

**SOUND TRANSIT  
STAFF REPORT**

**MOTION NO. M2009-94**

**Lease Extension for Tukwila Sounder Station**

<b>Meeting:</b>	<b>Date:</b>	<b>Type of Action:</b>	<b>Staff Contact:</b>	<b>Phone:</b>
Finance Committee	11/5/09	Discussion/Possible Action	Ahmad Fazel, Link Executive Director Ron Lewis, Link Deputy Executive Director <b>Nancy Bennett,</b> <b>Property Manager</b>	(206) 398-5389  (206) 689-4905  (206) 398-5401

<b>Contract/Agreement Type:</b>	<b>✓</b>	<b>Requested Action:</b>	<b>✓</b>
Competitive Procurement		Execute New Contract/Agreement	
Sole Source		Amend Existing Contract/Agreement	✓
Agreement with Other Jurisdiction(s)		Budget Amendment	
Real Estate	✓	Property Acquisition	

**PROJECT NAME**

Sounder Commuter Rail-Tukwila

**PROPOSED ACTION**

Authorizes the chief executive officer to 1) amend the existing lease agreement with The Boeing Company for parking at the temporary Tukwila Station to extend the term of the lease to February 9, 2011, with three additional one-year options, for a total amount not to exceed \$455,000 and 2) ratify the expenditure for real estate taxes.

**KEY FEATURES of PROPOSED ACTION**

- The lease was originally executed within the chief executive officer's delegated signing authority in 2000 and was amended by the Finance Committee in 2005 to extend the lease until February 9, 2010. This action would extend the term of the lease to February 9, 2011 and add three additional one-year options.
- The lease with The Boeing Company is for 75,920 square feet of parking for a maximum of 250 stalls, to use as interim parking for the Tukwila Sounder Station. Acquisition of property for permanent parking adjacent to the Tukwila Sounder Station has been delayed because the permanent Tukwila Sounder Station was deferred. The permanent station is now scheduled to be completed at the end of 2012.
- Beginning in 2005, the lease with The Boeing Company includes an annual rent of \$40,000 plus real estate taxes. Rent paid to date is \$200,000 plus \$14,726 in real estate taxes for a total of \$214,726. The amendment will cover the one-year lease extension plus the three one-year options.

**BUDGET IMPACT SUMMARY**

There is no action outside of the Board adopted budget; there are no contingency funds required, no subarea impacts, or funding required from other parties other than what is already assumed in the financial plan.

## **BUDGET and FINANCIAL PLAN DISCUSSION**

This lease agreement will be funded by the Sounder Commuter Rail lease budget. The total Sounder lease budget in 2010 is \$534,800. Of which, \$64,000 is designated for the parking lease agreement with Boeing. The lease payment for the year is approximately \$56,000. There will be no other commitments against this budget. Lease payments for remaining years will be included in future annual budgets.

### **BUDGET TABLE**

#### **Summary for Board Action (X \$1,000)**

**Action Item:** This action is to extend a existing lease agreement with the Boeing Company Corporation.

	Proposed 2010 Budget (1)	Contract Expenditures 2010	Remaining 2009 Budget
Current Year Budget			
Boeing Parking Lease budget	64	-	64
Other Lease budget	471	-	471
Total	535	-	535

Contract Spending Plan	Prior Year(s) Spending	Contract Expenditures 2010	Future Expenditures
Boeing Company	214	57	183
Total	214	57	183

Contract Budget	Current Approved Contract Value	Proposed Action	Proposed Total Contract Value
Boeing Company	215	240	455
Contingency	-	-	-
Total Contract	215	240	455

#### **Notes:**

<sup>1</sup> Represent funding budget for the proposed action. 2010 Proposed Sounder lease budget can be found on page 25 of 2010 Proposed budget book.

## **SMALL BUSINESS PARTICIPATION**

Not applicable for this action.

## **PROJECT DESCRIPTION and BACKGROUND for PROPOSED ACTION**

Sounder commuter rail service to Tukwila is currently provided at a temporary station constructed in February 2001 for the start-up of Sounder service. Sound Transit entered into a lease agreement with The Boeing Company in December 1, 2000 to provide parking adjacent to the temporary station.

In 2002 Sound Transit agreed to delay the final station design for up to ten years to allow the City of Tukwila to incorporate its downtown development plan and for the City of Renton to pursue the intersection of Strander Blvd. as an overpass over the BNSF and UPRR tracks. In November 2005, the Finance Committee

approved Motion No. M2005-124 amending the lease agreement to extend the lease through February 9, 2007 with options to extend the term through February 9, 2010.

In 2009 the final design was completed and the permanent Tukwila Sounder Station is now scheduled to be completed at the end of 2012 and will include 350 commuter parking stalls.

#### **Prior Board/Committee Actions**

<b>Motion/Resolution Number and Date</b>	<b>Summary of Action</b>
M2005-124	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.
R99-11	Authorizing the Executive Director to acquire, dispose, or lease certain real property interests by negotiated purchase, by condemnation, by settling condemnation litigation or entering administrative settlements, and to pay eligible relocation and re-establishment benefits to affected parties as necessary for the construction and operation of commuter rail stations at Tukwila, Kent, Puyallup and Tacoma for the Tacoma-to Seattle Commuter Rail Project

#### **CONSEQUENCES of DELAY**

If the notice of renewal is not delivered by November 9, 2009 to the Boeing Company, the lease will terminate on February 9, 2010 and parking would not be available at the Tukwila Sounder Station.

#### **PUBLIC INVOLVEMENT**

Not applicable to this action.

#### **ENVIRONMENTAL COMPLIANCE**

SSK 10-29-09

#### **LEGAL REVIEW**

JW 10/29/09

## SOUND TRANSIT

### MOTION NO. M2009-94

A motion of the Finance Committee of the Central Puget Sound Regional Transit Authority authorizing the chief executive officer to 1) amend the existing lease agreement with The Boeing Company for parking at the temporary Tukwila Station to extend the term of the lease to February 9, 2011, with three additional one-year options, for a total amount not to exceed \$455,000 and 2) ratify the expenditure for real estate taxes.

#### Background:

Sounder commuter rail service to Tukwila is currently provided at a temporary station constructed in February 2001 for the start-up of Sounder service. Sound Transit entered into a lease agreement with The Boeing Company in December 1, 2000 to provide parking adjacent to the temporary station.

In 2002 Sound Transit agreed to delay the final station design for up to ten years to allow the City of Tukwila to incorporate its downtown development plan and for the City of Renton to pursue the intersection of Strander Blvd. as an overpass over the BNSF and UPRR tracks. In November 2005, the Finance Committee approved Motion No. M2005-124 amending the lease agreement to extend the lease through February 9, 2007 with options to extend the term through February 9, 2010.

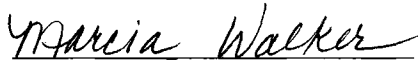
In 2009 the final design was completed and the permanent Tukwila Sounder Station is now scheduled to be completed at the end of 2012 and will include 350 commuter parking stalls.

#### 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 1) amend the existing lease agreement with The Boeing Company for parking at the temporary Tukwila Station to extend the term of the lease to February 9, 2011, with three additional one-year options, for a total amount not to exceed \$455,000 and 2) ratify the expenditure for real estate taxes.

APPROVED by the Finance Committee of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on November 5, 2009.

ATTEST:

  
Marcia Walker  
Board Administrator

  
Aaron Reardon  
Finance Committee Chair