

CITY COUNCIL REGULAR SESSION

Resolution authorizing execution of an amendment to the Professional Services Agreement with Jones Lang LaSalle Americas, development feasibility and strategy consultant supporting the City's 130th Station area transit-oriented development efforts, increasing the total contract amount from \$138,500 to an amount not to exceed \$225,394.71, plus all applicable taxes.

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EXECUTIVE SUMMARY

This Resolution is necessary to conclude feasibility analysis and development strategy advising for the City-owned 130th Station area transit-oriented development parcels, including a competitive process to select a project developer. Staff anticipate that this will be the final contract amendment for this project.

RECOMMENDATION

Move to adopt Resolution No. 10059

BACKGROUND/ANALYSIS

On November 15, 2011, the City and Sound Transit entered into an Umbrella Memorandum of Understanding (MOU) related to the construction, operation, and maintenance of the East Link project, including the City's contribution for a downtown tunnel. This collaboration identified cost savings and alignment modifications for the project. As a result, additional property rights were needed from City Hall, King County Metro, and Lincoln Center. On May 6, 2015, an Amended and Restated MOU was completed, finalizing negotiations related to the additional property rights exchanged.

In exchange for the additional City property, Sound Transit agreed to convey three parcels between 130th and 132nd Avenue NE (130th Parcels) to the City, subject to the requirement that the City deliver a 300-stall park-and-ride facility on the property in time for the opening of East Link service, or at a later date provided that 300 interim stalls are created nearby and remain operational while permanent parking is developed on-site. Terms and conditions associated with Sound Transit's transfer of the 130th Parcels to the City, including the City's responsibilities and milestone schedule associated with the design, development, and construction of parking facilities, were finalized on October 17, 2019, in the Conveyance Agreement for Property at 130th Station.

Following the Conveyance Agreement, the City selected and contracted with Jones Lang LaSalle Americas in late spring of 2020 to complete multiple analyses and advising services with respect to the 130th project with a maximum amended budget of \$138,500. These included:

Phase 1

1. Analyze the feasibility of transit-oriented development adjacent to the 130th Station, considering existing and future market conditions, required timelines, site constraints, and Council goals (including the delivery of affordable housing), and

2. Advise the City on potential development strategies, timing, associated costs, and benefits.

Phase 2

3. Advise and assist the City through a competitive selection process, including pre-marketing support, process development, launch, evaluation, and selection.

After more than a year of due diligence, coordination with internal and external stakeholders (including Sound Transit), and market and feasibility analysis, Phase 1 is complete. Due to the additional site complexities encountered early in project development, an amendment to add additional funds was required to complete Phase 1. Fundamental findings include:

- The three-parcel development site as conceived does not create a viable project without significant subsidy from the City or by facilitating additional creative strategies for delivery, which have the potential to add significant delay and risk. This is a result of the complex spatial and environmental site constraints, parking obligations, and City goals that impact site revenue potential and increase the cost burden associated with required improvements.
- The City's ability to meet its goals is greatly improved through the inclusion of additional property in a larger development, as well as through the use of innovative parking operations strategies which would require further evaluation and agreement with Sound Transit.

With these findings, Phase 1 of the project has been completed.

This amendment to the Professional Services Agreement is necessary to launch Phase 2, which will involve a competitive process for selection of a project developer.

POLICY & FISCAL IMPACTS

Policy Impact

City policy provides that professional services contracts in excess of \$90,000 require Council approval.

Fiscal Impact

This action obligates the City to increase the total contract for consulting services provided by Jones Lang LaSalle Americas by \$87,000, plus applicable taxes, to provide additional analysis and consulting support to enable the City's plan to redevelop the 130th Parcels. There are sufficient funds in the 2021-2022 General Capital Investment Program Plan No. CD-48 to cover this amendment.

Professional Services Agreement with Jones Lang LaSalle Americas	
Authorized Contract (No. 2050058)	\$90,000.00
Amendment No. 1 (No. 2050058.001)	\$48,500.00
Amendment No. 2 (No. 2050058.002)	\$0.00 [Added a Non-Disclosure Agreement]
Amendment No. 3 (No. 2050058.003)	\$0.00 [Eliminated Non-Disclosure Agreement]
Amendment No. 4 (No. 2050058.004)	\$86,894.71
New Contract Total Amount	\$225,394.71

OPTIONS

1. Adopt the Resolution authorizing execution of an amendment to the Professional Services Agreement with Jones Lang LaSalle Americas, development feasibility and strategy consultant supporting the City's 130th Station area transit-oriented development efforts, increasing the total contract amount from \$138,500 to an amount not to exceed \$225,394.71, plus all applicable taxes.
2. Do not adopt the Resolution and provide alternative direction to staff.

ATTACHMENTS

- A. CIP Project Description (CD-48)
Proposed Resolution No. 10059

AVAILABLE IN COUNCIL LIBRARY

Amendment No. 4 to the Professional Services Agreement