

**SOUND TRANSIT
STAFF REPORT**

MOTION NO. M2005-124

Boeing License Agreement Second Amendment

Meeting:	Date:	Type of Action:	Staff Contact:	Phone:
Finance Committee	11/17/05	Discussion/Possible Action	Phil O'Dell, Director, Project Delivery Support Services Joan Coumou, Property Manager Martin Young, Program Manager	(206) 398-5013 (206) 689-4938 (206) 398-5115

Contract/Agreement Type:	<input checked="" type="checkbox"/>	Requested Action:	<input checked="" type="checkbox"/>
Competitive Procurement		Execute New Contract/Agreement	
Sole Source		Amend Existing Contract/Agreement	<input checked="" type="checkbox"/>
Agreement with Other Jurisdiction(s)	<input checked="" type="checkbox"/>	Budget Amendment	

PROJECT NAME

Temporary Tukwila Station Parking

PROPOSED ACTION

Authorizes the Chief Executive Officer to execute a second amendment to the license agreement with The Boeing Company for parking at the temporary Tukwila Station to extend the term of the license to February 9, 2007, with options to extend the term through February 9, 2010.

KEY FEATURES of PROPOSED ACTION

- Sound Transit entered into a license agreement with The Boeing Company on December 1, 2000 for the use of a parking facility until the permanent Tukwila Station was constructed or February 9, 2004, whichever came earlier.
- This second amendment extends the term of the license agreement to February 8, 2007, with one option to extend for two years through February 9, 2009; and a second option to extend for one year through February 9, 2010. Sound Transit's procurement policies require Finance Committee authorization for real estate agreements that have a term longer than five years.
- Extending this license will allow Sound Transit to continue to use the 75,920 square feet of parking space for its commuters at Longacres Office Park, adjacent to the temporary Tukwila Station, until the permanent station is constructed.
- Sound Transit will be responsible for cleaning, maintaining, and conducting quarterly water quality testing of the two oil/water separators on the leased premises.

BUDGET IMPACT SUMMARY

Current Project Phase: Sounder Operations
Projected Completion Date: N/A

Action Outside of Adopted Budget:	✓	Comments on Checked Items
This Project		
This Phase		
This Task		
Budget Amendment Required		

Key Financial Indicators:	✓	Comments on Checked Items
Contingency Funds Required		
Funding required from other parties (other than what is in financial plan)		

Not checked = action is assumed in current Board-adopted budget. No budget action or adjustment to financial plan required.

BUDGET and FINANCIAL PLAN DISCUSSION

This action would authorize an extension of an existing lease agreement at the temporary Tukwila Station through February 2007, at a rate of \$40,000 per year plus a small amount for property taxes. This item is funded out of the Sounder Commuter Rail transit operations budget, in the leases and rentals line item. This item was included in the 2005 transit operations budget with a total budget of \$65,650. Of this amount, \$13,778 has been spent through September 30, 2005. It is anticipated that this agreement can be funded within the existing budget. The 2006 and 2007 portions of the agreement will be funded through future transit operations budgets.

BUDGET TABLE

The Sounder Commuter Rail transit operations budget is detailed on page 52 of the 2005 budget book. The impact of this action on the leases and rentals line item is illustrated below:

Summary for Board Action (Year of Expenditure \$000)

Action Item: Amend agreement with the Boeing Company for parking at the temporary Tukwila Commuter Rail Station to extend the term of the license to February 9, 2007 with options to extend the term through February 9, 2010.

	(A)	(B)	(C)	(D)
	Current			
	Approved			
Contract Budget	Contract Value	Spent to Date	Proposed Action	Proposed Total Contract Value
1 The Boeing Company	\$ -	\$ -	\$ 80	\$ 80
2 Contingency	-	-	-	-
3 Total	\$ -	\$ -	\$ 80	\$ 80
4 Percent Contingency	0%		0%	0%

Contract to be Charged to:

	2004 and prior spending	2005 Operating Budget (1)	Future Operating Budgets (2)	Total
5 Leases and Rentals	-	37	43	80

2005 Budget Impacts (3):

	2005 Transportation Services Department, Transit Operations Leases and Rentals	2005 Operating Budget	Spent to Date	Proposed Action	Surplus/ (Shortfall)
6 Leases and Rentals	\$ 41	\$ -	\$ -	\$ 37	\$ -
7 Other Leases and Rentals activity	25	14	-	-	-
8 Total	\$ 66	\$ 14	\$ 37	\$ -	\$ -

Notes

¹ This action would amend a lease agreement with the Boeing Company for parking at the temporary Tukwila Commuter Rail Station to extend the term of the license to February 9, 2007 with options to extend the term through February 9, 2010. The 2005 portion would reflect payment for the term from February through December 2005.

² Estimated amounts for leases will be included in the 2006 and 2007 operating budget requests.

³ Total proposed contract plus contingency

M/W/DBE – SMALL BUSINESS PARTICIPATION

Not applicable for this action.

PROJECT DESCRIPTION and BACKGROUND for PROPOSED ACTION

Sound Transit opened an interim Tukwila Station consisting of a platform and 250 parking stalls leased from The Boeing Company in March 2001. In September 2002, the City of Renton and Sound Transit, with participation and input from the City of Tukwila, reached formal agreement on a number of critical issues regarding the development of Sound Move projects in the Renton area. Sound Transit and the City of Renton have agreed to defer the construction of the permanent station for up to 10 years in order for the City of Renton to pursue grant funding for the proposed Strander Boulevard grade separation project. Sound Transit entered into a license agreement with the Boeing Company on December 1, 2000 for the use of this parking facility until the permanent Tukwila Commuter Rail Station was constructed or February 9, 2004, whichever came earlier. Due to delays in the project, the license agreement was amended to extend the term to February 9, 2005.

Prior Board/Committee Actions on this Project and Relevant Board Policies

Motion or Resolution Number	Summary of Action	Date of Action
	No previous actions	

CONSEQUENCES of DELAY

This license is on a holdover status. A delay could impact Sound Transit’s ability to use this parking facility.

ENVIRONMENTAL COMPLIANCE

Not applicable to this action.

LEGAL REVIEW

JW/mw

SOUND TRANSIT

MOTION NO. M2005-124

A motion of the Finance Committee of the Central Puget Sound Regional Transit Authority authorizing the Chief Executive Officer to execute a second amendment to the license agreement with The Boeing Company for parking at the temporary Tukwila Station to extend the term of the license to February 9, 2007, with options to extend the term through February 9, 2010.

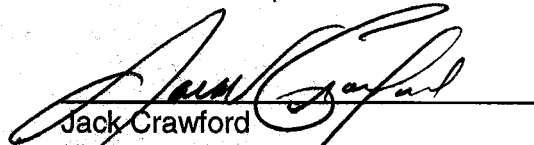
Background:

Sound Transit opened an interim Tukwila Station consisting of a platform and 250 parking stalls leased from The Boeing Company in March 2001. In September 2002, the City of Renton and Sound Transit, with participation and input from the City of Tukwila, reached formal agreement on a number of critical issues regarding the development of Sound Move projects in the Renton area. Sound Transit and the City of Renton have agreed to defer the construction of the permanent station for up to 10 years in order for the City of Renton to pursue grant funding for the proposed Strander Boulevard grade separation project. Sound Transit entered into a license agreement with the Boeing Company on December 1, 2000 for the use of this parking facility until the permanent Tukwila Commuter Rail Station was constructed or February 9, 2004, whichever came earlier. Due to delays in the project, the license agreement was amended to extend the term to February 9, 2005.

Motion:


It is hereby moved by the Finance Committee of the Central Puget Sound Regional Transit Authority that the Chief Executive Officer is authorized to execute a second amendment to the license agreement with The Boeing Company for parking at the temporary Tukwila Station to extend the term of the license to February 9, 2007, with options to extend the term through February 9, 2010.

APPROVED by the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on November 17, 2005.



Jack Crawford
Finance Committee Chair

ATTEST:



Marcia Walker
Board Administrator