

MOTION/RESOLUTION NO. M2017-16
L & R Linden LLC Warehouse Lease

MEETING:	DATE:	TYPE OF ACTION:	STAFF CONTACT:
Operations Committee	2/2/2017	Recommend to Board	Bonnie, Todd, Executive Director of Operations
Board	2/23/2017	Final Action	Nancy Bennett, Property Management Manager

PROPOSED ACTION

Authorizes the chief executive officer to execute a lease with L & R Linden LLC for office and warehouse space located at 920 North 137th Street, Seattle, WA for a six year and two month term, for a total authorized agreement amount not to exceed \$5,670,566.

KEY FEATURES SUMMARY

- This action will authorize the lease of 33,167 square feet of office and warehouse space for Sound Transit staff. The lease is for a term of seventy four months, commencing on the later of April 1, 2017 or completion of tenant improvements. The lease also contains the option to extend for an additional five year period at the then fair market rental rate.
- The first years rental rate is the fair market rate of \$27,500 per month and estimated operating expenses are \$0.19 per square foot per month. Rent will increase three percent annually. Operating expenses will be adjusted annually based on actual costs.
- Sound Transit will receive free rent for the first two months of the lease.
- Sound Transit will be provided with a Tenant Improvement Allowance not to exceed \$70,440 for improvement work completed by the landlord's contractor.

BACKGROUND

Sound Transit currently leases warehouse space in Auburn, WA, in order to accommodate storage needs and provide a remote office for Sound Transit Facilities staff. Due to the increase in storage needs Sound Transit has determined that additional warehouse and office space is needed.

The new warehouse is located in Seattle, WA. This will provide an additional 33,167 square feet of storage and office space and will decrease travel time for Facilities staff.

FISCAL INFORMATION

The proposed action will be funded from the lease and rentals category within the Operations Department's annual operating budget. The lease and rentals category is \$8,600,652, of which a total of \$236,614 is estimated to be spent in the first year of the contract and is within the Agency's budget authority. After approval of this action, the remaining annual budget amount will be used to fund other department expenditures anticipated in the 2017 annual budget.

Funding for the additional years of the contract will be included in future annual budget requests.

Operations Department	2017 Annual Operating Budget	Actuals to Date	This Action	Actuals to Date Plus Action	Remaining Annual Operating Budget
Salaries and Benefits	15,055				15,055
Services	57,993				57,993
Materials and Supplies	10,785				10,785
Utilities	5,270				5,270
Taxes	2,595				2,595
Purchased Transportation Services	163,027				163,027
Miscellaneous	376				376
Leases and Rentals	8,601		237	237	8,364
Total Annual Operating Budget	263,701		237	237	263,465

Contract Spending Plan	Prior Year Spending	Forecast 2017 Spending	Future Expenditures	Total
L & R Linden LLC	-	237	5,434	5,671

Contract Detail	Board Approved Contract Value	Contract Actuals to Date	Proposed Action	Proposed Revised Board Approved Contract Value
L & R Linden LLC	-	-	5,671	5,671
Contingency			-	-
Contract Amount - Total	-	-	5,671	5,671
Percent Contingency	0%	0%	0%	0%

Notes:

Amounts are expressed in Year of Expenditure \$000.

Operations Department budget can be found on page 25 of Proposed 2017 Budget book.

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.

TIME CONSTRAINTS

A one-month delay would not impair the lease but would delay completion of tenant improvements to after April 1, 2017.

ENVIRONMENTAL REVIEW

JI 1/18/2017

LEGAL REVIEW

JV 1/26/2017



MOTION NO. M2017-16

A motion of the Operations and Administration Committee of the Central Puget Sound Regional Transit Authority authorizing the chief executive officer to execute a lease with L & R Linden LLC for office and warehouse space located at 920 North 137th Street, Seattle, WA for a six year and two month term, for a total authorized agreement amount not to exceed \$5,670,566.

BACKGROUND:

Sound Transit currently leases warehouse space in Auburn, WA, in order to accommodate storage needs and provide a remote office for Sound Transit Facilities staff. Due to the increase in storage needs Sound Transit has determined that additional warehouse and office space is needed.

The new warehouse is located in Seattle, WA. This will provide an additional 33,167 square feet of storage and office space and will decrease travel time for Facilities staff. The first years rental rate is the fair market rate of \$27,500 per month and estimated operating expenses are \$0.19 per square foot per month. Rent will increase three percent annually. Operating expenses will be adjusted annually based on actual costs.

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 execute a lease with L & R Linden LLC for office and warehouse space located at 920 North 137th Street, Seattle, WA for a six year and two month term, for a total authorized agreement amount not to exceed \$5,670,566

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

Paul Roberts
Operations and Administration Committee Chair

ATTEST:

Kathryn Flores
Board Administrator