

Ordinance No. 122979

Council Bill No. 116515

AN ORDINANCE authorizing the Fleets and Facilities Department to execute a Lease Amendment with LBA Realty Fund II-Company IV, LLC, on behalf of the Human Services Department's Aging & Disability Services Division.

Related Legislation File:

Date Introduced and Referred: <u>4-27-09</u>	To: (committee): <u>Finance &amp; Budget</u>
Date Re-referred:	To: (committee):
Date Re-referred:	To: (committee):
Date of Final Action: <u>5-11-09</u>	Date Presented to Mayor: <u>5-12-09</u>
Date Signed by Mayor: <u>5-19-09</u>	Date Returned to City Clerk: <u>5-20-09</u>
Published by Title Only <input checked="" type="checkbox"/> <u>2p</u>	Date Vetoed by Mayor:
Published in Full Text <input type="checkbox"/>	
Date Veto Published:	Date Passed Over Veto:
Date Veto Sustained:	Date Returned Without Signature:

# The City of Seattle - Legislative Department

Council Bill/Ordinance sponsored by: Godden

## Committee Action:

Date	Recommendation	Vote
<u>5/7/09</u>	<u>Do pass</u>	<u>5G, 5G</u>

This file is complete and ready for presentation to Full Council.

## Full Council Action:

Date	Decision	Vote
<u>5.11.09</u>	<u>Pass</u>	<u>9-0</u>

*Law Department*

ORDINANCE 122979

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AN ORDINANCE authorizing the Fleets and Facilities Department to execute a Lease Amendment with LBA Realty Fund II-Company IV, LLC, on behalf of the Human Services Department’s Aging & Disability Services Division.

WHEREAS, Ordinance 121686 authorized the Fleets and Facilities Department to enter into a lease agreement with Bedford Property Investors, Inc., on behalf of the Human Services Department’s Aging & Disability Services Division for use and occupancy of certain real property commonly known as 600 SW 39<sup>th</sup> Street in Renton, Washington; and

WHEREAS, the lease was amended in 2006 to increase the amount of space leased; and

WHEREAS, LBA Realty Fund II-Company IV, LLC is the successor to all Bedford Property Investors, Inc.’s rights, obligations, and interests in the subject property, including the City’s lease agreement; and

WHEREAS, the Human Services Department requires additional space to adequately provide for its staffing needs in fulfillment of its mission; and

WHEREAS, it is most efficient and economical to lease additional office space that is available on the same floor and within the same building; and

WHEREAS, it is standard City practice for the Fleets and Facilities Department to procure such additional office space on behalf of said Human Services Department, pay rent to the landlord for such leased space, and subsequently receive reimbursement from the Human Services Department; and

WHEREAS, City Council approval of this lease amendment is required under Seattle Municipal Code 3.18.240, because the total office space leased in one calendar year exceeds 5,000 square feet; NOW, THEREFORE,

**BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:**

Section 1. As requested by the Fleets and Facilities Director and recommended by the Mayor, said Director or designee is hereby authorized to execute for and on behalf of the City of Seattle, a lease amendment with LBA Realty Fund II-Company IV, LLC, substantially in the form of Attachment “1”, attached hereto and identified as “Second Amendment To Lease,”



1 providing for the City of Seattle’s tenancy and occupancy of a portion of the real property  
2 commonly known as Suite 155, Building 600, Time Square, Renton, Washington.

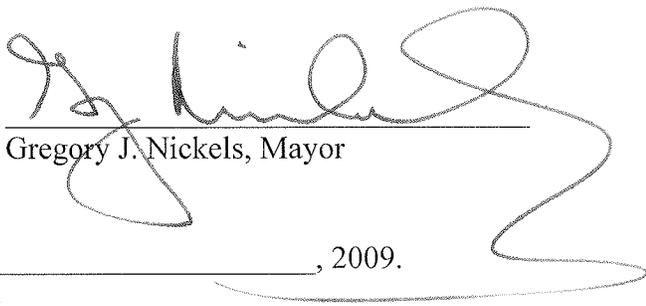
3 Section 2. This ordinance shall take effect and be in force thirty (30) days from and after  
4 its approval by the Mayor, but if not approved and returned by the Mayor within ten (10) days  
5 after presentation, it shall take effect as provided by Municipal Code Section 1.04.020.  
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7 Passed by the City Council the 11<sup>th</sup> day of May, 2009, and  
8 signed by me in open session in authentication of its passage this  
9

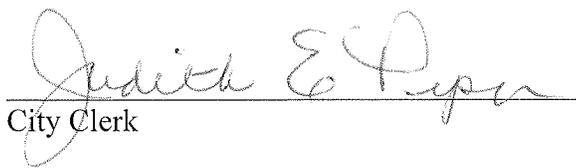
10 11<sup>th</sup> day of May, 2009.

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13 President \_\_\_\_\_ of the City Council

14 Approved by me this 19<sup>th</sup> day of May, 2009.

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17 Gregory J. Nickels, Mayor  
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19 Filed by me this 20<sup>th</sup> day of MAY, 2009.

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21   
22 City Clerk

23 (Seal)

- 24 Attachment 1: Second Amendment To Lease between LBA Realty Fund II  
25 - Company IV, LLC and the City of Seattle  
26 Exhibits to Attachment 1  
27 Exhibit A: Floor Plan of the Premises  
28 Exhibit B: Work-Letter Landlord Turnkey Construction  
Exhibit C: Parking



**SECOND AMENDMENT TO LEASE**

THIS SECOND AMENDMENT TO LEASE (“Second Amendment”), dated as of \_\_\_\_\_, 2009, is entered into by and between LBA REALTY FUND II – COMPANY IV, LLC, a Delaware limited liability company (“Landlord”), and THE CITY OF SEATTLE, a municipal corporation of the State of Washington (“Tenant”).

RECITALS

A. Landlord and Tenant entered into that certain Lease dated September 13, 2004, as amended by First Amendment dated December 21, 2006 (collectively, the “Lease”) for premises commonly known as Suite 155, Building 600, Time Square, Renton, Washington, containing approximately 10,934 square feet of Rentable Area (“Original Premises”). Capitalized terms not defined herein shall have the meanings assigned to them in the Lease.

B. Tenant has requested that: (i) additional space containing approximately 2,698 square feet of Rentable Area on the same floor of the Building as the Original Premises be added to the Premises as shown on Exhibit A attached hereto (“Expansion Premises”), (ii) Landlord construct and install certain improvements to the Premises on a turnkey basis, (iii) the Term be extended, and (iv) the Lease be appropriately amended. Landlord is willing to do the same on the following terms and conditions.

AGREEMENT

Landlord and Tenant agree as follows:

1. Expansion and Effective Date. Effective as of the Expansion Effective Date, the Original Premises are increased from 10,934 square feet of Rentable Area to 13,632 square feet of Rentable Area by the addition of the Expansion Premises. From and after the Expansion Effective Date, the Original Premises and the Expansion Premises, collectively, shall be deemed the Premises as defined in the Lease and as shown on Exhibit A. As used herein, the “Expansion Effective Date” means the date Landlord delivers possession of the Expansion Premises to Tenant with the Tenant Improvements Substantially Complete (as such terms are defined in the Work Letter attached hereto as Exhibit B). The Expansion Effective Date is targeted to occur on August 31, 2009. The Expansion Premises is subject to all the terms and conditions of the Lease except as expressly modified herein.

2. Exhibit A to Replace Exhibit B-3. Effective as of the Expansion Effective Date, Exhibit B-3 to the Lease is deleted and replaced in its entirety with Exhibit A attached hereto.

3. Extension of Lease Term. The Term shall expire on February 28, 2014 (“Extended Expiration Date”). The period between the Expansion Effective Date and the Extended Expiration Date is referred to herein as the “Extended Term.”

4. Minimum Monthly Rent. From and after the Expansion Effective Date, the Base Rent for the Premises, as expanded by the Expansion Premises, shall be as follows:

<u>Period</u>	<u>Original Premises</u> <u>(/Mo. NNN)</u>	<u>Expansion Space</u> <u>(/Mo. NNN)</u>	<u>Total</u> <u>(/Mo. NNN)</u>
Expansion Date-8/31/09	\$13,257.83	\$3,372.50	\$16,630.33
9/1/09-8/31/10	\$13,351.07	\$3,423.08	\$16,774.15
9/1/10-8/31/11			\$17,277.37
9/1/11-8/31/12			\$17,795.70
9/1/12-8/31/13			\$18,329.57
9/1/09-2/28/14			\$18,849.45

5. Additional Security Deposit. No security deposit shall be required in connection with this Second Amendment.

6. Tenant's Pro Rata Share. Commencing on the Expansion Effective Date, Section 1.11 of the Lease covering Tenant's Pro Rata % for the Premises, as expanded, will be amended to 24.14%.

7. Condition of Expansion Premises. Landlord agrees to perform the following work to the Original Premises prior to the Expansion Effective Date, at no expense to Tenant: (a) replace all existing lighting with new building standard lighting matching that installed in the Expansion



Premises, (b) touch up/repaint the walls as shown on Schedule B-1 attached to the Work Letter, (c) relocate the thermostat and light switch as directed by Tenant, and (d) install one piece of raw plywood in existing phone room (collectively, "Landlord's Work"). Tenant has inspected the Expansion Premises and, subject to Landlord's completion of Landlord's Work and the Tenant Improvements in accordance with the Work Letter, agrees to accept the same "as is" on the Expansion Effective Date without any agreements, representations, understandings or obligations on the part of Landlord to perform any alterations, repairs or improvements to the Expansion Premises or the Original Premises except as expressly set forth in this Second Amendment.

8. Access. Tenant shall have access to the Premises 24 hours per day, 7 days per week, 365 days per year. Access during non-business hours is controlled by a card key system.

9. Janitorial Service. Section 7.5 of the Lease is amended to provide that Landlord shall provide cleaning and janitorial service five (5) days per week (legal holidays excepted), subject to all other provisions of Section 7.5.

10. Parking. Section VI of Addendum No. 1 to the Lease is amended to provide that Landlord shall set aside for Tenant's exclusive use, free of charge, and mark as "Reserved for Tenant's Use" ten (10) parking stalls in the location within the Complex depicted on Exhibit C attached hereto. In addition, Landlord shall provide Tenant four (4) unassigned, uncovered parking stalls per 1,000 square feet of Rentable Area in the Premises (e.g., based on the 13,632 square feet of Rentable Area presently in the Premises, this would amount to 54 stalls) in the parking area(s) servicing the Complex, provided, however, Landlord shall have the right by Notice to Tenant, to specify areas of the Complex for employee parking.

11. Continued Effect of Terms not Amended. All of the terms and conditions of the Lease shall continue in full force and effect as written except as expressly modified by this Second Amendment. If any of the terms or conditions of this Second Amendment conflict with any of the other terms or conditions of the Lease, this Second Amendment shall control.

EXECUTED as of the date set forth above.

**"Tenant"**

**The City of Seattle**, a municipal corporation of the State of Washington

By: \_\_\_\_\_  
Brenda Bauer, Director  
Fleets and Facilities Department

**"Landlord"**

**LBA Realty Fund II-Company IV, LLC**, a Delaware limited liability company

By: LBA Realty Fund II, L.P., a Delaware limited partnership, its sole Member

By: LBA Management Company II, LLC, a Delaware limited liability company, its General Partner

By: LBA Realty LLC, a Delaware limited liability company, its Member and Manager

By: LBA Inc., a California corporation, its Manager

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_



STATE OF \_\_\_\_\_ )  
 ) ss.  
COUNTY OF \_\_\_\_\_ )

I certify that I know or have satisfactory evidence that \_\_\_\_\_ is the person who appeared before me, and said person acknowledged that said person signed this instrument, on oath stated that said person was authorized to execute the instrument and acknowledged it as the \_\_\_\_\_ of LBA Inc., to me known to be the Manager of LBA Realty LLC, to me known to be the Member and Manager of LBA Management Company II LLC, to me known to be the General Partner of LBA Realty Fund II, L.P., to me known to be the sole Member of LBA Realty Fund II-Company IV, LLC, the limited liability company that executed the within and foregoing instrument, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2009.

\_\_\_\_\_  
\_\_\_\_\_  
(print or type name)  
NOTARY PUBLIC in and for the State of \_\_\_\_\_,  
residing at \_\_\_\_\_  
My Commission expires: \_\_\_\_\_

STATE OF \_\_\_\_\_ )  
 ) ss.  
COUNTY OF \_\_\_\_\_ )

I certify that I know or have satisfactory evidence that Brenda Bauer is the person who appeared before me, and said person acknowledged that said person signed this instrument, on oath stated that said person was authorized to execute the instrument and acknowledged it as the Director – Fleets and Facilities Department of The City of Seattle, the municipal corporation that executed the within and foregoing instrument, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2009.

\_\_\_\_\_  
\_\_\_\_\_  
(print or type name)  
NOTARY PUBLIC in and for the State of \_\_\_\_\_,  
residing at \_\_\_\_\_  
My Commission expires: \_\_\_\_\_



EXHIBIT A  
TO  
SECOND AMENDMENT TO LEASE  
  
FLOOR PLAN OF THE PREMISES

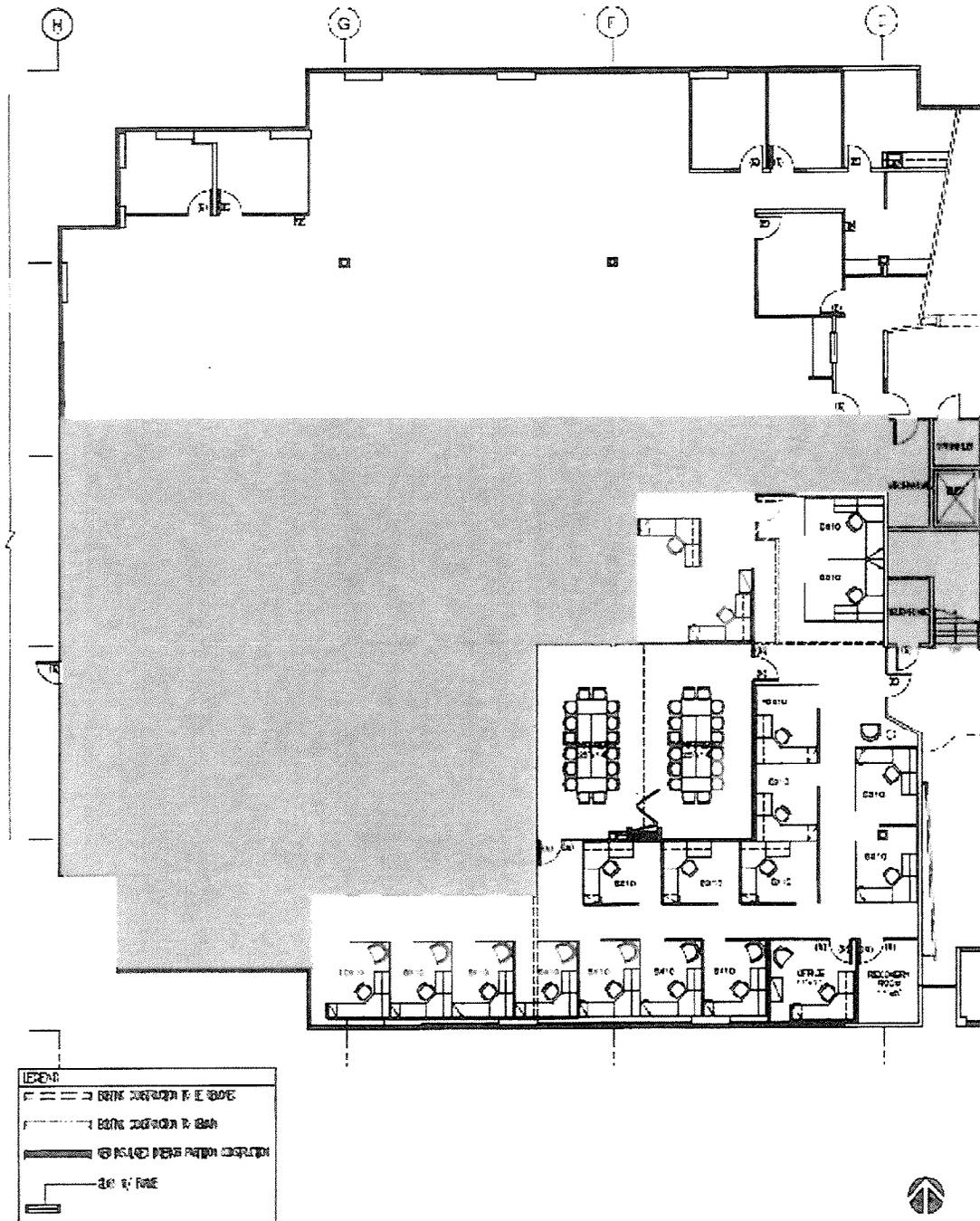


EXHIBIT B  
TO  
SECOND AMENDMENT TO LEASE

WORK LETTER – LANDLORD TURNKEY CONSTRUCTION

1. **Defined Terms.** All capitalized terms referred to in this Exhibit B (this "**Work Letter**") not defined below shall have the same meaning as defined in the Second Amendment of which this Work Letter forms a part.

2. **Construction Obligations.** Landlord shall construct the Tenant Improvements in accordance with this Work Letter and the Construction Plans (as hereinafter defined), and, subject to Tenant's obligation to pay for (a) Tenant Improvement Costs for items not specifically reflected on the Approved Preliminary Plans (as hereinafter defined and subject to Change Requests and/or Tenant Delay, as described below) and (b) the acquisition and installation of Tenant-specific equipment, Landlord shall pay for all Tenant Improvement Costs (as hereinafter defined). Landlord shall have no responsibility for any improvements to the Original Premises other than the Landlord's Work, nor for the payment of any allowance therefor.

3. **Definitions.** Each of the following terms shall have the following meaning:

"**Approved Preliminary Plan**" means the space plan and specifications set forth or described in Schedule B-1 attached hereto, which space plan and specifications have been reviewed and approved by Landlord and Tenant.

"**Building**" shall mean the Building Shell and the Tenant Improvements.

"**Building Shell**" shall mean the basic minimum enclosure of the Building consisting of the foundation and floors, structural framework, roof coverings, exterior walls and exterior doors and windows, the mezzanine, all elevators and stairwells, basic fire sprinkler systems, underground electrical power stubs, plumbing system stubs, the parking lots and landscaping appurtenant to the Complex, but excluding all Tenant Improvements.

"**City**" shall mean the City of Renton.

"**Construction Plans**" shall mean the complete plans and specifications for the construction of the Tenant Improvements, which shall be in substantial compliance with the Approved Preliminary Plans, consisting of all architectural, engineering, mechanical and electrical drawings and specifications which are required to obtain all building permits, licenses and certificates from the applicable governmental authority(ies) for the construction of the Tenant Improvements. The Construction Plans shall be prepared by Space Planner, and in all respects shall be in substantial compliance with all applicable laws, rules, regulations and building codes for the City.

"**Contractor**" shall mean Foushee Construction. Contractor shall be responsible for construction of the Building Shell and the Tenant Improvements.

"**Force Majeure Delay**" shall mean any delay resulting from or caused by an Act of God, fire, earthquake, flood, explosion, action of the elements, war, invasion, insurrection, riot, mob violence, sabotage, malicious mischief, inability to procure or general shortage of labor, equipment, facilities, materials, or supplies in the open market, inability to obtain or delays in obtaining necessary government approvals, licenses or permits, failure of transportation, strike, lockout, action of labor unions, condemnation, requisition, law, order or regulation of government or civil, military or naval authority, or any other cause (excluding financial inability) whether similar or dissimilar to the foregoing not within the reasonable control of Landlord. The time for performance of any obligation of Landlord to construct the Tenant Improvements shall be extended at Landlord's election by the period of any delay caused by any of the foregoing Force Majeure events.

"**Landlord's Representative**" shall mean Georgia Ferrer or such other person as Landlord may designate from time to time. All notices, requests and other communications to Landlord relating to or arising under this Work Letter shall be made to Landlord's Representative.

"**Punchlist Items**" is defined in Section 10 below.

"**Space Planner**" shall mean Burgess Design. Space Planner shall be employed by Landlord and all costs of Space Planner will be the responsibility of Tenant, as part of the Tenant Improvement Costs.



**"Substantial Completion"** or **"Substantially Complete"** shall be the date that the construction of the Tenant Improvements is sufficiently complete so that Tenant can legally occupy and utilize the Expansion Premises for its intended use, subject only to minor "punchlist" items, the completion of which will not materially affect Tenant's use and occupancy of the Expansion Premises. Landlord shall cause all punchlist items to be completed as provided in Section 9 below.

**"Tenant Delay"** shall mean any delay in the construction of the Tenant Improvements, or any delays in approvals or submissions required hereunder beyond the time period provided for in this Work Letter caused by (i) any changes in the nature or scope of the Tenant Improvements requested by Tenant (including any changes in the Approved Preliminary Plan and/or Approved Construction Plans for the Tenant Improvements), (ii) Tenant's failure to timely provide Landlord with any needed information on the Tenant Improvements, or (iii) Tenant's failure to timely review and approve any Preliminary Plans, Construction Plans or finish specifications for the Tenant Improvements. In the event of any Tenant Delay, this Lease shall be deemed to have commenced and the obligations of Tenant under the Lease, including without limitation the obligation to pay all rent due thereunder, shall have been deemed to commence on the date the Lease would otherwise have commenced had it not been for Tenant Delay. Any and all costs and expenses incurred by Landlord as a result of any Tenant Delay, including without limitation, architectural, engineering and space planning fees, permit resubmittal fees, increased Tenant Improvement Costs, and the like shall be the sole responsibility and obligation of Tenant and shall be reimbursed by Tenant to Landlord upon demand therefor.

**"Tenant Improvements"** shall mean all interior portions of the Expansion Premises to be constructed by Landlord for Tenant pursuant to this Work Letter and the Approved Construction Plans, including but not limited to, electrical systems, heating, ventilating and air conditioning systems ("**HVAC**"), plumbing and fire sprinkler systems (to the extent the electrical, HVAC, plumbing and fire sprinkler systems are not included in the Building Shell), interior partitions, millwork, floor coverings, acoustical ceilings, interior painting, and similar items.

**"Tenant Improvement Costs"** shall mean the costs for construction and installation of the Tenant Improvements, inclusive of the fees charged by Space Planner. The costs for construction and installation shall include, but not be limited to, the following:

- (a) architectural/space planning fees and costs charged by Space Planner in the preparation of the Preliminary Plans and Construction Plans;
- (b) any and all other fees and costs charged by architects, engineers and consultants in the preparation of the Construction Plans, including mechanical, electrical, plumbing and structural drawings and of all other aspects of the Construction Plans, and for processing governmental applications and applications for payment, observing construction of the work, and other customary engineering, architectural, interior design and space planning services;
- (c) surveys, reports, environmental and other tests and inspections of the site and any improvements thereon;
- (d) labor, materials, equipment and fixtures supplied by the Contractor, its subcontractors and/or materialmen;
- (e) the furnishing and installation of all HVAC duct work, terminal boxes, distributing diffusers and accessories required for completing the HVAC system in the Expansion Premises, including costs of meter and key control for after-hour, if required by Landlord;
- (f) all electrical circuits, wiring, lighting fixtures, and tube outlets furnished and installed throughout the Expansion Premises, including costs of meter and key control for after-hour electrical power usage;
- (g) all window and floor coverings in the Expansion Premises;
- (h) all fire and life safety control systems, such as fire walls, sprinklers and fire alarms, including piping, wiring and accessories installed within the Expansion Premises;
- (i) all plumbing, fixtures, pipes and accessories installed within the Expansion Premises;



(j) fees charged by the city and/or county where the Building is located (including, without limitation, fees for building permits and plan checks) required for the construction of the Tenant Improvements in the Expansion Premises;

(k) all taxes, fees, charges and levies by governmental and quasi-governmental agencies for authorization, approvals, licenses and permits; and all sales, use and excise taxes for the materials supplied and services rendered in connection with the installation and construction of the Tenant Improvements; and

(l) all costs and expenses incurred to comply with all laws, rules, regulations or ordinances of any governmental authority in connection with the construction of the Tenant Improvements.

Tenant Improvement Costs shall not include the cost of any of Tenant's Personal Property or the installation thereof, which shall be performed by Tenant at its sole cost and expense.

"**Tenant's Personal Property**" shall mean all personal property constructed or installed in the Expansion Premises by Tenant at Tenant's expense, including furniture, fixtures and equipment, but excluding Tenant Improvements.

"**Tenant's Representative**" shall mean the person(s) authorized to act on Tenant's behalf with respect to this Agreement. Initially \_\_\_\_\_ of the City is hereby designated as Tenant's Representative. Tenant may change its representative under this Agreement at any time by written notice to Landlord in compliance with the notice provisions of the Lease.

#### 4. Construction Plans for Tenant Improvements.

4.1 Preparation by Space Planner. Within fifteen (15) business days following execution of the Lease, Space Planner shall provide Tenant with completed Construction Plans showing (i) Tenant's partition layout and the location and details; (ii) the location of telephone and electrical outlets; (iii) the location, style and dimension of any desired special lighting; (iv) the location, design and style of all doors, floor coverings and wall coverings; (v) the location, design, style and dimensions of cabinets and casework; and (vi) all details, including "cut sheets," for the Tenant Improvements, which shall be in conformity with the Approved Preliminary Plans. The Construction Plans shall be in a form satisfactory to appropriate governmental authorities responsible for issuing permits and licenses required for construction of the Tenant Improvements.

4.2 Tenant's Review of Construction Plans for Tenant Improvements. Within five (5) business days after receipt of the Construction Plans, Tenant shall notify Landlord in writing of any reasonable changes necessary to bring the Construction Plans into substantial conformity with the Approved Preliminary Plans. Failure of Tenant to deliver to Landlord written notice of the changes within the five (5) business day period shall constitute approval by Tenant of the Construction Plans. If any changes requested by Tenant are reasonably necessary to bring the Construction Plans into substantial conformity with the Approved Preliminary Plans, Space Planner shall make such changes and the revised Construction Plans shall be deemed approved by Tenant.

4.3 Approved Construction Plans. The Construction Plans which are approved by both Landlord and Tenant in writing ("**Approved Construction Plans**") shall be used to construct the Tenant Improvements.

5. Construction Costs. Landlord shall pay for all Tenant Improvement Costs associated with constructing the Tenant Improvements in accordance with the Construction Plans; provided, however, that Tenant shall be solely responsible for (a) the cost of acquiring and/or installing any Tenant-specific equipment, and (b) all added Tenant Improvement Costs arising out of any Change Request (defined below) and/or Tenant Delay, which added costs shall be paid by Tenant to Landlord within ten (10) days from Landlord's invoice to Tenant for such added costs.

6. Building Permit. Landlord shall be responsible for obtaining a building permit ("**Building Permit**") for the Tenant Improvements. To the extent requested by Landlord, Tenant shall assist Landlord in obtaining the Building Permit. Landlord or its Contractor shall submit the Construction Plans to the appropriate governmental body for plan checking and a Building Permit. Landlord, with Tenant's cooperation, shall cause to be made any change in the Construction Plans necessary to obtain the Building Permit.



7. Change Requests.

7.1 Approval. No changes to the Approved Construction Plans requested by Tenant (each, a "**Change Request**") shall be made without (i) Landlord first providing notice to Tenant of the estimated delay and increased costs associated with such Change Request and Tenant reconfirming its request to make such Change Request, and (ii) Landlord's prior written approval, which approval shall not be unreasonably withheld or delayed, subject to the following:

(i) No Change Request shall affect the structure or operating systems of the Building;

(ii) Landlord may require Tenant to pay to Landlord within ten (10) days of written notice from Landlord, the added amount of Tenant Improvement Cost resulting from a Change Request, as reasonably estimated by Landlord, including without limitation, increases in construction costs and other charges payable hereunder caused by any delay in construction of the Tenant Improvements as a result of a Change Request;

(iii) A Change Request shall constitute an agreement by Tenant to any delay in completion of the Tenant Improvements to the extent caused by Landlord's reviewing, processing and implementing the Change Request, all of which delays shall be deemed a Tenant Delay;

(iv) Landlord shall accept only Change Requests signed by Tenant's Representative.

(v) Any net delay in completion of the Tenant Improvements to the extent caused by a Change Request shall not delay the commencement of the term of the Lease from the date the term of the Lease would otherwise have commenced had it not been for the Change Request. Tenant agrees that the Lease and all obligations of Tenant thereunder (including without limitation the obligation to pay rent) shall commence on the date that the term of the Lease would otherwise have commenced had it not been for the delay, if any, resulting from the Change Request (provided that date is on or after the Estimated Commencement Date).

7.2 Procedure. Except with respect to the mechanical and electrical systems of the Building, within five (5) business days after receipt of a written Change Request from Tenant, Landlord shall notify Tenant verbally of Landlord's approval or disapproval of the Change Request; Landlord shall confirm, in writing, Landlord's approval or disapproval within five (5) business days after receipt of Tenant's written Change Request. All costs paid by Landlord to unaffiliated parties in connection with review of proposed Change Requests shall be part of the added Tenant Improvement Cost payable by Tenant. With respect to any Change Request related to the Building's mechanical and electrical systems, Landlord shall have five (5) business days to respond orally and ten (10) business days to confirm its decision in writing. If Landlord fails to notify Tenant of Landlord's approval of the Change Request within the required period, the Change Request shall be deemed approved.

7.3 Period of Review. The period of Landlord's review of a proposed Change Request, and the period during which Tenant has the right to revoke a Change Request, shall be deemed Tenant Delays.

7.4 Minor Changes in Work. Landlord shall have the authority, without the consent of Tenant, to order any immaterial changes to the Tenant Improvements not involving an increase in cost to Tenant or a delay in the completion of the Tenant Improvements. Delays caused by Landlord's compliance with laws or regulations shall not be deemed delays within Landlord's control, and Landlord shall have no responsibility or liability with respect to such delays.

8. Commencement and Completion of Tenant Improvements. As soon as Landlord has obtained the Building Permit and other necessary authorizations for the construction of the Tenant Improvements from the City and Landlord has entered into a contract with the Contractor for the construction of the Tenant Improvements, Landlord shall cause the construction of the Tenant Improvements to commence and shall diligently pursue same until completion. Landlord shall cause such construction to be performed in good and workmanlike manner, in compliance with all Laws and Regulations and with the Approved Construction Plans, and shall deliver the Expansion Premises to Tenant with the Tenant Improvements substantially completed.

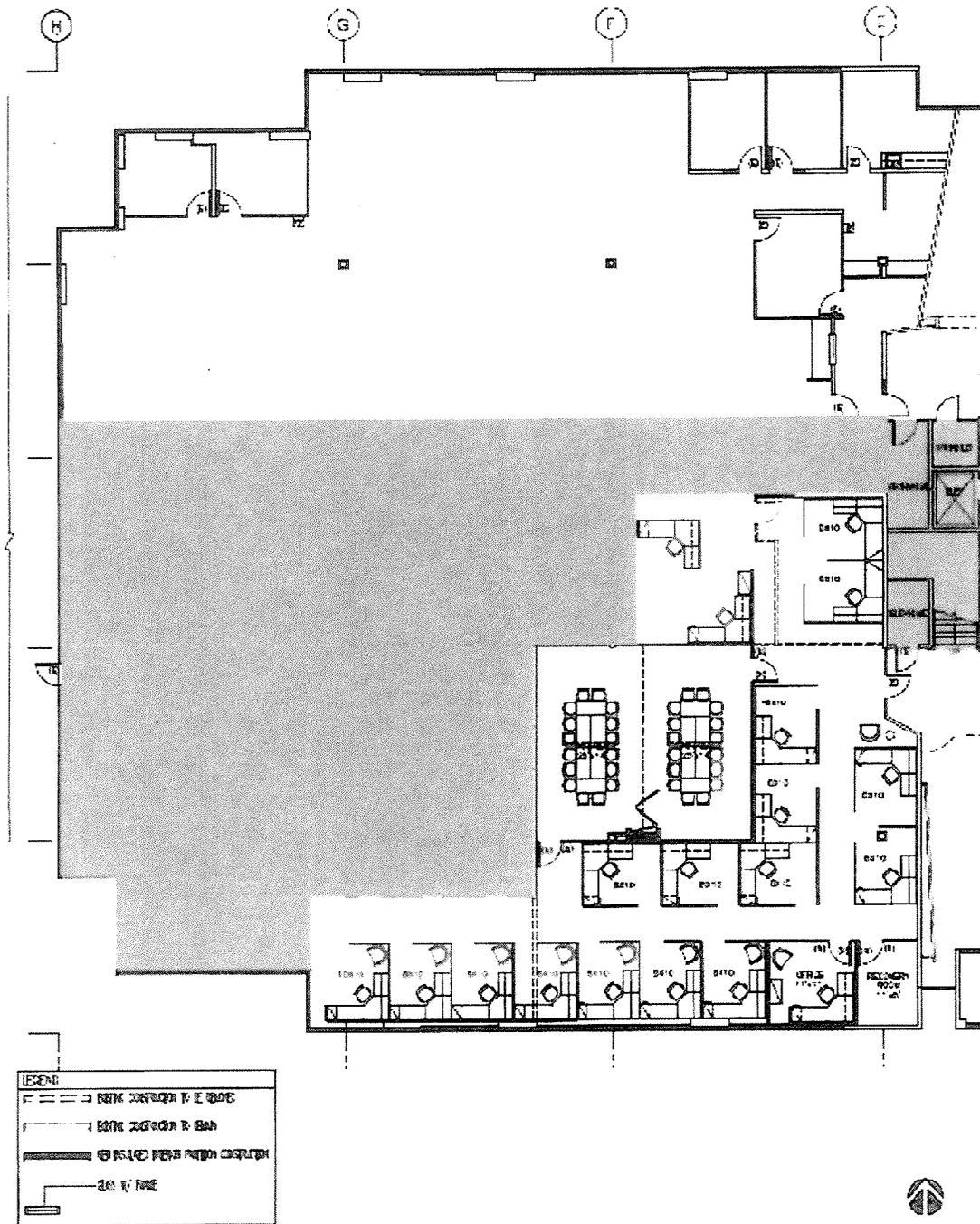
9. Punchlist Inspection and Completion. No later than five (5) business days after notice from Landlord that such Tenant Improvements are Substantially Complete, Tenant shall inspect the Expansion Premises ("**Punchlist Inspection**") and identify in writing to Landlord any

items that are not complete, are defective or are at variance with the Construction Plans ("**Punchlist Items**"). If Tenant fails to so inspect the Tenant Improvements within such period and provide Landlord with a written list of Punchlist Items, Tenant shall be deemed to have accepted the condition of the Tenant Improvements. The existence of Punchlist Items shall not delay Substantial Completion from having occurred or delay the Commencement Date under the Lease unless those Punchlist Items are so material in nature that the existence of such Punchlist Items or the disruption likely to be caused by Landlord's correction of such Punchlist Items would materially and adversely impair Tenant's ability to occupy and use the Expansion Premises. Landlord shall proceed to complete the Punchlist Items, if any, arising out of the Punchlist Inspection, as soon as reasonably practicable and in any event within thirty (30) days following the date of Substantial Completion, except for those items that, despite Landlord's diligent and reasonable efforts, require additional time due to the unavailability of materials within such thirty (30) day period. The time periods set forth in this Work Letter are to be strictly adhered to and extensions of time shall be granted only when the circumstances are such that it is clear that the party requesting the additional time is without fault as to the delay.



SCHEDULE B-1

APPROVED PRELIMINARY PLAN





burgess design | interiors architecture

1000 1st Avenue, Suite 200, Renton, WA 98057

Date: September 18, 2008  
Project Name: HSD Expansion – Time Sq.  
Project No: 08-9604-00

**TENANT IMPROVEMENT SCOPE OF WORK.** The following area descriptions are given for budget intent only and are to be used solely as placeholders for the purpose of generating R.O.M. (Rough Order of Magnitude) budget numbers for further review and discussion. Please refer to the attached Space Plan 5 dated 09.11.08 and contractor field verification for additional information. Shaded areas on 1<sup>st</sup> floor plan are assumed N.I.C. (not in contract) unless otherwise noted.

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**General Notes:**

- Remove existing wall construction, door, sidelight, caseworks w/ all associated assemblies where demolition occurs. Patch and repair remaining wall and floor surfaces to receive finishes to match existing.
- Provide a 12" GWB header transition between tenant's existing suite and the expansion suite where two different acoustical ceilings meet.
- All new construction to assume at least one 18" wide suite standard sidelight by each door.

**Large Conference Room: (two rooms combined)**

- New suite standard carpet, allow for \$30.00/square yd. material only w/ rubber base.
- Paint all walls and columns, allow for one (1) field and one (1) accent paints.
- Provide eight (8) 2X4 B/S fluorescent lighting fixtures, eight (8) recessed can lights, two (2) wall washers on existing suspended ceiling system.
- 3' wide B/S stained wood door and aluminum frame.
- 18" wide B/S sidelight and aluminum frame.
- Two flush core drill with one (1) quad and one (1) voice/data.
- Allow for min. three (3) duplex and two (2) voice/data mud rings on wall.
- HVAC cooling on separate zone. GC to confirm.
- Allow for one (1) acoustical demountable partition, recessed ceiling track and all associated assemblies. Contractor to confirm required structural support with owner and partition manufacturer rep.
- Provide B/S 1" mini blinds at all new side lights.

**Recovery Room:**

- New suite standard carpet, allow for \$30.00/square yd. material only w/ rubber base.
- Paint all walls, allow for one (1) field paint.
- Provide one (1) duplex and one (1) voice/data outlets.
- Provide one (1) 2X4 B/S Fluorescent Lighting Fixtures on existing suspended ceiling system.
- 3' wide B/S stained wood door and aluminum frame.
- 18" wide B/S sidelight and aluminum frame.





**Private Office:**

- New suite standard carpet, allow for \$30.00/square yd. material only w/ rubber base.
- Paint all walls and columns, allow for tenant selected accent paints.
- Provide two (2) 2X4 B/S fluorescent lighting fixtures on existing suspended ceiling system.
- 3' wide B/S stained wood door and aluminum frame provide coat hook on the back of the door.
- 18" wide B/S sidelight and aluminum frame.
- One (1) quad, (1) duplex, and two (2) voice/data outlets
- Provide B/S 1" mini blinds at all new side lights

**Open Office:**

- New suite standard carpet, allow for \$30.00/square yd. material only w/ rubber base
- Paint all walls and columns, allow for one (1) field paint and one (1) accent paint.
- Provide approx. twelve (12 – new/relocated) 2X4 B/S fluorescent lighting fixtures on existing suspended ceiling system.
- Provide approx. five (5) wall mounted whip-in-feed for groups of workstations. Provide two (2) dedicated duplex, for tenant provided faxes/printers. Provide two to three (2-3) duplex outlets for general purposes

**General Requirements:**

**A. Guidelines for Proposed Tenant Improvement:**

1. Contractor to comply with the current "general conditions," and building requirements as provided by the building owner.
2. Contractor shall be responsible for providing all work and materials in accordance with the latest local Building Codes and Ordinances.
3. The Contractor shall immediately notify Architect of any discrepancies in the Space Plan and of any field conditions, which may cause deviation from the Space Plan.
4. All materials to be new unless noted otherwise.
5. Contractor to provide all fire-emergency systems as required by all applicable codes. Fire/emergency systems include, but are not limited to, sprinkler modifications, fire extinguishers, audible alarms, sprinklers, smoke and heat detectors, strobes, and exit signs.
6. Mechanical, plumbing and electrical to be design build under separate permit.

**B. Demolition:**

1. Refer to attached Space Plan for extent of demolition.
2. Remove all abandoned low voltage cabling in ceiling plenum.
3. Remove and fill all abandoned floor mounted devices. Fill cores as required w/ material to meet current flame spread regulations.
4. Remove all associated cabling and conduit on floor below, back to source.

**C. Doors and Frames:**

1. New or relocated stain grade wood doors and aluminum frames
2. Touch-up and paint existing doors, door frames and side light frames.
3. Clear 1/2" tempered glazing at all side lights unless otherwise noted (UON)





4. Finish Hardware: Reuse and/or new hardware to match Building Standard. Locksets where noted.

**D. Woodwork and Casework:**

1. New casework to be in accordance with AWI premium grade flush overlay construction of wood and plastic laminate veneer
2. Plastic laminate colors to be selected from Formica, Wilsonart, or Nevamar. Standard colors and patterns.

**E. Partition Construction:**

1. Framing: 2-1/2" 25 gauge steel studs at 24" o.c. with 5/8" type "X" GWB to ACT ceiling unless noted otherwise.
2. Sound insulation in all new partitions and 2'-0" layer of sound insulation on either side of partition head above ceiling.

**F. Ceilings:**

1. Existing suspended grid to remain. Provide seismic bracing as required by code
2. Replace up to 30% of existing acoustical ceiling tiles where damaged and/or soiled
3. Repair or replace all damaged and/or stained ceiling surfaces to a like new condition.

**G. Floor Finish:**

1. Carpet: Shaw Contract – Metro BL. Color: Urban Hipster 95500 – direct glue installation.
2. Base: 4" Roppe straight rubber base, Color: Black P100
3. Prepare floor with light weight concrete underlay where required to provide approved substrate

**H. Wall Finish:**

1. Paint all walls, column and any GWB ceiling/soffit surfaces.
2. Colors: Provide allowance for one (1) neutral field color and two (2) accent paints.
3. Prime all wall surfaces, and unless otherwise noted, paint with minimum of two (2) finish coats of Benjamin Moore eggshell finish latex paint or approved equal at all GWB surfaces.
4. Paint for the light surfaces to conform to the requirements of the "Architectural Specifications Manual" (AWS) for paint systems. Latex paint: AWS System 3-B "custom" (2-coat) grade deep tone paint finish on gypsum board surfaces

**I. Miscellaneous Requirements:**

1. Contractor shall verify or provide have B/S 1" mini blinds at all perimeter glazing locations. Protect during construction or repair or replace as needed. Match existing conditions. UON.
2. Contractor shall provide new B/S 1" mini blinds at all new side lights. Match existing conditions. UON.

**J. HVAC:**

1. Modify existing HVAC system with all materials, equipment, and labor for complete and operable HVAC system. System shall be air balanced per building specifications
2. HVAC requirements for the following area shall be designed for, but not limited to:
  - a. Typical office or work station: One (1) PC and monitor
  - b. Mail Room/Copy area: Typical BTU loads for full size photocopier(s), postage machines, fax machine, etc





burgess design | interiors architecture

1000 1st Avenue, Suite 1000, Seattle, WA 98101

- c. Server room. Coordinate power communication and BTU output with tenant. Allow 3 ton unit.
3. Re-balance the existing HVAC as required for new layout

**K. Electrical:**

1. Modify existing electrical system with all materials, equipment, and labor for complete and operable electrical system.
2. Separate electrical circuitry as necessary for new suite configuration
3. Verify all specialty equipment requirements listed on space plan with tenant.
4. Unless directed otherwise, all voice/data cabling and equipment associated with voice/data service including work from building/floor d-mark to server room shall be furnished and installed by Tenant.

**L. Lighting:**

1. Provide occupancy and daylight sensors as per the latest Washington State Energy Code (WSEC) or Seattle Energy Code (SEC)
2. Switching shall be integrated into the new suite configuration.
3. Lighting shall be reused and reconfigured in a uniform pattern to match the new room requirements. (Up to 60% per WSEC.)
4. Lighting (for intent only)
  - a. Standard office lighting: Standard 2X4 recessed fluorescent fixtures to match each suite standard.
  - b. Wall washer: Lightolier Calculite 6" open down lights, 32w or approved equal
  - c. Down light: Lightolier Calculite 6" vertical open wall washer, 32w or approved equal

**M. Fire-Life Safety:**

1. Fire protection system per building standard and Local Regulations and Ordinances.
2. Provide or upgrade fire sprinkler system to comply with IBC 903.3.1.1 and NFPA 13 standards to allow for code required exiting and corridor construction as stated on the space plan
3. Provide all emergency lighting, exit signs, fire alarm speakers, strobes and bells as required by code. Design and install the same in compliance with the Americans with Disabilities Act
4. Provide sprinklers, fire rated doors and frames, fire extinguishers, etc. as required by applicable local codes and laws
5. Fire extinguishers shall be 2A-10BC 5-lb. multi-purpose extinguisher with squeeze-type handle and flexible discharge hose with visible pressure gauge
6. Fire extinguishers shall be installed in Building Standard cabinets

End of Work Letter- AK



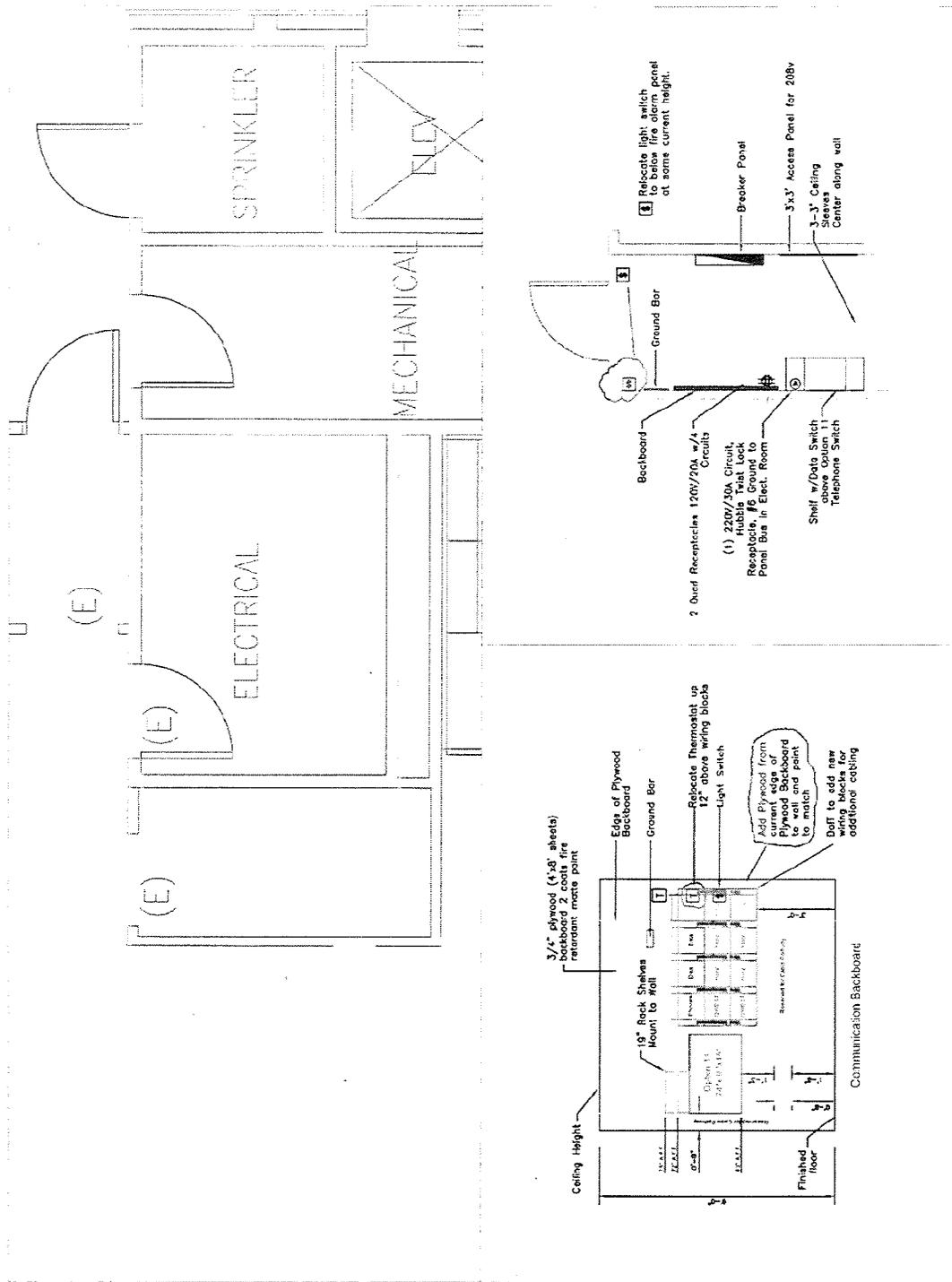
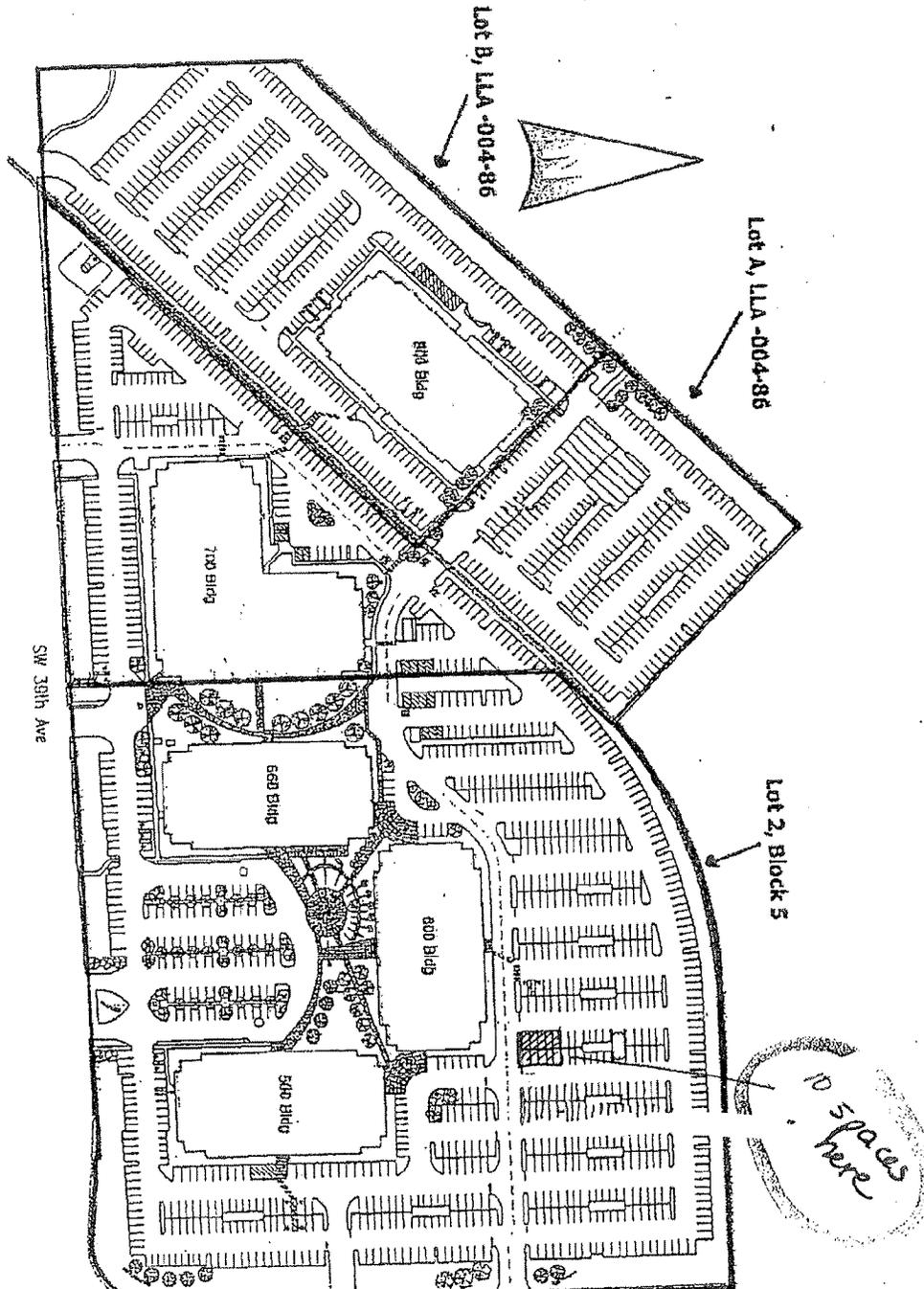




EXHIBIT C

RESERVED PARKING



## FISCAL NOTE FOR NON-CAPITAL PROJECTS

<b>Department:</b>	<b>Contact Person/Phone:</b>	<b>DOF Analyst/Phone:</b>
FFD	Kyle Joyce / 4-7154	Kathryn Ewing / 3-9580

### **Legislation Title:**

An ordinance authorizing the Fleets and Facilities Department to execute a Lease Amendment with LBA Realty Fund II-Company IV, LLC, on behalf of the Human Services Department's Aging & Disability Services Division.

- **Summary of the Legislation:**

This legislation authorizes the Fleets and Facilities Department (FFD) to amend a lease agreement with LBA Realty Fund II-Company IV, LLC, to increase office space provided at 600 SW 39<sup>th</sup> Street in Renton, Washington on behalf of the Human Services Department (HSD) Aging & Disability Services Case Management Unit by an additional 2,698 square feet. The amendment requires legislation, because the total amount of office space exceeds FFD statutory authority for leasing under Seattle Municipal Code 3.18.240.

- **Background:**

In 2004, Ordinance 121686 authorized FFD to lease approximately 10,934 square feet of office space to relocate HSD's Aging and Disability Services Case Management Unit from overcrowded offices in the Kent Commons. The current lease expires August 31, 2010; however, a new five year lease term has been negotiated to expand the current premises by approximately 2,698 rentable square feet.

HSD's Aging & Disability Services Case Management Unit is the federally designated Area Agency on Aging for the Seattle-King County Planning and Service Area, serving clients across King County. Services are co-sponsored by the City of Seattle, King County, and the United Way, with the City of Seattle as the lead administrative agency. With the aging population, the Case Management Unit's workload and corresponding revenue has continued to grow.

FFD has negotiated an expansion with the current landlord on behalf of HSD, to allow for the group's continued growth. The lease rate under the new lease term is approximately \$14.64 per square foot, net of taxes, insurance, and operating expenses. Operating expenses for the first year of the lease are estimated at \$4.48 per square foot. Under the terms of the lease amendment, the landlord will complete improvements necessary for HSD's occupancy of the expansion space, as well as renovations to HSD's current space, as detailed in Attachment 1: Second Amendment to Lease, section Exhibit B (Work Letter – Landlord Turnkey Construction). Any and all improvement costs exceeding the total planned amount are the landlord's responsibility, unless those additional costs are due to change requests by HSD.



**X** This legislation has financial implications. (Please complete all relevant sections that follow.)

**Appropriations:**

Fund Name and Number	Department	Budget Control Level	2009 Appropriation	2010 Appropriation
NA	NA	NA	NA	NA
<b>TOTAL</b>				

**Notes:** HSD included the total new lease rental cost, detailed below, is fully funded by grant revenue and is included in the HSD 2009 Adopted / 2010 Endorsed Budgets. The increased rental cost is not included in the FFD 2009 Adopted Budget, and FFD may submit a budget supplement request for pass-through budget authority sufficient to permit lease payments to the landlord.

**Calculation of Lease Costs (Rent+Overhead (OH)+Operating Expenses) for HSD office space at 600 SW 39<sup>th</sup> Street in Renton, WA.**

	2009			2010	
	Existing Lease Expense	Amended Lease Expense	Lease Annual Inflation		Lease Annual Inflation
Cost	Jan - May	June – Aug	Sept - Dec	Jan - Aug	Sept - Dec
Rent/month	\$13,257.83	\$16,630.33	\$16,774.15**	\$16,774.15	\$17,277.37
Rent/year	\$66,289.15	\$49,890.99	\$67,096.60	\$134,193.20	\$69,109.48
Annual Op Exp	*\$20,410.13	* \$15,267.84	*\$20,357.12	* \$41,935.67	* \$20,967.83
FFD OH 3%	\$2,600.98	\$1,954.76	\$2,623.61	\$5,283.87	\$2,702.32
<b>Total</b>	<b>\$89,300.26</b>	<b>\$67,113.59</b>	<b>\$90,077.33</b>	<b>\$181,412.74</b>	<b>\$92,779.63</b>
		<b>2009 Total</b>	\$246,491.18	<b>2010 Total</b>	\$274,192.37
				<b>Total 2009+2010</b>	\$520,683.55

\* Annual operating expense is based on landlord’s estimate for the first year plus an estimated 3.0% increase in operating expense for the second year of the lease.

\*\* Inflates only the newly rented square footage, not the square footage under the old lease.



**Anticipated Revenue/Reimbursement: Resulting From This Legislation:**

Fund Name and Number	Department	Revenue Source	2009 Revenue	2010 Revenue
NA	NA	NA	NA	NA
<b>TOTAL</b>				

**Total Regular Positions Created, Modified, Or Abrogated Through This Legislation, Including FTE Impact:**

None.

**Spending/Cash Flow:**

Fund Name & #	Department	Budget Control Level*	2009 Expenditures	2010 Anticipated Expenditures
NA	NA	NA	NA	NA
<b>TOTAL</b>	NA	NA	NA	NA

***Notes:***

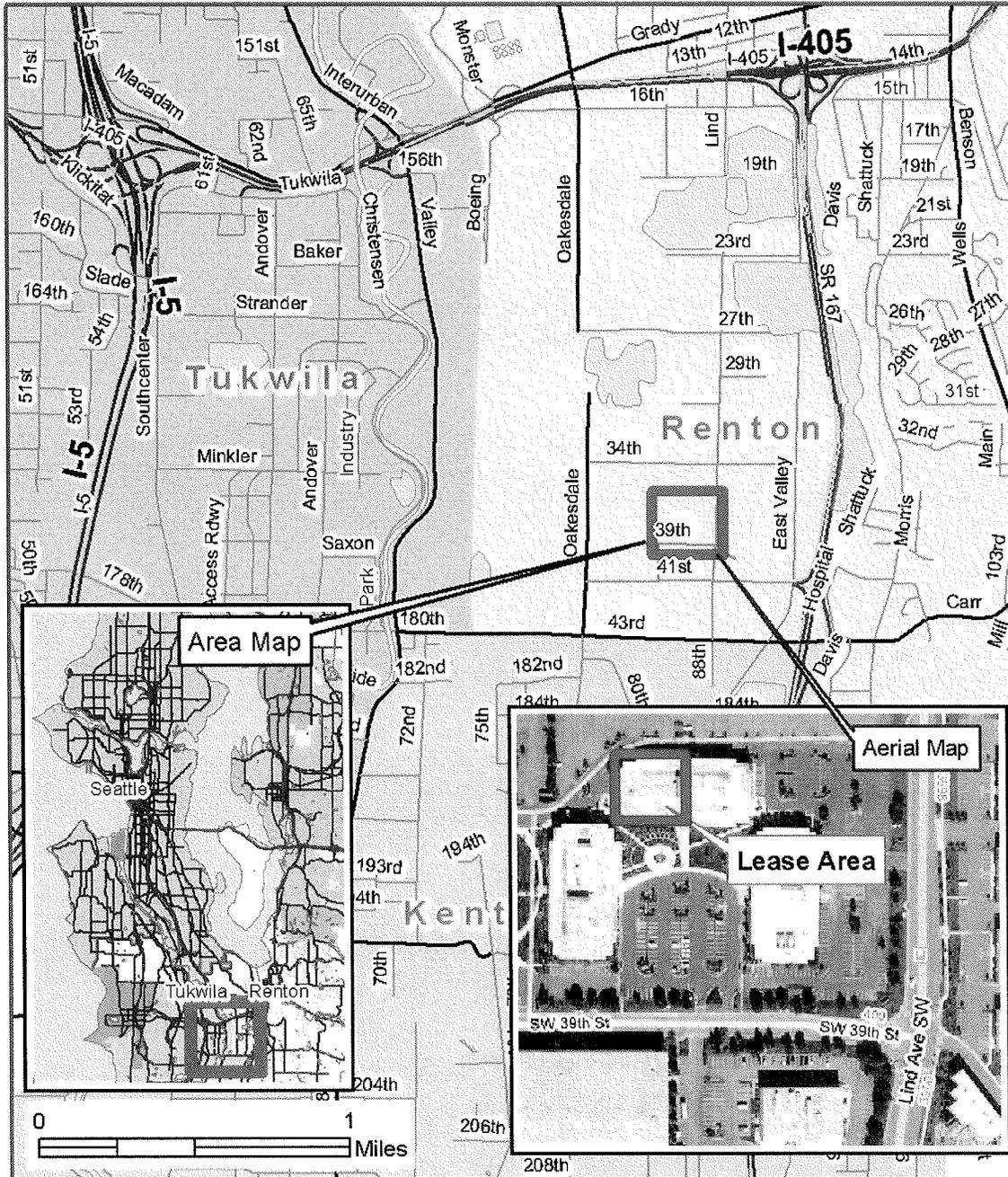
- **What is the financial cost of not implementing the legislation?**  
 Failure to implement this legislation would prevent HSD’s Aging and Disability Case Management Unit from obtaining the space necessary to adequately serve its clients.
- **What are the possible alternatives to the legislation that could achieve the same or similar objectives?**  
 Obtaining additional space for HSD’s Aging and Disability Case Management Unit in a location other than the space adjacent to the current location would result in a split group and increased administrative costs.
- **Is the legislation subject to public hearing requirements:**  
 No
- **Other Issues** (including long-term implications of the legislation):  
 None.

**Please list attachments to the fiscal note below:**

Attachment 1. Map showing the location of the space to be leased.



### Attachment 1



## City of Seattle

Human Services Department (HSD)  
Aging and Disability Case Management Unit  
Renton Office Expansion

Produced by the City of Seattle  
Fleets & Facilities Department  
Real Estate Services Division, D. Bretzke February 10 2009

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# City of Seattle

Gregory J. Nickels, Mayor

## Office of the Mayor

April 14, 2009

Honorable Richard Conlin  
President  
Seattle City Council  
City Hall, 2<sup>nd</sup> Floor

Dear Council President Conlin:

I am pleased to transmit the attached proposed Council Bill authorizing the Fleets and Facilities Department (FFD) to execute a lease amendment to provide the Human Services Department's (HSD) Aging & Disability Services Division additional office space at its existing Renton location. HSD currently leases 10,934 square feet and this legislation would provide for an additional 2,698 square feet as well as a new five year lease term. City Council approval is required for this transaction because the total office space leased will exceed 5,000 square feet.

HSD's Aging & Disability Services Case Management Unit is the federally designated Area Agency on Aging for the Seattle-King County Planning and Service Area. Consequently, the Case Management Unit serves clients across King County and is funded with both State and Federal revenue. Passage of this legislation will enable HSD to increase the size of its Case Management Unit to meet the increased needs of an aging population.

Acquiring this additional office space will allow HSD to adequately staff its operations in fulfillment of its mission. Thank you for your consideration of this legislation. Should you have questions, please contact Kyle Joyce at 684-7154 or Dave Goss at 233-5069, Fleets and Facilities Department.

Sincerely,

A handwritten signature in black ink, appearing to read "Greg Nickels".

GREG NICKELS  
Mayor of Seattle

cc: Honorable Members of the Seattle City Council

600 Fourth Avenue, 7<sup>th</sup> Floor, P.O. Box 94749, Seattle, WA 98124-4749

Tel: (206) 684-4000, TDD: (206) 615-0476 Fax: (206) 684-5360, Email: [mayors.office@seattle.gov](mailto:mayors.office@seattle.gov)

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STATE OF WASHINGTON – KING COUNTY

--SS.

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239430  
CITY OF SEATTLE, CLERKS OFFICE

No. TITLE ONLY

**Affidavit of Publication**

The undersigned, on oath states that he is an authorized representative of The Daily Journal of Commerce, a daily newspaper, which newspaper is a legal newspaper of general circulation and it is now and has been for more than six months prior to the date of publication hereinafter referred to, published in the English language continuously as a daily newspaper in Seattle, King County, Washington, and it is now and during all of said time was printed in an office maintained at the aforesaid place of publication of this newspaper. The Daily Journal of Commerce was on the 12<sup>th</sup> day of June, 1941, approved as a legal newspaper by the Superior Court of King County.

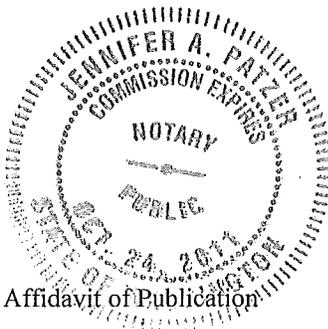
The notice in the exact form annexed, was published in regular issues of The Daily Journal of Commerce, which was regularly distributed to its subscribers during the below stated period. The annexed notice, a

CT:122978-122980

979  
was published on

05/28/09

The amount of the fee charged for the foregoing publication is the sum of \$ 49.53, which amount has been paid in full.



*[Signature]*  
\_\_\_\_\_  
Subscribed and sworn to before me on  
05/28/09 *[Signature]*  
\_\_\_\_\_  
Notary public for the State of Washington,  
residing in Seattle

# State of Washington, King County

## City of Seattle

### TITLE-ONLY PUBLICATION

The full text of the following ordinances, passed by the City Council on May 11, 2009, and published here by title only, will be mailed upon request, or can be accessed at <http://clerk.ci.seattle.wa.us>. For further information, contact the Seattle City Clerk at 684-8344.

#### ORDINANCE NO. 122980

AN ORDINANCE appropriating money to pay certain audited claims and ordering the payment thereof.

#### ORDINANCE NO. 122979

AN ORDINANCE authorizing the Fleets and Facilities Department to execute a Lease Amendment with LBA Realty Fund II Company IV, LLC, on behalf of the Human Services Department's Aging & Disability Services Division.

#### ORDINANCE NO. 122978

AN ORDINANCE relating to the Alaskan Way Viaduct for SR 99 Viaduct Replacement from South Holgate to South King Street Stage 1 Project; authorizing execution of three Memoranda of Agreement between the Washington State Department of Transportation and the City of Seattle.

Publication ordered by JUDITH PIPPIN,  
City Clerk

Date of publication in the Seattle Daily  
Journal of Commerce, May 28, 2009,  
5/28(239430)