



## Memorandum

**Date:** 5/20/2025  
**Meeting of:** City Council

**File No.** AM No. 25-076  
**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
Parks	Loreen Hamilton	425-556-2336

**DEPARTMENT STAFF:**

Planning and Community Development	Seraphie Allen	Deputy Director
Parks	David Tuchek	Deputy Director
Planning and Community Development	Philly Marsh	Economic Development Manager
Finance	David Amble	Real Property Manager

**TITLE:**

Approval of a Memorandum of Understanding with Bellwether Housing For Acquisition of Commercial Property

**OVERVIEW STATEMENT:**

The City of Redmond is seeking to enter into a memorandum of understanding (MOU) with Bellwether Housing for the acquisition of a commercial property on the ground floor of the Prisma affordable housing project. This project is located adjacent to the Overlake light rail station and will contain two additional commercial spaces and 328 affordable housing units. Funds for the purchase have been identified within the City's Capital Improvement Program and City staff have applied for federal and state grants to support the acquisition and tenant improvements.

Parcel 644895-0020 is a 2.4 acre property situated south and adjacent to the Sound Transit's 2 Line Overlake Village Station. It is currently owned by Sound Transit, but in the process of being sold to Bellwether Housing. The development of the site includes commercially lease or owned space on the ground floor. Bellwether Housing and the City of Redmond Planning & Community Development and Parks Departments have engaged in discussions about the sale of a 1,600 sf unit in the building to the City, for the purposes of establishing a Small Business Support Center and City-Hall annex, where business and residents can receive services in the Overlake Neighborhood.

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

ATTACHMENT A includes the draft MOU and an exhibit showing the location of the unit that is proposed for purchase. In addition to the final purchase price that will be negotiated, the City will be a member of the building's condominium association.

**REQUESTED ACTION:**

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

**REQUEST RATIONALE:**

- **Relevant Plans/Policies:**

Parks, Arts, Recreation, Culture, and Conservation (PARCC) Plan

Economic Development Strategic Plan:

- Action 1B.3. Serve as a liaison to advocate for local business needs to the City of Redmond internal departments and regional partners.
- Action 2A.1. Expand small business engagement to further develop and communicate policies and programs aimed at assisting small- and mid-sized businesses in Redmond.
- Action 2A.1. Expand small business engagement to further develop and communicate policies and programs aimed at assisting small- and mid-sized businesses in Redmond.
- Develop a multilingual small business toolkit, including handbooks on starting a business and associated tax, legal, and permit requirements in Redmond and King County.
- Work with partners to create a one-stop resource for entrepreneurs to learn about business assistance resources and programs including advising on access to financial support.

- **Required:**

N/A

- **Council Request:**

N/A

- **Other Key Facts:**

N/A

**OUTCOMES:**

Approval of this MOU allows the City and Bellwether Housing to begin negotiations on a Purchase and Sale Agreement, which will come before the council for approval in Q3 2025.

**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:**

\$618,000.00

Purchase Price - \$475,350

Tenant improvements (est.) - \$142,650

Approved in current biennial budget: ☒ Yes ☐ No ☐ N/A

Budget Offer Number:  
0000345 General Government/Facilities CIP

Budget Priority:  
Vibrant and Connected

Other budget impacts or additional costs: ☒ Yes ☐ No ☐ N/A

***If yes, explain:***

The City is estimating responsibility for annual maintenance fees, currently scheduled at \$6,551.00 per year starting in 2028.

If and when major maintenance actions are required to protect the integrity of the building, the Condominium Association will be expected to issue special assessments (fees) to the condominium owners.

Funding source(s):  
CIP and Grants

Budget/Funding Constraints:  
N/A

☐ Additional budget details attached

**COUNCIL REVIEW:**

**Previous Contact(s)**

Date	Meeting	Requested Action
05/06/2025	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:**

Bellwether Housing is working towards a June application to the Washington State Housing Finance Commission - WSHFC require Bellwether to show commitments of financial sources. The lack of an MOU impacts Bellwether's critical path to receive the tax credit finance allocation to close on the project. It would also impact the City's ability to purchase the space.

**ANTICIPATED RESULT IF NOT APPROVED:**

If not approved, the City of Redmond would be unable to move forward in purchasing the commercial space within the Prisma project and Bellwether Housing would take on additional costs threatening the viability of the overall project.

**ATTACHMENTS:**

Attachment A - MOU with Bellwether Housing for Commercial Property