



THE CITY OF SAN DIEGO

Redevelopment Agency's Report

DATE ISSUED: October 6, 2004 REPORT NO. RA-04-36

ATTENTION: Honorable Chair and Members of the Redevelopment Agency
Docket of October 12, 2004

SUBJECT: Amendments to Agreements for Consulting Services with Keyser Marston Associates, Inc.

SUMMARY

Issue – Should the Redevelopment Agency approve the:

- 1) Agreement with Keyser Marston Associates, Inc. in the amount of \$275,000 for economic consulting services within the various City Redevelopment project areas, with \$196,500 immediately committed, and the remaining \$78,500 contingent on the City Auditor & Comptroller first furnishing a certificate that funds are, or will be, on deposit in the City Treasury, for additional work that may be required on an as-needed basis?
- 2) Third Amendment to Agreement with Keyser Marston Associates, Inc. in the amount of \$84,000 (maximum compensation of \$634,000) for economic consulting services for the Southeastern Economic Development Corporation (SEDC)?
- 3) First Amendment to Agreement with Keyser Marston Associates, Inc. in the amount of \$225,000 (maximum compensation of \$450,000) for economic consulting services for the Centre City Development Corporation (CCDC)?

Executive Director's Recommendation – That the Redevelopment Agency should approve the agreement and amendments to the agreements with Keyser Marston Associates, Inc.

Other Recommendations – The Southeastern Economic Development Corporation (SEDC) Board of Directors recommended approval of the Third Amendment to the Agreement with Keyser Marston Associates, Inc. for the SEDC project areas in the amount of \$84,000 at its meeting on August 25, 2004. The Centre City Development Corporation (CCDC) Board of Directors recommended approval of the First Amendment to the Agreement with Keyser Marston Associates, Inc. for the CCDC project areas in the amount of \$225,000 at its meeting on August 18, 2004.

Fiscal Impact – Funds in the amount of \$196,500 are available within budgeted levels of the various City Redevelopment project areas. An additional \$78,500 is authorized for additional work on an as-needed basis, provided funding is available.

Funds are budgeted and available in the Fiscal Year 2005 budgets for consulting services for the CCDC and SEDC amendments.

BACKGROUND

In October 1999, the Redevelopment Agency approved an agreement for consulting services with Keyser Marston Associates, Inc. (KMA) in an amount not to exceed \$200,000 for work to be done in SEDC project areas. In October 2000, the Agency approved the First Amendment to the Agreement in the amount of \$100,000 for a total amount not to exceed \$300,000. In November 2002, the Agency approved the Second Amendment to the Agreement in the amount of \$250,000 for a total amount not to exceed \$550,000. The proposed Third Amendment to the Agreement in the amount of \$84,000 would bring the total contract amount to \$634,000 and would allow SEDC to continue to utilize the expertise of KMA in the implementation of projects located within the Mount Hope, Gateway Center West, Southcrest and Central Imperial Redevelopment Project Areas.

During the term of these agreements and subsequent amendments, SEDC has completed negotiations on projects which include the 30-acre Imperial Marketplace Retail Center, the 252 Corridor-Phase II, the Valencia Business Park, and the acquisition of 9 acres for the future development of 170 units at Hilltop Drive and Euclid Avenue, to name a few.

In October 2002, the Redevelopment Agency approved an agreement for economic consulting services with KMA in an amount not to exceed \$135,000 for work in the City Redevelopment project areas related to Las Americas and The Paseo, within the San Ysidro and College Community Redevelopment Project Areas, respectively. Because of KMA's ongoing involvement and expertise with these projects and project areas, this agreement was awarded on a sole source basis. While the previous agreement related to these projects has expired, the work and need for consultant services continues, and the new agreement for the City Redevelopment project areas contains work on these projects in the scope of services.

In April 2004, the City Redevelopment Division issued a Request for Proposal seeking the services of a real estate economist to assist with five proposed projects in the San Ysidro and City Heights Redevelopment Project Areas. KMA was selected for two of these projects, specifically the Boulevard Marketplace Mixed-Use Project and City Heights Square. Exclusive Negotiating Agreements (ENAs) for these projects were just recently approved by the Redevelopment Agency. The scope of services of the new agreement with KMA includes the authorization for work related to the Agency's negotiations for these projects.

In August 2003, CCDC entered into an agreement with KMA for economic consulting services. KMA was selected after participating in a Request for Qualifications process. This is a three-year agreement pursuant to Corporation policy, and the initial funding (\$250,000) was designed

to provide services for the first year of the agreement. To date, KMA has provided services on the following projects under this agreement:

- Smart Corner Project
- Bosa Condominiums
- Fahrenheit Condominiums
- East Village Square-Right Field
- Marriott Renaissance Hotel
- Oak Shelter Project
- First National Bank Building
- Entrada Apartments
- KUSI Project
- Balboa Theatre
- Eighth Amendment to the Centre City Redevelopment Plan
- Developer Impact Fee Analysis

The purpose of the proposed amendment is to provide funding for second year on-going consultant services from KMA.

The following provides a summary of the current financial status of the agreement in the CCDC project areas:

Original Agreement (August 2003)	\$225,000
Paid to Date	(157,594)
Proposed Amendment	<u>225,000</u>
Amount Available Subsequent	<u>\$292,406</u>

CONSULTANT FIRM

The consultant firm is comprised of the following principals and primary contacts:

Firm Name: Keyser Marston Associates, Inc.		
Principals and Primary Staff Assigned to Project	Title	Primary Contacts
A. Jerry Keyser	President	
Gerald Trimble	Managing Principal	√
Paul C. Marra	Principal	√

SUBCONSULTING FIRMS

The subconsulting firms are comprised of the following:

Firm Name: Keyser Marston Associates, Inc.		
Subconsulting Firms	Principals	Firm Certification
Hunter Pacific Group	Celia Hunter	DBE

Kaku Associates, Inc.	Dick Kaku	MBE
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EQUAL OPPORTUNITY

KMA submitted a Work Force Report dated August 5, 2004, which indicates a total of eleven employees in the San Diego office, of which five are females and seven are members of an under-represented ethnic group.

- * (1) African-American Female
- (1) Asian Male
- (2) Asian Females
- (1) Latino
- (2) Latinas

Contractors and subcontractors who do less than a total of \$10,000 worth of business with CCDC during the preceding twelve (12) months or who have less than a total of fifteen (15) employees are exempt from submitting an Equal Opportunity Plan.

SCOPE OF SERVICES

The scope of services for these amendments includes fiscal analyses, economic feasibility studies, and real estate assessments for projects throughout the Redevelopment Agency's project areas. The scope will also include coordination and preparation of documents required to amend existing redevelopment plans.

SUMMARY

The table below summarizes the previous agreements and the requested agreement and amendment amounts for each organization within the Redevelopment Agency.

Redevelopment Agency	Previous Agreements	Requested Agreements/ Amendments	Total
City Redevelopment	\$135,000	\$275,000	\$410,000
SEDC	\$550,000	\$84,000	\$634,000
CCDC	\$225,000	\$225,000	\$450,000
TOTAL AGENCY	\$910,000	\$584,000	\$1,494,000

CONCLUSION

The consulting services provided by KMA have been an integral element in the strategy for implementing successful redevelopment projects.

Respectfully submitted,

Debra Fischle-Faulk
Deputy Executive Director

Approved: Hank Cunningham
Assistant Executive Director