

**KING COUNTY FISCAL NOTE - Property Leases and Sales**

**GENERAL TRANSACTION INFORMATION**

Ordinance/Motion:				Transaction Duration:	10 years
Title:	<b>Metro Transit Police Lease</b>			Fair Market Value:	NA
Affected Agency/Agencies:	DOT Metro Transit / Sheriff's Office	Date Prepared:	11/29/16	Legal Transaction Type:	New Lease
Note Prepared By:	Carolyn Mock/Stephanie Clabaugh	Date Reviewed:	2/25/2017	Fiscal Transaction Type:	Stand Alone
Note Reviewed By:	Sid Bender/Shelley De Wys				
Description of Request:	Lease for Metro Transit Police				

**FINANCIAL IMPACTS**

**Part 1 - Net Present Value Analysis Results**

<b>Net Present Value to King County (all impacts): ***</b>	NA	<b>Net Present Value to Primary Impacted Agency (customer of transaction): ***</b>	NA
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**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:** <sup>2,3,5</sup>

Appropriation Unit	Appr. Number	Department	Fund Number	Project Number	Revenue Account Code and Source/Description	Sum of Revenues Prior to 2017	2017 / 2018	2019 / 2020	2021 / 2022	Sum of Outyear Impacts <sup>2</sup>
						\$ -	\$ -	\$ -	\$ -	\$ -
						\$ -	\$ -	\$ -	\$ -	\$ -
						\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL</b>						<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**Expenditures from:** <sup>2,3,4,5</sup>

Appropriation Unit/Expenditure Type	Appr. Number	Department	Fund Number	Project Number	Expenditure Notes	Sum of Expenditures Prior to 2017	2017 / 2018	2019 / 2020	2021 / 2022	Sum of Outyear Impacts <sup>2</sup>
DOT Metro Transit	A464000	0.00	4641	1001074						
Real Estate Services Labor Costs						\$ -	\$ -	\$ -	\$ -	\$ -
King County Project Management						\$ -	\$ -	\$ -	\$ -	\$ -
Lease Payments/Associated O&M					Base Rent and Estimated Operating Costs	\$ -	\$ 576,471	\$ 883,860	\$ 943,170	\$ 2,249,518
Service Costs (Appraisal, Title, Move)						\$ -	\$ -	\$ -	\$ -	\$ -
Tenant and Other Improvements					Sum of existing project budget and TI allowance (See footnote #5 below)	\$ -	\$ 3,316,957	\$ -	\$ -	\$ -
10% Art for General Fund Transactions						\$ -	\$ -	\$ -	\$ -	\$ -
Other Transaction Costs					Estimated Minor Repairs	\$ -	\$ -	\$ 10,000	\$ 10,000	\$ 30,000
<b>SUBTOTAL</b>						<b>\$ -</b>	<b>\$ 3,893,428</b>	<b>\$ 893,860</b>	<b>\$ 953,170</b>	<b>\$ 2,279,518</b>
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						\$ -	\$ -	\$ -	\$ -	\$ -
<b>SUBTOTAL</b>						<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>TOTAL</b>						<b>\$ -</b>	<b>\$ 3,893,428</b>	<b>\$ 893,860</b>	<b>\$ 953,170</b>	<b>\$ 2,279,518</b>

**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: <sup>1</sup>

Appropriation Unit	Appr. Number	Department	Fund Number	Project Number	Appropriation Notes	2017 / 2018 Appropriation Change	Total 6-Year CIP Outyear Planning Level Costs
					The cost of the transaction can be accommodated within existing appropriation authority; no supplemental appropriation is required	\$ -	\$ -
						\$ -	\$ -
<b>TOTAL</b>						<b>\$ -</b>	<b>\$ -</b>

**Assumption and Additional Notes:**

\*\*\* The selected lease location proposed in this ordinance had lower operating costs as compared to two other potential lease locations.

- 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:
  - Estimate 3% annual per square foot lease payment and operating cost increases
  - Annual lease expenditure amounts are new lease costs not the incremental increase over prior budgeted amounts.
  - The tenant improvement allowance is the sum of the Council adopted capital project amount (i.e. \$2,942,557 in project # 1124395) and the \$374,400 tenant improvement allowance (i.e. \$25 psf X 14,976 sq. ft.). This budget includes King County project management and planning and design costs.