

**SOUND TRANSIT  
STAFF REPORT**

**MOTION NO. M2003-42**

**Ratify the Execution of the Airspace Lease ("Lease") between Washington State  
Department of Transportation and Sound Transit for a Term of 20 Years**

Meeting:	Date:	Type of Action:	Staff Contact:	Phone:
Finance Committee	4/17/03	Discussion/Possible Action To Recommend Board Approval	Joann H. Francis, Chief Administrative Officer	(206) 689-4934
Board	4/24/03	Action	<b>Don Vogt, Sr. Real Estate Representative</b>	(206) 689-3396

Contract/Agreement Type:	✓	Requested Action:	✓
Competitive Procurement		Execute New Contract/Agreement	
Sole Source		Amend Existing Contract/Agreement	
Memorandum of Agreement		Contingency Funds Required	
Purchase/Sale Agreement		Budget Amendment Required	

✓ Applicable to proposed transaction.

**OBJECTIVE OF ACTION**

- Complete the acquisition of real estate interests needed for the South Hill/Puyallup Regional Express Park and Ride lot.

**ACTION**

- Ratifying the Airspace Lease Agreement between the Washington State Department of Transportation and Sound Transit for the Regional Express South Hill/Puyallup Park and Ride Lot dated August 9, 2000, for a term of twenty years, and amending the agreement to revise the legal description and the amount of rent accordingly, for a one time payment of \$51,318 for the term of the lease

**KEY FEATURES**

- Ratifies the execution of the original lease.
- Authorizes the completion of the leasing of needed airspace rights at the Regional Express South Hill/Puyallup park and ride lot.
- Authorizes Sound Transit's Executive Director to execute the amendment to the airspace lease to expand the area under lease.

## **BUDGET IMPACT SUMMARY**

**Project Description:** South Hill Park & Ride

**Current Status:** Completed

**Projected Completion Date:** Project was completed and opened for service in 2001.

<b>Action Outside of Adopted Budget:</b>	<b>Y/N</b>	<b>Y</b>	<b>Requires Comment</b>
This Line of Business	<b>N</b>		
This Project	<b>N</b>		
This Phase	<b>N</b>		
This Task	<b>N</b>		
Budget amendment required	<b>N</b>		
<b>Key Financial Indicators:</b>	<b>Y/N</b>	<b>Y</b>	<b>Requires Comment</b>
Contingency funds required	<b>N</b>		
Subarea impacts	<b>N</b>		
Funding required from other parties other than what is already assumed in financial plan	<b>N</b>		

N = Action is assumed in current Board-adopted budget. Requires no budget action or adjustment to financial plan

## **BUDGET DISCUSSION**

The South Hill Park & Ride project was substantially completed and opened for service in 2001. There is a small amount of budget left in the project sufficient to cover this action. ST plans to make a one-time payment in full of \$51,318 to fulfill its obligation for this lease agreement.

## **REVENUE, SUBAREA, AND FINANCIAL PLAN IMPACTS**

The proposed action is consistent with the current Board-adopted budget and is affordable within Sound Transit's current long-term financial plan and the subarea financial capacity.

## **SUMMARY FOR BOARD ACTION**

Action Item: Authorize Airspace Lease with WSDOT for South Hill Park & Ride Project (#358)  
(Dollars in thousands)

	Adopted 2003 Budget (A)	Committed To Date (B)	This Action (C)	Total Committed & Action (D)	Uncommitted (Shortfall) (E)
(1) Project Budget					
Agency Administration	\$ 324	\$ 291	\$ -	\$ 291	\$ 33
Preliminary Engineering / Env Review	1,190	1,190		1,190	(0)
Final Design	14	14	-	14	0
Right of Way	915	915	-	915	(0)
Construction	3,192	3,192	-	3,192	0
Contingency	237	-	51	51	186
<b>Total Project Budget</b>	<b>\$ 5,871</b>	<b>\$ 5,601</b>	<b>\$ 51</b>	<b>\$ 5,652</b>	<b>\$ 219</b>

### Phase Budget Detail - Contingency

Contingency	\$ 237	\$ -	\$ 51	\$ 51	\$ 186
<b>Total Phase</b>	<b>\$ 237</b>	<b>\$ -</b>	<b>\$ 51</b>	<b>\$ 51</b>	<b>\$ 186</b>

Contract Budget	Current Approved Contract Value (F)	Spent to Date (G)	Proposed Action (H)	Proposed Total Contract Value (I)
Airspace Lease	-	-	\$ 51	\$ 51
Contingency	-	-	\$ -	\$ -
<b>Total</b>	<b>-</b>	<b>-</b>	<b>\$ 51</b>	<b>\$ 51</b>
<b>Percent Contingency</b>			<b>0%</b>	<b>0%</b>

Budget Shortfall	\$ (J)	Potential Revenues (K)	Funding Source (L)
Phase	N/A	N/A	N/A

### Notes:

(1) Budget amounts shown are based on the 2003 adopted budget.

## **M/W/DBE – SMALL BUSINESS PARTICIPATION**

Not applicable for this action.

## **HISTORY OF PROJECT**

The Regional Express South Hill/Puyallup Park and Ride Lot Project is located next to SR 512. By its Resolution No. R98-51, the Board authorized the purchase of surplus property from the Washington State Department of Transportation on which to locate the park and ride lot. In order to construct the project as planned, it was determined that additional space was needed beyond that contained in the land purchased. WSDOT agreed to lease the additional space from its highway right of way to Sound Transit at fair market value for a term of twenty years, pursuant to an Airspace Lease.

The lease was executed in error without Finance Committee approval. Nonetheless, the original lease contains an error in the legal description of the property that requires amendment. Rather than execute a properly authorized lease with an accurate legal description, WSDOT is requiring that the original unauthorized lease be amended. In order to amend the original lease,

the Board must ratify the original unauthorized lease. The lease amendment accurately reflects the lease area of the constructed improvements and adjusts the rent accordingly.

**Prior Board or Committee Actions  
and Relevant Board Policies**

<b>Motion or Resolution Number</b>	<b>Summary of Action</b>	<b>Date of Action</b>
Resolution No. R98-51	Authorized agreement with WSDOT for construction/acquisition of South Hill/ Puyallup Park and Ride lot	12/10/98
Resolution No. R78-1	Delegation to Executive Director of defined authority to acquire real estate, etc.	4/9/98

**CONSEQUENCES OF DELAY**

Action is necessary to permit payment of lease rent due to WSDOT. Interest will continue to accrue until the Board approves the transaction.

**REGIONAL PARTNERSHIP AND COOPERATION**

This is a cooperative project between Sound Transit and the Washington State Department of Transportation. WSDOT acted as construction manager of the project.

**PUBLIC INVOLVEMENT**

N/A

**LEGAL REVIEW**

JDW 03/26/03

## **SOUND TRANSIT**

### **MOTION NO. M2003-42**

A motion of the Board of the Central Puget Sound Regional Transit Authority to ratify the Airspace Lease Agreement between the Washington State Department of Transportation and Sound Transit for the Regional Express South Hill/Puyallup Park and Ride Lot dated August 9, 2000, for a term of twenty years, and to amend the agreement to revise the legal description and the amount of rent accordingly, for a one time payment of \$51,318 for the term of the lease.

#### **Background:**

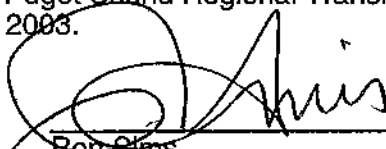
The Regional Express South Hill/Puyallup Park and Ride Lot Project is located next to SR 512. By its Resolution No. R98-51, the Board authorized the purchase of surplus property from the Washington State Department of Transportation (WSDOT) on which to locate the park and ride lot. In order to construct the project as planned, it was determined that additional space was needed beyond that contained in the land purchased. WSDOT agreed to lease the additional space from its highway right of way to Sound Transit at fair market value for a term of twenty years, pursuant to an Airspace Lease.

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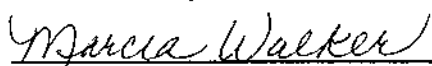
#### **Motion:**

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APPROVED by the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on April 24, 2003.

  
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Ron Sims  
Board Chair

ATTEST:

  
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Marcia Walker  
Board Administrator