



Memorandum

Date Issued: February 22, 2010 Report No. 10-002

Attention: Honorable Chair and Members of the Redevelopment Agency
Docket of March 9, 2010

From: Brian L. Trotier, Acting President / C.E.O., Southeastern Economic Development Corporation (SEDC)

Subject: Agreement with Keyser Marston Associates, Inc. for As-Needed Economic Consultant Services

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REQUESTED ACTIONS: that the Redevelopment Agency:

1. Authorize the expenditure of an amount not to exceed \$400,000 of funds allocated in the Fiscal Year 2009-2010 Budget for the Central Imperial and Southcrest Redevelopment Project Areas, under the General Projects and Expenses Funded Programs, to be used toward as-needed consulting services provided by Keyser Marston Associates, Inc. (KMA) pursuant to an agreement between Southeastern Economic Development Corporation (SEDC) and KMA.
2. Authorize SEDC to enter into an agreement with KMA for as-needed consulting services with a total compensation payable to KMA pursuant to such agreement not to exceed \$400,000.

STAFF RECOMMENDATION: Approve the requested action.

BACKGROUND: On October 12, 2009, the Agency released a Request for Qualifications (RFQ) for Economic Consultants to provide economic and financial analysis services for the Redevelopment Project Areas administered by the Redevelopment Division and Southeastern Economic Development Corporation (SEDC). Fourteen submittals were received by the October 30, 2009 due date, and interviews were held in early December. The RFQ panel consisted of staff from the Redevelopment Division and SEDC. The primary services economic consultants provide include pro forma analyses to evaluate the financial feasibility of proposed projects and provide recommendations for Agency financial participation; real estate market and economic feasibility studies; and blight, economic and financial analyses for redevelopment plan amendments and adoptions.

DISCUSSION: The review panel selected the following six firms to be placed on a list of pre-qualified consultants that the Redevelopment Division and/or SEDC may engage for general as-needed services or for specific tasks: KMA; Bay Area Economics; Rosenow Spevacek Group; Tierra West Advisors, Inc.; David Paul Rosen & Associates; and Seifel Consulting, Inc. As the need for services arises, bids will be solicited from some or all of the pre-qualified firms deemed to be the best fit for the particular scope of work.

SEDC is not entering into contractual relationships with any of the other five qualified firms with this action. However, as other economic and financial consulting needs arise within the next three years, SEDC may solicit bids from these firms and retain them for specific projects. SEDC is entering into an agreement with KMA because current and future needs which would be best handled by KMA have already been identified.

The Requested Action is authorization of the expenditure of an amount not to exceed \$400,000 to be used for an agreement with Keyser Marston Associates, Inc. The Agency approved FY 2010 budget and work plan for the Redevelopment Projects managed by SEDC provides for funding to be expended on services provided by economic consultants for implementation of redevelopment, such as amending redevelopment plans, market and economic feasibility studies; blight, economic and financial analyses, and recommendations and negotiations for Agency participation in development. Such projects include the Valencia Business Park, 40th and Alpha affordable housing, redevelopment plan amendments, strategy for underutilized sites for job creation and tax increment revenues, and assistance with affordable housing proposal analyses.

SEDC is the contracting party to the proposed agreement with KMA. As such, SEDC is not seeking Agency approval to approve or to execute the KMA Agreement, only Agency approval to authorize an amount not to exceed \$400,000 and to enter into an agreement with KMA for as-needed consulting services. The current Operating Agreement entered into by and between the Agency and SEDC authorizes SEDC to enter into agreements without the prior approval of the Agency provided that such action is budgeted for and contemplated in the Agency approved budget and provided a certification of funds is issued by the City Comptroller. However, in order to obtain a certification of funds in this matter, Agency approval to authorize an amount not to exceed \$400,000 is necessary. Thus, SEDC is seeking Agency approval to authorize an amount not to exceed \$400,000 and to enter into an agreement with KMA for as-needed consulting services.

EQUAL OPPORTUNITY CONTRACTING (EOC):

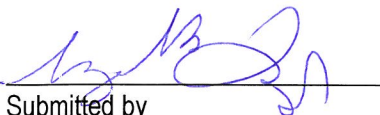
This agreement is subject to the City's Equal Opportunity Contracting (San Diego Ordinance No. 18173, Section 22.2701 through 22.2708). This agreement is subject to the City's Non-Discrimination in Contracting Ordinance (San Diego Municipal Code Sections 22.3501 through 22.3517). KMA has a San Diego office staff of 14 employees, including six females. Forty-two per cent of the employees are from the following minority groups: 2 Black Females, 1 Hispanic Female, 2 Asian Females and 1 Asian Male.

ENVIRONMENTAL REVIEW: This activity is statutorily exempt from CEQA pursuant to State Guidelines, Section 15262.

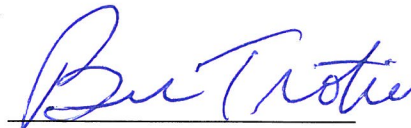
FISCAL CONSIDERATION – There is no impact to the City's General Fund. Funds in the amount of \$400,000 were anticipated in the SEDC FY2010 Program Budget for economic consulting services and are available in within the Project Areas' FY2010 capital projects and low moderate housing general program budgets. These expenditures were included in FY2010 budget, and were taken into account when determining each Project Area's ability to fund its CDBG repayment to the City and its estimated portion of the State's ERAF Take, and will not impact the Agency's ability to make the FY 2010 CDBG repayment to the City or the FY 2010 ERAF Payment at such time it becomes legally obligate to do so.

KEY STAKEHOLDERS: Keyser Marston Associates, Inc.: A. Jerry Keyser, President; Gerald M. Trimble, Managing Principal; Paul C. Marra, Principal.

PREVIOUS AGENCY AND/OR COMMITTEE ACTION: None.



Submitted by
Nancy M. Lytle, AICP
Vice President of Projects and Development



Approved by:
Brian L. Trotier
Acting President / C.E.O.

Attachment: As-Needed Agreement between the Southeastern Economic Development Corporation (SEDC) and Keyser Marston Associates, Inc. for Economic Consultant Services