

OFFICE OF THE AGENCY ADMINISTRATOR
2007 JUN 26 8:30

**REDEVELOPMENT AGENCY OF THE
CITY OF OAKLAND
AGENDA REPORT**

TO: Office of the Agency Administrator
ATTN: Deborah A. Edgerly
FROM: Community and Economic Development Agency
DATE: June 26, 2007

RE: **Resolution Authorizing The Agency Administrator To Award, Negotiate, And Execute Professional Services Agreements Without Returning To The Agency With Economic Consultants To Provide As-Needed General Economic Consulting Services In A Total Amount Not To Exceed \$480,000 Or Up To \$160,000 Per Contract, Plus an Allocation For a Contract Compliance Fee To The City In An Amount Not To Exceed 3% Of The Contract Amount, For The Following Redevelopment Project Areas: Broadway, MacArthur/San Pablo, Central City East, Central District, Coliseum, Oakland Army Base, And West Oakland**

SUMMARY

A resolution has been prepared authorizing the Agency Administrator to award, negotiate, and execute general professional services agreements (“Agreements”) without returning to the Agency with economic consultant firms to provide as-needed general economic consulting services in the following redevelopment project areas: Broadway, MacArthur/ San Pablo, Central City East, Central District, Coliseum, Oakland Army Base, and West Oakland. The Agency will manage all of the contracts.

Each general professional services agreement is for a not-to-exceed amount of up to \$160,000 over a two-year period, with an optional one-year extension on the part of the Agency. The total contract capacity among all of the firms will be \$480,000. The exact scope and funding for each individual assignment under the general contract will be directly provided by each of the six participating redevelopment project areas on a project-by-project basis.

The proposed scope of services to be provided by the consultants includes, but may not be limited to the following:

- Feasibility Analysis of proposed redevelopment projects,
- Assistance in negotiations over land disposition or gap financing proposals
- Review financial statements and other developer submissions
- Preparation of reports and materials to satisfy California Redevelopment Laws

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The proposed contracts will allow Agency staff to obtain services from economic consultants more quickly, efficiently, and at less cost than if individual consulting contracts were required for many separate redevelopment projects.

FISCAL IMPACT

Staff proposes that the Agency Administrator be authorized to award, negotiate, and execute consulting contracts of up to \$160,000 each, for a total of \$480,000. Approval of this resolution will authorize the Agency Administrator to engage the services with economic consulting firms on an as-needed basis. The total allocation is in an amount of \$494,400, including the contract compliance fee. The contract compliance fee of 3 percent, or up to \$14,400, will be funded with proceeds from each redevelopment project area requiring the consulting services.

Funding for the as-needed services will be allocated from the six participating redevelopment project areas on a project-by-project basis. The maximum allocated amount and funding source for each participating redevelopment project areas are as follows:

Redevelopment Project Area	Contribution	Funding Source
Broadway/ MacArthur/ San Pablo	\$50,000	Broadway/ MacArthur/ San Pablo Operations Fund (9529)
Central City East	\$100,000	Central City East Operations Fund (9540)
Central District	\$100,000	Unrestricted Land Sales Proceeds Fund (9553)
Coliseum	\$150,000	Coliseum: Operations Fund (9450)
Oakland Army Base	\$30,000	OBRA: Leasing & Utility Fund (9575)
West Oakland	\$50,000	West Oakland Operations Fund (9590)
CONTRACT COMPLIANCE FEE	\$14,400	Funding source will be the Fund, Organization, and Project number corresponding to the redevelopment project area requiring the consulting services.
TOTAL FUNDS	\$494,400	

BACKGROUND

The Agency constantly requires economic and financial consulting services as part of its redevelopment activities throughout Oakland's redevelopment areas. These services

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include financial feasibility analysis, gap financing analysis, market feasibility studies review, fiscal impact analyses, California H&S Code Section 33433 summary reports¹ and other related tasks.

Based on anticipated projects in the participating six redevelopment project areas, as well as past needs for consulting services, it is anticipated that as-needed contracts with a total funding limit of \$480,000 in the aggregate will be required over the next two years. In the event that a firm has a balance remaining on their contract with the Agency at the end of the two-year period, the Agency may choose to exercise the option to extend the contract for one-year, subject to Agency Administrator approval. The Agency will also make their decision based on the performance and quality of work of the firm during the first two years of the contract.

In May 2007, staff issued a Request for Qualifications (RFQ) for as-needed general economic consulting services to over 30 consulting firms. Staff compiled the list of firms from information provided by the Business Development Unit in the Economic Development division, Contract Compliance and Employment Services Division and the Redevelopment Agency based on a preliminary assessment confirming that the firms have the technical personnel and expertise to perform the work required. On May 31, 2007, the Agency received nine responses from the firms summarized in Attachment A.

Proposals will be evaluated and short-listed for interviews. The Agency will negotiate professional services agreements with the selected consulting firms.

KEY ISSUES AND IMPACTS

The Agency often relies on the expertise of financial and economic consultants in the planning and implementation of its redevelopment activities. Specifically, these consulting companies assist the Agency in land disposition transactions, development agreement negotiations, redevelopment planning and finance, developer selection and gap funding analysis, compliance and other related tasks. In the past, the Agency has enlisted individual consultants on an as-needed, project-by-project basis by issuing Requests for Proposals and following the City's contracting procedure for each assignment. This process has required significant time and staffing commitments, even if the scope of work was not extensive with a contract amount of less than \$15,000.

¹ The California Health and Safety Code, Section 33433, requires that if a redevelopment agency wishes to sell or lease property to which it holds title and if that property was acquired in whole or in part with property tax increment funds, the agency must first secure approval of the proposed sale or lease agreement from its local legislative body after a public hearing. A copy of the proposed sale or lease agreement and a summary report that describes and contains specific financing elements of the proposed transaction shall be available for public inspection prior to the public hearing.

Since there are currently no consultants under contract to assist the Agency, there have been some instances when the Agency has not been able to respond to a developer in an expeditious manner, as it takes significant time to complete a consulting contract pursuant to the City's contracting procedures

To address this issue, the proposed resolution will permit the Agency to place economic consultants on contract that will be requested to work on specific project assignments on an as-needed basis. These general "as-needed" contracts will substantially expedite the process by which the Agency can obtain professional advice on a variety of projects.

PROJECT DESCRIPTION

The Agency will focus on identifying firms that best demonstrate their technical ability in meeting the listed scope of work (see bulleted list below), the firm's experience in providing these services, the professional experiences of the team members, their experience working with public agencies, their efforts to include local and small local certified businesses on their project team (See Attachment B: L/SLBE Compliance Analysis), the consultant's availability of personnel resources and on-time delivery of services and references.

The exact scope of the consulting services will be determined on a project-by-project basis. The selection committee formed by the Agency will ensure that the chosen firms will have the capability to perform work including, but not limited to:

- Pro Forma Analysis and Review
- Real Estate Market and Feasibility Studies
- Financing Plans
- California Health and Safety Code, Section 33433 Summary Reports, including Cost to Agency Analyses, Highest and Best Use Analyses.
- Parking Studies (feasibility, demand and pricing analysis)
- Fiscal Impact Analysis
- Redevelopment Plan Amendments and Adoptions
- Tax Increment Financing Projections and Analysis
- Affordable Housing Analysis
- Participation in discussions and presentations with developers and community officials.
- Evaluation of options for land disposition business terms and Agency participation in development projects.

The selected consultants will provide work schedules, plans, and reports for each project assignment, as necessary. Preparation of reports and work plans will be in a format acceptable to the Agency and conform to recognized standards of practice in the industry. The reports will be submitted in draft format to the Agency for internal review and will be returned to the consultant for necessary revisions.

SUSTAINABLE OPPORTUNITIES

Economic: The local economy will benefit from services provided through these contracts, which include local business participation.

Environmental: All developments or applicable project assignments performed by the consultant teams will further compliance with sustainable "Green Building" technologies and techniques.

Social Equity:

All consulting firms hired for their services will comply under the City's Local and Small Local Business Enterprise (L/SLBE) Program.

DISABILITY AND SENIOR CITIZEN ACCESS

All selected consultants will make its goods, services, and facilities accessible to people with disabilities and will comply with all city, state, and federal ADA requirements.

RECOMMENDATION(S) AND RATIONALE

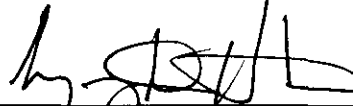
Staff recommends approval of the proposed resolution to authorize the Agency Administrator to award, negotiate, and execute professional services agreements with economic consultants to provide as-needed general economic consulting services in an amount not to exceed \$480,000, for a period of two years, with an optional one-year extension on the part of the Agency. This action will ensure that (a) the Agency will receive the necessary outside consulting services needed to address issues that impact decisions in evaluating redevelopment projects, (b) the Agency will have access to consulting professionals who are thoroughly knowledgeable in economic-, financial-, and real estate-related matters, and (c) the Agency receives responsive service to comply with redevelopment law and meet project deadlines on future projects

ACTION REQUESTED OF THE AGENCY

Staff requests that the Agency authorize the Agency Administrator or her designee to award, negotiate, and execute professional services agreements without returning to the Agency with economic consultants to provide as-needed general economic consulting services in a total amount not to exceed \$480,000, or up to \$160,000 per contract, plus an allocation for a contract compliance fee to the City in an amount not to exceed 3 percent

of the contract amount, for the following redevelopment project areas: Broadway, MacArthur/San Pablo, Central City East, Central District, Coliseum, Oakland Army Base, and West Oakland.

Respectfully submitted,



GREGORY HUNTER

Interim Director of Redevelopment,
Economic Development, Housing and
Community Development

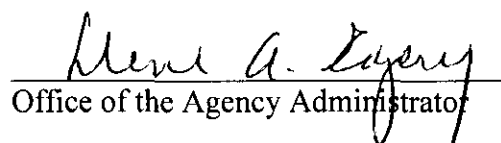
Reviewed by:

Jens Hillmer, Urban Economic Coordinator
Redevelopment Division

Prepared by:

Esther Tam, Urban Economic Analyst II
Redevelopment Division

APPROVED AND FORWARDED TO
THE COMMUNITY AND ECONOMIC
DEVELOPMENT COMMITTEE:



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Attachment A
Request for Qualifications (RFQ) Respondent List

Firm	Prime Contractor	Location of Firm	Sub-Contractor(s)	Location of Firm
1	Basile Baumann Prost & Associates, Inc.	San Diego, CA	Local Firm to be determined	Oakland, CA
2	Bay Area Economics	Berkeley, CA	Oakland Merchants' Leadership Forum	Oakland, CA
3	C.H. Johnson Consulting	Chicago, IL	Northern Real Estate, LLC Skidmore, Owings and Merrill	Oakland, CA Chicago, IL
4	Clucas Economics	Oakland, CA		
5	Conley Consulting Group	Oakland, CA		
6	David Paul Rosen & Associates	Oakland, CA	Economic Research Associates	San Francisco, CA
7	Hausrath Economics Group	Oakland, CA		
8	Keyser Marston Associates	San Francisco, CA	Bottomley Design & Planning Shah Kawasaki Architects Dowling Associates	Oakland, CA Oakland, CA Oakland, CA
9	Vernazza Wolfe Associates	Oakland, CA	Seifel Consulting	San Francisco, CA

* Firms are listed in alphabetical order.

Attachment B
Local/Small Local Business Enterprise (L/SLBE) Compliance Analysis

Prepared by Contract Compliance and Employment Services Division

Memo



Office of the City Administrator

Contract Compliance & Employment Services Division

To: Esther Tam, Community and Economic Development Agency
From: Shelley Darensburg, Contract Compliance Officer, CC&ES Division
Through: Deborah Barnes, CC&ES Manager
Cc: File
Date: June 14, 2007
Re: Compliance Analysis: RFQ—Economic Consultant Services

Contract Compliance & Employment Services reviewed nine (9) proposals received in response to the above referenced project. Below is the outcome of our compliance evaluation for the twenty percent (20%) minimum participation requirement and a preliminary review for compliance with the Equal Benefits Ordinance.

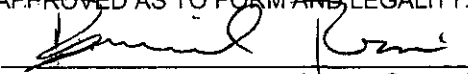
The L/SLBE findings are as follows:

	Company Name	Bid Amount (If Applicable)	Proposed Participation			Preferences			Banked Credits Eligibility?	EBO Compliant? (Y/N)
			Total L/SLBE	LBE	SLBE	Total Credited	Adjusted Bid Amount	Points		
1.	Basile Baumann Prost & Associates	TBD	0%	0%	0%	0%	NA	0	0	N
2.	Bay Area Economics	TBD	20%	0%	20%	20%	NA	2	0	Y
3.	C.H. Johnson Consulting, Inc.	TBD	0%	0%	0%	0%	N/A	0	0	N
4.	Clucas Economic	TBD	100%	0%	100%	100%	NA	5	2	Y
5.	Conley Consulting Group	TBD	100%	0%	100%	100%	NA	5	2	Y
6.	David Paul Rosen	TBD	52%	0%	52%	52%	NA	5	0	Y
7.	Hausrath Economics Group	TBD	100%	0%	100%	100%	NA	5	2	Y
8.	Keyser Marston Associates	TBD	20%	10%	10%	20%	NA	2	0	Y
9.	Vernazza Wolfe	TBD	50%	0%	50%	50%	NA	5	0	Y

As noted above, all of the firms except Basile Baumann Prost & Associates and C.H. Johnson Consulting, Inc. met or exceeded the 20% L/SLBE requirement. Firms that are not EBO compliant will have to come into compliance prior to contract execution.

If you have questions or need additional information, please contact Vivian Inman, Contract Compliance Officer, at 238-7325.

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APPROVED AS TO FORM AND LEGALITY:

Agency Counsel

REDEVELOPMENT AGENCY OF THE CITY OF OAKLAND

RESOLUTION No. _____ C.M.S.

RESOLUTION AUTHORIZING THE AGENCY ADMINISTRATOR TO AWARD, NEGOTIATE, AND EXECUTE PROFESSIONAL SERVICES AGREEMENTS WITHOUT RETURNING TO THE AGENCY WITH ECONOMIC CONSULTANTS TO PROVIDE AS-NEEDED GENERAL ECONOMIC CONSULTING SERVICES IN A TOTAL AMOUNT NOT TO EXCEED \$480,000 OR UP TO \$160,000 PER CONTRACT, PLUS AN ALLOCATION FOR A CONTRACT COMPLIANCE FEE TO THE CITY IN AN AMOUNT NOT TO EXCEED 3% OF THE CONTRACT AMOUNT, FOR THE FOLLOWING REDEVELOPMENT PROJECT AREAS: BROADWAY/MACARTHUR/SAN PABLO, CENTRAL CITY EAST, CENTRAL DISTRICT, COLISEUM, OAKLAND ARMY BASE, AND WEST OAKLAND

WHEREAS, the Redevelopment Agency needs to be able to conduct economic, financial, and real estate analyses for properties that the Agency owns, plans to acquire, redevelop, assist, or dispose of; and

WHEREAS, the Agency needs responsive service to meet deadlines for Agency projects and such responsiveness is most effectively provided through as-needed contracts; and

WHEREAS, the Agency desires to have outside consulting services available on an "as-needed" basis, to assist the Agency for select redevelopment projects that involve expertise in economic, financial, and real estate matters; and

WHEREAS, the staff of the Redevelopment Agency has prepared and released a Request for Qualifications (RFQ) to select three consultant firms; and

WHEREAS, funds for the as-needed services shall come directly from six participating redevelopment project areas on a project-by-project basis; and

WHEREAS, each of the six redevelopment project areas requesting consulting services will budget funds towards the contracts according to their needs; and

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WHEREAS, the maximum funds available over a two-year period, with an optional one-year extension, is in the amount of \$494,400, which includes a 3% contract compliance fee to the City and a total available contract amount of \$480,000 or up to \$160,000 per contract; and

WHEREAS, the Agency and the City entered into a Cooperation Agreement on July 1, 2004, which governs the provision of assistance and the payment of funds between the two agencies, including City staff services to the Agency; and

WHEREAS, the Agency finds that the economic consulting contracts will be for services of a professional nature, and the services under these contracts will be temporary; and

WHEREAS, the Agency finds that the economic consulting contracts will not result in the loss of employment or salary by any person having permanent status in the competitive service; now, therefore, be it

RESOLVED: That the Agency Administrator is hereby authorized to award, negotiate, and execute, without returning to the Agency, professional services agreements, with economic consultants chosen by the Agency Administrator to provide as-needed economic consulting services for the following redevelopment project areas: Broadway/MacArthur/San Pablo, Central City East, Central District, Coliseum, Oakland Army Base, and West Oakland; and be it

FURTHER RESOLVED: That the total amount of the contracts shall be for a not-to-exceed amount of \$480,000 for a two year period, or up to \$160,000 per contract, with an optional one-year extension on the part of the Agency; and be it

FURTHER RESOLVED: That the Agency hereby allocates an amount not to exceed 3% of the contract amounts to be paid to the City as a contract compliance fee under the Cooperation Agreement; and be it

FURTHER RESOLVED: That the funding for the as-needed services and an additional 3 percent contract compliance fee will be allocated from the six participating redevelopment project areas on a project-by-project basis as follows:

- \$ 50,000 from Broadway/MacArthur/San Pablo Operations Fund (9529)
- \$100,000 from Central City East Operations Fund (9540)
- \$100,000 from Central District Unrestricted Land Sales Proceeds Fund (9553)
- \$150,000 from Coliseum Operations Fund (9450)
- \$30,000 from OBRA Leasing and Utility Fund (9575)
- \$50,000 from West Oakland Operations Fund (9590)

FURTHER RESOLVED: That the Agency authorizes the Agency Administrator or her designee to take any action with respect to these contracts consistent with this Resolution and its basic purposes.

IN AGENCY, OAKLAND, CALIFORNIA, _____, 2007

PASSED BY THE FOLLOWING VOTE:

AYES- BROOKS, BRUNNER, CHANG, KERNIGHAN, NADEL, QUAN, REID, AND
CHAIRPERSON DE LA FUENTE

NOES-

ABSENT-

ABSTENTION-

ATTEST: _____

LATONDA SIMMONS
Secretary of the Redevelopment Agency
of the City of Oakland, California