

**Project title:** Lease agreement with Congressman Rick Larsen at Everett Municipal Building**Council Bill #** *interoffice use***Agenda dates requested:**

May 5, 2021

Briefing

Proposed action

Consent 

Action

Ordinance

Public hearing

 Yes No X**Budget amendment:** Yes No X**PowerPoint presentation:** Yes No X**Attachments:**

Lease Agreement

**Department(s) involved:**

Real Property

**Contact person:**

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**Initialed by:***DE*

Department head

PM

Administration

DB

Council President

**Project:** Lease agreement with Rep. Rick Larsen**Partner/Supplier :** Congressman Rick Larsen**Location:** 2930 Wetmore Ave. (Everett Municipal Building)**Preceding action:** *N/A***Fund:****Fiscal summary statement:**

Congressman Rick Larsen has leased office space in the Everett Municipal Building on the 9<sup>th</sup> floor since 2000. The proposed lease for the same office space is for a duration of two years at the monthly rate of \$4,630.50, which includes 1,980 square feet at a rate of \$27.30/sf and an annual charge of \$1,560 for parking.

**Project summary statement:**

On December 27, 2000 the City Council approved a two-year lease with Congressman Rick Larsen to lease 1,980 square feet of office space on the 9th floor of the Everett Municipal Building located at 2930 Wetmore Avenue and two parking spaces. The initial lease term ended January 2, 2003.

Subsequent lease agreements commenced at two-year intervals each January 3<sup>rd</sup> of 2003, 2005, 2007, 2009, 2011, 2013, 2015, 2017 and 2019 coinciding with the Lessee's congressional terms.

**Recommendation (exact action requested of Council):**

Authorize Mayor to execute the lease agreement with Congressman Rick Larsen at Everett Municipal Building.

**DISTRICT OFFICE LEASE**

**CITY OF EVERETT  
WALL STREET BUILDING**

This Lease is made this 3<sup>rd</sup> day of January 2021 between the City of Everett, a municipal corporation under the laws of the State of Washington, hereinafter referred to as the "Lessor", and Congressman Rick Larsen, hereinafter referred to as "Lessee".

**WITNESS**

**1. PREMISES.** The Lessor does hereby lease to Lessee, and Lessee does hereby lease from Lessor, those certain premises commonly known as Suite 901, (hereinafter called "Premises"), being situated in the Wall Street Building located at 2930 Wetmore Avenue, Everett, Washington legally described as:

All of Lots 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and Lot 28 EXCEPT Beginning at a point 2 inches South of the Northeast corner of said Lot 28, thence North to said Northeast corner; thence West along the North line of said Lot 28 to the Northwest corner thereof; thence South along the West line of said lot, 6 inches; thence Easterly in a straight line to the Point of Beginning; all in Block 683, Replat of Block 683, Plat of Everett, according to the plat thereof recorded in Volume 4 of Plats, page 49, records of the Auditor, of the County of Snohomish, State of Washington,

together with rights of ingress and egress over common areas incorporated herein by this reference, which premises are approximately 1,980 leasable square feet in size and are referred to herein as the "Premises". Further, Lessor agrees to provide Lessee parking as provided in Exhibit A which is attached hereto and incorporated herein by reference.

**2. TERM.** The term of this lease shall be for two (2) years and commence on January 3, 2021, and end at midnight January 2, 2023.

**3. RENT.** Lessee leases said Premises for said period and agrees to pay a monthly rental in the amount of \$4634.50 (The monthly rent is based on an annual rate of \$27.30 per square foot for 1,980 rented square feet and an annual charge of \$1,560 for parking.) The rent is due in arrears on or before the end of each month during the term of this lease to:

Treasurer  
City of Everett  
2930 Wetmore  
Everett, WA 98201

or such other place as the Lessor may from time to time designate in writing. All rent payments must be made without deduction or offset.

**4. USE.** The Lessee will use and occupy said Premises for general office use. Lessee agrees that in the operation of the business to be conducted on said Premises and in any occupancy

thereof Lessee shall comply with the laws, rules and regulations of the governments of the United States, State of Washington, Snohomish County and City of Everett. Lessee agrees to maintain the Premises in good condition and repair throughout the term of the lease. Lessee agrees not to use any machinery or equipment in the Premises which might be injurious to the building or which might cause noise or vibration which would be objectionable to other tenants. Upon termination of the lease, Lessee shall quit and surrender the Premises in as good a state and condition as reasonable use and wear and tear thereof permit, damage by the elements or other actions not caused by Lessee or its employees, agents, customers or invitees excepted.

**5. ALTERATIONS AND FIXTURES.** Lessee has accepted the Premises in their present condition, (as-is) After prior written consent of Lessor, Lessee may make alterations, and additions in said Premises, at Lessee's sole cost and expense. Lessee shall submit to the Administrative Counsel for the CAO all plans for any such alterations or additions before undertaking any alterations or additions to the Premises. In the performance of such work, Lessee agrees to comply with all laws, ordinances, rules, and regulations of any proper public authority. Upon termination of this Lease, if Lessor elects to not retain Lessee's alterations Lessee shall remove such alterations installed by Lessee and restore the Premises to its original condition not later than the termination date, at Lessee's sole cost and expense. Any such alterations not so removed shall be removed at Lessee's expense including the cost to repair any damage caused by such removal. All alterations made to the Premises by either the Lessor or Lessee shall become part of the building and shall remain on the Premises at the option of the Lessor without compensation to the Lessee.

**6. LIENS.** In the event the Premises shall at any time during the term of this lease become subject to any suit brought to enforce a lien or any statement or claim of lien filed to enforce a lien resulting from the furnishing of materials or labor to Lessee on the Premises, Lessee may contest such lien by legal proceedings but shall, in any event, cause such lien, at its sole cost, to be discharged within thirty (30) days after notice thereof by the substitution therefore of a mechanic's lien release bond, by posting of adequate security for the payment thereof (including all expenses incident thereto), or by such other method as shall be reasonably satisfactory to Lessor.

**7. SUBLETTING AND ASSIGNMENT.** Lessee shall not sublet the whole or any part of said Premises, nor assign this lease, or any part thereof, without the written consent of Lessor which consent shall not be unreasonably withheld. If consent is once given by Lessor to the assignment of this lease, or any interest therein, Lessor shall not be barred from afterward refusing to consent any further assignment. This lease shall not be assignable by operation of law.

Any assignment made by Lessee shall not become effective until the assignee, in writing, shall assume this lease and agree to perform and be bound by all of the obligations of Lessee accruing under this lease from and after the date of such assignment. In the event of such an assignment and assumption, Lessor shall remain bound by all of the obligations of Lessor accruing under this lease and, regardless of Lessor's consent, no subletting or assignment shall release Lessee of Lessee's obligation or alter the primary liability of Lessee to pay the rent and to perform all other obligations to be performed by Lessee hereunder. Acceptance of rent by Lessor from any other person shall not be deemed to be a waiver by Lessor of any provision hereof. Consent to one assignment or subletting shall not be deemed consent to any subsequent assignment or subletting.

In the event of a permitted assignment of this Lease, Lessor, without having advice from the Lessee to the contrary, shall at such time credit all unearned rental hereunder to the assignee. Any other disposition of unearned rental will be made by Lessor only upon the joint written request of both Lessee and Lessor's Assignee at the time of submitting said assignment to Lessor for its consent.

**8. CASUALTY REBUILDING CONDEMNATION.** In the event the building of which the Premises are a part shall be destroyed or damaged by fire or other causes (and regardless of the extent of the damage to the Premises) to such an extent that the Lessor shall decide to discontinue the operation of the building as an office building, which decision shall be communicated to Lessee within thirty (30) days after such damage or destruction, then this lease shall be terminated as of the date of such damage or destruction. In the event of damage to the Premises by fire or other causes, other than under the circumstances described in the preceding sentence, Lessor shall repair the Premises within a reasonable time and as quickly as circumstances will permit upon the same plan as immediately before the damage or destruction. Until the Premises are repaired and put in a good and tenantable order, the rents herein provided for, or a fair and just proportion thereof according to the nature and extent of the damage sustained, shall be abated until the Premises shall have been restored to the same condition as they were before such damage or destruction.

In the event that the Premises are not usable as contemplated in this agreement for over 180 days due to the damage, Lessee shall have the right to terminate the lease.

If the property or any part thereof wherein the Premises are located shall be taken by public or quasi-public authority under any power of eminent domain or condemnation, this lease, at the option of the Lessor shall forthwith terminate and Lessee shall have no claim or interest in or to any award of damages for such taking.

**9. WAIVER OF SUBROGATION.** Lessor and Lessee each mutually release the other from every right, claim and demand which may hereafter arise in favor of either arising out of or in connection with any loss occasioned by fire and such other perils as are included in the provisions of the normal extended coverage clauses of fire insurance policies, and do hereby waive all rights of subrogation in favor of insurance carriers arising out of any such losses and sustained by either the Lessor or the Lessee in or to the Premises or any property therein. Provided, however, that if at any time either Lessor or Lessee can obtain a waiver of subrogation clause only for an additional premium, such clause shall be obtained only if the party in whose favor it runs pays such additional premium. If such waiver of subrogation can be obtained only for an additional premium by either Lessor or Lessee, and either party elects not to obtain a waiver of subrogation, this entire clause shall be null and void.

**10. NOTICES.** All notices to be given by the parties hereto shall be in writing and may either be served personally or may be deposited in the United States mail, postage prepaid, by either registered or certified mail, and if to be given Lessor, may be addressed to Lessor at:

Mayor of Everett  
City of Everett  
2930 Wetmore  
Everett, WA 98201

Real Property Manager  
City of Everett  
2930 Wetmore  
Everett, WA 98201

City Clerk  
City of Everett  
2930 Wetmore  
Everett, WA 98201

or if to be given Lessee, may be addressed to Lessee at the following address(es):

Congressman Rick Larsen  
Wall Street Building Suite 901  
2930 Wetmore Ave  
Everett, WA 98201

**11. SERVICES.** Lessor agrees to provide the Premises with electricity, water, sewer, heat and air conditioning Monday through Friday, 6:00 AM to 6:00 PM, and janitorial and garbage services Monday through Friday.

Lessor shall not be liable for any loss, injury, or damaged property caused by or resulting from any variation, interruption, or failure of such service beyond Lessors reasonable control. No temporary interruption or failure of such services incident to the making of repairs, alterations, or improvements, or due to accident or strike, or conditions or events beyond Lessor's reasonable control shall be deemed an eviction of Lessee or shall release Lessee from any of Lessee's obligations hereunder.

**12. ACCESS REPAIRS.** No compensation shall be made to or claimed by the Lessee from the Lessor by reasons of inconvenience, annoyance or damage of any kind whatsoever arising from the making of repairs to or maintenance or alteration of the building or appurtenances of the Premises covered hereby. Lessor reserves the right to make repairs, alterations, connections or extensions when and where the same may be deemed by the Lessor to be necessary. However, any repairs, maintenance or alteration of the building or appurtenances shall not render the building unusable for the purposes of this lease because of any action arising from the making of the repairs, maintenance or alteration to the building or appurtenances. Nothing herein contained shall be construed as an agreement on the part of the Lessor to make any repair or alteration whatsoever. Lessee agrees to pay for all repairs, alterations, connections or extensions becoming necessary, in the reasonable opinion of Lessor, due to negligence of Lessee, its agents, employees, representatives.

**13. SIGNS.** Lessee shall have the right to place identifying signage on and about the Premises with consent of Lessor, subject to compliance with all applicable laws. This consent shall not be unreasonably withheld.

**14. INSOLVENCY.** In the event that the Lessee shall make an assignment for the benefit of creditors, or shall be adjudicated a bankrupt, or if a receiver is appointed for the Lessee or if the property of the Lessee upon the Premises shall be seized by any enforcement officer by reason of an attachment, execution or other process, Lessor shall have the option to terminate this lease.

**15. DEFAULT - TERMINATION.** If Lessee fails to observe or perform any term or condition of this lease, the Lessor may elect to deliver written notice to the Lessee as specified in section 12 above. After failure to cure a monetary default within ten (10) days after receiving notice or a non-monetary default within thirty (30) days after receiving notice, the Lessee shall be deemed to be in default. In the event of default and upon thirty (30) days written notice of termination to the Lessee in default, the Lessor may terminate this lease.

**16. NO WAIVER OF COVENANTS.** No waiver of any default hereunder shall be implied from any omission by either party to take any action on account of such default if such default persists or is repeated and no express waiver shall affect any default other than the default specified in the express waiver and that only for the time and to the extent therein stated. The acceptance by Lessor of rent with knowledge of the breach of any of the covenants of this lease by Lessee shall not be deemed a waiver of any such breach. One or more waivers of any breach of any covenant, term, or condition of this lease shall not be construed as a waiver of any subsequent breach of the same covenant, term, or condition.

**17. DELAYED POSSESSION.** In the event of the inability of Lessor to deliver possession of the Premises for any reason whatsoever at the time of the commencement of the term of this lease, neither Lessor nor its agents shall be liable for any damage caused thereby, nor shall this lease thereby become void or voidable, nor shall the term herein specified by in any way extended, but in such event Lessee shall not be liable for any rent until such time as Lessor can deliver possession, and in the event that possession is delayed over ninety (90) days, Lessee shall have the right to terminate this lease.

**18. HOLDING OVER.** Any tenancy of the premises by Congressman Rick Larsen after the expiration of the term of this lease, shall be from month to month, and upon terms mutually acceptable to Lessor and Congressman Rick Larsen.

**19. HEIRS.** The rights, liabilities, and remedies provided for herein shall extend to the heirs, legal representatives, successors and, so far as the terms of this lease permit, assigns of the parties hereto; and the words "Lessor" and "Lessee" and their accompanying verbs or pronouns, wherever used in this lease, shall apply equally to all persons, firms or corporations which may be or become parties hereto.

**20. RULES.** Lessee agrees to abide by the rules and regulations governing the operation of the building which may be made by Lessor from time to time, and will use reasonable methods to induce customers, clients and all persons invited by Lessee into said building to observe the same.

**21. LEASE TAX.** The leasehold interest of Lessee in the Premises is not subject to Leasehold Excise Tax (Chapter 82.29A RCW) and therefore is not required as a part of this lease agreement.

**22. RECORDING.** Lessee agrees that Lessor, at its sole option and at any time prior to the expiration of this lease, may file same or a Memorandum Form thereof for recording with the Director, Records and Elections, Snohomish County, Washington. If a Memorandum Form of the lease is filed for recording, Lessee agrees to execute and return same promptly upon receipt from Lessor.

**23. TIME.** Time is of the essence of this agreement.

**24. HAZARDOUS MATERIAL.** Lessee shall not cause or permit any Hazardous Material to be brought upon, kept, or used in or about the Premises by Lessee, its agents, employees, contractors, or invitees, without the prior written consent of Lessor. Lessee's request for use of commercial products that may be considered Hazardous Materials shall include a listing of the products, their intended uses by Lessee, and the manufacturer's Material Safety Data Sheet for each product, as prepared in accordance with 29 CFR 1910.1200 (hazard communication). Lessee's request shall also include a statement that Lessee will handle, store, and dispose of the products in accordance with the manufacturers' Material Safety Data Sheets. Lessor shall not unreasonably withhold consent as long as Lessee demonstrates to Lessor's reasonable satisfaction that such Hazardous Material is necessary or useful to Lessee's business and will be used, kept, and stored in a manner that complies with all laws regulating any such Hazardous Material, brought upon or used or kept in or about the Premises.

Without limiting the previous portions of this Section, if the presence of any Hazardous Material on the Premises caused or permitted by Lessee results in any contamination of the premises, Lessee shall promptly take all actions at its sole expense as are necessary to return the Premises to the condition existing prior to the introduction of any such Hazardous Material to the Premises. Provided, however, Lessor's approval of such actions shall first be obtained. Lessor's approval shall not unreasonably be withheld so long as such actions would not potentially have any material adverse long-term or short-term effect on the Premises.

If the Lessee spills, releases, or disposes of any Hazardous Material in the Premises, Lessor may, at Lessor's sole option, declare Lessee in default.

As used herein, the term "Hazardous Material" means any hazardous or toxic substance, material, or waste which is or becomes regulated by any local governmental authority, the State of Washington, or the United States Government.

All portions of this Hazardous Material Section shall survive the expiration or early termination of this lease for a period of 2 years.

**25. PRIORITY/ESTOPPEL CERTIFICATES.** Lessee agrees to execute any subordination or estoppel certificates which may be requested by Lessor within fifteen (15) days of their submission to Lessee. If the subordination or estoppel certificate notes or describes any outstanding dispute between the Lessor and Lessee, the certificate will not act as a waiver of the outstanding dispute.

**26. NO BROKERS.** Lessor and Lessee warrant to one another that neither has engaged a broker in connection with this Lease.

**27. INSPECTION AND RIGHT-OF-ENTRY.** Lessor and its agents shall have the right, but not the duty, to inspect the Premises at any time to determine whether Lessee is complying with the terms of this Lease. If Lessee is not in compliance with this Lease, Lessor shall have the right, but not the duty, to immediately enter upon the Premises to remedy any violation caused by Lessee's failure to comply notwithstanding any other provision of this Lease. Lessor shall use its best efforts to minimize interference with Lessee's business but shall not be liable for any interference caused thereby.

**28. COSTS AND ATTORNEY'S FEES.** If, by reason of any default or breach on the part of the Lessee in the performance of any of the provisions of this Lease, it becomes necessary for Lessor to institute legal action as a result of the breach or default, then the Lessee agrees to pay all reasonable costs and attorney's fees incurred by the Lessor in connection therewith.

**29. CAPTIONS.** The Captions in this lease are for convenience only and do not in any way limit or amplify the provisions of this lease.

**30. ENTIRE AGREEMENT.** This Lease and the District Office Lease Attachment represents the entire agreement between the parties and supersedes all other agreements and representations made prior hereto. No amendment hereof shall be binding on either party unless and until approved in writing by both parties.

**31. SEVERABILITY.** If any provision of this Lease or any application hereof shall be found to be invalid or unenforceable, for any reason, the remainder of this Lease and any other application of such provision shall not be affected thereby.

**32. INSOLVENCY.** If Lessee shall file a Petition in Bankruptcy, or if Lessee shall be adjudged bankrupt or insolvent by any court, or if a receiver of the property of Lessee shall be appointed in any proceeding brought by or against Lessee, or if Lessee shall make an assignment for the benefit of creditors, the Lessor may, at its option, terminate this Lease.

**33. BINDING EFFECT.** This Lease shall be binding upon the parties hereto and upon their respective representatives, successors and assign.

**34. VENUE.** This Lease shall be administered and interpreted under the laws of the State of Washington. Jurisdiction of litigation arising from this Lease shall be in Snohomish County, Washington.







### **Exhibit A - Parking Agreement**

The City of Everett (Lessor) agrees to provide parking to Congressman Larsen (Lessee) at the locations and rates listed below:

- 1 stall located in the Wall Street Building garage at \$75.00 per month.
- 1 stall located adjacent to the Wall Street Building at \$55.00 per month.

These rates are included in the rent required to be paid by Lessor as provided in Section 3 of the lease..