

Yellowstone County



COMMISSIONERS
(406) 256-2701
(406) 256-2777 (FAX)

P.O. Box 35000
Billings, MT 59107-5000
bocc@yellowstonecountymt.gov

January 28, 2025

City of Billings
Attn: Mr. Chris Kukulski, City Administrator
210 North 27th Street
Billings, MT 59101

Dear Mr. Kukulski:

Enclosed with this letter you will find an Addendum to Lease Agreement for the space we currently rent from the City at the Stillwater Building. It has been executed by the Board of County Commissioners. Along with this addendum, we are enclosing a copy of the correspondence forwarded to you on November 19, 2024 in which we formally declined our three-year option to extend the lease and referenced our desire to come to a short-term lease arrangement with the City.

The attached addendum follows the terms that our OMB Director suggested to you at a breakfast meeting late last year.

There is likely uncertainty over the next five years as to your needs at Stillwater, our court related space needs, and what requirements or decisions made at the state level might have on your operations and ours. Further, we don't believe it is in your or our best interests to consider any long-term arrangement for space until we get closer to the time that the City moves beyond some limitations currently attached to the Stillwater Building.

Our goal is to keep this extension simple and straightforward. As consideration, the City will be given an "early" 3% increase in your lease rate to us that has occurred every January that we have occupied third floor space.

We trust that you will find this addendum acceptable and will forward it to the Billings City Council for final approval.

Sincerely,

BOARD OF COUNTY COMMISSIONERS
YELLOWSTONE COUNTY, MONTANA



Mark Morse, Chair



Michael J. Waters, Member



John Ostlund, Member

ADDENDUM TO LEASE AGREEMENT

The Agreement dated January 23, 2018, between WC COMMERCIAL, LLC (WC), lessor, and YELLOWSTONE COUNTY (COUNTY) a political subdivision of the State of Montana, lessee, is amended by agreement of the parties by this Addendum. The City of Billings (City) subsequently purchased the building. As part of that transaction, WC assigned its lease rights to the City. There is no other agreement between the parties outside of the original Agreement and this Addendum with regards to the building.

References in this Agreement to the Contract are to the Contract as previously amended or varied.

IN CONSIDERATION OF the Parties agreeing to amend their obligations in the existing Contract, and other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree to keep, perform, and fulfill the promises, conditions, and agreements below:

1. The Contract is amended as follows:
 - a. The County declines the 3-year option, as communicated in writing to the City by the Board of County Commissioners on November 19, 2024.
 - b. The City shall allow the County, at the County's sole discretion to continue to lease the premises on a month-to-month basis, beginning May 23, 2025 for a term of up to 12 months to May 22, 2026.
 - c. The County will give the City a 90-day notice of intent to vacate and terminate, should it determine that it will not exercise the full term of this extension.
 - d. In exchange, the County will pay an additional 3% to the monthly rate at the end of the 7-year lease term, ending on May 22, 2025, as compensation to the City.
2. Except as otherwise expressly provided in this Agreement, all of the terms and conditions of the Contract remain unchanged and in full force and effect.

IN WITNESS WHEREOF the Parties have duly affixed their signatures on this 21 day of

January, 2025.

YELLOWSTONE COUNTY BY AND THROUGH
ITS BOARD OF COUNTY COMMISSIONERS

hm

Mark Morse, Chairperson

Michael J. Waters

Michael J. Waters, Member

John Ostlund

John Ostlund, Member

Attest:

Jeff Martin

Jeff Martin
Yellowstone County Clerk and Recorder

CITY OF BILLINGS

Authorized Agent of City of Billings

Yellowstone County



COMMISSIONERS
(406) 256-2701
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November 19, 2024

City of Billings
Attn: Mr. Chris Kukulski, City Administrator
210 North 27th Street
Billings, MT 59101

Dear Mr. Kukulski:


Please be advised that Yellowstone County will not be exercising the three-year renewal option on its space at the Stillwater Building in May of 2025. Our 2018 lease with WC Commercial, assumed by the City upon its purchase of the building on October 15, 2021 requests notification of intent at least 180 days prior to the expiration of said lease on May 22, 2025.

While the language in the lease only applies to the County exercising the option, the Board of County Commissioners seeks to state our decision not to exercise the option for clarity of intent. Further, the County desires to negotiate a short-term extension of the lease to accommodate our need for the leased space until our remodeled County Administration Building, located at 2825 3rd Avenue North, is ready for occupancy at or near the end of 2025.

It is our opinion that by the end of a short-term extension, the County will have more certainty as to our longer-term space needs, the costs of our remodel of the County Administration Building, the remodel of the Courthouse to allow for court related growth well into the future, along with being able to fully assess how 2025 legislative changes may impact our finances into the future.

Sincerely,

BOARD OF COUNTY COMMISSIONERS
YELLOWSTONE COUNTY, MONTANA


John Ostlund, Chair


Mark Morse, Member


Donald W. Jones, Member

Cc: Mr. Kevin Iffland, Assistant City Administrator
Ms. Jessica Iverson, City Facilities Manager
Mr. John Caterino, City Facilities Superintendent