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## Finance Committee

### Budget Snapshot: City-owned Buildings and Operating Lease Agreements

**Agenda Date:** 7/31/2018

**Agenda Item Number:** 6.A

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**Type:** information **Version:** 1 **Status:** Filed

#### **Title**

Budget Snapshot: City-owned Buildings and Operating Lease Agreements

#### **Recommended Action**

#### **Committee Recommendation:**

Not referred to a committee.

#### **City Manager Recommendation:**

Receive a briefing on City-owned buildings and operating lease agreements. No action requested.

#### **Report**

#### **Issue:**

Whether to receive a briefing on City-owned buildings and operating lease agreements.

#### **Staff Contact:**

Meliss Maxfield, General Services Director, Public Works, 360.753.8202

#### **Presenter(s):**

Meliss Maxfield, General Services Director, Public Works

#### **Background and Analysis:**

An operating lease agreement is an agreement allowing lessees the use of property for a specific period, but the ownership of the property remains with the City.

The City currently has four operating lease agreements: (1) Family Support Center, (2) Hands on Children's Museum, (3) Olympia Timberland Library and (4) The Washington Center for the Performing Arts. The terms associated with these agreements are long-term (20 to 25 years), providing stability for both the City and the tenants. Rent is not collected, with the exception of one location, and it is very nominal.

Roles and responsibilities with each of the tenants vary somewhat because of the nature of the operations of the tenant. Typically the City is responsible for the exterior of the building and footprint. The City is also generally responsible for maintaining and repairing major mechanical and electrical systems. The tenant generally maintains the interior, takes care of the day-to-day operational needs,

does general maintenance, and pays utility costs.

Staff will present information on the existing operating lease agreements, including lease terms and conditions, as they relate to each agreement.

**Neighborhood/Community Interests (if known):**

N/A

**Options:**

Informational only.

**Financial Impact:**

N/A

**Attachments:**

Lease Agreements Matrix