

CITY COUNCIL REGULAR SESSION

Resolution authorizing execution of a three-year extension of the Lease Agreement between Kimschott Factoria Mall, LLC, and the City of Bellevue for the Bellevue Police Community Substation at Factoria Mall.

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Police Department

EXECUTIVE SUMMARY

The police substation lease at Factoria Mall is scheduled to expire on July 31. This Amendment extends the existing lease for a three-year period from August 1, 2023, through July 31, 2026.

RECOMMENDATION

Move to adopt Resolution No. 10278

BACKGROUND/ANALYSIS

The goal of neighborhood police substations is to decentralize police operations into neighborhoods where officers can be more accessible to the surrounding communities. The visible presence of these small police facilities creates an atmosphere of neighborhood ownership. To address this goal, the City has occupied a substation in Factoria Mall since 1997.

The most recent lease for the Factoria Substation was executed between the City and the landlord, Kimschott Factoria Mall, LLC in August 2016, with a five-year term. Following discussions with the landlord, the parties agreed to extend the lease for a two-year period from August 1, 2021, through July 31, 2023 with no rent increase, and now for an additional three years, from August 1, 2023 to July 31, 2026 on the same terms as the prior lease, but with 3 percent annual rent increase.

Staff from the Police Department and Finance and Asset Management have reviewed the proposed lease amendment and consider the terms of the proposed lease to be a fair arrangement.

POLICY & FISCAL IMPACTS

Policy Impact

City Code: Under Bellevue City Code 4.30.020, City Council must approve execution of real property leases that exceed two years in duration. Because this is a three-year extension it requires City Council approval.

Fiscal Impact

Approval of this action will obligate the City to pay \$1,419.36 per month for 1,224 sq. ft. of space, with a 3 percent annual increase through the end of the three-year term. The annual lease costs are included, and sufficient funding exists in the 2023-2024 adopted Police Department operating budget.

OPTIONS

1. Adopt the Resolution authorizing execution of a three-year extension of the Lease Agreement between Kimschott Factoria Mall, LLC, and the City of Bellevue for the Bellevue Police Community Substation at Factoria Mall.
2. Do not adopt the Resolution and provide alternative direction to staff.

ATTACHMENTS

A. Proposed Lease Agreement
Proposed Resolution No. 10278

AVAILABLE IN COUNCIL LIBRARY

N/A