



**THE CITY OF  
SANTA FE**

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**MEMORANDUM**

**DATE:** March 31, 2023

**TO:** Kevin Leyba, Chief Procurement Officer

**FROM:** Richard Brown, Director, Community Development *RB*

**SUBJECT:** Midtown Property Redevelopment –Sole Source Project Management PSA: -----  
Request and Determination Form, Projecto Quote for Professional Services

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**ITEM AND ISSUE**

The Community Development Department and the Office of Economic Development requests a consideration for sole source project management for the next phases of the Midtown Parcel redevelopment process.

During the course of the previous phases of the project, Mr. Daniel Hernandez, Managing Member of Projecto LLC, has worked diligently with the staff, the Governing Body, and an array of stakeholders to successfully achieve the performance measures required in his contract. Phase 3, the commencement of the Midtown Implementation Phase, involves negotiating exclusive negotiation agreements with selected developers; completing due diligence with developers and the City to create disposition and development agreements; advising the City on development proposals; generally guiding the implementation of the Midtown Redevelopment Plans; and, providing other project management and technical services relate to real estate development at Midtown. While another vendor may be comparable in expertise, the success of Phase three through five relies on the culmination and deep understanding of previous phases – Concept Phase and Planning Phase. Because of Mr. Hernandez' experience with the project and deep understanding of the City's goals for the redevelopment of the property, it is deemed critical that Projecto continue providing project management services. Thus, the sole source procurement is required.

**SCOPE OF WORK**

The Contractor shall provide project management for the Midtown Property (Project) for phases 3 (still to be completed), 4 & 5, and perform the following work:

- Oversee and facilitate due diligence in the developer finalist process.
- Assist the City in negotiating with developers.
- Assist with Asset Development manager to parcellize the site plan.
- Create and disseminate (market rate and affordable) housing and commercial parcel for sale RFP's.
- Assist with the Public Works team and their contractors to create a spine infrastructure plan, including engineering, stormwater, streets, access, power, gas conversion, exploring and designing connections and integration to main roads and adjacent landowners
- Direct financial analysis for development and assist the City in reviewing the analysis.
- Support Asset Development manager in the land use analysis for shortlisted master developers and assist the City in reviewing the analysis

- Work with proposed Metropolitan Redevelopment Agency to create public/private financing and organizational model consistent with the Midtown Community Development Plan.
- Manage data input and track the results to determine development (s) achievements in Midtown redevelopment.
- Based on proposed Metropolitan Redevelopment Act Midtown blight designation, work with adjacent landowners to leverage redevelopment infill opportunities to achieve long term objectives discussed in the Midtown Master Plan.
- Oversee potential synergies between master developer and potential parcel developers, building tenants, and lease candidate proposals.
- Act as the point of Contact for City and developers; create governance model for land use and zoning plan, as part of developing the City's Metropolitan Redevelopment Agency)
- Work with Office of Affordable Housing on various strategies and potential development partners to meet low AMI rental and homeownership housing development opportunities
- Facilitate and manage internal stakeholder steering committee and development committee requirements; Craft and disseminate public messages to inform constituents of progress.
- Prepare and present proposed lessee and developers to committees and governing body over the course of the due diligence and negotiation process for disposition and development.
- Manage and Facilitate the Midtown development project through the disposition of the property for redevelopment, including exclusive negotiation agreements.

**FEE PROPOSAL**

The Fee for the Scope of Work will be billed by the Contractor monthly in the amount of \$7,000/month for two (2) years, as follows:

- \$7,000 Monthly Fee x 12-Months = \$84,000 Annual Fee x two (2)-Years = \$168,000

**BACKGROUND SUMMARY**

On October 2018, the City advertised an RFQ to procure project management services to guide the Midtown Redevelopment Project. Proyecto LLC was selected because of the national expertise and experience that Mr. Hernandez brings to the project. To date, he has successfully designed and implemented a multi-phase work plan for the project, completing Phases 1, 2 and part of 3, resulting in the approval of the Midtown Redevelopment Plans: Master Development Plan and Community Development Plan, including Parcel Rezoning, an Amendment to the General Plan, and three initial RFPs for disposition and redevelopment of major legacy buildings.

**ACTION REQUESTED:**

The Economic Development Department requests your approval of the sole source designation for Proyecto LLC (Daniel Hernandez, Principal), to continue project management services for Phase III - V of the Midtown project for the term of this agreement: FY24 – FY26. Funding Source: ORG: 2122800/OBJ: 510340.

**ATTACHMENTS:**

- Midtown Property Redevelopment – Project Management Sole Source Request and Determination Form
- Proyecto LLC Quote for Professional Services