



REPORT TO CITY COUNCIL

DATE: OCTOBER 10, 2018
TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL
FROM: GREG RAMIREZ, CITY MANAGER 
BY: NATHAN HAMBURGER, ASSISTANT CITY MANAGER 
SUBJECT: FIRST AMENDMENT TO AGREEMENT FOR CONSULTANT SERVICES WITH KOSMONT COMPANIES

Staff is seeking City Council approval to amend the agreement with Kosmont Companies that will amend several sections, which include a request to add an additional scope of work, amend the agreement price and extend the term of the agreement. Kosmont Companies serves as an economic development and real estate consultant for the City.

In July 2018, the City entered into an agreement with Kosmont Companies to provide retail market analysis related to the Agoura Village Specific Plan and other commercially zoned areas in the City. This included a leakage study and a review of the current marketplace in regards to retail, hotel, and office tenants. Following the initial market review, it was determined that additional and more in-depth analysis would be beneficial to the City in regards to the applicability of the Agoura Village Specific Plan and potential projects.

This additional work would be on an as needed basis, and will provide further analysis in development project proposals and the relationship to various regulatory requirements, such as the Inclusionary Housing Ordinance and provide a more extensive analysis of the commercial markets, which will better allow the City to monitor trends and changes. Kosmont staff will also offer assistance with expanding the transparency of various development forums through the potential use of a digital or web-based source. The amended scope of work will also allow for any assistance with development negotiations and real estate advisory services. The scope of work is intended to be broad in scope, to insure that it encompasses the variety of anticipated services that may be needed over the upcoming years by the City.

The amended scope of work will also require an increase to the financial terms of the agreement, which is being proposed to increase by \$100,000, and will bring the total amount of the agreement to \$125,000. In addition, the termination date of the agreement is being proposed to extend to December 31, 2019. This would be the first amendment of the agreement with Kosmont Companies and will be accounted for through the use of the City's General Funds related to economic development.

The amendment has been reviewed by the City Attorney and approved as to form.

RECOMMENDATION

Staff respectfully recommends the City Council:

Approve the first amendment to the consultant services agreement with Kosmont Companies and authorize the Mayor to sign the first amendment on behalf of the City Council.

Attachment: First Amendment to Agreement with Kosmont Companies

**FIRST AMENDMENT TO AGREEMENT FOR CONSULTANT SERVICES
WITH THE CITY OF AGOURA HILLS**

NAME OF CONSULTANT:	Kosmont Companies
RESPONSIBLE PRINCIPAL OF CONSULTANT:	Attn: Larry Kosmont
CONSULTANT'S ADDRESS:	1601 N. Sepulveda Blvd. #382 Manhattan Beach, CA 90266
CITY'S ADDRESS:	City of Agoura Hills 30001 Ladyface Court Agoura Hills, CA 91301 Attn: City Manager
PREPARED BY:	Nathan Hamburger
COMMENCEMENT DATE:	July 10, 2018
TERMINATION DATE:	December 31, 2019
CONSIDERATION:	Amendment Amount: \$100,000 Total Contract Price Not to Exceed: \$125,000

**FIRST AMENDMENT TO AGREEMENT BETWEEN
CITY OF AGOURA HILLS AND KOSMONT COMPANIES**

Economic Development and Real Estate Consulting Services

THIS FIRST AMENDMENT is made and entered into as of October 10, 2018, by and between the City of Agoura Hills, a municipal corporation (hereinafter referred to as "City"), and Kosmont Companies (hereinafter referred to as "Consultant"). In consideration of the mutual covenants and conditions set forth herein, the parties agree as follows:

1. This Amendment is made with the respect to the following facts and purposes:

a. On July 10, 2018, the City and Consultant entered into that certain Agreement entitled "Agreement for economic development consulting services", in the amount of (\$25,000.00), Twenty-five thousand dollars and no cents.

b. The parties now desire to amend the scope of work, extend the term of the agreement to December 31, 2019, increase the payment in the amount of (\$100,00.00) one hundred thousand dollars, and to amend the Agreement as set forth in this Amendment.

2. Section II, of the Agreement entitled "SCOPE OF SERVICES" is hereby amended to include Attachment B, "AMENDED WORK PLAN (SEPTEMBER 2018):

3. Section IV of the Agreement entitled "**COMPENSATION**" first paragraph is hereby amended to read and replace the original paragraph as follows:

"Compensation for tasks is not to exceed \$125,000.00 for professional consulting services (hourly) fees at Consultant's agreed upon billing rates as shown on Amended Attachment A. Any terms in Exhibit B, other than the payment rates and schedule of payment, are null and void. The First Amendment amount shall not exceed (\$100,000.00) one hundred thousand dollars and no cents, for additional services as outlined in the Amended Scope of Work (September 2018) for a total Agreement amount of (\$125,000.00) one hundred twenty-five thousand dollars and no cents.

4. Section V., sub-section A. of the Agreement entitled "TERMINATION" is hereby amended to read as follows:

"Client or Consultant shall have the right to terminate this Agreement at any time upon written notification to the other party or shall remain and continue in effect until tasks herein are completed, but in no event later than December 31, 2019 unless sooner terminated pursuant to the provisions of this Agreement."

5. Attachment "A" to the Agreement is hereby amended by adding thereto the items set forth on Attachment "A" dated September 18, 2018 to this Amendment, which is attached hereto and incorporated herein as though set forth in full.

6. Except for the changes specifically set forth herein, all other terms and conditions of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have caused this First Amendment to Agreement to be executed the day and year first above written.

CITY OF AGOURA HILLS

CONSULTANT

William D. Koehler,
Mayor

Kosmont Companies
1601 N. Sepulveda Blvd., #382
Manhattan Beach, CA 90266
Larry Kosmont
(424) 297-1070

ATTEST:

By: _____

Print Name: _____

Title: _____

Kimberly M. Rodrigues, MMC
City Clerk
*Date Approved by City
Council* _____

By: _____

Print Name: _____

Title: _____

APPROVED AS TO FORM:

[Signatures of Two Corporate Officers Required]

Candice K. Lee,
City Attorney

ATTACHMENT A

Attached hereto and incorporated herein is the additional compensation fee schedule and associated cost as provided by the Consultant.

ATTACHMENT A

Kosmont Companies 2018 Public Agency Fee Schedule

Professional Services

President & CEO	\$345.00/hour
Executive Vice President	\$325.00/hour
Partner/Senior Vice President/Senior Consultant	\$305.00/hour
Vice President/Associate	\$195.00/hour
Project Analyst/Project Research	\$165.00/hour
Assistant Project Analyst/Assistant Project Manager	\$125.00/hour
GIS Mapping/Graphics Service	\$ 95.00/hour
Clerical Support	\$ 60.00/hour

- **Additional Expenses**

In addition to professional services (labor fees):

- 1) An **administrative fee** for in-house copy, fax, phone and postage costs will be charged, which will be computed at four percent (4.0 %) of monthly Kosmont Companies professional service fees incurred; **plus**
- 2) **Out-of-pocket expenditures**, such as travel and mileage, professional printing, and delivery charges for messenger and overnight packages will be charged at cost.
- 3) If Kosmont retains **Third Party Vendor(s)** for Client (with Client's advance approval), fees and cost will be billed to Client at 1.1X (times) fees and costs.
- 4) Consultant's **attendance or participation at any public meeting** requested by Client will be billed at the professional services (hourly) fees as shown on this Attachment A.

- **Charges for Court/Deposition/Expert Witness-Related Appearances**

Court-related (non-preparation) activities, such as court appearances, depositions, mediation, arbitration, dispute resolution and other expert witness activities, will be charged at a court rate of 1.5 times scheduled rates, with a 4-hour minimum.



Amended Work Plan (Sept. 2018)

To: Greg Ramirez, City Manager, City of Agoura Hills

From: Ken K. Hira, Executive Vice President, Kosmont Companies
Thomas Jirovsky, Senior Consultant, Kosmont Companies

Date: September 18, 2018

Subject: **Work Plan for Further Real Estate Advisory Services**

I. BACKGROUND

Based on the findings from Kosmont Companies (Kosmont) market analysis for the Agoura Village Specific Plan, the City desires to retain Kosmont to provide further / follow-up on real estate services including review of state housing legislation and requirements for affordable housing in the City, infrastructure and development feasibility analysis within the Specific Plan area, and other advisory services, on an as needed basis. The City wants to proactively direct projects and land uses within the context of the Specific Plan to meet City objectives and that are financially feasible.

Kosmont has prepared the following Work Plan and budget for Council authorization / amendment of existing agreement.

II. WORK PLAN

Task 1: Review of State Housing Legislation

1. Provide overview of State Housing legislation.
2. Understand City's level of compliance for providing affordable housing.
3. Determine how the Specific Plan area can best meet City's housing needs.

Task 2: Feasibility of New Development

1. Meet with developers who control major development sites within the Specific Plan area to understand the financial challenges facing new development projects in the area.
2. Work with engineers to develop cost estimates for grading and other infrastructure needed to build on the various hillside parcels within reasonable environmental limits (Oak tree preservation, etc.).

3. Prepare illustrative project financial pro formas for various commercial and residential building types to understand the improved land value that can be supported by such new development.
4. Based on market conditions and estimated construction costs required, work with City to analyze a range of land use concepts and commensurate density for projects to be financially feasible. Identify other variances to development standards that may be needed (i.e. parking, height limits, etc.).

Task 3: Community Workshop / Council Study Session

1. Prepare a presentation in PowerPoint format summarizing basic understanding of key real estate development factors, financing needs and Citywide economic benefits that result from new projects.
2. Participate in a workshop to hear community goals and concerns regarding the Specific Plan and desired project components, and present Task 1 and Task 2 findings to get feedback on range of feasible land uses.
3. Coordinate digital web based platform (e.g., digiConversation®) to create communication with community about process.

Task 4: Assist with Initial Developer Negotiations and Site Marketing

1. At City Council direction, Kosmont will assist City with existing developer initial negotiations (e.g., proforma review, ENA and Development Agreement terms and conditions) as appropriate.
2. Assist City with initial site marketing to users/tenants and solicit new development proposals (e.g., OppSites) as appropriate.

Task 5: Other Advisory Services

1. Kosmont can provide City with other real estate advisory services as needed and as mutually agreed upon by Kosmont and City.

III. SCHEDULE

Consultant is prepared to commence work upon City's authorization. We anticipate needing approximately 10-12 weeks to complete preliminary analysis in Task 1 and 2 in preparation for community workshop.

IV. BUDGET

Kosmont requests a budget authorization of \$100,000 to cover Work Plan Tasks 1-5, which includes a reasonable expense for civil engineer grading and infrastructure cost estimates for certain topographically challenged parcels. The professional services (hourly) fees will be billed at Consultant's public sector billing rates as shown on Attachment A.