

**MOTION NO. M2010-48**
**Ratify Lease Agreement and Lease Amendments with Moneytree, Inc.**

<b>MEETING:</b>	<b>DATE:</b>	<b>TYPE OF ACTION:</b>	<b>STAFF CONTACT:</b>	<b>PHONE:</b>
Operations and Administration Committee	4/15/10	Recommendation to Board	Ahmad Fazel, DECM Executive Director	206-398-5389
Board	4/22/10	Final Action	<b>Nancy Bennett, Property Manager</b>	206-398-5401

**PROPOSED ACTION**

Ratifies the original lease term of the property located at 1400 Madison St, Seattle, Washington with Moneytree, Inc. and subsequent amendments to the lease including extension of the Finance Committee authorized expiration date of August 31, 2009 to a new expiration date of January 31, 2011.

**KEY FEATURES**

- The Finance Committee authorized the original lease agreement on June 27, 2002 with an expiration date of August 31, 2009 to coincide with the First Hill Station construction schedule.
- The lease has been in effect for over seven years and the authorized term date has expired. The lease has been amended multiple times to extend the term through January 31, 2011. Board approval is required for agreements with terms that exceed five years.
- The monthly rent currently payable by Moneytree, Inc. to Sound Transit is \$7,578.48 plus leasehold tax and is subject to CPI adjustments on an annual basis for 4,189 square feet of retail space and four parking stalls.

**PROJECT DESCRIPTION**

Sound Transit purchased this property in July 2001 for the Central Link Project Locally Preferred Alternative. In 2003, the Board modified the preferred alternative to remove the First Hill Station from the Preferred Alternative.

**FISCAL INFORMATION**
**Budget Table**

**Action Item:** 1) Continues the lease agreement with Money Tree, Inc. beyond a five-year duration, and 2) Ratifies the lease with Money Tree, Inc. from August 31, 2009 through January 31, 2011.

\$1,000s

	(A)	(B)	(C)	(D)
Current Year Budget	Adopted 2010 Budget	2009 Actual Revenues	Revenues expected in 2010	Forecasted Future Revenue
	(1)			
Money Tree	-	117	91	8
Other Miscellaneous Revenues	2,018	-	-	-
<b>Total</b>	<b>2,018</b>	<b>117</b>	<b>91</b>	<b>8</b>

**Notes:**

<sup>1</sup> ADOPTED 2010 BUDGET amount for Miscellaneous revenues is included on Page 8 of the Proposed 2010 Budget book.

## **SMALL BUSINESS PARTICIPATION**

Not applicable to this action.

## **BACKGROUND**

The original lease term with Moneytree, Inc. was from October 1, 2002 to September 30, 2006 and included three one-year options to renew. The Finance Committee authorized the original lease agreement with an expiration date of August 31, 2009. Due to tenant improvement construction delays, the agreement was executed a month later than expected with an expiration date of September 30, 2006, one month beyond the Finance Committee authorized expiration date of August 31, 2006. Moneytree, Inc. exercised its three one-year options to extend the lease term through September 30, 2009.

The lease was scheduled to terminate on September 30, 2009 and Sound Transit was not able to extend the term at that time due to possible use for the U230 Capitol Hill Station to Pine Street Stub Tunnel contract. Sound Transit later agreed to a three-month extension to the lease in order for Moneytree to obtain permits for an alternate site because Sound Transit did not yet need the property. In November 2009, Sound Transit determined the building was not needed for construction purposes and only a portion of the available parking was needed to support construction. Moneytree's alternate site was ultimately determined to be unviable so Moneytree requested to continue its tenancy. The lease was extended for an additional year with the number of stalls reduced from 11 to four for the first six months of the term and no guaranteed parking for the remaining six months in order to accommodate North Link construction. These lease amendments were granted without Board authorization.

## **ENVIRONMENTAL COMPLIANCE**

JI 3/26/10

## **PRIOR BOARD/COMMITTEE ACTIONS**

Resolution No. R2003-20 – Modified the preferred route, profiles, and station locations for the North Link Light Rail Project and identifying University Link as the preferred segment of North Link for purposes of the final supplemental EIS and for obtaining a New Starts rating from the Federal Transit Administration.  
Motion No. M2002-80 – Authorized the Executive Director to execute a lease agreement with Money Tree Inc. at 1400 Madison Street, Seattle, from September 1, 2002, through August 31, 2006, with three one-year extension options, at Sound Transit's sole discretion.

## **TIME CONSTRAINTS**

A one month delay would not create a significant impact to the project schedule.

## **LEGAL REVIEW**

JW 4/9/10

**MOTION NO. M2010-48**

A motion of the Board of the Central Puget Sound Regional Transit Authority ratifying the original lease term of the property located at 1400 Madison St, Seattle, Washington with Moneytree, Inc. and subsequent amendments to the lease including extension of the Finance Committee authorized expiration date of August 31, 2009 to a new expiration date of January 31, 2011.

**BACKGROUND:**

Sound Transit purchased this property in July 2001 for the Central Link Project Locally Preferred Alternative. In 2003, the Board modified the preferred alternative to remove the First Hill Station from the Preferred Alternative.


The original lease term with Moneytree, Inc. was from October 1, 2002 to September 30, 2006 and included three one-year options to renew. The Finance Committee authorized the original lease agreement with an expiration date of August 31, 2009. Due to tenant improvement construction delays, the agreement was executed a month later than expected with an expiration date of September 30, 2006, one month beyond the Finance Committee authorized expiration date of August 31, 2006. Moneytree, Inc. exercised its three one-year options to extend the lease term through September 30, 2009.

The lease was scheduled to terminate on September 30, 2009 and Sound Transit was not able to extend the term at that time due to possible use for the U230 Capitol Hill Station to Pine Street Stub Tunnel contract. Sound Transit later agreed to a three-month extension to the lease in order for Moneytree to obtain permits for an alternate site because Sound Transit did not yet need the property. In November 2009, Sound Transit determined the building was not needed for construction purposes and only a portion of the available parking was needed to support construction. Moneytree's alternate site was ultimately determined to be unviable so Moneytree requested to continue its tenancy. The lease was extended for an additional year with the number of stalls reduced from 11 to four for the first six months of the term and no guaranteed parking for the remaining six months in order to accommodate North Link construction. These lease amendments were granted without Board authorization.


**MOTION:**

It is hereby moved by the Board of the Central Puget Sound Regional Transit Authority that the original lease term of the property located at 1400 Madison St, Seattle, Washington with Moneytree, Inc. and subsequent amendments to the lease including extension of the Finance Committee authorized expiration date of August 31, 2009 to a new expiration date of January 31, 2011 is ratified.

APPROVED by the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on April 22, 2010.

  
Aaron Reardon  
Board Chair

ATTEST:

  
Marcia Walker  
Board Administrator