

Motion No. M2021-48

5th Amendment to Extend Lease Agreement with Northern Lights Espresso, LLC

Meeting:	Date:	Type of action:	Staff contact:
Rider Experience & Operations Committee	09/02/2021	Final action	Ron Lewis, DECM Executive Director Faith Roland, Director, Real Property Nancy Bennett, Property Management Manager

Proposed action

Authorizes the chief executive officer to execute an amendment to the existing Northern Lights Espresso, LLC lease at 20122 46th Avenue West, Lynnwood, WA, to extend the term of the lease for an additional five years [and authorize the option to renew for an additional five years](#).

Key features summary

- Resolution No. R2018-40 requires Committee approval for real property agreements in which the term exceeds 10 years.
- Northern Lights Espresso, LLC leases 120 square feet of retail space at the Lynnwood Transit Center as an espresso and deli shop.
- Tenant is paying Sound Transit current market rent of \$402.39 per month, less a \$50.00 electricity credit to offset a portion of the cost of common electrical service for the drivers' comfort station, the bill for which the tenant pays in full.
- [This action would authorize a five-year extension to the current lease term as well as another five-year option to renew, provided that the tenant provides appropriate notice of its intent to exercise the option and is in good standing under the lease. In the event that the tenant exercises the option, this action would authorize a 10-year total term extension.](#)
- Rent is increased each anniversary date of the lease based on the Consumer Price Index.

Background

Sound Transit owns retail space in the Lynnwood Transit Center, which has been leased to an espresso and deli shop since 2007. The Lynnwood Transit Café is located at 20122 46th Avenue West, at the Lynnwood Transit Center.

Sound Transit entered into a Term Lease with SB Eternity Inc., dba Lynnwood Transit Café, on February 21, 2007. The term of the lease was subsequently extended pursuant to a series of amendments and is currently set to terminate on September 30, 2021. The lease was assigned twice, most recently to Northern Lights Espresso, LLC, the current tenant, in December 2018.

Fiscal information

Lease revenues are included within the miscellaneous revenues the agency receives.

Northern Lights Espresso LLC annual lease revenue of \$4,228.68 is included within the adopted 2021 miscellaneous revenue budget of \$12,546,195. Future lease revenues will be increased by the consumer price index and included in future revenue budgets.

Northern Lights Espresso LLC

(in thousands)

Revenue	Adopted 2021 Annual Budget	Projected 2021 Revenues
Northern Lights Espresso LLC Lease Revenue	\$4	\$4
Other Miscellaneous Revenues	\$12,542	\$12,542
Total Miscellaneous Revenues	\$12,546	\$12,546

Notes:

Amounts are expressed in year of expenditure.

The miscellaneous revenues budget is located on page 18 of the 2021 Financial Plan & Adopted Budget.

Disadvantaged and small business participation

Not applicable to this action.

Public involvement

Not applicable to this action.

Time constraints

A one-month delay would not create a significant impact.

Prior Board/Committee actions

Motion No. M2016-96: Authorized the chief executive officer to execute an amendment to the existing lease with SB Eternity, Inc. dba Lynnwood Transit Café at 20122 46th Avenue West, in Lynnwood, WA, to extend the term of the lease for an additional five years.

Motion No. M2011-67: Authorized the chief executive officer to execute an amendment to the existing lease with SB Eternity Inc. dba Lynnwood Transit Café to extend the term of the lease.

Environmental review – KH 8/21/21

Legal review – NM 8/19/21

Motion No. M2021-48

A motion of the Rider Experience and Operations Committee of the Central Puget Sound Regional Transit Authority authorizing the chief executive officer to execute an amendment to the existing Northern Lights Espresso, LLC lease at 20122 46th Avenue West, Lynnwood, WA, to extend the term of the lease for an additional five years and authorize the option to renew for an additional five years.

Background

Sound Transit owns retail space in the Lynnwood Transit Center, which has been leased to an espresso and deli shop since 2007. The Lynnwood Transit Café is located at 20122 46th Avenue West, at the Lynnwood Transit Center.

Sound Transit entered into a Term Lease with SB Eternity Inc., dba Lynnwood Transit Café, on February 21, 2007. The term of the lease was subsequently extended pursuant to a series of amendments and is currently set to terminate on September 30, 2021. The lease was assigned twice, most recently to Northern Lights Espresso, LLC, the current tenant, in December 2018.

Northern Lights Espresso, LLC leases 120 square feet of retail space at the Lynnwood Transit Center as an espresso and deli shop. Tenant is paying Sound Transit current market rent of \$402.39 per month, less a \$50.00 electricity credit to offset a portion of the cost of common electrical service for the drivers' comfort station, the bill for which the tenant pays in full. This action would authorize a five-year extension to the current lease term as well as another five-year option to renew, provided that the tenant provides appropriate notice of its intent to exercise the option and is in good standing under the lease. In the event that the tenant exercises the option, this action would authorize a 10-year total term extension. Rent is increased each anniversary date of the lease based on the Consumer Price Index.

Motion

It is hereby moved by the Rider Experience and Operations Committee of the Central Puget Sound Regional Transit Authority that the chief executive officer is authorized to execute an amendment to the existing Northern Lights Espresso, LLC lease at 20122 46th Avenue West, Lynnwood, WA, to extend the term of the lease for an additional five years and authorize the option to renew for an additional five years.

APPROVED by the Rider Experience and Operations Committee of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on _____.

Paul Roberts
Rider Experience and Operations Chair

Attest:

Kathryn Flores
Board Administrator