



# CITY OF LODI

# COUNCIL COMMUNICATION

**AGENDA TITLE:** Approve Agreement for Professional Services between City of Lodi and Gruen Gruen & Associates for a Commercial and Industrial Market Analysis

**MEETING DATE:** July 16, 1997

**PREPARED BY:** Economic Development Coordinator

**RECOMMENDED ACTION:** To approve the Agreement for Professional Services for Gruen Gruen & Associates to carry out a scope of work that includes a comprehensive analysis of Lodi's commercial and industrial markets and an in depth assessment of the land and facilities available to support the expansion of existing businesses and attraction of new enterprises.

**BACKGROUND INFORMATION:** A function of the budget process is to implement major goals and priority projects which the City Council has established as part of the foundation for the two-year financial plan. These goals and priority projects were approved in March 1997. One high priority for the City Council is to develop a market strategy to identify the commercial and industrial development that the City should target for business retention and attraction. The objective of this strategy is to allow the City to concentrate its resources on those industries and commercial businesses that the City can and should retain and attract with incentives and land use policies.

Moreover, Michael Freedman's Concept Plan alludes often to the need for a comprehensive market analysis as part of the downtown revitalization strategy. The strategy describes catalyst projects which should be designed to...."Consolidate a specialty and convenience retail market niche for Downtown that complement rather than compete with regional centers, provide goods and services that are a good fit with the demographic profile of the community, and to target business recruitment activities toward businesses that are most likely to reflect existing demands of the community." What has not been available to date, is information that will not only help us understand the "market", both commercial and industrial, in which we live; but will also suggest a methodology to capture the "market" best suited for our community.

In March 1997 Requests for Proposals (RFP) were mailed to nine consulting firms known to specialize in urban economics and market analysis. A copy of the RFP is attached for your review. Responses were received from three firms, including Gruen Gruen & Associates, the consultant selected for the project study. As noted in the RFP, the consultant was chosen based upon selected criteria: (1) Familiarity and prior experience with similar projects, (2) Availability and commitment of personnel/demonstrated ability to perform, (3) Creativity, (4) Cost-effectiveness, and (5) Time-effectiveness. References furnished by the firms were contacted and representatives from each of the consulting groups were personally interviewed.

APPROVED:

*Janet S. Keeter - for*  
H. Dixon Flynn -- City Manager

Gruen Gruen & Associates' response to the RFP outlined the proposed project scope, which will consist of three (3) phases. **Phase I** shall include a **Comprehensive Market Analysis** that will effectively analyze current and future potential for retail, entertainment, industrial, office and recreational development in the City. An economic analysis designed to identify the kind of economic development most beneficial to Lodi will also be conducted. **Phase II** will present a **Site Specific Analysis** of the downtown. The objective of this phase is to prepare specific recommendations for business attraction in downtown Lodi as well as put us in touch with targeted retail tenants. Additionally, the study will provide an estimate of the current and future potential impact of the "crossroads" retail area on downtown and address the issue of imposing a more permanent use restriction policy on future retail development to which Rad Bartlam alluded during the July 2, 1997 council meeting. **Phase III** will concentrate on an **Industrial Site Analysis**, identifying among other things the City's strengths and weaknesses, infrastructure constraints, and opportunities and constraints relative to future industrial development opportunities. Information provided in this phase will also serve as necessary background to further the concept of developing an "Industrial Park Specific Plan" for our eastside industrial area.

Work on the study will start immediately following Council approval. We can anticipate completion of a draft report for **Phase I** in ten weeks, a draft report for **Phase II** eight weeks after the completion of Phase I, and a draft report of **Phase III** six weeks after completion of Phase II. **Six (6) months** is the estimated time frame within which to complete the study.

A market analysis of this magnitude will clearly position us to effectively create and implement a market outreach campaign -- one that is crafted to target business and industry which are complementary to existing uses and compatible with the City's integrity and quality of life.

A copy of the Gruen Gruen & Associates proposal is available in the City Clerk's office for review.

**FUNDING:** \$80,000 (Economic Development)

  
\_\_\_\_\_  
Vicky McAthie, Finance Director

Respectfully submitted,

  
\_\_\_\_\_  
Tony C. Goehring  
Economic Development Coordinator

Attachment:

CITY OF LODI  
REQUEST FOR PROPOSAL

PROJECT OVERVIEW

The City of Lodi is inviting qualified consultants to submit proposals to conduct a comprehensive market analysis in order to determine the existing and future potential for retail, entertainment, manufacturing, office and recreational development within the City. Additionally, the consultant is expected to assist the City in identifying specific land uses in each market segment. Further, the consultant shall assist the City in defining the highest and best use of its remaining land resources.

The City of Lodi wants to be in a position to take a pro-active role in attracting and retaining uses which will contribute to the quality of the community, the tax base, and the needs of our residents. The City Council recognizes that over the next few years, many decisions will be made which will establish: (a) The land use character of downtown, (b) the type of manufacturing in our industrial areas, and (c) the future development of the "crossroads" area.

An important goal of this effort is to gain insight into the market potentials which will assist the City in maintaining a balanced community that is economically viable. Equally important, the City wants to capitalize on our City-run Electric Utility Department.

Project Scope

The project scope can be divided into three phases as outlined below. The scope contains both tasks and project objectives to permit interested consultants to use their creativity in helping to define Lodi's economic future.

Phase I Comprehensive Market Study

The consultant shall conduct a comprehensive market study of the City's market opportunities and constraints. The study should also include a current retail leakage analysis. The study shall be organized to present a clear definition of the market data including an introduction, methodology, analysis and conclusion with recommendations. All assumptions should be fully documented.

Phase II Site Specific Analysis

This phase shall consist of the preparation of specific recommendations for business attraction within downtown Lodi. Consideration should be given to the results of Phase I of the project. This phase will involve:

- a. Review of the Phase I results and pertinent City information.
- b. Analysis of the highest and best market potential and specific land uses for the area.
- c. The preparation of a report outlining the consultants opinion and recommendations.

### Phase III Industrial Site Analysis

This phase shall consist of a comprehensive analysis of all industrial zoned areas within the City of Lodi. A market study should clearly identify the City's strengths and weaknesses, analyze land availability and cost, and define infrastructure constraints and difficulties. This phase should also include:

- a. Opportunities and constraints relative to future industrial development opportunities.
- b. Site specific analysis where applicable.
- c. Historical land absorption rates.
- d. A report recommending target industries which are complementary to existing uses and compatible with the City's integrity and quality of life.

The consultant chosen will be expected to coordinate and administer all aspects of the project. The consultant will be responsible for data collection, analysis and all graphic and written presentations.

The proposed scope of services should include eight meetings with staff, City Commissions and City Council. At least one meeting will be at a City Council meeting for final presentation. Proposals should also include a fee for additional meetings if they are required.

The consultant will be expected to provide twenty (20) copies of a work only draft report at the conclusion of each phase. The consultant will incorporate revisions which are the result of a review of each phase. A phase will not be complete until the submission of twenty (20) copies of the final report which responds to all comments received on the draft document. All reports shall include an executive summary.

### PROPOSAL CONTENT

The proposal shall contain the following information:

- A. A cover letter of introduction which includes name, address and phone number of the contact person(s) who will be authorized to represent and bind your firm to all comments made in the proposal.
- B. An item by item response including:
  1. Your firm's role and experience in providing consulting services for similar projects. The proposal should include the name, address and telephone number of all clients for whom you performed these services.
  2. How your firm will approach the scope of work listed in this request.
  3. A listing of insurance carried by your firm showing type and amount of coverage.

4. The hourly rate of all participating personnel for the required services. Indicate the fee schedule for basic services and reimbursable costs. Identify the percent of participation in this contract for each job classification. List any subcontractors you may retain in carrying out this project.
5. Resumes for the personnel who will be assigned to this project.
6. A project budget portraying the calculations used to determine your lump sum fee. The calculations will include: (a) a breakdown of the estimate for performing the work by phase; (b) the cost of materials, (c) direct salary, and (d) other direct and indirect costs. In addition, the proposed budget shall be organized to show the estimated number of hours to be expended by all personnel, expressed by category (i.e., principals, senior staff, clerical, etc.) and percent of total hours.
7. The fee proposal shall be signed by an official authorized to bind the firm and shall contain a statement to the effect that the fee proposed is valid for at least forty five (45) days.

#### CONSULTANT SELECTION

Proposals will be judged on the basis of the following:

1. Familiarity and prior experience with similar projects.
2. Availability and commitment of personnel/demonstrated ability to perform.
3. Creativity.
4. Cost-effectiveness; and,
5. Time-effectiveness.

This request is being circulated to a limited number of consultants. The selection process may include an oral presentation/interview with selected consultants.

While cost is an important aspect of each proposal, it will not be accorded undue importance with regard to judging a proposal's overall merit.

CONSULTANT RETENTION

Subsequent to the review of proposals, City staff will formulate an analysis and recommendation for consideration by the Lodi City Council. Following City Council approval, an agreement will be executed with the chosen consultant.

This request for proposal does not commit the City of Lodi to pay any costs incurred in the preparation of a response. The City reserves the right to accept or reject the combined or separate components of a proposal in part, or its entirety.

PROJECT SCHEDULE

The following tentative schedule provides a framework of timing for the remainder of the selection process:

<u>MARCH 14</u>	1997	RFP to Consultants
<u>APRIL 11</u>	1997	Proposal Due
<u>APRIL 25</u>	1997	Consultant Interviews (Tentative)
<u>MAY 21</u>	1997	City Council Approval

SUBMITTAL DEADLINE

All proposals shall be received by 5:00 p.m., on APRIL 11 1997. Proposals will NOT be accepted after this deadline, under any circumstances. Hand deliver or send proposals to:

The City of Lodi  
P.O. Box 3006  
221 West Pine Street  
Lodi, CA 95240  
Attn: Tony Goehring, Economic Development Coordinator

E-8  
File



**SAN JOAQUIN PARTNERSHIP**

Creating Jobs for San Joaquin County

July 15, 1997

Mr. Phil Pennino  
City of Lodi  
221 West Pine Street  
PO Box 3006  
Lodi, CA 95241-1910

Re: Consideration of professional service agreement between the City of Lodi and Gruen, Gruen & Associates for a Commercial and Industrial Market Analysis.

Dear Mr. Pennino,

The proposal before the Council for a Commercial and Industrial Market Analysis is an essential element in understanding the make up of the existing market and the economic structure of the community. This task will provide a solid basis of information to build an Economic Strategy to guide the City in it's retention, expansion and attraction efforts.

This focused targeting effort will allow an efficient and effective use of financial resources and personal time in the attraction. This type of effort can define strengths and weaknesses in sales by type to allow a focused strategy for business recruitment. It will also define the source of sales, leakage and understanding of the local and regional market conditions.

The Industrial component is important in defining a strategy in attracting those employers which will implement the communities interest in job expansion with limited land resources and maintain a priority for quality of life.

By understanding both the opportunity and limitations the City has in industrial development, it can focus the targets and define how the City uses it's incentives.

I would encourage you to proceed with this agreement and to remain involved throughout the study to assure it is meeting the needs of the Lodi community.

Sincerely,

Michael E. Locke  
President/CEO

2800 West March Lane - Suite 470 - Stockton, California 95219 - 209-956-3380 - Fax: 209-956-1520