

*Redevelopment Agency of the
City of Brisbane
Agenda Report*

TO: Honorable Chairman and Agency Board Members

FROM: Fred Smith via Clay Holstine, Executive Director

DATE: Meeting of July 20, 2009

SUBJECT: Consider approval of Agreement with Keyser Marston Associates to prepare a Redevelopment Agency Implementation Plan.

CITY COUNCIL GOALS: Goal No. 4. To promote economic development that stabilizes and diversifies the tax base

DEPARTMENT OBJECTIVES:

2007/10 Objective for departments 7081, 7082 & 7083

“Complete update of the Five Year Implementation Plan by December 31, 2009.”

PURPOSE: To retain a consultant to conduct the State mandated mid term review of the Redevelopment Agency’s Implementation Plan.

RECOMMENDATION:

Approve the Agreement with Keyser Marston Associates and authorize the Executive Director to execute the Agreement.

BACKGROUND:

On January 17, 2006, the Brisbane Redevelopment Agency adopted its current State mandated five-year Implementation Plan, which expires in January 2010. Section 33490 of the California Community Redevelopment Law (CRL) requires that the Implementation Plan include the following information:

- Specific goals and objectives of the Agency for the Brisbane Community Redevelopment Project Areas
- The specific programs, including potential projects, and estimated expenditures proposed to be made during the next five years

- An explanation of how the goals and objectives, programs, and expenditures will eliminate blight within the project area and will improve and increase the supply of housing affordable to very low, low, and moderate income households.

The CRL also requires that the Implementation Plan address the Agency's affordable housing production needs and achievements. These items are specifically addressed in a Ten-Year Housing Compliance Plan, which is part of the Implementation Plan. The CRL requires that the Housing Compliance Plan include a description of how the housing program will implement the requirement for expenditures of moneys in the Low and Moderate Income Housing Fund for Very Low, Low and Moderate income households in proportion to identified need over a 10-year period, as required by State law.

The purpose of the Implementation Plan and Compliance Plan are to provide a general statement of what the Redevelopment Agency is doing and what direction it will be going in over the next five to ten years. The Plan is not intended to be a mandate on the Agency to accomplish specific programs and projects and describing a project in the plan does not obligate the Agency to undertake that project. However, when the Agency approves funding of public improvements or approves a disposition agreement, findings must be made that the actions taken are consistent with the Agency's adopted Implementation Plan.

DISCUSSION:

Keyser Marston has submitted a proposal the Brisbane Redevelopment Agency to prepare a new Five-Year Implementation Plan for the period 2010 through 2014 for both of the Project Areas. Keyser Marston is currently providing fiscal consulting services Agency for the Baylands planning and has recently performed a mid term review report for the Agency of the current Implementation Plan. They have also conducted fiscal analysis of recent proposed development on Sierra Point. Because of their current and ongoing relationship with the Agency, staff feels that Keyser Marston would be best choice for preparing the new Implementation Plan.

The new plan, as more fully described in the attached proposal, would meet all the statutory requirements including the following:

- Summarize remaining conditions of blight in Brisbane's Community Redevelopment Project Areas One and Two
- Prepare Tax Increment and Cash Flow Projections
- Prepare new and/or modified Agency goals and objectives
- Identify and prepare descriptions of plan implementation projects, programs, and expenditure projections
- Prepare Cash Flow Projection Demonstrating Compliance with Housing Fund Targeting Requirements and elimination of Excess Surplus

The Implementation Plan will be presented to the City Council at a noticed public hearing.

FISCAL IMPACT/FINANCING ISSUES

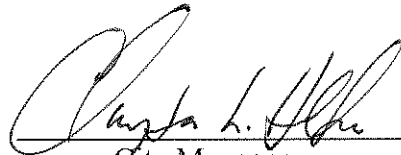
The proposed agreement with Keyser Marston is on a time and materials basis with a budget of \$27,500. This amount was included in the 2009/10 budget and is divided between Project Area One, Project Area Two and the Low and Moderate Income Housing Fund.

MEASURE OF SUCCESS:

Adoption of an Implementation Plan that will guide the Agency in its decision making while providing flexibility to meet changing circumstances over the next five years.



Department Head



City Manager

ATTACHMENTS:

Proposed Agreement with Keyser Marston Associates

AGREEMENT FOR PROFESSIONAL SERVICES

THIS AGREEMENT, dated _____, is made by and between THE REDEVELOPMENT AGENCY OF THE CITY OF BRISBANE, a public body corporate and politic ("Agency"), and Keyser Marston Associates, Inc. ("Consultant").

RECITALS

A. Agency desires to retain Consultant for the performance of certain professional services in accordance with the Consultant's Proposed Scope of Services dated October 2, 2008 to Prepare a Redevelopment Implementation Plan ("the Project").

B. Consultant represents that Consultant is specially trained, experienced, and qualified to provide such professional services and is willing to do so pursuant to the terms and conditions of this Agreement.

AGREEMENT

1. **Scope of Services.** Subject to the direction and approval of Agency through its staff that Agency may provide from time to time, Consultant shall perform the services described in Exhibit A, attached hereto and incorporated herein by reference.

2. **Time of Performance.** The services of Consultant shall commence upon the execution of this Agreement and shall be satisfactorily completed in accordance with the time schedule set forth in Exhibit A attached hereto and incorporated herein by reference.

3. **Responsible Personnel.** The personnel acting on behalf of Consultant primarily responsible for performance of the services hereunder shall be Debbie M. Kern.

4. **Compensation.** As compensation for all services to be performed by Consultant under this Agreement, Consultant shall be paid the amounts set forth in Exhibit A attached hereto and incorporated herein by reference. In no event shall Consultant's total compensation exceed the sum of \$27,500 for services outlined in Exhibit A without additional authorization from Agency. Payment by Agency under this Agreement shall not be deemed a waiver of defects, even if such defects were known to Agency at the time of payment.

5. **Method of Payment.** Consultant shall submit billings to Agency describing in detail the work performed for which payment is requested, the date the services were performed, the number of hours spent and by whom, and a description of any reimbursable expenditures. Billings shall be submitted monthly, or at such other time as agreed upon between Agency and Consultant. Agency shall pay Consultant no later than 30 days after approval of the invoice by Agency staff.

6. **Maintenance and Inspection of Records.** Consultant shall maintain any and all ledgers, books of account, invoices, vouchers, canceled checks, time cards, and other

records or documents relating to charges for services or expenditures charged to Agency, for a minimum of three (3) years from the date of final payment to Consultant under this Agreement and shall make the same available to Agency or its authorized representatives for inspection and audit, at any time during regular business hours, upon written request by Agency. The right of inspection shall include the right to make extracts and copies.

7. **Assignment and Subcontracts.** Consultant acknowledges that Consultant's special skill and expertise is a material consideration for Agency entering into this Agreement. Consultant shall not assign, subcontract or delegate to any other party the performance of any services to be rendered by Consultant under this Agreement without the prior written approval of Agency. If Agency consents to any subcontracting of work, Consultant shall be fully responsible to Agency for all acts or omissions of the subcontractor.

8. **Ownership of Documents.** All plans, studies, documents and other writings prepared by and for Consultant in the course of performing its services under this Agreement, except working notes, internal documents, and computer models previously developed by Consultant, shall become the property of Agency upon payment to Consultant for such work, and Agency shall have the sole right to use such materials in its discretion without further compensation to Consultant or to any other party. Consultant shall, at Consultant's expense, provide such reports, plans, studies, documents and other writings to Agency upon written request.

9. **Independent Contractor.** Consultant is, and at all times shall remain, an independent contractor, and not an agent, officer or employee of Agency. As such independent contractor, neither Consultant nor any of its agents or employees shall be entitled to any salary, fringe benefits, worker's compensation, retirement contributions, sick leave, insurance or other benefit or right connected with employment by Agency, or any compensation other than as provided in this Agreement. Consultant shall have no power or authority to bind Agency to any contract or otherwise to incur any obligation or liability for, or on behalf, or in the name of Agency.

10. **Licenses.** Consultant represents and warrants to Agency that it has all licenses, permits, qualifications, insurance and approvals of whatsoever nature that are legally required of Consultant to practice its profession. Consultant shall, at its sole cost and expense, keep and maintain such licenses, permits, qualifications, insurance and approvals in full force and effect at all times during the term of this Agreement. Consultant shall maintain a City of Brisbane business license.

11. **Compliance with Laws.** Consultant shall use the standard of care in its profession to comply with all applicable federal, state and local laws, codes, ordinances and regulations in connection with the performance of its services under this Agreement.

12. **Indemnity.** Consultant shall indemnify, defend, and hold Agency, its officers, officials, agents, employees and volunteers, harmless from and against any and all claims, demands, causes of action, losses, damages, injuries, expenses and liabilities, direct or indirect, including attorney's fees, arising out of or in any manner relating to the wrongful acts or negligent performance by Consultant of its services under this Agreement or its

failure to comply with any of the its obligations contained in this Agreement, and Agency shall not be liable for any acts or omissions of Consultant.

13. **Insurance.** Consultant, at its own expense, shall procure and maintain, for the duration of this Agreement, insurance policies which satisfy the following requirements:

(a) Type of policies and coverage:

- (1) *General Liability Coverage.* Consultant shall maintain commercial general liability insurance in an amount not less than \$1,000,000 per occurrence for bodily injury, personal injury and property damage, providing coverage at least as broad as Insurance Services Office Commercial General Liability form CG 0001 (Ed. 11/88). If the form of insurance with a general aggregate limit is used, either the general aggregate limit shall apply separately to the work to be performed under this Agreement or the general aggregate limit shall be at least twice the required occurrence limit.
- (2) *Automobile Liability Coverage.* Consultant shall maintain automobile liability insurance in an amount not less than \$1,000,000 combined single limit for each occurrence, for bodily injury and property damage, providing coverage at least as broad as Insurance Services Office form CA 0001 (Ed. 12/90) Code 1 (any auto).
- (3) *Workers' Compensation and Employer's Liability Coverage.* Consultant shall maintain workers' compensation insurance as required by the State of California and employer's liability insurance in an amount not less than \$1,000,000 per occurrence, for any and all persons employed by Consultant in connection with the performance of services under this Agreement. In the alternative, Consultant may rely on a self-insurance program to provide this coverage so long as the program of self-insurance complies fully with the provisions of the California Labor Code. The insurer, if insurance is provided, or Consultant, if a program of self-insurance is provided, shall waive all rights of subrogation against Agency for loss arising from work performed by Consultant for Agency.
- (4) *Professional Liability Coverage.* Consultant shall maintain professional errors and omissions liability insurance in an amount not less than \$1,000,000 per occurrence, covering negligent acts, errors or omissions which may be committed by Consultant in the performance of its services under this Agreement.

(b) Endorsements: Each general liability and automobile liability insurance policy shall contain, or be endorsed to contain, the following provisions:

- (1) The Agency, its officers, officials, employees, agents and volunteers are to be covered as insureds as respects: liability arising out of activities

performed by or on behalf of Consultant; products and completed operations of Consultant; premises owned, occupied or used by Consultant; or automobiles owned, leased, hired or borrowed by Consultant. The coverage shall contain no special limitations on the scope of protection afforded to Agency, its officers, officials, employees, agents or volunteers.

- (2) For any claims related to the Project, Consultant's insurance coverage shall be primary insurance as respects the Agency, its officers, officials, employees, agents and volunteers. Any insurance or self-insurance maintained by Agency, its officers, officials, employees, agents or volunteers shall be excess of Consultant's insurance and shall not contribute with it.
 - (3) Any failure to comply with reporting or other provisions of the policies including breaches of warranties shall not affect coverage provided to Agency, its officers, officials, employees, agents or volunteers.
 - (4) Consultant's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.
 - (5) Consultant's insurance coverage shall not be suspended, voided, canceled or reduced in coverage or in limits except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to Agency.
- (c) Deductibles and Self-Insured Retentions. Any deductibles or self-insured retentions must be declared to and approved by Agency. At Agency's option, Consultant shall demonstrate financial capability for payment of such deductibles or self-insured retentions.
- (d) Acceptability of Insurers. Insurance is to be placed with insurers having a current A.M. Best rating of no less than A:VII, unless otherwise approved by Agency in writing.
- (e) Verification of coverage. Consultant shall provide certificates of insurance with original endorsements to Agency as evidence of the insurance coverage required by this Agreement. Certificates of such insurance shall be filed with Agency before commencement of work by Consultant. At the request of Agency, Consultant shall provide complete, certified copies of all required insurance policies, including endorsements effecting the coverage required by this Agreement.

14. **Notices.** Any notices required or permitted to be given under this Agreement shall be in writing and shall be either personally delivered or sent by certified mail, return receipt requested, addressed to the other party as follows:

To Agency

Redevelopment Agency of the City of Brisbane
Attn.: Executive Director
50 Park Place
Brisbane, CA 94005

To Consultant

Debbie M. Kern
Keyser Marston Associates, Inc.
55 Pacific Avenue Mall
San Francisco, CA 94111

15. **Litigation Expenses and Attorneys' Fees.** If either party to this Agreement commences any legal action against the other party to enforce or interpret this Agreement, the prevailing party shall be entitled to recover all costs and expenses that may be incurred in connection therewith, including court costs, expert witness fees, discovery expenses, and attorneys' fees.

16. **Termination of Agreement.** This Agreement may be terminated by either party, effective upon written notice, should the other party commit any material default in the performance of its obligations hereunder. This Agreement may also be terminated by either party, for any reason, upon fifteen (15) day's prior written notice to the other party. In the event this Agreement is terminated by Agency through no fault of Consultant, Consultant shall be compensated for all services performed to the date of termination.

17. **Equal Opportunity Employment.** Consultant warrants that it is an Equal Opportunity Employer and shall comply with applicable regulations governing equal opportunity employment.

18. **Miscellaneous Provisions.**

- (a) Severability. Should any portion of this Agreement be declared void or unenforceable in a final decision by a court of competent jurisdiction, such decision shall not affect the validity of the remainder of this Agreement, which shall continue in full force and effect, provided that the remainder of this Agreement can be reasonably interpreted to implement the intention of the parties.
- (b) Entire Agreement. This Agreement constitutes the entire agreement between the parties and supersedes and cancels all prior agreements or understandings, whether written or verbal.
- (c) Amendments. This Agreement may be modified or amended only by a written document duly executed by both Agency and Consultant.
- (d) Waiver. The waiver of any breach or default under this Agreement shall not constitute a continuing waiver of a subsequent breach of the same provision or any other provision of this Agreement.

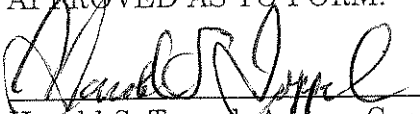
- (e) Execution. Each party warrants that the individuals signing this Agreement on its behalf have the legal power and authority to do so and to bind the party to this Agreement.
- (f) Successors and Assigns. Subject to the restriction against assignment and subcontracting, this Agreement shall be inure to the benefit of and shall be binding upon the heirs, personal representatives, successors and assigns of the parties hereto.

IN WITNESS WHEREOF, the parties have executed this Agreement the day and year first above written.

REDEVELOPMENT AGENCY OF
THE CITY OF BRISBANE

By: _____

APPROVED AS TO FORM:


Harold S. Toppel, Agency Counsel

CONSULTANT:


Debbie M. Kern, Principal



KEYSER MARSTON ASSOCIATES
ADVISORS IN PUBLIC/PRIVATE REAL ESTATE DEVELOPMENT

October 2, 2008

Mr. Fred Smith
Assistant to the City Manager
City of Brisbane
50 Park Place
Brisbane, CA 94005-1310

Re: Proposal to Prepare a Redevelopment Implementation Plan

Dear Mr. Smith:

Thank you for requesting this proposal for Keyser Marston Associates to provide Redevelopment Implementation Plan preparation services to the City of Brisbane Redevelopment Agency. This assignment may include, but not be limited to, the following tasks or services:

- Prepare new and/or modified Agency goals and objectives;
- Prepare descriptions of plan implementation projects, programs, and expenditure projections;
- Summarize remaining conditions of blight in Brisbane's Community Redevelopment Project Area One and Redevelopment Project Area Two; and
- Prepare a new Five-Year Implementation Plan 2009-10 through 2013-14 for the Project Areas.

I will be the Principal-in-Charge for this assignment and will analyze the Agency's tax increment flows and affordable housing compliance activities. Mr. Paul Anderson will be the primary contact for redevelopment blight related issues. KMA's scope includes the full range of services to prepare and adopt the Implementation Plan including preparing the resolution, adopting the Implementation Plan, preparing the hearing notice and staff report, meeting with staff to discuss preparation of the Implementation Plan, providing staff assistance in monitoring the Implementation Plan adoption schedule, and presenting the Implementation Plan at the Agency hearing.

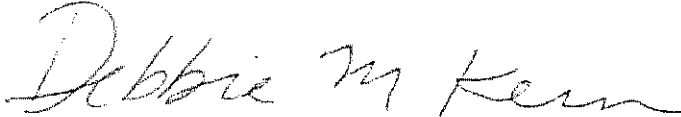
Mr. Fred Smith
City of Brisbane

October 2, 2008
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We enjoyed working with you to update the current Implementation Plan and look forward to assisting you with the preparation of the next 5-year Plan.

Sincerely,

KEYSER MARSTON ASSOCIATES, INC.

A handwritten signature in cursive script that reads "Debbie M. Kern". The signature is written in dark ink and is positioned above the printed name.

Debbie M. Kern

Attachment

**PROPOSAL
FOR
REDEVELOPMENT IMPLEMENTATION PLAN
PREPARATION SERVICES**

Prepared for the:

**CITY OF BRISBANE
REDEVELOPMENT AGENCY**

Prepared by

Keyser Marston Associates, Inc.

OCTOBER 2008

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I. FIRM SERVICES

Keyser Marston Associates, Inc. (KMA) is a multi-disciplined real estate and economic consulting firm, with a staff of 48 employees located at offices in Los Angeles, San Francisco and San Diego.

Founded in 1973, KMA serves a diverse client base throughout the western United States, including local cities and redevelopment agencies, transit agencies, and county and state governments, as well as institutional clients, and property owners. The firm's redevelopment agency economic consulting practice is the largest in California.

KMA's principals are frequent speakers to industry groups including the Urban Land Institute, International Council of Shopping Centers, League of Cities, California Redevelopment Association (CRA), and other similar organizations. Our principals have served on the Governor's Task Force on Military Base Reuse, and have advised both the California Legislature's Committee on Economic Development and the CRA. They are also active in professional and community organizations, as well as serving as special advisors to the CRA Board of Directors and its Affordable Housing Task Force.

In 1992, KMA expanded its 20 years of real estate financial and economic consulting services to include plan adoption and amendment services. Since then, KMA has assisted cities and counties throughout California, Nevada and Idaho in adopting over 90 feasibility studies, implementation plans and redevelopment plans.

KMA tailors its plan adoption services to meet our client's needs. KMA services range from providing the necessary technical blight and financial feasibility studies and evidentiary documentation to assisting in all aspects of plan adoption and project management. KMA's services include:

- Preparation of technical studies (blight analyses and financial feasibility analyses)
- Feasibility analyses
- Implementation Plans
- Complete project management services, including preparation of staff reports, resolutions, notices, and adoption ordinances
- Taxing agency consultations
- Affordable housing compliance analyses
- Community outreach including Project Area Committee (PAC) formation
- Litigation support

KMA's experience includes a wide range of project sizes and land uses in both large cities and small towns. KMA assisted in the adoption of the single use Valco Shopping Center in Cupertino, as well as the 10,000-acre Strong Neighborhoods Initiative Project Area in San Jose, encompassing residential, commercial and industrial uses. KMA's expertise extends to specialized plan adoptions such as base closures, disaster projects and project mergers.

We believe our background and expertise in real estate financial analyses provides us with a unique perspective on documenting blight, and assisting cities and counties in adopting redevelopment projects with realistic implementation objectives. The increased complexities of redevelopment and public/private real estate transactions demands strong technical skills in real estate, economics, redevelopment implementation and public finance. The firm uniquely possesses this combination of skills.

II. STATEMENT OF UNDERSTANDING AND OVERVIEW

The City of Brisbane Redevelopment Agency ("Agency") has requested a proposal to prepare a new Five-Year Implementation Plan ("Plan") for the City's Community Redevelopment Project Area One and redevelopment Project Area Two ("Project Areas").

An Implementation Plan has two components: a redevelopment component and affordable housing component. The purpose of the redevelopment component is to demonstrate that the Agency is implementing redevelopment projects to meet the goals and objectives of the redevelopment plans and to eliminate blight. The five-year cycles of the Implementation Plan help to define near-term goals and objectives and set realistic spending limitations. In addition, although not a requirement, KMA believes the Implementation Plan should highlight the Agency's accomplishments so that interested community members can understand what has been achieved over the life of the redevelopment Project Area.

Depending on when a redevelopment project area was adopted or territory was added, various affordable housing obligations apply. For example, redevelopment projects adopted prior to January 1, 1976, are not subject to the inclusionary housing production requirement, they did not have to set aside 20 percent of the property tax increment for affordable housing activities (Set-Aside) until fiscal year 1985-86, and they did not have replacement housing obligations until January 1, 1996. Projects adopted after January 1, 1976 are subject to the inclusionary housing production and replacement housing obligations from their inception date, and are required to make the required Set-Aside deposits from fiscal year 1985-86 forward. It is important to understand that over time, the specific requirements associated with each of these obligations have been modified. (As of January 2006, for example, the proportionality-spending requirement changed, requiring that money spent on senior restricted housing not exceed the percentage of the community's low income households that are seniors.) As such, it is necessary to identify the obligations and fulfillment in timeframes that coincide with the changes in the redevelopment law requirements. KMA will identify the current obligations and work with staff to identify activities necessary to fulfill the AB1290 Implementation Plan requirements for the upcoming reporting period. This report will ensure that the Agency not only meets the requirements of the law and the various settlement agreements, but also that it is documenting its activities appropriately.

III. REQUIREMENTS

In accordance with Section 33490, the Agency must adopt an Implementation Plan every five years. The Implementation Plan has two separate components, a redevelopment or non-housing component and an affordable housing component.

A. REDEVELOPMENT COMPONENT

The redevelopment component describes the Agency's:

- a. Goals and objectives
- b. Specific projects and programs
- c. Projected expenditures

In addition, the Agency must identify the nexus between the goals and objectives, the proposed project and programs, expenditures and blight elimination.

B. AFFORDABLE HOUSING COMPONENT

The affordable housing component must identify how the Agency proposes to:

- a. Spend the required 20 percent of the gross tax increment on increasing, improving and preserving housing for the very-low, low and moderate income households. (Brisbane's project areas do not include any residentially zoned property. Therefore, the Agency is not required to produce inclusionary units within the project area.)
- b. Define an affordable housing expenditure plan to avoid excess surplus (unspent housing money).
- c. Meet its replacement housing obligation.
- d. Meet its inclusionary housing obligation based on 10-year cycles (applies to Agency activities beginning January 1, 2002).
- e. Meet the proportionality-spending requirement for income and age based on 10-year cycles (applies to Agency activities beginning January 1, 2002).

C. APPROVAL PROCESS

The Implementation Plan is adopted by the Agency by resolution following a public hearing. Redevelopment Law does not identify when the Implementation Plan must be available for public review. However, at a minimum we recommend the Implementation Plan be available for public inspection at least one week prior to the hearing. Notice of the public hearing is mailed at least three weeks in advance to all persons and agencies that have requested notice, and posted in at least four permanent places within the Project Area for a period of three weeks. The

notice of the hearing must also be published in the newspaper for three consecutive weeks. The posting, mailing and publishing period must be completed 10 days prior to the hearing. Upon approval of the resolution adopting the Implementation Plan, the Implementation Plan is effective. There is no requirement that the Implementation Plan be filed with the County recorder or sent to the Department of Housing and Community Development.

IV. KMA APPROACH AND SCOPE

A. APPROACH

After the Agency has provided KMA with all of the base information outlined below, KMA will provide the Agency with a draft Implementation Plan. The Agency will provide comments to KMA, and KMA will finalize the draft Plan. KMA will attend and make a presentation at the Agency hearing on the Implementation Plan adoption. The Agency can approve the Implementation Plan as drafted or may direct staff to amend the Plan based upon input received at the hearing.

Preparation of the Implementation Plan includes three primary tasks:

- Task I will include the analyses and documentation required for the redevelopment portion of the Implementation Plan including identifying goals and objectives, preparing tax increment projections, and reviewing expenditures and potential projects with staff.
- Task II will include the analyses and documentation required to address the housing components required for the Implementation Plan including 20 percent Set-Aside expenditures.

While treated as separate phases, these two phases will be undertaken concurrently.

- Task III incorporates the analyses and work products developed in Tasks I and II into a draft Implementation Plan for consideration for approval at a public hearing.

B. SCOPE

Task I - Redevelopment Component Analysis

1. Identify Remaining Blighting Conditions

KMA will summarize the remaining blighting conditions based upon the previously adopted Implementation Plan and discussions with staff. The intent is to give an overview of remaining blighting conditions and programs and projects identified to alleviate the blight.

2. Formulate Agency Goals and Objectives

It is assumed that the redevelopment goals and objectives will be the same as those identified in the previous Implementation Plan. However, these goals may be refined based upon the activities identified by staff for initiation during the next five years.

3. Prepare Tax Increment and Cash Flow Projections

KMA will prepare tax increment and cash flow projections for the Project Area from which the projections of expenditures to be undertaken over the next five years, for the Implementation Plan, will be derived. The tax increment and cash flow projections will be based upon existing debt, tax increment pass throughs, affordable housing set-aside requirements, and timing and build out assumptions provided by staff.

4. Identify Projects and Programs and Expenditures

KMA will review with staff the list of activities to implement its redevelopment program. Similar to the approach in defining the goals and objectives, if the current programs or activities are out of date, KMA will work with staff to develop a program of activities that will reflect the Agency's intentions. The program of activities will be based upon tax increment projections and will incorporate anticipated project and program costs and existing obligations.

Task II - Affordable Housing Analysis

1. Prepare Cash Flow Projection Demonstrating Compliance with Housing Fund Targeting Requirements and elimination of Excess Surplus

Beginning on January 1, 2002, redevelopment agencies are required to target the expenditure of 20 percent Housing funds in proportion to the City's need for Very Low, Low, and Moderate income housing. Under CRL Section 33334.4, the Agency must target its Housing Fund expenditures to assist: (1) low and very low-income households in proportion to the units needed to assist such households as determined by the regional fair share allocation; and (2) all persons regardless of age in at least the same proportion as the number of low income households with a member under age 65 bears to the total number of low income households in the community as reported in the census. These "Housing Fund Targeting Requirements" must be satisfied for 10-year periods throughout the life of the Plan, with the initial period extending 13 years, from January 2002 through December 2014.

KMA will work with Agency staff to document the Agency's compliance with these requirements.

Task III - Presentation and Adoption of Implementation Plan

1. Prepare Hearing Notice

Unlike a redevelopment plan adoption or amendment, it is not necessary to notify all owners, occupants and affected taxing agencies by mail of the community meeting or the Agency's intent to adopt an Implementation Plan. However, the law does require that notice of the hearing be mailed three weeks in advance of the hearing to all persons and agencies that have requested notice ending 10 days prior to the hearing. Therefore, if the Agency has an established list, these persons and agencies should be sent notices. Absent a specific list, the Agency is required to post notices of the hearing in at least four places within the Project Area for a period of three weeks, ending 10 days prior to the hearing or posted for 31 days. The notice of the hearing must also be published for three consecutive weeks ending 10 days prior to the hearing.

KMA will prepare a notice to be posted and published in the newspaper. As with all documents, KMA would provide the notice in electronic format. Staff would be responsible for posting the notice and having it published in the newspaper.

2. Prepare Adoption Resolution and Staff Report

The Implementation Plan adoption process does not require multiple actions by City agencies. It requires a hearing by the Agency and adoption of a resolution approving the Implementation Plan. KMA will prepare the resolution adopting the new Implementation Plan. KMA will also prepare the staff report that will go to the Agency explaining the process and highlights of the Implementation Plan.

3. Present Implementation Plan and Respond to Comments

After the Implementation Plan has been reviewed by staff and finalized, KMA will present the Implementation Plan at the Agency hearing. If necessary, the Implementation Plan will be amended in response to comments received at the hearing.

V. PROJECT EXPERIENCE

San Ramon Redevelopment Agency: The City of San Ramon has one redevelopment project, the San Ramon Community Redevelopment Project, adopted in 1987 and totaling 605 acres. KMA is in the process of assisting the Agency in amending the Redevelopment Plan to increase the tax and bond debt limits and update the land use provisions of the San Ramon Redevelopment Plan to conform to the General Plan. The Agency is also proposing to consider re-establishing eminent domain authority over non-residential uses. KMA assisted the Agency in preparing the current Implementation Plan to meet all of the updated Community Redevelopment Law (CRL) requirements and to reflect the anticipated adoption of the amendments. KMA also prepared the Implementation Plan staff report, hearing notice, adopting resolution and prepared and monitored the adoption schedule.

Mr. Marc Fontes	2222 Camino Ramon
Economic Development Director	San Ramon, CA 94583
City of San Ramon	(925) 973-2578

Anaheim Redevelopment Agency: In 2004, KMA assisted the Anaheim Redevelopment Agency in merging its six-redevelopment project areas into one Merged Project Area. In total, the Merged Project Area contains approximately 4,967 acres, which comprise approximately 16 percent of the total acres located in the City. Following the Project merger, KMA prepared a new Implementation Plan for the Merged Project Area.

Mr. Brad Hobson	201 South Anaheim Boulevard, Ste. 1003
Deputy Executive Director	Anaheim, CA 92805
City of Anaheim Community Development	(714) 765-4319

Santa Ana Redevelopment Agency: In 2004, KMA provided full plan amendment services to the Santa Ana Redevelopment Agency required to merge all six (6) of the City's redevelopment project areas. In total, the Merged Project Area contains approximately 4,989 acres, which comprise approximately 29 percent of the total acres located in the City. In 2005, KMA assisted the Agency in preparing a new Implementation Plan for the Merged Project Area. KMA prepared the Implementation Plan, adopting resolution, hearing notice, provided draft inserts for staff report, and prepared a PowerPoint presentation for a community meeting and meeting of the Redevelopment Commission in addition to attending the hearing.

Ms. Nancy Edwards	20 Civic Center Plaza, M-25 Mail Station
Manager of Administrative Services	Santa Ana, CA 92701
Santa Ana Community Development Commission	(714) 667-2244

San Juan Capistrano Community Redevelopment Agency: In 2002, KMA worked with the Agency to adopt a new Implementation Plan for the City's Central Redevelopment Project. In 2004, KMA worked with the Agency to complete a mid-term review and update of the Implementation Plan. The scope of services also included a review of the status of the Redevelopment Project and its Plan limits, goals and objectives, preparation of long-term tax increment and financial projections, and a review of the Agency's housing goals and compliance with affordable housing requirements.

Mr. Douglas Dumhart 32400 Paseo Adelanto
Principal Management Analyst San Juan Capistrano, CA 92675
San Juan Capistrano Community (949) 443-6316
Redevelopment Agency

Indian Wells Redevelopment Agency: KMA completed a comprehensive implementation status review of the Consolidated Whitewater Redevelopment Project for the Agency in 2002. KMA's review included assisting the Agency in identifying the non-housing projects that could be completed in the Project Area given anticipated increment and other revenues, and a comprehensive review of the Agency's affordable housing obligations, projects and programs. Since then, KMA has worked with the Agency to update the Implementation Plan in 2004.

Mr. Greg Johnson 44-950 El Dorado Drive
Executive Director Indian Wells, CA 92210
Indian Wells Redevelopment Agency (760) 346-2489

Oakland Community and Economic Development Agency: KMA assisted the Agency with the adoption of a 3,339-acre redevelopment project that encompassed several neighborhoods in East Oakland. The Project Area Committee (PAC) was heavily involved in the formulation of the goals and objectives, and the prioritization of projects and programs for the Project Area from the early planning stages for the Redevelopment Project through adoption of the Redevelopment Plan. The Agency requested that KMA prepare a draft of the Implementation Plan to be included in the Report to the City Council as a stand-alone document in order to facilitate the participation of the PAC in the development of the five-year plan for projects, programs and expenditures. Staff worked closely with the PAC to finalize their recommendations and the Implementation Plan was adopted in conjunction with the Redevelopment Plan in June 2003.

Mr. Dan Vanderpriem 250 Frank Ogawa Plaza, Ste. 5313
Redevelopment Manager Oakland, CA 94612
Oakland Community and Economic (510) 637-0241
Development Agency

VI. PRINCIPALS AND QUALIFICATIONS

A. ORGANIZATION

Ms. Debbie Kern, Senior Principal with KMA in the San Francisco office will coordinate the Implementation Plan adoption process. Mr. Paul Anderson, Senior Principal in the Los Angeles office will manage the blight assessment and redevelopment related issues.

B. TEAM EXPERIENCE

The following summarizes the experience of the KMA principals who will provide the services required under this assignment.

Ms. Debbie Kern, a Senior Principal in the KMA San Francisco office, provides advice to clients on affordable housing, economic development and real estate assignments. Ms. Kern has performed market and economic feasibility, tax allocation, land disposition and reuse analyses for hotel, residential, retail and office projects. She also has experience in military base conversions, affordable housing programs, implementation plans and corporate real estate.

Mr. Paul Anderson, Senior Principal manages KMA's plan adoption services. Mr. Anderson has been active in the redevelopment field for 20 years and has been involved in the preparation and adoption of numerous redevelopment plans, amendments, feasibility studies and implementation plans for cities throughout California including all of the plan adoption projects referenced in the team qualifications.

Resumes for the above principals are included on the following pages.



DEBBIE M. KERN

Ms. Kern is a Senior Principal in Keyser Marston Associates' San Francisco office. She has over 20 years of experience in real estate consulting and has analyzed a broad range of real estate issues.

Areas of Specialization

Market Rate and Affordable Housing

Ms. Kern manages housing related services for Keyser Marston clients in San Francisco and specializes in the area of mixed-income and affordable housing. Her broad experience combined with strong technical skills provide her with unique ability to advise on conceptual issues as well as structuring complex public/private transactions.

The development of affordable housing has taken 'center stage' in communities throughout California and Ms. Kern has been instrumental in assisting clients implement their housing production objectives, adopt inclusionary programs, structure public/private transactions that are financially feasible, and identify marketable products.

Ms. Kern has consulted on a broad range of housing developments, including mixed income residential development at former military bases, in-fill apartment and condominium projects and assisted living complexes.

Additional Areas of Specialization

Retail Analysis

Ms. Kern has assisted public sector clients in structuring public/private partnerships for new retail development and has helped identify strategies and land uses to revitalize downtown retail districts. She has also assessed the fiscal impacts of retail developments and the impacts of new development on existing merchants.

Conversion of Former Military Bases

Ms. Kern is a specialist in the area of converting former military bases into civilian uses. She has been instrumental in negotiating the transfer of military bases to municipalities, developing reuse plans that meet the communities' objectives, assisting reuse authorities select private developer partners, and in successfully implementing new development. Major military base conversion assignments include Hamilton Air Force Base, Alameda Point, Fort Ord, Naval Medical Center at Oak Knoll, Oakland Army Base, and McClellan Air Force Base.

Professional Credentials

Ms. Kern has participated as a speaker at a number of seminars, including 'Developing For-Sale Affordable Housing Programs,' sponsored by the California Redevelopment Institute and 'Economics and Planning,' a University of California, Davis Extension course. Ms. Kern holds a master's degree in economics from Columbia University and a bachelor's degree in economics from the University of California at Berkeley. She is a member of the Phi Beta Kappa honor society.



PAUL C. ANDERSON

Mr. Anderson, Senior Principal at Keyser Marston Associates, manages the firm's redevelopment plan adoption services. For 20 years, Mr. Anderson has worked in the redevelopment field both as a consultant and as a redevelopment agency staff person. Mr. Anderson has assisted cities and counties in evaluating the feasibility of forming redevelopment projects, assisting with project formation and amending existing redevelopment plans. Mr. Anderson's experience includes over 60 projects and feasibility studies throughout California, Nevada and Idaho.

Key Role

As manager of Keyser Marston's plan adoption services Mr. Anderson is responsible for review and quality control of all plan adoption feasibility studies and adoption documents. In addition, Mr. Anderson regularly performs project management services and is the primary contact for many of Keyser Marston's plan adoption clients. Mr. Anderson's education in Architecture and experience in working as an employee in the public sector brings additional insight to Keyser Marston's redevelopment plan adoption services.

Specific Areas of Expertise

Range of Projects

Mr. Anderson's experience varies from large complex projects to smaller single use projects. Mr. Anderson acted as project manager for the 10,000-acre Strong Neighborhoods Initiative Redevelopment Project in San Jose, which included 22 identifiable neighborhoods as well as industrial nodes and commercial boulevards. The objective of the project was to reverse the trend towards new development on the periphery of the community and reinvest in the older neighborhoods surrounding the center of the City. This project was challenged and was upheld in the Trial and Appellate Courts. At the other end of the spectrum, Mr. Anderson assisted the City of Capitola in amending the existing Capitola Redevelopment Plan to add the Rispin Mansion consisting of 22 rooms within a 7,106 square foot building. This historic structure had been vacant and vandalized for over 30 years and is proposed for historic reuse as bed and breakfast with public meeting spaces and a Monarch Butterfly habitat.

Staff Support

Mr. Anderson and the other members of the redevelopment plan adoption staff provide a range of related services to redevelopment agencies. These services include environmental coordination, preparing staff reports, resolutions, ordinances, and PowerPoint presentations for governmental officials and community groups. Mr. Anderson has also provided project management services to redevelopment agencies and cities; specific assignments include identifying potential developers, reviewing requests for proposals and assisting in the developer selection process. In addition, Mr. Anderson has provided services to private sector clients to secure development entitlements and evaluate suitable sites for purchase.

Professional Credentials

Mr. Anderson is a member of the California Redevelopment Association and been a guest speaker at the Association's conferences. Mr. Anderson received his bachelor's degree in architecture from the University of Southern California.

VII. BUDGET AND HOURLY RATES

All services will be provided on a time-and-material basis to be billed monthly. KMA estimates Implementation Plan services at a cost of \$27,500. Job related expenses including travel, electronic data, graphics, and in-house printing will be billed separately.

Services identified in the scope will be billed on a time-and-material basis in accordance with the following KMA 2008/09 rates:

	<u>2008/09</u>
A. JERRY KEYSER	*\$280.00
MANAGING PRINCIPALS	*\$280.00
SENIOR PRINCIPALS	*\$270.00
PRINCIPALS	*\$250.00
MANAGERS	*\$225.00
SENIOR ASSOCIATES	\$187.50
ASSOCIATES	\$167.50
SENIOR ANALYST	\$150.00
ANALYST	\$130.00
TECHNICAL STAFF	\$95.00
ADMINISTRATIVE STAFF	\$80.00

Directly related job expenses not included in the above rates are: auto mileage, air fares, hotels and motels, meals, car rentals, taxies, telephone calls, delivery, electronic data processing, graphics and printing. Directly related job expenses will be billed at 110% of cost. Monthly billings for staff time and expenses incurred during the period will be payable within thirty (30) days of invoice date. A charge of 1% per month will be added to past due accounts.

*Rates for individuals in these categories will be increased by 50% for time spent in court testimony.

IMPLEMENTATION PLAN SERVICES BUDGET ESTIMATE

		BUDGET ESTIMATE
TASK I	REDEVELOPMENT COMPONENT ANALYSIS	
1.	Identify Remaining Blighting Conditions	\$5,000
2.	Formulate Agency Goals and Objectives	\$2,000
3.	Prepare Tax Increment and Cash Flow Projections	\$6,500
4.	Identify Projects and Programs and Expenditures	\$3,000
	Subtotal	\$16,500
TASK II	AFFORDABLE HOUSING ANALYSIS	
1.	Prepare Cash Flow Projection Meeting Targeting Requirements and Demonstrating Compliance with Excess Surplus Requirements	\$6,500
	Subtotal	\$6,500
TASK III	PRESENTATION AND ADOPTION OF IMPLEMENTATION PLAN	
1.	Prepare Hearing Notice	\$500
2.	Prepare Adoption Resolution and Staff Report	\$2,000
3.	Present Implementation Plan and Respond to Comments (1 meeting)	\$2,000 ¹
	Subtotal	\$4,500
	GRAND TOTAL	\$27,500

¹ Assumes 18 hours for responding to comments received at meetings. Additional response or drafts to be provide at hourly rate.

VIII. TIMELINE

KMA anticipates that the Implementation Plan can be completed within 90 days from contract approval. The exact timeline will largely depend on the availability of data from staff, and the need to verify historic housing activities. The following schedule assumes that staff can provide KMA with the necessary data within the timeframe identified.

PRELIMINARY CHRONOLOGICAL SCHEDULE FOR THE FIVE-YEAR IMPLEMENTATION PLAN

Actions:

- Day 15: KMA receives redevelopment/housing data provided by staff
- Day 45: KMA provides staff with draft of the Implementation Plan
- Day 50: Staff provides comments on Implementation Plan
- Day 55: Agency staff sends hearing notice to newspaper
- Day 60: KMA provides staff with final draft Implementation Plan
- Day 60: Notice is mailed to all persons and agencies that have requested notice (if any)
- Day 60: Notice is posted in at least four permanent places within the Project Area
- Day 60: First publication of hearing notice
- Day 67: Second publication of hearing notice
- Day 74: Third publication of hearing notice
- Day 84: Implementation Plan hearing