

CITY COUNCIL REGULAR SESSION

Resolution authorizing execution of a ten-year lease agreement with Terranomics Crossroads Associates for a new Mini City Hall space. The current Mini City Hall lease expires on November 30.

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EXECUTIVE SUMMARY

The Mini City Hall lease at Crossroads Shopping Center is scheduled to expire on November 30. This new 10-year lease is for a larger 1,424 sq. ft. facility within the shopping center for a 10-year period commencing in late 2023. This new facility will provide needed space for Mini City Hall and its community partnerships to provide access to City services, culturally competent information and referrals, and client assistance helping vulnerable communities have access to needed human services.

RECOMMENDATION

Move to adopt Resolution No. 10255

BACKGROUND/ANALYSIS

Located in the heart of the diverse Crossroads neighborhood, Mini City Hall opened its doors in 1994 with the mission to provide personalized information referrals and outreach to Bellevue's diverse population in the East Bellevue community. Today, the program is well known as one of the best models on the Eastside for delivering culturally appropriate, linguistically inclusive customer service and building trust with an under-represented population. In 2022, Mini City Hall served 12,000 visitors, more than 60% of whom experienced cultural or language barriers. In total, Mini City Hall handled more than 43,000 requests with 85% of those being human services related.

Mini City Hall currently operates in a 366 sq. ft. facility within the Crossroads Shopping Center under a five-year lease that expires in November. Mini City Hall leverages community partnerships to provide a broad range of human services to serve Bellevue's most vulnerable communities, including English as a secondary language and non-English speaking communities, new immigrants and refugees with cultural barriers and access issues, populations with disabilities and older residents with less technology experience. Examples of the services provided include utility rate and rent relief, health care

access, energy assistance programs, food programs, medical, legal, and financial services, housing, childcare resources, employment assistance, and how to start a business.

Bellevue's Mini City Hall is in the Crossroads neighborhood where 56 percent of households earn less than \$100,000 per year and 59 percent of households speak a language other than English at home. Mini City Hall and its community partners provide services in nine languages including: Mandarin, Cantonese, Spanish, Russian, Ukrainian, Somali, Hindi, Telugu, and English (with interpretation services for 150 languages available over-the-phone). Bellevue's Mini City Hall community partners include King County Library System, Chinese Information Center Family Resource, Statewide Health Insurance Benefits Advisors (SHIBA), Solid Ground, International Community Health Services (ICHHS), India Association of Western Washington (IAWW), and Employment and Entrepreneurship Navigation Program.

Due to space limitations, community partners are currently providing direct client services on a table outside of Mini City Hall in the main shopping center concourse. Space constraints have additionally constricted the ability to offer multiple office hours for different services at the same time, provide direct client services within our existing facility, and add additional City and community partners to broaden access to available services.

The City of Bellevue has leased space at Crossroads Shopping Center since 1994, and last extended the current lease for five-years commencing December 1, 2018. The current rental rate is \$48.40 per sq. ft. or \$17,713.20 per year (366 sq. ft. x \$48.20 = \$17,713.20). If we were to remain in this space, rent would be expected to increase 3% a year to \$20,534 after five years, or an average annual increase of \$557 per year.

The new Mini City Hall space would contain 1,424 sq. ft. at favorable rental rates in comparison to the market rates. Recent negotiations resulted in the City securing a rental rate fixed for the initial five years (2023-2028) at \$22.68 sq. ft. or \$32,292 per year and fixed for the second five years (2028-2033) at \$28.60 per sq. ft. or \$40,726.40 per year. Over the 10-year term, the average rental rate increase is less than 2 percent per year.

POLICY & FISCAL IMPACTS

Policy Impact

Bellevue City Code 4.30.020(B) requires Council approval of leases that exceed two years in duration.

A City Council priority is to establish Bellevue as an Innovative, Vibrant and Caring Community defined by being welcoming, supportive, and demonstrative of caring for people through actions. Mini City Hall specializes in providing culturally competent and linguistically appropriate information and referral services. This action will advance the following policy objectives:

HS-11. Encourage culturally competent service delivery that respects the dignity of individuals and families, and fosters self-determination and self-sufficiency.

HS-14. Support agencies locating human services facilities in Bellevue and, where appropriate, encourage efficiencies through agency collocation and collaboration.

Fiscal Impact

This action obligates the City to a 10-year lease for a 1,424 sq. ft. facility within the Crossroads Shopping Center. Annual rent would be \$32,292 for the first five years, and \$40,726.40 for the second five years. The term of the lease may be extended for two periods of five years each, with a 10 percent increase for each successive five-year period.

The increase in rent will be covered within the 2023-2024 adopted operating budget. Future funding for the remaining years of the lease will be requested in subsequent budget processes. Tenant improvements in the new space were anticipated in the 2023-2029 General Capital Investment Program (CIP) plan within the Mini City Hall Expansion project (CIP Plan No. CD-45). Additionally, the Washington State Legislature allocated five hundred thousand dollars for the Mini City Hall Community Service Center in the 2023-25 state legislative budget.

OPTIONS

1. Adopt the Resolution authorizing execution of a ten-year lease agreement with Terranomics Crossroads Associates for a new Mini City Hall space. The current Mini City Hall lease expires on November 30.
2. Do not adopt Resolution and provide alternative direction to staff.

ATTACHMENTS

- A. CIP Project Description CD-45
Proposed Resolution No. 10255

AVAILABLE IN COUNCIL LIBRARY

Lease Agreement