



## **King County**

### **Facilities Management Division**

**Kathy Brown, Director**

Department of Executive Services  
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October 25, 2011

King County Councilmembers  
King County Council  
Room 1200  
C O U R T H O U S E

RE: Lease Notification

Dear Councilmembers:

This letter provides early notice of a proposed new lease for the Department of Public Health (DPH). As provided by King County Code, the Facilities Management Division (FMD) may negotiate and enter into leases with terms shorter than 2 years. There are, however, cases where leases require upfront investments by the County to pay for necessary tenant improvements. This early notification provides councilmembers an opportunity to advise the Facilities Management Division if you have concerns moving forward with this particular transaction, given that there is a significant upfront cost. This upfront investment will result in long-term efficiencies and savings.

The proposed new DPH lease is situated at the King County Housing Authority's Greenbridge complex located at 9930 8<sup>th</sup> Avenue SW in the White Center area of King County. This lease will provide a smaller and less expensive public health center in partial replacement of the existing White Center Public Health Center currently located at 10821 8<sup>th</sup> Avenue SW, Seattle.

This lease will enable DPH to relocate the Maternity Support Services, WIC (Women, Infant and Children Supplemental Food), and the family planning programs from the current White Center site to the new location at Greenbridge. Administrative support, site supervision and client support services for interpretation and completing applications for coverage will also be available in the Greenbridge location. The Nurse Family Partnership program, now located at White Center Public Health, is being relocated to available space at other regional clinics but will continue to serve clients in White Center and other south King County areas.

The Facilities Management Division, on behalf of DPH, has entered into a non-binding Letter of Interest with the ownership of the Greenbridge complex, Salmon Creek Housing, LLC. Terms and conditions of the proposed lease are summarized in the enclosed Lease Summary. The preliminary one-time cost estimate for this project is \$1 million to \$1.3 million including moving expense, tenant improvements, furniture, fixtures and equipment. FMD and DPH will continue to work toward a lease agreement and space plan for tenant improvements to provide the basis for a

King County Councilmembers

October 25, 2011

Page 2

more precise cost estimate. This amount will be funded through existing DPH operating funds. I will provide updated cost information as soon as it is available.

Please respond if you have any concerns with moving forward with this lease negotiation. For your convenience, I have enclosed a Lease Concern Notification Form, which can be sent either electronically or in hard copy.

***As agreed between the Executive and councilmembers, if FMD does not receive notification of concerns within the next 10 business days, FMD will proceed with lease negotiations and execution of the Lease subject to subsequent Council approval. It is fully understood by the Executive Branch that a lack of response by councilmembers to this early notification in no way implies final approval of the proposed lease.***

If you have any questions regarding the transactional portion of this proposal, please call Kathy Brown, Facilities Management Division Director, at (206) 296-0630. For more information regarding the proposed new Public Health Center, please contact Marjory Mathews-Hellman, Public Health Manager for Contracts, Procurement and Real Estate Services, at (206) 263-8689.

Sincerely,



Kathy Brown, Director  
Facilities Management Division

Enclosures

cc: King County Councilmembers

ATTN: Cindy Domingo, Acting Chief of Staff

Mark Melroy, Senior Principal Legislative Analyst, BFM Committee

Anne Noris, Clerk of the Council

Dwight Dively, Director, Office of Performance, Strategy and Budget (PSB)

Sid Bender, Capital Budget Supervisor, PSB

Caroline Whalen, County Administrative Officer, Department of Executive Services (DES)

Joe Woods, Deputy Chief of Staff, King County Executive Office (EO)

Carrie Cihak, Director of Policy and Strategic Initiatives, EO

Dr. David Fleming, Director and Health Officer, Dept. of Public Health (DPH)

Benjamin Leifer, Chief Administrative Officer, DPH

Marjory Mathews-Hellman, Manager, Contracts, Procurement and Real Estate Services, DPH

Ameer Faquir, Deputy Director, Facilities Management Division (FMD), DES

Steve Salyer, Manager, Real Estate Services Section, FMD, DES

Bob Thompson, Leasing Supervisor, Real Estate Services, FMD, DES

**LEASE SUMMARY**

<b>Location:</b>	9930 8 <sup>TH</sup> AVENUE SW, SEATTLE
<b>Premises:</b>	6,322 square feet
<b>Term:</b>	10 years (With rights to terminate prior to 2 years. See Options.)
<b>Options:</b>	<p><u>Extension</u> – Tenant shall have the option to extend the term for two 5-year terms at fair market rent subject to 180 days’ prior written notice.</p> <p><u>Termination</u> – Tenant shall have the option to terminate the Lease at the earlier of December 31, 2012 or lease approval by the King County Council. The County’s obligations to Lessor that extend beyond a current year are contingent upon approval of the lease by the King County Council or appropriation by the King County Council of sufficient funds to pay such obligations. Should such approval or appropriation not occur, this lease and all County obligations hereunder will terminate at the end of the calendar year in which such approval or appropriation expires. Any costs associated with such termination shall not exceed the appropriation for the year in which termination is effected.</p>
<b>Base Rent:</b>	<p>\$7,639.08/ month (\$14.50 PSF)</p> <p>Base Rent escalated 2 ½ % annually</p>
<b>Utilities:</b>	Tenant pays directly if separately metered, or pays its pro rata share for common utilities
<b>Operating Expense:</b>	Tenant reimburses Landlord for janitorial service, repairs and maintenance. Landlord is responsible for capital expenditures for repairs and replacements.
<b>Tenant Improvements:</b>	Landlord shall contract for and provide all design and construction of tenant improvements subject to reimbursement by Tenant. Tenant shall approve Landlord’s architect selection, space planning, construction plans and the total cost of tenant improvements. Current, preliminary cost estimate range: \$1 million to \$1.3 million.
<b>Assignment and Sublease:</b>	Tenant shall have the right to assign or sublease all or any portion of the Premises subject to Landlord’s reasonable approval. Assignment or sublease shall be limited to entities which serve to support the Seattle and King County Public Health’s mission and services in a manner sensitive to the Greenbridge residential community of homeowners and tenants.
<b>Parking:</b>	Landlord shall provide at no cost: 1) seven parking stalls for Tenant’s exclusive use by Tenant’s fleet vehicles; and 2) Tenant’s clients access to Greenbridge parking lots.



# Lease Concern Notification Form

Department of Executive Services - Facilities Management Division



**King County**

This form is designed to inform King County Councilmembers of proposed leases and to provide the opportunity for Councilmembers' comments or concerns. The purpose is to confirm that the Facilities Management Division (FMD) should proceed with the subject lease. Please respond to the FMD Director by noting any comments or concerns in the space provided below. If no Councilmember comments or concerns are received within ten (10) business days from the Notification Date, FMD will execute the lease. As provided by King County Code, any lease with a term longer than two years will be transmitted to the King County Council for approval prior to end of the two year period. Lack of notification of concerns does not in any way imply Council approval prior to transmittal.

<b>Notification Date</b>	October 25, 2011
<b>Agency</b>	Public Health
<b>Location</b>	9930 8 <sup>th</sup> Avenue SW., Seattle (Greenbridge Complex)
<b>Size of Premises</b>	6,322 square feet
<b>Lease Term</b>	10 years
<b>Options</b>	<u>Extension</u> – Lessee has two 5-year options subject to 9 months' written notice at fair market rent escalated 2.5% <u>Termination</u> – Lessee may terminate at any time through December 31, 2012 or the date of approval of this Lease by the King County Council, whichever is earlier. The County's obligations to Lessor that extend beyond a current year are contingent upon approval by the King County Council of sufficient funds to pay such obligation.
<b>Base Rent</b>	\$7,639.08 per month escalated 2.5% annually (\$14.50 PSF/Year)
<b>Utilities</b>	Tenant pays directly if separately metered, or pays its pro rata share for common utilities
<b>Operating Expense</b>	Tenant reimburses the Landlord for janitorial service, repairs and maintenance (NNN Lease)
<b>Tenant Improvements</b>	Landlord shall contract for and provide all design and construction of tenant improvements subject to reimbursement by Tenant.
<b>Assignment and Sublease</b>	Tenant shall have the right to assign or sublease subject to Landlord's reasonable approval.
<b>Parking</b>	Tenant shall have 7 reserved parking stalls for fleet vehicles and Tenant's clients shall have access to Greenbridge parking.

**Councilmember Comments/Concerns**

