



THE CITY OF SAN DIEGO  
Redevelopment Agency's Report

DATE ISSUED: March 21, 2007

REPORT NO.: RA-07-08

ATTENTION: Honorable Chair and Members of the Redevelopment Agency  
Docket of March 27, 2007

SUBJECT: Agreements for Economic Consulting Services with Keyser Marston Associates, Economic Research Associates, Bay Area Economics and Seifel Consulting Inc. for the Redevelopment Agency of the City of San Diego.

REFERENCE: None

REQUESTED ACTION:

- 1) Authorize the Executive Director to negotiate and execute three-year Agreements for economic consultant services to the Redevelopment Agency of the City of San Diego with a pool of four (4) financial consultant firms (Keyser Marston Associates, Economics Research Associates, Bay Area Economics and Seifel Consulting, Inc.).
- 2) Authorize the expenditure of funds in an amount not to exceed \$1.8 million, on an as-needed basis for economic consultant services, with \$600,000 committed for the first year, and funds for the second and third years contingent on the City Auditor first furnishing a certificate that funds are, or will be, on deposit in the City Treasury.

STAFF RECOMMENDATION TO THE REDEVELOPMENT AGENCY:

Approve the requested actions.

SUMMARY:

The Redevelopment Division of the City Planning and Community Investment Department implements the Redevelopment Plans for the Barrio Logan, City Heights, College Community, College Grove, Crossroads, Grantville, Linda Vista, Naval Training Center, North Bay, North Park and San Ysidro Redevelopment Project Areas. Historically, the Division has engaged highly experienced economic consulting firms to assist in the analysis of complex real estate development transactions.

On August 7, 2006, the Redevelopment Agency released a Request for Qualifications (RFQ) for Economic Consultants to provide real estate market, economic, financial and redevelopment professional services to the Redevelopment Division and the Affordable Housing Collaborative.

The RFQ was mailed to over fifty (50) economic and financial consultant firms located throughout San Diego and the Western States. The Agency also advertised the RFQ in the San Diego Daily Transcript, La Prensa San Diego, the San Diego Voice & Viewpoint newspaper and the Agency’s webpage at [www.sandiego.gov](http://www.sandiego.gov).

Based on the solicitation, the Agency received eleven (11) responses from economic consultant firms by the September 8, 2006 deadline. The RFQ evaluation panel consisted of staff from the Redevelopment Division, San Diego Housing Commission and Centre City Development Corporation. The evaluation panel reviewed the proposals according to set evaluation criteria. The criteria included specialized experience and technical competence, proposed methods and overall strategic plan, knowledge and experience in urban infill real estate finance, understanding of the local environment, financial stability and completeness of the submittal package, proof of required insurance and other factors. The evaluation team then conducted in-person interviews of a select group of firms on October 19th and 20<sup>th</sup>, respectively.

Considering the stated criteria and the subsequent interviews, the evaluation team chose to form a pool of four (4) economic consultant firms from which to draw on a project-by-project basis, as needed. In selecting Keyser Marston Associates, Economics Research Associates, Bay Area Economics and Seifel Consulting, Inc., the evaluation team selected firms that exhibited the strongest and most comprehensive abilities to evaluate proposals, demonstrating solid and broad financial analysis experience, extensive background in affordable housing projects, and strong familiarity with the local market.

**FISCAL CONSIDERATIONS:**

The total cost of these four (4) agreements is estimated to be \$1.8 million over the three-year period, allocated as follows: \$570,000 for Keyser Marston Associates; \$570,000 for Economics Research Associates; \$330,000 for Bay Area Economics and \$330,000 for Seifel Consulting Inc. See chart below:

**Table 1: Estimated Contract Expenditures (by year and by consultant)**

<b>Consultant Firm</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Contract Not to Exceed</b>
KMA	\$210,000	\$180,000	\$180,000	\$570,000
ERA	\$210,000	\$180,000	\$180,000	\$570,000
BAE	\$ 90,000	\$120,000	\$120,000	\$330,000
SEIFEL	\$ 90,000	\$120,000	\$120,000	\$330,000
<b>TOTAL</b>	<b>\$600,000</b>	<b>\$600,000</b>	<b>\$600,000</b>	<b>\$1,800,000</b>

Funds for the first year in the amount of \$600,000 are available and are proposed to be committed at this time. Subsequent years’ funding will be appropriated for this purpose in future Agency budgets and encumbered on an as-needed basis. All payments made for services provided under these Agreements will be made from developer deposits and/or Agency revenues. The City of San Diego’s General Fund is not obligated under these Agreements.

PREVIOUS AGENCY and/or COUNCIL ACTION:

None

COMMUNITY PARTICIPATION & PUBLIC OUTREACH EFFORTS:

None

KEY STAKEHOLDERS & PROJECTED IMPACTS:

Keyser Marston Associates, Inc.		
<i>Principals and Primary Staff Assigned to Projects</i>	<i>Title</i>	<i>Firm Certification</i>
A. Jerry Keyser	President	
Gerald Trimble	Managing Principal	
Paul C. Marra	Principal	
<i>Subconsulting Firms</i>	<i>Principals</i>	
<b>Hunter Pacific Group</b>	<b>Celia Hunter</b>	<b>DBE/WBE</b>

Economics Research Associates		
<i>Principals and Primary Staff Assigned to Projects</i>	<i>Title</i>	<i>Firm Certification</i>
William Lee	Executive Vice President	
Linda Cheu	Senior Associate	
Molly Lipsher	Senior Associate	
<i>Subconsulting Firms</i>	<i>Principals</i>	
<b>David Paul Rosen &amp; Associates</b>	<b>David Paul Rosen Nora Lake-Brown</b>	

Bay Area Economics		
<i>Principals and Primary Staff Assigned to Projects</i>	<i>Title</i>	<i>Firm Certification</i>
Janet Smith-Heimer	Principal-In-Charge	<b>DBE</b>
Jonathan Stern	Principal	
Alexander Quinn	Senior Associate	

Seifel Consulting, Inc.		
<i>Principals and Primary Staff Assigned to Projects</i>	<i>Title</i>	<i>Firm Certification</i>
Elizabeth Seifel	President	<b>WBE</b>
Mark Sawicki	Managing Consultant	
Melissa Garcia	Senior Consultant	
<i>Subconsulting Firms</i>	<i>Principals</i>	
<b>Stepner Design Group</b>	<b>Michael J. Stepner</b>	

Respectfully submitted,

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Janice L. Weinrick  
Deputy Executive Director  
Redevelopment Agency

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James T. Waring  
Assistant Executive Director  
Redevelopment Agency

- Attachments:
1. Agreement – Keyser Marston Associates
  2. Agreement – Economics Research Associates
  3. Agreement – Bay Area Economics
  4. Agreement – Seifel Consulting