



Commission Meeting
Topic: *Intel Lease Amendment No. 5*

Date of Commission Meeting: June 22, 2009
Location of Meeting: LOTT Board Room

Type of Action Requested:

- Action (Consent)**
- Resolution #**
- Advisory**

Presented By: Rudy Rudolph

Business Unit or Department: Airport

Director: Rudy Rudolph

Description/Background:

The Port and Intel Corporation have agreed upon a lease amendment granting one-year lease extension on their space in and around the airport terminal. This lease amendment includes a reduction in the number of vehicle parking spaces leased from thirty (30) to twenty (20) with the commensurate monthly rent adjustment. The proposed lease amendment is for one year and includes two, one-year options with annual rent adjustments for CPI.

Recommended Action:

Staff recommends the Commission ratify the lease amendment with Intel.

Attachments:

Intel Lease Amendment No. 5

Executive Director Approval: 

LEASE AMENDMENT NO. 5

**PORT OF OLYMPIA GROUND LEASE
OLYMPIA REGIONAL AIRPORT**

THIS LEASE AMENDMENT NO. 5 is made this 10th of June, 2009, by and between the **PORT OF OLYMPIA**, a Washington municipal corporation, as Lessor, hereinafter referred to as (the "Port"), and **INTEL CORPORATION**, as Tenant, hereinafter referred to as ("Intel"), as Lessee.

WITNESSETH:

WHEREAS, the Port entered into a Lease Agreement dated February 1, 2001, covering specific premises owned by Port and leased to Intel; and,

WHEREAS, The Port and Intel amended the Lease with Lease Amendment No. 1, dated June 24, 2002, for the purpose of extending the term and confirming the rent payable through June 30, 2003. The Lease Agreement and Lease Amendment No. 1 are referred to collectively as the "Lease"; and,

WHEREAS, the Port and Intel amended the Lease with Lease Amendment No. 2, dated November 6, 2002 for the purpose of re-designating Intel's premises in the terminal building; identifying certain areas as Intel passenger ramp, auto parking and aircraft parking; redefining the allowed storage area; reducing Intel's pro-rata share of the cost of all utilities; extending the required period for the parties to give notice of termination; and amending the period required for the Port to notify Intel about relocation. The Lease Agreement and Lease Amendment No. 1 and Lease Amendment No. 2 are referred to collectively as the "Lease"; and,

WHEREAS, the Port and Intel amended the Lease with Lease Amendment No. 3, dated July 17, 2006 for the purpose of adjusting the lease terms. The Lease Agreement, Lease Amendment No. 1, 2 and 3 are referred to collectively as the "Lease"; and,

WHEREAS, the Port and Intel amended the Lease with Lease Amendment No. 4, dated June 2, 2008 for the purpose of adjusting the lease terms. The Lease Agreement, Lease Amendment No. 1, 2, 3 and 4 are referred to collectively as the "Lease"; and,

WHEREAS, the Port and Intel now desire to amend the Lease for the purpose of reducing the number of leased automobile parking spaces from 30 to 20 and, adjusting the monthly base rent and the surety requirement accordingly; and

NOW THEREFORE, IT IS HEREBY MUTUALLY AGREED that the Lease Agreement between the parties shall be amended as follows:

1. Paragraph 1, LEASE SUMMARY, subparagraph **LEASED PREMISES** shall be deleted in its entirety and the following shall be substituted therefore:

Approximately 242 square feet of dedicated office space within the Airport Terminal building located at 7702 Terminal Street at the Olympia Regional Airport;

Approximately 846 square feet of covered, fenced, dedicated secure aircraft passenger boarding area;

Approximately 42,360 square feet of dedicated aircraft apron parking;

Approximately 1,665 square feet of terminal common areas within the Building for non-exclusive use by Tenant, its employees, agents customers and invitees (collectively, the "Premises") all as shown in Exhibit "E".

Twenty (20) dedicated vehicle parking spaces in the terminal parking lot. Overnight parking shall be permitted. Tenant shall exercise internal controls in order to identify those vehicles that will be parked overnight.

Tenant acknowledges and agrees that the common areas, restrooms, and parking areas will be shared and used in common with the Port and all other tenants of the building and others, and will be subject to the direction and control of the Port.

2. Paragraph 1, LEASE SUMMARY, subparagraph **TERM** shall be deleted in its entirety and the following shall be substituted therefor:

This Amendment shall become effective July 1, 2009 and shall terminate June 30, 2010, provided; however, that the lease may be terminated as of the first day of any month by either party giving the other party written notice of termination not less than ninety (90) days prior to the designated termination date. Tenant shall have two (2) options to renew for an additional term of one (1) year each under the same terms and conditions except for base rent. The renewal term shall commence upon the expiration of the current term. Such options to renew may be exercised only by written notice to the Port no later than March 1st of each year.

3. Paragraph 1, LEASE SUMMARY, subparagraph RENT shall have the following added:

Commencing July 1, 2009, base rent shall be \$2,630.34 per month plus Washington State Leasehold Excise Tax, currently 12.84%, for the term of July 1, 2009 to June 30, 2010, for a new total monthly payment of \$2,968.08. If options are exercised, the monthly base rent shall be increased annually by the CPI. The base Consumer Price Index (CPI) used for rent adjustments shall be for the month of December 2009, All Urban Consumer (CPI-U) in the Seattle/Everett Urban Area, all items, issued by the Bureau of Labor Statistics of the US Department of Labor.

4. Paragraph 1, LEASE SUMMARY, subparagraph SURETY shall be amended as follows:

Effective July 1, 2009, Surety amount is three (3) times the monthly rent plus Washington State Leasehold Excise Tax and shall be \$8,904.24. Surety to be adjusted annually based on rental adjustments as outlined above.

THE REST AND REMAINDER OF THE LEASE shall remain in full force and effect, and is affirmed and ratified by the signatures of the parties.

THE EFFECTIVE DATE of this Lease Amendment No. 5 is July 1, 2009.

**LESSOR:
PORT OF OLYMPIA**

By: _____
E.B. Galligan
Its: Executive Director

**TENANT:
INTEL CORPORATION**

By: _____
Print: **Marcelo A. Romano**
Its: Global Real Estate Manager

