Administrative Report

H.14., **File #** 25-1215 **Meeting Date:** 9/2/2025

To: **MAYOR AND CITY COUNCIL**

From: GREG KAPOVICH, WATERFRONT AND ECONOMIC DEVELOPMENT DIRECTOR

TITLE

APPROVE AN AGREEMENT WITH KOSMONT & ASSOCIATES, INC. FOR REAL ESTATE CONSULTING SERVICES FOR AN AMOUNT NOT TO EXCEED $50,000 AND THE TERM SEPTEMBER 2, 2025 TO SEPTEMBER 1, 2026

EXECUTIVE SUMMARY

The City has maintained an agreement for consulting services with Kosmont & Associates, Inc. (Kosmont) to provide tailored real estate and economic development guidance on an as-needed basis for a number of years. The City's most recent Agreement with Kosmont expired on August 6, 2025. The new Agreement, if approved, would set a not to exceed amount of $50,000 for on-call consulting services to provide assistance with real estate appraisals and the negotiation of critical lease agreements for City-owned properties. There is no guaranteed expenditure commitment, as Kosmont is paid only for services assigned by the City over the course of the year.

BACKGROUND

Kosmont has more than 25 years of consulting experience and the firm's broad professional expertise has been helpful in navigating the broad scope and complexity of ongoing real estate, public finance, and economic development issues in the City. Kosmont initially assisted the City with the preparation of two key documents: the Pier & Harbor Asset Management Plan (2007) and the Harbor Enterprise Business Plan (2010), which have served as the foundation for real estate activities within King Harbor. In addition, Kosmont has served as the City's advisor during the reacquisition of several large leaseholds; advised the City on the waterfront revitalization effort; provided transaction support for the development of the Marine Avenue hotels; and served as advisor for the proposed reuse of the AES site. Over the most recent 12-month Agreement with Kosmont, the City expended $31,000 for as-needed services.

After reviewing potential real estate work in the coming year, staff is recommending the City Council approve a new, one-year Agreement with Kosmont for a not to exceed amount of $50,000. Kosmont's services are expected to assist the City in preparing a Request for Proposals for the Fun Factory site, evaluating options for the Gold's Gym vacancy (including potential land swap, sale, or other reuse), and conducting real estate appraisals on an as needed basis.

Similar to the prior agreement, staff members have successfully negotiated and included in the new agreement, a ten percent reduction in hourly rates from Kosmont's typical rate sheet. In addition, there are no increases to the associated administrative fees for out-of-pocket expenses, postage, copies, market data, etc., which remain at the previous rate of 4 percent.

COORDINATION

The Waterfront and Economic Development Department collaborated with the City Attorney's Office to prepare the Agreement. The City Attorney's Office has approved the Agreement as to form.

FISCAL IMPACT

Funding for the Agreement is included in the Waterfront and Economic Development Department's FY 2025-26 Budget.

APPROVED BY:
Mike Witzansky, City Manager

ATTACHMENTS

- Agmt - Kosmont & Associates, Inc., with Insurance
- Agmt - Previous Agreement with Kosmont & Associates, Inc., August 6, 2024