

MOTION NO. M2010-78
Lease Extension for The Money Tree, Inc.

MEETING:	DATE:	TYPE OF ACTION:	STAFF CONTACT:	PHONE:
Operations and Administration Committee	08/19/10	Recommendation to Board	Ahmad Fazel, DECM Executive Director	206-398-5389
Board	08/26/10	Final Action	Nancy Bennett, Property Manager	206-398-5401

PROPOSED ACTION

Authorizes the chief executive officer to extend the lease agreement with The Money Tree, Inc. located at 1400 Madison Street in Seattle, WA until Sound Transit needs or disposes of the property.

KEY FEATURES

- Board approval to extend the lease agreement is being requested in order to comply with Board policy requiring approval of agreements with terms that exceed five years. The original agreement was authorized on June 27, 2002. On April 22, 2010 the Board authorized a one-year extension though January 31, 2011.
- The monthly rent currently payable to Sound Transit for 4,189 square feet of retail space is \$7,578.48 plus leasehold tax and is subject to CPI adjustments on an annual basis.
- If the lease is not extended Sound Transit would experience a loss of revenue, added maintenance cost, and additional staff time to ensure the area would be free from unauthorized uses.
- Sound Transit, at its sole discretion, can terminate the lease with 90 days notice.

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

Current Year Budget	Adopted 2010 Budget	Revenues expected in 2010	Forecasted Future Revenue (Per Month)
Money Tree	-	90,942	7,578
Other Miscellaneous Revenues	2,017,954	-	-
Total	2,017,954	90,942	7,578

SMALL BUSINESS PARTICIPATION

Not applicable to this action.

BACKGROUND

The building and parking have been leased to The Money Tree, Inc. since October 2002. The U220 and U240 contractors working on the University Link Project have the option to use the building and parking for construction purposes. In November 2009, the U220 contractor determined the building was not needed and only a portion of the available parking would be needed to support construction. The yet to be determined U240 contractor still has the option to use the building and remaining parking.

The building has been offered to The Money Tree, Inc. with no guaranteed parking. Sound Transit may add parking, if available, to the lease. Sound Transit reserves the right to recover parking at any time.

The Money Tree, Inc. requested to extend its tenancy because a viable alternate site has not been located. In April 2010, the Board approved extending the lease to January 31, 2011. This action would authorize a further extension until Sound Transit needs the property and terminates the lease.

ENVIRONMENTAL COMPLIANCE

SSK 8-5-10

PRIOR BOARD/COMMITTEE ACTIONS

Motion No. M2010-48 – Ratified 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.

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

JB 8/13/2010

MOTION NO. M2010-78

A motion of the Board of the Central Puget Sound Regional Transit Authority authorizing the chief executive officer to extend the lease agreement with The Money Tree, Inc. located at 1400 Madison Street in Seattle, WA until Sound Transit needs or disposes of the property.

BACKGROUND:

Board approval to extend the lease agreement is being requested in order to comply with Board policy requiring approval of agreements with terms that exceed five years. The original agreement was authorized on June 27, 2002. On April 22, 2010 the Board authorized a one year extension through January 31, 2011.

The building and parking have been leased to The Money Tree, Inc. since October 2002. The U220 and U240 contractors working on the University Link Project have the option to use the building and parking for construction purposes. In November 2009, the U220 contractor determined the building was not needed and only a portion of the available parking would be needed to support construction. The yet to be determined U240 contractor still has the option to use the building and remaining parking. The building has been offered to The Money Tree, Inc. with no guaranteed parking. Sound Transit may add parking, if available, to the lease. Sound Transit reserves the right to recover parking at any time. The Money Tree, Inc. requested to extend its tenancy because a viable alternate site has not been located. In April 2010, the Board approved extending the lease to January 31, 2011. This action would authorize a further extension until Sound Transit needs the property and terminates the lease.

The monthly rent currently payable to Sound Transit for 4,189 square feet of retail space is \$7,578.48 plus leasehold tax and is subject to CPI adjustments on an annual basis.

If the lease is not extended Sound Transit would experience a loss of revenue, added maintenance cost, and additional staff time to ensure the area would be free from unauthorized uses.

Sound Transit, at its sole discretion, can terminate the lease with 90 days notice.

MOTION:


It is hereby moved by the Board of the Central Puget Sound Regional Transit Authority that the chief executive officer is authorized to extend the lease agreement with The Money Tree, Inc. located at 1400 Madison Street in Seattle, WA until Sound Transit needs or disposes of the property.

APPROVED by the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on August 26, 2010.



Fred Butler
Board Vice Chair

ATTEST:



Marcia Walker
Board Administrator