



Staff Report

RESOLUTION AUTHORIZING AN AMENDMENT TO THE ECONOMIC DEVELOPMENT ENHANCEMENT AGREEMENT WITH KEYSER MARSTON ASSOCIATES, INC. FOR AN AMOUNT NOT TO EXCEED \$75,000.

Honorable Chair and Board Members:

Summary

Keyser Marston Associates, Inc. (KMA) provides consulting services to the Belmont Redevelopment Agency, assisting with the City's Economic Development Enhancement – Target Site Strategy. As outlined in the attached letter (Exhibit A), KMA is requesting an extension of its Economic Development Enhancement Agreement with the City in order to continue Phase 4 (Implement Vision) and press forward with the progress that has been made to date on the implementation of the City's Target Site Strategy as envisioned for the Shoreway Place, Firehouse Square and Village Center sites. KMA is proposing to complete the required work tasks within nine months of approval of the contract extension. Approval of the attached resolution will authorize an amendment to extend the original contract with KMA in an amount not to exceed \$75,000 for FY09.

Background

KMA has assisted the Redevelopment Agency with the Economic Development Enhancement – Target Site Strategy since 2006, and has carried out its duties in a professional and timely manner. The Strategy consists of the following four phases: Phase 1 – Initiate Thoughts on Vision/Preliminary Feasibility Evaluation, Phase 2 – Understand Vision/Technical Assessment, Phase 3 – Clarify Vision/RFQ Preparation, and Phase 4 – Implement Vision/Developer(s) Selection and Negotiation. Phases 1 and 2 were completed in February and June of 2006, respectively.

In October 2007, the City initiated a contract extension with KMA in the amount of \$45,000, to merge Phases 3 and 4 as a result of Shoreway Place, Firehouse Square, and Village Center property owners expressing interest in working toward implementation of the development vision for the target sites. As such, the Redevelopment Agency and KMA concurred that it would not be necessary to prepare an RFQ at that time, and identified several work tasks that would be more effective, thus merging the two phases. The October 2007 contract extension directed KMA to complete the following Phase 3 and 4 tasks:

1. Continue meeting with the three interested property owners to pursue the development of

viable and mutually-approved development program for the site area. (However, we should also anticipate reverting to an RFQ to solicit other development interest should any of the three owners decide against further active participation in the process);

2. Participate in tour of representative projects in the Bay Area with Council members and staff;
3. Update and refine the financial pro forma feasibility analysis (prepared approximately 18 months ago) by KMA for the three site areas to reflect the selected development program(s) and current market conditions;
4. Assist Agency staff in the negotiation with the property owner at Firehouse Square on the purchase/sale of the city-owned alley and the desired easement rights;
5. Continue to provide input to the planning and zoning effort for the “Downtown Village” areas prepared by the City’s consultant, Dyett and Bhatia;
6. Meeting with Field Paoli, Redevelopment Agency staff, City representatives, and/or Council Land Use Subcommittee as needed (anticipate a total of up to 12 meetings).

Discussion

In accepting KMA’s proposal for additional economic development consulting services, staff gives significant weight to the value of retaining a skilled and responsible consultant, with a well-grounded depth of knowledge of their field of expertise and a history of successful results. In light of the significant progress that has been made on the Economic Development Enhancement – Target Site Strategy, and the professional working relationship that has developed between KMA and City and Redevelopment Agency staff, staff recommends extending KMA’s contract as proposed, by an amount not to exceed \$75,000.

As part of this current contract extension, the specific scope of work for the target sites are as follows:

1. Shoreway Place – Assist Agency in the negotiation of the Exclusive Negotiating Agreement (ENA) with Bohannon for the development of the Shoreway Place site.
2. Firehouse Square – Assist Agency in the review and evaluation of developer responses to the Firehouse Square RFQ and the selection of a Master Developer for the site. KMA will also advise the Agency on the negotiation of the ENA with the selected Master Developer.
3. Village Center – Prepare the solicitation (RFQ or RFP) for the development of the Village Center area as envisioned in the Target Site Strategy; assist the Agency in the review and evaluation of developer responses to the RFQ/P and in the Master Developer selection; advise the Agency on the ENA negotiations.

Furthermore, the Economic Development Subcommittee reviewed the attached proposal at their January 6, 2009 meeting and concur with staff's recommendation.

General Plan/Vision Statement

Coordination is required to update the General Plan concurrent with the efforts performed in this stage of engagement.

Fiscal Impact

The amendment to the Economic Development Enhancement Agreement with KMA authorizes KMA to complete the new work tasks of the Economic Development Enhancement – Target Site Strategy within nine months from the City's approval of this amendment (FY09). Since the inception of the Targeted Site Strategy, or January 2006, KMA has been compensated \$216,123.74.

KMA will perform the additional economic development consulting services for an amount not to exceed \$75,000. There are sufficient funds in RDA Capital Improvement Project 351-4610-9551-9030 to authorize the agreement amendment.

Public Contact

Posting of City Council agenda.

Recommendation

It is recommended that the Redevelopment Agency approve the attached resolution authorizing an amendment to the Economic Development Enhancement Agreement with KMA in an amount not to exceed \$75,000 in FY09.

Alternatives

1. Provide staff with alternative direction.
2. Take no action.

Attachments

- A. Implementing Resolution
- B. Letter from KMA (Exhibit A)

Respectfully submitted,

Thomas Fil
Finance Director

Carlos deMelo
Community Development Director

Jack R. Crist
Executive Director

Staff Contact:

Thomas Fil, Finance Director

(650) 595-7403
tfil@belmont.gov

REDEVELOPMENT AGENCY RESOLUTION NO.

**RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE CITY OF BELMONT
AUTHORIZING AN AMENDMENT TO THE ECONOMIC DEVELOPMENT
ENHANCEMENT AGREEMENT WITH KEYSER MARSTON ASSOCIATES, INC. IN
AN AMOUNT NOT TO EXCEED \$75,000 FOR FY09**

WHEREAS, by resolution No. 444 adopted January 25, 2007, the Redevelopment Agency of the City of Belmont (the "Agency) authorized a professional services agreement with Keyser Marston Associates, Inc. (KMA) to perform urban economic development consulting services; and,

WHEREAS, by resolution No. 460 adopted October 9, 2007, the Agency authorized an amendment to extend that contract for an amount not to exceed \$45,000 for FY 08; and,

WHEREAS, KMA has performed such services in a competent and timely manner; and,

WHEREAS, staff recommends that a contract extension with KMA is necessary to provide continuing economic development consulting services.

NOW, THEREFORE, BE IT RESOLVED that the Redevelopment Agency of the City of Belmont authorizes the Executive Director to execute an agreement amendment for professional services, in a form approved by the City Attorney, engaging KMA to provide additional economic development consulting services at a fee not to exceed \$75,000 for FY09.

* * * * *

I hereby certify that the foregoing Resolution was duly and regularly passed and adopted by the Redevelopment Agency of the City of Belmont at a regular meeting thereof held on January 13, 2009 by the following vote:

AYES, DIRECTORS: _____

NOES, DIRECTORS: _____

ABSTAIN, DIRECTORS: _____

ABSENT, DIRECTORS: _____

Secretary, Redevelopment Agency

APPROVED:

Chair, Redevelopment Agency

December 4, 2008

Mr. Thomas Fil
Finance Director
City of Belmont
One Twin Pines Lane, Suite 320
Belmont, CA 94002

Re: Request for Contract Extension for KMA Scope of Services Pertaining to
Economic Development Enhancement –Target Site Strategy (Phase 4)

Dear Thomas:

As requested, Keyser Marston Associates (KMA), Inc. is submitting a proposal for contract extension to continue our consultant services to the Agency pertaining to the Phase 4 (Implement Vision) of the City's Economic Development Enhancement –Target Site Strategy. The purpose is to further advance the progress made to date on the implementation of the City's Target Site Strategy as envisioned for the Shoreway Place, Firehouse Square and the Village Center. The specific scope of work for these target sites are as follows:

- Shoreway Place – Assist Agency in the negotiation of the ENA with Bohannon for the development of the Shoreway Place site.
- Firehouse Square – Assist Agency in the review and evaluation of developer responses to the Firehouse Square RFQ and the selection of a Master Developer for the site. KMA will also advise the Agency on the negotiation of the ENA with the selected Master Developer.
- Village Center – Prepare the solicitation (RFQ or RFP) for the development of the Village Center area as envisioned in the Target Site Strategy; assist the Agency in the review and evaluation of developer responses to the RFQ/P and in the Master Developer selection; advise the Agency on the ENA negotiations.

To continue advancing the City's Economic Development Enhancement Strategy, KMA is requesting contract extension in the amount of \$75,000 for the above tasks – per the

attached budget schedule broken down by target site, with a completion target of nine months from the date of contract extension approval.

As before, we look forward to continuing our work with the Agency on the implementation of the City's Economic Development Enhancement Strategy. Please let us know if you have any questions pertaining to this request. Thank you.

Sincerely,

A. Jerry Keyser

**CITY OF BELMONT: TARGET SITE STRATEGY IMPLEMENTATION (PHASE IV.)
KMA BUDGET**

	Jerry Keyser		Manager		Administrative Staff		TOTAL	
<i>2008/09 Hourly Rate</i>		<i>\$280</i>		<i>\$225</i>		<i>\$80</i>		
Task 1.0. Shoreway Place - ENA Negotiations	60.0	\$16,800	34.0	\$7,650	5.0	\$400	100.0	\$25,000
Task 2.0. Firehouse Square - Review of RFQ Responses, Selection of Master Developer, ENA Negotiations	40.0	\$11,200	30.0	\$6,750	4.0	\$320	74.0	\$18,270
Task 3.0. Village Center - Preparation of RFQ or RFP, Selection of Master Developer(s), ENA Negotiations	38.0	\$10,640	50.0	\$11,250	8.0	\$640	96.0	\$22,530
Meetings - with City/Staff (4)	12.0	\$3,360	6.0	\$1,350	4.0	\$320	22.0	\$5,030
- with Other Technical Team Members (2)	6.0	\$1,680	0.0	\$0	0.0	\$0	6.0	\$1,680
- with Land Use Subcommittee/Council (2)	8.0	\$2,240	0.0	\$0	4.0	\$320	12.0	\$2,560
TOTAL	164.0	\$45,920	120.0	\$27,000	25.0	\$2,000	309.0	\$75,070
								\$75,000