



Agenda Item

City Council

Item #: 3.3.

2/27/2024

File #: 24-0088

TO: Honorable Mayor and Members of the City Council

FROM: Tom Kisela, City Manager

1. SUBJECT

Agreement with Kosmont & Associates, Inc. for economic development advisory services.

2. SUMMARY

Agreement with Kosmont & Associates, Inc. to analyze the feasibility of proposed development in the West Katella Avenue area and on an as-needed basis.

3. RECOMMENDED ACTION

1. Approve the agreement with Kosmont & Associates, Inc. in the amount of \$50,000 for economic development advisory services; and authorize the Mayor and City Clerk to execute on behalf of the City.
2. Authorize the following budget transfer:
From: 952.9810.56020.20247 NW & SW Merged 2003 Taxable Bonds SAORA Capital \$50,000
To: 952.9810.51670.20541 NW & SW Merged 2003 Taxable Bonds West Katella District \$50,000

4. FISCAL IMPACT

The estimated expenditure for this agreement is \$50,000 and will be funded through:

952.9810.51670.20541 NW & SW Merged 2003 Taxable Bonds West Katella District \$50,000

5. STRATEGIC PLAN GOALS

Goal 2: Be a fiscally healthy community

b: Analyze future fiscal needs and potential revenue opportunities.

6. DISCUSSION AND BACKGROUND

The West Katella Avenue area is bounded by the Santa Ana River on the west, the water channel on the south, Batavia Street on the east, and the properties on the northside of Katella Avenue on the north. Although the area is surrounded by industrial development on three sides, its close proximity to the Honda Center, Anaheim Regional Transportation Intermodal Center (ARTIC), and Santa Ana River create the potential to develop a visitor serving entertainment and hospitality district. Recognizing this development potential, several years ago the City Council re-zoned many of the properties in the area with an urban mixed-use zoning that provides flexibility for property owners to develop a mix of commercial, hospitality, and residential uses in response to market conditions.

Just across the Santa Ana River in Anaheim, planning has begun on the OC Vibe project which will include the Honda Center and surrounding properties. This multi-billion-dollar development will be

phased over several years and is currently slated to include multiple entertainment venues, restaurants, office spaces, public parks and trails, 1,500 housing units, and two hotels. The City of Anaheim is working with several partners including the City of Orange to develop the OC River Walk along the Santa Ana River between Ball Road and Orangewood Avenue. This project would transform the Santa Ana River into a regional destination for recreation and entertainment and include a pedestrian bridge across the river from OC Vibe to West Katella Avenue in Orange.

The City of Orange Economic Development Strategy includes creating a district that is complimentary to OC Vibe and OC River Walk in the West Katella Avenue area. Unlike OC Vibe, where one developer controls all of the properties in the development, the West Katella Avenue area is made up of dozens of properties with various property owners. Creating a vibrant, cohesive district will necessitate working closely with property owners and other stakeholders in a multi-step approach:

1. **Visioning Process** to develop a design concept and framework for the area.
2. **Development Feasibility Analysis** to provide an analysis of what types of development are economically feasible in the area.
3. **Place Branding** to develop a brand and marketing for the area.
4. **Place Making** to develop signage, street trees, and other aesthetic elements for the area.

The proposed agreement with Kosmont & Associates, Inc. (Kosmont) would provide for economic development advisory services to determine the feasibility of development proposed for the West Katella Avenue area. As the City works with property owners and stakeholders to articulate a vision for the area, Kosmont will provide the feasibility analysis to ensure that envisioned development is possible given market conditions.

City staff solicited proposals from economic development advisory firms for this effort and are recommending the selection of Kosmont due to the strength of their proposal, relevant experience, and relationships with stakeholders and the development community. If approved by City Council, the services will be provided in tandem with the visioning process for the area and will take between four and six months to complete.

7. ATTACHMENT

- Agreement with Kosmont & Associates, Inc.