

City Council Regular Meeting

SUBJECT/TITLE:	Lease Agreement with Logan Market, LLC LAG-26-003
RECOMMENDED ACTION:	Refer to Finance Committee
DEPARTMENT:	Public Works
STAFF CONTACT:	Jeff Minisci, PW Facilities Director
EXT.:	6643

FISCAL IMPACT SUMMARY:

The proposed lease with Logan Market, LLC is structured to support long-term activation of a key downtown asset while providing steadily increasing revenue to the city over the life of the agreement.

The leased premises total approximately 11,783 square feet. The rent was structured to escalate over time to allow the business to achieve some level of success and develop a steady client base. Base rent begins at \$5 per square foot for years 1 and 2 of the lease, steps to \$10 per square foot for years 3 and 4 of the lease, then \$15 per square foot in years 5 and 6 of the lease. After years 6, the lease transitions to 3 percent annual escalations thereafter. Additional revenue is generated through 30 parking stalls at \$39.88 per stall per month and a storage fee of \$100 per month. The lease also includes provisions for percentage rent in Phase 3, further aligning City revenue with the success of the market.

Based on these terms, revenues increase as operations mature. Based on an adoption of the lease agreement with Logan Market, LLC, Phase 1 will begin April 1, 2026, and continue for a period of six months at which time it will transition to Phase 2 (Market Opening), on October 1, 2026. During the opening period (Phase 2 at \$5 per square foot), revenues will be \$4,909.58 per month. In Years 3–4, revenues to increase to \$9,819.16 per month, with Years 5–6 revenues at \$14,728.75 per month, prior to ongoing annual escalations.

SUMMARY OF ACTION

Consistent with the plan outlined in the Renton Downtown Civic Core Vision and Action Plan, the proposed lease advances the City's goals for a vibrant, mixed-use, and community-oriented downtown by establishing a consistently active public marketplace that prioritizes local entrepreneurship and everyday community use. The Renton Market is designed to support small businesses and local vendors by creating opportunities for business incubation and providing flexible space for food-focused education, arts, and cultural programming.

The market is intended to operate seven days a week with year-round programming, shifting the site from an intermittent, event-based use to a dependable, regularly occupied destination. This consistent presence of people throughout the day and evening is expected to enhance downtown vibrancy, increase natural surveillance, and promote a safer, more welcoming environment through regular activity and visibility.

Beyond direct lease revenue, the market's ongoing operations are expected to generate broader economic

benefits by increasing pedestrian activity, supporting surrounding businesses, encouraging longer dwell times in the downtown core, and reinforcing downtown Renton as an active, community-oriented destination.

The lease with Logan Market, LLC is for a term of ten (10) years, effective April 1, 2026, through March 30, 2036, with two optional 5-year terms upon mutual agreement that could extend the lease to 2046. The City will receive base rent calculated on approximately 11,783 square feet as follows: Lease Years 1 and 2 at \$5.00 per square foot, generating **\$58,915 annually (\$4,909.58 per month)**; Lease Years 3 and 4 at \$10.00 per square foot, generating **\$117,830 annually (\$9,819.16 per month)**; and Lease Years 5 and 6 at \$15.00 per square foot, generating **\$176,745 annually (\$14,728.75 per month)**.

In addition to base rent, the city will receive revenue from **30 parking stalls at \$39.88 per stall per month (\$14,356.80 annually)** and a **storage fee of \$100 per month (\$1,200 annually)**. Beginning in Lease Year 7, base rent and applicable fees are subject to a **3 percent annual escalation**. All lease payments are subject to **Washington State Leasehold Excise Tax (12.84%)**, paid by the tenant.

STAFF RECOMMENDATION

Authorize the Mayor and City Clerk to execute the agreement with Logan Market, LLC for Renton Market located at the 233 Burnett Avenue South, Renton