



CITY OF SALINAS COUNCIL STAFF REPORT

DATE: JUNE 13, 2023

DEPARTMENT: COMMUNITY DEVELOPMENT

FROM: LISA BRINTON, DIRECTOR

BY: MICHAEL GOMEZ, ECONOMIC DEVELOPMENT ANALYST

TITLE: AGREEMENT FOR PROFESSIONAL SERVICES BETWEEN THE CITY OF SALINAS AND KOSMONT & ASSOCIATES, INC FOR ECONOMIC CONSULTING SERVICES

RECOMMENDED MOTION:

A motion to approve a Resolution authorizing the City Manager or his designee to execute an Agreement for Professional Services (Agreement) between the City of Salinas and Kosmont & Associates Inc, (“Kosmont”) for the amount of \$40,000 annually with a total not to exceed amount of \$120,000.00 over a three-year period for general consulting services in economic development, real estate, and financial analysis.

EXECUTIVE SUMMARY:

The City has contracted with Kosmont to provide economic analysis services on a yearly basis on various economic development projects dating back to 2017. Staff wishes to continue consulting services with Kosmont that require feasibility studies and analysis for development amongst other real estate consulting services. The City has historically entered into yearly Agreements for Professional Services that have required renewals each year. Staff requests renewal for an extended term of three years at a yearly rate of Forty Thousand Dollars (\$40,000) to a not to exceed amount One Hundred and Twenty Thousand Dollars (\$120,000) during the term of the Agreement. Staff recommends this Agreement to avoid the potential disruption of service that may occur during the renewal process. Under this Agreement Kosmont will continue to provide support to City staff on a yearly basis for up to three years, through June 30, 2026.

BACKGROUND:

Kosmont, is a qualified expert in the field of public finance and economic development, Kosmont is a certified Minority Business Enterprise (“MBE”) and Small Business Enterprise (“SBE”), with an award-winning track record of working with cities, counties, and other public agencies on economic development plans, infrastructure funding strategies, land use market analyses, business/industry attraction, and real estate projects and public finance transactions exceeding \$12 billion. Kosmont is also on the Community Development’s on Call list for Current and Long-Term Planning Services to

provide long-range planning in economic/financial analysis. The City has contracted with Kosmont for economic study and analysis since 2017. Examples of services provided include a study of local and regional market conditions, financial feasibility assessment of proposed developments, and analysis of public/private transactions. The current Agreement with Kosmont expires June 30, 2023.

DISCUSSION:

Staff has identified the need to continue contracting with Kosmont. Over the next three years, staff anticipates multiple large-scale projects that will require a consultant with the expertise the Kosmont holds such as a Parking Facility cost analysis, and an Enhanced Infrastructure Finance District (EIFD) formation support to finance infrastructure to support the development of the Salinas Ag Industrial Center, and other projects that come through the pipeline based on Council approved strategic plans. The City will be billed on a time and materials basis for a total compensation amount of Forty Thousand Dollars (\$40,000) annually with a maximum compensation amount of One Hundred and Twenty Thousand Dollars (\$120,000) over the three-year term of the Agreement (July, 1, 2023 to June 30, 2026).

CEQA CONSIDERATION:

The City of Salinas has determined that the proposed action is not a project as defined by the California Environmental Quality Act (CEQA) (CEQA Guidelines Section 15378). Because the matter does not cause a direct or foreseeable indirect physical change on or in the environment, this matter is not a project. Any subsequent discretionary projects resulting from this action will be assessed for CEQA applicability.

STRATEGIC PLAN INITIATIVE:

The proposed agreement furthers the City of Salinas Strategic Plan 2022-2025 goal of Economic Development by supporting the implementation of the Economic Development Element policies and action items such as facilitating development of the Salinas Ag Industrial Center and the feasibility of a joint downtown parking facility with the County of Monterey.

DEPARTMENTAL COORDINATION:

Community Development staff coordinated with Legal Department to finalize the Agreement for Professional Services.

FISCAL AND SUSTAINABILITY IMPACT:

This Agreement, for a total of three years at a yearly rate of Forty Thousand Dollars (\$40,000) to a not to exceed amount One Hundred and Twenty Thousand Dollars (\$120,000). The first year, July 1, 2023, to June 30, 2024, is fully funded through the General Fund in the Economic Development Division's FY 2023-2024 Budget for Professional Services (1000.30.1355-63.5900).

ATTACHMENTS:

1. Resolution for Professional Services between the City of Salinas and Kosmont & Associates Inc.
 - a) Exhibit A: Agreement for Professional Service with Kosmont & Associates Inc.