

September 18, 2017

## **CITY COUNCIL AGENDA MEMORANDUM**

### **SUBJECT**

Resolution authorizing execution of a two-year Professional Services Agreement, with an option for one two-year renewal, with Yates, Wood & MacDonald, Inc., in the estimated amount of \$500,000, plus all applicable taxes, for residential property management services at the Bayvue Village Apartments.

### **FISCAL IMPACT**

This agreement obligates the City to a Professional Services Agreement with an estimated value of \$500,000 over two years, with an option for one two-year renewal. The estimated contract value is based upon the consultant's proposed service fee of 5 percent of the estimated gross annual rental revenue collected plus the estimated expense of an on-site manager and maintenance. . The contracted residential property management services are fully funded through the Land Purchase Revolving Fund through rental receipts generated by this property. This is an anticipated expense and sufficient funding exists within the Land Purchase Revolving Fund. This contract will have no fiscal impact to the General Fund.

### **STAFF CONTACTS**

Thomas Purcell, Structural Operations Manager, 452-2036  
Zarrian Smith, Contract Administrator, 452-4883  
*Parks & Community Services Department*

### **POLICY CONSIDERATION**

The *Comprehensive Plan*, Parks, Open Space and Recreation Element, states:

- Goal #4 – To develop, operate, and maintain parkland and cultural and recreation facilities in a manner that is responsive to the site and the needs of the community.
- Policy PA-7 – Coordinate park planning, acquisition, and development with other City projects and programs that implement the *Comprehensive plan*.

### **BACKGROUND**

On August 6, 2007, Council authorized the purchase of the Bayvue Village Apartments from Skookum Enterprises. As part of the acquisition, the City informed the tenants that they would be allowed to continue renting the units while the City continued work towards completion of the Meydenbauer Bay Park and Land Use Master Plan and project implementation. This contract covers the management of 51 rental units within the seven buildings that comprise the Bayvue Village Apartments

The City typically contracts with a property management firm to manage property rentals, respond to after-hours emergencies, coordinate routine maintenance, and ensure compliance with property rules, regulations, and tenant agreements.

### **Selection Process**

Consistent with contracting policies, a Request for Proposal process was completed in August. Proposals were received from Yates, Wood & MacDonald, Inc. and Protocol Property Management. Selection criteria were established within the Request for Proposal. Each responder was rated upon

responsiveness/completeness of their proposal, experience, qualifications, technical expertise, proposed costs, and references.

Based upon the review of the proposal materials, staff recommends entering into a professional services agreement with Yates, Wood & MacDonald, Inc.

Yates, Wood & MacDonald, Inc. is an experienced property management and brokerage firm who demonstrated the capability to effectively meet the needs and requirements of our Request for Proposal. Yates, Wood & MacDonald, Inc. possesses a wealth of knowledge of the rental and sales market of greater Bellevue, having managed several complexes within and around downtown Bellevue including the Bayvue Village Apartments.

#### Scope of Work:

The proposed contract includes the following scope of work for residential property management services at the Bayvue Village Apartments:

- **Leasing** – Advertise vacant properties, screen potential tenants through credit applications, conduct personal and business reference checks and personal interviews, execute rental agreements with tenants, administer rental agreements, and ensure tenant compliance with terms and conditions of agreements.
- **Collections/Payment** – Collect rent and leasehold excise taxes, and remit payment to the City on a monthly basis. Monitor tenant payments of all charges which may become delinquent, and collect late charges on rent.
- **Maintenance** – Approve and monitor maintenance or repair work by contractors, provide comprehensive inspections of properties, and notify the City of maintenance issues.
- **Emergency Response** – Maintain 24-hour on-call property manager to respond to emergencies.
- **Risk Management** – Obtain verification and maintain current records of insurance coverage required of lessors. Verify all licenses, permits, and the compliance of tenants with ordinances, codes, statutes, and regulations concerning occupation of premises.
- **Reporting** – Provide monthly reporting on the financial activity at the Bayvue Village Apartments, which shall include but not be limited to rent rolls, security deposit transactions, revenue and expenditure details, vacancy rates, and year-end projections.

#### **EFFECTIVE DATE**

If approved, this Resolution becomes effective immediately upon Council adoption.

#### **OPTIONS**

1. Adopt the Resolution authorizing execution of a two-year Professional Services Agreement, with an option for one two-year renewal, with Yates, Wood & MacDonald, Inc., in the estimated amount of \$500,000, plus all applicable taxes, for residential property management services at the Bayvue Village Apartments.
2. Do not adopt the Resolution and provide alternative direction to staff.

#### **RECOMMENDATION**

Option 1

#### **MOTION**

Move to adopt Resolution No. 9309 authorizing execution of a two-year Professional Services

Agreement, with an option for one two-year renewal, with Yates, Wood & MacDonald, Inc., in the estimated amount of \$500,000, plus all applicable taxes, for residential property management services at the Bayvue Village Apartments.

**ATTACHMENT**

Proposed Resolution No. 9309

**AVAILABLE IN COUNCIL DOCUMENT LIBRARY**

Copy of Contract