
8. No loud speakers, televisions, phonographs, radios or other devices shall be used in a manner so as to be heard or seen outside of the Premises without the prior written consent of the Landlord.
9. The outside areas immediately adjoining the Premises shall be kept clean and free from dirt and rubbish by Tenant to the satisfaction of Landlord and Tenant shall not place or permit any obstruction or materials in such areas or permit any work to be performed outside the Premises.
10. No open storage shall be permitted in the Property.
11. All garbage and refuse shall be placed in containers placed at the location designated for refuse collection, in the manner specified by Landlord.
12. No vending machine or machines of any description shall be installed, maintained or operated upon the Common Area except for the use of Tenant's employees.
13. Tenant shall not disturb, solicit, or canvass any occupant of the building and shall cooperate to prevent same.
14. No noxious or offensive trade or activity shall be carried on upon any units or any part of the Common Area nor shall anything be done thereon which would in any way interfere with the quiet enjoyment of each of the other tenants of the Project.
15. Landlord reserves the right to make such amendments to these rules and regulations from time to time as are nondiscriminatory and not inconsistent with the Lease.
16. Landlord will furnish Tenant, free of charge, with two keys to each door lock in the Premises. Landlord may impose a reasonable charge for any additional keys. Tenant may not make or have made additional keys, and Tenant shall not alter any lock or install a new additional lock or bolt on any door or window of its Premises. Tenant, upon termination of its tenancy, shall deliver to Landlord the keys of all doors which have been furnished to, or otherwise procured by Tenant, and, in the event of loss of any keys, shall pay Landlord the cost of replacing the same or of changing the lock or locks opened by such lost key if Landlord shall deem it necessary to make such change.

PARKING RULES AND REGULATIONS

- In addition to any parking provisions contained in the Lease, the following rules and regulations shall apply with respect to the use of the Property’s parking facilities.
1. Every parker is required to park and lock his/her own vehicle. All responsibility for damage to or loss of vehicles is assumed by the parker and Landlord shall not be responsible for any such damage or loss by water, fire, defective brakes, the act or omissions of others, theft, or for any other cause.

2. Tenant shall not park or permit its employees, suppliers and shippers' vehicles to park in any parking areas designated by Landlord as areas for parking by visitors to the Property. Except as otherwise expressly provided in the Lease, Tenant shall not leave vehicles in the automobile parking areas overnight nor park any vehicles in the parking areas other than automobiles, motorcycles, motor driven or non-motor driven bicycles or four wheeled trucks. Only vehicles less than 20 feet long shall be allowed to park in the automobile parking areas. All trucks, chassis, containers and vehicles that are more than 20 feet in total length shall be parked in designated "truck parking" stalls only.
3. Landlord shall designate assigned truck, chassis, and container vehicle parking spaces to each Tenant. Such spaces shall reside directly adjacent to the Tenant's leased space as shown on the attached parking site plan and may be revised or amended only by the Landlord. Tenant shall be responsible to monitor and manage all vehicles that park or utilize their designated stalls. Any Tenant employees, vendors, or delivery vehicles parked in stalls other than those assigned to the Tenant shall constitute a violation of the Parking Rules & Regulations.
4. Parking stickers or any other device or forms of identification supplied by Landlord as a condition of use of the parking facilities shall remain the property of Landlord. Such parking identification device must be displayed as requested and may not be mutilated in any manner. The serial number of the parking identification device may not be obliterated. Devices are not transferable and any device in the possession of an unauthorized holder will be void.
5. Except as otherwise expressly provided in the Lease, no extended term storage of vehicles shall be permitted. Any such violation shall result in a Parking Notice and fee as defined below.
6. Vehicles must be parked entirely within painted stall lines of a single parking stall.
7. All directional signs and arrows must be observed.
8. The speed limit within all parking areas shall be five (5) miles per hour.
9. Parking is prohibited: (a) in areas not striped for parking; (b) in aisles; (c) where "no parking" signs are posted; (d) on ramps; (e) in cross-hatched areas; and (f) in reserved spaces and in such other areas as may be designated by Landlord.
10. Loss or theft of parking identification devices, if any, must be reported to Landlord's property manager immediately, and a lost or stolen report must be filed by the Tenant or user of such parking identification device at the time. Landlord has the right to exclude any vehicle from the parking facilities that does not have an identification device.
11. Washing, waxing, cleaning or servicing of any vehicle in any area not specifically reserved for such purpose is prohibited.
12. Landlord reserves the right to modify and/or adopt such other reasonable and non-discriminatory rules and regulations for the parking facilities as it deems necessary for the operation of the parking areas. Landlord may refuse to permit any person who violates these rules to park at the Property and any violation of the rules shall subject the vehicle to removal, at such vehicle owner's expense.
13. Tenant's parking spaces shall be used only for parking by vehicles no larger than normally sized passenger automobiles, vans and sport utility vehicles. Tenant shall not permit or allow any vehicles that belong to or are controlled by Tenant or Tenant's employees, suppliers, shippers, customers or invitees to be loaded, unloaded, or parked in areas other than those designated by Landlord for such activities. If Tenant permits or allows any of the prohibited activities described herein, then Landlord shall have the right, in addition to such other rights and remedies that it may have, to remove or tow away the vehicle involved and charge the cost thereof to Tenant, which cost shall be payable by Tenant upon demand by Landlord.
14. Any violation of the Parking Rules & Regulations by Tenant employees, vendors or delivery vehicles may result in a "Parking Notice" delivered to the Tenant responsible for such violating vehicle including the date, time, and reason for the Parking Notice. The penalty for each Parking Notice shall be One Hundred (\$100.00) Dollars per notice which shall be due and payable by the Tenant and payable to the Landlord. Landlord reserves the right to assess the Parking Notice fee with the rental invoice sent to each Tenant.

EXHIBIT E

ESTOPPEL CERTIFICATE SAMPLE

The undersigned (“**Tenant**”) hereby certifies to _____ (“**Landlord**”), and _____ (“**Lender**”), as follows:

1. Attached hereto is a true, correct and complete copy of that certain Multi-Tenant Commercial/Industrial Lease dated _____, between Landlord and Tenant (the “**Lease**”), for the premises commonly known as Suite 1000, in the building commonly known as Building B (the “**Building**”) located at 855 South 192nd Street, SeaTac, WA 98148 (the “**Premises**”). The Lease is now in full force and effect and has not been amended, modified or supplemented, except as set forth in Section 6 below.
2. The term of the Lease commenced on _____, ____.
3. The term of the Lease is currently scheduled to expire on _____, ____.
4. Tenant has no option to renew or extend the Term of the Lease except: _____.
5. Tenant has no preferential right to purchase the Premises or any portion of the Building/Premises except: _____.
6. The Lease has: (Initial One)
(____) not been amended, modified, supplemented, extended, renewed or assigned.
(____) been amended, modified, supplemented, extended, renewed or assigned by the following described agreements, copies of which are attached hereto: _____.
7. Tenant has accepted and is now in possession of the Premises and has not sublet, assigned or encumbered the Lease, the Premises or any portion thereof except as follows: _____.
8. The current Base Rent is \$_____; and current monthly parking charges are \$_____.
9. The amount of security deposit (if any) is \$_____. No other security deposits have been made.
10. All rental payments payable by Tenant have been paid in full as of the date hereof. No rent under the Lease has been paid for more than thirty (30) days in advance of its due date.
11. All work required to be performed by Landlord under the Lease has been completed and has been accepted by Tenant, and all tenant improvement allowances have been paid in full except _____.
12. As of the date hereof, Tenant is not aware of any defaults on the part of Landlord under the Lease except _____.
13. As of the date hereof, there are no defaults on the part of Tenant under the Lease.
14. Tenant has no defense as to its obligations under the Lease and claims no set-off or counterclaim against Landlord.
15. Tenant has no right to any concession (rental or otherwise) or similar compensation in connection with renting the space it occupies, except as expressly provided in the Lease.
16. All insurance required of Tenant under the Lease has been provided by Tenant and all premiums have been paid.
17. There has not been filed by or against Tenant a petition in bankruptcy, voluntary or otherwise, any assignment for the benefit of creditors, any petition seeking reorganization or arrangement under the bankruptcy laws of the United States or any state thereof, or any other action brought pursuant to such bankruptcy laws with respect to Tenant.
18. Tenant pays rent due Landlord under the Lease to Landlord and does not have any knowledge of any other person who has any right to such rents by collateral assignment or otherwise.

The foregoing certification is made with the knowledge that _____ is about to [fund a loan to Landlord or purchase the Building from Landlord], and that _____ is relying upon the representations herein made in [funding such loan or purchasing the Building].

Dated: _____, ____.

“TENANT”
_____,
a _____

By: _____
Name: _____
Title: _____

EXHIBIT F

ENVIRONMENTAL QUESTIONNAIRE AND DISCLOSURE STATEMENT

The purpose of this form is to obtain information regarding the use or proposed use of hazardous materials at the premises. Prospective tenants should answer the questions in light of their proposed operations at the premises. Existing tenants should answer the questions as they relate to ongoing operations at the premises and should update any information previously submitted. If additional space is needed to answer the questions, you may attach separate sheets of paper to this form.

Your cooperation in this matter is appreciated.

1. GENERAL INFORMATION

Name of Responding Company: _____

Mailing Address: _____

Contact Person and Title: _____

Telephone Number: (____) _____

Address of Leased Premises: _____

Length of Term: _____

Describe the proposed operations to take place on the premises, including principal products manufactured or services to be conducted. Existing tenants should describe any proposed changes to ongoing operations.

2. STORAGE OF HAZARDOUS MATERIALS

2.1 Will any hazardous materials be used or stored on-site?

Wastes Yes _____ No _____

Chemical Products Yes _____ No _____

2.2 Attach a list of any hazardous materials to be used or stored, the quantities that will be on-site at any given time, and the location and method of storage (e.g., 55-gallon drums on concrete pad).

3. STORAGE TANKS AND SUMPS

3.1 Is any above or below ground storage of gasoline, diesel or other hazardous substances in tanks or sumps proposed or currently conducted at the premises?

Yes _____ No _____

If yes, describe the materials to be stored, and the type, size and construction of the sump or tank. Attach copies of any permits obtained for the storage of such substances.

3.2 Have any of the tanks or sumps been inspected or tested for leakage?

Yes _____ No _____

If so, attach the results.

3.3 Have any spills or leaks occurred from such tanks or sumps?

Yes _____ No _____

If so, describe.

3.4 Were any regulatory agencies notified of the spill or leak?

Yes _____ No _____

If so, attach copies of any spill reports filed, any clearance letters or other correspondence from regulatory agencies relating to the spill or leak.

3.5 Have any underground storage tanks or sumps been taken out of service or removed?

Yes _____ No _____

If yes, attach copies of any closure permits and clearance obtained from regulatory agencies relating to closure and removal of such tanks.

4. SPILLS

4.1 During the past year, have any spills occurred at the premises?

Yes _____ No _____

If yes, please describe the location of the spill.

4.2 Were any agencies notified in connection with such spills?

Yes _____ No _____

If yes, attach copies of any spill reports or other correspondence with regulatory agencies.

4.3 Were any clean-up actions undertaken in connection with the spills?

Yes _____ No _____

Attach copies of any clearance letters obtained from any regulatory agencies involved and the results of any final soil or groundwater sampling done upon completion of the clean-up work.

5. WASTE MANAGEMENT

5.1 Has your company been issued an EPA Hazardous Waste Generator I.D. Number?

Yes _____ No _____

5.2 Has your company filed a biennial report as a hazardous waste generator?

Yes _____ No _____

If so, attach a copy of the most recent report filed.

5.3 Attach a list of the hazardous wastes, if any, generated or to be generated at the premises, its hazard class and the quantity generated on a monthly basis.

5.4 Describe the method(s) of disposal for each waste. Indicate where and how often disposal will take place.

☐	On-site treatment or recovery	
☐	Discharged to sewer	
☐	Transported and disposed of off-site	
☐	Incinerator	

5.5 Indicate the name of the person(s) responsible for maintaining copies of hazardous waste manifests completed for off-site shipments of hazardous waste.

5.6 Is any treatment of processing of hazardous wastes currently conducted or proposed to be conducted at the premises:

Yes ☐

No ☐

If yes, please describe any existing or proposed treatment methods.

5.7 Attach copies of any hazardous waste permits or licenses issued to your company with respect to its operations at the premises.

6. WASTEWATER TREATMENT/DISCHARGE

6.1 Do you discharge wastewater to:

☐	storm drain?	☐	sewer?
☐	surface water?	☐	no industrial discharge

6.2 Is your wastewater treated before discharge?

Yes ☐

No ☐

If yes, describe the type of treatment conducted.

6.3 Attach copies of any wastewater discharge permits issued to your company with respect to its operations at the premises.

7. AIR DISCHARGES

7.1 Do you have any filtration systems or stacks that discharge into the air?

Yes ☐

No ☐

7.2 Do you operate any of the following types of equipment or any other equipment requiring an air emissions permit?

Spray booth

Dip tank

Drying oven

Incinerator

Other (please describe)

No equipment requiring air permits

7.3 Are air emissions from your operations monitored?

Yes No

If so, indicate the frequency of monitoring and a description of the monitoring results.

7.4 Attach copies of any air emissions permits pertaining to your operations at the premises.

8. HAZARDOUS MATERIALS DISCLOSURES

8.1 Does your company handle hazardous materials in a quantity equal to or exceeding an aggregate of 500 pounds, 55 gallons, or 200 cubic feet per month?

Yes No

8.2 Has your company prepared a hazardous materials management plan pursuant to any applicable requirements of a local fire department or governmental agency?

Yes No

If so, attach a copy of the business plan.

8.3 Has your company adopted any voluntary environmental, health or safety program?

Yes No

If so, attach a copy of the program.

9. ENFORCEMENT ACTIONS, COMPLAINTS

9.1 Has your company ever been subject to any agency enforcement actions, administrative orders, or consent decrees?

Yes No

If so, describe the actions and any continuing compliance obligations imposed as a result of these actions.

9.2 Has your company ever received requests for information, notice or demand letters, or any other inquiries regarding its operations?

Yes _____ No _____

9.3 Have there ever been, or are there now pending, any lawsuits against the company regarding any environmental or health and safety concerns?

Yes _____ No _____

9.4 Has an environmental audit ever been conducted at your company’s current facility?

Yes _____ No _____

If so, identify who conducted the audit and when it was conducted.

Tenant:

_____,
a _____

By: _____
Name: _____
Title: _____

EXHIBIT G

TENANT IMPROVEMENTS

King Country TI Scope of Work:

First Floor

- Demo all flooring throughout
- Replace all flooring and base with same type (i.e. carpet, VCT, sheet vinyl)
- Replace all plumbing fixtures with new
- Replace casework in break area with new p-lam casework and new plumbing fixtures
- Patch holes and paint all walls with one color (Sherwin Williams Alabaster or similar)
- Repair any rubber treads on stairs
- Replace any damaged ceiling tiles
- Replace all light fixtures with new LED fixture similar style (i.e. 2x4 direct/indirect)

Second Floor

- Steam clean all carpets
- Clean/polish all flooring not carpet
- Clean all walls
- Replace damaged ceiling tiles
- Replace all light fixtures with new LED fixture similar style (i.e. 2x4 direct/indirect)

Warehouse

- Replace all fixtures with new LED fixtures similar style (i.e. linear fixtures, high bay)

Tenant Responsibility

- Tenant to remove all wall hung items including any nails and hooooks (i.e. artwork, posters, white boards, etc.) and rehang at completion of project
- Tenant to relocate all furniture, fixtures, and equipment to 2nd floor during 1st floor work, then relocate at completion of Landlord's work

2nd floor - LED retrofit, and cleaning only

1st floor - LED retrofit, all new flooring, paint, casework in break room, & plumbing fixtures

Warehouse - LED retrofit only

Building B

855 South 192nd Street
855 South 192nd Street
SeaTac, WA 98148

Report ID **2**

OFF - King County

Suite 1000-O - Final Tenant

EXTENSION OPTION

RIDER NO. 1 TO LEASE

This Rider No. 1 is made and entered into by and between LBA NCC2-COMPANY IX, LLC, a Delaware limited liability company (“**Landlord**”), and KING COUNTY, a home rule charter county and political subdivision of the State of Washington (“**Tenant**”), as of the day and year of the Lease between Landlord and Tenant to which this Rider is attached. Landlord and Tenant hereby agree that, notwithstanding anything contained in the Lease to the contrary, the provisions set forth below shall be deemed to be part of the Lease and shall supersede any inconsistent provisions of the Lease. All references in the Lease and in this Rider to the “Lease” shall be construed to mean the Lease (and all Exhibits and Riders attached thereto), as amended and supplemented by this Rider. All capitalized terms not defined in this Rider shall have the same meaning as set forth in the Lease.

1. Landlord hereby grants to Tenant one (1) option (the “**Extension Option**”) to extend the Term of the Lease for one (1) additional period of five (5) years (the “**Option Term**”), on the same terms, covenants and conditions as provided for in the Lease during the initial Term, except for the Monthly Base Rent, which shall initially be equal to the “fair market rental rate” for the Premises for the Option Term as defined and determined in accordance with the provisions of the Fair Market Rental Rate Rider attached to the Lease as Rider No. 2, subject to fair market annual rent adjustments during the Option Term.
2. The Extension Option must be exercised, if at all, by written notice (“**Extension Notice**”) delivered by Tenant to Landlord no sooner than that date which is nine (9) months and no later than that date which is six (6) months prior to the expiration of the then current Term of the Lease. Provided Tenant has properly and timely exercised the Extension Option, the then current Term of the Lease shall be extended by the Option Term, and all terms, covenants and conditions of the Lease shall remain unmodified and in full force and effect, except that the Monthly Base Rent shall be as set forth above, and except that the number of remaining Extension Options (if any) shall be reduced by one.

FAIR MARKET RENTAL RATE

RIDER NO. 2 TO LEASE

This Rider No. 2 is made and entered into by and between LBA NCC2-COMPANY IX, LLC, a Delaware limited liability company (“**Landlord**”), and KING COUNTY, a home rule charter county and political subdivision of the State of Washington (“**Tenant**”), as of the day and year of the Lease between Landlord and Tenant to which this Rider is attached. Landlord and Tenant hereby agree that, notwithstanding anything contained in the Lease to the contrary, the provisions set forth below shall be deemed to be part of the Lease and shall supersede any inconsistent provisions of the Lease. All references in the Lease and in this Rider to the “Lease” shall be construed to mean the Lease (and all Exhibits and Riders attached thereto), as amended and supplemented by this Rider. All capitalized terms not defined in this Rider shall have the same meaning as set forth in the Lease.

1. The term “**fair market rental rate**” as used in this Rider and any Rider attached to the Lease means the annual amount per square foot, projected for each year of the Option Term (including annual adjustments), that a willing, non-equity tenant (excluding sublease and assignment transactions) would pay, and a willing landlord of a comparable quality building located in the applicable submarket (as defined by CBRE, Inc. in the most current regional overview report) would accept, in an arm’s length transaction (what Landlord is accepting in then current transactions for the Building may be used for purposes of projecting rent for the Option Term), for space of comparable size, quality and clear height as the Premises, taking into account the age, quality and layout of the existing improvements in the Premises, and taking into account items that professional real estate brokers or professional real estate appraisers customarily consider, including, but not limited to, rental rates, space availability, tenant size, tenant improvement allowances, parking charges and any other lease considerations, if any, then being charged or granted by Landlord or the lessors of such similar buildings. All economic terms other than Monthly Base Rent, such as tenant improvement allowance amounts, if any, operating expense allowances, parking charges, etc., will be established by Landlord and will be factored into the determination of the fair market rental rate for the Option Term. Accordingly, the fair market rental rate will be an effective rate, not specifically including, but accounting for, the appropriate economic considerations described above.

2. Landlord shall provide written notice of Landlord’s determination of the fair market rental rate not later than sixty (60) days after the last day upon which Tenant may timely exercise the right giving rise to the necessity for such fair market rental rate determination. Tenant shall have thirty (30) days (“**Tenant’s Review Period**”) after receipt of Landlord’s notice of the fair market rental rate within which to accept such fair market rental rate or to reasonably object thereto in writing. Failure of Tenant to so object to the fair market rental rate submitted by Landlord in writing within Tenant’s Review Period shall conclusively be deemed Tenant’s approval and acceptance thereof. If within Tenant’s Review Period Tenant reasonably objects to or is deemed to have disapproved the fair market rental rate submitted by Landlord, Landlord and Tenant will meet together with their respective legal counsel to present and discuss their individual determinations of the fair market rental rate for the Premises under the parameters set forth in Paragraph 1 above and shall diligently and in good faith attempt to negotiate a rental rate on the basis of such individual determinations. Such meeting shall occur no later than ten (10) days after the expiration of Tenant’s Review Period. The parties shall each provide the other with such supporting information and documentation as they deem appropriate. At such meeting if Landlord and Tenant are unable to agree upon the fair market rental rate, they shall each submit to the other their respective best and final offer as to the fair market rental rate. If Landlord and Tenant fail to reach agreement on such fair market rental rate within five (5) business days following such a meeting (the “**Outside Agreement Date**”), Tenant’s Extension Option will be deemed null and void unless Tenant demands appraisal, in which event each party’s determination shall be submitted to appraisal in accordance with the provisions of Section 3 below.

3. (a) Landlord and Tenant shall each appoint one (1) independent appraiser who shall by profession be an M.A.I. certified real estate appraiser who shall have been active over the five (5) year period ending on the date of such appointment in the leasing of commercial (including industrial) properties in the applicable submarket (as defined by CBRE, Inc. in the most current regional overview report). The determination of the appraisers shall be limited solely to the issue of whether Landlord’s or Tenant’s last proposed (as of the Outside Agreement Date) best and final fair market rental rate for the Premises is the closest to the actual fair market rental rate for the Premises as determined by the appraisers, taking into account the requirements specified in Section 1 above. Each such appraiser shall be appointed within ten (10) business days after the Outside Agreement Date.

(b) The two (2) appraisers so appointed shall within ten (10) business days after the date of the appointment of the last appointed appraiser agree upon and appoint a third appraiser who shall be qualified under the same criteria set forth hereinabove for qualification of the initial two (2) appraisers.

(c) The three (3) appraisers shall within ten (10) business days after the appointment of the third appraiser reach a decision as to whether the parties shall use Landlord’s or Tenant’s submitted best and final fair market rental rate and shall notify Landlord and Tenant thereof. During such ten (10) business day period, Landlord and Tenant may submit to the appraisers such information and documentation to support their respective positions as they shall deem reasonably relevant and Landlord and Tenant may each appear before the appraisers jointly to question and respond to questions from the appraisers.

(d) The decision of the majority of the three (3) appraisers shall be binding upon Landlord and Tenant and neither party shall have the right to reject the decision or to undo the exercise of the Extension Option. If either Landlord or Tenant fails to appoint an appraiser within the time period specified in Section 3(a) hereinabove, the appraiser appointed by one of them shall within ten (10) business days following the date on which the party failing to appoint an appraiser could have last appointed such appraiser reach a decision based upon the same procedures as

set forth above (i.e., by selecting either Landlord's or Tenant's submitted best and final fair market rental rate), and shall notify Landlord and Tenant thereof, and such appraiser's decision shall be binding upon Landlord and Tenant and neither party shall have the right to reject the decision or to undo the exercise of the Extension Option.

(e) If the two (2) appraisers fail to agree upon and appoint a third appraiser, either party, upon ten (10) days written notice to the other party, can apply to the Presiding Judge of the Superior Court of King County to appoint a third appraiser meeting the qualifications set forth herein. The third appraiser, however, selected shall be a person who has not previously acted in any capacity for either party.

(f) The cost of each party's appraiser shall be the responsibility of the party selecting such appraiser, and the cost of the third appraiser (or arbitration, if necessary) shall be shared equally by Landlord and Tenant.

(g) If the process described hereinabove has not resulted in a selection of either Landlord's or Tenant's submitted best and final fair market rental rate by the commencement of the Option Term, then the fair market rental rate estimated by Landlord will be used until the appraiser(s) reach a decision, with an appropriate rental credit and other adjustments for any overpayments of Monthly Base Rent or other amounts if the appraisers select Tenant's submitted best and final estimate of the fair market rental rate. The parties shall enter into an amendment to this Lease confirming the terms of the decision.

Certificate Of Completion

Envelope Id: C63F6DD2-C659-4E13-BF00-977A0EB7EC68

Status: Completed

Subject: Complete with Docusign: Lease-LBA-SeaTac Logistics Park I-King County(18173506.11).pdf

Source Envelope:

Document Pages: 44

Signatures: 1

Envelope Originator:

Certificate Pages: 5

Initials: 2

Arika Austin

AutoNav: Enabled

3347 Michelson Drive, Suite 200

Envelopeld Stamping: Enabled

Irvine, CA 92612

Time Zone: (UTC-07:00) Arizona

aaustin@lbarealty.com

IP Address: 50.210.51.81

Record Tracking

Status: Original

Holder: Arika Austin

Location: DocuSign

5/29/2025 6:25:15 PM

aaustin@lbarealty.com

Signer Events

Thomas Aarts

taarts@lbarealty.com

TA

Security Level: Email, Account Authentication
(None)

Signature

Initial

Signature Adoption: Pre-selected Style
Using IP Address: 50.54.217.49

Timestamp

Sent: 5/29/2025 6:28:05 PM

Viewed: 5/29/2025 10:37:38 PM

Signed: 5/29/2025 10:37:58 PM

Electronic Record and Signature Disclosure:

Accepted: 5/29/2025 10:37:38 PM

ID: d2d3d7b9-4193-4c5b-9707-91ab39268f44

Melanie Hohberg

mhohberg@lbarealty.com

Security Level: Email, Account Authentication
(None)

Initial

Signature Adoption: Pre-selected Style
Using IP Address: 35.85.214.35

Sent: 5/29/2025 10:38:00 PM

Viewed: 5/30/2025 8:12:32 AM

Signed: 5/30/2025 8:13:09 AM

Electronic Record and Signature Disclosure:

Accepted: 5/30/2025 8:12:32 AM

ID: 740ee6da-cbbb-48e4-b55e-03fe2b6da3b2

Tim Brosnan

Tbrosnan@lbarealty.com

Trustee

Security Level: Email, Account Authentication
(None)

DocuSigned by:

E64B695FCC74429...

Signature Adoption: Drawn on Device
Using IP Address: 104.183.142.217
Signed using mobile

Sent: 5/30/2025 8:13:11 AM

Viewed: 5/30/2025 8:17:29 AM

Signed: 5/30/2025 8:17:41 AM

Electronic Record and Signature Disclosure:

Accepted: 12/12/2018 3:55:09 PM

ID: afcb8aa4-db9e-4c33-b52d-6eb2d47cf80a

In Person Signer Events

Signature

Timestamp

Editor Delivery Events

Status

Timestamp

Agent Delivery Events

Status

Timestamp

Intermediary Delivery Events

Status

Timestamp

Certified Delivery Events

Status

Timestamp

Carbon Copy Events	Status	Timestamp
Witness Events	Signature	Timestamp
Notary Events	Signature	Timestamp
Envelope Summary Events	Status	Timestamps
Envelope Sent	Hashed/Encrypted	5/29/2025 6:28:05 PM
Certified Delivered	Security Checked	5/30/2025 8:17:29 AM
Signing Complete	Security Checked	5/30/2025 8:17:41 AM
Completed	Security Checked	5/30/2025 8:17:41 AM
Payment Events	Status	Timestamps
Electronic Record and Signature Disclosure		

ELECTRONIC RECORD AND SIGNATURE DISCLOSURE

From time to time, LBA Realty (we, us or Company) may be required by law to provide to you certain written notices or disclosures. Described below are the terms and conditions for providing to you such notices and disclosures electronically through the DocuSign, Inc. (DocuSign) electronic signing system. Please read the information below carefully and thoroughly, and if you can access this information electronically to your satisfaction and agree to these terms and conditions, please confirm your agreement by clicking the 'I agree' button at the bottom of this document.

Getting paper copies

At any time, you may request from us a paper copy of any record provided or made available electronically to you by us. You will have the ability to download and print documents we send to you through the DocuSign system during and immediately after signing session and, if you elect to create a DocuSign signer account, you may access them for a limited period of time (usually 30 days) after such documents are first sent to you. After such time, if you wish for us to send you paper copies of any such documents from our office to you, you will be charged a \$0.00 per-page fee. You may request delivery of such paper copies from us by following the procedure described below.

Withdrawing your consent

If you decide to receive notices and disclosures from us electronically, you may at any time change your mind and tell us that thereafter you want to receive required notices and disclosures only in paper format. How you must inform us of your decision to receive future notices and disclosure in paper format and withdraw your consent to receive notices and disclosures electronically is described below.

Consequences of changing your mind

If you elect to receive required notices and disclosures only in paper format, it will slow the speed at which we can complete certain steps in transactions with you and delivering services to you because we will need first to send the required notices or disclosures to you in paper format, and then wait until we receive back from you your acknowledgment of your receipt of such paper notices or disclosures. To indicate to us that you are changing your mind, you must withdraw your consent using the DocuSign 'Withdraw Consent' form on the signing page of a DocuSign envelope instead of signing it. This will indicate to us that you have withdrawn your consent to receive required notices and disclosures electronically from us and you will no longer be able to use the DocuSign system to receive required notices and consents electronically from us or to sign electronically documents from us.

All notices and disclosures will be sent to you electronically

Unless you tell us otherwise in accordance with the procedures described herein, we will provide electronically to you through the DocuSign system all required notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you during the course of our relationship with you. To reduce the chance of you inadvertently not receiving any notice or disclosure, we prefer to provide all of the required notices and disclosures to you by the same method and to the same address that you have given us. Thus, you can receive all the disclosures and notices electronically or in paper format through the paper mail delivery system. If you do not agree with this process, please let us know as described below. Please also see the paragraph immediately above that describes the consequences of your electing not to receive delivery of the notices and disclosures

electronically from us.

How to contact LBA Realty:

You may contact us to let us know of your changes as to how we may contact you electronically, to request paper copies of certain information from us, and to withdraw your prior consent to receive notices and disclosures electronically as follows:

To contact us by email send messages to: tharper@lbarealty.com

To advise LBA Realty of your new e-mail address

To let us know of a change in your e-mail address where we should send notices and disclosures electronically to you, you must send an email message to us at tharper@lbarealty.com and in the body of such request you must state: your previous e-mail address, your new e-mail address. We do not require any other information from you to change your email address..

In addition, you must notify DocuSign, Inc. to arrange for your new email address to be reflected in your DocuSign account by following the process for changing e-mail in the DocuSign system.

To request paper copies from LBA Realty

To request delivery from us of paper copies of the notices and disclosures previously provided by us to you electronically, you must send us an e-mail to tharper@lbarealty.com and in the body of such request you must state your e-mail address, full name, US Postal address, and telephone number. We will bill you for any fees at that time, if any.

To withdraw your consent with LBA Realty

To inform us that you no longer want to receive future notices and disclosures in electronic format you may:

- i. decline to sign a document from within your DocuSign session, and on the subsequent page, select the check-box indicating you wish to withdraw your consent, or you may;
- ii. send us an e-mail to tharper@lbarealty.com and in the body of such request you must state your e-mail, full name, US Postal Address, and telephone number. We do not need any other information from you to withdraw consent.. The consequences of your withdrawing consent for online documents will be that transactions may take a longer time to process..

Required hardware and software

Operating Systems:	Windows® 2000, Windows® XP, Windows Vista®; Mac OS® X
Browsers:	Final release versions of Internet Explorer® 6.0 or above (Windows only); Mozilla Firefox 2.0 or above (Windows and Mac); Safari™ 3.0 or above (Mac only)
PDF Reader:	Acrobat® or similar software may be required to view and print PDF files
Screen Resolution:	800 x 600 minimum
Enabled Security Settings:	Allow per session cookies

** These minimum requirements are subject to change. If these requirements change, you will be asked to re-accept the disclosure. Pre-release (e.g. beta) versions of operating systems and browsers are not supported.

Acknowledging your access and consent to receive materials electronically

To confirm to us that you can access this information electronically, which will be similar to other electronic notices and disclosures that we will provide to you, please verify that you were able to read this electronic disclosure and that you also were able to print on paper or electronically save this page for your future reference and access or that you were able to e-mail this disclosure and consent to an address where you will be able to print on paper or save it for your future reference and access. Further, if you consent to receiving notices and disclosures exclusively in electronic format on the terms and conditions described above, please let us know by clicking the 'I agree' button below.

By checking the 'I agree' box, I confirm that:

- I can access and read this Electronic CONSENT TO ELECTRONIC RECEIPT OF ELECTRONIC RECORD AND SIGNATURE DISCLOSURES document; and
- I can print on paper the disclosure or save or send the disclosure to a place where I can print it, for future reference and access; and
- Until or unless I notify LBA Realty as described above, I consent to receive from exclusively through electronic means all notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to me by LBA Realty during the course of my relationship with you.



King County

Shannon Braddock

King County Executive

401 Fifth Avenue, Suite 800
Seattle, WA 98104

206-296-9600 Fax 206-296-0194

TTY Relay: 711

www.kingcounty.gov

August 12, 2025

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

Dear Councilmember Zahilay:

This letter transmits a proposed Ordinance that, if enacted, will enable King County to enter a new lease for the King County Department of Information Technology (KCIT), at its existing location with LBA Ncc2-Company Ix, LLC for space located at 855 South 192nd Street, SeaTac.

This facility houses the KCIT Radio Shop whose primary mission is to install and service public safety radios that operate on the Puget Sound Emergency Radio Network (PSERN). 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 Drew Zimmerman, Interim Director, Facilities Management Division at 206-263-5935.

The Honorable Girmay Zahilay

August 12, 2025

Page 2

Sincerely,

A handwritten signature in black ink, appearing to read 'Shannon Braddock', written over a horizontal line.

for

Shannon Braddock

King County Executive

cc: King County Councilmembers

ATTN: Stephanie Cirkovich, Chief of Staff, King County Council

Melani Hay, Clerk of the Council

Karan Gill, Deputy Executive, Chief of Staff, Office of the Executive

Stephanie Pure, Council Relations Director, Office of the Executive

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

Drew Zimmerman, Acting Director, Facilities Management Division (FMD), DES

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

KING COUNTY FISCAL NOTE - *Property Leases and Sales*

GENERAL TRANSACTION INFORMATION

Ordinance/Motion:					Transaction Duration: 62 months
Title:	SeaTac Radio Shop				Fair Market Value: NA
Affected Agency/Agencies:	KCIT				Legal Transaction Lease Renewal
Note Prepared By:	Sandy Ou / Stephanie Clabaugh				Fiscal Transaction Stand Alone
Note Reviewed By:	Date Prepared: 6/10/2025				
Description of Request:	Date Reviewed:				
	KCIT SeaTac Radio Shop Lease Renewal (855 S. 192nd St, SeaTac WA 98148)				

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 2025	2025	2026 / 2027	2028 / 2029	2030 / 2031
						\$ -	\$ -	\$ -	\$ -	\$ -
						\$ -	\$ -	\$ -	\$ -	\$ -
						\$ -	\$ -	\$ -	\$ -	\$ -
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 2025	2025	2026 / 2027	2028 / 2029	2030 / 2031
Facilities Management / Long Term Lease Fur	0	DES	3310							
Real Estate Services Labor Costs						\$ -	\$ -	\$ -	\$ -	\$ -
King County Project Management						\$ -	\$ -	\$ -	\$ -	\$ -
Lease Payments/Associated O&M					Lease renewal effective 4/1/25 to 5/31/30 with annual increase of four percent base rent and five percent OPEX.	\$ -	\$ 306,074	\$ 1,027,545	\$ 1,117,532	\$ 245,524
Service Costs (Appraisal, Title, Move)						\$ -	\$ -	\$ -	\$ -	\$ -
Tenant and Other Improvements						\$ -	\$ -	\$ -	\$ -	\$ -
10% Art for General Fund Transactions						\$ -	\$ -	\$ -	\$ -	\$ -
Other Transaction Costs						\$ -	\$ -	\$ -	\$ -	\$ -
SUBTOTAL						\$ -	\$ 306,074	\$ 1,027,545	\$ 1,117,532	\$ 245,524
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						\$ -	\$ 306,074	\$ 1,027,545	\$ 1,117,532	\$ 245,524

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	2025 Allocation Change	2026 / 2027 Appropriation Change	Total 6-Year CIP Outyear Planning
					0	\$ -	\$ -	\$ -
						\$ -	\$ -	\$ -
						\$ -	\$ -	\$ -
TOTAL						\$ -	\$ -	\$ -

Assumption and Additional Notes:

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

- 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:
 - This lease is retroactive to 4/1/2025 and expires on 5/31/2030 with annual base rent increases in the amount of four percent.
 - Operating cost increases are estimated to be five percent annually.
 - The Landlord agreed to not charge holdover rent while King County and the Landlord negotiate in good faith to execute a new lease. Once the new lease is approved and executed, the County and the Landlord will true-up the amount due by or owed to King County.
 - Months 1 and 2 of the 62 month term shall be abated in accordance with the lease.
 - The landlord is providing the tenant improvements at Landlord's sole cost and expense.

Lease Property Summary

Photo of Property:



Property Owner: LBA NCC2-COMPANY IX, LLC
Address: 855 South 192nd Street, Suite 1000, SeaTac, WA 98148
Base Rentable Square Feet : \$16.36 per rentable square foot (RSF) at \$203,690 for nine months in 2025 and \$359,658 for twelve months in 2026
Operational Costs: Estimated operating costs are \$102,384 for nine months in 2025 and \$143,338 for twelve months in 2026
Term: Five years and two months
Square Footage: 21,338 rentable square feet
Council District: Five
Funding Source: King County Information Technology (KCIT) Enterprise Funds
Previous Location: None
Offer Expiration: This lease expired on March 31, 2025, and is currently on a month-to-month basis, however the landlord can terminate the month-to-month tenancy at any time.

Lease Synopsis:

The proposed Ordinance provides for a new lease at the current location of the County Radio Shop at the SeaTac Logistics Park. This location has housed the KCIT Radio Shop operations for 15 years. This location specializes in the installation, maintenance, and repair of public safety radio communication devices within vehicles and buildings for first responders in King County. KCIT has invested approximately \$100,000 in customized infrastructure in this location that would need to be replicated at an alternative location with funding that is not available at this time. The lease term is for a period of five years and two months and provides

for one option to extend for an additional period of five years at the then current fair market rental rate. The lease also provides for the first two months' base rent to be abated.

The landlord agreed to waive the additional rental charges (holdover fee) under the current expired lease while King County and the landlord work together in good faith to obtain Council approval of a new lease. During the negotiation period before the new lease is approved, the County pays the same monthly base rent rate as the last month of the expired lease until the new lease is executed. If approved by the Council, the new lease will be retroactively dated April 1, 2025 and the County and landlord will reconcile the amount due or owed King County upon mutual lease execution of the new lease in accordance with the table below.

Month	Base Rent Amount Due Under New Lease	Base Rent Amount Paid Under Previous Lease	Amount Due on Execution of New Lease	Total Difference Due by Month
April 2025	\$0.00	\$24,476.67	-\$24,476.67	-\$24,476.67
May 2025	\$0.00	\$24,476.67	-\$24,476.67	-\$48,953.34
June 2025	\$29,098.56	\$24,476.67	\$4,621.89	-\$44,331.45
July 2025	\$29,098.56	\$24,476.67	\$4,621.89	-\$39,709.56
August 2025	\$29,098.56	\$24,476.67	\$4,621.89	-\$35,087.67
September 2025	\$29,098.56	\$24,476.67	\$4,621.89	-\$30,465.78
October 2025	\$29,098.56	\$24,476.67	\$4,621.89	-\$25,843.89
November 2025	\$29,098.56	\$24,476.67	\$4,621.89	-\$21,222.00
December 2025	\$29,098.56	\$24,476.67	\$4,621.89	-\$16,600.11

Due to the two months of abated Base Rent for the period of April 1, 2025 - May 31, 2025 under the new lease, the County will be receiving a credit as opposed to owing the difference of the rent increase because King County continued to pay the rent amount based upon the previous lease. Once the credit zeroes out, King County will begin paying the new lease rate according to the rent schedule in the new lease at that time.

Context

Rationale for transaction: This facility supports the primary mission of the KCIT Radio Shop, to maintain, install, and service public safety radios that operate on the Puget Sound Emergency Radio Network (PSERN). PSERN is critical to providing emergency radio service to government agencies, such as the King County Sheriff's Office, King County Department of Adult & Juvenile Detention, King County Department of Local Services, King County Office of Emergency Management as well as fire departments, schools, and hospitals across King County. The KCIT Radio Shop also maintains a service level contract with PSERN subscribers that requires every radio on the network be serviced annually.

Policy considerations: This facility provides critical emergency radio communications repair and maintenance to first responders throughout the County.

Political considerations: N/A

*Community considerations
or partnerships:* N/A

Fiscal considerations: The rental rate per rentable square foot is \$16.36 for the first lease year, with a base rent increase in the amount of four percent annually each April 1st. This is a triple net (NNN) lease, where the tenant pays for their share of property taxes, insurance, and common area maintenance in addition to the base rent. The NNN rate for 2025 is \$6.40 per square foot. The negotiated base rent rate was determined by the Facilities Management Division (FMD) to be at a fair market rate which was supported by market data.

Other considerations: The new lease also supports continued unlimited access to the surface parking lot at no additional cost. Due to the high volume of vehicles requiring maintenance and/or equipment installation, this aspect is critical for the Radio Shops service delivery.

CIP/operational impacts: This new lease includes tenant improvements to be performed at the landlord's expense. These improvements include but are not limited to new carpet, new flooring, paint in existing office spaces, new fixtures in the restrooms and break room, as well as LED retrofit in the warehouse and office area.

King County Strategic Plan impact: N/A

Equity and Social Justice impact: In accordance with Real Property Asset Management Plan (RAMP), FMD and KCIT reviewed this lease legislation for equity and social justice impacts. FMD and KCIT note that this location is in the industrial sub-market of the City of SeaTac. It will continue to serve as the public safety backbone for the citizens of King County who rely on the emergency radio communication system network infrastructure.

Energy Efficiency impact: FMD anticipates that the facility will become more energy efficient after the installation of the LED lighting throughout the premises. FMD's Electric Vehicle Charging Infrastructure Program, in support of King County's fleet vehicles electrification, is also evaluating the need for installing Electric Vehicle (EV) chargers within the warehouse. This evaluation may lead to an increased need for electricity but will support the County's fleet of electric vehicles and lead to lower carbon emissions.

Lease Alternatives Analysis

Summary: FMD employed the assistance of commercial real estate services firm, CBRE, to help identify and evaluate facility alternatives. During the process of evaluating this new lease, FMD considered several other alternative locations and issued multiple requests for proposals to nearby property owners. No alternative locations were identified that could deliver the infrastructure needs or the needed space configuration in an economically feasible manner. The Radio Shop has invested approximately \$100,000 in customized infrastructure that would need to be replicated at any alternative location with funding that is not available at this time. KCIT emphasized the mission critical importance of this facility to FMD.

[illegible]



King County

Metropolitan King County Council Budget and Fiscal Management Committee

STAFF REPORT

Agenda Item:	5	Name:	Leah Krekel-Zoppi
Proposed No.:	2025-0294	Date:	October 21, 2025

SUBJECT

A proposed motion requesting a report on the feasibility of establishing a child savings account program in King County.

SUMMARY

This proposed motion would request that the Executive develop a report on the feasibility of establishing a child savings account program in King County. The concept of child savings account programs is based on the national “baby bonds” proposal and a Washington State Future Fund proposal. Such programs allow children born into low-wealth households to invest in actions that generate wealth such as buying a home, starting a business, and getting a post-secondary education or vocational training. The requested report would include comparisons of existing child savings account programs and an outline of a potential King County program including policy objectives, intended benefits, estimated costs, potential funding, and potential risks. The proposed motion asks that the report include consideration of both a countywide and unincorporated area program design and make recommendations about whether and how the program should be implemented. The report would be requested to be transmitted to the Council by September 30, 2026.

BACKGROUND

Child Savings Account (aka “Baby Bonds”). The concept of Baby Bonds was put forth by economists Dr. Darrick Hamilton and William “Sandy” Darity, Jr. in 2018. The intention of such a program is to interrupt the cycle of poverty for children born into low-wealth households by making an investment on behalf of children born into low-income families. In a baby bond program, the government would make a significant deposit into an investment account for each child born into low-wealth households. The funds are invested by the government and grow appreciatively so that at adulthood, the recipients can use the funds to acquire assets that generate wealth and economic security.

Washington Future Fund pilot program. In 2022, the Washington state legislature directed the Office of the State Treasurer (OST) to study generational wealth inequities

in Washington and further develop a policy proposal called Washington Future Fund, that is based on the national “Baby Bonds” model.¹ OST convened a group of community representatives and elected officials called the Washington Future Fund Committee to make recommendations to the state legislature about administering the Washington Future Fund program. The committee issued a report² that included the following findings:

- The distribution of wealth in Washington is highly inequitable. Over half of the total household wealth in Washington is concentrated among five percent of the wealthiest households. Meanwhile, 50 percent of the least wealthy households held a combined two percent of the state’s total household wealth.
- Greater wealth is associated with better health, educational attainment, and financial stability.
- Communities of color and people living in rural areas in Washington are more likely to experience poverty than white and urban communities. The racial wealth divide in Washington is greater than the national racial wealth divide. In Washington, a median household of color has one-fourth the total household wealth as a median white household.

The report recommended that:

- The state invest \$4000 for every baby born in Washington who receives Medicaid or Apple Health funded healthcare before their first birthday;
- The funds be invested and managed by the Washington State Investment Board;
- That Washington state residents who can demonstrate financial need and are claimants in the program be able to file a claim for funds when they reach the ages of 18 – 35;
- That claims for funds be available for the specific purposes, if done in Washington, of purchasing a primary residence; opening or purchasing a business; and education, training, and professional development; and
- That a constitutional amendment be passed authorizing investment of funds benefiting persons experiencing persistent poverty.

In 2025, SB 5541 was introduced in the Washington State Legislature which would have approved creation of a Future Fund Pilot Project. The pilot would distribute grants to a limited number of participants geographically distributed across the state who were born in and reside in Washington, are between 18 and 36 years of age, and are enrolled in Medicaid or Apple Health. The grants must be used within Washington for education, training, or professional development; purchasing a residence; purchasing a business; or paying for student loans, mortgages, or business loans. Program participants would be required to take part in an impact evaluation study and participate in financial coaching during the study period. The results of the impact evaluation study would be

¹ Section 123 of the 2022 Supplemental Operating Budget (Engrossed Substitute Senate Bill 5693).

² https://tre.wa.gov/sites/default/files/2023-10/2022-WFF-Committee-Report_Submitted-11.30.22.pdf

compiled in a report to the legislature. The bill was not voted out of committee in the 2025 legislative session.

ANALYSIS

The proposed motion would request the Executive to complete a report on the feasibility of establishing a child savings account program in King County and transmit the report to the King County Council by September 30, 2026.

The proposed motion requests that the report include the following elements:

- The description and definition of child savings account programs;
- A comparison of existing child savings account programs;
- An outline of a potential King County child savings account program that would include primary policy objectives, intended benefits, estimated costs, potential revenue sources; options for partnerships; and risks and other considerations;
- Framework for a draft implementation plan for both a regional program and a program for just unincorporated King County; and
- A recommendation on where, how, or if such a program could be administered in the county.

INVITED

- Dwight Dively, Director of the Office of Performance, Strategy, and Budget, King County Executive

ATTACHMENTS

1. Proposed Motion 2025-0294



KING COUNTY
Signature Report

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

Motion

Proposed No. 2025-0294.1

Sponsors Dembowski

1 A MOTION requesting the executive complete a report on
2 the feasibility of establishing a child savings account
3 program in King County.

4 WHEREAS, household wealth is defined as the sum of the total family assets
5 minus the total household debt, and

6 WHEREAS, one in five United States families has zero or negative net wealth,
7 and

8 WHEREAS, according to the Institute for Policy Studies, the wealth gap between
9 white households and households of color has grown over the past forty years, with the
10 median household of color having wealth totaling \$10,000 while the median wealth of
11 white households is \$140,500, and the wealth gap growing sharply with age, and

12 WHEREAS, wealth is connected to better educational attainment outcomes, better
13 health outcomes, and more financial stability, and

14 WHEREAS, the 2022 Washington Future Fund Committee found that, while
15 Washington has one of the strongest economies in the country, over half of the total
16 household wealth within the state was concentrated within the five percent wealthiest
17 households, and

18 WHEREAS, financial literacy is a term describing the skills, knowledge, and
19 tools that allow people to make sound financial decisions, with a desired outcome of
20 financial well-being, and

21 WHEREAS, according to a 2018 study only one-third of adults in the United
22 States were able to correctly answer four of five questions on fundamental financial
23 concepts, and

24 WHEREAS, child savings account programs refers to programs across the
25 country that have been established with the goal to expand access to postsecondary
26 education, promote financial literacy, and provide seed money for savings accounts, and

27 WHEREAS, the city of Atlanta, the state of California, the state of Connecticut,
28 and New York City are among many examples of governments with established
29 programs to support financial education and increase saving capacity, and

30 WHEREAS, the Washington state Legislature introduced legislation during the
31 2025 legislative session concerning the Washington Future Fund Pilot Project, which
32 would study the impacts of capital assistance on access to homeownership,
33 entrepreneurship, and postsecondary education, and

34 WHEREAS, King County is the local service provider for about 246,000 people
35 in Unincorporated King County and the regional government for 2.3 million residents,
36 and

37 WHEREAS, there were 22,000 births recorded in King County in 2023;

38 NOW, THEREFORE, BE IT MOVED by the Council of King County:

39 A. The council requests that the executive complete a report on the feasibility of
40 establishing a child savings account program in King County. The report should include,
41 but not be limited to:

- 42 1. The description and definition of child savings account programs;
- 43 2. A comparison of existing child savings account programs;

- 44 3. An outline of the potential new King County program, including:
- 45 a. definitions of primary policy objectives;
- 46 b. articulation of intended beneficiaries;
- 47 c. estimates of the county's costs to create and administer a child savings
- 48 account program and potential revenue sources;
- 49 d. options for partnerships with financial institutions, nonprofits, or other
- 50 governments; and
- 51 e. overview of risks, and other considerations;
- 52 4. The framework of a draft implementation plan for a regional program and a
- 53 program focused exclusively in unincorporated King County; and
- 54 5. A recommendation on where, how, or if such a program could be
- 55 administered organizationally in the county.
- 56 B. The executive should electronically file the report no later than September 30,
- 57 2026, with the clerk of the council, who shall retain an electronic copy and provide an

- 58 electronic copy to all councilmembers, the council chief of staff and the lead staff for the
- 59 local services and land use committee, or its successor.

KING COUNTY COUNCIL
KING COUNTY, WASHINGTON

Girmay Zahilay, Chair

ATTEST:

Melani Pedroza, Clerk of the Council

APPROVED this ____ day of _____, ____.

Shannon Braddock, County Executive

Attachments: None



King County

Metropolitan King County Council Budget and Fiscal Management Committee

STAFF REPORT

Agenda Item:	6	Name:	Melissa Bailey
Proposed No.:	2025-0305	Date:	October 28, 2025

SUBJECT

Proposed Ordinance 2025-0305 would amend K.C.C. 2.60.026 to clarify that the County intends to follow the Washington State Supreme Court Standards for Indigent Defense.

SUMMARY

State law requires counties to adopt standards for the delivery of public defense services and lists 16 elements that must be addressed in those standards (such as compensation, duties, and caseload limits). It also notes that the standards endorsed by the Washington State Bar Association (WSBA) should serve as guidelines.

The County Code directs the County Public Defender to rely on the American Bar Association (ABA) Ten Principles for a Public Defense Delivery System (approved February 2002) to guide the management of the department and development of department standards for legal defense representation. It also instructs the Public Defender to follow the "Washington State Standards for Indigent Defense Services." It is unclear, however, whether this refers to the WSBA "Standards for Indigent Defense Services" or the Washington Supreme Court's "Standards for Indigent Defense" (which are less comprehensive than the WSBA Standards and do not address all 16 elements required by state law). Historically, the two sets of standards have been consistent, but recent revisions have resulted in both the WSBA and the Court agreeing on a lower caseload limit but requiring different implementation timelines.

The Executive has transmitted Proposed Ordinance 2025-0305 to clarify that the County intends to follow the state Supreme Court's Standards for Indigent Defense. While the Council may choose to adopt the Executive's proposal, the proposed ordinance would need to be amended to clarify that the County is adopting public defense standards that address all 16 elements required by state (not just the caseload standard). Council staff have been directed to draft an amendment to ensure the county meets the requirements in state law. That amendment is under development.

BACKGROUND

The Sixth Amendment to the United States Constitution and Article I, Section 22 of the Washington State Constitution guarantee assistance of counsel to every person accused of a matter where loss of liberty is possible.¹ The Revised Code of Washington (RCW) also asserts "that effective legal representation must be provided for indigent persons and persons who are indigent and able to contribute, consistent with the constitutional requirements of fairness, equal protection, and due process in all cases where the right to counsel attaches."^{2,3}

In Washington state, public defense services are largely carried out by cities and counties.⁴ King County provides public defense services through its Department of Public Defense (DPD), and the department's duties and administration are set by the King County Charter and King County Code (K.C.C. or the County Code).^{5,6} The County Public Defender, who is appointed by the Executive and confirmed by the Council, is responsible for managing the department.

Standards for Public Defense. The Washington State Bar Association (WSBA) first adopted standards for indigent defense services in 1984 (WSBA Standards), based on national caseload standards set in 1973.^{7,8} In 1989, the state legislature mandated

¹ In 1963, *Gideon v. Wainwright* held that indigent defendants in criminal prosecutions have a federal constitutional right to court-appointed counsel and that right is obligatory upon the states by the Fourteenth Amendment. *Gideon v. Wainwright*, 372 U.S. 335 (1963).

² RCW 10.101.005

³ RCW 10.101.010 defines "indigent" as a person who, at any stage of a court proceeding, is: (a) receiving one of the following types of assistance: Temporary Assistance for Needy Families; Aged, Blind, or Disabled assistance benefits; medical care services under RCW 74.09.035; Pregnant Women Assistance benefits; poverty-related veterans' benefits; food stamps or food stamp benefits transferred electronically; refugee resettlement benefits, Medicaid, or Supplemental Security Income; or (b) involuntary commitment to a public mental health facility; or (c) receiving an annual income, after taxes, of 125 percent or less of the current federally established poverty level; or (d) unable to pay the anticipated cost of counsel for the matter before the court because his or her available funds are insufficient to pay any amount for the retention of counsel. "Indigent and able to contribute" is defined as a person who, at any state of a court proceeding, is unable to pay the anticipated cost of counsel for the matter before the court because his or her available funds are less than the anticipated cost of counsel but sufficient for the person to pay a portion of that cost.

⁴ Chapters 10.101 and 36.26 RCW. There is an active lawsuit against the state filed by the Washington State Association of Counties asserting that the state's trial court indigent defense system is unconstitutional and asking the court to direct the state to provide adequate funding for trial court indigent defense services from dependable and regular state sources or, alternatively, provide such services directly. [\[LINK\]](#)

⁵ King County Charter Sections 350.20.60 and 350.20.61. Additionally, Section 350.20.65 of the County Charter establishes the Public Defense Advisory Board.

⁶ K.C.C. Chapter 2.60

⁷ History of the WSBA Public Defense Standards [\[LINK\]](#). The national standards set 1973 were established by the National Advisory Commission on Criminal Justice Standards and Goals. [\[LINK\]](#)

⁸ The WSBA operates under the delegated authority of the Washington Supreme Court and exercises a governmental function authorized by the Washington Supreme Court to license and regulate the state's more than 40,000 legal professionals. The WSBA administers the bar admission process, including the bar exam, provides record-keeping and licensing functions; administers the lawyer discipline system; and provides continuing legal education for legal professionals.

cities and counties to adopt standards for the delivery of public defense services and included 16 elements required to be included in local standards.⁹ In 2005, this state statute was amended to provide that the WSBA Standards should serve as guidelines to local legislative authorities in adopting standards.¹⁰ In 2012, the Washington Supreme Court (the Court) adopted aspects of the WSBA Standards into court rules (the Court Rule Standards).¹¹

State Law. State law¹² requires counties to adopt standards for the delivery of public defense services and that the adopted standards include the following 16 elements:

1. Compensation of counsel;
2. Duties and responsibilities of counsel;
3. Case load limits and types of cases;
4. Responsibility for expert witness fees and other costs associated with representation;
5. Administrative expenses;
6. Support services;
7. Reports of attorney activity and vouchers;
8. Training;
9. Supervision;
10. Monitoring and evaluation of attorneys;
11. Substitution of attorneys or assignment of contracts;
12. Limitations on private practice of contract attorneys;
13. Qualifications of attorneys;
14. Disposition of client complaints;
15. Cause for termination of contract or removal of attorney; and
16. Nondiscrimination.

And, as noted, state law also provides that the standards endorsed by the WSBA for the provision of public defense services should serve as guidelines for local legislative authorities.^{13,14} The WSBA Standards address all 16 elements mandated by state statute whereas the Court Rule Standards do not. For example, the Court Rule Standards do not address elements 7 through 11 on the list above.

WSBA Standards and Court Rule Standards. The more limited Court Rule Standards apply to attorneys and the courts while the WSBA Standards serve as a comprehensive guideline (that addresses all statutorily required elements) for cities and counties as they adopt standards for the delivery of public defense services.¹⁵

⁹ RCW 10.101.030. Laws of 1989, Chapter 409, Section 4.

¹⁰ RCW 10.101.030. Laws of 2005, Chapter 157, Section 2.

¹¹ See for example CrR 3.1 Standards for Indigent Defense [\[LINK\]](#) and History of the WSBA Public Defense Standards [\[LINK\]](#).

¹² RCW 10.101.030.

¹³ WSBA Standards for Indigent Defense Services Revised March 8, 2024 [\[LINK\]](#)

¹⁴ RCW 10.101.030.

¹⁵ The introduction of the WSBA Standards notes that all public defense attorneys must certify every quarter that they comply with the Court Rule Standards. [\[LINK\]](#) This means that attorneys accepting

The WSBA Standards have historically been consistent with, but more comprehensive than, the Court Rule Standards.¹⁶ However, in 2024, the WSBA Standards were revised in a way that diverged from the Court Rule Standards regarding caseload limits. In response, the Supreme Court issued an interim order that ultimately agreed with the lower caseload limits recommended by the WSBA but did not mandate case weighting and provided for a longer timeline to achieve full implementation. That work is briefly described below.

Recent Changes to WSBA Standards and Court Rule Standards. The WSBA and the Supreme Court have spent the last few years reviewing public defense standards, in particular caseload standards. A brief history of this work includes:

- January 2022: WSBA's Council on Public Defense (CPD) began its review of the WSBA standards for indigent defense services.
- October 2023: Supreme Court requested the CPD review a recent national public defense workload study and provide recommendations, if any, to the Court.¹⁷
- March 2024: WSBA Board of Governors adopted revised standards for indigent defense services proposed by the CPD (including lowering caseload limits with a three-year implementation timeline starting July 1, 2025¹⁸) and forwarded the new WSBA Standards to the Court requesting the updates be incorporated into the Court Rule Standards.¹⁹
- June 2025: The Supreme Court issued an interim order amending Court Rule Standards related to caseload limits.²⁰ The interim order adopted WSBA's proposed caseload standard but on a modified implementation schedule. Instead of a three-year schedule, the Supreme Court set a ten-year implementation timeline beginning January 1, 2026.

public defense matters must, at a minimum, meet the Court Rule Standards. Additionally, the Court Rule Standards state "to the extent that certain Standards may refer to or be interpreted as referring to local governments, the Court recognizes the authority of its Rules is limited to attorneys and the courts." [\[LINK\]](#)

¹⁶ See list of topics addressed in WSBA Standards compared to list of subjects addressed in Court Rule Standards in Appendix A of the WSBA Standards, included as Attachment 4 to this staff report.

¹⁷ *National Public Defense Workload Study*, July 23, 2023, RAND Corporation in partnership with the National Center for State Courts; the American Bar Association Standing Committee on Legal Aid and Indigent Defense; and Stephen F. Hanlon, Principal, Law Office of Lawyer Hanlon. [\[LINK\]](#)

¹⁸ WSBA Phase I - July 1, 2025, 110 felony case credits, 280 misdemeanor case credits; Phase II - July 1, 2026, 90 felony case credits, 225 misdemeanor case credits; Phase III - July 1, 2027, 47 felony case credits, 120 misdemeanor case credits; and Phase IV – July 1, 2028, full implementation of support staff ratios.

¹⁹ WSBA, Standards for Indigent Defense Services, Revised March 8, 2024 [\[LINK\]](#).

²⁰ Washington Supreme Court Order *In re Standards for Indigent Defense Implementation of CrR 3.1, CrRLJ 3.1, and JuCR 9.2*, Ord. No. 25700-A-1644 [\[LINK\]](#)

For the caseload limits and case types standard (Standard 3), the previous standards (both the 2021 WSBA Standards and the Court Rule Standards) set the maximum caseload that one full-time criminal defense attorney could handle per year at 150 felony cases or 400 misdemeanor cases (unweighted). These previous standards did not have subcategories based on the type or complexity of the felony or misdemeanor. The new 2024 WSBA caseload standard, however, accounts for case type and complexity by assigning case credits and lowers the caseload limit.²¹ When fully implemented, the number of misdemeanor case credits a public defender can handle in a single year will be 120 case credits. For felonies, it will be 47 case credits.

As mentioned, the Supreme Court issued an interim order adopting the WSBA's caseload standard in that each criminal case will be assigned a case credit and public defenders will be limited to the number of case credits per year (120 misdemeanor case credits or 47 felony case credits); however, the Supreme Court did not adopt a mandatory method of case weighting,²² and it provides cities and counties with ten years to implement the change. According to the interim order, the new "caseload standards must be accomplished as soon as reasonably possible, however, can be done in a phased approach with an annual reduction of a least 10% the difference between the current standard and the new standard, as measured on January 1, 2026, until the new standard has been met, no later than ten years from January 1, 2026."

The 2024 WSBA Standards include changes beyond those made to the caseload standard (and that were not addressed in the Supreme Court's interim order) such as adding requirements that public defense agencies:

- Provide reasonable compensation for expert witnesses necessary for preparation and presentation of the case (Standard 4.A);
- Maintain specific ratios of investigators, mitigation specialists, and legal assistants/paralegals for each public defender – and it should be noted that these staffing ratios also have dictated implementation timelines²³ (Standards 6.B, 4.B, and 7.B, respectively);

²¹ Cases will now be broken into case types and weighted according to the number of hours an average case of that type can be expected to require (resulting in a lower number of maximum cases a public defender may have at one time and increasing the need for more attorneys).

²² Although the Court declined to adopt the mandatory method of case counting and weighting, it endorses the importance of case weighting to measure case credits and actual case counts, including inherited cases, to make the mandatory caseload limits meaningful. Thus, case weighting to measure case credits is permissible and encouraged. DPD reports that it has "used case-weighted credits since June of 2024. This is when DPD transitioned from a supplemental credit model to a case-weight credit model. The supplemental credit model credited based on the work completed so it was always late in granting relief to staff. This is because the credit was granted after the work was completed. By contrast, the case-weight credit model marks an important improvement because it accounts for the anticipated volume of work at the time it is assigned to an attorney—and it is also required by the WSBA Standards for Indigent Defense Services."

²³ The 2024 WSBA Standards require public defense agencies to provide a minimum of one full-time mitigation specialist or social worker and one full-time investigator for every three full-time attorneys and one full-time legal assistant or paralegal for every four full-time attorneys. Agencies are required to implement these support staff ratios no later than July 3, 2028, but must make meaningful progress

- Provide public defense attorneys with access to administrative services necessary for legal representation, including consistent access to interpreter services (Standard 5); and
- Provide assigned counsel attorneys compensation at levels that ensure non-attorney support services are provided (Standard 7.B).

King County Charter and Code. In 2013, the Department of Public Defense was established in the County Charter and in the County Code.²⁴ At that time, the County also codified requirements related to standards for the delivery of public defense services.²⁵ The County Code directs the County Public Defender to rely on the American Bar Association (ABA) Ten Principles for a Public Defense Delivery System (as approved by the ABA House of Delegates in February 2002) to guide the management of the department and development of department standards for legal defense representation.²⁶ It also directs the County Public Defender to follow the "Washington State Standards for Indigent Defense Services."²⁷ The County Code is ambiguous as to whether this refers to the WSBA Standards or the Court Rule Standards; however, the title of the WSBA Standards is "Standards for Indigent Defense Services" whereas the Court Rule Standards are titled "Standards for Indigent Defense".

The County is now in the process of implementing the new caseload standards agreed upon by WSBA and the Supreme Court. The Executive's 2026-2027 Proposed Budget assumes the timeline outlined in the Supreme Court's interim order. DPD has noted their commitment to the WSBA Standards and getting to WSBA Phase II implementation of the new caseload standards in the 2026-2027 biennium. The Executive has transmitted Proposed Ordinance 2025-0305 to clarify which set of indigent defense standards the County intends to follow.

towards these requirements prior to that date. Additionally, agencies that do not employ a sufficient number of support staff are directed to enter into contracts to provide the same resource level.

²⁴ In 2013, the Department of Public Defense was established in the County Charter and in the County Code King County Charter Section 350.20.60 states that the duties of DPD "shall include providing legal counsel and representation to indigent individuals in legal proceedings, including those in the superior and district courts for King County and in appeals from those courts, to the extent required under the sixth amendment to the United States Constitution or Article I, Section 22, of the Constitution of the State of Washington. The department of public defense shall also foster and promote system improvements, efficiencies, access to justice and equity in the criminal justice system. Additional duties may be prescribed by ordinance. Elected officials shall not interfere with the exercise of these duties by the department; however, the enactment of appropriation ordinances does not constitute interference. The department shall not have its duties, as established in this section, decreased by the county council or the county executive. Additionally, Section 350.20.61 discusses the administration of the department and Section 350.20.65 establishes the Public Defense Advisory Board.

²⁵ Ordinance 17588 and K.C.C. 2.60.026

²⁶ K.C.C. 2.60.026.A(4); ABA Ten Principles of a Public Defense Delivery System, Feb. 2002 [\[LINK\]](#). Note, in August 2023, the ABA House of Delegates approved the Revised ABA Ten Principles of a Public Defense Delivery System [\[LINK\]](#).

²⁷ K.C.C. 2.60.026.A(5). At the time this code change went into effect, the WSBA Standards (2011) addressed all mandated elements required by state statute.

ANALYSIS

Proposed Ordinance 2025-0305 would amend K.C.C. 2.60.026 to clarify that the County intends to follow the "Washington State Supreme Court Standards for Indigent Defense".²⁸ This proposed change would result in the County failing to have standards for all 16 elements set in state statute for the delivery of public defense services. As previously noted, the Court Rule Standards do not address all 16 elements, and the interim order issued by the Supreme Court only addresses caseload standards. According to Executive staff, the Executive's Proposed Budget is intended to comply with all the prior standards that the county has been using in the areas the State Supreme Court did not address.

The recently revised WSBA Standards cover all the elements required by state law. There is no requirement, however, that the County adhere to the WSBA Standards, only that those standards serve as guidelines. The Council may choose to adopt the Executive's proposal to follow the caseload standard and implementation timeline determined by the Supreme Court. The proposed ordinance, however, would need to be amended to clarify that the County is adopting public defense standards as required by RCW 10.101.030 and to ensure all 16 elements are addressed (not just the caseload standard). For each of the 16 elements in statute, it is a policy choice to follow the WSBA Standards, the Court Rule Standards (if there is an applicable standard), or for the County to develop its own standard. When adopting standards, local legislative authorities should keep in mind that public defense attorneys must complete certification with the Court Rule Standards.

According to the fiscal note, this code change would not have a fiscal impact. Executive staff explain that the "intent of the code change is to clarify current code that the County will follow the State Supreme Court Standards for Indigent Defense." They also confirm that the change would support a more gradual phase in of the new caseload standard, which does have a fiscal impact not reflected in the fiscal note.

AMENDMENT

Council staff have been directed to draft an amendment to ensure the county meets the requirements in state law. That amendment is under development.

INVITED

- Dwight Dively, Director, Office of Performance Strategy and Budget
- Matt Sanders, Director, Department of Public Defense

ATTACHMENTS

1. Proposed Ordinance 2025-0305
2. Transmittal Letter

²⁸ Codified as Washington State Supreme Court Rule CrR 3.1, CrRLJ 3.1, JuCr 9.2, and CCR 2.1.

3. Fiscal Note
4. Appendix A to the 2024 WSBA Standards



KING COUNTY

Signature Report

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

Ordinance

Proposed No. 2025-0305.1

Sponsors Dembowski

1 AN ORDINANCE relating to the department of public
2 defense standards for indigent defense; and amending
3 Ordinance 17588, Section 4, as amended, and K.C.C.
4 2.60.026.

5 **STATEMENT OF FACTS:**

- 6 1. In 2023, the Washington state Supreme Court requested that the
7 Washington State Bar Association Council on Public Defense review a
8 newly released national public defense workload study and provide
9 recommendations.
- 10 2. The Council on Public Defense recommended and proposed revisions
11 to the Washington State Bar Association standards for indigent defense.
- 12 3. In 2024 the bar association Board of Governors adopted new standards
13 for indigent defense and recommended that the Washington state Supreme
14 Court incorporate the Washington State Bar Association's revised
15 standards into the court rules governing indigent defense standards.
- 16 4. The Supreme Court issued interim order No. 25700-A-1644 on June 9,
17 2025, adopting new standards for indigent defense effective January 1,
18 2026, and requiring full implementation no later than January 1, 2036.
- 19 5. RCW 10.101.030 requires a county to adopt standards for the delivery
20 of public defense services and states that the standards endorsed by the

21 Washington State Bar Association for the provision of public defense
22 services should serve as guidelines to local legislative authorities in
23 adopting standards.

24 6. The Washington state Supreme Court has the authority to adopt and
25 amend the Washington Rules of Court that govern standards for indigent
26 defense.

27 7. King County intends to adhere to the Supreme Court's standards for
28 indigent defense implementation timeline.

29 BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

30 SECTION 1. Ordinance 17588, Section 4, as amended, and K.C.C. 2.60.026 are
31 hereby amended to read as follows:

32 A. The department of public defense shall be directed by the county public
33 defender, whose duties include:

- 34 1. Managing the department of public defense;
- 35 2. Ensuring the department employs the needed technical and public defense
36 expertise to ensure effective delivery of public defense services;
- 37 3. Representing the executive in all city, county, state and federal forums where
38 the defense perspective is required;
- 39 4. Ensuring that the American Bar Association Ten Principles for a Public
40 Defense Delivery System, as approved by the American Bar Association House of
41 Delegates in February of 2002, guide the management of the department and development
42 of department standards for legal defense representation, and filing with the clerk of the
43 council by April 1 of at least every other year a report on the results of the county public

44 defender's efforts in that regard;

45 5. Following the Washington State Supreme Court Standards for Indigent Defense
46 ((Services));

47 6. Developing and maintaining appropriate standards and guidelines for the
48 qualifications and experience level of public defense attorneys and paraprofessionals;

49 7. Working collaboratively with the public defense advisory board and providing
50 relevant nonprivileged information to the board upon its reasonable request; and

51 8. Fostering and promoting system improvements, efficiencies, access to justice
52 and equity in the criminal justice system.

53 B.1. The county public defender shall be appointed by the executive, subject to
54 confirmation by the council. The executive shall appoint one of the three candidates
55 recommended by the public defense advisory board, except that the executive may request
56 three additional candidates from the public defense advisory board, and the executive may
57 then appoint the county public defender from among the six candidates, subject to
58 confirmation by motion by the council. Confirmation requires the affirmative votes of at
59 least five members of the council.

60 2. Within seven days after either a vacancy occurs in the office of the county
61 public defender or the county executive learns that a vacancy is expected to occur within
62 one hundred eighty days, including, but not limited to, a vacancy that will result from the
63 expiration of the term of a county public defender who the executive determines to not
64 reappoint, the executive shall provide written notice of the vacancy or expected vacancy to
65 each member of the public defense advisory board and to the clerk of the council and shall
66 commence a national recruitment for candidates to fill the vacancy. Within sixty days after

67 commencing the recruitment, the executive shall provide to each member of the public
68 defense advisory board the names, resumes and all other relevant information about all
69 candidates who meet the qualifications for office set forth in the county charter and
70 subsection C. of this section. Within ninety days after receiving the names, resumes and
71 other relevant information about the qualified candidates from the executive, the public
72 defense advisory board shall provide in writing at the same time to the executive and the
73 clerk of the county council the names of three candidates to fill the vacancy, together with
74 copies of the candidates' resumes and other relevant information, including all written
75 information upon which the board relied in choosing the three candidates. The board shall
76 not rank the candidates, but may summarize the particular strengths of each candidate. If
77 the board is unable to provide the names of three candidates within ninety days, the board
78 may request in writing additional time from the executive, not to exceed sixty days, to
79 identify candidates.

80 3. The executive may request in writing to the board chair, within fifteen days
81 after receiving the list of three candidates, that the board provide to the executive the
82 names, resumes and other relevant written information of up to three additional candidates,
83 depending on the number of qualified candidates remaining, and the board shall comply
84 with such a request within sixty days and shall at the same time provide a copy of the
85 additional materials to the clerk of the council.

86 4. Within thirty days after receiving either the original list of three candidates or
87 the list of up to three additional candidates, the executive shall appoint the county public
88 defender by providing written notice of the appointment to the clerk of the council, who
89 shall provide an electronic copy of the notice to each councilmember and to the chair of the

90 public defense advisory board. If the board fails to timely recommend in writing to the
91 executive the initial three or sufficient additional candidates, as applicable, the executive
92 may either appoint the county public defender from among the candidates who have been
93 recommended or wait until the board has recommended the requisite number of candidates
94 and make the appointment within thirty days thereafter.

95 5. The county council may confirm or reject the executive's appointment by
96 adoption of a motion with the affirmative votes of at least five members. A motion to
97 confirm or reject the appointment shall be referred for committee consideration to the
98 council's committee of the whole.

99 6. If the council rejects the executive's appointment of the county public defender
100 and the executive has not previously elected to request additional candidates from the
101 advisory board under subsection B.3. of this section, the executive may request the public
102 defense advisory board for recommendation of up to three additional candidates in
103 accordance with subsection B.3. of this section. Such a request must be made in writing
104 within seven days after the council rejects the executive's appointment, to the chair of the
105 advisory board, with a copy to the clerk of the council.

106 7. Within thirty days after receiving the additional name or names, the executive
107 shall appoint the county public defender from among the recommended candidates, except
108 that the executive may not reappoint any candidate whose appointment has been rejected
109 by the council. If the advisory board fails to recommend the additional candidate or
110 candidates required by subsection B.3. and 6. of this section and provide the required
111 written information, the executive shall proceed in the same manner as set forth in
112 subsection B.4. of this section.

113 8. At any time after the commencement of the national recruitment process
114 required by subsection B.2. of this section, except when the executive has appointed a
115 county public defender and the council has not confirmed or rejected the appointment, the
116 executive may request that the council authorize the commencement of a new national
117 recruitment and public defense advisory board review and executive appointment process.
118 Such a request must be submitted in writing to the clerk of the council with a copy to the
119 chair of the advisory board. When so requested, the council may authorize commencement
120 of a new recruitment, advisory board review, and appointment process by motion adopted
121 with the affirmative votes of at least five councilmembers.

122 9. Within seven days after appointment, the county public defender shall
123 designate an employee in the department of public defense to serve as a deputy and, in the
124 event of a vacancy in that office, as interim county public defender until a new county
125 public defender has been appointed.

126 C. The county public defender must be an attorney admitted to practice law in any
127 jurisdiction within the United States and in active status and good standing. The county
128 public defender shall, within two years after appointment, be an attorney admitted to
129 practice law in the courts of the state of Washington and an active member of the
130 Washington State Bar Association in good standing and shall, at the time of appointment,
131 have at least seven years of experience as an attorney primarily practicing criminal defense,
132 including both felonies and misdemeanors, as well as supervisory and managerial
133 experience.

134 D. The term of office of the county public defender shall end at the same time as
135 the term of the county prosecuting attorney. The county executive may reappoint the

136 county public defender to additional four-year terms, subject to confirmation by the county
137 council. The county council may confirm or reject the executive's reappointment by
138 adoption of a motion with the affirmative votes of at least five members.

139 E. The executive may remove the county public defender from office for cause,
140 which includes, but is not limited to:

141 1. The grounds for vacancy of elective office under Section 680 of the King
142 County Charter;

143 2. Failure to meet the applicable legal requirements for serving as county public
144 defender, as set forth in the county charter or the county code;

145 3. Conviction of a crime;

146 4. A finding or stipulation of misconduct under the Washington Rules of
147 Professional Conduct; and

148 5. Failure to manage the department effectively.

149 F. To remove the county public defender for cause, the executive shall serve a
150 written notice of removal, specifying the cause for removal, by delivering a copy of the
151 notice to the county public defender personally or by leaving a copy of the notice at the
152 office of the county public defender with a secretary or other assistant to the county public
153 defender. The executive shall contemporaneously deliver a copy of the written notice of
154 removal to the clerk of the council and to the chair of the public defense advisory board.

155 G. The county public defender may appeal removal to the council by delivering a
156 written notice of appeal to the clerk of the council within ten days after service of the
157 written notice of removal. The notice of appeal shall be delivered at the same time to the
158 executive and to the chair of the public defense advisory board. The council shall review

159 de novo the grounds for removal and either affirm or reverse the removal within thirty days
160 after delivery of the notice of appeal by an affirmative vote of five members, or else the
161 removal shall stand. Removal of the county public defender is effective upon the earliest
162 of:

- 163 1. Ten days after service of notice of removal, if the county public defender
164 serves no notice of appeal;
- 165 2. Affirmation of removal by the council following an appeal;
- 166 3. Thirty days after delivery of the notice of appeal, if the council neither affirms
167 nor reverses the removal; or
- 168 4. The county public defender's delivery of a written notice of resignation to the
169 executive or the clerk of the council.

170 H. The county public defender shall receive compensation at the same rate as the
171 prosecuting attorney.

KING COUNTY COUNCIL
KING COUNTY, WASHINGTON

Girmay Zahilay, Chair

ATTEST:

Melani Pedroza, Clerk of the Council

APPROVED this ____ day of _____, ____.

Shannon Braddock, County Executive

Attachments: None



King County

Shannon Braddock

King County Executive

401 Fifth Avenue, Suite 800
Seattle, WA 98104

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TTY Relay: 711

www.kingcounty.gov

September 23, 2025

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

Dear Councilmember Zahilay:

I am pleased to transmit my proposed budget for 2026-2027 and accompanying proposed legislation for consideration by the King County Council. This proposed budget continues funding for important services and advances priorities that reflect the values of King County residents.

My proposed budget makes strides in key areas, including:

- **Implementing the new criminal justice and public safety sales tax:** The new 0.1 percent sales tax authorized by HB 2015 is projected to generate \$203.5 million for King County's General Fund in the 2026-2027 biennium. Revenue from the new sales tax will maintain core services and add funding for key priorities in the criminal justice system.
- **Providing safe, clean, and reliable transit service:** Investments in Metro Transit will add more than 400,000 hours of new and restored bus service; launch two new RapidRide lines; extend the Safety, Security, and Fare Enforcement (SaFE) Reform initiative; continue transit security and Metro Transit Police (MTP) staffing; and continue more frequent cleaning of buses and bus stops.
- **Protecting critical programs from federal funding cuts:** Funding dedicated to maintaining essential services, including the transfer of 11 positions in the King County Office of Emergency Management to the General Fund to ensure continued emergency preparedness and support of nonprofits focused on homelessness prevention, shelters, and transitional and supportive housing for youth and young adults.

- **Establishing reserves to protect against potential federal cuts:** A \$31 million reserve will safeguard against potential funding reductions for Harborview Medical Center, and an \$8 million reserve in the Mental Illness and Drug Dependency Fund will serve as a contingency against potential reductions to behavioral health services.
- **Preserving services for people experiencing homelessness:** \$11.3 million will maintain 370 shelter beds that were previously funded with one-time federal COVID funds, and \$3.2 million will fund the new 81-bed Federal Way Red Lion Emergency Shelter.

Budget Outlook

While all budgets reflect the circumstances in which they are developed, King County's 2026-2027 proposed budget is influenced by a unique combination of factors. The County's budget is spread across about 140 funds, each with its own revenue sources for specified uses. Some funds are in strong financial condition, while others face severe challenges.

A year ago, the County's General Fund was projected to have a \$150 million deficit for 2026-2027 because of the longstanding State-imposed one percent annual growth limit on property tax revenue. Inflation and growth of adult and juvenile criminal caseloads increased this gap to about \$175 million by June. While the Legislature did not change the property tax revenue growth limit, it did make available a new 0.1 percent sales tax to counties through HB 2015. I proposed this tax earlier this year, and the Council approved it. The tax will go into effect on January 1, 2026, and is projected to generate about \$203 million for the 2026-2027 biennium. In addition, the Legislature broadened the sales tax base to apply to things not previously taxed, which helps the General Fund, Metro Transit, and several other funds.

As a result of this new revenue, the 2026-2027 Proposed Budget avoids the drastic cuts for the General Fund that would otherwise have been needed. I have also proposed funding increases to support and expand critical services such as adding juvenile probation counselors in Superior Court to support youth and a Special Assault Unit deputy in the Sheriff's Office to help reduce unincorporated areas case backlog; expanding funding for victim support services; and funds to preserve homeless shelters and gun violence prevention work.

The current federal Administration has proposed many budget reductions that would adversely affect County programs and our residents. Our attorneys, working with other state and local governments and nonprofit organizations, have successfully prevented many of these illegal cuts. However, Congress and the President have signaled that the federal budgets for 2026 and 2027 will include large cuts to Medicaid, public health, affordable housing, emergency management, and other areas. My Proposed Budget shifts County resources to preserve emergency management functions and establishes modest reserves to backfill other potential federal cuts temporarily. It is important to note that the County does not have the financial capacity to cover even a small fraction of the likely forthcoming federal funding cuts, which will result in impacts to community partners, service providers, and residents.

The President's tariffs, tax policies, and immigration policies are damaging the economy. The Proposed Budget is based on a July revenue forecast that assumes slow, continued

growth throughout the biennium. The President's policies could induce both a recession and higher inflation, which would hurt all of the County's funds that depend on sales taxes and other economically sensitive revenues. In addition, the County's capital projects could see significant cost increases as a result of spiking tariffs.

Many of the County's other funds are in good financial condition. This year, King County voters renewed the Automated Fingerprint Identification System (AFIS) levy (58.3 percent "yes" vote) and the Parks levy (72.9 percent "yes" vote). The Emergency Medical Services (EMS) levy is on the November ballot. The Proposed Budget cannot assume that this measure passes, so if it does, the Council will need to adjust the EMS budget accordingly before final adoption of the budget ordinance.

The two major funds of the Department of Local Services (DLS) are in dire condition. The Roads Fund relies largely on property taxes from the unincorporated area, which are subject to the same one percent revenue growth limit under State law. The Road Services Division has steadily reduced its capital program in recent years. The proposed budget includes minimal capital funding in 2026 and 2027 and will include no capital funding in 2028 and beyond unless new revenue becomes available. That would mean that roads and bridges in unincorporated King County would plan to gradually be closed because there is no funding available for major repairs or replacements.

The DLS Permitting Fund has a large deficit because building permits are currently at the lowest level ever, mainly due to the slowing economy and high interest rates. The proposed budget takes actions that will lead to return to a positive fund balance in six years.

While the 2026-2027 budgets for Public Health and Metro Transit remain steady, each faces challenges in later years because revenue growth does not keep up with cost growth. These departments are also highly vulnerable to potential federal cuts. The Metro budget acknowledges that achieving the goal of a fully zero-emissions fleet by 2035 is not possible, even if funding were available. Local utilities cannot provide the required electricity on this schedule, nor can bus manufacturers produce enough reliable vehicles. Assuming funding is available, reaching full zero emissions by the early 2040s is more attainable.

Finally, the proposed budget pulls together various funding sources to maintain our current homelessness response system. However, the combination of expiring federal funds, decreased state support, and lower document recording fee revenue means that some shelters may have to close after May 2027. Federal cuts could also reduce the number of permanent supportive housing and rent-supported units as soon as 2026.

The Budget Transmittal Package

In addition to the 2026-2027 Proposed Budget Ordinance for operating and capital budgets, this transmittal package includes the following separate proposed legislative components and reports.

Proposed Ordinances

Property Tax Ordinances – Included in this transmittal package are the proposed property tax ordinances necessary to collect the 2026-2027 property tax revenue supporting the proposed budget. The Office of Performance, Strategy, and Budget staff will work with Council staff to ensure final numbers are included in these ordinances once that information is received from the Assessor, consistent with the previous year's practice.

Non-Represented Employee 2026-2027 General Wage Increase (GWI) Ordinance – This proposed Ordinance would authorize a 3.75 percent general wage increase from the 2025 schedules, effective January 1, 2026, and a 3.75 percent increase from the 2026 schedules, effective January 1, 2027, for regular, short-term temporary, and term-limited temporary employees in non-represented county positions. The proposed Ordinance is submitted pursuant to the provisions of King County Code 3.12.130 and 3.12.140. The proposed Ordinance also outlines the insured benefits agreement for non-represented employees beginning January 1, 2026, and approves the enclosed 2026 3.75 GWI King County Hourly Squared Schedules:

- 2026 3.75 GWI King County Hourly Squared Schedule;
- 2026 3.75 GWI King County Annual FLSA Exempt Squared Schedule;
- 2026 3.75 GWI King County Standardized Hourly Salary Schedule;
- 2026 3.75 GWI King County Standardized Annual FLSA Exempt Salary Schedule;
- 2027 3.75 GWI King County Hourly Squared Schedule;
- 2027 3.75 GWI King County Annual FLSA Exempt Squared Schedule;
- 2027 3.75 GWI King County Standardized Hourly Salary Schedule; and
- 2027 3.75 GWI King County Standardized Annual FLSA Exempt Salary Schedule.

Department of Local Services Community Needs List Ordinance – This proposed Ordinance would adopt the community needs lists for the six rural community service areas and the five urban unincorporated potential annexation area geographies, as required by King County Code 2.16.055.C. The proposed community needs lists include the potential services, programs, facilities, capital improvements, and standard operations that need additional resources to respond to community-identified needs, including those that build on the communities' strengths and assets. They were developed in consultation with members of the 11 communities.

King County Civic Campus Stewardship Committee Ordinance – This proposed Ordinance would establish a King County civic campus stewardship committee, its priorities, functions, and composition.

Mental Illness and Drug Dependency (MIDD) Service Improvement Plan Extension Ordinance – This proposed legislation would amend Ordinance 15949, as amended, extending the due dates of the MIDD III Implementation Plan until an Ordinance is enacted adopting a new MIDD Implementation Plan.

Limited Tax General Obligation (LTGO) Bonds Ordinance – This proposed Ordinance would authorize the issuance of not-to exceed \$776 million of limited tax general obligation (LTGO) bonds to provide funding for various proposed capital projects. Included among the projects are nearly \$285 million for Solid Waste Division capital projects, \$87 million for housing projects, \$166 million for various land acquisitions, \$92 million for various technology projects, and \$176 million for facility improvement and other projects. The proposed Ordinance would also authorize the issuance of LTGO refunding bonds during the biennium to reduce debt service costs on outstanding bonds whenever the savings exceed certain targets identified in the County’s Debt Management Policy as adopted by Motion 15984. The proposed legislation would continue to delegate authority for the sale of the bonds to the County’s finance director.

Unlimited Tax General Obligation Bond Authorization Summary – This proposed Ordinance would authorize the issuance and sale of one or more series of unlimited tax general obligation bonds not to exceed \$1,496,429,985 to finance public health, safety, and seismic improvements to Harborview Medical Center, and to pay the costs of issuing the bonds. Ordinance 19325 authorized \$1.74 Billion in UTGO Bonds and will expire in 2026. This new authorization Ordinance allows the County to issue bonds for up to \$1.5 billion, the remaining authority authorized by voters in the 2020 Proposition 1 levy.

Hospital Services Agreement (HSA) Amendment – This proposed Ordinance would authorize execution of a second amendment to the HSA for Harborview Medical Center. The Second Amendment to the HSA recognizes an urgent, increased need to support the County’s Mission Population programs and services and provides for an increased mission support payment to King County. The Second Amendment to the HSA also provides the opportunity to allow University of Washington to be responsible for management, design, planning, development and contract oversight of Board-approved Medical Center capital projects. The Harborview Board of Trustees is anticipated to approve this amendment at its meeting on September 25, 2025. The Board of Regents has approved it.

Fee Ordinances

Department of Local Services Permitting Division Fee Increase Ordinance – This proposed Ordinance would authorize a new permit application processing fee and an 11.8 percent increase of the existing Permitting Division fee. It also adds a 3.5 percent temporary surcharge for development permit fees and adds permit application fees for the Historic Preservation Program and River and Flood Management programs of the Department of Natural Resources and Parks for 2026-2027.

Department of Natural Resources and Parks Surface Water Management Fee Increase Ordinance – This proposed Ordinance would authorize a 4.99 percent \$18 fee increase to the Surface Water Management fee, bringing the annual rate from \$361 to \$379 per residential parcel for 2026-2027, with corresponding adjustments in the rates for classes of non-residential property. This increase supports ongoing efforts to improve and maintain

stormwater infrastructure and provide necessary surface water management services to protect public health and safety.

Department of Natural Resources and Parks Noxious Weeds Special Assessment

Increase Ordinance – This proposed Ordinance would authorize a 30.97 percent or \$1.92 increase for the Noxious Weed Control program’s special assessment, bringing the annual rate from \$6.20 to \$8.12 per parcel for 2026 and 2027. The Noxious Weeds special assessment last increased in 2022. The proposed increase would restore the Noxious Weed fund reserve and cover three years of inflationary increases through 2027 to sustain existing levels of service, enabling the program to respond to high-priority noxious weed outbreaks and support the Clean Water Healthy Habitat Strategic Plan.

King County International Airport Landing, Fuel, and Aircraft Parking Fee Increase

Ordinance – This proposed Ordinance would increase the landing, fuel, and aircraft parking fees at the King County International Airport (KCIA). These fees have not increased since 2014. The proposed Ordinance would also create new administrative fees related to security badges and service operator permits. Increasing existing fees and establishing new administrative fees will support the financial sustainability of the Airport.

King County Sheriff’s Office (KCSO) Civil Fee Ordinance – This proposed Ordinance increases the KCSO’s existing civil process fees by 19.8 percent to account for inflationary increases for providing services. State law allows counties to raise fees to recoup costs under RCW 36.18.040(1). The last increase was on January 1, 2021. Covered services include personal and real property court orders, protection orders, court-ordered evictions, family law actions, and notice of small claims.

KCSO Civil Appearance Fee Ordinance – This proposed Ordinance would establish a new fee reimbursing the KCSO for the cost of staff subpoenaed to testify in civil litigation. This would ensure KCSO staff expenses are appropriately reimbursed and public funds are not used to subsidize private litigation.

King County Code Changes

King County Code Section 2 Department of Executive Services Harborview

Construction and Infrastructure Division Change – This proposed legislation would establish a new division in the Department of Executive Services, the Harborview Construction and Infrastructure Division, to manage the planning, contracting, and construction of all County capital projects at HMC, among other duties. The division will include 15 existing FTE positions transferred from the Facilities Management Division and three FTE positions added in the 2025 first Omnibus (Ordinance 19956). The Executive’s Proposed Budget adds eight new positions to support the design and construction of a new multi-story inpatient tower and associated improvements on the Harborview campus. The new division will be funded by the Harborview Bond Program and the County Hospital Levy.

King County Code Section 2 Department of Information Technology Chief Information Security Officer Change – This proposed Ordinance would amend King County Code to establish the position of chief information security officer within the Department of Information Technology (KCIT). The chief information security officer will serve as the sole authority on cybersecurity and privacy matters across all branches of government, strengthening the County’s cybersecurity infrastructure and ensuring the protection and continuity of vital public services. This is an existing FTE within KCIT.

King County Code Section 2 Department of Public Defense Standards Change – This proposed Ordinance would amend King County Code to clarify King County’s intent to follow the Washington State Supreme Court’s Standards for Indigent Defense.

King County Code Section 2 Department of Judicial Administration, Customer Services Division Name Change – This proposed Ordinance would amend King County Code to rename the Department of Judicial Administration’s Norm Maleng Regional Justice Center Customer Services Division to the Customer Services Division to more accurately reflect its function across locations.

King County Code Section 4A Capital Definition Changes – This proposed Ordinance would amend King County Code with updated definitions pertaining to the design and schedule of capital projects and programs in King County. These changes align County Code with industry best practices and provide consistency with other County documents.

King County Code Section 4A Right-of-Way Construction Permit Inspection Fee Change – This proposed Ordinance would increase the permitting inspection fee from \$176 per hour of utility inspection to \$187 per hour of utility inspection, an increase of 6.3 percent.

King County Code Section 4A Tax Exemption for Sales of Lodging Change – This proposed legislation would amend the King County Code’s tax rate exemption language for sales of lodging. This technical adjustment is made at the request of the Department of Revenue.

Fund Change Ordinances

Behavioral Health Administrative Services Organization (BHASO) Fund Ordinance – This proposed Ordinance would create a new fund for Behavioral Health Administrative Services Organization (BHASO) finances. The new fund is established in response to State Health Care Authority (HCA) requirements for detailed accounting and reporting of BHASO Funds. The separate BHASO fund will enable DCHS to improve revenue and expense tracking and eliminate the need for redundant systems to meet state HCA requirements to track the BHASO cash balance and to substantiate routine fiscal reporting.

Harborview Construction and Infrastructure Administration Fund – This proposed Ordinance would create the new Harborview Construction and Infrastructure Administration fund as a special revenue fund to receive reimbursement for costs related to Harborview construction and infrastructure capital projects. Creation of a new fund specific to Harborview construction and infrastructure activities managed by the County will support increased transparency and tracking of specific operational costs associated with these activities.

King County Code Section 4A Parks Fund Changes - This proposed Ordinance would amend King County Code to remove references to the expiring Parks Levy and replace them with references to the newly approved Parks Levy. These changes will allow Parks to receive new levy revenue and spend it according to the newly adopted six-year allocation plan.

Additional Materials

Child Savings Account Motion – This proposed motion requests a report from the Executive on the feasibility of establishing child savings accounts in King County. The report will include a review of similar programs established in other jurisdictions, a draft implementation plan, and a recommendation from the Executive on whether and how such a program could be implemented in King County.

Current List of Projects in Project Review Board (PRB) Oversight Report –King County Code 2A.380.200 requires the Chief Information Officer to provide a list of all information technology capital projects with active appropriation authority, including projects not seeking funding in the proposed budget and the unexpended appropriation for each project, to be included with the Executive Proposed Biennial Budget.

2025 Acceptance of Electronic Payments Report (2025 eCommerce Report) – Included with this transmittal is the 2025 Acceptance of Electronic Payments Report as called for by Executive Policy FIN-8-5-2-EP, Accepting Electronic Payments, Section IV.F.1, effective July 1, 2021. The enclosed report lists those agencies countywide that accept electronic payments (credit cards, debit cards, and electronic checks) and the specific subset of agencies that absorb transaction processing costs, instead of passing them on to their customers, as approved by KCC 4A.601.025. For absorbed costs, the report further lists the actual or budgeted amounts for the previous fiscal year, the present budget year, and the upcoming budget year.

4Culture Budget Submittal – The 2026-2027 4Culture Budget is included in accordance with Ordinance 18684.

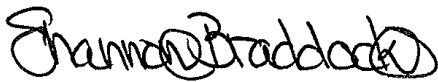
Administrative Fund/Subfund Closure Report – The 2025 Administrative Fund/Subfund Closure Report is transmitted to the Council for approval in accordance with the requirements of King County Code (KCC) 4A.200.020. As required, the enclosed report

describes the administrative funds and subfunds closed, the amount of the residual balances in those funds at the time of closure (if any), and the disposition of those residual balances.

I certify that funds are available.

If you have any questions, please contact Dwight Dively, Director, Office of Performance, Strategy and Budget at 206-263-9727.

Sincerely,

A handwritten signature in black ink, appearing to read "Shannon Braddock". The signature is stylized with a large, looped "S" and "B".

Shannon Braddock
King County Executive

Enclosures

cc: King County Councilmembers

ATTN: Stephanie Cirkovich, Chief of Staff, King County Council
Melani Hay, Clerk of the Council

Karan Gill, Deputy Executive, Chief of Staff, Office of the Executive
Stephanie Pure, Council Relations Director, Office of the Executive
Dwight Dively, Director, Office of Performance, Strategy and Budget
Elected Officials
Department Directors

2026-2027 FISCAL NOTE**Ordinance/Motion:**

Title: Department of Public Defense (DPD) Code Change

Affected Agency and/or Agencies: DPD

Note Prepared By: Jason Escareno

Date Prepared: 8/11/2025

Note Reviewed By: Kapena Pflum

Date Reviewed: 8/26/2025

Description of request:

This legislation amends the County Code Section "2.60.026 Public defender" to clarify the County's intent to follow the Washington State Supreme Court's Standards for Indigent Defense. There are no fiscal impacts associated with this legislation.

Revenue to:

Agency	Fund Code	Revenue Source	2026-2027	2028-2029	2030-2031
TOTAL			0	0	0

Expenditures from:

Agency	Fund Code	Department	2026-2027	2028-2029	2030-2031
TOTAL			0	0	0

Expenditures by Categories

	2026-2027	2028-2029	2030-2031
TOTAL	0	0	0

Does this legislation require a budget supplemental? Yes/No

Notes and Assumptions:

Appendix A

WSBA Standards for Indigent Defense Services

and CrR 3.1, CrRLJ 3.1, JuCr 9.2, and CCR 2.1, *Supreme Court Standards for Indigent Defense*

Comparison of Topics, as of February 2024*

Standard #	WSBA Standards for Indigent Defense Services	Supreme Court Adopted Standards for Indigent Defense
1	Compensation	Reserved
2	Duties and Responsibilities of Counsel	Reserved
3	Caseload Limits and Types of Cases	Caseload Limits and Types of Cases
4	Responsibility for Expert Witnesses	Reserved, but see RPC 1.8
5	Administrative Costs	Administrative Costs , partially adopted
6	Investigators	Investigators , partially adopted
7	Support Services	Reserved
8	Reports of Attorney Activity	Reserved
9	Training	Reserved
10	Supervision	Reserved
11	Monitoring and Evaluation of Attorneys	Reserved
12	Substitution of Counsel	Reserved
13	Limitations on Private Practice	Limitations on Private Practice
14	Qualifications of Attorneys with revised list of qualifications	Qualifications of Attorneys
15	Disposition of Client Complaints	Reserved
16	Cause for Termination of Defender Services and Removal of Attorney	Reserved
17	Non-Discrimination	Reserved
18	Guidelines for Awarding Defense Contracts	Reserved
19	Independence and Oversight of Public Defense Services	Not included, but addressed in GR 42

* Readers should check for any subsequent amendments



King County

Metropolitan King County Council Law and Justice Committee

STAFF REPORT

Agenda Item:	7	Name:	Melissa Bailey
Proposed No.:	2025-0186	Date:	October 28, 2025

SUBJECT

The proposed ordinance would document the Council's approval of adding up to three housing court commissioner positions to the King County Superior Court.

SUMMARY

Court commissioners are appointed by judges to handle certain duties for superior courts. The state constitution limits each county to no more than three court commissioners, but state law and the County Code allow for the addition of court commissioners dedicated to specific matters. King County Superior Court currently has 12 commissioners. Given the increasing workload related to unlawful detainers (eviction cases) and a new state law authorizing each county superior court to appoint new housing court commissioners to assist in disposing of eviction cases, the King County Superior Court is requesting to add one housing court commissioner to the bench.

State law requires the Council to document its approval of the new commissioner position, and the County Code sets out a process for reviewing judicial officer staffing needs (known as the Protocol Committee). The Superior Court convened the Protocol Committee on October 17, 2025, which reviewed the 2025 Third Quarter Technical Committee Report as well as current and trend data for unlawful detainers. The Protocol Committee has recommended a housing court commissioner be added to the Superior Court bench, and the Executive has concurred with the recommendation.

The proposed ordinance would document the Council's approval of adding up to three housing court commissioner positions to the Superior Court. The 2026-2027 Proposed Budget provides appropriation and FTE authority for one commissioner (and relevant support staff). It is a policy choice whether the Council wishes to amend the proposed ordinance to document approval of one (rather than up to three) housing court commissioner positions.

BACKGROUND

Superior Court. King County Superior Court is the county's general jurisdiction trial court and the largest trial court in Washington state. It handles civil matters, domestic matters, felony criminal cases, juvenile matters, and appeals from courts of limited jurisdiction. Under the Washington state Constitution and state statute, the Superior Court is responsible for:

- Felony criminal cases;
- Civil matters involving more than \$300, unlawful detainers, and injunctions;
- Family law, including dissolutions, child support, adoptions, parentage, and civil protection orders, including those for domestic violence;
- Probate and guardianship matters;
- Juvenile offender cases;
- Juvenile dependencies, including abused and neglected children, children in need of services, at risk youth, and truancies; and
- Mental illness and involuntary commitment matters.

Department of Judicial Administration. The Department of Judicial Administration (DJA), more commonly known as the Superior Court Clerk's Office, is an executive branch department responsible for managing Superior Court's records, financial services, and justice system programs. The department is directed by the Superior Court Clerk, who is appointed by and reports to the leadership of Superior Court. DJA staffing needs are directly related to the number of judicial officers in the Superior Court (for every judicial officer, DJA receives three clerk administrative specialists).^{1,2} Both the Superior Court and DJA budgets are largely backed by the General Fund.

Judicial Officers. Judicial officers in Washington state include judges and commissioners. Both serve in the state's court system but perform different functions. Judges have broader authority and ultimate responsibility for final rulings. Court commissioners assist in managing the court's workload.

Judges. King County Superior Court judges are elected to four-year terms by the voters of King County or, in the event of a vacancy, appointed by the Governor.³ The maximum number of superior court judges that a county may have is established in state statute and is set at 58 judges for King County.⁴ King County Superior Court

¹ According to the Office of Performance, Strategy, and Budget (PSB), this is based on an agreement between DJA, Superior Court, and PSB. The court runs 5 days a week, 52 weeks a year and the 3:1 staffing ratio was determined to ensure DJA could cover its court, customer service, and case processing responsibilities and account for employee leave.

² In the court room, clerk administrative assistants are responsible for documenting court proceedings and ensuring accuracy of the court record, managing For the Record (FTR) technology and presented exhibits, and quality checking documents and orders presented in court. Outside of the courtroom, they process electronic and paper orders through Ex Parte Via the Clerk; quality check, scan, and process all documents filed in the court record; and provide customer assistance via phone, live-chat, and in person.

³ RCW 2.08.069

⁴ RCW 2.08.061

currently has 56 judges, with the most recent judge positions added in 2025 to support unlawful detainer cases.^{5,6} The annual salary of superior court judges is established by the Washington Citizens' Commission on Salaries for Elected Officials, and the state pays half of the salary for judge positions.^{7,8}

Commissioners. Court commissioners are licensed attorneys appointed by judges to handle certain duties. They have limited authority, with their decisions subject to review by a judge. The state constitution limits each county to no more than three court commissioners (referred to as "constitutional commissioners"), but state law and the County Code allow for the addition of court commissioners dedicated to specific matters (such as family law, criminal law, mental health, and protection order matters).^{9,10} King County Superior Court currently has 12 commissioners (detailed in Table 1).

Table 1. Current Commissioners in the Superior Court

Type	FTE
Constitutional Commissioner	3.0
Family Law Commissioner	6.0
Mental Health Commissioner	1.0
Protection Order Commissioner	2.0
TOTAL	12.0

Superior Court sets the salary for a court commissioner at 95% of the salary for a judge. From January through June 2026, a commissioner's salary is set at \$225,587 and it will increase to \$232,399 starting July 2026.¹¹ Unlike judge positions, the county is responsible for the full salary cost of a court commissioner; there is no cost-sharing with the state.

New Housing Court Commissioners. During the 2025 legislative session, the Washington state Legislature authorized each county superior court to appoint new court commissioners to assist superior courts in disposing of its business related to

⁵ Ordinance 19855 and the Technical Committee Report to Protocol Committee, 3rd Quarter, 2024 [\[LINK\]](#)

⁶ In 1992, the state increased the maximum number of superior court judges King County may have from 46 judges to 58 judges. The county was given the ability to phase in the new judge positions, but only if the County Council documents its approval of any additional positions. Section 8, Chapter 189, Laws of Washington 1992. [\[LINK\]](#). A time limit for phasing in the new judge positions was also included; however, it was repealed in 1996 (Section 3, Chapter 208, Laws of Washington 1996).

⁷ RCW 2.08.092. In 2026, the annual salary for a superior court judge is set at \$244,631. [\[LINK\]](#)

⁸ The Washington State Constitution, Article IV, Section 13, establishes that the state will pay half the salary for each superior court judge and requires counties to pay all other costs associated with the position. These costs include paying for an appropriate courtroom and paying the salaries of clerks and bailiffs to support the judge (as part of the budgets of Superior Court and DJA).

⁹ RCW 2.24.010, RCW 7.105.580, RCW 13.04.021, RCW 26.12.060, and RCW 71.05.137

¹⁰ K.C.C. 2.69.040.

¹¹ The judge salary may change starting July 1, 2027 (and therefore the commissioner salary), but that amount has not been determined by the WCCSEO, yet.

unlawful detainer actions for residential tenancies covered by the Residential Landlord-Tenant Act and the Manufactured/Mobile Home Landlord-Tenant Act.¹² The county legislative authority must approve the creation of housing court commissioner positions.

King County Process for Creating New Judicial Officer Positions. In May 1989, an agreement between the Executive, the Council, and the Superior Court was adopted to establish a process for the creation of new judgeships.¹³ This interbranch planning and coordination process was called a “Protocol”, and the Protocol Committee was established to review court workload and determine when new judicial officers were needed. In 2016, the Protocol Committee and the process for analyzing court data and determining judicial and related staffing needs in the Superior Court were codified.¹⁴

Protocol Committee. The Protocol Committee consists of:

- one Superior Court judge (selected by the Court) who chairs the committee;
- one member of the County Council (selected by the Council Chair);
- the Executive or the Executive's designee; and
- a representative of the King County Bar Association (selected by that association).

The Protocol Committee is responsible for reviewing and, as necessary, revising the methodology for evaluating the number of judges or commissioners needed in the Superior Court. If the Protocol Committee determines that staffing changes are necessary, it must transmit a report to the Executive and the Council detailing the methodology applied, the rationale for the methodology (including any changes to the methodology), and the conclusion reached regarding the number of judges and commissioners needed in the Superior Court. The Executive is then tasked with transmitting a letter to the Council accepting the Protocol Committee's recommendations or suggesting revisions.

Superior Court and Executive Staff have shared that there is not a regular meeting schedule for the Protocol Committee. Prior to the 2026-2027 Budget process, the most recent meeting was held during 2025 Budget deliberations. Prior to that, the Protocol Committee met in 2020 and 2016.

Technical Committee. There is also a Technical Committee, whose members shall have experience in statistical methods and knowledge of court administration, and includes:

- one legislative branch employee (selected by the Chair or the Chair's designee);
- one employee from the Superior Court (selected by the Court); and
- one employee from the executive branch (selected by the Executive or the Executive's designee).

¹² Chapter 268, Laws of Washington 2025 (HB 1621)

¹³ Ordinance 8936

¹⁴ Ordinance 18317 and K.C.C. 2A.320.510.

The Technical Committee is convened by the chief administrative officer of the Superior Court and is responsible for assisting the Protocol Committee in applying the methodology to determine judicial need. This includes collecting data, analyzing and advising the Protocol Committee on the statistical outcomes produced from applying the methodology, and recommending changes to the number of superior court judges or commissioners and changes to the methodology used to determine the number of judges or commissioners needed in Superior Court, as may be appropriate.

Methodology. In 2016, the Protocol Committee established specific criteria for reviewing the court's workload and developed a set of indicators to measure judicial need.¹⁵ According to the Superior Court and the Executive, those indicators have not changed and include:

1. **Weighted caseload index.** Looks at the comparative growth of pending caseloads (the measurement is weighted for the relative judicial “workload” associated with specific types of cases—criminal, civil and domestic without children, domestic with children/paternity, and juvenile offender cases—and is also calculated as a running average of the last four quarters to smooth out variations and capture trends);
2. **Age indicator.** The median age of pending cases shows an increase of 10% or more for four consecutive quarters compared to the same quarter of the previous year.
3. **Pro tem indicator.** Consistent use of more pro tems than are required to backfill for judicial vacancies or long-term unplanned absences (exceeding two weeks) over a period of four quarters.

If the condition for one or more of the three protocol indicators is met, the Court should conduct a full analysis to investigate the adequacy of judicial positions in King County Superior Court. The Protocol Committee has noted that when “discussing judicial needs, all three indicators should be considered concurrently. Because of the complexity of the adjudication process and court operations, it is quite possible that the indicators may not uniformly point in the same direction, to either the over-capacity or under-capacity of judicial resources. Whenever one of the indicators varies from the specified criteria, a full analysis is needed to ascertain the real situation.”¹⁶

Superior Court and Executive Staff state that the Protocol can result in both the addition and reduction of judicial officer positions (for example, three commissioner positions were eliminated in the 2017-2018 Budget – one criminal commissioner and two dependency commissioners).

¹⁵ *Protocol Committee Report to the King County Council*, dated May 5, 2016, and included as Attachment A to Ordinance 18317.

¹⁶ *Protocol Committee Report to the King County Council*, dated May 5, 2016, and included as Attachment A to Ordinance 18317.

ANALYSIS

Technical and Protocol Committees. The Superior Court convened the Technical Committee on October 9, 2025.¹⁷ The Technical Committee reviewed data required by the methodology as well as current and trend data for unlawful detainer cases. Based on their review of the data, the Technical Committee recommended one housing court commissioner be added to the King County Superior Court bench.

The Protocol Committee met on October 17, 2025, and concurred with the Technical Committee's recommendation to add a housing court commissioner.¹⁸ The Executive has accepted the Protocol Committee's recommendation, and a letter indicating her support has been transmitted to the Council (see Attachment 5 to this staff report).

Superior Court Workload and Judicial Need. As noted, the Technical Committee looked at the three indicators required by the methodology along with data specific to unlawful detainer cases [see the Technical Committee Memo to the Protocol Committee dated October 14, 2025, and the 2025 Third Quarter Technical Committee Report, Attachments 2 and 3 to this staff report, respectively].

The Technical Committee highlighted the following:

1. The weighted caseload index indicator suggests the Court could need 4.5 additional judicial officers; however, the report recognizes that the pandemic affected pending cases, in particular criminal cases.
2. The age indicator shows that, while the median age for all case types is comparable to pre-pandemic levels, the median age for criminal cases has increased by almost 80% compared to pre-pandemic levels. In addition, there are more serious criminal cases in the Court's pending criminal caseload than there were before the pandemic: 214 versus 114 homicide cases and 474 versus 364 sex crime cases at the end of September 2025 and December 2018, respectively.
3. Unlawful detainer filings are 93% higher than pre-pandemic levels. Pre-pandemic, there were an average of 385 cases per month, and for 2025 YTD (through September), the monthly average is 746 cases a month. Filings have continued increasing in 2025 and are 15% higher than 2024. See Attachment 4 for the supplemental data reviewed by the Technical and Protocol Committees.

¹⁷ Members of the Technical Committee included: Linda Ridge, Chief Administrative Officer, the Superior Court; Catherine Cornwall, Director, DJA; Elly Slakie, Executive Analyst, PSB; and Stephanie Cirkovich, Chief of Staff, County Council.

¹⁸ Members of the Protocol Committee included: Judge Ketu Shah, Presiding Judge, the Superior Court; Councilmember Jorge Barón, Chair, Law and Justice Committee; Dwight Dively, Director, PSB; and Sidney Tribe with the King County Bar Association.

The report recognized that two judges were added in 2025 to address the increase in unlawful detainer filings. It stated that these new "judges, plus continued reallocation of workload for other judicial officers, has allowed a significant increase in unlawful detainer dispositions and a reduction in pending cases. However, existing resources are not sufficient to address current and rising levels of filings and these measures remain dramatically higher than 2019."

Proposed Ordinance 2025-0186. State law requires the Council to document its approval of adding a new housing court commissioner to the Superior Court. Proposed Ordinance 2025-0186 would document the Council's approval of adding up to three housing court commissioner positions to the Court.

The 2026-2027 proposed budget would provide the Court with appropriation and FTE authority for one housing court commissioner (and related support staff). Since Proposed Ordinance 2025-0186 would document the Council's approval for up to three housing court commissioners, the Court would have the flexibility to use existing appropriation and FTE authority to establish two additional housing court commissioner positions. If it is not the Council's intent to provide this flexibility to the Court, the Council may wish to amend the proposed ordinance so that it approves one housing court commissioner.

Fiscal Impact. As previously noted, each court commissioner is granted a court coordinator as part of the Superior Court's budget and three clerk administrative specialists in the DJA's budget. In the 2026-2027 biennium, the total cost associated with adding a court commissioner is almost \$1.5 million (see Table 3 for details).

**Table 3. Cost of Adding a Court Commissioner in 2026-2027
(Salaries and Benefits)**

Position and Agency	FTE	2026-2027 Expenditure
Commissioner, Superior Court	1	\$570,354
Court Coordinator, Superior Court	1	\$227,426
Clerk Administrative Specialist, DJA	3	\$701,087
TOTAL	5	\$1,498,867

The appropriation and FTE authority for the housing court commissioner and four support staff are included in the Executive's proposed 2026-2027 Budget (Proposed Ordinance 2025-0288). The Superior Court confirms that there are no other substantial costs associated with adding the housing court commissioner position (for example, this position does not necessitate a new courtroom).

INVITED

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

ATTACHMENTS

1. Proposed Ordinance 2025-0186
2. Technical Committee Memo to the Protocol Committee dated October 14, 2025
3. 2025 Third Quarter Technical Committee Report
4. Supplemental Data on Unlawful Detainer Cases
5. Protocol Committee Letter dated October 21, 2025



KING COUNTY
Signature Report

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

Ordinance

Proposed No. 2025-0186.1

Sponsors Dunn

1 AN ORDINANCE relating to the creation of housing court
2 commissioner positions of the King County superior court.

3 BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

4 **SECTION 1. Findings:**

5 A. Article IV, Section 23, of the Washington State Constitution authorizes the
6 appointment of up to three court commissioners per county. The court commissioners are
7 appointed by the superior court and have the power to perform the duties of a superior
8 court judge that do not require a trial by jury, and other duties provided by law to aid in
9 the administration of justice. All acts and proceedings of court commissioners are subject
10 to revision by a superior court judge upon motion by a party.

11 B. In addition to the constitutionally authorized commissioners, the Legislature
12 has authorized superior courts to appoint additional commissioners to assist superior
13 court judges in specific areas of the law. These statutorily authorized commissioners
14 include mental health commissioners, family law commissioners, and criminal
15 commissioners, and are limited to the authority that they are expressly granted in statute.

16 C. Chapter 268, Laws of Washington 2025, authorizes each county superior court
17 to appoint new court commissioners to assist the superior court in disposing of its
18 business related to unlawful detainer actions for residential tenancies covered by chapter
19 59.18 RCW and chapter 59.20 RCW. The county legislative authority must approve the
20 creation of housing court commissioner positions.

21 D. A significant surge in unlawful detainer filings has contributed to delays in
22 court proceedings and case resolutions, creating burdens for both landlords and tenants.
23 Creation of the housing court commissioner positions of the King County superior court
24 will help address delays in court proceedings.

25 SECTION 2. By this ordinance, the county legislative authority approves the
26 creation of up to three housing court commissioner positions to assist the superior court

- 27 in disposing of its business related to unlawful detainer actions for residential tenancies
- 28 covered by chapter 59.18 RCW and chapter 59.20 RCW.

KING COUNTY COUNCIL
KING COUNTY, WASHINGTON

Girmay Zahilay, Chair

ATTEST:

Melani Pedroza, Clerk of the Council

APPROVED this ____ day of _____, ____.

Shannon Braddock, County Executive

Attachments: None

Superior Court of the State of Washington
for the County of King

Linda K. Ridge
Chief Administrative Officer

King County Courthouse
Seattle, Washington 98104

To: Protocol Committee Members

From: Technical Committee Members via Linda Ridge, Superior Court CAO 

RE: Technical Committee Recommendations to the Protocol Committee

Date: October 14, 2025

Linda Ridge, Chief Administrative Officer of King County Superior Court, convened members of the Technical Committee on Oct. 9, 2025. The meeting included Stephanie Cirkovich, Chief of Staff, King County Council; Melissa Bailey, Principal Legislative Analyst, King County Council; Elly Slakie, Executive Analyst-Budget, Office of Performance, Strategy and Budget; and Catherine Cornwall, Director, Department of Judicial Administration.

The Technical Committee met and reviewed the 2025 Third Quarter Technical Committee Report. The report consists of three indicators. The Committee noted that the Covid-19 pandemic had a significant influence on the judicial system and continues to affect the indicators in the report.

The first indicator is the Weighted Caseload Index of Pending Cases. This index indicates that the court is in need of additional judicial officers in the King County Superior Court. Looking at only this indicator would suggest that the Court could need 4 ½ additional judicial officers; however, as mentioned earlier, the pandemic affected pending cases – and in particular, criminal cases.

The second indicator is the median age for all pending case types and for major case types. While the median age for all case types is comparable to pre-pandemic levels, the median age for criminal cases has increased by almost 80% compared to pre-pandemic levels. In addition, there are more serious criminal cases in the court's pending criminal caseload than there were before the pandemic: 214 vs. 114 homicide cases and 474 vs. 364 sex crime cases at the end of September 2025 and December 2018, respectively.

The third indicator is average daily use of pro tem judges and commissioners. The committee discussed this indicator and concluded that it is not a good indicator of judicial workload. Use of pro tem officers is driven by the need to staff calendars that are heard by commissioners, not judges.

The committee also reviewed data related to Unlawful Detainer filings.

- Unlawful Detainer filings are 93% higher than pre-pandemic levels. Pre-pandemic, there were an average of 385 cases a month. For 2025 YTD (through September), the monthly average is 746 cases a month – almost double pre-pandemic levels.
 - Filings have continued increasing in 2025, and are 15% higher than 2024.
- Superior Court added 2.0 new judges in 2025 to address the increase in unlawful detainer filings. These judges, plus continued reallocation of workload for other judicial officers, has allowed a significant increase in unlawful detainer dispositions and a reduction in pending cases. However, existing resources are not sufficient to address current and rising levels of filings and these measures remain dramatically higher than 2019.
 - Average monthly dispositions were 385 in 2019, 595 in 2024 and 828 in 2025 through September.
 - Average monthly pending cases were 481 in 2019, 2,268 in 2024, and 1,478 in 2025.

Recommendation: Based on the review of the 2025 Third Quarter Technical Committee Report as well as current and trend data for Unlawful Detainers, the Technical Committee recommends that one housing commissioner be added to the King County Superior Court bench.

Additional note to the Protocol Committee: Two commissioners FTEs were added to Superior Court's budget in 2025 (converted from TLT positions). Council authorized protection order commissioners in Ordinance 19466 in response to HB 1320, which was passed in the 2022 state legislative session (). Those commissioner positions were not added through the Protocol Committee. For additional information on the protection order process and the need for those commissioners, see Ordinance 19546, Section 35, Proviso P1 ([LINK](#))

TECHNICAL COMMITTEE REPORT TO PROTOCOL COMMITTEE

In 2016, the Protocol Committee approved a new set of protocol indicators. The newly adapted indicators will be used to monitor the adequacy of judicial resources in King County Superior Court starting 2017.

There are three protocol indicators. If one or more of them show a continuous trend, the Technical Committee shall conduct an in-depth analysis to determine the causes, explore solutions, and make recommendations to the Protocol Committee.

Indicator A: Weighted Caseload Index (WCI)

$$WCI = \sum (\text{weight} * \text{current pending caseload}) = 0.131 * P_1 + 0.042 * P_2 + 0.080 * P_3 + 0.086 * P_4$$

Where P_1 is the pending criminal caseload for the current quarter; P_2 is the pending civil and domestic without children caseload for the current quarter; P_3 is the pending domestic with children and paternity caseload for the current quarter; P_4 is the pending juvenile offender caseload for the current quarter.

Table 1. Weighted Caseload Index						
Quarter	Criminal (P1)	Civil and Domestic Cases without Children (P2)	Domestic Cases with Children and Paternity (P3)	Juvenile Offender (P4)	Weighted Caseload Index (WCI)	"Smoothed" WCI: Running Average of WCIs of 4 Quarters
Q1/2022	62.90	30.58	18.40	2.00	113.9	122.1
Q2/2022	55.58	30.36	18.63	2.20	106.8	116.0
Q3/2022	55.24	31.23	18.87	2.20	107.5	110.9
Q4/2022	56.23	31.81	18.87	2.59	109.5	109.4
Q1/2023	60.64	32.33	18.71	2.87	114.6	109.6
Q2/2023	56.07	33.11	19.15	2.66	111.0	110.6
Q3/2023	55.24	34.13	19.45	2.57	111.4	111.6
Q4/2023	51.27	32.76	19.00	2.60	105.6	110.6
Q1/2024	51.26	33.22	19.59	3.17	107.2	108.8
Q2/2024	53.24	34.72	20.02	3.85	111.8	109.0
Q3/2024	52.46	36.38	20.45	3.51	112.8	109.4
Q4/2024	52.78	35.91	19.86	3.59	112.1	111.0
Q1/2025	54.20	38.55	20.69	4.27	117.7	113.6
Q2/2025	51.74	39.02	20.63	3.85	115.2	114.5
Q3/2025	51.25	40.00	20.66	3.49	115.4	115.1

Note: The computation of the weighted caseload index (WCI) is based on the number of pending criminal cases, juvenile offender cases; cases with judge assignments in general civil, domestic, and paternity.

Explanation: The WCI (weighted caseload index) is compared to a base value of 106 since the court has added 3 more judges after the adaption of the agreement. Approximately, a 2-point deviation from 106 indicates being one judicial position over or under ideal staffing.

Benchmarks - "Whether the running WCI has shown a consistent 2-point deviation from 106 (over or under) in four consecutive quarters."

Conclusion: The weighted caseload index for the recent four quarters indicates that the court is in need of extra judges in the King County Superior Court. However, the indicator has been greatly impacted by COVID-19 and need to be interpreted accordingly.

Indicator B: Age Indicator of Pending Caseload

Table 2. Median Age (days) for All Pending Cases and Major Case Types										
Quarter	All Pending Cases		Criminal		Civil		Domestic		Juvenile Offender	
	Median age (days)	Same quarter change %	Median age (days)	Same quarter change %	Median age (days)	Same quarter change %	Median age (days)	Same quarter change %	Median age (days)	Same quarter change %
Q1/2022	183	-0.5%	257	+10.8%	161	-4.2%	157	+1.3%	140	-45.1%
Q2/2022	163	-14.2%	235	-12.6%	148	-9.2%	140	-0.7%	114	-55.1%
Q3/2022	162	-15.6%	232	-19.2%	145	-15.7%	138	-2.8%	122	-55.6%
Q4/2022	167	-12.3%	222	-19.6%	153	-11.6%	152	-3.2%	122	-49.2%
Q1/2023	159	-13.3%	198	-23.0%	164	-1.1%	151	-3.0%	81	-42.1%
Q2/2023	158	-3.1%	213	-9.4%	150	+1.4%	138	-1.4%	107	-6.1%
Q3/2023	166	+2.4%	216	-6.9%	156	+7.6%	145	+5.1%	106	-13.1%
Q4/2023	171	+2.4%	236	+6.3%	158	+3.3%	150	-1.3%	90	-26.2%
Q1/2024	166	+4.4%	227	+14.6%	150	-8.5%	153	+1.3%	89	+9.9%
Q2/2024	152	-3.8%	200	-6.1%	140	-6.7%	139	+0.7%	103	-3.7%
Q3/2024	155	-6.6%	203	-6.0%	146	-6.3%	144	-0.7%	105	-0.9%
Q4/2024	162	-5.3%	211	-10.6%	152	-3.8%	159	+6.0%	97	+7.8%
Q1/2025	158	-4.8%	199	-7.0%	144	-4.0%	158	+3.3%	111	+24.7%
Q2/2025	145	-4.6%	183	-8.5%	137	+3.6%	139	+0.0%	112	+8.7%
Q3/2025	155	0%	188	-11.3%	147	+0.7%	146	+1.4%	130	+23.8%

The “median” indicates age of the half of the cases (half longer and half shorter).

Explanation: The “median” age of pending cases is expected to show some fluctuation from quarter to quarter. This age indicator is used to measure how long the cases have been open since the filing date. A prolonged age for a significant time period may indicate the lack of judicial resource, as well as other factors.

Benchmarks - "Whether the median age of pending cases shows an increase of 10% or more for four consecutive quarters compared to the same quarter of the previous year."

Conclusion: The age of pending cases for all cases had not shown a consistent trend in 4 consecutive quarters.

Indicator C: Pro-tem Use Indicator Tem

Table 3: Average Daily Pro Tem Judge/Commissioner Use			
Quarter	Pro Tem Commissioners (FTE)	Pro Tem Judges (FTE)	TOTAL (FTE)
Q1/2022	1.7	0.3	2.0
Q2/2022	4.5	0.3	4.8
Q3/2022	4.2	0.3	4.5
Q4/2022	2.2	0.3	2.5
Q1/2023	3.2	0.2	3.4
Q2/2023	3.5	0.3	3.8
Q3/2023	2.4	0.3	2.7
Q4/2023	3.5	0.6	4.1
Q1/2024	4.1	0.1	4.2
Q2/2024	4.7	0.8	5.5
Q3/2024	3.1	0.2	3.3
Q4/2024	4.1	0.3	4.4
Q1/2025	3.3	0	3.3
Q2/2025	4.5	0.2	4.7
Q3/2025	3.2	0.2	3.4

Pro Tem Commissioners = Pro Tem hours for Ex Parte, Family Law and Mental Illness Calendars. Pro Tem Judges = Pro Tem hours for all other calendars. FTE is calculated based on the total hours reported (450 hours = 1 FTE in a quarter).

Explanation: The use of Pro Tems is necessary to cover the calendars due to temporary lack of judicial resources. However, the consistent utilization of a high volume of Pro Tems over a prolonged period should be a concern.

Benchmarks– “whether consistent use of more Pro Tems than are required to backfill for judicial vacancies or long term unplanned absences (i.e. exceeding two weeks) over a period of four consecutive quarters.”

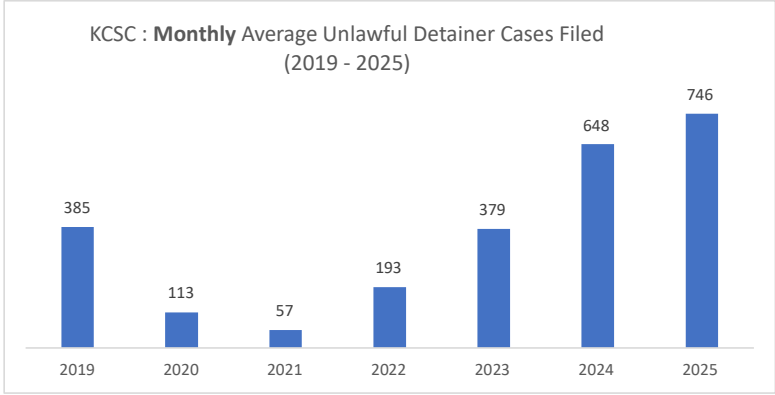
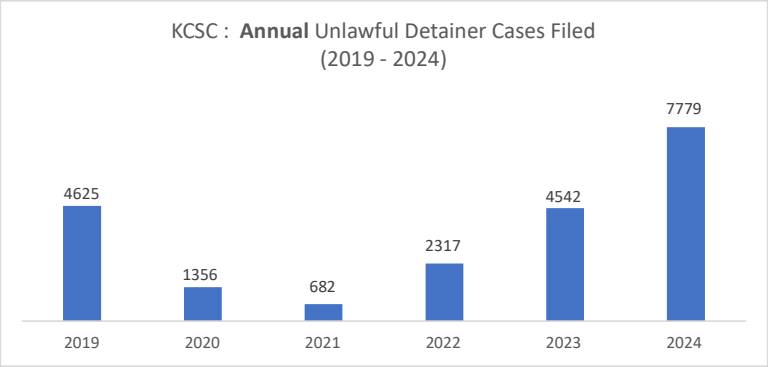
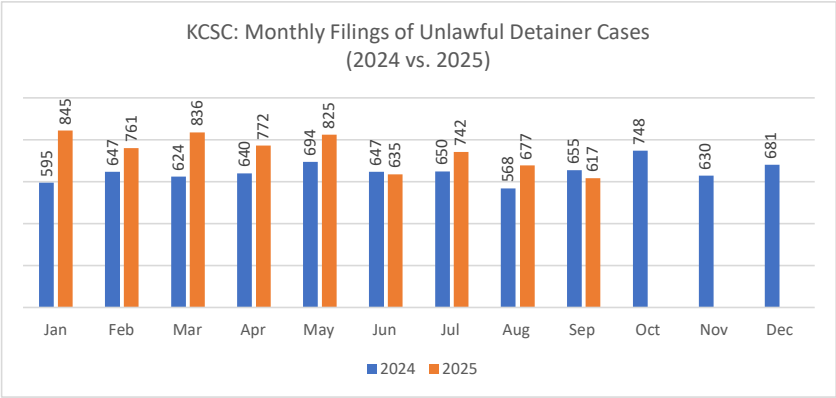
Conclusion: In the three quarters of 2025, the average number of pro tem judges and commissioners used by KCSC was 3.3 , 4.7, and 3.4 FTEs per day. Of this, the majority was for commissioner’s duties.

Overall Conclusion: The protocol indicators show that the court is in need of additional judicial resources based on the protocol agreement. However, the COVID-19 has had undue impact to the protocol indicators. Further investigation and analysis are necessary when the court operation returns to normal.

King County Superior Court: Unlawful Detainer Filings by Month and Year (2019 -)

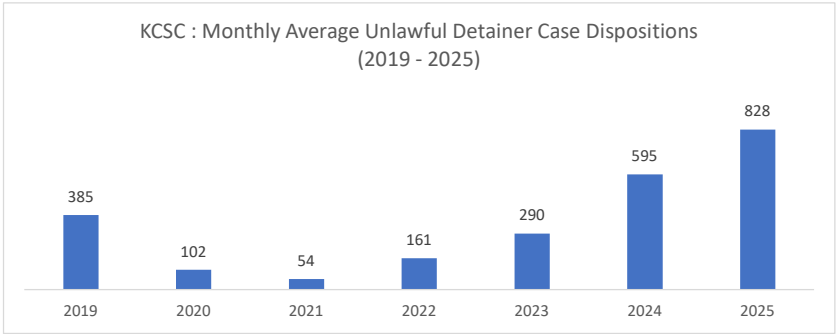
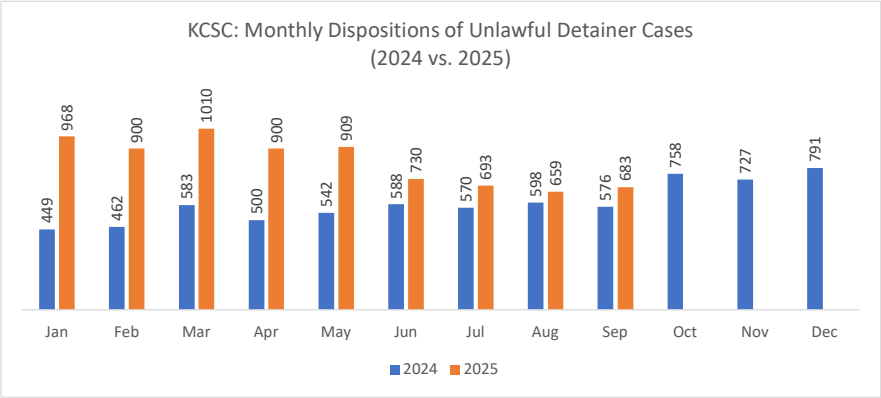
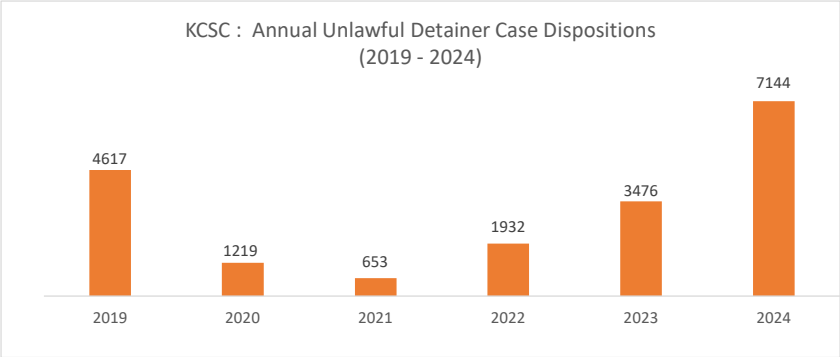
Month	2019	2020	2021	2022	2023	2024	2025
Jan	508	409	69	111	130	595	845
Feb	386	409	44	109	171	647	761
Mar	397	244	40	139	232	624	836
Apr	358	10	41	140	223	640	772
May	427	16	43	168	288	694	825
Jun	384	21	47	244	327	647	635
Jul	413	22	48	261	386	650	742
Aug	312	31	70	248	488	568	677
Sep	278	38	80	216	449	655	617
Oct	432	49	63	286	634	748	
Nov	355	54	61	232	698	630	
Dec	375	53	76	163	516	681	
Total (Annual or YTD)	4625	1356	682	2317	4542	7779	6710
Monthly Average	385	113	57	193	379	648	746

2025 Straightline Projection 8947



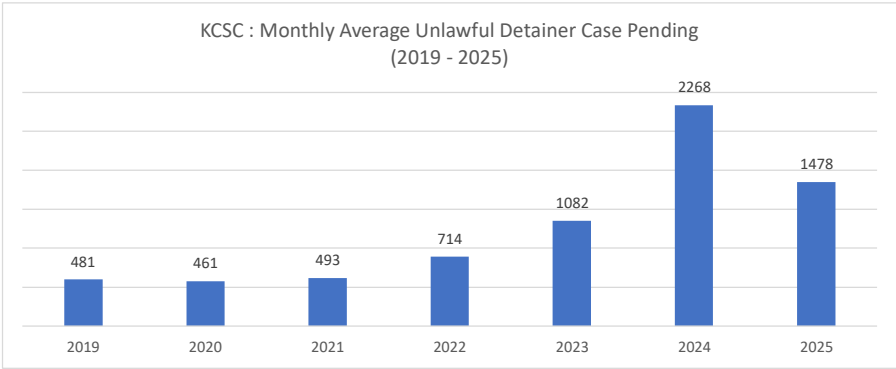
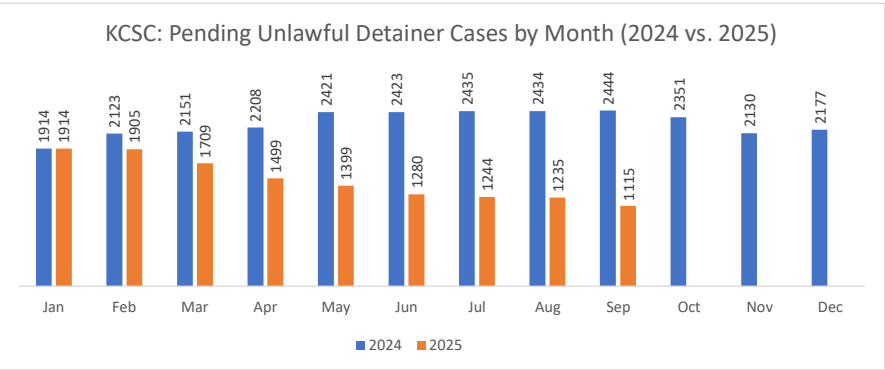
King County Superior Court: Unlawful Detainer Dispositions by Month and Year (2019 -)

Month	2019	2020	2021	2022	2023	2024	2025
Jan	388	386	45	79	164	449	968
Feb	378	347	56	99	179	462	900
Mar	359	260	50	110	191	583	1010
Apr	361	6	37	100	233	500	900
May	405	7	40	124	277	542	909
Jun	468	15	40	205	280	588	730
Jul	423	24	39	204	273	570	693
Aug	433	21	91	205	328	598	659
Sep	319	29	60	190	326	576	683
Oct	383	35	75	230	409	758	
Nov	348	42	65	216	396	727	
Dec	352	47	55	170	420	791	
Total (Annual or YTD)	4617	1219	653	1932	3476	7144	7452
Monthly Average	385	102	54	161	290	595	828



King County Superior Court: Unlawful Detainer Cases Pending by Month and Year (2019 -)

Month	2019	2020	2021	2022	2023	2024	2025
Jan	516	465	506	520	797	1914	1914
Feb	535	495	503	535	805	2123	1905
Mar	575	495	484	571	785	2151	1709
Apr	571	481	487	607	753	2208	1499
May	593	423	494	627	776	2421	1399
Jun	510	432	497	699	839	2423	1280
Jul	497	433	492	762	938	2435	1244
Aug	373	441	482	802	1106	2434	1235
Sep	341	446	505	836	1256	2444	1115
Oct	420	465	479	865	1438	2351	
Nov	426	476	488	878	1738	2130	
Dec	419	476	496	868	1751	2177	
Monthly Average	481	461	493	714	1082	2268	1478





King County

Office of Performance, Strategy and Budget
401 Fifth Avenue, Suite 810
Seattle, WA 98104

206-263-9600
TTY Relay: 711
www.kingcounty.gov

October 21, 2025
The Hon. Rod Dembowski
Chair, Budget and Fiscal Management Committee
Metropolitan King County Council

Dear Councilmember Dembowski:

On behalf of Executive Braddock, this letter indicates her support for the recommendations of the Protocol Committee for Superior Court. The Committee met on October 17, 2025 and recommended the addition of a housing commissioner to Superior Court, consistent with what is included in the Executive's 2026-2027 Proposed Budget. A letter summarizing the Protocol Committee's recommendation is attached.

This letter is intended to meet the requirements of King County Code 2A,320.510(G). I look forward to the Council's support of this recommendation.

Sincerely,

Dwight Dively
Director, Office of Performance Strategy and Budget

cc: Ketu Shah, Presiding Judge, Superior Court
Linda Ridge, Superior Court
Councilmember Jorge Baron
Sidney Tribe, King County Bar Association
Melani Hay, Clerk of the Council
Melissa Bailey, Council Central Staff
Elly Slakie, PSB

Attachment

**Superior Court for the State of Washington
for the County of King**

KETU SHAH
PRESIDING JUDGE
DEPARTMENT 50
E: SHAH.COURT@KINGCOUNTY.GOV

KING COUNTY COURTHOUSE
516 THIRD AVENUE, RM C-203
SEATTLE, WASHINGTON 98104
P: 206.477.1635

October 20, 2025

Dear Executive Shannon Braddock,

The Protocol Committee met on Friday, October 17, 2026 and discussed the judicial needs of the court. The members who attended were Councilmember Jorge Barón on behalf of the County Council, Director Dwight Dively on behalf of the Executive, Sydney Tribe on behalf of the KCBA, and myself, representing King County Superior Court.

We reviewed the Technical Committee's report and agreed with it's conclusion that King County Superior Court should receive two additional housing commissioner judicial position. This is a unanimous recommendation.

Thank you,

Ketu Shah
Presiding Judge Ketu Shah

Cc: Linda Ridge
Dwight Dively



King County

Metropolitan King County Council Budget and Fiscal Management Committee

STAFF REPORT

Agenda Item:	8	Name:	Sam Porter
Proposed No.:	2025-0328	Date:	October 28, 2025

SUBJECT

A motion acknowledging receipt of the spending plan required by County Hospital Levy Expenditure Restriction 3 and releasing the Expenditure Restriction of \$46 million to support Harborview Medical Center operations.

SUMMARY

Proposed Motion 2025-0328 would acknowledge receipt of the spending plan required by County Hospital Levy Expenditure Restriction ER3 in Ordinance 19861. Approval of the proposed motion would release \$46 million in County Hospital Levy tax dollars to support Harborview Medical Center (HMC) operations.

According to the spending plan, \$23.4 million would support staffing at HMC primary care clinics and \$22.6 million would support staffing in the HMC behavioral health inpatient units.

BACKGROUND

Harborview is a 413-bed hospital and trauma center that serves Washington, Alaska, Montana, and Idaho. It is the only Level 1 trauma center serving these states. The hospital is owned by King County, governed by a 13-member county-appointed Board of Trustees, and operated by the UW. Harborview prioritizes serving the “mission population” of non-English-speaking poor, the uninsured and underinsured, people who experience domestic violence and or sexual assault, incarcerated people in King County's jails, people with behavioral health illnesses, particularly those treated involuntarily, people with sexually transmitted diseases, and individuals who require specialized emergency care, trauma care, and severe burn care.

In 2024, the Washington State Legislature amended RCW 36.62.090 authorizing a councilmanic additional property tax, not to exceed 20 cents per thousand dollars of assessed value, for the operation, maintenance, and capital expenses of the hospital, and any outpatient clinics operated by the hospital, and for the payment of principal and interest on bonds issued for such purposes. King County issued this in 2025 at a rate of ten cents which is estimated to generate approximately \$87 million. The 2025 budget,

Ordinance 19861, Section 102, includes five expenditure restrictions designating the use of County Hospital Levy dollars.

ANALYSIS

Ordinance 19861, Section 102, Expenditure Restriction ER3 authorizes the use of \$46 million to support HMC operations after University of Washington Medicine (UW Medicine) informs the Harborview Medical Center Board of Trustees (Board) of the spending plan for the \$46 million, the board approves the spending plan, and Council passes a motion acknowledging receipt of the spending plan.

Ordinance 19861, Section 102, Expenditure Restriction ER3:

Of this appropriation, \$46,000,000 shall be expended or encumbered solely to support Harborview Medical Center operations and may only be expended or encumbered after: (1) University of Washington Medicine has informed the Harborview Medical Center board of trustees, as part of the board's budget process for fiscal year 2026, of the spending plan for the \$46,000,000; (2) the board has approved the spending plan; and (3) the council has passed a motion acknowledging receipt of the board-approved spending plan and releasing this restriction. Harborview Medical Center operates on a fiscal year cycle, with the 2026 fiscal year beginning on July 1, 2025.

The expenditure restriction authorizes the use of \$46 million to support HMC operations after University of Washington Medicine (UW Medicine) informs the Harborview Medical Center Board of Trustees (Board) of the spending plan for the \$46,000,000, the board approves the spending plan, and Council passes a motion acknowledging receipt of the spending plan.

Consistent with the required components of the expenditure restriction, UW Medicine informed the Board of the spending plan, and the Board approved the spending plan that appears as Attachment A to Proposed Motion 2025-0328 at their meeting on July 24, 2025.

The spending plan would allocate \$23.4 million of the appropriation to support staffing at nine HMC Primary Care Clinics, consisting of 133 FTEs, 26.1 of which are physicians. These primary care clinics include:

- Adult Medicine Clinic
- Family Medicine Clinic
- Pediatric Clinic
- Hobson Place Clinic
- Senior Care Clinic
- International Medicine Clinic
- Madison Clinic

- Pioneer Square 3rd Avenue Clinic
- Pioneer Square Neighborhood Clinic

The spending plan indicates that \$22.6 million would be designated to support staffing in the HMC behavioral health inpatient units. UW Medicine indicates there are approximately 132 FTEs budgeted for the clinics, including 4.6 physicians.

Action on the Proposed Motion is needed before the end of 2025 to release the restricted funds as the expenditure restriction is on the 2025 Budget Ordinance; if action is not taken, the appropriation authority would lapse and UW Medicine would be unable to spend the withheld \$46 million.

INVITED

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

ATTACHMENTS

1. Proposed Motion 2025-0328 (and its attachment)



KING COUNTY

Signature Report

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

Motion

Proposed No. 2025-0328.1

Sponsors Balducci

1 A MOTION acknowledging receipt of the spending plan
2 for \$46,000,000 of county hospital levy revenue to be
3 expended or encumbered solely to support Harborview
4 Medical Center operations for the fiscal year 2026 as
5 required under the 2025 Annual Budget Ordinance,
6 Ordinance 19861, Section 102, Expenditure Restriction E3.

7 WHEREAS, the metropolitan King County council adopted the 2025 budget,
8 Ordinance 19861 on November 19, 2024, which allocated \$46,000,000 in revenue from
9 the new county hospital levy to support Harborview Medical Center operations, and

10 WHEREAS, the 2025 Annual Budget Ordinance, Ordinance 19861, Section 102,
11 Expenditure Restriction E3, requires the University of Washington Medicine to inform
12 the Harborview Board of Trustees ("the board") of the spending plan for the \$46,000,000
13 of county hospital levy revenue ("the spending plan") as part of the board's budget
14 process for fiscal year 2026, the board to approve the spending plan, and the council to
15 pass a motion acknowledging receipt of the board-approved spending plan, releasing the
16 expenditure restriction, and

17 WHEREAS, the University of Washington Medicine informed the board of the
18 spending plan, and

19 WHEREAS, the board of approved the spending plan on July 24, 2025;

20 NOW, THEREFORE, BE IT MOVED by the Council of King County:

- 21 The receipt of the spending plan approved by the Harborview Board of Trustees,
22 Attachment A to this motion, is hereby acknowledged in accordance with 2025 Annual
23 Budget Ordinance, Ordinance 19861, Section 102, Expenditure Restriction E3.

KING COUNTY COUNCIL
KING COUNTY, WASHINGTON

Girmay Zahilay, Chair

ATTEST:

Melani Pedroza, Clerk of the Council

APPROVED this ____ day of _____, ____.

Shannon Braddock, County Executive

Attachments: A. Description of Activity

Program	Planned Spending	Expense Category	Description of Activity
Primary Care Clinics	\$ 23,439,001	Staffing	Salary and benefits budgeted in FY26 to support the Harborview Medical Center primary care clinics, which includes 9 different clinics. There are approximately 133 full time equivalents (FTEs) budgeted for these clinics, including 26.1 physician FTEs.
Inpatient Behavioral Health Services	\$ 22,560,999	Staffing	Salary and benefits budgeted in FY26 to support the Harborview Medical Center behavioral health inpatient units. There are approximately 132 full time equivalents (FTEs) budgeted for these units, including 4.6 physician FTEs.
Total	\$ 46,000,000		
This spending plan is revenue backed by \$46M of County Hospital Levy Revenue			



King County

Metropolitan King County Council Committee of the Whole

STAFF REPORT

Agenda Item:	9	Name:	Sam Porter
Proposed No.:	2025-0289	Date:	October 28, 2025

SUBJECT

A proposed ordinance to establish the Harborview Construction and Infrastructure Division within the Department of Executive Services.

SUMMARY

Proposed Ordinance 2025-0289 would amend King County Code to establish a new Harborview Construction and Infrastructure Division (HCID) within the Department of Executive Services to be responsible for managing all county capital projects at Harborview Medical Center (HMC) and serving as the lead agency in directing and coordinating capital budget requests from HMC. The new division would be funded by the Harborview Bond Program and the County Hospital Levy (CHL).

BACKGROUND

Harborview is a 540-bed hospital serving as the Level 1 trauma center in the four-state region of Washington, Alaska, Idaho, and Montana. Harborview prioritizes serving the “mission population” including the non-English speaking poor, uninsured or underinsured, people who experience domestic violence, sexual assault, or are incarcerated in King County's jails, among others. Harborview is owned by King County, governed by a 13-member County-appointed Board of Trustees, and operated by the University of Washington.

Since the implementation of the \$1.74 billion Harborview Proposition 1 Bond in 2020 and the councilmanic County Hospital Levy in 2025, County workload for the Facilities Management Division (FMD) related to Harborview within the Department of Executive Services has increased significantly. Subsequently, 18 FTEs have been hired in recent years, and the Executive plans to hire eight more to support county-managed capital projects at HMC. The proposed ordinance was transmitted in conjunction with the Executive's proposed 2026-2027 biennial budget which includes a new appropriation unit for the proposed HCID Fund.

ANALYSIS

The HCID would be responsible for managing the planning, contracting, and construction of all County capital projects at HMC and would include 15 existing FMD FTEs transferred to the HCID, and three positions added in the 2025 supplemental budget.¹ The Executive's proposed 2026-2027 Biennial Budget would add eight new FTEs to support the design and construction of a new multi-story inpatient tower and associated improvements on the Harborview campus. All existing or proposed FTEs are listed in Table 1.

Table 1. Proposed FTEs

	Title	Revenue	Filled or Vacant	Annual Salary & Benefits 2026-2027	Nature²
1	Administrator II	County Hospital Capital <i>initially</i>	Filled	\$312,000	Ord. 19956
2	Capital Projects Manager IV	County Hospital Capital	Filled	\$417,000	Transfer
3	Administrator III	Prop 1 Bond	Filled	\$359,000	Transfer
4	Business & Finance Officer III	Prop 1 Bond	Filled	\$361,000	Transfer
5	Communication Specialist III	Prop 1 Bond	Filled	\$323,000	Transfer
6	Executive Assistant	Prop 1 Bond	Filled	\$311,000	New
7	Special Projects Manager – Facilities Management	Prop 1 Bond	Filled	\$499,000	Transfer
8	Special Projects Manager III	Prop 1 Bond	Filled	\$444,000	Transfer
9	Special Projects Manager III	Prop 1 Bond	Filled	\$444,000	Transfer
10	Special Projects Manager III	Prop 1 Bond	Filled	\$444,000	Transfer
11	Special Projects Manager IV	Prop 1 Bond	Filled	\$466,000	Transfer
12	Special Projects Manager IV	Prop 1 Bond	Filled	\$466,000	Transfer
13	Special Projects Manager IV	Prop 1 Bond	Filled	\$466,000	Transfer
14	Special Projects Manager IV	Prop 1 Bond	Filled	\$466,000	Transfer
15	Special Projects Manager – Facilities Management	Prop 1 Bond Fund	Filled	\$499,000	Transfer
16	Business & Finance Officer II	County Hospital Capital <i>initially</i>	Vacant	\$312,000	Ord. 19956
17	Business & Finance Officer IV	County Hospital Capital <i>initially</i>	Vacant	\$312,000	Ord. 19956
18	Capital Projects Manager III	County Hospital Capital	Vacant	\$377,000	New
19	Capital Projects Manager IV	County Hospital Capital	Vacant	\$312,000	New
20	Administrator II	Prop 1 Bond	Vacant	\$312,000	New
21	Finance & Administrative Services Manager	Prop 1 Bond	Vacant	\$312,000	New
22	Project/Program Manager III	Prop 1 Bond	Vacant	\$359,000	Transfer
23	Special Projects Manager II	Prop 1 Bond	Vacant	\$197,000	New
24	Special Projects Manager III	Prop 1 Bond	Vacant	\$312,000	New
25	Special Projects Manager III	Prop 1 Bond	Vacant	\$197,000	New

¹ Ordinance 19956

² "Transfer" means transfer an FTE from FMD.

26	Gov. Relations Officer	Not specified	Vacant	\$471,000	Transfer
15 Filled				\$5,833,444	
11 Vacant				\$3,473,000	
Grant Total				\$9,306,444	

The new division is proposed to be funded by the Harborview Bond Program and the County Hospital Levy. Table 2 shows the revenues proposed to be managed in the next biennium.

Table 2.
Revenues for Projects to be Managed by the new HCID in 2026-2027.

Revenues	Proposed Capital Projects	2026-2027 Exec Proposed Allocation
2020 Prop 1 Bond	New bed tower construction	\$219,721,000 ³
County Hospital Levy Capital	New parking garage (\$45M), CHL revenue to support 2020 Bond Project (\$42M), Major maintenance projects approved in 2025 (\$24M), Additional major maintenance projects (\$10M), Pioneer Square Clinic Duncan Building tenant improvements (\$23M).	\$144,000,000
UTGO Debt Proceeds Backed by 2020 Prop 1 Bond	New parking garage.	\$62,000,000
	Total	\$425,721,000

By comparison, the total proposed appropriation to the FMD in the 2026-2027 budget is approximately \$225 million.

AMENDMENT

Counsel's legal counsel is recommending Amendment 1 which would make technical and legal clarifications.

Amendment 2 was drafted at CM Dembowski's request to designate the director of the HCID as a Key Subordinate Unit under King County Code 2.16.100. This designation would exempt the director from the career service personnel system and require Council approval of their appointment. Amendment 2 would add statement of facts and

³ The new bed tower project received previous appropriation of \$143M through 2025 and is expected to receive almost \$600M in the 28-29 biennium and again in 30-31, for a total appropriation of \$1.54 billion through project completion.

a finding that due to the nature of the programs the HCID would be responsible for, and their public policy implications, Council has determined that the appointment of the director shall be subject to Council confirmation.

If the HCID Director is designated as a Key Subordinate Unit then King County Code requires that no person currently serving in the position shall continue to serve for more than ninety days, unless reappointed by the executive and confirmed by the council.

Title Amendment T1 would conform the proposed ordinance to Amendment 2.

INVITED

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

ATTACHMENTS

1. Proposed Ordinance 2025-0289
2. Amendment 1
3. Amendment 2
4. Title Amendment T1
5. Transmittal Letter
6. Fiscal Note



KING COUNTY
Signature Report

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

Ordinance

Proposed No. 2025-0289.1

Sponsors Balducci

1 AN ORDINANCE relating to establishing the Harborview
2 construction and infrastructure division in the department
3 of executive services; and amending Ordinance 14199,
4 Section 11, as amended, and K.C.C. 2.16.035.

5 BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

6 SECTION 1. Ordinance 14199, Section 11, as amended, and K.C.C. 2.16.035 are
7 hereby amended to read as follows:

8 A. The county administrative officer shall be the director of the department of
9 executive services. The department shall include the records and licensing services
10 division, the finance and business operations division, the facilities management division,
11 the fleet services division, the airport division, the office of risk management services, the
12 administrative office of emergency management, ((and)) the administrative office of the
13 business resource center, and the Harborview construction and infrastructure division. In
14 addition, the county administrative officer shall be responsible for providing staff support
15 for the board of ethics.

16 B. The duties of the records and licensing services division shall include the
17 following:

18 1. Issuing marriage, vehicle/vessel, taxicab and for-hire driver and vehicle, and
19 pet licenses, collecting license fee revenues, and providing licensing services for the
20 public;

- 21 2. Enforcing county and state laws relating to animal control;
- 22 3. Managing the recording, processing, filing, storing, retrieval, and certification
- 23 of copies of all public documents filed with the division as required;
- 24 4. Processing all real estate tax affidavits; and
- 25 5. Acting as the official custodian of all county records, as required by general
- 26 law, except as otherwise provided by ordinance.
- 27 C. The duties of the finance and business operations division shall include the
- 28 following:
- 29 1. Monitoring revenue and expenditures for the county. The collection and
- 30 reporting of revenue and expenditure data shall provide sufficient information to the
- 31 executive and to the council. The division shall be ultimately responsible for maintaining
- 32 the county's official revenue and expenditure data;
- 33 2. Performing the functions of the county treasurer;
- 34 3. Billing and collecting real and personal property taxes, local improvement
- 35 district assessments, and gambling taxes;
- 36 4. Processing transit revenue;
- 37 5. Receiving and investing all county and political subjurisdiction moneys;
- 38 6. Managing the issuance and payment of the county's debt instruments;
- 39 7. Managing the accounting systems and procedures;
- 40 8. Managing the fixed assets system and procedures;
- 41 9. Formulating and implementing financial policies for other than revenues and
- 42 expenditures for the county and other applicable agencies;
- 43 10. Administering the accounts payable and accounts receivable functions;

- 44 11. Collecting fines and monetary penalties imposed by district courts;
- 45 12. Developing and administering procedures for the procurement of and
- 46 awarding of contracts for tangible personal property, services, professional or technical
- 47 services, and public work in accordance with K.C.C. chapter 2.93 and applicable federal
- 48 and state laws and regulations;
- 49 13. Establishing and administering procurement and contracting methods, and
- 50 bid and proposal processes, to obtain such procurements;
- 51 14. In consultation with the prosecuting attorney's office and office of risk
- 52 management services, developing and overseeing the use of standard procurement and
- 53 contract documents for such procurements;
- 54 15. Administering contracts for goods and services that are provided to more
- 55 than one department;
- 56 16. Providing comment and assistance to departments on the development of
- 57 specifications and scopes of work, in negotiations for such procurements, and in the
- 58 administration of contracts;
- 59 17. Assisting departments to perform cost or price analyses for the procurement
- 60 of tangible personal property, services, and professional or technical services, and price
- 61 analysis for public work procurements;
- 62 18. Developing, maintaining, and revising as may be necessary from time to
- 63 time the county's general terms and conditions for contracts for the procurement of
- 64 tangible personal property, services, professional or technical services, and public work;

65 19. Managing and developing financial policies for borrowing of funds,
66 financial systems, and other financial operations for the county and other applicable
67 agencies;

68 20. Managing the contracting opportunities program to increase opportunities
69 for small contractors and suppliers to participate on county-funded contracts. Also, the
70 finance and business operations division shall submit an annual report as required by
71 K.C.C. 2.97.090;

72 21. Managing the apprenticeship program to optimize the number of apprentices
73 working on county construction projects. Also, the finance and business operations
74 division shall submit an annual report as required by K.C.C. 12.16.175; and

75 22. Serving as the disadvantaged business enterprise liaison officer for federal
76 Department of Transportation and other federal grant program purposes. The
77 disadvantaged business enterprise liaison officer shall have direct, independent access to
78 the executive on disadvantaged business enterprise program matters consistent with 49
79 C.F.R. Sec. 26.25. For other matters, the disadvantaged business enterprise liaison
80 officer shall report to the manager of the finance and business operations division.

81 D. The duties of the facilities management division shall include the following:

82 1. Overseeing space planning for county agencies;

83 2. Administering and maintaining in good general condition the county's
84 buildings except for those managed and maintained by the department of natural
85 resources and parks and the Metro transit department as provided in K.C.C. chapter 4.56;

86 3. Operating security programs for county facilities except as otherwise
87 determined by the council;

- 88 4. Administering all county facility parking programs except for public
89 transportation facility parking;
- 90 5. Administering the supported employment program;
- 91 6. Managing all real property owned or leased by the county, except as provided
92 in K.C.C. chapter 4.56, ensuring, where applicable, that properties generate revenues
93 closely approximating fair market value;
- 94 7. Maintaining a current inventory of all county-owned or leased real property;
- 95 8. Functioning as the sole agent for the disposal of real properties deemed
96 surplus to the needs of the county;
- 97 9. In accordance with K.C.C. chapter 4A.100, providing support services to
98 county agencies in the acquisition of real properties, except as otherwise specified by
99 ordinance;
- 100 10. Issuing oversized vehicle permits and issuing franchises, permits, and
101 easements for the use of county property except franchises for cable television and
102 telecommunications;
- 103 11. Overseeing the development of capital projects for all county agencies
104 except for specialized roads, solid waste, public transportation, airport, water pollution
105 abatement, surface water management projects, and parks and recreation;
- 106 12. Being responsible for all general projects, such as office buildings or
107 warehouses, for any county department including, but not limited to, the following:
- 108 a. administering professional services and construction contracts;
- 109 b. acting as the county's representative during site master plan, design, and
110 construction activities;

- 111 c. managing county funds and project budgets related to capital projects;
112 d. assisting county agencies in the acquisition of appropriate facility sites;
113 e. formulating guidelines for the development of operational and capital
114 project plans;
115 f. assisting user agencies in the development of capital projects and project
116 plans, as defined and provided for in K.C.C. chapter 4A.100;
117 g. formulating guidelines for the use of life cycle cost analysis and applying
118 these guidelines in all appropriate phases of the capital process;
119 h. ensuring the conformity of capital project plans with the adopted space plan;
120 i. developing project cost estimates that are included in capital project plans,
121 site master plans, capital projects, and project budget requests;
122 j. providing advisory services, feasibility studies, or both services and studies
123 to projects as required and for which there is budgetary authority;
124 k. coordinating with user agencies to assure user program requirements are
125 addressed through the capital development process as set forth in this chapter and in
126 K.C.C. chapter 4A.100;
127 l. providing engineering support on capital projects to user agencies as
128 requested and for which there is budgetary authority; and
129 m. providing assistance in developing the executive budget for capital projects;
130 and
131 13. Providing for the operation of a downtown winter shelter for homeless
132 persons between October 15 and April 30 each year.
133 E. The duties of the fleet services division shall include the following:

1. Acquiring, maintaining, and managing the motor pool equipment rental and revolving fund for fleet vehicles and equipment, the equipment rental and revolving fund and the wastewater equipment rental and revolving fund. Metro transit department vehicles determined by the Metro transit department director to be intricately involved in or related to providing public transportation services shall not be part of the motor pool;

2. Establishing rates for the rental of equipment and vehicles;

3. Establishing terms and charges for the sale of any material or supplies that have been purchased, maintained, or manufactured with money from the motor pool and equipment revolving fund, the equipment rental and revolving fund, and the wastewater equipment rental and revolving fund;

4. Managing fleet and equipment training programs, stores function, and vehicle repair facilities;

5. Administering the county alternative fuel program and take-home assignment of county vehicles policy; and

6. Inventorying, monitoring losses, and disposing of county personal property in accordance with K.C.C. chapter 4.56.

F. The duties of the airport division shall include managing the maintenance and operations of the King County international airport, and shall include the following:

1. Developing and implementing airport programs under state and federal law including preparing policy recommendations and service models;

2. Managing and maintaining the airport system infrastructure;

3. Managing, or securing services from other divisions, departments, or entities to perform the design, engineering, and construction management functions related to the

157 airport capital program, including new facilities development and maintenance of
158 existing infrastructure; providing support services such as project management,
159 environmental review, permit, and right-of-way acquisitions, schedule and project control
160 functions; and

161 4. Preparing and administering airport service and supporting capital facility
162 plans and periodic updates.

163 G. The duties of the office of risk management services shall include the
164 management of the county's insurance and risk management programs consistent with
165 K.C.C. chapter 2.21.

166 H. The duties of the administrative office of emergency management shall
167 include the following:

168 1. Preparing and planning for emergencies and disasters;
169 2. Providing effective direction, control, and coordination of operations before,
170 during, and after emergencies and disasters; and

171 3. Being responsible for the emergency management functions defined in
172 K.C.C. chapter 2.56 and K.C.C. 2A.310.

173 I. The duties of the administrative office of the business resource center shall
174 include the following:

175 1. The implementation and maintenance of those systems necessary to generate
176 a regular and predictable payroll through the department of human resources;

177 2. The implementation and maintenance of those systems necessary to provide
178 regular and predictable financial accounting and procedures through the finance and
179 business operations division;

180 3. The implementation and maintenance of those systems necessary to generate
181 regular and predictable county budgets, budget reports, and budget management tools for
182 the county; and

183 4. The implementation and maintenance of the human resources systems of
184 record for all human resources data for county employment purposes.

185 J. The duties of the Harborview construction and infrastructure division shall
186 include the following:

187 1. Managing the planning, contracting, and construction of all county capital
188 projects at Harborview Medical center, including new construction and major maintenance
189 projects;

190 2. Managing the planning, contracting and construction of all other capital
191 projects at Harborview Medical center in excess of budget thresholds which may be
192 established by a hospital services agreement; and

193 3. Serving as the lead agency in directing and coordinating capital budget

- 194 requests from Harborview Medical Center, including that assuring budget requests are
195 compatible with the county's budgeting process.

KING COUNTY COUNCIL
KING COUNTY, WASHINGTON

Girmay Zahilay, Chair

ATTEST:

Melani Pedroza, Clerk of the Council

APPROVED this ____ day of _____, ____.

Shannon Braddock, County Executive

Attachments: None

--

Sponsor: Dembowski

Proposed No.: 2025-0289

2 On page 9, on line 188, after "projects at" strike "Harborview Medical center" and insert

4 On page 9, on line 189, after "projects" insert "in accordance with K.C.C. chapter 2.42"

5 On page 9, on line 191, after "Harborview Medical" strike "center in excess of budget

6 thresholds which may be established by a hospital services agreement" and insert "Center

7 not otherwise planned, contracted, and constructed by the University of Washington in

8 accordance with K.C.C. chapter 2.42 or the hospital services agreement"

9 On page 10, on line 19, after "Center, including" strike "that assuring" and insert

10 "ensuring that"

11

12 EFFECT prepared by *S. Porter: Making technical and legal clarifications at the*

13 *direction of Council's legal counsel.*

October 17, 2025
Key Subordinate Unit

[S. Porter] Sponsor: Dembowski
 Proposed No.: 2025-0289

1 **AMENDMENT TO PROPOSED ORDINANCE 2025-0289, VERSION 1**

2 On page 1, after line 4 insert:

3 "STATEMENT OF FACTS:

4 1. The Harborview construction and infrastructure division ("the
5 HCID") of King County's department of executive services shall be
6 responsible for managing all county capital projects at Harborview
7 Medical Center, including those paid for through the 2020 Proposition 1
8 Levy and the annual property tax authorized under RCW 36.62.090.

9 The 2026-2027 proposed operating and capital budgets for county-
10 managed projects at Harborview is \$425 million.

11 2. The nature of the programs for which the HCID shall be responsible
12 is financially significant and the public health policy implications for the
13 projects will have a long-term effect on the residents of King County.

14 For example, the \$1.74 billion 2020 Proposition 1 Levy will support
15 public health, safety and seismic improvements to Harborview Medical
16 Center facilities, including construction of a new hospital bed tower and
17 renovation and upgrading of existing facilities. The bed tower is
18 projected to open in 2032. The policy implications from this will

19 directly impact the county's ability to continue providing medical and
20 trauma services to residents, including Harborview's mission population,
21 with the HCID as the lead agency on determining the county's needs for
22 capital projects at Harborview.

23 3. Having the director of this vital division confirmed by the council
24 will enhance the accountability and performance of King County's
25 capital facilities programming at Harborview.

26 4. Irrespective of the title used by the executive branch regarding the
27 position that is responsible for managing the HCID, under K.C.C.
28 2.16.020.D., divisions are headed by managers."

29

30 On page 1, after line 5, insert:

31 "SECTION 1. Findings. The county council has determined due to the nature of
32 the programs involved and the public policy implications, appointment of director of the
33 Harborview construction and infrastructure division shall be subject to confirmation by
34 the council in accordance with K.C.C. 2.16.100.

35 Renumber the remaining sections consecutively and correct any internal references
36 accordingly.

37

38 On page 10, after line 195, insert:

39 SECTION 3. Ordinance 11955, Section 12, as amended, and K.C.C. 2.16.100 are
40 hereby amended to read as follows:

41 A. Exemptions from the requirements of the career service personnel system
42 shall be consistent with the provisions of Sections 550, 350.10 and 350.20 of the King
43 County Charter. Key subordinate units, as determined by the county council, and
44 departmental divisions shall be considered to be executive departments. Divisions of
45 administrative offices shall be considered to be administrative offices for the purpose of
46 determining the applicability of the charter provisions.

47 B. The county administrative officer, directors, chief officers and supervisors of
48 departments, administrative offices, divisions, key subordinate units and other units of
49 county government as required by law shall be exempt from the requirements and
50 provisions of the career service personnel system.

51 C.1. The following are determined by the council to be key subordinate units due
52 to the nature of the programs involved and their public policy implications and
53 appointments to these positions shall be subject to confirmation by the council:

54 a. the chief information officer of the administrative office of information
55 resource management;

56 b. the deputy director of the department of elections;

57 c. the manager of the records and licensing services division; ~~((and))~~

58 d. the ~~((director))~~ manager of the road services division; and

59 e. the manager of the Harborview construction and infrastructure division.

60 2. When an ordinance is enacted designating a position as a key subordinate
61 unit, no person then serving in the position shall continue to serve for more than ninety
62 days after such an enactment, unless reappointed by the executive and confirmed by the
63 council.

64 D. If an administrative assistant or a confidential secretary, or both, for each
65 director, chief officer of an administrative office and supervisor of a key subordinate unit
66 are authorized, those positions are exempt from the requirements and provisions of the
67 career service personnel system.

68 **EFFECT prepared by S. Porter: *Would designate the director of the Harborview***
69 ***Construction and Infrastructure Division as a Key Subordinate Unit subject to Council***
70 ***confirmation.***



King County

Shannon Braddock

King County Executive

401 Fifth Avenue, Suite 800
Seattle, WA 98104

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TTY Relay: 711

www.kingcounty.gov

September 23, 2025

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

Dear Councilmember Zahilay:

I am pleased to transmit my proposed budget for 2026-2027 and accompanying proposed legislation for consideration by the King County Council. This proposed budget continues funding for important services and advances priorities that reflect the values of King County residents.

My proposed budget makes strides in key areas, including:

- **Implementing the new criminal justice and public safety sales tax:** The new 0.1 percent sales tax authorized by HB 2015 is projected to generate \$203.5 million for King County's General Fund in the 2026-2027 biennium. Revenue from the new sales tax will maintain core services and add funding for key priorities in the criminal justice system.
- **Providing safe, clean, and reliable transit service:** Investments in Metro Transit will add more than 400,000 hours of new and restored bus service; launch two new RapidRide lines; extend the Safety, Security, and Fare Enforcement (SaFE) Reform initiative; continue transit security and Metro Transit Police (MTP) staffing; and continue more frequent cleaning of buses and bus stops.
- **Protecting critical programs from federal funding cuts:** Funding dedicated to maintaining essential services, including the transfer of 11 positions in the King County Office of Emergency Management to the General Fund to ensure continued emergency preparedness and support of nonprofits focused on homelessness prevention, shelters, and transitional and supportive housing for youth and young adults.

- **Establishing reserves to protect against potential federal cuts:** A \$31 million reserve will safeguard against potential funding reductions for Harborview Medical Center, and an \$8 million reserve in the Mental Illness and Drug Dependency Fund will serve as a contingency against potential reductions to behavioral health services.
- **Preserving services for people experiencing homelessness:** \$11.3 million will maintain 370 shelter beds that were previously funded with one-time federal COVID funds, and \$3.2 million will fund the new 81-bed Federal Way Red Lion Emergency Shelter.

Budget Outlook

While all budgets reflect the circumstances in which they are developed, King County's 2026-2027 proposed budget is influenced by a unique combination of factors. The County's budget is spread across about 140 funds, each with its own revenue sources for specified uses. Some funds are in strong financial condition, while others face severe challenges.

A year ago, the County's General Fund was projected to have a \$150 million deficit for 2026-2027 because of the longstanding State-imposed one percent annual growth limit on property tax revenue. Inflation and growth of adult and juvenile criminal caseloads increased this gap to about \$175 million by June. While the Legislature did not change the property tax revenue growth limit, it did make available a new 0.1 percent sales tax to counties through HB 2015. I proposed this tax earlier this year, and the Council approved it. The tax will go into effect on January 1, 2026, and is projected to generate about \$203 million for the 2026-2027 biennium. In addition, the Legislature broadened the sales tax base to apply to things not previously taxed, which helps the General Fund, Metro Transit, and several other funds.

As a result of this new revenue, the 2026-2027 Proposed Budget avoids the drastic cuts for the General Fund that would otherwise have been needed. I have also proposed funding increases to support and expand critical services such as adding juvenile probation counselors in Superior Court to support youth and a Special Assault Unit deputy in the Sheriff's Office to help reduce unincorporated areas case backlog; expanding funding for victim support services; and funds to preserve homeless shelters and gun violence prevention work.

The current federal Administration has proposed many budget reductions that would adversely affect County programs and our residents. Our attorneys, working with other state and local governments and nonprofit organizations, have successfully prevented many of these illegal cuts. However, Congress and the President have signaled that the federal budgets for 2026 and 2027 will include large cuts to Medicaid, public health, affordable housing, emergency management, and other areas. My Proposed Budget shifts County resources to preserve emergency management functions and establishes modest reserves to backfill other potential federal cuts temporarily. It is important to note that the County does not have the financial capacity to cover even a small fraction of the likely forthcoming federal funding cuts, which will result in impacts to community partners, service providers, and residents.

The President's tariffs, tax policies, and immigration policies are damaging the economy. The Proposed Budget is based on a July revenue forecast that assumes slow, continued

growth throughout the biennium. The President's policies could induce both a recession and higher inflation, which would hurt all of the County's funds that depend on sales taxes and other economically sensitive revenues. In addition, the County's capital projects could see significant cost increases as a result of spiking tariffs.

Many of the County's other funds are in good financial condition. This year, King County voters renewed the Automated Fingerprint Identification System (AFIS) levy (58.3 percent "yes" vote) and the Parks levy (72.9 percent "yes" vote). The Emergency Medical Services (EMS) levy is on the November ballot. The Proposed Budget cannot assume that this measure passes, so if it does, the Council will need to adjust the EMS budget accordingly before final adoption of the budget ordinance.

The two major funds of the Department of Local Services (DLS) are in dire condition. The Roads Fund relies largely on property taxes from the unincorporated area, which are subject to the same one percent revenue growth limit under State law. The Road Services Division has steadily reduced its capital program in recent years. The proposed budget includes minimal capital funding in 2026 and 2027 and will include no capital funding in 2028 and beyond unless new revenue becomes available. That would mean that roads and bridges in unincorporated King County would plan to gradually be closed because there is no funding available for major repairs or replacements.

The DLS Permitting Fund has a large deficit because building permits are currently at the lowest level ever, mainly due to the slowing economy and high interest rates. The proposed budget takes actions that will lead to return to a positive fund balance in six years.

While the 2026-2027 budgets for Public Health and Metro Transit remain steady, each faces challenges in later years because revenue growth does not keep up with cost growth. These departments are also highly vulnerable to potential federal cuts. The Metro budget acknowledges that achieving the goal of a fully zero-emissions fleet by 2035 is not possible, even if funding were available. Local utilities cannot provide the required electricity on this schedule, nor can bus manufacturers produce enough reliable vehicles. Assuming funding is available, reaching full zero emissions by the early 2040s is more attainable.

Finally, the proposed budget pulls together various funding sources to maintain our current homelessness response system. However, the combination of expiring federal funds, decreased state support, and lower document recording fee revenue means that some shelters may have to close after May 2027. Federal cuts could also reduce the number of permanent supportive housing and rent-supported units as soon as 2026.

The Budget Transmittal Package

In addition to the 2026-2027 Proposed Budget Ordinance for operating and capital budgets, this transmittal package includes the following separate proposed legislative components and reports.

Proposed Ordinances

Property Tax Ordinances – Included in this transmittal package are the proposed property tax ordinances necessary to collect the 2026-2027 property tax revenue supporting the proposed budget. The Office of Performance, Strategy, and Budget staff will work with Council staff to ensure final numbers are included in these ordinances once that information is received from the Assessor, consistent with the previous year's practice.

Non-Represented Employee 2026-2027 General Wage Increase (GWI) Ordinance – This proposed Ordinance would authorize a 3.75 percent general wage increase from the 2025 schedules, effective January 1, 2026, and a 3.75 percent increase from the 2026 schedules, effective January 1, 2027, for regular, short-term temporary, and term-limited temporary employees in non-represented county positions. The proposed Ordinance is submitted pursuant to the provisions of King County Code 3.12.130 and 3.12.140. The proposed Ordinance also outlines the insured benefits agreement for non-represented employees beginning January 1, 2026, and approves the enclosed 2026 3.75 GWI King County Hourly Squared Schedules:

- 2026 3.75 GWI King County Hourly Squared Schedule;
- 2026 3.75 GWI King County Annual FLSA Exempt Squared Schedule;
- 2026 3.75 GWI King County Standardized Hourly Salary Schedule;
- 2026 3.75 GWI King County Standardized Annual FLSA Exempt Salary Schedule;
- 2027 3.75 GWI King County Hourly Squared Schedule;
- 2027 3.75 GWI King County Annual FLSA Exempt Squared Schedule;
- 2027 3.75 GWI King County Standardized Hourly Salary Schedule; and
- 2027 3.75 GWI King County Standardized Annual FLSA Exempt Salary Schedule.

Department of Local Services Community Needs List Ordinance – This proposed Ordinance would adopt the community needs lists for the six rural community service areas and the five urban unincorporated potential annexation area geographies, as required by King County Code 2.16.055.C. The proposed community needs lists include the potential services, programs, facilities, capital improvements, and standard operations that need additional resources to respond to community-identified needs, including those that build on the communities' strengths and assets. They were developed in consultation with members of the 11 communities.

King County Civic Campus Stewardship Committee Ordinance – This proposed Ordinance would establish a King County civic campus stewardship committee, its priorities, functions, and composition.

Mental Illness and Drug Dependency (MIDD) Service Improvement Plan Extension Ordinance – This proposed legislation would amend Ordinance 15949, as amended, extending the due dates of the MIDD III Implementation Plan until an Ordinance is enacted adopting a new MIDD Implementation Plan.

Limited Tax General Obligation (LTGO) Bonds Ordinance – This proposed Ordinance would authorize the issuance of not-to exceed \$776 million of limited tax general obligation (LTGO) bonds to provide funding for various proposed capital projects. Included among the projects are nearly \$285 million for Solid Waste Division capital projects, \$87 million for housing projects, \$166 million for various land acquisitions, \$92 million for various technology projects, and \$176 million for facility improvement and other projects. The proposed Ordinance would also authorize the issuance of LTGO refunding bonds during the biennium to reduce debt service costs on outstanding bonds whenever the savings exceed certain targets identified in the County’s Debt Management Policy as adopted by Motion 15984. The proposed legislation would continue to delegate authority for the sale of the bonds to the County’s finance director.

Unlimited Tax General Obligation Bond Authorization Summary – This proposed Ordinance would authorize the issuance and sale of one or more series of unlimited tax general obligation bonds not to exceed \$1,496,429,985 to finance public health, safety, and seismic improvements to Harborview Medical Center, and to pay the costs of issuing the bonds. Ordinance 19325 authorized \$1.74 Billion in UTGO Bonds and will expire in 2026. This new authorization Ordinance allows the County to issue bonds for up to \$1.5 billion, the remaining authority authorized by voters in the 2020 Proposition 1 levy.

Hospital Services Agreement (HSA) Amendment – This proposed Ordinance would authorize execution of a second amendment to the HSA for Harborview Medical Center. The Second Amendment to the HSA recognizes an urgent, increased need to support the County’s Mission Population programs and services and provides for an increased mission support payment to King County. The Second Amendment to the HSA also provides the opportunity to allow University of Washington to be responsible for management, design, planning, development and contract oversight of Board-approved Medical Center capital projects. The Harborview Board of Trustees is anticipated to approve this amendment at its meeting on September 25, 2025. The Board of Regents has approved it.

Fee Ordinances

Department of Local Services Permitting Division Fee Increase Ordinance – This proposed Ordinance would authorize a new permit application processing fee and an 11.8 percent increase of the existing Permitting Division fee. It also adds a 3.5 percent temporary surcharge for development permit fees and adds permit application fees for the Historic Preservation Program and River and Flood Management programs of the Department of Natural Resources and Parks for 2026-2027.

Department of Natural Resources and Parks Surface Water Management Fee Increase Ordinance – This proposed Ordinance would authorize a 4.99 percent \$18 fee increase to the Surface Water Management fee, bringing the annual rate from \$361 to \$379 per residential parcel for 2026-2027, with corresponding adjustments in the rates for classes of non-residential property. This increase supports ongoing efforts to improve and maintain

stormwater infrastructure and provide necessary surface water management services to protect public health and safety.

Department of Natural Resources and Parks Noxious Weeds Special Assessment

Increase Ordinance – This proposed Ordinance would authorize a 30.97 percent or \$1.92 increase for the Noxious Weed Control program’s special assessment, bringing the annual rate from \$6.20 to \$8.12 per parcel for 2026 and 2027. The Noxious Weeds special assessment last increased in 2022. The proposed increase would restore the Noxious Weed fund reserve and cover three years of inflationary increases through 2027 to sustain existing levels of service, enabling the program to respond to high-priority noxious weed outbreaks and support the Clean Water Healthy Habitat Strategic Plan.

King County International Airport Landing, Fuel, and Aircraft Parking Fee Increase

Ordinance – This proposed Ordinance would increase the landing, fuel, and aircraft parking fees at the King County International Airport (KCIA). These fees have not increased since 2014. The proposed Ordinance would also create new administrative fees related to security badges and service operator permits. Increasing existing fees and establishing new administrative fees will support the financial sustainability of the Airport.

King County Sheriff’s Office (KCSO) Civil Fee Ordinance – This proposed Ordinance increases the KCSO’s existing civil process fees by 19.8 percent to account for inflationary increases for providing services. State law allows counties to raise fees to recoup costs under RCW 36.18.040(1). The last increase was on January 1, 2021. Covered services include personal and real property court orders, protection orders, court-ordered evictions, family law actions, and notice of small claims.

KCSO Civil Appearance Fee Ordinance – This proposed Ordinance would establish a new fee reimbursing the KCSO for the cost of staff subpoenaed to testify in civil litigation. This would ensure KCSO staff expenses are appropriately reimbursed and public funds are not used to subsidize private litigation.

King County Code Changes

King County Code Section 2 Department of Executive Services Harborview

Construction and Infrastructure Division Change – This proposed legislation would establish a new division in the Department of Executive Services, the Harborview Construction and Infrastructure Division, to manage the planning, contracting, and construction of all County capital projects at HMC, among other duties. The division will include 15 existing FTE positions transferred from the Facilities Management Division and three FTE positions added in the 2025 first Omnibus (Ordinance 19956). The Executive’s Proposed Budget adds eight new positions to support the design and construction of a new multi-story inpatient tower and associated improvements on the Harborview campus. The new division will be funded by the Harborview Bond Program and the County Hospital Levy.

King County Code Section 2 Department of Information Technology Chief Information Security Officer Change – This proposed Ordinance would amend King County Code to establish the position of chief information security officer within the Department of Information Technology (KCIT). The chief information security officer will serve as the sole authority on cybersecurity and privacy matters across all branches of government, strengthening the County’s cybersecurity infrastructure and ensuring the protection and continuity of vital public services. This is an existing FTE within KCIT.

King County Code Section 2 Department of Public Defense Standards Change – This proposed Ordinance would amend King County Code to clarify King County’s intent to follow the Washington State Supreme Court’s Standards for Indigent Defense.

King County Code Section 2 Department of Judicial Administration, Customer Services Division Name Change – This proposed Ordinance would amend King County Code to rename the Department of Judicial Administration’s Norm Maleng Regional Justice Center Customer Services Division to the Customer Services Division to more accurately reflect its function across locations.

King County Code Section 4A Capital Definition Changes – This proposed Ordinance would amend King County Code with updated definitions pertaining to the design and schedule of capital projects and programs in King County. These changes align County Code with industry best practices and provide consistency with other County documents.

King County Code Section 4A Right-of-Way Construction Permit Inspection Fee Change – This proposed Ordinance would increase the permitting inspection fee from \$176 per hour of utility inspection to \$187 per hour of utility inspection, an increase of 6.3 percent.

King County Code Section 4A Tax Exemption for Sales of Lodging Change – This proposed legislation would amend the King County Code’s tax rate exemption language for sales of lodging. This technical adjustment is made at the request of the Department of Revenue.

Fund Change Ordinances

Behavioral Health Administrative Services Organization (BHASO) Fund Ordinance – This proposed Ordinance would create a new fund for Behavioral Health Administrative Services Organization (BHASO) finances. The new fund is established in response to State Health Care Authority (HCA) requirements for detailed accounting and reporting of BHASO Funds. The separate BHASO fund will enable DCHS to improve revenue and expense tracking and eliminate the need for redundant systems to meet state HCA requirements to track the BHASO cash balance and to substantiate routine fiscal reporting.

Harborview Construction and Infrastructure Administration Fund – This proposed Ordinance would create the new Harborview Construction and Infrastructure Administration fund as a special revenue fund to receive reimbursement for costs related to Harborview construction and infrastructure capital projects. Creation of a new fund specific to Harborview construction and infrastructure activities managed by the County will support increased transparency and tracking of specific operational costs associated with these activities.

King County Code Section 4A Parks Fund Changes - This proposed Ordinance would amend King County Code to remove references to the expiring Parks Levy and replace them with references to the newly approved Parks Levy. These changes will allow Parks to receive new levy revenue and spend it according to the newly adopted six-year allocation plan.

Additional Materials

Child Savings Account Motion – This proposed motion requests a report from the Executive on the feasibility of establishing child savings accounts in King County. The report will include a review of similar programs established in other jurisdictions, a draft implementation plan, and a recommendation from the Executive on whether and how such a program could be implemented in King County.

Current List of Projects in Project Review Board (PRB) Oversight Report –King County Code 2A.380.200 requires the Chief Information Officer to provide a list of all information technology capital projects with active appropriation authority, including projects not seeking funding in the proposed budget and the unexpended appropriation for each project, to be included with the Executive Proposed Biennial Budget.

2025 Acceptance of Electronic Payments Report (2025 eCommerce Report) – Included with this transmittal is the 2025 Acceptance of Electronic Payments Report as called for by Executive Policy FIN-8-5-2-EP, Accepting Electronic Payments, Section IV.F.1, effective July 1, 2021. The enclosed report lists those agencies countywide that accept electronic payments (credit cards, debit cards, and electronic checks) and the specific subset of agencies that absorb transaction processing costs, instead of passing them on to their customers, as approved by KCC 4A.601.025. For absorbed costs, the report further lists the actual or budgeted amounts for the previous fiscal year, the present budget year, and the upcoming budget year.

4Culture Budget Submittal – The 2026-2027 4Culture Budget is included in accordance with Ordinance 18684.

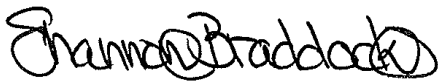
Administrative Fund/Subfund Closure Report – The 2025 Administrative Fund/Subfund Closure Report is transmitted to the Council for approval in accordance with the requirements of King County Code (KCC) 4A.200.020. As required, the enclosed report

describes the administrative funds and subfunds closed, the amount of the residual balances in those funds at the time of closure (if any), and the disposition of those residual balances.

I certify that funds are available.

If you have any questions, please contact Dwight Dively, Director, Office of Performance, Strategy and Budget at 206-263-9727.

Sincerely,

A handwritten signature in black ink, appearing to read "Shannon Braddock". The signature is stylized with a large, looped "S" and a cursive "Braddock".

Shannon Braddock
King County Executive

Enclosures

cc: King County Councilmembers

ATTN: Stephanie Cirkovich, Chief of Staff, King County Council
Melani Hay, Clerk of the Council

Karan Gill, Deputy Executive, Chief of Staff, Office of the Executive
Stephanie Pure, Council Relations Director, Office of the Executive
Dwight Dively, Director, Office of Performance, Strategy and Budget
Elected Officials
Department Directors

2026-2027 FISCAL NOTE

Ordinance/Motion: Ordinance	
Title: AN ORDINANCE relating to establishing the Harborview construction and infrastructure division in DES	
Affected Agency and/or Agencies:	Department of Executive Services
Note Prepared By:	PSB - Kate Davis
Date Prepared:	9.15.25
Note Reviewed By:	PSB - Kate Davis
Date Reviewed:	9.15.25

Description of request:

This proposed Ordinance adds a new division to the Department of Executive Services - the Harborview Construction and Infrastructure Division. This request has no fiscal impact.

Revenue to:

Agency	Fund Code	Revenue Source	2026-2027	2028-2029	2030-2031
Harborview Construction and Infrastructure Division	1750		0	0	0
TOTAL			0	0	0

Expenditures from:

Agency	Fund Code	Department	2026-2027	2028-2029	2030-2031
Harborview Construction and Infrastructure Division	1750		0	0	0
TOTAL			0	0	0

Expenditures by Categories

	2026-2027	2028-2029	2030-2031
TOTAL	0	0	0

Does this legislation require a budget supplemental? Yes/No

Notes and Assumptions:



King County

Metropolitan King County Council Budget and Fiscal Management Committee

STAFF REPORT

Agenda Item:	10	Name:	April Sanders
Proposed No.:	2025-0331	Date:	October 28, 2025

SUBJECT

An ordinance making net supplemental appropriations to General Fund agencies, non-General Fund agencies, and capital fund budgets as part of the 2025 2nd Omnibus.

SUMMARY

The proposed ordinance (referred to as the 2025 2nd Omnibus, 2nd Omnibus, or Proposed Ordinance 2025-0331) would make a net supplemental appropriation of \$39.3 million of which \$12.9 million would be supported by the General Fund. Table 1 below shows the 2025 Adopted Budget, the 2025 1st Omnibus, and the additions proposed in this ordinance. If approved, the additions in the proposed ordinance would increase the total 2025 Annual Budget to approximately \$10.78 billion, a 0.37% increase to the 2025 Annual Budget, as revised in the 1st Omnibus.

Table 1. Adopted vs. Proposed

Major Fund	2025 Adopted Budget¹	2025 1st Omnibus as Adopted²	2025 2nd Omnibus as Proposed
General Fund	\$1,285 mil	\$107.3 mil	\$14.7 mil
Non-General Fund	\$7,000 mil	\$155.2 mil	\$22.9 mil
Capital Improvement Program	\$1,944 mil	\$253.4 mil	\$1.7 mil
	\$10,229 mil	\$515.9 mil	\$39.3 mil

The Executive's proposal includes additional appropriations to prevent certain criminal justice agencies from exceeding their appropriation authority, expenditure adjustments reflecting higher than anticipated costs, and technical changes.

¹ Ordinance 19861 – [King County - File #: 2024-0299](#)

² Ordinance 19956 – [King County - File #: 2025-0159](#)

ANALYSIS

General Fund. The 2025 2nd Omnibus would appropriate, \$14.7 million in additions to General Fund agencies, a net increase in revenue of \$1.8 million, and no General Fund reductions. The proposed General Fund increases, offset by revenue, results in a net increase to the General Fund of \$12.9 million.

Ending Undesignated Fund Balance. Utilizing the 2026-2027 General Fund Financial Plan, it shows an estimated *Ending Undesignated Fund Balance* for the 2025 budget of \$67.1 million, which is within the 6% to 8% reserve policy target suggested by the County's Comprehensive Financial Management Policies (CFMP).

Rainy Day Reserve. As per the CFMP, the *Rainy Day Reserve* is designed to offset unknown and known risks, variable costs, and unanticipated revenue fluctuations and should be equal to 30-60 days of expenditures. The *Rainy Day Reserve Fund* can only be used in the event of an emergency declared by the Council. The 2025 adopted annual budget shows the *Rainy Day Reserve* at \$27 million, which remains consistent in the updated General Fund Financial Plan.

Proposed Appropriations Details. The following sections provide analysis on the supplemental appropriations as proposed in the transmitted ordinance. The analysis begins with the General Fund appropriation units, followed by appropriation units aligned to non-General Funds, and lastly the Capital Improvement Program funds. Each item within an appropriation unit includes a description of the proposed change. If relevant, subheadings will show how much of the proposed appropriation is revenue-backed and whether the appropriation is one-time or ongoing.

The description of changes within each appropriation unit will be grouped by the following decision types:

1. New Policy: Appropriation request that would require new policy direction from Council;
2. Technical: Appropriation requests that make technical accounting changes necessary to carry out policy direction approved during the 2025 adopted annual budget or correct any other technical errors.

Summary

The total supplemental appropriation to the General Fund would be \$14.7 million in additions to General Fund agencies, a net increase in revenue of \$1.8 million, and no General Fund reductions. The proposed General Fund appropriations, offset by revenue increases, results in a net increase to the General Fund of \$12.9 million.

General Fund Update

Based on the updated General Fund Financial Plan included in the proposed 2026-2027 Biennial Budget Book, the agency estimates an *Ending Fund Balance* for 2025 of \$112.3 million. The plan also estimates *Risk Reserves*⁴ at \$30.3 million.

As mentioned above, the plan provides an *Ending Undesignated Fund Balance*⁵ of \$67.1 million for the 2025 budget, which is over the 6% minimum reserve policy by \$16.8 million. The County's Comprehensive Financial Management Policies suggest a 6% to 8% target. The *Rainy Day Reserve Fund*, at \$27 million, can only be used in the event of an emergency declared by the Council.

Elections**\$1,250,000****TECHNICAL**

February Election Costs [\$1,250,000, partially revenue-backed, one-time]. The proposed ordinance would appropriate \$1.25 million in one-time, partially revenue-backed funding to reflect higher than anticipated costs for the February election. Of this additional appropriation, 63% reflects printing costs and the remaining 37% can be attributed to additional temporary labor costs to hire more short-term temporary election workers than is typically needed. This increase is due to the fact that there were two large spring elections, which is atypical, and which has not occurred since 2007. Executive staff state that spring elections are difficult to forecast as budgets must be prepared in advance of knowing which districts will be on the ballot for the following year's spring elections.

Executive staff indicate that this trend is expected to continue into the November 2025 General election due to higher than typical voter turnout. 75 to 80% of this additional cost would be reimbursed by elections cost billings to other jurisdictions.

³ The County's General Fund supports the traditional functions of a county government, much of which are required by State law. A significant portion of General Fund expenditures are supported by revenue from other governments or from other County funds. Approximately three-quarters of current total net General Fund appropriations are accounted for by public safety and criminal justice services.

⁴ The Risk Reserve, as noted in the General Fund financial plan, sets aside fund balance to mitigate known and unknown risks.

⁵ For comparative context, Ending Fund Balance reflects Beginning Fund Balance and revenues less expenditures and other fund transactions, and is not the same as Ending Undesignated Fund Balance, which additionally accounts for reserves.

NEW POLICY

Professional and Vendor-Provided Services [\$4,500,000, one-time]. The proposed ordinance would appropriate \$4.5 million in General Fund revenue for professional and vendor-provided services within jail facilities. DAJD holds various contracts for professional and vendor-provided services. Executive staff report that the 2025 year-end projected expenditures exceed their existing budget by about \$4.5 million. Some of the contracts and types of services provided by this increase include:

- Harris Corrections Solutions: jail management system annual maintenance and licenses;
- University of Washington and other providers: medical and behavioral health services for juvenile detention;
- King County Library: Library services for juvenile detention;
- South Seattle College and Renton Tech: adult GED programming;
- Vestis: Laundry services;
- Securus: Resident phone and video visitation; and
- AMR and Tri-Med: Ambulance transport services.

Executive staff state that these services are necessary to provide care to jail residents, maintain compliance with legal mandates, and support the operational integrity of the jail facilities. Similar to the other non-labor budget adjustments from the 2025 1st Omnibus, these expenditures were not fully budgeted in 2025, as agencies anticipated that salary savings would be sufficient to cover these costs. Given successful hiring efforts in DAJD, this appropriation authority would prevent DAJD from exceeding their budget. This additional expense is technically a one-time 2025 appropriation, though the full need for professional service expenditures are ongoing and “trued up” in the proposed 2026-2027 Biennial Budget.

TECHNICAL

Labor Budget Increase [\$2,000,000, one-time]. The proposed ordinance would appropriate \$2 million in General Fund revenue to cover unanticipated labor expenses. This includes a lump-sum payout resulting from an arbitration agreement, elevated hiring and referral incentive payments due to successful hiring efforts, and compensation time payouts.

The \$2 million includes:

- Arbitration payout: \$520,000;
- Hiring and referral incentives: \$600,000;
- Comp time payout: \$850,000; and

- Contingency: remaining moneys.

Council staff can provide additional information on the arbitration payout if requested. Regarding hiring and referral incentive payments, Executive staff state that DAJD's budget for those incentives has not kept up with anticipated use or bargained increases. In April 2023, hiring incentives for new corrections officers increased from \$7,500 to \$12,000 and incentives for lateral hires increased from \$15,000 to \$25,000 to stay competitive against other agency hiring bonuses.

Public Defense	\$6,950,000
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NEW POLICY

Office of Public Defense Grant [\$550,000, revenue-backed, one-time]. The proposed ordinance would appropriate \$550,000 in one-time, revenue-backed grant funding for an extraordinary expense award from the state Office of Public Defense. Executive staff state that this grant was to recognize the work that DPD family defense lawyers take part in. DPD intends to use this money to support costs for existing work in that area of practice.

Increased Expenditure Authority [\$6,400,000, one-time]. The proposed ordinance would appropriate an additional \$6.4 million in General Fund revenue to increase budgeted appropriation to ensure the Department does not exceed its appropriation authority.

As a reminder, the 2025 1st Omnibus appropriated an additional \$5.7 million to DPD, including approximately \$5.2 million to eliminate the vacancy rate contra, to reflect successful recruitment efforts, and increase the legal services budget, to reflect that these services have been typically underbudgeted and utilized salary savings to balance the agency's budget. Executive staff state that the timing of the request in the 2025 1st Omnibus was difficult, as DPD did not have enough information with only three months of expenditure data. Additionally, the ER trigger released additional positions and, due to timing, funding for these positions was not able to be included in the 2025 1st Omnibus.

NON-GENERAL FUNDS	\$22.9 million
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Summary

The total supplemental appropriation proposed for the non-General Fund appropriation units is \$22.9 million, of which none is revenue-backed. The \$22.9 million would come from fund balance of the various non-General Funds.

Employee Deferred Compensation Administration	\$77,000
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TECHNICAL

Increased Expenditure Authority [\$77,000, one-time]. The proposed ordinance would appropriate \$77,000 in one-time funding to the Employee Deferred Compensation Administration fund to ensure the fund does not exceed appropriation authority. This would be paid for by fund balance. Revenue for this appropriation unit comes from administrative fees charged to employees through their investments in the Deferred Compensation Plan.

The Executive indicates that plan administration experienced higher than anticipated costs in 2025 due to position reclassification, unexpected legal expenses, and procurement delay.

Finance and Business Operations (FBOD)

\$818,000

TECHNICAL

Increase Expenditure Authority [\$818,000, one-time]. The proposed ordinance would add an additional one-time appropriation of \$818,000 to finance and business operations to ensure the agency does not exceed appropriation authority. This would be paid for by FBOD fund balance. The majority of FBOD revenue is FBOD internal service rate billings to other county agencies.

Executive staff indicate that FBOD has experienced various higher than anticipated costs in 2025, including: armored truck cost increases, Post-Bond-Issuance IRS audit preparation, and additional tax on various contracts due to the sales tax base expansion.

Employee Benefits

\$22,000,000

TECHNICAL

Actuarial Adjustment [\$22,000,000, one-time]. The proposed ordinance would appropriate \$22,000,000 in one-time expenditure authority for employee benefits claims costs and contingency based on the August 2025 actuarial forecasts. The Employee Benefits Fund is used to finance the County's employee self-insured health and wellness programs, including medical, dental, vision, prescription drugs, and supplemental insurances. It is funded by a combination of employee premiums and employer contributions.

Executive staff state that \$3 million of the increase is driven by higher actuarial projection for 2025 due to higher than anticipated medical and prescription drug costs and the remaining \$19 million is contingency in case claims come in higher than the latest actuarial projection.

Summary

The total supplemental proposal for the Capital Improvement Program is \$1.7 million, for projects in PSB General Fund Technology and Building Repair and Replacement.

PSB General Fund Technology Fund**\$120,000****TECHNICAL**

AFIS Livescan Replacement [\$120,000, one-time]. The proposed ordinance would appropriate an additional \$120,000 in one-time funding for the King County Sheriff's Office AFIS Livescan Replacement project in order to align the budget appropriation with actual costs.

As background, the AFIS Livescan Replacement project was originally appropriated \$800,000 in the 2023-2024 2nd Omnibus⁶. The project would replace all currently deployed AFIS Livescan terminals purchased in 2015 that are at the end of their useful lifecycle. Livescan terminals are deployed throughout King County in police stations and jails to electronically capture and transmit fingerprint and palmprint images directly to the King County Regional AFIS computer system. Documents transmitted with the 2023-2025 2nd Omnibus indicated that failures due to the age of existing equipment may cause a delay to the timely release of a detained person or may lead to release before discovery that a person was using a false identity. Additionally, replacing the current stock of Livescan terminals at the same time would ensure that all agencies have technology that integrates seamlessly with the other systems of King County AFIS as well as with the State and FBI.

AFIS Levy fund balance is proposed to support this project. The Capital Appropriation Proposal indicates that the fund has more than adequate reserves to cover this project.

Executive staff state that the Project incurred an unanticipated expense for a second server to handle traffic during the transition from one livescan vendor to another. Additionally, equipment costs were higher than expected with the addition of livescans to facilitate the new process of Administrative Bookings as required by the Washington State Supreme Court.

AFIS expects to begin soft deployment of devices in December, with the bulk deployed in January and February. New devices will be brought online with the new architecture as they are deployed.

⁶ Ordinance 19712

NEW POLICY

FMD Telecommute Consolidation [\$1,550,000, one-time]. The proposed ordinance would appropriate an additional \$1,550,000 in one-time funding for the Facilities Management Division's (FMD) Telecommute Consolidation project in order to align budget appropriation with actual costs.

As background, this project was originally appropriated \$9 million in the 2021-2022 Biennial Budget.⁷ The project was intended to support the consolidation of office space to reduce costs and shutdown the King County Administration Building and the Yesler Building. The Proposed 2021-2022 Biennial Budget Book indicated that this project was a result of the shift to telework of many employees during the COVID-19 pandemic, at which point FMD began to reconsider space needs.

Executive staff state that the original \$9 million appropriation covered the entirety of the work at the Yesler Building and most of the work at the Administration Building, but additional consolidation projects were initiated to support hybrid/remote workspaces, including for the King County Sheriff's Office at Black River, Department of Natural Resources and Parks at King Street Center, Department of Public Health consolidation in Chinook, Prosecuting Attorney's Office file storage, King Street Center Customer Counter, among others.

⁷ Ordinance 19210

TIMING

Below is anticipated timing for consideration of the 2025 2nd Omnibus:

2025 2nd Omnibus Schedule

Date	Activity
October 28 (Wed) 9:30am	BFM – Committee briefing
November 4 (Mon) COB	BFM Chair's striking amendment (if requested) direction due to staff & <i>amendments to district councilmanic grant allocations due to April Sanders</i>
November 5 (Wed) COB	Striking amendment (if requested) finalized and distributed
November 10 (Mon) COB	Line amendment direction due to staff
November 12 (Wed) 9:30am	BFM – Committee action on possible striker and line amendments
November 14 (Fri) COB	Line amendment direction due to staff for Full Council
November 18 (Tues) 1:30pm	Full Council – Possible action

INVITED

- Dwight Dively, Director, Office of Performance, Strategy, and Budget (PSB)

ATTACHMENTS

1. Proposed Ordinance 2025-0331 and the following attachment:
 - A. Capital Improvement Program dated 9-24-2025
2. Transmittal Letter
3. 2025 2nd Omnibus Operating Crosswalk



KING COUNTY

Signature Report

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

Ordinance

Proposed No. 2025-0331.1

Sponsors Dembowski

1 AN ORDINANCE making a net supplemental
2 appropriation of \$14,700,000 to various general fund
3 agencies, a net supplemental appropriation of \$22,895,000
4 to various non-general fund agencies and a net
5 supplemental appropriation of \$1,670,000 from various
6 capital fund budgets; and amending the 2025 Annual
7 Budget Ordinance, Ordinance 19861, Sections 34, 54, 55,
8 86, 117, 120, and 130, as amended, and Attachment A, as
9 amended.

10 BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

11 SECTION 1. Ordinance 19861, Section 34, as amended, is hereby amended as
12 follows:

13 ELECTIONS - From the general fund there is hereby appropriated to:
14 Elections \$1,250,000

15 SECTION 2. Ordinance 19861, Section 54, as amended, is hereby amended as
16 follows:

17 ADULT AND JUVENILE DETENTION - From the general fund there is hereby
18 appropriated to:
19 Adult and juvenile detention \$6,500,000

22 PUBLIC DEFENSE - From the general fund there is hereby appropriated to:

24 SECTION 4. Ordinance 19861, Section 86, as amended, is hereby amended as

26 EMPLOYEE DEFERRED COMPENSATION ADMINISTRATION - From the

28	Employee deferred compensation administration	\$77,000
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30 follows:

32 services fund there is hereby appropriated to:

34 SECTION 6. Ordinance 19861, Section 120, as amended, is hereby amended as

36 EMPLOYEE BENEFITS - From the employee benefits program fund there is

38	Employee benefits	\$22,000,000
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40 From the several capital improvement project funds there are hereby appropriated

42 in Attachment A to this ordinance (Proposed Ordinance 2025-0331).

43	Fund	Fund Name	2025
44	3280	GENERAL FUND TECHNOLOGY CAPITAL	\$120,000
45	3951	BUILDING REPAIR AND REPLACEMENT	\$1,550,000
46		TOTAL CAPITAL IMPROVEMENT PROGRAM	\$1,670,000
47		<u>SECTION 8.</u> Attachment A to this ordinance hereby amends Attachment A to	

- 48 Ordinance 19861, as amended, by adding thereto and inserting therein the projects listed
49 in Attachment A to this ordinance.

KING COUNTY COUNCIL
KING COUNTY, WASHINGTON

Girmay Zahilay, Chair

ATTEST:

Melani Pedroza, Clerk of the Council

APPROVED this ____ day of _____, ____.

Shannon Braddock, County Executive

Attachments: A. 2025 Capital Improvement Program 9-25-2025

Attachment A Capital Improvement Program dated 9/24/2025

2025 2nd Omnibus - Executive Proposed

3280 GENERAL TECHNOLOGY CAPITAL										
Project Number	Project Name Class Code	Tech Adj	IT Proj	FY25	FY26	FY27	FY28	FY29	FY30	Total 6-Year Budget
1146392	KCSO AFIS LIVESCAN REPLACEMENT STANDALONE	✓	✓	\$120,000	\$0	\$0	\$0	\$0	\$0	\$120,000
3280 - GENERAL TECHNOLOGY CAPITAL		Total		\$120,000	\$0	\$0	\$0	\$0	\$0	\$120,000
3951 BUILDING REPAIR AND REPLACEMENT SUBFUND										
Project Number	Project Name Class Code	Tech Adj	IT Proj	FY25	FY26	FY27	FY28	FY29	FY30	Total 6-Year Budget
1139528	Telecommute Consolidation PROGRAMMATIC			\$1,550,000	\$0	\$0	\$0	\$0	\$0	\$1,550,000
3951 - BUILDING REPAIR AND REPLACEMENT		Total		\$1,550,000	\$0	\$0	\$0	\$0	\$0	\$1,550,000
Grand Total				\$1,670,000	\$0	\$0	\$0	\$0	\$0	\$1,670,000



King County

Shannon Braddock

King County Executive

401 Fifth Avenue, Suite 800

Seattle, WA 98104

206-296-9600 Fax 206-296-0194

TTY Relay: 711

www.kingcounty.gov

October 7, 2025

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

Dear Councilmember Zahilay:

This letter transmits the proposed 2025 second omnibus supplemental budget Ordinance. The proposed legislation includes changes to the operating and capital improvement program (CIP) budgets. Details are provided in the narrative table included in this package.

The proposed budget supplemental totals approximately \$39.3 million in operating and capital investments. It also includes expenditure adjustments reflecting higher costs and technical changes. The proposed increase of County General Fund expenditures is approximately \$14.7 million, of which \$1.8 million is revenue backed. The balance, approximately \$12.9 million, is funded through fund balance. The total expenditure increase proposed for operating funds other than the County's General Fund is approximately \$22.9 million. The total proposed capital budget appropriation is \$1.7 million.

The proposed Ordinance includes expenditures in the following areas:

- \$22 million to ensure adequate funding for employee benefits claims, based on the August 2025 actuarial forecasts.
- \$6.95 million for the Department of Public Defense to ensure it stays within its appropriation authority and to provide expenditure authority for a one-time State Office of Public Defense grant.
- \$6.5 million for contracted services as well as hiring and referral incentive payments in the Department of Adult and Juvenile Detention.
- \$1.25 million to cover the costs of the February 2025 election, which were higher than expected and are expected to continue to be high into the November 2025 General election. This proposal is revenue backed.

The Honorable Girmay Zahilay

October 7, 2025

Page 2

- \$818,000 for the Finance and Business Operations Division to account for higher costs for armored trucks and the expanded sales tax base, among other costs.

I certify that funds are available.

Thank you for your consideration of this legislation. If your staff have questions, please contact Dwight Dively, Director, Office of Performance, Strategy and Budget, at 206-263-9687.

Sincerely,



for

Shannon Braddock
King County Executive

Enclosures

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

2025 2nd OMNIBUS CROSSWALK FOR OPERATING AND CAPITAL

Appropriation Name		Title	Narrative		Decision Package Type	Appropriation	Revenues
OPERATING BUDGETS						2025	2025
ELECTIONS (EN_A53500)	EN_A53500	S4_001	Appropriation Increase	Increase budget as Elections experienced higher than anticipated costs for the February election, of which print costs accounted for 63%. This trend is expected to continue into the November 2025 General election.	Direct Service	\$ 1,250,000	\$ 1,250,000
ADULT AND JUVENILE DETENTION (EN_A91000)	EN_A91000	S4_001	Contracted Services	Add budget for professional and vendor-provided services within jail facilities. These services are necessary to provide care to jail residents, maintain compliance with legal mandates, and support the operational integrity of the jail facilities.	Direct Service	\$ 4,500,000	
ADULT AND JUVENILE DETENTION (EN_A91000)	EN_A91000	S4_002	Arbitration Payout and Hiring Incentives	Increase the labor budget to cover unanticipated expenses, including a lump-sum payout resulting from an arbitration agreement and elevated hiring and referral incentive payments due to successful hiring efforts this year. It also includes compensation time payout.	Administrative Change	\$ 2,000,000	
PUBLIC DEFENSE (EN_A95000)	EN_A95000	S4_001	Appropriation Increase	Increase budgeted appropriation to ensure the department does not exceed its appropriation authority. This request aligns with the department's most current expenditure forecast and hiring plan.	Direct Service	\$ 6,400,000	
PUBLIC DEFENSE (EN_A95000)	EN_A95000	S4_002	State Office of Public Defense (OPD) Grant	Add expenditure and revenue for a one-time extraordinary expense award from OPD.	Direct Service	\$ 550,000	\$ 555,000
EMPLOYEE DEFERRED COMPENSATION ADMINISTRATION (EN_A13300)	EN_A13300	S4_001	Appropriation Increase	Increase budgeted appropriation as the plan administration experienced higher than anticipated costs in 2025 due to position reclassification, unexpected legal expenses, and procurement delay.	Direct Service	\$ 77,000	
FINANCE AND BUSINESS OPERATIONS (EN_A13800)	EN_A13800	S4_001	FBOD Supplemental Request	Increase budgeted appropriation as FBOD has experienced various higher than anticipated costs in 2025. Some of the unexpected costs include: Armored Truck costs increases, Post-Bond-Issuance IRS audit prep, and additional tax on various contracts due to the expansion of the sales tax base.	Direct Service	\$ 818,000	
EMPLOYEE BENEFITS (EN_A42900)	EN_A42900	S4_001	Employee Benefits Claims Expenditures	Adjust the expenditure authority for employee benefits claims costs and contingency budget based on the latest actuarial forecasts (August 2025).	Technical Adjustment	\$ 22,000,000	
Subtotal for Operating						\$ 37,595,000	\$ 1,805,000

CAPITAL BUDGETS							
Fund/Fund Name		Project	Project Name	Narrative	Scope	Appropriation	Revenues
F3280 / PSB GF Technology		1146392	KCSO AFIS LIVESCAN REPLACEMENT	Increase budget appropriation to align with actual cost.	Technical Adjusment	\$ 120,000	\$ 120,000
F3951 / Building Repair & Replacement		1139528	DES FMD TELECOMMUTE CONSOLIDAT	Increase budget appropriation to align with actual cost.	Technical Adjustment	\$ 1,550,000	\$ 1,550,000
Subtotal for Capital						\$ 1,670,000	\$ 1,670,000

Total for Ordinance						\$ 39,265,000	\$ 3,475,000
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