



Planning and Community Development

Ryan Hembree

Council Initiated:

☐ Yes

☒ No

ECAF: 2025-1699

Motion: 25-298

Type:

☒ **Contract**

☐ Board Appt.

☐ Code Amendment

☐ Budget Action

☐ Other

Requested Handling:

☒ **Normal**

☐ Expedite

☐ Urgent

Fund Source:

☐ General Fund

☒ **Other**

☐ N/A

Executive Rec:

☒ **Approve**

☐ Do Not Approve

☐ N/A

Approved as to

Form:

☒ **Yes**

☐ No

☐ N/A

Subject: Capstone Partners NW, LLC Amendment No. 1 lease option at Paine Field

Scope: Authorizing the Executive to execute Amendment No. 1 option to lease land to Capstone Partners NW, LLC at the Snohomish County Airport

Duration: December 19, 2028.

Fiscal Impact: ☐ Current Year ☒ **Multi-Year** ☐ N/A

Expenditures	2025	2026-2028	Total
	\$0	\$0	\$0
Total	\$0	\$0	\$0

Revenue	2025	2026-2028	Total
410.3216801.6250	\$ 68,128.93	\$340,644.65	\$408,773.58
Total	\$ 68,128.93	\$340,644.65	\$408,773.58

Authority Granted:

To authorize the Executive to execute an option to lease land to Capstone Partners NW, LLC Amendment No. 1 for 36.5 acres at Snohomish County Airport, Paine Field.

Background:

Capstone Partners NW, LLC (Capstone) signed an exclusive option to lease land at Snohomish County Airport at Paine Field for the purpose of developing 57.8 acres of land on the west side via [Motion 21-430](#) on December 21, 2021. Capstone is a developer and longtime tenant, who desires to develop the site for uses consistent with the FAA-approved Airport Layout Plan. The Option allows Capstone to conduct wetland, engineering, soil, and sustainability studies on the land before developing the land and entering into a final lease. The term of the Option is one year with three one-year extensions, provided certain milestones are accomplished; however, additional time is needed due to permitting backlog issues with the National Marine Fishery Service. This Amendment No. 1 extends the term for an additional three (3) years.

Amendment No. 1 reduces the footprint from 57.8 acres to 36.5 acres. Therefore, a final lease, if executed, will be at the current appraised fair market value. If the Option was exercised immediately, it would generate \$1,362,578.58 per year for the Airport Enterprise Fund. The Option to lease is set at 10% of Fair Market Value (FMV) or \$136,257.86 annually and all permitting fees are eligible for a credit against the option fee, but in no event shall this exceed the option fee.

Compliance with the State Environmental Policy Act must be completed prior to Capstone's exercise of the Option and execution of a final lease. The County shall provide credit for wetland permitting fees and up to three (3) acres from our Wetland Mitigation Bank as in the original option.

Request: Move Motion 25-298 to GLS on July 9th for consideration.