



TO: T.C. Broadnax, City Manager
FROM: Kim Bedier, Public Assembly Facilities, Director
Jon Houg, Public Assembly Facilities, Deputy Director
Rich Price, Senior Real Estate Officer, Facilities Management
COPY: City Council and City Clerk
SUBJECT: Resolution - Lease agreement at the GTCTC - February 2, 2016
DATE: January 15, 2016

SUMMARY:

Public Assembly Facilities Department requests City Council to authorize the execution of a lease agreement for the retail space located at the Greater Tacoma Convention & Trade Center (“GTCTC”) with the Tacoma Regional Convention & Visitors Bureau (“TRCVB”) for the purpose of operating a Destination Marketing Office. Monthly gross rent revenue will be \$4,200 for the initial five year term. The agreed leased space equals 2,239 square feet.

STRATEGIC POLICY PRIORITY:

- Cultivate a vibrant cultural sector that fosters a creative, cohesive community.

Approval of this lease will energize a currently under-utilized City space, as well as providing a centralized area for the TRCVB to work for, and with, the public to better market the City of Tacoma as a destination, alongside the Visitor Information Center (“VIC”) and TRCVB deployed convention center sales staff already in place within the GTCTC.

BACKGROUND:

The Greater Tacoma Convention & Trade Center was designed and constructed with Commerce Street retail space, commonly referred to as Room 133. Rental of this space will enhance the operations, services and revenues of the Convention Center.

ISSUE:

Authorizing this lease will allow Public Assembly Facilities to fully utilize the space within the GTCTC that has been without a tenant since 2009 to create a passive income stream to enhance the venue’s operations.

ALTERNATIVES:

The Council could choose to not approve the lease. The City would lose the opportunity to receive additional revenue and partnering with the TRCVB to further enhance tourism opportunities to Tacoma. This space would continue to remain vacant until such time another interested party comes forward, and the maintenance of the space will continue to reside with the City.

RECOMMENDATION:

Public Assembly Facilities Department recommends Council approve the execution of the lease agreement.

FISCAL IMPACT:

The funds from this lease will be deposited into the 4165-CCOP Convention Center Operating Fund.



EXPENDITURES:

FUND NUMBER & FUND NAME *	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
TOTAL			

* General Fund: Include Department

REVENUES:

FUNDING SOURCE	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
Fund 4165-CCOP, Convention Center Operating Fund	890100	6221015	\$252,000.00
TOTAL			\$252,000.00

POTENTIAL POSITION IMPACT:

POSITION TITLE	PERMANENT/ PROJECT TEMPORARY POSITION	FTE IMPACT	POSITION END DATE
TOTAL			

This section should only be completed if a subsequent request will be made to increase or decrease the current position count.

FISCAL IMPACT TO CURRENT BIENNIAL BUDGET: \$50,400.00

ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED? NO

IF EXPENSE IS NOT BUDGETED, PLEASE EXPLAIN HOW THEY ARE TO BE COVERED.