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Proposed No. 2023-0300.1

KING COUNTY

1200 King County Courthouse 516 Third Avenue Seattle, WA 98104

Signature Report

Ordinance 19680

Sponsors McDermott

1 AN ORDINANCE authorizing the execution of an 2 amendment to an existing lease to support the operation of 3 the department of public health. 4 STATEMENT OF FACTS: 5 For the lease from SeaTac Village Shopping Center, LLC, located at 1640 S. 318th Place, Suite B, Federal Way, within council district seven, the 6 7 facilities management division determined that there was not an 8 appropriate county-owned option and successfully negotiated to lease 9 space. 10 BE IT ORDAINED BY THE COUNCIL OF KING COUNTY: 11 <u>SECTION 1.</u> The executive is authorized to execute an amendment to an existing

lease for the property located at 1640 S. 318th Place, Suite B, Federal Way, with SeaTac

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

Ordinance 19680 was introduced on 9/12/2023 and passed by the Metropolitan King County Council on 10/17/2023, by the following vote:

Yes: 9 - Balducci, Dembowski, Dunn, Kohl-Welles, Perry, McDermott, Upthegrove, von Reichbauer and Zahilay

KING COUNTY COUNCIL KING COUNTY, WASHINGTON

Attachments: A. Second Amendment to Lease

ATTACHMENT A:

SECOND AMENDMENT TO LEASE

SECOND AMENDMENT TO LEASE

This Second Amendment to Lease ("Second Amendment") dated May 5, 2023 (for reference purposes only), is made and entered into by and between SeaTac Village Shopping Center, LLC, a Delaware limited liability company ("Landlord"), and King County, a political subdivision of the State of Washington ("Tenant").

RECITALS

- A. Landlord and Tenant are parties to that certain Retail Lease dated October 31, 2017, as amended by that certain First Amendment to Lease executed January 18, 2019 (collectively, the "Lease"), for certain Premises containing approximately 1,813 square feet (the "Premises") located in the center known as SeaTac Village Shopping Center (the "Shopping Center") in Federal Way, Washington.
- B. The Initial Lease Term expired on October 31, 2022, however, Landlord has allowed Tenant to continue to occupy the Premises on a hold over basis since such date. Tenant has no option to extend the Term, however, Tenant desires to extend the Initial Lease Term for a five (5)-year period and Landlord agrees to extend the Initial Lease Term on the terms and conditions set forth in this Second Amendment to Lease. This Second Amendment will extend Tenant's use of the Premises for a combined term longer than five (5) years, thereby requiring approval by ordinance of the King County Council, pursuant to King County Code section 4A.100.070.
- C. The parties desire to amend the Lease and to ratify and reconfirm its terms and conditions on the terms and conditions set forth below.

NOW, THEREFORE, for valuable consideration, the receipt and adequacy of which are hereby acknowledged, Landlord and Tenant hereby agree as follows:

AGREEMENT

- 1. <u>Lease Term and Options.</u> The Initial Lease Term shall be extended for five (5) years commencing on the first day of the calendar month after Landlord receives Tenant's signature on this Second Amendment ("Extension Effective Date") and expiring October 31, 2027 ("First Option Period"), on the same terms and conditions set forth in the Lease, except as otherwise amended herein. In addition, Landlord hereby grants Tenant one (1) additional five (5)-year option to further renew the Lease Term after the expiration of the First Option Period on the terms and conditions set forth in paragraph 3 below.
- 2. <u>Base Rent During First Option Period</u>. From November 1, 2022, through the Extension Effective Date, Tenant shall continue to pay the holdover rate of monthly Base Rent in the amount of \$4,037.70. Landlord and Tenant agree that Base Rent for the First Option Period shall be as follows:

<u>Term</u>	Base Rent/SF	Monthly Base Rent	Annual
Extension Effective Date – October 31, 2023	\$24.00	\$3,626.00	\$43,512.00
November 1, 2023 - October 31, 2024	\$24.72	\$3,734.78	\$44,817.36
November 1, 2024 – October 31, 2025	\$25.46	\$3,846.58	\$46,158.98
November 1, 2025 – October 31, 2026	\$26.23	\$3,962.92	\$47,554.99
November 1, 2026 – October 31, 2027	\$27.01	\$4,080.76	\$48,969.13

- 3. Option to Renew. Tenant shall have one (1) option ("Second Option") to extend the First Option Period for an additional period of five (5) years ("Second Option Period), provided that at the time Tenant exercises such option and upon expiration of the First Option Period Tenant is not in default of the Lease and no event has occurred that with the passage of time or the giving of notice or both would constitute an event of default.
- 3.1. The exercise of the Second Option shall operate to extend the Term of the Lease upon the same terms and conditions set forth in the Lease, except for the amount of Base Rent, which shall be increased as set forth in Section 3.2 below. Tenant may exercise the Second Option only by sending written

notice thereof to Landlord at least one hundred twenty (120) days prior to the expiration of the First Option Period, but not more than two hundred seventy (270) days prior to the expiration of the First Option Period.

- The Base Rent for the first year of the Second Option Period shall be determined as follows. Landlord and Tenant will have thirty (30) days after Tenant exercises the Second Option within which to agree on the then Fair Market Value ("FMV") of the Premises. If the parties agree on the monthly Base Rent for the first year of the Second Option Period within such thirty (30) day period, the parties will amend the Lease by stating the monthly Base Rent for the Second Option Period. The parties agree that Base Rent for the Second Option Period shall increase by three percent (3%) annually following the first year of the Second Option Period. If the parties are unable to agree on the initial monthly Base Rent within said thirty (30) day period, then, the initial monthly Base Rent for the Second Option Period will be the then FMV of the Premises as determined by the appraisers pursuant to this paragraph. Within seven (7) days after the expiration of said thirty (30) day period, Landlord and Tenant will each appoint a real estate appraiser with at least five (5) years' full-time commercial appraisal experience in the area in which the Premises are located to appraise the then FMV of the Premises. If either Landlord or Tenant does not appoint an appraiser within ten (10) days after the other has given notice of the name of its appraiser, the single appraiser appointed will be the sole appraiser and will set the then FMV of the Premises. If two (2) appraisers are appointed pursuant to this paragraph, they will meet promptly and attempt to set the then FMV of the Premises. If they are unable to agree within thirty (30) days after the second appraiser has been appointed, they will attempt to elect a third appraiser meeting the qualifications stated in this paragraph within ten (10) days after the last day the two appraisers are given to set the then FMV of the Premises. The third appraiser, however selected, must be a person who has not previously acted in any capacity for either Landlord or Tenant. Within thirty (30) days after the selection of the third appraiser, a majority of the appraisers will set the then FMV of the Premises. If a majority of the appraisers are unable to set the then FMV of the Premises within thirty (30) days after selection of the third appraiser, the mean of the three (3) appraisals will be determined and the mean will be the then FMV of the Premises. In the event that Tenant does not accept the appraisers' determination of FMV, Tenant shall have the right to terminate this Lease, effective upon the expiration of the First Option Period. Whether the parties agree upon the Base Rent for the Second Option Period, or the Base Rent is determined by the foregoing appraiser process, the parties mutually agree that in no event shall Base Rent for the first year of the Second Option Period be less than one hundred and three percent (103%) of the Base Rent payable in the immediately preceding year and thereafter shall increase three percent (3%) annually.
- 3.3 For purposes of this Lease, "Fair Market Value" shall mean the annual amount that a willing and comparable new tenant would pay and a new comparable landlord would accept, in an arm's length transaction, as consideration for retail space comparable to the Premises (taking into account such factors as quality, size, configurations, geographic and physical location and surrounding tenant mix, that no Tenant Improvement Allowance is payable, that no commissions are payable and the rent payment will not be interrupted for tenant constructing and fixturing) giving appropriate consideration to Tenant's contemplated use of the Premises during that period and other terms and provisions of this Lease will be held in effect with respect to and/or during such period.
- Landlord's Work. As soon as possible after this Second Amendment is fully executed, Landlord shall commence the following work within the Premises: install a new ADA compliant restroom, paint all interior walls, and install new floor coverings (collectively, "Landlord's Work"). Landlord's Work is more specifically set forth in Exhibit A attached hereto. Tenant acknowledges and agrees that to complete Landlord's Work, some of Tenant's modular furniture will need to be dismantled and relocated. Tenant acknowledges and agrees that neither Landlord or its contractors, employees or agents shall be liable for any damage that may occur to the modular furniture during this process. Landlord shall be responsible for paying up to Twenty-Eight Thousand Twenty-Six and 03/100 Dollars (\$28,026.03) ("Landlord's Contribution") towards the actual costs of Landlord's Work, which is one-half of the estimate of Landlord's Work as shown on Exhibit A. Landlord shall pay all contractors on a prevailing wage basis. Tenant shall reimburse Landlord for all costs actually paid by Landlord for the completion of Landlord's Work in excess of Landlord's Contribution within thirty (30) days after Tenant receives an invoice of such costs from Landlord and after Landlord's Work is substantially completed. Landlord anticipates that it will be able to substantially complete Landlord's Work within nine (9) months after this Second Amendment is fully executed ("Estimated Completion Date"), however, cannot guarantee the exact completion date and shall not be liable if it is unable to substantially complete Landlord's Work on or before the Estimated Completion Date.

- 5. <u>Non-Discrimination</u>. Section 25 of the Lease is hereby deleted in its entirety and replaced with the following:
 - NON-DISCRIMINATION. Landlord shall not discriminate on the basis of sex, race, color, 25. 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. Any violation of this provision shall be considered a default of this Lease and shall be grounds for cancellation, termination, or suspension, in whole or in part, of the Lease and may result in ineligibility for further agreements with King County. Notwithstanding anything to the contrary, Tenant shall be entitled to terminate this Lease effective upon written notice to Landlord in the event that Landlord violates the requirements of this Section 25.

6. General

- 6.1 <u>Effect of Amendment; Ratification</u>. Except as otherwise modified by this Second Amendment, the Lease shall remain unmodified and in full force and effect. In the event of any conflict or inconsistency between the terms and conditions of the Lease and the terms and conditions of this Second Amendment, the terms and conditions of this Second Amendment shall prevail. All capitalized terms used and not otherwise defined herein shall have the same meanings and definitions as set forth in the Lease.
- 6.2 <u>Counterparts; Electronic Signatures</u>. This Second Amendment may be executed in counterparts, each of which will be deemed to be an original copy of this Second Amendment and all of which, when taken together, will be deemed to constitute one and the same agreement. The exchange of copies of this Second Amendment and of signature pages by facsimile transmission or email means shall constitute effective execution and delivery of this Second Amendment as to the parties and may be used in lieu of the original Second Amendment for all purposes. Signatures of the parties transmitted by facsimile or email shall be deemed to be their original signatures for any purposes whatsoever.
- 6.3 <u>Authority to Execute Amendment</u>. Each individual executing this Second Amendment on behalf of a limited liability company represents that he or she is duly authorized to execute and deliver this Second Amendment on behalf of such limited liability company and that this Second Amendment is binding upon such limited liability company in accordance with its terms.
- 6.4 <u>Entire Agreement</u>. All understandings and agreements between the parties as to amending the Lease are merged in this Second Amendment which alone fully and completely expresses the agreement of the parties as to amending the Lease. Tenant is not relying upon any statement or representation which is not set forth in this Second Amendment. The Lease is attached hereto as Exhibit B and is incorporated by reference.

IN WITNESS WHEREOF, the parties hereto have executed this Second Amendment to Lease as of the last date and year written below.

Landlord	Tenant
SeaTac Village Shopping Center, LLC a Delaware limited liability company	King County, a political subdivision of the State of Washington
a Delaware limited liability company	
By: Schnitzer Properties Management, LLC Its: Manager By:	Ву:
Print Nail ORDAN D. SCHNITZER	Print Name:
Title: PRESIDENT	Title:

LANDLORD'S ACKNOWLEDGEMENT:

State of)
State of
I certify that I know or have satisfactory evidence that Tordan D. Siste person who appeared before me, and said person acknowledged that (he/she) signed this instrument, on oath stated that (he/she) was authorized to execute the instrument and acknowledged it, as the resident of purposes mentioned in the instrument.
Date: 5/5/23
OFFICIAL STAMP SARAH ARDIN RYAN-KNOX NOTARY PUBLIC - OREGON My appointment expires: COMMISSION NO. 1024423 MY COMMISSION EXPIRES MAY 22, 2026
TENANT'S ACKNOWLEDGEMENT:
State of)
State of)) ss. County of)
I certify that I know or have satisfactory evidence that is the person who appeared before me, and said person acknowledged that (he/she) signed this instrument and acknowledged it to be (his/her) free and voluntary act for the uses and purposes mentioned in the instrument.
Date:
(Seal) Notary Public in and for the State of
My appointment expires:

EXHIBIT A

LANDLORD'S WORK

PO Box 2234 Tacoma, WA 98401

Louinate

Date	Estimate #
8/9/2022	11839

Name / Address	
Schnitzer Properties	
1430 SW Broadway Suite 100 Portland OR 97201	
Portiand OR 97201	
1	

Project	

Description	Qty	Cost	Total
Proposal of services to be performed at King County Health - 1640 S. 318th PL, Federal Way- Suite B: Occupied Tenant Improvement: Add new restroom, new paint, and new flooring.		0.00	0.00T
RESTROOM:		21,600.00	21,600.00T
-Camera Waste line for sewer locateSaw cut concrete for plumbing accessRough in new plumbingConstruct new walls per plansRough in electrical and mechanicalInfill concrete -Instell insulation and sheetrock -Finish to match existing -Trim out electrical, mechanical, and plumbing PAINT: -Prep an mask all walls to be paintedPrime as neededApply 2 coats of Sherwin Williams Promar 200 ESMove standard office furniture items. (No Modular Furniture).		6,178.90	6,178.00T
		Total	

Customer Signature

Bowman Creek Contracting, LLC

PO Box 2234 Tacoma, WA 98401

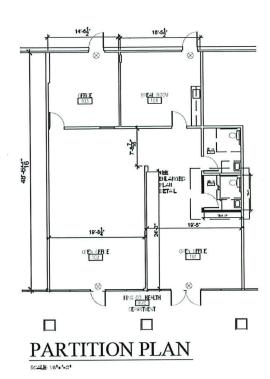
Estimate

Date	Estimate #
8/9/2022	11839

Name / Address	
Schnitzer Properties	
1430 SW Broadway Suite 100	
Portland OR 97201	

			Project
Description	Qty	Cost	Total
FLOORING:		14,676.85	14,676.85T
-Demo existing flooringPrep floors as neededInstall new carpet Tile (priced for Mohawk - Framed Structure) in office areasInstall new sheet vinyl in restroomsInstall Rubber Cove Base and TransitionsMove standard office furniture items. (No Modular Furniture). MODULAR FURNITURE: -Disconnect Electrical Service -Dismantle modular furniture -Relocate for Paint and flooring -Reinstall Modular Furniture		2,400.00	2,400.00T
-Reconnect Electrical Service	0.035	44,854.00	1,569.89T
Contractor Fees	0.053	44,024.00	1,205.051
Profit and Ovhd Federal Way/King County/1732	0.1	44,854.00 10.10%	4,485.40T 5,141.92
		Total	\$56,052.06

Customer Signature	



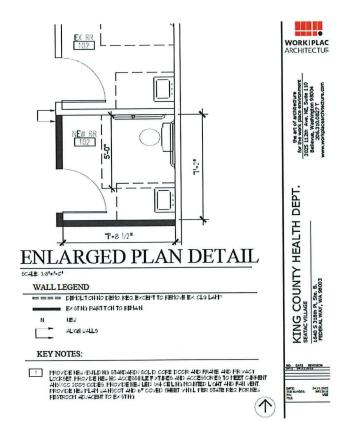


EXHIBIT B

Retail Lease dated October 31, 2017 between Landlord: SeaTac Village Shopping Center, LLC and Tenant: King County; and First Amendment to Lease executed January 18, 2019

DocuSign

Certificate Of Completion

Envelope Id: 8E9F0E17DDBA4046B9C4F2A95AF37B1D

Subject: Complete with DocuSign: Ordinance 19680.docx, Ordinance 19680 Attachment A.pdf

Source Envelope:

Document Pages: 2 Supplemental Document Pages: 9

Certificate Pages: 5

AutoNav: Enabled

Envelopeld Stamping: Enabled

Time Zone: (UTC-08:00) Pacific Time (US & Canada)

Signatures: 3

Initials: 0

Status: Completed

Envelope Originator:

Cherie Camp

401 5TH AVE

SEATTLE, WA 98104

Cherie.Camp@kingcounty.gov IP Address: 198.49.222.20

Record Tracking

Status: Original

10/18/2023 12:46:28 PM

Security Appliance Status: Connected

Storage Appliance Status: Connected

Holder: Cherie Camp

Cherie.Camp@kingcounty.gov

Pool: FedRamp

Pool: King County-Council

Location: DocuSign

Location: DocuSign

Signer Events

Dave Upthegrove

dave.upthegrove@kingcounty.gov

Chair

Security Level: Email, Account Authentication

(None)

Signature

Signature Adoption: Uploaded Signature Image

Using IP Address: 198.49.222.20

Timestamp

Sent: 10/18/2023 12:48:39 PM Viewed: 10/18/2023 1:01:34 PM Signed: 10/18/2023 1:02:18 PM

Electronic Record and Signature Disclosure:

Accepted: 10/18/2023 1:01:34 PM

ID: 2c236c8f-b0d8-4a74-9184-c9021acf1b70

Melani Hay

melani.hay@kingcounty.gov

Clerk of the Council

King County Council

Security Level: Email, Account Authentication

(None)

Melani Hay

Signature Adoption: Pre-selected Style Using IP Address: 198.49.222.20

Sent: 10/18/2023 1:02:20 PM Viewed: 10/18/2023 1:10:20 PM Signed: 10/18/2023 1:10:24 PM

Electronic Record and Signature Disclosure:

Accepted: 9/30/2022 11:27:12 AM

ID: 639a6b47-a4ff-458a-8ae8-c9251b7d1a1f

Dow Constantine

Dow.Constantine@kingcounty.gov

King County Executive

Security Level: Email, Account Authentication

(None)

Don Contaction
4FBCAB8196AE4C6...

Signature Adoption: Uploaded Signature Image

Using IP Address: 198.49.222.20

Sent: 10/18/2023 1:10:26 PM Viewed: 10/26/2023 1:20:46 PM Signed: 10/26/2023 1:20:57 PM

Electronic Record and Signature Disclosure:

Accepted: 10/26/2023 1:20:46 PM

In Person Signer Events

ID: 31c403cb-140d-4149-b598-f02e0091ae76

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
Kaitlyn Wiggins kwiggins@kingcounty.gov	COPIED	Sent: 10/18/2023 1:10:26 PM Viewed: 10/18/2023 1:47:59 PM

Kaitlyn Wiggins
kwiggins@kingcounty.gov
Executive Legislative Coordinator
King County Executive Office

Security Level: Email, Account Authentication

Electronic Record and Signature Disclosure:

Not Offered via DocuSign

Witness Events	Signature	Timestamp
Notary Events	Signature	Timestamp
Envelope Summary Events	Status	Timestamps
Envelope Sent	Hashed/Encrypted	10/18/2023 12:48:39 PM
Certified Delivered	Security Checked	10/26/2023 1:20:46 PM
Signing Complete	Security Checked	10/26/2023 1:20:57 PM
Completed	Security Checked	10/26/2023 1:20:57 PM
Payment Events	Status	Timestamps
Electronic Record and Signature Disclosure		

ELECTRONIC RECORD AND SIGNATURE DISCLOSURE

From time to time, King County-Department of 02 (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 system. Please read the information below carefully and thoroughly, and if you can access this information electronically to your satisfaction and agree to this Electronic Record and Signature Disclosure (ERSD), please confirm your agreement by selecting the check-box next to 'I agree to use electronic records and signatures' before clicking 'CONTINUE' within the DocuSign system.

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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 the signing session and, if you elect to create a DocuSign account, you may access the documents 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. Further, 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 King County-Department of 02:

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: cipriano.dacanay@kingcounty.gov

To advise King County-Department of 02 of your new email address

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

If you created a DocuSign account, you may update it with your new email address through your account preferences.

To request paper copies from King County-Department of 02

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 email to cipriano.dacanay@kingcounty.gov and in the body of such request you must state your email address, full name, mailing address, and telephone number. We will bill you for any fees at that time, if any.

To withdraw your consent with King County-Department of 02

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

i. decline to sign a document from within your signing session, and on the subsequent page, select the check-box indicating you wish to withdraw your consent, or you may;

ii. send us an email to cipriano.dacanay@kingcounty.gov and in the body of such request you must state your email, full name, mailing 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

The minimum system requirements for using the DocuSign system may change over time. The current system requirements are found here: https://support.docusign.com/guides/signer-guide-signing-system-requirements.

Acknowledging your access and consent to receive and sign documents 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 confirm that you have read this ERSD, and (i) that you are able to print on paper or electronically save this ERSD for your future reference and access; or (ii) that you are able to email this ERSD to an email 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 as described herein, then select the check-box next to 'I agree to use electronic records and signatures' before clicking 'CONTINUE' within the DocuSign system.

By selecting the check-box next to 'I agree to use electronic records and signatures', you confirm that:

- You can access and read this Electronic Record and Signature Disclosure; and
- You can print on paper this Electronic Record and Signature Disclosure, or save or send this Electronic Record and Disclosure to a location where you can print it, for future reference and access; and
- Until or unless you notify King County-Department of 02 as described above, you consent to receive exclusively through electronic means all notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you by King County-Department of 02 during the course of your relationship with King County-Department of 02.