

PROPOSAL

Fiscal Impact Analysis (FIA)

Prepared for:

City of Menlo Park

March 2008

Seifel
CONSULTING INC.

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March 13, 2008

Mr. Thomas Rogers, Associate Planner
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Re: RFP Response—City of Menlo Park Fiscal Impact Analysis

Dear Mr. Rogers,

We appreciate this opportunity to advise the City of Menlo Park regarding the potential fiscal impacts of the proposed mixed-use development by Bohannon Development Company. As our enclosed proposal describes, we bring significant expertise and rigor to this assignment. Since 1990, Seifel Consulting Inc. has provided strategic real estate, economic, redevelopment, and financial services to public and private sector clients. We have consulted on more than 500 assignments, helping our clients meet complex urban growth challenges through robust economic analysis and targeted strategies.

We combine powerful analytical tools with our ability to work effectively with community leaders and public agency staff to produce outcomes that achieve a community's objectives. As a result, our fiscal analysis both informs and guides decision makers about the costs and benefits—and risks and returns—of alternative projects. We will leverage our experience working with numerous cities and counties throughout California, including the Bay Area cities of Alameda, East Palo Alto, El Cerrito, Fremont, Livermore, Mountain View, Orinda, Richmond, San Francisco, San Mateo, San Jose, South San Francisco and Union City, as well as the counties of Alameda, Contra Costa, Napa and Santa Clara.

We will work closely with City staff to articulate the objectives for this assignment and determine how to conduct our work most effectively. As detailed in the attached work program, our specific approach to this analysis will begin with a first phase of work focused on understanding and leveraging prior work by the City and gathering relevant data that will enable us to finalize a sound approach to the impact assessment. We will then develop the assumptions and cost and revenue factors needed to assess the proposed and alternative projects, and submit these to the City for review and approval. These will serve as the building blocks for the fiscal impact analysis comparing the proposed and alternative projects, our next phase of work. The final phase of the project will consist of additional analyses requested by the City, if they have not already been integrated into the phases discussed above.

In summary, Seifel has the qualifications, expertise and experience requested by the City as demonstrated in the attached proposal. We will:

- Respond to client requests promptly and deliver high quality work products and services in a timely and efficient manner.

- Leverage our extensive experience with fiscal and economic analysis, real estate market assessment, feasibility testing, tax increment projections, and pro forma analysis.
- Apply our analytical tools and project management skills to prepare accurate, strategic, and clear reports and presentations.

This proposal is effective for a minimum of sixty (60) days and contains the information requested in the RFP, organized as follows:

- I. Detailed Firm Qualifications
- II. Proposed Work Program
- III. Key Personnel
- IV. Project List
- V. References
- VI. Disclosure Statement
- VII. Appendix A: Other Professional Staff
- VIII. Appendix B: 2008 Billing Rates

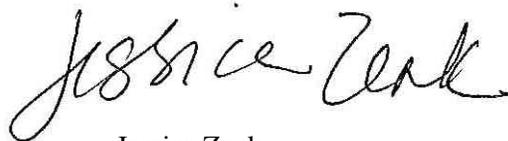
We are happy to provide you with any further information you need regarding our firm capabilities and experience. Please do not hesitate to contact Jessica Zenk or me with any questions. Ms. Zenk can be reached at (415) 618-0700 x712 or Jessica@seifel.com.

We look forward to this opportunity to work with the City of Menlo Park and to discussing our proposal for consulting services in greater detail.

Sincerely,



Elizabeth (Libby) Seifel
President



Jessica Zenk
Managing Consultant

Attachment

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I. Detailed Firm Qualifications

Name: Seifel Consulting Inc. (Seifel)
Founded: 1990, Incorporated 1995
Form: California S Corporation
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WBE Women-owned Small Business Enterprise
SBE Small Business Enterprise
Federal ID: 94-322-5313

Seifel Consulting Inc. (Seifel) is an economic consulting firm providing strategic real estate and urban economic advisory services. We help clients resolve complex urban growth issues, maximize the value of real estate assets, and achieve fiscal goals. We advise on developments involving a variety of land uses, including residential, retail, office, research and development (R&D), industrial, former military bases, hotel, waterfronts and recreation areas. We provide research, analysis, financial projections, written documentation, project management and consultation in the following four practice areas:

- Economics—Evaluate local economics and recommend strategies to enhance economic growth and fiscal health;
- Real Estate—Lead clients through the planning, funding and development of high-quality real estate;
- Redevelopment—Guide the creation and implementation of successful redevelopment projects; and
- Housing—Analyze residential markets, facilitate development and design programs that expand and diversify a community’s housing supply.

Founded in 1990, Seifel has completed over 500 consulting assignments for our clients, listening closely to their needs and responding diligently and cost effectively. We are dedicated to maintaining long-term relationships with clients; the majority of our work is repeat business from our growing client base. (See Exhibit A for a list of our representative clients.)

Seifel Consulting Inc. is a California Corporation owned and operated by Elizabeth (Libby) Seifel. The firm is a woman-owned certified small business with the State of California and the Women’s Business Enterprise National Council.

Exhibit A: Representative Clients

Private Sector			
American Hotels Inc. Asian Inc. Bay Area Council Best, Best & Krieger BRIDGE Housing Catellus Development Corporation CCH of Northern California Children's Hospital Oakland Centex Homes Chinatown Community Development Center Civic Center Associates De Silva Group Ford Foundation Forest City Development Company Goldfarb & Lipman Hanson, Bridgett, Marcus, Vlahos & Rudy HDNPC Heritage Partners Huntington Partners, Inc. Kenwood Investment Kronick Moskovitz Tiedemann & Girard		Legacy Partners Lennar Communities LINC Housing Lozano Smith Smith Woliver & Behrens Mason McDuffie Real Estate McCuen Properties McDonough Holland & Allen Meyers, Nave, Riback, Silver & Wilson Mid-Peninsula Housing Coalition NS Development Nehemiah Corporation Pacific Stock Exchange Providence International Foundation Rod Read & Son Solano Affordable Housing Foundation Sobrato Development Company Swerdlow Real Estate Group Telesis West The Real Estate and Land Use Institute The RREEF Funds Volunteers of America	
California Cities, Towns and Redevelopment Agencies			
Alameda Arvin Berkeley Brentwood Brisbane Capitola Chico Concord Coachella Daly City Dublin East Palo Alto El Cerrito El Sobrante Fairfield	Folsom Fremont Hayward Hesperia Livermore Lodi Long Beach Los Angeles Los Gatos Martinez Milpitas Modesto Mountain View Novato National City	Orinda Palo Alto Petaluma Portola Rancho Cordova Richmond Ripon Roseville Sacramento San Bruno San Diego San Francisco San Jose San Leandro San Mateo	San Ramon Santa Cruz Santa Monica Santa Rosa Santee Soledad South San Francisco Stockton Sunnyvale Union City Truckee Watsonville West Sacramento Willows
California Counties			
Alameda Butte Contra Costa Fresno Kern	Los Angeles Marin Mendocino Monterey Napa	Nevada Placer Plumas San Diego San Francisco	San Joaquin Santa Cruz Sonoma Stanislaus Yolo
Other Public Sector			
Alameda Reuse and Redevelopment Authority Berkeley Rent Stabilization Board California Department of Real Estate California Department of Justice California Housing Finance Agency City and County of Fresno Housing Authorities Clovis Unified School District Contra Costa Water District City of Henderson, Nevada Hastings College of Law	Housing & Community Development Corp. of Hawaii San Diego Association of Governments San Francisco Housing Authority Santa Monica Rent Control Board The Presidio Trust Transbay Joint Powers Authority Treasure Island Development Authority Tri County Economic Development Corporation U.S. General Services Administration University of California Berkeley Extension		

Areas of Expertise

Seifel advises clients on how to resolve complex urban growth issues, maximize the value of real estate assets, and achieve fiscal goals. We provide research, analysis, written documentation, project management and consultation in each practice area, described below.

Economic Analysis

At Seifel, we believe that sound economic analysis can help achieve a community's revitalization goals and be a catalyst for improving overall return to both the private and public sectors. It can also strengthen partnerships among the development community, government agencies and business leaders. Very often, decisions made early in the planning process determine the success or failure of a project. As a result, our work is used to help inform and guide decision makers about the costs and benefits—and risks and returns—of alternative projects. We also serve as economic advisors and expert witnesses on complex legal challenges.

Seifel prepares economic development plans that create or help strengthen partnerships between local governments, special districts, and business leaders. We assess market and economic development opportunities and constraints. We recommend pragmatic strategies for business attraction and retention, job creation, revenue augmentation, and community revitalization. We help create and implement specific plans, general plans and economic development strategies that help communities diversify and strengthen their local economy.

We also perform fiscal and economic impact analyses, providing government officials with a tool for understanding the economic consequences of proposed development on their municipal budgets. We model anticipated fiscal revenues, operating expenses and capital costs related to the buildout of proposed projects. To quantify the job and wage generation from proposed developments, we analyze local and regional economic impacts.

We analyze public financing techniques such as assessment districts, Mello Roos special taxes and redevelopment tax increments to determine when and how they can be best utilized. The advantages and disadvantages of these techniques are evaluated, as well as their funding potential for municipalities, special districts and developers.

Real Estate Economics

Real estate economics is the foundation for Seifel's work. It is a technical discipline that provides insight into the real estate market through tools such as site analysis, market research, financial feasibility, and highest and best use studies. We combine insight into the real estate market with a well-honed foundation in cash flow modeling, asset valuation, and other analytical methods.

Seifel determines the market potential for commercial, industrial and residential development as both stand-alone and complementary land uses. We perform market analyses for raw land, improved sites, and buildings proposed for reuse. Our analyses have included evaluations of the reuse potential of publicly owned redevelopment properties, surplus military facilities, air rights developments, waterfronts, schools, government buildings, and post offices.

Seifel uses the analytical tools of real estate economics and urban planning to determine the best development strategies for properties owned, leased, or governed by our clients. We help clients prepare development strategies for raw land, improved sites, or property reuse. The firm has advised private and public sector clients on properties ranging from \$5 million to \$4 billion.

Redevelopment Advisory

Seifel assists clients at every stage of the redevelopment process, from project area designation through plan formulation, adoption and implementation. Our services range from document preparation to plan amendment management and coordination of the community participation processes. The following are Seifel's redevelopment services:

- Plan adoption, amendment and merger services
- Implementation Plans
- Tax increment projections
- Fiscal consultant reports for bond financing
- Financing strategies
- Physical and economic blight analysis
- Property reuse and revitalization strategies
- Developer solicitation and negotiation

Seifel is up to date with the latest changes in the California Community Redevelopment Law (CRL), ensuring that the redevelopment plans and reports we prepare are in compliance with the CRL and the most recent amendments to it.

Affordable Housing

Seifel advises public agencies, institutions, and private for-profit and nonprofit developers on all aspects of housing development and policy analysis. We analyze housing markets for opportunities, recommend strategies for products that meet a community's housing needs at all income levels, and consult on financing and construction. Our firm prepares market analyses and housing needs assessments, develops effective funding/financing strategies, prepares funding applications, and structures development agreements. We consult on the development, rehabilitation, financing and preservation of affordable housing, as well as mixed income and market rate developments. We also work with teams of professionals experienced in site analysis, civil engineering, real estate economics, architecture, urban design and planning, and environmental compliance. Seifel has prepared successful funding applications yielding more than \$75 million for affordable housing. Seifel also advises on housing policy issues—helping jurisdictions evaluate and implement inclusionary housing policies and other programs to increase the supply of affordable housing.

II. Proposed Work Program

A. Project Understanding

The Bohannon Development Company (Project Sponsor) proposes to develop a mixed use development on parcels on two sites in northwestern Menlo Park, along Independence and Constitution Drives between Highway 101 and Bayfront Expressway (referred to as the Independence and Constitution sites respectively). The proposed project primarily consists of office/R&D space, a 230-room hotel, and a health club facility with local-serving restaurant, retail and community spaces, for a total of over 960,000 square feet. The proposed project requires amendments to the Menlo Park General Plan and Zoning Ordinance to allow for new permitted uses and an increase in the potential developable area based on additional FAR, building coverage, and building heights. The Project Sponsor proposes to enter into a Development Agreement with the City in exchange for guaranteed development rights for a 15 year period and a Below Market Rate (BMR) Housing Program Agreement specifying contributions to the City's affordable housing stock.

Seifel Consulting Inc. (Seifel) understands that the City of Menlo Park (City) is concerned about the impact of this large development on the City's fiscal situation as well as indirect impacts that may arise as a result of the project. The City therefore seeks an independent analysis of the revenue potential and costs associated with the proposed project and five (5) project alternatives being analyzed in the EIR underway. In addition to the fiscal impact analysis, the City requests an assessment of the proposed project's effect on similar sites and the City's housing needs, as well as potential strategies for sharing in revenues generated by the project.

B. Detailed Work Program

Our work program is presented in four phases, along with the data we anticipate needing at each step of the process. In Phase I, we anticipate reviewing the analyses and data highlighted by the City for its use in the current analyses, discussing project details and desired analyses with the City, and refining our work program accordingly. During Phase II, Seifel will develop cost factors for services provided by the City and other impacted service districts and estimate revenue factors associated with the proposed and alternative development projects. We will conduct a detailed analysis of the fiscal impact of the proposed and alternative projects during Phase III.

Our analysis will estimate annual and cumulative impacts over a 20-year time horizon in constant (2008) dollars. The final phase of the project will consist of additional analyses requested by the City, potentially including an assessment of potential land use pressures induced by the proposed project, particularly with respect to parcels between the Independence and Constitution sites, and the potential fiscal impact of meeting housing needs indirectly resulting from the project. In addition, Seifel will advise on legal and technical strategies for participating in increasing benefits from the new development.

We detail the tasks within each phase of our work program below, as well as expectations of City staff and the data we anticipate utilizing during each task. In our experience conducting fiscal impact analyses, we have found that each analysis is somewhat unique. As such, we understand

the work program may need to be modified over the course of the assignment, as determined by data availability, City needs, and other project and budget constraints.

a. Phase I. Initial Review, Kick-Off Meeting and Ongoing Consultation and Management

In its RFP, the City outlined key initial tasks that must be undertaken at the outset of the project in order to finalize the scope of this fiscal impact analysis, including assessments of 1) the fiscal impact analysis undertaken by Brion Associates for the Project Sponsor and 2) the City's fiscal impact analysis model. Seifel proposes to review these and related items, as discussed below, and then meet with City staff and attorney to refine the methodology and scope of the current analysis. We will provide strategic advice and ongoing project management services throughout the project to ensure that the analyses are most efficiently conducted and to make further modifications to this scope, should City needs or project changes require it. This phase of work will therefore consist of three specific tasks:

Task I.1: Initial Data and Information Review

Seifel will assess existing documents and information that may be used in the preparation of the current fiscal impact analysis, including:

- The Fiscal Impact Analysis conducted by Brion Associates for the Project Sponsor. We will review and assess the assumptions and methodology utilized in the 2007 draft of the study, as well as the peer review conducted by Conlee Consulting Group in 2006.
- The City's Fiscal Impact Analysis Model. We will review the model (last updated in 2002) to assess its utility in the current study.
- Other fiscal impact analyses and peer reviews recently conducted by the City for similar development projects to ensure consistent methodologies and assumptions are employed.

We will also research specific districts other than the City's General Fund for which impact may be analyzed (specifically, Fire, School, Water and Parks Districts) and the data and methodological issues associated with these analyses.

Task I.2: Project Refinement and Kick-Off Meeting

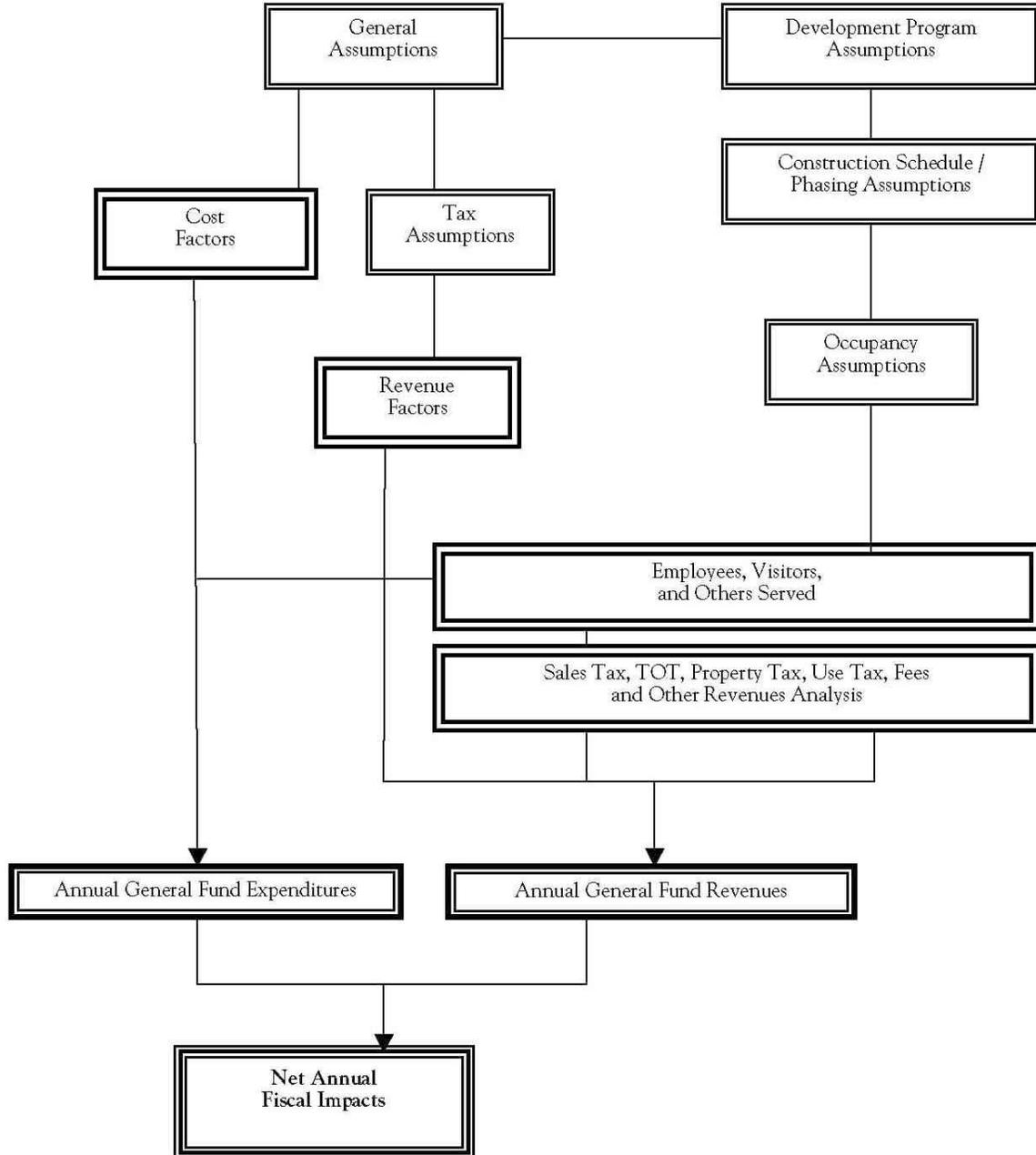
Seifel will meet with City staff and attorney to review and finalize the fiscal impact analysis approach, key data and assumptions, and the proposed and alternative development projects. We will also clarify project roles and responsibilities to ensure that the fiscal impact analysis is most efficiently and effectively performed. Together we will:

- Review and refine the work program for the fiscal analysis based on:
 1. The ability to leverage assumptions and data employed in fiscal impact analyses or models reviewed as part of Task 1,
 2. Identification of City Departments that will be analyzed for General Fund costs and revenues and specific districts other than the City's General Fund for which impact will be analyzed. This work program anticipates investigating the following City Departments: Police, Public Works, Community Services, Administration Services, Community Development, and Library. We will identify other specific districts to be analyzed based on research conducted during Task 1 and discussions with City staff.

3. Precise revenue and cost factors to be analyzed and the methodology for estimating these factors (see Phase II),
 4. Project alternatives to be analyzed, specifically Alternative 5 (currently TBD), and
 5. Additional analyses to be undertaken and the nature and extent of those analyses (see Phase IV).
- As specific work tasks are refined, determine how each work task can best be accomplished, allocate responsibilities to assure the timely and efficient completion of each step and determine a timeline for completion of each task. We will clearly identify expectations of City staff and the Project Sponsor or its consultants.
 - Refine our schedule for the assembly of information and preparation of work products.

Figure 1 presents a sample flow chart of how we would initially approach the fiscal analysis, to be refined during Task 1.2.

Figure 1
 Flow Chart of Illustrating
 Sample Fiscal Impact Analysis



Task I.3: Ongoing Consultation and Project Management

Throughout the study, Seifel will provide strategic advice and ongoing project management services to ensure the analysis moves forward efficiently and continues to meet City needs. Should City objectives or project specifics change, we will work with City staff to modify the scope and budget of this project accordingly.

b. Phase II. Cost and Revenue Factors for Fiscal Impact Analysis

During Phase II of the study, Seifel will work closely with City staff to develop cost and revenue factors for the fiscal impact analysis. At the close of this Phase, we will summarize these factors and the assumptions that underpin them and submit them to City staff and a Council subcommittee for review. Please see Table 1 for draft Cost and Revenue Factors by Land Use, based on our preliminary understanding of the project and City needs.

Although the precise details of the tasks will vary based on decisions made in Phase I of the study, we anticipate that this phase will consist of the following tasks:

Task II.1: Data and Information Collection and Document Review

Seifel will work with City staff to collect and review key revenue and expenditure information.

- Seifel will prepare a detailed data needs request for City staff, outlining precise information needed and the appropriate source of that information (City staff, Project Sponsor, or other Agency/organization).
- If possible and appropriate given our review in Task 1 and discussions with City staff, we will leverage assumptions and data from the City's Fiscal Impact Analysis Model and/or other fiscal impact analyses recently performed for the City. If together with City staff we determine it is most effective to use information based on previous fiscal impact analyses, we will require access to the consultants responsible for the analyses.
- Gather and review the City and/or district revenue and expenditure information for the past two fiscal years.
- Interview representatives of City Departments, San Mateo County and other districts to be investigated in order to collect data on services costs, annual overhead costs, and capital facility needs and associated costs. City staff will arrange for these interviews to be conducted as a series of meetings to be performed in one day at the City offices, with a limited number of follow up interviews conducted via conference call if needed to consult with staff offsite.
- Development program and phasing, as assessed for the proposed and alternative projects in the EIR.

Table 1
Draft Revenue and Cost Factors by Land Use^a
City of Menlo Park Fiscal Impact Analysis

	Land Use					
	Office/R&D ^b	Restaurant	Health Club	Hotel	Retail/ Community	Housing ^c
Cost Factors by Type^d						
Marginal Costs, e.g. administrative overhead						
Step or "Lumpy" Costs, e.g. new police unit						
Capital/Facility Costs, e.g. new fire station						
Revenue Factors by Type^d						
Property Tax						
Sales Tax						
Transient Occupancy Tax (TOT)						
Business License Tax						
Per Capita Revenues (eg., franchise fees, other permits, fines)						
Impact Fees						
Other Revenues (eg., Real Estate Transfer Tax) ^e						

- a. Initial Cost and Revenue Factors for the City of Menlo Park General Fund; additional districts analyzed will have different cost and revenue factors.
- b. Seifel will assess sales tax revenues from Office/R&D space based on 3 scenarios, given tenant mixes that generate low, high, and medium business to business sales tax.
- c. While residential development is not anticipated as part the proposed or alternative projects, the City has requested an analysis of housing needs, revenues and costs to inform its discussion of indirect housing needs generated and the potential fiscal impact of meeting those housing needs.
- d. Seifel will assume that fees assessed to pay for specific services (ie. garbage collection, permit processing, etc.) do not result in a net fiscal gain or loss to the City General Fund or other service district.

Task II.2: Develop Cost Factors

Seifel will develop a set of cost factors for services provided by the City's General Fund and other districts to be analyzed. These cost factors will be based on the data collected in Task II.1. The cost factors will allow the estimation of costs for the proposed and alternative development projects. To calculate these factors Seifel will:

- Analyze operational costs of the targeted departments, functions and districts, as determined in Task I.2.
- Allocate overhead costs to service needs.
- Determine the operational costs that vary directly on a per resident, per employee, or per square foot basis (marginal costs). If, as part of Task I.2, we decide to quantitatively analyze the potential fiscal impact of associated housing needs, we will also assess variable costs on a per housing unit basis.
- Determine the operational costs that increase non-linearly with increased service demands (step costs), and determine the trigger points for increased costs.
- Assess whether the project and/or any of the alternative projects would result in additional capital facility needs and, if so, the associated costs of meeting those needs.
- Synthesize these analyses into a set of cost factors. Cost factors may be expressed per resident, per employee, per "daytime user," per housing unit, per acre, per facility, or other appropriate metric.
- Review and confirm with City and other appropriate staff the reasonableness of these cost factors by category, using historical budgetary experience and professional judgment.

Task II.3: Develop Revenue Factors

Seifel will develop a set of revenue factors associated with taxes, fees and permits that accrue to the City General Fund or other districts analyzed based on the proposed and alternative developments. Our initial understanding of these revenues by land use is summarized in Table 1. We will assume that fees assessed to pay for specific services (ie. garbage collection, permit processing, etc.) do not result in a net fiscal gain or loss to the City General Fund or other service district. Throughout this phase, we will also rely on information from the Project Sponsor regarding the development program, phasing and associated values. To calculate revenue factors Seifel will:

- Estimate revenues to the City General Fund and other district investigated from the following sources:
 1. Property Tax. Analyze current assessed property values, property tax distribution among taxing entities, and future property tax revenues, based on the value and timing of development under the proposed project and project alternatives. (City staff, potentially in conjunction with the San Mateo County Assessor and Controller, will provide all inputs necessary for property tax calculation in electronic form.)
 2. Sales Tax. Seifel will estimate sales tax by land use. In order to be efficient and cost effective, we anticipate leveraging estimates from the City's Fiscal Impact Analysis Model or recent fiscal impact analyses performed for this or other similar projects. Alternatively, independent analyses based on recent sales tax data can be performed as additional services (Phase IV). As shown in Table 1, we anticipate sales tax revenues from the Retail, Hotel, Health Club, Restaurant, and Office/R&D space. We

will assess sales tax revenues from Office/R&D space based on three (3) scenarios, given tenant mixes that generate low, high, and medium corporate (“business-to-business”) sales tax. Seifel proposes a conservative estimate of sales tax based solely on sale tax revenues generated onsite, not sales tax revenues potentially generated elsewhere in the City that may result from new employees, hotel guests, etc., as this spending and revenue is more speculative.

3. Transient Occupancy Tax (TOT). Based on development program information from the Project Sponsor and the Market Study prepared by PKF Consulting, we will estimate TOT revenues per hotel room for the proposed hotel.
 4. Business License Tax. Seifel will estimate business license taxes by land use. Again, we anticipate leveraging estimates from the City’s Fiscal Impact Analysis Model or recent fiscal impact analyses performed for this or other similar projects for the sake of efficiency, but can conduct independent analyses based on recent business license data as additional services (Phase IV). As shown in Table 1, we anticipate business license tax revenues from the Retail, Hotel, Health Club, Restaurant, and Office/R&D space.
 5. Other per capita revenues, impact fees, or other sources identified during Phase I.
- Develop revenue factors on a per square foot basis (or other metric such as hotel room, as appropriate) for the General Fund and other districts under investigation.
 - Review and confirm these revenue factors with City staff and staff from other analyzed districts.

Work Product: Memorandum on Assumptions and Cost and Revenue Factors

At the close of Phase II, Seifel will provide a memorandum summarizing the cost and revenue factors to be used as inputs in the fiscal impact analysis and the assumptions upon which they rely. It will outline the assumptions, methodology and analysis used to develop the cost and revenue factors. The memorandum will consist primarily of tables detailing the assumptions, calculations, and resulting cost and revenue factors, with descriptive text as needed.

Seifel will electronically transmit the draft memorandum in PDF form for review by City staff and a Council subcommittee. After the draft has been reviewed, Seifel will incorporate any changes and transmit the final memorandum in PDF form via email. This final memorandum will be incorporated into the Fiscal Impact Report. At this point in the study, the assumptions, methodology and cost and revenue factors will be considered finalized, and any requested changes would result in additional services as described in Phase IV.

c. Phase III. Fiscal Impact Analysis of the Proposed and Alternative Projects

Seifel will determine the fiscal impact to the City General Fund and other investigated districts from the proposed and five (5) alternative projects being assessed in the EIR. Seifel will use the calculated cost and revenue factors established in Phase II to determine these impacts. To conduct this fiscal impact analysis Seifel will:

- Utilize the program, phasing and revenue information contained in the EIR or available from the Project Sponsor. Seifel will determine any outstanding program and/or phasing information for alternatives projects in conjunction with City staff and based on market

studies for the hotel and health club commissioned for the Project Sponsor and recent market data.

- Project costs associated with the proposed and alternative projects over a 20-year time horizon, using Task II.2 cost factors and anticipated new development by land use.
- Project revenues associated with the proposed and alternative projects over a 20-year time horizon, using Task II.3 revenue factors and anticipated new development by land use.
- Prepare tables comparing projected revenues and costs to the City and other districts analyzed under the proposed and alternative projects. The net fiscal impact of each development scenario will be presented annually and cumulatively for the 20-year time period in current (2008) dollars.
- Meet with City reviewers (staff and/or City Council subcommittee members) to present and discuss the draft fiscal analysis.

Seifel will prepare a Report summarizing the fiscal impact of the proposed project and alternatives at the close of Phase III or IV, depending on the scope of Phase IV analyses as determined during Phase I.

Work Product: Fiscal Impact Report

At the close of Phase III or IV, Seifel will produce a Report summarizing the high-level findings of the fiscal impact analysis and, as needed, additional analyses performed as part of Phase IV. The Report will include tables comparing projected revenues and costs to the City and other districts analyzed under the proposed and alternative projects, with the net fiscal impact of each development scenario presented annually and cumulatively for the 20-year time period in current (2008) dollars. The Report will also incorporate the final memorandum prepared during Phase II to explain the assumptions, methodology, and calculations underlying the fiscal impact analysis.

Seifel will electronically transmit the draft Report in PDF format. After the City reviews the draft, Seifel will incorporate changes and transmit the final Report in PDF via email and on a CD.

d. Phase IV. Additional Analyses and Services

This scope of services is based on our initial understanding of the project and the fiscal impact analysis desired by the City. Seifel is prepared to provide additional analyses and services, as requested and agreed to. These include the three (3) analyses referred to in the RFP, but may also extend to assistance in crafting agreements regarding public benefits or affordable housing, or additional analyses necessitated by project, policy or staffing changes.

Potential additional analyses and services may include, but are not limited to, the following:

- Assess the potential land use pressures induced by the proposed project, particularly with respect to parcels between the Independence and Constitution sites and the fiscal impact of new development on these in line with the proposed project. If the City desires a quantitative analysis of this potential fiscal impact, Seifel would work with City staff to determine a plausible land use/development program for the parcels and utilize the assumptions and cost factors developed for this study.
- Analyze the indirect impact on housing needs and potential fiscal impact of meeting those housing needs. Using the housing needs analysis being prepared as part of the EIR, Seifel would estimate additional housing demand for single family and multifamily housing and the

potential fiscal impact of this housing. If the City desires a quantitative analysis of this indirect fiscal impact, it would be prepared based on methodologies and assumptions parallel to those outlined in Phases II and III.

- Advise on legal and technical strategies for participating in increasing benefits from the new development, particularly its office component.
- Analyze other economic or fiscal impacts of the proposed and alternative projects, including temporary and ongoing jobs created onsite, indirect sales tax revenues generated, or indirect job creation associated with additional employee or visitor spending.
- Conduct new or additional market assessments of local demand for Office/R&D, Hotel, Retail, Restaurant, or Health Club to establish independent estimates or verification of the Project Sponsor's phasing and revenue assumptions.
- Perform independent analyses of local revenues by land use based on recent data regarding sales tax, business license tax or other local revenue sources.
- Advise on the City's negotiations with the Project Sponsor regarding public benefits and/or affordable housing.
- Prepare for and attend additional meetings other than those outlined in Phases I through III.
- Prepare more than one draft of the Work Products outlined, or redraft documents or analyses after reviewers have approved the final draft.
- Provide other advice and analyses related to the proposed and alternative development projects.

We have provided a cost estimate for the analyses requested in the RFP and would provide other additional services on a time and materials basis, as described under Budget and Fees. If the City requests that Seifel prepare the additional analyses, we will incorporate them into the Report as additional chapters or appendices.

C. Data Needs

The data we anticipate needing to complete this analysis has been detailed in the work program above, given our current understanding of the project and data availability. We have indicated the source of required information as possible. Once the work program and data issues outlined in Phase I have been resolved, Seifel will prepare a detailed data needs request for City staff, outlining precise information needed and the appropriate source of that information (City staff, Project Sponsor, or other Agency/organization).

D. Schedule

The following illustrates our preliminary schedule for the fiscal impact analysis, from the point at which our signed contract is established through the City's review and acceptance of the final Report. This schedule assumes efficient data collection in conjunction with City staff as well as two-week review times for draft work products. Provided that Month 1 is April 2008, we expect to complete the final report by October 2008, with milestones as illustrated in Table 2. This schedule will be refined at the close of Phase I.

Table 2
Preliminary Schedule
City of Menlo Park Fiscal Impact Analysis

	Month						
	1	2	3	4	5	6	7
Phase I: Initial Review, Kick-Off Meeting and Ongoing Consultation and Management							
I.1 Review Initial Data and Information							
I.2 Conduct Kick-Off Meeting and Refine Work Program							
I.3 Provide Ongoing Consultation and Project Management							
Phase II: Cost and Revenue Factors for Fiscal Impact Analysis							
WP Detailed Data and Information Request							
II.1 Collect and Review Detailed Data and Information							
II.2 Develop Cost Factors and Model Components							
II.3 Develop Revenue Factors and Model Components							
WP Draft and Final Memorandum on Assumptions, Cost & Revenue Factors				D	F		
Phase III: Fiscal Impact Analysis							
Assess and Compare Fiscal Impacts							
WP Draft and Final Fiscal Impact Report						D	F
Phase IV: Additional Analyses and Services							
TBD	TBD						
WP Additional Chapters/Appendicies to Fiscal Impact Report	TBD						

Key Project Milestone, Draft (D) or Final (F) Work Product

E. Budget and Fees

Based on our initial understanding of the scope of work, Seifel proposes to perform the Fiscal Impact Analysis for a total “not-to-exceed” amount of \$73,000. This includes the work to perform Phases I-III and expenses estimated at \$2,000. Per the City’s request, we have also itemized the estimated cost of additional analyses and services. Please refer to Table 3 for estimated person hours and hourly billing rates by anticipated project staff. Firm President, Libby Seifel, will be responsible for strategic advice and project oversight, and Managing Consultant, Jessica Zenk, will manage the overall work effort. The project will be staffed with professional (Consultant/Analyst/Research Analyst) and administrative (Support) staff.

Table 3
Preliminary Budget
City of Menlo Park Fiscal Impact Analysis

	Budget*	Personnel Hours and Rates*			
		President	Project Manager	Analyst	Support
		\$250	\$175	\$115	\$75
Phase I: Initial Review, Kick-Off Meeting and Ongoing Consultation and Management					
I.1 Review Initial Data and Information	\$3,000	2	4	16	0
I.2 Conduct Kick-Off Meeting and Refine Work Program	\$5,000	4	16	8	4
I.3 Provide Ongoing Consultation and Project Management	\$5,000	4	20	4	0
<i>Phase I Subtotal</i>	<i>\$13,000</i>	<i>10</i>	<i>40</i>	<i>28</i>	<i>4</i>
Phase II: Cost and Revenue Factors for Fiscal Impact Analysis					
WP Detailed Data and Information Request	\$2,500	1	4	12	2
II.1 Collect and Review Detailed Data and Information	\$5,000	2	8	24	4
II.2 Develop Cost Factors and Model Components	\$10,000	8	20	40	0
II.3 Develop Revenue Factors and Model Components	\$10,000	8	20	40	0
WP Draft and Final Memorandum on Assumptions, Cost & Revenue Factors	\$8,000	4	16	32	6
<i>Phase II Subtotal</i>	<i>\$35,500</i>	<i>22</i>	<i>68</i>	<i>148</i>	<i>12</i>
Phase III: Fiscal Impact Analysis					
Assess and Compare Fiscal Impacts	\$10,000	8	20	40	0
WP Draft and Final Fiscal Impact Report	\$12,500	8	25	48	8
<i>Phase III Subtotal</i>	<i>\$22,500</i>	<i>15.5</i>	<i>45</i>	<i>88</i>	<i>8</i>
Total: Phases I-III	\$71,000	48	153	264	24
<i>Estimated Expenses**</i>	<i>\$2,000</i>				
Phase IV: Additional Analyses and Services					
Land Use Pressures and Fiscal Impact of Additional Development***	\$13,000	10	24	48	10
Indirect Fiscal Impact of Meeting Housing Needs***	\$10,000	6	20	40	8
Revenue Sharing Strategies and Techniques***	\$6,000	6	12	20	4
Fiscal Impact Analysis for Additional Districts*	TBD	TBD			
Contingency for Additional Services (15% of Phase I-III Budget)	\$10,700	TBD			

*Hours and budgetary needs reflect Fiscal Impact Analysis for the City of Menlo Park General Fund. Time and budget to analyze any additional district impacts will depend on the type of district and available data, as discussed as part of Task I.2. Rates are for anticipated project staff. Please refer to Appendix B for full rate information by position.

**Expenses will be billed on a direct reimbursable basis. Please refer to Appendix B for detailed expense/materials information.

***Preliminary estimate based on current understanding of quantitative analysis desired.

III. Key Personnel

Jessica Zenk, Managing Consultant, will manage this project with strategic advice from firm president, Libby Seifel. Our project team will also include other professional staff members; selected once the scope is determined based on project needs and their expertise.

Elizabeth (Libby) Seifel, President

Elizabeth (Libby) Seifel, President of Seifel Consulting, is a certified planner who has been applying the principles of real estate economics and planning to property development and urban revitalization efforts for more than 25 years. Since founding her firm in 1990, Ms. Seifel has managed more than 500 consulting assignments. She has advised private developers, investors and governments in the western and southern United States on projects ranging in size from small infill housing developments to large master planned communities such as San Francisco's Mission Bay. She has consulted on more than 100 redevelopment project areas in California and guided the development of thousands of market-rate and affordable housing units. She has also performed economic and fiscal impact analyses and recommended public financing strategies for numerous revitalization efforts. She has also served as an expert witness on cases involving redevelopment, public finance, housing, and real estate.

Ms. Seifel is an instructor at U.C. Berkeley Extension teaching courses on redevelopment, affordable housing and public/private partnerships. She is a frequent speaker at professional conferences, having presented to the American Planning Association, Florida's Broward Alliance, the California Association of Local Economic Development, the California Redevelopment Association, Housing California, the League of California Cities, the MIT Alumni Association, and the Urban Land Institute.

Ms. Seifel writes on real estate, redevelopment and affordable housing subjects. She is the editor of the California Affordable Housing Handbook and principal author of the Community Guide to Redevelopment published by the California Redevelopment Association. She has also written extensively on mixed income housing, contributing to publications by Solano Press and Urban Land.

Ms. Seifel previously managed the Bay Area consulting practice of Williams-Kuebelbeck & Associates, a real estate economic and management consulting firm. Ms. Seifel was the founding executive director of a nonprofit development corporation that built 270 units of mixed income housing in downtown Boston. She staffed President Carter's Task Force on Housing Costs and evaluated regulatory revisions to federal Indian housing programs while an urban intern with the U.S. Department of Housing and Urban Development in Washington, D.C.

Ms. Seifel has a Master of City Planning and a Bachelor of Science in Urban Studies and Planning from the Massachusetts Institute of Technology. She is certified with the American Institute of Certified Planners and an elected member of Lambda Alpha International, the honorary society for the advancement of land economics.

Jessica Zenk, Managing Consultant

Jessica Zenk is a planner with a background in urban and regional economic development. She brings professional expertise in fiscal analysis, redevelopment, community planning, affordable housing, and the arts and urban development. She has managed numerous projects with relevance for the current study, including a detailed analysis of public revenues generated by the mixed use Grand Avenue project in Downtown Los Angeles for the Community Redevelopment Agency of Los Angeles (CRA/LA) and public benefits, affordable housing and financial analyses for San Francisco's planned rezoning of the Eastern Neighborhoods.

Prior to joining Seifel, Ms. Zenk engaged in redevelopment, affordable housing and development efforts for various public and nonprofit entities. These include the City of Oakland Community and Economic Development Agency, Redevelopment Division; the Emergency Housing Consortium, a homeless services and affordable housing provider in Santa Clara County; the Housing Authority of the County of Santa Clara, Development Division; and the San Jose Redevelopment Agency, Downtown Management Division. While in graduate school, Jessica served as a student instructor in the University's Urban Studies program and authored and consulted on reports written with the City of San Jose Office of Economic Development and Cultural Initiatives Silicon Valley.

Ms. Zenk has a Master of City and Regional Planning from the University of California, Berkeley, and a Bachelor of Arts in Economics and Political Science from Brown University.

Other Professional Staff

Seifel anticipates using additional professional staff on this project, but the specific team members will depend upon the final scope of work. Other staff members that may be added to the project team include: Marie Munson, Kohki Shiga, Abbie Conlee, Jackie Tsou, Helen Oliver, Evan Sarna, Pedro Peterson, Helen Lee, and Rachel Bassini.

Their resumes are available within the Appendix of this submittal.

Availability

Seifel Consulting Inc. proposed key personnel are available to begin work on this project upon contract award. If for any reason key personnel has to be reassigned, Seifel Consulting would request written approval from the City. In addition, our professional staff does not have any past or present conflicts of interest that would prohibit us from performing all work outlined by the City of Menlo Park.

IV. Project List

Fiscal and economic analyses help our public clients to understand the consequences of alternative policy actions, particularly the cost of proposed development versus its long-term benefits to the community.

Our fiscal analysis models the economic consequences of proposed development on public budgets. Interviews are performed with affected departments and agencies to augment historical budget performance data as key input to the fiscal model. A computer model is prepared to evaluate potential municipal revenues in comparison with anticipated operating expenses and capital costs from the build out of proposed development(s). Sensitivity analysis highlights the key factors in fiscal health.

We also review the adequacy of fiscal impact analyses as part of environmental impact and fiscal burden and detriment reports. Our economic impact assessments examine the economic effects on local and regional governments and an area's economy by estimating impacts on property value, retail sales, and employment.

Impact fee analysis determines the appropriate share of public facilities that new development should help fund, recognizing that impact fees cannot pay for existing deficiencies. We perform calculations of public facility impact fees for both comprehensive and annual updates of these fees.

Client attorneys use our research and economic analyses to inform their decisions on the necessity and feasibility of litigation. In the event that clients must respond to legal challenges, we work with their counsel to devise the best response. We have served as economic advisors and expert witnesses on complex legal challenges.

Representative Projects

We have analyzed the fiscal and economic impacts of proposed projects, and helped communities and developers implement strategies for public improvements. Over 50 such analyses have been performed since 1990. We have provided full descriptions and background for the following five (5) projects:

Santa Clara Coyote Valley Fiscal Impact, County of Santa Clara, CA

Seifel Consulting assessed the potential fiscal impact to the County of Santa Clara of the proposed Coyote Valley Specific Plan. The Coyote Valley Specific Plan would guide development within a 6,800 acre area in the Coyote Valley south of San Jose. The City of San Jose intends to annex the Coyote Valley Specific Plan area, and all new development would occur within the City's boundaries. The proposed development consists of approximately 26,500 new residential units, 1.6 million square feet of retail, and 15.7 million square feet of new workspace, built out over 30 to 60 years. The plan is expected to bring approximately 71,600 new residents and 56,300 new employees to the area.

Seifel reviewed County financial documents and conducted interviews with County staff to create budget factors for estimating the relationship between new residents/employees and anticipated expenditures and revenues. Seifel considered the marginal costs attributable to new users as compared to the fixed portions of departments' budgets. Seifel also estimated new revenues to be

generated through property taxes, sales taxes and other fees. Seifel used these factors to determine the net fiscal impact to County General Fund departments such as the Sheriff, Corrections, Public Health, the County Assessor, and general administration. Seifel also assessed the impact to non-General Fund departments such as the public hospital, parks and recreation, roads, and the county library.

San Francisco Eastern Neighborhoods, San Francisco, CA

The City's Planning Department is evaluating the potential re-zoning of land within the Eastern Neighborhoods and Central Waterfront areas, as well as other areas of the City. The rezoning could create the potential for thousands of new residential units citywide, many in areas where existing community facilities and infrastructure are inadequate to meet the needs of these future residents. Seifel Consulting is performing a broad variety of economic and real estate consulting services to assess how best to accomplish the City's objectives through the rezoning process while maintaining the financial viability of future development sites.

Seifel Consulting is currently conducting a nexus study to establish development impact fees that could be implemented as a funding mechanism to help the City provide needed neighborhoods facilities and services. The nexus study process has involved working closely with the Department on growth projections and development assumptions as well as working with various City agencies and departments to understand projects needed to serve new development and associated costs of those projects.

Prior to undertaking the nexus study, Seifel provided the Planning Department with a variety of tools for the community benefit and public approval process. Seifel began by conducting a baseline conditions and needs assessment for community facilities and services, parks and open space, and neighborhood serving retail within the neighborhoods. Seifel then identified and described methods to help the City provide needed neighborhood facilities and services. These include a variety of financing mechanisms and development/zoning controls, such as property owner participation in assessment and/or Mello-Roos community facility districts, district based development impact fees, land use incentives or zoning modifications in exchange for provision of specific facilities or contribution into a fund, and improvements required to be installed by developers of certain size/scale development. Seifel summarized these methods in a matrix that identified the key considerations in evaluating and utilizing each potential method. Community meetings to receive input on the baseline conditions and needs assessment were conducted. In addition to the nexus study, Seifel is currently assessing how best to implement the program, including economic analysis of the alternatives' effects on the financial feasibility of potential new development.

Seifel is also working with the Mayor's Office of Housing (MOH) and the Planning Department on a related analysis, investigating the value created by proposed regulatory changes in the Eastern Neighborhoods and the Market-Octavia Plan Area. Seifel has created and refined models to compare the value of land under current and proposed regulations using a parcel database of potential rezoning alternatives, taking into account varying development costs and market values depending upon building type, development controls (FAR, density, height and bulk restrictions, PDR and other ground floor requirements, parking scenarios), and government fees. In close collaboration with the Department and MOH, Seifel continues to tailor these models to the Eastern Neighborhoods and the Market-Octavia Plan Area and advise the City on potential

mechanisms for leveraging the value created by new development to help fund needed public amenity and infrastructure improvements, as well as create more affordable housing.

The initial work was performed as a subcontractor to Environmental Science Associates (ESA).

Grand Avenue Real Estate and Financial Advisory Services, Community Redevelopment Agency of the City of Los Angeles, Los Angeles, CA

Seifel Consulting has been selected as a qualified firm to provide fiscal and financial consulting services to the Community Redevelopment Agency/Los Angeles (CRA/LA), on an as needed basis. From 2006 to 2007, Seifel advised the CRA/LA on the Grand Avenue Project, an ambitious revitalization project with a variety of public, private, non-profit and community stakeholders. Seifel provided CRA/LA with real estate and financial advisory services on this complex project, particularly as relates to the Agency's participation in it. Seifel performed pro forma analysis and due diligence on the proposed development consisting of hotel, retail, residential condominiums and apartment, and structural parking, as well as, other supporting uses, documenting findings and concerns for the Agency. Seifel analyzed appropriate public financial participation and recommended funding strategies for the project's public infrastructure and parking facility.

Seifel also conducted a public revenues analysis, estimating the potential revenue to the City of Los Angeles generated by the retail, hotel and residential components of the Grand Avenue project (Phase I). Seifel projected revenues accruing to the City's General Fund from sales tax, business tax, utility tax, real property transfer tax, and residential development tax, and presented findings to key City and Agency stakeholders. The City and Agency used this analysis to evaluate their financial participation in the project.

Richmond Ford Peninsula Economic and Fiscal Analysis, Richmond, CA

Seifel Consulting prepared an economic analysis of potential new development in the Richmond Ford Peninsula. Seifel projected a full build-out scenario for the area by examining existing land use designations per the General Plan and Knox-Cutting Specific Plan and projected build out over a ten year period. Based on this build-out scenario, Seifel projected potential revenues to the City and Redevelopment Agency over the next twenty years, through the time limit for tax increment receipt in the 11-A Harbour Plan. Seifel also estimated the number of permanent jobs to be generated.

SFRA Hunters Point Shipyard Fiscal and Economic Impact Analysis, San Francisco, CA

The Hunters Point Shipyard is a closed Navy facility located on the southeast San Francisco waterfront. A Superfund site, the Shipyard encompasses 500 acres, of which approximately 40 percent of the existing buildings are currently used for general industrial activities, including shipyard repair and artists studios. Fully built out, the Shipyard will be a mixed use development, which will include up to 1,800 residential units, 1.5 million sq ft of R&D or industrial uses, and 1.2 million sq ft of commercial, cultural and educational uses. The Shipyard is anticipated to provide up to 8,300 jobs.

Seifel Consulting analyzed the potential fiscal and economic impacts from the Phase 1 development program outlined in the Conceptual Framework/Term Sheet and the Disposition and Development Agreement (DDA). Fiscal revenues and costs were projected for the City and County of San Francisco General Fund (General Fund), the Municipal Railway (MUNI) and the San Francisco Unified School District (SFUSD). Seifel also prepared detailed tax increment

projections for the Redevelopment Agency, including forecasts of pass-through payments to the affected taxing entities that were incorporated into the fiscal analysis. In addition, Seifel projected the potential economic benefits, to the City, resulting from new construction related jobs, wages and economic activity.

Seifel also provided real estate advisory services for the Hunter's Point Shipyard Primary Developer Negotiations. For the affordable housing component, we advised the Agency and City staff on how to manage financial and other risks related to proposed land transactions and ongoing property management. We also analyzed the feasibility of the Developer's financing strategies. Finally, we performed peer review on the developer's preliminary fiscal impact analysis as described in the developer solicitation.

North Livermore Economic and Fiscal Advisory Services, Livermore, CA

Seifel Consulting advised the City of Livermore and the County of Alameda in preparing the Specific Plan for North Livermore. Seifel advised on the fiscal and financing, open space and affordable housing components of the North Livermore Specific Plan. Seifel prepared economic and fiscal analyses of various components to assist the City, County and developers in refining the plans. On the fiscal component, Seifel conducted a due diligence analysis on the Fiscal Impact Analysis and Public Facilities Financing Program prepared by David Taussig Associates (DTA). Seifel prepared a fiscal model that independently analyzed the fiscal impacts. Seifel used this model to evaluate DTA's analysis of the fiscal impacts on the County and City under three alternative jurisdictional models. Seifel also evaluated alternative financing approaches and recommended the best mechanisms to pay for public facilities. Seifel reviewed projections to determine how and where cost savings could be achieved and recommended optimal approaches to the analysis.

Seifel prepared projections of potential open space fee revenue generation and recommended alternative ways for the open space objectives to be achieved. Seifel also prepared a residual land value analysis to provide the developers and public agencies with a way of understanding the fundamental economics for the residential components of the North Livermore development. We identified various methods for achieving housing affordability in North Livermore and projecting anticipated costs. We prepared affordability gap analyses for various prototypical owner and renter product types, for very low, low and moderate-income households and prepared a recommended affordable housing program for the Draft North Livermore Specific Plan.

Other Relevant Assignments

- Alameda Naval Air Station Fiscal Analysis—City of Alameda
- CAPSS II Earthquake Economic Impact Analysis—City of San Francisco
- County Fiscal Agreement Amendment—Alameda County and Union City
- Fair Payment and Growth Management Economic Impact Analyses—Napa County
- Fiscal Analysis of Del Norte Area Developments—City of El Cerrito
- Fountainville Fiscal Impact Analysis—Sutter County
- Fremont Building Fee Analysis—City of Fremont
- Fremont Impact Fee Updates, 1994-2008—City of Fremont
- Gateway/101 Corridor Fiscal Analysis—City of East Palo Alto
- Montanera Development Economic Impact Analysis—City of Orinda

- Pasadena Ambassador Campus Cost Benefit Analysis—Legacy Partners
- Pier 40 Reuse and Cal Boating Funding Strategy—San Francisco RDA
- Property Claims Initiative Economic Impact Analysis—Nevada County
- Russian River Fiscal Impact Analysis—Sonoma County
- Tuscany Hills Fiscal Impact Assessment—City of Henderson, Nevada

V. References

Santa Clara Coyote Valley Fiscal Impact

Sylvia Gallegos

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San Francisco Eastern Neighborhoods

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VI. Disclosure Statement

Seifel Consulting Inc., nor any of our professional staff, has not previously performed work for any project sponsor or any of its consulting team, specifically, Brion & Associates, Community Design + Architecture, EnviroTrans Solutions, Inc., Steefel, Levitt & Weiss, Luce Forward (or Timoth Tosta or Jennifer Renk or Joe Ferrucci).

VII. Appendix A: Other Professional Staff

Marie Munson, Senior Managing Consultant

Marie Munson is a Senior Managing Consultant providing advisory services on a wide variety of assignments including redevelopment feasibility studies, redevelopment plan adoptions and amendments, implementation plans, and affordable housing studies. Ms. Munson brings an academic and professional background in local government, urban planning and studies, communications, and project management.

Ms. Munson has extensive experience in the redevelopment process. She has prepared major documents for redevelopment plan adoptions, amendments and mergers including Feasibility Reports, Preliminary Reports, Reports to Legislative Bodies, and Implementation Plans. She has advised on proposed redevelopment project areas, analyzing economic and physical blight and the financial feasibility and fiscal impacts of redevelopment. She has reviewed blight analyses and analyzed the adequacy of proposed redevelopment projects as they relate to statutory and other legal criteria. In addition to redevelopment services, Ms. Munson has performed assignments including grant writing, housing needs assessments and strategic plans.

Ms. Munson's academic and professional background is in communications, urban studies and local government. She has extensive experience with local governments, providing them with advocacy, policy development and analysis, information, and research services. Prior to joining the firm, Ms. Munson worked for two state municipal leagues, providing advocacy, policy development, legislative analysis, research, and affiliate group services to mayors, city managers, selectmen, city councilors, and department heads. She staffed policy and legislative committees on economic development, labor relations, health care, and electric industry restructuring.

Marie Munson has a Bachelor of Arts in Urban Studies from the University of Connecticut.

Kohki Shiga, Senior Managing Consultant

Kohki Shiga is a Senior Managing Consultant providing advisory services on a wide variety of assignments related to real estate, urban economics, housing, and redevelopment. Mr. Shiga's professional expertise includes real estate economics, financial feasibility analysis, economic development strategy, fiscal and economic impact analysis, cost benefit analysis, due diligence, and land use advisory services. Mr. Shiga brings more than 17 years of professional experience in real estate finance, transportation, financial and business consulting, and project management.

Mr. Shiga has evaluated numerous real estate projects, performing a variety of financial and economic analyses including pro forma cash flow projections and market analyses. He has also provided redevelopment consulting services including tax increment projections, pass-through calculations, housing development financing strategies, and economic/physical blight analyses. Mr. Shiga has analyzed economic development projects and their feasibility for clients in both the public and private sectors.

Prior to working at Seifel, Mr. Shiga worked as an independent consultant, providing economic and financial consulting to private business and government. He has prepared corporate site evaluation analysis, cost benefit analysis and joint public/private financing strategies. He has completed market research and neighborhood/regional impact analysis for various projects including a high-speed railway project in Japan. He has advised on transportation demand

management (TDM) projects in Japan, preparing strategies to promote TDM programs for local governments and assisting the Japanese central government in producing public participation guidelines for transportation planning. He has analyzed market trends and developed market strategies with business consulting firms for a variety of industries.

Mr. Shiga has a Master of City Planning from the University of Pennsylvania (Philadelphia, PA), a Certificate in History and Philosophy of Science and Technology from the Research Center of Advanced Science & Technology at the University of Tokyo (Tokyo, JAPAN), and a Bachelor of Arts in Physics and History and Philosophy of Science from International Christian University (Tokyo, JAPAN). He was awarded the Lewis Mumford Scholarship based on his outstanding professional experience.

Abbie Conlee, Senior Consultant

Abbie Conlee brings a diverse background in public affairs, housing, the arts, and finance to Seifel. Ms. Conlee manages and advises on projects including redevelopment plan amendments, implementation plans, impact fee programs, housing studies, retail market analyses, and economic development strategies. Since joining the firm, Ms. Conlee has managed housing, redevelopment, and economic projects for clients throughout California.

Prior to joining Seifel, Ms. Conlee worked on a variety of public and nonprofit projects. As a consultant to the City of Redwood City, she managed the development of a citywide Master Fee Schedule after researching development impact fees. For the new Museum of the African Diaspora in San Francisco, Ms. Conlee served as the Capital Campaign Associate Director. As a Coro Fellow in Public Affairs, a nine-month experiential education graduate-level program, Ms. Conlee worked on projects ranging from designing a grants management database for the Port of San Francisco to investment analysis for Merritt Community Capital, an affordable housing tax credit syndicator. She also worked with the San Francisco Firefighters Union Local 798, the No on Proposition 72 campaign and the San Francisco Arts Commission.

Ms. Conlee has a Bachelor of Business Administration, magna cum laude, in Finance from Texas A&M University.

Jackie Tsou, Consultant

Jackie Tsou is a planner with a background in community development, economic development, land use planning, and affordable housing. Since joining Seifel, Ms. Tsou has conducted impact fee nexus studies for Bay Area cities, fiscal impact analyses, and market and demographic studies for affordable housing strategy development. Her redevelopment experience includes tax increment modeling and projections, implementation plan adoptions, and redevelopment plan adoptions and amendments that involve economic and physical blight research and documentation.

Prior to joining Seifel, Ms. Tsou was a US Department of Housing and Urban Development Community Department Fellow. Ms. Tsou worked on a number of community planning and policy projects with Bay Area non-profit organizations and local government agencies, including Urban Ecology and Urban Habitat, the City of Richmond Community Redevelopment Agency and the Richmond Planning Department. With Urban Ecology, Ms. Tsou led community planning efforts in the San Antonio District of Oakland, CA. Ms. Tsou researched the social implications of green economic development policy while at Urban Habitat. With the Community

Redevelopment and Planning Departments in Richmond, Ms. Tsou provided technical assistance on a variety of redevelopment projects and policy documents.

Ms. Tsou has a Master in City and Regional Planning from the University of California, Berkeley, and a Bachelors of Science, cum laude, in Natural Resources, from Cornell University.

Helen Oliver, Consultant

Helen Oliver brings to Seifel Consulting a diverse background in economic and policy analysis in the fields of redevelopment, housing, childcare, and international development. At Seifel, Ms. Oliver focuses on real estate and financial analysis, affordable housing strategies and compliance, and redevelopment planning and plan adoptions. She has conducted financial due diligence and analysis on affordable housing projects, mixed use developments, and acquisition and rehabilitation loans throughout California. She has performed economic feasibility analysis for community benefits programs and has analyzed the economics of affordable housing within large-scale master plans. In the field of redevelopment, Ms. Oliver's expertise centers around tax increment projections, existing conditions analysis, and housing fund expenditure compliance.

Prior to joining Seifel, Ms. Oliver worked with a number of public and nonprofit agencies on projects related to public policy and urban development. At the City of Emeryville Redevelopment Agency, she provided technical assistance on redevelopment projects, helped promote the City's homebuyer programs and managed the selection of several public art installations. As an intern with Oakland Community Housing, Inc. she assisted with all aspects of the development process for affordable housing. She also completed short-term consulting projects for the World Bank in Lima, Peru, the Alameda County Housing Authority and the City of El Cerrito, where she and her colleagues advised staff on redevelopment strategies for a commercial corridor.

Ms. Oliver has a Master of Public Policy from the University of California, Berkeley, and a Bachelor of Arts in Economics from Swarthmore College.

Evan Sarna, Analyst

Evan Sarna is a planner with a background in affordable housing, community development, and urban and regional economic development. Mr. Sarna advises on projects including redevelopment plan amendments, implementation plans, economic development analyses, and affordable housing programs.

Prior to joining Seifel, Mr. Sarna worked for a variety of public and nonprofit projects. As a Project Manager with the Tenderloin Neighborhood Development Corporation, he led development activities for two affordable housing projects for seniors and formerly homeless residents in San Francisco. While a researcher with the East Bay Alliance for a Sustainable Economy, Mr. Sarna contributed to reports detailing economic and community development issues in Oakland and other cities in the region. As a Center for Community Innovation Fellow at U.C. Berkeley, Mr. Sarna worked extensively on a report analyzing industrial, occupational and socioeconomic indicators in Richmond. Mr. Sarna also worked with the City of Berkeley Housing Department on affordable housing and homeless policy.

Mr. Sarna has a Master of City Planning from the University of California, Berkeley, and a Bachelor of Arts in American Studies and Art from the University of California, Santa Cruz.

Pedro Peterson, Analyst

Pedro Peterson is a planner with a background in regional economic development, participatory planning, urban sustainability, and housing markets. Mr. Peterson advises on projects including redevelopment plan amendments, economic development analyses and impact fee assessments.

Prior to joining Seifel, Mr. Peterson worked in projects for the public and nonprofit sectors, as well as academia. As a Summer Program Associate at ICLEI–Local Governments for Sustainability, Mr. Peterson researched the impact of land use policies adopted by local governments on greenhouse gas emissions. As a Graduate Student Researcher with the Institute of Urban and Regional Development at U.C. Berkeley, Mr. Peterson researched urban land and housing markets in Brazilian cities and the effects of land regularization schemes on housing informality. He also participated in an economic development workshop that developed the Strategic Plan for Sustainable Tourism Development in Krabi Province, Thailand. In addition, he worked on the San Francisco Economic Development Strategy developed by ICF International in collaboration with Seifel Consulting and other team members.

Mr. Peterson has a Master of City Planning and a Master of Arts in International and Area Studies from the University of California, Berkeley, and a Bachelor of Arts in Political Science from Emory University.

Helen Lee, Analyst

Helen Lee is a planner with a background in affordable housing, site planning, land use policy and planning, the arts, and urban development. Ms. Lee advises on projects related to redevelopment plan adoption, implementation and amendment; economic development analyses and affordable housing programs.

Prior to joining Seifel, Ms. Lee prepared feasibility analyses and funding proposals for development projects of various sizes at two nonprofit affordable housing development corporations in Cambridge and Boston. As a planner for the City of Lowell, Ms. Lee led various neighborhood and citywide planning efforts such as the Lowell Open Space Plan. She also contributed to the comprehensive revision of the City’s zoning ordinance and map and assisted the Lowell Planning Board. At the Federal Reserve Bank of Boston, Ms. Lee contributed to monetary policy by analyzing regional economic data as well as financial data provided by major banks in New England.

Ms. Lee has a Master of City Planning and a Bachelor of Science in Economics from the Massachusetts Institute of Technology.

Rachel Bassini, Research Analyst

Rachel Bassini brings a diverse background of real estate development, finance, investment, and consulting, affordable housing, and infill redevelopment to Seifel. Ms. Bassini advises on projects related to redevelopment financing and planning, affordable housing program implementation and financing, and economic development analyses.

Prior to joining Seifel, Ms. Bassini worked on a variety of developments and redevelopments in America and Latin America, many involving public/private partnerships and urban infill mixed-use projects. As a development analyst and consultant in New York City, she structured the financing for the redevelopment of a 250 acre Urban Renewal Area in the town of Avon, Colorado, helped developed proposals for large publicly-owned land in low-income

neighborhoods of Manhattan, and represented the developer to create a master plan with a team of urban planners and designers for a village in Sussex County, New Jersey. Working on the internal consulting team of Argentina's largest and most diversified real estate development company, IRSA, she analyzed surrounding Latin American urban economies to advise the company how and where to invest and develop in the region. There she also worked with local industries and banks to create and provide credit to the low-middle income first-time homebuyers of the company's residential development in the Buenos Aires' burgeoning industrial suburbs. Involvement in the community and investigation into pressing regional issues motivated her participation in educational and housing programs in various cities' impoverished neighborhoods and efforts to leverage new national sustainable energy development incentive programs to develop bio-diesel at the company's vast agricultural land holdings.

Ms. Bassini has a Bachelor of Science in Economics from the Wharton School at the University of Pennsylvania.

VIII. Appendix B: 2008 Billing Rates

Seifel Consulting Inc. bills on a time and materials basis, using the following rates for 2008. Billing rates are subject to annual revision.

2008 Hourly Rates (Time)

President	\$275
Senior Managing Consultant	\$200
Managing Consultant	\$180
Senior Consultant	\$150
Consultant	\$125
Analyst	\$115
Research Analyst	\$105
Technical Staff	\$105
Administrative Support	\$80

Testimony as expert witness at court trials, administrative hearings, and depositions will be billed at 200 percent of the above rates. Expedited work at client's request will be billed at 150% time (Rush Fee).

Expenses (Materials)

Seifel Consulting Inc. bills expenses as follows:

- In order to lessen time-consuming paperwork and processing costs, a 2% overhead charge will be added to each invoice to cover a portion of reimbursable expenses, including phone charges, in-house photocopying/printing, delivery charges and miscellaneous other charges under \$25. Other costs as itemized below, which differ significantly by client, will continue to be billed separately.
- Photocopying/report reproduction charges with a combined total exceeding \$25 per month will be billed at 10 cents per black & white single-sided letter page (20 cents for a ledger-sized page) and one dollar per color single-sided letter page (two dollars for a ledger-sized page), except for bulk reproduction of reports, which is charged on a direct reimbursable basis.
- Delivery service charges above \$25 per month will be billed at cost.
- Travel costs will be billed on a direct reimbursable basis. Automobile mileage charges will be billed based on the Internal Revenue Service Optional Standard Mileage Rate. Other travel and per diem expenses, including airfare, automobile rental and hotel (if necessary) are charged at actual cost.
- Interest on all outstanding invoices that are past 30 days will be calculated based on a 10% yearly rate or a daily rate of .0274%.

Subcontractor Management

Upon client approval, where Seifel Consulting Inc. is managing subcontractor(s), a contract administrative charge of 10 percent will be applied to all subcontractor invoices.