



**LACEY CITY COUNCIL  
WORKSESSION  
COUNCIL ON THE ROAD  
THURSDAY, JULY 16, 2015  
6:30 – 8:30 P.M.  
MOUNTAIN VIEW ELEMENTARY  
1900 COLLEGE STREET SE  
LACEY, WA**

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**AGENDA**

- 6:30 MEET AND GREET**
- 7:00 PRESENTATION**
- 7:10 Q & A**
- 7:30 WORKSESSION**
- [MARVIN ROAD IMPROVEMENTS - PUBLIC/PRIVATE PARTNERSHIP AGREEMENT](#)
  - PLASTIC BAGS
- 8:30 ADJOURN**



## LACEY CITY COUNCIL WORKSESSION July 16, 2015

**SUBJECT:** Marvin Road Improvements – Public/Private Partnership Agreement

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**RECOMMENDATION:** Review the Marvin Road Safety & Capacity Improvements Public/Private Partnership Agreement, and move to forward to the full City Council at a regular council meeting for final action.

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**STAFF CONTACT:** Scott Spence, City Manager *SS*  
Scott Egger, Public Works Director *SE*  
Roger Schoessel, City Engineer *RAS*

**ORIGINATED BY:** Public Works Department

**ATTACHMENTS:**

1. [Marvin Road Safety & Capacity Improvements Public/Private Partnership Agreement.](#)
2. [Exhibit-A Project Map.](#)
3. [Exhibit-B Hill-Betti Property Area](#)

**FISCAL NOTE:** Project cost will be shared between Hill-Betti Business Park, L.L.C. and the City of Lacey as defined in the agreement. Total project cost including Preliminary Engineering, Right of Way, Construction and Administration is estimated to be \$4.7 million. Lacey's share of the cost is estimated to be \$1.2 million. Hill-Betti's share of the cost is estimated to be \$1.1 million. The timing of the project is dependent on grant approval.

**PRIOR REVIEW:** This project is included in the 6-year TIP.

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### BACKGROUND:

Hill-Betti Business Park, L.L.C. (Hill-Betti) is the owner of multiple parcels of land located adjacent to Marvin Road between Britton Parkway and 32nd Avenue. Hill-Betti plans to develop the property, which will enhance the economic vitality of Lacey. However, if Hill-Betti improves their Marvin Road frontage as development occurs, the result will be a piecemeal approach, which could take as long as a decade to complete. Completing all street improvements along the Marvin Road corridor in a single project will make the frontage more attractive and promote increased marketability and job creation for the commercially zoned properties along the corridor frontage.

The purpose of the proposed Public/Private Partnership Agreement is to allow Hill-Betti and Lacey to work together to apply for a grant from the Transportation Improvement Board to construct all

roadway improvements along Marvin Road from Britton Parkway to 30<sup>th</sup> Avenue. Under the terms of the agreement Hill-Betti and Lacey will share project costs. The cost sharing plan is identified in Section 8 of the agreement. Hill-Betti will pay 100% of the design of the project, they will dedicate all Right of Way needed for the project, they will pay 25% of the match eligible TIB construction costs, and they will pay 50% of ineligible TIB construction costs. Lacey will pay 75% of match eligible TIB construction costs and 50% of ineligible TIB construction costs.

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**ADVANTAGES:**

1. Creating the Public/Private Partnership for cost sharing and the projects ability to improve marketability and job creation of commercially zoned properties will make the grant application more competitive.

**DISADVANTAGES:**

2. No disadvantages are foreseen.



**VICINITY MAP**

## Final Agreement

### MARVIN ROAD SAFETY & CAPACITY IMPROVEMENTS

#### *A PUBLIC/PRIVATE PARTNERSHIP AGREEMENT*

THE MARVIN ROAD SAFETY & CAPACITY IMPROVEMENTS AGREEMENT (“Agreement”) is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2015 by and between the City of Lacey, a Washington municipal corporation (hereinafter referred to as the “City”) and Hill-Betti Business Park, L.L.C. (hereinafter referred to as the “Owner”), collectively hereinafter referred to as the “Parties.”

#### RECITALS

- A. Owner is the owner of multiple parcels of land comprised of \_\_\_\_\_ acres adjacent to Marvin Road NE between Britton Parkway NE and 32nd Avenue NE which is shown in Exhibit “B” attached hereto and incorporated herein by reference (“Property”); and
- B. Owner plans to develop and construct on the property a development that will enhance the economic vitality of the City, but such development is market driven and may result in a piecemeal approach over the next decade which would not result in a complete road section; and
- C. Development in an integrated approach would stimulate the need for a comprehensive upgrade to the Marvin Road corridor and promote increased marketability and job creation for the commercially zoned properties along the corridor frontage; and
- D. Due to significant development north of Developer’s property providing continuous improvement along Marvin Road NE from Britton Parkway NE to 30th Avenue NE will enhance the opportunity for development and business recruitment due to a visually appealing and vibrant transportation corridor; and
- E. Owner is prepared to dedicate land for the full roadway section without condemnation and provide engineering services to complete the road section in advance of its development plans; even though that dedication and road development is not reasonably necessary to serve current development schedule; and
- F. Providing continuous improvement along Marvin Road NE from Britton Parkway NE to 30th Avenue NE will improve safety and mobility along the corridor.

#### AGREEMENT

NOW, THEREFORE, in consideration of the recitals and covenants and promises herein, the Parties AGREE as follows:

1. **Grant Application.** The Owner agrees to participate with the City in applying for a grant to help fund the transportation improvements on Marvin Road NE from Britton Parkway to 30th Avenue NE. The City of Lacey will apply for a grant from the

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Transportation Improvement Board (TIB) in August 2015. If the 2015 grant application is not successful the City will continue to apply for grants from TIB until this agreement is terminated. The City will prepare the grant application. The developer will provide facility site plan drawings, concept drawings of corridor and onsite facilities.

2. **Scope of Project.** The Transportation Improvement project will include the completion of street and intersection improvements and upgrades to Marvin Road from the roundabout at Britton Parkway to 30th Avenue NE. Improvements at the roundabout will include a new slip lane from eastbound Britton Parkway to southbound Marvin Road NE. Also included will be adjustments to the geometry from westbound Willamette to northbound Marvin Road, which also impact the geometry from northbound Marvin Road to westbound Britton Parkway. Improvements will include new curb, gutter, landscape strips, sidewalks, LED street lighting, pedestrian flashing beacons, traffic signs and markers, storm drainage, in addition to utility relocation, extension and replacement where necessary. The existing asphalt roadway surface within the limits of the project will be ground and overlaid as needed as determined by the City. **Exhibit A** shows the limits of the project improvements and elements included in the grant application.
3. **Contract Plans and Specification.** Contract plans and specifications will be prepared by the Owner and reviewed and approved by the City. Contract plans and specifications will meet City of Lacey Development Guidelines & Public Works Standards and the Washington State Department of Transportation Standard Specifications for Road, Bridge, and Municipal Construction.
4. **Right of Way.** Appraisal of land value is required for the TIB grant. Owner had a commercial appraisal for fiduciary and sales purposes in late 2014 by Kidder Matthews. Owner will complete an update of that appraisal that meets the requirements of the TIB grant by July 1, 2015.
5. **Dedication.** Owner will dedicate the required right of way prior to the submission of the grant application to the TIB.
6. **Bid Advertisement.** The City will administer bid advertisement and bid award.
7. **Construction Administration & Inspection.** Construction inspection and contract administration will be the responsibility of the City. The Owner's representative will be consulted by the City as needed for questions related to project design during the construction phase of the project. Construction inspection and administration costs will be included in the grant cost distribution.
8. **Funding Plan.** The Owner and City have agreed to a cost-sharing arrangement that includes specific cost allocations for each of the project components, such as design, right-of-way, TIB eligible construction elements and associated ineligible grant costs. It is assumed if TIB funds the project that TIB will contribute between 60%-70% toward eligible construction costs. To ensure predictability of the City and Owner's financial

## Final Agreement

obligation, the City and Owner will contribute proportionately towards each of the following items:

- Design PS&E – 100% cost by Owner
  - Right-of-Way – All necessary land owned by Owner on either side of Marvin Road necessary to accommodate the planned roadway will be dedicated to the City
  - Funds Needed to Match Eligible TIB Construction Costs – 25% cost by Owner, 75% cost by City
  - Ineligible TIB Construction Items – Equally split 50% by Owner and City. Types of ineligible costs could be share of PSE undergrounding, enhanced landscaping and median treatments, etc.
9. **Traffic Mitigation Fees.** The Owner will be able to offset cost, incurred under this contract against any traffic impact for related development fees attributable to development on the Owner's s property ( area shown in **Exhibit B**) as allowed in Lacey's Municipal Code, Section 14.21.030(B)(3) as follows; "Transportation improvements designed and constructed by the proponent or to the costs of which the proponent has paid a dollar amount or dedicated land of a fair market value equal to or in excess of the mitigation fee which would otherwise have been paid by such proponent pursuant to LMC [14.21.040\(B\)\(2\)](#). The proponent shall be given credit against the development's total obligation for transportation mitigation fees to the extent that such construction, contribution or dedication to a particular transportation improvement project exceeds the transportation mitigation fee which would otherwise have been due for that transportation project. If the value of such construction, contribution, or dedication exceeds the total of the transportation impact fee obligation for the proponent's development, the proponent shall be entitled to reimbursement from transportation mitigation fees attributable to that particular transportation improvement project and paid by subsequent developers within the plan area. Such reimbursement shall be made to the proponent in the same proportion as the proponent's construction, payment or dedication bears to the total of the new development portion of the costs of such project."
10. **Binding Effect of this Agreement.** This Agreement is considered to be one that touches and concerns the property described in **Exhibit B** and shall bind the City and Owner's assignees, donees, purchasers, or successors-in-interest in the same manner that the Owner is bound herein.
11. **Coordination.** The Owner's representative during the term of this contract shall be SCJ Alliance; the City's representative shall be the Public Works Director and all communication concerning this program shall be between the coordinating parties unless otherwise changed in writing by the parties hereto.
12. **Other Considerations**

**Final Agreement**

- a. If the Owner advances site development activity on a portion of the subject property (refer to Exhibit B), the Owner will construct the site frontage improvements associated with such activity. Construction of the frontage improvements will be built in accordance with the City of Lacey Development Guidelines & Public Works Standards and the Washington State Department of Transportation Standard Specifications for Road, Bridge, and Municipal Construction. In the event that site frontage improvements are constructed in advance of receiving the TIB grant, the Owner will continue to work collaboratively with the City to fund the balance of the Marvin Road improvements.
- b. The Owner and City agree that if the project is not awarded a TIB grant after three attempts to obtain such grant, both the Owner and City will work together to share in the costs to complete the improvements. In the event of this occurrence, both parties will prepare a new cost-sharing agreement that will supersede the provisions noted in Item 8 – Funding Plan of this agreement.
- c. Either party may terminate this agreement if the project is not awarded a TIB grant after three (3) attempts to obtain such grant. This option to terminate is based on potential unforeseen changes in the economic climate that may affect the timing of development activity along the corridor and therefore impact the financial commitments outlined in this agreement. In the event this agreement is terminated, the Owner and City may enter into a new agreement that memorializes a new funding and implementation strategy to complete the Marvin Road improvements. If terminated, the City agrees to allow the Owner to maintain the provisions noted in **Section 9 – Traffic Mitigation Fees**.
- d. Unless terminated pursuant to subsection (c) of this section, the Owner and City agree that this agreement will be binding for a period of not less than six (6) years from the date of the last signature hereon.

Attachments: Exhibit A & B

CITY OF LACEY

HILL-BETTI BUSINESS PARK, L.L.C.

By: \_\_\_\_\_

By: \_\_\_\_\_

\_\_\_\_\_ |



**Final Agreement**

STATE OF WASHINGTON )  
 ) ss.  
COUNTY OF THURSTON )

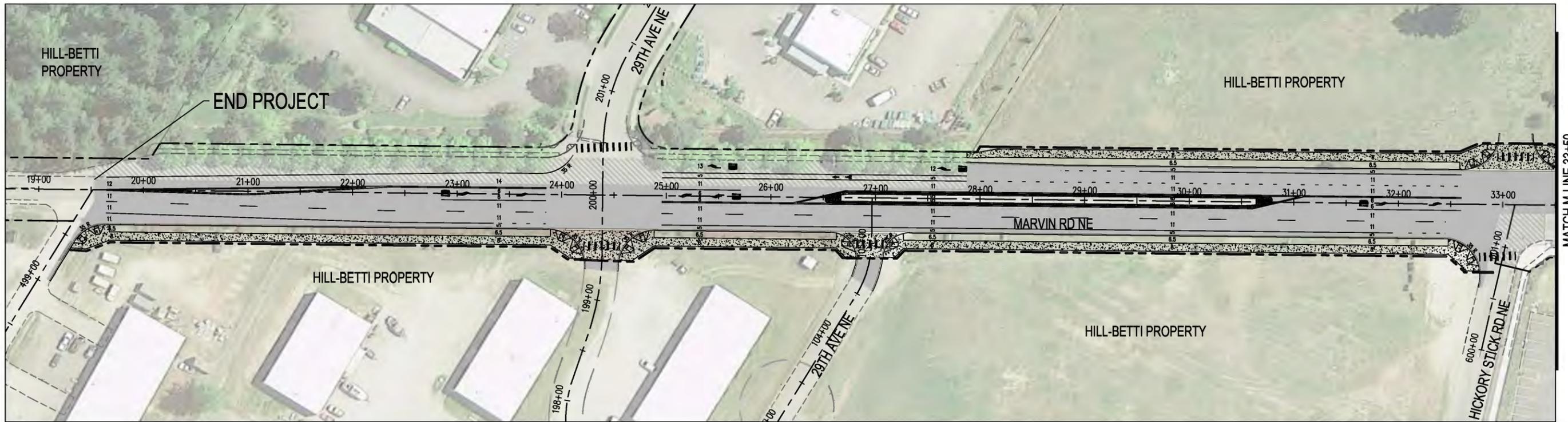
On this \_\_\_\_ day of \_\_\_\_\_, 2015, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared \_\_\_\_\_, to me known to be the person who signed as \_\_\_\_\_ of HILL-BETTI BUSINESS PARK, L.L.C., the limited liability company that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said company for the uses and purposes therein mentioned.

IN WITNESS WHEREOF I have hereunto set my hand and official seal the day and year first above written.

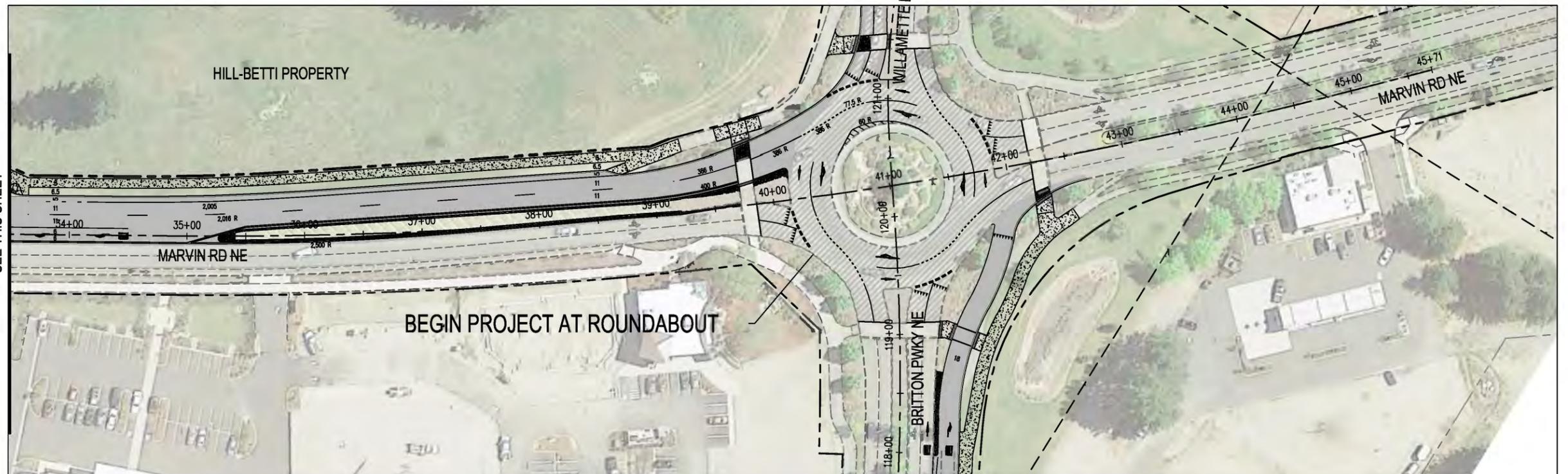
\_\_\_\_\_  
(Signature of Notary)

\_\_\_\_\_  
(Print or stamp name of Notary)

NOTARY PUBLIC in and for the State  
of Washington, residing at \_\_\_\_\_.  
My Appointment Expires: \_\_\_\_\_.



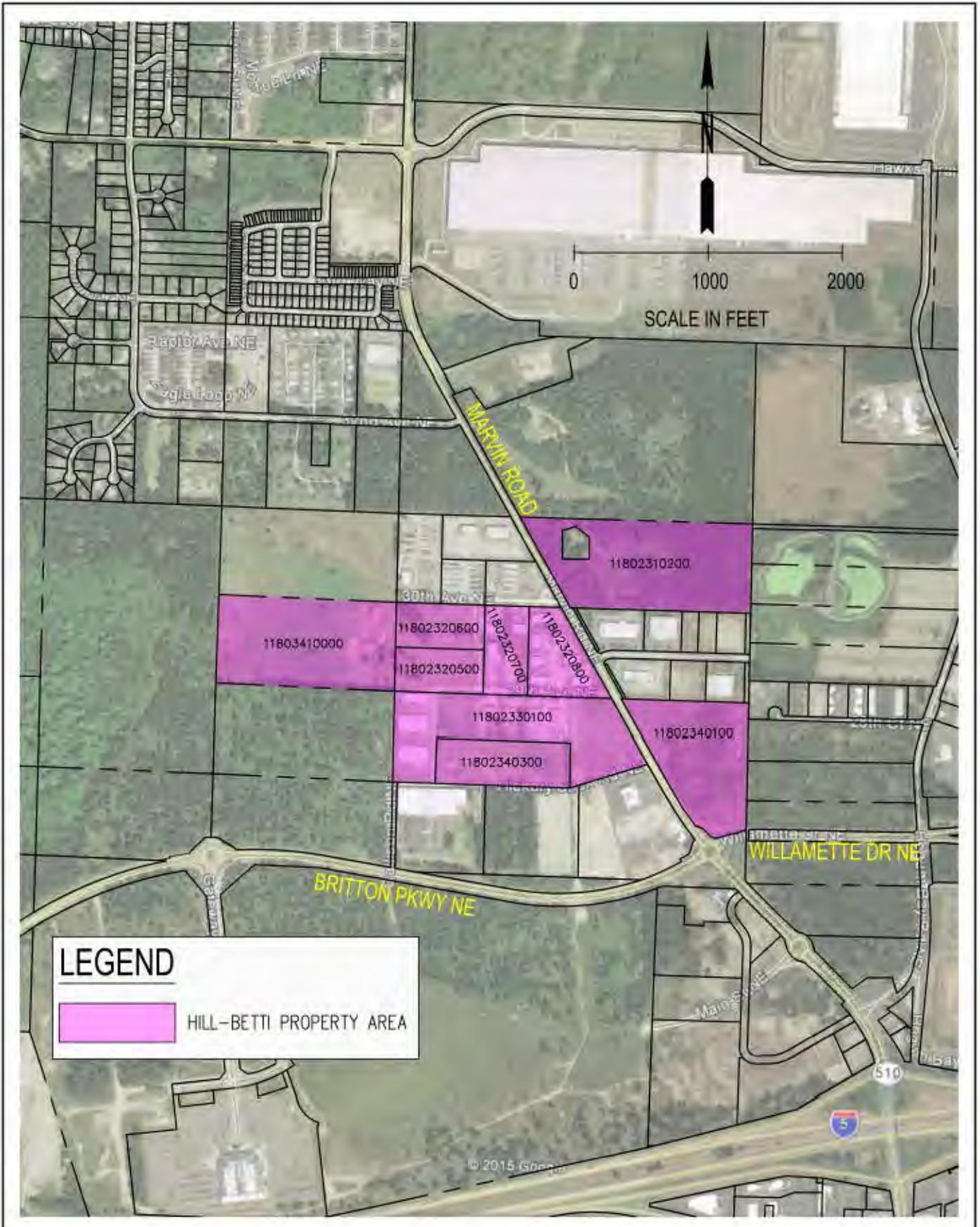
MATCH M-LINE 33+50  
SEE THIS SHEET



MATCH M-LINE 33+50  
SEE THIS SHEET

BEGIN PROJECT AT ROUNDABOUT

## EXHIBIT A MARVIN ROAD SAFETY AND CAPACITY IMPROVEMENTS



## EXHIBIT B

### HILL-BETTI PROPERTY AREA

MARVIN ROAD SAFETY AND CAPACITY IMPROVEMENTS  
 A PUBLIC/PRIVATE PARTNERSHIP AGREEMENT