



City of Arts & Innovation

Utility Services / Land Use / Energy Development Committee

TO: UTILITY SERVICES / LAND USE / ENERGY DEVELOPMENT COMMITTEE MEMBERS **DATE: AUGUST 30, 2016**

FROM: COMMUNITY & ECONOMIC DEVELOPMENT DEPARTMENT **WARD: 1**

SUBJECT: SELECTION OF RICK ENGINEERING AS THE CONSULTANT TO PREPARE THE NORTHSIDE NEIGHBORHOOD & PELLISSIER RANCH INTER-JURISDICTIONAL SPECIFIC PLAN AND PROGRAM ENVIRONMENTAL IMPACT REPORT; AN AMENDMENT TO THE APPROVED RIVERSIDE PUBLIC UTILITIES BUDGET FOR FY 2016-18; AND APPROVAL OF APPROPRIATIONS FROM THE RIVERSIDE PUBLIC UTILITIES WATER AND ELECTRIC FUNDS TO WATER AND ELECTRIC PROFESSIONAL SERVICES ACCOUNTS

ISSUES:

Recommend to the City Council the selection of Rick Engineering as the consultant firm to prepare the Northside Neighborhood & Pellissier Ranch Inter-Jurisdictional Specific Plan (Northside Specific Plan) and Program Environmental Impact Report (PEIR); the amendment of the approved Riverside Public Utilities FY 2016-18 budget to fund up to \$813,000 of the Northside Specific Plan and PEIR effort; and approval of appropriations from the Riverside Public Utilities Water and Electric Funds to Water and Electric Professional Services Accounts.

RECOMMENDATIONS:

That the Utility Services/Land Use/Energy Development Committee recommend that the City Council:

1. Select Rick Engineering for the preparation of the Northside Specific Plan and Program EIR, and authorize the City Manager or his designee to negotiate a Professional Services Agreement for the purpose of preparing the Northside Specific Plan and Program EIR;
2. Approve an amendment of the adopted Riverside Public Utilities two-year FY 2016-18 budget, which transfers \$683,000 from Utilities Fund Reserve to the Riverside Public Utilities Water Fund Balance;
3. Approve an amendment of the adopted Riverside Public Utilities two-year FY 2016-18 budget, which transfers \$130,000 from Utilities Fund Reserves to the Riverside Public Utilities Electric Fund Balance;

4. Appropriate \$683,000 from the Water Fund Balance to Water Professional Services Account 6210000-4210000; and
5. Appropriate \$130,000 from the Electric Fund Balance to Electric Professional Services Account 6100000-4210000.

BOARD OF PUBLIC UTILITIES RECOMMENDATION:

On June 27, 2016, the Board of Public Utilities with all members present unanimously approved to forward a recommendation to the City Council to:

1. Amend the Riverside Public Utilities adopted two-year FY 2016-18 budget in an amount not to exceed \$813,000, to fund Riverside Public Utilities share of the Northside Specific Plan planning effort, which is an amount commensurate with the proportion of land under Riverside Public Utilities ownership that will receive a benefit from the Specific Plan, subject to the approval of a final Scope of Work and budget; and
2. Approve appropriations including \$683,000 from the Public Utilities Water Fund to Water Professional Services Account 6210000-4210000, and \$130,000 from the Public Utilities Electric Fund to Electric Professional Services Account 6100000-4210000.

BACKGROUND:

On April 28, 2015, Community & Economic Development Department (CEDD) staff provided the City Council a summary of the status and history of City-owned properties within the Northside Neighborhood, including the former Riverside Golf Course and Ab Brown Sports Complex (Attachment 1). During deliberations, the City Council directed staff to pursue a specific plan for the Northside Neighborhood. The Council also directed staff to engage the public prior to soliciting a Specific Plan consultant.

Engaging the Public

Following the April 2015 Council meeting, City staff developed a framework for moving forward a Northside Specific Plan. The framework was developed after meeting with numerous community stakeholder groups, whose input helped define the content of the consultant RFQ/RFP. The groups staff met with included the following:

- Spanish Town Heritage Foundation (9/16/15)
- ORON – Northside SIT (9/24/15)
- Board of Public Utilities (10/2/15)
- Hunter Park Business Council (10/6/15 & 11/17/15)
- Latino Network (10/7/15)
- Springbrook Heritage Alliance (10/15/15)
- Northside Improvement Association (10/19/15)
- Raincross Group (10/23/15)

Planning staff also held a community meeting on November 4, 2015 at Freemont Elementary School. This community meeting was intended to introduce the project to the general public, and to solicit their initial thoughts.

City of Colton

The Northside Specific Plan will be developed as an interjurisdictional effort between the cities

of Riverside and Colton. It is an interjurisdictional specific plan because the City of Riverside Public Utilities owns a large parcel of land in the City of Colton, just north of the City of Riverside boundary.

To facilitate the interjurisdictional effort, the Riverside CEDD staff has met with City of Colton staff numerous times at the beginning of the year to identify and discuss the challenges of an interjurisdictional plan, and Colton staff has discussed the effort internally with their executive management and Council members. Additionally, the RFQ/RFP was routed to the Colton staff prior to its release, and Colton staff participated on the Staff Evaluation Panel during the consultant RFQ and RFP interviews.

Additional coordination with Colton staff, City Commissions, and Council is anticipated as the project progresses. This includes a joint meeting between the Colton and Riverside Council members, wherein a variety of common issues and joint projects will be discussed.

Release of RFQ/RFP for Consultant Services

On March 23, 2016, a Request for Qualifications (RFQ) and Proposals (RFP) was released by CEDD. The RFQ/RFP (Attachment 2) outlined the need for a multi-disciplinary consultant team who would work with the community and City staff to create the Northside Specific Plan and accompanying Program Environmental Impact Report (PEIR). The RFQ/RFP was developed with input from various community stakeholders groups, as well feedback received from a pre-RFQ community meeting on November 4, 2015. The Northside Specific Plan as defined in the RFQ/RFP identifies a project area of approximately 2,240 acres, including properties located within the cities of Riverside and Colton.

Consultant Qualifications and Proposals

The City received responses to the Northside Specific Plan RFQ/RFP from four qualified consultant teams. A Staff Evaluation Committee made up of 16 representatives reviewed the four firm's statement of qualifications and concept proposals. Per the published RFQ process, the Evaluation Committee identified the top three consultant teams and invited them to submit a refined proposal and a detailed budget. The top three consultant teams are led by CallisonRTKL, Danelian Associates, and Rick Engineering. Refined proposals and budgets were received on May 18, 2016 (Attachment 3).

On May 26, 2016, the Staff Evaluation Committee conducted interviews of the three shortlisted consulting firms. Also on May 26, 2016, the community was provided an opportunity to interview and score the consulting firms. This unique community engagement process included a 20 minute presentation by each consultant team, followed by questions from the public. The community was asked to evaluate the consultants' communication skills and ability to respond to questions, their familiarity with the City, and the consultant's overall "fit" for the community.

The interview process resulted in a ranking of the firms based on their evaluation scores, which is reflected in the table below:

| TABLE A – Scoring of Consultant Firms | | | | |
|--|----------------|------------------|--------------|---------------------|
| | Possible Score | Rick Engineering | CallisonRTKL | Danelian Associates |
| Staff Evaluation Committee Average Score | 100 | 86.0 | 83.7 | 74.4 |
| Community Evaluation Average Score (~25% of total) | 35 | 29.0 | 30.5 | 26.3 |
| Total Compiled Score | 135 | 115.0 | 114.2 | 100.7 |
| Ranking | | #1 | #2 | #3 |

Riverside Board of Public Utilities

Riverside Public Utilities (RPU) is the largest landowner within the Northside Specific Plan's project area. RPU properties total approximately 346 acres.

Pursuant to State law, existing bond covenants, and RPU's adopted Real Property Financial Management Policy, RPU has an obligation to ensure the preservation of ratepayer investments, including real property. In this regard, a successful community-driven specific plan effort will provide certainty about the future of the City and RPU properties, which in turn will inform a determination of the "highest and best uses" of the properties.

On June 27, 2016, CEDD provided the Board of Public Utilities with an update of the Northside Specific Plan consultant selection process, and asked the Board to consider a funding contribution for the preparation of the specific plan and environmental impact report (EIR), since RPU benefits directly from the effort. Based on RPU's proportional ownership of Northside properties that could receive a direct benefit from the rezone (Attachment 7), the RPU authorized funding of up to \$813,000. This amount represents 39% of the estimated cost for preparing the specific plan and program EIR, assuming Council selects the consultant with the highest proposed budget (including a 15% City contingency).

Davenport Institute Grant

The City of Riverside Planning Division was selected to receive a 2015 Public Engagement Grant from the Davenport Institute for Public Engagement and Civic Leadership at Pepperdine University in the amount of \$12,000. The Davenport Institute is non-profit organization formed in 2005 to promote citizen participation in governance. The Institute provides annual grants to improve local civic dialog and support ongoing, constructive relationships between government and citizens. As a recipient, the City will benefit from the guidance and expertise of the Davenport Institute in developing an effective "bottom-up" public engagement process.

The Davenport Institute grant was identified as an implementation requirement in the Northside Specific Plan RFQ/RFP. All of the potential consultant firms have familiarized themselves with the methodologies and criteria specified by the Davenport Institute.

The Davenport Institute does not provide funding directly to the City. As a result, the specified community engagement component of the Consultant's Specific Plan effort that meets the intent and criteria of the grant will be funded directly by the Davenport Institute, under direction of the City of Riverside.

DISCUSSION

The selected consultant will help create the Northside Specific Plan through a combination of community visioning workshops and meetings, an evaluation of site-specific strengths and weaknesses, and technical analyses. The creation of a specific plan for the Northside Neighborhood is anticipated to occur over an 18-20 month period, with a project commencement in September/October 2016.

To initiate the Northside Specific Plan effort, the City Council needs to:

Select a consultant firm to prepare the planning and environmental documents,

1. Direct staff to negotiate and implement a contract with the selected consultant, and
2. Authorize the funding necessary to support the effort, including an amendment to the RPU budget and appropriation of funds.

Consultant Selection Recommendation

The creation of a successful specific plan for the Northside Neighborhood area will require strong community support, and a detailed look at the existing land use conflicts, infrastructure, traffic patterns, environmental conditions, and other barriers to community and economic development. These requirements were considered by the staff evaluation committee during the review of proposals and consultant interviews. The evaluation process resulted in Rick Engineering receiving the highest ranking (115 total points), with CallisonRTKL as a close second (114.2 points). The score sheets prepared by participants in the review process are attached (Attachment 4).

Staff Evaluation Committee:

Although both CallisonRTKL and Rick Engineering presented solid specific plan proposals, staff recommends that Rick Engineering be selected as the preferred consultant. This recommendation is based on the overall compiled score, as well as feedback from the Staff Evaluation Committee. The Committee felt that Rick Engineering's proposal includes a strong community planning component, which will be led by two community planners, both of whom have extensive experience addressing challenges similar to those in the Northside Neighborhood. The Committee recognized Rick Engineering's proposal as having the most defined community engagement and plan iteration process, such that it was clear what the roles of the various team members would be, and how the planning effort would transition from community ideas into a final product.

Rick Engineering's qualifications, team member experiences, scope of work outlined in their proposal, and responses during the interviews corresponded best with the following identified goals of the Northside Specific Plan:

1. Define a community-based vision for the planning area;
2. Preserve and protect existing neighborhoods, uphold historic preservation, accommodate mobility choices, and facilitate great public realms;
3. Evaluate natural, cultural, and historic resources and identify opportunities for enhancement and integration into future development through a built-in

mitigation program;

4. Prepare development standards for an appropriate mix of uses that implement the vision;
5. Apply scenario development and modeling tools to express the varying impacts of development and infrastructure investment choices; and
6. Attain program-level CEQA clearance and expedited project review for vision-consistent projects.

The Rick Engineering proposal includes a clear and logical process for preparing the Northside Specific Plan, including:

1. A public engagement work plan and identification of stakeholder groups;
2. An outline of the approach to reaching a coordinated consensus between the cities of Riverside and Colton on land use and development standards for the RPU-owned Pellissier Ranch property and unincorporated private property between the Riverside/Colton boundary and the RPU property;
3. Preparation of a market analysis that describes what is possible in terms of existing economic, demographic, and real estate trends;
4. Preparation of a comprehensive historic context analysis of the Northside, including but not limited to the Trujillo Adobe and related resources;
5. Preparation of a cursory hydrologic analysis of the City-owned properties, including potential arroyo delineation and creek restoration plan;
6. An area-wide biological and natural resources analysis and mitigation program;
7. An area-wide evaluation of potential flooding due to topographical conditions, or from the Santa Ana River;
8. Preparation of a highly illustrative document that incorporates design criteria and consists of clear and objective development standards and design guidelines;
9. Knowledge and experience preparing Form-Based Codes; and
10. A complete CEQA analysis to support the resulting specific plan, including a Program Environmental Impact Report (PEIR) and supporting technical analysis.

Community Recommendation:

CallisonRTKL was identified by the 21 members of the public who attended the May 26 Community Interviews as their preferred consultant, by a margin of 1.5 points (out of 35 points). While CallisonRTKL had a similar compiled score as Rick Engineering (114.2 points versus 115, respectively), there are differences in their technical approach to completing the Northside Specific Plan.

Staff Comparison Analysis:

CallisonRTKL brought forward a smaller project team that places a stronger emphasis on its sub-consultants. Rick Engineering's proposal uses a larger in-house staff, with sub-consultants augmenting areas where specialized skills are needed. While both approaches have merit, Rick Engineering's proposal better responded to the neighborhood issues. CallisonRTKL portrayed themselves as a "small specialty team" with the resources of a large international architectural firm; however, the breadth of the planning examples provided were mostly oriented toward urban development projects, such as sports arenas, entertainment zones, and transit-oriented developments, rather than inter-jurisdictional plans with an emphasis on suburban residential neighborhoods, rural environments, historic districts or industrial parks.

There were also similarities between CallisonRTKL and Rick Engineering, which may have contributed to their close scores. Most notably, both firms proposed Keyser Marston Associates as their economic assessment sub-consultant; and their community outreach efforts both included sub-consultants who would go to neighborhood groups and engage people while they are participating in every-day activities and events. However, it should be noted that, unlike Rick Engineering, CallisonRTKL did not emphasize staff with a specialized understanding of Asset Based Community Development (ABCD) engagement. ABCD engagement is an important factor, as CEDD's Neighborhoods Division is currently implementing the ABCD effort known as Our Riverside Our Neighborhood (ORON), and coordination between ORON and the Northside Specific Plan is critical for the successful outcomes of both projects.

Funding the Specific Plan

The City Council directed staff to move forward with the Northside Specific Plan in April, 2015. Since that time partial funding has been identified in the General Fund as part of the two-year budget approved by the City Council in June.

As adopted, the CEDD budget allocates a total of \$910,000 for the Northside Specific Plan and its Program EIR, including \$410,000 in FY 2016/17, and \$500,000 in FY 2017/18.

On June 27, 2016, the Board of Public Utilities recommended the Council's approve an amendment to RPU's two-year FY 2016-18 budget, of an amount not to exceed \$813,000, with appropriations from the Water Fund Balance (\$683,000) and Electric Fund Balance (\$130,000). When considering the approved CEDD budget together with the Board of Public Utilities' recommendation, a total of \$1,723,000 in City funds have been identified for the Northside Specific Plan effort. Additionally, CEDD is a recipient of a \$12,000 grant from the Davenport Institute at Pepperdine University, which will assist with a portion of the community outreach efforts.

The RFQ/RFP released to the public did not specify a budget for the Northside Specific Plan and PEIR. This was done to ensure that responding consultant firms prepared their scopes of work and budgets based on the project description and the community expectation defined in the RFQ/RFP. Table B below reflects the proposed project costs, including a 15% City contingency; the total amount of City funding available as proposed by staff; and the difference between the proposed costs and available funding.

| TABLE B – Proposed Budgets and Funding | | | |
|---|---------------------|--------------------|--------------------|
| | Danelian Associates | CallisonRTKL | Rick Engineering |
| Consultant Proposed Cost | \$1,030,000 | \$1,716,000 | \$1,810,638 |
| 15% City Contingency | \$154,500 | \$257,400 | \$271,596 |
| Total Proposed Cost with Contingency | \$1,184,500 | \$1,973,400 | \$2,082,234 |
| | | | |
| RPU 39% (not to exceed \$813,000) | \$461,955 | \$769,626 | \$812,071 |
| Davenport Institute Grant | \$12,000 | \$12,000 | \$12,000 |
| CEDD FY 2016/18 (not to exceed \$910,000) | \$710,545 | \$910,000 | \$910,000 |
| Total Identified Funds Available | \$1,184,500 | \$1,691,626 | \$1,734,071 |
| | | | |
| Funding Short Fall | - | \$281,774 | \$348,163 |

The costs are commensurate with the proposed scope of work, depth and breadth of relevant work experience, key staff member availability, and overall proposal quality.

As reflected in Table B, the available funds identified by staff fall short of the total costs of the Rick Engineering and CallisonRTKL proposals, by \$348,163 and \$281,774, respectively. Upon City Council selection of a consultant firm, staff will initiate contract negotiations, which will allow an opportunity to revise the scope of work and project budget to best meet the City's needs while also closing the funding gap. Additionally, staff will continue to seek grant funding opportunities.

Potential Reimbursement Fee

California Government Code does not require a city to bear the full cost of the preparation of a specific plan and environmental impact report. The Government Code authorizes cities to pass the costs of preparing a specific plan on to persons who benefit from the specific plan. When a specific plan is initiated by a city (i.e., there is no developer), a city may recuperate the costs through a prorated reimbursement fee collected at the time a person seeks government approvals (Government Code Sec. 65456(a)).

A reimbursement fee is often perceived as “money well spent” when a specific plan is well prepared. This is because of an economy of scale helps reduce costs for an individual property owner to prepare environmental documents and land uses evaluations. Additionally, a well prepared specific plan often defines community expectations and a neighborhood based vision; therefore many projects that comply with the specific plan can be initiated with more certainty.

Although a city can recuperate costs through a reimbursement fee, it is important to note that cost recovery takes a long time, and may not equal 100%. This is because the prorated fee is only collected at the time a property is developed. Properties that are not developed would not pay a reimbursement fee.

Government Code Sec. 65456(a) requires that the reimbursement fee be adopted after a specific plan is adopted, and must be commensurate with the benefits the person paying the fee receives from the specific plan. The City would need to estimate the amount of a reimbursement fee when the Northside Specific Plan is nearly complete. Any properties determined to be open

space would not be subject to the development fee; and preserving developable land as open space would increase the reimbursement fees paid by remaining developable lands.

FISCAL IMPACT:

The actual cost of a future contract with the consultant to prepare the Specific Plan documents will be determined through negotiation with staff. CEDD has budgeted \$910,000 in the City's adopted two year budget (FY 2016/17 to 2017/18). It is currently anticipated that RPU would contribute 39% of the costs of the preparation of the Specific Plan and Program EIR, not to exceed \$813,000.

Funding for the project is not currently budgeted by RPU, therefore an appropriation from Fund Balance (reserves) is required for FY 2016-17 and 2017-18 (project is anticipated to occur over a two year timeline). Based on the distribution of property between the RPU water and electric funds, \$130,000 (16%) would be funded by the Electric Fund, and \$683,000 (84%) would be funded by the Water Fund. The costs of preparing the specific plan may be recouped from the potential sale of any land deemed excess by the RPU Board and City, or in part through a potential reimbursement fee paid by projects developed within the Specific Plan area, pursuant to Government Code Section 65456(a).

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Approved by: Al Zelinka, FAICP Assistant City Manager
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Attachments:

1. City Council Report, April 28, 2015
2. Northside Specific Plan RFQ/RFP
3. Consultant Proposals
 - 3a. Daniellian Associates
 - 3b. CallisonRTKL
 - 3c. Rick Engineering
4. Staff Evaluation Committee Score Sheets
5. Public Interview Score Sheets
6. Board of Public Utilities Report, June 27, 2016
7. Opportunity Area Analysis Aerial
8. Presentation