

REDEVELOPMENT AGENCY OF THE CITY OF OAKLAND

AGENDA REPORT

2010 JUN 30 PM 5:46

TO: Office of the Agency Administrator
ATTN: Dan Lindheim
FROM: Community and Economic Development Agency
DATE: July 13, 2010

RE: **Agency Resolution 1) Allocating up to \$970,000 from Fiscal Year 2010-2011 Broadway/MacArthur/San Pablo, Central City East, Central District, Coliseum, Oakland Army Base, and West Oakland Redevelopment Funds for As-Needed Economic Consulting Services; and 2) Authorizing the Agency Administrator to Select Four or More Economic Consulting Firms and to Negotiate, Award, and Execute Professional Services Agreements With the Selected Economic Consultants to Provide As-Needed Economic Consulting Services for the Broadway/MacArthur/San Pablo, Central City East, Central District, Coliseum, Oakland Army Base, and West Oakland Redevelopment Project Areas in an Amount not to Exceed \$250,000 Per Contract Without Returning to the Agency**

SUMMARY

Staff requests authorization for the Agency Administrator to negotiate, award, and execute professional services agreements with economic consultant firms without returning to the Agency. There will be contracts with at least four consultant teams to provide as-needed economic consulting services to six redevelopment project areas: Broadway/MacArthur/San Pablo, Central City East, Central District, Coliseum, Oakland Army Base, and West Oakland. The Agency Administrator will select the consultants from the twelve teams who responded to the Agency's Request for Qualifications after an interview and selection process. The Agency will manage all of the contracts.

Each general professional services agreement will be for a not-to-exceed amount of up to \$250,000 over a two-year period, with two optional one-year extensions on the part of the Agency. The total contract capacity among all of the firms will be \$970,000. The exact scope and funding for each individual assignment under the contract will be directly provided by each of the six participating redevelopment project areas on a project-by-project basis.

Essential services that the consultants will provide include, but are not limited to:

- Evaluation of land disposition options and business terms
- Assistance with structuring public/private partnerships
- Economic and fiscal impacts analysis of proposed development
- Financial feasibility analysis of proposed redevelopment projects

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The proposed contracts will allow staff to obtain economic consulting services more quickly, efficiently, and cost effectively than is possible with individual consulting contracts for multiple separate assignments. The as-needed consultant services are particularly valuable when the Agency Board directs staff to respond to specialized or technical questions and prepare supplemental reports with limited preparation time. The contracts ensure uninterrupted consulting services for time-sensitive redevelopment and business development projects.

FISCAL IMPACT

The proposed resolution authorizes the Agency Administrator to engage the services of economic consultants on an as-needed basis. Each consulting contract is for a not-to-exceed amount of up to \$250,000, for a total of \$970,000.

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

Project Area	Contribution	Funding Source
Broadway/MacArthur/ San Pablo	\$50,000	Broadway/MacArthur/San Pablo Operations Fund (9529) Project (P187510)
Central City East	\$200,000	Central City East Taxable Bond Fund (9540) Project (S233310)
Central District	\$120,000	Unrestricted Land Sales Proceeds Fund (9553) Project (P130610)
Coliseum	\$250,000	Coliseum Operations Fund (9450) Project (S82600)
Oakland Army Base	\$250,000	OBRA Leasing and Utility Fund (9575) Project (S294210)
West Oakland	\$100,000	West Oakland Operations Fund (9590) Project (S233510)
TOTAL FUNDS	\$970,000	

BACKGROUND

In 2007, the Agency entered into five as-needed contracts with economic consulting firms Conley Consulting Group, David Paul Rosen & Associates, Hausrath Economics Group, Keyser Marston Associates, and Vernazza Wolfe Associates/Seifel Consulting. The contracts were for a two-year period with an optional one-year extension on the part of the Agency. Four of the contracts will expire on August 28, 2010 and one on October 28, 2010. The total amount of the contracts for all the firms was \$480,000. In January 2010, the Agency increased the funding allocation for as-needed general economic consulting services by \$150,000, with the Oakland Army Base and Central City East project areas contributing respectively an additional \$50,000 and \$100,000, for a total not-to-exceed amount of \$630,000. The contract amounts, however, were unchanged. To use the additional funding allocation, Oakland Army Base and Central City East drew on the unexpended funding allocations of the Central District, Coliseum, and West Oakland project areas for the contracts.

To date, \$362,000 has been obligated for analysis of various redevelopment projects, which included the following services:

- Development agreement negotiation advice
- Review of development financing structures and financing plans
- Financial analysis of lease versus sale options
- Feasibility analysis of opportunity sites and development options
- Proforma analysis
- Tax increment analysis
- Market feasibility studies
- Parking structure construction costs analysis
- Financial analysis of developer submittals
- Verification of cost assumptions
- Assessment of financial statements
- Feasibility analysis of sales leaseback deals
- Highest and best use studies of alternative land uses
- Evaluation of the reasonableness of proposed Agency assistance
- Economic and fiscal evaluation of development proposals
- Blight studies

The as-needed contracts enabled staff to respond expeditiously to developers and the Agency Board. For instance, development projects often required staff to approve or disapprove submittals within 30 days of receipt. Acquisition opportunities frequently also required quick decisions. During the master developer selection process for the Oakland Army Base, staff was able to obtain the economic analysis necessary to readily address questions posed to staff about the proposals under consideration in less than one week.

Staff is seeking, through a Request for Qualifications (RFQ) process, economic consultants to enter into at least four new contracts when the current contracts expire. In May 2010, staff issued an RFQ for as-needed general economic consulting services to over 50 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 21, 2010, the Agency received 12 responses from the firms summarized in *Attachment A*. A selection committee composed of staff from each participating project area is evaluating the proposals and interviewing a short-list of teams. The Agency will negotiate professional services agreements with the selected consulting firms.

Based on past usage and upcoming projects in the participating redevelopment project areas, staff anticipates that as-needed contracts with a total funding limit of \$970,000 in aggregate could be required over the next two years. In the event that a firm has a balance remaining on its contract at

the end of the two-year period, the Agency may twice exercise an option to extend the contract for one year, without increasing the spending limits, subject to Agency Administrator approval. The Agency will base its decision on the firm's performance and quality of work over the previous period of the contract

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 consultants assist the Agency in land disposition transactions, development agreement negotiations, redevelopment planning and finance, developer selection and gap funding analysis, and other related tasks. In the past, the Agency enlisted individual consultants on a project-by-project basis by issuing Requests for Proposals and following the City's contracting procedure for each assignment. This process required significant time and staffing commitments, even if the scope of work was not extensive and entailed a contract amount of less than \$15,000.

Entering into essential as-needed economic consulting contracts substantially streamlined the process by which the Agency obtained professional advice on a variety of projects. The contracts reduced the amount of time staff spent on completing individual contracts in accordance with the City's contracting procedures and allowed staff to concentrate instead on meeting project deadlines and addressing Agency Board questions in a timely manner. Many upcoming redevelopment projects, such as review of developer submittals or negotiating real estate deals, require timely responses. New as-needed contracts ensure that economic consulting services will be available at these critical junctures.

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 firms' 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.

Listed Scope of Work

The exact scope of the consulting services will be determined on a project-by-project basis. The selection committee 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
- Highest and best use analyses
- Section §33433 summary reports
- Parking studies (feasibility, demand and pricing analysis)
- Fiscal impact analysis
- Redevelopment plan amendments and adoptions
- Tax increment projections and public financing 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.

Selection Process

The selection committee performed an initial evaluation of the responses to the RFQ and eliminated Monitor Group as non-responsive. The committee also determined that the areas of expertise for Bedrock Media, Oliva Global Communications, and Wahlstrom & Associates were more specific to economic development than redevelopment. The committee set up interviews with the eight remaining consultant teams to elicit more detail about the expertise of the team members and their expected roles, their familiarity with California redevelopment agencies and projects, their experience with the Agency or with Oakland-based projects, their capacity to perform as on-call consultants, potential conflicts of interest, and their process for assigning staff.

Once all the interviews are completed, the selection committee will rank the consultant teams based on their interview and an in depth evaluation of their proposal using the following criteria:

- Technical ability in the area of economic studies such as market, feasibility, fiscal and economic benefit, highest and best use, residual land value, and other analyses (30 points)
- Professional experience and background of principals and key personnel specific to the proposed services and relevant skills used in preparing economic studies (30 points)
- Resources of the consultant to provide timely responses to Agency's requirements (10 points)
- Experience in working with public agencies and demonstrated ability to listen and respond to their project requirements (5 points)
- Local and Small Local Certified Business participation (5 points)
- Project experience and references (15 points)
- Quality and completeness of the Statement of Qualifications (5 points)

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Performance evaluations for responding consultants who have completed assignments under a current contract with the Agency will also be considered.

Negotiations regarding the terms of the contract will be scheduled with the four highest ranking firms. If any agreement cannot be reached in a reasonable timeframe (as determined by the Agency Administrator) with any of the four consulting teams on the final scope of work, negotiations will proceed with next highest ranking consulting team until an agreement is reached or the list is exhausted.

SUSTAINABLE OPPORTUNITIES

Economic: The contracts enable the Agency to evaluate and develop projects that best serve the local economy.

Environmental: Any resulting development projects will require environmentally sustainable construction.

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

DISABILITY AND SENIOR CITIZEN ACCESS

All selected consultants will make their goods, services, and facilities accessible to people with disabilities and will comply with all City, state, and federal American Disability Act requirements.

RECOMMENDATION AND RATIONALE

Staff recommends that the Agency Administrator be authorized to negotiate, award, and execute professional services agreements with economic consultants to provide as-needed economic consulting services in an amount not to exceed \$970,000 for a period of two years with two optional one-year extensions on the part of the Agency. This action will ensure that (a) the Agency will receive the 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 will receive responsive service to meet project deadlines on future projects

ACTION REQUESTED OF THE CITY COUNCIL

Staff requests the Agency Board to adopt the resolution allocating up to \$970,000 from Fiscal Year 2010-2011 Broadway/MacArthur/San Pablo, Central City East, Central District, Coliseum, Oakland Army Base, and West Oakland Redevelopment funds for as-needed economic consulting services; and authorizing the Agency Administrator to select economic consultants, and to negotiate, award, and execute Professional Services Agreements with the selected economic consultants to provide as-needed economic consulting services for the Broadway/MacArthur/San Pablo, Central City East, Central District, Coliseum, Oakland Army Base, and West Oakland Redevelopment Project Areas in an amount not to exceed \$250,000 per Contract without returning to the Agency.

Respectfully submitted,

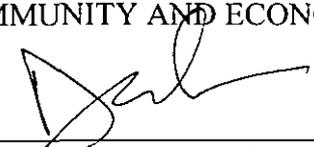


Walter S. Cohen, Director
Community and Economic Development Agency

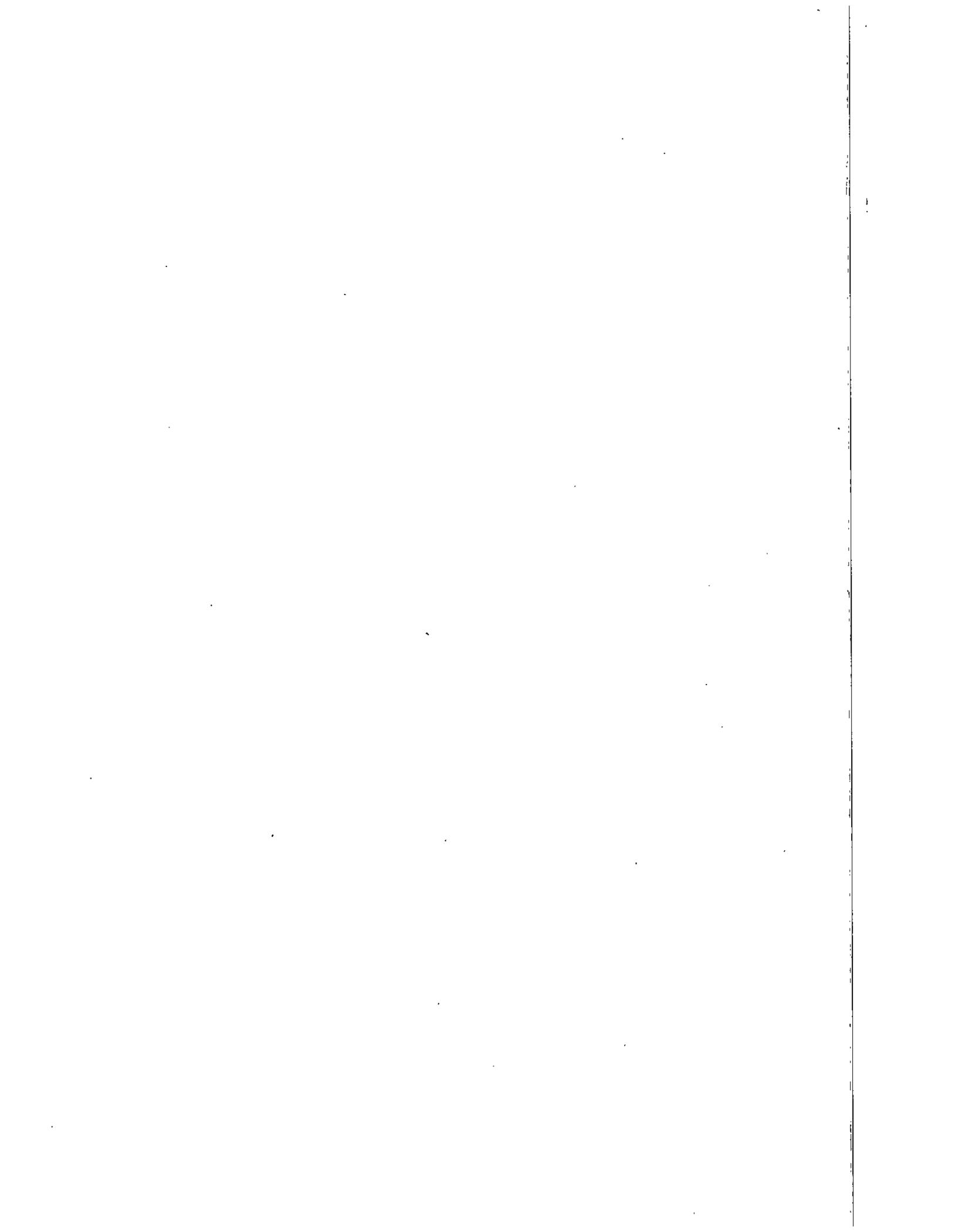
Reviewed by: 
Gregory Hunter, Deputy Director
Economic Development and Redevelopment

Prepared by:
Hui Wang, Urban Economic Analyst III
CEDA Redevelopment

APPROVED AND FORWARDED TO THE
COMMUNITY AND ECONOMIC DEVELOPMENT COMMITTEE:


Office of the Agency Administrator

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ATTACHMENT A
Request for Qualifications Respondent List

Firm	Prime Contractor	Location	Sub-Contractors	Location
1	Bedrock Media	Oakland, CA	Munroe Consulting, Inc.	Moraga, CA
2	Conley Consulting Group	Oakland, CA	Conversion Management Associates, Inc. Hixon & Associates Willdan Financial Services Economics Competitiveness Group	San Francisco, CA Oakland, CA Oakland, CA Sausalito, CA
3	David Paul Rosen & Associates	Oakland, CA	AECOM	Oakland, CA
4	Economic & Planning Systems, Inc.	Berkeley, CA	Community Design & Architecture CMA Asset Managers Kimley-Horn Associates	Oakland, CA Oakland, CA Oakland, CA
5	Hausrath Economics Group	Oakland, CA	3D Visions JRVD Architects Urbanics Consultants	San Francisco, CA Oakland, CA Vancouver, BC
6	Keyser Marston Associates	San Francisco, CA	Bottomley Design & Planning Shah Kawasaki Architects Dowling Associates, Inc. Public Financial Management, Inc.	Oakland, CA Oakland, CA Oakland, CA San Francisco, CA
7	Monitor Group	Cambridge, MA	None	
8	Oliva Global Communications	San Francisco, CA	C. Foster Consultant Service George Broder Group, LLC Northern Real Estate, LLC	Hercules, CA San Francisco, CA Oakland, CA
9	PMC	Oakland, CA	Watry Design	Oakland, CA
10	Seifel Consulting, Inc.	San Francisco, CA	IPA Planning Solutions Dowling Associates, Inc.	Oakland, CA Oakland, CA
11	Vernazza Wolfe Associates, Inc.	Oakland, CA	Brion & Associates Applied Economic Development Economics, Inc. Urban Analytics	Santa Rosa, CA Walnut Creek, CA San Francisco, CA
12	Wahlstrom & Associates	Berkeley, CA	Economic Development Research Group Natural Logic JSA Consulting Services	Boston, MA Berkeley, CA Oakland, 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

Department of Contracting and Purchasing Social Equity Division

To: Hui Wang, Project Manager
 From: Sophany Hang, Acting Contract Compliance Officer
 Through: Shelley Darensburg, Sr. Contract Compliance Officer
 CC: Deborah Barnes, Director, DC&P
 Gwen McCormick, Contract Administration Supervisor
 Date: June 7, 2010
 Re: Request For Qualification for As Needed Economic Consultant Services

Department of Contracting and Purchasing (DCP), Division of Social Equity, reviewed Eleven (11) proposals. Below is the outcome of the compliance evaluation for the minimum 20% Local and Small Local Business Enterprise (L/SLBE) participation requirement, and a preliminary review for compliance with the Equal Benefits Ordinance (EBO).

Responsive		Proposed Participation					Earned Credits and Discounts		Banked Credits Eligibility	EBO Compliant? Y/N
Company Name	Original Bid Amount	Total LBE/SLBE	LBE	SLBE	Trucking	Total Credited participation	Earned Bid Discounts	Adjusted Bid Amount		
Wahlstrom & Associates	NA	30%	0%	30%	NA	30%	3 points	NA	0 points	N
Keyser Marston Associates	NA	20%	10%	10%	NA	20%	2 points	NA	0 points	Y
Hausrath Economics Group	NA	60%	10%	50%	NA	60%	5 points	NA	1 points	Y
David Paul Rosen & Associates	NA	50%	0%	50%	NA	50%	5 points	NA	0 points	N
Vernazza Wolfe Associates, Inc.	NA	70%	0%	70%	NA	70%	5 points	NA	2 points	Y
Conley Consulting Group	NA	80%	5%	75%	NA	80%	5 points	NA	2 points	Y

Comments: As noted above, all firms met and/or exceeded the minimum 20% L/SLBE participation requirement. Firms that are not EBO compliant will have to come into compliance prior to contract award.

Non-Responsive		Proposed Participation				Earned Credits and Discounts			Banked Credits Eligibility	EBO Compliant? Y/N
Company Name	Original Bid Amount	Total LBE/SLBE	LBE	SLBE	Trucking	Total Credited participation	Earned Bid Discounts	Adjusted Bid Amount		
Pacific Municipal Consultants dba PMC.	NA	100%	100%	0%	NA	0%	0%	NA	NA	Y
Oliva Global Communications	NA	0%	0%	0%	NA	0%	0%	NA	NA	N
Bedrock Media, Inc.	NA	0%	0%	0%	NA	0%	0%	NA	NA	N
Seifel Consulting Inc.	NA	0%	0%	0%	NA	0%	0%	NA	NA	Y
Monitor Group	NA	0%	0%	0%	NA	0%	0%	NA	NA	N

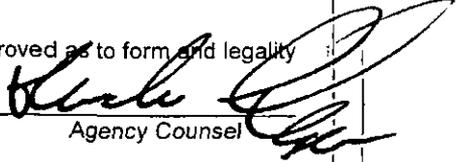
Comments: As noted above, all firms failed to meet the minimum 20% L/SLBE participation requirement. Therefore, they are deemed non-responsive at this point in the process. As this is a negotiated agreement, the firm could revise its team and meet L/SLBE participation requirements. Firms that are not EBO compliant will have to come into compliance prior to contract award.

Should you have any questions you may contact Sophany Hang at (510) 238-3970.

FILED
OFFICE OF THE CITY CLERK
OAKLAND

2010 JUN 30 PM 6:42

Approved as to form and legality


Agency Counsel

REDEVELOPMENT AGENCY
OF THE CITY OF OAKLAND

Resolution No. _____ C.M.S.

RESOLUTION 1) ALLOCATING UP TO \$970,000 FROM FISCAL YEAR 2010-2011 BROADWAY/MACARTHUR/SAN PABLO, CENTRAL CITY EAST, CENTRAL DISTRICT, COLISEUM, OAKLAND ARMY BASE, AND WEST OAKLAND REDEVELOPMENT FUNDS FOR AS-NEEDED ECONOMIC CONSULTING SERVICES; AND 2) AUTHORIZING THE AGENCY ADMINISTRATOR TO SELECT FOUR OR MORE ECONOMIC CONSULTING FIRMS AND TO NEGOTIATE, AWARD, AND EXECUTE PROFESSIONAL SERVICES AGREEMENTS WITH THE SELECTED ECONOMIC CONSULTANTS TO PROVIDE AS-NEEDED ECONOMIC CONSULTING SERVICES FOR THE BROADWAY/MACARTHUR/SAN PABLO, CENTRAL CITY EAST, CENTRAL DISTRICT, COLISEUM, OAKLAND ARMY BASE, AND WEST OAKLAND REDEVELOPMENT PROJECT AREAS IN AN AMOUNT NOT TO EXCEED \$250,000 PER CONTRACT WITHOUT RETURNING TO THE AGENCY

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 desires to have outside consulting services available on an as-needed basis to assist with select Redevelopment projects that involve expertise in economic, financial, and real estate matters; and

WHEREAS, Agency staff prepared and released a Request for Qualification (RFQ) to select at least four 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 participating project areas will budget funds towards the contracts according to their anticipated usage of as-needed economic consulting services;

WHEREAS, the maximum funding available over a two-year period with two optional one-year extensions is in the amount of \$970,000 for up to \$250,000 per contract;

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 select four or more economic consultants and to negotiate, award, 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 \$970,000 and up to \$250,000 per contract, for a two-year period with two optional one-year extensions on the part of the Agency; and be it

FURTHER RESOLVED, that the funding for the as-needed services will be allocated from one or more of the six participating development project areas based on where the project is located on a project-by-project basis as follows:

\$50,000 from Broadway/MacArthur/San Pablo Operations Fund (9529) Project (P187510)
\$200,000 from Central City East Operations Fund (9540) Project (S233310)
\$120,000 from Central District Unrestricted Land Sales Proceeds Fund (9553) Project (P130610)
\$250,000 from Coliseum Operations Fund (9450) Project (S82600)
\$250,000 from OBRA Leasing and Utility Fund (9575) Project (S294210)
\$100,000 from West Oakland Operations Fund (9590) Project (S233510)

and be it

FURTHER RESOLVED, that the funding each participating project area is allocating for as-needed economic consultant contracts is the maximum amount each participating project area will expend for services through the contracts; and be it

FURTHER RESOLVED, that the Agency authorizes the Agency Administrator or his designee to take any action with respect to these contracts consistent with this Resolution and its basic purposes

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

