Legislation Text

File #: CM 20-339, **Version:** 1

TO: Committee of the Whole - Finance, Administration, and Communications
FROM: Mayor Angela Birney

DEPARTMENT DIRECTOR CONTACT(S):

Parks	Carrie Hite	425-556-2326

DEPARTMENT STAFF:

Parks	Jeff Hagen	Recreation Manager

TITLE:
Old Redmond Schoolhouse (ORSH) Amended Lease Agreement

OVERVIEW STATEMENT:
In April 2019, the City Council approved a 5-year lease agreement (contract 8654) with the Lake Washington School District allowing the city access to 9,785 sf of the Old Redmond Schoolhouse. This was to be effective September 2019. Due to construction delays, access to the Old Redmond Schoolhouse was delayed. Access to the ORSH will be available January 1, 2021, and an amendment to the term of the lease agreement is required to access this space.

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

REQUESTED ACTION:

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

REQUEST RATIONALE:

- **Relevant Plans/Policies:**
  Parks, Arts & Culture, Recreation, and Conservation Plan (PARCC)
  Community Priorities for the Future of Redmond's Community Centers (2017)
  Cost of Service and Cost Recovery Methodology Report (2017)
- **Required:**
  - RCW 39.34 (Interlocal Cooperation Act) authorizes the City and LWSD to enter into agreements with each other.
  - City of Redmond internal purchasing policy (Section V. Authority) and Resolution No. 1503.
- **Council Request:**
  N/A
- **Other Key Facts:**
  With the Old Redmond Schoolhouse not being cleared for occupancy in September 2019, we needed to amend the lease with the new start date. The amended lease will now commence in January 2021 and extend for a 5-

year term from the amended start date. There are no other changes to the agreement.

OUTCOMES:

Recreation space within the City of Redmond is at an all-time low with just 28,600 sf, and no gym space. The City Council approved the lease agreement with Lake Washington School District adding 9,785 sf including a gymnasium for recreation space. Through the lease agreement, the Old Redmond Schoolhouse will maintain youth and adult sports programming and maintain a home for Redmond non-profits with a shared vision, such as the Redmond Historical Society. This lease allows for recreational program growth for Redmond low income pre-school families. The provision of the gymnasium space grants the only full access the City of Redmond has for day-time programs, adult programs, and events.

COMMUNITY/STAKEHOLDER OUTREACH AND INVOLVEMENT:

- **Timeline (previous or planned):**
  2016-2018
- **Outreach Methods and Results:**
  In 2016, the City Council directed staff to conduct a broad-scale community involvement initiative to learn the community's priorities for the future of Redmond's Community Centers. The stakeholder group was comprised of more than 40 people that represented a variety of recreational, aquatics, and cultural arts interests. Through a variety of outreach methods (Community Conversations, Online Polling, Phone Survey, Intercept Survey, Focus Groups, and a dedicated marketing campaign), the team reached nearly 28,000 people.

  In 2019-2020, the City has been engaged in additional stakeholder input for the future of Redmond's community spaces. The ORSH space is identified as integral to a system of recreational and community spaces to serve Redmond citizens.

- **Feedback Summary:**
  Urgency: Within five years, provide community center(s) to meet Redmond's most urgent needs
  - Spaces: Meet Redmond's needs for priority spaces, including:
    - Aquatics and fitness
    - Flexible spaces for cultural arts and events
    - Flexible community spaces for meetings, classes, and gatherings
  - Partnerships: Explore a variety of partnership models
  - Location: Locate future community center(s) in Downtown and the Marymoor subarea of Southeast Redmond
  - Funding: Develop a funding package that leverages funding from a variety of sources, such as city funds, grants, private contributions, and partnerships
  - Community Engagement: Continue strong communications about progress and engage the community in interim decisions throughout the process

BUDGET IMPACT:

Total Cost:
First-year rental of $25,000.00,
Second year rental of $28,750.00,
Third-year rental of $32,500.00,
Fourth year rental of $36,250.00, and

Fifth-year rental of $40,000.00
The annual rent amount will also be adjusted each year based on the CPI for the Greater Seattle Area. The rent for the first year is due within twenty (20) days of the effective date of this Lease and all subsequent annual payments are due on the anniversary date of this Lease.

The city intends to enter a sub-lease agreement with Redmond Historical Society (RHS) for one of the flexible spaces at the ORSH.

Rates for RHS will be:
First Year $2,768.00,
Second year rental of $3,128.00,
Third-year rental of $3,490.00, and
Fourth year rental of $3,850.00 dollars.

The annual rental rate will also be adjusted each year based on the CPI for the Greater Seattle Area.

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

Budget Offer Number:
2019-2020 Biennial Budget Offer #000055 Recreation Creates Community/2021-2022 Community Recreation #000217

Budget Priority:
2019-2020-Diverse and Connected Community/2021-2022 Healthy and Sustainable

Other budget impacts or additional costs: ☐ **Yes** ☐ **No** ☒ **N/A**
If yes, explain:
N/A

Funding source(s):
General Fund

Budget/Funding Constraints:
The amended lease would begin January 1, 2021

☐ **Additional budget details attached**

COUNCIL REVIEW:

Previous Contact(s)

Date	Meeting	Requested Action
N/A	Item has not been presented to Council	N/A

Proposed Upcoming Contact(s)

Date	Meeting	Requested Action
12/1/2020	Business Meeting	Approve

Time Constraints:
The Parks and Recreation Department is planning to offer limited recreation programs and services utilizing the Old Redmond Schoolhouse in January 2021. The Redmond Historical Society would like to sub lease one of the flexible spaces beginning January 2021. The amended lease as written is effective
January 1, 2021.

ANTICIPATED RESULT IF NOT APPROVED:
Not entering into the amended Old Redmond Schoolhouse Lease Agreement with the Lake Washington School District would reduce our level of service for youth and adult recreation programs and services. It would furthermore impact space for non-profit partners such as the Redmond Historical Society.

ATTACHMENTS:
Attachment A: ORSH Amended Lease Agreement - 2020
Attachment B: ORSH Lease Agreement - 2019
Attachment C: ORSH First Floor Diagram