

DATE ISSUED: July 21, 2010

ATTENTION: Honorable Chair and Members of the Redevelopment Agency
Docket of July 27, 2010

ORIGINATING DEPT.: Centre City Development Corporation

SUBJECT: Agreement with Keyser Marston Associates to Provide
Economic/Financial Consultant Services for Analysis Necessary
for the Preparation of Required Documents for a Proposed
Amendment to Centre City Redevelopment Plan for the Centre
City Project Area to Increase the Tax Allocation Limit – Centre
City Redevelopment Project

COUNCIL DISTRICT: 2

REFERENCE: None

STAFF CONTACT: Eli Sanchez, Senior Project Manager, 619-533-7121

REQUESTED ACTION: That the Redevelopment Agency (“Agency”) authorizes:

- The Centre City Development Corporation (“Corporation”) to enter into an agreement with Keyser Marston Associates (KMA), not to exceed \$286,200 to provide economic/financial consultant services necessary for a proposed Amendment to the Centre City Redevelopment Plan (“Plan”) for the Centre City Project Area (“Project Area”) to increase the tax allocation limit (CAP).
- The Chief Financial Officer, as delegated, to appropriate, encumber and expend funds of up to \$286,200 allocated in the Fiscal Year 2010-2011 Budget for the Project Area to be used toward economic/financial consultant services by KMA, pursuant to an agreement between the Corporation and KMA, necessary for analysis of a proposed Amendment to the Plan for the Project Area to increase the CAP.

STAFF RECOMMENDATION: That the Agency approves the above requested action.

SUMMARY: On June 22, 2010, the Agency authorized the Corporation to proceed with preparing documentation to update blighting conditions necessary for a proposed Amendment to the Plan to increase the CAP to facilitate the completion of eliminating blight in the Project Area. KMA will assist the Corporation in the preparation of a report to City Council for an

Amendment to the Plan for the CAP. The not-to-exceed amount for this task is \$286,200. These services are in addition to the “as needed” economic/financial/market services provided by KMA under a separate contract.

FISCAL CONSIDERATIONS: Funds in the amount of \$286,200 are available in the FY 2010-2011 General Consultant line item in the Centre City Redevelopment Project Budget.

CENTRE CITY DEVELOPMENT CORPORATION RECOMMENDATION: On April 28, 2010, the Centre City Development Corporation (“Corporation”) Board voted 5-0 to recommend that the Agency authorize the Corporation to enter into an Agreement with KMA to provide consultant economic/financial services necessary for the preparation of a report to City Council for an Amendment to the Plan for the CAP provided that the Agency authorized the Corporation to move forward with an analysis of such a proposed Amendment.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS: None.

BACKGROUND

In accordance with Corporation policy, the Corporation issued a Request for Qualifications (RFQ) for Economic/Financial/Market consultant services on behalf of the Agency to provide such consultant services to the Agency on an as needed basis. Seventeen firms submitted responsive submittals to the RFQ and six firms were interviewed including Bay Area Economics (BAE), Economic Planning Systems, Hunden Strategic Partners, Jones Lang LaSalle, Tierra West Advisors and KMA. The selection committee was comprised of Corporation staff members: Andrew Phillips, Assistant Vice President/Controller; Eri Kameyama, Assistant Project Manager; Eli Sanchez, Senior Project Manager; Jeff Graham, Vice President, Redevelopment; and Steven Relyea, Corporation Board Member. Based on each firm’s written response, oral interview, and demonstrated knowledge of economic/financial/ market consultant services, the firm of KMA was selected to be the primary provider of such services. Criteria employed in the evaluation of firms included, but were not limited to the following:

1. Completeness and conformance with RFQ solicitation;
2. Demonstrates the respondent’s:
 - a. understanding of the requested Scope of Services;
 - b. exceptional methodology that will lead to success; and
 - c. how methodology has been successful in respondent’s past experience.
3. Samples of work and/or project references that illustrate an understanding of the proposed work;
4. Project personnel experience and references; and
5. Evidence of a willingness to make meaningful and wide-ranging sub-consulting and employment opportunities available.

In addition, the selection committee determined that RFQ respondent BAE is also qualified to provide general as needed real estate economic/financial/market consulting services to the Corporation on a project-by-project basis and staff will negotiate a separate agreement with BAE.

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| Firm Name: Keyser Marston Associates | | |
| PRINCIPALS AND PRIMARY STAFF ASSIGNED TO CONTRACT | TITLE | PRIMARY CONTACT |
| Denise Bickerstaff | Principal | Denise Bickerstaff, Principal |

EQUAL OPPORTUNITY – The Agreement is subject to the City’s Equal Opportunity Contracting (San Diego Ordinance No. 18173, Section 22.2701 through 22.2708) and Non-Discrimination in Contracting Ordinance (San Diego Municipal Code Sections 22.3501 through 22.3517).

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|--------------------------------------|-------------------|--------------------|
| Firm Name: Keyser Marston Associates | | |
| SUBCONSULTING FIRMS | PRINCIPALS | FIRM CERTIFICATION |
| 3D Visions | Kathryn Gillespie | WBE |

DISCUSSION:

On June 22, 2010, the Agency authorized the Corporation to proceed with preparing documentation to update blighting conditions necessary for a proposed Amendment to the Plan to increase the CAP. KMA has been selected, in accordance with Corporation policy, to provide professional consultant for such economic/financial services. The Agency is now in need of economic/financial consultant services to prepare the necessary blight study.

Few firms possess the requisite experience with public agencies and California Redevelopment Law; coupled with the expertise and resources to provide the mandatory analysis for and the preparation of necessary documentation to update blighting conditions necessary for a proposed Amendment to the Plan to increase the CAP to facilitate the completion of eliminating blight in the Project Area; and also possess the capacity to deliver such critical services within the Corporation’s time demands. KMA has demonstrated that it has the experience and resources available to provide the desired services to the Corporation in a timely manner.

Environmental Impact: This activity is not a “project” under the definition set forth in CEQA Guidelines Section 15378. Therefore, pursuant to CEQA Guidelines Section 15060(c)(3), the activity is not subject to CEQA.

CONCLUSION

Based on the authorization from the Agency on June 22, 2010, to proceed with preparing documentation and to update blighting conditions necessary for a proposed Amendment to the Plan to increase the CAP to facilitate the completion of eliminating blight in the Project Area and the necessity for economic/financial services to assist the Corporation in the preparation of a report to City Council for such an Amendment, the Corporation recommends that the Agency authorize the Corporation to enter into an Agreement with KMA for such services.

Respectfully submitted,

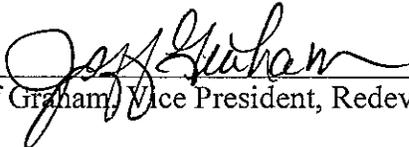
Concurred by:



Eli Sanchez
Senior Project Manager



Frank J. Alessi
Executive Vice President & Chief Financial
Officer



Jeff Graham, Vice President, Redevelopment

Attachments: A – Scope of Services
B – Professional Services Agreement