



Memorandum

Date: 4/15/2025
Meeting of: City Council

File No. AM No. 25-060
Type: Consent Item

TO: Members of the City Council
FROM: Mayor Angela Birney
DEPARTMENT DIRECTOR CONTACT(S):

Planning and Community Development	Carol Helland	425-556-2107
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DEPARTMENT STAFF:

N/A	N/A	N/A
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TITLE:

Approval of the City of Redmond and PPF AMLI Redmond Way LLC Lease Termination Agreement

OVERVIEW STATEMENT:

On February 6, 2024, the City Council authorized Mayor Birney to transfer property to Plymouth Housing for the purpose of constructing 100 units of permanent supportive housing at 16725 Cleveland Street. The Cleveland property had been leased to AMLI to facilitate construction staging for their project located immediately to the east. The AMLI project has now progressed to a point that the construction staging and haul route/fire lane can now be accommodated on areas of the Redmond Central Connector (RCC) that were permitted to be used for that purpose when their project was entitled in 2023.

Staff are requesting the City Council to approve termination of the lease on the Cleveland property to facilitate final transfer to Plymouth Housing free of encumbrance by the AMLI lease. The City Council approved of the Cleveland property lease agreement on October 17, 2023. Termination prior to the December 31, 2025, expiration date of the lease also requires Council action. The Lease Termination Agreement and associated Exhibits are included as Attachment A.

☐ **Additional Background Information/Description of Proposal Attached**

REQUESTED ACTION:

☐ **Receive Information** ☐ **Provide Direction** ☒ **Approve**

REQUEST RATIONALE:

- **Relevant Plans/Policies:**
N/A
- **Required:**
RCW 35A.11.010 Rights, Powers, and Privileges - provides the authority for the City Council to enter into and terminate lease agreements.

- **Council Request:**

The lease termination is necessary to facilitate transfer of the Cleveland property to Plymouth Housing consistent with prior Council direction.

- **Other Key Facts:**

N/A

OUTCOMES:

Termination of the AMLI lease on the Cleveland property will facilitate property transfer to Plymouth Housing. Plymouth Housing is seeking to finalize closing documents before the end of April and are planning to begin construction as soon as a final decision is issued on the required project permit which is anticipated to occur in mid-April.

COMMUNITY/STAKEHOLDER OUTREACH AND INVOLVEMENT:

- **Timeline (previous or planned):**

N/A

- **Outreach Methods and Results:**

N/A

- **Feedback Summary:**

N/A

BUDGET IMPACT:

Total Cost:

Early termination of the lease between the City and AMLI will result in the City foregoing \$32,000 in lease revenue.

Approved in current biennial budget:

☐ Yes

☐ No

☒ N/A

Budget Offer Number:

N/A

Budget Priority:

N/A

Other budget impacts or additional costs:

☐ Yes

☐ No

☒ N/A

If yes, explain:

Funding source(s):

N/A

Budget/Funding Constraints:

The AMLI lease provided the City with revenue from a property that was otherwise vacant in the near term. Proceeds from this lease were deposited in the real property fund. Terminating the lease early will help advance the housing variety goals of the Community Strategic Plan and the Housing Action Plan and achieve the affordable housing need that has been assigned to the City.

☐ **Additional budget details attached**

COUNCIL REVIEW:

Previous Contact(s)

Date	Meeting	Requested Action
10/10/2023	Committee of the Whole - Finance, Administration, and Communications	Approve
10/17/2023	Business Meeting	Approve
4/1/2025	Committee of the Whole - Planning and Public Works	Provide Direction

Proposed Upcoming Contact(s)

Date	Meeting	Requested Action
N/A	None proposed at this time	N/A

Time Constraints:

Plymouth Housing is seeking to complete closing on the Cleveland Property by April 22, 2025.

ANTICIPATED RESULT IF NOT APPROVED:

Failure to approve the lease termination agreement would delay Plymouth Housing from closing on the property transfer until the AMLI lease expires in December 2025. This would delay the start of construction and jeopardize funding commitments made on the Redmond Permanent Supportive Housing project on the Cleveland Property.

ATTACHMENTS:

Attachment A: Lease Termination Agreement