

TO: City Council
FROM: Dan Smith, Water Resources & Sustainability Director
DATE: September 1, 2026
SUBJECT: Lease Agreement with South Puget Sound Community College Addendum 1

1) Recommended Action:

Approve and authorize the Mayor to sign the Addendum 1 for the Offsite Lease with South Puget Sound Community College via consent calendar.

This addendum was recommended for approval by the Public Works Committee at their August 20, 2026 meeting.

2) Background:

In September 2023, the Water Resources & Sustainability Department (WRS) moved to a new office space on the South Puget Sound Community College (SPSCC) campus due to office space limitations at City Hall. This partnership between SPSCC and the city resulted in expanded space for city personnel at both sites, including increased parking for staff, fleet, and public vehicles.

In the last three years, WRS has expanded and reached maximum capacity of the existing office space. SPSCC has offered WRS to add 160 square feet of additional space within the same building to the existing lease to provide an additional office space and small meeting space. Limited tenant improvements will be done for minor electrical needs and other miscellaneous office requirements, all of which are not to exceed a \$5,000.00 shared cost between Lessor and Lessee.

The lease is also being amended update the rent payment schedule from a monthly basis to quarterly, which reflects current practice.

3) Policy Support:

Tumwater Excellence: Refine and sustain a great organization.

- Support an environment of continuous learning and improvement for staff and Council.
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4) Alternatives:

- ☐ Reject the amendment and require WRS staff to seek alternatives for accommodating employee needs.
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5) Fiscal Notes:

Annual rent for the current office space on this lease totals \$61,299.00 or \$15,324.75 per quarter. With the addition of two personal office spaces, annual rent is increased to \$70,453.17, or 17,613.29 per quarter.

This lease is funded by the Drinking Water, Sanitary Sewer, and Stormwater funds and is sufficiently funded within WRS's 2025-2026 approved budget for lease expenses.

6) Attachments:

- A. Addendum 1 to Lease Agreement with South Puget Sound Community College
- B. Original Lease Agreement