

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

FILED
OFFICE OF THE CITY CLERK
OAKLAND

2009 DEC 22 PM 5:52

TO: Office of the City Administrator
ATTN: Dan Lindheim
FROM: Community and Economic Development Agency
DATE: January 12, 2010

RE: **An Agency Resolution Amending Resolution No. 2007-0057 To Increase The Funding Allocation For As-Needed General Economic Consulting Service Contracts By \$150,000 From A Total Not-To-Exceed Amount Of \$480,000 To \$630,000**

SUMMARY

CEDA staff requests approval of the resolution amending the total contract amount for the professional service agreements with economic consultant firms to provide as-needed general economic consulting services. The total funding allocated from the previous resolution No. 2007-0057 C.M.S. is for a total not-to-exceed amount of \$480,000, or up to \$160,000 per Redevelopment Area. This amendment requests an increase in the total funding allocation from the original \$480,000 to \$630,000, without making any change to the allocated amount for each consultant's professional service agreement.

The requested increase of \$150,000 in the overall funding authority will come from the Central City East (CCE) Redevelopment Project Area and the Oakland Army Base (OAB) Project Area. Central City East will increase its funding allocation from \$100,000 to \$200,000, and the Oakland Army Base will increase its funding from \$30,000 to \$80,000.

FISCAL IMPACT

Staff proposes that the Agency Administrator authorize an increase in the maximum amount for the as-needed contract by \$150,000. Approval of this resolution will authorize the Central City East and the Oakland Army Base Redevelopment Project Areas to further engage the services of the economic consulting firms previously approved.

The requested authorization would increase the total allocation fee for this contract to \$630,000. The increase of the maximum amount of funding for the as-needed services will be allocated from the two redevelopment project areas highlighted in the table below on a project-by-project basis. The maximum allocations and funding sources for each participating redevelopment project area are as follows:

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Redevelopment Project Area	Previously allocated funds for consultants	Additional funds requested	Funding Source	New Total
Central City East	\$100,000	\$100,000	Misc. Contract Contingency (9540)	
Oakland Army Base	\$30,000	\$50,000	Oakland Army Base Redevelopment Area-Operations (9570), West Oakland Base Reuse Org (88679). Project (to be determined)	
Funds from other Redevelopment Areas	\$350,000			
Total Funds	\$480,000	\$150,000		\$630,000

BACKGROUND

The Agency consistently requires the use of economic and financial consulting services as part of its redevelopment activities throughout all of the project areas. The scopes of services provided by the as-needed economic consultants include, but are not limited to:

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

Funding originally allocated by CCE and OAB has been drawn down and based on anticipated projects within these Redevelopment Areas, additional funds are necessary to contract with existing as-needed economic consultants. The total funding increase of \$150,000 is sufficient to contract with consultants over the remainder of their contract.

KEY ISSUES AND IMPACTS

Both CCE and OAB Redevelopment Project Areas rely 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,

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development agreement negotiations, redevelopment planning and financing, developer selection and gap funding analysis, compliance and other related tasks.

To that end, both the CCE and OAB Project Areas need additional funds, beyond the original contributions amounts, to fulfill redevelopment activities. In the case of the OAB remaining funding is limited to \$14,500, while in CCE there are no funds remaining for economic consulting services. This lack of available funds means that current projects within the project area cannot move forward until funds are made available.

PROJECT DESCRIPTION

The Agency has identified and contracted with firms that have the professional experience working with public agencies, have on-time delivery of services, and include local and small local certified business on their team.

The exact scope of the consulting services is based on a project-by-project basis. The Selection committee ensured that the contracted firms have the technical ability 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 Amendment and Adoptions
- Tax Increment Financing Projections and Analysis
- Affordable Housing Analysis
- Participating 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 provide work schedules, plans, and reports for each project assignment, as necessary. Preparation of reports and work plans are in a format acceptable to the Agency and conform to recognized standards of practice in the industry. Reports are submitted in draft format to the Agency for internal review and returned to the consultant for necessary revisions.

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EVALUATION OF PAST PERFORMANCE

The pool of five consultants was selected through a competitive RFQ process approved by Council. The consultants' performance evaluation is submitted on a project by project basis. Currently, four of the five consultants have one or more evaluations and each has met or exceeded staff's expectations. Although each evaluation and work product is different, overall the consultants' delivered their product on time and were thorough in their analysis, and provided useful, quality reports documenting their research and assumptions. Such analyses are often tailored to the audience requesting the information, and these consultants have often made themselves available as requested to present their research to community groups. Additionally, many of the consultants have obliged staff's requests for revisions, even upon delivery of their final drafts. As such, staff would like to be able to draw from the same pool of consultants which Council approved going forward, until the current contracts and extensions expire.

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.

RECOMMENDATIONS AND RATIONALE

Staff recommends approval of the proposed resolution to authorize the increase in funding allocation for as-needed general economic consulting service contract from a not-to-exceed amount for \$480,000 to \$630,000. This action will ensure that (a) the Central City East and Oakland Army Base Redevelopment Project Areas will receive the necessary outside consulting services needed to address issues that impact decisions in evaluating redevelopment projects, (b) the Central City East and Oakland Army Base Project Areas will have access to consulting professionals for anticipated projects who are thoroughly knowledgeable in economic, financial,

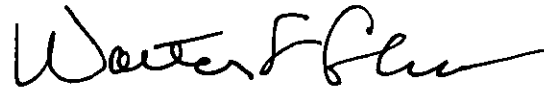
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and real estate-related matters, and (c) the Central City East and Oakland Army Base Project Areas will receive responsive service to comply with redevelopment law and meet project deadlines on future projects.

ACTION REQUESTED OF THE CITY COUNCIL

Staff request approval to the amendment to Resolution No. 2007-0057 C.M.S. to increase the funding allocation for as-needed general economic consulting service contracts from a total not-to-exceed amount of \$480,000 to \$630,000, so that the Central City East and Oakland Army Base Redevelopment Project Areas may enlist the economic and financial consultants in the planning and implementation of its redevelopment activities.

Respectfully submitted,



Walter S. Cohen, Director
Community & Economic Development Agency

Reviewed by: Gregory Hunter, Deputy Director
Economic Development and Redevelopment

Larry Gallegos, Area Manager
Central City East and Coliseum Redevelopment Areas

Prepared by:
Hagerenesh Solomon
Central City East Redevelopment Area

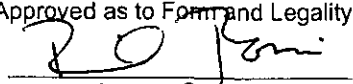
APPROVED AND FORWARDED TO THE
COMMUNITY AND ECONOMIC DEVELOPMENT COMMITTEE:



Office of the Agency Administrator

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Approved as to Form and Legality

Agency Counsel

REDEVELOPMENT AGENCY OF THE CITY OF OAKLAND

Resolution No. _____ C.M.S.

**AGENCY RESOLUTION AMENDING RESOLUTION NO. 2007-0057
TO INCREASE THE FUNDING ALLOCATION FOR AS-NEEDED
GENERAL ECONOMIC CONSULTING SERVICE CONTRACTS BY
\$150,000 FROM A TOTAL NOT-TO-EXCEED AMOUNT OF \$480,000 TO
\$630,000**

WHEREAS, the Redevelopment Agency needs 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 services 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 selected five consulting firms through a Request for Qualifications (RFQ) process; and

WHEREAS; Resolution No. 2007-0057 C.M.S. authorized the Agency to execute professional services agreements with economic consultants over a two-year period, with an optional one-year extension, to provide as-needed general economic consulting services for a total of \$480,000 or up to \$160,000 per contract, for the following redevelopment project areas: Broadway/MacArthur/San Pablo, Central City East, Central District, Coliseum, Oakland Army Base, and West Oakland; and

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

WHEREAS, two of the six redevelopment project areas have expended all or most of their budgeted funds on services provided by the consulting firms, and therefore additional funds must be allocated for these services from these areas;

now therefore, be it

RESOLVED: That the Agency hereby amends Resolution No. 2007-0057 to increase the funding allocation for as-needed general economic consulting services contracts by \$150,000 from a total not-to-exceed amount of \$480,000 to \$630,000 for the duration of the contracts; and be it

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

FURTHER RESOLVED: That the increased funding for the as-needed services will be allocated from both the participating redevelopment project areas based on where the project is located on a project-by-project basis as follows:

- \$100,000 from Central City East Contract Contingency Fund (9540)
- \$50,000 from Oakland Army Base Redevelopment Area Fund (9570)

and be it

FURTHER RESOLVED: That the Agency Administrator or his/her designee is hereby authorized to conduct negotiations, execute documents, and take any other action with respect to this Resolution and its basic purpose.

IN AGENCY, OAKLAND, CALIFORNIA, _____

PASSED BY THE FOLLOWING VOTE:

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

NOES -

ABSENT -

ABSTENTION -

ATTEST:

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