

CITY OF BELLEVUE, WASHINGTON

RESOLUTION NO. 8834

A RESOLUTION adopting findings that use of portions of the Lincoln Center north building as an interim startup/incubator facility will further the City's Comprehensive Plan and its Economic Development Plan and will provide public benefits to the City; and authorizing such use.

WHEREAS, the Economic Development Element of the Bellevue Comprehensive Plan has a goal to pursue a strong local economy consistent with a sustainable natural environment and a high quality of life in order to provide:

- Employment and other economic opportunities for residents of Bellevue and the central Puget Sound region;
- Vibrant commercial areas to serve the needs of the city and region; and
- A solid tax base to support local services.

WHEREAS, the Council adopted a new Economic Development Plan on July 7, 2014 that outlines a set of strategies intended to strongly focus the City's economic development efforts under an overarching vision, where: *Bellevue is a prosperous and vibrant international city with innovative and entrepreneurial businesses and a high quality of life for residents*; and

WHEREAS, one of the key strategies of the Economic Development Plan is to *cultivate Bellevue's Next Generation of technology entrepreneurs* to encourage a creative and entrepreneurial environment, where businesses, entrepreneurs, and knowledge workers are at the center of the mix; and

WHEREAS, the Council was provided its first quarterly update on October 13, 2014, on efforts underway to implement the new Bellevue Economic Development Plan, including an opportunity to use space on an interim basis in the City-owned Lincoln Center complex for startups and early stage entrepreneurs; and

WHEREAS, the City purchased the Lincoln Center office complex located on the west side of 116th Avenue NE in 2007 as a land-holding for a variety of potential public uses, including the extension of NE 6th Street; and

WHEREAS, the Lincoln Center office complex is comprised of two buildings: the north building (555 - 116th Avenue NE) and the south building (515 - 116th Avenue NE), and the north building is not well-suited for other potential public uses at this time; and

WHEREAS, the north building is in the path of the preferred Sound Transit East Link light rail alignment, and as a result, its total demolition is anticipated in early 2017; and

WHEREAS, the anticipated demolition of the north building makes it unattractive to traditional businesses, and the City has not been filling the vacancies; and

WHEREAS, Sound Transit has stated that it is not necessary for it to pay relocation assistance to City tenants in the north building who lease property for a defined lease term with no renewal options; and

WHEREAS, at this time, up to 12,000 square feet of the 28,000-square foot north building are unoccupied; and

WHEREAS, this space is comprised of 12 vacant suites that could be used individually or combined to make larger contiguous spaces; and

WHEREAS, while the space remains unoccupied, it is vulnerable to "pre-condemnation blight"; and

WHEREAS, the operation of an interim startup/incubator facility in the north building of the Lincoln Center office complex until the end of 2016 will put otherwise vacant space that is currently unsuitable for other public purposes to productive use; and

WHEREAS, the operation of an interim startup/incubator facility in the north building of the Lincoln Center office complex will further the Economic Development Element of the Bellevue Comprehensive Plan goal of a strong local economy consistent with a sustainable natural environment and a high quality of life in order to provide employment and other economic opportunities, vibrant commercial areas, and a solid tax base; and

WHEREAS, the operation of an interim startup/incubator facility in the north building of the Lincoln Center office complex will further the Economic Development Plan goal of ensuring Bellevue continues to be a prosperous and vibrant international city with innovative and entrepreneurial businesses and a high quality of life for residents; and

WHEREAS, the most cost-effective and efficient use of the north building of the Lincoln Center office complex for the operation of an interim startup/incubator facility is through lease to a private entity providing public benefit in exchange for below-market rent paid to the City; and

WHEREAS, the City will require any potential operator of the Lincoln Center startup/incubator facility to provide the following public benefits to the City:

- Safe, sanitary, and insured use of the premises;

- Payment of rent or a percentage of revenue;
- Marketing/advertisement to attract startup entrepreneurs to Bellevue;
- Programming of activities, events and workshops that attract entrepreneurs to Bellevue;
- Facilitating mentoring, educational and business support services in Bellevue;
- Referrals to existing Bellevue businesses and support services; and

WHEREAS, the City will require any potential operator of the Lincoln Center startup/incubator facility to submit to performance measures on the following goals:

- Attracting local startup entrepreneurs;
- Building quickly to a critical mass in the facility;
- Programming activities and events that attract entrepreneurs;
- Making available mentoring, educational and business support services;
- Connecting with and leverage the business community;
- Helping put Bellevue on the startup map, connecting to the broader startup community on the Eastside and in the Seattle metro area;
- Helping grow the local startup infrastructure;
- Ultimately helping spin off new businesses that grow in Bellevue;
- Evolving into a permanent startup/incubator facility in Bellevue; and

WHEREAS, the City will accept proposals only from potential startup/incubator operators that are qualified under the following review criteria:

- Proven track record in operating startup/incubator space;
- Quality and comprehensiveness of proposed program (square footage, space use, hours of operation, character, events, etc.);
- Feasible proposed timing for occupancy and package of financial considerations (lease rates to City, tenant improvement contributions, etc.);
- Responsiveness to the City's objectives, including ability to provide public benefit and further City's economic development strategies; and now, therefore;

**THE CITY COUNCIL OF THE CITY OF BELLEVUE, WASHINGTON, DOES RESOLVE AS FOLLOWS:**

Section 1. The Council finds that the operation of an interim startup/incubator facility in the north building of the Lincoln Center office complex until the end of 2016 will put otherwise vacant space that is unsuitable for other public purposes during this time to productive public use.

Section 2. The Council finds that the operation of an interim startup/incubator facility in the north building of the Lincoln Center office complex is in furtherance of

the City's Comprehensive Plan goal of a strong local economy consistent with a sustainable natural environment and a high quality of life in order to provide employment and other economic opportunities for Bellevue residents, vibrant commercial areas, and a solid tax base.

Section 3. The Council finds that the operation of an interim startup/incubator facility in the north building of the Lincoln Center office complex is in furtherance of the City's Economic Development Plan goal of ensuring Bellevue continues to be a prosperous and vibrant international city with innovative and entrepreneurial businesses and a high quality of life for residents.

Section 4. The Council finds that a startup/incubator facility at the Lincoln Center office complex will provide the following benefits to the general public:

- Safe and sanitary use of the leased space (by keeping the building occupied and deterring vandalism and unauthorized use);
- Payment of rent or a percentage of revenue to the City;
- Insurance on the leased space acceptable to the City;
- Marketing/advertisement to attract startup entrepreneurs to Bellevue;
- Programming of activities, events and workshops that attract entrepreneurs to Bellevue that are open and free to the public;
- Facilitating mentoring, educational and business support services in Bellevue;
- Referrals to existing Bellevue businesses and support services.

Section 5. The Council mandates that any agreement to lease the Lincoln Center office complex north building to operate a startup/incubator facility shall obligate the lessee to provide the public benefits described in Section 4 above.

Section 6. The Council mandates that the operator of any startup/incubator facility at the Lincoln Center office complex will strive to provide additional public benefits and submit to performance measures in the following areas:

- Attracting local startup entrepreneurs;
- Building quickly to a critical mass in the facility;
- Programming activities and events that attract entrepreneurs;
- Making available mentoring, educational and business support services;
- Connecting with and leverage the business community;
- Helping put Bellevue on the startup map, connecting to the broader startup community on the Eastside and in the Seattle metro area;
- Helping grow the local startup infrastructure;
- Ultimately helping spin off new businesses that grow in Bellevue;
- Evolving into a permanent startup/incubator facility in Bellevue.

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Section 7. The Council mandates that any operator of a startup/incubator facility at the Lincoln Center office complex contracting with the City shall be qualified under the following criteria:

- Proven track record in operating startup/incubator space;
- Quality and comprehensiveness of proposed program (square footage, space use, hours of operation, character, events, etc.);
- Feasible proposed timing for occupancy and package of financial considerations (lease rates to City, tenant improvement contributions, etc.); and
- Responsiveness to the City's objectives, including ability to provide public benefit and further City's economic development strategies.

Section 8. The Council hereby authorizes use of the north building of the Lincoln Center office complex as an interim startup/incubator facility for public benefit under the terms and conditions provided herein.

Passed by the City Council this 17<sup>th</sup> day of November, 2014, and signed in authentication of its passage this 17<sup>th</sup> day of November, 2014.

(SEAL)



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Claudia Balducci, Mayor

Attest:



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Myrna L. Basich, City Clerk