AGREEMENT FOR SERVICES BETWEEN
THE CITY OF MENLO PARK AND BAE URBAN ECONOMICS

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<th>Agreement #: 002462</th>
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THIS AGREEMENT made and entered into at Menlo Park, California, this **8** day of **November**, 2019, by and between the CITY OF MENLO PARK, a Municipal Corporation, hereinafter referred to as "CITY," and BAE URBAN ECONOMICS, hereinafter referred to as "FIRST PARTY."

WITNESSETH:

WHEREAS, CITY desires to retain FIRST PARTY to provide certain professional services for CITY in connection with that certain project called: 201 El Camino Real and 612 Cambridge Avenue

WHEREAS, HuHan Two LLC., request for architectural control for the demolition of an existing commercial building and the construction of a new three-story mixed use building with a below ground parking lot in the SP-ECR/D (El Camino Real Downtown/Specific Plan) on the property addressed 201 El Camino Real (Assessor’s Parcel Number 071-413-200) and 612 Cambridge Avenue (Assessor’s Parcel Number 071-413-380), Menlo Park. The building would consist of retail, office, and parking on the first floor and residential units on the second and third floor, hereinafter referred to as the “Project”; and

WHEREAS, the City has determined under its applicable guidelines that said Project requires to conduct an economic review of the potential public benefit bonus, hereinafter referred to as the “Public Benefit Bonus”; and

WHEREAS, FIRST PARTY is licensed to perform said services and desires to and does hereby undertake to perform said services.

NOW, THEREFORE, IN CONSIDERATION OF THE MUTUAL COVENANTS, PROMISES AND CONDITIONS of each of the parties hereto, it is hereby agreed as follows:

1. SCOPE OF WORK

In consideration of the payment by CITY to FIRST PARTY, as hereinafter provided, FIRST PARTY agrees to perform all the services as set forth in Exhibit "A," Scope of Services.
2. SCHEDULE FOR WORK

FIRST PARTY's proposed schedule for the various services required pursuant to this agreement will be as set forth in Exhibit "A," Scope of Services. CITY will be kept informed as to the progress of work by written reports, to be submitted monthly or as otherwise required in Exhibit "A." Neither party shall hold the other responsible for damages or delay in performance caused by acts of God, strikes, lockouts, accidents or other events beyond the control of the other, or the other's employees and agents.

FIRST PARTY shall commence work immediately upon receipt of a "Notice to Proceed" from CITY. The "Notice to Proceed" date shall be considered the "effective date" of the agreement, as used herein, except as otherwise specifically defined. FIRST PARTY shall complete all the work and deliver to CITY all project related files, records, and materials within one month after completion of all of FIRST PARTY's activities required under this agreement.

3. PROSECUTION OF WORK

FIRST PARTY will employ a sufficient staff to prosecute the work diligently and continuously and will complete the work in accordance with the schedule of work approved by the CITY. (See Exhibit "A," Scope of Services).

4. COMPENSATION AND PAYMENT

A. CITY shall pay FIRST PARTY an all-inclusive fee that shall not exceed $24,340 as described in Exhibit "A," Scope of Services. This compensation shall be based on the rates described in Exhibit "A." All payments, including fixed hourly rates, shall be inclusive of all indirect and direct charges to the Project incurred by FIRST PARTY. The CITY reserves the right to withhold payment if the City determines that the quantity or quality of the work performed is unacceptable.

B. FIRST PARTY's fee for the services as set forth herein shall be considered as full compensation for all indirect and direct personnel, materials, supplies and equipment, and services incurred by FIRST PARTY and used in carrying out or completing the work.

C. Payments shall be monthly for the invoice amount or such other amount as approved by CITY. As each payment is due, the FIRST PARTY shall submit a statement describing the services performed to CITY. This statement shall include, at a minimum, the project title, agreement number, the title(s) of personnel performing work, hours spent, payment rate, and a listing of all reimbursable costs. CITY shall have the discretion to approve the invoice and the work completed statement. Payment shall be for the invoice amount or such other amount as approved by CITY.

D. Payments are due upon receipt of written invoices. CITY shall have the right to receive, upon request, documentation substantiating charges billed to CITY. CITY shall have the right to perform an audit of the FIRST PARTY's relevant records pertaining to the charges.
5. EQUAL EMPLOYMENT OPPORTUNITY

A. FIRST PARTY, with regard to the work performed by it under this agreement shall not discriminate on the grounds of race, religion, color, national origin, sex, handicap, marital status or age in the retention of sub-consultants, including procurement of materials and leases of equipment.

B. FIRST PARTY shall take affirmative action to insure that employees and applicants for employment are treated without regard to their race, color, religion, sex, national origin, marital status or handicap. Such action shall include, but not be limited to the following: employment, upgrading, demotion, or transfer; recruitment advertising; layoff or termination; rates of pay or other forms of compensation and selection for training including apprenticeship.

C. FIRST PARTY shall post in prominent places, available to employees and applicants for employment, notices setting forth the provisions of this non-discrimination clause.

D. FIRST PARTY shall state that all qualified applications will receive consideration for employment without regard to race, color, religion, sex, national origin, marital status or handicap.

E. FIRST PARTY shall comply with Title VI of the Civil Rights Act of 1964 and shall provide such reports as may be required to carry out the intent of this section.

F. FIRST PARTY shall incorporate the foregoing requirements of this section in FIRST PARTY's agreement with all sub-consultants.

6. ASSIGNMENT OF AGREEMENT AND TRANSFER OF INTEREST

A. FIRST PARTY shall not assign this agreement, and shall not transfer any interest in the same (whether by assignment or novation), without prior written consent of the CITY thereto, provided, however, that claims for money due or to become due to the FIRST PARTY from the CITY under this agreement may be assigned to a bank, trust company, or other financial institution without such approval. Notice of an intended assignment or transfer shall be furnished promptly to the CITY.

B. In the event there is a change of more than 30 percent of the stock ownership or ownership in FIRST PARTY from the date of this agreement is executed, then CITY shall be notified before the date of said change of stock ownership or interest and CITY shall have the right, in event of such change in stock ownership or interest, to terminate this agreement upon notice to FIRST PARTY. In the event CITY is not notified of any such change in stock ownership or interest, then upon knowledge of same, it shall be deemed that CITY has terminated this agreement.

7. INDEPENDENT WORK CONTROL

It is expressly agreed that in the performance of the service necessary for compliance with this agreement, FIRST PARTY shall be and is an independent contractor and is not an agent or employee of CITY. FIRST PARTY has and shall retain the right to exercise full control and supervision of the services and full control over the employment, direction, compensation and discharge of all persons assisting FIRST PARTY in the performance of FIRST PARTY's services hereunder. FIRST PARTY shall be solely responsible for its own acts and those of its subordinates and employees.

8. CONSULTANT QUALIFICATIONS

It is expressly understood that FIRST PARTY is licensed in the professional calling necessary to perform the work agreed to be done by it under this agreement and CITY relies upon the FIRST PARTY to do and perform said work in a manner usual to the profession. The acceptance of FIRST PARTY's work by CITY does not operate as a release of FIRST PARTY from said understanding.
9. **NOTICES**

All notices hereby required under this agreement shall be in writing and delivered in person or sent by certified mail, postage prepaid or by overnight courier service. Notices required to be given to CITY shall be addressed as follows:

Kaitie Meador  
Community Development  
City of Menlo Park  
701 Laurel St.  
Menlo Park, CA 94025  
(650) 330-6731  
kmmeador@menlopark.org

Notices required to be given to FIRST PARTY shall be addressed as follows:

Stephanie Hagar  
BAE Urban Economics  
2600 10th St., Suite 300  
Berkeley, CA 940710  
(510) 547-9380  
stephaniehagar@baee1.com

Provided that any party may change such address by notice, in writing, to the other party and thereafter notices shall be addressed and transmitted to the new address.

10. **HOLD HARMLESS**

The FIRST PARTY shall defend, indemnify and hold harmless the CITY, its subsidiary agencies, their officers, agents, employees and servants from all claims, suits or actions that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of the FIRST PARTY brought for, or on account of, injuries to or death of any person or damage to property resulting from the performance of any work required by this agreement by FIRST PARTY, its officers, agents, employees and servants. Nothing herein shall be construed to require the FIRST PARTY to defend, indemnify or hold harmless the CITY, its subsidiary agencies, their officers, agents, employees and servants against any responsibility to liability in contravention of Section 2782.8 of the California Civil Code.
11. INSURANCE

A. FIRST PARTY shall not commence work under this agreement until all insurance required under this Section has been obtained and such insurance has been approved by the City, with certificates of insurance evidencing the required coverage.

B. There shall be a contractual liability endorsement extending the FIRST PARTY’s coverage to include the contractual liability assumed by the FIRST PARTY pursuant to this agreement. These certificates shall specify or be endorsed to provide that thirty (30) days’ notice must be given, in writing, to the CITY, at the address shown in Section 9, of any pending cancellation of the policy. FIRST PARTY shall notify CITY of any pending change to the policy. All certificates shall be filed with the City.

1. Workers’ compensation and employer's liability insurance:
   The FIRST PARTY shall have in effect during the entire life of this agreement workers' compensation and Employer's Liability Insurance providing full statutory coverage. In signing this agreement, the FIRST PARTY makes the following certification, required by Section 18161 of the California Labor Code: "I am aware of the provisions of Section 3700 of the California Labor Code which require every employer to be insured against liability for workers’ compensation or to undertake self-insurance in accordance with the provisions of the Code, and I will comply with such provisions before commencing the performance of the work of this agreement" (not required if the FIRST PARTY is a Sole Proprietor).

2. Liability insurance:
   The FIRST PARTY shall take out and maintain during the life of this agreement such Bodily Injury Liability and Property Damage Liability Insurance (Commercial General Liability Insurance) on an occurrence basis as shall protect it while performing work covered by this agreement from any and all claims for damages for bodily injury, including accidental death, as well as claims for property damage which may arise from the FIRST PARTY's operations under this agreement, whether such operations be by FIRST PARTY or by any sub-consultant or by anyone directly or indirectly employed by either of them. The amounts of such insurance shall be not less than one million dollars ($1,000,000) per occurrence and one million dollars ($1,000,000) in aggregate, or one million dollars ($1,000,000) combined single limit bodily injury and property damage for each occurrence. FIRST PARTY shall provide the CITY with acceptable evidence of coverage, including a copy of all declarations of coverage exclusions. FIRST PARTY shall maintain Automobile Liability Insurance pursuant to this agreement in an amount of not less than one million dollars ($1,000,000) for each accident combined single limit or not less than one million dollars ($1,000,000) for any one (1) person, and one million dollars ($1,000,000) for any one (1) accident, and Three Hundred Thousand Dollars ($300,000) property damage.

3. Professional liability insurance:
   FIRST PARTY shall maintain a policy of professional liability insurance, protecting it against claims arising out of the negligent acts, errors, or omissions of FIRST PARTY pursuant to this agreement, in the amount of not less than one million dollars ($1,000,000) per claim and in the aggregate. Said professional liability insurance is to be kept in force for not less than one (1) year after completion of services described herein.

C. CITY and its subsidiary agencies, and their officers, agents, employees and servants shall be named as additional insured on any such policies of Commercial General Liability and Automobile Liability Insurance, (but not for the Professional Liability and workers’ compensation), which shall also contain a provision that the insurance afforded thereby to the CITY, its subsidiary agencies, and their officers, agents, employees, and servants shall be primary insurance to the full limits of liability of the policy, and that if the CITY, its subsidiary agencies and their officers and employees have other insurance against a loss covered by a policy, such other insurance shall be excess insurance only.

D. In the event of the breach of any provision of this Section, or in the event any notice is received which indicates any required insurance coverage will be diminished or canceled, CITY, at its option, may, notwithstanding any other provision of this agreement to the contrary, immediately declare a material breach of this agreement and suspend all further work pursuant to this agreement.

E. Before the execution of this agreement, any deductibles or self-insured retentions must be declared to and approved by CITY.
12. 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, before commencement of said work/services or forfeit any right to compensation under this agreement.

13. RESPONSIBILITY AND LIABILITY FOR SUB-CONSULTANTS AND/OR SUBCONTRACTORS

Approval of or by CITY shall not constitute nor be deemed a release of responsibility and liability of FIRST PARTY or its sub-consultants and/or subcontractors for the accuracy and competency of the designs, working drawings, specifications or other documents and work, nor shall its approval be deemed to be an assumption of such responsibility by CITY for any defect in the designs, working drawings, specifications or other documents prepared by FIRST PARTY or its sub-consultants and/or subcontractors.

14. OWNERSHIP OF WORK PRODUCT

Work products of FIRST PARTY for this project, which are delivered under this agreement or which are developed, produced and paid for under this agreement, shall become the property of CITY. The reuse of FIRST PARTY’s work products by City for purposes other than intended by this agreement shall be at no risk to FIRST PARTY.

15. REPRESENTATION OF WORK

Any and all representations of FIRST PARTY, in connection with the work performed or the information supplied, shall not apply to any other project or site, except the project described in Exhibit "A" or as otherwise specified in Exhibit "A."

16. TERMINATION OF AGREEMENT

A. CITY may give thirty (30) days written notice to FIRST PARTY, terminating this agreement in whole or in part at any time, either for CITY's convenience or because of the failure of FIRST PARTY to fulfill its contractual obligations or because of FIRST PARTY's change of its assigned personnel on the project without prior CITY approval. Upon receipt of such notice, FIRST PARTY shall:

1. Immediately discontinue all services affected (unless the notice directs otherwise); and
2. Deliver to the CITY all data, drawings, specifications, reports, estimates, summaries, and such other information and materials as may have been accumulated or produced by FIRST PARTY in performing work under this agreement, whether completed or in process.

B. If termination is for the convenience of CITY, an equitable adjustment in the contract price shall be made, but no amount shall be allowed for anticipated profit on unperformed services.

C. If the termination is due to the failure of FIRST PARTY to fulfill its agreement, CITY may take over the work and prosecute the same to completion by agreement or otherwise. In such case, FIRST PARTY shall be liable to CITY for any reasonable additional cost occasioned to the CITY thereby.

D. If, after notice of termination for failure to fulfill agreement obligations, it is determined that FIRST PARTY had not so failed, the termination shall be deemed to have been effected for the convenience of the CITY. In such event, adjustment in the contract price shall be made as provided in Paragraph B of this Section.

E. The rights and remedies of the CITY provided in this Section are in addition to any other rights and remedies provided by law or under this agreement.

F. Subject to the foregoing provisions, the CITY shall pay FIRST PARTY for services performed and expenses incurred through the termination date.
17. **INSPECTION OF WORK**

It is FIRST PARTY's obligation to make the work product available for CITY's inspections and periodic reviews upon request by CITY.

18. **COMPLIANCE WITH LAWS**

It shall be the responsibility of FIRST PARTY to comply with all State and Federal Laws applicable to the work and services provided pursuant to this agreement, including but not limited to compliance with prevailing wage laws, if applicable.

19. **BREACH OF AGREEMENT**

A. This agreement is governed by applicable federal and state statutes and regulations. Any material deviation by FIRST PARTY for any reason from the requirements thereof, or from any other provision of this agreement, shall constitute a breach of this agreement and may be cause for termination at the election of the CITY.

B. The CITY reserves the right to waive any and all breaches of this agreement, and any such waiver shall not be deemed a waiver of any previous or subsequent breaches. In the event the CITY chooses to waive a particular breach of this agreement, it may condition same on payment by FIRST PARTY of actual damages occasioned by such breach of agreement.

20. **SEVERABILITY**

The provisions of this agreement are severable. If any portion of this agreement is held invalid by a court of competent jurisdiction, the remainder of the agreement shall remain in full force and effect unless amended or modified by the mutual consent of the parties.

21. **CAPTIONS**

The captions of this agreement are for convenience and reference only and shall not define, explain, modify, limit, exemplify, or aid in the interpretation, construction, or meaning of any provisions of this agreement.

22. **LITIGATION OR ARBITRATION**

In the event that suit or arbitration is brought to enforce the terms of this agreement, the prevailing party shall be entitled to litigation costs and reasonable attorneys' fees. The Dispute Resolution provisions are set forth on Exhibit "B," 'Dispute Resolution' attached hereto and by this reference incorporated herein.

23. **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.

24. **TERM OF AGREEMENT**

This agreement shall remain in effect for the period of October 1, 2018 through June 30, 2019 unless extended, amended, or terminated in writing by CITY.
25. ENTIRE AGREEMENT

This document constitutes the sole agreement of the parties hereto relating to said project and states the rights, duties, and obligations of each party as of the document's date. Any prior agreement, promises, negotiations, or representations between parties not expressly stated in this document are not binding. All modifications, amendments, or waivers of the terms of this agreement must be in writing and signed by the appropriate representatives of the parties to this agreement.

26. STATEMENT OF ECONOMIC INTEREST

Consultants, as defined by Section 18701 of the Regulations of the Fair Political Practices Commission, Title 2, Division 6 of the California Code of Regulations, are required to file a Statement of Economic Interests with 30 days of approval of a contract services agreement with the City of its subdivisions, on an annual basis thereafter during the term of the contract, and within 30 days of completion of the contract.

Based upon review of the Consultant's Scope of Work and determination by the City Manager, it is determined that Consultant IS NOT required to file a Statement of Economic Interest. A statement of Economic Interest shall be filed with the City Clerk's office no later than 30 days after the execution of the agreement.

IN WITNESS WHEREOF, the parties hereto have executed this agreement on the day and year first above written.

FOR FIRST PARTY:

[Signature]

David Shiver

[Printed name]

94-3165917

[TaxID#]

APPROVED AS TO FORM:

[Signature]

William L. McClure, City Attorney

[Date]

FOR CITY OF MENLO PARK:

[Signature]

Mark Muenzer, Community Development Director

[Date]

ATTEST:

[Signature]

Judi A. Herren, City Clerk

[Date]
EXHIBIT “A” – SCOPE OF SERVICES

A1. SCOPE OF WORK

FIRST PARTY agrees to provide consultant services for CITY’s Community Development. In the event of any discrepancy between any of the terms of the FIRST PARTY’s proposal and those of this agreement, the version most favorable to the CITY shall prevail. FIRST PARTY shall provide the following services:

Provide general consultant services for projects as determined by the CITY. The detailed scope of work for each task the CITY assigns the consultant shall be referred to as Exhibit A-1, which will become part of this agreement. A notice to proceed will be issued separately for each separate scope of work agreed to between the CITY and FIRST PARTY.

FIRST PARTY agrees to perform these services as directed by the CITY in accordance with the standards of its profession and CITY’s satisfaction.

A2. COMPENSATION

CITY hereby agrees to pay FIRST PARTY at the rates to be negotiated between FIRST PARTY and CITY as detailed in Exhibit A-1. The actual charges shall be based upon (a) FIRST PARTY’s standard hourly rate for various classifications of personnel; (b) all fees, salaries and expenses to be paid to engineers, consultants, independent contractors, or agents employed by FIRST PARTY; and shall (c) include reimbursement for mileage, courier and plan reproduction. The total fee for each separate Scope of Work agreed to between the CITY and FIRST PARTY shall not exceed the amount shown in Exhibit A-1.

FIRST PARTY shall be paid within thirty (30) days after approval of billing for work completed and approved by the CITY. Invoices shall be submitted containing all information contained in Section A5 below. In no event shall FIRST PARTY be entitled to compensation for extra work unless an approved change order, or other written authorization describing the extra work and payment terms, has been executed by CITY before the commencement of the work.

A3. SCHEDULE OF WORK

FIRST PARTY’S proposed schedule for the various services required will be set forth in Exhibit A-1.

A4. CHANGES IN WORK -- EXTRA WORK

In addition to services described in Section A1, the parties may from time to time agree in writing that FIRST PARTY, for additional compensation, shall perform additional services including but not limited to:

• Change in the services because of changes in scope of the work.
• Additional tasks not specified herein as required by the CITY.

The CITY and FIRST PARTY shall agree in writing to any changes in compensation and/or changes in FIRST PARTY’s services before the commencement of any work. If FIRST PARTY deems work he/she has been directed to perform is beyond the scope of this agreement and constitutes extra work, FIRST PARTY shall immediately inform the CITY in writing of the fact. The CITY shall make a determination as to whether such work is in fact beyond the scope of this agreement and constitutes extra work. In the event that the CITY determines that such work does constitute extra work, it shall provide compensation to the FIRST PARTY in accordance with an agreed cost that is fair and equitable. This cost will be mutually agreed upon by the CITY and FIRST PARTY. A supplemental agreement providing for such compensation for extra work shall be negotiated between the CITY and the FIRST PARTY. Such supplemental agreement shall be executed by the FIRST PARTY and may be approved by the City Manager upon recommendation of the Community Development Director.
**A5. BILLINGS**

FIRST PARTY’s bills shall include the following information: A brief description of services performed, project title and the agreement number; the date the services were performed; the number of hours spent and by whom; the current contract amount; the current invoice amount; Except as specifically authorized by CITY, FIRST PARTY shall not bill CITY for duplicate services performed by more than one person. In no event shall FIRST PARTY submit any billing for an amount in excess of the maximum amount of compensation provided in Section A2.

The expenses of any office, including furniture and equipment rental, supplies, salaries of employees, telephone calls, postage, advertising, and all other expenses incurred by FIRST PARTY in the performances of this agreement shall be incurred at the FIRST PARTY’s discretion. Such expenses shall be FIRST PARTY’s sole financial responsibility.
EXHIBIT “B” - DISPUTE RESOLUTION

B1.0 All claims, disputes and other matters in question between the FIRST PARTY and CITY arising out of, or relating to, the contract documents or the breach thereof, shall be resolved as follows:

B2.0 Mediation
B2.1 The parties shall attempt in good faith first to mediate such dispute and use their best efforts to reach agreement on the matters in dispute. After a written demand for non-binding mediation, which shall specify in detail the facts of the dispute, and within ten (10) days from the date of delivery of the demand, the matter shall be submitted to a mutually agreeable mediator. The Mediator shall hear the matter and provide an informal opinion and advice, none of which shall be binding upon the parties, but is expected by the parties to help resolve the dispute. Said informal opinion and advice shall be submitted to the parties within twenty (20) days following written demand for mediation. The Mediator’s fee shall be shared equally by the parties. If the dispute has not been resolved, the matter shall be submitted to arbitration in accordance with Paragraph B3.1.

B3.0 Arbitration
B3.1 Any dispute between the parties that is to be resolved by arbitration as provided in Paragraph B2.1 shall be settled and decided by arbitration conducted by the American Arbitration Association in accordance with the Construction Industry Arbitration Rules of the American Arbitration Association, as then in effect, except as provided below. Any such arbitration shall be held before three arbitrators who shall be selected by mutual agreement of the parties; if agreement is not reached on the selection of the arbitrators within fifteen (15) days, then such arbitrator(s) shall be appointed by the presiding Judge of the court of jurisdiction of the agreement.

B3.2 The provisions of the Construction Industry Arbitration Rules of the American Arbitration Association shall apply and govern such arbitration, subject, however to the following:

B3.3 Any demand for arbitration shall be writing and must be made within a reasonable time after the claim, dispute or other matter in question as arisen. In no event shall the demand for arbitration be made after the date that institution of legal or equitable proceedings based on such claim, dispute or other matter would be barred by the applicable statute of limitations.

B3.4 The arbitrator or arbitrators appointed must be former or retired judges, or attorneys at law with last ten (10) years’ experience in construction litigation.

B3.5 All proceedings involving the parties shall be reported by a certified shorthand court reporter, and written transcripts of the proceedings shall be prepared and made available to the parties.

B3.6 The arbitrator or arbitrators must be made within and provide to the parties factual findings and the reasons on which the decisions of the arbitrator or arbitrators is based.

B3.7 Final decision by the arbitrator or arbitrators must be made within ninety (90) days from the date of the arbitration proceedings are initiated.

B3.8 The prevailing party shall be awarded reasonable attorneys’ fees, expert and non-expert witness costs and expenses, and other costs and expenses incurred in connection with the arbitration, unless the arbitrator or arbitrators for good cause determine otherwise.

B3.9 Costs and fees of the arbitrator or arbitrators shall be borne by the non-prevailing party, unless the arbitrator or arbitrators for good cause determine otherwise.

B3.10 The award or decision of the arbitrator or arbitrators, which may include equitable relief, shall be final, and judgment may be entered on it in accordance with applicable law in any court having jurisdiction over the matter.
July 10, 2018

Ms. Kaitie M. Meador, Associate Planner
City of Menlo Park
City Hall – 1st Floor
701 Laurel Street
Menlo Park, CA 94025

Dear Ms. Meador:

We appreciate the opportunity to submit this proposal to assist the City in its review of a mixed-used development located at 201 El Camino Real and 612 Cambridge Avenue in Menlo Park, for analysis of both the base project as allowed by the Specific Plan and the proposed public benefit bonus as requested by the applicant (Project). Attached is BAE’s proposal to conduct an economic review of the potential public benefit bonus.

Our proposed scope of work is based on our typical approach to public benefit analysis, and is consistent with prior public benefit analyses that BAE has conducted for projects in Menlo Park’s Downtown / El Camino Real Specific Plan Area. For the pro forma analysis, we will conduct research on current pricing and construction costs as well as vet any assumptions provided by the applicant. However, we will not conduct an independent evaluation of potential market support for the Project.

The following proposal describes BAE’s proposed scope of work, budget, and schedule for the public benefit analysis. To expedite this proposal, we have not included general information about BAE or our staff and qualifications. An overview of BAE, our work, and our staff is available at: www.ba1e.com and we can also provide more information upon request. Please feel free to contact me at stephaniehagar@bae.com or 510.547.9380 if you have any questions or would like to further discuss this proposal.

Sincerely,

[Signature]

Stephanie Hagar
Vice President
SCOPE OF SERVICES

This section outlines BAE’s proposed work program.

Task 1: Start-up Meeting and Review of Related Materials
BAE will attend a meeting with City staff and the applicant to review the proposed project, discuss the methodology for the public benefit analysis, determine what data and materials are available for BAE’s review, and visit the project site. BAE has included a list of information needs in this proposal for review and discussion prior to and during the start-up meeting. This task includes review of all reports and background material provided to us.

Task 2: Conduct Public Benefits Value Analysis
The value analysis will determine the additional value of the Project resulting from the Public Benefit Bonus, relative to the potential value of a similar project at the base level density. BAE will prepare two pro formas for the Project based on build-out (i.e., after all phases of the project have been fully constructed) and stabilized operations. One pro forma will model the Project without the Public Benefit Bonus, and the other pro forma will model the Project with the Public Benefit Bonus, to provide a direct comparison between the value at the base level density and the value at the bonus level density. Residual Land Value is calculated by determining the market value of the completed project and deducting total development costs, including developer profit. This method provides an answer for what land value a project can support, and for this analysis it will identify the “extra value” created by the Public Benefit Bonus.

BAE will formulate pro forma assumptions based on review and research of market rents and sale prices and development costs for comparable developments. We will also review all information on revenues, costs, or other assumptions provided to the City by the applicant. We will identify items where we believe income, cost, or other assumptions by the applicant cannot be supported, and will work with City staff and the applicant to resolve these differences.

Task 3: Evaluate Public Benefit Proposal
The description of the proposed project includes the proposed public benefits that the project would provide at the public benefit level density. The primary proposed public benefit is a cash payment to the City of Menlo Park based on 50 percent of the difference between the project profit at the public benefit density and the project profit from a potential development at the baseline density. Secondary public benefits cited in the project description potentially include additional BMR units and/or open space.

BAE will evaluate the public benefit contribution proposed by the project sponsor by comparing the applicant’s proposed contribution to a set of benchmarks based on public benefit contributions from prior projects in Menlo Park and other jurisdictions. The evaluation will include a calculation of the proposed cash payment based on the findings from Task 2 and will focus on whether the amount of the proposed cash payment is comparable to cash payments provided as public benefits from prior projects. However, the evaluation will also consider other public benefits from the proposed project in a qualitative manner.
Task 4: Prepare Draft and Final Memorandum
BAE will prepare an Administrative Draft Memorandum documenting the findings and methodology for the analysis, including a complete copy of the pro formas showing all assumptions. If requested by City staff, we will also review the findings with the applicant. Within one week of receipt of comments from the City, BAE will prepare a final memorandum.

Task 5: BAE Attendance at Public Meeting
BAE will attend one public meeting of the Planning Commission or City Council. BAE will be available to present an overview of the methodology and findings and respond to questions from the Planning Commission or City Council.

BAE will be available to attend additional public meetings for an additional cost of $1,500 per meeting, subject to approval by City staff.

BUDGET

BAE will complete the work described above for a fixed-fee budget of $24,340. This will include all consultant costs, including personnel, overhead, and miscellaneous reimbursable expenses. In no event shall the total project cost exceed the fixed-fee budget, unless the client requests work beyond the agreed-upon scope. Miscellaneous expenses such as data purchase and travel are passed through to the client with no markup.

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<tr>
<th>Task Description</th>
<th>Principal Shiver</th>
<th>Vice President Hagar</th>
<th>Associate Guerrero</th>
<th>Budget</th>
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<tbody>
<tr>
<td>Start-up Meeting and Review of Related Materials</td>
<td>4</td>
<td>6</td>
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<td>Conduct Public Benefits Value Analysis</td>
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<td>Evaluate Public Benefit Proposal</td>
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<td>Prepare Draft and Final Memorandum</td>
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<td>9</td>
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</tr>
<tr>
<td>Subtotal Labor</td>
<td>12</td>
<td>38</td>
<td>84</td>
<td>$23,340</td>
</tr>
<tr>
<td>Expenses</td>
<td></td>
<td></td>
<td></td>
<td>$1,000</td>
</tr>
<tr>
<td>Total (Labor + Expenses)</td>
<td></td>
<td></td>
<td></td>
<td>$24,340</td>
</tr>
</tbody>
</table>

Optional Task: BAE Attendance at Additional Public Meetings/Hearings - Each (a) $1,500

Notes:
(a) Includes travel to Menlo Park for meetings.
Costs for any additional work authorized by the client will be billed on an hourly time-and-materials basis, in accordance with BAE’s standard hourly billing rates:

Principal $300/hour  
Director $230/hour  
Vice President $210/hour  
Senior Associate $185/hour  
Associate $140/hour  
Analyst $95/hour

These rates are subject to revision on or after January 1, 2019.

**SCHEDULE**

We propose to prepare an administrative draft memorandum within six weeks of receiving a contract or notice to proceed and receiving all available information from the project sponsor. BAE will prepare a final memorandum within one week of receiving comments from City staff on the administrative draft. We are able to work with the City to adjust the schedule as needed to meet project deadlines.

**INFORMATION REQUEST**

The following constitutes BAE’s request for information from the project sponsor to facilitate the analysis described in this proposal. Please note that the list below reflects remaining information needs not addressed in the project description provided to BAE by City staff.

*Development Program:*
  - Gross building square footage and net rentable building square footage by use (e.g., residential, medical, etc.)
  - Planned unit size (by number of bedrooms) for BMR units

*Construction Costs:*
  - Demolition/site development costs
  - Hard construction costs – broken out by each use (residential, in-vitro fertilization clinic, etc.)
  - Hard construction costs – parking
  - Hard construction costs – site improvements
  - Soft construction costs

*Revenues:*
  - Projected revenues by use with sale price and/or rental assumptions, including any parking revenue

*Operating Costs:*
  - Projected operating cost by use
Market/Pro forma:
- Copy of any market analysis or market assessment that has been prepared for the proposed project
- Pro forma for the proposed project

Ownership Structure:
- What is current and planned ownership structure for the land (e.g. does the project sponsor currently own the land, have an option to purchase, ground lease)? What is the acquisition cost or terms of the option/ground lease (if applicable)?
- The project description states that the residential units will be mapped as condominiums, but that units could be rented. Does the project sponsor plan to sell or rent the residential units?
- What is the planned ownership structure for the in-vitro fertilization clinic and wellness center (e.g., will the project sponsor retain ownership of these portions of the development)?