City of Jacksonville, Florida

Lenny Curry, Mayor

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ONE CITY. ONE JACKSONVILLE.

MEMORANDUM

May 17, 2017

TO: Gregory Pease, Chairman
Professional Services Evaluation Committee

FROM: Karen Nasrallah, Redevelopment Manager, OED (K)

SUBJECT: P-37-17

The Office of Economic Development has negotiated with the number one ranked consultant, Prosser, Inc., that was selected through the Request for Proposal process. This firm was selected to provide an update to the existing KingSoutel Redevelopment Plan, resulting in the attached Scope of Services, Exhibit A and Contract Fee Schedule, Exhibit B.

Accordingly, this memorandum is to recommend that the City of Jacksonville enter into an agreement with Prosser, Inc. to provide the scope of work as mentioned above. The term of the contract is not-to-exceed one year. The maximum indebtedness is a not-to-exceed $100,526. All other terms and conditions of the Contract are per the City's standard contract language and as provided in the Request for Proposals.

Attachments: Exhibits A & B

cc: Alex Baker, PSEC Specialist
Kirk Wendland, Executive Director, OED
Paul Crawford, Deputy Director, OED

EXHIBIT "A"

SCOPE OF SERVICES

UPDATING THE KINGSOUTEL CROSSING (CORRIDOR) COMMUNITY REDEVELOPMENT PLAN

CITY OF JACKSONVILLE, FLORIDA
P-37-17

PROJECT DESCRIPTION

The Consultant shall update the Community Redevelopment Plan for the KingSoutel Crossing (Corridor) Community Redevelopment Area (hereafter the "Plan Update") with relevant goals, recommendations, action items, timeframe schedules to allocate funding mechanisms; specify market support for the recommendations contained within the Plan Update; and identify measurable goals and objectives to eliminate blight and encourage economic development. This Plan Update will serve as the framework for decisions by the KingSoutel Crossing Community Redevelopment Agency (hereafter the "KSC/CRA") to effectively make progress moving forward in efforts to complete tasks, follow through with prescribed redevelopment projects, and prepare for annual budgetary cycles.

The limits of the project are the existing Community Redevelopment Area as defined in Section 500.115, *Jacksonville Code of Ordinances*. The Office of Economic Development ("OED") shall be responsible for providing the Consultant with an accurate listing of all properties located within the KingSoutel Crossing (Corridor) Community Redevelopment Area along with a metes and bounds legal description of the CRA's boundary.

This project is divided into several interrelated tasks that complement one another and are all necessary in order to effectively produce the desired outcome: a discernible instrument that offers comprehensible guidance for community revitalization consistency over time regardless of government and business leadership changes. Project authorization shall be by written Notice to Proceed to the Consultant from the City's Project Manager, Karen Nasrallah. The authorization will be for the tasks outlined in this Scope of Services.

Task A: Project Launch

A.1 Launch Meeting

The Consultant shall meet with the City's Project Manager to provide an overview of the project, identify specific tasks to be completed, formulate a regularly occurring meeting time with the Project Manager, and afford her an opportunity to ask questions. The Consultant will present a framework of principles from existing, approved area plans from which the Consultant intends to use as the basis for the Plan Update. The Consultant will derive

pertinent information for the Plan Update from the 2006 Sherwood Forest/Lincoln Villas Neighborhood Action Plan and the 2003 Northwest Jacksonville Vision Plan.

The Consultant will discuss and finalize the public engagement and community outreach program that will be utilized during the planning process; discuss the value of a market and economic analysis; and confirm the locations, dates and times for the requisite public hearings before the Jacksonville Planning Commission, Land Use and Zoning Committee, Finance Committee, and KSC/CRA.

A.2 Tour of CRA

The Consultant will tour the CRA together with the City's Project Manager to become more familiar with concerns expressed by the City and any other specific site considerations the OED believes will be critical to be considered in the Plan Update. The information garnered from this tour is essential to assuring a full understanding of the area's existing conditions. The Consultant will highlight and identify major issues to be included for discussion and evaluation for accurately reflecting the current level of blight. The tour will allow the Consultant to identify sites with development potential that are currently in substandard condition and may require demolition or rehabilitation, those currently significantly underutilized, and those that are currently undeveloped. The Consultant will identify significant existing roadway network, parks (especially Lonnie Miller Park), sidewalks, landscape, hardscape, and paving needs.

A.3 Existing Conditions Analysis

The Consultant will coordinate with the City's Project Manager to ascertain those data that the City of Jacksonville can provide the Consultant within a timely manner. The Consultant shall consolidate all data necessary for the Plan Update to abide by the requirements of Chapter 163.362, *Florida Statutes* and Section 500.107, *Jacksonville Code of Ordinances*. **This information consists of the bare essentials necessary for any redevelopment plan with the exception of proposed capital projects to be undertaken by the KSC/CRA. Details of any such projects and their associated projected costs cannot be formulated until the market analysis has been completed.**

Task B: Community Engagement and Stakeholder Involvement

B.1 One-on-One and Small Group Interviews

The assumed development (construction) value of selected catalyst private investments/projects will be estimated for the CRA and compared to estimated public costs involved in their implementation. This will allow the KSC/CRA to determine if levels of public capital improvements and potential financial incentives are commensurate with potential tax benefits generated by private investments and projects. In formulating potential investment opportunities, the Consultant shall conduct up to eight (8) interviews with various stakeholders who have interests

in seeing this portion of Jacksonville prosper. In addition to community residents, the Consultant shall collaborate with the City's Project Manager to derive a preliminary listing of targeted stakeholders that shall include, but will not be limited to, the following:

- District Council Member Reggie Brown
- Large employers and property owners;
- Local merchants and civic groups; and
- Real estate developers familiar with past and present plans; and
- Those who have participated in preparation of past plans and guidelines

B.2 Community Forums

The Consultant will facilitate a series of three (3) community forums to solicit input on the future vision for the CRA, policies, projects, and an Action Plan. These interactive forums will begin to help community leaders understand current perceptions surrounding key aspects of the CRA. The Community Engagement process will include a renewed vision and urban design, identification of and preference for economic opportunities and catalyst projects, as well as input on the recommended Plan Update which will include an Action Plan and Financing Plan. In addition to these forums, the Consultant shall attend requisite public hearings scheduled for approval of the Plan Update pursuant to Chapter 163, Part III, Florida Statues and the City Code of Ordinances.

The forums will systematically build awareness, understanding, and consensus on the final recommendation. The Consultant will facilitate collaboration from the community concerning various design, planning, and implementation alternatives presented at key points during the project.

TASK C: Community Forum No. 1 - Renewed Vision

The Consultant will be responsible for engaging the community and stakeholders in a process to identify the issues that must be addressed in preparing a Plan Update. As part of this process the Consultant will identify the key physical features that form KingSoutel Crossing and its current development patterns including, but not limited to, character districts, street typology, transit routes/facilities, signature buildings, pedestrian and bikeway paths, rail corridors, and gateways. The urban design will be confirmed as a result of input from Community Forum No. 1 and will act as a building block for creating a renewed vision, guiding Healthy Community principles, goals and objectives for the realization of the Plan Update. This forum will focus on identifying opportunities for redevelopment and what the community sees as the catalyst areas for revitalization of the area. The results of the forum will be documented in a technical memorandum that will be reviewed with the City's Project Manager.

TASK D: Market and Economic Analysis

A key element of the Plan Update includes preparation of a Market and Economic Analysis of the CRA that is intended to measure opportunities to enhance the overall economic viability of businesses and reinvestment prospects within the area. This shall include a detailed analysis of the commercial retail, industrial, warehouse/distribution and office markets, including inventory and characteristics of existing uses as well as specifics of strengths, weaknesses, opportunities and threats, challenges and recommendations for new investment and development opportunities in each of these land uses.

The Market and Economic Analysis is essential to understanding recent and current market conditions across these property sectors and to measuring development and revitalization opportunities for a 20-year horizon. Notably, the Plan Updates' economic elements will identify five-year milestones for key locations/sites/character districts within the CRA. The market analysis will be conducted to understand KingSoutel Crossing's competitive advantages and disadvantages as the basis for identifying opportunities for growth and economic diversification. The Consultant will prepare a demographic and economic profile and evaluate recent and current real estate market conditions affecting the CRA, which will be critical to creating a market supportable revitalization strategy.

The Plan Update will examine the overall viability/feasibility of selected, planned projects to be undertaken by the KSC/CRA, and estimate order-of-magnitude costs and potential tax increment revenues that could be generated by these selected priority projects. In addition, the economic elements of the Plan Update will outline possible funding mechanisms to ensure that planned projects are realized.

The economic analysis will also include specific and measurable goals, objectives, and performance benchmarks for successful investment of KingSoutel Crossing as part of an Action Plan that identifies implementation strategies/phasing/timing designed to contribute to the CRA's revitalization. These performance standards and criteria are critical components of the Plan Update, and should be structured to ensure Agency approval that allows the utilization of tax increment funds to implement specific recommendations. The Action Plan and implementation strategies comprising the Plan Update will address such factors as land acquisition; property demolition and removal of structures; and public and private investment potentials in residential and commercial development, redevelopment, improvements and rehabilitation as identified in specific incentives of the Plan Update.

D.1 Baseline Demographic and Economic Profile

The demographic and economic profile will analyze those factors driving fundamental sources of market demand for residential and commercial uses in the CRA. Specific components of the market analysis will include:

- Analyze population and household growth trends and forecasts, including demographic characteristics of existing residents, distribution and changes in age cohorts to understand demand for various housing types, household incomes, education levels, etc.
- Evaluate consumer household retail spending patterns, by retail category, based on public and private sources for relevant geographies, including residents of the CRA as well as other potential/relevant trade areas
- Examine household retail leakage (opportunity-gap) and compare to existing retail store sales based on available data
- Analyze recent and current employment trends and forecasts, including specific industry sectors such as business/professional services. As employment is a key barometer of demand for commercial retail, office and industrial property sectors. The Consultant will review historic (10 years) employment trends and eight-year forecasts in key employment sectors for Duval County to the extent that data are available. Employment trends and forecasts are available from various sources, such as Dun & Bradstreet, ESRI Business Analyst, and the state Department of Economic Opportunity ("DEO"). However, employment forecasts prepared by DEO for Duval County extend only through 2024. This may require extrapolating forecasts to estimate job growth (and their impacts on development opportunities) over a 20-year horizon.

D.2 Evaluation of Existing and Future Conditions

In tandem with the analysis of demographic characteristics and recent/current real estate market conditions among specific property sectors in the CRA, the Consultant will also analyze current property conditions (based on windshield survey and walking tours) and development regulations.

- Inventory the number of absentee landowners based on property data provided by the City and/or the Duval County Property Appraiser. This will be summarized in an Excel database to include name/location, property use/type, size (in square feet, number of units, etc.), location within the CRA to determine clusters of disinvestment, and other pertinent information as available;
- Evaluate overall physical conditions, including functional and physical obsolescence and blight caused by absentee property owners to understand the issues causing owners to redevelop or dispose of their properties;
- Analyze the potential for interim uses of existing vacant buildings and opportunities that induce such uses (i.e., prevalence of special events, such as art walks that could induce re-use of vacant properties for artist working studios); and

- Examine current development regulations and City of Jacksonville codes to determine where improvements can be implemented that will serve to facilitate redevelopment, such as expedited permitting, etc.

The Consultant will analyze the land use plans for the CRA and past plans produced by the OED (formerly the Jacksonville Economic Development Commission) and the Jacksonville Chamber of Commerce to determine entitlement commitments and building improvements and building improvements that could influence development opportunities or revitalization potentials for the CRA as identified in the Market and Economic Analysis.

The Consultant will lead the analysis of all components comprising "public infrastructure" in the CRA by accomplishing the following tasks:

- Evaluate the overall transportation network, including pedestrian, vehicular, existing mass transit options, water and sewer facilities, electricity, stormwater and stormwater management, and other relevant systems necessary to support existing and proposed development in the CRA;
- Evaluate issues that may affect overall development potentials, such as availability of transit service, locations/proximity to catalyst sites, availability of surface and structured parking facilities, etc.; and
- Review past and present plans to understand their relevance to future redevelopment opportunities and present plan objectives. This will include addressing such issues as appropriate land uses, densities of current resident and employment, traffic improvements, parking and public transportation, public utilities, recreational and community facilities, and other public improvements as identified in various plans and studies.

Drawing on the results of the preceding tasks, the Consultant will measure development and revitalization opportunities for the specific uses identified above for a 20-year planning horizon based on the results and findings of the demographic and real estate market conditions analysis. Notably, the Plan Update's economic elements will identify five-year milestones for key locations/sites/character districts within the CRA. As noted previously, a 20-year horizon will require extrapolating employment forecasts beyond their current end-date of 2024. The demand analysis will evaluate overall redevelopment potentials. To the extent possible, we will allocate potentials to possible public or privately-owned sites identified during the study based on critical site information (e.g., net developable area, entitlements, wetlands, availability of utilities, highway access and visibility, etc.). The Consultant will:

- Test market support for each land use identified above using appropriate demand methodologies illustrated by gross building area (square feet of commercial retail, warehouse/distribution and industrial space, office uses, etc.);

- Translate eight-year employment forecasts, by industry sector, into market/demand potentials for each use and estimate likely absorption. (As noted, the time-period for DEO employment forecasts in jurisdictions/workforce development areas statewide is eight years/2024);
- Consider household retail spending potentials as well as retail leakage (opportunity-gap) and current retail store sales (based on available data) in specific merchandise categories as the basis for estimating retail demand potentials;
- Identify phasing considerations that consider current market conditions, near-term demand, local and regional growth patterns in the CRA and/or other competitive locations in Jacksonville, and buildout of both existing and proposed competitive or comparable projects as identified in market research; and
- Compare market potentials with the timing for any infrastructure, public realm and/or other physical improvements as identified by the City of Jacksonville.

D.3 TIF Analysis / Action Plan

The Consultant will create an Action Plan that will include the following components:

- An overall viability/feasibility test of up to two (2) selected catalyst projects that could be undertaken by the Community Redevelopment Agency;
- Order-of-magnitude cost estimates for public realm improvements identified in the Plan Update;
- Potential tax increment revenues generated by specific uses in the priority projects;
- Possible funding mechanisms to ensure that planned projects can be realized;
- Specific and measurable goals, objectives and performance benchmarks for successful development of the CRA; and
- Specific implementation strategies and phasing/timing over the 20-year planning horizon.

TASK E: Community Forum No. 2 – Market Analysis

Utilizing the conclusions from the Market and Economic Analysis and evaluation of existing conditions, the Consultant will conduct a second community forum to test the receptivity of the business community and stakeholders to the results of the Market Analysis and preliminary recommendation of the Action Plan. The Consultant will collect public comment, concerns and observations regarding the preference for development opportunities and catalyst projects. Once the Community Forum has been completed, the Consultant will meet with the City's Project Manager to review the results from the forum. The results of the forum will be documented in a technical memorandum that will be reviewed with the City's Project Manager. Based on the results and input

from the OED staff, the Consultant will make revisions to the actions, standards and guidelines to reflect the community consensus.

TASK F: Drafting Plan Update

F.1 Draft Plan Update

Utilizing the results from the previous Work Tasks, the Consultant will prepare a Preliminary Draft of the Plan Update. Subject to the concurrence of the City's Project Manager, the Plan Update will be comprised of the following elements:

1. Purpose of the Plan Update
2. Existing Uses and Conditions
3. Plan Proposals and Required Changes
4. Property Acquisitions and Dispositions
5. Development Costs and Methods of Financing
6. Priority Cost and Methods of Financing (Action Plan)
7. Preliminary Project Schedule
8. Other Provisions

The Preliminary Draft will include an illustrative Renewed Vision for the CRA as well as specifically address the requirements of Chapter 163, Part III, Florida Statutes, all applicable City Ordinance Code requirements, and the direction of the OED. The Renewed Vision will provide details for the land use, transportation, utilities and public realm improvements recommended for the CRA. The Consultant will provide the City's Project Manager with the Preliminary Draft and solicit one (1) set of consolidated comments and suggested edits.

F.2 Map Series

The Plan Update will include a GIS base map series of the KingSoutel Crossing CRA in accordance with or compatible with ESRI GIS products such as ArcGIS 9.1. All required maps and analysis shall be submitted as GIS deliverables in this format. All data shall be in NAD83-1983-StatePlane-Florida East-FIPS-0901-Feet. Maps will also be provided in a shape file. The map series shall consist of existing land use and condition of each parcel, zoning and future land use, nonconforming uses, and each site's development potential by category (including criteria used to categorize).

F.3 Adoption of Plan Update

This Work Task will require the Consultant to provide the City's Project Manager with a Second Draft of the Plan Update. The City's Project Manager shall provide the Consultant with one (1) set of consolidated comments and

suggested edits to this Second Draft within five (5) working days. Not more than five (5) working days after receipt of those comments, the Consultant shall finalize a draft of the Plan Update suitable for submittal to the Office of General Counsel ("OGC") in order for legislation to be prepared and routed to the Jacksonville Planning Commission and the KSC/CRA. The Consultant's attendance shall only be necessary at public hearings before those two bodies. OED Staff will be responsible for securing City Council adoption of the Plan Update. **This Work Task does not include required noticing including the notice to taxing authorities prescribed in Chapter 163.346, Florida Statutes. Noticing shall be the responsibility of the City, as prescribed in the RFP.**

The Consultant shall coordinate with the City's Project Manager about all presentations of the Plan Update to be made at public hearings. The Consultant will provide the City's Project Manager with executive summaries of the Plan Update for use at public hearings. Upon the recommendations of the Jacksonville Planning Commission and the two City Council Committees, the Consultant shall be responsible for revising the Second Draft and prepare a submittal package for consideration by the City Council acting as the KSC/CRA for final action.

SUBMITTAL REQUIREMENTS

The Consultant shall provide an electronic copy (PDF) of all drafts of the Plan Update as well as all presentation materials to the City's Project Manager, Karen Nasrallah. The Consultant shall be responsible for making certain that every item presented for discussion or submitted for information and/or comment shall be accessible to the public on the OED web site. The costs of reproducing these materials are included in the Consultant's expense item listed on Exhibit "B". Both hard and electronic copies of the final, adopted Plan Update will be supplied by the Consultant to the OED and OOGC

PRELIMINARY SCHEDULE

Mid- to Late-June 2017	Community Forum No. 1, Renewed Vision
Mid-September 2017	Community Forum No. 2, Market Analysis
End of October 2017	Community Forum No. 3, Overview of Draft Update
Dec 2017 / Jan 2018	Planning Commission and KingSoutel Crossing Community Redevelopment Agency

Task A Project Launch									
A.1 Launch Meeting									
A.2 Tour of KingSoutel Crossing CRA									
A.3 Existing Conditions Analysis									
Task B Community Engagement & Stakeholder Involvement									
B.1 One-on-One & Small Group Interviews									
B.2 Community Forums									
Task C Community Forum No. 1 – Renewed Vision									
Task D Market and Economic Analysis									
D.1 Market and Economic Analysis									
D.2 Evaluation of Existing and Future Conditions									
D.3 TIF Analysis / Action Plan									
Task E Community Forum No. 2 – Market Analysis									
Task F Plan Update									
F.1 Draft Plan Update, Community Forum No. 3									
F.2 Map Series									
F.3 Legislative Process / Adoption of Plan Update									

FEE SCHEDULE

See the attached Exhibit "B" titled "Contract Fee Summary for KingSoutel Crossing Community Redevelopment (CRA) Plan Update".

Project Launch (7% of labor)	$ 6,815
Community Engagement and Stakeholder Involvement (24% of labor)	$ 23,723
Market and Economic Analysis / Action Plan (35% of labor)	$ 34,922
Drafts of Plan Update (33% of labor)	$ 32,776
Legislative Process for Adoption of Plan Update (1% of labor)	$ 1,470
Subtotal Labor	**$ 99,706**
Reimbursable Expenses (not to exceed without prior written approval)	$ 820
Total Fee	**$ 100,526**

The total fee contained in the Scope of Services is considerably less than contained in the Consultant's March 27, 2017 Statement of Qualifications ("SOQ") at the request of the Office of Economic Development. This reduced fee was derived by eliminating certain tasks and other project elements, such as:

- At the time of SOQ submittal, it was assumed an accurate legal description and listing of properties included in the KingSoutel Crossing CRA was contained in the adopted 2008 Plan. It has been discovered that is not the case and provision of an accurate legal description of the CRA boundary along with a property listing of CRA real property will be provided by the City.
- Reduce the number of comparative case studies, research and stakeholder interviews.
- Reduce labor costs by eliminating one Senior Planner, one Senior Transportation Engineer, and one Civil Engineer.
- Eliminate photocopies (hard copies) utilized throughout the project and providing the Preliminary Draft, Second Draft of the Plan Update, and Final Draft Plan Update only in electronic format (PDF).
- Eliminate the digital engagement component and use of MindMixer or My Sidewalk social media platform as well as the associated labor.
- Assumes the Consultant is provided all City comments on Preliminary and Second Drafts of the Plan Update in one (1) consolidated set of comments and suggested edits for each draft.
- Limit the tax increment analysis to identified uses for up to two (2) catalyst sites.

- Limit attendance by the Consultant to two (2) public hearings for approval of the Plan Update specified in Task F.3.

Any additional project phases consisting of services such as additional stakeholder involvement, transportation impact analysis, public outreach, evaluation of additional catalyst sites/projects, financial modeling/investment analysis of catalyst uses or projects, investigation of other cities' successful redevelopment, capital improvement programming, briefings of Council Members and/or City Administration, and other services deemed necessary beyond the scope of contained herein. The scope and fee for those additional services will be provided via a separate scope and fee proposal, and will be subject to negotiations between the Consultant and the Client.

Exhibit "B"
CONTRACT FEE SUMMARY FOR
KingSoutel Crossing Community Redevelopment (CRA) Plan Update

PART 1 - GENERAL

1. Project	**2. City RFP Number**
Updating the KingSoutel Crossing CRA Plan	P-37-17
3. Name of Consultant	**4. Date of Proposal**
Prosser, Inc.	5/16/2017

PART 2 - LABOR RELATED COSTS

5. DIRECT LABOR	Hourly Rate	Estimated Hours	Estimated Cost	TOTAL
Principal	$ 58.18	4	$ 233	
Project Manager	$ 45.45	36	$ 1,636	
Senior Planner	$ 41.82	235	$ 9,828	
GIS Technician	$ 30.91	28	$ 865	
Graphic Designer	$ 41.82	44	$ 1,840	
			TOTAL DIRECT LABOR	**$ 14,402**
6. OVERHEAD (Combined Fringe Benefits & Administrative)				
Overhead Rate 150% x Total Direct Labor				$ 21,603
7. SUBTOTAL: Labor + Overhead (Items 5 and 6)				$ 36,005
8. PROFIT: Labor Related Costs (Item 7) x 10%				$ 3,601
			TOTAL LUMP SUM LABOR FEE (PROSSER)	**$ 39,606**

PART 3 - OTHER COSTS

9. MISCELLANEOUS DIRECT COSTS	
Reproductions, Courier Service, Postage,	$ 820
Express Delivery, and other Misc. Direct Costs (Reimbursable Allowance)	$ -
Out-of-Town Travel Expenses (Reimbursable Allowance)	$ -
MISCELLANEOUS DIRECT COSTS SUB-TOTAL	**$ 820**
10. SUBCONSULTANTS	
Hester Group, Inc.	$ 11,200
Diettrich Planning, LLC (15% JSEB)	$ 15,300
WTL+a	$ 33,600
SUBCONSULTANT SUB-TOTAL	**$ 60,100**

PART 4 - FEE SUMMARY

TOTAL (Items 5, 6, 8, 9 and 10)	**$ 100,526**