



CITY OF LONG BEACH

C-6

DEPARTMENT OF DEVELOPMENT SERVICES

333 West Ocean Blvd., 3rd Floor Long Beach, CA 90802 (562) 570-5799 Fax: (562) 570-5072

April 18, 2017

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Adopt a Resolution authorizing the City Manager, or designee, to execute a contract with Arup North America, Ltd., through its Los Angeles office, including any necessary amendments, without advertising for bids, for an assessment of the City's development review process and real estate market potential, in a total contract amount not to exceed \$241,950, for a period of one year, with the option to renew for an additional one-year period, at the discretion of the City Manager. (Citywide)

DISCUSSION

In November 2016, the City issued a request for proposals (RFP) seeking a consultant to assess internal and external factors influencing real estate development within the City and how to capture growth opportunities during economic peaks. The RFP was unsuccessful, drawing only two proposals, one of which was withdrawn prior to the end of the evaluation period. The other proposal was not recommended for selection, because it did not fully incorporate an analysis of the City's processes influencing development as requested in the RFP. It is important to capture this information so the City can capitalize on the current economic climate, so the City sought out a proposal from Arup North America, Ltd. (Arup), who is in a unique position to perform the needed services.

Arup has recently provided the City and Port of Long Beach with comprehensive P3 (public-private partnership) development services that integrated financial, commercial real estate, design, engineering, cost consulting, and community outreach for redevelopment of the Civic Center complex. BAE Urban Economics (BAE), a subcontractor to Arup on the Civic Center project and the proposed project, focused on the Civic Center project's private real estate components, creating financial criteria and minimum deal terms for the private development.

Because of Arup's and BAE's technical qualifications, local knowledge and intimate familiarity with the City, they are in the unique position to effectively and efficiently execute the scope of work: an assessment of the factors that influence the quality and quantity of real estate development investment with the City, as well as recommendations on how to increase high-rise and high-density development in Downtown Long Beach. Arup will evaluate the City's policies and procedures for approving such development, as well as the cost of doing business in the City compared to Los Angeles, Santa Monica, Culver City,

San Diego, Huntington Beach, Anaheim, Santa Ana and Irvine. BAE will assess the existing real estate market for mid- and high-rise residential, hotel, office, and mixed-use development.

City Charter Section 1801 requires that contracts for City purchases be awarded to the lowest responsible bidder after a competitive bid process, but allows for awards without a competitive bid process if accompanied by a Resolution adopted by the City Council.

This matter was reviewed by Deputy City Attorney Linda T. Vu on March 29, 2017 and by Budget Management Officer Rhutu Amin Gharib on March 30, 2017.

TIMING CONSIDERATIONS

City Council action is requested on April 18, 2017, to engage in the assessment as quickly as possible.

FISCAL IMPACT

The annual contract amount will not exceed \$241,950, and is comprised of \$219,955 for base services and a 10 percent contingency of \$21,995. Sufficient appropriations are budgeted in the Development Services Fund (EF 337) in the Development Services Department (DV). There is no local job impact associated with this recommendation.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



AMY J. BODEK, AICP
DIRECTOR OF DEVELOPMENT SERVICES

PHW:AJB:LAF

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Attachment: City Council Resolution

APPROVED:


PATRICK H. WEST
CITY MANAGER

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LONG BEACH AUTHORIZING THE CITY MANAGER TO EXECUTE A CONTRACT WITH ARUP NORTH AMERICA LIMITED, WITHOUT ADVERTISING FOR BIDS, FOR AN ASSESSMENT OF THE CITY'S DEVELOPMENT REVIEW PROCESS AND REAL ESTATE MARKET POTENTIAL, IN A TOTAL CONTRACT AMOUNT NOT TO EXCEED \$241,950 FOR A PERIOD OF ONE YEAR, WITH THE OPTION TO RENEW FOR AN ADDITIONAL ONE-YEAR PERIOD AT THE DISCRETION OF THE CITY MANAGER

WHEREAS, the Charter of the City of Long Beach, Section 1801, permits the City Manager to enter into a contract on behalf of the City, in writing or otherwise, without advertising for bids, for services, supplies, materials, equipment or labor for actual emergency work when authorized by resolution; and

WHEREAS, the City requires a consultant to assess internal and external factors influencing real estate development within the City and how to capture growth opportunities during economic peaks; and

WHEREAS, in November 2016, the City issued a Request for Proposals seeking a consultant to perform such services, however no responsive bids were received; and

WHEREAS, Arup North America Limited ("Arup") had recently provided the City and Port of Long Beach with comprehensive P3 development services that integrated financial, commercial, real estate, design, engineering, cost consulting, and community outreach for redevelopment of the Civic Center project complex; and

1 WHEREAS, Arup and its subcontractor on the Civic Center project and the
2 proposed project, focused on the Civic Center project's private real estate components,
3 creating financial criteria and minimum deal terms for the private development; and

4 WHEREAS, because of Arup's and its subcontractor's technical
5 qualifications, local knowledge and intimate familiarity with the City, Arup is in a unique
6 position to effectively and efficiently execute the scope of work: an assessment of the
7 factors that influence the quality and quantity of real estate development investment with
8 the City, as well as recommendations on how to increase high-rise and high-density
9 development in downtown Long Beach; and

10 WHEREAS, no useful purpose would be served by re-advertising for bids
11 and to do so would constitute an idle and useless act and an unnecessary expenditure of
12 public funds;

13 NOW, THEREFORE, the City Council of the City of Long Beach resolves as
14 follows:

15 Section 1. The City Manager is hereby authorized to enter a contract
16 with Arup North America Limited, without re-advertising for bids, to assess internal and
17 external factors influencing real estate development within the City and how to capture
18 growth opportunities during economic peaks, in an amount not to exceed Two Hundred
19 Forty-One Thousand Nine Hundred Fifty Dollars (\$241,950) for a period of one (1) year
20 with the option to extend the term for one (1) additional one-year period.

21 Section 2. This resolution shall take effect immediately upon its adoption
22 by the City Council, and the City Clerk shall certify the vote adopting this resolution.

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I hereby certify that the foregoing resolution was adopted by the City Council of the City of Long Beach at its meeting of _____, 2017 by the following vote:

Ayes: Councilmembers: _____

Noes: Councilmembers: _____

Absent: Councilmembers: _____

City Clerk