AGENDA BILL

Beaverton City Council
Beaverton, Oregon

SUBJECT: Contract Award - Urban Renewal Feasibility Study

FOR AGENDA OF: 8-3-09 **BILL NO:** 09152

Mayor's Approval: Mayor Pro Tem

DEPARTMENT OF ORIGIN: CDD

DATE SUBMITTED: 07-23-09

CLEARANCES:
City Attorney
Purchasing
Finance
Planning
Asst. to Mayor

PROCEEDING: Consent
(Contract Review Board)

EXHIBITS:
1: List of Proposals Received
2: Evaluation Matrix and Scoring
3: Scope of Work

BUDGET IMPACT

EXPENDITURE	AMOUNT	APPROPRIATION
REQUIRED $74,836.64	BUDGETED $75,000*	REQUIRED $0

* Fiscal Year 2009-2010, Acct. No. 001-70-0676-511 General Fund – Community Development Department-Planning Services Division – Professional Services Account. The Planning Division's Professional Services Account has a total budgetary appropriation of $275,000 of which $75,000 was dedicated for the Urban Renewal Feasibility Study.

RECOMMENDED ACTION:

City Council, acting as Contract Review Board, award a contract for $74,836.64, in a form approved by the City Attorney, to Tashman Johnson to complete an Urban Renewal Feasibility Study.

HISTORICAL PERSPECTIVE:

On March 23, 2009, the City Council held a work session on the Urban Renewal Feasibility Study Request for Proposals. Council reached a consensus on the scope of work for the RFP and directed that the RFP be published broadly in hopes that consulting firms from outside the Portland region would submit proposals.

The Urban Renewal Feasibility Study RFP was advertised in the Oregon Daily Journal of Commerce on March 27, 2009, the Washington State Daily Journal of Commerce on April 6, 2009, and on Planetizen (a popular and well-regarded urban planning and development website) on March 27, 2009. One hundred sixty-two firms or individuals viewed and/or downloaded the RFP from the City's website. Ultimately, the City received six proposals, which staff opened on May 8, 2009, at 2:00 PM. Four of the proposals were from firms based in Portland, Oregon. The other proposals were from a firm in California and a firm in Utah. See Exhibit 1 for a list of all proposers.

INFORMATION FOR CONSIDERATION:

Staff evaluated and conducted a weighted scoring of all the proposals based on criteria that included (1) experience and qualifications, (2) ability to meet project timeline, (3) contract price and (4) project approach. From these results, the top two proposals were selected for interviews: Tashman Johnson (ranked first) and Spencer & Kupper (ranked second), both from Portland, Oregon. Staff interviewed the top two proposers on May 29, 2009. The interviews provided an opportunity for clarification and elaboration of each proposal. After the interviews, staff re-evaluated the top two proposers based on the same criteria as the first evaluation. From this process, staff identified Tashman Johnson as the top proposer. Based on the firm's proposal and interview, the firm received an average score of 58.5 of the maximum 64 points available. The complete evaluation results are shown in Exhibit 2.

QUALIFICATIONS AND EXPERIENCE:

The recommended team is lead by the firm Tashman Johnson (Tashman) with the team consisting of EH Consulting, Urban Land Economics, SERA Architects, WH Pacific, and Jeannette Launer (Attorney). The Tashman Johnson firm has worked throughout the state of Oregon and in the state of Washington. More than half of the firm's team has urban planning, development or design experience in other western states, including California. The firm's experience includes working on urban renewal feasibility studies for jurisdictions that require voter approval of an urban renewal plan, as is the case in Beaverton. During the interviews, the firm demonstrated a thorough knowledge about the realities of voter-approved urban renewal plans. Additionally, the firm demonstrated an understanding of the tasks to be accomplished to complete the major objectives of the feasibility study, including completion of a carrying capacity analysis of the City's existing storm, water, sewer and transportation infrastructures. Jeff Tashman and his legal team (Jeannette Launer) played a key role in negotiating the Legislative compromise (HB 3056) that recently passed the legislature. This compromise was reached with the special districts in Oregon. Jeff Tashman has also authored many popular urban renewal documents and has taught many classes explaining urban renewal in Oregon.

After identifying Tashman as the top proposer, staff commenced negotiations with the firm as authorized under the terms of the RFP and Beaverton Purchasing Code § 47-0262(C). The purpose of the negotiations was to confirm the scope of work for the study and to adjust the contract price to reflect any negotiated changes. The proposed statement of work is attached as Exhibit 3. The negotiated contract price for the work is $74,836.64.

URBAN RENEWAL FEASIBILITY STUDY SCOPE OF WORK:

Prior to any jurisdiction making a decision on proceeding with urban renewal, an urban renewal feasibility study must be prepared. The purpose of the feasibility study is to determine if an urban renewal study area contains the requisite blight factors and has a realistic financial mechanism to fund projects in the urban renewal area. To these ends, staff have discussed the proposed scope of work with Tashman and recommend the attached scope of work for the feasibility study. The scope of work is entirely focused on a technical evaluation of the urban renewal study area. Tasks 3, 7, 8, 9, 10, and 11 emphasize the technical nature of the work. To assist the team in the technical analysis there will be a Technical Advisory Committee comprised of City staff with relevant technical expertise as well as staff from special service districts and other persons with relevant technical expertise. This scope does not anticipate a Citizen Advisory Committee due to the technical nature of the work. Staff are fully committed to serious and substantial citizen participation in developing an urban renewal plan. However, staff believe that this participation will be best utilized later once the feasibility study is complete. Task 7 is specifically intended to provide an overview of potential infrastructure gaps based on existing Comprehensive Plan policies and Development Code regulations. The infrastructure analysis will recognize that some of the existing documents, for example, the draft Transportation System Plan (TSP), reflect current growth assumptions and perhaps those assumptions may change in the future as a result of future comprehensive planning efforts. Further, the infrastructure analysis will involve special service providers, for example, Clean Water Services, Washington County, and Oregon Department of Transportation, since they may have infrastructure responsibilities within the study area. Task 11 will provide a scope of suggested potential public investments that will inform future decisions. This task will not establish a list of urban renewal projects and such a list would be a result of a future Urban Renewal Plan.

EXHIBIT 1

CITY OF BEAVERTON
PROPOSALS RECEIVED

Date: May 8th, 2009 @ 2:00 PM

Project: Request for Proposal for Urban Renewal Feasibility Study, #2213-09B

Proposals Submitted:

1. Strategy 5, LLC, Smithfield, Utah
2. Tashman Johnson, LLC, Portland, Oregon
3. Pacific Municipal Consultants (PMC), Rancho Cordova, California
4. ECONorthwest, Portland, Oregon
5. Spencer & Kupper, Portland, Oregon
6. Johnson Reid, Portland, Oregon

Proposer Name _____ Evaluator Name _____ Comments

SCORING SHEET

Evaluation Factor	Weighing F	4 high - 0 low Rankings	Total
Signature Page	1		
Transmittal Letter	1		
Experience and Qualifications	5		
Ability to meet project timeline	3		
Contract price	3		
Project Approach	3		

The quality of a response to the requirement that the proposal contain a signature page and a transmittal letter will be judged on a pass/fail scale. A passing proposal will be awarded four points for each of the requirements met; a failing proposal will be awarded zero points for each of the requirements not met.

Experience and qualifications should be self explanatory - but we want to be sure that you know we want an expert in the field. We need someone who is knowledgeable about the process of doing feasiblity analysis and can do the work at hand.

Ability to meet timeline is the ability to get this done in approximately 6 months so that we don't lose the time window of a 2011 election.

Project Approach and understanding is in section 4 and section 5 of the rfp. We hope the team will have a clear approach that will be a proven methodology to help us get to the point of determining if blight occurs in the city and how best to determine if blight occurs and the characteristics that would help us overcome the blight. Part of this is updating the carrrying capacity analysis to understand the lack of infrastructure in the area.

EXHIBIT 2

Totals

Proposers	Rater 1	Rater 2	Rater 3	Rater 4	Total	Average
Tashman Johnson	64	58	61	51	234	58.5
Spencer Kupper	52	59.5	56	46	213.5	53.375
ECONorthwest	48	50	53	39	190	47.5
Johnson Reid	44	52	55	36	187	46.75
Strategy 5	44	53.5	39	33	169.5	42.375
PMC World, INC	42	50	39	28	159	39.75

EXHIBIT 3

Beaverton Urban Renewal Feasibility Study Scope, Schedule and Budget

A. Proposed Work Scope

The proposed scope of work consists of the following tasks. Each task will be subject to review by staff, and other interested parties, where staff believes it is desirable.

1. Refine Scope of Work, Establish Communication Protocol, Establish Project Management and Monitoring Process

At the beginning of the project, the consultant project manager will work with City staff to refine the proposed approach and scope of work to reflect the City's priorities and needs. The final scope should meet the expectations of the CD Department and the Mayor's office. We will also establish clear communication and project monitoring procedures (e.g. scheduled conference call), determine how City-owned data and mapping will be provided and work other logistical issues. All data requests will be made through the Contract Administrator, Barbara Fryer.

2. Participate in Meetings of TAC

The City intends to establish a Technical Advisory Committee (TAC). The TAC will include staff members of various departments as well as representatives from special service districts and other persons with relevant expertise. The scope includes two meetings of the TAC: (1) to review initial findings regarding the study area boundary and existing conditions, and (2) review the draft Final Feasibility Study Report prior to its consideration by the City Council. The Consultants will prepare material to be presented and will attend to facilitate and assist with these meetings.

3. Review Existing Plans, Studies

Beaverton's downtown has been the subject of many planning efforts over the last 10 years. Notably these efforts include the recent Regional Center Development Strategy and the Commuter Rail Highway 217 Corridor Urban Renewal Feasibility Study. We will review the work produced and work with staff to determine if there are relevant elements of the prior work to inform the Feasibility Study work.

Currently the City is studying the existing Central Plant (a facility that provides HVAC) developed for The Round, including the potential use of adjacent properties. The assumptions about adjacent development will be reviewed and discussed with the City to ensure coordination between the Central Plant study and the Urban Renewal Feasibility Study.

4. City Task: Coordination with other Beaverton Projects

Staff of the Mayor's office will participate with Community Development staff in the Urban Renewal Feasibility Study to ensure continued coordination with ongoing City projects such as business and economic development and Visioning.

5. Facilitate City Council Work Session on Urban Renewal

The consultants will help facilitate a work session with the City Council on urban renewal and tax increment financing, during which the consultants can review particular aspects of the law and practice, present findings to date about the boundary and existing conditions and answer questions that the Council members may have.

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6. Refine Potential Feasibility Study Area

The City has defined a "potential urban renewal feasibility study area," included as Exhibit A in the RFP. Based on the tasks to date we will discuss with city staff any refinements to the boundaries of the study area we judge to be worth consideration. In addition the issue will be discussed with the TAC at their first meeting.

7. Analyze Infrastructure Carrying Capacity Analysis and Flood Plain Development Constraints

The scope of this infrastructure carrying capacity analysis is limited to the feasibility study area, its immediate surroundings, quality of the information available and consists of the following tasks:

- Storm Drainage – WHPacific will prepare a memorandum on the feasibility/constraints for the study area. The memo will have an emphasis on Beaver Creek, 100 year flood plain, CWS setback criteria and the detention/water quality requirements. The purpose of this memo is to ensure the constraints from flooding and Beaver Creek are explored in the Urban Renewal plan.
- Sanitary Sewer – WHPacific will review the available information for the sanitary sewer system and the potential increase from the proposed urban renewal. Based on the lift station pumping rates, available sewer data and CIP WHPacific will prepare a memo on the effected system and short falls within the study area.
- Water Lines – WHPacific will utilize the City's water model to determine potential shortfalls in the system due to increased demand created from new or redeveloped uses identified in the Urban renewal plan. We will then prepare a memo detailing potential needs based on the water model for increased pipe size.
- Transportation – WHPacific will review the draft TSP being prepared by DKS and provide a memo based on preliminary findings and potential effects from the proposed urban renewal in the form of potential increased density and potential zone or use changes within the study area.

In order for WHPacific to complete the work the firm will require a copy of the latest Capital Improvement Plan, water and sewer pipe network facility plans (if available or separate for the CIP), water model, sewer model, lift station information, current stormwater system plans and a complete copy of the Draft TSP including its Appendix. WHPacific will make its data requests through the Contract Administrator, Barbara Fryer.

8. Analyze Existing Conditions ("Blight")

Urban renewal plans are for the purpose of "prevention or the reduction of blight and its causes" and a key element of a feasibility study is to document conditions of blight in the area. Blight can consist of underdevelopment of property in relationship to maximums under land use regulations, inadequacy of public facilities and services, buildings that are unsafe or unfit to occupy and/or other factors as defined in the statutes.

We will compile existing information, supplement that information when necessary and analyze existing physical, social and economic conditions in the study area. We will include an Improvement to Land Ratio ("I:L") analysis which measures the real market value of improvements on a property to its land value. These data are readily available

from the County Assessor. Based on our market assessment and the City's Development Code we will do a careful quantification of the improvement values that are likely to result from allowable development. This will be compared to the existing I:L ratios.

We will also incorporate the findings of the infrastructure carrying capacity analysis which highlight inadequacies in the public services necessary to support the desired development type and intensity.

9. Assess Real Estate Market

The real estate market analysis is a critical and substantive element of this analysis. It is the basis for future development forecasts. We propose the following subtasks:

Review current population and employment forecasts for Beaverton including Metro's Traffic Allocation Zone (TAZ) and the City's TAZ forecasts. This review will provide a baseline against which to compare new population and employment generated by redevelopment scenarios.

Assemble and evaluate data on metropolitan area and local Beaverton real estate and redevelopment trends as applicable to redevelopment potential within the proposed urban renewal area.

Information from prior studies will be reviewed for helpful information. In addition, we will speak with specific developers and property owners who we would expect to have valuable insights on development opportunities and constraints.

Forecast future development in five-year increments likely demand, current improvement-to-land ratios for redevelopment sites and opportunity parcels, zoning and other sub-district characteristics. Clearly identify the assumptions about public investment and other public actions that are significantly affecting the development forecast.

Provide per unit market values for each type of land use (per square foot for retail/office/industrial and per unit for residential). Market values will be based on long-term market capitalization rates and current sales data.

10. Project Tax Increment Revenues and Borrowing Capacity

Tax increment revenues are the start but not the end of the financial analysis necessary to determine urban renewal feasibility. The revenue stream must be converted to borrowings, as law requires that tax increment revenues be used for repayment of debt. The total amount of borrowing capacity is important but also important is the timing of those borrowings, and the extent to which long term as well as short term debt is used.

The variables in tax increment revenue projections are the growth in total assessed value within the assumed urban renewal area and the tax rates that comprise the total "consolidated billing rate." Though the consolidated billing rate can include rates for General Obligation bond levies approved by voters prior to October 6, 2001, the total rate does not include rates for GO Bonds approved after that date, or for any Local Option Levies. Over time the consolidated billing rate will equal the total of the permanent rates of the various taxing districts.

The 2009 Oregon Legislature passed HB 3056 which substantially revised State Statute provisions governing urban renewal. A key change is a requirement for additional financial analysis of potential urban renewal areas. Team member Jeannette Launer has played a key role in this legislation, and will advise the team on how to best comply with the provisions of new the State Statute.

11. For feasibility analysis only, identify Potential Urban Renewal Investment Projects

For operational purposes only, we will begin to identify a suggested scope of potential urban renewal investments by reviewing the City's Capital Improvement Plan and the infrastructure carrying capacity analysis. We will review prior studies, in particular the Regional Center Development Strategy, to learn what these studies have recommended. The analysis will be based on the development capacity allowed by the current zoning provisions for the study area. We recognize that the land use policies and implementing zoning may change in the future. The purpose of identifying potential urban renewal investments is to allow for a comparison of costs and revenues in the feasibility study and not to constrain the projects that could be included in an urban renewal plan, if the City decides to proceed with that step.

We will also review what current funding sources, if any, have been committed to potential projects. CIP projects come with identified funding sources other than urban renewal and we would review such funding as part of the identification of urban renewal investments.

We will then apply our professional judgment to evaluate these potential projects and identify other investments that we feel may be vital for facilitating quality development and meeting public objectives for the study area

12. Delineate Final Feasibility Study Area Boundaries

The analysis of existing conditions and priority urban renewal investment projects will be a basis for refining, with staff involvement, the feasibility study area boundaries so that the boundaries more closely represent the boundaries of a potential Urban Renewal Area. The urban renewal area should include those parts of the study area where existing conditions demonstrate the viability of urban renewal and where public investments are most needed to promote proper development.

13. Prepare and Present Draft and Final Feasibility Study Report with Executive Summary and Graphics

We will prepare a draft urban renewal feasibility study report for review by City staff. After staff review we will present the report to the City Council, interested parties invited by the Council and the general public.

The report will consist of an executive summary of the findings, chapters on the major topic areas of the feasibility study and alternative recommendations for consideration by the City. The executive summary will be prepared with graphics in a manner that is useful for general public information purposes and which can accessed on the City's website.

After receiving comments and direction from the City Council, staff and other interested parties, the Feasibility Study Report will be refined and finalized.

B. Schedule

The feasibility study is anticipated to take six months for completion. The schedule below shows major workscope elements and public meetings.

WORKSCOPE ELEMENTS						
Notice to proceed	X					
Review prior studies, research existing conditions, define initial boundary		X				
TAC Meeting			X			
City Council Work Session			X			
Real estate market assessment, tax increment revenue projections		X	X	X		
List potential urban renewal investment projects, based on identified needs, other revenue sources				X	X	
Draft feasibility study report					X	
TAC Meeting					X	
Final feasibility study report, presentation to City Council						X
MONTHS	1	2	3	4	5	6

C. Budget

The budget is a not-to-exceed figure of $74,836.64 as detailed in the table below. Work will be billed on a percentage of completion basis.

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Beaverton Urban Renewal Feasibility Study Scope, Schedule and Budget

TASK	HOURS					
	Tashman	Howard	Guitteau	SERA	Cost	Expenses
1. Refine Scope of Work, Establish Communication Protocol, Establish Project Management and Monitoring Process	2				$ 300.00	
2. Participate in TAC Meetings (2)		8	8		$ 2,200.00	
3. Review Existing Plans, Studies	2	8	4		$ 1,900.00	
5.Facilitate City Council Work Session on Urban Renewal	6	6			$ 1,650.00	
6. Refine Potential Feasibility Study Area	12	12	6	6	$ 5,100.00	
7. Analyze Infrastructure Carrying Capacity Analysis and Flood Plain Development Constraints					$ -	$ 19,636.64
8. Analyze Existing Conditions ("Blight"	4	32		12	$ 6,400.00	
9. Assess Real Estate Market	4	4	50	4	$ 9,200.00	
10. Project Tax Increment Revenues and Borrowing Capacity	30	4	4		$ 5,600.00	
11. For FS Purposes, Identify Urban Renewal Investment Projects	24	10	20	12	$ 9,650.00	
12. Delineate Recommended Feasibility Study Area Boundaries	4	8	4	8	$ 3,400.00	
13. Prepare and Present Draft and Final Feasibility Study Report with Executive Summary and Graphics, Presentation to City Council	30	10	4	8	$ 7,550.00	
Legal Advice as Required						$ 1,250.00
Expenses (Mileage, Copies, etc.)						$ 1,000.00
Total	118	102	100	50	$ 52,950.00	$ 21,886.64
Grand Total					$ 74,836.64	