

# Seattle Executive Fitness Lease Agreement Seattle Municipal Tower

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Finance and Administrative Services

Presented by:

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# Fitness Center Facility

- 14<sup>th</sup> floor of the Seattle Municipal Tower
- 24,700 square feet
- Facility includes:
  - Swimming Pool & Jacuzzi
  - Weight Room
  - Group Exercise Room
  - Showers



# Tenant: Seattle Executive Fitness

- Seattle Executive Fitness (SEF) took over operations in 2011 from All Star Fitness.
- SEF owns another Fitness Center in the Medical Dental Building
- Lease backed with personal guarantees by company owners: local credit-worthy commercial property owners.

# Lease Terms

- **Leased Area**: Entire 14<sup>th</sup> floor of SMT & partial use of the 12<sup>th</sup> floor for pool equipment.
- **Term**: 15 years October 1, 2011 – September 30, 2026.
- **Rate**: Starts at \$4.15/sf and escalates to \$10.07/sf.
- **Percentage Rent**: Additional 8% of gross revenues above \$1.5m.
- **Tenant Improvements**: City to provide a credit of \$9.15/sf amortized over a period of 5 years.

# Minimum Tenant Improvements

- Renovation of Men's and Women's Locker/Restrooms
  - Reface Lockers
  - New and or recondition tile
  - New water saving faucets and shower heads
  - Improve ventilation
  - Complete overhaul of steam and sauna rooms
- Structural Repair of boiler room and pool equipment room

# Unique Lease Terms

- Unique space, unusual location, purpose built for a fitness center makes reuse complicated.
- Lease Agreement allows City to use facility during emergency disaster for rest and recovery.
- Both parties have a right for early termination.
- Tenant is responsible for maintaining the facility and all equipment to Seattle Municipal Tower standards.

# Seattle Municipal Code

- Lease exceeds the limits imposed by SMC 3.127.010.