

RIVERSIDE PUBLIC UTILITIES

Board Memorandum

BOARD OF PUBLIC UTILITIES

DATE: JANUARY 24, 2022

SUBJECT: PROFESSIONAL CONSULTANT SERVICES AGREEMENT WITH DAVID TAUSSIG AND ASSOCIATES OF NEWPORT BEACH, CALIFORNIA FOR CONSULTANT SERVICES FOR MASTER DEVELOPER FOR CITY-OWNED PROPERTIES UNDER RFP NO. 2093 FOR AN INITIAL TERM OF ONE YEAR PLUS TWO OPTIONAL ONE-YEAR EXTENSIONS, IN AN AMOUNT NOT TO EXCEED \$366,325

ISSUES:

Consider recommending that the City Council approve a Professional Consultant Services Agreement with David Taussig and Associates of Newport Beach, California from RFP No. 2093 to provide a market analysis, infrastructure analysis, fiscal analysis, public facilities financing plan, proforma analysis and other related services for the City and RPU-owned former Riverside Golf Club, Ab Brown Sports Complex and Pellissier Ranch properties, for an initial term of one year plus two optional one-year extensions, in an amount not to exceed \$366,325.

RECOMMENDATIONS:

That the Board of Public Utilities:

1. Approve an expenditure in the amount of \$307,713 with David Taussig and Associates for Consultant Services for Master Developer for City-owned Properties; and

That the Board of Public Utilities recommend that the City Council:

2. Approve a Professional Consultant Services Agreement with David Taussig and Associates of Newport Beach, California from RFP No. 2093 for Consultant Services for Master Developer for City-Owned Properties for an initial term of one year plus two one-year extensions, in an amount not to exceed \$366,325; and
3. Authorize the City Manager, or his designee, to execute the Agreement and optional two one-year extensions, if necessary, including making minor non-substantive changes, and to sign all documents and instruments necessary to complete the transaction.

BACKGROUND:

On November 17, 2020, the City Council adopted the Northside Specific Plan (NSP) by Resolution No. 23648 and certified a Final Program Environmental Impact Report (as provided by Rick

Engineering Company). The NSP covers approximately 2,000 acres within the City of Riverside, the City of Colton, and the unincorporated County of Riverside. The NSP focuses on the future development of both publicly and privately-owned properties and identifies future development potential to create a balanced community.

On March 18, 2021, the Economic Development, Placemaking and Branding/Marketing Committee received a report and recommended the following actions: 1) that the City Council approve the issuance of a Request for Proposal (RFP) seeking a Master Developer for the former Riverside Golf Club, Ab Brown Sports Complex, and Pellissier Ranch properties, with direction for staff to explore solar options for Pellissier Ranch to facilitate the development vision of the Northside Specific Plan; 2) Recommend the City Council and the Board of Public Utilities declare the Riverside Golf Club, Ab Brown Sports Complex, and Pellissier Ranch properties as “Exempt Surplus” pursuant to Assembly Bill 1486; and 3) Issue a Request for Proposal to hire a consultant to assist staff with the Master Developer process.

On April 12, 2021, the Board of Public Utilities recommended that the City Council declare as exempt surplus land: 1) approximately 129 acres of vacant land known as the former Riverside Golf Club located in Riverside bearing Assessor Parcel Numbers 206-070-002, 003 and 246-060-011; 2) approximately 56 acres of vacant land known as the Ab Brown Sports Complex bearing Assessor’s Parcel Number 246-060-001; and 3) approximately 227 acres of vacant land known as Pellissier Ranch located in the city of Colton bearing Assessor’s Parcel Numbers 0275-51-19, 0277-011-26, 27, 0277-022-71, 73, 74, 75, and 1167-021-24 (Subject Properties); and approve the issuance of a Request for Proposals seeking a Master Developer with specifications for the Pellissier Ranch property that includes a stand-alone solar project, a solar option that a developer would construct option and return to the Board for review and input.

On September 21, 2021, the City Council adopted Resolution No. 23762 declaring as exempt surplus the Subject Properties noted above, pursuant to Assembly Bill 1486, and directed staff to prepare a Request for Proposals seeking a Master Developer for these properties, with specifications for the Pellissier Ranch property that includes a stand-alone solar project and a solar option that a developer would construct, to facilitate the development vision of the Northside Specific Plan.



DISCUSSION:

In an effort to promote balanced and sustainable growth within the NSP, the City, at a future date, will be seeking one or more development firms to acquire and/or assist in the development of the former Riverside Golf Club, Ab Brown Sports Complex, and Pellissier Ranch properties. These City and RPU-owned Subject Properties, as noted above, are currently vacant or underutilized, and it is staff's intent to maximize their value to generate revenues for the City and RPU to fund the backbone infrastructure and public services necessary to promote growth and provide economic benefit throughout the NSP. To achieve these objectives, on April 2, 2021, staff issued Request for Proposals No. 2093 seeking to hire a team of consultants with both the experience and qualifications necessary to lead the City in these efforts.

On April 2, 2021, RFP No. 2093 was posted on the City's Online Bid System and closed on April 29, 2021. A total of 51 prospective bidders registered for the bid. As a result of this solicitation, staff received three proposals which were deemed to be responsive. Proposals received are summarized as follows:

Scoring Rank	Proposer	Location	Fixed Bid	Est. Completion Timeline
1	David Taussig & Associates	Newport Beach	\$366,325	11-12 Months
2	HR&A Advisors	Los Angeles	\$452,000	10 Months
3	CASC Engineering & Consulting	Colton	\$354,038	11-12 Months

To evaluate the proposals received, an RFP evaluation committee (comprised of Real Property Services, Economic Development, Finance, Public Works and Planning staff) was formed. The RFP evaluation committee evaluated each proposal based on the following criteria:

- Qualifications (25%);
- Experience (i.e. working on and completing projects of similar size and scope) (20%);
- Project cost (25%);
- Professional references (10%); and
- Approach and methodology (20%)

Although David Taussig & Associates (DTA) did not provide the lowest cost proposal, it was determined, after careful review and scoring of the proposals, that DTA was ranked the highest among the proposals received based on the aforementioned scoring criteria that was set forth on the RFP. The evaluation committee unanimously concluded that DTA is also the most qualified consultant to provide the services outlined in Request for Proposals No. 2093. The evaluation committee's rationale is based on the following:

- The DTA team includes industry experts in the fields of infrastructure and public services financing consulting, fiscal and economic analysis of land development impacts, land development/optimization strategies, project feasibility analysis, civil engineering, economic development studies, and land use planning (amongst others).
 - The DTA team includes senior-level representatives from the following firms: Land Use Strategies (LOS), Moote Companies, Community Strategic Advisors (CSA) and Market Profiles.
- The DTA team has successfully provided public financing consulting services to over 50 cities and counties and to over 325 school districts, water districts and fire protection districts throughout California.

- The DTA team has worked on similar projects including, but not limited to, the Tustin Legacy project: a 700-acre master planned development on property owned by the City of Tustin where a Master Developer was procured to facilitate the redevelopment of the site.
- The DTA team demonstrated a superior team project approach and methodology honed from extensive experience working on similar municipal finance programs, for multiple cities/counties across California, for infrastructure and public facilities development, fiscal and redevelopment impact analyses, and land development project feasibility studies.
- The DTA team's cost proposal is commensurate with the scope of work based on the RFP review committee's research into similar projects and is only slightly more than the lowest bidder.

Moreover, DTA will provide expertise in several crucial areas of consulting that, when combined, will provide the City with the information necessary to (i) ensure the viability of the future master development in a manner consistent with maximizing value, (ii) ensure the funding of all required backbone infrastructure and public services, and (iii) assist in the selection by the City of one or more developers who will acquire (or lease) the Subject Properties, and (iv) assist the City in the funding and development of any recreation segments. As listed below, DTA shall also provide the following services in support of the successful development of the subject properties:

- Market analysis to identify specific residential and non-residential product types consistent with land uses approved within the specific plan to maximize project value and accelerate absorption rates.
- Engineering analysis to determine project backbone infrastructure needs, phasing, and costs.
- Financial Analysis to project fiscal impacts of the proposed land uses on the City's General Fund.
- Public finance feasibility analysis to prepare a public facilities financing plan to fund backbone infrastructure and public services.
- Proforma analysis to maximize project valuation and availability of revenues to support public finance programs.
- Management skills to assist in (i) drafting the Master Developer Request for Proposals, (ii) selection of most Qualified Developers for Acquisition and/or Leasing of the Subject Properties and (ii) Development of recreational segment(s).
- Attend, and be actively engaged in, up to twelve hours of community engagement workshops/meetings to assist in defining the development vision to be included in the Master Developer RFP.

Project and Fiscal Breakdown

Work Type	Performed By	Cost
Market Analysis	Market Profiles	\$36,400
Infrastructure Analysis	Moote	\$14,900
Fiscal Analysis	DTA	\$30,000
Public Facilities Financing Plan	DTA	\$35,000
Proforma Analysis	LOS	\$24,900
Administer, Monitor, and Review Scope of Services	DTA, CAS	\$36,000
Assist City in Review and Approval of Development Strategy	DTA, CAS, LOS	\$10,000
Aid in Preparation of RFP Solicitations	DTA, CAS	\$21,500
Assist in Proposer Interviews	CAS, LOS	\$18,875

Assist in Preparation & Issuance of RFP	DTA, CAS, LOS	\$97,000
Assist in Review of RFP Responses, Analysis, & Developer Recommendation	DTA, CAS, LOS	\$41,750
Total Cost:		\$366,325

The Purchasing Manager concurs that the recommended actions are in compliance with Purchasing Resolution No. 23812.

STRATEGIC PLAN ALIGNMENT:

This item contributes to the Envision Riverside 2025 City Council Strategic Plan Priority No. 3 *Economic Opportunity* and Goal No. 3.3 - cultivating a business climate that welcomes innovation, entrepreneurship, and investment.

The item also aligns with each of the five Cross-Cutting Threads as follows:

1. **Community Trust:** The process of selecting DTA was accomplished through issuance of an RFP. RFP responses were reviewed by staff from the Real Property Services, Economic Development Finance, Public Works, and Planning divisions. DTA will be attending and participating in community outreach organized by the City.
2. **Equity:** Hiring DTA will ensure that the Subject Properties are developed, and their value will be maximized to generate revenues for the City and RPU to fund the backbone infrastructure and public services necessary to promote growth and provide equitable economic benefits throughout the Northside neighborhood and the City.
3. **Fiscal Responsibility:** The Subject Properties, as previously noted, are currently vacant and underutilized and DTA's scope of work will help maximize their value to generate revenue for the City and RPU.
4. **Innovation:** Hiring DTA will support fulfilling the goals and objectives of the Northside Specific Plan that was prepared through an innovative and collaborative approach in concert with the Northside residents, business stakeholders, property owners, and various government agencies.
5. **Sustainability & Resiliency:** In an effort to promote balanced and sustainable growth within the Northside Specific Plan, hiring DTA, with expertise in several crucial areas of consulting, will provide the City with the information necessary to ensure the long-term viability of the future master development of Subject Properties.

FISCAL IMPACT:

The total fiscal impact of this action is \$366,325. Sufficient funds are available in Northside Master Plan Account No. 9920500 – 4210007. This account will be reimbursed from future sale proceeds from the collective sale of the former Riverside Golf Club, Ab Brown Sports Complex, and Pellissier Ranch properties and RPU's pro-rata share of controlling interest in these properties (RPU owns approximately 84% of the total acreage of the subject properties) will be deducted from the sales proceeds accordingly (approximately \$307,713).

Prepared by: David Welch, Community & Economic Development Director
Approved by: Todd M. Corbin, Utilities General Manager
Approved by: Kris Martinez, Assistant City Manager
Approved as to form: Phaedra A. Norton, City Attorney
Certifies availability
of funds: Edward Enriquez, Chief Financial Officer/City Treasurer

Attachments:

1. DTA – Professional Consultant Services Agreement
2. RFP 2093
3. RFP Award Recommendation
4. Presentation