

Council Agenda Report

Date: July 11, 2016
Prepared by: Pat Escher, A.I.C.P., City Planner
Submitted by: Odie Wheeler, Director, Public Works 
SUBJECT: Selection of the Market Analysis Services for the Sailwinds Port Property

Recommendation that Council:

- A. Receive a staff report on the Sailwinds Advisory Group recommendation for a market analysis firm;
- B. Hold a public hearing, take public comment, and close the public hearing;
- C. Authorize staff to enter into an agreement with the Delta Associates for the preparation of a market analysis for the Sailwinds Port Property.

Discussion: The City has sent out two RFPs for the Sailwinds Port Property. The first RFP is for a market analysis for the port property. The second is for the selection of a real estate broker to market the property to regional developers. The Sailwinds Advisory Group recommends that the City delay the selection for the real estate broker pending the findings of the market analysis as the study may alter the City's process.

The City received four responses for the market analysis RFPs. The list is the following responders to our request:

- Delta Associates, a Washington DC based firm real estate research firm
- Mackenzie, Commercial Real Estate Services, LLC, a Lutherville, MD based commercial real estate firm
- Sage Policy Group, Inc., a Baltimore MD based economic and policy consulting firm
- Rinnier Development Company, a Salisbury MD based real estate firm

While all of the submissions from the aforementioned firms were well done and very professional, the Sailwinds Advisory Group unanimously supported the RFP response from Delta Associates as the best candidate to meet the City's needs. This recommendation is based upon the applicants demonstrated ability to prepare thorough reports and their ability to secure contracts for several imposing regional projects. Below are listed some highlights of their work:

- Economic and Fiscal Analysis of the National Science Foundation
This was a highly competitive bid within the DC Metro region to secure the new location for the National Science Foundation, currently located in Arlington, VA. City staff contacted, Mark Jinks, City Manager of Alexandria, VA. to discuss Delta's role in the process. Mr. Jinks indicated that working with Delta Associates was instrumental in the City being able to create a tax incentive package that secured The Foundation to relocate

to the City. The economic implications for the relocation of an international foundation goes well beyond their moving to the City, as The Foundation has a large economic “tail” with their conventions spilling over into hotel stays, tourism and the other associated spending in the City. This was a very important tenant for the City to secure and promoted the City for future tenants.

- Market Feasibility Study for The Wharf

While the mass, scale and partially residential nature of this redevelopment may not align with City of Cambridge goals for the port priority, it demonstrates a working knowledge of waterfront development. The Wharf development will transform a very underutilized waterfront in the District of Columbia consisting of a marina, some ordinary restaurants and fish markets into a premier destination upon its completion beginning in 2017. When meeting with the District’s staff on our site visits, it was recommended staff visit the site. While staff did not have time to visit the site, staff did go to the web site for the project and was impressed with the proposal.

- Market Study and Demand Analysis for St. Elizabeths East Campus

The redevelopment of this mostly vacant property will be transformative for this part of the District of Columbia. Most of the recent urban renewal has taken place on the eastern shore of the Anacostia river, this is a “frontier” site located on the western shore of the river. Given the large quantity of acreage, it will prove to be a very pivotal property in the ongoing urban renewal of the District, with a proposed mixed use development.

- Feasibility Study and Development Strategy for Town Center Development

This demonstrates that Delta Associates also works outside the DC region, working with smaller jurisdictions. Bedford County is located outside the Roanoke VA, in a fairly rural portion of the state.

Fiscal Impact: The bids for this project ranged from the low bid from Rinnier Development of \$6,950 to a mid-bid from Sage Policy \$14,500 with the two remaining bids from Mackenzie of \$25,000 and Delta Associates of \$32,500. While the cost of such studies have demonstrated a wide range, it should be noted that this is one of the City’s premier properties and the selection of the qualifying applicant should be based on the most skilled and not necessarily the low bid. The contract amount is being funded by the vacant position in the Division of Economic Development. Pending Council’s approval and internal discussions, staff may refine Delta’s response to include potentially more visits to Cambridge and to make it not to exceed \$32,500.

Approved by: Sandra Tripp-Jones, City Manager 