



## CITY OF GLENDALE, CALIFORNIA REPORT TO THE CITY COUNCIL

### AGENDA ITEM

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Report: Award of Property Acquisition and Property Management Agent Contract

1. Motion Authorizing the Interim City Manager to Prepare and Execute a Professional Services Agreement with Overland Pacific & Cutler in the amount of \$180,000 for a 3-year Contract to Provide Property Acquisition and Property Management Services

### COUNCIL ACTION

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**Item Type:** Consent Calendar

**Approved for** November 17, 2020 **calendar**

### ADMINISTRATIVE ACTION

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**Submitted by:**

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**Prepared by:**

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**Reviewed by:**

Michele Flynn, Director of Finance

Michael J. Garcia, City Attorney

Jennifer Hiramoto, Acting Assistant Director of Community Development

**Approved by:**

Roubik R. Golanian, P.E., Interim City Manager

## RECOMMENDATION

Staff recommends approval of the motion authorizing the Interim City Manager to prepare and execute a 3-year professional services agreement with Overland, Pacific & Cutler for an amount not to exceed \$60,000 per year for the next three years, totaling \$180,000.

## BACKGROUND/ANALYSIS

The City continues to centralize its property acquisition and property management services by contracting with a private consultant to perform the services under the direction of one City Department. This allows City Departments to act quickly when opportunities arise regarding land offered for sale, purchase requests or other real estate transactions. In addition, it puts all City-owned properties leased to third party users in one portfolio for management and maintenance. All City Departments requiring property agent services coordinate with the directing Department, which is currently Community Development. The Economic Development Division coordinates between the City Departments and the property agent to get the work completed, and manages the property agent contract and payment of invoices using the respective City Department's funds.

In recent years, the following divisions and departments have utilized the contract for a variety of services, including:

DEPARTMENT	PROPERTY MANAGEMENT SERVICES	PROPERTY ACQUISITION SERVICES
<b>Economic Development – Community Development</b>	<ul style="list-style-type: none"><li>• Alex Theatre</li><li>• Artsakh Retail units</li><li>• 116 W. California and 250 N. Orange</li><li>• Museum of Neon Art</li></ul>	<ul style="list-style-type: none"><li>• Appraisal Services for properties such as Rockhaven Sanitarium, former Redevelopment assets, public parking lots, Central Park</li></ul>
<b>Housing – Community Development</b>		<ul style="list-style-type: none"><li>• Appraisal services for affordable housing sites</li></ul>
<b>Public Works</b>		<ul style="list-style-type: none"><li>• Appraisal services for 805 S. Fairmont</li><li>• General right-of-way acquisition requests</li></ul>
<b>Glendale Water &amp; Power</b>		<ul style="list-style-type: none"><li>• General right-of-way acquisition requests</li></ul>

Over the last six years, Overland Pacific & Cutler (OPC) has assisted the Community Development Divisions of Economic Development and Housing as well as Public Works, as detailed above. Their current contract with the City will expire at the end of November 2020.

Staff released a Request for Proposals (RFP) for property acquisition and property management services. Property acquisition services includes preparing appraisals, preparation of offer letters, negotiation, reporting for formal approval, escrow settlement, pre-eminent domain activities/coordination, tenant relocation, property disposition and right of way services. Property management services includes activities such as collecting rents, performing ordinary

property maintenance, administering emergency and unsafe condition repairs, providing and/or sub-contracting for ongoing building and ground maintenance and repair, and coordinating payment of vendor fees.

Staff sent the RFP to 27 firms; eight submitted proposals. The firms were identified from a variety of sources including the Glendale Chamber of Commerce and the list of consultants used for the last RFP in 2017. All firms were evaluated based on property acquisition services and property management experience as described above, recent projects, staffing, cost, and availability. After an initial review of the proposals by an internal team from Economic Development and Business Concierge, Staff conducted interviews with the top three firms:

1. Epic Land Solutions
2. Overland, Pacific & Cutler
3. Paragon Partners

Staff was impressed with the qualifications of all three firms. However, OPC was rated highest based on the noted evaluation criteria, and demonstrated that they were the most qualified firm to take on the variety of projects associated with this contract. They are the largest property management and acquisition firm in California, and offer a variety of services related to both property management and property acquisition services, including utility manager, right-of-way engineering services, and in-house civil engineer and appraiser.

From their proposal and interview, OPC demonstrated that they had extensive experience with large and small scale projects with various public agencies throughout Southern California including the City of Long Beach, Cal Trans, and the City of Glendale.

Over the years, OPC has provided the City of Glendale comprehensive acquisition and property management services including relocation, appraisal and title services, property maintenance, and tenant services for City-owned properties. They have an intimate knowledge of Glendale and many of the City's current projects as the existing consultant, and have proven they can make themselves available for both immediate requests as well as provide satisfactory service on longer-term projects. In summary, Staff has been very pleased with OPC's expertise and quality of service and are requesting to continue the relationship.

Staff requests authorization to enter into a three year Professional Services Agreement with OPC for an amount not to exceed \$60,000 per year or \$180,000 over the three-year contract to provide property acquisition and property management services for all City Departments, coordinated through the Economic Development Division of Community Development.

## **FISCAL IMPACT**

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The cost of the Professional Services Agreement is \$180,000. This contract will be used for services by various City Departments and costs will be expensed to Department accounts as needed. Funding for the first year of the contract in the amount of \$60,000 will be encumbered to the Community Development Department. The primary account number is 43110-1010-CDD-2511-P0000-T0000-F0000-0000-0000.

## **ALTERNATIVES**

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Alternative 1: The City Council may authorize the Interim City Manager to prepare and execute a Professional Services Agreement with Overland Pacific & Cutler in the amount of \$180,000 to provide property acquisition and property management services to all City Departments. This will ensure continued property agent services to City Departments to facilitate their work for the next three years.

Alternative 2: The City Council may deny authorization to the Interim City Manager to prepare and execute a professional services agreement with Overland Pacific & Cutler in the amount of \$180,000 to provide property acquisition and property management services to all City Departments. This would result in the City not having a centralized property agent on contract to perform the necessary services. Each Department would be required to contract independently with a property agent. This would be less efficient in terms of time required to execute a contract, and could potentially result in lost opportunity when needing to move quickly on a land transaction. It would also forgo the cost savings of having a City contract shared by all Departments.

Alternative 3: The City Council may consider any other alternative not proposed by staff.

## **CAMPAIGN DISCLOSURE**

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In accordance with the City Campaign Finance Ordinance No. 5744, the Campaign Disclosure form for OPC is attached as Exhibit 1, and includes the names and business addresses of the members of the board of directors, the chairperson, CEO, COO, CFO, Subcontractors and any person or entity with more than 10% interest in the company.

## **EXHIBITS**

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Exhibit 1 - Campaign Disclosure - OPC