



CITY OF LAKE FOREST PARK

CITY COUNCIL

AGENDA COVER SHEET

Meeting Date	10/9/2025
Originating Department	Public Works
Contact Person	Katie Phillips, Project Manager
Title	Resolution 25-2031/Authorizing the Mayor to Sign Amendment A to Agreement PC25-96103-014 with the Washington State Department of Commerce for Funding for the SR 104 and 40 th Place NE Roundabout Project

Legislative History

- First Presentation – Council Regular Meeting 10/9/2025
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Attachments:

1. Resolution No. 25-2031
 2. Public Works Board Construction Funding Agreement PC25-96103-014
 3. Amendment A to Public Works Board Construction Funding Agreement PC25-96103-014
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Executive Summary

The Department of Public Works (DPW) requests Council's approval to amend the Public Works Board Construction Funding Agreement PC25-96103-014 (Agreement) to raise the total agreement amount from \$2,000,000 to \$2,500,000. No other terms of the agreement will be affected by this amendment.

Background

In March 2025, the City signed the Agreement with the Washington State Department of Commerce (Commerce) as part of the funding package for the SR 104 and 40th Place NE Roundabout Project (the Project). At that time, the Project budget was \$7,028,009.00. Over the following months, several budget adjustments were made, including public advertisements and selecting the lowest responsive and responsible bid. Details are provided in the Fiscal & Policy Implications section of this Cover Letter. Consequently, the Project budget grew to \$8,629,598.00. To support this increase, City staff requested an amendment to our Agreement with Commerce to raise the Agreement's value. As a result, Commerce prepared Amendment A to our Agreement.

The value of Amendment A is \$500,000, while the original Agreement is \$2,000,000. Therefore, the updated Agreement value is \$2,500,000. No other terms of the Agreement have changed.

Fiscal & Policy Implications

For clarity, here is the breakdown of the change in the project budget from March 2025 to the present, as noted in the Background section of this Cover Letter.

- 3/31/2025 Project budget is \$7,028,009

90% engineer’s estimate is \$4,144,132.00; with contingency of \$617,909, this equates to a total construction cost of \$4,762,041
- 4/8/2025 Project budget increases to \$7,366,610

City receives 100% engineer’s estimate at \$4,300,379.00; with contingency of \$778,277, this increases total construction cost to \$5,078,656
- 5/8/2025 Project budget increases to \$7,494,420

City Council approves Amendment 3 to Agreement AG-21-002 with a value of \$753,332 for Construction Management services and Construction Support services; this value replaces the previous Construction Management and Support budget estimate of \$625,522
- 5/19/2025 Project budget increases to \$7,506,845

City Council authorizes additional budget to support finalized negotiations for right-of-way acquisitions for the Project; the right-of-way budget increases from \$565,545 to \$594,398
- 7/16/2025 Project budget increases to \$8,629,598

Following bid opening, the lowest responsive and responsible bid is \$5,412,358; with contingency of \$800,000, this equates to a total construction cost of \$6,212,358

The terms of this Agreement, which remain unchanged as a result of Amendment A, include the following: a 20-year loan term and a 1.71% interest rate. The Agreement is a line of credit loan. Under this Agreement and Amendment A, the City will seek reimbursement disbursements from the Public Works Board during the construction phase of the Project, up to but not exceeding \$2,500,000.00. The City is not required to seek reimbursement disbursements totaling the full \$2,500,000.00 line of credit amount. The repayment of this loan will be supported by the Transportation Benefit District Fund 104.

Alternatives

<i>Options</i>	<i>Results</i>
• Authorize the Mayor to execute Amendment A to the Public Works Board Funding Agreement, included as Attachment 3.	The City will contract with the Department of Commerce Public Works Board for an additional \$500,000 to be added to our existing \$2,000,000 loan.

- Do not authorize the Mayor to execute Amendment A to the Public Works Board Funding Agreement.

The Roundabout project will have a \$500,000 funding shortfall.

Staff Recommendation

Move to adopt Resolution No. 25-2031.