



CITY OF PACIFICA COUNCIL AGENDA SUMMARY REPORT

4/25/2022

SUBJECT:

Vision 2025 & Beyond – Economic Opportunities Study – Award Contract, Appropriate Funds, Appoint Council Ad Hoc Committee on Public Engagement

RECOMMENDED ACTION

1. Authorize the City Manager to Award a Contract to Kosmont Companies to conduct an Economic Opportunities Study for the City of Pacifica as part of the Vision 2025 & Beyond Strategic Financial Sustainability Study;
2. Appropriate an additional \$50,000 for the study; and
3. Appoint a two-member City Council Ad Hoc Subcommittee on Public Engagement for the Economic Opportunities Study.

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BACKGROUND/DISCUSSION

On December 13, 2021 the City Council held a Study Session to discuss the Vision 2025 and Beyond Strategic Financial Sustainability Study. Part of that discussion was a review of the proposed Economic Opportunities Study of Pacifica.

The Economic Opportunities Study will analyze the current and future economic opportunities in each of the City's 5 business zones (Pacific Manor, Sharp Park, Rockaway Beach, Linda Mar and Pedro Point), explore key economic opportunity sites in Pacifica (including the Beach Boulevard Hotel Site, the Quarry Site, and the potential for a Pacifica Downtown in the Palmetto/Sharp Park area), provide recommendations on potential updates to the City's Economic Development Strategic Plan and related opportunities. The study will also include a robust public engagement process.

REQUEST FOR PROPOSAL PROCESS

After discussion and direction from the City Council on the scope of work for the Economic Opportunities Study in December, 2021, the Request for Proposal (RFP) for the Economic Opportunities Study was updated with the Council's input and released. This process included issuing the Economic Opportunities Study through the City's Open Gov Procurement System (which reached firms throughout the nation as well as firms that have signed up to receive RFPs

from the City of Pacifica) as well as publicizing it through the California Association for Economic Development (CALED), the statewide association of Economic Development Professionals and Experts.

During the RFP process, 16 economic development firms expressed interest in the project by downloading the RFP, submitting questions, and following the process on the Open Gov Procurement system. Of these firms, half were from California with the balance coming from firms located in Arizona, Colorado, New Hampshire, New York, Oregon, Pennsylvania, Texas, and Virginia.

Two firms based in California - Alex Greenwood Group and Kosmont Companies - submitted proposals to the City for the Economic Opportunities Study. A summary of the RFP process is included in this report in **Attachment 1**.

SELECTION PROCESS

Both of the firms that submitted proposals for the Economic Opportunities Study were interviewed by a selection panel that included City Manager Kevin Woodhouse, former Assistant City Manager and Planning Director Tina Wehrmeister, Chief Fiscal Sustainability Officer Yulia Carter, Acting Planning Director Christian Murdock and RGS Senior Advisor Brian Moura. References for both firms were also checked, including phone calls with cities that have employed both firms for similar assignments.

After interviews, background checks and discussion, the selection panel recommended that the City move ahead with the proposal from Kosmont Companies. Kosmont Companies has over 35 years of experience in the Economic Development and land economics fields. That experience includes working with more than 20 Northern California client agencies in recent years and 10 Northern California client agencies during 2021. Their projects include a number of projects that are similar to the Economic Opportunities Study in Pacifica (See **Attachment 2**).

Kosmont Companies has a number of technology tools and data sources available to use in studies of this type, including real estate and shopping pattern analytic tools (See **Attachment 3**).

ECONOMIC OPPORTUNITES STUDY

The proposal from Kosmont Companies will provide a study conducted by a three-member team. The team will be led by the President of the company (Ken Hira) along with a Senior Advisor providing opportunity site development feasibility, fiscal and economic development analysis (Thomas Jirovsky) and a Vice President providing market and economic analyses, research, and analytical support (Robert Valenti).

The Economic Opportunities Study is projected to start in May and would take place over a 22-week period (just over 5 months). It will include assessment of current retail conditions, stakeholder and community outreach, economic analysis and market potential, tourism case studies, land inventory, permits and regulatory tools and policies, assess opportunity sites, community workshop on preliminary findings, draft report, and final presentation to the City Council.

The project cost with reimbursable expenses is estimated at 300 hours of work at a cost of \$91,900. A copy of the Kosmont Company proposal and task list with costs is attached (See **Attachments 4 and 5**).

COMMUNITY & STAKEHOLDER ENGAGEMENT & COUNCIL AD HOC SUBCOMMITTEE

During the discussion of Vision 2025 and Beyond and the Economic Opportunities Study on December 13, 2021, Council members expressed interest in a robust community and stakeholder outreach process as part of the project. There was also some discussion about the appointment of a two-member Council Ad Hoc Subcommittee to work with the City Staff and the selected firm on the Community Outreach phases of the Economic Opportunities Study. A similar ad hoc subcommittee model was used recently on the Beach Boulevard Infrastructure Resiliency Project Phase 1.

The Ad Hoc Committee would be involved in discussions on the format and content of the Community and Stakeholder Engagement processes envisioned at the beginning and end of the project as outlined in the proposal from Kosmont Companies. It is also envisioned that the Ad Hoc Subcommittee would be a valuable resource in identifying key stakeholders to be interviewed during these phases of the project.

As part of tonight's action on this item, the City Manager is recommending the Council appoint a two-member Ad Hoc Subcommittee on Community and Stakeholder Engagement for this project.

RELATION TO CITY COUNCIL GOALS AND WORK PLAN

The Economic Opportunities Study will advance the Vision 2025 & Beyond City Council Priority and also supports the City Council's Strategic Goal of Fiscal Sustainability.

FISCAL IMPACT

The original FY 2021-22 Budget included a \$100,000 allocation for the Vision 2025 & Beyond Strategic Financial Sustainability Study. As the project unfolded, the City engaged in a number of small contracts under the City Manager's authority to help launch the Vision 2025 & Beyond project and achieve its objectives, such as RGS for overall project management, and FM3 and Lew Edwards Group for ballot measure analysis and communication services, strategy development, and public education. City Council recently identified full funding of the Vision 2025 & Beyond study as one of the budget strategies for the upcoming budget. The proposed cost of this Economic Opportunities Study, including the robust public engagement process, is \$91,000, which would exceed the initial budget allocation when combined with the other project cost components. If the City Council approves the contract with Kosmont Companies, staff will add the additional cost needed for this project and the other project components as part of the FY 2022-23 Base budget, as this work will likely cross fiscal years. The additional amount is estimated to be \$50,000.

ORIGINATED BY:

City Manager's Office

ATTACHMENT LIST:

Attachment 1 - Economic Development Firms in RFP Process (PDF)
Attachment 2 - Kosmont Recent Experience and Projects (PDF)

Attachment 3 - Technology Tools & Data Sources Used by Kosmont Companies (PDF)
Attachment 4 - Kosmont Proposal to Pacifica - Economic Opportunities Study (PDF)
Attachment 5 - Kosmont COST Proposal to Pacifica - Economic Opportunities Study (PDF)