

**THIS STAFF REPORT COVERS CALENDAR ITEM NO.: 7.6**  
**FOR THE MEETING OF: April 9, 2009**

## **TRANSBAY JOINT POWERS AUTHORITY**

### **BRIEF DESCRIPTION:**

Authorize the establishment of a bench of real estate economics consultants to provide services to TJPA over a three-year period on an as-needed basis, and authorize the Executive Director to execute Professional Services Agreements with any or all firms on the real estate economics bench as long as the total compensation under all bench agreements does not exceed \$500,000.

### **EXPLANATION:**

The TJPA has and continues to utilize the services of real estate economics firms with expertise in real estate valuation, real estate market research and analysis, tax increment projections, public-private real estate transactions, real estate zoning, and developer agreements.

Ready access to expert real estate analysis and advice is essential to the TJPA's ability to keep abreast of market trends and assist staff in decision-making with respect to the wide array of real estate-related activities occurring under the Program. Having a list of pre-qualified real estate economists helps the TJPA achieve expediency, cost savings and flexibility when these services are needed. The key advantages of a list of pre-qualified real estate economists are that it: (1) allows the TJPA to draw from a broad group of firms and take advantage of the particular strengths of each firm; and (2) achieves rapid turnaround (i.e., when some consultants are busy, others are available).

In accordance with TJPA Procurement Policy, a Request for Qualifications (RFQ) was issued on January 23, 2009, for real estate economics consultant services. On February 27, 2009, the TJPA received six submissions in response to the RFQ. A Selection Committee reviewed and scored the written submissions for technical merit. The Selection Committee Report is attached. The Selection Committee Report recommends that four of the six respondents be placed on the real estate economics consultant bench:

- The Concord Group
- Jones Lang LaSalle, with Rosen Consulting Group, Pacific Marketing Associates, CSG Advisors, Conley Consulting Group, and Pittman Advisors
- Keyser Marston Associates
- Seifel Consulting

Of these firms, Seifel Consulting is a Women Business Enterprise as certified by the San Francisco Human Rights Commission. The TJPA entered into previous contracts with three of these firms in 2007. The agreement with the Concord Group is fully expended, and the agreements with Keyser Marston and Seifel Consulting nearly so.

Based on the Selection Committee's recommendation, staff would negotiate professional services agreements on an as-needed basis with firms on the bench, taking into consideration each firm's proficiency and availability when assigning work. The bench would be established for a period of three years, and the agreements let with bench members would not exceed \$500,000 in aggregate.

**RECOMMENDATION:**

Staff recommends that the Board of Directors authorize the establishment of a bench of real estate economics consultants to provide services to TJPA over a three-year period on an as-needed basis, and authorize the Executive Director to execute Professional Services Agreements with any or all firms on the real estate economics bench as long as the total compensation under all bench agreements does not exceed \$500,000.

**ENCLOSURES:**

1. Resolution
2. Selection Committee Report

**TRANSBAY JOINT POWERS AUTHORITY  
BOARD OF DIRECTORS**

**Resolution No. \_\_\_\_\_**

WHEREAS, The Transbay Joint Powers Authority (TJPA) requires the services of real estate economics firms with expertise in real estate valuation, real estate market research and analysis, tax increment projections, public-private real estate transactions, real estate zoning, and developer agreements; and

WHEREAS, On January 23, 2009, the TJPA issued a Request for Qualifications (RFQ) for real estate economics consultant services; and

WHEREAS, The TJPA received six responses to the RFQ that met all minimum requirements; and

WHEREAS, A Selection Committee comprised of real estate experts awarded four of the firms with scores high enough to warrant placement on a bench of real estate economics consultants, for consulting services for a three-year period on an as-needed basis; and

WHEREAS, The four firms are The Concord Group, Jones Lang LaSalle et. al., Keyser Marston Associates, and Seifel Consulting, and when services are needed the TJPA may request the services from a firm on the bench based on the particular expertise of the firm and the firm's availability; and

WHEREAS, The maximum aggregate budget for the bench will be \$500,000; now, therefore, be it

RESOLVED, That the TJPA Board of Directors authorizes the Executive Director to establish a bench of real estate economics consultants to provide services to TJPA over a three-year period on an as-needed basis; and be it

FURTHER RESOLVED, That the TJPA Board of Directors authorizes the Executive Director to execute Professional Services Agreements with any or all firms on the real estate economics bench as long as the total compensation under all bench agreements does not exceed \$500,000.

I hereby certify that the foregoing resolution was adopted by the Transbay Joint Powers Authority Board of Directors at its meeting of April 9, 2009.

\_\_\_\_\_  
Secretary, Transbay Joint Powers Authority



## **Real Estate Economics Services Selection Committee Report March 2009**

### **Executive Summary and Recommendation**

In response to Request for Qualifications No. 09-02 for Real Estate Economics Consultant Services, issued on January 23, 2009, the TJPA received six submissions on February 27, 2009. A selection committee convened on March 17, 2009 to evaluate the proposals. Based on the criteria outlined in the RFQ, the selection committee recommends that the TJPA establish a bench of real estate economics consultants of four respondents:

- **The Concord Group**
- **Jones Lang LaSalle with Rosen Consulting Group, Pacific Marketing Associates, CSG Advisors, Conley Consulting Group, and Pittman Advisors**
- **Keyser Marston Associates**
- **Seifel Consulting**

### **Background**

The TJPA has and continues to utilize the services of real estate economics firms with expertise in real estate valuation, real estate market research and analysis, tax increment projections, public-private real estate transactions, real estate zoning, and developer agreements.

Ready access to expert real estate analysis and advice is essential to the TJPA's ability to keep abreast of market trends and assist staff in decision-making with respect to the wide array of real estate-related activities occurring under the Program. Having a list of pre-qualified real estate economists helps the TJPA achieve expediency, cost savings and flexibility when these services are needed. The key advantages of a list of pre-qualified real estate economists are that it: (1) allows the TJPA to draw from a broad group of firms and take advantage of the particular strengths of each firm; and (2) achieves rapid turnaround (i.e., when some consultants are busy, others are available).

The TJPA has worked with three of the recommended real estate consultants. The agreement with the Concord Group is fully expended, and the agreements with Keyser Marston and Seifel Consulting nearly so. Thus the TJPA put out this RFQ for real estate economics consultant services. The bench will be established for a period of three (3) years. The TJPA will authorize the Consultants' work on an as-needed basis given a particular firm's expertise and availability. Compensation will be paid on an hourly rate basis and the budget in aggregate is not expected to exceed \$500,000.

### **Schedule**

- |    |                                        |                   |
|----|----------------------------------------|-------------------|
| 1) | RFQ advertised/posted                  | January 23, 2009  |
| 2) | Receipt of qualifications              | February 27, 2009 |
| 3) | Selection committee evaluation meeting | March 17, 2009    |

### **Selection Committee Members**

Lisa Siemsen; Northcross, Hill & Ach; TJPA Financial Consultant  
Mike Grisso; Project Manager; San Francisco Redevelopment Agency

### **RFQ Outreach**

An announcement of the RFQ appeared in the *San Francisco Examiner* and was posted on the City Purchaser's Bids and Contracts website; a copy of the announcement is Attachment A. On the same day, the TJPA posted the RFP on its website for the public to view and print and sent announcement of its availability to all who had registered for notice of this particular RFP, or had expressed interest in the TJPA's first real estate economics advisory services RFQ in 2007. In total, the announcement was sent to 46 firms and individuals.

The TJPA received six submittals on or before the RFQ submission date, from:

- The Concord Group
- Integra Realty Resources
- Jones Lang LaSalle, with Rosen Consulting Group, Pacific Marketing Associates, CSG Advisors, Conley Consulting Group, and Pittman Advisors
- Keyser Marston Associates
- John C. Paxton
- Seifel Consulting

### **Selection Committee Evaluation**

The selection committee met on March 17, 2009 to review the written proposals and evaluate strengths and weaknesses using the criteria listed on the score sheet (Attachment B). Following the discussion, each committee member individually filled out scoring sheets. The TJPA Contracts Compliance Manager collected the scoring sheets and tabulated the results.

The scores are shown below. It is recommended that all firms scoring 200 points or higher be placed on the real estate economics services bench.

#### **Evaluation Scores (140 points max individual/280 points max total)**

<b>Firm</b>	<b>Panelist 1</b>	<b>Panelist 2</b>	<b>Total Score</b>
Concord Group	130	127	<b>257</b>
Integra Realty Resources	85	105	190
Jones Lang LaSalle, et.al.	131	125	<b>256</b>
Keyser Marston Associates	132	130	<b>262</b>
John C. Paxton	37	77	114
Seifel Consulting	138	135	<b>273</b>

### **Attachments**

Attachment A, RFQ Announcement  
Attachment B, Scoring Sheet

### **Reference**

Request for Qualifications No. 09-02 for Real Estate Economics Consulting Services issued by the Transbay Joint Powers Authority on January 23, 2009.

All proposals submitted in response to this RFP are available for review at 201 Mission Street, Suite 2100 upon contacting the TJPA. Proposals will be retained for two years, except for the selected consultant's proposal which will be maintained on permanent record.

## **Attachment A**

### **ANNOUNCEMENT REQUEST FOR QUALIFICATIONS**

The Transbay Joint Powers Authority (TJPA) is issuing a Request for Qualifications (RFQ) for REAL ESTATE ECONOMICS ADVISORY SERVICES for the Transbay Transit Center Program from firms or individuals with expertise in real estate valuation, real estate market research and analysis, tax increment projections, public-private real estate transactions, and developer agreements.

Prospective Respondents may obtain copies of this RFQ by visiting the TJPA's website at [www.transbaycenter.org](http://www.transbaycenter.org) >Documents >RFPs/RFQs >Contract Opportunities, or by contacting the TJPA at 201 Mission Street, Suite 2100, San Francisco, CA 94105, (415) 597-4620, [REconomics@transbaycenter.org](mailto:REconomics@transbaycenter.org). TJPA may select one or more Respondents to establish a panel of qualified consultants.

Proposals must be received by the TJPA no later than 5:00 pm on February 27, 2009. Late proposals will not be considered.



## Attachment B

### EVALUATION SCORE SHEET Real Estate Economics RFQ

Name of Respondent: \_\_\_\_\_

Name of Panelist: \_\_\_\_\_

Signature of Panelist: \_\_\_\_\_

Criteria	Value	Reviewer Comment
<p>Intro &amp; Certifying Statement <i>(10 point maximum)</i></p> <ul style="list-style-type: none"> <li>Introduction; certifying statement, signed, obligating firm to representations in proposal</li> </ul>		
<p>Qualifications &amp; Experience of Firm <i>(70 point maximum)</i></p> <ul style="list-style-type: none"> <li>Satisfies minimum qualifications: <ul style="list-style-type: none"> <li>At least 10 years experience in real estate market analysis, including mixed use developments and affordable housing</li> <li>At least 10 years experience in projecting tax increment revenues in complex redevelopment projects</li> <li>Familiarity with documentation of tax increment revenue required to support construction loans applications</li> <li>Familiarity with the costs to develop high-rise buildings</li> <li>Familiarity with the revenues from sale or lease of space in high-rise buildings</li> </ul> </li> <li>Respondent's capabilities and experience with major projects relevant to Transbay Transit Center Program</li> <li>Qualifications of staff to be assigned to provide the services</li> <li>Meets any of the Additional Qualifications: <ul style="list-style-type: none"> <li>Experience with the real estate market in San Francisco and the San Francisco Bay Area</li> <li>Negotiating public/private disposition and development agreements <ul style="list-style-type: none"> <li>Advising public agencies in the leasing, purchase, sale, or disposition and development of real estate</li> </ul> </li> </ul> </li> </ul>		
<p>References <i>(10 point maximum)</i></p>		
<p>Project Understanding &amp; Approach <i>(50 point maximum)</i></p> <p>Describe the Respondent firm's approach to each of the task areas outlined in Section 5.0 of this RFQ, including the Respondent's understanding of the task, methods for completing the task, issues that may need to be addressed, and deliverables. Respondent shall describe the expectations of TJPA staff involvement or level of effort in completing the assigned tasks.</p>		

**Total** \_\_\_\_\_