



MOTION NO. M2016-24
Northwest Financial Group, Inc. License Agreement

MEETING:	DATE:	TYPE OF ACTION:	STAFF CONTACT:
Operations and Administration Committee	03/03/2016	Final Action	Ahmad Fazel, Executive Director, Design, Engineering and Construction Management Nancy Bennett, Property Management Manager

PROPOSED ACTION

(1) Authorizes the chief executive officer to continue the license agreement with Northwest Financial Group, Inc. for a portion of the property located at 1899 120th Ave. NE, Bellevue, WA on a month to month basis until Sound Transit terminates the agreement for Sound Transit business purposes, and (2) authorizes the collection of lease revenue in excess of \$200,000.

KEY FEATURES SUMMARY

- In 2012, through Resolution No. R2012-01, the Board authorized the protective acquisition of a parcel of property in Bellevue, WA for potential construction of the Link Operations and Maintenance Satellite Facility.
- In April 2015, Sound Transit entered into a license agreement with Northwest Financial Group, Inc. to allow the licensee to use the property for employee parking and to store and park new inventory vehicles.
- Under the current license agreement, the licensee pays Sound Transit current market rates equal to \$16,241 plus leasehold tax per month. Total revenues from the license agreement will exceed \$200,000 in March 2016.
- Sound Transit 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 Operations and Administration Committee.
- This action would allow the agreement to remain on a month to month basis until the property is needed for construction, at which time Sound Transit will terminate the license agreement according to its terms.
- The terms and conditions of the license agreement remain unchanged.

BACKGROUND

Sound Transit acquired the property located at 1899 120th Ave NE, Bellevue, WA through Resolution No. R2012-01 as a protective acquisition for potential construction of the Operations and Maintenance Satellite Facility (OMSF) and related improvements.

Northwest Financial Group, Inc. has licensed approximately 81,208 square feet as of April 2015. This agreement does not currently interfere with Sound Transit's operations of the Property. Northwest Financial Group, Inc. received approval from the City of Bellevue for this type of property use prior to execution of the Agreement with Sound Transit. This action would allow Sound Transit to continue to license the property and collect revenue until it needs the property for its own use. The license is terminable upon 30 days prior written notice.

FISCAL INFORMATION

License revenues are included within the miscellaneous revenues the agency receives. The Northwest Financial Group, Inc. annual license revenue of \$194,899 is included within the adopted 2016 miscellaneous revenue budget of \$11.96M.

Northwest Financial Group, Inc. Budget Table

Revenue (\$000)	Adopted 2016 Budget	Projected 2016 Revenues
Northwest Financial Group, Inc. License Revenue	\$195	\$195
Other Miscellaneous Revenues	\$11,763	\$11,763
Total Miscellaneous Revenues	\$11,958	\$11,958

Notes:

The Proposed 2016 Budget was adopted by the Board on 12/17/15.

The miscellaneous revenue budget is located on page 7 of the Proposed 2016 Budget book.

SMALL BUSINESS/DBE PARTICIPATION, APPRENTICESHIP UTILIZATION, AND TITLE VI COMPLIANCE

Not applicable to this action.

PUBLIC INVOLVEMENT

Not applicable to this action.

PRIOR BOARD/COMMITTEE ACTIONS

Resolution No. R2012-01: (1) Authorized the chief executive officer to acquire, dispose, or lease certain real property by negotiated purchase, by condemnation (including settlement of condemnation litigation), or by entering into administrative settlements, and to pay eligible relocation and re-establishment benefits to affected owners and tenants as necessary in order to secure property required for construction, operation, and maintenance of a potential site for the Link Light Rail Maintenance and Storage Project, and (2) requires staff to prepare an amendment to the Adopted 2012 Budget for Board consideration within 60 days of completion of the acquisition.

Resolution No. R78-2: Updated the existing delegated authority and policy for the procurement of contracts, materials, services, and work; for the acquisition, use, and disposal of real and personal property for the execution of agreements with other public entities; and supersedes Resolution No. 78-1.

TIME CONSTRAINTS

Under the existing license agreement, Sound Transit will exceed \$200,000 in revenues by the end of March 2016. This action to authorize license agreement revenue is needed in order to comply with Board policy.

ENVIRONMENTAL REVIEW

JI 2/24/2016

LEGAL REVIEW

JV 2/25/2016

MOTION NO. M2016-24

A motion of the Operations and Administration Committee of the Central Puget Sound Regional Transit Authority (1) authorizing the chief executive officer to continue the license agreement with Northwest Financial Group, Inc. for a portion of the property located at 1899 120th Ave. NE, Bellevue, WA on a month to month basis until Sound Transit terminates the agreement for Sound Transit business purposes, and (2) authorizing the collection of lease revenue in excess of \$200,000.

BACKGROUND:

Sound Transit acquired the property located at 1899 120th Ave NE, Bellevue, WA through Resolution No. R2012-01 as a protective acquisition for potential construction of the Operations and Maintenance Satellite Facility (OMSF) and related improvements.

Northwest Financial Group, Inc. has licensed approximately 81,208 square feet as of April 2015. Under the current license agreement, the licensee pays Sound Transit current market rates equal to \$16,241 plus leasehold tax per month. Total revenues from the license agreement will exceed \$200,000 in March 2016. This agreement does not currently interfere with Sound Transit's operations of the Property. Northwest Financial Group, Inc. received approval from the City of Bellevue for this type of property use prior to execution of the Agreement with Sound Transit.

Sound Transit 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 Operations and Administration Committee.

This action would allow Sound Transit to continue to license the property and collect revenue until it needs the property for its own use. The license is terminable upon 30 days prior written notice.

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 (1) continue the license agreement with Northwest Financial Group, Inc. for a portion of the property located at 1899 120th Ave. NE, Bellevue, WA on a month to month basis until Sound Transit terminates the agreement for Sound Transit business purposes, and (2) authorized to collect lease revenue in excess of \$200,000.

APPROVED by the Operations and Administration Committee of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on March 3, 2016.



John Marchione
Operations and Administration Committee Vice Chair

ATTEST:



Kathryn Flores
Board Administrator