## STAFF REPORT

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| **Agenda Item:** | 7 | **Name:** | Erica Newman |
| **Proposed No**.: | 2022-0340 | **Date:** | December 5, 2022 |

**SUBJECT**

Proposed Ordinance 2022-0340 would authorize an amendment to an existing office space use agreement to support the operations of District Court.

**SUMMARY:**

King County has provided district court services for the City of Bellevue since 2006, as outlined in an interlocal agreement. The current Court Services Agreement was adopted in 2021 under Ordinance 19358.

Under Ordinance 18038, which authorizes a separate office space use agreement, the City of Bellevue is responsible for covering costs associated with tenant improvements and will provide use of the space to King County at no cost for the purpose of operating District Court services. The use agreement was adopted in 2015 and also established the parties’ intent to extend the Court Services Agreement through December 31, 2021, to coincide with the term of the use agreement.

Proposed Ordinance 2022-0340, would amend the existing office space use agreement to include updated language that reflect current business operations and lease extensions for a third, fourth, and fifth term for the periods listed below.

* January 1, 2022- December 31, 2026
* January 1, 2027- December 31, 2030
* January 1, 2031- December 31, 2034

These additional periods reflect the same term lengths as the Court Services Agreement; this office space use agreement would terminate if the Court Services Agreement were terminated. Counsel for the Council reviewed the proposed office space use amendment and found no legal issues.

**BACKGROUND**

District Court is the County’s court of “limited jurisdiction” and has responsibility for traffic infractions, small claims, and misdemeanor criminal offenses in the County’s unincorporated areas, cities that do not have municipal courts and contract with the court to provide those services, and for the adjudication of “state” offenses (violations of state statute in the county or when the arresting agency is the Washington State Patrol or other state law enforcement agency). The court handles approximately 250,000 filings annually throughout the North, South, East, and West Divisions.

**Ordinance 18038**. In April 2015, the Council was notified of District Court’s plan to move to a new location due to the aging building that District Court was located in at the time, in addition to the City of Bellevue’s need to vacate the building to accommodate the Sound Transit rail project.

In May 2015, Council adopted Ordinance 18038, which authorized an office space use agreement for the Bellefield Building located at 1309 114th Ave SE, Bellevue, WA for conducting King County District Court services. The initial term of the agreement was June 26, 2015 to December 31, 2016 with an automatic renewal for a second term of five years (January 1, 2017 December 31, 2021) to coincide with the next term of the Interlocal Agreement for Provision of District Court Services. As outlined in the office space use agreement, the space will include the following:

* A common entrance area, public counter, and waiting area
* Three courtrooms, clerk and management space, jury rooms, meeting rooms
* Staff kitchen, break areas, and parking

According to the use agreement, the City of Bellevue provides over 24,000 square feet of space that is shared with Bellevue Probation at no cost to King County in exchange for the county providing District Court services. The City of Bellevue is responsible for the following:

* Covering costs associated with the building rent and tenant improvements
* Providing utilities, custodial services, maintenance and repairs

Additionally, the agreement outlines that King County is responsible for the following:

* Managing building access, security screening, providing District Court telephone, internet, and video access.
* Contributing towards consultant costs for security and information techonology design work and limited specific improvements, not to exceed $125,000.[[1]](#footnote-1)
* Installing and maintaining the building security system.

**Ordinance 19358**. In November 2021, Council adopted Ordinance 19358, which authorized the King County Executive to enter into interlocal agreements (ILA) with existing contract cities and additional cities seeking to contract for the provision of local district court services. The current ILA is for an initial five years (2022-2026), starting January 1, 2022, with a conditional provision for two automatic four-year extensions (2027-2030 and 2031-2034). The City of Bellevue has been a contract city since 2006.

**ANALYSIS**

Proposed Ordinance 2022-0340 was transmitted by the Executive to the Council on August 22, 2022, pursuant to King County Code 4A.100.070.4.b, which requires Council approval of any lease extensions beyond a cumulative total of five years.

The proposed ordinance would amend the existing office space use agreement to allow King County to continue to use the space in the City of Bellevue leased facility located at 1309 114th Ave SE, Bellevue, WA, for King County District Court Services. Table 1 below displays existing and proposed language throughout the office space use agreement with changes highlighted in red font.

Note that the only substantive change in the use agreement is to increase the number of parking stalls reserved for the County from six stalls to 12 stalls. According to the Executive's fiscal note, no fiscal impact is expected as a result of this proposed ordinance.

**Table 1.**

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| **EXISTING AGREEMENT** | **PROPOSED AGREEMENT** |
| 1. **Term**. This Use Agreement shall be effective as of \_\_\_\_\_\_\_\_\_\_\_\_\_\_ and shall   remain in effect for an initial term ending on December 31, 2016 and shall automatically renew for a second term of five years to coincide with the next term of the Interlocal Agreement for Provision of District Court Services dated 2006 (“Court Services Agreement”), attached to this Use Agreement at Exhibit “B”. The second term shall end on December 31, 2021. It is the Parties’ intent that the Court Services Agreement be extended through December 31, 2021 and that the two agreements run concurrently through that date. The Parties therefore each waive their right to terminate under Section 1.2 of the Court Services Agreement for the third five-year term commencing on January 1, 2017 and ending on December 31, 2021. | 1. **Term.** This Use Agreement shall be effective as of \_\_\_\_\_\_\_\_\_\_\_\_\_\_ and shall remain in effect for an initial term ending on December 31, 2016 and shall automatically renew for a second term of five years to coincide with the next term of the Interlocal Agreement for Provision of District Court Services dated 2006 (“Court Services Agreement”), attached to this Use Agreement at Exhibit “B”. The second term shall end on December 31, 2021. It is the Parties’ intent that the Court Services Agreement be extended through December 31, 2021 and that the two agreements run concurrently through that date. The Parties therefore each waive their right to terminate under Section 1.2 of the Court Services Agreement for the third five-year term commencing on January 1, 2017 and ending on December 31, 2021.   The Parties agree to extend this Use Agreement for additional terms on the same terms and conditions to run concurrently with the Interlocal Agreement for Provision of District Court Services effective January 1, 2022 (“2022 Court Services Agreement”), attached to this Use Agreement as Exhibit “B-1,” as follows:  For a five (5) year term thereafter commencing January 1, 2022, and expiring on December 31, 2026 (the “Third Term”);  For a four (4) year term thereafter commencing January 1, 2027, and expiring on December 31, 2030 (the “Fourth Term”); and  For a four (4) year term thereafter commencing January 1, 2031, and expiring on December 31, 2034 (the “Fifth Term”). |
| **2. Termination**. This Use Agreement terminates on December 31, 2021. Any renewal or extension of this Use Agreement shall be by written agreement and authorized  by the City and County councils. | **2. Termination**.  This Use Agreement shall run concurrently with the Court Services Agreement or 2022 Court Services Agreement, as applicable. Any renewal of extension of this Use Agreement beyond the Third, Fourth, or Fifth Term described in Section 1 shall be by written agreement an authorized by the City and County Councils. |
| **3. Notice.** Unless provided otherwise herein, notices required under this Use  Agreement shall be given in writing to the following respective addresses:  For the City:  City of Bellevue  450 110th Avenue N.E.  Bellevue, Washington 98009  Attn: Jerome Roache,  City Attorney’s Office  For the County:  King County Facilities Management Division  Real Estate Services Section  500 – 4th Avenue, Room 830  Seattle, WA 98104  Attn: Lease Administration  King County District Court  516 Third Avenue South, Room W1034  Seattle, Washington 98104 | **3. Notice**. Unless provided otherwise herein, notices required under this Use  Agreement shall be given in writing to the following respective addresses:    For the City:  City of Bellevue  450 110th Avenue NE  P.O. Box 90012  Bellevue, Washington 98009  Attn: City Attorney’s Office  For the County:  King County Facilities Management Division  Real Estate Services Section  500 – 4th Avenue, Room 830  Seattle, WA 98104  Attn: Lease Administration  King County District Court  516 Third Avenue South, Room W1034  Seattle, Washington 98104 |
| **4. Rent.** As consideration for the Permission granted by the City in this Use Agreement and in lieu of payment of rent, the County covenants and agrees to operate a District Court pursuant to the terms and conditions outlined between the Parties in the Court Services Agreement. | **4. Rent**. As consideration for the Permission granted by the City in this Use Agreement and in lieu of payment of rent, the County covenants and agrees to operate a District Court pursuant to: (i) the terms and conditions outlined between the Parties in the Court Services Agreement for the initial and second terms; and (ii) pursuant to the terms and conditions outlined between Parties in the 2022 Court Services Agreement for the Third, Fourth and Fifth Terms. All parties to this Use Agreement shall comply with GASB 87 reporting requirements. |
| **6. Telephone, internet and video**. The County will provide phone service and  phones, and internet access to serve the court areas through the King County Lync system. If additions or changes to the phone or data service are requested by either the County or the City, the party making the request shall bear the cost of the addition or change. A joint request for an addition or change shall be made only after the Parties have agreed upon an allocation to share the costs of that addition or change. The City and County will coordinate on future provisions for video arraignment if mutually desired. | **6. Telephone, internet and video.** The County will provide phone service and phones, and internet access to serve the court areas through the King County Microsoft Teams platform. If additions or changes to the phone or data service are requested by either the County or the City, the party making the request shall bear the cost of the addition or change. A joint request for an addition or change shall be made only after the Parties have agreed upon an allocation to share the costs of that addition or change. The City and County will coordinate on future provisions for video arraignment if mutually  desired. |
| **9. Contact for Custodial and Maintenance Issues**. The following individuals shall be contacted as needed to address any custodial or maintenance issues at the Premises as listed on the King County Responsibility matrix:  For the City:  FIXIT Staff  [FIXIT@bellevuewa.gov](mailto:FIXIT@bellevuewa.gov)  425-452-4610  For the County:  K.C. Facilities Management Division  Building Services Section  500 – 4th Avenue, Room 800  Seattle, WA 98104  Attn: Manager, Building Services  206-477-9431  If escalation is needed,  John Koffley  (or Current Facilities Manager)  450 110 Ave. NE  Bellevue, WA 98004  425-452-6153 | **9. Contact for Custodial and Maintenance Issues**. The following individuals shall be contacted as needed to address any custodial or maintenance issues at the Premises as listed on the King County Responsibility matrix:  For the City:  450 110th Avenue NE  P.O. Box 90012  Bellevue, Washington 98009  425-452-6153  Attn: Facilities Operations Manager  For the County:  K.C. Facilities Management Division  Building Services Section  500 – 4th Avenue, Room 800  Seattle, WA 98104  Attn: Manager, Building Services  206-477-9431  If escalation is needed,  John Koffley  (or Current Facilities Manager)  450 110 Ave. NE  Bellevue, WA 98004  425-452-6153 |
| **10.3 Security Screening**. The County shall provide security screening for all  persons entering the Premises between 8:30 a.m. and 4:30 p.m., Monday through Friday (“Business Hours”) except Court holidays. The Parties agree that one security screener will be provided pursuant to this Section and that additional security screeners will be  provided only upon written agreement by the Parties. The cost of security screening shall be charged to the City as a City Case Cost pursuant to Section 4 of the Court Services Agreement. | **10.3 Security Screening**. The County shall provide security screening for all  persons entering the Premises between 8:30 a.m. and 4:30 p.m., Monday through Friday (“Business Hours”) except Court holidays. The Parties agree that one security screener will be provided pursuant to this Section and that additional security screeners will be  provided only upon written agreement by the Parties.  The cost of security screening shall be charged to the City as a City Case Cost pursuant to Section 4 of the Court Services Agreement or the 2022 Court Services Agreement, as applicable. |
| **11 Parking**. Unsecured parking will be provided to all staff in designated  parking areas. Six (6) stalls on the ground level beneath the building will be designated as reserved for the County. Any vehicle inappropriately parked may be subject to ticketing  and/or towing. | **11 Parking**. Unsecured parking will be provided to all staff in designated  parking areas. Twelve (12) stalls on the ground level beneath the building will be designated as reserved for the County. Any vehicle inappropriately parked may be subject to ticketing  and/or towing. |
| **Exhibit B.1**: This Agreement shall be effective as of January 1, 2007 and shall remain in effect for an initial term of five years ending on December 31, 2011, provided that unless terminated or alternately extended pursuant to this Agreement, this Agreement shall be  automatically extended upon the same terms and conditions for a second five year term commencing January 1, 2012, and ending on December 31, 2016. In addition, this Agreement shall automatically extend upon the same terms and conditions for a third five  year term thereafter (commencing January 1, 2017, and expiring on December 31, 2021 ), unless terminated or alternately extended as provided herein. | **Exhibit B.1**: Interlocal Agreement for Provision of District Court Services effective January 1, 2022, attached to this Amendment shall be attached to and incorporated therein the Use Agreement by this reference.  Except to the extent herein revised, amended or modified, all terms, conditions and provisions of said Use Agreement are hereby affirmed and ratified in all respects.  In witness whereof, the Parties have executed this amendment and it shall be effective as of January 1, 2022. |

The proposed office space use amendment had Council legal review and there were no substantive issues with the proposed lease amendment.

**INVITED:**

1. The Honorable Matthew York, Presiding Judge, King County District Court
2. Anthony Wright, Director, Facilities Management Division

**ATTACHMENTS:**

1. Proposed Ordinance 2022-0340 with attachments
2. Transmittal letter dated August 22, 2022
3. Office Space Use Agreement dated February 6, 2014

1. Office Space Use Agreement, Exhibit D [↑](#footnote-ref-1)