

MOTION NO. M2012-07
Lease Agreement with Eaton Properties for Office Space in Lakewood

MEETING:	DATE:	TYPE OF ACTION:	STAFF CONTACT:	PHONE:
Board	02/23/12	Final Action	Ahmad Fazel, DECM Executive Director Nancy Bennett, Property Management Manager	206-398-5389 206-398-5401

PROPOSED ACTION

Authorizes the chief executive officer to execute a lease agreement with Eaton Properties, for office space located in Lakewood, WA, for a five-year term and with five one-year options for a total authorized agreement amount not to exceed \$314,053.

KEY FEATURES

- The proposed action would authorize a new lease at 9217 Lakeview Ave. SW in Lakewood, WA in order to comply with a contractual obligation to provide office space for BNSF crews and Amtrak maintenance staff within the vicinity of the new Lakewood Layover Site.
- Currently, Sound Transit shuttles BNSF crews and Amtrak maintenance staff to the current “L” Street Yard Layover site or Freighthouse Square from the BNSF Tacoma Offices. Establishing office space near the Lakewood Layover Facility will save significant monthly shuttling expenditures.
- The lease is for 2,543 square feet and includes tenant improvements paid for by the landlord.
- The lease amount covers the five-year lease term and the five one-year options as well as tenant improvements. The Layover project budget will fund the first year of the lease; the Sounder Operations Budget will fund future years.

PROJECT DESCRIPTION

Layover is a system wide component of the Sounder commuter rail program. It includes storage tracks and facilities for layover of trains at Seattle, Everett and Lakewood. The costs and budget are allocated to three subareas based on track miles. Storage track and light maintenance facilities have been constructed in Seattle and Everett; storage tracks have been installed in Lakewood. The layover project is one of the last components of the Tacoma-to-Lakewood commuter rail extension that will need to be constructed to help support Sounder Operations in fall of 2012. The facility will store up to six seven-car train sets that will be parked at the layover facility after the last evening train. Light maintenance facilities will be completed in Lakewood in 2012 or 2013.

FISCAL INFORMATION

Costs for the first year of the lease will be paid out of the Layover capital project budget. When the Layover facility in Lakewood is completed in 2012 or 2013, the facility will be transferred to the Operations Department. The lease costs will then be included in Operation’s annual budgeting for the duration of the lease agreement. The Operations Department is aware of these on-going charges and prepared to fund these costs when the project transitions to and on-going operating expense.

Capital Project Budget

Layover	2012 TIP	Board Approvals	This Action	Board Approved Plus Action	Uncommitted/ (Shortfall)
Agency Administration	1,138	924	-	924	214
Preliminary Engineering	268	268	-	268	(0)
Final Design	1,714	1,320	-	1,320	395
3rd Party	-	-	-	-	-
Right of Way	5,785	1,449	30	1,479	4,305
Construction	24,657	20,189	-	20,189	4,468
Construction Management	385	-	-	-	385
Vehicles	-	-	-	-	-
Contingency	-	-	-	-	-
Total Project Budget	\$ 33,947	\$ 24,150	\$ 30	\$ 24,180	\$ 9,767

Phase Detail

Right of Way

Right of Way lease	58	-	30	30	28
Other Phase Activity	5,726	1,449	-	1,449	4,277
Total Phase	\$ 5,785	\$ 1,449	\$ 30	\$ 1,479	\$ 4,305

Contract Detail

Right of Way lease	Board Approvals to Date	Current Approved Contract Status	Proposed Action	Proposed Total for Board Approval
Contract			30	30
Contingency				-
Total Contract Amount	\$ -	\$ -	\$ 30	\$ 30
Percent Contingency	0%	0%	0%	0%

Notes:

Amounts are expressed in Year of Expenditure \$000.

Board Approvals = Committed to-date + Contingency, and includes pending Board Actions.

Project budget is located on page 71 of the 2012 Transit Improvement Plan.

SMALL BUSINESS PARTICIPATION

Not applicable to this action.

EQUAL EMPLOYMENT WORKFORCE PROFILE

Not applicable to this action.

BACKGROUND

Sound Transit planned to construct a Sounder operations crew facility on Sound Transit's right of way in Lakewood for the beginning of Sounder Service to Lakewood in 2012. In spring 2011, a feasibility study for the ST2 Sounder Base Project highlighted two potential project areas to be advanced for further consideration to site the base project. The Lakewood Layover project area that Sound Transit owns is one of the project sites that is being considered. The construction of a crew facility on ST's right of way at this time may preclude future design and operational plans for the ST2 Sounder Base Project.

Until a decision on the site location for the ST2 Sounder Base Project, the design and construction for a crew facility on Lakewood Layover site has been deferred. Sound Transit will lease office space during the interim period for the Sounder BNSF crew and Amtrak maintenance staff. Since the permanent crew facility has been deferred, Sound Transit began transporting BNSF crews between the Tacoma Facility and Lakewood in September 2003 at a cost of \$5000 per month.

Sound Transit has negotiated a proposed lease amount of \$314,053 for a five-year term with five one-year options. Executing the lease at this time will allow the facility to be available before the start-up of Sounder service to Lakewood. This will also allow additional time to finalize space planning needs and install equipment to prepare the crew facility for the start of Sounder service.

The landlord is paying for all tenant improvements which include: new carpet; providing a gate in the fence between the leased property and Sound Transit owned land; striping, fencing and providing a sliding entrance gate to a parking area; installing new interior walls with data and telephone jacks; and ensuring that all mechanical, electrical and plumbing equipment is in good working order.

ENVIRONMENTAL COMPLIANCE

SSK 1-09-12

TIME CONSTRAINTS

A one-month delay may cause a delay in tenant improvement completion, resulting in a later commencement date. The later the commencement date, the longer Sound Transit will pay the costs of shuttling BNSF and Amtrak staff.

LEGAL REVIEW

JB 2-22-12

MOTION NO. M2012-07

A motion of the Board of the Central Puget Sound Regional Transit Authority authorizing the chief executive officer to execute a lease agreement with Eaton Properties, for office space located in Lakewood, WA, for a five-year term and with five one-year options for a total authorized agreement amount not to exceed \$314,053.

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MOTION:

It is hereby moved by the Board of the Central Puget Sound Regional Transit Authority that the chief executive officer is authorized to execute a lease agreement with Eaton Properties, for office space located in Lakewood, WA, for a five-year term and with five one-year options for a total authorized agreement amount not to exceed \$314,053.

APPROVED by the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on February 23, 2012.



Pat McCarthy
Board Chair

ATTEST:



Marcia Walker
Board Administrator