

MOTION NO. M2016-121

**Extending Existing Office Space Lease**

MEETING:	DATE:	TYPE OF ACTION:	STAFF CONTACT:
Operations and Administration Committee	12/01/2016	Final Action	Bonnie Todd, Executive Director Of Operations <b>Nancy Bennett, Property Management Manager</b>

PROPOSED ACTION

Authorizes the chief executive officer to execute an amendment to the existing lease with Paulich Limited Partnership located at 633 S. Snoqualmie Street, Seattle, WA, for an additional five year term with an option to terminate after the third year, for a total authorized agreement amount not to exceed \$808,000.

KEY FEATURES SUMMARY

- Sound Transit currently leases approximately 10,106 square feet of warehouse space at Paulich Limited Partnership located at 633 S Snoqualmie St. Seattle, WA, for Link Light Rail Operations.
- Rent is increasing to fair market rent of \$8,250.00 for the first year plus triple net expenses. The rent will increase 3% on each anniversary date of the lease.
- The terms and conditions of the lease agreement remain unchanged.

BACKGROUND

Resolution No. 78-2 states that Real Property Agreements that obligate Sound Transit or the other party to pay more than \$200,000 must be approved by the Board. Total rent payments will exceed \$200,000 in June 2017.

On July 1, 2014, Link Light Rail Operations entered into a lease agreement with Paulich Limited Partnership for the building located at 633 S Snoqualmie St, Seattle, WA. This lease consists of 10,106 square feet of space and the current rent is \$6,188.75. This lease will expire on December 31, 2016. Total rent payments will exceed \$200,000 in February 2017. This action would allow Sound Transit to continue to lease the warehouse for an additional five year term, with an option to terminate after the third year, and pay rent in excess of \$200,000.

FISCAL INFORMATION

The proposed action is funded from the Lease and Rentals budget within the Operations Department annual operating budget. For 2017, \$8.6 million is budgeted for Lease and Rental. Within that amount, \$619 thousand is reserved for General Administrative operating leases at various locations, including the warehouse lease in Seattle. The estimated cost for 2017 is \$111 thousand and is within the budget authority.

Lease payments beyond 2017 will be included in the future annual budgeting process for the life of the lease agreement.

Operations Department		2017 Proposed Budget	Actuals to Date	This Action	Actuals to Date Plus Action	Remaining 2017 Budget
	Salaries and Benefits	15,055			-	15,055
	Services	57,993			-	57,993
	Materials and Supplies	10,785			-	10,785
	Utilities	5,270			-	5,270
	Insurance	-			-	-
	Taxes	2,595			-	2,595
	Purchased Transportaiton Services	163,027			-	163,027
	Miscellaneous	376			-	376
	Leases and Rentals	8,601	56	111	167	8,434
	<b>Total Current Budget</b>	<b>263,701</b>	<b>56</b>	<b>111</b>	<b>167</b>	<b>263,535</b>
Leases and Rentals details						
	Transit Ways	7,982	-		-	7,982
	General Administrative.	619	56	111	167	452
	<b>Total Service Budget</b>	<b>8,601</b>	<b>56</b>	<b>111</b>	<b>167</b>	<b>8,434</b>
	<b>Contract Spending Plan</b>	<b>Prior Year Spending</b>	<b>Forecast 2017 Spending</b>	<b>Future Expenditures</b>	<b>Total</b>	
	Paulich Limited Partnership	221	111	475	807	
	<b>Contract Detail</b>	<b>Board Approved Contract Value</b>	<b>Contract Actuals to Date</b>	<b>Proposed Action</b>	<b>Proposed Revised Board Approved Contract Value</b>	
	Paulich Limited Partnership	221	221	586	807	
	Contingency				-	
	<b>Contract Amount - Total</b>	<b>221</b>	<b>221</b>	<b>586</b>	<b>807</b>	
	Percent Contingency			0%	0%	

Amounts are expressed in Year of Expenditure \$000.

Notes: The Operations Department budget can be found on page 25 of Proposed 2017 Budget book.

Actuals to date includes another board action that is being concurrently submitted to the Board for approval.

Prior year spending includes 2016 expenditure.

## SMALL BUSINESS/DBE PARTICIPATION AND APPRENTICESHIP UTILIZATION

Not applicable to this action.

## PUBLIC INVOLVEMENT

Not applicable to this action.

## TIME CONSTRAINTS

A one month delay in Board action would not provide enough time to amend the current lease that ends on December 31, 2016.

## ENVIRONMENTAL REVIEW

JI 11/14/2016

## LEGAL REVIEW

JB 11/23/2016

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A motion of the Operations and Administration Committee of the Central Puget Sound Regional Transit Authority authorizing the chief executive officer to execute an amendment to the existing lease with Paulich Limited Partnership located at 633 S. Snoqualmie Street, Seattle, WA, for an additional five year term with an option to terminate after the third year, for a total authorized agreement amount not to exceed \$808,000.

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**MOTION:**

It is hereby moved by the Operations and Administration Committee of the Central Puget Sound Regional Transit Authority that the chief executive officer is authorized to execute an amendment to the existing lease with Paulich Limited Partnership located at 633 S. Snoqualmie Street, Seattle, WA, for an additional five year term with an option to terminate after the third year, for a total authorized agreement amount not to exceed \$808,000.

APPROVED by the Operations and Administration Committee of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on December 1, 2016.



Paul Roberts  
Operations and Administration Committee Chair

ATTEST:



Kathryn Flores  
Board Administrator