



City Council

Approval of the Agreement for Urban Design and Planning Services for the Water Street Redevelopment Area

Agenda Date: 3/22/2016
Agenda Item Number: 6.C
File Number: 16-0381

Type: contract **Version:** 1 **Status:** Passed

Title

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Recommended Action

Committee Recommendation:

The Community and Economic Revitalization Committee recommends that Council approve the Agreement for Urban Design and Planning Services for the Water Street Redevelopment Area.

City Manager Recommendation:

Move to approve the Agreement for Urban Design and Planning Services for the Water Street Redevelopment Area and authorize the City Manager to sign the agreement.

Report

Issue:

Whether to authorize staff to proceed with the development of an "Area Plan" as included in the Request for Qualifications and Letter of Interest and as further described in the Attached Agreement and Scope of Work for Predevelopment Activities.

Staff Contact:

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Presenter(s):

Renée Sunde, Economic Development Director
Keith Stahley, Director Community Planning and Development Department

Background and Analysis:

The City Council directed staff to move forward with a Request for Qualifications and Proposals for the Water Street Redevelopment on July 7, 2015. This process was amended in November to simplify the process to ask for a Request for Qualifications and Letter of Interest. Two responses to the request for Letters of Interest were received by the deadline of December 15, 2015.

A selection team consisting of City staff, the Consultant Team and the Chair of the Community and Economic Revitalization Committee (CERC) reviewed the proposals and met with both teams on Friday, January 15, 2016. The Selection Committee agreed that Urban Olympia 5, LLC met all qualifications and was the best fit for the WSRA.

City Council took the first step in this process on February 2, 2016 by approving the selection of Urban Olympia 5 as the preferred development partner. Staff has negotiated a contract and a scope of work for preparation of an Area Plan and for the development team's involvement in the Downtown Strategy. These documents are included as **Attachment 1 - Agreement; Exhibit A, Scope of Work; Exhibit B, Request for Qualifications/Letters of Interest; Exhibit C, Process Timeline; Exhibit D, Thomas Architecture Studio, Schedule of Billing Rates.**

Additional Background Information:

Since 2014, the City of Olympia has been working toward establishing a Community Renewal Area under Chapter 35.81 of the Revised Code of Washington. The goal of this process is to redevelop key properties in Olympia's downtown through a partnership with a private developer. The Water Street Redevelopment Area was defined as the first set of key properties to be redeveloped because of its proximity to the waterfront, Heritage Park, Percival Landing and other downtown attractions. The Area consists of 1.09 acres of public and privately owned property adjacent to the City's waterfront. This area plays a crucial role in linking community activity centers and is one of the keystone areas in the redevelopment of downtown. It consists of nine parcels on the east and west sides of Water Street between 4th and 5th Avenues. The City owns two of the parcels, at 407 Water Street and 301 4th Avenue.

Neighborhood/Community Interests:

A few questions have been asked about the inclusion of the City's property on the west side of Water Street. The paragraphs below are in response to those questions raised by various interested citizens:

There has been no formal agreement with the State of Washington regarding the fountain block; however, master plans for Heritage Park and the Fountain Block reflect the entire block as part of the park. This master plan has generally been followed over the years and has not been fully implemented mainly due to funding constraints at both the City and State level. Washington State's DES web page acknowledges that the plan has evolved to reflect changing circumstances and objectives but has remained true to the north south axis.

As the City moves forward with developing an "Area Plan" for the Water Street Redevelopment Area with Urban Olympia 5 LLC, City Council will have several opportunities to help shape that plan and provide input to what they see as the best use for the property. Should Council chose to use the property for something other than a park such as housing or retail space, the parks funds would then need to be reimbursed.

There may be alternate approaches to create a public space that are complementary to the adjacent park and result in no net reduction in park space. These options may include shops, restaurants or other facilities that enliven and activate the space allowing a broader group of users to enjoy the area and to better define the edge of the park. Proceeds from these concessions or leases could help to support operation and maintenance of the fountain. The team that has been selected will bring creative options that will explore opportunities for development, public amenities and streetscape improvements. These options will merit

consideration and ultimately be brought before council for consideration.

Options:

1. Approve the Agreement and Scope of Work in substantially the form presented herein.
2. Do not approve the Agreement and Scope of Work and discontinue the Water Street Redevelopment Area process.
3. Refer the Agreement and Scope of Work to the Community and Economic Revitalization Committee for further review.

Financial Impact:

The Agreement and Scope of Work will provide access to predevelopment funds in the amount of \$35,000 that will help offset predevelopment costs.

\$25,000 of this amount will be used for the Water Street Redevelopment Area "Area Plan" and process. The other \$10,000 will be used for the active participation Urban Olympia 5 and their development team, in the ongoing Downtown Strategy process.

The City will utilize Environmental Site Assessment Funding of \$60,000 through the Department of Ecology. This funding will continue environmental assessments of the properties within the redevelopment area to better understand next steps necessary toward cleanup and potential redevelopment of the properties.

In addition the city may utilize up to \$120,000 of Downtown Enhancement funds to develop an environmental remediation plan for those tested sites within the Area Plan that will likely be used for development purposes. The total cost to the City for plan development and implementation will not exceed \$120,000 and the first priority will be for city-owned site and rights of way. Remaining City funds will be allocated to sites and rights of way determined by the City in consultation with the Developer.