

City of Culver City, California
Redevelopment Agency Agenda Item Report

Meeting Date: 07/21/08		Item Number: <u>A-1</u>	
AGENDA ITEM: Approval of a Professional Services Agreement with PKF Consulting for a Market Study of the Feasibility of a Full Service Hotel as part of the Washington/National Project.			
Contact Person/Dept.: Glenn Heald/ CDD		Phone Number: (310) 253-5752	
Fiscal Impact: Yes ☒ No ☐		General Fund: Yes ☒ No ☐	
Public Hearing: ☐		Action Item: ☒ Attachments: ☒	
Public Notification: Master E-Mail Notification List (07/16/08).			
Department Approval: Sol Blumenfeld (06/24/08)		Executive Director Approval: Jerry B. Fulwood (07/16/08)	
Chief Financial Officer Approval: Jeff Muir (by M. Noller) (07/02/08)			

RECOMMENDATION:

Staff recommends the Redevelopment Agency approve a professional services agreement with PKF Consulting for a market study of the feasibility of a full service hotel as a component of the Washington/National "Triangle Site" development project in a total amount not to exceed \$14,000.

BACKGROUND/DISCUSSION:

On March 6, 2008 the Agency provided conceptual approval of the proposed revisions to the Washington - National Transit Oriented Development project also known as the "Triangle Site". The plan provided a variety of development alternatives incorporating office, retail, residential, restaurant and hotel uses located around a central major open space. Two of the plan development alternatives included a high-end, boutique hotel component which provided a favorable return to the city through transient occupancy tax (TOT) but somewhat less residual land value return to the Agency. Overall the development alternatives with a hotel provided the greatest city revenue on an annual basis. The plan recommended that the Agency commission a market study to identify the potential market area and price point for the proposed hotel.

To this end staff has requested proposals for such a study. HVS Consulting and Valuation ("HVS") of San Francisco, and PKF Consulting ("PKF") of Los Angeles have submitted proposals to undertake such a study. Both firms are experienced in performing market studies for hotel viability. Staff recommends PKF Consulting be chosen for this survey due to their extensive experience in such research and their close proximity to the subject area.

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FISCAL ANALYSIS:

The proposal for PKF is \$13,000 plus out-of-pocket expenses, estimated to be less than \$1,000. Staff is requesting authorization to expend an amount not-to-exceed \$14,000 from Account No. 55092620.619800 "Other Contractual Services" to fund a market study of the feasibility of a full service hotel by PKF Consulting. There is sufficient funding in the 2008-09 Agency budget for this expense.

ATTACHMENTS:

1. Proposal by PKF Consulting.
2. Proposal by HVS Consulting & Valuation.

MOTION:

That the Redevelopment Agency:

1. Approve a Professional Services Agreement with PKF Consulting for a Market Survey for a Full Service Hotel, for a total amount not to exceed \$14,000 from Account 55092620.619800 "Other Contractual Services"; and,
2. Authorize the Agency General Counsel to review/prepare the necessary documents; and,
3. Authorize the Executive Director to execute such documents on behalf of the Agency.