



City of San Antonio

Agenda Memorandum

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Agenda Item Number: 24.

Agenda Date: 3/20/2014

In Control: City Council A Session

DEPARTMENT: Planning and Community Development

DEPARTMENT HEAD: John Dugan

COUNCIL DISTRICTS IMPACTED: City Wide

SUBJECT:

Contract award for REnewSA Study

SUMMARY:

Ordinance authorizing consulting services with Fregonese Associates, Inc to conduct a REnewSA Commercial Corridor Redevelopment Study in an amount not to exceed \$225,000.

BACKGROUND INFORMATION:

REnewSA is a new collaborative initiative for coordinating and targeting community development resources to return vacant, neglected, and underutilized properties to productive use. REnewSA is a partnership between the Department of Planning and Community Development, Office of Historic Preservation, Center City Development Office, Development Services Department as well as other City departments and outside partner agencies. REnewSA utilizes a market driven model to target the allocation of local and federal resources to smaller geographies within the Inner City Reinvestment/ Infill Policy (ICRIP) area where these resources will stimulate private investment. REnewSA encompasses the work of the Underutilized Properties Initiative and builds on the Infill Pilot Program.

The proposed Citywide study will define redevelopment sites in current REnewSA target areas and define future REnewSA redevelopment area locations and priorities. The focus of the study is on distressed commercial corridors as well the adjacent residential neighborhoods that form their trade areas. The study parameters were developed based on recommendations made by the Cloudburst Group through a technical assistance grant from HUD. The proposed study will use market data to identify distressed areas within the

City that are primed for revitalization. The contract also includes a scenario planning tool that will provide redevelopment strategies for individual vacant, neglected, and underutilized properties in these areas. With this information, the City will be able to more effectively leverage local and federal dollars to stimulate private market investment.

This contract will be awarded in compliance with the Small Business Economic Development Advocacy (SBEDA) Program, which requires contracts be reviewed by a Goal Setting Committee to establish a requirement and/or incentive unique to the particular contract in an effort to maximize the amount of small, minority, and women-owned business participation on the contract. The Goal Setting Committee applied the Emerging Small and Minority/Women-Owned Business Enterprise Prime Contract Program with twenty (20) evaluation preference points; ten (10) points if the Prime Respondent is certified as a Emerging Small Business Enterprise (ESBE) and ten (10) points if the Prime Respondent is certified as a Minority/Women Business Enterprise (M/WBE). Fregonese Associates, Inc. was not awarded any points as they are not a certified ESBE or M/WBE firm.

Submittals in response to the RFQ were due on November 8, 2013. Four qualified proposals were received and evaluated by the RFQ evaluation committee (“committee”). After an initial review, three Respondents were short-listed and invited by the City for interviews. After interviews, Fregonese Associates, Inc. was selected by the committee as the recommended Respondent for award. The committee based its decision on several weighted factors, to include experience, background and qualifications and proposed plan, ESBE Prime Contract Program, M/WBE Price Contract Program, and Local Preference points, where applicable, were added to the committee’s points to determine final scores. The Local Preference Program was applied in the evaluation of responses received for this contract; however, the highest ranked firm is not a local business. The Veteran-Owned Small Business Preference Program does not apply to this contract since it was solicited prior to January 15, 2014, the effective date of the program.

Vacant, neglected, and underutilized properties present significant challenges to the revitalization of declining commercial corridors and their trade areas. These distressed properties diminish the overall quality of an area, contribute to declines in adjacent property values, and may be used as harbors for vagrants or criminals. City Council authorized funds in the FY 2013 budget for outside experts to facilitate development in economically challenged corridors citywide. The proposed study utilizes a holistic approach for economically challenged commercial corridors that addresses distressed properties located both within the corridor and in adjacent neighborhoods.

ISSUE:

The private market is not likely to respond to the limited investment that can be made with community development dollars unless the investment is made in an area that is primed for revitalization. The proposed REnewSA study will use market data to identify the distressed areas within the City that are primed for revitalization. The contract includes a scenario planning tool that will be used to identify optimal uses, building forms, and price points for vacant, neglected, and underutilized properties within these distressed areas. It also will determine the value of financial incentives needed to make recommended projects feasible. This tool will become property of the City and will be utilized by staff beyond the term of the contract. The consultant will provide recommendations for changes to existing policies and recommend new community development tools to increase capacity of the REnewSA partners to close feasibility gaps. The combination of these deliverables will allow the City and its partners to more effectively leverage community development dollars to achieve a corresponding and predictable investment by the private market.

The deliverables from the Study combined with the new planning and implementation model utilized for the Northeast Corridor (NEC) Revitalization Initiative form an effective revitalization program that can be utilized for other inner-city and suburban commercial corridors and their trade areas throughout the City. The Northeast Corridor (NEC) Revitalization Initiative was launched in FY 2013 to test a new model for commercial corridor revitalization. It replaced the Neighborhood Commercial Revitalization (NCR) program which was defunded after FY 2012. The NEC place-based program of service delivery enhancements and targeted investments was developed and is now being implemented in consultation with the District 10 City Council Office and local business and neighborhood leaders.

On October 14, 2013, the Department of Planning and Community Development (“DPCD”) in coordination with the Finance Department's Purchasing Division issued a Request for Qualifications (RFQ) for REnewSA Study: Redevelopment Strategies for Economically Challenged Commercial Corridors and their Trading Areas. The RFQ for the REnewSA Study included the following components:

1. Index of commercial and residential market types that categorizes all property within the City and identifies distressed areas where the input of community development resources will have the greatest positive impact.
2. Inventory of vacant, neglected, and underutilized properties in distressed areas.
3. Feasibility model to identify optimal uses, building forms, and price points for vacant, neglected, and underutilized properties.
4. Site-specific intervention strategies for vacant, neglected, and underutilized properties in up to 5 (five) target areas that include 1 (one) or more commercial corridors and their trading areas.
5. Staff training for the market index and feasibility model and as needed technical support for 3 (three) years following the completion of the study.

ALTERNATIVES:

The alternative is to not fund the REnewSA Study. This alternative is not recommended because the REnewSA Study is critical to efforts to return vacant, neglected, and underutilized properties in economically challenged commercial corridors to productive use.

FISCAL IMPACT:

The ordinance authorizes a contract with Fregonese Associates to conduct a Commercial Corridor Redevelopment Study in the amount of \$225,000. Funds are included in the FY 2014 General Fund Planning Department Adopted Budget.

RECOMMENDATION:

The Department of Planning and Community Development recommends approval of this contract for professional consulting services from Fregonese Associates, Inc.