

CITY OF LOS ANGELES

CALIFORNIA

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March 29, 2013

Office of the City Administrative Officer
Request for Bids for an Economic and Fiscal Impact Analysis and Peer Review
of the NBC Universal Evolution Plan Alternative 10 Project

Deadline: April 26, 2013 at 4:30 PM California Time

In 2000, the City of Los Angeles (City) created the Boundary Adjustment Board (Board) whose purpose it is to make recommendations to the City Council relative to the economic impact of proposed adjustments to the City boundary. The Board met on November 5, 2012 relative to the NBC Universal Evolution Plan Alternative 10 Project (Project) which includes proposed changes to the City boundary. NBC Universal, Inc. (Property Owner) provided a Fiscal and Economic Analysis performed by HR&A Advisors, Inc. (HR&A) and a Plan for Municipal Services to the Board. The Board determined to have these documents reviewed by a third party economist (peer review) and to include requirements in the Project's Development Agreement that would ensure revenue neutrality to the City if/when the boundary adjustments occur. The City Council subsequently approved a Development Agreement for the Project which included provisions that the Property Owner pay for the peer review and related analysis, including but not limited to the impact of the first major new theme park attraction at Universal Studios Hollywood on City costs and revenues in the year following its opening.

The Project is located in both the City and Los Angeles County (County). The Project proposes boundary changes, which, if approved, would detach 30 acres from the City and annex three acres from the County for a net reduction to City boundaries of 27 acres. The Project comprises a total of 391 acres of mostly developed land currently located in the County (296 acres) and the City (95 acres), encompassing Universal Citywalk Hollywood and surrounding areas. The Project is bounded by the Los Angeles River to the north, Barham Boulevard to the east, the Hollywood Freeway to the south, and Lankershim Boulevard to the west. If fully developed over twenty years, the project would result in approximately 1.77 million net new gross square feet (SF) of Studio, Studio Office, Office, Entertainment, Entertainment Retail, Amphitheater space, and two 500-room hotels for a total of 338,646 SF in the City and 1.43 million SF in the County in and around Universal City Walk.

The Office of the City Administrative Officer (CAO) requests bids for an economist or team of economists to:

1. Peer review the Assessment of Employment, Housing, and Population Impacts and Tax Revenue Impacts of the Project completed by HR&A. The peer review shall validate and/or provide alternative analysis to HR&A's conclusions. As part of the peer review, additional analysis for years two through 19 of the project will be necessary as the HR&A analysis is limited to years one and twenty of the project.
2. Peer review the Plan for Municipal Services provided by the Property Owner and provide additional analysis for years one through twenty of the Project, including, but not limited to, the impact of the Project on City costs and a detailed accounting of the inputs for those costs. For example, if the Fire Department will require a new ambulance, describe why the ambulance is needed, how many ambulances currently serve the area, the costs of acquisition and maintenance for the ambulance, additional personnel costs for the ambulance specifically and the Fire Department generally, etc.. This analysis shall consider all City Departments that have an identifiable cost for providing service to the Project and surrounding areas.
3. Establish a baseline for the City's current costs and revenues relative to the Project, under the current City boundary and the boundary proposed by the Project. This analysis shall include but not be limited to City Department costs and/or liabilities and Property, Sales, Transient Occupancy, Parking, Documentary Transfer, and Gross Receipts taxes directly and indirectly related to the Project area. All costs and revenue findings shall be for the City only—as opposed to the region. This analysis will be used to determine the Net Fiscal Surplus/Loss to the City for subsequent years of the Project's development and will be central to the City's decision as to whether or not to proceed with the Project's proposed annexations/detachments. This analysis must be designed and presented in such a way that it can be replicated annually by the original or a new economic analyst firm and validated by City staff—the Project's Development Agreement includes a provision for an annual review of the Fiscal Analysis requested in this Request for Bids.
4. Provide an analysis of the change (Net Fiscal Surplus/Loss) to the City's baseline costs and revenues, starting in the year following the opening of the first major new theme park attraction at Universal Studios Hollywood. This analysis shall follow the same logic established in the above baseline analysis, including an analysis with the current City boundary, the boundaries proposed by the Project, and direct/indirect costs/revenues resulting from the Project. To support this analysis, the Property Owner will provide to the selected bidder sufficient data about the Project to make reasonable assumptions about the new attraction's impact on the baseline.

5. Include in writing an explanation of all assumptions, data sources, modeling tools, and calculations necessary for City staff or a third party to validate and replicate your findings.

Your firm may provide additional analysis, including any revenue or budgetary impacts, based on your experience and what you believe will provide the best information to the City. The selected economist or team of economists will also be expected to present their reports and deliverables to the City Council, Mayor and other City officials. Resources for this activity should be included in the bid.

Please provide the following information within six pages, single spaced, 12-point font, 1-inch margins:

1. Your firm's experience highlighting:
 - Preparation of Fiscal and Economic Impact Studies for municipal annexations within the last five years.
 - Peer review of Fiscal and Economic Impact Studies performed by other firms.
 - Presentations of your findings to elected officials and dissemination of public information for review and comment.
 - Ability to produce Fiscal and Economic Impact Studies with transparency and independence, especially regarding the NBC Universal Project stakeholders.
2. Description of the data to be collected, proposed methods of analysis, and how the data will be reported.
3. Description of what the reports or deliverables will include.
4. Fixed fee, staff and schedule. The proposal should include brief resumes of the staff who will be assigned to the project and their hourly rates. The final price and schedule for the Analysis will be negotiated by the City with the selected firm or firms prior to the execution of an agreement.
5. Resources required from the City. Note, the bidder should assume all necessary clerical, secretarial, and research costs in its bid proposal as the City will not provide these services. City staff will provide guidance as to the City's needs relative to the Fiscal Analysis, contract management services, and contact information for City Departments.
6. A statement regarding your firm's relationship, if any, to NBC Universal, Inc. and its subsidiaries or subcontractors, including contracts with any of these businesses for the last five years. Firms currently doing business with the NBC Universal, Inc. or who have an ongoing relationship or investments with the NBC Universal, Inc. are not eligible for this project due to potential conflicts of interest.

7. A statement affirming that your firm will provide the City your data necessary for the City to validate or replicate the analysis provided to the City, excepting those data falling under a non-disclosure agreement that may be required to complete the analysis—see No. 8 below.
8. The successful bidder may be given proprietary information from the Property Owner that may require signing a non-disclosure agreement and/or other legal documents. If this condition is a concern to your firm, disclose such concerns in your bid response.
9. Cover letter of transmittal signed by an officer or other person empowered to commit the proposer to the terms and conditions of the proposal. This letter is in addition to the six pages allowed above.
10. When responding to the bid, and as part of your final report, your firm should review available documents related to the NBC Universal project including, but not limited to, the documents listed below. These documents are available directly or by hyperlink at the following address: <http://cao.lacity.org/oea/index.htm>.
 - Project Development Agreement
 - Sign District Agreement
 - Water Supply Agreement
 - HR&A Memorandums:
 - Tax Revenue Impacts of NBC Universal Evolution Plan Alternative 10
 - Supplemental Analysis of Tax Revenue Impacts in the City of Los Angeles from the Proposed Boundary Adjustments in the NBC Universal Evolution Plan: Alternative 10
 - An Assessment of the Employment, Housing, and Population Impacts of Alternative 10: No Residential Alternative for the NBC Universal Evolution Plan
 - NBC Universal Evolution Plan -- Municipal Services Plan (maps included)
 - City Adopted Budget for 2012-13: <http://controller.lacity.org/AdoptedBudget>

General Project Criteria

The selected economist or team of economists will be required to comply with the City's current Contractor Responsibility Ordinance and other City contracting requirements. In addition, the selected firm or firms will need to provide a copy of their Business Tax Registration Certificate (BTRC) from the City of Los Angeles Office of Finance. Please note that the City does not pay for mileage, parking, travel, faxes, internal printing and copying or computer time, as these are part of the normal cost of doing business.

We will be choosing the economist or team of economists and reserve the right to make the selection with any configuration from the qualified list. The most qualified firm or firms will be chosen based on the proposal, the fixed fee submitted, and the specific information provided. Each responsive proposal will be evaluated for negotiation and selection by the CAO in accordance with established City criteria.

Please note that the successful proposer(s) will need to be willing to work under a Notice to Proceed while the contract is being developed. The typical Office of Economic Analysis (OEA) contract requires approximately three months to execute due to the City Attorney review, negotiations, and approval processes. Unfortunately, while every effort will be made to expedite the process, reductions in City staffing in multiple City offices may limit our ability to do so.

A conference call for proposers to ask questions about the RFB will be held on April 3, 2013. The phone number and access code will be e-mailed to all of the applicant firms by April 2, 2013. Thereafter, all questions may be emailed to the address below; the question and response to those questions will be posted on the OEA website for all bidders to review.

Following are key dates and events for this bid:

- Release Request for Bids: March 29, 2013
- Conference call Q/A: 10:00 AM, PST, April 4, 2013
- Deadline for Bid Submission: 4:30 PM, PST, April 26, 2013
- Review of Bids: April 29, 2013 – May 17, 2013
- Issue Notice to Proceed: May 17, 2013

All information is due by 4:30 PM PST, April 26, 2013. Please send your response and any questions relative to the bid to cao.oea@lacity.org. While email is preferred, you may also contact Tyler Munhall at 213-978-3028.

We look forward to hearing from you.