



Motion No. M2022-82

Amendment to extend Lease agreements with Auburn Business Park, LLC

Meeting:	Date:	Type of action:	Staff contact:
Rider Experience & Operations Committee	10/19/2022	Final action	Mary Cummings – Chief Administrative Officer Faith Roland – Director Real Property

Proposed action

Authorizes the chief executive officer to amend three lease agreements with Auburn Business Park located at 3538, 3534 and 3510A “C” Street NE in Auburn, WA to add one-year extensions and five, one-year options to renew in the total amount of \$875,261 for a total authorized amount not to exceed \$1,643,052.

Key features summary

- Sound Transit leases three warehouse spaces from Auburn Business Park to accommodate Facilities' storage and staging requirements, to provide a remote reporting location for Facilities personnel, and to provide storage space for Transit Systems.
- The leases are for premises located at 3538, 3534, and 3510A “C” St. NE, respectively, with all three leases originally set to expire on 10/31/22. Each lease contains a one-year option to renew, which Sound Transit has exercised, extending the leases' respective expiration dates to 10/31/23.
- Each lease amendment will extend the lease terms by an additional year, through 10/31/24, and will contain five, one-year options to renew, which, if fully exercised by Sound Transit could extend the terms through 10/31/29.
- Taken as a whole, these 3 proposed amended leases for space in the same warehouse exceed the CEO's signing authority and therefore are presented as a package here for Committee consideration.
- Sound Transit is currently paying \$0.30 per square foot on the current leases, and the one-year extended terms and options will have 4% annual rent increases.
- Rent includes Common Area Maintenance. Sound Transit is responsible for all other maintenance.
- No change of size or location is included in these lease agreement amendments.

Background

Sound Transit has leased warehouse space from Auburn Business Park in order to accommodate Facilities' and Transit System's storage and staging requirements and to provide a remote reporting location for Facilities personnel.

The three leases with Auburn Business Park, LLC are:

- Lease #714 - Since 2011, Sound Transit has leased 3538 “C” St. NE containing 6,480 square feet of warehouse space. In May 2016, Sound Transit added 3,500 square feet of yard space.

- Lease #1240 - In June 2016, Sound Transit began leasing 3526B “C” St. NE containing 3,840 square feet of warehouse space and 900 square feet of yard space. In January 2019, by amendment to the lease, the premises were changed to 3534 “C” St. NE containing 3840 square feet of warehouse space with no yard space.
- Lease #1352 - Since March 2017, Sound Transit has leased 3510A “C” St. NE containing 2,640 square feet of warehouse space plus additional unmeasured fenced yard area.
- The term of each of the three leases was set to expire on 10/31/22. However, Sound Transit will exercise the existing one-year options to renew contained in each lease through 10/31/23.

Fiscal information

This action will increase Sound Transit’s financial obligations by a total of \$875,261 attributable to the three lease extensions and options, for a new total authorized contract amount not to exceed \$1,643,052 and will be funded from the Short-Term Leases and Rentals category within the Operations department's annual operating budget.

The 2022 Short Term Leases and Rentals category budget is \$1,099,097, of which a total of \$45,641 is estimated to be spent in 2022 and is currently within the agency's budget authority. After approval of this action, the remaining annual budget will be used to fund other department expenditures anticipated in the 2022 annual budget.

Funding for the additional years of the contract will be included in future annual budget requests and does not impact the affordability of the financial plan.

Operations (in thousands)

Cost Category	2022 Annual Operating Budget ¹	YTD Actuals	This Action (2022 Only)	YTD Actuals Plus Action (2022 Only)	Remaining Annual Operating Budget
Salaries and Benefits	\$39,718	\$21,965	\$	\$21,965	\$17,753
Services	46,070	22,799		22,799	23,271
Materials and Supplies	12,968	9,638		9,638	3,330
Utilities	8,753	5,678		5,678	3,075
Taxes	3,220	1,472		1,472	1,748
Purchased Transportation Services	211,176	135,939		135,939	75,237
Miscellaneous	413	140		140	273
Leases and Rentals	1,099	788	46	834	265
Total Annual Operating Budget	\$323,418	\$198,418	\$46	\$198,465	\$124,954

Agreement Spending Plan	Estimated Spending to Date	Forecasted for 2022	Proposed Future Spending	Total
Auburn Business Park LLC	\$746	\$46	\$851	\$1,643

Agreement Detail	Board Approved Agreement Value	Proposed Action	Proposed Total for Board Approval
Auburn Business Park LLC	\$768	\$875	\$1,643
Contract Amount - Total	\$768	\$875	\$1,643

Notes:

¹ 2022 Annual Operating Budget is located on page 71 of the 2022 Financial Plan & Adopted Budget book with adjustments as of August 2022.

Disadvantaged and small business participation

Not applicable to this action.

Public involvement

Not applicable to this action.

Time constraints

A one-month delay may cause delay in the execution of the amendment.

Prior Board/Committee actions

Motion No. M2011-59: A motion authorizing the chief executive officer to execute a lease agreement with Auburn Business Park, LLC for warehouse space located in Auburn, WA for a five-year term, with five, one-year options, for a total amount not to exceed \$425,671.

Environmental review – KH 10/13/22

Legal review – NM 10/17/22



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A motion of the Rider Experience and Operations Committee of the Central Puget Sound Regional Transit Authority authorizing the chief executive officer to amend three lease agreements with Auburn Business Park located at 3538, 3534 and 3510A "C" Street NE in Auburn, WA to add one-year extensions and five, one-year options to renew in the total amount of \$875,261 for a total authorized amount not to exceed \$1,643,052.

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Motion

It is hereby moved by the Rider Experience and Operations Committee of the Central Puget Sound Regional Transit Authority approving the Hilltop Tacoma Link Extension Service and Fare Equity report.

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

Kristina Walker
Rider Experience and Operations Committee Chair

Attest:

Kathryn Flores
Board Administrator