AGREEMENT WITH INDEPENDENT CONTRACTOR

Contractor Name and Address
Strategic Economics, Inc.
2991 Shattuck Avenue #203
Berkeley, CA 94705
(510) 647-5291

Contractor: Upon completion of work or agreed-upon work periods, mail invoice with above Agreement Number to:
Department: City of Menlo Park
Attention: Justin Murphy
Address: 701 Laurel Street
City, State, Zip: Menlo Park, CA 94025

No. 1734

It is agreed between the City of Menlo Park, California, and Contractor as follows:

1. Services to be performed by Contractor. In consideration of the payments hereinafter set forth, Contractor shall perform services for City in accordance with terms, conditions and specifications set forth herein and in Exhibit "A" attached hereto for the City of Menlo Park.

2. Contract Term. The term of this agreement shall be from June 17, 2015 to June 30, 2016 unless terminated earlier by the City.

3. Payments. In consideration of the services rendered in accordance with all terms, conditions and specifications set forth herein and in Exhibit "A," City shall make payment to Contractor in the manner specified herein and in Exhibit "A." In the event that the City makes any advance payments, Contractor agrees to refund any amounts in excess of the amount owed by the City at the time of contract termination. The City reserves the right to withhold payment if the City determines that the quantity or quality of the work performed is unacceptable. In no event shall total payment for services under this agreement exceed $23,000.00.

4. Relationship of the Parties. Contractor agrees and understands that the work/services performed under this agreement are performed as an Independent Contractor and not as an employee of the City and that Contractor acquires none of the rights, privileges, powers or advantages of City employees.

5. Hold Harmless. Contractor agrees to indemnify and defend City, its employees, and agents, from any and all claims, damages, and liability in any way occasioned by or arising out of the contractor's negligent performance of this agreement.

6. Non-assignability. Contractor shall not assign this Agreement or any portion thereof to a third party without the prior written consent of City, and any attempted assignment without such prior written consent in violation of this Section shall automatically terminate this Agreement.

7. Termination of Agreement. The City may, at any time after ten days from execution of Agreement, terminate this Agreement, in whole or in part, for the convenience of City, by giving written notice specifying the effective date and scope of such termination. In the event of termination, all finished or unfinished documents, data, studies, maps, photographs, reports, and materials (hereinafter referred to as materials) prepared by Contractor under this Agreement shall become the property of the City and shall be promptly delivered to the City. Upon termination, the Contractor may make and retain a copy of such materials. Contractor shall be entitled to receive payment for work/services provided prior to termination of the Agreement. Such payment shall be that portion of the full payment which is determined by comparing the work/services completed to the work/services required by the Agreement.

8. Worker's Compensation Insurance. Contractor agrees and understands that the City does not provide Worker's Compensation Insurance to, or on behalf of, the Contractor for the work/services performed, but that said taxes are the sole responsibility of the undersigned.

9. Payment of Permits/Licenses. Contractor shall obtain any license, permit, or approval if necessary from any agency whatsoever for the work/services to be performed, at his/her own expense, prior to commencement of said work/services or forfeit any right to compensation under this Agreement.

10. Non-Discrimination. No person shall be illegally excluded from participation in, denied the benefits of, or be subjected to discrimination under this Agreement on account of their race, sex, color, national origin, religion, age, or disability. Contractor shall ensure full equal employment opportunity for all employees under this Agreement.

11. Retention of Records. Contractor shall maintain all required records for three years after the City makes final payment and all other pending matters are closed, and shall be subject to the examination and/or audit of the City, a federal agency, and the state of California.

12. Merger Clause. This Agreement, including Exhibit "A" attached hereto and incorporated herein by reference, constitutes the sole Agreement of the parties hereto and correctly states the rights, duties, and obligations of each party as of this document's date. Any prior agreement, promises, negotiations, or representations between the parties not expressly stated in this document are not binding. All subsequent modifications shall be in writing and signed by the City. In the event of a conflict between the terms, conditions, or specifications set forth herein and those in Exhibit "A" attached hereto, the terms, conditions, or specifications set forth herein shall prevail.
THIS CONTRACT IS NOT VALID UNTIL SIGNED BY BOTH PARTIES

[Signature]
Contractor's Signature
6/17/15
Date

[Signature]
Arlinda Heineck
6/23/15
Date

27 163 9472
Contractor's Tax I.D. Number or Social Security Number

Contractor - Please complete the following:

Are you or is your firm a Disadvantaged Business Enterprise (DBE)? Yes X No ___

A DBE is a firm that is at least 51% owned and controlled by a minority person, including a woman (regardless of her race or ethnicity).

If yes, please check the appropriate DBE category: Latino ___ Asian & Pacific Islanders ___ African American ___ Woman X ___

ATTEST:

[Signature]
Pamela Aguilar, City Clerk

6.23.15
Date
Menlo Park Commercial Linkage Fee Nexus Analysis

Scope of Work

A. OFFICE/R&D

1. Define two new prototypes
   - With City staff, define up to two additional commercial prototypes that represent likely new development in Menlo Park.
2. Define industries for each new prototype
   - Conduct market research to determine the typical types of users for each prototype.
   - Define the NAICS industries that would likely occupy the space for each prototype
3. Occupation and wage analysis for each prototype, based on new industry definitions (Task A-2)
4. Research on employment densities - Conduct market research to define the likely employment density for each prototype. This may include the following subtasks:
   - Analysis of existing employment densities in similar buildings and campuses in Menlo Park and the Silicon Valley
   - Literature review
   - Interviews with developers, property owners, and/or employers
5. Linkage Fee Nexus Analysis
   - Update commercial linkage fee model to calculate the maximum impact fee for each prototype
6. Feasibility analysis – Conduct financial pro forma analysis to determine the feasibility of different fee levels for each prototype. Subtasks include:
   - Gathering cost inputs for pro forma model, including land, construction costs, developer profit
   - Gathering revenue data such as annual rents, capitalization rates, and other inputs
   - Analyzing the results

B. HOTEL

1. Define new hotel prototype and density assumption
2. Linkage fee nexus analysis – update linkage fee workbook calculations with new density assumption

C. LINKAGE FEE NEXUS REPORT

1. Draft linkage fee nexus report incorporating results of Tasks B and C.
D. MEETINGS

1. Prepare presentation materials and attend one public meeting to present the results of the commercial linkage fee and/or housing impact fee nexus studies.

Budget
This scope of work will be completed for a fixed-fee budget not to exceed $23,000. Additional meetings and analysis will be conducted on a time and materials basis in accordance with the hourly rates described below.

<table>
<thead>
<tr>
<th>Staff and Title</th>
<th>Hourly Rate</th>
</tr>
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<tbody>
<tr>
<td>Sujata Srivastava, Principal</td>
<td>$195</td>
</tr>
<tr>
<td>Sarah Graham, Principal</td>
<td>$195</td>
</tr>
<tr>
<td>Flavio Coppola, Associate</td>
<td>$120</td>
</tr>
<tr>
<td>Garrison Traud, Research Analyst</td>
<td>$95</td>
</tr>
</tbody>
</table>

Schedule
Tasks A, B, and C will be completed within 6 weeks of contract execution.