



SEATTLE CITY COUNCIL

Legislative Summary

CB 118814

Record No.: CB 118814

Type: Ordinance (Ord)

Status: Passed

Version: 1

Ord. no: Ord 125168

In Control: Affordable
Housing,
Neighborhoods,
and Finance
Committee

File Created: 08/08/2016

Final Action: 10/07/2016

Title: AN ORDINANCE relating to the Department of Finance and Administrative Services; authorizing the Director of Finance and Administrative Services, on behalf of the City, to negotiate and execute real property lease agreements and amendments to existing lease agreements with the U.S. General Services Administration, for warehouse space in the Federal Center South Complex located at 4735 East Marginal Way South; and ratifying and confirming certain prior acts.

Date

Notes:

Filed with City Clerk:

Mayor's Signature:

Sponsors: Burgess

Vetoed by Mayor:

Veto Overridden:

Veto Sustained:

Attachments:

Drafter: daniel.bretzke@seattle.gov

Filing Requirements/Dept Action:

History of Legislative File

Legal Notice Published:

☐ Yes

☐ No

Ver- sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
1	Mayor	08/16/2016	Mayor's leg transmitted to Council	City Clerk			
	Action Text:	The Council Bill (CB) was Mayor's leg transmitted to Council. to the City Clerk					
	Notes:						
1	City Clerk	08/16/2016	sent for review	Council President's Office			
	Action Text:	The Council Bill (CB) was sent for review. to the Council President's Office					
	Notes:						

- 1 Council President's Office 09/08/2016 sent for review Affordable Housing, Neighborhoods, and Finance Committee
- Action Text: The Council Bill (CB) was sent for review. to the Affordable Housing, Neighborhoods, and Finance Committee
- Notes:
- 1 Full Council 09/19/2016 referred Affordable Housing, Neighborhoods, and Finance Committee
- Action Text: The Council Bill (CB) was referred. to the Affordable Housing, Neighborhoods, and Finance Committee
- Notes:
- 1 Affordable Housing, Neighborhoods, and Finance Committee 09/21/2016 pass Pass
- Action Text: The Committee recommends that Full Council pass the Council Bill (CB).
- Notes:
- In Favor: 3 Chair Burgess, Vice Chair Herbold, Member Johnson
- Opposed: 0
- 1 Full Council 10/03/2016 passed Pass
- Action Text: The Council Bill (CB) was passed by the following vote, and the President signed the Bill:
- Notes:
- In Favor: 7 Councilmember Bagshaw, Councilmember Burgess, Councilmember González , Council President Harrell, Councilmember Johnson, Councilmember Juarez, Councilmember O'Brien
- Opposed: 0
- 1 City Clerk 10/05/2016 submitted for Mayor's signature Mayor
- 1 Mayor 10/07/2016 Signed
- 1 Mayor 10/07/2016 returned City Clerk
- 1 City Clerk 10/07/2016 attested by City Clerk
- Action Text: The Ordinance (Ord) was attested by City Clerk.
- Notes:
-

CITY OF SEATTLE

ORDINANCE 125168

COUNCIL BILL 118814

AN ORDINANCE relating to the Department of Finance and Administrative Services; authorizing the Director of Finance and Administrative Services, on behalf of the City, to negotiate and execute real property lease agreements and amendments to existing lease agreements with the U.S. General Services Administration, for warehouse space in the Federal Center South Complex located at 4735 East Marginal Way South; and ratifying and confirming certain prior acts.

WHEREAS, since 2006 The City of Seattle (“the City”) has leased space in the Federal Center South Complex (“the Federal Complex”) from the U.S. General Services Administration (“GSA”) for the Seattle Police Department’s secure storage of supplies, evidence, and vehicles; and

WHEREAS, the amount of warehouse space the Seattle Police Department needs cannot be accommodated within City-owned buildings now or for the foreseeable future; and

WHEREAS, the Seattle Police Department and the Department of Finance and Administrative Services (FAS) anticipate a continuing need for the leased warehouse space; and

WHEREAS, Ordinance 122490 authorized FAS’s predecessor, the Fleets and Facilities Department, to combine and extend two separate leases at the Federal Complex, and the City has continued to use and occupy the space under lease amendments authorized by Ordinance 123400 and Ordinance 124124, with the most recent extension expiring on March 31, 2016; and

WHEREAS, additionally, the City leases space in the Federal Complex under a lease which did not require approval by ordinance and which also expired March 31, 2016; and

WHEREAS, the total space in the Federal Complex leased by the City is approximately 22,359 square feet of secure warehouse space; and

1 WHEREAS, the City and GSA mutually desire to extend the existing leases through
2 amendments retroactively effective April 1, 2016; and

3 WHEREAS, the Director of FAS's authority under Seattle Municipal Code Section 3.127.020 is
4 limited to negotiating and executing leases, for and on behalf of the City, that do not
5 exceed five years and that do not lease more than 9,000 square feet of warehouse space in
6 any single building, structure, or facility; and

7 WHEREAS, FAS has determined that it will be beneficial to have additional authority to enter
8 into new leases and to amend existing leases in the Federal Complex, all as necessary to
9 meet the needs of the City for secure warehouse storage space; NOW, THEREFORE,

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

11 Section 1. The Director of Finance and Administrative Services ("Director") or the
12 Director's designee is hereby authorized to negotiate and execute, for and on behalf of The City
13 of Seattle ("the City"), new lease agreements and amendments to existing lease agreements with
14 the U.S. General Services Administration (GSA), providing for the City's use and occupancy of
15 a portion of the real property commonly known as the Federal Center South Complex, located at
16 4735 East Marginal Way South in Seattle ("the Federal Complex").

17 Section 2. The Director's authority under Section 1 of this ordinance is limited as
18 follows: (i) the total square footage leased by the City at the Federal Complex shall not exceed
19 30,000 square feet; (ii) the rent payable by the City under any lease or lease amendment at the
20 Federal Complex shall not exceed the then-current fair market rent for comparable warehouse
21 space; and (iii) the term of any lease, including all extensions, shall not extend beyond March 31,
22 2026, without additional authorization by the Seattle City Council.

1 Section 3. The Director's authority under Section 1 of this ordinance includes the
2 authority to extend the term of existing leases for the Federal Complex which would otherwise
3 have expired, through amendments which are retroactively effective as of April 1, 2016.
4 Accordingly, any act consistent with the authority of this ordinance taken prior to its effective
5 date is hereby ratified and confirmed.

6 Section 4. The lease payments contemplated by the terms of any lease agreement or
7 amendment authorized in Section 1 of this ordinance shall be charged to the appropriate
8 expenditure allowance or allowances in the budget of the Department of Finance and
9 Administrative Services (FAS), and shall be reimbursed to FAS by the Seattle Police
10 Department.

Section 5. This ordinance shall take effect and be in force 30 days after its approval by the Mayor, but if not approved and returned by the Mayor within ten days after presentation, it shall take effect as provided by Seattle Municipal Code Section 1.04.020.

Passed by the City Council the 3rd day of October, 2016,
and signed by me in open session in authentication of its passage this 3rd day of
October, 2016.



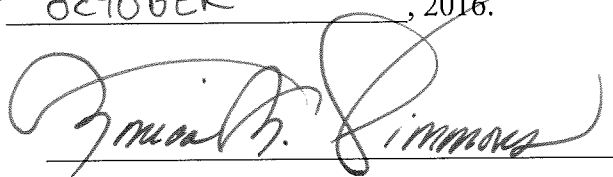
President _____ of the City Council

Approved by me this 7th day of October, 2016.



Edward B. Murray, Mayor

Filed by me this 7th day of OCTOBER, 2016.



Monica Martinez Simmons, City Clerk

(Seal)

SUMMARY and FISCAL NOTE*

Department:	Contact Person/Phone:	Executive Contact/Phone:
FAS	Daniel Bretzke / 733-9882	Katy Tassery /615-0703

** Note that the Summary and Fiscal Note describes the version of the bill or resolution as introduced; final legislation including amendments may not be fully described.*

1. BILL SUMMARY

Legislation Title: AN ORDINANCE relating to the Department of Finance and Administrative Services; authorizing the Director of Finance and Administrative Services, on behalf of the City, to negotiate and execute real property lease agreements and amendments to existing lease agreements with the U.S. General Services Administration, for warehouse space in the Federal Center South Complex located at 4735 East Marginal Way South; and ratifying and confirming certain prior acts.

Summary and background of the Legislation: This legislation authorizes the Department of Finance and Administrative Services (FAS) to enter Supplemental Lease Agreements (the Amendments) with the U.S. General Services Administration (GSA). The City currently leases approximately 22,359 square feet of warehouse at the GSA's Federal Center South Facility, located at 4735 East Marginal Way South, Seattle under two separate lease agreements. The Amendments extend the lease term of both leases for five years, are retroactively effective April 1, 2016 and will terminate on March 31, 2021. The legislation is required because the leased space exceeds FAS's leasing authority (under Seattle Municipal Code 3.127 020.C.2) of 9,000 square feet for improved space other than office space in a single industrial building in one calendar year.

SPD first moved into Federal Center South in 2006. The warehouse space assigned to SPD consists of three separate spaces. A 2007 lease agreement (Ordinance 122490) consolidated the two lease agreements into one amended agreement. A second amendment was authorized by the Seattle City Council (Ordinance 123400), which extended the lease term for an additional three years. The third amendment authorized by the Seattle City Council (Ordinance 124124) to extend until March 31, 2016. A lease for a separate warehouse space for battery charging was signed in 2013.

In addition to authorizing FAS to retroactively amend the two existing leases, this legislation authorizes the Director of FAS to enter new lease agreements, and to further amend and extend existing lease agreements at Federal Center South so long as the total square footage leased by the City does not exceed 30,000 square feet and so long as the terms to not go beyond March 31, 2026 without additional Seattle City Council authorization by ordinance. The rent payable by the City shall not exceed fair market rent. This additional authority will give FAS the flexibility to reduce or expand the space leased by the City as appropriate to the needs of the City without requiring new legislation for each amendment.

SPD uses the leased warehouse space to store "evidence vehicles," vehicles seized in connection with criminal investigations, and to store supplies and equipment associated with homeland security programs. The Federal Center South facility provides a combination of site security,

proximity to downtown, and rental costs that meet SPD requirements. The rental rate for the term of this amendment will increase to \$163,663 annually (\$13,639 monthly) to accurately reflect the current market rate and includes all utilities and site security. The rental rate also remains flat for the entire term of the lease extensions.

Like most external leases, FAS will pay the lease costs to the landlord directly and get reimbursed by the tenant department; in this case, SPD.

2. CAPITAL IMPROVEMENT PROGRAM

☐ This legislation creates, funds, or amends a CIP Project.

3. SUMMARY OF FINANCIAL IMPLICATIONS

Please check one:

☒ This legislation has direct financial implications.

3.a. Appropriations

☐ This legislation adds, changes, or deletes appropriations.

Appropriations Notes:

At this point, the 2016 City Budget appears to have sufficient appropriations in the Seattle Police Department and the Department of Finance and Administrative Services for this lease agreement. If needed, SPD or FAS will include revisions to appropriations in budget supplemental legislation.

The 2017-2018 Proposed Budget will include sufficient appropriations for FAS and SPD to be able to fund the on-going annual cost of \$163,663 associated with this lease.

3.b. Revenues/Reimbursements

☒ This legislation adds, changes, or deletes revenues or reimbursements.

Revenue/Reimbursement Notes:

Table 1: illustrates the rental rate and FAS overhead for the duration of the lease term

Table 1:

Rent Payments for SPD at Federal Center South for 2016 - 2021				
	2016		2016 total	2017-2021
	Jan – March	April - Dec		Jan – Dec
Period Subtotal	\$15,308	\$122,748	\$138,055	\$163,663
FAS Overhead at 3%	\$459.	\$3,682	\$4,141	\$4,910
Annual Rent	\$15,767	\$126,430	\$142,197	\$168,573

4. OTHER IMPLICATIONS

- a) Does the legislation have indirect or long-term financial impacts to the City of Seattle that are not reflected in the above?

This legislation will obligate the City to pay to the GSA the monthly rental amount as described above for a period of five years.

b) Is there financial cost or other impacts of not implementing the legislation?

The annual lease for this location offers the City of Seattle the lowest price in the SODO area and continues to offer a fair market rate even with the rate increase. This location suits SPD's needs and would be beneficial to continue our lease for the next five years.

c) Does this legislation affect any departments besides the originating department?

Yes, the occupant of the leased space is the SPD. As noted above, FAS manages the lease payments on a pass-through basis for SPD.

d) Is a public hearing required for this legislation?

No

e) Does this legislation require landlords or sellers of real property to provide information regarding the property to a buyer or tenant?

No

f) Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?

No

g) Does this legislation affect a piece of property?

Yes, this legislation authorizes the Director of Finance and Administrative Services to execute a lease agreement on a portion of property located at 4735 East Marginal Way. A map is attached.

h) Please describe any perceived implication for the principles of the Race and Social Justice Initiative. Does this legislation impact vulnerable or historically disadvantaged communities? No

i) If this legislation includes a new initiative or a major programmatic expansion: What are the long-term and measurable goals of the program? Please describe how this legislation would help achieve the program's desired goals.

N/A

j) Other Issues:

No

List attachments/exhibits below:

Attachment 1 - Federal Center SPD Storage Lease Map

STATE OF WASHINGTON -- KING COUNTY

--SS.

342910

No. TITLE ONLY

CITY OF SEATTLE, CLERKS OFFICE

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 12th day of June, 1941, approved as a legal newspaper by the Superior Court of King County.

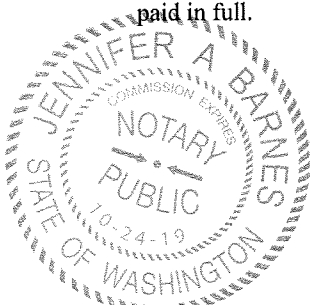
The notice in the exact form annexed, was published in regular issues of The Daily Journal of Commerce, which was regularly distributed to its subscribers during the below stated period. The annexed notice, a

CT:125151-125168,125170

was published on

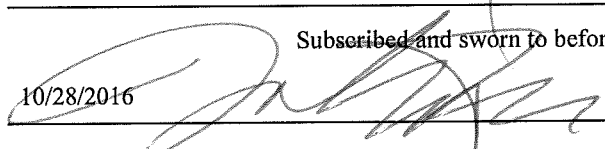
10/28/16

The amount of the fee charged for the foregoing publication is the sum of \$39.88 which amount has been paid in full.



Affidavit of Publication


Subscribed and sworn to before me on


10/28/2016

Notary public for the State of Washington,
residing in Seattle

State of Washington, King County

City of Seattle

The full text of the following legislation, passed by the City Council on October 3, 2016, and published below by title only, will be mailed upon request, or can be accessed at <http://seattle.legistar.com>. For information on upcoming meetings of the Seattle City Council, please visit <http://www.seattle.gov/council/calendar>.

Ordinance 125151

AN ORDINANCE establishing a new Ballard Parking and Business Improvement Area; levying special assessments upon owners of business property, multi-family residential property, and mixed-use property within the area; providing for the deposit of revenues in a special account and expenditures therefrom; providing for collection of and penalties for delinquencies; providing for the establishment of a Ratepayers Advisory Board; and providing for an implementation agreement with a Program Manager.

Ordinance 125152

AN ORDINANCE relating to the West Seattle Junction Parking and Business Improvement Area; modifying the assessment rates; and amending Ordinance 113326, as previously amended by Ordinances 119639, 120570, and 121758, in accordance therewith.

Ordinance 125153

AN ORDINANCE relating to Seattle Public Utilities; authorizing the Director of Seattle Public Utilities to acquire, accept, and record on behalf of the City of Seattle both temporary and permanent property rights from abutting property owners located along the alignment of the planned combined sewage storage tunnel between 24th Avenue NW and Shilshole Avenue NW and Interlake Avenue North and North 35th Street that are necessary or convenient to construct, operate and maintain the Ship Canal Water Quality Project, through negotiation or eminent domain (condemnation); placing the real property rights acquired under the jurisdiction of the Seattle Public Utilities and designating the property rights acquired for utility and general municipal purposes; authorizing payment of all other costs associated with acquisition; and ratifying and confirming certain prior acts.

Ordinance 125154

AN ORDINANCE relating to historic preservation; imposing controls upon the Mount Baker Park Presbyterian Church, a landmark designated by the Landmarks Preservation Board under Chapter 25.12 of the Seattle Municipal Code, and adding it to the Table of Historical Landmarks contained in Chapter 26.32 of the Seattle Municipal Code.

Ordinance 125155

AN ORDINANCE related to appropriations for the Office of Arts & Culture; amending Ordinance 124927, which adopted the 2016 Budget; and lifting a proviso imposed on the Office of Arts & Culture's Capital Arts Budget Control Level by Seattle City Council Green Sheet 47-1-B-1.

Ordinance 125156

AN ORDINANCE relating to the Seattle Fuel Gas Code; amending Section 22.420.010 of the Seattle Municipal Code and adopting by reference Chapters 2 through 8 of the 2015 International Fuel Gas Code, and amending those chapters; adopting a new Chapter 1 for the Seattle Fuel Gas Code related to administration, permitting, and enforcement; and repealing Sections 2-8 of Ordinance 124276.

Ordinance 125157

AN ORDINANCE relating to the Seattle Plumbing Code; amending Section 22.502.016 of the Seattle Municipal Code and adopting by reference Chapter 51-56 of the Washington Administrative Code with amendments, except Sections 51-56-008 and 51-56-0100; adopting a new Chapter 1 related

to administration, permitting, and enforcement; and repealing Ordinance 124615 and Sections 3-12 of Ordinance 124274.

Ordinance 125158

AN ORDINANCE relating to the Seattle Existing Building Code; amending Section 22.110.010 of the Seattle Municipal Code; adopting by reference Chapters 2 through 5, 7 through 11, 14 through 16, A1, A3, A4, and A6 of the 2015 International Existing Building Code; amending certain of those chapters, and adopting a new Chapter 1 related to administration, permitting, and enforcement; and repealing Sections 2-17 of Ordinance 124283.

Ordinance 125159

AN ORDINANCE relating to the Seattle Energy Code; amending Section 22.700.010 of the Seattle Municipal Code; adopting by reference Chapters 51-11C and 51-11R of the Washington Administrative Code, and amending certain sections of those chapters; and repealing Ordinance 124614 and Sections 2-9 of Ordinance 124284.

Ordinance 125160

AN ORDINANCE relating to the Seattle Residential Code; amending Section 22.150.010 of the Seattle Municipal Code; and adopting by reference Chapters 2 through 10, 12 through 24, Section P2904, Chapter 44, and Appendices F and U of the 2015 International Residential Code (IRC), and amending certain of those chapters; adding a new Chapter 1 to the IRC related to administration, permitting, and enforcement; and repealing Sections 2 through 20 of Ordinance 124282.

Ordinance 125161

AN ORDINANCE relating to the Seattle Building Code; amending Section 22.100.010 of the Seattle Municipal Code; adopting by reference Chapters 2 through 29, Chapters 31 through 35, and Chapter 36 of the 2015 International Building Code, and amending certain of those chapters; adopting a new Chapter 1 related to administration, permitting, and enforcement; adopting a new Chapter 30 related to elevators and conveying systems; and repealing Sections 2 through 27 of Ordinance 124273.

Ordinance 125162

AN ORDINANCE relating to the Seattle Mechanical Code; amending Section 22.400.010 of the Seattle Municipal Code and adopting by reference Chapters 2 through 9 and Chapters 11 through 16 of the 2015 International Mechanical Code with amendments; and adopting a new Chapter 1 related to administration, permitting, and enforcement; and repealing Sections 2 through 14 of Ordinance 124276.

Ordinance 125163

AN ORDINANCE relating to land use and zoning; adding a new Chapter 23.58D to the Seattle Municipal Code (SMC); amending SMC Sections 23.40.060, 23.41.004, 23.41.012, 23.42.056, 23.46.510, 23.46.516, 23.48.021, 23.48.221, 23.48.280, 23.49.011, 23.49.023, 23.49.180, 23.50.033, 23.66.140, 23.84A.014, 23.88.010, and 23.90.018; and repealing SMC Sections 23.45.528 and 23.49.020; to revise the Living Building Pilot Program and reorganize, consolidate, and update standards when meeting the green building standard is a condition of a permit.

Ordinance 125164

AN ORDINANCE relating to City employment; creating a compensation program for the position of Seattle Public Utilities General Manager/Chief Executive Officer; specifying provisions for the administration of said compensation program; and ratifying and confirming certain prior acts.

Ordinance 125165

AN ORDINANCE relating to the City of Seattle's solid waste system; removing the sunset date for a five cent pass-through charge for certain recyclable paper bags; requiring certain compostable bags to be labeled and tinted green; adding a defini-

tion for compostable; and amending Section 21.36.100 of the Seattle Municipal Code.

Ordinance 125166

AN ORDINANCE relating to Seattle Public Utilities; declaring certain real property rights relating to sewer facility easements within property bound by 25th Avenue NE, NE 49th Street, 30th Avenue NE, and NE 45th Street in Seattle as being surplus to the City's utility needs; authorizing the Director of Seattle Public Utilities to relinquish such easement rights and to accept a new easement from University Village Limited Partnership for a City-owned sanitary sewer facility; and ratifying and confirming certain prior acts.

Ordinance 125167

AN ORDINANCE relating to City employment, commonly referred to as the Third Quarter 2016 Employment Ordinance; designating positions as exempt from Civil Service status; returning a position to Civil Service status; and ratifying and confirming certain prior acts; all by a 2/3 vote of the City Council.

Ordinance 125168

AN ORDINANCE relating to the Department of Finance and Administrative Services; authorizing the Director of Finance and Administrative Services, on behalf of the City, to negotiate and execute real property lease agreements and amendments to existing lease agreements with the U.S. General Services Administration, for warehouse space in the Federal Center South Complex located at 4735 East Marginal Way South; and ratifying and confirming certain prior acts.

Ordinance 125170

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

Date of publication in the Seattle Daily Journal of Commerce, October 28, 2016.

10/28(342910)