



**KING COUNTY**

1200 King County Courthouse  
516 Third Avenue  
Seattle, WA 98104

**Signature Report**

**August 19, 2014**

**Ordinance 17866**

**Proposed No. 2014-0321.1**

**Sponsors McDermott**

1 AN ORDINANCE relating to leases of property for use by  
2 nonprofit organizations for certain social and health  
3 services; and amending Ordinance 12045, Section 17, as  
4 amended, and K.C.C. 4.56.180.

5 BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

6 SECTION 1. Ordinance 12045, Section 17, as amended, and K.C.C. 4.56.180 are  
7 each hereby amended to read as follows:

8 A. The county may lease real property for a term of years and upon such terms  
9 and conditions as may be deemed in the best interests of the public and the county. A  
10 lease shall not be for a longer term in any one instance than ten years, except as follows:

11 1. If the county determines it to be in the best interest of the county, real  
12 property necessary to the support or expansion of an adjacent facility may be leased to  
13 the lessee of the adjacent facility for a term to expire simultaneously with the term of the  
14 lease of the adjacent facility, but not to exceed thirty-five years;

15 2. If the county determines it to be in the best interest of the county, if the  
16 property to be leased is improved or is to be improved and the value of the improvement  
17 is or will be at least equal to the value of the property to be leased, the county may lease  
18 the property for a term not to exceed thirty-five years;

19           3. If the property to be leased is to be used for public recreation and police  
20 training purposes, for parks and recreation purposes, for a hospital or a medical training  
21 and research facility, for a childcare facility to be improved with full or partial funding  
22 from a government-sponsored childcare bonus program, for the county's own use in  
23 accordance with a lease or leaseback arrangement entered into under K.C.C. 4.56.160.E.,  
24 ((or)) for major airport, industrial, office or other commercial purposes or transit-oriented  
25 development, requiring extensive improvements or by a nonprofit organization for a  
26 facility in which the nonprofit organization will provide some or all of the social and  
27 health services as listed in RCW 43.83D.120, the county may lease the property for a  
28 term equal to the estimated useful life of the improvements, but not to exceed fifty years;  
29 unless the property is leased to a public housing authority or nonprofit organization in  
30 accordance with RCW 36.34.135, in which case the term may extend to seventy-five  
31 years; and

32           4. Leases entered into under K.C.C. 4.56.160.D. may extend for the period of  
33 years necessary to amortize the special purpose funds, not to exceed twenty-five years.

34           B. The lessee shall not improve or alter the leased property in any manner  
35 without the prior written consent of the county, but shall, before making improvements or  
36 alterations, submit plans and designs for the improvement or alteration to the county for  
37 approval. If the plans and designs are disapproved, the improvements or alterations shall  
38 be made only with such changes as may be required by the county. Unless otherwise  
39 stipulated, all improvements or alterations erected or made on the leased property shall,  
40 on expiration or sooner termination of the lease, belong to the county without  
41 compensation to the lessee, but the county shall have the option, to be exercised on

42 expiration or sooner termination of this lease, to require the lessee to remove any or all of  
43 the improvements or alterations. If the lessee fails substantially to make the  
44 improvements or alterations required by the lease, the lease shall be terminated and all  
45 rentals paid shall be forfeited to the county.

46 C. Except for lease or leaseback arrangements entered into under K.C.C.  
47 4.56.160.E. any lease made for a period longer than five years shall contain provisions  
48 requiring the lessee to permit the rents to be adjusted and fixed by the county every five  
49 years, but any lease may provide for more frequent readjustments. If the lease permits  
50 the county to adjust the rent, the county shall give the lessee written notice of the adjusted  
51 rent, in accordance with the terms of the lease. The rent as adjusted shall take effect  
52 thirty days after the date of the notice unless the lessee, within thirty days following the  
53 receipt of the notice from the county, gives the county written notice of the lessee's  
54 rejection of the adjusted rent. If the lessee and the county cannot agree upon the rental  
55 readjustment, the rent shall be adjusted by arbitration. For arbitration, the lessee and the  
56 county shall each select one disinterested arbitrator and the two selected arbitrators shall  
57 select a third. If the two arbitrators have not selected a third arbitrator within thirty days  
58 after the selection of the last selected of the two, either the lessee or the county shall  
59 apply to the presiding judge of the superior court for King County for the appointment of  
60 a third arbitrator. Each arbitrator must be a member of the American Institute of Real  
61 Estate Appraisers, the Society of Real Estate Appraisers or other appraisal society or  
62 association having equivalent ethical and professional standards. If a licensing  
63 requirement for real estate appraisers is imposed by any legislative body, each arbitrator  
64 shall also be so licensed. The three arbitrators shall determine a fair rent for the premises

65 based upon the fair market rental value of the property, as defined in K.C.C. 4.56.010.  
66 The decision of a majority of the arbitrators shall bind both the lessee and the county. At  
67 the conclusion of the arbitration, the arbitrators shall submit written reports to the lessee  
68 and the county. The cost of the arbitration shall be divided equally between the lessee  
69 and the county.

70 D. Except as provided in K.C.C. 4.56.150.D. and E. and 4.56.160.D., the rent of  
71 all leases of county real property shall be based upon fair market rental value, as defined  
72 in K.C.C. 4.56.010.

73 E. No lease shall be assigned or subleased without the assignment or sublease  
74 being first authorized by the county in writing. All leases, when drawn, shall contain this  
75 provision.

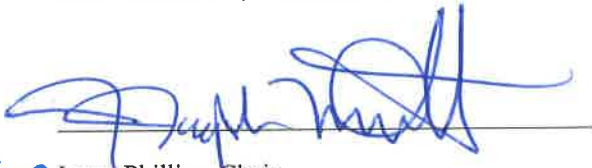
76 F. Notwithstanding the other provisions of this chapter and following such  
77 procedures as may be determined appropriate by the council, the executive may enter into  
78 long-term master leases of county property under which developers: would develop the  
79 property into office and other space required or approved by the county; would lease  
80 some of space back to the county and may lease space unneeded by the county to private  
81 or public entities for private or public uses as approved by the county council; and would

82 convey all leasehold improvements to the county at the expiration or termination of the  
83 master leases. A master lease shall be subject to approval by the council.  
84

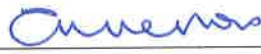
Ordinance 17866 was introduced on 7/28/2014 and passed by the Metropolitan King County Council on 8/18/2014, by the following vote:

Yes: 8 - Mr. von Reichbauer, Mr. Gossett, Ms. Hague, Ms. Lambert,  
Mr. Dunn, Mr. McDermott, Mr. Dembowski and Mr. Upthegrove  
No: 0  
Excused: 1 - Mr. Phillips

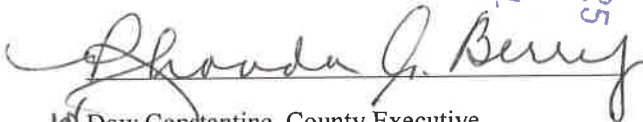
KING COUNTY COUNCIL  
KING COUNTY, WASHINGTON

  
For Larry Phillips, Chair

ATTEST:

  
Anne Noris, Clerk of the Council

APPROVED this 29<sup>th</sup> day of August, 2014.

  
Dow Constantine, County Executive

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2014 AUG 29 PM 4:25  
KING COUNTY CLERK  
KING COUNTY COUNCIL

Attachments: None