

**WATER STREET DEVELOPMENT AREA
SCOPE OF WORK
FOR
PREDEVELOPMENT ACTIVITIES**

2/21/2016 DRAFT

This scope of work will result in the creation of an Area Plan for the Water Street Redevelopment Area that explores opportunities for new vertical development, public amenities and streetscape improvements. Ultimately, the city and the developer anticipate that predevelopment and planning activities will lead to a public-private development agreement that will coordinate new development with public investment.

The City envisions vibrant mixed-use development in this area bringing more market rate housing, ground floor retail/restaurant space, and perhaps structured parking to the area. Uses should be complementary to the adjacent park and should result in no net reduction in park space.

Following is a detailed list of predevelopment activities that will be undertaken by the Urban Olympia V, LLC and Thomas Architecture Studio (TAS). Where appropriate for each task, the following has been identified:

- Clarification of deliverables and activities
- Time frame for deliverables and activities
- Participation and/or review by City of Olympia
- Fees for predevelopment activities
- Payment of TAS fees for predevelopment activities by Urban Olympia V, LLC and City of Olympia

PREDEVELOPMENT TASKS:

1. PROPERTY ACQUISITION (2 months):

- a. Coordination between Urban Olympia V, LLC and City representatives regarding previous outreach efforts to property owners within the proposed Area Plan.
- b. Purchase and Sale Agreements or other legal agreements to secure site control (options, joint venture agreements, etc.) for all parcels for which detailed development plans will be provided (preferred alternative).

These properties may include City-owned properties.

Urban Olympia V, LLC will share information it gathers in the property acquisition phase with the City. Should Urban Olympia V, LLC and the City conclude that site control is not reasonably feasible within the Water Street Redevelopment Area then only the items 2. a. – d. of the Area Plan, the Downtown Strategy Component (items 4 a. – e.) and the City Review and Public Participation (item 5)of the Scope shall apply.

2. AREA PLAN (3 months) The Area Plan shall include all properties within the WSRA including the right of way of Water Street and will show context and connection to the surrounding properties and blocks. Detailed architectural plans will only be completed on those sites for which Urban Olympia V has gained site control. However, the Area Plan will address development and public realm improvements in the entire Water Street Redevelopment Area. The Area Plan shall consist of up to three alternatives for the following:

- a. Development Program
 - i. Area totals for each use, number of housing units, type of housing units, parking totals and preliminary plans for how parking for the Area Plan will be achieved.
- b. Land Use Code Analysis
 - i. Preliminary review of all constraints & opportunities
 - ii. Identification of any code departures or variances needed
 - iii. Outline of Land Use approval process & schedule
 - iv. Outline of recommended changes to the development and design regulations to achieve the vision of the Water Street Redevelopment Area as articulated in the Area Plan.
- c. Massing Feasibility Studies (utilizing Sketch Up renderings, in color) (
 - i. Depicts building massing based on use
- d. Site Plan, in color, showing:
 - i. Vehicular and pedestrian access
 - ii. Circulation to/from parking
 - iii. Public, semi-public, semi-private, and private spaces
 - iv. Linkages to surrounding community

For any property that Urban Olympia V controls, the Area Plan will include a preferred alternative for vertical development as follows:

- e. Floor Plans, black & white, showing:
 - i. Common areas
 - ii. Typical unit sizes
 - iii. Circulation systems (stairs & elevators)

- f. Building Elevations, in color, showing:
 - i. Major building massing and materials
 - ii. Preliminary study of exterior colors and signage
 - g. Sketch Up Rendering, in color, showing:
 - i. Site development
 - ii. Building massing
 - iii. Architectural features
 - iv. Preliminary color ideas
 - h. Building/Site Cross Section(s), Black & White, showing:
 - i. Building heights
 - ii. Preliminary structural ideas
 - iii. Relationship to surrounding context
 - i. Energy Efficiency Measures:
 - i. Preliminary target for LEED designation to be sought
 - ii. List of energy efficiency measures to be investigated
 - j. Project narrative and implementation steps:
 - i. The Area Plan shall include a project narrative that describes the project objectives, development approach and anticipated implementation steps, including anticipated development phasing for both public and private improvements.
- 3. DEVELOPMENT PRO FORMA (2 weeks) ((preferred alternative, for those properties which Urban Olympia V controls)**
- a. Preparation of a Predevelopment (Conceptual) Cost Estimate (spreadsheet format)
 - b. Cost estimates for all public realm improvements
 - c. Sources and uses spreadsheet
 - d. Development pro forma in spreadsheet format
 - e. Identification of any proposed shared parking needs and costs to the City
 - f. Project financial analysis including funding gaps and remedies
- 4. PARTICIPATION IN DOWNTOWN STRATEGY (On going throughout the Predevelopment Phase)**
- a. Participation in Public Workshops (budget 4 workshops)
 - b. Coordination meetings with City's consultant team (budget 4 meetings)
 - c. Share graphics, as they are developed, with Downtown Strategy team
 - d. Solicit input/feedback from Downtown Strategy team that might influence the Water Street Area Plan.
 - e. Provide feedback regarding potential impacts on development feasibility of proposed changes in development regulations.

5. CITY REVIEW AND PUBLIC PARTICIPATION (On going throughout the Predevelopment Phase. (Dependent on the outcome of task 1)

- a. City & Design/Development Team Meetings (every 2 weeks): opportunities for City staff, as identified in the Agreement, to review the on-going progress on the deliverables outlined above.
- b. Public meetings (3 meetings budgeted)
 - i. First meeting: TAS will solicit public input on the Area Plan Alternatives included in items 2 a. – d.
 - ii. Second meeting: TAS will share alternative site plans and dependent upon feasibility as determined in item 2 above, building plans, building massing, Sketch Up Renderings and solicit public feedback.
 - iii. City will be asked to assist with securing a venue for the public meetings.
 - iv. City will be asked to take the lead on sending out the public invitations.
 - v. City staff will be asked to assist in preparing the venue for the public meetings.
 - vi. TAS and Urban Olympia V will facilitate the public meetings. City staff participation in facilitating the public meetings will also be welcomed.
 - vii. The City will provide summary meeting notes and TSA will provide descriptions of how comments were addressed in revised plans
 - viii. TSA and Urban Olympia V, LLC shall present final plans to City Council for their consideration.

POST PREDEVELOPMENT ACTIVITIES (Predevelopment Fees do not cover these activities; however, these tasks are necessary prior to closing the sale of any properties within the Area Plan. The city will have joint ownership of the results of these analyses):

6. SITE DUE DILIGENCE

- a. Site Survey
- b. Geotechnical Report

7. ENVIRONMENTAL REVIEW

- a. Environmental characterization of all sites included in the Area Plan. Up to \$60,000 may be available for phase 1 and phase 2 environmental site assessments for any property where the owner is willing to grant access.
- b. Environmental remediation plan and schedule for all sites included in the Area Plan. Potential for use of up to \$120,000 in downtown enhancement money for this purpose.

PROPOSED FEES:

1. Fixed estimated fees for the above tasks:
 - a. City of Olympia = \$35,000 (\$25,000 matching grant for Area Plan activities) and (\$10,000 to offset developer's cost in participating in the development of the Downtown Strategy as outlined in 4 above). The City agrees to pay up to \$35,000 for services rendered in support of this scope of work so long as receipts for at least \$25,000 for the Area Plan and \$10,000 for the Downtown Strategy are submitted. Billable hours and expenses shall be based Exhibit A – TSA Schedule of Billing Rates.
 - b. Urban Olympia V, LLC All other expenses associated with this scope of work shall be the responsibility of Urban Olympia V, LLC.

PAYMENTS FOR SERVICES:

1. Urban Olympia V, LLC will invoice the City of Olympia for their share of TAS expenses on monthly basis. The City may retain up to 10% of the payments until all deliverables have been provided and accepted by the City.

The City of Olympia and Urban Olympia V, LLC shall jointly retain ownership of all work products unless otherwise noted herein. The developer may use these work products should they move forward with a project.

Next Steps:

The City expects this contract to result in the City and the selected development team entering into an Exclusive Negotiation Agreement (ENA) if City property is to be sold to the developer by the City. During this time, the City will work with the developer to finalize a specific, feasible development proposal that can be implemented through a public-private partnership, and to codify that development proposal in a development and / or disposition agreement (DDA) that will result in new development on the site. General steps are as follows:

- **Develop Scope of Work for ENA period.** Following completion of the Area Plan the developer and the City may choose to enter into an ENA. During this period the City would agree to not entertain other offers for the property or to otherwise participate in development projects within the WSRA.
- **Create DDA / implementation framework.** The DDA framework will be built around a proposed development budget (sources and uses). The developer will work with the City to create an implementation framework that will identify (1) funding sources for any needed public infrastructure investments (open space,

streetscape improvements, parking, etc.); (2) funding sources for all private development. After negotiations, the framework will be codified as a DDA. Materials for this task may include letters of interest from a lender, letters of reference from past lenders, confidential disclosure of project financials. If applicable, the developer should outline the purchase price offered including expectations of public financial participation and conditions and limitations pertaining to environmental remediation.

END OF SCOPE OF WORK