Meeting Date: 12/2/08

AGENDA REPORT

City of Santa Clara, California

Agenda Item # 5B

Santa Clara All-America City 2001

Date: November 25, 2008

To: City Manager/Executive Director for Council/Redevelopment Agency Action

From: Assistant City Manager

Subject: Amendment No. 1 to the Consulting Contract with Keyser Marston Associates, Inc. for Fiscal and Economic Analysis to Assist Staff in the 49er Stadium Term Sheet Negotiations

EXECUTIVE SUMMARY:

At their January 15, 2008 meeting, the Council/Redevelopment Agency determined the proposed San Francisco 49ers stadium project to be feasible, but with many outstanding issues requiring resolution in the next phase of negotiations. On February 12, 2008, the Council/Agency directed the City Manager to execute a Negotiating Agreement between the City and the San Francisco 49ers to proceed with the Term Sheet negotiations.

At their February 12, 2008 meeting, the Council/Agency authorized the use of an additional $500,000 of Agency appropriations for specialized legal and consulting services to support City/Agency staff in conducting the term sheet negotiations, and approved a legal services agreement with the firm of Goldfarb and Lipman, and a fiscal and economic analysis consulting agreement with the firm of Keyser Marston Associates, Inc. (KMA). Additionally, funds were set aside for specialized consulting in the areas of sports financing and operations. These monies come from Redevelopment Agency tax increment revenues and can only be used to support redevelopment activities in the North Bayshore Area. General Fund monies have not been used in engaging consulting services for the stadium proposal.

On June 17, 2008, the Council/Agency approved an amendment to the Negotiating Agreement to extend the deadline for Term Sheet negotiations to February 1, 2009. A significant effort has been made by City staff, Agency consultants and 49ers representatives in developing a Term Sheet Agreement; however, given the nature and complexity of the outstanding issues, both staff and 49ers representatives agreed that the original deadline of July 22, 2008 deadline could not be met and additional time was needed to bring forward a completed Term Sheet for Council consideration and if the Term Sheet is approved by Council, then place a ballot measure before the Santa Clara electorate.

Due to the extension of the Term Sheet deadline and the complexity, scope and depth of financial issues involved in the Term Sheet negotiations, it is necessary to extend the contract length and increase by $100,000 the funding amount for the City's fiscal and economic consultant, KMA. There is no change to the total amount of $1 million appropriated for the Feasibility Study and Term Sheet negotiations, as unexpended funds remain from appropriated monies. The KMA contract amendment has been placed in Council Offices for review.

ADVANTAGES AND DISADVANTAGES OF ISSUE:

Extending the contract length and funding for the Agency's external fiscal and economic consultant will allow staff the opportunity to continue with the Term Sheet negotiations into and through its final stages, employing resources that have been critical to the negotiation effort to date.

ECONOMIC/FISCAL IMPACT:

This amendment will increase KMA's contractual not-to-exceed amount by $100,000, to a total of $250,000 for Term Sheet negotiations. The amendment does not change the total Term Sheet negotiations cost of $500,000 ($1 million including the feasibility study), as unexpended funds remain from appropriated monies. Funds are available in the Redevelopment Agency Contractual Services account (901-9011-87870).

RECOMMENDATION:

That the Council/Agency approve Amendment No. 1 to the consulting contract with Keyser Marston Associates, Inc. and Redevelopment Agency in the amount of $100,000 for fiscal and economic analysis to assist staff in the 49er stadium Term Sheet negotiations, for a total contractual amount not to exceed $250,000, and authorize the City Manager/Executive Director to execute Amendment No. 1.

Pam Morrison
Administrative Analyst to the City Manager

Ronald E. Garratt
Assistant City Manager

APPROVED:

Jennifer Sparacino
City Manager/Executive Director for
Redevelopment Agency

Certified as to Availability of Funds:
901-9011-87870 $ 100,000.00

Mary Ann Parrot
Redevelopment Agency Treasurer

MAJORITY VOTE OF COUNCIL

Documents Related to this Report:
1) Amendment to Professional Services Agreement between the Agency and Keyser Marston Associates, Inc.

I:\CTYMNGRS\Agreements\2008\Keyser Marston Amd No. 1-12.03.08.doc

CITY OF SANTA CLARA

AGENDA MATERIAL ROUTE SHEET

Council Date: 12/2/2008

SUBJECT:_ Amendment No. 1 to the Consulting Contract with Keyser Marston Associates, Inc. for Fiscal and Economic Analysis to Assist Staff in the 49er Stadium Term Sheet Negotiations

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CERTIFICATION

The proposed __contract amendment_____
Regarding __Keyser Marston Associates consulting services_____
has been reviewed and is hereby certified.

PUBLICATION REQUIRED:

The attached Notice/Resolution/Ordinance is to be published _____ time(s) at least _____ days before the scheduled meeting/public hearing/bid opening/etc., which is scheduled for _____, 200__.

AUTHORITY SOURCE FOR PUBLICATION REQUIREMENT:

Federal Codes:
Title _____ *U.S.C. §* _____
(Titles run 1 through 50)

California Codes:
Code _____ *§* _____
(i.e., Government, Street and Highway, Public Resources)

Federal Regulations:
Title _____ *C.F.R. §* _____
(Titles run 1 through 50)

California Regulations:
Title _____ *California Code of Regulations §* _____
(Titles run 1 through 28)

City
City Charter § _____ *(i.e., 1310. Public Works Contracts. Notice published at least once at least ten days before bid opening)*
City Code § _____

1. As to City Functions, by _____
Department Head

2. As to Legality, by Helene Leichter
City Attorney's Office / CAO Assignment No 08. 1631

3. As to Environmental Impact Requirements, by NA
Director of Planning and Inspection

4. As to Substance, by _____
City Manager

Revision Date June 7, 2005

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