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| Title: | PROFESSIONAL SERVICES AGREEMENT WITH TCCG TECH COAST CONSULTING GROUP LLC TO PREPARE AN ECONOMIC DEVELOPMENT STRATEGIC PLAN FOR THE CITY OF COSTA MESA | | |
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TITLE:

PROFESSIONAL SERVICES AGREEMENT WITH TCCG TECH COAST CONSULTING GROUP LLC TO PREPARE AN ECONOMIC DEVELOPMENT STRATEGIC PLAN FOR THE CITY OF COSTA MESA

DEPARTMENT: ECONOMIC AND DEVELOPMENT SERVICES DEPARTMENT/ PLANNING DIVISION

PRESENTED BY: DANIEL INLOES, ACTING PRINCIPAL PLANNER / ECONOMIC DEVELOPMENT ADMINISTRATOR

CONTACT INFORMATION: DANIEL INLOES, AICP, ACTING PRINCIPAL PLANNER / ECONOMIC DEVELOPMENT ADMINISTRATOR, (714) 754-5088

RECOMMENDATION:

Staff recommends the City Council:

1. Approve and authorize the City Manager and City Clerk to execute an agreement with TCCG Tech Coast Consulting Group LLC (TCCG), for a not-to-exceed amount of \$200,000 for the term of one year with an additional four one-year renewal options, in substantially the form as attached, and in such final form as approved by the City Attorney.
2. Authorize the City Manager and City Clerk to approve future amendments to the agreement with TCCG including potential increases in compensation so long as such amendments are within the annual budget.

BACKGROUND:

As the market has become more competitive and the economic landscape less predictable, revenue sources for local governments have become more limited and complex over time. Within this context over the last several years, the City has begun to take a more proactive and innovative approach to cultivating a thriving local economy including creating new revenue sources and increase existing revenue sources to fund the wide variety of infrastructure and community services Costa Mesa residents and businesses expect. With finite resources, a built-out City, and an infinite number of potential opportunities and actions, identifying a clear vision for economic prosperity is paramount. Just like a sports team needs a playbook to act decisively and quickly, Economic Development Strategic Plan will establish a clear vision, strategy, and action items to ensure Costa Mesa continues to thrive economically.

In 2021, the City Council established its first set of Council Goals and Objectives and included “Achieve long-term fiscal sustainability” as a key goal and a related objective, “Develop the scope of work for the Economic Development planning consulting contract and present to the City Council”.

Staff developed a scope of work based on the current economic climate, requests and direction from the City Council, best practices/case studies, and feedback gathered from hundreds of interviews with local business leaders, educational institutions, and non-profits throughout the City. The scope of work was approved by the City Council on August 3, 2021 on a 6-1 vote and the Council directed staff to release a Request for Proposals (RFP). The link to that report is below.

<http://ftp.costamesaca.gov/costamesaca/council/agenda/2021/2021-08-03/NB-2.pdf>

ANALYSIS:

RFP and Selection Process

The City released the RFP for the Economic Development Strategic Plan on April 5, 2022 and proposals were due on May 3, 2022. The evaluation committee consisted of two internal evaluators and one external evaluator. The committee evaluated the proposals based on the criteria established in the RFP and interviewed the top three prospective firms. The evaluation committee selected TCCG Tech Coast Consulting Group as the most qualified consulting firm for this project. TCCG committed to the requested scope of work and have developed a team with the appropriate experience to complete all aspects of the work for a not-to-exceed cost of \$200,000. The draft agreement is provided as an attachment.

Recommended Consultant - TCCG

TCCG Tech Coast Consulting Group LLC (TCCG) is an economic development, strategic planning and economic research firm based locally in Orange County. The consulting group has 22 years of experience which includes assisting in the development of Orange County’s Comprehensive Economic Development Strategy (CEDS). The managing partner Wallace Walrod Ph.D., will be the project manager for the City’s Economic Development Strategic Plan. Mr. Walrod is the Chief Economic Advisor for the Southern California Association of Governments, Orange County Business Council, the Draper Hero Institute, and ESRI. He consults with local, regional and state government agencies as well as world-class financial organizations, including JP Morgan Chase and Merrill Lynch. His knowledge of the local economy is well recognized, and his passion for the economic

success for Orange County has been witnessed by hundreds every year at the Economic Development Summit in Los Angeles when he provides economic professionals with an update to the Orange County economy. TCCG is not only dedicating its firm's resources to this work effort but has assembled a team that provides the expertise necessary to successfully complete the City's full scope of work.

This team includes three other experts and their associated firms:

- Robert Kleinhenz, Ph.D., Kleinhenz Economics - Mr. Kleinhenz has over 30 years of experience in conducting economic research as a Chief Economist for the Los Angeles County Development Corporation, Executive Director of Research for Beacon Economics, and Founder for Kleinhenz Economics. Coupling his practical experience with an extensive knowledge of our region and expertise in sharing complex economic principals with the public, he makes for a strong Lead Consultant;
- Benjamin Palmer, SEED Consulting - Mr. Palmer has over 11 years of economic development and experience in the Orange County area and specific experience in actionable strategies. Mr. Palmer was born and raised in Orange County and purchased his first home in Costa Mesa's Mesa Del Mar neighborhood. While he is trained at evaluating the economic characteristics of a community, he also can draw from his daily experiences living in Costa Mesa.
- Rebecca Alvarez, Nonprofit Strategies - Ms. Alvarez has over 17 years of experience in community outreach and is the principal for Nonprofit Strategies, a firm which specializes in assisting nonprofit agencies in community outreach. Ms. Alvarez and her firm have assisted over 100 organizations including; American Red Cross, San Diego County, THINK Together, and Project Hope Alliance. She is also bilingual which will assist substantially in the outreach process.

Scope of Work

If approved, TCCG will immediately begin work on the City's Economic Development Strategic Plan summarized in the following work efforts:

1. Studies & Analysis - establish a clear economic baseline;
2. Vision & Goal Setting - identify a vision and economic development goals to be implemented over the next several years;
3. Develop Action Plan & Priorities - establish a menu of action items that meet community goals and improve the City's economic prosperity;
4. Develop Tools, Metrics, Models, and Evaluate Resources - provide tools for staff to execute the action plan after its completion, and develop indicators and metrics for ongoing evaluation of economic prosperity and the success of the City's implementation actions moving forward;
5. Provide Materials & Branding - provide materials and branding for ongoing implementation and identify the next steps to move the plan forward.

This work effort includes community outreach throughout the process. Staff is planning for a series of town hall meetings, targeted outreach to Costa Mesa's business community and economic enclaves, City Council Study Sessions at key points in the process, and the establishment of a Blue Ribbon

Panel made up of Costa Mesa business and community leaders to work in partnership with staff to guide the work effort.

Timeline

TCCG's proposal commits to completing the strategic plan work effort within nine months. If the City Council approves the professional services agreement, City staff will finalize the agreement and will finalize the schedule to ensure delivery of a high-quality Economic Development Strategic Plan in a timely manner.

ALTERNATIVES:

The City Council could modify the scope of work, request an alternative consultant, or opt to not develop an economic development strategic plan. Staff does not recommend these alternatives. While this will be the first time the City has created an economic development strategic plan, it has become salient and best practice for local governments to develop a clear strategy as to how the City will navigate international, regional, sub regional, and e-commerce pressures that will determine the path of the City's economic future.

FISCAL REVIEW:

The contract with TCCG is for a not-to-exceed amount of \$200,000. Funds are available in the Development Services Department's FY 2022-23 budget.

LEGAL REVIEW:

The City Attorney's office has prepared the attached draft agreement and approved this report as to form.

CITY COUNCIL GOALS AND PRIORITIES:

This item supports the following City Council Goal:

- Achieve Long-Term Fiscal Sustainability

CONCLUSION:

Staff recommends the City Council:

1. Approve and authorize the City Manager and City Clerk to execute an agreement with TCCG Tech Coast Consulting Group LLC, for a not-to-exceed amount of \$200,000 for the term of one year with an additional four one-year renewal options, in substantially the form as attached, and in such final form as approved by the City Attorney.
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