

## 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 \$90,000 to an amount not to exceed \$138,500, plus all applicable taxes.

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*Community Development*

## EXECUTIVE SUMMARY

This Resolution is necessary to fund the existing contract for feasibility analysis and development strategy advising for the City-owned 130<sup>th</sup> Station area transit-oriented development parcels.

## RECOMMENDATION

Move to adopt Resolution No. 9905

## BACKGROUND/ANALYSIS

On November 15, 2011, the City and Sound Transit entered into an Umbrella MOU related to the construction, operation and maintenance of the East Link project including the City's contribution for a downtown tunnel. This collaboration led to identifying 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 130<sup>th</sup> and 132<sup>nd</sup> Avenue NE (130<sup>th</sup> 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 of parking are created nearby and remain operational while permanent parking is developed on-site. Terms and conditions associated with Sound Transit's transfer of the 130<sup>th</sup> 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 130<sup>th</sup> Station.

Following the completion of the Conveyance Agreement, City staff initiated a Request for Proposals (RFP) seeking consulting support to:

### ***Phase 1:***

- 1) Analyze the feasibility of transit-oriented development adjacent to the 130<sup>th</sup> Avenue 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 solicitation process, including pre-marketing support, process development, launch, evaluation and selection.

Following the completion of the RFP process, the City selected and contracted with Jones Lang LaSalle Americas in late spring of 2020 to complete Phase 1 services described above with a maximum budget of \$90,000. After six months of due diligence, coordination with internal and external stakeholders, and market and feasibility analysis, fundamental findings to-date are two-fold:

- 1) The three-parcel site development as initially conceived by the City does not create a viable development project without significant subsidy from the City or another entity or facilitating additional creative strategies for delivery. This is a result of complex spatial and environmental site constraints, parking obligations and City goals that impact site revenue potential and increase cost burden to required improvements.
- 2) In order to proceed with a feasible project that would result in a successful public-private partnership development, additional analysis is required to fully understand the site’s development potential and develop creative strategies to reduce project development costs.

With these initial findings in mind, an amendment to the Professional Services Agreement is necessary to provide sufficient funding to complete Phase 1.

**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 \$48,500, plus applicable taxes, to provide additional development feasibility analysis necessary to inform the City’s ability to redevelop the 130<sup>th</sup> parcels. There are sufficient funds in the 2021-2022 General Capital Investment Program Plan No. CD-48 to cover this amendment.

<b>Professional Services Agreement with Jones Lang LaSalle, Americas</b>	
Authorized Contract (No. 2050058)	\$90,000
Amendment No. 1 (Reassigned No. 2050058.001)	\$48,500
<b>New Contract Total Amount</b>	<b>\$138,500</b>

**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 \$90,000 to an amount not to exceed \$138,500, plus all applicable taxes.
- 2. Do not adopt the Resolution and provide alternative direction to staff.

## **ATTACHMENTS & AVAILABLE DOCUMENTS**

A. CIP Project Description (CD-48)  
Proposed Resolution No. 9905

## **AVAILABLE IN COUNCIL LIBRARY**

Amendment No. 1 to the Professional Services Agreement