

## CLARK COUNTY STAFF REPORT

**DEPARTMENT:** General Services

**DATE:** March 28, 2017

**REQUESTED ACTION:** Approve the Execution of a Six-Year Lease Extension for the Children's Justice Center Office Space at 601 W. Evergreen Blvd., Approval of additional funding from the General Fund and Signature authority on the amendment by the County Manager

Consent  Hearing  County Manager

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### BACKGROUND

In 2007, Clark County and Capital Development Company (CDC) entered into a five-year office space lease at 601 W. Evergreen Blvd. for the Arthur D. Curtis Children's Justice Center (CJC). The original lease provided for two five-year options to renew. The first option to renew was exercised for only four years. The reason for this is unknown. The County and CDC have been negotiating the second five-year option to renew.

CDC has agreed to a six-year extension of the lease, due to the early exercise of the first five-year option for only four years. CDC has agreed to make all requested tenant improvements, at CDC's expense. CDC has agreed to a significant change in the parking provision of the lease, giving Clark County exclusive use of the parking lot behind the CJC and Family Law Annex building. Previously, the parking lot was shared with the State Department of Social and Health Services.

The lease rate paid by the county since 2007 has remained the same, except for a 6.6 percent increase in 2009. The rental amount for the CJC office space has remained unchanged the past eight years and six months (\$1.34 per square foot per month). The new rate is \$1.63 per square foot per month. While this is a substantial increase, the new amount is less than the County is paying the same landlord for the Family Law Annex (FLA) office space. The County's FLA is in the same building as the CJC. The FLA rental amount is \$1.78 per square foot per month.

CJC is requesting that this increase in expenditure be funded by fifty-five percent (55%) reimbursable from the City of Vancouver and forty-five percent (45%) from an ongoing transfer from the General Fund. The latter requires \$20,555.00 General Fund support in 2017-18.

Two originals of the proposed new six-year lease are attached, approved as to form by the Civil Prosecuting Attorney's office and signed by the president of CDC.

### COUNCIL POLICY IMPLICATIONS

None

### ADMINISTRATIVE POLICY IMPLICATIONS

None

### COMMUNITY OUTREACH

None

**BUDGET IMPLICATIONS**


YES	NO	
	X	Action falls within existing budget capacity.
	X	Action falls within existing budget capacity but requires a change of purpose within existing appropriation
X		Additional budget capacity is necessary and will be requested at the next supplemental. If YES, please complete the budget impact statement. If YES, this action will be referred to the county council with a recommendation from the county manager.


**BUDGET DETAILS**


Local Fund Dollar Amount	\$906,165.00
Grant Fund Dollar Amount	\$0
Account	Arthur D. Curtis Children's Justice Center: 1018.000.252.567901.454.000000
Company Name	Capital Development Company

**DISTRIBUTION:** Staff Report and Both Originals of the CJC Lease Extension to Ann Christian

Board staff will post all staff reports to The Grid. <http://www.clark.wa.gov/thegrid/>

  
 Ann S. Christian  
 Property and Indigent Defense Manager

  
 Robert Stevens  
 Director, General Services Department

  
**APPROVED:**  
 CLARK COUNTY, WASHINGTON  
 BOARD OF COUNTY COUNCILORS  
 DATE: 3-28-17  
 SR# 069-17



**APPROVED:** \_\_\_\_\_  
 Mark McCauley, County Manager

DATE: \_\_\_\_\_

## BUDGET IMPACT ATTACHMENT

### Part I: Narrative Explanation

I. A – Explanation of what the request does that has fiscal impact and the assumptions for developing revenue and costing information

The request for execution of the proposed six-year lease extension involves an increase of \$2,175.13 per month or \$26,101.50 per full year. The six-year lease amount totals \$906,165.00. Of this, \$156,609.00 is attributable to the net increase in rent. This amount is reflected in the budget adjustments listed below for the increase in the Children's Justice Center's expenditures and revenue.

### Part II: Estimated Revenues

Fund #/Title	Current Biennium		Next Biennium		Second Biennium	
	GF	Total	GF	Total	GF	Total
0001/General Fund	\$20,554.93	\$20,554.93	\$23,491.35	\$23,491.35	\$23,491.35	\$23,491.35
Reimbursable from City of Vancouver		\$25,122.70		\$28,711.65		\$28,711.65
<b>Total</b>	\$20,554.93	\$45,677.63	\$23,491.35	\$52,2203.00	\$23,491.35	\$52,203.00

II. A – Describe the type of revenue (grant, fees, etc.)  
 55%-reimbursable from the City of Vancouver  
 45%-general fund transfer

### Part III: Estimated Expenditures

III. A – Expenditures summed up

Fund #/Title	FTE's	Current Biennium		Next Biennium		Second Biennium	
		GF	Total	GF	Total	GF	Total
1018/Arthur D. Curtis Children's Justice Center	0	0	\$45,677.63	0	\$52,203.00	0	\$52,203.00
<b>Total</b>	0	0	\$45,677.63	0	\$52,203.00	0	\$52,203.00

III. B – Expenditure by object category

Fund #/Title	Current Biennium		Next Biennium		Second Biennium	
	GF	Total	GF	Total	GF	Total
Salary/Benefits						
Contractual	0	\$45,677.63	0	\$52,203.00	0	\$52,203.00
Supplies						
Travel						
Other controllables						
Capital Outlays						
Inter-fund Transfers						
Debt Service						
<b>Total</b>	0	\$45,677.63	0	\$52,203.00	0	\$52,203.00

Requesting Department: General Services

Package number: GEN-02

Short Description: Execution of a Six-Year Lease Extension for CJC

Limited to 50 characters for use in reports to County Council

Package Title: Execution of a Six-Year Lease Extension for the Children's Justice Center Office Space at 601 W. Evergreen Blvd

Contact: Michelle Schuster [michelle.schuster@clark.wa.gov](mailto:michelle.schuster@clark.wa.gov) 360-397-2300 x4118

Justification: This action has already been approved by the Council in a staff report dated March 28, 2017. This package reflects the necessary budgetary adjustments approved in the staff report.

In 2007, Clark County and Capital Development Company (CDC) entered into a five-year office space lease at 601 W. Evergreen Blvd. for the Arthur D. Curtis Children's Justice Center (CJC). The original lease provided for two five-year options to renew. The first option to renew was exercised for only four years. The reason for this is unknown. The County and CDC have been negotiating the second five-year option to renew.

CDC has agreed to a six-year extension of the lease, due to the early exercise of the first five-year option for only four years. CDC has agreed to make all requested tenant improvements, at CDC's expense. CDC has agreed to a significant change in the parking provision of the lease, giving Clark County exclusive use of the parking lot behind the CJC and Family Law Annex building. Previously, the parking lot was shared with the State Department of Social and Health Services.

The lease rate paid by the county since 2007 has remained the same, except for a 6.6 percent increase in 2009. The rental amount for the CJC office space has remained unchanged the past eight years and six months (\$1.34 per square foot per month). The new rate is \$1.63 per square foot per month. While this is a substantial increase, the new amount is less than the County is paying the same landlord for the Family Law Annex (FLA) office space. The County's FLA is in the same building as the CJC.

CJC is requesting that this increase in expenditure be funded by fifty-five percent (55%) reimbursable from the City of Vancouver and forty-five percent (45%) from an ongoing transfer from the General Fund.

Package number	Fund	Prog	Dept	Basele	Obj	Categ	2017-18 EXP inc / REV dec (DR)	2017-18 EXP dec /REV inc (CR)	2019-20 EXP inc / REV dec (DR)	2019-20 EXP dec /REV inc (CR)	Type	Operating vs capital	Capital project code	Program code	Position
GEN-02	1018	000	252	567901	454	000000	45,678	-	52,203	-	Ongoing Operating				
GEN-02	0001	000	601	597018	550	000000	20,555		23,492		Ongoing Operating				
GEN-02	1018	000	252	397001	000	000000		20,555		23,492	Ongoing Operating				
GEN-02	1018	000	252	346504	000	000000		25,123		28,712	Ongoing Operating				

Advice Note 03/21/2017

REQUIRES \$20,555 GENERAL FUNDS SUPPORT  
IN 2017-2018

**Amendment #9**  
**Evergreen Park Office Complex, 601 W. Evergreen Blvd.**  
**Office Lease**

This Ninth Amendment (the "Ninth Amendment") is made and entered into with an effective date of April 1, 2017, made by and between Capital Development Company, a Washington corporation ("Landlord") and Clark County, Washington, a political subdivision of the state of Washington, on behalf of the Arthur D. Curtis Children's Justice Center ("Tenant").

RECITALS

WHEREAS, the parties previously entered into that certain "Evergreen Park Office Complex Office Lease Agreement" dated April 6, 2007 (the "Original Lease Agreement"), as amended by that certain "Lease Amendment and Extension Agreement" effective September 1, 2011, and seven (7) one-month "Lease Extension[s] and Agreement[s]" effective September 1, October 1, November 1 and December 1, 2016, and January 1, February 1 and March 1, 2017. The Original Lease Agreement, its eight (8) amendments and this Ninth Amendment are hereinafter referred to as the "Lease Agreement" and they constitute the entire agreement between Landlord and Tenant with respect to the Premises.

WHEREAS, Tenant presently occupies and is in lawful possession of the space located at the Premises.

WHEREAS, the parties wish to extend the Lease for an additional six (6) years.

AGREEMENT

NOW, THEREFORE, in consideration of the above Recitals and other good and valuable consideration herein mentioned, it is acknowledged and agreed as follows:

1. Term: The Lease Term is extended for a period of six (6) years (72 months), such extension to begin on April 1, 2017 and end on March 31, 2023.
2. Base Rent: The base annual rent for each of the six years shall be \$151,027.50, payable in

twelve (12) monthly installments of \$12,585.63 on the first day of each month. This annual rent is based upon a rate of \$19.50 per square foot. The rent amount is based upon 7,745 square feet space.

3. Improvements: Within sixty (60) days of this Ninth Amendment being fully executed, Landlord shall be responsible for completing the improvements identified on the attached "Appendix". The improvements shall be at Landlord's sole cost and expense and are subject to Washington State Prevailing Wage laws.


4. Parking: Section 12.16 of the Original Lease Agreement is hereby deleted and replaced as follows:

12.16 The parking lot immediately south of the Building at 601 W. Evergreen Blvd. shall be restricted to the exclusive use of the employees, agents or visitors of the tenants of the 601 W. Evergreen Blvd. building. . Tenant acting in concert with the other tenant or tenants of the 601 Evergreen Blvd. building may designate parking spaces as "Reserved," "Handicapped," "Visitor" or "Carpool" parking.

5. All the remaining terms and conditions of the Lease, as it may have been previously amended, shall remain in full force and effect.

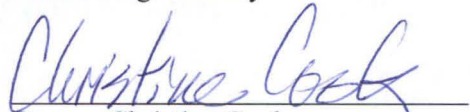
LANDLORD:

CAPITAL DEVELOPMENT COMPANY

  
By: Jeffrey A. Blume  
Title: President  
Attorney


Approved as to form only:

Anthony F. Golik  
Prosecuting Attorney

  
By: Christine Cook  
Title: Senior Deputy Prosecuting

TENANT:

CLARK COUNTY

  
By: Mark McCauley  
Title: County Manager

State of Washington

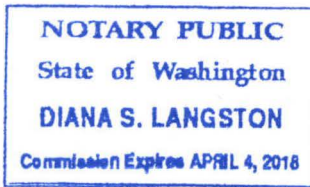
Thurston County

I certify that I know or have satisfactory evidence that Jeffrey A Blumenthal <sup>12</sup> are the persons who appeared before me, and said persons acknowledged that s/he signed this instrument, on oath stated that s/he was authorized to execute the instrument and acknowledged it as the President [title] of Capital Development Company to be the free and voluntary act of such party(ies) for the uses and purposes mentioned in the instrument.

Dated: 3/13/2017

Diana Langston  
(Signature)

[Seal or stamp]



Administrative Assistant  
Title

My appointment expires 4/4/2018

State of Washington

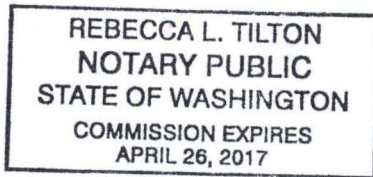
Clark County

I certify that I know or have satisfactory evidence that Mark McCauley is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the County Manager of Clark County to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: 3-28-17

Rebecca L. Tilton  
(Signature)

[Seal or stamp]



CLerk to the Council  
Title

My appointment expires 4/26/17



Appendix

1. Re-anchor all interior blinds.
2. Replace two (2) iron railings at the top of two (2) exterior stairs leading from the south end of the Premises and installation of parking curbs below such railings.
3. HVAC improvements as follows:
  - A. Replace flex duct with rigid duct
  - B. Repair duct leakage
  - C. Replace belt and sheave on Roof Top Units 1 and 3
  - D Replace Roof Top Unit 4 thermostat
  - E. Turn off above ceiling exhaust fan
  - F. Repair restroom exhaust fan

