



MOTION NO. M2016-15  
**705 Union Station Sublease**

MEETING:	DATE:	TYPE OF ACTION:	STAFF CONTACT:
Board	02/25/2016	Final Action	<b>Bonnie Todd, Executive Director of Operations</b> <b>Nancy Bennett, Property Management Manager</b>

### PROPOSED ACTION

Authorizes the chief executive officer to execute a sublease agreement with Attachmate Corporation for office space on the eleventh floor of 705 Union Station in Seattle, WA through October 30, 2020, for a total authorized agreement amount not to exceed \$4,104,000.

### KEY FEATURES SUMMARY

- This action will authorize the lease of 24,251 square feet of office space in 705 Union Station for agency staff and co-located consultants performing final design and construction services for agency projects. The sublease will be effective March 15, 2016, and will extend for four years and eight months.
- The first year's rental rate will be \$24 per square foot and estimated operating expenses are \$11 per square foot. Rent will increase \$1 per square foot annually on the anniversary date of the lease. Operating expenses will be adjusted at the beginning of every calendar year based on actual costs. Sound Transit will pay first and last month's rent upon sublease execution.
- Sound Transit will receive free rent for the first three months.
- Sound Transit has the option to lease 24 parking spaces in the Union Station Garage at current market rate. If Sound Transit decides to lease any parking spaces, a separate agreement with the current parking management company of the Union Station Garage will be executed.
- This is a sublease of a portion of the office space leased by Attachment Corporation from LPF Union Station, LLC as the master landlord. Execution of the sublease is contingent on receiving approval from the master landlord. Approval is expected, but has not been received as of the date of this motion.

### BACKGROUND

An extensive search was conducted to locate space within walking distance of Sound Transit's current campus. Although other potential sites were found, 705 Union Station met all of the lease criteria and had the most competitive rental rate.

The office space on the eleventh floor of 705 Union Station will provide approximately 110 spaces for employees and co-located design and construction consultants.

Last year, Sound Transit conducted an internal review of the most cost effective way to house project teams made up of employees and co-located consultants. This review confirmed that Sound Transit's existing business practice of providing office space for consultants saved money and time, thereby conserving project budget. The agency has experienced significant benefits on

earlier projects from co-locating Sound Transit and consultant staff in or near Sound Transit's offices.

Sound Transit will purchase Attachmate's existing office furniture and cubicles for One Dollar. No additional tenant improvements are needed. Sound Transit will install information technology and telecommunications equipment prior to occupancy at its own expense.

## FISCAL INFORMATION

This action is within the 2016 Budget as adopted by the Board and sufficient funds remain after approval of this action to fund the remaining work in DECM Department as presented in the adopted budget.

The 2016 Budget process anticipated additional support staff space needs and included \$990,000 of additional annual budget authority to accomplish that purpose. The cost of this lease is within that authority. Subsequent year lease costs will be incorporated into future budget development processes.

<b>Current Year Budget</b>	<b>2016 Budget</b>	<b>2016 Commitments</b>	<b>2016 Contract Expenditures</b>	<b>Remaining 2016 Budget</b>
DECM General Administrative Facilities	4,578	3,515	562	501

<b>Contract Spending Plan</b>	<b>Prior Year(s) Spending</b>	<b>Expected 2016 Spending</b>	<b>Future Expenditures</b>	<b>Total</b>
705 Union Station Office Space Lease	0	562	3,542	4,104
<b>Total Lease</b>	<b>0</b>	<b>562</b>	<b>3,542</b>	<b>4,104</b>

<b>705 Union Station Office Space Lease Contract Details</b>	<b>Current Approved Contract Value</b>	<b>Total Commitments</b>	<b>Proposed Action</b>	<b>Proposed Total Contract Value</b>
Lease Amount	0	0	4,104	4,104
Contingency	0	0	0	0
<b>Total Lease</b>	<b>0</b>	<b>0</b>	<b>4,104</b>	<b>4,104</b>

### Notes:

Amounts are expressed in \$000s.

DECM budget is located on page 16 of 2016 Proposed Budget book plus 2016 Budget Amendment, Resolution N R2015-36.

Budget for future years will be requested in future budgets.

The 2016 Adopted Budget for DECM Administrative Facilities under Leases and Rentals is \$4.6 million. Within that amount \$3.5 million has been committed to spend through the end of the year. The proposed action would commit \$0.6 million for Attachmate Corporation office space lease leaving 2016 remaining uncommitted budget of \$0.5 million in General Administrative Facilities.

## SMALL BUSINESS/DBE PARTICIPATION AND APPRENTICESHIP UTILIZATION

Sound Transit promotes and encourages small business participation, which also includes Disadvantaged Business Enterprises (DBEs). Small Business and DBE goals are based upon an examination of subcontracting opportunities contained in the work of this contract and the number of Small Businesses/DBEs available to perform such subcontracting work.

Sound Transit determined that there were few Small Business and DBE subcontracting opportunities based upon the work described in this contract, so Small Business/DBE goals were not established.

## PUBLIC INVOLVEMENT

Not applicable to this action.

## TIME CONSTRAINTS

A one-month delay would not provide enough time to complete installation of information technology and telecommunications equipment needed for assigned staff prior to the start of the March 15, 2016, sublease.

## ENVIRONMENTAL REVIEW

JI 1/26/2016

## LEGAL REVIEW

JV 2/19/2016

## **MOTION NO. M2016-15**

A motion of the Board of the Central Puget Sound Regional Transit Authority authorizing the chief executive officer to execute a sublease agreement with Attachmate Corporation for office space on the eleventh floor of 705 Union Station in Seattle, WA through October 30, 2020, for a total authorized agreement amount not to exceed \$4,104,000.

### **BACKGROUND:**

An extensive search was conducted to locate space within walking distance of Sound Transit's current campus. Although other potential sites were found, 705 Union Station met all of the lease criteria and had the most competitive rental rate.

The office space on the eleventh floor of 705 Union Station will provide approximately 110 spaces for employees and co-located design and construction consultants. The location is 24,251 square feet of office space for agency staff and co-located consultants performing final design and construction services for agency projects. The sublease will be effective March 15, 2016, and will extend for four years and eight months.

This is a sublease of a portion of the office space leased by Attachment Corporation from LPF Union Station, LLC as the master landlord. Execution of the sublease is contingent on receiving approval from the master landlord. Approval is expected, but has not been received as of the date of this motion.

Last year, Sound Transit conducted an internal review of the most cost effective way to house project teams made up of employees and co-located consultants. This review confirmed that Sound Transit's existing business practice of providing office space for consultants saved money and time, thereby conserving project budget. The agency has experienced significant benefits on earlier projects from co-locating Sound Transit and consultant staff in or near Sound Transit's offices.

Sound Transit will purchase Attachmate's existing office furniture and cubicles for One Dollar. No additional tenant improvements are needed. Sound Transit will install information technology and telecommunications equipment prior to occupancy at its own expense.

**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 sublease agreement with Attachmate Corporation for office space on the eleventh floor of 705 Union Station in Seattle, WA through October 30, 2020, for a total authorized agreement amount not to exceed \$4,104,000.

APPROVED by the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on February 25, 2016.



Dow Constantine  
Board Chair

ATTEST:



Kathryn Flores  
Board Administrator