



City of Culver City

Staff Report

File #: 19-538, **Version:** 2

Item #: C-9.

CC - Approval of a Professional Services Agreement with Strategic Economics for the Preparation of an Economic Development Implementation Plan in an Amount Not-to-Exceed \$150,000.

Meeting Date: November 12, 2018

Contact Person/Dept: Todd Tipton / CDD

Phone Number: (310) 253-5783

Fiscal Impact: Yes No

General Fund: Yes No

Public Hearing:

Action Item:

Attachments: Yes No

Commission Action Required: Yes No

Public Notification: (E-Mail) Meetings and Agendas (11/06/18), Chamber of Commerce (11/06/18)

Department Approval: Sol Blumenfeld, Community Development Director (11/05/18)

RECOMMENDATION

Staff recommends the City Council approve a professional services agreement with Strategic Economics for the preparation of an Economic Development Implementation Plan (Plan) in an amount not-to-exceed \$150,000.

BACKGROUND

The City of Culver City is a modern and progressive community that is home to Apple, Sony, Amazon, Symantec and NantWorks among others. In spite of the City's economic success, there remain economic challenges related to maintaining the momentum that has been created, and moving the City forward. The City is facing a challenge of increasing expenditures in a time of decreasing revenues. The City has limited vacant land for new commercial development, and a low vacancy rate, making the attraction of new companies a challenge, in addition to the retention or expansion of existing businesses. To address these challenges, the City is seeking to prepare a Plan that considers concerns and interests of stakeholders, builds on the economic development work already completed or underway, and guides the discussion about what is feasible in the City with respect to economic development.

A Plan was previously prepared in 2014. The City's Economic Development Division has been implementing the recommendations and now that most of the work identified in the Plan is complete, the City is interested in identifying new strategies that will best support Culver City's Economy, given current and projected market conditions over the next five years.

On August 27, 2018, after receiving a presentation from industry experts the City Council provided input and authorized issuance of a Request for Proposals (RFP) to secure a consultant to prepare the Plan.

On September 6, 2018, an RFP was issued in accordance with City specifications with a due date of October 11, 2018.

DISCUSSION

In response to the RFP, proposals were received from the following consultants:

<u>Consultant</u>	<u>Location</u>
1. Tierra West 2. Craft Consulting Group	Los Angeles, CA
3. Kosmont 4. Walnut Creek BAE	Walnut Creek, CA
5. Angelou Economics 6. Willdan	Los Angeles, CA Los Angeles, CA
7. Strategic Economics	Angeles, CA Austin, TX
8. RSG 9. JWA 10. Beacon Economics	Temecula, CA
11. HR&A	Berkley, CA Irvine, CA
	Los Angeles, CA
	Los Angeles, CA
	Los Angeles, CA
	Angeles, CA

Staff evaluated the respondents and determined all had some expertise and experience preparing implementation plans or related documents. Staff is recommending approval of an agreement with Strategic Economics to undertake the project due to the depth of their team (including retail, hotel and marketing consultants), their response to the RFP, their ability to complete the work within the City's timeline, their project cost, their references and their experience with similar kinds of projects. Strategic Economics has performed similar work for the Cities of Alameda, Cupertino and San Jose among others. Staff found Strategic Economics proposal compelling because it:

1. Focuses on all of the core RFP elements;
2. Is consistent with the proposed project budget and schedule;
3. Is strategically focused and less reliant on construction/rehabilitation projects to achieve the City's economic development goals/objectives.

If the City Council approves entering into an agreement with Strategic Economics, staff will begin the process to negotiate a final agreement. Staff requests authority to make minor modifications to the proposal as deemed appropriate during the negotiation process provided that any additional

modifications do not increase the contract price beyond the City Manager's contract authority.

FISCAL ANALYSIS

The City Council Adopted Budget for Fiscal Year 2018/19 includes sufficient funds in account 10150120.619800 (Economic Development - Contractual Services) for this project.

ATTACHMENTS

1. Strategy Economics response to interview questions.

MOTIONS

That the City Council:

1. Approve an agreement with Strategic Economics for preparation of an Economic Development Implementation Plan in an amount not-to-exceed \$150,000; and,
2. Authorize staff to negotiate the final terms of the agreement, provided the final contract price does not increase more than the City Manager's contract authority; and,
3. Authorize the City Attorney to review/prepare the necessary documents; and,
4. Authorize the City Manager to execute such documents on behalf of the City.