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City Council

Approval of a Resolution Authorizing a Lease Early Termination Agreement for 2828 Martin Way E

Agenda Date: 12/18/2018
Agenda Item Number: 4.H
File Number: 18-1212

Type: resolution **Version:** 2 **Status:** Passed

Title

Approval of a Resolution Authorizing a Lease Early Termination Agreement for 2828 Martin Way E

Recommended Action

Committee Recommendation:

Not referred to a committee.

City Manager Recommendation:

Move to approve a resolution authorizing a Lease Early Termination Agreement for 2828 Martin Way E.

Report

Issue:

Whether to approve a resolution authorizing a Lease Early Termination Agreement for 2828 Martin Way E.

Staff Contact:

Mike Reid, Economic Development Director, Community Planning and Development, 360.753.8591

Presenter(s):

None - Consent Calendar Item.

Background and Analysis:

The City closed on the 2828 Martin Way purchase on October 22, 2018. As part of the closing the City became the lessor in an existing lease attached with the building on the property. The existing lease expires on August 31, 2020. The site was purchased with the expressed intent to be used for the development of permanent supportive housing consistent with the Home Fund Program. It is desirable to have the lease terminate early and the tenant vacate as the city's intention for the property is not a private commercial lease with the existing tenant. The early lease termination agreement provides financial considerations in the amount of \$52,825 to the existing tenant for business interruption, moving expense, and other incidental expenses associated with early termination and relocation. Additionally the tenant shall pay no rent for the months of November and December 2018, and January, February, and March 2019. The considerations are provided in

exchange that the tenant agrees to an early termination of the lease and to vacate the premises by March 31, 2019.

Neighborhood/Community Interests (if known):

City has continued to have stakeholder outreach with the surrounding neighborhood and properties about the future development of the property. Early lease termination with the tenant has remained a part of the dialogue since acquisition of the property was first presented to council.

Options:

1. Approve the resolution authorizing early lease termination for 2828 Martin Way.
2. Do not approve the resolution authorizing early lease termination for 2828 Martin Way.

Financial Impact:

Funding for the acquisition and related costs for 2828 Martin Way were approved as part of an interfund loan on July 24, 2018, staff report 18-0708.

Attachments:

Resolution
Lease Early Termination Agreement