

Council Business Meeting

March 21, 2017

Title: Approval of Special Procurement for Fregonese Associates

From: Maria Harris Planning Manager

maria.harris@ashland.or.us

Summary:

This item is to seek permission to directly award a professional services contract for an infill implementation strategy for the Ashland Transit Triangle (see attached map). The infill implementation strategy aims to create incentives for additional housing and business development adjacent to the bus route which in turn, may result in increased transit ridership.

Actions, Options, or Potential Motions:

I move to approve a special procurement contract with Fregonese Associates for \$38,320.00.

Staff Recommendation:

Staff recommends approval of the special procurement contract with Fregonese Associates to develop a package of land use strategies and incentives to implement the recommendations of the previous development feasibility analysis and create incentives for business and housing development in the Ashland Transit Triangle. The Ashland Transit Triangle is the area in the southeast part of the city comprised of the property adjacent to the bus route on Ashland St., Tolman Creek Rd. and Siskiyou Boulevard.

Fregonese Associates developed Envision Tomorrow, which is a suite of urban and regional planning tools for development/market feasibility analysis and scenario planning. Envision Tomorrow is a unique land use modeling tool because the software can analyze financial feasibility at a site-by-site and building level. The ability to analyze at the individual parcel and building level is critical in the Ashland Transit Triangle project because the opportunities for development and redevelopment are comprised of scattered sites throughout the area. In the previous project work, Fregonese Associates customized the Envision Tomorrow tool for Ashland with the assistance of planning staff. Envision Tomorrow is an open-access scenario planning package that planning staff can use in future projects.

The original Ashland Transit Triangle analysis was performed by Fregonese Associates using Envision Tomorrow. As a result, Fregonese Associates has inherent knowledge of the previous analyses and model, as well as the City's land use ordinance and adopted plans, which will provide continuity and efficiency in developing the infill implementation strategy.

Resource Requirements:

The resources required for this project are budgeted within the current biennium. However, the project timeline overlaps two fiscal years and a portion of the project funding would be in fiscal year 2018.

Policies, Plans and Goals Supported:

The project addresses a variety of City Council goals and strategies as well as adopted City plans. The Draft Guiding Principles document included in the [October 11 Planning Commission packet](#) details the applicable Council goals and policies including the following City Council goals for people and the environment.

People

Seek opportunities to enable all citizens to meet basic needs. (5)

5.2.a Pursue affordable housing opportunities, especially workforce housing. Identify specific incentives for developers to build more affordable housing.

- Adjust infill strategies in order to promote housing development along major transportation corridors.

Environment

Develop and support land use and transportation policies to achieve sustainable development. (13)

13.2 Develop infill and compact urban form policies.

- Update infill strategy along major transportation corridors to promote housing and business development, as well as alternative transportation choices.

The Transportation System Plan includes four projects in the transit triangle related to improving sidewalks, bus shelters and intersections enhancements for pedestrians including two projects for Ashland Street Streetscape Enhancements (R38 for Siskiyou Blvd. to Walker Ave. and R-39 for Walker Ave. to Normal Ave.), Ashland Street/Tolman Creek Road (R41) and the Walker Ave. festival street (R40).

The infill strategy project relates to policies included in the draft Climate and Energy Action Plan (CEAP). Specifically, the draft plan includes strategies to address residential travel and the emissions associated with passenger cars and trucks. Common strategies for replacing residential travel trips in passenger cars and trucks include promoting land use development patterns that utilize existing public infrastructure, and make using transit and alternate modes of transportation possible and even desirable.

Background and Additional Information:

Fregonese Associates and planning staff provided the City Council information about the findings of the development feasibility analysis of the Ashland Transit Triangle at the December 19, 2016 City Council study session ([meeting minutes](#)). Council directed staff to move forward with the next steps and bring back a package of options for implementation.

Despite an allowance in the commercial and employment zones (C-1 and E-1) for 15 to 30 housing units per acre, past developments in the Ashland Transit Triangle were primarily

comprised of single-use, one story commercial buildings that did not include a residential component. The previous development feasibility analysis recommended removing existing housing density maximums to provide an incentive for the private market to build at a higher density with a focus on smaller units sizes.

The transit triangle is served by Rogue Valley Transportation District (RVTD) Route 10 with 20 minute service from 7am-5pm (Monday-Friday) and 30 minute service for the remainder of the day (5am-7am and 5pm-7pm, Monday - Friday). Route 10 also includes service on Saturdays at hour intervals. Route 10 provides the highest ridership in the RVTD system (50 percent of all RVTD riders) and the Bi-Mart stop on Tolman Creek Rd. is one of the most used stops system wide. Other opportunities in the transit triangle include a sizeable amount of vacant and redevelopable land, well-established public facilities, and shopping, services and neighborhoods within walking distance. A challenge in the transit triangle is the transition between new development and existing residential neighborhoods.

The first phase of the project involved identifying the factors that limit commercial and residential development in the transit triangle. Fregonese Associates performed a return on investment (ROI) analysis to examine the market feasibility of a variety of building types using the Envision Tomorrow (ET) model. The model incorporates land, construction and permitting costs and the physical attributes of buildings allowed by the zoning and land use standards (e.g., height and size of building, number of residential units, required parking, required landscaping) to produce achievable rents and sales prices for commercial space and residential units. Interviews with development industry professionals were used to verify the construction costs and rents used in the model.

The ROI analysis determined that under the current zoning and land use standards, the projected commercial rents are too low to make new construction feasible and that the residential rental rates are also unfeasible because the rental rates exceed those of the current rental market. In addition, the current market conditions and existing zoning of the area promotes building larger housing unit sizes, 1,000 square feet and larger, and the projected rental rates exceed the amount a two-person household at median income can afford by 30 percent or more.

The Community Development Department wishes to use a special procurement process in order to directly award Fregonese Associates with the project to develop the implementation strategy for the Ashland Transit Triangle. In order to process a special procurement the City Council must approve the process and a public notice of the procurement must be posted on the City's web site to provide an opportunity to protest the award.

Attachments:

Map of Ashland Transit Triangle

Special Procurement Request for Approval Form #9

Fregonese Associates Proposal

Ashland Transit Corridor Study Area

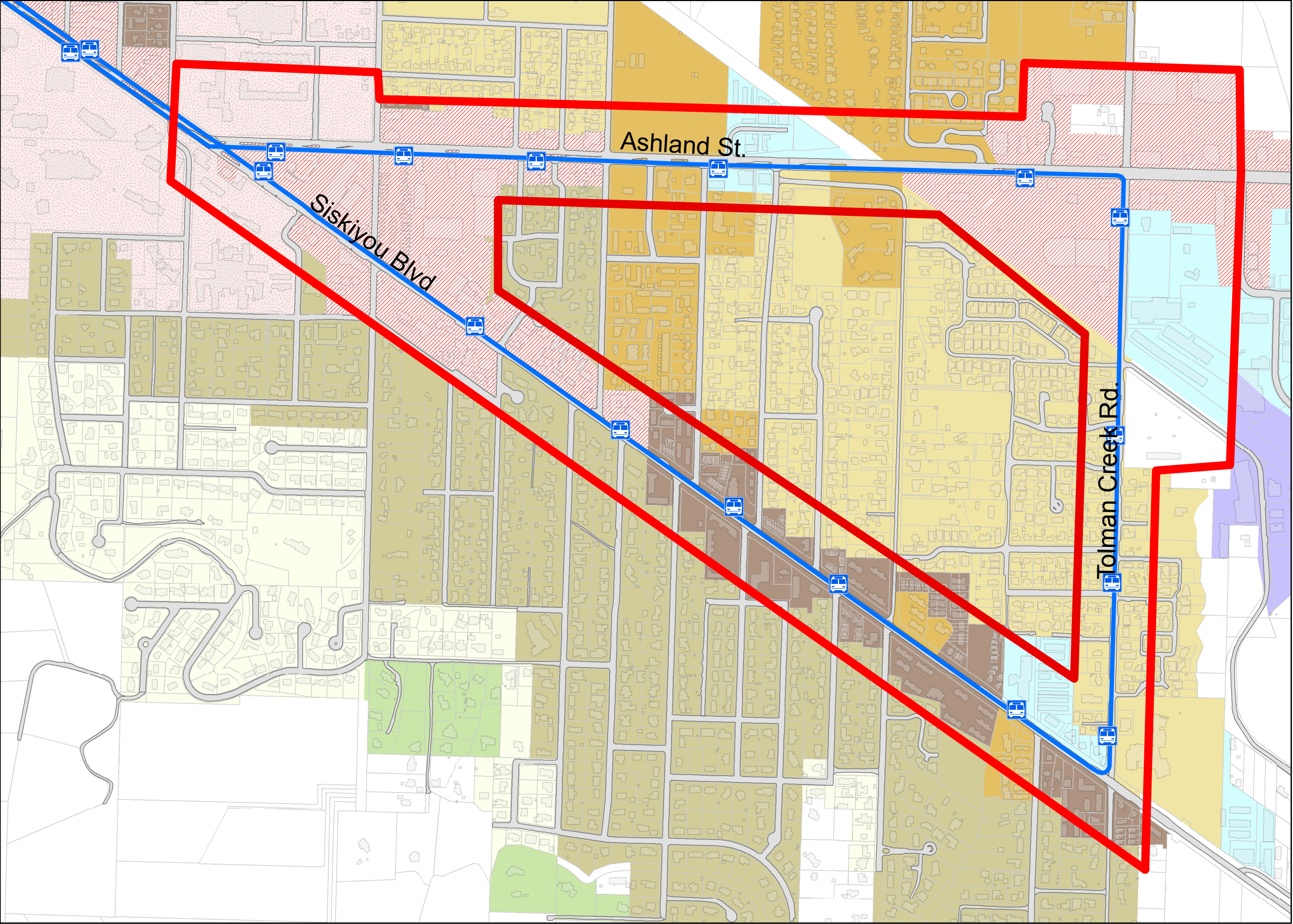
City Zones

ZONING

- C-1
- E-1
- M-1
- R-1-10
- R-1-5
- R-1-7.5
- R-2
- R-3
- RR-.5
- SO
- RVTD Route



0 250 500 1,000 Feet



Property lines are for reference only, not scaleable

**SPECIAL PROCUREMENT
REQUEST FOR APPROVAL**

To: City Council, Local Contract Review Board

From: Bill Molnar, Community Development Director

Date: March 14, 2017

Subject: REQUEST FOR APPROVAL OF A SPECIAL PROCUREMENT

In accordance with ORS279B.085, this request for approval of a Special Procurement is being presented to the City Council for approval. This written request for approval describes the proposed contracting procedure and the goods or services or the class of goods or services to be acquired through the special procurement and the circumstances that justify the use of a special procurement under the standards set forth ORS 279B.085(4).

1. **Requesting Department Name:** Community Development
2. **Department Contact Name:** Maria Harris
3. **Type of Request:** _____ Class Special Procurement X Contract-specific Special Procurement
4. **Time Period Requested:** From: April 1, 2017 To: December 29, 2017
5. **Total Estimated Cost:** \$38,320.00
6. **Short title of the Procurement:** Infill Implementation Strategy for the Ashland Transit Triangle

Supplies and/or Services or class of Supplies and/or Services to be acquired:

The services to be obtained include professional planning and urban design services to develop a package of land use strategies and incentives to implement the findings of the previous development feasibility analysis and create incentives for business and housing development in the Ashland Transit Triangle.

7. Background and Proposed Contracting Procedure: Provide a description of what has been done in the past and the proposed procedure. The Agency may, but is not required to, also include the following types of documents: Notice/Advertising, Solicitation(s), Bid/Proposal Forms(s), Contract Form(s), and any other documents or forms to be used in the proposed contracting procedure. Attach additional sheets as needed.

Background: The City previously contracted with Fregonese Associates to conduct a return on investment analysis of development and redevelopment in the Ashland Transit Triangle to identify factors that limit the amount and type of development in the area. The analysis found that: 1) a building with a mix of business and residential uses based on current land, construction and permitting costs and under current zoning and land use standards isn't feasible because projected commercial rents are low and the residential rental rates are high compared to the existing market prices, and 2) the projected dwelling units are primarily 1,000 square feet and larger because of maximum density requirements and the rental rates exceed the amount a two-person household at median income can afford by 30 percent or more. The recommendations included: 1) changes in requirements

for building height, number of stories, parking spaces, landscaping coverage and the maximum number of residential dwelling units allowed per acre, 2) accelerating street frontage improvement projects included in existing adopted plans, and 3) updating the inclusionary zoning policies based on new state laws.

8. Justification for use of Special Procurement: Describe the circumstances that justify the use of a Special Procurement. Attach relevant documentation.

Fregonese Associates developed Envision Tomorrow which is a suite of urban and regional planning tools for development/market feasibility analysis and scenario planning. Envision Tomorrow is a unique land use modeling tool because the software can analyze financial feasibility at a site-by-site and building level. The ability to analyze at the individual parcel and building level is critical in the Ashland Transit Triangle project because the opportunities for development and redevelopment are comprised of scattered sites throughout the area. The original Ashland Transit Triangle analysis was performed by Fregonese Associates using Envision Tomorrow. As a result, Fregonese Associates has inherent knowledge of the previous analyses and model, as well as the City's land use ordinance and adopted plans, which will provide continuity and efficiency in developing the infill implementation strategy.

9. Findings to Satisfy the Required Standards: This proposed special procurement:

☒ (a) will be unlikely to encourage favoritism in the awarding of public contracts or to substantially diminish competition for public contracts because:

This award will not substantially diminish competition because there are few planning firms that use the Envision Tomorrow suite of tools for development and market feasibility analysis and scenario planning.
(Please provide specific information that demonstrates how the proposed Special Procurement meets this requirement.);

and

☒ (b)(i) will result in substantial cost savings to the contracting agency or to the public because:

Selection of Fregonese Associates will result in cost savings because Fregonese Associates is familiar with the previous analysis results and Ashland's land use ordinance and adopted plans because of the firms' previous work on the project. A new firm would require as a first task time covered to review the previous work as well as Ashland's standards and adopted plans in addition to developing an implementation strategy.

Staff time and resources are saved by not having to go through a formal selection process. The reduction in City staff time includes development of an RFP and scope of services, internal review, proposal scoring, negotiations with selected consultant, and working with new consultant to review previous work and Ashland's standards and adopted plans.

(Please provide the total estimate cost savings to be gained and the rationale for determining the cost savings); **or**

_____ (b)(ii) will otherwise substantially promote the public interest in a manner that could not practicably be realized by complying with the requirements of ORS 279B.055, 279B.060, 279B.065, or 279B.070, or any rules adopted thereunder because:

(Please provide specific information that demonstrates how the proposed Special Procurement meets this requirement.)

Public Notice:

Pursuant to ORS 279B.085(5) and OAR 137-047-0285(2), a Contracting Agency shall give public notice of the Contract Review Authority's approval of a Special Procurement in the same manner as a public notice of competitive sealed Bids under ORS 279B.055(4) and OAR 137-047-0300. The public notice shall describe the Goods or Services or class of Goods or Services to be acquired through the Special Procurement and shall give such public notice of the approval of a Special Procurement at least seven (7) Days before Award of the Contract.

After the Special Procurement has been approved by the City Council, the following public notice will be posted on the City's website to allow for the seven (7) day protest period.

Date Public Notice first appeared on www.ashland.or.us – March 22, 2017

PUBLIC NOTICE

Approval of a Special Procurement

First date of publication: March 22, 2017

A request for approval of a Special Procurement was presented to and approved by the City Council, acting as the Local Contract Review Board, on March 21, 2017.

Fregonese Associates will develop an infill implementation strategy including land use strategies and incentives to implement recommendations of the previous development feasibility analysis for the Ashland Transit Triangle, an area in the southeast part of the city comprised of the property adjacent to the bus route on Ashland St., Tolman Creek Rd. and Siskiyou Boulevard. The project is a contract-specific special procurement for planning and urban design services.

It has been determined based on written findings that the Special Procurement will be unlikely to encourage favoritism in the awarding of public contracts or to substantially diminish competition for public contracts, and result in substantial cost savings or substantially promote the public interest in a manner that could not be realized by complying with the requirements that are applicable in ORS 279B.055, 279B.060, 279B.065, or 279B.070.

An affected person may protest the request for approval of a Special Procurement in accordance with ORS 279B.400 and OAR 137-047-0300. A written protest shall be delivered to the following address: City of Ashland, Bill Molnar, Community Development Department, 20 E. Main St., Ashland, OR 97520. The seven (7) day protest period will expire at 5:00pm on March 28, 2017.

This public notice is being published on the City's Internet World Wide Web site at least seven days prior to the award of a public contract resulting from this request for approval of a Special Procurement.

Ashland Transit Triangle – Implementation Strategy

Task 1: Confirm Public Involvement Strategy

Discuss citizen involvement approach with the Planning Commission and make adjustments as necessary.

Deliverable:

- Planning Commission packet and meeting minutes (City)

Task 2: Model Refinements

Refine model to address previously raised comments from the Developers forum and City staff about revenue and cost assumptions for the building prototypes. Review average costs and determine if updates needed. Conduct brief phone interviews with local developers and brokers to better understand any changes in market or prices.

- Schedule conference call to review model changes with City staff (FA)

Deliverable:

- Call meeting notes (FA)
- Updated building prototype models (FA)

Task 3: Draft Zoning Amendments for the Transit Triangle

The Consultant will work with City of Ashland staff to develop a revised zoning language for the C1, E-1, R-2 and R-3 zones. Fregonese Associates will develop draft zoning language, graphics and an explanatory document. The team will also update the zoning map. The proposed amendments may include:

- Develop a Zoning Overlay for the C1 and E-1 that lift the density cap, and implement other small changes in the zoning changes.
- Evaluate changes for the R-2 and R-3 zones when property fronts one of the Triangle arterials.
- Develop improved Site Design Standards for this area and for the new zoning standards.
- Clean up and consolidation of all the previous overlays.
- Develop Recommendations for an accelerated street frontage improvement strategy of the existing adopted plans.
- Develop inclusionary zoning strategy to comply with the new state law.
- Investigate other incentives and regulations that will encourage affordable units.

Deliverable:

- Updated language, graphics and explanatory document for site design standards in the Transit Triangle. We will use the current code format, which has the site design standards incorporated in the land use ordinance.
 - FA will produce draft materials; city staff will review and provide comments.
- PowerPoint presentation explaining and illustrating the updates (FA)
- Two photorealistic visualizations demonstrating the effect of the zoning modifications and street frontage improvements (FA)

Task 4: Preparation for Study Session

City staff will schedule study sessions with the Planning Commission and FA will prepare meeting materials.

- Schedule PC study sessions (City staff)
- Prepare PC packet including project background, goals for Implementation Strategy (FA - City staff)

Deliverable:

- Packet Materials and PowerPoint (FA - City staff)
- Develop list of implementation goals that the zoning changes will accomplish (FA)

Task 5: Study Session – Intro to recommended zoning changes

City staff, with assistance from FA will hold study sessions with the Planning Commission to revisit original project and purpose, present preliminary changes to the C1, E-1, R-2 and R-3 zones.

Deliverables:

- PowerPoint for the meeting (FA)
- Draft changes to the C1, E-1, R-2 and R-3 zones memo (FA - City staff)
- Attend and participate in one meeting/Planning Commission study session (FA)

Task 6: Preparation for Council Briefing

City staff will schedule Council briefing and FA will prepare meeting materials.

- Schedule Council briefing (City staff)
- Prepare Council packet including project background, goals for Implementation Strategy and preliminary changes to the C1, E-1, R-2 and R-3 zones. This packet will be refined based on input from the Planning Commission (FA - City staff)

Deliverable:

- Packet Materials and PowerPoint (FA - City staff)
- Develop list of implementation goals that the zoning changes will accomplish (FA)

Task 7: Council Briefing

City staff, with assistance from FA will update the City Council on the project with condensed version of the PC study session.

Deliverables:

- PowerPoint for the meeting (FA)
- Draft changes to the C1, E-1, R-2 and R-3 zones memo (FA - City staff)
- Attend and participate in one meeting/City Council meeting (FA)

Task 8: Public Open House & Stakeholder Meeting (Preparation and Events)

Hold open house and a stakeholder meeting to present and obtain input on potential zoning changes in the Transit Triangle; obtain input on potential strategies and create preferred action plan for implementing the zoning amendments.

- Prepare graphic presentation that captures the residents' and stakeholders' consensus about the future of the Transit Triangle base on the previous project work;
- Describe the future of the Transit Triangle area in both words and images;
- Clearly depict what the future could look like if recommended zoning changes and other implementation measures are adopted;
- Depict the potential buildout of the area in an area-wide design of infill/probable redevelopment sites; and
- Use illustrations/visualizations and character imagery to support recommended changes to zoning

Deliverables:

- Promote and invite residents/stakeholders to the Open House (City staff)
- Secure venue and equipment necessary for the event (City staff)
- Meeting Materials and PowerPoint (FA)
- Attend and participate in two meetings including open house and stakeholder meetings (FA)
- Meetings summary memo including identification of issues and concerns (FA)

Task 9: Planning Commission and Council Adoption

City staff, with assistance from FA will prepare materials for Planning Commission and City Council and attend the Planning Commission and City Council public hearings.

- Schedule and hold meeting or conference call to prep for council meeting (FA - City staff)

Deliverable:

- Prepare public hearing packet including project background, goals for Implementation Strategy and preliminary changes to the C1, E-1, R-2 and R-3 zones. This packet will be refined based on input from the previous meetings (FA - City staff)
- PowerPoint for Council adoption (FA)
- Attend two meetings including Planning Commission and City Council public hearings (FA)

Ashland Transit Triangle – Implementation Strategy Timeline							
	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17
Proposed Timeline							
Task 1: Confirm Public Involvement Strategy							
Task 2: Model Refinements							
Task 3: Draft Zoning Amendments for the Transit Triangle							
Task 4: Preparation for PC Study Session							
Task 5: Study Session – Intro to recommended zoning changes		(1)					
Task 6: Preparation for Council Briefing							
Task 7: Council Briefing			(2)				
Task 8: Public Open House & Stakeholder Meeting (Preparation and				(3)			
Task 9: Council Adoption (Preparation and Meeting)					(4)	(5)	

- Planning Commission Study Session

(1)
- City Council Meeting - Project Briefing

(2)
- Public Open House & Stakeholder Meeting

(3)
- Planning Commission - Adoption Public Hearing

(4)
- City Council Meeting - Adoption Public Hearing

(5)

* John Fregonese and/or Scott Fregonese will attend the 5 meetings listed above *

	FA				
Ashland Transit Triangle – Implementation Strategy Budget	John Fregonese	Scott Fregonese	Alex Joyce	David Fiske	FA Total
Hourly Rate	\$ 240	\$ 145	\$ 125	\$ 70	
Proposed Budget					
Task 1: Confirm Public Involvement Strategy	0	0	0	0	\$ -
Task 2: Model Refinements	2	4	10	8	\$ 2,870
Task 3: Draft Zoning Amendments for the Transit Triangle	8	12	10	18	\$ 6,170
Task 4: Preperation for PC Study Session	4	6	6	8	\$ 3,140
Task 5: Study Session – Intro to recommended zoning changes	8	8	0	4	\$ 3,360
Task 6: Preparation for Council Briefing	6	8	8	12	\$ 4,440
Task 7: Council Briefing	8	8	0	4	\$ 3,360
Task 8: Public Open House & Stakeholder Meeting (Preparation and Events)	12	16	18	18	\$ 8,710
Task 9: Planning Commission and Council Adoption	10	12	0	4	\$ 4,420
Project Expenses (Travel and Open House Matereals)					\$ 1,850
Total Project					\$ 38,320