

King County 2011
Space Planning Options Supporting
District Court Consolidation
into the
Maleng Regional Justice Center

Leveraging King County Real Estate Assets

July 2011
King County Facilities Management Division

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Background

The proposal outlined in this report describes a plan that, if executed, would achieve two objectives: 1) consolidate and expand King County District Court functions at the Maleng Regional Justice Center (MRJC) located in the city of Kent; and 2) move the King County Sheriff's Office Criminal Investigations Division (CID) to downtown Seattle, creating operating efficiencies for CID with closer proximity to the Sheriff's Office administration, the Property Management Unit, and the resources of the King County criminal justice system in Seattle.

Moving forward with the plan will require approval of the following accompanying pieces of legislation: 1) an ordinance approving the Purchase and Sale Agreement with the City of Kent for the Aukeen Courthouse; and 2) an ordinance approving the capital appropriations necessary to program and design both the tenant improvements for District Court at the MRJC and CID's preferred relocation space at the Chinook Building. Finally, this ordinance would also approve the appropriations necessary to undertake long-term planning for the Sheriff's Office and Superior Court.

This proposal to consolidate and expand District Court functions in Kent has been developed through a collaborative process involving all affected MRJC tenants. Although the most significantly impacted organizations are District Court and the Sheriff's Office, all MRJC tenants and justice functions related to District Court are affected by this space planning effort. The Law Safety and Justice Facilities Master Planning Advisory Council (hereafter referred to as the FMP Advisory Council) was used as a forum for coordination. Members of the FMP Advisory Council include separately elected leadership and key staff from technical working groups established to evaluate the details of each option. The FMP Advisory Council is jointly chaired by Dwight Dively, Director of the Office of Performance Strategy and Budget (PSB) and Kathy Brown, Director of the Facilities Management Division (FMD).

Below are brief descriptions of the King County agencies and facilities most significantly affected.

District Court

King County District Court is part of the judicial branch of King County government and is funded primarily through the General Fund. District Court generates revenues from filing fees, probation fees, passport fees, imposition of fines and costs, and city contracts for court services. The District Court currently operates at ten facilities located throughout King County: the Aukeen Courthouse in Kent, the MRJC in Kent, the King County Courthouse (KCCH) in Seattle, the King County Correctional Facility (Seattle-jail calendars only), and other facilities located in Bellevue, Burien, Issaquah, Redmond, Shoreline and on Vashon Island (one day per month).

The Aukeen Courthouse, the sale of which is central to this proposal, is located at 1220 Central Avenue South in Kent. Owned by King County, the facility is shared by District Court and the City of Kent for its Municipal Court. Through late 2009, King County District Court used two of the Aukeen courtrooms for its South Division matters, with the remainder of the facility leased

by the City of Kent. Per a 2009 Interlocal Agreement between the City and the County, Kent was to pay for improvements to the Aukeen Courthouse, expanding the building from four to seven courtrooms to meet the future capacity needs of both entities. The City of Kent had identified \$7,000,000 to fund this expansion. The proposal outlined in this report instead sells the Aukeen Courthouse to the City of Kent for \$5.6 million, allowing the City to avoid expanding the facility and partly funding the remodel of the MRJC for District Court.

King County Sheriff's Office Criminal Investigation Division

The King County Sheriff's Office CID includes the Major Crimes Unit, the Special Assault Unit, the Regional Criminal Intelligence Group, and the Criminal Warrants Unit, among others. The division serves citizens with follow-up investigations of homicides, robberies, fire investigations, major accidents, missing persons and sexual assaults. It also serves felony arrest warrants and addresses issues associated with child support enforcement, registered sex offenders, and asset forfeiture.

Maleng Regional Justice Center

Built in 1997, the MRJC is an 18 acre campus serving the criminal and civil justice needs of South King County. Located between 4th Avenue North and West James Street in downtown Kent, the MRJC is comprised of three buildings. These buildings include an adult detention facility, a three-story parking garage, and a courthouse. The MRJC courthouse features 21 courtrooms, hearing ex-parte, family law, dependency, criminal District Court matters, and general civil and criminal Superior Court matters. Courthouse functions include the CID, the Prosecuting Attorney's Office, court clerks of the Department of Judicial Administration, a branch of the King County Law Library, child care, and courts services including a Family Law Information Center. Over 300 personnel work in the MRJC courthouse.

Chinook Building

The Chinook Office Building is located in downtown Seattle on the corner of 5th Avenue and Jefferson Street. The Chinook Building is a 13-story office building with a capacity for over 1,400 employees. Currently, the following agencies operate within Chinook: Public Health Seattle & King County, the Office of Information Resource Management, Administration for the Department of Executive Services, the Executive's Office, PSB, the Department of Community and Human Services, Finance and Business Operations and the Ethics Office. Given the staffing reductions of the past few years, there is underutilized space in the Chinook Building which can be maximized for purposes of this proposal.

SECTION 1: Executive Summary

In 2005, the King County Council adopted the District Court Operational Master Plan (OMP), which established the policy goal of having one single District Court building in any given city. In September 2007, the Council adopted the District Court Facilities Master Plan, which proposed fulfilling this OMP Policy goal by vacating the Aukeen Courthouse in Kent and consolidating those courtrooms with the District Court facilities at the Maleng Regional Justice Center (MRJC), also located in Kent. This move would consolidate south county functions for the Court, leading to efficiencies for both District Court and the public. The 2005 Space Plan identified the space occupied by the King County Sheriff's Office Criminal Investigations Division (CID) as the potential location for additional District Court courtrooms in the MRJC. It also identified moving CID to downtown Seattle to be close to Superior Court and the Sheriff's Office administration as a policy goal. However, remodeling space in the MRJC for District Court, as well as space for CID in a downtown location, requires a significant financial investment. Since the adoption of these policies, funding for the remodel and multiple moves has not been available.

The City of Kent has communicated its desire for expanded Municipal Court space within the Aukeen Courthouse, which provides an opportunity to leverage this asset for the benefit of the County's District Court operations. The City currently leases space in the Aukeen Courthouse for municipal court services and had previously identified approximately \$7 million to support the required capital improvement for a Municipal Court expansion at Aukeen. Given King County's simultaneous need to expand South end District Court operations, a new and cost-effective scenario has been identified by both governments: the City of Kent will purchase the Aukeen Courthouse from King County for less than the aforementioned \$7 million; and, in doing so, would have ample room for its Municipal Court after District Court vacates from Aukeen. South end District Court operations would then consolidate and expand within the MRJC, thereby allowing the Court to respond to its increased workload with operating space increasing from the current 14,905 square feet to 28,205 square feet. This consolidation of District Court functions into the MRJC is consistent with numerous ordinances adopted by the King County Council.

A proposal to consolidate District Court functions in Kent and to increase the number of District Court courtrooms from one to four (with a multipurpose room that can also be used for a courtroom) has been developed after discussions with the King County Sheriff and the District Court Presiding Judge. Enclosed as an attachment to the ordinance is the related Purchase and Sale Agreement, which has been approved by the City of Kent.

This proposal, if executed as planned, achieves the following:

1. Enables the City of Kent to expand its Municipal Court capacity within the Aukeen building at an estimated savings of \$1.4 million. Rather than renovating and expanding the County's Aukeen District Courthouse at the City of Kent's expense of \$7 million as provided by the original lease, the County will sell the Aukeen Courthouse to the city for \$5.6 million. With that sale and vacation of King County

District Court, the City of Kent will be able to utilize two more courtrooms.

2. Creates seven consolidated District Court courtrooms in the MRJC through the following steps: 1) building four new courtrooms and a multipurpose room (that can be used as a courtroom) in the MRJC to accommodate relocated functions from the Aukeen Courthouse and to provide designated courtrooms for the recently added District Court judges; and 2) combining the four new courtrooms and the multipurpose room with the existing District Court space at the MRJC that includes one dedicated District Court courtroom and one borrowed Superior Court courtroom (presently used for Domestic Violence Court). The proposed consolidation plan is consistent with the Council adopted District Court operational and facility master plans that specifically identify the need for six courtrooms plus one multipurpose room in Kent for District Court. The early cost estimates for tenant improvements and the courtroom capacity evaluation costs at the MRJC are \$7.2 million (see #5 below). The County Executive is seeking \$869,395 for design and development of final cost estimates for the necessary tenant improvements at the MRJC.
3. The final location of the KCSO Criminal Investigations Division (CID), now housed in the MRJC, is preferably the Chinook Building in underutilized space consistent with Council policy to relocate CID to the Seattle downtown core. However, FMD continues to work with the KCSO to ensure that all operational and security issues relating to CID moving into Chinook can be resolved before making a final recommendation. The early cost estimates for tenant improvements and move costs for CID's relocation to Chinook are \$0.9 million. The County Executive is seeking \$405,000 for design and final cost estimates for the tenant improvements required to place the CID at a location other than the MRJC.
4. Provides for development of a KCSO long-term facilities plan to support the Sheriff's ongoing business improvement process to address changing service dynamics and anticipated contract service trends. The estimated cost for this portion of the project is \$150,000.
5. Provides for an evaluation to maximize courtroom capacity throughout the MRJC in anticipation of future District and Superior Court needs.
6. Manages renovations and multiple relocations and consolidations in a manner that will ultimately save the county money.

Simply put, this proposal expands the number of District Court courtrooms in Kent by two; reduces the County's space inventory by 14,110 square feet; reduces related annual operating and maintenance costs by \$155,276; and improves the utilization of approximately 37,000 square feet of existing office space. A 20-year net present value analysis including all of the proposed capital, operating and debt service requirements concludes that the proposal costs are almost negligible when compared to current operations.

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In March 2011 the City of Kent signed a Letter of Intent (LOI) to purchase the Aukeen Courthouse. That document is enclosed as Attachment A. In April 2011, both FMD and the City of Kent signed and executed an amendment to the Aukeen lease, reflective of this new strategy. The lease amendment is also included as Attachment B, and the Purchase and Sale Agreement, which has been approved by the Kent City Council is also being transmitted with this report. (See Attachment C)

This is an excellent example of two governments working collaboratively to find regional solutions with limited financial resources. Selling Aukeen to the City of Kent provides much of the required financing to expand District Court capacity at the MRJC. The County's interest in selling the Aukeen Courthouse is driven by the need to consolidate and expand south county District Court. and the consolidation and expansion of District Court capacity is supported by the revenue from the sale of the Aukeen Courthouse.

To achieve the aforementioned steps, the Executive has transmitted for Council consideration and approval a proposed ordinance appropriating \$1,424,395 for three capital projects providing for: 1) programming and design of tenant improvements and move costs associated with the relocation of District Court from the Aukeen Courthouse to the MRJC; 2) programming and design of tenant improvements and move costs associated with the relocation of the CID from the MRJC to another location, preferably to the Chinook Building; and 3) a KCSO Long Range Facilities Plan and a separate evaluation to maximize the MRJC courtroom capacity. Proceeds from the sale of the Aukeen Courthouse to the City of Kent will provide \$5.6 million to offset the proposed expenditures and subsequent expenditures. The remaining construction costs will exceed sale proceeds and may be funded through bond financing. The KCSO long-range planning costs will be funded by General Fund fund balance. Subsequent legislation will include further expenditure and funding requests.

All branches of King County government are working cooperatively to manage operations efficiently, given the current economic challenges. King County has successfully created operational efficiencies through improved technology, staff changes and improved business practices, while meeting ever-increasing demands for service. The proposal outlined in this report leverages underutilized space for the benefit of District Court services and is just one of many ways that King County is responding to the reality of declining public sector resources. FMD will coordinate with all MRJC tenants to accommodate the needs associated with this project.

SECTION 2:

Implementing King County Strategic Plan Policies

The King County Strategic Plan, approved in July 2010 is a key tool in the Executive's efforts to reform King County government. The Strategic Plan focuses on customer service, partnerships, and various approaches for reducing the costs of government. This proposal leverages the value of the Aukeen Courthouse facility in Kent in order to meet multiple goals of the King County Strategic Plan.

The sale of the Aukeen Courthouse and subsequent consolidation and expansion of District Court services within the MRJC, as well as the relocation of the Sheriff's CID to the Chinook Building supports the Strategic Plan in the following ways:

- Reducing the County's cost of doing business, including keeping growth in costs below the rate of inflation by working with cities to identify opportunities to provide services more efficiently;
- Improving public safety by collaborating with local jurisdictions to define and provide regional law, safety and justice services;
- Supporting safe communities and an accessible justice system by consolidating District Court functions and co-locating those functions with other justice agencies in a regional justice complex;
- Moving CID to a more advantageous and strategic location in downtown Seattle;
- Enhancing King County's natural environment by reducing both its carbon footprint and helping the City of Kent to meet its needs without creating new facilities; and
- Exercising sound financial management through more efficient use of existing real estate assets, thereby enhancing their productivity and value.

The importance of partnerships with local jurisdictions to ensure efficient use of limited resources cannot be overstated. The sale of the Aukeen Courthouse to the City of Kent represents a better investment strategy for both the city and county residents. Consolidating the County's District Court services at the MRJC provides a single point of access to District Court in south King County, thereby eliminating public confusion and barriers to court access.

King County's facilities must be service oriented, convenient, accessible and efficient. The related facility decisions must be fiscally responsible and cost effective, seeking to maximize the value of our long term investments. To realize efficiencies and minimize costs, the County must work to leverage existing facilities and co-location functions. These priorities, linked to the proper actions, reflect sound financial management.

SECTION 3:

Policy and Legislative Directives

There are several historical legislative and strategic documents supporting the recommendation to sell the Aukeen Courthouse, consolidate and expand South District Court facilities, and relocate the King County Sheriff's Office CID to the downtown area. The discussions about consolidating District Court facilities in Kent and relocating the CID to downtown Seattle have occurred over an almost ten year period. Relocating CID to Seattle was mentioned as early as the 2002 Space Plan. The consolidation of the District Court facilities within the City of Kent has been considered by the Council on a number of occasions, the first of which was in the 2005 District Court Operational Master Plan (OMP), mentioned in Section 1 of this report. Described below are the more recent county planning documents and ordinances applicable to the various components of this recommendation.

3.1 Potential Sale of the Aukeen Courthouse to the City of Kent

Ordinance 16321 adopted in December 2008 authorized the County Executive to enter into a twenty year lease with the City of Kent for space in the Aukeen Courthouse. The lease gave the City a right of first offer to acquire Aukeen in event that the County opted to sell the building, or in the event that the County terminated the lease for convenience.

The purchase price of \$5.6 million provides the City with the additional court capacity it needs. This strategy also saves the City of Kent \$1.4 million, since it had identified \$7 million for Aukeen capital improvements (the original lease agreement stipulated that the City would pay for the needed Aukeen expansion). With the City's purchase and the associated King County District Court vacation, the originally envisioned capital improvements to Aukeen are no longer necessary for the City of Kent.

3.2 Consolidation and Expansion of District Court Facilities

King County Code 2.68.005 (adopted via Ordinance 15195 in May 2005) reaffirmed the Council's interest in the District Court. Below are portions from the ordinance:

- *Continue and make explicit the strategy of improving efficiency through unification of governance, administration and planning, centralizing workload where appropriate;*
- *Continue to support the District Court's function to serve cities through contracts and support flexibility in providing services and facilities for District Court customers;*
- *Continue to support a unified, countywide District Court, using existing facilities, to provide for a more equitable and cost effective system of justice for the citizens of King County;*
 - *ensuring court facilities promote system efficiencies, quality services and access to justice; and*
 - *consolidating District Court facilities that exist in the same city; and*

- *Work together with stakeholders to gain cooperation and assistance to meet the needs of the judicial system at the state and local levels.*

The District Court's 2005 Operational Master Plan (OMP) recognized that having fragmented District Court facilities in a single community did not improve access to justice and lead to increases in costs and public confusion. The OMP recommended that the two offices should be consolidated at one of the two locations, preferably at the MRJC in order to leverage existing county infrastructure.

The 2005 Space Plan (Ordinance 15328) provided that the MRJC space ultimately vacated by the CID should be converted to courtrooms, jury rooms, and associated support space for use by the District Court, consistent with the OMP. More specifically, it was the intent of the council that the Space Plan provide additional space for the District Court at the MRJC through the conversion of vacated CID space into courtrooms, jury rooms, and associated support space.

2007 District Court Facility Master Plan noted that the preferred option was to have District Court consolidate the State criminal caseload into Seattle, MRJC, and Issaquah facilities. It also assumed the eventual consolidation of the Kent facilities.

3.3 Downtown Location for the Sheriff's CID

The 2005 Space Plan (Ordinance 15328), under the section, *Location of County Agencies*, stipulated that CID should be relocated to the downtown Seattle core complex of King County buildings. Any vacancy in the Administration Building resulting from the relocation of elections-related functions shall be considered a priority location for the relocation of the Sheriff's departmental functions.

SECTION 4:

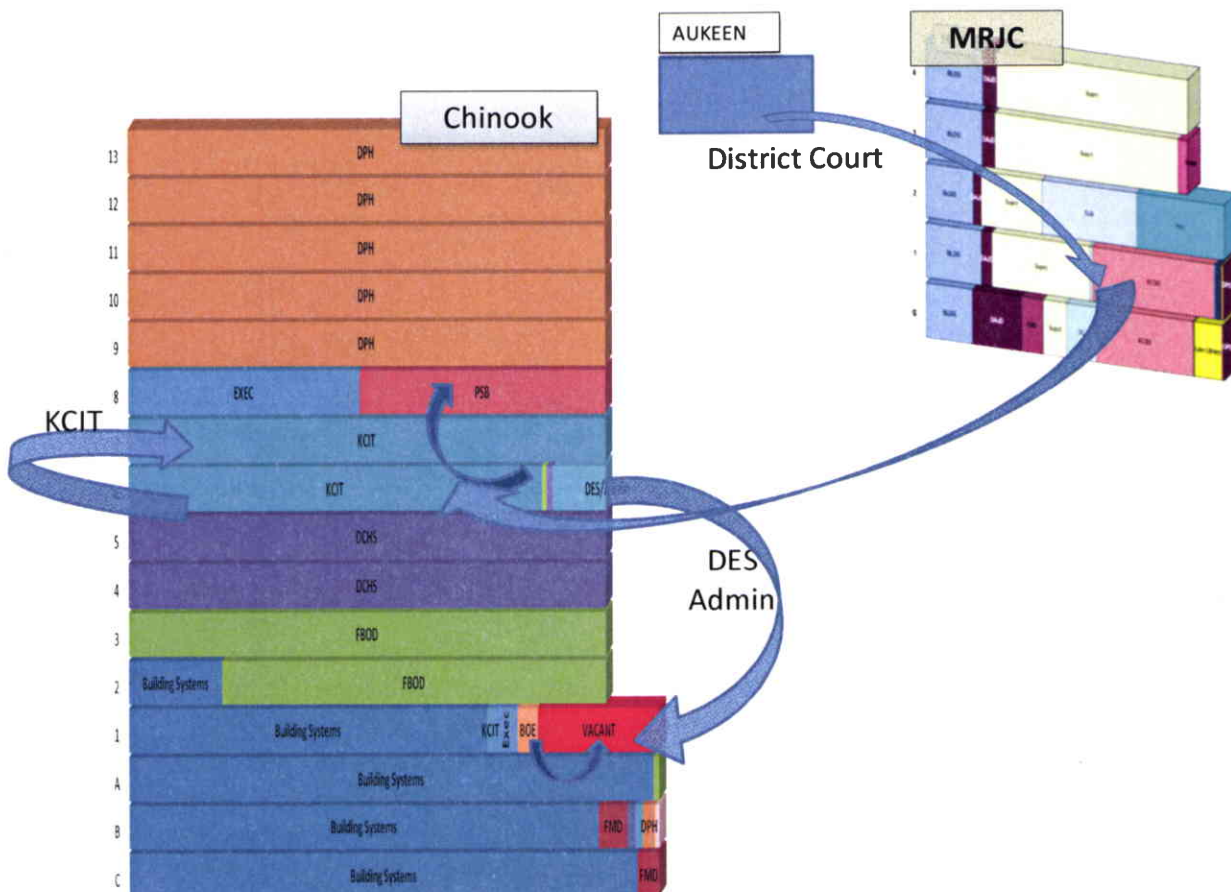
Sequence of Steps and Associated Detail for Achieving District Court Consolidation

A series of critical steps are required in order to achieve the customer service and space efficiency goals associated with consolidating and expanding District Court services:

1. Sell the Aukeen Courthouse to the City of Kent;
2. Move KCSO CID from the MRJC to a new site, the Chinook Building being the goal; and
3. Consolidate and expand District Court operations at the MRJC.

These three steps are discussed respectively below in Sections 4.1, 4.2 and 4.3, and Figure 1 below also depicts the series of necessary moves.

Figure 1: Series of Required Moves for Consolidating and Expanding District Court Services



4.1 Sell the Aukeen Courthouse to the City of Kent

Under a separate interlocal agreement between King County and the City of Kent, Kent had agreed to expand the Aukeen Courthouse at a cost of \$7 million, allowing for continued co-location with District Court until King County ultimately fulfills its stated policy intent of consolidating District Court functions at the MRJC. Under this agreement, Kent would have the first opportunity to purchase the Aukeen Courthouse when it vacated, with consideration given to the value of the expansion.

To avoid the estimated \$7 million in construction costs (which would result in a building size exceeding Kent's long-term needs) and to preserve their criminal justice campus, the City of Kent has proposed that the City buy the Aukeen Courthouse from King County for a price of \$5.6 million. Discussions between FMD and the City of Kent have resulted in a non-binding Letter of Intent (LOI) identifying the business terms of selling the Aukeen Courthouse to the City of Kent (see Attachment A). The LOI was signed in March 2011.

Most notable of the LOI terms are:

- A purchase price \$5,600,000;
- Aukeen will be sold in "as is" condition;
- Provides the City a 90 day due diligence period;
- Provides the City full access for inspections;
- Within 30 business days after mutual execution of the letter, King County shall prepare and deliver to the City a Purchase and Sale Agreement reflecting the terms of this letter (See Attachment C); and
- Closing will occur within 30 days following approval by the King County Council of 1) the Purchase and Sale Agreement; and 2) the move-out schedule associated with Aukeen operations (currently occurring from the Renton District Court as a flood preparedness measure).

The sales proceeds will partially finance the tenant improvement costs necessary to consolidate Kent District Court operations at the MRJC.

4.2 Move KCSO CID from the MRJC

The King County Sheriff's Office (KCSO) employs over 1,000 sworn officers and professional staff who provide law enforcement services to twelve contract cities, the Muckleshoot Tribe, Metro and Sound Transit, and unincorporated King County. The CID provides citizens with follow-up investigative, warrant, and intelligence-gathering services. Specifically, it investigates crimes including homicide, domestic violence, child abuse and neglect, custodial interference, and sexual assault. CID also addresses child support enforcement issues and manages court security for King County Superior and District Court locations.

CID consists of three sections: Major Investigations, Special Operations, and Advanced Training. The Major Investigations Section is located on the first floor of the MRJC. This Section has a total of 83 FTE detectives and support staff administered by a Major, a Captain and

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a division secretary – for a total of 86 FTEs. Of the 86 FTEs in Major Investigations, 10 would not be moved to a new CID office as they are assigned elsewhere. Only 76 FTEs would be relocated to a downtown location.

The CID Major Investigations Unit occupies 21,992 square feet on the first floor of the MRJC. The Unit also has an additional 18,434 square feet of dedicated underground parking on the ground floor. Due to recent staff reductions, the assigned MRJC space is now much larger than required for current operations. For 2011, KCSO is paying approximately \$600,000 in operating and maintenance charges for its assigned MRJC spaces; the General Fund is charged approximately \$119,000 for Major Maintenance for these spaces.

Command staff and administrative support for Special Operations and the Advanced Training Unit will also be located with Major Investigations/CID. An additional two captains and one administrative support staff will be included in the move estimates, for a total of 79 FTEs in the new location.

During the last few months a staff team with members from the KCSO, PSB and FMD met to develop, review and recommend relocation strategies for CID. This analysis began with eight options, but ultimately was narrowed down to 4 frontrunner options. These frontrunner options were then subjected to a more detailed analysis, which is summarized below.

FMD is working with the KCSO to see if the Chinook Building can function effectively for the CID and also minimize risk to the County. If these goals can be achieved, then the Chinook Building would be the preferred location for CID. This recommendation would be based on the programmatic advantages of the Chinook Building, the economics of this scenario, and previous Council direction to move CID to a downtown location.

An Executive recommendation to relocate CID to approximately 15,000 rentable square feet of space in the Chinook Building would not come without cost. However, those costs are offset by the fact that the Chinook Building occupancy takes advantage of existing vacant space. Included in the project costs is the relocation of the current Chinook tenant(s) to other county-owned and currently vacant space and an estimate for the required tenant improvements.

As stated previously, the recommendation to relocate District Court from the Aukeen Courthouse into the Maleng Regional Justice Center depends on CID vacating their current space at MRJC.

4.2a KCSO CID Relocation Requirements Analysis

Working with CID staff, FMD Capital Planning staff first determined that approximately 15,000 rentable square feet was needed at a new site to relocate 79 KCSO FTEs at a new location. The current office space layout in the MRJC provides an open office with a series of work stations/cubicles, and few private offices are provided. Except for a limited number of specialty rooms, the existing CID office space resembles a standard open office space layout. In addition to a reception area, the new site needs an enclosed interview room, a small secure evidence storage room, a small decontamination station and the necessary technology and data lines.

The following eight sites were initially considered for temporarily relocating the KCSO CID: the King County Courthouse; the Chinook Building; generic Eastside leased space; Precinct #2 in Kenmore; Precinct #3 in Maple Valley; the King County Administration Building; the Blackriver Building in Renton; and the Yesler Building.

Precinct #2 and Precinct #3 were included in the initial site list since both the Executive and the Sheriff have recommended to the County Council vacating these facilities as part of the package to create a new East Precinct Command Center in Sammamish City Hall in support of the new KCSO operational model this proposal is currently pending Council review. However, Precinct #2 was eliminated as an option early in the process, since it is not large enough to meet CID's space needs. (Precinct #2 is 8,700 square feet.) In addition, neither precinct offers good access to existing KCSO and criminal justice facilities, and both would increase transportation times between CID and other criminal justice locations.

4.2b Detail on Relocation Options

The relocation options summarized below were developed with the remaining sites after Precinct #2 and Precinct #3 were discarded as options. FMD also worked closely with KCSO to assess CID's operational needs at a new site, and those KCSO priorities are summarized in Table 1 and also discussed below.

Option 1A, Move CID into the King County Courthouse (KCCH): This alternative requires three moves: 1) Administration Building tenants moving out to another building (perhaps Yesler) to make room for the KCSO technical staff. It is likely that 175 FTEs would be impacted with a total of 45,000 sq. ft. requiring some level of tenant improvements (TIs); 2) KCSO technical staff moving from the KCCH first floor to the Administration Building; and 3) CID moving to the first floor of the KCCH. Although this strategy has been contemplated in the past by KCSO, the Executive and the Council, it was ruled out because of the high capital costs and number of FTEs involved in the moves.

(Frontrunner) Option 1B, Move CID to the King County Courthouse: This alternative requires two separate moves: 1) Move KCSO Technical Services or other administrative functions (approximately 75 employees) from the King County Courthouse to the Chinook Building; and 2) Move the CID into the King County Courthouse space vacated by KCSO administrative staff 79 employees). Although this option involves two separate moves and greater expense, it remains an option because of its ability to address KCSO security requirements.

Option 2, Moving CID into the Administration Building: This alternative was discarded as the building does not have a "private access" for suspect or witness escort. Witnesses and suspects arriving from the Administration Building loading dock would be required to walk through the public lobby area on the first floor using the public elevators to the proposed work site.

(Frontrunner) Option 3, Maximizing existing vacant space within Chinook: This alternative requires at least two moves: First, consolidating existing tenants within Chinook using vacant cubicles requiring 1 or 2 moves, depending upon the floor selected for CID. It is likely that 40

or more FTEs would be impacted. Then second, moving CID into the Chinook Building. Minimal tenant improvements (TIs) would be needed for approximately 25,000 sq. ft.

Option 3a, Move CID into the Chinook with existing Chinook tenants relocated to another building: This alternative would require two moves: 1) Chinook tenants would be relocated to another building (perhaps Yesler); and 2) CID would move into Chinook. It is likely that 135 FTEs would be impacted with 15,000 sq. ft. in Chinook requiring minimal TIs and approximately 10,000 sq. ft. in another building requiring normal TIs. This option was not ultimately considered, given the amount of vacant space that currently exists within Chinook.

(Frontrunner) Option 4, Maximize existing vacant space with Blackriver: This alternative requires at least two moves: 1) DDES would consolidate in the remaining area in Blackriver; and 2) CID would move into Blackriver on the 2nd floor. Approximately 135 FTEs would be impacted and approximately 15,000 sq. ft. would be outfitted with normal CID TIs with the DDES relocation requiring minimal TIs.

(Frontrunner) Option 5, Leasing Eastside office space: This alternative requires a single move with significant TIs to a privately owned building. Only 79 CID FTEs would be impacted with approximately 15,000 sq. ft. in TIs.

Option 6, Move CID to vacant space in the Yesler Building was also quickly discarded, since there is no loading dock or private access to any Yesler floor. This eliminates the ability to transport witnesses or suspects in and out of the building without coming into contact with the public.

The facility requirements for a functional CID are also outlined on the next page in Table 1.

Table 1: KCSO CID Facility Requirements for Maximum Effectiveness

Facility Criteria	Description	Benefits/Impacts
A. Central and Accessible	<ul style="list-style-type: none"> • Proximity to freeways and arterials for both public and CID access. • Availability of bus transportation. • Continuity of operations during disaster/flood response. 	<ul style="list-style-type: none"> • Reduces transport time. • Improves public access. • Continues operation during critical response periods.
B. Access to Other Criminal Justice Infrastructure	<ul style="list-style-type: none"> • Proximity to and ability to use office amenities within King County-owned buildings, i.e. conference rooms, mail rooms. • Proximity to other criminal justice entities, i.e. Prosecuting Attorney’s Office or Superior Court for trial and hearing preparation and for accessing incarcerated individuals. • Proximity to other KCSO sites, i.e. Property Management unit for evidence storage, etc. 	<ul style="list-style-type: none"> • Leverages existing resources. • Avoids the cost of duplicating amenities. • Improves CJ coordination, avoids travel time and facilitates multi-tasking while awaiting appearance at trial. • Reduces transport time to and from existing KCSO sites.
C. Security Within Facility	<ul style="list-style-type: none"> • Availability of private access to the CID area for transport of witnesses and crime scene evidence • Availability of access by the public to the CID reception area with the area designed to prevent intrusion into the “back” offices. 	<ul style="list-style-type: none"> • On a frequent basis CID staff escort witnesses to their office for interviews. The public must not be able to see the witnesses being interviewed. • The public needs access to the CID reception area. At the same time, access within the CID office must be controlled with card access , panic buttons, etc.
D. Parking	<ul style="list-style-type: none"> • Availability of semi-secure parking. • Ability to park CID specialty vehicles away from public view. 	<ul style="list-style-type: none"> • CID relies on assigned vehicles to conduct their operations in the field. The vehicles are specifically outfitted and must be left in a semi-secure facility in order to prevent vandalism.

Facility Criteria	Description	Benefits/Impacts
Parking, cont'd.		<ul style="list-style-type: none"> CID uses specialty vehicles for surveillance and other investigation activities. These vehicles must be kept from public view.
E. KCSO Operational Impacts	<ul style="list-style-type: none"> Potential for operational efficiencies. Potential for additional operating costs. 	<ul style="list-style-type: none"> Reduces evidence and warrant runner time. Need to duplicate polygraph equipment. Need to increase or decrease supply delivery.
F. Schedule	<ul style="list-style-type: none"> The time required to complete all the steps necessary to relocate CID. 	<ul style="list-style-type: none"> Vacating the existing CID location is critical to moving DC out of the temporary Renton District Court and into the MRJC.
G. King County Real Estate Portfolio Benefits	<ul style="list-style-type: none"> Assess alternatives based on the full range of capital and operating costs to the County. Agency service needs the lowest cost. 	<ul style="list-style-type: none"> Maximize use of King County sites.
H. Tenant Improvement and Move Costs	<ul style="list-style-type: none"> The cost of tenant improvements for both CID as well as any moves to make space available to CID. 	<ul style="list-style-type: none"> A full array of all project costs will lead to a more informed decision process.

4.2c Additional Analysis of KCSO Facility Requirements

Central/Accessible: The Chinook Building, Courthouse and the generic Eastside leased space alternatives are located in close proximity to major highways and bus lines, although the eastside does not have direct bus service to all parts of the county. Gaining access to the KCSO service area would occur with relative ease. The Blackriver Building is three miles from the I-5 corridor and less than a mile from I-405. Neither the Blackriver Building nor the Eastside lease would offer direct bus service to all parts of the county.

Adjacencies: The Chinook Building has open unassigned conference rooms on the first floor. Both the Chinook and Courthouse options offer easy access to KCSO facilities in the KCCH and easy access to the photo lab in the Yesler Building. The Chinook Building and the Courthouse are also both near the King County Correctional Facility (KCCF), eliminating the need to transport in-custody individuals for interview.

The Blackriver Building has existing conference space that could be assigned to CID without the need for additional tenant improvements (TIs). However, the building is not located adjacent to KCSO facilities or other criminal justice agencies. As a result, there would be additional transportation costs and officer down time. The Eastside location would not have existing amenities, i.e., conference rooms, and all such amenities would need to be built on site. As with the Blackriver Building, additional transportation costs and officer down time would be required for officers to attend court and interface with KCSO administration.

Access within facility: The Chinook Building and the Courthouse both have freight elevators accessible from loading docks which could be modified to allow occupant control to the CID floor while witnesses or suspects are escorted to the work site. For the Blackriver Building, while there are doors not accessible by the general public, such doors do not have elevator access. The main lobby of the Blackriver Building would need to be modified to restrict public access to just one entrance, and split the main lobby to allow employees and escorted public only on at least one of the elevators. Access to the elevators is currently through the public lobby area. It is presumed that the Eastside leased space could be fashioned with TIs to include private access and the escort of witnesses.

All four building alternatives could accommodate a CID reception area where the public would have easy access, but could not access the remaining CID work area beyond the reception area.

Parking: For the Chinook Building, parking would be available at the published rate in the Goat Hill parking lot. Both Blackriver and the Eastside leased location (with some TIs) could include a designated semi-secure parking area that would be free for use. The likely TIs include fencing and a lockable entrance.

4.2d Facility Limitations and Impacts to Other County Agencies

The eastside leased location is relatively isolated from other King County agencies and, accordingly, creates no issue for other county agencies. While housed in a multi-tenant leased building, adequate infrastructure can be constructed to appropriately segregate CID operations from private tenants and the footprint for CID could be sized for maximum efficiency.

The Blackriver, Chinook and Courthouse options all require that CID share a building with other King County tenants. The floorplates for all three buildings are larger than what is required for CID, meaning the division must share the floor with another agency to avoid the floor being left only partially occupied. If shared, some degree of physical separation on individual floors will increase costs, as will dedication of an entire floor to CID. The CID's escorted and private access to the Chinook Building will affect access to both the loading dock and the freight elevator. Furthermore, the CID requirements for storage may require other agencies to accommodate their storage in other county buildings. Care must be taken to make sure that CID functions placed in both the Blackriver Building and the Chinook Building are consistent with the permitted use of those buildings, do not detract from the security and use of other tenants in the buildings, and meet the functional requirements of the Sheriff's Office.

4.2e Scheduling Analysis

Tentative schedules were developed to daylight the differences among the four potential locations. The potential CID move-in dates for the relocation strategies range from January to July 2012. The strategies using county buildings require less time because the TIs can be completed faster under FMD supervision. The potential move dates among the four frontrunner locations are as follows:

- **Chinook - January 2012**
- Blackriver - January 2012
- Eastside Lease - July 2012
- King County Courthouse/Chinook - June, 2012

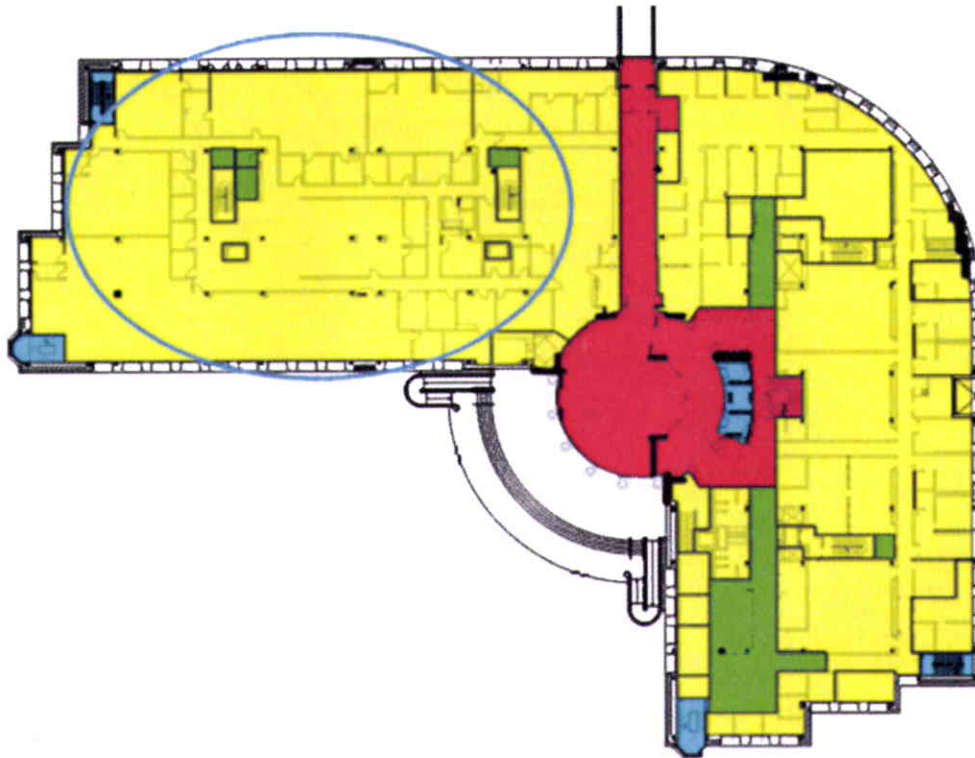
4.3 Consolidate and Expand District Court Operations at MRJC

The third element to this plan would add courtroom capacity to the MRJC, thus achieving consistency with the long term plans for that site as envisioned in the District Court Facilities Master Plan adopted by the Council as Ordinance 15899 on September 17, 2007.

The long term plan for the MRJC was developed in 2009 to ensure that the site could accommodate anticipated needs for adult inmate housing and potential growth of both Superior and District Courts. As envisioned in the plan, the site has the capacity to increase inmate housing by 460 operational beds by adding four additional housing units in the northwest corner, and increasing the total number of courts for both Superior and District Courts by eighteen with a four story addition on the south side of the existing courthouse. The long term plan also assumed the relocation of CID offsite and the conversion of their space to courtrooms for District Court. Figure 2 on the following page illustrates the existing CID location at the Maleng Regional Justice Center.

This conversion will result in a centralized, more efficient South District Court facility, and will also accommodate an increasing case load. This move also allows the County to terminate its existing lease at the Renton District Court, which is a temporary location for Aukeen District Court operations associated with the threat of Green River flooding. It is assumed that the District Court will remain at the leased Renton District Court location until the necessary tenant improvements are completed at the MRJC and the space is ready for occupancy. The Executive's 2012 proposed budget will include sufficient funding to pay for the lease and related operations and maintenance costs during the construction period.

Figure 2: Existing CID Location on First Floor at the Maleng Regional Justice Center



4.3a Amenities for District Court at MRJC

The new District Court space in the MRJC would provide the following amenities:

1. Court Functions

- a. Consolidated and expanded District Court functions will include five courtrooms, one multipurpose room (that can be used as a courtroom), five judges chambers, four jury rooms, four attorney/client conference rooms, a clerk area with pay stations, a conference room, and staff and public toilets.
- b. The aforementioned facilities would be located on the first floor in the area vacated by CID (see Figure).
- c. Transfer of inmates from the jail will occur via the existing secure elevators used by Superior Court for the courtrooms on floors 3 and 4.

2. Probation

- a. The remodel will include workstations for probation officers, an office for the Probation Manager, conference rooms for probation officers to interview clients, and office space for two Regional Mental Health Court staff.
- b. Probation will not be located in the former CID space. Rather, it will be located on the ground floor in space located next to the existing District Court courtroom used for first appearance hearings. This area will be made available when the

District Court clerks who are currently located here are relocated to the first floor with the other clerks moving in.

3. Prosecuting Attorney

- a. Space will be allocated for Prosecuting Attorney staff transferring from the Burien District Court, once the State cases are transferred to the MRJC. Space will be provided for prosecuting attorneys, a supervising attorney, a police and witness waiting area, and a domestic violence advocate.
- b. A final location within the MRJC for the Prosecuting Attorney staff has not been determined yet. However, there are two options for accommodating the PAO at MRJC: 1) consolidating Department of Judicial Administration (DJA) space on the 2nd floor adjacent to the existing Prosecuting Attorney's office space (this appears workable because DJA file storage needs have decreased with implementation of the Electronic Records Management System); or 2) a reconfiguration of the existing Law Library on the ground floor. The Superior Court and DJA are currently determining how to address overcrowding issues in the Family Law area of the first floor, and the DJA space may be part of the solution. The Court's needs in this area will be considered along with the needs of this proposal.

4. Parking

- a. The relocation and expansion of District Court operations to the MRJC may create a need for additional parking for employees, general customers, litigants and jurors. A parking plan will be developed concurrent with design and construction of MRJC tenant improvements. This plan will be developed in consultation with the City of Kent, District Court, Superior Court, and the Department of Adult and Juvenile Detention.
- b. CID currently has 47 dedicated parking stalls at the MRJC that will be available for the building tenants to use, once CID relocates. Therefore, the total additional parking stalls needed at the MRJC once District Court is relocated will be 218. This can be accommodated by the existing joint use agreement between King County and the City of Kent allowing the County to use 450 parking stalls at the ShoWare Center during the day.
- c. Because the ShoWare Center is located across James Street, the County will have to develop a parking policy to determine where employees, visitors, jurors, and judges will park.

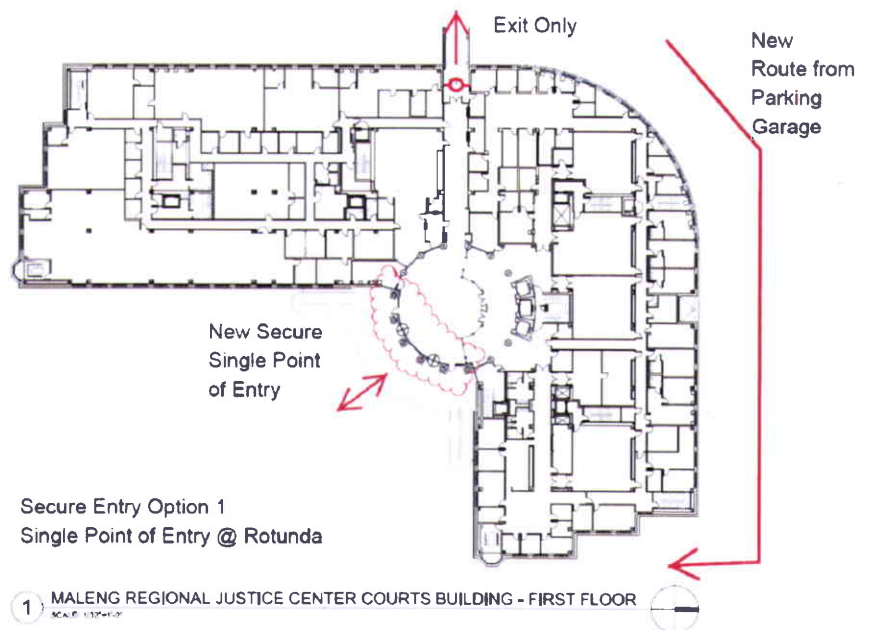
5. Security

The MRJC space currently occupied by CID is outside of the security perimeter within the MRJC, and individuals entering this space are not screened for weapons. Once this space is converted to District Court space, provisions for weapons screening will have to be made. FMD has held several meetings with the KCSO Court Protection Unit, the FMD security unit, District Court, Superior Court, PAO, and DJA to review the security needs of the building and tenants after District Court is relocated to the MRJC. From these meeting, five security options were considered and all would add to the costs of the base project.

The supplemental request for the MRJC remodel includes capital funding for the highest construction cost option, which is option #2 at \$868,414. The final decision on which security option to construct will be made late in 2011. Under all scenarios, the existing screener and marshal currently assigned to the Aukeen Courthouse (currently working from the Renton Courthouse as a flood preparedness measure) will be reassigned.

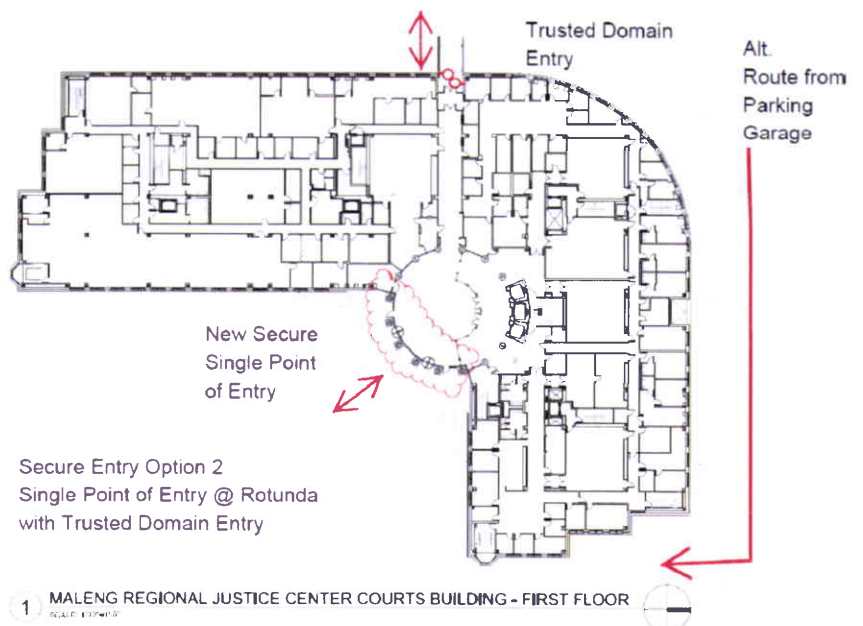
Security Option 1: Estimated One Time Cost = \$ 550,000

This security option will create a single point of entry at the east side of the MRJC in the existing rotunda area. The current entry to the building from the parking garage would be closed off and become an exit-only door, similar to the existing King County Courthouse 4th Avenue entry. The single point of entry will accommodate two full screening stations, but will not require an increase in security staff.



Security Option 2: Estimated One Time Cost = \$868,414

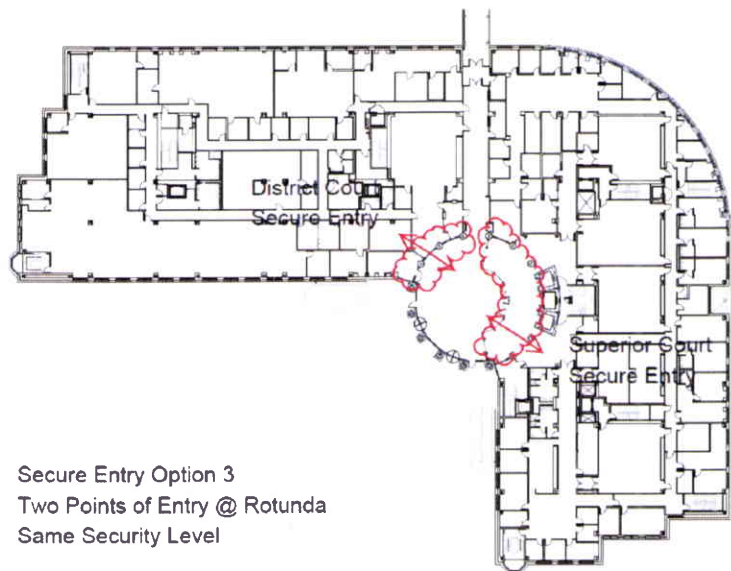
This security option will create a single point of entry at the east side of the MRJC in the existing rotunda area. The current entry to the building from the parking garage would be converted to a trusted domain (employee only) entry with appropriate security devices and controls to prevent unauthorized entry. The single point of entry on the building's east side will accommodate two full



screening stations, but would not require an increase in security staff. It has not been determined if the trusted domain entry would require additional security staff.

Security Option 3: Estimated One Time Cost = \$605,000, plus the fully-loaded cost for a new security screener, \$76,500

This security option will create two points of entry and egress at the east side of the MRJC, with screening stations set up in both locations. The first screening station would remain in place at the building's east entrance, however the station would be upgraded and the area would be modified to relieve congestion. The second screening station would be located at the entry to the new District Court area. The existing screening would not require an increase in security staff. The new screening station would be staffed by the existing security team currently located at Aukeen, but would require an additional screener for the new x-ray machine.

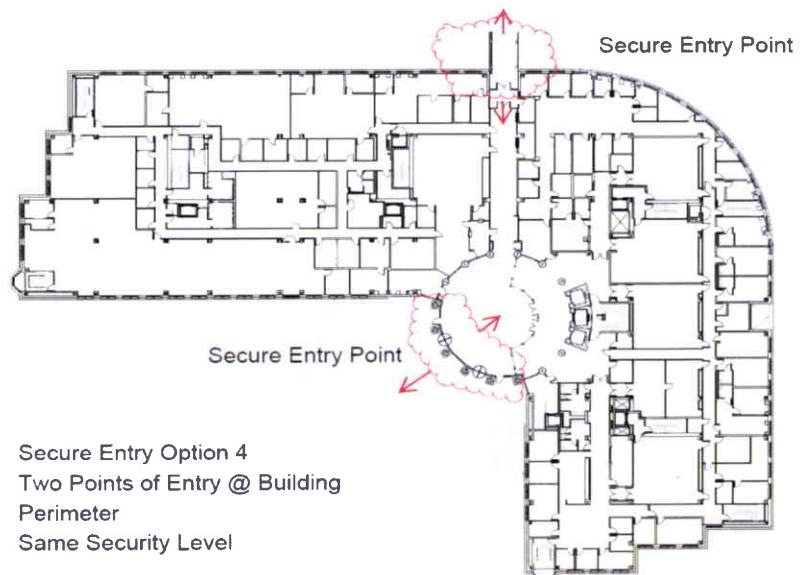


Secure Entry Option 3
Two Points of Entry @ Rotunda
Same Security Level

1 MALENG REGIONAL JUSTICE CENTER COURTS BUILDING - FIRST FLOOR
SCALE: 1/32"=1'-0"

Security Option 4: Estimated One Time Cost = \$665,000, plus the fully-loaded cost for a new security screener, \$76,500

This security option will create two points of entry and egress to the MRJC with screening stations set up in two locations. One secure point would be established at the east side of the building in the rotunda area, and the other at the entry to the building from the parking garage. Both secure points would be designed to accommodate two full screening stations. During peak hour arrivals in the



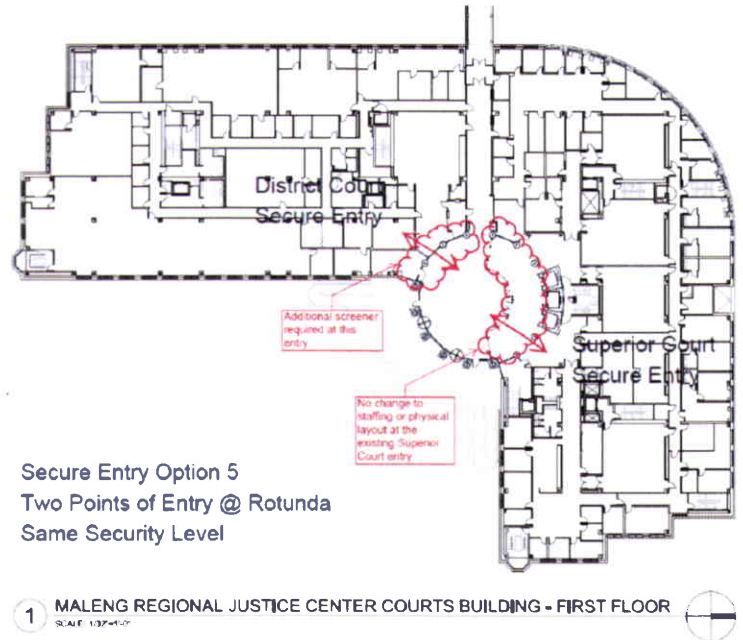
Secure Entry Option 4
Two Points of Entry @ Building
Perimeter
Same Security Level

1 MALENG REGIONAL JUSTICE CENTER COURTS BUILDING - FIRST FLOOR
SCALE: 1/32"=1'-0"

morning, a larger screening team could be located at the parking garage entry with a smaller security staff located at the rotunda entry. Then, during peak lunch time hours, the staffing levels could be rotated to the rotunda entry to accommodate the increased volume in traffic. This option would require an additional screener for the new x-ray machine.

Security Option 5: Estimated Costs = \$ 325,000, plus the fully-loaded cost for a new security screener, \$76,500

This security option will create two points of entry to the MRJC with screening stations set up in two locations. The current screening station at the building's east entrance would remain in the same location with no changes to either staffing, technology or wall layout. The second screening station would be located at the entry to the new District Court area. The existing screening station would not require an increase in security staff. The new screening station at the District Court would be staffed by the existing security team currently located at Aukeen, but would require an additional screener for the new x-ray machine.



For purposes of this report, the most expensive option was assumed in the cash flow analysis contained later in this section, which is security option #2.

Toward the end of 2011, FMD will work with criminal justice agencies, the Security Oversight Panel, and the Executive's Office to determine a final security design and operations plan for the MRJC. It will also be necessary to work out the operational impacts relating to security, and the needs of the KCSO Court Protection Unit will be addressed in the final security configuration.

FMD will also work with District Court to assess the traffic impacts within the MRJC resulting from the consolidation and expansion of District Court services (e.g. increased numbers of jurors, litigants, etc.). This involves working with the Courts to assess where additional jurors will be housed, given that the current jury assembly room is often at capacity. Critical factors such as staffing and construction costs, customer convenience and overall security effectiveness will all be considered and the specific impacts will help determine which security option is chosen.

Proposed Strategy for District Court Consolidation
July, 2011

Finally, once the District Court consolidation and expansion is completed at the MRJC, FMD will carefully monitor the janitorial and other maintenance needs. However, significant changes from current protocols are not anticipated at this time.

SECTION 5:

**Economic and Cash Flow Analyses for District Court Consolidation and Expansion
 Including CID Relocation Alternatives**

Both a cash flow and an economic analysis were completed for the project. These analyses examined the four final CID relocation options: the Chinook Building, the Blackriver Building in Renton, a generic Eastside lease, and a combined Courthouse/Chinook option. A 20-year period was used for both analyses. The cash flow analysis reflects the *budgetary requirements for all agencies affected by this project*, while the economic analysis reflects the *values of space occupied* before and after implementation of this project. The Chinook Building option results in the smallest negative cash flow over 20 years, while the Eastside Lease has a high economic cost compared to Chinook and Blackriver. While the Courthouse/Chinook option results in a higher cost, a careful consideration of placing some CID functions in the Courthouse and moving other Sheriff administrative functions to the Chinook Building will result in better security for other County agencies and appropriate functionality for CID spaces. The ongoing programming and design work will prioritize minimizing the costs associated with this last option.

Nevertheless, the aforementioned costs of all options are substantially lower than would otherwise be the case if the County had not divested its interest in the Aukeen District Court Building. Consolidating and expanding District Court services at the MRJC without liquidating the Aukeen Building would result in significantly increased costs to King County because the Aukeen Building would still need to be operated and maintained.

The final results of both the economic and cash flow analyses are shown in table 2. Note that a positive number constitutes a present value savings over 20 years, while a negative number (in parentheses) constitutes additional present value costs to the County over 20 years.

**Table 2: Net Present Value of CID Relocation Options
 Cash and Economic Analysis**

Results in Millions of Dollars (positive is net savings)				
	Chinook	Blackriver	Eastside	Courthouse/Chinook
Cash Flow Analysis	(.335)	(.386)	(3.024)	(1.580)
Economic Analysis	.460	2.045	(2.291)	(.785)

The variables and assumptions contributing to these conclusions are shown in Table 4. For a higher level summary, the following key assumptions are identical for both the cash flow and economic analyses:

- A financial analysis period of 20 years;
- Inflation rates of 3%;
- Interest rates on borrowing: 4% for 10 years, or 5% for 20 years;
- District Court rentable square feet (RSF) would go from 14,905 to 28,205;
- KCSO rentable square feet would go from 21,992 to 15,000;
- All proceeds from the sale of the Aukeen District Court (\$5.6 million) are applied to the District Court expansion at MRJC;
- Cost of tenant improvements (TIs) at the MRJC (\$7.2 million);
- Cost of tenant improvements (TIs) at the Chinook Building (\$898,000);
- Debt service on borrowing for the MRJC at \$131,595 annually;
- Debt service on borrowing for the Chinook Building at \$74,305 annually; and
- King County Sheriff’s Office savings related to the central location of the Chinook Building is \$76,000 for the first year of occupancy, inflating thereafter.

The table below summarizes the differences between the Cash Flow and the Economic Analysis:

Table 3: Differences Between Cash Flow and Economic Analyses

Differences Between Cash Flow and Economic Analyses		
	Cash Flow Analysis	Economic Analysis
CID Occupancy at MRJC	Cost per rentable square foot includes internal charges for O&M and Major Maintenance assessments	Cost per rentable square foot includes the market value of rental space in South King County
CID Occupancy at Eastgate	Cost per rentable square foot equals the estimated rent for an Eastside lease including operating costs	Cost per rentable square foot equals the estimated rent for an Eastside lease including operating costs
CID Occupancy at Blackriver	Cost per rentable square foot includes internal service charges for O&M, major maintenance assessment, and allocated debt service	Cost per rentable square foot is market value of rental space in South King County
CID Occupancy at Chinook	Cost per rentable square foot includes internal charges for O&M, major maintenance assessments, and building rent (debt service)	Cost per rentable square foot is the market value of class A rental space in downtown Seattle

Differences Between Cash Flow and Economic Analyses, cont'd.

Differences Between Cash Flow and Economic Analyses

	Cash Flow Analysis	Economic Analysis
CID Base Year Parking at MRJC	Includes the internal amount the King County Sheriff's Office currently pays for parking garage space at the Maleng Regional Justice Center	Market value of parking space in Kent
CID Base Year Parking Charge at Goat Hill – Post Move	Includes the amounts expected to be paid by the King County Sheriff's Office for parking at the Goat Hill Garage	Includes the amounts expected to be paid by the King County Sheriff's Office for parking at the Goat Hill Garage

5.1 Elements Common to All Four CID Location Scenarios

There were several elements of this proposal common to all four CID relocation options. First, the full \$5.6 million in proceeds from the sale of the Aukeen Courthouse to the City of Kent is applied to the remodel costs at MRJC¹. This amount was used for both the cash and economic analysis.

Second, \$7.2 million is required for move and remodel costs related to relocating District Court into the MRJC. The base construction amount is estimated at \$6,371,555, including a contingency amount of \$568,164. There are also five add-on security features under consideration, with costs ranging from \$325,268 to \$868,414. For the purposes of this analysis, the high end \$868,414 was used. Most options would involve increased security staffing for weapons screening at an added entry way. These construction costs were used for both the cash and the economic analysis. It is assumed that the District Court's rental amount and O&M costs at the Renton District Court location will be included in the 2012 operating budget, rather than capitalized as a cost of this project.

Third, the difference between the Aukeen sale proceeds and the full project cost will be bond financed. For the purpose of both the cash and the economic analysis, it was assumed that the term of the financing will be 19 years. Under the high-end cost estimate and assuming a full \$5.6 million of proceeds applied to the MRJC tenant improvements, over \$1.6 million would be bonded for MRJC improvements with estimated annual debt service over 19 years of about \$135,700.

¹ The King County Code creates a policy issue regarding the use of surplus sales proceeds: KCC 4.56.130 provides that, for sales transactions with proceeds in excess of \$250,000 that accrue to the Current Expense (General) Fund, 10% of the gross sale proceeds are to be deposited into the Arts and Culture Development Fund. This report therefore assumes that no proceeds will transfer to the Arts and Culture Development Fund as a result of this sale.

Forth, the ongoing costs of space at the MRJC for District Court occupancy once the project is complete.

Finally, a long-term facilities plan for the King County Sheriff's Office, as well as analysis of options for expanding Superior Court capacity at the MRJC, are included at a cost of \$150,000. This issue is discussed in detail in Section 6 of this report.

5.2 Existing Tenant Savings – Credits for Occupying Vacant Space

FMD makes recommendations to acquire, assign, and allocate work space and strives to reduce unused or underutilized existing office space whenever possible. Both the Chinook and Blackriver Buildings currently have blocks of unused space that could be reconfigured for CID with consolidation moves in King County Information Technology (KCIT) for Chinook and the Department of Development and Environmental Services (DDES) for Blackriver. The FMD cost to operate a building does not change as small blocks of vacant space emerge; the County is simply paying for unused space. However, when existing tenants reduce their assigned square footage through consolidation, there is an opportunity for county facilities to become more efficient and to reduce costs for existing tenants through operational savings.

For purposes of the cash analysis (see Section 5.4), the credit for occupying vacant space is assumed for the entire 20-year period. For the cash analysis, the credit is an acknowledgement that the occupying agency is incurring costs that would otherwise be incurred as vacant space by other County agencies. While the occupying agency would actually pay for their occupancy, the actual savings associated with that occupancy would be accrued to other County agencies through reduced occupancy rates. The beneficiary agency is occupying space that is not in use and the occupancy does not result in increased costs to the County.

For the purposes of the economic analysis, the credit for occupying vacant space is assumed for only a five-year period. This period is predicated on an assumption that the County would, in the absence of CID occupancy, find some other productive use of vacant space for years 5 thru 20 in the analysis period. The contributing factors and differences between long term costs and long term savings in the cash flow and economic analyses are summarized in Tables 4 and 5.

There is, however, an argument that leasing out the pockets of vacant space to outside parties may not be a feasible solution. The County could be hard pressed to lease out vacant space which is not configured for easy marketing, which is certainly the case at Chinook. Under these circumstances, the rent credit in the economic analysis could apply for a longer period up to the full 20-year term of the analysis. The bottom line is extremely sensitive to this assumption. If one assumes that the County cannot lease out the applicable vacant space over the entire 20-year period, the economic analysis results in savings of \$1.6 million and \$1.1 million for the Blackriver and Chinook options respectively. There is no rent credit factored for the Eastside Lease Option because that option results in an increase in the County's operational footprint rather than more efficient use of vacant space.

**Table 4: Assumption and Key Variable Comparisons
Between the Economic and Cash Flow Analyses (Utilizing the 5-Year Rent Credit)**

Assumption and Key Variables For Both the Cash Flow and Economic Analyses (Utilizing the 5-Year Rent Credit)					
	Status Quo	Chinook	Blackriver	E.S. Lease	Courthouse/ Chinook
Inflation for Analyses	3%	3%	3%	3%	3%
CID Space Occupancy (RSF)	21,992	15,000	15,000	15,000	15,000
CID Tenant Improvement Costs	n/a	\$898,000	\$1,781,146	\$1,795,314	\$2,610,832
CID Base Year Total Rent (RSF) for Cash Flow Analysis	n/a	\$29.97	\$30.84	\$15.50	\$29.97
CID Base Year Total Rent (RSF) for Economic Analysis	\$20.00	\$25.00	\$20.00	\$15.50	\$25.00
Years of Rent Credit For Cash Flow Analysis		20	20	n/a	20
Years of Rent Credit for Vacant Space for Economic Analysis		5	5	n/a	5
CID Parking Base Year for Cash Flow Analysis	\$280,628	\$124,800			\$124,800
CID Parking Base Year for Economic Analysis		\$124,800			\$124,800
CASH FLOW ANALYSIS CONCLUSION		(\$334,835)	(\$386,355)	(\$3,024,837)	(\$1,579,900)
ECONOMIC ANALYSIS CONCLUSION		(\$2,589,684)	(\$394,833)	(\$2,291,771)	(\$3,834,749)

**Table 5: Assumption and Key Variable Comparisons
Between the Economic and Cash Flow Analyses (Utilizing the 20-Year Rent Credit)**

Assumption and Key Variables For Both the Cash Flow and Economic Analyses (Utilizing the 20-Year Rent Credit)					
	Status Quo	Chinook	Blackriver	E.S. Lease	Courthouse/ Chinook
Inflation for Analyses	3%	3%	3%	3%	3%
CID Space Occupancy (RSF)	21,992	15,000	15,000	15,000	15,000
CID Tenant Improvement Costs	n/a	\$898,000	\$1,781,146	\$1,795,314	\$2,610,832
CID Base Year Total Rent (RSF) for Cash Flow Analysis	n/a	\$29.97	\$30.84	\$15.50	\$29.97
CID Base Year Total Rent (RSF) for Economic Analysis	\$20.00	\$25.00	\$20.00	\$15.50	\$25.00
Years of Rent Credit For Cash Flow Analysis		20	20	n/a	20
Years of Rent Credit for Vacant Space for Economic Analysis		20	20	n/a	5
CID Parking Base Year for Cash Flow Analysis	\$280,628	\$124,800			\$124,800
CID Parking Base Year for Economic Analysis		\$124,800			\$124,800
CASH FLOW ANALYSIS CONCLUSION		(\$334,835)	(\$386,355)	(\$3,024,837)	(\$1,579,900)
ECONOMIC ANALYSIS CONCLUSION		\$460,091	\$2,044,987	(\$2,291,771)	(\$3,834,749)

5.3 Tenant Improvement Costs

The tenant improvement and related move costs for the relocation strategies are shown below in Table 3. The costs range from just under \$900,000 for Chinook Building tenant improvements to just under \$1.8 million for both the Blackriver and Eastside Lease options. The costs are a function of the amount of square feet of tenant improvements that are required, and ease with which the spaces can be modified for CID specialty needs.

Table 6: Tenant Improvement & Move Costs

CID Relocation Strategy	Tenant Improvements & Move Costs
Option 1: Maximize Space in Chinook	\$ 898,000
Option 2: Maximize Space in Blackriver	\$1,781,146
Option 3: Eastside Leased Space	\$1,795,313
Option 4: King County Courthouse/Chinook	\$2,610,832

It is possible that the optimum plan will involve some combination of Options 1 and 4, with strategic placement of certain CID functions in the Courthouse and placement of other Sheriff's Office administrative functions in the Chinook Building.

5.4 Cash Flow Analysis

A cash flow analysis calculating the present value of operating costs and capital investments over a 20-year period was also completed. The purpose was to determine the relative economic merits of the aforementioned four options.

The CID occupancy for all four frontrunner options was assumed at 15,000 rentable square feet. Both the Chinook and Blackriver Building locations allow the County to leverage existing vacant space and create opportunity cost savings while the Eastside lease option actually increases the County's programmatic footprint. The cost of downtown parking increases the economic cost of the Chinook and Courthouse/Chinook options, but those increased costs are partially offset by savings created by the Chinook Building's central location.

The resulting net present value analysis is shown in Table 7.

Table 7: Cash Flow Analysis

20-Year Cash Flow Analysis for CID Site Alternatives				
	Chinook	Blackriver	Eastside Lease	Courthouse/ Chinook
Current Cash Flow				
Aukeen/MRJC Bldgs O&M	\$12,006,017	\$12,006,017	\$12,006,017	\$12,006,017
Revised Cash Flow				
MRJC O&M	(\$9,847,383)	(\$9,847,383)	(\$9,847,383)	(\$9,874,383)
District Court TI Debt payment	(\$1,250,266)	(\$1,250,266)	(\$1,250,266)	(\$1,250,266)
CID TI Debt Payment	(\$705,960)	(\$1,294,723)	(\$1,411,381)	(\$1,951,025)
CID Lease			(\$2,521,824)	
Parking	(\$1,509,984)			(\$1,509,984)
Sheriff Staff Efficiencies (with closer proximity)	\$972,743			\$972,743
NPV Costs (spread over 20 years)	(\$334,834)	(\$386,355)	(\$3,024,837)	(\$1,579,984)

5.5 Other Considerations Related to the Chinook Building

The Chinook Building has significant merit for its location since it is adjacent to other criminal justice functions, is located near major transportation corridors, specifically I-5 for easy transportation access. For the purpose of this cash flow analysis, it was assumed that the KCSO could achieve location efficiencies of at least \$76,000, inflating annually. This efficiency is not possible at either the Eastside or Blackriver locations. Positive factors not shown in this analysis include the average reduced travel time that a central location creates for detectives as they carry out their field work. The central location contributes materially to the actual time that detectives dedicate directly to their public safety duties.

On the negative side, a downtown location does incur parking costs, which is a significant factor in the cash flow analysis for any downtown location. It is assumed that the CID parking will be provided at the Goat Hill Parking Garage and that the KCSO will pay for that parking at

employee parking rates. While the KCSO has requested 60 parking stalls, FMD has assumed the CID will use a block of 40 parking stalls to accommodate 45 vehicles. With CID vehicles coming and going all day long, 40 stalls should be sufficient. This assumption improves the economics of this option.

5.6 The Most Likely Location for CID: Chinook Building

In the event that CID security issues can be addressed, the County Executive's preferred and recommended location for CID is the Chinook Building, since it provides superior programmatic and efficiency opportunities when compared to both the Eastside and Blackriver locations. The King County Sheriff endorses the downtown location, which is also consistent with previous legislative direction from the County Council, as covered earlier in this report.

The Chinook Building was also designed with a "generic" open office plan and furnished with cubicles placed to maximize the use of the floor plate with minimal enclosed offices and small conference/break rooms in the interior core. The design and furnishing flexibility enables tenants to move in and out with minimal disruption and expense, since cubicles and office furniture remain when tenants move out. For these reasons, relocation strategies placing CID in Chinook can occur within a few months. Strategies requiring significant tenant improvements take much longer with office layout designs, permits, and lengthy construction periods.

The Chinook location also gives the County opportunities to leverage vacant space in the Blackriver Building to the financial benefit of the County: absent CID, the large amount of vacant space in the Blackriver Building creates an opportunity to sell the building or enter into a sale-leaseback arrangement to the financial benefit of the County. These possibilities are not factored into FMD's conservative cash flow analysis.

In summary, this proposal is very efficient: the District Court consolidation and expansion would have a present value cost *in excess of \$12 million* without the following project elements, all of which were discussed earlier:

- Leveraging the sale of the Aukeen District Court Building;
- Eliminating County occupancy costs at the Aukeen District Court Building;
- Using King County's existing vacant space to house CID operations; and
- Achieving operating savings created through placement of CID in close proximity to other justice facilities.

SECTION 6:

KCSO and Superior Court Long Term Facilities Planning

King County is the state's largest metropolitan county, spanning more than 2,100 square miles with a population of more than 1.9 million residents. The King County Sheriff's Office serves over 575,000 people every day – nearly 1/3 of the county's total population. KCSO is the primary law enforcement agency for 12 contract cities, the Muckleshoot Tribe, Metro and Sound Transit, the King County International Airport, and over 250,000 people living in unincorporated King County. Similarly, Superior Court operations are large and complex and are conducted in four different locations including KCCH, MRJC, the Alder Youth Services Center and the Ninth and Jefferson Building.

6.1 King County Sheriff's Office Long Term Facilities Planning

Given the changing needs of the County, its citizens and its continuing financial challenges, it is increasingly important for the Sheriff's Office to strategically improve business practices within the confines of limited resources. In response to changing service dynamics, anticipated contract service trends and for financial efficacy, the Sheriff is reorganizing how the department delivers its services. Over the last three years, KCSO has undertaken an internal business improvement process focused on providing services to the eastside in a more efficient and effective manner. The first phase resulted in consolidation of four precincts into two new North and South Precincts, meeting the strategic objective of increasing KCSO's visibility and community access at lower total cost.

The work will continue for the next 24 months focusing on the remaining KCSO operations which are currently somewhat fragmented across multiple locations. These services and locations include:

- Precinct #4 in Burien serving both the unincorporated area and contract cities;
- The King County Courthouse in Seattle, where administrative offices and AFIS staff are located;
- The Criminal Investigations Division, which is currently located in the MRJC, but will be moved with the MRJC remodel;
- The Property Management warehouse, located in Seattle's SODO area;
- Automobile storage in the Major Accidents and Response Reconstruction (MARR) lot and various other operations located throughout King County; and
- The Special Operations group, including the Air Support and Search and Rescue functions which are located at the Renton International Airport, and administrative and command staff, which will be located with CID in the future

This strategic work will also examine the current and future needs for both the KCSO operations and the facilities supporting those operations, including:

- Increasing regionalization of services;
- Region-wide operational impacts such as State Route 520 tolling;

Proposed Strategy for District Court Consolidation
July, 2011

- Ongoing service consolidation;
- Safety and security; and
- The interrelationship between KCSO operations and facility needs with other regional and King County criminal justice partners.

KCSO's business improvement process will continue to be a large and internal staff effort. During the first phase, in house work teams developed alternatives, sought input and advice from affected staff, and then prepared recommendations for the Sheriff's consideration. However, given the substantial investment in existing facilities and the potential across and savings resulting from relocation and consolidation of existing operations, it is important to expand the work team to leverage existing county analytical and financial resources. Representatives from PSB, FMD, and Council staff as well as contract staff for facilitation and report writing, will be engaged at critical milestones during the next 24 months. The project is estimated to require about 1,400 work hours of non-KCSO time, at a cost of \$150,000 during the 24 month process.

Along with the lasting benefits resulting from KCSO's business improvement processes, a report will be prepared clearly identifying the costs and savings associated with preferred business operation and facility models. In light on King County's ongoing financial constraints, developing cost neutral operations and facility alternatives will be a high priority.

6.2 Superior Court Long Term Facilities Planning

Extensive long term operational and facilities planning has been done over the past five years with regard to Superior Court Children and Family Justice operations. These planning efforts focused on the replacement of the Youth Services Center and are still underway. Although these program areas have been the highest priority, Superior Court has identified the need for long term planning for other court functions, particularly those at the MRJC. Included in this request is funding to evaluate options for expanding Superior Court capacity at the MRJC. This work will build on the recently completed MRJC Site Master Plan.

SECTION 7:

Next Steps

The information below summarizes the steps and timeframe required to complete this project. To begin moving forward, the Executive is requesting approval of the legislation transmitted with this report: 1) an ordinance approving the Purchase and Sale Agreement with the City of Kent for the Aukeen Courthouse; and 2) an ordinance approving the capital appropriations necessary to move District Court into the MRJC and CID into the Chinook Building.

If these ordinances and motions are adopted by the King County Council, the Executive will move forward with the following next steps.

7.1 Execute the Purchase and Sale for the Aukeen Courthouse

Facilities Management Real Estate Services and the City of Kent entered into a Letter of Intent (LOI) dated March 17, 2011 summarizing business terms for a proposed sale of the Aukeen Courthouse from King County to the City. Subsequently, both parties have finalized a Purchase and Sale Agreement based on the provisions of the Letter of Intent and subject to approval by both the City and County Councils. The Kent City Council approved the terms of the agreement on July 5, 2011 and it is awaiting County Council approval as part of this legislative package.

7.2 Choosing a Security Option for MRJC

As mentioned in Section 4 of this report, the existing security station that is located in the MRJC rotunda lobby will be inadequate for meeting the needs of both Superior and District Courts once the District Court consolidation and expansion occurs. Toward the end of 2011, FMD will work with criminal justice agencies and the Executive's Office to determine a final security design and operations plan for the MRJC. Critical Factors such as staffing and construction costs, customer convenience and overall security effectiveness will be considered.

7.3 Program and Design Tenant Improvements Required to Move CID, Preferably to a Downtown Location

As previously reported, the Executive needs to carefully consider the placement of CID functions in the Chinook Building. This building was designed for general office use and does not have the same level of security as the Courthouse. It may be that certain CID functions would be better placed in the Courthouse, with other Sheriff's Office administrative functions moved from the Courthouse to the Chinook Building. The subsequent programming and design phase will bring clarity to the ultimate location of Sheriff functions.

7.4 Supplemental Appropriation Request for Construction

Once design is complete, the Executive will proceed with a supplemental appropriation request for construction of tenant improvements at the MRJC, Chinook Building, and possibly the Courthouse, depending on the results of functional programming.

7.5 Project Implementation

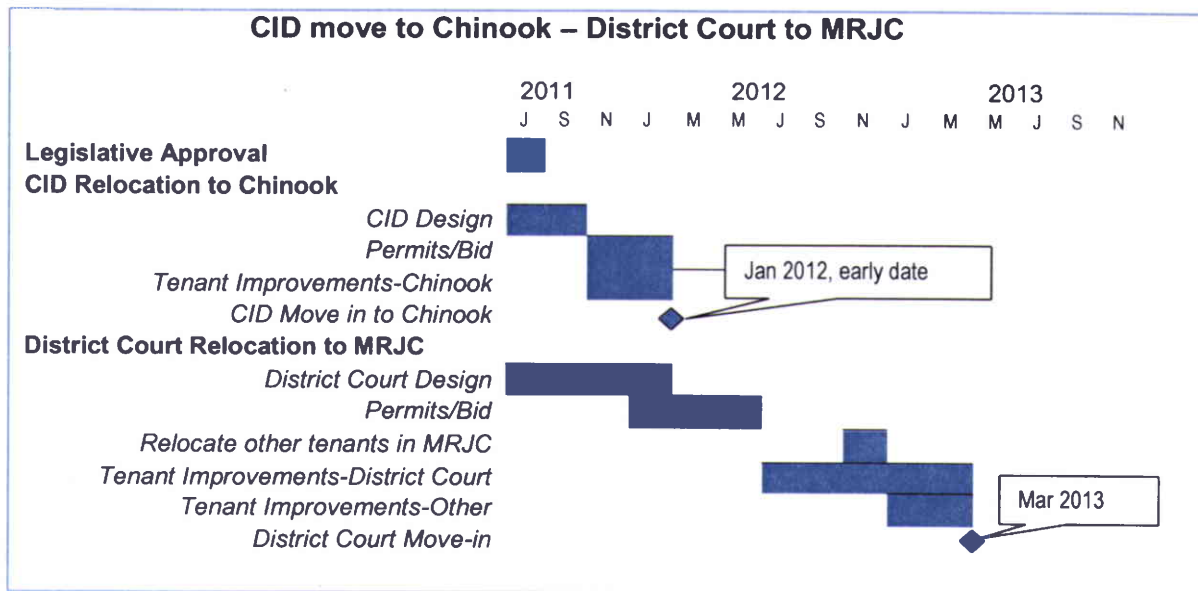
Implementation can begin at once. The first step, which should be undertaken in any case, is the consolidation of space within the Chinook Building to maximize available usable vacant space for CID (or, if this proposal is not approved, for some other tenant if possible). The next steps would involve the remodel of the MRJC space and final move of District Court into the new District Court space. Other functions, such as the PAO and DJA, would be moved in support of the District Court move.

As the design work moves forward for the MRJC space for District Court, options will be evaluated for maximizing courtroom capacity for Superior Court within the MRJC. Additionally, this proposal includes funding for long-term strategic planning for Sheriff's Office operations and facilities.

7.6 Proposed Project Timeline

Given agreement to move forward, FMD estimates that District Court will occupy the MRJC and be operational within 18 to 20 months after approval as portrayed in Figure 3.

Figure 3: Proposed Project Timeline



The CID move date may vary, depending on the ultimate location option chosen and the amount of tenant improvements required inside the Courthouse, in the event that the Courthouse is chosen as the temporary location for CID. As long as the CID tenant improvements are completed by June 2012, the project schedule shown above will still allow District Court to begin consolidated and expanded operations within the MRJC by March 2013.

Attachment A

**Letter of Intent Between King County and the City of Kent
Regarding
The City's Proposed Purchase of the Aukeen Courthouse**



King County

Real Estate Services
Facilities Management Division
Department of Executive Services
500 Fourth Avenue, Room 500
Seattle, WA 98104
Phone: (206) 205-5772
Email: Steve.Salyer@kingcounty.gov

March 11, 2011

Mr. John M. Hodgson, Chief Administrative Officer
City of Kent
Office of the Mayor
220 Fourth Avenue South
Kent, WA 98032

Re: **Letter of Intent to Purchase
Aukeen District Courthouse
1210 Central Avenue South
Kent, WA**

Dear John:

King County is pleased to present the following letter of intent to sell to the City of Kent the real property commonly known as the Aukeen District Courthouse. This offer will outline the general terms and conditions pursuant to which King County ("Seller") would be willing to sell to the City of Kent ("Buyer") the property more fully described below (the "Property"):

Property: The property consists of two parcels, one approximately 57,060 square foot unimproved tax parcel abutting the Green River (Tax Account # 346280-0206) and one approximately 125,885 square foot tax parcel improved with a courthouse/office building containing approximately 15,224 square feet of area. The improved parcel is benefited by a reciprocal parking easement between Buyer and Seller (King County recording # 20030122002929). All property interests collectively consist of the "Property," and are generally located at 1210 Central Avenue South, Kent, WA.

Purchase Price: The purchase price for the Property shall be Five Million Six Hundred Thousand Dollars (\$5,600,000.00) payable in cash at closing subject to applicable adjustments and prorations, as defined herein.

Additional Consideration: A premium has been incorporated into the Purchase Price because sale to Buyer will force Seller to relocate its District Court facilities currently located on the Property, which then will require the Seller to relocate a portion of its Sheriff's office facilities. Both of Seller's relocations will also involve attendant tenant improvements and moving expense, which will comprise additional costs to

Seller. As for Buyer, this sale will complete a significant property assemblage that will allow Buyer's municipal court to expand within the existing structure without having to construct a costly addition, and which will secure a combined criminal justice/public safety assemblage where the Buyer can maintain its jail and court facilities within direct proximity to each other, with sufficient property to allow for future expansion of both facilities.

Earnest Money:

No Earnest Money deposit shall be required from Buyer.

***Contingencies
Due Diligence:***

Buyer shall be granted a due diligence period of ninety (90) days after full execution of a Purchase and Sale Agreement within which to inspect the property and conduct any engineering, environmental and/or economic feasibility studies. Seller will provide Buyer, as requested, copies of all designs, drawings, reports and studies in Seller's possession or control related to the Property, including without limitation any property surveys, environmental studies, soils studies, mechanical, structural, electrical, plumbing records, leases, contracts and warranties. Buyer in its sole discretion may determine whether the Property is suitable for its needs. If Buyer fails to waive its contingencies in writing within such 90-day period, the Purchase and Sale Agreement shall be automatically terminated.

Inspections:

Seller shall allow Buyer and/or its designee to have full access to the Property to conduct its investigations. Buyer agrees that all inspections will be conducted at reasonable times agreed upon in advance by Buyer and Seller and, at Seller's election, Seller may have a representative present at each inspection. All such inspections shall be at Buyer's sole expense. Upon completion of any such inspection, Buyer shall restore the Property to its condition prior to such inspection. Buyer shall indemnify, hold harmless and defend Seller from any loss, cause of action, or claim arising out of or resulting from Buyer's actions.

***Title and
Conveyance:***

Title to the property will be conveyed by bargain and sale deed free and clear of all encumbrances, liens, easements, liabilities and other charges except as approved in writing by Buyer. Upon execution of a Purchase and Sale Agreement, Seller shall order a preliminary commitment for an owner's coverage policy of title insurance from the Title Company for delivery to Buyer and shall provide Buyer with any surveys of the Property in Seller's possession or control. Seller shall pay the cost of the premium for owner's standard coverage title insurance.

Buyer, at Buyer's option, may obtain a current as-built survey of the land or an updated version of any existing survey, and may obtain extended coverage title insurance, all at Buyer's sole expense. Seller shall cooperate with Buyer as necessary to obtain such survey.

***Condition of
Property:***

Buyer understands and acknowledges that the Property is being sold in its current "AS IS" condition.

Closing: Closing will occur within thirty (30) days following approval of the Purchase and Sale Agreement by the King County Council and the move-out schedule for Seller's existing occupants utilizing the Premises.

Closing Costs: Seller shall pay all conveyance or transfer taxes, the title insurance premium for the owner's standard coverage policy and one-half of the escrow fee. Buyer shall pay the cost of the premium for extended coverage title insurance, if any, recording costs and one-half of the escrow fee. All other closing costs shall be paid in accordance with local custom.

Purchase and Sale Agreement: Within thirty (30) business days after mutual execution of this letter of intent, Seller shall prepare and deliver to Buyer a Purchase and Sale Agreement reflecting the terms of this letter. The Purchase and Sale Agreement shall be fully negotiated by Buyer and Seller subject to approval by the King County Council and the Kent City Council, if required.

Brokerage: Buyer and Seller represent that neither party has worked with any broker, finder or intermediary in conjunction with this transaction and agree to indemnify each other against all claims for fees, commissions or other compensation claimed to be due any broker, finder or intermediary with whom the indemnifying party may have dealt in connection with this transaction.

Confidentiality: Seller represents that it has not entered into any agreement, option or right of first refusal with respect to the sale of the Property, other than the existing Lease with Buyer, as amended. For a period of forty five (45) days after the execution of this letter, Seller agrees that it will not negotiate for the sale of the property with any other prospective buyer. The parties shall maintain as confidential the terms of this non-binding letter of intent except as otherwise provided by law and except for disclosure to necessary third parties, such as title company, surveyor, attorneys, and other third parties actually involved in the negotiation and consummation of this transaction, who agree to hold the information as confidential.

Non-Binding Buyer and Seller agree that the above information serves as an outline of the general terms and conditions of the proposed transaction and that this letter is not a contract or binding agreement. Completion of this transaction is subject to, and neither party shall be bound until, the full execution of a mutually acceptable Purchase and Sale Agreement and approval by ordinance of the King County Council. This letter shall create absolutely no rights or obligations upon the parties hereto, whether by contract, implied covenant of good faith and fair dealing, tort or otherwise.

This proposal shall be available for your acceptance until 5:00 PM Pacific Time on February 17, 2011. If the City of Kent concurs that the terms set forth are satisfactory, please confirm your approval by signing and dating this letter in the space provided below and returning to the undersigned on or before the aforementioned date.

We look forward to your favorable response to this offer and the opportunity to work together to consummate this transaction.

Sincerely,

KING COUNTY

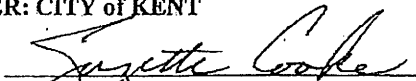


Stephen L. Salyer
Real Estate Services

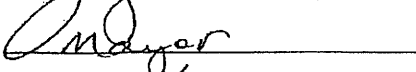
ACKNOWLEDGED AND AGREED:

BUYER: CITY of KENT

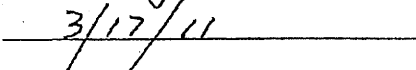
By:



Its:



Date:



cc: Kathy Brown
Tim Barnes

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70 REPORT

Attachment B

**Lease Amendment Between King County and the City of Kent
Pertaining to the Aukeen Courthouse**

SECOND AMENDMENT TO LEASE AGREEMENT

BETWEEN

KING COUNTY AND CITY OF KENT

AUKEEN DISTRICT COURT BUILDING

THIS AMENDMENT TO LEASE AGREEMENT (the "Amendment") is made and entered into by and between KING COUNTY, a political subdivision of the State of Washington ("Landlord"), and the CITY OF KENT, a municipal corporation of the State of Washington ("Tenant"). The date of this agreement for reference purposes only shall be April 28, 2011. Capitalized terms in this Amendment shall have the meanings set forth in the Lease, unless defined herein. In case of conflicting definitions or terms, the definitions and terms contained herein shall control. The Parties covenant and agree as follows:

RECITALS

A) Landlord and Tenant, entered into that certain Lease dated December 22, 2008, as amended (the "Lease") establishing Tenant's leasehold in the Premises, which is located within landlord's Building at 1210 S. Central Avenue, Kent WA. Both Landlord and Tenant occupy and provide court services within the Building. The parties entered into the First Amendment to the Lease on or about February 5, 2010 to expand the leasehold area.

B) As part of Tenant's consideration for the Lease, it undertook certain construction obligations (hereafter "Tenant's Construction Obligations") to construct tenant improvements to expand the Premises. Tenant's construction obligations are provided in Exhibit C (Work Letter Addendum Tenant Improvements and Tenant's Work) to the Lease.

C) Pursuant to Section 2(B)(5) of the Lease, Tenant was required to initiate Tenant's Construction Obligation within 11 months of the Lease Commencement date, and was to have completed tenant's Construction Obligation, according to Section 2(B)(5), 11 months later. The parties have by written agreement extended these deadlines three (3) times due to an inability of the parties to agree on 100% drawings and to manage the increased risk of flooding. Given these extensions, the Tenant has not completed its Construction Obligation.

D) Tenant has standing to purchase the Property pursuant to that certain Right of First Offer to Purchase Property, as amended and attached to the Lease as Rider One. Landlord has indicated a willingness to sell the Property and Tenant has expressed interest in purchasing same.

E) Landlord and Tenant desire to defer the required completion dates for Tenant's Construction Obligation in the Lease while engaging in good faith negotiations of the terms and conditions for a purchase and sale agreement providing for the sale of the Building to Tenant.

NOW, THEREFORE, the parties hereby agree as follows:

1) Temporary Deferral of Required Initiation and Completion of Construction. Tenant's obligations to initiate and complete Tenant's Construction Obligation, as provided in Sections 2(B)(5) and 3(D)(1) and (2) of the Lease, and Exhibit C thereto, are hereby deferred for 180 days from the date of this Second Amendment.

2) Purchase and Sale Agreement. The purpose of said deferral of Tenant's Construction Obligations, as provide herein, shall be to permit Landlord and Tenant to engage in good faith negotiations for the sale of the Building by King County to the City of Kent. So long as the parties are engaged in good faith negotiations for said sale, the deferral of Tenant's Construction Obligations may be extended by mutual written agreement.

3) Termination of Sale Negotiations. Either party hereto may terminate said sale negotiations subject to 10 days' prior written notice to the other party. In this event, Tenant's Construction Obligation as provided in the Lease including, without limitation, Exhibit C and Sections 2(B)5 and 3(C) and (D), shall be in full force and effect, except that construction and performance requirements with required action related to the Lease Commencement Date shall be extended by 180 days from the date of receipt of notice to terminate sale negotiations.

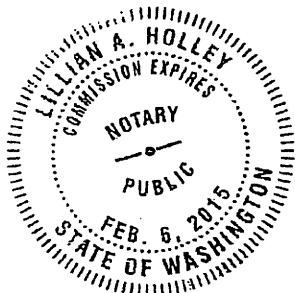
4) Indemnification. Landlord and Tenant each agree to indemnify and hold harmless the other to the full extent allowed by law from any liability, claims, costs and damages, including attorney fees, arising from the exercise by the indemnifying party or its elected officials, employees, managers, agents, or contractors of the rights or obligations created herein by the indemnified party. The foregoing indemnity has been specifically negotiated and applies to actions brought by each party's own employees and is specifically and expressly intended to constitute a waiver of each party's immunity under RCW Title 51, but only to the extent necessary to indemnify against claims made from each party's own employees.

All other terms and conditions of the original Lease, as amended, shall remain in full force and effect.

STATE OF WASHINGTON)
)ss
COUNTY OF KING)

On this day personally appeared before me Stephen P. Salyer to me known to be the MANAGER, REAL ESTATE SA of the KING COUNTY that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation for the uses and purposes therein mentioned and that he was authorized to execute the said instrument.

GIVEN under my hand and official seal this 20th day of April, 2011.



Lee P. Hully

NOTARY PUBLIC in and for the State of Washington residing at SEATTLE
My appointment expires FEB. 6, 2015

STATE OF WASHINGTON)
)ss
COUNTY OF KING)

On this day personally appeared before me Suzette Cooke to me known to be the mayor of the CITY OF PENT that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation for the uses and purposes therein mentioned and that he was authorized to execute the said instrument.

GIVEN under my hand and official seal this 25 day of April, 2011.



Lee P. Briggs

NOTARY PUBLIC in and for the State of Washington residing at King County
My appointment expires 7-18-12

IN WITNESS WHEREOF the parties hereto have signed this Lease as of the day and year first above written.

LANDLORD:
King County, a Political Subdivision of
the State of Washington

TENANT:
CITY OF KENT, a municipal corporation of
the State of Washington

By: *Stephen P. Baker*

By: *Juzette Cooke*

Title: *Manager, Real Estate Services*

Title: *MAYOR*

Date: *4/28/11*

Date: *4/25/11*

APPROVED AS TO FORM:

APPROVED AS TO FORM:

By: *[Signature]*
Senior Deputy Prosecuting Attorney

By: *[Signature]*
City of Kent Legal Department

Attachment C:

**Kent City Council Meeting Minutes
Approving the
Purchase and Sale Agreement for the Aukeen Courthouse**

services would be housed there, and that District Court would move their services to the Maleng Justice Center. He added that the sale would be approved at the end of August.

Perry moved to authorize the Mayor to sign all necessary documents to complete the purchase and sale of the Aukeen District Court properties, with the purchase price not to exceed established budgets, and subject to final terms and conditions acceptable to the City Attorney. Thomas seconded and the motion carried.

ADJOURNMENT

The meeting adjourned at 8:22 p.m. (CFN-198)

Brenda Jacober, CMC
City Clerk