



MEMO TO: Members of the City Council

FROM: Mayor John Marchione

DATE: June 6, 2017

SUBJECT: Approval of the Community Center Transition Plan and Associated Costs and Authorize Mayor to Sign a Lease Agreement with Lake Washington Institute of Technology for the Redmond Campus as an Interim Community Center

I. RECOMMENDED ACTION

Approve of the transition plan and associated costs of Old Redmond Schoolhouse Community Center programs, rentals, and staff re-locations; and authorize the Mayor to sign a two-year lease agreement with Lake Washington Institute of Technology for the Redmond Campus as an Interim Community Center effective December 1, 2017.

II. DEPARTMENT CONTACTS

Maxine Whattam, Director of Parks and Recreation	425-556-2310
Rachel Van Winkle, Deputy Director of Parks and Recreation	425-556-2334

III. DESCRIPTION/BACKGROUND

The City of Redmond Parks and Recreation and Lake Washington School District (LWSD) have a long-term partnership for joint use of facilities. This partnership supports a vibrant selection of programs, classes, and opportunities for youth to be healthy and connected to the community through recreation, art, and social gathering. Both the Lake Washington School District and Redmond Parks and Recreation are committed to continuing and growing their partnership related to programs and space/facility use. As part of the Lake Washington School District's long-term facilities planning, the Old Redmond Schoolhouse Community Center (ORSCC) will be remodeled for district preschool programs, which service special needs and low-income families. The renovated school will include 10 preschool classrooms, a gym and commons area. The current lease agreement between the City of Redmond and the District will expire in June 2018 to allow time for renovations. The City and the District are working together as use of the ORSCC) changes. In addition, the Parks and Recreation Team has developed this Transition Plan in coordination with Finance, Information Services, Communications, Public Works and the community and user groups.

The key interim solution for transitioning out of the ORSCC is a partnership with the Lake Washington Institute of Technology (LWIT). The use of the LWIT Redmond campus as

a community center will continue the use of a public facility and demonstrates a strong public-public partnership in our community.

During the short-term transition time, recreation programs at ORSCC will be relocated to the Redmond Senior Center, Teen Center, LWSD schools, and leased space at the Lake Washington Institute of Technology, Redmond Campus. This proposal includes an initial two-year lease from December 1, 2017, through December 1, 2019. The lease has the option to renew for three, one-year terms.

The City of Redmond has been in the process of developing a long-term plan for City Parks and Recreation facilities over the past several years. The City recently completed extensive community outreach regarding the future of Redmond's Community Centers and a stakeholder group presented recommendations to City Council on April 11, 2017. The priorities include provide aquatics, fitness, community gathering places, and spaces for recreation and cultural arts classes, and flexible spaces for cultural arts and community events. The City will continue to explore options to address these needs.

IV. PREVIOUS DISCUSSIONS HELD

April 18, 2017 Staff Report- City Council Business Meeting
May 2, 2017 Parks and Human Services Committee
May 9, 2017- City Council Study Session

V. IMPACT

A. Service/Delivery:

Data gathering through the Redmond Community Center's outreach effort in 2016-2017 reflected a need and desire from the community for continuity of service during the short-term until long-term solutions were available.

ORSCC is a fully operating community center at 41,000 square feet. This building includes 12 classrooms, a gymnasium and auditorium, fitness room, clay studio and dedicated tenant space. The City will provide continuity of service by maximizing current space at the Redmond Senior Center and Redmond Old Firehouse Teen Center, maintaining access to spaces at Lake Washington District schools through the interlocal agreement and leasing the Redmond Lake Washington Institute of Technology (LWIT) building. LWIT is 20,000 square feet and has seven classrooms and a tiered lecture classroom. The transition plan includes a strategies that a focuses on continuity of service comprehensively, re-homing programming, and being efficient with spaces and resources.

B. Fiscal Note:

Currently, the City of Redmond pays \$1000 per year for the lease of the Old Redmond School House Community Center with an additional investment of over

\$4 million in capital upgrades over the past 20 years. Due to the condition of the building significant financial resources (over \$5 million) would be required to continue operate the community center due to numerous systems such as boiler and HVAC systems and seismic updates that will need to be addressed in the near term.

The Transition Plan costs include some small-scale modifications to the community centers, furniture, fixtures, and equipment that are estimated at \$550,000. The building modifications at the Redmond Senior Center, Teen Center, and LWIT will meet our programming needs, foster a more dynamic community, and utilize resources effectively.

A five-year pro forma has been developed by the Finance and Parks Departments for the lease space at LWIT. Lease costs are \$450,000 per year for the first two years, then \$500,000 per year.

The typical maintenance costs for ORSCC are approximately \$185,000 per year and the projected maintenance costs for LWIT are \$169,500, which are comparable.

Staff recommends that the transition costs and lease costs be supported through the Real Estate Excise Tax collections received in 2016 over forecasted amounts. The 2019 and future lease revenue sources will be determined in the next budget cycle. Lease terms are in two-year increments.

Transition Plan Costs

Description	Cost Estimate
Teen Center Modifications	\$60,000
Senior Center Modifications	\$70,000
Farrel-McWhirter Farm Modifications	\$15,000
Decommissioning ORSCC	\$40,000
Moving from ORSCC to Senior Center, Teen Center, Farrel-McWhirter, and LWIT	\$30,000
Preparation of LWIT for occupancy	\$260,000
SUBTOTAL	\$475,000
Sales Tax	\$47,500
SUBTOTAL	\$522,500
Contingency	\$75,000
TOTAL	\$550,000

A summary of all the projected expenses are as follows:

Description	Approved 2017-2018 Budget	Requested Budget for 2017- 2019
2017-2019 Lease of LWIT (\$37,500 per month for 24 months)		\$900,000
Transition Costs (one time)		\$550,000
Maintenance Costs for LWIT	\$169,500	\$169,500
TOTALS	\$169,500	\$1,619,500

In June, a fees and charges study will launch to identify strategies for cost recovery, program and service, subsidy levels and the development of a sustainable financial strategy for Parks and Recreation programs and service delivery to the community. The cost of the temporary facilities as well as the impact of a more permanent solution will be analyzed as part of the study.

VI. ALTERNATIVES TO STAFF RECOMMENDATION

Reduce recreation levels of service in absence of space at the ORSCC or alternative leased space, such as LWIT. The current level of service at ORSCC includes 743 programs, 5,300 participants and 170,000 hours of city programming, and 3,500 rental bookings for community use, totaling about \$1 million of revenue annually.

VII. TIME CONSTRAINTS

Due to the timeframe for registration of programs and renters need for communicating to their organizations; staff recommends that modifications be made to the Redmond Senior Center and Teen Center in June 2017 to accommodate more programming. The transition of programs and staff to the Senior Center and Teen Center is proposed to occur by fall 2017 for a smooth transition. This will allow for time to provide marketing support for the transition and identify any facility operational issues.

LWIT is available now, staff recommends relocating in December 2017. This will allow for time for decommissioning of ORSCC and commissioning of the Lake Washington Institute of technology facility for programming, marketing and outreach to the community in preparation for the full implementation of programs and services starting in the first quarter of 2018. Staff recommends transitioning before the start of winter programs, which is less busy than transitioning before summer programs and summer camps.

VIII. LIST OF ATTACHMENTS

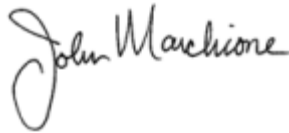
Attachment A: Lease Agreement for Lake Washington Institute of Technology Redmond Campus

Attachment B: Furniture Inventory

Attachment C: LWIT Floor Plan



Maxine Whattam, Director of Parks and Recreation



Approved for Agenda _____
John Marchione, Mayor