KITTITAS COUNTY DEPARTMENT OF PUBLIC WORKS

AGENDA STAFF REPORT

AGENDA DATE: May 19, 2015

ACTION REQUESTED: Approve & Sign Lease Addendum with

Department of Natural Resources for County Property located at the Bowers Field Airport.

BACKGROUND: On May 11, 1977, the Department of Natural

Resources entered into a 50-year lease with Kittitas County for approximately 8 acres. The Department of Natural Resources requested to lease an additional 5.04 acres to construct a storage building. Staff submitted a Binding

Site Plan Amendment to Community Development Services for processing.

Currently, the Binding Site Plan Amendment is expected to be finalized within the next 2 weeks. The Department of Natural Resources has a time frame in which to have the building

constructed due to the funding cycle for financing of the project. The legal description

shown as Exhibit "A" of the Lease Amendment will be corrected after the Binding Site Plan Amendment has been recorded. The

Department of Natural Resources has agreed to

the placeholder until this is completed.

INTERACTION: Public Works; DNR; Prosecuting Attorney's

Office

RECOMMENDATION: Move to approve and sign the Lease Addendum

with the Department of Natural Resources.

HANDLING: Return 3 Originals to Public Works

ATTACHMENTS: Lease; Addendum; Draft Binding Site Plan

Amendment

LEAD STAFF: Candie Leader

Administrative Assistant

ADDENDUM TO LEASE

THIS ADDENDUM TO LEASE is made and dated this 1st day of May, 2015, by and between Kittitas County, a municipal corporation in the State of Washington, hereinafter referred to as the LESSOR, and Department of Natural Resources, an agency of the State of Washington, and hereinafter referred to as the LESSEE.

WITNESSETH:

WHEREAS, LESSOR and LESSEE entered into a Lease on May 11, 1977, a copy of which is attached hereto and by this reference incorporated herein; and

WHEREAS, on May 1, 2012 Addendum No. 1 was executed to set the rental rates as agreed upon by the parties and as described below in Terms and Rental Rates – 8.12 acres; and

WHEREAS, the LESSEE requested from LESSOR to lease an additional 5.2 acres abutting the current acreage being leased; and

WHEREAS, a Binding Site Plan Amendment was completed to accommodate the request and has been approved; and

WHEREAS, the legal description for said parcel is attached as Exhibit "A" to said Amendment;

NOW, THEREFORE, IT IS HEREBY AGREED by and between the parties that this Addendum to Lease is to address the rental rates and contract terms as follows for the additional 5.2 acres and the current rental rates and contract terms for the 8.12 acres:

Terms and Rental Rates - 8.12 acres (353,707.20 sq. ft.)

1) "Paragraph #2 - Rent" - Rental Rates for 7/01/2012 thru 6/30/2017 Term.

| Lease Periods: 7/01/12 thru 6/30/17 | Current Rate | CPI – 2.3% Lease 40% Incr. | New Rate | Lease Periods: |
|-------------------------------------|--------------|-------------------------------|------------------|-------------------|
| 7/01/12 - 6/30/13 | \$3,430.00 | \$78.89 | \$3,508.89 | 7/01/12 - 6/30/13 |
| 7/01/13 - 6/30/14 | \$3,430.00 | \$78.89 | \$3,508.89 | 7/01/13 - 6/30/14 |
| 7/01/14 – 6/30/15 | \$3,430.00 | Per Lease 40% Inc. | \$4,802.00 | 7/01/14 - 6/30/15 |
| 7/01/15 – 6/30/16 | \$3,430.00 | Per Lease 40% Inc. | \$4,802.00 | 7/01/15 – 6/30/16 |
| 7/01/16 - 6/30/17 | \$3,430.00 | Per Lease 40% Inc. | \$4,802.00 | 7/01/16 - 6/30/17 |
| 7/01/17 | | To Be Negotiated | To Be Negotiated | 7/01/17 |

DNR Lease Addendum PAGE 1

KITTITAS COUNTY AIRPORT

Terms and Rental Rates - 5.02 acres (218,671.20 sq. ft.)

1) "Paragraph #2 – Rent" – Rental Rates for 5/01/2015 thru 6/30/2017 Term.

| <u>Lease Periods:</u> 05/01/15 thru 06/30/17 | Rental Rate (\$0.12 per Sq. Ft) | Rental Rate Per Acre | Total Per Year: |
|--|-------------------------------------|----------------------|------------------|
| 05/01/15 - 06/30/15 | \$4,373.42 | \$5,227.20 | \$4,373.42 |
| 07/01/15 - 06/30/16 | \$26,240.54 | \$5,227.20 | \$26,240.54 |
| 07/01/16 - 06/30/17 | \$26,240.54 | \$5,227.20 | \$26,240.54 |
| 07/01/17 | To Be Negotiated | To Be Negotiated | To Be Negotiated |

All other terms and conditions of the aforementioned lease shall remain the same

IN WITNESS WHEREOF, the Lessor and Lessee have signed their names and affixed their seals the day and year first above written.

| | LESSOR: | | |
|-----------------------------|--|--|--|
| ATTEST: | BOARD OF COUNTY COMMISSIONERS KITTITAS COUNTY, WASHINGTON | | |
| Clerk of the Board | Gary Berndt, Chairperson | | |
| Approved as to Form: | Obie O'Brien, Vice-Chair | | |
| Prosecuting Attorney WSBA # | Paul Jewell, Commissioner | | |
| | LESSEE: | | |
| | DNR - Representative | | |

DNR Lease Addendum PAGE 2

KITTITAS COUNTY AIRPORT

EXHIBIT "A"

Lot H-1A of the Kittitas County Airport Binding Site Plan, as recorded in Book? of Plats, pages? -?,

DNR Lease Addendum PAGE 3

ADDENDUM TO LEASE

THIS ADDENDUM TO LEASE is made and dated this 1st day of May, 2012, by and between Kittitas County, a municipal corporation in the State of Washington, hereinafter referred to as the LESSOR, and Department of Natural Resources, an agency of the State of Washington, and hereinafter referred to as the LESSEE.

WITNESSETH:

WHEREAS, LESSOR and LESSEE entered into a Lease on May 11, 1977, a copy of which is attached hereto and by this reference incorporated herein; and

WHEREAS, according to Paragraph 2 "Rent", it states "DNR herewith agrees that the rentals for every five-year period after the initial five-year period of the term of this lease may be readjusted by the Board of County Commissioners not to exceed the fair rental value of such lease premises not including any improvements made by lessee: provided, that in no event shall such rental adjustment be greater than 40% of the rental for the previous five-year period; and

WHEREAS, it has been agreed between LESSOR and LESSEE that the following CPI Index will be used for the time periods 7/01/2012 thru 6/30/2014 rental increases. The CPI Index to be used:

"CPI - All Cities-All Items Size Class D Under 50,000"

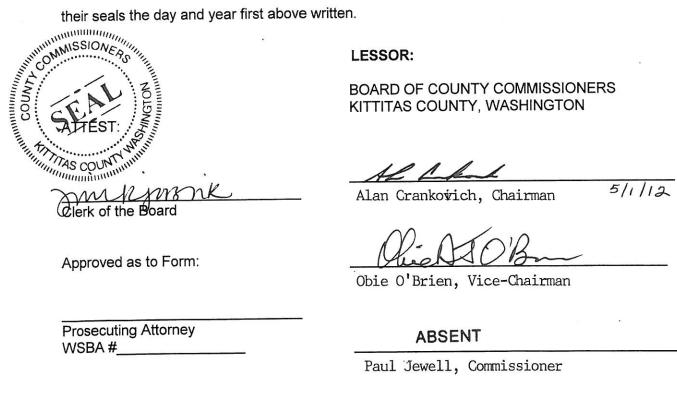
From 7/01/2014 thru 6/30/2017 the increase will be based upon the 40% increase per the DNR existing lease.

NOW, THEREFORE, IT IS HEREBY AGREED by and between the parties to a change in rental rates and contract terms as follows:

1) "Paragraph #2 - Rent" - Rental Rates for 7/01/2012 thru 6/30/2017 Term.

| Lease Periods: 7/01/12 thru 6/30/17 | Current Rate | CPI – 2.3% Lease 40% Incr. | New Rate | Lease Periods: |
|-------------------------------------|--------------|-------------------------------|------------------|-------------------|
| 7/01/12 - 6/30/13 | \$3.430.00 | \$78.89 | 3,508.89 | 7/01/12 – 6/30/13 |
| 7/01/13 - 6/30/14 | \$3.430.00 | \$78.89 | 3,508.89 | 7/01/13 - 6/30/14 |
| 7/01/14 - 6/30/15 | \$3,430.00 | Per Lease 40% Inc. | \$4,802.00 | 7/01/14 - 6/30/15 |
| 7/01/15 – 6/30/16 | \$3,430.00 | Per Lease 40% Inc. | \$4,802.00 | 7/01/15 – 6/30/16 |
| 7/01/16 – 6/30/17 | \$3,430.00 | Per Lease 40% Inc. | \$4,802.00 | 7/01/16 – 6/30/17 |
| 7/01/17 | | To Be Negotiated | To Be Negotiated | 7/01/17 |

All other terms and conditions of the aforementioned lease shall remain the same IN WITNESS WHEREOF, the Lessor and Lessee have signed their names and affixed their seals the day and year first above written.



DNR - Representative

LESSEE

William J. Frare Engineering Division Manager

COPY

(0200-001) EXHIBIT 11-B-4a

LEASE PAGE ONE

LEASE

THIS LEASE made and dated this ______ day of May, 1977, by and between Kittitas County, a municipal corporation in the State of Washington, hereinafter referred to as the County, and the Department of Natural Resources, an agency of the State of Washington, hereinafter referred to as DNR.

The County hereby agrees to lease to DNR, and DNR hereby agrees to lease from the County, the following described real property situated in Kittitas County, Washington, to-wit:

All that portion of the SE 1/4 SE 1/4, Section 23 and SW 1/4 SW 1/4, Section 24, Township 18 North, Range 18 East, W.M., Kittitas County, Washington, described as follows:

Beginning at the Southwest corner of Section 24,
Township 18 North, Range 18 West, W.M., thence North
0°35' West along the West section line said Section
24 a distance of 60.0 feet to a true point of beginning.
From the true point of beginning, thence North 87°37'00'35'
East a distance of 467.73 feet, thence North 2°43'45"
West a distance of 327.19 feet, thence South 87°34'45"
West a distance of 1,029.25 feet, thence North 47°25'30"
West a distance of 391.35 feet, thence South 87°34'
West a distance of 91.63 feet, thence South 87°34'
East a distance of 386.78 feet, thence North 87°35'00"
East a distance of 923.07 feet, thence South 0°35'00"
East a distance of 261.53 feet, thence North 87°35'00"
East a distance of 29.04 feet which point is the true
point of beginning.

TERM: The term of this lease shall commence on the 1st day of June, 1977, and shall terminate on the 1st day of June, 2027.

RENT: The DNR shall pay the following rent on June 1, 1977, and each year thereafter during the term in advance the sum of

JOSEPH PANATTONI
KITTITAS COUNTY PROSECUTOR
P. O. BOX B77
ELLENSBURG, WASHINGTON
98926
TELEPHONE (509) 925-5369

\$ 1250,00 per annum. DNR herewith agrees that the rentals for every five-year period after the initial five-year period of the term of this lease may be readjusted by the Board of County Commissioners not to exceed the fair rental value of such lease premises not including any improvements made by lessee: PROVIDED, That in no event shall such rental adjustment be greater than 40%

g of the rental for the previous five-year period.

In the event the County and DNR cannot agree upon the rentals for said five-year period, the parties shall submit to have the disputed rentals for the subsequent period adjusted by arbitration. The County shall pick one arbitrator, and DNR one, and the two so chosen shall select a third. No board of arbitrators shall reduce the rentals below the sum fixed or agreed upon for the last preceding period. Each party shall bear the expense of the arbitrator selected by it. The costs and expenses of the third arbitrator shall be shared equally by the lessee and lessor.

UTILITIES: There presently exists a water system at the Kittitas County Airport, and DNR shall be entitled to free water from said system. All other utilities shall be paid by DNR. In the event that the existing water system should fail and extensive repairs should become necessary or it should become necessary to install a new water system, DNR agrees at that time to commence paying a reasonable charge for domestic water.

ASSIGNMENT: DNR shall not assign nor sublet this lease nor any

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LEASE PAGE TWO

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ELLENSBURG, WASHINGTON
96926
TELEPHONE (809) 925-5368

portion thereof without first having obtained the written consent of the County therefor.

PROPERTY DAMAGE AND BODILY INJURY: The DNR hereby agrees to indemnify and hold harmless the County from any and all claims or demands of whatsoever nature arising out of loss, damage or injury to persons or property resulting from DNR's use or occupation of the leased premises and areas adjacent thereto caused by the tortious acts or neglect of the DNR, its agents or employees to the extent allowed by law.

QUIET ENJOYMENT: The County covenants with DNR that on payment of the rent herein required to be paid and performance of the covenants herein contained, DNR and those holding under it may peaceably and quietly have, hold and enjoy the premises for the term hereof, for the purpose of conducting its business in the usual and customary manner.

WAIVER: No assent, express or implied, by the County to any branch of any of DNR's covenants, agreements, conditions or terms hereof shall be deemed or taken to be a waiver of any succeeding breach of any covenant, agreement, condition or term hereof.

INSPECTION: At all times during the term of this lease or any extension thereof, the County shall have the right to enter into and upon the demised premises during reasonable business hours for the purpose of examining and inspecting the same and determining

LEASE PAGE THREE

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LEASE PAGE FOUR

whether DNR shall have complied with all of its obligations hereunder in respect to the care and maintenance of the premises and all other terms and conditions hereof.

WATER: DNR agrees to pay all water charges to the Kittitas County Reclamation District.

SPECIAL CONDITIONS: Irrigation ditches must not be rerouted without written approval from the Board of Kittitas County Commissioners. Irrigation water utilized by the DNR will not be allowed to run off on runways.

FENCES AND DITCHES: The DNR shall care for and maintain all fences, irrigating and drainage ditches upon said property or appurtenances thereto in a state of good repair and condition during the term of this lease.

WASTE: The DNR shall not commit waste of the leased property and shall comply with all the regulations of the weed district within which said leased property is included and shall use all reasonable efforts to eradicate and prevent the growth of noxious weeds.

AIRPORT TRAFFIC: It is understood and agreed that the DNR's use of the leased premises shall not in any manner interfere or restrict the use of aircraft landings, take offs, or storage of aircraft as the airport is presently constructed. DNR shall comply with all rules and regulations of the Federal Aeronautics Administration.

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LEASE PAGE FIVE

RIGHTS OF U. S. GOVERNMENT: The County holds title to the property herein leased, partially by virtue of a deed from the United States government. A copy of said deed is attached hereto and made a part of this instrument as though fully set forth herein. DNR agrees that it will do nothing which will cause the County to be in violation of the terms of said deed. DNR further herewith agrees that it has had ample opportunity to review said deed and is aware of all the terms and conditions therein.

USE OF PREMISES: DNR agrees that it will use the premises only for the purpose of conducting the operations of the Department of Natural Resources.

IMPROVEMENTS: It is understood and agreed between the parties that and other structures DNR will use said premises to construct offices for DNR. It is further agreed that before such construction commences, that the plans and specifications for said construction shall be submitted to the County's Board of County Commissioners for their approval and to FAA for their approval, and no construction shall commence until said approval is received by DNR from each of said agencies in writing. All buildings or other improvements made upon property leased shall belong to and become the property of the County at the expiration of the term.

In the event that there is an extension of the term of this lease, or in the event that the parties hereto agree to another lease whose term commences immediately following the expiration of

> JOSEPH PANATTONI KITTITAS COUNTY PROSECUTOR P. O. BOX 577 ELLENSBURG, WASHINGTON TELEPHONE (509) 925-5369

Site, some for

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LEASE PAGE SIX

this lease, it is agreed that for the first ten years of said extended term or term of a new lease that DNR shall not be required to pay any rental for any buildings or other improvements made upon the leased property during the original term by DNR.

FAA APPROVAL: This lease shall be of no effect and shall be void unless, prior to commencement of the term, the lease is approved in writing by the Federal Aeronautics Administration. Further, the lessee shall have the right to terminate or require readjustment of the terms of this lease in the event FAA does not approve any proposed construction or modification of improvements proposed by the DNR.

DEFAULT: In the event that DNR shall violate this lease, or any of its conditions or terms as herein stated, the County may terminate this lease by giving sixty (60) days written notice of the conditions or terms being violated, and if said violations are not corrected within the sixty-day period, this lease may be cancelled and the County shall be entitled to peaceably retake possession of the premises: PROVIDED, the lessee shall have the right to remove all improvements if such termination is prior to the thirtieth (30th) anniversary of the date of this lease. Notice to the DNR under this section or any other section shall be in writing and addressed to the Department of Natural Resources, State of Washington, Olympia, Washington, by registered or certified mail with

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LEASE PAGE SEVEN

Approved as to Form Only

torney General

GORTON

postage prepaid, and the parties herewith agree that such notice shall be sufficient.

IN WITNESS WHEREOF, the County and DNR have executed this lease on the day and year first above written.

KITTITAS COUNTY

ATTEST:

Kittitas County Auditor

DEPARTMENT OF NATURAL RESOURCES, STATE OF WASHINGTON

APPROVED:

eral Aeronautics Administration

JOSEPH PANATTONI KITTITAE COUNTY PROSECUTOR F. O. BOX 577 ELLENSBURG, WASHINGTON 98926 TELEPHONE (809) 925-5369

STATE OF WASHINGTON)
COUNTY OF KITTITAS)

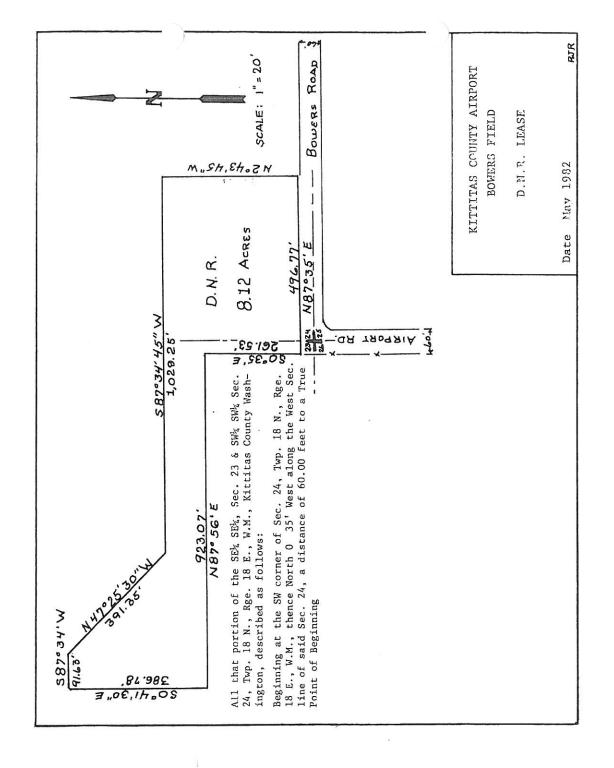
I, the undersigned, a notary public in and for the State of Washington, do hereby certify that on this __//__ day of May, 1977, before me personally appeared Frank Gregerich, Jr., known to me to be the duly elected, qualified and acting Chairman of the Board of Kittitas County Commissioners, and executed the within and foregoing instrument and acknowledged the said instrument to be the free and voluntary act and deed of said Kittitas County, Washington, for the uses and purposes therein mentioned, and he on oath stated that he was authorized to execute said instrument by resolution of the Board of County Commissioners of Kittitas County, Washington, and that the seal affixed is the official seal of Kittitas County.

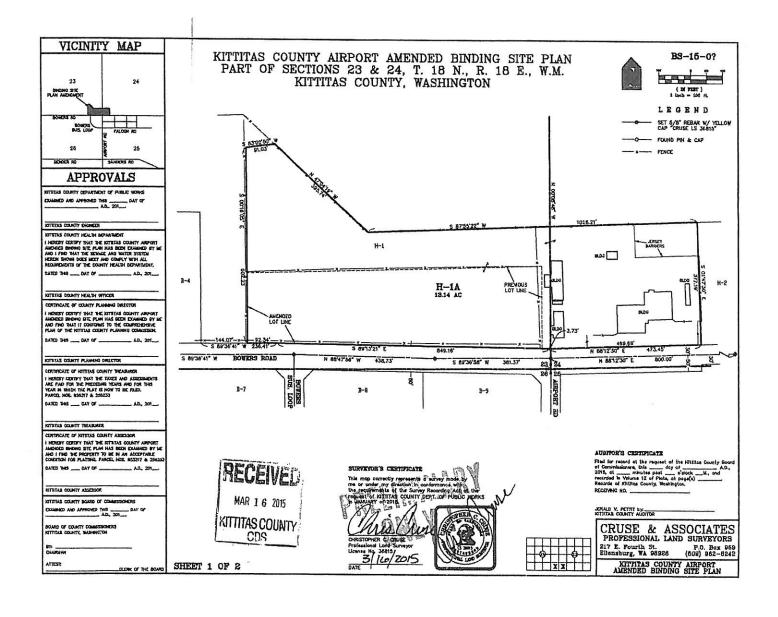
WITNESS MY HAND AND OFFICIAL SEAL hereto affixed the day and year first above written.

NOTARY PUBLIC in and for the State of Washington, residing at Ellensburg.

LEASE PAGE EIGHT

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BS-15-0?

KITTITAS COUNTY AIRPORT AMENDED BINDING SITE PLAN PART OF SECTIONS 23 & 24, T. 18 N., R. 18 E., W.M. KITTITAS COUNTY, WASHINGTON

HOTES:

1. THIS SURVEY WAS PERFORMED USING A TOPCON GTS SERIES TOTAL STATION. THE CONTROLLING MONUMENTS AND PROPERTY CORNERS SHOWN HEREON WERE LOCATED, STAKED AND CHECKED FROM A CLOSED FIELD TRAVERSE IN EXCESS OF 1:10,000 LIMERA CLOSINGE AFTER ZAMITH ADJUSTMENT.

- 2. THE PURPOSE OF THIS BINDING SITE PLAN IS TO AMEND LOT H-1 OF 85-10-00001.
- 3. THIS SURVEY DOES NOT PURPORT TO SHOW ALL EASEMENTS OF RECORD OR OTHERWISE.
- 4. PER RCW 17.10.140 LANDOWNERS ARE RESPONSIBLE FOR CONTROLLING AND PREVENTING THE SPREAD OF NODOUS WEEDS, ACCORDINGLY, THE WITHING COUNTY MODIOUS WEED BOARD RECOMMENDS IMMEDIATE RESEDENCE OF AREAS DISTURBED BY DEVELOPMENT TO PRECLIDE THE PROGRESSION OF INDICOUS WEEDS.

S. AN APPROVED ACCESS FERMIT WILL BE REQUIRED FROM THE DEPARTMENT OF PUBLIC WORKS PRIOR TO CREATING ANY NEW DRIVENAY ACCESS OR PERFORMING WORK WITHIN THE COUNTY ROLD RIGHT OF WAY.

6, all development shall be consistent with the airport master plan as adopted at the time of the development application and must abde with and be consistent with all applicable federal avaition administration (faa) curculines.

7. THE SUBJECT PROPERTY IS WITHIN OR NEAR EXISTING AGRICULTURAL OR OTHER HATURAL RESOURCE AREAS ON WHICH A VARIETY OF ACTIVITIES MAY OCCUR THAT ARE NOT COMPARISE MYH RESIDENTIAL DEVELOPMENT FOR CERTAIN PERSONS OF WARRING DURANDON, AGRICULTURAL, OR OTHER MATURAL RESOURCE, ACTIVITIES PROPORUED IN ACCORDANCE WITH COUNTY, STATE AND PEDERAL LIMIS ARE NOT SUBJECT TO LEGAL ACTION AS PUBLIC NUSAMICES, UTITIAS COUNTY HAS ADOPTED RIGHT TO FARM PROMISSING SOTTAMED IN SECTION 17.74 OF THE RITHTISS COUNTY 2 SONING COOK.

8. FOR SECTION SUBDIMISION, CORNER DOCUMENTATION, BASIS OF BEARINGS AND ADDITIONAL INFORMATION, SEE BS-10-DOCCI RECORDED IN BOOK 11 OF PLATS, PAGES 249-285 AND THE SURVEYS REFERENCED THORSON. ORIGINAL PARCEL DESCRIPTIONS

PARCEL 1

LOT H-1, KITHTAS COUNTY ARPORT AMENDED BINDING SITE PLAN, IN THE COUNTY OF KITHTAS, STATE OF WASHINDTON, AS PER PLAT THEREOF RECORDED IN BOOK 11 OF PLATS, PAGES 240 THROUGH 255, RECORDS OF SAID COUNTY.

PARCEL 2:

THAT PORTION OF THE EAST HALF OF SECTION 23, TOWNSHIP 18 HORTH, RANGE 18 EAST, M.M., IN THE COUNTY OF RITHTAS, STATE OF WASHINGTON:

EXCEPT ANY PORTION LYING WITHIN THE KITTITAS COUNTY AIRPORT AMENDED BRIGHTS STEEPLAN IN THE COUNTY OF KITTITAS, STATE OF WASHINGTON, AS PER PLAT THEREOF RECORDED IN BOOK 11 OF PLATS, PAGES 249 THROUGH 25S, RECORDS OF SAUD COUNTY.

EXCEPT THE RIGHT OF WAY OF THE KITRITAS RECLIMATION DISTRICT:

AND EXCEPT THE RIGHT OF WAY OF BOWERS ROAD;

AND EXCEPT THE RIGHT OF WAY OF HUNGRY JUNCTION ROAD.

MAR 1 6 2015

KITTITAS COUNTY
COS



VINDAUB, & CABAINICYA

MEAND V. PETRY BY

CRUSE & ASSOCIATES
PROFESSIONAL LAND SURVEYORS
217 E. Fourth St. P.O. Box 959
Ellensburg, WA 98928 (509) 962-5242

KITITIAS COUNTY AIRPORT AMENDED BINDING SITE PLAN

SHEET 2 OF 2