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Date	Ver.	Action By	Action		Result

Report to Mayor and City Council

Tuesday, February 15, 2022

Consent

SUBJECT:

CONSIDER CONTRACT SERVICES AGREEMENT WITH RRM DESIGN GROUP FOR AN ECONOMIC DEVELOPMENT STRATEGIC PLAN IN AN AMOUNT NOT TO EXCEED \$419,932 (CITY COUNCIL)

I. SUMMARY

This action would be to approve a contract with RRM Design Group, the lead consultant in a four-firm team to undertake an Economic Development Strategic Plan process for the City of Carson. The City solicited proposals in the middle of 2021 and went through the evaluation and interview process over the second half of the year, including an interview with the City Council's e-Commerce and Economic Development Ad Hoc Subcommittee as well as a presentation to the Economic Development Commission.

The City received six proposals and interviewed four firms, and then interviewed the two finalists with the Subcommittee.

II. RECOMMENDATION

1. APPROVE a Contract Services Agreement with RRM Design Group for an Economic Development Strategic Plan in an amount not to exceed \$419,932, in a form acceptable

to the City Attorney.

2. AUTHORIZE the Mayor to execute the Agreement.

1.

III. ALTERNATIVES

TAKE another action the City Council deems appropriate.

IV. BACKGROUND

The City of Carson conducted an RFP process in 2021 to select a consultant for development of the City's first Economic Development Strategic Plan that would address many of the most important issues facing our community.

One of the potential uses of the Strategic Plan could be to assist the City in making informed decisions in where to make investments from the American Rescue Plan funds granted to it from the recent Federal stimulus bill, particularly in determining prudent infrastructure improvements and in making investments that assist the local business community. Given the urgency in responding to the economic aftermath of the COVID-19 pandemic and the opportunities created by the American Rescue Plan, part of the work program will be to help the City identify some "low hanging fruit," e.g. projects or programs that could be implemented early in the process to create some momentum around the strategic planning effort.

The main objectives of this process are to craft a new Strategic Plan with economic development goals, strategies, implementation steps (tactics), and indicators of success (metrics) that reflect the vast differences in the economic environment as well as the City itself in the past decade. In addition, the Plan should provide a holistic view of economic development including, but not limited to: development in the industrial areas in the city; changes in commercial, retail, and office development in the past decade; tourism development, entertainment, developing an arts economy and expanding the visitor economy; the role of residential development and housing in the overall economic development of the community; opportunities for workforce development; assessing the small business and entrepreneurship environment in Carson and recommending programs; assessing opportunities for partnerships and joint programs with Cal State Dominguez Hills and other colleges and universities; assessing the challenges and opportunities in creating a "Downtown" Carson; and, an analysis of the City's location and the infrastructure challenges it faces in developing, retaining, and attracting quality businesses in the community.

Six proposals were received from the following firms (the lead firm is listed though all firms had at least one subcontractor):

- GHD, Inc. Irvine
- HR&A Los Angeles
- RSG, Inc. Irvine
- WSP USA Los Angeles

- Streetsense Washington, DC/Culver City
- RRM Design Group San Juan Capistrano

The selection committee recommended RRM Design Group, the lead consultant and project manager of a team comprised of the following firms:

- RRM Design Group (overall project management, design, and physical space issues)
- The Natelson Dale Group (economic research and analysis, retail and industrial strategies)
- HVS (tourism, arts, entertainment, sports)
- Catalyst Environmental (brownfields and other environmental issues)

The Scope of the Consultant's work is included in their Proposal which is included as Exhibit 2. Below is a high-level description of selected portions of the scope:

Community Assessment (TNDG)

- Workforce/Education/Overview of the local labor market. This would include the Labor Force Needs of Targeted Industry Clusters. This will pull in the WIB and educational partners and will include workforce profiles for targeted industry clusters.
- Sources of Competitive Advantage and Clusters, Location Quotients, Target Industries. In this task the Consultant will analyze industry clusters, identify linked and interrelated industries, gaps in the supply chain/workforce pipeline, emerging and declining industries, and produce value chain maps and key clusters. This will be supplemented by a shift-share analysis, which identifies advantages attributed to the region's characteristics. This can narrow the list to a few key "driver industries" representing the core of industry clusters in Carson.

Hospitality, Tourism, Arts, and Entertainment (HVS)

HVS will analyze the potential impact to Carson of events in surrounding arts and entertainment venues and tourist attractions in the area and the impact of events held within the City. This will include major sporting or entertainment events and the impact of expanding or incentivizing the development of arts venues or programs in the City. This will be a broad qualitative analysis and not a quantitatively economic impact analysis.

While the focus will be given to recommendations to increase visitation to Carson from events occurring SoFi Stadium in nearby Inglewood (such as the Super Bowl in 2022) and the 2028 Los Angeles Olympics in the Los Angeles Region. With five Olympic events being held in Carson, the team will provide guidance on which infrastructure and improvements to develop to facilitate the Olympics in Carson (e.g., transit improvements, beautification, housing) that will also offer lasting benefits to the community.

HVS will also assess the existing lodging market supply and demand in Carson, compile data on the historical performance of the local lodging market and estimate future room night demand in the market. HVS will identify potential new lodging supply in the market

area and provide a 10-year forecast of hotel supply, demand, and room revenue. This analysis will assess the need for additional future hotel development in Carson. HVS will identify strategies, including potential incentive programs, to incentivize hotel development in the City. This analysis will include the demand for limited-service hotels, boutique hotels (if any), and full-service hotels and identify potential locations in the City most appropriate for future hotel development.

Base Mapping (City and RRM)

This is an exercise the City and Consultant work on together and assumes data is available from the City of Carson. What goes into the base map? GIS Parcels, Zoning, Right of Way, Land Uses, Property Ownership, Infrastructure, including traditional Infrastructure (transportation, electricity, broadband/telecom) and green infrastructure (urban forest, parks/meeting space, water resources of all types - potable, recycled, stormwater, sewer).

SWOT Summary (TNDG)

SWOT will be done as part of stakeholder outreach process. On weaknesses and threats, the analysis will distinguish between factors that can be mitigated and other things that are part of the permanent constraints of the City. That distinction will help identify things that are not realistic targets for Carson. The SWOT summary will consider the following issue categories:

- (i) Geographic setting (including topography, climate, resources, etc.)
- (ii) Proximity to larger economic regions
- (iii) Demographic makeup (existing and projected)
- (iv) Workforce availability and skill levels (for the City and the larger “commute shed” region in which it is located)
- (v) Workforce commute patterns (for residents commuting out of City and workers commuting into City)
- (vi) Education system
- (vii) Existing economic base (e.g., a mix of industry types)
- (viii) Existing land use conditions and available land for development/redevelopment
- (ix) Infrastructure conditions and capacity (including transportation access and broadband service)
- (x) Housing availability and affordability
- (xi) Quality of life
- (xii) Community image
- (xiii) Resident/community attitude towards growth
- (xiv) Regulatory environment (local and state level)
- (xv) Economic development partnerships (public and private)
- (xvi) Economic development incentives

(c) The SWOT summary will identify the core strengths and opportunities that Carson can leverage for desired economic growth and prioritize these opportunities to allow a strategic approach to marketing the community. Concerning weaknesses and threats, the SWOT will distinguish between issues that can realistically be mitigated and issues that are likely to be permanent constraints (thereby helping to define types of economic growth that are not

realistic targets for the City).

Organizational Structure

This task will result in a recommended organizational structure for the City's economic development program, including specific parameters such as staffing budget, and resource allocations. Where appropriate, the recommended organization structure will be positioned to achieve maximum leverage of City resources through partnerships with private and regional economic and workforce organizations.

TNDG will analyze the City's current economic development operations, including but not limited to organizational structure, departmental capacities, staffing, etc. The team will compile information from a variety of sources, including work plans and activity reports for the City's economic development functions and interviews with key informants both within the City and from external partner organizations.

As another basis for the organizational recommendations, TNDG will undertake a benchmarking analysis of economic development programs in comparably positioned communities in California. This process will focus on identifying best practices and "aspirational models" potentially relevant to Carson. The benchmarking analysis will include the following steps:

- (a) In consultation with City staff, identify a list of benchmark places/programs to be included in the comparative assessment (six to eight external places would be included in the analysis).
- (b) Profile the specific program elements/factors or "best practices" to which their effectiveness can be attributed.
- (c) Summarize program/organizational elements from the benchmark locations that are most applicable to Carson.

Real Estate Demand Forecast

This would also include Tax Generation Analysis. The study would address the following land uses:

- **Industrial/R&D.** This would include the heavy dominance of logistics and warehousing in Carson and the fundamental economics that makes it more economically competitive than other uses like manufacturing. Part of the tax generation analysis would be to evaluate new sales tax generation via e-commerce development as well. This would also apply to the commercial/fulfillment center type of land use, too.
- **Commercial/Retail/Restaurant/Office.** The deliverable in this area would be a market study that would identify types of users and potential locations for such uses. It could identify specific opportunities for new retail/restaurants in existing space but may not be brand specific. It would model existing demand first, then anticipated

future demand. This is important when discussing buildout analysis and identifying zoned land for future development. Retail analysis will also assess retail in neighborhood districts. The City has limited land/zoning for neighborhood-scale retail development and identify potential innovative solutions. Grocery and restaurants are a concern in Carson and this needs to be a focus but the Consultant will also gauge community acceptance of low-image retail uses (e.g. fast food). Additionally, the SouthBay Pavilion would receive a special focus, and the City will work with the Consultant to prepare an ownership/REA map that shows the complexity of a single developer undertaking the mall redevelopment will be incredibly useful. There will also be some analysis of the Former Cal-Compact Landfill Project, particularly the Carson Country Mart project. Office would be analyzed as a support use for the other land uses but not as a stand-alone sector. Mixed Use will be covered in the housing, downtown, and retail/restaurant sectors and generally not as a stand-alone sector.

- **Market Rate and Affordable Housing.** Consultant will review materials developed as part of the Housing Element Update other studies to conduct a supplemental analysis identifying where the City may have the capacity for additional units or density. This task will vet opportunity sites where additional units could be accommodated from the changes in zoning or other potential strategies. Consultant will use the inventory of the current site from the Housing Element (or more current information if available) as a starting point and work with the City to determine which sites are potential redevelopment opportunities.

Small Business Assistance, Entrepreneurship, and Incentives

TNDG will inventory and evaluate existing small business and entrepreneurial development programs available in Carson (including City programs and resources available through other organizations). This assessment would intend to define a comprehensive approach to providing small business assistance and entrepreneurial development support, with the City serving in a “clearinghouse” capacity. The recommended approach would be aligned with the target industries and other strategic opportunities identified in the EDSP process. The following types of programs, resources and incentives would be considered:

- (a) Access to capital (loans and grants)
- (b) Technical assistance
- (c) Small Business Development Center (SBDC) resources
- (d) CSUDH Small Business Incubator
- (e) South Bay Workforce Investment Board (SBWIB)
- (f) Façade improvement programs
- (g) Business Improvement Districts (BIDs)

Creation of a “Downtown”

While Carson does not have a traditional older, walkable Downtown, there is potential to create a future Downtown core building off of the existing “bones” (City Hall and the Community Center, the Doubletree Hotel, the Renaissance at City Center, Veo, and Union

South Bay) existing today including established mixed-use development in the area immediately around City Hall, the South Bay Pavilion, the District at South Bay (157-acre landfill project), and the development at Carson and Avalon:

- Identify urban design enhancements
- Identify opportunities for creative use of public space
- Integrate the Carson Street Master Plan with development on Avalon north of Carson Street
- Integrate development of Mixed-Use, Mid-Rise Development on Avalon (Imperial Avalon/Kott Property)
- Address displacement issues relative to mobile home parks in this area
- Link the South Bay Pavilion and north of 405 development as well as the Cal Compact Landfill Development (Carson Country Mart).

University Partnerships

Consultant to meet with CSUDH departments, institutions, etc. to identify potential opportunities to collaborate around economic development. Will consider the recent City-University “Town-Gown” efforts and will identify other universities (CSULB? USC?) for program linkage opportunities, too as well as determine what these mean for the City and its departments as well as other organizations.

Location and Infrastructure

Infrastructure is included in the base mapping exercise along with a distinction between traditional infrastructure (streets, electrical, telecom) and green infrastructure (trees, water resources). There would also be a focus on green infrastructure, especially urban forestry (and the forest maintenance plan).

Catalyst and Consultant will review the City’s Climate Action Plan, green infrastructure, including its urban forest and vegetated areas, that can provide ecosystem services and subsequently improve the quality of life in Carson. With the effects of climate change taking hold, hotter summers need to be abated with increased tree canopy to serve as a carbon capture resource and heat shield. Consultant will review the City’s plans for urban forestry maintenance (i.e., trimming, watering) and provide recommendations for reducing water consumption, improved stormwater management/reuse, and bolstering overall sustainability in the City. Consultant will assess potential funding opportunities and partnerships to help achieve these goals.

Consultant will also review the City’s traditional infrastructure, Bike Master Plan, FEMA Floodplain Maps, StreetSaver program, Capital Projects, and other City-provided infrastructure studies, planning documents, and GIS files as these elements serve an established, central role in serving the existing business community as well as setting the stage for future economic growth. Consultant will look for opportunities to be efficient utilizing existing research and incorporating previously planned projects into its analysis and recommendations, identifying hazard-prone areas (earthquake, flood fire using USGS,

FEMA, and other publicly available and City-provided documents.

Community Involvement Plan (RRM)

- Consultant would leverage City's social media platforms and develop new social media accounts for the strategic plan effort. Use engagement analytics and advertise events/workshops on social media.
- Consultant would work with staff to set up a project webpage which could be a page on the City's website or have a unique URL and be hosted off-site with a link to the City's page.
- Consultant would help produce the designs for the flyers.
- Consultant would use online surveys/My Social Pinpoint for the broader public.
- Consultant would conduct stakeholder interviews/focus groups.
- Consultant would conduct a number of Community Workshops as described in the scope.
- Consultant would present preliminary findings to relevant City commissions and in City Council study sessions.

Implementation Plan

The most important aspect of the study will be to receive and effective and workable Implementation Plan. For this project, the TNDG Team will integrate the findings and strategic implications from all preceding tasks into a comprehensive EDSP for the City. The plan will provide a detailed blueprint for the City's economic development programming, with both short-term (2-year) and longer-term (5-year) recommendations for attracting, strengthening, and sustaining the identified set of target industries and implementing other strategies. The Implementation Plan will be organized in terms of the following elements:

- (a) **Real Estate Development/Marketing Strategy**, including specific recommendations for optimizing light industrial, office and retail development opportunities. These recommendations would be location-specific and oriented to key "opportunity sites" (or other subareas) identified during the course of the planning process.
- (b) **Business Retention/Expansion/Attraction Strategy** reflecting the specific industry clusters and market segments identified in the technical analyses.
- (c) **Technology Innovation and Entrepreneurship Strategy** that includes programs at regional universities and colleges closely tied to identified target industries, virtual business incubation, availability of business/technical advisory services, and support for innovative technology development.
- (d) **Workforce Development Interface Strategy**, addressing identified needs for vocational and technical training (at a minimum, consistent with the requirements of the priority industry clusters).

- (e) **Strategy to address Other Foundational Elements**, including 1) recommendations regarding physical infrastructure improvements and other “capacity building” issues affecting the viability of the target clusters, and 2) integration of existing assets such as transportation systems, key real estate opportunity sites, and existing developments.
- (f) **Recommended measures to ensure the City’s “Business Friendliness”** (reflecting key competitiveness issues identified in the benchmarking analysis).
- (g) **General and cluster-specific recommendations for improving the City’s existing Economic Development Programs and Incentives** (and implementing new initiatives as appropriate).
- (h) **Specific Recommendations for Leveraging Key Regional Initiatives and Resources** (e.g., Los Angeles Economic Development Corporation, South Bay Economic Institute at CSUDH, South Bay Workforce Investment Board, etc.) within the City’s overall development and business attraction efforts.
- (i) **Recommended Staffing/Organizational Structure** for the City’s economic development programming.
- (j) **Responsibility Matrix** indicating the entities that would most appropriately be tasked with carrying out various action items (including collaborating regional agencies and private sector “partners”).
- (k) **Prioritization/Timing Matrix** indicating the potential timing of the various action items (immediate, one to two years, three to five years) and identifying the specific projects and programs that would provide the best leverage of available resources.
- (l) A **Monitoring Program** to track the implementation of the plan and to refine strategy objectives over time. The monitoring program will include performance-based “metrics” utilizing readily available data sources.

V. FISCAL IMPACT

The cost of this proposal is \$419,932. It was budgeted in Planning Department’s Professional Services account, Account Number 101-70-780-290-6004. **VI. EXHIBITS**

- 1. Contract Services Agreement with RRM Design Group (pgs.10 - 62)
- 2. Project Proposal by RRM Design Group (pgs. 63 - 136)
- 3. RFP #21-025 for Economic Development Strategic Plan Consultant
(pgs. 137 - 171)

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