



## Resolution No. R2025-05

### Amending the Board's Procurement, Agreements and Delegated Authority Policy

Meeting:	Date:	Type of action:	Staff contact:
Executive Board	3/06/2025 3/27/2025	Recommend to Board Final action	Desmond Brown, General Counsel <b>Joanna Valeri, Managing Legal Counsel</b>

### Proposed action

Amends section 2.12 of Resolution No. R2023-30 to delegate authority to the chief executive officer to execute real property agreements that do not exceed \$1,000,000 in payment to Sound Transit or the other party, subject to certain limitations.

### Key features summary

- This action would restore the CEO's blanket authority to execute real property agreements and increase the authorized monetary threshold from \$500,000 to \$1,000,000.
- Resolution No. R2018-40, the delegated authority policy effective immediately prior to Resolution No. R2023-30, authorized the CEO to execute real property agreements up to a value of \$500,000.
- Resolution No. R2023-30 does not give the CEO any blanket authority to execute real property agreements up to a certain monetary threshold.
- If the amendment is approved, the CEO will have authority to enter into any real property agreements up to a value of \$1,000,000, provided that the agreement does not deprive or substantially limit Sound Transit's use of essential property and does not exceed a period of ten years if the agreement is for temporary use of Sound Transit property.
- The proposed amendment is consistent with the Board's direction in Motion No. M2023-36 to implement the Technical Advisory Group recommendations, including streamlining the nature and number of actions that currently come to the Board for approval.

### Background

In October 2023, the Board updated its Procurement, Agreements and Delegated Authority Policy, Resolution No. R2023-30, revising the former policy, Resolution No. R2018-40. The updated policy went into effect on January 1, 2024.

The prior policy, Resolution No. R2018-40, provided the CEO with blanket authority to execute real property agreements up to \$500,000, provided that those agreements did not deprive Sound Transit of essential property or, in the case of temporary dispositions of Sound Transit property, did not exceed a term of ten years. The revisions to the real property section in Resolution No. R2023-30 did not include this blanket authority.

As a result, currently, the CEO does not have authority to enter into agreements for certain low-value real property agreements, which must now be approved by committee. For example, the Rider Experience & Operations Committee recently had to approve a permanent easement for a low dollar value, and at least four additional low value easements are anticipated for the April 2025 agenda. This has frustrated the Board's intent to streamline the nature and number of actions that currently come to the Board for approval.

If this action is approved, the delegated authority policy will be amended to restore the CEO's authority to enter into certain low-value real property agreements to the same status as it was under Resolution No. R2018-40, except that the monetary threshold for such real property agreements will be increased from \$500,000 to \$1,000,000. This change does not apply to acquisitions through the exercise of eminent domain, which require Board approval.

### **Fiscal information**

This action will have no fiscal impact on the agency.

### **Disadvantaged and small business participation**

Not applicable to this action.

### **Public involvement**

Not applicable to this action.

### **Time constraints**

A one-month delay would not create a significant impact.

### **Prior Board/Committee actions**

Resolution No. R2023-30: Adopted a Procurement, Agreements, and Delegated Authority Policy and superseding Resolution Nos. R2018-40, R2022-27, and R85.

Resolution No. R2018-40: Adopted a Procurement, Agreements and Delegated Authority Policy and superseded Resolution Nos. 78-2, 42, 58, and 98-7 and Motion Nos. M2004-111 and M99-2.

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**Environmental review** – KH 2/18/25

**Legal review** – NM 2/28/25



## Resolution No. R2025-05

A RESOLUTION of the Board of the Central Puget Sound Regional Transit Authority amending section 2.12 of Resolution No. R2023-30 to authorize the chief executive officer to execute real property agreements that do not exceed \$1,000,000 in payment to Sound Transit or the other party.

WHEREAS, the Central Puget Sound Regional Transit Authority, commonly known as Sound Transit, was formed under chapters 81.104 and 81.112 of the Revised Code of Washington (RCW) for the Pierce, King, and Snohomish Counties region by action of their respective county councils pursuant to RCW 81.112.030; and

WHEREAS, Sound Transit is authorized to plan, construct, and permanently operate a high-capacity system of transportation infrastructure and services to meet regional public transportation needs in the Central Puget Sound region; and

WHEREAS, in general elections held within the Sound Transit district on November 5, 1996, November 4, 2008, and November 8, 2016, voters approved local funding to implement a regional high-capacity transportation system for the Central Puget Sound region; and

WHEREAS, Sound Transit has broad powers to contract for materials, work, and services and to secure or dispose of property and property rights as may be necessary for the benefit and operations of Sound Transit; and

WHEREAS, it is in the public interest to establish procedures to procure and contract for materials, services, and work and to acquire, use, and dispose of real, personal, and intangible property; and

WHEREAS, the Board has determined that it is in the public interest to facilitate certain agreements by delegating authority to review and approve agreements to its standing committees and the chief executive officer (CEO).

NOW, THEREFORE, BE IT RESOLVED by the Board of the Central Puget Sound Regional Transit Authority that section 2.12 of Resolution No. R2023-30 is hereby amended to delegate certain authority to the chief executive officer for real property agreements, as follows:

### 2.12 Real property agreements

- 2.12.1 Section 2.12 applies to all agreements relating to the acquisition, use, or disposition of real property, including, but not limited to, purchase and sale agreements, deeds, leases, concession agreements, rental agreements, operating agreements, maintenance agreements, licenses, easements, access permits, rights of entry, and other use agreements (collectively real property agreements). This section 2.12 does not authorize acquisition of real property through the exercise of eminent domain.
- 2.12.2 The Board must approve real property agreements when either: (1) the financial obligation of either Sound Transit or the other party would exceed \$5,000,000; or (2) the property rights to be granted by Sound Transit would deprive or substantially limit Sound Transit's use of essential property.
- 2.12.3 The standing Board committees with delegated responsibility for transaction approvals may approve real property agreements within their areas of delegated responsibility that would not either: (1) obligate Sound Transit or the other party to pay an amount greater than \$5,000,000; or (2) deprive or substantially limit Sound Transit's use of essential property.

- 2.12.4 Subject to the limitations in sections 2.12.2 and 2.12.3, the CEO is authorized to execute the following real property agreements:
- 2.12.4.a All standard utility easements that would service Sound Transit such as gas, water, sewer, electrical, and telephone;
  - 2.12.4.b Agreements that would allow the use of Sound Transit property when the right granted would be ancillary to the normal operation of Sound Transit or its property and there would be no new financial obligation owed by Sound Transit;
  - 2.12.4.c Agreements that would dispose of interests in real property for the purpose of:
    - (1) The relocation of utilities as necessary or desirable for Sound Transit projects;
    - (2) The satisfaction of permit conditions or mitigation requirements for Sound Transit projects;
    - (3) The curing of damages to real property acquired for a Sound Transit project and caused by a Sound Transit project; or
    - (4) Returning real property acquired for a Sound Transit project to previous owners for the purpose of minimizing Sound Transit's costs of operations and maintenance.
  - 2.12.4.d Agreements that would ~~authorize the use of Sound Transit property for 10 years or less and that would not~~ obligate Sound Transit or the other party to pay an amount ~~not to exceed greater than~~ \$1,000,000; provided that agreements that allow temporary use of Sound Transit property (such as leases, rights of entry, and temporary easements) must not exceed ten years.
- 2.12.5 Real property agreements executed by the CEO must comply with the following conditions:
- 2.12.5.a The provisions conform to Sound Transit's real estate policies and procedures,
  - 2.12.5.b The price for the acquisition or use of real property does not exceed the authorized budget,
  - 2.12.5.c The price does not exceed Sound Transit's appraised value by more than ten percent, and legal counsel has approved any price in excess of Sound Transit's appraised value, and
  - 2.12.5.d The agreement is in a form approved by legal counsel.
- 2.12.6 The CEO must ensure compliance with all real property agreement terms and is authorized to take necessary measures to cause compliance or to protect Sound Transit, including, but not limited to, termination of an agreement, the giving of all notices provided for in an agreement, and filing actions for eviction, unlawful detainer, damages, and injunctive relief. The CEO may also take all necessary actions in connection with surety bonds, letters of credit, cash deposits, or other legal security and insurance coverage required pursuant to any real property agreements.
- 2.12.7 The CEO is authorized to take all necessary steps, including executing all required agreements, closing documents, deeds, decrees, and other necessary instruments to complete an authorized transaction to secure title to or to dispose of real property.

2.12.8 The CEO may execute agreements memorializing the exercise of an option to renew, sublease, or assign contained within an authorized real property agreement provided that the agreements are consistent with section 2.12.5 and provided that the combined original and new financial obligations and term durations are within the limits of section 2.12.4.

2.12.9 The CEO is authorized to apply for the vacation of streets or roads and to take all other steps necessary to acquire a fee interest in street or road ends or other public right of way ancillary to Sound Transit development when the estimated acquisition costs do not exceed \$500,000 and do not exceed authorized budget.

ADOPTED by the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on \_\_\_\_\_.

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Dave Somers  
Board Chair

**Attest:**

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Kathryn Flores  
Board Administrator