

## **MOTION NO. M2013-03**

### **Tukwila Sounder Station Lease Payment Increase**

<b>MEETING:</b>	<b>DATE:</b>	<b>TYPE OF ACTION:</b>	<b>STAFF CONTACT:</b>	<b>PHONE:</b>
Board	01/24/2013	Final Action	Ahmad Fazel, DECM Executive Director <b>Nancy Bennett, Property Management Manager</b>	206-398-5389 206-398-5401

### **PROPOSED ACTION**

Authorizes the chief executive officer to pay an additional \$14,500 in lease rent payments to The Boeing Company for the parking lot at the temporary Tukwila Station, for a new total authorized agreement amount not to exceed \$469,500.

### **KEY FEATURES SUMMARY**

- 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 and again in 2009 to extend the lease until February 9, 2014.
- The lease 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 was delayed because the construction of the permanent Tukwila Sounder Station was deferred. Parking for the permanent station is now scheduled to be complete at the end of 2013.
- Per the lease agreement, the rent for the period beginning February 9, 2013 and ending February 8, 2014 is the amount of the previous year's rent or market rent, whichever is higher. Market rent has been determined to be \$60,564, which exceeds the original authorized amount in Motion M2009-94 by \$14,481.

### **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 (Boeing) in December 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 Boulevard 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 November 2009, the Finance Committee approved Motion No. M2009-94 amending the lease agreement to extend the lease through February 9, 2014.

In 2009, final design was completed and the permanent Tukwila Sounder Station is now scheduled to be completed in September 2014 with 350 commuter parking stalls becoming available in December 2013.

## FISCAL IMPACT

This action will be funded by the Sounder lease and rental budget. The total Sounder lease and rental budget for 2013 is \$474,058. Of the 2013 budget, \$47,641 is designated for the parking lease agreement with Boeing. The lease payment to Boeing for 2013 is estimated at \$55,517, resulting into a budget shortfall of \$7,876. The shortfall will be funded by the other Sounder lease and rental budget which has a remaining balance of \$271,017 after deducting the 2013 anticipated parking costs at Edmonds station. Remaining spending for 2014 under this lease will be included in 2014 annual budgeting.

The budget table below shows the budget impact of this action.

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

Action Item: This action is to amend the lease contract with the Boeing Company.

Current Year Sounder Lease & Rental Budget	Adopted 2013 Budget	Spent and Committed to Date	Contract Expenditures 2013	Remaining 2013 Budget
<i>Boeing Company Parking Lease</i>	48	-	56	(8)
Other Sounder Lease and Rentals Budget	426	155	-	271
<b>Total, Sounder Lease &amp; Rentals Budget</b>	<b>\$ 474</b>	<b>\$ 155</b>	<b>\$ 56</b>	<b>\$ 263</b>

Contract Spending Plan	Prior Year(s) Spending	2013 Spending	Future Spending	Total
<i>Boeing Company</i>	\$ 409	\$ 56	\$ 5	\$ 470

Contract Budget	Approved	Spent to Date	This Action	Contract Value
<i>Boeing Company</i>	455	409	15	470
Contingency	-	-	-	-
<b>Total Contract</b>	<b>\$ 455</b>	<b>\$ 409</b>	<b>\$ 15</b>	<b>\$ 470</b>
<b>Percent Contingency</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>

<b>Budget Shortfall</b>	<b>\$ 8</b>
Other Lease and Rental budget	\$ 8
<b>Total Funding</b>	<b>\$ 8</b>

#### Notes:

Amounts are expressed in Year of Expenditure \$000s.

Spent and Committed to Date includes pending Board Actions.

Sounder Commuter Rail Lease and Rental Budget is on page 35 of the 2013 Proposed Budget Book.

The budget is increased by \$155K in 2013 Adopted Budget.

## SMALL BUSINESS PARTICIPATION

Not applicable to this action.

## EQUAL EMPLOYMENT WORKFORCE PROFILE

Not applicable to this action.

## **PUBLIC INVOLVEMENT**

Not applicable to this action.

## **TIME CONSTRAINTS**

If the additional expenditure is not approved by February 9, 2013 the lease cannot be extended and parking will not be available at the Tukwila Sounder Station.

## **PRIOR BOARD/COMMITTEE ACTIONS**

Motion No. M2009-94: Authorized 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.

Motion No. M2005-124: Authorized 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.

## **ENVIRONMENTAL REVIEW**

JI 12/28/2012

## **LEGAL REVIEW**

JW 1/4/13

**MOTION NO. M2013-03**

A motion of the Board of the Central Puget Sound Regional Transit Authority authorizing the chief executive officer to pay an additional \$14,500 in lease rent payments to The Boeing Company for the parking lot at the temporary Tukwila Station, for a new total authorized agreement amount not to exceed \$469,500.

**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 (Boeing) in December 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 Boulevard 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 November 2009, the Finance Committee approved Motion No. M2009-94 amending the lease agreement to extend the lease through February 9, 2014.

In 2009, final design was completed and the permanent Tukwila Sounder Station is now scheduled to be completed in September 2014 with 350 commuter parking stalls becoming available in December 2013.

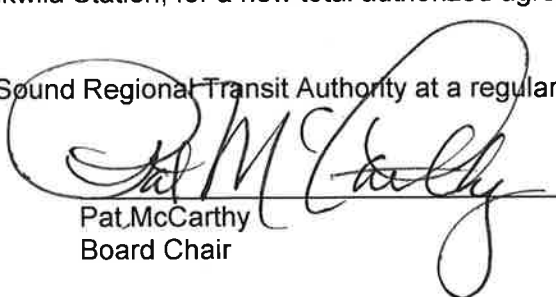
The lease is for 75,920 square feet of parking for a maximum of 250 stalls to use as interim parking for the Tukwila Sounder Station. Acquisition of property for permanent parking adjacent to the Tukwila Sounder Station was delayed because the construction of the permanent Tukwila Sounder Station was deferred. Parking for the permanent station is now scheduled to be complete at the end of 2013.

Per the lease agreement, the rent for the period beginning February 9, 2013 and ending February 8, 2014 is the amount of the previous year's rent or market rent, whichever is higher. Market rent has been determined to be \$60,564, which exceeds the original authorized amount in Motion M2009-94 by \$14,481.

**MOTION:**

It is hereby moved by the Board of the Central Puget Sound Regional Transit Authority that the chief executive officer is authorized to pay an additional \$14,500 in lease rent payments to The Boeing Company for the parking lot at the temporary Tukwila Station, for a new total authorized agreement amount not to exceed \$469,500.

APPROVED by the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on January 24, 2013.

  
Pat McCarthy  
Board Chair

ATTEST:



Marcia Walker  
Board Administrator