



## Agenda Report

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**Item #: 23-1329**

**Meeting Date: 8/01/2023**

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**TITLE: PROFESSIONAL SERVICES AGREEMENT FOR COMMUNITY VISIONING AND LAND USE PLANNING SERVICES FOR THE FAIRVIEW DEVELOPMENTAL CENTER**

**DEPARTMENT: ECONOMIC AND DEVELOPMENT SERVICES DEPARTMENT/PLANNING DIVISION**

**PRESENTED BY: JENNIFER LE, DIRECTOR OF ECONOMIC AND DEVELOPMENT SERVICES**

**CONTACT INFORMATION: JENNIFER LE, DIRECTOR OF ECONOMIC AND DEVELOPMENT SERVICES, (714) 754-5270**

**RECOMMENDATION:**

Staff recommends the City Council:

1. Authorize the City Manager and City Clerk to appropriate and execute a Professional Services Agreement with PlaceWorks for a not-to-exceed amount of \$2,236,253 (including contingencies to cover any unforeseen costs and/or additional services that may be needed upon City staff's approval) for a two-year period with up to three one-year extensions, in substantially the same form as attached and in such final form as approved by the City Attorney.
2. Authorize the City Manager or designee to execute the agreement and any future amendments to the agreement including increases to the not-to-exceed amount, up to the \$3.5 million authorized by the State for this project, as and if needed.

**BACKGROUND:**

At its meeting of October 4, 2022, the City Council approved and authorized the City Manager to execute an Agreement with the State of California to fund planning services relating to the Fairview Developmental Center (FDC) site. The Agreement was subsequently executed on January 29, 2023. The FDC site is a 109-acre property owned by the State of California located at 2501 Harbor Blvd in the City of Costa Mesa. The site was developed and previously operated by the State as a residence for developmentally disabled persons, but is now largely vacant. The site is designated as a Housing Opportunity Site in the City's Housing Element. The Agreement with the State is based on SB 188 (approved in 2022) and Government Code Section 14670.31, which outlines the general terms under which the State of California, through the Department of General Services and the Department of Developmental Services, will collaborate with the City to determine the future of the FDC site. This Section sets forth the State's goals and requirements for the disposition of the property and a land use planning process to be conducted by the City for the future use of the property and allocates \$3.5 million in funding for that intended purpose. The staff report describing the agreement with the State is included as Attachment 1. The agreement with the State is included as Attachment 2.

**ANALYSIS:**

On June 13, 2023, the City issued a Request for Proposals (RFP) for the FDC project. Two hundred firms were invited to submit proposals, and the RFP was advertised on PlanetBids. The City received proposals from four firms. All four proposals were determined to meet the minimum requirements.

Since the development of the Specific Plan for the FDC includes infrastructure plans as well as outreach, zoning and general plan components, a team of staff from the Public Works and Development Services Departments objectively evaluated each proposal. Proposals were rated based on technical information, approach to the project, and the qualifications of the consultant team.

After a thorough evaluation, staff recommends that the City Council award the Professional Services Agreement to PlaceWorks. This firm has extensive experience preparing Specific Plans, amendments to General Plans, economic analyses, environmental analyses, and urban design plans. The firm has also conducted many successful public outreach programs for land use plans. The PlaceWorks team includes Fuscoe Engineering, Gensler Architects and Design, Fehr & Peers Transportation Consultants, Developers Research Associates, and ECORP Consulting to provide the full range of services necessary to complete the work products and tasks identified in the RFP. Staff believes that the PlaceWorks team submitted a proposal that is responsive to the RFP and is fully competent to prepare the FDC Specific Plan, associated General Plan amendment, and supporting documents. The draft Professional Services Agreement, proposal and cost proposal are included as Attachment 3.

Developing a successful vision for this site will require extensive outreach and community involvement. PlaceWorks' proposal includes a robust and inclusive community visioning and engagement program intended to provide convenient and meaningful ways for the public to provide input at critical stages of the planning process. PlaceWorks' community outreach program includes creating a project website to share project information and status updates throughout the project; conducting four community workshops in person and online and hosting community "pop up" events; conducting interviews and roundtables with community stakeholder groups including affordable housing advocates, housing developers, and neighborhood groups; and holding two anticipated study sessions with the Planning Commission and City Council. Outreach materials, surveys, social media, fact sheets, and flyers will also be developed. The engagement plan details would be finalized in coordination with City staff to ensure a targeted approach that connects the team with the hard-to-reach populations in Costa Mesa including but not limited to segments of the community that may experience mobility, technology or language barriers.

PlaceWorks will also conduct a market demand and economic feasibility analysis to inform the development of future land use concepts; a report on existing site conditions; and a water supply assessment that is required by State law for residential projects. Three alternative land use concepts will be developed and will include an urban design strategy diagram, neighborhood crafting, a mix of housing types, housing affordability levels, and support services, an analysis of the opportunity for potential adaptive reuse of buildings, the street network along with pedestrian and bike infrastructure and facilities, parking strategy, open space and connected systems, public realm amenities, building form and key design elements, and supporting infrastructure. PlaceWorks will utilize visual tools and cutting edge technology to assist the community in visualizing, evaluating and providing feedback on the land use concept alternatives for the site. These alternatives will be analyzed for market feasibility, traffic management and circulation opportunities, development feasibility, the extent to

which the land use concept meets City and State goals for the property, anticipated funding, and timing of improvements.

After public review of the land use concepts, a preferred land use plan will be identified and the consultant will commence preparation of a Specific Plan. The Specific Plan will include a land use plan, infrastructure plan, open space plan, affordable housing requirements, development standards, design guidelines and a financing and implementation plan as well as all other required elements. An Environmental Impact Report (EIR) assessing the project's environmental impacts, reasonable and feasible alternatives, and required mitigation measures will also be completed.

If awarded, PlaceWorks would kick off the project in September of this year. Community engagement activities and technical work would commence the following month, with land use concepts developed by Spring 2024. Based on the preliminary milestone schedule, the draft Specific Plan would be released by Fall 2024 and the draft EIR would be circulated for public review in Winter 2024/Spring 2025. Revisions, public hearings, final documents and coordination with the State land disposition process would occur by the end of 2025. The preliminary milestone schedule is consistent with the timeframes outlined in the City's agreement with the State.

### **ALTERNATIVES:**

Alternatives to this recommendation include awarding the PSA to another proposer, or rejecting all proposals and readvertising the RFP.

### **FISCAL REVIEW:**

SB 188 (approved in 2022), Government Code Section 14670.31 and the associated Agreement between the State and the City (Attachment 2) provide for up to \$3.5 million in State funds to complete the Fairview Developmental Center Specific Plan and associated work. The City received the State grant funds in full.

The not-to-exceed cost of the subject Agreement is \$2,236,253 (including contingencies to cover any unforeseen costs and/or additional services that may be needed upon City staff's approval). For a project of this magnitude, it is common for unanticipated out of scope items to be identified during the planning process; therefore, staff's recommendation includes authorization for the City Manager to approve future amendments to this agreement, so long as such costs are covered by the State grant funds and do not affect the City's General Fund. State grant funding will cover the cost of the Professional Services Agreement and any future amendments and will also cover the cost of staff time to manage the project.

### **LEGAL REVIEW:**

The City Attorney's Office has reviewed this staff report and prepared the Agreement and has approved them as to form.

**CITY COUNCIL GOALS AND PRIORITIES:**

Creating a plan for the FDC supports the following City Council Goal:

- Diversify, Stabilize, and Increase Housing to Reflect Community Needs

**CONCLUSION:**

Staff recommends the City Council:

1. Authorize the City Manager and City Clerk to appropriate and execute a Professional Services Agreement with PlaceWorks for a not-to-exceed amount of \$2,236,253 (including contingencies to cover any unforeseen costs and/or additional services that may be needed upon City staff's approval) for a two-year period with up to three one-year extensions, in substantially the same form as attached and in such final form as approved by the City Attorney.
2. Authorize the City Manager or designee to execute the agreement and any future amendments to the agreement including increases to the not-to-exceed amount, up to the \$3.5 million authorized by the State for this project, as and if needed.