



**TO:** Elizabeth A. Pauli, City Manager  
**FROM:** Susie Rogers, Senior Real Estate Officer, Public Works  
Michael P. Slevin III, P.E., Director, Environmental Services  
**COPY:** City Council and City Clerk  
**SUBJECT:** Resolution - Lease Agreement - University of Washington-Tacoma / Center for Urban Waters  
- January 4, 2021  
**DATE:** December 14, 2021

DS  
GMS

---

**SUMMARY AND PURPOSE:**

A resolution authorizing the execution of a Lease Agreement with the Board of Regents of the University of Washington, for the use of office and laboratory space in the Center for Urban Waters building located at 326 East D Street, for a term of 62 months, with an option to extend for two additional five-year terms.

**BACKGROUND:**

**This Department's Recommendation is Based On:** University of Washington-Tacoma ("UWT") is an existing tenant leasing office and laboratory space in the Center for Urban Waters building, which is owned by the City. Both the City and UWT desire to continue a leasing relationship under a new lease with new terms as the old lease has expired.

**COMMUNITY ENGAGEMENT/ CUSTOMER RESEARCH:**

Lease renewal with UWT will provide operational continuity for both UWT and the City. Not renewing the lease will negatively impact UWT research operations in that UWT will have to cease current operations to find new office and laboratory space.

**2025 STRATEGIC PRIORITIES:**

**Equity and Accessibility:** Limited Impact

Aside from allowing UWT to continue and maintain its higher education and research operations in an area generally relegated to heavy industrial activity, lease renewal will have limited impact on Equity and Accessibility.

**Economy/Workforce:** High Opportunity

Increase the availability of industry-specific education programs to support identified growth sectors.

**Education:** High Opportunity

Increase the number of college students that find employment and remain in Tacoma after post-secondary completion.

Increase the number of adults with post-secondary degrees or certifications.

**Livability:** Moderate Opportunity

Improve exposure to and proximity by residents of diverse income levels and race/ethnicity to community facilities, services, infrastructure, and employment.



**Explain how your legislation will affect the selected indicator(s).**

Legislation approving the new lease will (1) increase the availability of industry-specific education programs as UWT’s current operations at Center for Urban Waters directly aligns with that priority; (2) increase the number of college students that find employment and increase the number of adults with post-secondary degrees and certifications as UWT is a higher education institution that directly aligns with that priority; (3) improve exposure to and proximity of residents of diverse income levels to employment as UWT is listed as a Tacoma Area Major Employer ranked 32<sup>nd</sup> in 2020.

**ALTERNATIVES:**

Alternative(s)	Positive Impact(s)	Negative Impact(s)
Do not approve new lease.	(1) City will have more space to accommodate Environmental Services operations.	(1) UWT research operations may be negatively impacted if alternate comparable laboratory space is unavailable; (2) Goodwill between City and UWT may be impacted; and (3) City will lose lease income.

**EVALUATION AND FOLLOW UP:**

Lease term will be re-evaluated upon lease expiration.

**STAFF/SPONSOR RECOMMENDATION:**

Environmental Services Department recommends authorization for the execution of a new Lease Agreement with the Board of Regents of the University of Washington, for the use of office and laboratory space in the Center for Urban Waters building located at 326 East D Street, for a term of 62 months, with an option to extend for two additional five-year terms., with effective date of July 1, 2021. This will align with several City Strategic Priorities.



**FISCAL IMPACT:**

The new lease will provide the City with lease income.

Fund Number & Name	COST OBJECT (CC/WBS/ORDER)	Cost Element	Total Amount
4300 ES Wastewater Fund	523900	6221015	\$ 1,657,185.74
<b>TOTAL</b>			<b>\$1,657,185.74</b>

**What Funding is being used to support the expense?**

The new lease will provide the City with lease income.

**Are the expenditures and revenues planned and budgeted in this biennium's current budget?**

YES

**Are there financial costs or other impacts of not implementing the legislation?**

YES

**Will the legislation have an ongoing/recurring fiscal impact?**

YES

**Will the legislation change the City's FTE/personnel counts?**

No

**ATTACHMENTS:**

- Lease Agreement with Board of Regents of the University of Washington