

 <p style="text-align: center;"><b>Council Communication</b> Office of the City Manager</p>	<b>Date:</b>	March 23, 2015
	<b>Agenda Item No.</b>	<b>9</b>
	<b>Roll Call No.</b>	<b><u>15-488</u></b>
	<b>Communication No.</b>	<b><u>15-138</u></b>
	<b>Submitted by:</b>	<b>Pamela S. Cooksey, P.E., City Engineer</b>

**AGENDA HEADING:**

Approving Professional Services Agreement with Substance Architecture, LLC for professional services for the 7th & Grand Parking Ramp, not to exceed \$1,971,000.

**SYNOPSIS:**

Recommend approval of Professional Services Agreement with Substance Architecture, LLC for professional services for the 7th & Grand Parking Ramp, not to exceed \$1,971,000.

**FISCAL IMPACT:**

Amount: \$1,971,000

Funding Source: 2015-2016 Capital Improvement Program (CIP), Page Parking-6, 7th and Grand Parking Replacement, PG034, Parking Bonds

**ADDITIONAL INFORMATION:**

The purpose and process for the 7th & Grand parking ramp site redevelopment was presented to the City Council at a Council Workshop on May 20, 2013. The parking ramp is estimated to be at the end of its useful life in 2019. At the request of Principal Financial Group, the City Council agreed to accelerate the replacement of this parking ramp to better coordinate with Principal's \$238 million campus redevelopment project.

Financing has been reviewed, including a financial analysis of the parking system. During garage demolition and reconstruction, the study showed that if 1/3 of the patrons relocate to a parking ramp outside of the City system, the net income of the parking system would remain the same at \$3.5 million annually due to reduced operating costs. When the new 7th & Grand parking ramp comes back on line, this net income number is expected to rise as the cost of operation and maintenance of this new facility will be lower. The new project will be funded through a combination of parking revenue bonds and tax increment financing.

On January 26, 2015, an update on proposed development at the site was presented to the City Council at a Council Workshop. At the January 26, 2015 Council meeting, under Roll Call No. 15-0093, the City Council authorized issuing a Request for Proposals (RFP) for professional services for the 7th & Grand Parking Ramp.

The RFP for design and construction phase services was sent to several consultants, posted on the City's website, and published notice in the Des Moines Register. Eight (8) proposals were received in response to the RFP. A selection committee composed of representatives from the Engineering Department, Community Development Department, and the City Manager's Office rated the proposals. Two (2) of the consultant teams were interviewed. Substance Architecture LLC was selected by the committee based on their qualifications, technical approach to this project and experience with similar projects.

Staff has negotiated a Professional Services Agreement with Substance Architecture LLC. for a lump sum amount of \$1,920,000 and reimbursable costs not to exceed \$51,000, to provide design and construction phase services for the 7th & Grand Parking Ramp.

The scope services includes design and construction phase services for the parking garage, demolition of the existing structures, clearing and restoration of the redevelopment site, skywalk bridges and corridors, and retail/commercial at ground and skywalk levels. The design of the project will include structural and architectural elements allowing future development and use of air rights above the garage structure. The estimated construction cost of the demolition and replacement of this parking ramp is \$22,000,000. In lieu of Leadership in Energy and Environmental Design (LEED) certification, which would be difficult for this type of project, the scope includes identification of sustainable strategies. The eastern parcel will be utilized for construction staging for the 7th & Grand parking ramp before becoming available for redevelopment.

#### Timeline

- April – November 2015: Project Design
  - April 2015: Schematic Design, including Development Assistance and initial Urban Design Review Board
  - April 2015: Air Right RFP and process for identifying potential future development above parking ramp
  - May – June 2015: Design Development, including Urban Design Review Board, Access Advisory Board and City Council
  - June – November 2015: Construction Documents
  
- Late 2015 – 2017: Demolition and Project Construction
  - December 2015: Bids
  - February – May 2016: Demolition
  - March 2016 – Fall 2017: Construction
    - By Fall 2016: Parking ramp ready for connection of Principal Financial new skywalk across High Street

#### **PREVIOUS COUNCIL ACTION(S):**

Date: January 26, 2015

Roll Call Number: [15-0093http://www.dmgov.org/government/citycouncil/rollcalls/2014/14-0330.pdf](http://www.dmgov.org/government/citycouncil/rollcalls/2014/14-0330.pdf)

Action: [Authorizing](#) issuance of Request for Proposals for professional services for the 7th & Grand Avenue Parking Garage. ([Council Communication No. 15-026](#)) Moved by Hensley to adopt. Motion Carried 7-0.

Date: February 24, 2014

Roll Call Number: [14-0330](#)

Action: Selection of the Opus Group as the preferred developer of the 7th Street and Grand Avenue Parking Garage site. ([Council Communication No. 14-076](#)) Moved by Hensley to adopt and include the following: 1. Evidence of financial support consistent with the Developer's proposal. 2. Developer will submit a third-party market assessment demonstrating viability of the extended-stay hotel and the market-rate housing. 3. Developer will commission an appraisal for the housing component to determine if the proposed financial structure is achievable. 4. Staff will report back to Council on the status of those items in the next 45 days at a workshop. Motion Carried 6-1. Absent: Cownie.

Date: February 11, 2013

Roll Call Number: [13-0255](#)

Action: [Communication](#) presenting a Conceptual Assistance package with Principal Financial Group for campus-wide renovations and approving submittal of an Iowa Economic Development Authority Business Financial Assistance Application on behalf of Principal Financial Group. ([Council Communication No. 13-070](#)) Moved by Hensley to receive and file the accompanying Council Communication; to direct the City Manager and staff to proceed with negotiation of preliminary terms of agreement consistent with the proposed conceptual assistance package; and to authorize the Mayor to sign Principal's Business Financial Assistance Application on behalf of the City as the sponsoring entity. Motion Carried 7-0.

**BOARD/COMMISSION ACTION(S): NONE**

**ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:**

Normal Council actions for Professional Services Agreement.

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