



Motion No. M2024-56

Stacy and Witbeck Inc. Third Amendment to Lease

Meeting:	Date:	Type of action:	Staff contact:
Rider Experience Operations Committee	09/23/2024	Final Action	Joseph Gildner – Deputy Executive Director – Project Management - CDD Clint Dameron – Acting Director Real Property Jason Heaverlo - Senior Leasing Document Coordinator

Proposed action

Authorizes the chief executive officer to execute a third amendment to the lease with Stacy and Witbeck, Inc. for premises owned by Sound Transit and located at 10901 Lakeview Avenue SW, Lakewood, WA to extend the term of the lease for seven years with two, one-year options to extend the term.

Key features summary

- Sound Transit owns a commercial building located at 10901 Lakeview Avenue SW, Lakewood, WA.
- Stacy and Witbeck currently leases 1,634 square feet of office and warehouse space from Sound Transit within this building.
- This action will authorize a lease amendment to extend the term for seven years, through September 30, 2031 and will provide for two, one-year options to extend the term.
- The original lease, which had a 5-year term, was signed under the CEO's signing authority. The effect of two prior extensions, plus the extension made the subject of this motion, will result in a total term length of up to 21 years. Leases over ten years require committee or Board approval per Board Resolution No. R2023-30.
- The rental rate for the extended term will be \$0.70 per square foot, totaling \$1,143.80 per month.

Background

Sound Transit owns the commercial building located at 10901 Lakeview Avenue SW, Lakewood, WA. Stacy and Witbeck have leased office and warehouse space within the building since 2012 for material storage and a crew office related to their work on Sound Transit contracts.

The term of the initial lease was from July 1, 2012 to June 19, 2017, which was co-extensive with the term of Sound Transit's then-current maintenance of way contract with Stacy and Witbeck. The first amendment to the lease, which was approved by the Board in Motion No. M2017-115, ratified a holdover period from June 20, 2017 to August 31, 2017 and authorized an extension of the term through June 30, 2024, which rendered the extended term coextensive with a new maintenance contract awarded under Motion No. M2017-58. A second amendment extended the term for an additional three months, from July 1, 2024, through September 30, 2024, to again align the term of the lease with the term of Stacy and Witbeck's extended maintenance contract.

Under Motion No. M2024-51, the Board awarded Stacy and Witbeck another contract to provide signal and bridge maintenance for Sound Transit's Sounder right-of-way from Tacoma to Nisqually as well as Sounder Everett and Lakewood layover yards.

This action would allow Sound Transit to align the term of the lease with this newly awarded maintenance contract, both of which will have a seven-year term with two, one-year options to extend.

Fiscal information

Lease revenues are included within the miscellaneous revenues the agency receives. Annual lease revenue of \$13,726 is included within the proposed 2025 miscellaneous revenue budget. Future lease revenues will be included in future revenue budgets. This action does not have an impact on the affordability of the Agency's Finance Plan.

Time constraints

This lease amendment is tied to the maintenance contract start date of October 1, 2024.

Prior Board/Committee actions

Motion No. M2024-51: Authorized the chief executive officer to execute a seven-year contract, with two one-year options to extend, with Stacy and Witbeck, Inc. to provide track, signal, and bridge maintenance services for Sound Transit's Lakewood Subdivision and Sounder Everett Yard right-of-way for a total authorized contract amount not to exceed \$35,572,574 plus applicable taxes.

Motion No. M2017-115: Ratified the lease holdover period and authorized the chief executive officer to execute a lease amendment with Stacy and Witbeck, Inc. extending the term of the agreement at 10901 Lakeview Avenue SW, Lakewood, WA for five years until June 30, 2024.

Environmental review – EG 8/26/24

Legal review – NM 9/10/24



Motion No. M2024-56

A motion of the Rider Experience and Operations Committee of the Central Puget Sound Regional Transit Authority authorizing the chief executive officer to execute a third amendment to the lease with Stacy and Witbeck, Inc. for premises owned by Sound Transit and located at 10901 Lakeview Avenue SW, Lakewood, WA to extend the term of the lease for seven years with two, one-year options to extend the term.

Background

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Under Motion No. M2024-51, the Board awarded Stacy and Witbeck another contract to provide signal and bridge maintenance for Sound Transit's Sounder right-of-way from Tacoma to Nisqually as well as Sounder Everett and Lakewood layover yards.

This action would allow Sound Transit to align the term of the lease with this newly awarded maintenance contract, both of which will have a seven-year term with two, one-year options to extend. The rental rate for the extended term will be \$0.70 per square foot, totaling \$1,143.80 per month.

Motion


It is hereby moved by the Rider Experience and Operations Committee of the Central Puget Sound Regional Transit Authority that the chief executive officer is authorized to execute a third amendment to the lease with Stacy and Witbeck, Inc. for premises owned by Sound Transit and located at 10901 Lakeview Avenue SW, Lakewood, WA to extend the term of the lease for seven years with two, one-year options to extend the term.

APPROVED by the Rider Experience and Operations Committee of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on September 23, 2024.



Kristina Walker
Rider Experience and Operations Chair

Attest:



Kathryn Flores
Board Administrator