



King County

Facilities Management Division

Anthony Wright, Interim Director

Department of Executive Services

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March 4, 2015

The Honorable Dow Constantine

King County Executive

401 5th Avenue, Suite 800

Seattle, WA 98104

Dear Executive Constantine:

The purpose of this letter is to inform you that King County has entered into direct negotiations for a long term lease with Mente LLC, ("Mente") at King County International Airport ("KCIA"). If you disagree with this approach you may direct Facilities Management Division to offer the lease for competitive bidding.

Mente provides corporate aviation services for a variety of world-wide business and philanthropic entities. They currently are subtenants in another hangar facility at KCIA. They anticipate the delivery of a new aircraft in 2017 that requires a larger space than they currently occupy.

The agreement contemplates the demolition of structures and ramp and construction of a new hangar on a 4.8 acre leasehold. The length of the term will be 35 years at a fair market value rent for undeveloped land of \$1.90/sf/year. A portion of the premises is improved ramp. The improved rent for that portion of the leasehold will be \$2.40/sf/year. Total annual rent will be approximately \$420,000.

King County Code section 4.56.160(B) allows King County to directly negotiate leases if the director of the facilities management division determines it is advantageous to the county to negotiate without bidding. I consider it advantageous to directly negotiate this lease for the reasons listed below.

1. Mente plans to fund and perform the demolition of an obsolete building and ramp, at its sole cost and expense, on the property and build approximately 40,000 square feet of hangar space and aircraft parking ramp to accommodate their corporate flight department. This commitment represents a greater amount of expense and demolition costs than would be expected from a potential tenant responding to a RFP process.

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2. Given the requested length of lease, KCC 4.56.180 A.2 will require an investment amount equal to the value of the ground being leased. In this case that amount is \$5.23 million. The improvements being proposed by Mente have an estimated value of more than \$30 million, significantly in excess of what is required to satisfy the financial investment requirements.

Thank you for your consideration and support. If you have any questions regarding this proposal, please call me at 206-296-0630.

Sincerely,



Anthony Wright, Interim Director
Facilities Management Division

cc: Caroline Whalen, County Administrative Officer and Director, Department of Executive Services (DES)
Elissa Benson, Interim Deputy Director, Facilities Management Division (FMD), DES
Gail Houser, Manager, Real Estate Services Section (RES), FMD, DES
Heather Marlow, Acting Leasing Supervisor, RES
Harold Taniguchi, Director, Department of Transportation (DOT)
Robert I. Burke, Director, King County International Airport (KCIA)

DECISION

DISAPPROVED – CONDUCT PROCESS FOR COMPETITIVE BIDDING

SEE ME