



KING COUNTY

1200 King County Courthouse
516 Third Avenue
Seattle, WA 98104

Signature Report

June 2, 2015

Ordinance 18056

Proposed No. 2015-0156.2

Sponsors McDermott

1 AN ORDINANCE relating to the authorization of an
2 amendment to an existing lease at 130 Nickerson Street and
3 150 Nickerson Street, Seattle, Washington, to support the
4 operation and services of the water and land resources
5 division; and declaring an emergency.

6 STATEMENT OF FACTS:

- 7 1. The facilities management division received a request in January 2014
8 from the water and land resources division to amend and extend a lease
9 with Magoon Enterprises, LLC, for space in 130 Nickerson Street and 150
10 Nickerson Street, within council district four. The lease was originally
11 executed on January 10, 2010.
- 12 2. The water and land resources division needed space to support the
13 operations and services of the local hazardous waste management
14 program.
- 15 3. These operations include the handling of hazardous waste samples, in
16 collaboration with King County environmental lab staff, at a specialized
17 laboratory across the street from the office space at 130 Nickerson Street
18 and 150 Nickerson Street currently occupied by water and land resources

19 division and other local hazardous waste management program
20 employees.

21 4. The facilities management division determined in January 2014 that
22 there was not an appropriate county-owned option.

23 5. The facilities management division determined, through consultation
24 with the department, that amending and extending the lease was the most
25 cost-effective option for the county.

26 6. The facilities management division successfully negotiated an
27 amendment to the lease.

28 BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

29 SECTION 1. Findings: Under the terms of the lease amendment, until the lease
30 amendment is signed, the landlord may market to other potential tenants the space that
31 King County employees currently occupy and which the county would lease for at least
32 the next five years under this lease amendment. To prevent that possibility and to
33 preserve the county's current environmental lab operations, this lease amendment must be
34 entered into by the county immediately.

35 SECTION 2. The executive is authorized to execute an amendment to the lease
36 for space in 130 Nickerson Street and 150 Nickerson Street with Magoon Enterprises,
37 LLC, substantially in the form of Attachment A to this ordinance and to take all actions
38 necessary to implement the terms of the lease.

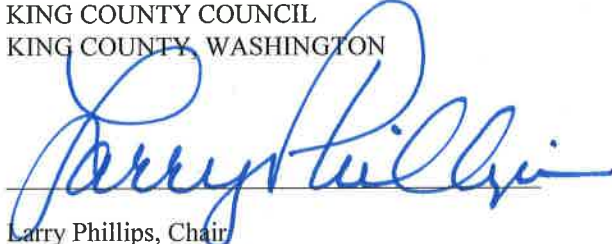
39 SECTION 3. The county council finds as a fact and declares that an emergency
40 exists and that this ordinance is necessary for the immediate preservation of public peace,

41 health or safety or for the support of county government and its existing public
42 institutions.
43

Ordinance 18056 was introduced on 4/13/2015 and passed by the Metropolitan King County Council on 6/1/2015, by the following vote:

Yes: 9 - Mr. Phillips, Mr. von Reichbauer, Mr. Gossett, Ms. Hague,
Ms. Lambert, Mr. Dunn, Mr. McDermott, Mr. Dembowski and Mr.
Upthegrove
No: 0
Excused: 0

KING COUNTY COUNCIL
KING COUNTY, WASHINGTON



Larry Phillips, Chair

ATTEST:



Anne Noris, Clerk of the Council

Attachments: A. Second Amendment of Office Lease, dated May 15, 2015

May 15, 2015

SECOND AMENDMENT OF OFFICE LEASE

THIS SECOND AMENDMENT OF OFFICE LEASE (the "Second Amendment") is made as of _____, __, 201_, between King County, Washington, as Tenant, and Magoon Enterprises, LLC, as Landlord.

RECITALS

A. Landlord and Tenant entered into a certain Lease dated September 2009 (the "Original Lease"), as amended by that certain First Amendment of Office Lease Form dated June 10, 2013 (the "First Amendment") collectively referred to as the "Lease" in this Second Amendment.

B. The premises leased to Tenant pursuant to the Lease consists of approximately 12,470 rentable square feet being situated on the 1st and 2nd floors of the building and being more commonly known as Suites 100, 101 (now referred to as "100S"), 105 and 200 of 130 Nickerson Street and on the 2nd floor of the building and more commonly known as Suite 204 of 150 Nickerson Street, City of Seattle, State of Washington, such premises being more particularly described in the Lease.

C. Landlord and Tenant hereby agree that Tenant will lease 9,707 rentable square footage per the BOMA - 2010 standard situated on the 1st and 2nd floors of the building being more commonly known as Suites 100, 100S, 104, 105, 200X of 130 Nickerson Street and on the 2nd floor of the building more commonly known as Suite 204 of 150 Nickerson Street, City of Seattle, State of Washington, such premises (the "Premises") as shown on Exhibits A-1 through A-4 attached hereto and incorporated herewith by this reference, effective on the Commencement Date.

D. The Lease is expired and the Tenant is in holdover status when this Second Amendment is executed by the Parties, and the Landlord and Tenant hereby desire to extend the term of the Lease upon execution of this Second Amendment.

E. Landlord and Tenant hereby agree that the Lease term shall be extended for a period of five (5) years commencing on execution of a Second Amendment to Office Lease (the "Commencement Date") and terminating on the last day of the Sixtieth month following the Commencement Date. Tenant will holdover in Suites 100, 100S, 105 and 200X in 130 Nickerson Street and Suite 204 in 150 Nickerson Street (the "Holdover Premises") effective midnight on December 31, 2014. Holdover shall be no longer than 90 days ("Holdover Period"). During the Holdover Period, Tenant shall pay Minimum Monthly Rent in the amount stated in Section 2 of this Second Amendment, and not in the amount stated in Section 20 of the Lease. If this Second Amendment has not been executed by the end of the Holdover Period, Tenant shall pay Minimum Monthly Rent in the amount stated in Section 20 of the Lease (\$19,215.05 X 150% = \$28,822.58), and Landlord may, if it desires, attempt to find another tenant to occupy the Premises and the Holdover Premises, subject to

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Section 20 of the Lease and the laws of the State of Washington regarding month-to-month tenancy.

F. Landlord and Tenant hereby agree that an anti-discrimination provision shall be added to the Lease.

NOW THEREFORE, in consideration of the mutual promises and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Landlord and Tenant agree to amend the Lease pursuant to the terms and conditions contained herein. In the event of a conflict between terms of the Lease and of this Second Amendment, the terms of this Second Amendment shall control. The recitals are hereby incorporated into this Second Amendment as if fully set forth below.

AGREEMENT

1. Effective on the Commencement Date, Section 1(e) PREMISES shall be amended by deleting the language:

“...approximately 12,470 rentable square feet...”

and substituting therefore the following:

“... 9,707 rentable square feet...”

2. Section 1(k) MINIMUM MONTHLY RENT shall be amended by deleting the language:

“Effective July 1, 2013: Twenty Four Thousand Four Hundred Seventy Two and 00/100 Dollars (\$24,472.00), subject to adjustment as hereunder provided. (See Subsection 5.2)”

and substituting therefore the following:

“Effective on midnight of December 31, 2014 for the Holdover Premises at 8,471 rentable square feet, Minimum Monthly Rent to include CPI adjustments to date (the “Holdover Rent”) shall be as follows:

<u>RSF</u>	<u>Per RSF/Per Yr</u>	<u>Monthly</u>
8,471	\$27.22	\$19,215.05

Effective on the Commencement Date for Suites 100, 105 and 200X in 130 Nickerson and Suite 204 in 150 Nickerson at 8,471 rentable square feet: Sixteen Thousand Nine Hundred Forty Two Dollars (\$16,942.00). Additional increases to Minimum Monthly Rent shall be as follows:

<u>Year</u>	<u>Per RSF/Per Yr</u>	<u>Monthly</u>
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1	\$24.00	\$16,942.00
2	\$24.75	\$17,471.44
3	\$25.50	\$18,000.88
4	\$26.25	\$18,530.31
5	\$27.00	\$19,059.75

Effective on the Commencement Date for Suite 104 in 130 Nickerson at 1,236 rentable square feet: Two Thousand Sixty Dollars and Zero Cents (\$2,060.00). Additional increases to the Minimum Monthly Rent shall be as follows:

<u>Year</u>	<u>Per RSF/Per Yr</u>	<u>Monthly</u>
1	\$20.00	\$2,060.00
2	\$20.75	\$2,137.25
3	\$21.50	\$2,214.50
4	\$22.25	\$2,291.75
5	\$23.00	\$2,369.00"

3. Section 1 (o) BASE TAX YEAR: Effective January 1, 2015: the following shall be amended by deleting the language:

"The fiscal tax year commencing on January 1, 2009, and ending on December 31, 2009"

and substituting therefore the following:

"The fiscal tax year commencing on January 1, 2015, and ending on December 31, 2015."

4. Section 1 (q) CPI the following shall be amended by deleting the language:

"Consumer Price Index published by the United States Department of Labor, Bureau of Labor Statistics (All urban consumers-All Items),for the Seattle-Metropolitan Area. (See Subsection 5.2, and Section 47."

and substitute therefore the following:

"Not Applicable."

5. Section 1(r) TENANT'S PERCENTAGE SHARE shall be amended by deleting the language:

"...36.13 percent"

and substitute therefore the following:

"... based on BOMA - 2010 standard per the following calculation: 22.4% of 130 Nickerson Street (7,744 rentable square feet leased divided by 34,452 total building rentable square footage) and 6% of 150 Nickerson (1,963 rentable square feet leased divided by 32,960 total building rentable square footage)."

6. Section 5. 2 INCREASES TO MINIMUM MONTHLY BASE RENT is deleted in its entirety.

7. Section 16.1, Paragraph 2, line 2, shall be amended by deleting the language:

“... maintains a fully funded Self-Insurance program as defined in King County Code 4.12 for the protection and handling of the County's liabilities including injuries to persons and damage to property.”

and substitute therefore the following:

“... maintains a fully funded Self-Insurance program as authorized in King County Code chapter 2.21 for the protection and handling of the County's liabilities including injuries to persons and damage to property. Tenant will provide a copy of the aforementioned code and a Certificate of Insurance or letter that assures the Landlord of the status of the self-insurance program.”

8. Section 40. BROKER PARTICIPATION shall be amended by deleting the language:

“Landlord shall pay a commission to The Jacobson Group equal to two and one half percent (2.5%) of the gross payable rent over the Term, contingent upon Tenant not exercising its termination rights pursuant to Addendum 3 of this Lease, in which case Landlord's obligation to pay will be divided as follows \$3,671.00 shall be due on July 1 2010 and \$33,039.00 shall be due on January 1, 2011.”

and substitute therefore the following:

“Landlord shall pay a commission to The Jacobson Group per a separate agreement.”

9. EXHIBIT A-1. FLOOR PLAN OF THE PREMISES shall be deleted and substitute the attached Exhibit A-1, Exhibit A-2, Exhibit A-3 and Exhibit A-4.

10. EXHIBIT B. TENANT IMPROVEMENT ALLOWANCE shall be deleted in its entirety and substituting therefore the following:

“Landlord shall provide the following Tenant Improvements as identified in the walkthrough and identified by King County in May 2014, within four (4) months of the Commencement Date:

11.1. Suite 200x, 130 Nickerson

(a.) Entrance to the data room shall be relocated to common area hallway; relite shall be eliminated, as depicted in Exhibit A-2

11.2. Suites 100, 100S and 105, 130 Nickerson

(a.) Touch up paint (maximum 8 hours labor)

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- (b.) Wood re-staining (maximum 8 hours labor)
- (c.) Replace broken ceiling tiles (maximum 3 boxes of ceiling tiles)
- (d.) Clean all HVAC vents

11.3. Suite 104, 130 Nickerson

The Tenant shall provide a scope of work to landlord for the following tenant improvements within thirty (30) days of the Commencement Date but no later than June 30, 2015:

- (a.) New building standard carpet and paint throughout
- (b.) An allowance of up to \$3,000.00 for tenant improvements.

11.4. Suite 100, 130 Nickerson

- (a.) New reflective coating on the north entry doors

11.5. Suite 100S, 130 Nickerson

- (a.) Replace damaged wood on entry door jamb. Replace the shower stall with new shower stall. Reuse existing control valve, showerhead and arm.

11.6. Suite 204, 150 Nickerson, per the attached Exhibit A- 4:

- (a.) Build a permanent storage room with a solid core door
- (b.) Build a conference room with a side relite, and door and an office with a side relite and door.
- (c.) Clean all HVAC vents
- (d.) New building standard carpet throughout (Tenant will move all storage room contents and furnishings/electronics to allow for construction)
- (e.) Move light fixtures to accommodate the new rooms
- (f.) Lay insulation above the conference room and private office walls
- (g.) caulk the gaps between interior walls and exterior window mullions to provide sound-proofing

Should completion of the aforementioned tenant improvements be delayed beyond six (6) months from the Commencement Date for reasons other than force majeure or Tenant delay, then Tenant will receive a rent credit of \$1,000.00 per month until the Tenant Improvements are completed. Any partial month shall be prorated.

Throughout the duration of work associated with the Tenant Improvements, Landlord will do its best to cause the work to occur during nights and weekends to limit noise and disturbance to Tenant. The water shutoff associated with the replacement of the shower in Suite 100S will be performed outside of regular business hours. All carpeting work associated with the Tenant Improvements will be performed on weekends. All HVAC work and cleaning associated with the Tenant Improvements will be performed during regular business hours."

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12. ADDENDUM 1, Section 46, CAP AND FLOOR ON CPI INCREASES shall be deleted in its entirety and substituting therefore the following:

“ADDENDUM 1 ANTI-DISCRIMINATION Landlord and Tenant shall not discriminate on the basis of race, color, marital status, national origin, religious affiliation, disability, sexual orientation, gender identity or expression or age except by minimum age and retirement provisions, unless based upon a bona fide occupational qualification, in the employment or application for employment or in the administration or delivery of services or any other benefits under King County Code Ch. 12.16.125. Landlord and Tenant shall comply fully with all applicable federal, state and local laws, ordinances, executive orders and regulations that prohibit such discrimination. These laws include, but are not limited to, chapter 49.60 RCW, and Titles VI and VII of the Civil Rights Act of 1964. Any violation of this provision shall be considered a default of this Lease and shall be grounds for cancellation, termination, or suspension, in whole or in part, of the Lease and may result in ineligibility for further agreements with King County.”

13. ADDENDUM 2, Section 47, Paragraph A. GRANT OF OPTION shall be amended by deleting the following:

“ exercisable one time only by written notice (“the Option Notice”) given to Landlord not fewer than Ninety (90) days nor more than One Hundred Eighty (180) days prior to the last day of the Term set forth in Section 1. (i) of the Lease, to extend the Term for one period of 12 to 60 months additional months (the “Renewal Term”)”

and substituting therefore the following:

“ exercisable two consecutive times only by written notice (“the Option Notice”) given to Landlord not fewer than Ninety (90) days nor more than One Hundred Eighty (180) days prior to the last day of the Term set forth in Section 1. (i) of the Lease, to extend the Term for two consecutive periods of 48 additional months each (the “Renewal Term”).”

14. ADDENDUM 2, Section 47, Paragraph B. Parking shall be amended by deleting the following:

“up to 45% of which stalls may be designated parking stalls across Nickerson Street”

and substitute therefore the following at the end of the paragraph:

“9 of which stalls shall be designated parking stalls across Nickerson Street”

“King County marked vehicles are restricted from parking in the parking lot on the North side of Nickerson Street. They shall use the designated stalls. “

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15. ADDENDUM 3 shall be deleted in its entirety.

16. Authority of Signatories. Each individual executing this Amendment of behalf of Landlord or Tenant warrants that such person has been duly authorized to execute and deliver this Amendment on behalf of such party and that no other signatory is necessary to bind such party. Each such individual shall indemnify, defend, and hold harmless Landlord or Tenant, as appropriate from any claim to the contrary and from any loss suffered by reason thereof.

17. Continued Effectiveness of Lease Provisions. Except as modified in this Second Amendment, the terms and conditions of the Lease shall continue in full force and effect and are hereby ratified and confirmed.

LANDLORD:
MAGOON ENTERPRISES, LLC

By: _____

Caprice Magoon

Title: Manager

Date: _____

TENANT:
KING COUNTY, WASHINGTON

By: _____

Title: _____

Date: _____

APPROVED AS TO FORM:

By: _____

Chris Leopold

Title: Deputy Prosecuting Attorney

Date: _____

May 15, 2015

STATE OF WASHINGTON)

)SS.

COUNTY OF KING)

On this _____ of _____, 2015, personally appeared before me, _____,

To me known to be the _____ of KING COUNTY, WASHINGTON the County that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said County for the uses and purposes therein mentioned, and on oath stated that they were authorized to execute the said instrument and that the seal affixed is the seal of said County.

SIGNATURE

PRINTED NAME

Notary Public in and for
the State of Washington

residing at _____

Commission expires _____

STATE OF WASHINGTON)

)SS.

COUNTY OF KING)

On this ____ day of _____, 2015, personally appeared before me, Caprice Magoon, to me known to be the Manager of Magoon Enterprises, LLC the L.L.C 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 on oath stated that they were authorized to execute the said instrument.

SIGNATURE

PRINTED NAME

Notary Public in and for
the State of Washington

residing at _____

Commission expires _____