

June 20, 2016

CITY COUNCIL AGENDA MEMORANDUM

SUBJECT

Resolution authorizing execution of a five-year lease agreement with Delta Business Park, LLC for a Police Department vehicle evidence storage facility, in an amount not to exceed \$166,406.

FISCAL IMPACT

Approving execution of this lease, to be in effect July 1, 2016 through June 30, 2021, will obligate the City to pay \$166,406 (\$33,281.20 per year) over its five-year term. This reflects an increase of 5.9% over the \$157,177 for the previous five-year period, and brings the new rent to current market levels. The annual lease costs are included in the 2017-2018 proposed Police General Fund budget.

STAFF CONTACT

Steve Mylett, Chief of Police, 452-4334

Carl Krikorian, Fiscal Manager, 452-6961

Police Department

Nora Johnson, Director, 452-4167

Mike Murray, Sr. Real Property Agent, 452-6024

Civic Services Department

POLICY CONSIDERATION

Bellevue City Code:

Under Bellevue City Code 4.30.020, the City Council must approve execution of real property leases that exceed one year in duration or \$50,000 per year in cost.

BACKGROUND

The Police Department's Investigations unit requires storage space for vehicles that have been impounded due to forfeiture or criminal investigation. The Department has been leasing a 3,240 square foot storage facility in a rural Eastside location for this purpose since 2005. The new proposed lease continues that use.

Seized vehicles and equipment need protection from theft, vandalism, and weather. When property must be returned to the owner, the City is responsible for returning that item in its original condition. Whether the vehicles require storage because of forfeiture hearings in progress, are evidence in a criminal case, or as part of an accident investigation, they often need to be in a secure Police location for many months. The storage facility has proven to be secure and easily accessible.

The City's Real Property Division conducted a market rent survey of all industrial buildings within a one-mile radius of the subject property to ensure the proposed lease reflects fair market rental value.

The City has also considered other sites, such as City-owned sites. After reviewing a number of factors including potentially significant start-up costs, staff concluded these options were not feasible and continuing to lease the existing facility best served the operational needs. The lease includes a

termination clause allowing the City to terminate without penalty with 90 days written notice in the event conditions change or the space is no longer needed.

EFFECTIVE DATE

If approved, this Resolution becomes effective immediately upon Council adoption.

OPTIONS

1. Adopt Resolution authorizing execution of a five-year lease agreement with Delta Business Park, LLC for a Police Department vehicle evidence storage facility.
2. Do not adopt Resolution and provide alternative direction to staff.

RECOMMENDATION

Option 1.

MOTION

Move to adopt Resolution No. 9114 authorizing execution of a five-year lease agreement with Delta Business Park, LLC for a Police Department vehicle evidence storage facility, in an amount not to exceed \$166,406.

ATTACHMENTS

Proposed Resolution No. 9114

AVAILABLE IN COUNCIL DOCUMENT LIBRARY

Proposed Lease Agreement