



Snohomish County Council

Committee: Committee of the Whole

Analyst: Deb Evison Bell

ECAF: 2023-0552

Proposal: Motion 23-208

Date: May 23, 2023

Consideration:

The proposed motion would approve the lease agreement between Rajinder and Parminder Rai and Snohomish County and would authorize the Director of Facilities and Fleet to sign the lease on behalf of Snohomish County and any other documents necessary to carry out the terms and conditions of the lease, under Snohomish County Charter 2.20(7).

Background:

The Snohomish County Department of Human Services requires additional space for the Office of the Court Appointed Special Advocate (CASA) to accommodate additional staff. An office lease space of 4,000 square feet, located at 3306 Wetmore Avenue in Everett, WA has been negotiated by Pacific Commercial Brokers, on behalf of the landlords (Rajinder and Parminder Rai) and the County's Property Management Division.

Current Proposal:

Scope: The proposed motion would approve the lease between the landlords (Rajinder and Parminder Rai) and Snohomish County to allow the County use of the premises and authorizes the Director of Facilities and Fleet to sign the lease and any other documents necessary to carry out the terms and conditions of the lease.

Duration: The proposed lease agreement will start June 1, 2023, and end at midnight on May 31, 2026. The County will have the option to extend the term for two (2) one-year (1year) terms.

Fiscal Implications: The proposed contract is a triple net lease:

- 1) the starting base rent of \$6,333.33 a month for the first year.
- 2) the County (as tenant) will pay the landlord estimated operative costs of \$1,522.88 a month for the first year of the lease. At the end of each year, the landlord will provide the County a statement of actual operating costs incurred which will be reconciled with County's estimated operating cost payments. Upon reconciliation of annual operating costs, the County may pay additional costs if actual costs exceed estimated payments or receive a credit towards future operating expenses if estimated payments exceed actual costs for the preceding year.
- 3) the base lease rent will increase by 3% after the initial annual term.

2023 Budget: The 2023 Budget includes appropriation authority for the proposed lease agreement.

Future Budget Impacts: Operating cost estimates may change for the second year of the lease beginning June 2024. Approved by Finance.

BASE RENT: Term	Annual Sq Ft Cost	Monthly Rent	Annual Rent
June1, 2023 - May 31, 2024	\$19.00	\$6,333.33	\$76,000
June 1, 2024 - May 31, 2025	\$19.57	\$6,523.33	\$78,280
June 1, 2025 - May 31, 2026	\$20.16	\$6,720.00	\$80,640
June 1, 2026 - May 31, 2027	\$20.76	\$6,920.00	\$83,040
June 1, 2027 - May 31, 2028	\$21.38	\$7,126.67	\$85,520

Handling: EXPEDITE

Approved-as-to-form: YES

Risk Management: APPROVE

Executive Recommendation: APPROVE

Analysis: NA

Requests: For Council to consider the proposed substitute motion.