

Legislation Text

File #: BILL NO. 24-039, **Version:** 1

An Ordinance approving Change Order No. 1 to Guaranteed Maximum Price (GMP) 1 of the Agreement with McCown Gordon Construction Company, for the Downtown Market Plaza project, an increase of \$835,918.00 for a revised GMP of \$6,484,375.00 and authorizing the City Manager to execute the same.

(Note: First read by Council on February 27, 2024.)

Issue/Request:

An ordinance approving Change Order No. 1 to Guaranteed Maximum Price (GMP) 1 of the Agreement with McCown Gordon, for the Downtown Market Plaza project, an increase of \$835,918.00 for a revised GMP of \$6,484,375.00 and authorizing the City Manager to execute the same.

Key Issues:

- 15 Calendar days and additional work and materials are being added to account for project impacts related to the unknown underground obstructions and utility conflicts related to the stormwater system improvements.
- Additional work and materials were identified as necessary additions to finalize property agreements.
- Additional work and materials are being added in coordination with the City's South Prairie Lee Sanitary Improvement project to avoid additional closures to Second Street.
- Additional work and special disposal costs are being added for several unexpected items encountered during the demolition of the Ice House.

Proposed City Council Motion:

I move for adoption of an ordinance approving Change Order No. 1 to GMP 1 of the Agreement with McCown Gordon, for the Downtown Market Plaza project, an increase of \$835,918.00 for a revised GMP of \$6,484,375.00 and authorizing the City Manager to execute the same.

Background:

On April 20, 2021, the City Council passed Ordinance No. 9123 which approved a Development Structure Agreement for the Downtown Market Plaza Project (the "Downtown Project") between the City, Lane4 Property Group, Inc. (the "Developer") and Biederman Redevelopment Ventures ("BRV"). That Agreement was executed on May 21, 2021.

On April 20, 2021, the City Council also passed Ordinance No. 9124 which approved Amendment #12 to the Fiscal Year 2022 City Budget. This ordinance appropriated \$3,530,000 to the Green Street Improvements Fund for the Downtown Project, from funds previously accumulated by the City from the sale of surplus property

and the release of a property acquisition option.

On May 3, 2021, the City Council approved Ordinance No. 9142, which approved a Cooperative Agreement between the City and the Downtown Lee's Summit Community Improvement District for the Downtown Project. That Cooperative Agreement established the contractual relationship between the City and the CID for the CID's formal participation in the Downtown Project. Under this Cooperative Agreement, the CID has committed \$120,000 for the design and engineering of the Farmer's Market Pavilion, and has also committed \$4 million for construction of the Farmer's Market Pavilion.

On January 4, 2022, the City Council passed Ordinance No. 9316 which approved an Amended and Restated Development Structure Agreement for the Downtown Project. That amended Agreement included approval of a contract between the City and GLMV Architects ("GLMV") for the architectural work associated with the Downtown Project. The Amended & Restated Agreement was executed by the parties on January, 2022.

After the Amended & Restated Development Structure Agreement was executed, GLMV held meetings involving interested citizens and businesses to gather input on the design, layout and functionality of the public improvements within the Downtown Project, focusing significantly on the Farmer's Market Pavilion. BRV also held a series of meetings with interested citizens and elected officials to gather input on the programming for the public improvements that are planned for the Downtown Project.

On March 8, 2022, the City Council approved Ordinance No. 9350 which authorized an application to be filed with the Missouri Development Finance Board ("MDFB") to seek participation in MDFB's Tax Credits for Contributions program. City staff is planning to file that application after the City Council approves the Chapter 353 Redevelopment Plan, which is the subject of this public hearing.

On March 8, 2022, the City Council also approved Ordinance No. 9351, which authorized City staff to file documents with the Missouri Secretary of State to form the Downtown Market Plaza Redevelopment Corporation (the "Redevelopment Corporation"). The Redevelopment Corporation is the implementing entity that will carry out the Chapter 353 Redevelopment Plan, and will be responsible for the implementation steps for the Downtown Project according to the City Council's legislative directives for the project.

On September 13, 2022 the City Council approved Ordinance No. 9496, which authorized the City to enter into a Development Services Agreement with Lane4 Property Group, Inc. for the Downtown Market Plaza Project.

The Development Agreement authorized Lane4 to act in conjunction with and on behalf of the City for the preparation of a construction management services agreement.

In October 2022, Lane4 issued a Request for Qualifications for Pre-Construction Services and Construction Manager at Risk to identify qualified companies which could construct the projects as a Construction Manager at Risk.

A selection committee comprised of representatives from Lane4, the City, and the Downtown CID held Interviews with selected firms in December 2022. McCown Gordon was selected as the most qualified respondent and negotiations of a pre-construction services agreement took place.

On March 21, 2023 the City Council approved Ordinance No. 9636, which authorized the City to enter into a Pre-Construction Agreement with McCown Gordon Construction Company.

On October 10, 2023 the City Council approved Ordinance No. 9763, authorizing the execution of an amendment to an agreement between the City of Lee's Summit, Missouri and McCown Gordon Construction Company to set Guaranteed Maximum Price 1 (GMP 1) for the Downtown Market Plaza Project in the amount of \$5,648,457.00.

Timeline:

Start: October 2023

Finish: June 2025

Ryan A. Elam, P.E., Assistant City Manager

Recommendation: Staff recommends approval of the ordinance.