

MEMORANDUM

DATE: August 19, 2010
TO: Business Advisory Committee
FROM: Jeremy Graves, Community Development Director
SUBJECT: Short Term Business Needs Study



Discussion

Following the BAC's July 15, 2010 meeting, the Finance Subcommittee of the City Council reviewed the Scope of Work and Rajiv Parikh proposal for the Short Term Business Needs Study. The Finance Subcommittee requested the BAC review the Scope of Work to ensure it accurately addresses the short term needs of the business community. Specifically,

- Phase II (Facilitating Marketing of Available Commercial Properties). Is Phase II an effective use of City financial resources? Should landlords be responsible for retaining effective commercial brokers for marketing their respective tenant spaces?
- Phase III (Prepare Recommendations). The scope of work appears to request the consultant to make recommendations on issues which are beyond the scope of work undertaken by the consultant.

The Scope of Work and Rajiv Parikh proposal are attached for reference.

Recommendation

The Finance Subcommittee requests the BAC to review the Scope of Work and make appropriate modifications to ensure it accurately addresses the short term needs of the business community

Attachments

Scope of Work, dated June 29, 2010

Rajiv Parikh proposal, dated July 12, 2010



CITY OF SAUSALITO

Community Development Department
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June 29, 2010

Subject: Request for Proposals – Short Term Business Needs Study

Dear:

The City of Sausalito, in concert with several local business owners, is soliciting proposals for preparation of a study which examines the short term needs of businesses in the City. A scope of work for the short term needs study is enclosed. This study will compliment a second study to be prepared by Robert Eyler, Ph.D. of the Marin Economic Forum (MEF). The second study (termed the "MEF Economic Development Studies") was recently-initiated and is also funded by the Sausalito City Council and local business owners. The MEF Economic Development Studies examine the optimal business mix, the economic impact of various industry groups in the City; and the economic impact of recreational boats and marinas in the City. A scope of work for MEF Economic Development Studies is enclosed for background information.

You are invited to submit a proposal which addresses the tasks listed in the attached Short Term Business Needs Study scope of work. If you have any suggestions for enhancement of the scope of work, which would improve the short term business needs of the community, please include them in your proposal. Please note that the budget for this study has been fixed at \$20,000, including any direct costs or expenses.

We would appreciate receiving your proposal by 5:00 p.m. on July 12, 2010. Please contact me if you have any questions or need additional information.

Sincerely,

Jeremy Graves, AICP
Community Development Director

cc: Cheryl Popp, Past President – Sausalito Chamber of Commerce

Enclosures:

Scope of Work – Short Term Business Needs Study
Scope of Work – Economic Development Study, dated April 12, 2010

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SHORT TERM BUSINESS NEEDS STUDY SCOPE OF WORK

Working in tandem with Robert Eyster, Ph.D. of the Marin Economic Forum, the consultant will focus on the short term needs of businesses in Sausalito by working to retain current businesses and attract new businesses. The consultant is responsible for the following tasks.

Phase I – Create Database of Available Commercial Properties

1. Conduct interviews with commercial landlords to identify:
 - a. Specifications of available properties including site conditions (e.g., physical dimensions, type of finishes, access, parking, and adjacent uses)
 - b. Preferred business types and mixes, as well as dispersal of businesses throughout the City.
 - c. Factors influencing landlord decisions (e.g., financing, fixed occupancy costs, tenant improvement costs).
2. Create inventory available commercial real estate

Deliverables: Listing and mapping of available properties and tenant spaces, including the specifications noted above. The listing must be in a format suitable for posting on the Chamber of Commerce website.

Timeframe:

- Administrative Draft delivered to City 60 days from execution of contract
- Final Draft delivered 5 days from receipt of comments on Administrative Draft

Phase II – Facilitate Marketing of Available Commercial Properties

1. Conduct interviews with commercial brokers and tenants to identify the following attributes facing commercial tenants in Sausalito.
 - a. Space requirements (e.g., what are typical space needs for retail and office tenants in the Sausalito market?)
 - b. Permit requirements (e.g., how could the City/County/State permitting processes be improved?)
 - c. Community attractiveness (e.g., why do tenants want to locate in Sausalito?)
 - d. Other issues
2. Work with commercial brokers and landlords to determine effectiveness of marketing through methods such as LoopNet, brokerage websites, signage, and social media.
3. Provide suggestions to commercial brokers and landlords to ensure available properties are effectively marketed, including targeted outreach to potential buyers and lessees:
 - a. Industry/trade press
 - b. Chamber of Commerce and City websites
 - c. Property tours
4. Participate in meetings hosted by the Chamber of Commerce for commercial landlords.

Deliverable: Written report summarizing the results Phase II work items

Timeframe:

- Administrative Draft delivered to City 90 days from execution of contract
- Final Draft delivered 5 days from receipt of comments on Administrative Draft

Phase III – Prepare Recommendations

1. Prepare recommendations addressing the following areas:
 - a. Market strengths and weaknesses
 - b. Retail gaps
 - c. Financing gaps
 - d. Opportunities and constraints
 - e. Roles and responsibilities of various stakeholders (Chamber of Commerce, City, business owners, property owners)

Deliverable: Written report summarizing recommendations

Timeframe:

- Administrative Draft delivered to City 120 days from execution of contract
- Final Draft delivered 5 days from receipt of comments on Administrative Draft

Meeting Attendance

Presentation of status reports at monthly meetings of the City of Sausalito Business Advisory Committee (generally held on the third Thursday of the month 8:30-10:00 a.m.)

Budget and Payment Schedule

\$20,000

Payments to be made upon completion of individual deliverables
Selected consultant must obtain a Sausalito Business License

RAJIV PARIKH
TEL: 415-320-6434
FAX: 415-382-6643

July 6, 2010

Jeremy Graves
Community Development Director
City of Sausalito
420 Litho Street
Sausalito, CA 94965

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CITY OF SAUSALITO
COMMUNITY DEVELOPMENT

RE: Proposal for Addendum to Marin Economic Forum Scope of Work

Dear Mr. Graves:

Thank you for the opportunity to submit a proposal related to the assessment of the economic issues affecting the business community within Sausalito. Based on my review of the scope of work that the Marin Economic Forum has set forth, I have prepared the following proposal.

Please note that I believe an important initial step would be to work with MEF, the Sausalito Business Advisory Committee, the Sausalito Chamber of Commerce, and City of Sausalito representatives to determine key areas within the City in which to concentrate the necessary work (while Sausalito is not a large city geographically, a comprehensive city-wide survey is likely not feasible in terms of time or money).

I am also attaching some background materials on my experience for your review. Please feel free to contact me if you have any questions or comments. I look forward to working with you and your colleagues.

Phase I

- **Work with MEF to inventory existing businesses & available commercial real estate; support survey results**
- **Meet with landlords to develop available property specs**
- **Engage landlords on an ongoing basis, create win-win**

Once specific areas within the City are identified, KAS will interview landlords to assess key drivers affecting landlord decisions. These drivers may include financing issues, fixed occupancy costs and/or tenant improvement costs. Property specifications can be developed based on this input and data. Sources such as a GIS map, brokers and LoopNet will also be used to collect information.

KAS will visit and inspect selected properties and buildings to collect data. Key issues will include site conditions such as physical dimensions, level of finishes, access, parking availability and adjacent uses. Other factors to be included will be business types and



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mix, as well as dispersal through the City. The involvement of motivated landlords will be an important element in ensuring that accurate information is received and shared.

Phase I estimated time and fee: 2 months initial time after execution of contract (\$12,000)

Phase II

- **Proactively work with realtors & landlords to retain current business and fill empty storefronts**
- **Conduct interviews with brokers and tenants**
- **Participate in meetings with Chamber of Commerce**
- **Targeted outreach to potential buyers and lessees**
 - **Industry/trade press**
 - **City & Chamber websites**
 - **Social media**
 - **Conduct property tours**

KAS will conduct interviews with 6-8 selected commercial brokers and tenants to determine understanding of requirements (e.g., what are typical space needs for office users in the Sausalito market?), obstacles (e.g., is it difficult to obtain necessary approvals/permits? what are frustrations facing current tenants?) and attractiveness of Sausalito (e.g., why do tenants want to be located in City?).

KAS will work with commercial brokers and landlords to determine effectiveness of space marketing through methods such as LoopNet, brokerage websites, signage and social media.

Phase II estimated time and fee: 1 month after completion of Phase 1 (\$3,000)

Phase III

- **Develop comprehensive economic development strategy based on MEF research results**

KAS will prepare recommendations based on the following areas:

- Market strengths and weaknesses
- Retail gaps
- Financing gaps
- Major opportunities and constraints
- Roles and responsibilities of various stakeholders (City departments, Chamber, business owners, property owners)

Phase III estimated time and fee: 1 month after completion of Phase 2 (\$5,000)

Overall Administrative

- **Manage the MEF contract, keep budget and research on track**



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- **Liaison with MEF, BAC, City & Chamber (including status reports to BAC)**
- **Facilitate delivery and effective use of research data**

KAS will work with the various entities to ensure a flow of information, both from a substantive standpoint as well as from a process approach.

Estimated time and fee: Ongoing throughout process and part of individual phase fees

In order for any plan to be successfully implemented, it is important that all the stakeholders agree on the specific goals and parameters. It is important to note that Sausalito has a diverse business community. To attempt to craft a broad business development plan that could serve the entire City, on a geographic basis or on an industry basis, with limited resources of time and money would likely end up being a “watered down” survey of limited substance.

In addition to setting some geographic boundaries of this survey, it is important to recognize that focus be placed on key industries/business types. This is not to suggest that the broad diversity of small businesses (which likely form the backbone of Sausalito’s commercial strength) be ignored, but rather that an attempt be made to create some more concise categories of such businesses.

Again, thank you for the opportunity to submit a proposal for the work. In addition to attracting new businesses, it is important to retain existing businesses. I think this is a great effort you are undertaking, particularly given the general economic situation, in that it demonstrates that Sausalito is cognizant of the pressures that its commercial sector faces and that the City and the business community are working together to ease some of those pressures.

I look forward to hearing from you. In the meantime, please contact me if you have any questions. Thanks!

Sincerely,

Rajiv Parikh



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NOVATO, CA 94949

Rajiv Parikh

Rajiv Parikh was Senior Vice President and partner at Blake Hunt Ventures (BHV), a private real estate development company. His responsibilities at BHV included entitlements, leasing, project management and asset management. Representative projects included project management and leasing for The Green on Park Place, a 305,000 square foot retail development in Dublin, CA and leasing and management oversight of Marin Gateway Shopping Center, a 182,000 sf retail center in Marin County, CA. He also negotiated the purchase of 37 acres from the County of Alameda adjacent to the East Dublin Bart Station and developed a preliminary master plan for a mixed-use development at the site.

Prior to joining BHV, Rajiv owned and operated KAS Properties, a real estate services firm that primarily provided fee development and consulting services to property owners, consulting of due diligence, entitlements, lease negotiations and project management. Prior to launching KAS Properties, he was Vice President of SIMEON Commercial Properties, a full-service real estate firm that develops and acquires retail, office, R&D and mixed-use properties in strategic in-fill locations throughout the San Francisco Bay Area. His primary responsibilities included entitlements, leasing, project management and asset management.

Rajiv's responsibilities at SIMEON included the development of the Hegenberger Gateway project in Oakland, CA (a 250,000 sf retail center with Wal-Mart, In-N-Out and various shop tenants such as Starbucks, Jamba Juice and Red Brick Pizza). He also coordinated the leasing and asset management of the 175,000 square foot Larkspur Landing Shopping Center in Marin County. In that capacity, he found tenants such as E&O Trading Company, an innovative restaurant featuring Asian influenced cuisine, to complement the center's lifestyle retailers. In addition to these retail centers, Rajiv was the primary manager of SIMEON's portfolio of office, industrial and retail properties with Rockwood Capital, and supervised the disposition of the \$130 million portfolio.

Prior to joining SIMEON in January 2003, Rajiv was Senior Vice President of Syufy Enterprises, a privately owned developer and parent company of Century Theatres, where his responsibilities included entitlements, leasing and project/construction oversight. While at Syufy, his projects included Union Landing in Union City, CA (300,000 sf retail center with Albertson's, Borders Books, Texas Roadhouse, Chili's and Century Theatres as the major tenants), Stadium Promenade in Orange, CA (175,000 sf retail/entertainment center with Century Theatres, Chili's, Acapulco Mexican Restaurant and King's Seafood as the major components), and Desert Crossing in Las Vegas, NV (90,000 sf grocery anchored center with Smith's Food & Drug, a Kroger brand, as the anchor and shop tenants such as Starbucks and Subway), as well as smaller developments such as Pinole Ridge Shopping Center (45,000 sf center with Hollywood Video, Krispy Kreme, and AutoZone).

Prior to joining Syufy Enterprises, Rajiv was an attorney with the law firm of McCutchen, Doyle, Brown & Enersen, as well as a deputy city attorney for the City and County of San Francisco, focusing on land use, environmental and real estate matters.

Rajiv received his B.A. from the University of California - Berkeley in 1989 and his J.D. from Georgetown University in 1993. He was the Chair of the Program Committee for the Northern California section of ICSC from 2005-2008 and has spoken at numerous seminars on behalf of ICSC and other organizations regarding commercial real estate matters. He lives with his wife and two children in Marin County and enjoys tennis, hiking and volunteering at his children's school.

RAJIV PARIKH

PROFESSIONAL EXPERIENCE

2009 – Present KAS Properties

Novato, CA

President

- Provide commercial real estate consulting services to property owners (including City of Novato, Gray & Reynolds Properties, etc.)
- Act as court-appointed receiver (including actions brought by lenders such as Wells Fargo)

2008- 2009 Blake Hunt Ventures

Danville, CA

Senior Vice President/Partner

- Managed development, leasing and property manager of retail centers
- Negotiated purchase, conducted due diligence and developed conceptual master plan for mixed-use development on 36 acres adjacent to the East Dublin BART station
- Adverse effects of recession lead company founders to lay off all key personnel.

2005- 2007 KAS Properties

Novato, CA

President

- Founded real estate company focused on value-add development and acquisition
- Provided fee development and consulting services to property owners
- Was offered partnership position (with profit participation) with Blake Hunt Ventures

2003- 2005 SIMEON Commercial Properties

San Francisco, CA

Vice President of Development

- Managed 1 million square foot commercial portfolio consisting of office, industrial and retail properties
- Managed sale of office, industrial and retail assets in value of over \$150 million
- Managed development, leasing, construction and sale of the Hegenberger Gateway (Oakland, CA) regional shopping center
- Disposition of assets led to change in company philosophy to focus on net leased assets and my interests were to continue focus on value-add properties and development

1997- 2002 Syufy Enterprises

San Rafael, CA

Senior Vice President of Corporate Development

- Prepared economic analyses of development projects, obtained entitlements, and managed portfolio in excess of \$100,000,000 and development budgets in excess of \$50,000,000
- Negotiated commercial leases, property acquisitions/sales, and related contracts for developments
- Managed retail and commercial developments, including outside consultants, brokers and contractors
- Was offered position with SIMEON Commercial Properties that included profit participation, which was not available at Syufy Enterprises

1996 – 1997 **McCutchen, Doyle, Brown & Enersen** Walnut Creek, CA

Associate Attorney

- Advised clients such as City of Madera, City of Marina and City of Lathrop on land use and CEQA matters
- Advised clients such as Stanford University (Palo Alto), Davidon Homes (San Ramon), Shell Oil (Martinez, CA) and Louisiana Pacific (Samoa, CA) on land use and real estate matters
- Co-authored 1997 “California Subdivision Map Act Update”
- Was offered position to run development arm at Syufy Enterprises

1994 – 1996 **San Francisco City Attorneys’ Office** San Francisco, CA

Deputy City Attorney

- Worked on land use and CEQA litigation matters on behalf of the City and County of San Francisco

EDUCATION

1990 – 1993 Georgetown University Washington, D.C.
J.D.

1986 – 1989 University of California Berkeley, CA
B.A. (major in Political Economies, minor in Rhetoric)

ADDITIONAL PROFESSIONAL ACTIVITIES

International Council of Shopping Center (ICSC) Northern California Program
Committee, Member (former Chair)

Speaker at various ICSC and State Bar programs

PERSONAL AND INTERESTS

Married and two children

Tennis

Hiking

Volunteering at children’s school

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