



City Council

Approval of a Resolution Authorizing Amendment No. 1 to a Rental Agreement Between the City of Olympia and South Puget Sound Community College for Property Located at 112 4th Avenue West

Agenda Date: 6/8/2021
Agenda Item Number: 4.H
File Number:21-0568

Type: resolution **Version:** 1 **Status:** Passed

Title

Approval of a Resolution Authorizing Amendment No. 1 to a Rental Agreement Between the City of Olympia and South Puget Sound Community College for Property Located at 112 4th Avenue West

Recommended Action

Committee Recommendation:

Not referred to a committee.

City Manager Recommendation:

Move to approve a resolution authorizing amendment no. 1 of the lease of the City-owned property located at 112 4th Avenue W to South Puget Sound Community College and authorizing the City Manager to execute all necessary documents.

Report

Issue:

Whether to approve a resolution authorizing the amendment of the lease of the property located at 112 4th Avenue W to South Puget Sound Community College.

Staff Contact:

Mike Reid, Economic Development Director, 360.480.9167

Presenter(s):

None - Consent Calendar Item

Background and Analysis:

The proposed amendment is an extension of the length of the term only. This amendment would extend the lease for an additional year.

On April 16, 2019, the City of Olympia entered into a lease agreement with South Puget Sound Community College (SPSCC) for use of the City-owned property at 112 4th Ave W. That rental

agreement was effective for one year and was re-instituted on June 10, 2020 for one year with the term that it could be “extended for additional one year terms upon mutual written agreement”.

As rent, SPSCC agrees to operate a workforce development and education program (“program services”) onsite associated with culinary/catering, craft brewing and distilling. The space will also be used as a location to showcase the College’s fine arts programs. Provision of the program services is in lieu of monetary rent. SPSCC agrees to provide the City of Olympia with a written annual report summarizing its provision of program services.

On September 25, 2018, the Olympia City Council authorized the acquisition of real property located at 112 4th Ave W (the Property) to be used to support mixed use development including commercial, residential, civic use and structured parking. Recognizing that an extended period of time will be required to accomplish the necessary public process to determine the elements of the contemplated future development, staff recommends the property at 112 4th Ave W be leased on a year-to-year basis to SPSCC.

The lease to SPSCC is directly supported by the following City of Olympia Comprehensive Plan Goals:

PE6.7 - Collaborate with The Evergreen State College, St. Martin’s University and South Puget Sound Community College on their efforts to educate students in skills that will be needed in the future, to contribute to our community’s cultural life and attract new residents.

PE6.8 - Encourage the Evergreen State College, St. Martin’s University and South Puget Sound Community College to establish a physical presence in downtown.

Neighborhood/Community Interests (if known):

This effort is consistent with the Comprehensive Plan and Downtown Strategy, which both had significant amount of community interest and involvement.

Options:

1. Approve the resolution authorizing amendment no. 1 to a lease of 112 4th Avenue W to South Puget Sound Community College, authorizing the City Manager to execute all documents necessary.
2. Do not approve the resolution authorizing amendment no. 1 to a lease of 112 4th Avenue W to the South Puget Sound Community College. This will mean the property will become vacant unless leased to another organization or company, or until the City develops and implements its long-term vision for the Property.
3. Consider the resolution authorizing amendment no. 1 to a lease of 112 4th Avenue W to the South Puget Sound Community College at another time.

Financial Impact:

The lessee shall be responsible for utilities, real estate taxes, maintenance and upkeep of the structures and landscaping upon the property. The proposed Lease Agreement provides for the lessee to insure the premises and to add the City as an additional insured. A lease will save the City the expense of maintaining and monitoring the Property while the City determines its future use.

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Attachments:

Resolution
Agreement