DEPARTMENT OF EMPLOYEE SERVICES

Jacksonville
Where Florida Begins.

MEMORANDUM

DATE: February 5, 2020

TO: Gregory Pease, Chairman
Professional Services Evaluation Committee

FROM: Steve Kelley, Director of Real Estate and Development (STK)
Downtown Investment Authority (DIA)

SUBJECT: P-06-20: Consulting Services for Downtown Market Feasibility Analysis

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The Downtown Investment Authority has negotiated the attached Exhibit 'A' Scope of Services and Contract Fee Schedule with the highest ranked consultant, Willdan Financial Services.

Accordingly, this is to recommend that the Downtown Investment Authority/City of Jacksonville enter into a contract with Willdan Financial Services that incorporates the attached Scope of Services and Contract Fee Schedule. The contract period will be for fiscal year 2019-2020, from date of execution of contract to August 1, 2020, with one forty-five (45) day renewal at the option of the DIA's Chief Executive Officer. The total maximum indebtedness is a lump sum amount of $94,950.

All other terms and conditions of the Contract are per the City's standard contract language and as provided in the Request for Proposal (RFP).

Attachments: Exhibit A Scope of Services and Contract Fee Schedule

CC: Alex Baker, PSEC Specialist
Lori Boyer, DIA Chief Executive Officer

Phase/Tasks	Jacksonville RFP Scope of Services Reference	Deliverables	Deliverable Content Details	Target Delivery[1]	Duration	Fee
Task 1: Project Kick-off, Coordination & Management 1.1: Project Kick Off/In-Person Team Meeting 1.2: Project Management Plan (PMP) & Info Request Memo 1.3: Site Visits & Initial Stakeholder Interviews	Required ongoing project management, client team communications, and stakeholder outreach.	Project Management Plan (PMP), Workflow Tracker, Site Visits	PMP & Kick-Off Meeting Minutes	3/6/2020 *pending on-site visit timing*	1 month	$4,990
Task 2: Economic Profile Report 2.1: Existing document and background review 2.2: Conduct market research and analysis	**Feasibility:** Current and projected demand for each type of product; Current and projected market conditions including both construction/renovation costs *and* current/projected rents and sales prices; Identify those products and locations that 1) are likely to be successful without incentives based on market expectations, 2) would require incentives but will have adequate demand if provided 3) are currently oversupplied or would be if constructed such that any incentive to bridge financial gaps would undermine existing rents/sales price.; Identify demand in any sector that is currently or projected to be soft and would not support further growth. Identify what other factors could change that demand Capabilities a) Analyze national, state, regional, and local economic factors influencing commercial/retail, hospitality, office and residential real estate development; b) Analyze local and Downtown-specific economic and demographic conditions impacting revitalization opportunities within Downtown	Memo of Findings & Incentives Analysis	• Existing Demographics (Business, Resident, Visitor) • Real Estate Market Demand Overview (RMA) • Unrealized Potential • Business Retention & Expansion Program Assessment • Target Sector gap Assessment • Incentives Analysis	5/1/2020 - *75 percent complete*	2 months	$35,060

Phase/Tasks	Jacksonville RFP Scope of Services Reference	Deliverables	Deliverable Content Details	Target Delivery[1]	Duration	Fee
Task 2: Economic Profile Report, continued 2.3: Real Estate Market Demand Overview 2.4: Interview stakeholders 2.5: Analyze Incentives	c) Analyze local and Downtown-specific commercial/retail, hospitality, office and residential (including multifamily rental and condominiums) market conditions d) **Provide real estate market rent studies and trend projections** *(Phase 2)* that help determine the competitive landscape for income-producing properties and assess the impact of current economic conditions on pro-forma projections and actual asset performance *(Phase 3).* e) Survey *(interview)* Downtown business and residential developers to identify strategies to bring more business and residents Downtown f) Interview residential and commercial brokers, managers, and stakeholders g) **Analyze incentives available for real estate development or redevelopment in Downtown** [as well as recommend potential incentives]. *Analyze here in Task 2 and recommend later. in Task 3*	Memo of Findings & Incentives Analysis	• Existing Demographics (Business, Resident, Visitor) • Real Estate Market Demand Overview (RMA) • Unrealized Potential • Business Retention & Expansion Program Assessment • Target Sector gap Assessment • Incentives Analysis	5/1/2020 - *75 percent complete*	2 months	See Above

Phase/Tasks	Jacksonville RFP Scope of Services Reference	Deliverables	Deliverable Content Details	Target Delivery[1]	Duration	Fee
Task 3: Draft Market Feasibility Analysis Workshop 3.1: Draft Market Feasibility Report Findings 3.2: Consensus Building Workshop	d) Provide real estate market rent studies and trend projections *(Phase 2)* that help determine the competitive landscape for income-producing properties, and **assess the impact of current economic conditions on pro-forma projections and actual asset performance** *(Phase 3)*. g) Profile 3-5 comparable downtowns (higher level profile): redevelopment efforts, both in-state and out of state cities, evaluate tools instrumental to success. h) [Analyze incentives available for real estate development or redevelopment in Downtown], **as well as recommend potential incentives.** *(split across two tasks, researching first in Task 2 and recommending in Task 3).* i) Develop projections for future supportable demand by sectors, and strategies, including public participation incentives, to create supply that matches demand.	Consensus Building Workshop, Case Study Analysis, Summary Memo of Findings	Implementation Aspects Case Study Analysis; Retail & Placemaking Recs as related to study aspects; Economic Development Program & Policy Recs as related to study aspects; Public Incentives Toolkit; Land Use & Infrastructure Recs as related to study aspects; Community Marketing/Brand Awareness Strategies as related to study aspects	5/15/20	Two weeks	$27,250
Task 4: Final Report & Presentation 4.1: Submit Draft Report for Final Review/Edits 4.2: Submit Final Report 4.3: Presentation	**Methodology & Approach – Final Work Session**: a) Present, document, and address methodologies and findings during a final project presentation and capstone Work Session with the appropriate the personnel and other internal and/or public stakeholders to be identified in consultation with the City; b) Update and revise the final document per direction from the Work Session. C) submit final approved document including a PDF version to City at the conclusion of these meetings and upon acceptance of the final deliverable by City. The Final Report will encompass findings from the preceding scope of work in a substantive and comprehensive manner and will include an Executive Summary and each corresponding deliverable.	Compiled Report/Findings, Presentation		6/1/2020-6/15/2020	Two -four weeks	$27,650
Total Fixed Price Fee:						**$94,950**

Reporting/Meetings (Timeline)

Phase/Tasks	Jacksonville RFP Scope of Services Reference	Deliverables	Target Delivery[1]
Kickoff	N/A	Team Kick-off Meeting, PMP, On-Site Visit	3/6/20
Periodic Updates	N/A	Monthly Project Update Conference Call	Monthly
Draft Report	N/A	DRAFT Downtown Market Feasibility Analysis	5/15/20
Final Report	N/A	FINAL Downtown Market Feasibility Analysis	6/15/20