

**AGREEMENT FOR PROFESSIONAL SERVICES BETWEEN
THE CITY OF SALINAS AND ECONOMIC AND PLANNING SYSTEMS, INC**

This Agreement for Professional Services (the "Agreement") is made and entered into this 14th day of June, 2016, by and between the **City of Salinas**, a California charter city and municipal corporation (hereinafter "City"), and **Economic and Planning Systems, Inc.** a California corporation, (hereinafter "Consultant").

RECITALS

WHEREAS, Consultant represents that it is specially trained, experienced, and competent to perform the special services which will be required by this Agreement; and

WHEREAS, Consultant is willing to render such professional services, as hereinafter defined, on the following terms and conditions.

NOW, THEREFORE, City and Consultant agree as follows:

TERMS

1. **Scope of Service.** The project contemplated and the scope of Consultant's services are described in **Exhibit A**, attached hereto and incorporated herein by reference.
2. **Term; Completion Schedule.** This Agreement shall commence on June 14, 2016, and shall terminate on December 31, 2016, unless extended in writing by either party upon thirty (30) days written notice. This Agreement may be extended only upon mutual written consent of the parties, and may be terminated only pursuant to the terms of Section 17 of this Agreement. Consultant shall fully comply with all time-lines for performance of its consulting services set forth in **Exhibit A**.
3. **Compensation.** City hereby agrees to pay Consultant for services rendered the City pursuant to this Agreement on a time and materials basis according to the hourly rates of compensation set forth in **Exhibit A** with not to exceed limitation as negotiated on portions or phases of work. The total amount of compensation to be paid pursuant to this Agreement shall not exceed One Hundred Twenty-Nine Thousand and Five Hundred Dollars (\$129,500).
4. **Billing.** Consultant shall submit to City an itemized invoice, prepared in a form satisfactory to City, describing its services and costs for the period covered by the invoice. Except as specifically authorized by City, Consultant shall not bill City for duplicate services performed by more than one person. Consultant's bills shall include the following information to which such services cost or pertain:
 - a. A brief description of services performed;
 - b. The date the services were performed;
 - c. The number of hours spent and by whom;
 - d. A brief description of any costs incurred; and
 - e. The Consultant's signature.

Any such invoices shall be in full accord with any and all applicable provisions of this Agreement.

City shall make payment on each such invoice within thirty (30) days of receipt; provided, however, that if Consultant submits an invoice which is incorrect, incomplete, or not in accord with the provisions of this Agreement, City shall not be obligated to process any payment to Consultant until thirty (30) days after a correct and complying invoice has been submitted by Consultant. The City shall process undisputed portion immediately.

5. Additional Copies. If City requires additional copies of reports, or any other material which Consultant is required to furnish as part of the services under this Agreement, Consultant shall provide such additional copies as are requested, and City shall compensate Consultant for the actual costs related to the production of such copies by Consultant.

6. Responsibility of Consultant.

a. By executing this Agreement, Consultant agrees that the services to be provided and work to be performed under this Agreement shall be performed in a fully competent manner. By executing this Agreement, Consultant further agrees and represents to City that the Consultant possesses, or shall arrange to secure from others, all of the necessary professional capabilities, experience, resources, and facilities necessary to provide the City the services contemplated under this Agreement and that City relies upon the professional skills of Consultant to do and perform Consultant's work. Consultant further agrees and represents that Consultant shall follow the current, generally accepted practices in this area to make findings, render opinions, prepare factual presentations, and provide professional advice and recommendations regarding the projects for which the services are rendered under this Agreement.

b. Consultant shall assign a single Project Director to have overall responsibility for the execution of this Agreement for Consultant. **David Zehnder, Managing Principal**, is hereby designated as the Project Director for Consultant. Any changes in the Project Director designee shall be subject to the prior written acceptance and approval of the City Manager.

7. Responsibility of City. To the extent appropriate to the projects to be completed by Consultant pursuant to this Agreement, City shall:

a. Assist Consultant by placing at his disposal all available information pertinent to the projects, including but not limited to, previous reports and any other data relative to the projects. Nothing contained herein shall obligate City to incur any expense in connection with completion of studies or acquisition of information not otherwise in the possession of City.

b. Examine all studies, reports, sketches, drawings, specifications, proposals, and other documents presented by Consultant, and render verbally or in writing as may be appropriate, decisions pertaining thereto within a reasonable time so as not to delay the services of Consultant.

c. **Lisa Brinton, Senior Planner** shall act as City's representative with respect to the work to be performed under this Agreement. Such person shall have the complete authority to transmit instructions, receive information, interpret and define City's policies and decisions with respect to materials, equipment, elements, and systems pertinent to Consultant's services. City may unilaterally change its representative upon notice to the Consultant.

d. Give prompt written notice to Consultant whenever City observes or otherwise becomes aware of any defect in a project.

8. Acceptance of Work Not a Release. Acceptance by the City of the work to be performed under this Agreement does not operate as a release of Consultant from professional responsibility for the work performed.

9. Indemnification and Hold Harmless. Consultant shall indemnify, defend, and hold City and its officers, employees, and agents harmless from and against any and all liability, claims, suits, actions, damages, and causes of action arising out of any personal injury, bodily injury, loss of life, or damage to any property, or violation of any relevant federal, state or municipal law or ordinance, or other cause in connection with the negligent, recklessness or intentional acts or omission of Consultant, its employees, subcontractors or agents, or on account of the performance or character of the work, except for any such claim arising from the negligence or willful misconduct of the City, its officers, employees or agents. Acceptance of insurance certificates and endorsements required under this Agreement does not relieve Consultant from liability under this indemnification and hold harmless clause. This indemnification and hold harmless clause shall apply whether or not such insurance policies shall have been determined to be applicable to any of such damages or claims for damages. The obligations set forth in this section shall survive the expiration or earlier termination of this Agreement.

Consultant shall reimburse the City for all costs and expenses including, but not limited to court costs, incurred by the City in enforcing the provisions of this section.

10. Insurance.

a. Consultant shall, throughout the duration of this Agreement, maintain comprehensive general liability and property insurance covering all operations of the Consultant, its agents and employees, performed in connection with this Agreement including but not limited to premises and automobile.

b. Consultant shall maintain the following limits:

General Liability - Contractor shall at all times during the term of this Agreement maintain in effect a policy or policies having an A.M Best rating of A-Class VIII or better for bodily injury liability, personal injury, advertising injury and property damage, including product liability insurance with limits on the Declarations Page but not less than One Million and 00/100 Dollars (\$1,000,000.00) per occurrence and Two Million and 00/100 Dollars (\$2,000,000) in the general aggregate and products/completed operations aggregate insuring against any and all liability of the insured with respect to premises and products/completed operations. Liability coverage shall also include coverage for underground work and/or construction performed (if applicable). The coverage afforded to the additional insureds under the Contractor's policy shall be primary insurance and non-contributory. If coverage is on a claims-made basis, the Contractor shall maintain "tail coverage" no less than ten (10) years after the expiration date of

the policy or policies. Any policy or policies carrying a deductible of more than \$25,000.00 may be subject to review by the City of the Contractor's financials.

Umbrella or Excess - Contractor shall provide limits on the Declarations Page but not less than Two Million and 00/100 Dollars (\$2,000,000) per occurrence and Two Million and 00/100 (\$2,000,000) in the aggregate on a follow - form basis having an A.M Best rating of A-Class VIII or better.

Auto Liability - Contractor shall provide limits on the Declarations Page but not less than One Million and 00/100 (\$1,000,000.00) combined single limit for bodily injury and property damage having an A.M Best rating of A - Class VIII or better. Automobile Liability Symbol 1 (any auto), if the Company owns automobiles. An entity without autos shall have "Non -owned and Hired" coverage (Auto Symbols 8 & 9). The City and its elected and appointed officers, boards, commissions, agents and employees shall be named as Additional Insureds.

Workers' Compensation – Contractor shall provide Workers' Compensation Insurance sufficient to meet its statutory obligation and to provide benefits for employees with claims of bodily injury or occupational disease (including resulting death) as required by the State of California and Employer's Liability Insurance for One Million and 00/100 Dollars (\$1,000,000). Waiver of Subrogation for Workers' Compensation in favor of the City of Salinas is required.

Professional Liability - Contractor shall provide limits on the Declarations Page but not less than One Million and 00/100 Dollars (\$1,000,000) per claim and One Million and 00/100 Dollars (\$1,000,000) in the aggregate having an A.M Best rating of A-Class VIII or better.

c. All insurance companies with the exception of "Worker's Compensation" and "professional errors and omissions" affording coverage to the Consultant shall be required to add the City of Salinas, its officers, and, agents as additional "insured" by endorsement under the insurance policy and shall stipulate that this insurance policy will operate as primary insured for the work performed under this Agreement and that no other insurance affected by the City or other named insured will be called upon to contribute to a loss covered thereunder. The policy shall contain no special limitations on the scope of protection afforded to City, its officers, employees or agents.

d. All insurance companies affording coverage to Consultant shall be insurance organizations authorized by the Insurance Commissioner to transact the business of insurance in the State of California.

e. Consultant shall provide thirty (30) days written notice by certified mail to the City of Salinas should the policy be canceled or reduced in coverage before the expiration date. For the purpose of this notice requirement, any material change prior to expiration shall be considered cancellation.

f. Consultant shall provide evidence of compliance with the insurance requirements listed above by providing a certificate of insurance, in a form satisfactory to the City's Risk and Benefits Analyst, concurrently with the submittal of this Agreement.

g. Consultant shall provide a substitute certificate of insurance no later than ten (10) days prior to the policy expiration date. Failure by the Consultant to provide such a substitution and extend the policy expiration date shall be considered default by Consultant. In the event Consultant is unable to provide a substitute certificate of insurance within the time prescribed in this subsection, Consultant shall provide written confirmation of renewal, in a form satisfactory to the City, to act as proof of insurance only until such time as a certificate of insurance has been received by the City.

h. Maintenance of insurance by the Consultant as specified in this Agreement shall in no way be interpreted as relieving the Consultant of any responsibility whatever and the Consultant may carry, at its own expense, such additional insurance as it deems necessary.

11. Access to Records. Consultant shall maintain all preparatory books, records, documents, accounting ledgers, and similar materials including but not limited to calculation and survey notes relating to work performed for the City under this Agreement on file for at least three (3) years following the date of final payment to Consultant by City. Any duly authorized representative(s) of City shall have access to such records for the purpose of inspection, audit, and copying at reasonable times during Consultant's usual and customary business hours. Consultant shall provide proper facilities to City's representative(s) for such access and inspection.

12. Assignment. It is recognized by the parties hereto that a substantial inducement to City for entering into this Agreement was, and is, the professional reputation and competence of Consultant. This Agreement is personal to Consultant and shall not be assigned by it without express written approval of the City.

13. Changes to Scope of Work. City may at any time, and upon a minimum of ten (10) days written notice, seek to modify the scope of services to be provided for any project to be completed under this Agreement. Consultant shall, upon receipt of said notice, determine the impact on both time and compensation of such change in scope and notify City in writing. Rate of compensation shall be based upon the Consultant's schedule of hourly rates shown in **Exhibit A** of this Agreement. Upon agreement between City and Consultant as to the extent of said impacts to time and compensation, an amendment to this Agreement shall be prepared describing such changes. Execution of the amendment by City and Consultant shall constitute the Consultant's notice to proceed with the changed scope.

14. Notice to Proceed; Progress; Completion. Upon execution of this Agreement by both parties, City shall give Consultant written notice to proceed with this work. Such notice may authorize Consultant to render all of the services contemplated herein, or such portions or phases as may be mutually agreed upon. In the latter event, City shall, in its sole discretion, issue subsequent notices from

time to time regarding further portions or phases of the work. Upon receipt of such notices, Consultant shall diligently proceed with the work authorized and complete it within the agreed time period specified in said notice.

15. Ownership of Documents. Title to all final documents, including drawings, specifications, data, reports, summaries, correspondence, photographs, computer software (if purchased on the City's behalf), video and audio tapes, software output, and any other materials with respect to work performed under this Agreement shall vest with City at such time as City has compensated Consultant, as provided herein, for the services rendered by Consultant in connection with which they were prepared. City agrees to hold harmless and indemnify the Consultant against all damages, claims, lawsuits, and losses of any kind including defense costs arising out of any use of said documents, drawings, and/or specifications on any other project without written authorization of the Consultant.

16. Subcontractors. Consultant shall be entitled, to the extent determined appropriate by Consultant, to subcontract any portion of the work to be performed under this Agreement. Consultant shall be responsible to the City for the actions of persons and firms performing subcontract work. The subcontracting of work by Consultant shall not relieve Consultant, in any manner, of the obligations and requirements imposed upon Consultants by this Agreement.

17. Termination.

a. City shall have the authority to terminate this Agreement, upon written notice to Consultant, as follows:

- (1) If in the City's opinion the conduct of the Consultant is such that the interest of the City may be impaired or prejudiced, or
- (2) For any reason whatsoever.

b. Upon termination, Consultant shall be entitled to payment of such amount as fairly compensates Consultant for all work satisfactorily performed up to the date of termination based upon the hourly rates of compensation shown in **Exhibit A**, except that:

- (1) In the event of termination by the City for Consultant's default, City shall deduct from the amount due Consultant the total amount of additional expenses incurred by City as a result of such default. Such deduction from amounts due Consultant are made to compensate City for its actual additional costs incurred in securing satisfactory performance of the terms of this Agreement, including but not limited to, costs of engaging another consultant(s) for such purposes. In the event that such additional expenses shall exceed amounts otherwise due and payable to Consultant hereunder, Consultant shall pay City the full amount of such expense.

c. In the event that this Agreement is terminated by City for any reason, Consultant shall:

- (1) Upon receipt of written notice of such termination promptly cease all services on this project, unless otherwise directed by City; and

(2) Deliver to City all documents, data, reports, summaries, correspondence, photographs, computer software output, video and audio tapes, and any other materials provided to Consultant or prepared by or for Consultant or the City in connection with this Agreement. Such material is to be delivered to City in completed form; however, notwithstanding the provisions of Section 15 herein, City may condition payment for services rendered to the date of termination upon Consultant's delivery to the City of such material.

d. In the event that this Agreement is terminated by City for any reason, City is hereby expressly permitted to assume the projects and complete them by any means, including but not limited to, an agreement with another party.

e. The rights and remedy of the City and Consultant provided under this Section are not exclusive and are in addition to any other rights and remedies provided by law or appearing in any other section of this Agreement.

18. Audit and Examination of Accounts.

a. Consultant shall keep and will cause any assignee or subcontractor under this Agreement to keep accurate books of record in account, in accordance with sound accounting principles, which records pertain to services to be performed under this Agreement.

b. Any audit conducted of books and records and accounts shall be in accordance with generally accepted professional standards and guidelines for auditing.

c. Consultant hereby agrees to disclose and make available any and all information, reports or books of records or accounts pertaining to this Agreement to City and any City of the County of Monterey or state or federal government which provides support funding for this project.

d. Consultant hereby agrees to include the requirements of subsection (B), above, in any and all contracts with assignees or consultants under this Agreement.

e. All records provided for in this section are to be maintained and made available throughout the performance of this Agreement and for a period of not less than three (3) years after full completion of services hereunder, except that any and all such records which pertain to actual disputes, litigation, appeals or claims shall be maintained and made available for a period of not less than three (3) years after final resolution of such disputes, litigation, appeals or claims.

19. Compliance with Laws, Rules, and Regulations. Services performed by Consultant pursuant to this Agreement shall be performed in accordance and full compliance with all applicable federal, state, and City laws and any rules or regulations promulgated thereunder.

20. Exhibits Incorporated. All exhibits referred to in this Agreement and attached to it are hereby incorporated in it by this reference. In the event there is a conflict between any of the terms of this Agreement and any of the terms of any exhibit to the Agreement, the terms of the Agreement shall control the respective duties and liabilities of the parties.

21. Independent Contractor. It is expressly understood and agreed by both parties that Consultant, while engaged in carrying out and complying with any of the terms and conditions of this Agreement, is an independent contractor and not an employee of the City. Consultant expressly warrants not to represent, at any time or in any manner, that Consultant is an employee or servant of the City.

22. Integration and Agreement. This Agreement represents the entire understanding of City and Consultant as to those matters contained herein. No prior oral or written understanding shall be of any force or effect with respect to those matters contained herein. This Agreement may not be modified or altered except by amendment in writing signed by both parties.

23. Jurisdiction. This Agreement shall be administered and interpreted under the laws of the State of California. Jurisdiction of litigation arising from this Agreement shall be in the State of California, in the County of Monterey.

24. Severability. If any part of this Agreement is found to be in conflict with applicable laws, such part shall be inoperative, null and void insofar as it is in conflict with said laws, but the remainder of the Agreement shall continue to be in full force and effect.

25. Notices.

a. Written notices to the City hereunder shall, until further notice by City, be addressed to:

Lisa Brinton, Senior Planner
City of Salinas
65 West Alisal Street, Second Floor
Salinas, California 93901

With a Copy to:

City Attorney
City of Salinas
200 Lincoln Avenue
Salinas, California 93901

b. Written notices to the Consultant shall, until further notice by the Consultant, be addressed to:

David Zehnder, Managing Principal
Economic and Planning Systems, Inc
2295 Gateway Oaks Drive, Suite 250
Sacramento, CA 95833-4210

c. The execution of any such notices by the City Manager of the City shall be effective as to Consultant as if it were by resolution or order of the City Council, and Consultant shall not question the authority of the City Manager to execute any such notice.

d. All such notices shall either be delivered personally to the other party's designee named above, or shall be deposited in the United States Mail, properly addressed as aforesaid, postage fully prepaid, and shall be effective the day following such deposit in the mail.

26. Nondiscrimination. During the performance of this Agreement, Consultant shall not discriminate against any employee or applicant for employment because of race, color, religion, ancestry, creed, sex, national origin, familial status, sexual orientation, age (over 40 years) or disability. Consultant shall take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, color, religion, ancestry, creed, sex, national origin, familial status, sexual orientation, age (over 40 years) or disability.

27. Conflict of Interest. Consultant warrants and declares that it presently has no interest, and shall not acquire any interest, direct or indirect, financial or otherwise, in any manner or degree which will render the services required under the provisions of this Agreement a violation of any applicable local, state or federal law. Consultant further declares that, in the performance of this Agreement, no subcontractor or person having such an interest shall be employed. In the event that any conflict of interest should nevertheless hereinafter arise, Consultant shall promptly notify City of the existence of such conflict of interest so that City may determine whether to terminate this Agreement. Consultant further warrants its compliance with the Political Reform Act (Government Code section 81000 et seq.) and Salinas City Code Chapter 2A that apply to Consultant as the result of Consultant's performance of the work or services pursuant to the terms of this Agreement.

28. Headings. The section headings appearing herein shall not be deemed to govern, limit, modify, or in any manner affect the scope, meaning or intent of the provisions of this Agreement.

29. Multiple Copies of Agreement. Multiple copies of this Agreement may be executed, but the parties agree that the Agreement on file in the office of the City's City Clerk is the version of the Agreement that shall take precedence should any difference exist among counterparts of the document.

30. Attorney's Fees. In case suit shall be brought to interpret or to enforce this Agreement, or because of the breach of any other covenant or provision herein contained, the prevailing party in such action shall be entitled to recover their reasonable attorneys' fees in addition to such costs as may be allowed by the Court. City's attorneys' fees, if awarded, shall be calculated at the market rate.

31. Non-Exclusive Agreement. This Agreement is non-exclusive and both City and Consultant expressly reserves the right to contract with other entities for the same or similar services.

32. Rights and Obligations Under Agreement. By entering into this Agreement, the parties do not intend to create any obligations express or implied other than those set out herein; further, this Agreement shall not create any rights in any party not a signatory hereto.

33. Licenses. If a license of any kind, which term is intended to include evidence of registration, is required of Consultant, its representatives, agents or subcontractors by federal, state or local law, Consultant warrants that such license has been obtained, is valid and in good standing, and that any applicable bond posted in accordance with applicable laws and regulations.

34. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute a single agreement.

35. Legal Representation. Each party affirms that it has been represented by legal counsel of its own choosing regarding the preparation and the negotiation of this Agreement and the matters and claims set forth herein, and that each of them has read this Agreement and is fully aware of its contents and its legal effect. Neither party is relying on any statement of the other party outside the terms set forth in this Agreement as an inducement to enter into this Agreement.

36. Joint Representation. The language of all parts of this Agreement shall in all cases be construed as a whole, according to its fair meaning, and not strictly for or against any party. No presumptions or rules of interpretation based upon the identity of the party preparing or drafting the Agreement, or any part thereof, shall be applicable or invoked.

37. Warranty of Authority. Each party represents and warrants that it has the right, power, and authority to enter into this Agreement. Each party further represents and warrants that it has given any and all notices, and obtained any and all consents, powers, and authorities, necessary to permit it, and the persons entering into this Agreement for it, to enter into this Agreement.

38. No Waiver of Rights. Waiver of a breach or default under this Agreement shall not constitute a continuing waiver or a waiver of a subsequent breach of the same or any other provision of this Agreement. The failure to provide notice of any breach of this Agreement or failure to comply with any of the terms of this Agreement shall not constitute a waiver thereof. Failure on the part of either party to enforce any provision of this Agreement shall not be construed as a waiver of the right to compel enforcement of such provision or any other provision. A waiver by the City of any one or more of the conditions of performance under this Agreement shall not be construed as waiver(s) of any other condition of performance under this Agreement.

IN WITNESS WHEREOF, the parties hereto have made and executed this Agreement on the date first written above.

CITY OF SALINAS

Ray E. Corpuz, Jr., City Manager


Date

APPROVED AS TO FORM:

Christopher A. Callihan, City Attorney

Date

Consultant



By: David Zehnder, Managing Principal

Date

May 31, 2016

Exhibit "A"

Economic Planning Systems, Inc
Revised Proposal for Housing Target Market Analyses
Dated May 27,2016

Revised Proposal

Housing Target Market Analyses

The Economics of Land Use



Prepared for:
City of Salinas

Prepared by:
Economic & Planning Systems, Inc. (EPS)

*Economic & Planning Systems, Inc.
2295 Gateway Oaks Drive, Suite 250
Sacramento, CA 95833-4210
916 649 8010 tel
916 649 2070 fax*

*Oakland
Sacramento
Denver
Los Angeles*

www.epsys.com

May 27, 2016

EPS #162029

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May 26, 2016

Lisa Brinton, Senior Planner
City of Salinas, Community Development Department
65 W Alisal Street, 2nd Floor
Salinas, CA 93901

Subject: Revised Proposal to Prepare Housing Target Market Analyses;
EPS #162029

Dear Lisa Brinton:

Economic & Planning Systems, Inc. (EPS) would appreciate the opportunity to prepare Housing Target Market Analyses for the City of Salinas (City). Per your direction, the approach described herein seeks to make maximum use of available data and provides for a heavy emphasis on implementing solutions that will improve the housing stock in Salinas according to identified needs.

For this project, EPS is proud to collaborate with Monterey-based EMC Planning Group (EMC). EPS and EMC have a proven track record of successful collaborative assignments throughout the Monterey Region and in Salinas, having most recently teamed to deliver the award-winning Salinas Economic Development Element. The Principals and staff of each team bring in-depth knowledge of regional economic dynamics, socio-economic trends, community composition, and land and other underutilized assets throughout the City. This knowledge and expertise is paired with EPS's reputation throughout the State of California (State) and western United States for concise and effective economic analysis and related strategies that leverage available resources, as well as emerging techniques and mechanisms, to deliver effective solutions to community development issues, such as housing and related development, as part of a larger strategy to realize sustainable communities.

For this study, as described in the attached Scope of Work, EPS proposes to organize the scope as follows:

- **Market Diagnostics:** What market dynamics affect each of the three key areas and how does the composition of Salinas's demography affect the housing types, amenities, and place-making efforts that are moving forward in Salinas?
- **Trends and Projections:** How is the housing market changing and responding to regional economic shifts? What specific factors are critical to future conditions in Salinas, and how do supply and

The Economics of Land Use



*Economic & Planning Systems, Inc.
2295 Gateway Oaks Drive, Suite 250
Sacramento, CA 95833-4210
916 649 8010 tel
916 649 2070 fax*

*Oakland
Sacramento
Denver
Los Angeles*

www.epsys.com

demand trends effect future absorption by product type in Salinas? What variables have the most impact on these expected-growth patterns of housing and related development?

- **Product Types:** What is the range of product types that most effectively address the needs of Salinas' population (current and projected), and how do these "prototypes" perform financially, given current and expected conditions? What incentives can be put in place to encourage faster development of missing prototypes?
- **Strategy:** To what extent can conditions be improved through investment in infrastructure to better connect districts and uses and updated public policy? What tools and techniques can be used to plug vertical development funding shortfalls for key products and to fund critical infrastructure and community amenities?

The overall focus of the project is on a robust action plan that identifies clear policy changes and specific actions that should be taken to move projects forward. Within an overall three month schedule, a downtown-oriented action plan will be provided 8 to 10 weeks after project initiation, followed by recommendations for the other two study areas within 12 weeks. EPS's resources will allow development of this market analysis and action plan for a proposed fee of **\$129,500**. A proposed project schedule and estimated fee by task are included in this proposal.

The attached work program sets forth a comprehensive approach to documenting current and future conditions affecting the short- and long-term prospects for housing and community development in Salinas, with a focus on actionable implementation steps

Thank you for this opportunity, and please contact me with questions regarding this revised proposal.

Sincerely,

ECONOMIC & PLANNING SYSTEMS, INC.

David Zehnder
Managing Principal

Attachments

2. EXECUTIVE SUMMARY

Team

For this assignment, EPS is partnering with EMC. EPS and EMC share a long history of successful collaborations in the greater Monterey Bay Area, including two noteworthy, award-winning projects: the Fort Ord Reassessment and the Salinas Economic Development Element. In each of these studies, key regional economic dynamics are discussed that effectively set the table for this proposed Scope of Work. EPS is represented by Managing Principal **David Zehnder** and Executive Vice President **Ellen Martin**, both of whom have been instrumental in several assignments relating to this project. EMC will be led by **Ron Sissem** and **Michael Groves**, both of whom are known experts in the planning and development of Salinas and the Monterey Bay Area.

Approach

EPS understands that the three defined target areas possess unique characteristics and challenges that deserve tailored analysis and recommendations. At the same time, the three areas share the same regional market context. EPS will provide, for each target area, an integrated analysis, providing a holistic perspective on trends, product types, subarea features, and investment strategies. This analysis will include a balance of technical/quantitative and qualitative considerations needed to be successful.

EPS will use a technical feasibility framework to define product funding capacity and needed public infusions in parking and infrastructure. A development pro forma analysis will serve as the lens for integrating market analysis and product types, allowing for the testing of key market indicators such as changing rents.

A chief area of focus will be optimizing the roles of public and private sectors in realizing desired outcomes through the reduction of development risk and the innovative combination of public and private financial resources. EPS will work with City staff and other key stakeholders to identify and remediate barriers to investment such as parking policy, other regulations, and zoning.

The final work product will provide the City with:

- An overview of existing conditions, including a quantitative analysis of market performance indicators (i.e., price points, vacancy, and net absorption) of the residential, retail, and office markets in the study area, City, and Monterey Bay Region; and current planning efforts undertaken to date.
- Economic trends affecting the dynamics of the local economy—and future development potential—based on conversations with real estate developers, real estate professionals, and other stakeholders.
- Major economic opportunities and barriers affecting the study areas, including vacant and underutilized subareas identified as most likely to be developed in the near term.

- An assessment of affordable and market-rate rental and homeownership housing prototypes and volume supportable in the study area, as well as review and verification of the pricing structure and other attributes of market-rate rental and homeownership housing.
- A series of recommendations and action items, which will include specific General Plan and zoning ordinance modifications, as well as recommended product types best suited for specific sites, and prioritized actions to best ensure delivery of viable projects.
- Potential partners and other resources available to assist in implementing the recommendations and action items described in the report.

Budget

The total estimated cost for this project is **\$129,500**, with \$103,500 allocated to EPS, and \$26,000 allocated to EMC. Section 7 provides a budget estimate in matrix form including hourly rates and time commitments.

Of the total fee, \$54,000 will be allocated for the Downtown Target Market Assessment, \$37,700 for the Chinatown Market Assessment, and \$37,700 for the Alisal/East Salinas Target Market Assessment.

These budget figures are based on the assumption that work will be completed for all 3 Target Market Assessments. Because of economies of scale, if the EPS-EMC team is contracted for less than 3 TMAs, further evaluation of the budget may be necessary.

Schedule

EPS is prepared to complete the work plan described in this proposal within 3 months following contract approval or according to a schedule that meets the City's needs. A downtown-oriented action plan will be provided 8 to 10 weeks after project initiation, followed by recommendations for the other two study areas within 12 weeks. A table illustrating the proposed project schedule is provided in Section 8.

3. LEAD PROJECT CONTACT

EPS Managing Principal **David Zehnder** will serve as Principal-in-Charge of this project. David can be reached in the office at (916) 649-8010 and on his cellular phone at (916) 813-0932.

4. *PROJECT TEAM*

EPS

EPS Managing Principal **David Zehnder** will serve as Principal-in-Charge of this project and will provide guidance and input over the course of the assignment. EPS Executive Vice President **Ellen Martin** will serve as Project Manager and will conduct the day-to-day management of this project. Other EPS staff will assist in identifying, collecting, and analyzing data.

Résumés follow for these assigned staff.



David W. Zehnder



Managing Principal

Education

Master of City Planning, concentration in Regional Economics, University of California at Berkeley, 1992

Bachelor of Arts in Economics, San Francisco State University, 1989

Bachelor of Arts in Geography, San Francisco State University, 1989

Previous Employment

Consultant, Economic Strategies Group, 1991–1992

Economic Analyst, Solano Private Industry Council, 1990–1991

Coastal Act Enforcement/Legal Support, California Coastal Commission, 1988–1990

Select Affiliations & Speaking Engagements

Urban Land Institute (ULI), Sacramento District Council, Past Chair, Governance and Policy Committees

ULI National Urban Revitalization Product Council, Incoming Chair

California Association for Local Economic Development (CALED), Advisory Board Member

Lecturer, University of California at Davis Extension, "Financial Aspects of Planning," 2008–present

Panelist, Appraisal Institute, "2016 Real Estate Forecast," February 2016

Panelist, Colliers Apartment Market Forum, January 2012

ABOUT

David W. Zehnder is a consulting economist specializing in regional economics, public/private development, transactional real estate, feasibility analysis, and public finance. David's practice centers on creating viable land use and redevelopment strategies, taking full account of regional site context, market conditions, public policy objectives, and private-sector financial requirements.

SELECTED PROJECTS

Fort Ord Base Reuse Plan Market and Economic Analysis

In the post-recession environment, plans for reuse of the 20,000-acre Fort Ord Army Base required re-evaluation and updating. EPS completed a detailed evaluation of the current economic dynamics, offering a detailed assessment of market conditions and expectations, emerging real estate trends, and key risk factors affecting reuse plans and local economic development objectives. Based on employment and population growth projected over the next 20 years, EPS projected demand for several categories of residential and nonresidential land uses. EPS developed a comprehensive set of policy options and implementation recommendations that could be considered to calibrate reuse plans to emerging trends and future conditions.

Kings Beach and Tahoe City Economic and Redevelopment Strategy

EPS analyzed economic and land use conditions and population trends to create a strategic plan for redevelopment in Kings Beach and Tahoe City, focusing on the redevelopment of retail, visitor accommodations, and affordable housing in the form of transit-oriented, compact villages, facilitating improved views, open space, and environmental protection for Lake Tahoe's north shore.

Tacoma Foss Waterway Economic Analysis

On behalf of the Foss Waterway Development Authority, EPS conducted a market and site performance review to identify opportunity sites and potential uses for redeveloping and revitalizing the Foss Waterway.

EPS offered near-, mid-, and long-term recommendations, including action items that could be implemented immediately to jump-start redevelopment and longer term strategic initiatives that built on the near-term efforts to ensure a thoughtful, programmatic, and sustainable revitalization program. These recommendations focused on high-level market and demographic orientation (e.g., suggesting uses that would appeal to families and university students), as well as specific guidance regarding land disposition and transaction structure, including the use of ground leases and other creative land compensation models to mitigate downside risks and maximize upside potential.

San Diego Shelter Island Redevelopment Strategy

EPS prepared a Market Demand and Feasibility Analysis for an underutilized waterfront parcel that serves as a de-facto gateway to Shelter Island. EPS evaluated the potential market acceptance and financial feasibility of hotel, retail, office, parking, and marine-related industrial land uses for the site. This analysis evaluated several land use prototypes and spatial arrangements as they pertained to market acceptance, financial feasibility, and urban form, taking into consideration the often-conflicting desires of local residents, visitors, employees, business owners, and other stakeholders.

Panelist, "Urban Assets and Sectors: Outlook for Office, Industrial, Retail, Hotel & Housing," IMN's Second Annual Opportunity & Private Fund Forum on Urban Rejuvenation & Brownfields, Los Angeles, April 2007

Panelist, "The Economics of Mixed Use Development," Northern California Redevelopment Alliance, March 2007

Lecturer, University of California at Davis Extension, "Brownfield Redevelopment Strategies," 2005

Select Publications

David has authored or co-authored the following selected papers:

"The Use of Master Developers: Outsourcing Base Reuse," Economic Development Commentary, Winter 2000

"A Triage Strategy for the Development of University-Related Research Parks," Conference Proceedings of the American Association of University-Related Research Parks, Monterey, California, 1996

"The Economic Interdependence of the San Francisco Bay Area," UC Berkeley Institute for Urban and Regional Development, 1992

"An Economic Development Strategy for Solano County," Solano County Private Industry Council, 1992

University of California, Davis, Innovation Village Evaluation

The University of California Davis (UC Davis) is evaluating opportunities related to development of a university-related research park and cultural amenity as part of the Chancellor's vision of a University-based "innovation research park." EPS conducted case-study research regarding development and disposition issues associated with university-related research parks (URP) as an initial step in gauging private-sector master development potential.

Master Development Plan for Robert Mueller Airport

Served as the lead economist for a multidisciplinary team to create a master development plan for the 711-acre Robert Mueller Airport site that was closed in May 1999. EPS's roles included market analysis, organizational analysis, interim reuse strategies, financial feasibility analysis, and development of a financing strategy and strategic implementation measures. EPS also assisted the City of Austin in conducting a developer solicitation process and negotiating an agreement with the selected developer.

Solano County Economic Diversification Strategy

EPS, in collaboration with the Center for Strategic Economic Research (CSER), AIM Consulting (AIM), and the Solano Economic Development Corporation (EDC) (collectively, the "EPS Team"), is serving as prime consultant to prepare an Economic Diversification Study (Study) for Solano County. The Study, funded through a grant obtained through the Office of Economic Adjustment (OEA), commenced in summer 2013 and is anticipated to be completed in June 2014. The objective of the Study is to conduct a comprehensive analysis of the economic impacts of Travis Air Force Base on Solano County and to provide recommendations on how the public and private sector entities across the county can further diversify the Solano County economy.

Sacramento State (Ramona Village) Faculty and Staff Housing Feasibility

Development of the proposed University Village Project was a unique opportunity for California State University Sacramento and its non-profit affiliate, University Enterprises, to provide needed and affordable housing for faculty and staff employed by the University. The land use program included 480 single-family attached and detached for-sale residential units, 10,000 square feet of retail space, a community center, and open space and recreational facilities in a vertical mixed use format on a 26-acre parcel adjacent to the University. The project would increase connectivity between the University, its employees, students, and the surrounding community by transforming a dilapidated industrial area to an urban village incorporating best practices in sustainable development.

EPS analyzed market conditions related to the Sacramento residential housing market, particularly related to affordability, product mix, and feasibility of offering higher density ownership housing using a ground lease. EPS also evaluated the financial feasibility of the Project, using discounted cash flow analysis to test variations in construction costs, financing structures, ground lease terms, and approaches to project phasing and pricing.

US 50 Realignment/South Shore Community Revitalization Economic Analysis

EPS was retained by the Tahoe Transportation District to evaluate the potential of a proposed realignment of Highway 50 on Lake Tahoe's South Shore. As part of this effort, EPS conducted a comprehensive review of economic conditions on the South Shore, focusing primarily on the influence of tourism and visitation and on the region's ability to compete with other resort areas for destination visitors. Next, EPS carefully analyzed the business composition of the affected neighborhood and its relationship to visitation, pass-by trips, shoppers' behavior, and other factors in order to predict the likely positive or negative effects of the roadway realignment upon the immediate area as well as upon the broader South Shore economy.



Ellen Martin

Executive Vice President



Education

Master of Public Policy and Administration, California State University, Sacramento, 2005

Bachelor of Arts in Political Science, University of California at Davis, 2003

Previous Employment

Policy Analyst/Legislative Coordinator, United Domestic Workers of America, Sacramento, California, 2004–2005

Program Assistant, California State Assembly Fellows Program, Sacramento, California, 2004

Amending Intern, California State Assembly Chief Clerk's Office, Sacramento, California, 2003

Affiliations

Urban Land Institute (ULI)

ULI Sacramento, Young Leaders Group (YLG)

Co-Coordinator, YLG Forums, ULI Sacramento YLG, 2007 and 2008

ABOUT

Ellen Martin has professional experience in the areas of real estate market and development feasibility, public finance, economic impact analysis, fiscal impact analysis, and land use planning. Over the course of her 10 year career at EPS, Ellen has developed a keen interest in analyzing how the built environment relates to local economies and how land use policies, development incentives, and other mechanisms can be deployed to complement, catalyze, and sustain increased levels of economic activity.

SELECTED PROJECTS

Fort Ord Military Base Market and Economic Study

In the post-recession environment, plans for the reuse of the 20,000-acre Fort Ord Army Base required reevaluation and updating. As part of a multidisciplinary team, EPS completed an exhaustive evaluation of the current economic dynamics. EPS's study offered a detailed assessment of the implications that market conditions, emerging real estate trends, and a tumultuous political environment will have on reuse plans and local economic development objectives. The market and economic analysis evaluated the prospects for job and population growth on the former Fort Ord, specifically considering current market conditions and expectations, the ability for planned Fort Ord development to respond to economic conditions, base reuse constraints, and the expected base reuse buildout timeframe. EPS also offered several policy options that should be considered to calibrate the Base Reuse Plan to emerging trends and future conditions, with a primary focus on economic trends that are reshaping future land use demand.

Elk Grove Market and Economic Study

EPS, in partnership with CSER, developed an economic development strategy for the City of Elk Grove examining economic development opportunities and land use needs for the City. The study provided an overview of key economic and demographic characteristics, evaluated Elk Grove's ability to compete within the regional economy, highlighted key opportunities for and constraints hindering economic development, and evaluated the projected demand for residential and commercial land use products in the context of available land supply. EPS identified recommended infill and greenfield development prototypes as well as policies relating to the annexation of land within its sphere of influence. EPS worked closely with CSER on developing specific economic development policies that will guide the city's growth and development over the next 20 years.

Economic Development Incentives for North Lake Tahoe Town Centers

Development of new tourist attractions and mixed use projects in the Placer County Lake Tahoe Basin town centers of Tahoe City and Kings Beach has not taken place for more than 50 years. Placer County retained EPS to develop policy recommendations to stimulate desired strategic, mixed-use development in these town centers. EPS provided an analysis of development opportunities and constraints, economic circumstances facing private investors, policy options for incentivizing desired development, necessary organizational and process changes, and public-private financial strategies to overcome feasibility obstacles. EPS's work culminated in an Economic Development Incentive Program and Implementation Plan designed to encourage private investment in the Town Centers.

EMC

EMC will provide the following support:

1. GIS technical support, as well as production of maps and graphics.
2. Analysis of and recommendations for General Plan and zoning code amendments needed to enable and facilitate development of housing product types for catalyst sites.
3. Recommendations for preparing CEQA documentation that will help streamline subsequent project specific CEQA compliance determinations.

Senior Principal **Michael Groves** will serve as Principal-in-Charge for EMC. He will provide strategic guidance and quality control for inputs generated by EMC. Principal **Ron Sissem** will act as Project Manager. EMC's GIS specialist and graphics manager will prepare related deliverables.

Résumés follow for these assigned subconsultant staff.

Ron Sissem, MRP

PRINCIPAL

PROFESSIONAL EXPERIENCE

Mr. Sissem has over 23 years of project management experience in land use and environmental planning and natural resource management both domestically and internationally. Mr. Sissem manages CEQA analyses for diverse, complex projects; planning and entitlement processes for private clients; and preparation of specific plans, general plans and local coastal programs. He has also completed a variety of international assignments including consulting on national resource management and protected areas management in Mongolia, using environmental auditing/impact evaluation to address business development lending risks in Bosnia, and directing a program on clean technology implementation in India.

Mr. Sissem is the firm's climate change planning specialist. He manages climate change impact analyses for CEQA documents, consults local agencies on integrating climate planning strategies/policy/emission reduction measures into advanced planning documents (e.g. general plans and specific plans), and consults developers on climate change mitigation project design. Mr. Sissem also directed a U.S.-India bilateral project on climate change mitigation in India and has completed other short-term, international climate change assignments. Ron has co-taught advanced CEQA training workshops focused on climate change planning and analysis.

EDUCATION

M.R.P. University of North Carolina at Chapel Hill, NC, 1995

B.S. University of California at Santa Barbara, Geography 1982

B.A. University of California at Santa Barbara, Environmental Studies 1982

PROFESSIONAL ACHIEVEMENTS

- Presenter, Advanced CEQA Workshop, Association of Environmental Professionals (2009, 2010, 2013)
- Authored "A Guide to Maximizing Profits and Business Stability through Environmental Management", produced by the World Bank
- Federation of Bosnia, Ministry of Environment Achievement Award for advancement of environmental management in Bosnia

PROFESSIONAL ASSOCIATIONS

- Member, American Planning Association (APA)
- Mongolian Ecotourism Advisory Group to the United Nations Development Program, 1994

Michael J. Groves, AICP

PRESIDENT/SENIOR PRINCIPAL

PROFESSIONAL EXPERIENCE

Mr. Groves is the founder and senior principal of EMC Planning Group. Through his leadership and commitment to excellence in client service and the hiring of highly qualified personnel, Mr. Groves successfully established the firm as one of the leading land use and environmental planning firms in the Monterey Bay Region and California's Central Coast. From 1995—1997, he served as project manager for the American Planning Association national, award-winning policy document, the *Fort Ord Reuse Plan*. In his 36-year career as a land use and policy planner, Mr. Groves has provided project management for over 750 planning projects, within more than 150 California cities, counties, and special districts.

Mr. Groves is involved in project management and coordination of a full range of planning projects completed by the firm. His main focus within the firm is on client representation for major urban and regional planning projects, coastal planning projects, conceptual design, major land use and environmental planning efforts, city planning and management consulting, real estate and site evaluation studies, and permit processing for projects located throughout California.

EDUCATION

B.A. University of California at Santa Barbara, Environmental Studies, 1977

B.A. University of California at Santa Barbara, Geography, 1977

PROFESSIONAL CERTIFICATION

- AICP - American Institute of Certified Planners, Professional Certification, 1990-Present

PROFESSIONAL ACHIEVEMENTS

- APA National Award for work on the "National Model" base closure at Fort Ord, California, 1997

PROFESSIONAL ASSOCIATIONS AND COMMUNITY INVOLVEMENT

- Member, American Planning Association (APA)
- Member, Ventana Chapter, Sierra Club
- Former Member, Monterey Peninsula Water Management District, Technical Advisory Committee
- Former Member, Sand City Habitat Conservation Task Force
- Former Member, Monterey Peninsula Water Management District, Policy Advisory Committee
- Head Coach, Monterey High School Baseball Program
- President, Foster Parent Association, Santa Cruz County
- Member, Child Welfare Services Systems Improvement Steering Committee
- Community Leadership Council - Ending Oppression Worldwide

5. FIRM EXPERIENCE AND QUALIFICATIONS

EPS's Services

Real Estate Market and Feasibility Analyses

EPS prepares real estate market and feasibility analyses for many real estate development projects and land use-planning programs. EPS's services provide a realistic assessment of real estate-market trends to determine the potential market support for a given project or land use plan. EPS's feasibility analyses evaluate the potential financial returns and feasibility of a real estate project, drawing on EPS's own market research of product types, absorption, and pricing.

This market and feasibility information is used in a wide variety of applications such as individual project feasibility assessment, development project design and programming, property disposition strategies, downtown revitalization and redevelopment efforts, specific and comprehensive land use planning, and economic analysis of impact fees and other public finance programs. EPS's market analysis efforts range from evaluations of existing market information to detailed project-specific market forecasts using consumer surveys and other primary research. Pro forma cash flow models test feasibility under a range of project alternatives, financing and partnership options, disposition strategies, and measures of financial return.

EMC's Services

EMC, a Certified Green Business, is a full-service interdisciplinary environmental planning and design firm located in Monterey, California. Since its inception in 1978, EMC has been guided by exceptional commitment to clients and to client satisfaction. EMC has earned a reputation for being responsive, attuned to client needs, skilled in developing and implementing strategies to meet client goals, and producing quality products.

Over the course of its 37 years in business, EMC has gained rich experience in a broad range of planning and development disciplines. The firm's ability to translate that experience into concrete, focused results in a time and cost effective manner is well known. EMC's receipt of numerous awards and national recognition is but one indicator that clients and peers acknowledge EMC's expertise.

EPS Team Member Qualifications

EPS has assembled a highly qualified internal team to prepare the Target Market Analyses. Their experience and proposed role on this project are summarized below:

- EPS Managing Principal **David Zehnder** will oversee all aspects of the study and work with Project Manager Ellen Martin on a day-to-day basis. David has been with EPS for 23 years, working in the firm's Berkeley office until his move to Sacramento in 2001. Over the past 15 years, he has led EPS's practice in the Monterey Bay Area, having completed more than 20 studies for most of the area's jurisdictions, as well as numerous private-sector clients. David brings expertise in creating viable land use and financial strategies for infill districts,

taking account of regional site context, market conditions, public policy objectives, and private-sector financial imperatives.

Throughout his career, David has specialized in the public-private development of waterfronts, research and development (R&D) districts, and mixed-use town centers and corridors. Recently, David served as the Principal-in-Charge for the CNI Twin Rivers Commercial and Residential Market Analysis in the River District–Railyards Planning Area. Relevant to this assignment, David is serving as Principal-in-Charge of the current Broadway Bridge project, and in his role as chair of Urban Land Institute (ULI) Sacramento, he was responsible for oversight of ULI’s contributions to the Broadway Corridor Vision Plan. Ongoing projects include evaluating economic strategies driving development of Fort Ord, developing cultural and other civic amenities funded through innovative development incentives in the East Bay, evaluating peripheral innovation park concepts in connection with long-term objectives of the University of California (UC) Davis, and preparing commercial market analyses related to development of the Sunset Industrial Area in Placer County and Innovation Parks in Davis.

- EPS Executive Vice President **Ellen Martin** will serve as Project Manager, conducting the day-to-day work associated with this project. Since joining EPS in 2005, Ellen has worked on a wide variety of projects in the municipal finance, real estate, development, and land use economics arenas. Ellen’s professional expertise includes the areas of infrastructure finance, development impact fees, market and development feasibility, and economic and fiscal impact analysis.

Over the course of her 10-year career at EPS, Ellen has developed a keen interest in analyzing how the built environment relates to local economies and how land use policies, development incentives, and other mechanisms can be deployed to complement, catalyze, and sustain increased levels of economic activity. Ellen enjoys confronting seemingly intractable real estate and municipal finance problems, developing robust technical models to highlight and understand key dynamics, and working collaboratively with all parties to develop innovative and workable resolutions. Ellen has managed myriad consulting assignments on behalf of a wide variety of public agencies and has worked directly with agency staff in a multitude of jurisdictions, including the Fort Ord Reuse Authority, City of Seaside, City of Monterey, and many others. Experienced with projects requiring substantial community outreach and stakeholder participation, Ellen is skilled at relaying complex concepts and issues in an accessible and transparent manner, ensuring full participation and understanding from all project participants.

Other EPS staff may assist with data gathering and technical analysis as appropriate.

Select EPS Representative Projects

- CNI: Upper Land Park/Broadway Commercial and Residential Market Analysis, *Sacramento, California*
- Folsom Sphere of Influence (SOI) Mixed-Use Commercial Market Study, *Folsom, California*
- Fort Ord Base Reuse Plan Reassessment Market and Economic Analysis, *Monterey County, California*
- Economic Development Incentives for North Lake Tahoe Town Centers, *Kings Beach and Tahoe City, California*

CNI: Upper Land Park/Broadway Commercial and Residential Market Analysis (April 2015–October 2015)

Sacramento, California

The Housing Authority of the City of Sacramento received a 2013 Choice Neighborhoods Initiative Planning Grant from the U.S. Department of Housing and Urban Development to fund planning efforts to transform the Upper Land Park/Broadway Planning Area (Study Area) into a viable and sustainable mixed-income neighborhood. The funding has culminated in preparation of the draft Upper Land Park/Broadway Neighborhood Transformation Plan, which identifies a specific approach to transforming the Study Area into a mixed-income and mixed-use community.

To implement the Neighborhood Transformation Plan and to further ongoing planning efforts, EPS conducted a residential and commercial market analysis of the Study Area, which surrounds two severely distressed public housing sites. The analysis estimated the supportable amount of affordable and market-rate homeownership and rental housing, as well as the pricing structure for market-rate homeownership and rental housing. This evaluation relied on EPS's comprehensive inventory of the supply pipeline throughout downtown and adjoining districts, established to understand leading prototypes, feasibility issues, and the competitive position of the Study Area. EPS also identified major economic opportunities for the Study Area based on economic and land use trends, identification of vacant and underutilized parcels, and interviews with key real estate professionals and other stakeholders.

Staff Involved (Role): David Zehnder (Principal-in-Charge)

Reference: Celia Yniguez, Sacramento Housing and Redevelopment Authority; (916) 440-1350; cyniguez@shra.org

Folsom SOI Mixed Use Commercial Market Study (November 2006–February 2012)

Folsom, California

The Folsom South Area Group (FSAG) began the planning process for proposing development in the Folsom SOI, which comprises approximately 3,500 acres and is located south of the City of Folsom and U.S. Highway 50 in currently unincorporated Sacramento County. The proposed project currently includes from approximately 7,500 to 12,400 residential units of varying densities, 110 acres of office, 310 acres of retail, and about 1,500 acres of public and quasi-public land uses.

As part of its initial efforts, the FSAG retained EPS to conduct a market analysis of proposed residential and nonresidential development in the Folsom SOI. The analysis evaluated the market potential for constructing regional and community retail, office/business professional (BP), and industrial development over a 20-year period (2006–2026). EPS conducted interviews with real estate professionals, collected and analyzed market performance indicators including vacancy and net absorption, and evaluated residential projections and commercial pipeline development to determine if sufficient demand existed to support the proposed development plan. In addition, EPS estimated potential residential absorption by residential density category. The results of this market study will be used to inform the continual refinement of a land use plan meeting the requirements of the landowner group, City of Folsom, and Folsom community.

Staff Involved (Role): David Zehnder (Principal-in-Charge)

*Reference: John Hodgson, The Hodgson Company; (916) 548-8554;
jhodgson@thehodgsoncompany.com*

Fort Ord Base Reuse Plan Reassessment Market and Economic Analysis (January 2012–May 2013)

Monterey County, California

After closure of the Fort Ord Army Base, the Fort Ord Reuse Authority (FORA) prepared and adopted a Base Reuse Plan in 1997 that served as the official local plan for reuse of the former base. Cooperating with a multidisciplinary consulting team, EPS is in the process of conducting a market and economic analysis of the reuse plan as part of a required Reuse Plan Reassessment process. EPS's work recognizes the complex interrelationships surrounding development and maintenance of Fort Ord and evaluates proposed Fort Ord development in terms of the character, amount, location, timing, and mix of proposed new uses, taking into consideration infrastructure, environmental, affordable housing, and other concerns and constraints.

EPS's market and economic analysis will provide the basis for establishing recommendations to achieve FORA's economic development goals and policies and evaluating the opportunities and constraints associated with a variety of development typologies from multiple points of view, including economic, market acceptability, financial feasibility, fiscal, environmental, and political perspectives.

Staff Involved (Role): David Zehnder (Principal-in-Charge), Ellen Martin (Project Manager)

*Reference: Michael Houlemard, Executive Director, Fort Ord Base Reuse Authority;
(831) 883-3672; michael@fora.org*

Economic Development Incentives for North Lake Tahoe Town Centers (May 2014–Present)

Placer County, California

Placer County retained EPS to conduct an analysis of the economies of the Town Centers of Tahoe City and Kings Beach, to evaluate reasons for lack of private investment, and to develop policy recommendations designed to stimulate the desired strategic and environmentally sensitive reuse and redevelopment in the two Town Centers. Through a process that engaged disparate members of the local community, including environmental, development, neighborhood, and public interests, EPS's work offered an analysis of development opportunities and constraints, economic circumstances facing private investors, policy options for incentivizing development, and public-private financing strategies to overcome feasibility obstacles. EPS and Placer County are using the information and conclusions developed in this report as the foundation for a focused and programmatic business plan to implement

economic development incentives designed to achieve Town Center development projects that complement key environmental sustainability objectives and promote the economic sustainability of the Tahoe Basin.

Staff Involved (Role): David Zehnder (Principal-in-Charge), Ellen Martin (Project Manager)

Reference: Paul Griffith, Business Development Manager, Placer County; (530) 889-4084; PGriffit@placer.ca.gov

Similar EPS Projects within Last 5 Years

Project Name	Project Description	Jurisdiction	Date Completed
Corral de Tierra Market Analysis	Retail market and feasibility analysis	Monterey County	November 2010
Harbor Island Land Use and Economic Evaluation	Office and industrial market analysis	City of San Diego	November 2010
Sierra Vista Specific Plan Absorption Analysis	Residential absorption analysis	City of Roseville	November 2010
Greenfield Walnut Avenue Market Study	Retail market analysis and SWOT analysis	City of Greenfield	December 2010
Colfax I-80 Corridor Market Analysis	Retail, office, and industrial market analysis	City of Colfax	March 2011
Stonebridge Senior Adult Living Market Analysis	Senior residential market analysis	Sacramento County	October 2011
Choice Neighborhoods Initiative: Twin Rivers Commercial and Residential Market Analysis	Residential, retail, office, industrial and hotel market analysis and identification of opportunity areas for strategic investment	City of Sacramento	November 2012
Elk Grove Market and Economic Study	Evaluation of economic development opportunities and land use needs	Elk Grove	December 2013
Hercules Market and Fiscal Impact Analysis	Retail market analysis	City of Hercules	June 2014
El Dorado Hills Town Center Multifamily Market Analysis	Multifamily residential market analysis	El Dorado County	July 2014
Moving SOLANO Forward Economic Diversification Strategy	Real estate commercial market analysis, SWOT analysis, and opportunities recommendations	Solano County	September 2014

Easton Development Projects Residential Absorption Analysis	Residential market and absorption analysis	Sacramento County; City of Folsom; City of Rancho Cordova	December 2014
Choice Neighborhoods Initiative: Upper Land Park/Broadway Residential and Commercial Market Analysis	Residential, retail, office, industrial and hotel market analysis and identification of opportunity areas for strategic investment	City of Sacramento	October 2015

EMC Experience

Salinas Economic Development Element (2015)

Salinas, California

EMC, in coordination with Salinas Planning and Research Corporation and the City, prepared an economic development element for integration into the City's general plan. EMC led a team of interdisciplinary consultants including economic development, public outreach, and urban design specialists. The primary components of the process included conducting an economic development visioning process, implementing an unprecedented public outreach process, analyzing existing and future development market conditions, evaluating opportunities and constraints to development in potential economic development opportunity areas (planning, policy, natural resources, environmental), preparing an economic development vision map, and preparing the economic development element. The economic development vision focuses on safety, jobs, and health. The economic development strategy will guide the City's future economic development efforts and land use decisions, with the end goal of promoting business retention and creation, generating employment opportunities, facilitating workforce development, and enhancing quality of life for the City's residents. The draft Economic Development Element was accepted by the City Council in April 2015.

The Economic Development Element won the Northern California chapter of the American Planning Association's Economic Planning and Development Award of Excellence in 2015, the State American Planning Association's Economic Planning and Development Award of Merit in 2015, and the State Association of Environmental Professionals' Outstanding Planning Document in 2016.

Staff Involved (Role): Michael Groves (Principal-in-Charge), Ron Sisseem (Principal), Janine Bird (GIS Specialist)

Reference: Doug Yount, City of Salinas, Applied Development Economics; (831) 324-4896; dyount@adeuse.com

Salinas Downtown Vibrancy Plan (2014)

Salinas, California

As a subconsultant to the prime consultant, EMC supported the Salinas Downtown Vibrancy Plan process by reviewing and critiquing City Zoning Code regulations that apply to downtown development. As part of the analysis, zoning opportunities and constraints for specific

development opportunity sites were identified. Potential development scenarios were constructed for each site to demonstrate potential development capacity in light of zoning standards. Recommendations were provided for eliminating or modifying standards that could constrain development opportunities.

Staff Involved (Role): Ron Sissem (Principal), Richard James (Principal), Janine Bird (GIS Specialist)

*Reference: Dave Sorenson, Senior Vice-President, Kimley-Horn and Associates;
(619) 744-0105; dave.sorenson@kimley-horn.com*

Fort Ord Reuse Plan Reassessment (April 2012)

Monterey County, California

EMC completed a reassessment of the Fort Ord Reuse Plan, which was adopted by FORA in 1997. The Fort Ord Reuse Plan sets the framework for redevelopment of the 28,000-acre former Army base near Monterey. The reassessment requirement stemmed from a settlement agreement between the Sierra Club and FORA, which mandated completion of the review by December 2012.

The reassessment process included public input workshops, analysis of past FORA Board of Directors' actions, review of the implementation status of each policy and program in the Fort Ord Reuse Plan, a market study, review of Fort Ord Reuse Plan consistency with regional plans, and a survey-level investigation into progress on a large number of topics, including munitions clean-up, water supply, traffic conditions, job creation, and housing development. Five public input workshops were held, co-sponsored with member jurisdictions and the Sierra Club, with an attendance of several hundred persons. Over 400 comments were received and cataloged during the process. EMC prepared a scoping report that presented the background research, and a final report that addressed more than 50 topic areas, with a range of potential actions for each, for consideration by the FORA Board of Directors.

The Fort Ord Reuse Plan Reassessment document was awarded the Northern California chapter of the American Planning Association's Best Practices Award of Merit in 2013.

Staff Involved (Role): Michael Groves (Principal-in-Charge), Ron Sissem (Principal), Richard James (Principal)

*Reference: Michael Houlemard, Executive Director, Fort Ord Base Reuse Authority;
(831) 883-3672; michael@fora.org*

Document Samples

Sample documents for both EPS and EMC are provided under separate cover.

6. SCOPE OF WORK INCLUDING TASKS AND DELIVERABLES

Project Approach/Methodology

EPS is well-positioned to respond to the City's request for consultant services. Underlying EPS's approach to this project is its considerable knowledge of—and involvement with—planning efforts in the City and study area. Since 1991, EPS has provided technical support to the City for numerous economic studies, including the recent preparation of the Economic Development Element (EDE), prior feasibility analysis of a proposed condo-hotel project in Downtown Salinas, evaluation of economic impacts related to a proposed relocation of Monterey County offices, and other projects.

This housing analysis can serve as an important implementation tool for catalyzing housing development in the Downtown, Chinatown, and East Alisal target market areas. This need has been articulated in the Vibrancy Plan, Chinatown Rebound Plan, and EDE, and the analysis can be used as an input to the City's contemplated vibrancy plan for East Alisal. Informed by these prior studies, this analysis will provide a distilled set of recommended action items for maximizing the City's ability to market housing opportunities to developers and deliver investment.

EPS's approach in conducting the market analysis primarily will be to focus on understanding the dynamics of the local economy through interviews with stakeholders such as local developers, property and business owners, City planning staff, and elected officials. EPS also will leverage recently produced market data and build on those efforts to document key market performance indicators, including price points, vacancy rates, and net absorption. However, these indicators can paint a picture of economic conditions over the last several years but may not be reflective of the study area as it transitions with investments in new infrastructure and development projects.

EPS will build on past research to evaluate how Salinas can improve regional capture through strategic positioning of appropriate housing prototypes and strategies for risk reduction, rooted in the economic trends affecting the study area. For example, through stakeholder interviews and review of existing planning documents, EPS informally will "map" the range of assets to build on in the City that can be connected to better position the City for economic sustainability through an improved jobs-housing match. In addition, EPS will identify other factors that may impact future development, including financial feasibility, perceptions of the study area, and investor risks. EPS believes an in-depth discussion with real-estate industry professionals directly involved in affecting change in the study areas will result in a plan that can be successfully implemented.

Through interviews with industry experts and industry professionals, an evaluation of market performance indicators and existing planning documents, and extensive expertise in market analysis and economic development strategies, EPS will identify the subareas in the target market areas that are most worthy of focused investment. EPS also will identify potential partners, resources, and strategies to help facilitate the study area's transformation. The study will feature an initial deliverable focusing on the match between specific housing prototypes and

sites in the downtown area, needed policy adaptations, and other specific actions and resources required to deliver meaningful development in the near future.

Proposed Work Plan

The following work plan describes the steps EPS will undertake to prepare a market-based housing implementation strategy focused on tangible steps leading to the resurgence of the three target market areas.

While the same task structure presented below will be followed for each of the three target market areas, the analysis and recommendations in each Target Market Analysis will reflect the particular opportunities and constraints present in each target market area. The Downtown Area will be analyzed first, with resulting recommendations delivered 8 to 10 weeks after initiation.

The Downtown Target Market Analysis will address the area's lack of housing options, particularly the shortage of multifamily, market-rate units that has prevented Downtown from developing into a true mixed-use. The General Plan envisions this area as the vibrant center of the City, but that vision has yet to materialize, in part because of the lack of population density that in turn creates demand and support for business activity, especially on nights and weekends. EPS will conduct a focused and expedited evaluation of key market metrics, as viewed through the lens of project economics, to determine a range of viable housing and mixed use development prototypes suitable for key development sites. This Target Market Analysis will fully consider the needs raised by the Downtown Salinas Revitalization Report and the Downtown Vibrancy Plan, including safety and security, pedestrian enhancements, attractive public spaces, improved mobility, better parking management, and a mechanism to address governance-related issues that may impede development. Using EPS' findings, EMC Planning Group will identify General Plan land use and zoning regulation opportunities and constraints to enabling development of the prototypes. Recommendations regarding specific General Plan and zoning code amendments will be provided as action items to be considered by the City.

The Alisal/East Salinas Target Market Analysis will explore the opportunities present in the area to become a cultural destination, while also addressing the challenges previously identified. These challenges include high levels of unemployment, poverty, and crime, inadequate public infrastructure, incompatible uses, aging infrastructure, underutilized shopping areas, and the need for pedestrian improvements. Overcrowding in residential areas is an issue that clearly suggests the need for innovative, affordable housing options. Opportunities and mechanisms available to work with existing landowners and community-based organizations groups to support housing development will be examined.

The Chinatown Target Market Analysis will examine the opportunities presented by catalyst sites identified by prior planning studies, while also giving attention to demonstrated areas of need, such as law enforcement, retail amenities (e.g., grocery store, restaurant), and connectivity (both in Chinatown and to Downtown), and affordable housing. Concerns about housing the persistent homeless population will be considered in the context of past efforts to provide shelter and transition the homeless to more permanent housing.

The task structure EPS plans to implement is detailed below.

Task 1: Project Initiation and Coordination

EPS will initiate the project by meeting with the City and EMC to clarify goals, as well as the timing constraints and expectations for the Target Market Analyses. EPS will hold two (2) meetings with City staff in Salinas, as well as two (2) conference calls (one-hour) with staff per month.

Task 2: Data Collection and Stakeholder Outreach

EPS will tour the study areas to note existing physical conditions (e.g., vacant and underutilized parcels; physical assets and liabilities; land use adjacencies and context; and vehicular, public transit, bicycle, and pedestrian circulation). In addition, EPS will schedule interviews with local real estate industry stakeholders to discuss factors influencing future development and subareas in the study area and types of uses most likely to be developed in the near term.

Subtask 2.1: Evaluate and Supplement Market Performance Indicator Data

EPS will build on available information regarding major demographic and economic trends occurring in the residential and commercial (retail and office) markets in the target market areas, City, and Monterey Bay Region. EPS will review and bolster data on housing types present in the target market areas, including residential rental rates and net sales prices for projects, comparable in density and location, to units envisioned in the study area and pipeline development projects. EPS also document current amenities offered, as well as the history of success with place-making activities in the target market areas.

EPS also will collect/analyze data on market performance indicators for the retail and office sectors, including existing inventory, vacancy rates, annual net absorption, average rental rates, and pipeline development projects. EPS will rely on readily available secondary data sources such as the US Census Bureau, California Board of Equalization (BOE), Department of Finance (DOF), subscription-based data sources (e.g., The Gregory Group, CoStar, and Environmental Systems Research Institute [ESRI]), and available brokerage reports for this data. Additional details related to the evaluation of market performance indicators are described in **Task 3**.

Subtask 2.2: Review Existing Planning Documents

The City will provide available data relevant to the study area at commencement of the project. EPS anticipates this information will include data for parcels in the study area in database (e.g., Excel) and GIS formats, planning and economic documents pertinent to the study area, and any other relevant documents or resources apart from those identified in the RFP. The City will provide land use totals, including residential units, commercial building square footage, acreage, and absorption. EPS and EMC will review all relevant planning documents and data provided by the City, paying particular attention to the Housing Constraints chapter of the City's 2015-2023 Housing Element, as well as other existing documents that shed light on impediments to investment including recent efforts related to inclusionary housing, the BHC interactive map, and recent work by EMC on barriers to development and investment. This latter effort will be expanded and specified as part of the current effort, with a particular focus on regulatory policy revisions that would offer improved feasibility for projects throughout the City, and emphasis on rectifying issues (e.g., parking, densities, use mixes) in the downtown district.

Subtask 2.3: Conduct Stakeholder Interviews

As noted in the RFP, significant stakeholder outreach was conducted as part of the EDE, DVP and Housing Element processes. As a tool to help drive investment in housing, the Housing Target Market Analysis is an important implementation action for achieving targeted EDE, DVP, and Chinatown Rebound Plan goals and policies. The stakeholder input process should be limited and specifically targeted to provide key insight into the range of issues that must be overcome and options for addressing housing needs in this context. For this reason, six (6) targeted, individual/small group stakeholder meetings are proposed, focusing on interviews of real estate brokers, developers, and other professionals. Interests would include those identified in the RFP. It is assumed that the meetings can be bundled into a maximum of 3 separate days.

EPS will lead the consultant team's outreach effort. In collaboration with City staff, the target groups and key leaders/stakeholders from each target group will be identified. Each will be contacted and briefed on the goal of the stakeholder process and on the meeting schedule. The meetings would be informal but organized to foster structured discussion. It is assumed that meetings will take place at the Community and Economic Development Department or at one or more alternative location in Downtown Salinas. The focus will be placed on gaining specific insight into local market opportunities and constraints, with an emphasis on identifying unmet needs, public/private funding strategies, and understanding how the development community perceives market and other sources of risk that affect feasibility.

Subtask 2.4: Review Available Development Capacity

The EPS team will work with the City to understand overall land and other underutilized areas that are primary locations for housing development. This evaluation of vacant and underutilized supply will be as specific as possible given available data resources, including recent available market studies, the EDE, the Vibrancy Plan, and existing documentation of land assets in other current planning resources and documents. These areas will be categorized and matched to the team's larger assessment of housing prototypes that relate to key housing needs of the current and future population.

Subtask 2.5: Environmental, Policy, and Regulatory Barriers

Over the past several years, the City and City consultants have completed several plans and strategies that identify environmental, policy, and regulatory barriers to economic development in the City. These plans and strategies will be reviewed with specific focus on identifying barriers to investment in housing development, to the extent that reference is made to this use type. EMC Planning Group will focus on identifying specific General Plan and zoning code amendments needed to enable development of housing prototypes identified by EPS. The majority of EMC's level of effort will focus on the Downtown. The potential amendments needed to catalyze Downtown housing development cannot be known until EPS provides its prototype/location recommendations. Therefore, EMC's level of effort to provide related amendment recommendations cannot currently be precisely defined at this time. EPS and EMC will coordinate with the City should the projected level of effort exceed the available budget. EMC will also provide recommendations on the most efficient, streamlined CEQA compliance process for the amendments and subsequent individual project entitlements within Downtown. To the extent that the remaining budget suffices, EMC will also make general recommendations for General Plan and zoning code amendments and CEQA process direction to catalyze development in the remaining Housing Target Market Analysis areas.

EMC will take the lead on this task and will work with EPS to ensure that the information, as well as insights gained by EPS through its research, is succinctly presented in the Housing Target Market Analysis.

Task 3: Conduct Real Estate Market Analysis—Trends and Projections

In this task, EPS will evaluate the market performance indicators collected as part of **Subtask 2.2**.

Subtask 3.1: Analyze Residential and Commercial Real Estate Markets

As discussed above, considerable market analysis has already transpired. EPS will leverage and build on these analyses to facilitate, using pro forma financial analysis, actionable recommendations to advance viable prototypes appropriate for specific sites that can address market demand and City needs.

EPS will prepare a market-rate housing demand analysis to estimate rental and homeownership units that could be absorbed in each of the target market areas. EPS will build on recent analysis of housing market conditions prepared by other consultants, as well as regional population and housing trends by income bracket from the Fort Ord market reassessment, as well as background materials from the EDE and other recent planning efforts, supplemented by the most recent projections from the Association of Monterey Bay Area Governments (AMBAG) and, as needed, supplemental projection data from one or more private vendors. As necessary and appropriate, housing demand scenarios will be based on key variables effecting the target market areas.

EPS also will leverage and build on recent analyses to document affordable housing development prospects in the City. This assessment will rely on an inventory of households by size, HUD income limits based on Monterey County's Area Median Income (AMI), and affordable monthly rents based on household income and size. EPS will use this information to evaluate opportunities and constraints related to the development of opportunity sites in each of the target market areas and estimate their capture rate of the City's total affordable housing demand.

EPS will evaluate commercial retail and office market trends in the study area, City, and Monterey Bay Region and synthesize information gathered from stakeholder interviews to formulate findings regarding potential development prospects in the study area.

EPS intends to prepare this information in tabular form for inclusion in the Target Market Analyses for the purpose of providing context regarding the relative strength of the local economy.

Subtask 3.2: Determine Types and Locations of Supportable Development

Using the vacant/underutilized parcel listing prepared in **Task 2** and information gathered from the previous subtask (**Subtask 3.1**), site tour, and stakeholder interviews, EPS will prepare a prioritized listing of focused subareas in the target market areas that are worthy of public or private investment in the near term.

Task 4: Conduct Real Estate Market Analysis—Housing Prototypes and Pro Forma Analysis

For each of the target market areas, EPS will evaluate the prevailing price points, features, and densities. This evaluation will feed into an analysis of key housing prototypes.

Subtask 4.1: Key Housing Prototypes and Feasibility Profile

For relevant product types (e.g., low, medium, high density, mixed use, senior, affordable/mixed-income), EPS will create 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 back out key cost elements such as fees, horizontal costs, and vertical costs to understand overall feasibility issues. Particular consideration will be given to identifying prototypes and locations that could accommodate displaced households, specific to the needs of key areas. This information will be instrumental in calibrating the development outlook and understanding the likely character of development as fiscal and financing issues are evaluated. 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.

Task 5: Strategy Development

Based on the overall demand for housing, identified development locations, and recommended product types, the EPS Team will array a housing development scenario for the next 10 to 20 years. Based on above-referenced demographic research, EPS will model expected consumer expenditures to determine local retail support, and will discuss contributions to the role of housing fulfilling the labor force needs of the Economic development Element. This will contribute to a holistic view of the “package” of retail, other commercial development, and related infrastructure and other community assets that may need to be further developed to ensure a balanced community.

Based on input from the City, this planning scenario will be used to test ability to fund identified infrastructure and other community asset needs.

This will take the form of a Cost Burden Analysis that evaluates the relationship between major public improvements and land values. This analysis will provide initial feasibility indicators by examining whether the collective sum of impact fees, Special Taxes, and backbone infrastructure can be reasonably expected to be supported by planned housing and other expected development (based on agreed upon assumptions regarding scale and type of commercial development).

Flowing out of this diagnostic analysis, an action plan will be created to address the highest priority housing needs confronting the City, related to improving the outlook across the income spectrum. The Team will utilize above-referenced research and internal experience to suggest strategic public-private partnerships where well-placed public investment can be expected to catalyze meaningful private investment that may not otherwise occur.

Particular attention will be placed on the need to ensure that zoning, parking, densities, and other regulatory policies are attuned to current needs of the population and overall market conditions. The full range of tools established in this scope will be applied to optimizing these

strategic recommendations, bringing the development projections, feasibility analysis, asset mapping¹, and policy analysis together as a basis for an action plan that addresses specific needs, reduces investor risk, identifies key infrastructure finance and fiscal strategies, and sets the stage for the facilitation of housing product throughout the City that delivers a full range of housing in support of the City's larger economic development goals.

Task 6: Target Market Analysis—Prepare Reports and Presentations

The work of EPS and EMC on this project will culminate in preparation of three Target Market Analyses. Each Target Market Analysis will comprise the following components:

- An overview of existing conditions, including a quantitative analysis of market performance indicators (i.e., price points, vacancy, and net absorption) of the residential, retail, and office markets in the study area, City, and Monterey Bay Region; and current planning efforts undertaken to date.
- Economic trends affecting the dynamics of the local economy—and future development potential—based on conversations with real estate developers, real estate professionals, and other stakeholders.
- Major economic opportunities for the study area, including vacant and underutilized subareas identified as most likely to be developed in the near term.
- An assessment of affordable and market-rate rental and homeownership housing supportable in the study area, as well as an estimate of the pricing structure for market-rate rental and homeownership housing.
- A series of recommendations and action items, which will include specific economic development activities and commercial development in the planning area based on demand.
- Materials will be prepared that can help populate a marketing package for a subset of primary catalyst sites, including mapping, pro forma information, and consideration of key design elements.
- A listing of potential partners and other resources available to assist in implementing the recommendations and action items described in the report.

Subtask 6.1: Graphics and Mapping

EMC Planning Group has full GIS capabilities and also produces graphics using Adobe Illustrator. Both file formats have been used for previous work conducted in the City. EMC Planning Group's GIS specialist has previously coordinated with the City's GIS personnel to deliver GIS data in forms consistent with the City's system. The project budget includes costs to prepare up to ten GIS-based and/or Adobe Illustrator-based draft graphics with one round of revisions assumed for each to prepare final graphics. EMC Planning Group and EPS will collaborate to identify graphics that deliver substantial impact. Graphics are envisioned to represent existing housing stock information, related City plans and initiatives for promoting housing investments, and

¹ Note that EMC will produce a total of 10 draft site diagrams and/or other graphics with one assumed revision of each in support of EPS market and feasibility research and recommendations for this task and Subtask 6.1 up to a total of \$6,000 of its total project budget amount.

data/recommendations from the Housing Target Market Analysis findings that can be translated into visual representations for ease of understanding.

Subtask 6.2: Preparation of Administrative Draft Report

EPS will produce an Administrative Draft report that summarizes the previous task efforts, including technical analyses, key findings, and recommendations for next steps. The draft report will also contain a concise Executive Summary and technical appendices, as necessary. EPS will revise the Administrative Draft to reflect staff and stakeholder feedback, and will hold one (1) meeting or conference call with staff to review comments. EPS will advise staff if any suggested revisions would conflict with adopted policies or with current regulatory framework.

Subtask 6.3: Preparation of Public Review Draft Report

EPS will then prepare screen check of Public Review Draft for final staff review [one unbound copy and one (1) thumb drive]. Staff will review screen check (to make only final edits) prior to final Public Review Draft being completed. Edits and revisions of screen check will be limited to grammar, typos and other such corrections.

EPS will then prepare a final Public Review Draft. EPS will provide one unbound copy, twenty (20) bound and one (1) print ready pdf on a thumb drive of the final Public Review Draft document.

Subtask 6.4: Presentation of Draft Report

EPS will then prepare a PowerPoint presentation and short written handout summarizing key findings and recommendations for Commission presentation and City Council public hearing. City staff will schedule presentation and coordinate required notices, agenda posting, prepare staff report, including any changes recommended by stakeholder, and distribute agenda packet.

7. BUDGET ESTIMATE

The total estimated cost for this project is **\$129,500**, with \$103,500 allocated to EPS, and \$26,000 allocated to EMC.

Of the total fee, \$54,000 will be allocated for the Downtown Target Market Assessment, \$37,700 for the Chinatown Market Assessment, and \$37,700 for the Alisal/East Salinas Target Market Assessment.

These budget figures assume that work will be completed for all 3 Target Market Assessments. Because of economies of scale, if the EPS-EMC team is contracted for less than 3 TMAs, further evaluation of the budget may be necessary.

EPS Cost Control

EPS employees record their time to the nearest quarter hour. All timesheets are reviewed weekly by project managers and accounting staff to ensure accuracy. Once per month, prior to issuing invoices, a second review is conducted. At this stage, a project manager may adjust invoices as necessary to track project milestones and ensure progress on technical task completion is consistent with budget expenditure. Using this careful and precise process, EPS carefully tracks progress in meeting project objectives on time and on budget. These standards are applicable to all subcontracting team members working with EPS.

Project Staffing Plan

The table below shows expected activity by staff person by task for the entire project, separated by target market area. This is followed by a sample billing invoice.

Salinas Housing Market Study
Proposed Budget Estimate (Key Staff Only) [1]

Task/Description	EPS Staff					Production Staff	EPS Subtotal	EMC Subtotal	Grand Total
	Managing Principal	Exec. Vice President	Associate	Staff	Subtotal				
Downtown Target Market Assessment									
Task 1: Project Initiation and Coordination	3	3	3	0	\$1,950		\$1,000	\$2,950	
Task 2: Data Collection and Stakeholder Outreach	3	3	10	0	\$3,000		\$4,000	\$7,000	
Task 3: Conduct Real Estate Analysis: Trends and Projections	5	6	10	0	\$4,220		\$0	\$4,220	
Task 4: Conduct Real Estate Analysis: Housing Prototypes and Pro Forma Analysis	8	8	22	0	\$7,300		\$0	\$7,300	
Task 5: Strategy Development	15	20	30	0	\$13,100		\$2,900	\$16,000	
Task 6: Prepare Reports and Presentations	8	15	30	5	\$10,440		\$6,100	\$16,540	
Total Downtown Target Market Assessment	42	55	105	5	\$40,010		\$14,000	\$54,010	
Chinatown Target Market Assessment									
Task 1: Project Initiation and Coordination	3	2	2	0	\$1,506		\$1,000	\$2,506	
Task 2: Data Collection and Stakeholder Outreach	5	2	10	0	\$3,296		\$1,100	\$4,396	
Task 3: Conduct Real Estate Analysis: Trends and Projections	5	4	9	0	\$3,542		\$0	\$3,542	
Task 4: Conduct Real Estate Analysis: Housing Prototypes and Pro Forma Analysis	8	8	16	0	\$6,400		\$0	\$6,400	
Task 5: Strategy Development	15	12	18	0	\$9,540		\$2,900	\$12,440	
Task 6: Prepare Reports and Presentations	8	9	20	3	\$7,460		\$1,000	\$8,460	
Total Chinatown Target Market Assessment	44	36	75	3	\$31,744		\$6,000	\$37,744	
Alisal/East Salinas Target Market Assessment									
Task 1: Project Initiation and Coordination	3	2	2	0	\$1,506		\$1,000	\$2,506	
Task 2: Data Collection and Stakeholder Outreach	5	2	10	0	\$3,296		\$1,100	\$4,396	
Task 3: Conduct Real Estate Analysis: Trends and Projections	5	4	9	0	\$3,542		\$0	\$3,542	
Task 4: Conduct Real Estate Analysis: Housing Prototypes and Pro Forma Analysis	8	8	16	0	\$6,400		\$0	\$6,400	
Task 5: Strategy Development	15	12	18	0	\$9,540		\$2,900	\$12,440	
Task 6: Prepare Reports and Presentations	8	9	20	3	\$7,460		\$1,000	\$8,460	
Total Alisal/East Salinas Target Market Assessment	44	36	75	3	\$31,744		\$6,000	\$37,744	
Total Task Hours	130	127	255	11					
Hourly Billing Rates [2]	\$280	\$220	\$150	\$80					
Total Project Costs [3]	\$36,400	\$28,028	\$38,190	\$880			\$26,000	\$129,498	
Grand Total (Rounded)							\$26,000	\$129,500	

pbud

[1] A more detailed budget estimate related to support staff and direct costs would be developed in support of contract negotiations, if applicable.

[2] Billing rates shown are applicable during calendar year 2016 and are subject to change annually.

[3] Budget assumes work for all 3 TMAs. Because of economies of scale, if EPS is contracted for less than 3 TMAs, further evaluation of the budget may be necessary.



The Economics of Land Use

Economic & Planning Systems, Inc.
2295 Gateway Oaks Drive, Suite 250
Sacramento, CA 95833-4210
916.649.8010 tel
916.649.2070 fax
www.epsys.com

INVOICE

EPS Employer ID: 94-3056856

April 30, 2016
Invoice No: 162029-1

Contact Person
Salinas Housing
621 17th Street, Ste 2250
Denver, CO 80293

Project Manager Eric Simundza PIC David Zehnder
Total Project Budget: 162029 Salinas Housing Market Study
Project

Professional Services for the Period: April 1, 2016 to April 30, 2016

Task 1 Housing Market Study

Professional Services

	Hours	Rate	Charge
Vice President			
Prosser, Matthew	5.00	150.00	750.00
Research Analyst II			
Garvey, Sean	22.00	100.00	2,200.00
Totals	27.00		2,950.00
Total Labor			2,950.00

	Current Billing	Previous Billing	Total Billing
Total Billings	2,950.00	1,575.60	4,525.60
Maximum			4,600.00
Balance			74.40

Task Total \$2,950.00

Total Project Invoice Amount \$2,950.00

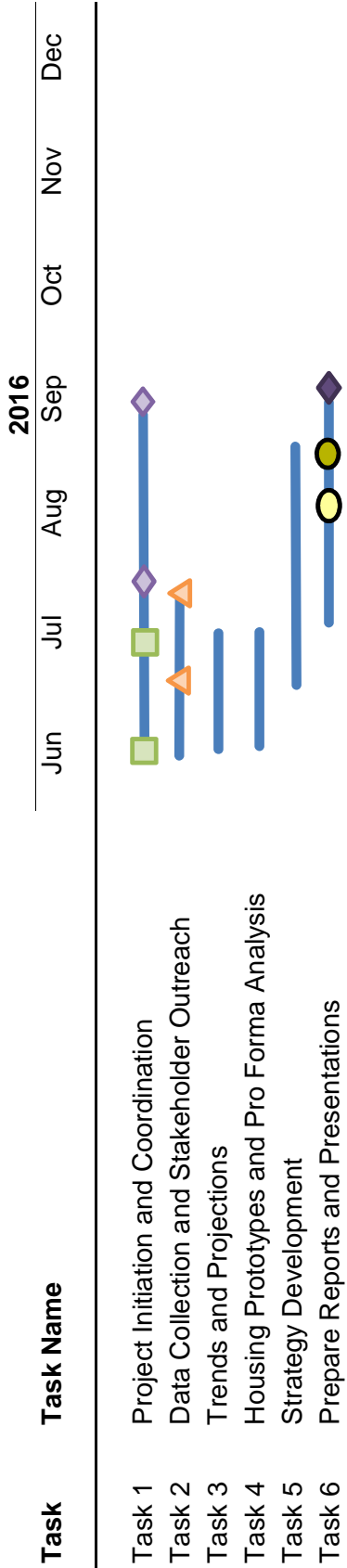
Outstanding Invoices

Number	Date	Balance
1	2/29/2016	1,575.60
Total		1,575.60

8. PROJECT SCHEDULE

EPS is prepared to complete the work plan described in this proposal within 3 months following contract approval, with recommendations for Downtown prepared within 10 weeks from project initiation. The table below illustrates the proposed project schedule.

Salinas Housing Market Study Estimated Project Schedule



Icon	Description
	Meetings with City Staff
	Meetings with Project Stakeholders (meetings can be bundled into a maximum of two separate days)
	Public Meetings (general public, Commission meetings, and City Council) [1]
	Final Report Presentation
Draft/Final Memoranda and Reports	
	1) Administrative Draft Target Market Analysis
	2) Public Review Draft Target Market Analysis
NOTE: The project schedule is subject to further refinement if the EPS-EMC team is selected for this project.	

sched

[1] Assumes 2 hours each for public meetings and 1 hour each for staff meetings. Meeting schedule to be refined.

9. GENERAL CONTRACT REQUIREMENTS

Proof of Insurability

Insurance coverage will be available at the time of commencement of the project. Please see attached Evidence of Coverage.

Concurrence with Contract Provisions

EPS requests these changes to the City's Agreement for Professional Services.

EPS's insurance provider does not offer 30-days' notice of cancellation to additional insureds. While they will endorse additional insureds on the policy, the insurance provider will provide notice of cancellation only to EPS, and the policy will not be endorsed to contain this provision. This is the insurance provider's corporate policy and is becoming standard practice across the insurance industry. EPS, as the Consultant, will provide notice of insurance cancellation to the City. Therefore, EPS requests the following change to section 10. Insurance.

10. Insurance.

e. ~~All insurance companies affording coverage~~ Consultant shall provide thirty (30) days written notice by certified mail to the City of Salinas should the policy be canceled or reduced in coverage before the expiration date. For the purpose of this notice requirement, any material change prior to expiration shall be considered cancellation.

"Endeavor to" language does not appear on the certificate of insurance. EPS requests deleting the sentences related to "endeavor to" language as shown below.

f. Consultant shall provide evidence of compliance with the insurance requirements listed above by providing a certificate of insurance, in a form satisfactory to the City's Risk and Benefits Analyst, concurrently with the submittal of this Agreement. ~~A statement on the insurance certificate which states that the insurance company "will endeavor" to notify the certificate holder, "but failure to mail such notice shall impose no obligation or liability of any kind upon the Consultant, its agents or representatives" does not satisfy the requirements of this subsection. The Consultant shall ensure that the authorized representative of the insurance company strikes the above quoted language from the certificate.~~

EPS requests adding 'termination' to section 17. Termination, as shown below.

17. Termination.

b. Upon termination, Consultant shall be entitled to payment of such amount as fairly compensates Consultant for all work satisfactorily performed up to the date of termination, based upon the hourly rates of compensation shown in Exhibit A, except that:



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
3/31/2016

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an **ADDITIONAL INSURED**, the policy(ies) must be endorsed. If **SUBROGATION IS WAIVED**, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Andreini & Company-San Mateo 220 West 20th Ave San Mateo CA 94403	CONTACT NAME: PHONE (A/C. No. Ext): 650-573-1111 E-MAIL ADDRESS: ktotten@andreini.com	FAX (A/C. No): 650-378-4361
	INSURER(S) AFFORDING COVERAGE	
INSURED ECONO-5 Economic & Planning Systems 2295 Gateway Oaks Dr. #250 Sacramento CA 95833	INSURER A: Federal Insurance Company NAIC #: 20281	
	INSURER B: Republic Indemnity Co of Calif NAIC #: 43753	
	INSURER C: Continental Casualty Company NAIC #: 20443	
	INSURER D:	
	INSURER E:	
INSURER F:		

COVERAGES

CERTIFICATE NUMBER: 1941640063

REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC <input checked="" type="checkbox"/> OTHER: Per Project/Loc			35929623	4/1/2016	4/1/2017	EACH OCCURRENCE \$1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$1,000,000 MED EXP (Any one person) \$10,000 PERSONAL & ADV INJURY \$Excluded GENERAL AGGREGATE \$3,000,000 PRODUCTS - COMP/OP AGG \$3,000,000 \$
A	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS			73558746	4/1/2016	4/1/2017	COMBINED SINGLE LIMIT (Ea accident) \$1,000,000 BODILY INJURY (Per person) \$1,000,000 BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
A	<input type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> EXCESS LIAB <input type="checkbox"/> DED <input type="checkbox"/> RETENTION \$			79871994	4/1/2016	4/1/2017	<input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS-MADE EACH OCCURRENCE \$1,000,000 AGGREGATE \$1,000,000 \$
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N	N/A	16150813	4/1/2016	4/1/2017	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$1,000,000 E.L. DISEASE - EA EMPLOYEE \$1,000,000 E.L. DISEASE - POLICY LIMIT \$1,000,000
C	Errors & Omissions Adv/Personal Injury			425343942	4/1/2016	4/1/2017	Per Claim 2,000,000 Annual Aggregate 2,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

CERTIFICATE HOLDER

CANCELLATION

Evidence of Coverage	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.
	AUTHORIZED REPRESENTATIVE 