



## Motion No. M2024-22

### Lease Agreement for the Bus Base North and I-405 Bus Rapid Transit projects construction field office

Meeting:	Date:	Type of action:	Staff contact:
System Expansion Committee	05/09/2024	Final action	Terri Mestas, Deputy CEO, Chief Mega Capital Programs Officer Ron Lewis, Executive Director, Design Engineering and Construction Management <b>Faith Roland, Director, Real Property, DECM</b> <b>Jason Heaverlo, Senior Leasing Document Coordinator</b>

### Proposed action

Authorizes the chief executive officer to execute a 3.5-year lease agreement, with one two-year option to extend, with ARE Seattle No. 42 for Stride’s Canyon Park construction field office located at 1725 220th Street SE, Bothell, WA in a total amount not to exceed \$1,640,015, plus applicable taxes.

### Key features summary

- This motion authorizes the chief executive officer to execute a lease agreement with ARE Seattle No. 42 to establish a field office for the Bus Rapid Transit program located near construction activities.
- The field office would consist of the entire second floor of suites known as C-200, C-201, and C-202 containing approximately 11,525 square feet of rentable space. This real property is operated as a single mixed-use campus commonly known as “Canyon Park Business Center.”
- The field office will need to be retained for 3-6 months before Bus Rapid Transit construction begins and after substantial completion.
- To serve project needs, the Stride General Engineering Consultant (GEC) recommended establishing a field office near construction activities. The consolidation or co-location of teams at this site would also result in a smaller space requirement overall. This field office will be Sound Transit leased as opposed to contractor provided.
- The lease rate is \$10.78 per square foot annually, with a yearly 3 percent rate increase over a period of five years, with an annual operating expenditure rate of \$12.61 per square foot, with an estimated 5 percent yearly rate increase, for a total amount not to exceed \$1,640,015.

### Background

The Sound Transit-delivered construction projects of the Stride Bus Rapid Transit (BRT) Program anticipates entering construction beginning in late 2024 or early 2025. Stride Program comprises a new bus operations and maintenance facility, also known as Bus Base North, and three distinct service lines. The system spans over 46 miles, 11 municipalities, and 25 stations.

The construction management team requires office space at or near the construction site in order to effectively oversee the construction activities. There are eight ST-delivered construction contract packages, each with a Construction Management team requiring field office space. Contractors will provide their own field offices for their staff.

Leasing the Canyon Park location would benefit Sound Transit by consolidating and co-locating teams near construction sites.

The lease term has a target commencement date of June 1, 2024, and ending date of January 31, 2028, with one two-year option to extend the term. Sound Transit will be receiving a 30-day abatement period starting on the date of commencement.

**Fiscal information**

This action is within the authorized project allocation for the following projects and sufficient monies remain after approval of this action to fund the remaining project work. The current project budgets are included in the existing Long Range Financial Plan.

The action with ARE Seattle for \$1,640,015 plus applicable taxes will provide a 3.5-year lease agreement with one two-year option to extend lease for Stride’s Canyon Park construction field office that encompasses two system expansion projects as follows:

**Bus Rapid Transit Maintenance Base**

The baseline budget for the Bus Rapid Transit (BRT) Maintenance Base project is \$499,500,000. Within that amount \$345,430,000 has been set aside in the construction phase. Within the construction phase, \$2,160,000 has been allocated to the budget line item for a construction field office. The action would commit \$820,008 to this line item and leave a line-item balance of \$1,339,993.

**Bus Rapid Transit Maintenance Base**

(in thousands)

Project Phase	Total Baseline Budget	Board Approvals*	This Action	Board Approved Plus Action	Uncommitted / (Shortfall)
Agency Administration	\$41,880	\$11,683	\$0	\$11,683	\$30,197
Preliminary Engineering	1,740	1,616	-	1,616	124
Final Design	26,080	19,314	-	19,314	6,766
Third Party	7,140	138	-	138	7,002
Right of Way	43,800	36,268	-	36,268	7,532
Construction	345,430	22	820	842	344,588
Construction Services	23,520	383	-	383	23,137
Vehicles	9,910	-	-	-	9,910
<b>Total Current Budget</b>	<b>\$499,500</b>	<b>\$69,423</b>	<b>\$820</b>	<b>\$70,243</b>	<b>\$419,347</b>

**Phase Detail - Construction**

Construction Field Office	\$2,160	\$	\$820	\$820	\$1,340
Other Construction	343,270	22	-	22	343,248
<b>Total Phase</b>	<b>\$345,430</b>	<b>\$22</b>	<b>\$820</b>	<b>\$842</b>	<b>\$344,588</b>

ARE Seattle	Board Approvals to Date	Proposed Action	Proposed Total for Board Approval	Current Contract Spend Status
Contract Amount	\$	\$820	\$820	\$
Contingency	0	0	0	0
<b>Total Contract Amount</b>	<b>\$</b>	<b>\$820</b>	<b>\$820</b>	<b>\$</b>
Percent Contingency	0%			0%

**Notes:**

Amounts are expressed in Year of Expenditure \$000s.

For detailed project information, see page 148 of 224 of the 2024 Financial Plan & Adopted Budget.

\* Board Approvals = Commitment and PO Contingency Remaining as of 3/31/2024.

## I-405 Bus Rapid Transit

The baseline budget for the I-405 Bus Rapid Transit (BRT) project is \$1,269,000,000. Within that amount \$1,054,928,000 has been set aside in the construction phase. Within the construction phase, \$3,600,000 has been allocated to the budget line item for a construction field office. The action would commit \$820,008 to this line item and leave a line-item balance of \$2,779,993.

### I-405 Bus Rapid Transit Project

(in thousands)

Project Phase	Total Baseline Budget	Board Approvals*	This Action	Board Approved Plus	Uncommitted / (Shortfall)
Operations and Maintenance	\$453	\$	\$0	\$	\$453
Administration	\$54,767	\$24,977	-	24,977	29,790
Preliminary Engineering	43,012	42,883	-	42,883	129
Final Design	30,112	17,455	-	17,455	12,657
Third Party Agreements	5,810	1,608	-	1,608	4,202
Right of Way	53,500	33,989	-	33,989	19,511
Construction	965,208	655,543	820	656,363	308,845
Construction Services	26,418	2,355	-	2,355	24,063
Vehicles	89,720	84,385	-	84,385	5,335
<b>Total Current Budget</b>	<b>\$1,269,000</b>	<b>\$863,195</b>	<b>\$820</b>	<b>\$864,015</b>	<b>\$404,985</b>

#### Phase Detail - Construction

Construction Field Office	\$3,600	\$0	\$820	\$820	\$2,780
Other Construction	961,608	655,543	-	655,543	306,065
<b>Total Phase</b>	<b>\$965,208</b>	<b>\$655,543</b>	<b>\$820</b>	<b>\$656,363</b>	<b>\$308,845</b>

ARE Seattle	Board Approvals to Date	Proposed Action	Proposed Total for Board Approval	Current Approved Contract Status
Contract Amount	\$0	\$820	\$820	\$0
Contingency	-	-	-	-
<b>Total Contract</b>	<b>\$0</b>	<b>\$820</b>	<b>\$820</b>	<b>\$0</b>
Percent Contingency	0%	0%	0%	

#### Notes:

Amounts are expressed in Year of Expenditure \$000s.

For detailed project information, see page 144 of 224 of the 2024 Financial Plan & Adopted Budget.

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## Time constraints

A one-month delay could impact the date the spaces will be available for occupancy.

**Environmental review – KH 4/23/24**

**Legal review – JDW 5/6/24**



## Motion No. M2024-22

A motion of the System Expansion Committee of the Central Puget Sound Regional Transit Authority authorizing the chief executive officer to execute a 3.5-year lease agreement, with one two-year option to extend, with ARE Seattle No. 42 for Stride's Canyon Park construction field office located at 1725 220th Street SE, Bothell, WA in a total amount not to exceed \$1,640,015, plus applicable taxes.

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**Motion**

It is hereby moved by the System Expansion Committee of the Central Puget Sound Regional Transit Authority that the chief executive officer is authorized to execute a 3.5-year lease agreement, with one two-year option to extend, with ARE Seattle No. 42 for Stride's Canyon Park construction field office located at 1725 220th Street SE, Bothell, WA in a total amount not to exceed \$1,640,015, plus applicable taxes.

APPROVED by the System Expansion Committee of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on May 9, 2024.

  
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Claudia Balducci  
System Expansion Committee Chair

**Attest:**

  
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Kathryn Flores  
Board Administrator