



4 October 2024 [revised 6 November 2024](#)

Grant Leonard
City of Salinas
Community Development Department, Planning Manager
65 West Alisal Street, 2nd Floor
Salinas, CA 93901
grantl@ci.salinas.ca.us

Re: City of Salinas 34-38 Soledad Street Affordable Housing Development, Additional Service Request (ASR) #1: Concept Refinement & Cost Analysis

Dear Grant,

This contract adjustment reflects our conversations regarding a continuation of our previous test fit studies at the 34-38 Soledad Street site.

DESCRIPTION of ADDITIONAL SCOPE of SERVICES

Scope of Services

This ASR proposes the next step in the Concept Design process in order to confirm scope and refine the overall program and site design. Tasks include:

1. Up to (3) City of Salinas stakeholder meetings to discuss potential design revisions;
2. Refinement of the previously created Concept Design materials, including provision of site plan diagrams and updated renderings, considerations include:
 - a. Revisiting unit count, mix and sizing;
 - b. Creation of unit layouts for studios and 1, 2, and 3-bedroom units
 - c. Revisiting ground floor use and sizing;
 - d. Confirming parking count/ratio
 - e. Choosing a single concept design with which to move forward.
3. Creation of high level pricing narrative for consultant cost estimation
4. Incorporation of preliminary findings from Historic Structures Report, led by TEF Design, to the design concept
5. Provision of (1) cost model with (1) zoom workshop to discuss the cost model

Assumptions

1. TEF's work shall be based on work done to date at 34-40 Soledad Street and subsequent meetings with potential developers.
2. A single (1) Design Concept will be selected for revisions/costing at the outset of this phase.
3. All work shall comply with current codes.
4. TEF's work will be drawn in REVIT software.
5. The Client will provide continuity of staff to serve as the primary contact(s) through the duration of the project.
6. Project Duration: 10 weeks

FEE

We propose the below to be billed in lump sum format:

TEF Design	\$38,000
Cost Estimator	\$18,800
Market Study	\$12,500
TOTAL FEE	\$69,300

CONCLUSION

We look forward to continuing the Concept Design process with the City of Salinas. Per our conversations, TEF will continue on to future phases of design alongside a full consultant team and we are working on putting together that proposal currently.

We are ready to begin this work immediately. If you find this ASR agreeable, please sign and return to us at your earliest convenience.

Thank you,



Maryam Rostami, AIA, NOMA, LEED AP, LFA
Principal
TEF Architecture & Interior Design, Inc.

Agreed by _____ Date

ATTACHMENTS

TBD - Cost Estimation Consultant Proposal
EPS - Market Study Consultant Proposal



2063 Grant Rd.
Los Altos, CA, 94024
Tel: 415.981.9430

Our ref.: BT

October 4th, 2024

Maryam Rostami
TEF Design
1420 Sutter Street, 2nd Floor
San Francisco, CA 94109

Re: Fee Proposal – Cost Estimating Services
Soledad Street Project

Dear Maryam,

Further to your email, we are pleased to offer Cost Estimating services for the above project.

Scope of Services

We understand the scope of our services is to prepare an opinion of probable cost at the programming stage for the City of Salinas Soledad Street historical affordable housing.

The opinion of probable cost will be at the Conceptual stage of design.

The estimate will be based on the measurements of quantities from the drawings with composite unit rates reflecting the scope of work and the current market conditions. We will not obtain any bids or opinions of cost from subcontractors unless the work is of such a unique nature that no other cost information is available. No bids or third-party opinions will be obtained without prior approval from the client.

We have included time required to review and discuss our cost estimate with the Design Team and for incorporating any requested revision to the estimate as a result of the Design Team review. We have excluded any time required to reconcile our estimate with another cost estimate prepared by others. We have also excluded time required to attend any meetings or any Value Engineering cost services from this proposal. Should additional work be required, our standard hourly rate of \$235 per hour will apply.



Fees

We propose to provide the above services based on the following budget NTE Fees –

Concept Phase Cost Estimate (80hrs @ \$235/hr.) \$ 18,800

Total Not to Exceed Fees \$18,800

Expenses such as drawing reproduction, courier services, special mailing services (Federal Express, Express Mail etc.), and other abnormal costs are excluded and will be charged at cost plus 0% administration.

Our fees exclude travel costs outside the San Francisco Bay Area, any such travel costs as incurred will be billed separately.

Payment and Terms

We will issue a monthly invoice. Payment will be due thirty (30) calendar days.

Our proposal remains open for a period of ninety (90) days. After this time, we will be pleased to review the proposal, make any required amendments, and re-submit for your review and approval.

Work will be completed under the direction of Brian Tolland.

We trust that we have interpreted your requirements correctly, if you have any questions or suggested amendments, please do not hesitate to contact the undersigned. If you would like to proceed with the above services, please complete and return the authorization below.

We look forward to working with you on this project.

On behalf of TBD Consultants

On behalf of TEF Design

Accepted by: _____

Brian Tolland
Principal

Date: _____

Title: _____

The Economics of Land Use



November 5, 2024

Maryam Rostami
(415) 901-4902
maryam@TEFarch.com

Subject: Proposal to Prepare the Residential Financial Feasibility Analysis for the Parcel Located at 34-38 Soledad Street in Salinas Chinatown EPS #242139

Maryam:

Economic & Planning Systems, Inc. (EPS) appreciates the opportunity to prepare a Financial Feasibility Analysis for the parcel located at 34-38 Soledad Street (Project) in the Chinatown area of the City of Salinas (City) for TEF Design (Client). This letter and the attached Proposed Scope of Work (**Attachment A**) describe EPS's understanding and approach to completing the work.

EPS understands that as the owner of the parcel and with recent grants, the City would like to examine the financial feasibility of potential residential and/or mixed-use land uses on the Soledad Street properties. The Project is a 0.151-acre site, located south of East Rossi Street, east of State Route 183, north of the Amtrak line, and west of Sherwood Drive. The Project is located in the City's Chinatown in the center of the City. Land uses neighboring the Project include a homeless shelter, a food bank, an art studio, multifamily apartments, and a few vacant lots. The current land use on the parcel is a vacant 10,166-square-foot building. The structure was built in 1941 and has a historic designation.

The Client has requested that EPS conduct a financial feasibility analysis to evaluate the potential for up to three (3) residential prototypes on the property. The assessment will offer an evaluation of the financial feasibility of residential development in the Salinas Chinatown area and will estimate supportable unit pricing based on projected household income ranges for existing and net new households, as well as the City's affordable housing requirements.

Economic & Planning Systems, Inc.
455 Capitol Mall, Suite 701
Sacramento, CA 95814
916 649 8010 tel
916 649 2070 fax

*Oakland
Sacramento
Denver
Los Angeles*

www.epsys.com

Key Personnel

Managing Principal **David Zehnder** will serve as Principal-in-Charge of this Project, guiding all aspects of the assignment and will be regularly available to the Client. Vice President **Kate O'Beirne** will serve as Project Manager and will conduct the day-to-day management of this Project. Additional EPS staff may assist with conducting the technical analysis and gathering data.

Schedule

EPS will begin working on this Project as soon as contract approval is received, and EPS will provide the Client with accurate information and work products on a schedule that meets the Client's needs. EPS believes the Residential Market Assessment could be completed within approximately 4 to 6 weeks after receiving authorization to proceed from the Client.

Budget

EPS estimates a budget of **\$12,500** is necessary to complete the Project. EPS charges for its services on a direct-cost (hourly billing rates plus direct expenses), not-to-exceed basis; thus, you will be billed only for the work EPS completes up to the authorized budget amount. This amount includes a maximum of 2 iterations of the memorandum and does not include any in-person meetings or site visits. If the Client requests numerous model iterations or other additional services beyond those specified in **Attachment A**, EPS will request authorization for additional budget with the understanding that terms will be negotiated in good faith. EPS's 2024 Hourly Billing Rates and Standard Terms and Conditions are attached as part of this letter proposal and Proposed Scope of Work.

EPS looks forward to working on this assignment and will strive to meet your scheduling needs. To approve this proposal, please sign below, return a signed copy of this letter agreement to EPS, and keep another signed copy for your records.

Thank you for your consideration of this proposal. Please call me at (916) 649-8010 if you have questions or require changes to the Proposed Scope of Work.

Sincerely,

ECONOMIC & PLANNING SYSTEMS, INC. (EPS)



David Zehnder
Managing Principal

Attachments

Approved:

Maryam Rostami, TEF Design

Date

Attachment A

Proposed Scope of Work

Salinas Chinatown Redevelopment

Financial Feasibility Analysis

Introduction

This Proposed Scope of Work describes the tasks required to complete a Financial Feasibility Analysis for the Project. The Financial Feasibility Analysis will provide information to help determine the scale of supportable demand, target affordability ranges to meet demand and affordable housing requirements, and forecast timing of potential absorption.

The specific work to be performed by EPS is described in additional detail in the following sections.

Proposed Scope of Work

Task 1: Prepare Financial Feasibility Analysis

The Financial Feasibility Analysis will provide information regarding market viability of various residential concepts.

Subtask 1.1: Key Housing Prototypes and Feasibility Profile

Working with the Client, EPS will help develop up to three (3) different residential and/or mixed-use prototypes. EPS will prepare static pro formas to understand the relative performance among specific types of development. This approach will begin with price points or capitalized net lease rates to establish asset value and to back out key cost elements such as fees, horizontal costs, vertical costs, and costs related to historic preservation to understand overall feasibility issues. This information will be instrumental in calibrating the development outlook and understanding the likely character of development. EPS will evaluate any anticipated financing gaps to understand public policy options that may be necessary to achieve feasibility. Market analysis will be prioritized, focused, and limited to key metrics having major importance to the feasible delivery of housing and mixed-use projects.

Subtask 1.2: Assemble Market Performance Indicators

EPS will assemble key real estate market performance indicators (lease rates, sales prices, vacancy rates, inventory, etc.) for the local market:

- Analyze multifamily residential trends using CoStar and Zillow for the Market Area to inform feasibility recommendations.
- Examine single-family attached residential trends in the Market Area using ACS data, The Gregory Group, Zillow, or RedFin to inform feasibility recommendations.

Subtask 1.3: Establish Project Recommendations

With consideration to the Client's goals and objectives and using the above socioeconomic and real estate market performance analyses and pro forma analyses, EPS will advise on the viability of the Project from a real estate market feasibility standpoint. EPS will demonstrate the feasibility of the Project with the inclusion of the City's affordability requirements.

Subtask 1.4: Prepare Draft and Final Memorandum

EPS will prepare a concise memorandum summarizing the key findings and recommendations for the Client to review. Based on the outcomes of the review and on receipt of one set of consolidated and non-conflicting comments from the Client, EPS will incorporate necessary revisions and prepare a final memorandum.

2024 Hourly Billing Rates

Sacramento Office

Managing Principal	\$320
Principal	\$300
Senior Vice President	\$260
Senior Consultant	\$260
Vice President	\$245
Senior Technical Associate	\$215
Senior Associate	\$215
Associate	\$195
Research Analyst II	\$155
Research Analyst I	\$105
Production and Administrative Staff	\$100

Billing rates updated annually.



Standard Terms and Conditions for Consulting Services

1. Authority

Each party has full power and authority to enter into and perform this contract, and the person signing this contract on behalf of each has been properly authorized and empowered to enter into this contract. Each party further acknowledges that it has read this agreement, understands it, and agrees to be bound by it.

2. Independent Contractor

It is specifically understood and agreed that in the creation and performance of this Agreement, EPS is an independent contractor, and is not and shall not be construed to be an employee or agent of the CLIENT.

3. Insurance

EPS shall maintain the following insurance:

- 3.1. Workers Compensation as required by law.
- 3.2. General Liability insurance of \$2,000,000 each occurrence, \$4,000,000 general aggregate.
- 3.3. Auto Liability insurance of \$2,000,000, combined single limit for bodily injury and property damage, covering non-owned and hired autos only.
- 3.4. Errors and Omissions/Professional Services Liability insurance in the amount of \$2,000,000 per claim/aggregate.
- 3.5. Excess/Umbrella Liability insurance of \$3,000,000.

4. Personnel

EPS represents that it is an equal opportunity employer and has, or will secure at its expense, all personnel required in performing the services under this Agreement. All personnel engaged in the work shall be authorized or permitted under State and Local law to perform such services.

5. Interest of EPS

EPS covenants that it presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of services required to be performed under this Agreement.

6. Publication, Reproduction, and Use of Material

CLIENT may publish, distribute, or otherwise use any data, information, reports, or other materials prepared under this Agreement by EPS (EPS Work Product), in whole or in part, for purposes of this project. This authority does not apply to any computer models or software used or developed as a result of this contract, unless a separate agreement is signed concerning the disposition of such materials. CLIENT acknowledges that EPS Work Product was prepared by EPS solely for contemporaneous use by CLIENT for this Project and that it is not intended for use at any other time, location, purpose or by any other party. Accordingly, CLIENT shall not, without the prior written consent of EPS (which EPS may withhold in its sole discretion), (i) use EPS Work Product for purposes unrelated to the Project, (ii) modify EPS Work Product, or (iii) disclose or distribute any EPS Work Product to any other person, firm, or entity. EPS shall be entitled to indemnification by CLIENT, pursuant to paragraph 13 hereof, if CLIENT breaches this provision, in addition to all other available remedies at law or in equity.

7. Confidentiality

Any reports, information, or data given to or prepared or assembled by EPS under this Agreement shall not be made available to any individual or organization by EPS without the prior written approval of the CLIENT. EPS is entitled to retain copies of all data, working papers, interim documents, memoranda, and reports produced under this Agreement. However, nothing contained herein shall prevent the disclosure of such information if compelled by legal process, and in the event thereof, only after notice to CLIENT.

8. Amendments to the Contract

No amendment to this Agreement shall be effective unless it is in writing and signed by duly authorized representatives of both parties.

9. Disputed Invoices

In the event that CLIENT disputes any item on an invoice, CLIENT shall notify EPS of this disputed item within five working days of receipt of the invoice. CLIENT will approve payment of items on an invoice that are not in dispute and CLIENT and EPS will proceed to negotiate or arbitrate the disputed items as specified elsewhere in this Agreement.

10. Audits and Inspections

On reasonable notice, CLIENT may inspect any books, records, or other materials that pertain directly to this Agreement.

11. Compensation for Testimony and Preparation Thereof

If any legal action is brought in connection with the Agreement, other than an action that is solely the result of the incompetence or malfeasance by EPS, by or against a third party, and CLIENT requests that EPS or a SUBCONSULTANT, (or if EPS or a SUBCONSULTANT is otherwise required) to testify, provide information, produce materials, or otherwise spend time on such action, then CLIENT shall pay EPS or SUBCONSULTANT for time expended at their standard rates then in effect, plus advance all related expenses and costs, including, but not limited to, reasonable attorneys' fees. Such compensation shall be in addition to the maximum charge for services defined in the Agreement.

12. Termination of Agreement

The CLIENT may, at its option, elect to cancel the contract at any time, by notice to EPS, on completion of any task described in the scope of services. In such event the CLIENT will pay to EPS the amount due by virtue of completion of the products therefore delivered. If such cancellation is not based on any claim of EPS default, such payment shall include any sums withheld pursuant to this Agreement. In addition, EPS shall be reimbursed (in addition to the payment) for that portion of the actual out-of-pocket costs not otherwise reimbursed under this Agreement previously incurred by EPS during the period of the Agreement, which are directly attributable to the incomplete portion of the services covered by this Agreement.

13. Indemnification/Limitation of Liability

- 13.1. CLIENT agrees to release, indemnify, hold harmless, and defend EPS and all of its partners, employees, agents, and representatives of all types from and against all claims, liability, loss, cost, damage, expense, or obligation, including, but not limited to reasonable attorneys' and experts' fees and costs, which any of them may hereafter incur, suffer, or be required to pay by reason of any actions in connection with this Agreement or the performance thereof except as to claims which are finally adjudicated or arbitrated to have resulted from the sole negligence or willful misconduct of EPS.
- 13.2. CLIENT agrees that EPS is not responsible for the identification of hazardous or toxic substances, waste or materials, or petroleum products and/or petroleum components or constituents and is not liable for any conditions that stem from contamination from hazardous or toxic substances, waste or materials, or petroleum products and/or petroleum components or constituents.

14. Nondiscrimination and Equal Opportunity

EPS and its SUBCONSULTANTS shall not unlawfully discriminate against any employee, applicant for employment, subcontractor, bidder for a subcontract, or participant in, recipient of, or applicant for any services or programs provided by EPS under this Agreement because of race, religion, color, national origin, ancestry, physical disability, medical condition, marital status, age (over 40), gender, or gender orientation. EPS shall comply with all applicable federal, state, and local laws, policies, rules, and requirements related to equal opportunity and nondiscrimination in employment, contracting, and the provision of any services that are the subject of this Agreement, including but not limited to the satisfaction of any positive obligations required of EPS thereby.

15. Standard of Performance

All work performed by EPS for CLIENT pursuant to this Agreement shall be performed by qualified persons and shall be performed in accordance with standards of performance generally applicable to the work in the community in which the work is performed.

As in all projects of this type, the estimated results are based on the continued competent and efficient management by CLIENT. In addition, the conclusions reached by EPS are based on the assumption that no significant changes in project conditions will occur beyond those expressly discussed in EPS Work Product. EPS shall be able to rely on information provided to it by the CLIENT, and EPS shall have no responsibility to audit or otherwise verify such information.

16. Force Majeure

Neither party shall be responsible for delays or failures in performance resulting from acts beyond the control of such party. Such acts shall include, but not be limited to, acts of God, strikes, lockouts, riots, acts of war, epidemics, governmental regulations superimposed after the fact, fire, power failures, earthquakes, or other disasters.

17. Arbitration and Attorneys' Fees

In the event of a dispute in any manner relating to or arising out of this Agreement, the parties shall meet, confer, and negotiate in good faith in an attempt to resolve the dispute. In the event the parties are unable to resolve the dispute themselves, the dispute shall be resolved through binding arbitration in Sacramento County, State of California, under the Construction Industry Arbitration Rules of the Judicial Arbitration and Mediation Services, Inc., (JAMS).

In arbitrating any issue arising under this Agreement, the power and authority of the arbitrator shall include the power and authority to grant such equitable relief (including injunctive relief) as may be appropriate under the circumstances, in accordance with applicable law. The decision award of the arbitrator shall be binding on the parties and shall be enforceable by judgment entered in a court having jurisdiction. In the event the arbitrator determines there is a prevailing party in the arbitration, the prevailing party shall recover from the losing party all costs of arbitration, including all fees of the arbitrator and all attorneys' fees reasonably incurred by the prevailing party. The arbitrator shall have authority to order such limited discovery as the arbitrator shall deem relevant and appropriate.

18. Governing Law

This contract will be governed by and construed in accordance with the laws of the State of California.

19. Notice

Notice given under the terms of this Agreement shall be in writing and shall be effective the day it is mailed, properly addressed, to the party to receive such notice. Notice delivered other than by mail shall be effective when received. Any change of address of either of the parties shall be effective on receipt of notice of such change by the opposite party.

October 28, 2024

Grant Leonard
City of Salinas
Planning Manager, Community Development Department
65 West Alisal Street, 2nd Floor
Salinas, CA 93901
grantl@ci.salinas.ca.us

Re: City of Salinas - 45 Soledad Street - Concept Design & Feasibility Study

Dear Grant,

TEF Design is pleased to present this Letter of Agreement/Proposal for TEF Architecture & Interior Design, Inc. (TEF, TEF Design or Design Team) to provide design services to assist the City of Salinas (Client) with a concept design and feasibility study for 45 Soledad Street. The project scope, assumptions, schedule, and exclusions are outlined below.

DESCRIPTION of SCOPE

This project proposes to review the city-owned 45 Soledad Street site (at the corner of Market Way and Soledad) for future use as mixed use (commercial at ground floor with housing above). Based on conversations with the city to date, we understand there is an interest in rebuilding the previously demolished building at this site and exploring compatible rooftop additions (2 stories max.) that would increase the overall building square footage. A summary of the proposed project phases are below with more detailed task descriptions and associated fees outlined in Exhibit A.

Project Phases

- Phase 1: Project Discovery (6 weeks)
- Phase 2: Presentation Materials & Renderings (4 weeks)
- Phase 3: Stakeholder Engagement and Cost Estimation (6 weeks)

ASSUMPTIONS

1. TEF work shall be done in Revit.
2. All work shall comply with current codes.
3. All meetings are virtual, unless otherwise noted.
4. The Client will provide continuity of staff to serve as the primary contact(s) through the duration of the project.
5. See Project Phases above for schedule durations assumed.

EXCLUSIONS

This Letter of Agreement specifically excludes the following:

1. Work related to the investigation or handling of Hazardous Materials
2. Materials testing and inspections or selective demolition
3. Geotechnical Investigations
4. Site surveys including but not limited to; utilities, topographic, etc
5. Field measuring of any existing spaces
6. Assistance in preparing or coordinating environmental review studies required by City of Salinas
7. Preparation of physical models or prepared presentation renderings prepared by outside professional artists

8. Engineering or design consultants not included in this proposal
 9. Coordination with or provision of any consultants not included in this proposal
 10. Preparation for, or attendance at, hearings before any City of Salinas commissions, boards, agencies, etc beyond those outlined in this proposal
 11. Work in design phases normally referred to as; schematic design, design development, construction documentation, bidding & negotiation, permit submission, construction administration.
 12. Permitting or permit expediting services
 13. Unreasonable delays in the progress of the work through no fault of TEF
 14. Changes to previously approved work and/or work beyond the scope of this agreement
- TEF would be pleased to provide written additional service proposals for any of these items, if requested, except for Items #1 through #4.

FEES

We propose the below fees to be billed in lump sum format by phase.

Firm	Discipline	Concept Design	Renderings	Stakeholder Engagement & Costing	Total
TEF	Architecture	\$20,225.00	\$18,075.00	\$10,140.00	\$48,440.00
BKF	Civil Engineering	\$21,500.00	\$0.00	\$0.00	\$21,500.00
TBD	Cost Estimation	\$0.00	\$0.00	\$18,800.00	\$18,800.00
EPS	Market Study	\$12,000.00	\$0.00	\$0.00	\$12,000.00
	TOTAL	\$53,725.00	\$18,075.00	\$28,940.00	\$100,740.00
	Estimate of Reimbursable Expenses				\$870.00

CONCLUSION

Please feel free to contact me if you have any questions or comments. We can start this work immediately so if you agree with the terms of this proposal, please sign below. We are excited to continue supporting the City of Salinas with this project.

Sincerely,



Maryam Rostami, AIA, LEED AP, NOMA, LFA
Principal



Douglas Tom, FAIA, LEED AP
Founding Principal

Agreed by _____

Date _____

ATTACHMENTS

Exhibit A: Task & Fee

Exhibit B: Consultant Proposals

- BKF Engineers, proposal dated 10.28.24
- TBD Consultants, proposal dated 10.28.24
- EPS Inc, proposal dated 10.28.24

EXHIBIT A

SCOPE of SERVICES

		HOURS & FEES								
		Principal	Rate \$275	Project Manager	Rate \$200	Project Architect	Rate \$180	Intermediate Designer	Rate \$145	Total Fee
PHASE 1 - PROJECT DISCOVERY										
1.1	Site visit	4	\$1,100	4	\$800	4	\$720	0	\$0	\$2,620
1.2	Coordination with consultant teams for civil survey/utility locations and real estate market study	1	\$275	3	\$600	1	\$180	0	\$0	\$1,055
1.3	Development of project context understanding including code, environmental, zoning considerations	4	\$1,100	2	\$400	8	\$1,440	0	\$0	\$2,940
1.4	Research and review drawings/information from previously demolished building at Lot 45. Create backgrounds for site plan options	2	\$550	6	\$1,200	12	\$2,160	0	\$0	\$3,910
1.5	Development of (2) site plan options with consideration of constraints of replicating demolished building	2	\$550	6	\$1,200	20	\$3,600	30	\$4,350	\$9,700
	Sub-Total Task 1	13	\$3,575	21	\$4,200	45	\$8,100	30	\$4,350	\$20,225
PHASE 2 - PRESENTATION MATERIALS & RENDERINGS										
2.1	Develop conceptual elevations for each scheme (1 at each street-facing facade per scheme, 4 max.)	1	\$275	2	\$400	8	\$1,440	0	\$0	\$2,115
2.3	Develop (2) 3D rendered views for each site plan option (4 total)	1	\$275	8	\$1,600	20	\$3,600	30	\$4,350	\$9,825
2.3	Develop presentation materials for stakeholder engagement	1	\$275	4	\$800	12	\$2,160	20	\$2,900	\$6,135
	Sub-Total Task 2	3	\$825	14	\$2,800	40	\$7,200	50	\$7,250	\$18,075
PHASE 3 - STAKEHOLDER ENGAGEMENT & COSTING										
3.1	Up to (1) zoom meeting with community stakeholders (Asian Cultural Experience staff, neighboring property owners and/or community leaders as agreed upon by client)	2	\$550	2	\$400	2	\$360	0	\$0	\$1,310
3.2	Up to (1) in-person meeting with the City of Salinas Historic Resource Board (HRB)	4	\$1,100	4	\$800	4	\$720	0	\$0	\$2,620
3.3	Up to (2) zoom meetings with City of Salinas Staff (planning, housing, and/or other city departments)	4	\$1,100	4	\$800	4	\$720	0	\$0	\$2,620
3.4	Coordination of cost estimation	2	\$550	8	\$1,600	8	\$1,440	0	\$0	\$3,590
	Sub-Total Task 3	12	\$3,300	18	\$3,600	18	\$3,240	0	\$0	\$10,140
SUBTOTAL										\$48,440.00
Reimbursable Expenses (estimated at 1.8% of fee)										\$870.00

TEF PROPOSED FEE + REIMBURSABLES	\$49,310
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EXHIBIT B

October 28, 2024
BKF No. 20242143



Ms. Maryam Rostami
TEF Design
1420 Sutter Street, 2nd Floor
San Francisco, CA 94109
Transmitted Via Email: maryam@tefarch.com

**Subject: 45 Soledad Street, Salinas
Land Surveying Proposal**

Dear Maryam:

BKF Engineers welcomes the opportunity to submit this proposal for land surveying services associated with the project located at 45 Soledad Street in the City of Salinas, California. To arrive at the estimated effort required by our office for this project, we have outlined a proposed scope of services and determined a level of effort fee for each task.

SCOPE OF SERVICES

TASK 1: SITE MEETING

1. Existing Conditions Review: BKF will attend one (1) site meeting with the team to review the existing site constraints and conditions. We will note any potential challenges to development and confirm our scope of survey services to support the project. This task is will be performed in conjunction with the 37 Soledad Street site meeting.

TASK 2: 45 SOLEDAD TOPOGRAPHIC AND BOUNDARY SURVEY (45 SOLEDAD)

1. Establishment of Project Survey Control: BKF will perform a Control Survey and establish project control. Horizontal control will be based on California Coordinates System of 1983 (CCS83) relative to California Spatial Reference Network by static GPS observation. Vertical coordinates will be relative to the North American Vertical Datum of 1988 (NAVD88). BKF will establish suitable off-site survey control for use during the preparation of the topographic survey. Permanent control points such as mag nails with washers and cut crosses will be set at the project site as aerial survey targets. BKF will set the topographic survey control points, which will be located outside the project site and will be used by our sub-consultant as control for the initial base mapping.
2. Boundary Analysis: BKF will perform a Boundary Survey and prepare a Boundary Analysis that will define the development parcel area. While performing the field work associated with the topography, BKF will conduct field research for primary monumentation to establish boundary resolution. Once the research and reconnaissance has been completed, BKF will perform a boundary determination, which includes an analysis of the assembled evidence with respect to its relationship to the title and other documentary evidence.
3. Topographic Field Survey: Simultaneous to conducting the field reconnaissance discussed above, BKF will provide the field work to prepare a complete Topographic Map for the subject property. BKF will gather available public data and plans for the site and its surrounding improvements. The topographic survey will be comprised of the following:

- a. Terrestrial Survey - BKF will provide the field work to prepare a Topographic Map for the subject property. The limits of the topographic survey will be the subject property and the improved width of roadways along the property frontage. The topographic survey will be comprised of identified visible site features such as roadways, pavements, evidence of significant traveled ways, walls, fences, trees 6-inches and larger in diameter and visual utility infrastructure. We will obtain a succession of spot elevations to define the general terrain of the site and immediately adjacent improvements to produce mapping at a 1-foot contour interval.
- b. Utilities - Utility infrastructure within the mapping limits, including sewer, water valves, hydrants, meter boxes, storm drain and marked utilities, if encountered during the course of our field survey, will also be identified. The basic routing, inverts and orientation of the on-site gravity utilities will be identified based on field evidence and any available plans provided if to BKF prior to commencement of the survey. If as-built drawings are not provided or are inconclusive when compared to the field evidence, only data at the dipped structures will be provided.
- c. Utility Locating - BKF's in-house utility locators will perform utility investigation services using standard industry acceptable methods as per California Government Code section 4216 to determine the approximate horizontal position and depth of *detectable* subsurface utilities within the designated area (see attached Limits of Work). BKF's field crews will use a combination of water-based paint and pin flags to mark the results of our investigation on the ground surface. BKF crews may opt to use the Ground Penetrating Radar (GPR), if the soil conditions will return a good signal to attempt to locate water lines and other utility lines with no tracer wires. Individual field conditions will dictate the thoroughness of our subsurface utility investigation. BKF will perform a reasonable effort to determine the location of the existing underground utility lines; however, due to technical limitations of today's most modern equipment, no guarantee (expressed or implied) can be made. Irrigation lines, empty conduits, and abandoned utilities will not be located. Potholing and excavation are specifically excluded on this proposal. This scope of work does not include clearing areas for geotechnical boring, soil sampling, and drilling operations.
- d. Mapping - BKF will produce the mapping in a reproducible hard copy and electronic format. The signed hardcopy Topographic Map will be an instrument of service. Electronic mapping will be completed in an AutoCAD format and can be transferred and used by other team consultants for their work, as a courtesy.
 - 1) The mapping is anticipated to be compiled at 1" = 20', and will also indicate individual spot elevations at various locations throughout the site. BKF will take a series of photographs for future reference and documentation of current field conditions encountered during the time of our survey.
 - 2) The vertical control for the survey will be tied to the North American Vertical Datum of 1988 (NAVD88), unless otherwise agreed upon in writing prior to commencement of the survey.
 - 3) The horizontal location and rotation of the mapping is anticipated to be on an "assumed" coordinate system otherwise agreed upon in writing prior to commencement of the survey.

Note: Record of Survey

State law requires that the Surveyor of record performing the boundary resolution file a record of survey with the County if a map is not prepared as part of the project. As this project may anticipate pursuing a Tentative Parcel and Final Parcel Map for Condominium Purposes, we have currently excluded fee for this task in our scope of services. If a determination is made to eliminate pursuing filing of a map as part of the final permitting process BKF will be required to prepare and file a record of survey with the County at the expense of the owner. Recordation fees are not included in our proposal.



SCOPE QUALIFICATIONS AND ASSUMPTIONS

BKF Engineers' services are limited to those expressly set forth in the scope. We understand that BKF will have no other obligations or responsibilities for the project except as provided in this proposal letter, or as otherwise agreed to in writing. BKF will provide the scope of services consistent with, and limited to, the standard of care applicable to such services. For the scope of work identified, we have assumed the following:

- 1) Basis of Design and Site Information
 - a) Topographic Survey: Proposal assumes field survey will be completed for 37 and 45 Soledad Street sites concurrently. Separate mobilizations to survey each site independently will be an additional service.
 - b) Title Report: A current title report for the property will be provided by the owner.
 - c) Potholing: Potholing services are not included in this proposal unless specifically identified.

COMPENSATION

1. BASE SCOPE OF WORK:

BKF proposes to provide the services on a lump sum basis. We will invoice for our services on a percent complete basis per task summarized as follows:

Task	Description	Fee
1	Site Meeting	\$500
2	Topographic and Boundary Survey (45 Soledad)	\$21,000
Total Labor Fee		\$21,500

In addition, please budget \$250 for reimbursable expenses. Reimbursable expenses are anticipated for reproduction, mileage, express and messenger deliveries, and computer deliverable plots. Reimbursable expenses will be billed on a cost plus 10-percent markup basis.

For tasks requested by the owner or Architect not defined in this scope of services, BKF will identify them as potential extra work. We can provide a scope and fee for these items or they may be tracked separately as extra work and billed on a time and materials per our attached rate schedule.

Thank you for the opportunity to present this proposal. We look forward to assisting in developing this project. Please contact me at 650-482-6306 if you have any questions regarding our scope of services.

Respectfully,
BKF Engineers



Jonathan Tang, PE
Associate Principal



BKF ENGINEERS PROFESSIONAL SERVICES RATE SCHEDULE
EFFECTIVE JANUARY 1, 2024

<u>CLASSIFICATION</u>	<u>HOURLY RATE</u>
PROJECT MANAGEMENT	
Principal	\$302.00
Senior Associate Principal	\$280.00
Associate Principal	\$273.00
Senior Project Manager Senior Technical Manager	\$265.00
Project Manager Technical Manager	\$260.00
Engineering Manager Surveying Manager Planning Manager	\$239.00
<hr/>	
TECHNICAL STAFF	
Senior Project Engineer Senior Project Surveyor Senior Project Planner	\$222.00
Project Engineer Project Surveyor Project Planner	\$195.00
Design Engineer Staff Surveyor Staff Planner	\$170.00
BIM Specialist I, II, III	\$170.00 - \$195.00 - \$222.00
Technician I, II, III, IV	\$162.00 - \$172.00 - \$189.00 - \$203.00
Drafter I, II, III, IV	\$127.00 - \$139.00 - \$150.00 - \$167.00
Engineering Assistant Surveying Assistant Planning Assistant	\$106.00
<hr/>	
FIELD SURVEYING	
Survey Party Chief	\$222.00
Instrument Person	\$190.00
Survey Chainperson	\$143.00
Utility Locator I, II, III, IV	\$116.00 - \$164.00 - \$197.00 - \$224.00
Apprentice I, II, III, IV	\$88.00 - \$118.00 - \$130.00 - \$138.00
<hr/>	
CONSTRUCTION ADMINISTRATION	
Senior Consultant	\$290.00
Senior Construction Administrator	\$253.00
Resident Engineer	\$188.00
Field Engineer I, II, III	\$170.00 - \$195.00 - \$222.00
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FUNDING & GRANT MANAGEMENT	
Director of Funding Strategies	\$208.00
Funding Strategies Manager	\$190.00
Funding/Research Analyst I, II, III, IV	\$130.00 - \$150.00 - \$160.00 - \$176.00
<hr/>	
PROJECT ADMINISTRATION	
Project Coordinator	\$142.00
Senior Project Assistant	\$122.00
Project Assistant	\$108.00
Clerical Administrative Assistant	\$90.00

Expert witness rates are available upon request. Subject to the terms of a services agreement:

- Charges for outside services, equipment, materials, and facilities not furnished directly by BKF Engineers will be billed as reimbursable expenses at cost plus 10%. Such charges may include, but shall not be limited to: printing and reproduction services; shipping, delivery, and courier charges; subconsultant fees and expenses; agency fees; insurance; transportation on public carriers; meals and lodging; and consumable materials.
- Allowable mileage will be charged at the prevailing IRS rate per mile.
- Monthly invoices are due within 30 days from invoice date. Interest will be charged at 1.5% per month on past due accounts.
- The rates shown are subject to periodic increases, including January 1st of each year.





2063 Grant Rd.
Los Altos, CA, 94024
Tel: 415.981.9430

Our ref.: DB

October 28th, 2024

Maryam Rostami
TEF Design
1420 Sutter Street, 2nd Floor
San Francisco, CA 94109

Re: Fee Proposal – Cost Estimating Services
45 Soledad Street Project

Dear Maryam,

Further to your email, we are pleased to offer Cost Estimating services for the above project.

Scope of Services

We understand the scope of our services is to prepare an opinion of probable cost at the programming stage for the City of Salinas Soledad Street historical affordable housing.

The opinion of probable cost will be at the Conceptual stage of design.

The estimate will be based on the measurements of quantities from the drawings with composite unit rates reflecting the scope of work and the current market conditions. We will not obtain any bids or opinions of cost from subcontractors unless the work is of such a unique nature that no other cost information is available. No bids or third-party opinions will be obtained without prior approval from the client.

We have included time required to review and discuss our cost estimate with the Design Team and for incorporating any requested revision to the estimate as a result of the Design Team review. We have excluded any time required to reconcile our estimate with another cost estimate prepared by others. We have also excluded time required to attend any meetings or any Value Engineering cost services from this proposal. Should additional work be required, our standard hourly rate of \$235 per hour will apply.



Fees

We propose to provide the above services based on the following budget NTE Fees –

Concept Phase Cost Estimate (80hrs @ \$235/hr.)	\$ 18,800
Total Not to Exceed Fees	\$18,800

We assume no alternates or options.

Expenses such as drawing reproduction, courier services, special mailing services (Federal Express, Express Mail etc.), and other abnormal costs are excluded and will be charged at cost plus 0% administration.

Our fees exclude travel costs outside the San Francisco Bay Area, any such travel costs as incurred will be billed separately.

Payment and Terms

We will issue a monthly invoice. Payment will be due thirty (30) calendar days.

Our proposal remains open for a period of ninety (90) days. After this time, we will be pleased to review the proposal, make any required amendments, and re-submit for your review and approval.

Work will be completed under the direction of Deo Bhalotia.

We trust that we have interpreted your requirements correctly, if you have any questions or suggested amendments, please do not hesitate to contact the undersigned. If you would like to proceed with the above services, please complete and return the authorization below.

We look forward to working with you on this project.

On behalf of TBD Consultants

On behalf of TEF Design

Accepted by: _____

Deo Bhalotia
Associate Principal

Date: _____

Title: _____

October 28, 2024

Maryam Rostami
(415) 901-4902
maryam@TEFarch.com

Subject: Proposal to Prepare the Residential Financial Feasibility Analysis for the Parcel Located at 45 Soledad Street in Salinas Chinatown EPS #242139

Maryam:

Economic & Planning Systems, Inc. (EPS) appreciates the opportunity to prepare a Financial Feasibility Analysis for the parcel located at 45 Soledad Street (Project) in the Chinatown area of the City of Salinas (City) for TEF Design (Client). This letter and the attached Proposed Scope of Work (**Attachment A**) describe EPS's understanding and approach to completing the work.

EPS understands that as the owner of the parcel and with recent grants, the City would like to examine the financial feasibility of potential residential and/or mixed-use land uses on the Soledad Street property. The Project is a 0.149-acre site, located south of East Rossi Street, east of State Route 183, north of the Amtrak line, and west of Sherwood Drive. The Project is located in the City's Chinatown in the center of the City. Land uses neighboring the Project include a homeless shelter, a food bank, an art studio, multifamily apartments, and a few vacant lots. The current land use on the parcel is a vacant lot.

The Client has requested that EPS conduct a financial feasibility analysis to evaluate the potential for up to three (3) residential prototypes on the property. The assessment will offer an evaluation of the financial feasibility of residential development in the Salinas Chinatown area and will estimate supportable unit pricing based on projected household income ranges for existing and net new households, as well as the City's affordable housing requirements.

The Economics of Land Use



*Economic & Planning Systems, Inc.
455 Capitol Mall, Suite 701
Sacramento, CA 95814
916 649 8010 tel
916 649 2070 fax*

*Oakland
Sacramento
Denver
Los Angeles*

www.epsys.com

Key Personnel

Managing Principal **David Zehnder** will serve as Principal-in-Charge of this Project, guiding all aspects of the assignment and will be regularly available to the Client. Vice President **Kate O'Beirne** will serve as Project Manager and will conduct the day-to-day management of this Project. Additional EPS staff may assist with conducting the technical analysis and gathering data.

Schedule

EPS will begin working on this Project as soon as contract approval is received, and EPS will provide the Client with accurate information and work products on a schedule that meets the Client's needs. EPS believes the Residential Market Assessment could be completed within approximately 4 to 6 weeks after receiving authorization to proceed from the Client.

Budget

EPS estimates a budget of **\$12,000** is necessary to complete the Project. EPS charges for its services on a direct-cost (hourly billing rates plus direct expenses), not-to-exceed basis; thus, you will be billed only for the work EPS completes up to the authorized budget amount. This amount includes a maximum of 2 iterations of the memorandum and does not include any in-person meetings or site visits. If the Client requests numerous model iterations or other additional services beyond those specified in **Attachment A**, EPS will request authorization for additional budget with the understanding that terms will be negotiated in good faith. EPS's 2024 Hourly Billing Rates and Standard Terms and Conditions are attached as part of this letter proposal and Proposed Scope of Work.

EPS looks forward to working on this assignment and will strive to meet your scheduling needs. To approve this proposal, please sign below, return a signed copy of this letter agreement to EPS, and keep another signed copy for your records.

Thank you for your consideration of this proposal. Please call me at (916) 649-8010 if you have questions or require changes to the Proposed Scope of Work.

Sincerely,

ECONOMIC & PLANNING SYSTEMS, INC. (EPS)



David Zehnder
Managing Principal

Attachments

Approved:

Maryam Rostami, TEF Design

Date

Attachment A

Proposed Scope of Work

Salinas Chinatown

Financial Feasibility Analysis

Introduction

This Proposed Scope of Work describes the tasks required to complete a Financial Feasibility Analysis for the property located at 45 Soledad Street in the City. The Financial Feasibility Analysis will provide information to help determine the scale of supportable demand, target affordability ranges to meet demand and affordable housing requirements, and forecast timing of potential absorption.

The specific work to be performed by EPS is described in additional detail in the following sections.

Proposed Scope of Work

Task 1: Prepare Financial Feasibility Analysis

The Financial Feasibility Analysis will provide information regarding market viability of various residential concepts.

Subtask 1.1: Key Housing Prototypes and Feasibility Profile

Working with the Client, EPS will help develop up to three (3) different residential and/or mixed-use prototypes. EPS will prepare static pro formas to understand the relative performance among specific types of development. This approach will begin with price points or capitalized net lease rates to establish asset value and to back out key cost elements such as fees, horizontal costs, and vertical costs to understand overall feasibility issues. This information will be instrumental in calibrating the development outlook and understanding the likely character of development. EPS will evaluate any anticipated financing gaps to understand public policy options that may be necessary to achieve feasibility. Market analysis will be prioritized, focused, and limited to key metrics having major importance to the feasible delivery of housing and mixed-use projects.

Subtask 1.2: Assemble Market Performance Indicators

EPS will assemble key real estate market performance indicators (lease rates, sales prices, vacancy rates, inventory, etc.) for the local market:

- Analyze multifamily residential trends using CoStar and Zillow for the Market Area to inform feasibility recommendations.
- Examine single-family attached residential trends in the Market Area using ACS data, The Gregory Group, Zillow, or RedFin to inform feasibility recommendations.

Subtask 1.3: Establish Project Recommendations

With consideration to the Client's goals and objectives and using the above socioeconomic and real estate market performance analyses and pro forma analyses, EPS will advise on the viability of the Project from a real estate market feasibility standpoint. EPS will demonstrate the feasibility of the Project with the inclusion of the City's affordability requirements.

Subtask 1.4: Prepare Draft and Final Memorandum

EPS will prepare a concise memorandum summarizing the key findings and recommendations for the Client to review. Based on the outcomes of the review and on receipt of one set of consolidated and non-conflicting comments from the Client, EPS will incorporate necessary revisions and prepare a final memorandum.

2024 Hourly Billing Rates

Sacramento Office

Managing Principal	\$320
Principal	\$300
Senior Vice President	\$260
Senior Consultant	\$260
Vice President	\$245
Senior Technical Associate	\$215
Senior Associate	\$215
Associate	\$195
Research Analyst II	\$155
Research Analyst I	\$105
Production and Administrative Staff	\$100

Billing rates updated annually.

