

Council Agenda Report

Date: August 22, 2016
Prepared by: Pat Escher, A.I.C.P., City Planner
Submitted by: Odie Wheeler, Director, Public Works
SUBJECT: Market Feasibility Study of Sailwinds/Port Property Development

Recommendation: That Council authorize the Mayor and City Manager to execute a contract with Delta Assoc. for a Market Feasibility Study in the amount of \$32,500.00

Discussion:

During the spring of this year, members of the Sailwinds Advisory Group and Council went on several field trips to see what other local jurisdictions have done with the redevelopment of their waterfront properties. The Commissioners in attendance were Commissioners Cooke, Thomas, Hanson, and Acting Mayor Sydnor.

The first trip was to The Yards and Georgetown Waterfront in Washington D.C. and National Harbor in Prince George's County. The next trip was to the City of Frederick Maryland. While the mass and scale of these developments are much larger than our Sailwinds property, the goal was to discuss their processes and their "lessons learned". The one recommendation, which was reiterated and given high priority with each of our visits, was getting a market study for the property prior to starting the outreach process for developers. Staff has attached notes from the public meeting with Council and the public comment to give some more insight into the results of the field visits.

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.

Sailwinds Advisory Group Members:

Commissioner Hanson
Commissioner Thomas
Marshall Rickert, Vice-Chair of the Planning Commission
Mary Losty, Planning Commissioner
Sandra Tripp-Jones, City Manager
Rob Collision, City Attorney
Oden Wheeler, Director of Public Works
George Hyde, City Engineer

Pat Escher, City Planner

Brandon Hesson, Associate Director of Economic and Community Development

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

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

Rinnier Development Company – 4th of Four

Pros

- Local firm based in Salisbury, MD
- References provided demonstrating good standing

Cons

- Scope of marketing examples limited
- Limited staff; appears to be more real-estate based firm

Sage Policy Group - 3rd of Four

Pros

- Very familiar with the City and the Eastern Shore
- Examples of market analysis shows depth of portfolio
- References provided demonstrating good standing

Cons

- Group wanted a new set of “eyes” with different perspective
- A small economic firm with limited staff diversity and resources

Mackenzie, Commercial Real Estate Services, LLC – 2nd of Four

Pros

- Diversified staff within the economic, real estate, marketing strategies and development design skills
- Strong portfolio, including management of Annapolis marina
- References provided demonstrating good standing
- GIS Technology

Cons

- GIS Technology limited to information the City currently can provide/or create
- Examples of market analysis experienced discuss, no defined scope of work provided

While all of the submissions from the aforementioned firms were well done and very professional, the Sailwinds Advisory Group, all ten members, 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 concise, report, their ability to secure contracts for several commanding regional projects, and the most depth of staff and portfolio.

Delta Associates – Recommended Firm

Pros

- Overall the most concise and clearly defined RFP response
- Diversified staff with very strong economic and land use planning background
- Diversified staff with research, marketing, feasibility skills
- Provided a succinct market analysis scope of work
- Provide the most diversified portfolio:
 - Working within small jurisdictions such as Aberdeen, Maryland – pop. 15,000 Riverdale Park, Maryland - pop. 7,000 and North East, Maryland – pop. 3,600,
 - Working for local governments such as Washington, DC, Alexandria, VA, and Bedford County, VA.
 - Providing financial analysis for investments firms and non-profits
- Impressive portfolio showcasing premier projects in the DC area, demonstrating ability to secure very competitive bids.
 - **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 marinar, 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



Attach: Sailwinds Committee Meeting notes dated April 19, 2016

Sailwinds Advisory Committee

Agenda

April 19, 2016

Present: George Hyde; Rob Collison; Sandra Tripp-Jones; Odie Wheeler; Pat Escher; Brandon Hesson; Robbie Hanson; Gene Lauer; Mary Losty.

1. Updates –

a. Field Trip Debriefs

i. The Yards, Washington, DC

1. Michael Stevens – BID President

a. The Yards is 42 acres with a 5.5 park acres.

ii. National Harbor, Prince George's County, MD

1. Andre Gingles, Esq./Chris Borgal – Peterson Properties

a. National Harbor lower profiles on waterfront buildings, stepping up. Generally a 1:4 public to private partnerships, public covering infrastructure, parking and development of open space and park; One thing that these places commonly discusses is programming and family related activities in its public spaces. Public art throughout.

iii. Georgetown Riverwalk, Washington, DC

1. Joe Sternlieb – BID president

a. Georgetown Riverwalk is a Federal Park, promoted by BID.

iv. Meeting – DC Gov't

1. Joe Lapan – Deputy Mayor Office Economic Development

2. Tracey Gabriel – Associate Director of Planning

v. Frederick, MD

1. Mayor Randy McClement

2. Richard Griffin, Director of Economic Development

3. Joe Adkins, Deputy Director Planning

a. Carroll Creek Park is a mixed-use urban park spanning 1.3 miles through the heart of historic Downtown Frederick, Maryland. The park is designed to rest on top of massive box concrete culverts that form the flood control project. Spanning five City administrations and 30 years, the project is nearing fruition as the City completed construction of the first major phase of the multimillion dollar public linear park.

2. Takeaways

- a. Public Investment appears in all of the site visits.
- b. Security was also a priority, in some cases relying on private security and local law enforcement.
- c. High quality public spaces are present in each of the sites visited.
- d. All of the sites have a residential component.
- e. Surface parking is considered at National Harbor, and is flexible for future development.
- f. We are smaller scale than what we saw and a developer will need a draw.
- g. How do we connect waterfront development to downtown?
- h. We need to have a feasibility/marketing study up front.
- i. Do we have enough property?
- j. What do we do if a marine service company partners with a developer? Should we outline exactly what we want/do not want in the RFP?
- k. Decisions will be made based on the strength of your design team, so we should make an effort to be sure that it does not change.
- l. Programming was important at every site. Public structures and community assets were in place to provide public entertainment and a draw.
- m. A Market Study/Feasibility study needs to be done quickly to determine risk, and we should be in contact with our state representatives now. We will need their support.
- n. We should know our objectives and priorities. What is the goal? ROI? Job Creation?
- o. Proposal team should be made up of legal, design, engineering and financial.
- p. Linkages through design – we need to think hard about how we get people across the bridge and into downtown, and a developer could possibly lead us in the direction that will help us.

3. Public comment

- The City should look at similar sized projects.
- The redevelopment should create well-paying jobs not just service industry jobs.
- The mega yachts may be a good opportunity.
- Belfast ME is a waterfront that should be looked at
- Greater density affords greater diversity
- Should look at Annapolis, City of Alexandria
- The City should have an economic plan.

- It is good to include the hospital as a latter phase and the City should look at the lot next to Snappers.
 - The proposal should be similar program in the approved plan.
 - There is a lot of public space with the county property.
 - There are a lot of elements already started – amphitheater and visitor center.
4. Phone Call only one jurisdiction responded – need to follow up
- a. Yorktown, VA
 - b. Belfast, ME
 - c. Wilmington, NC
 - d. Buffalo, NY
 - e. Camden, NJ
 - f. Wilmington, DE
 - g. Newport, RI
5. Next Steps