



COUNTY OF PLACER
Community Development Resource Agency

John Marin, Agency Director

PLANNING

Michael J. Johnson
Planning Director

MEMORANDUM

TO: Honorable Board of Supervisors

FROM: Michael J. Johnson, Director
Planning Department, Community Development Resource Agency

DATE: August 7, 2007

SUBJECT: HAUSRATH ECONOMICS GROUP – First Contract Amendment

ACTION REQUESTED:

The Planning Department requests the Board of Supervisors authorize the County Executive Officer to execute a contract amendment with Hausrath Economics Group for additional funding in the amount of \$30,000 and a total contract amount not to exceed \$77,713.

BACKGROUND:

Hausrath Economics Group has been assisting Placer County with fiscal analysis associated with this project in western Placer County. The funds for the initial contract (\$47,713) are exhausted; the first amendment (\$30,000) is for additional tasks related to the Placer Ranch project.

These funds are to be used to assist the Planning Department to expedite project review for the Placer Ranch project relating to the Placer Ranch's Urban Services Plan to ensure consistency and the integration of the fiscal impact analysis with that plan as needed, to expand the analysis to identify fiscal impacts for both the University and for the Community and to analyze one or two additional alternatives, as needed.

FISCAL IMPACT:

The cost for these additional services is \$30,000 for a total contract cost of \$77,713. The funds for this amendment are included in the Planning Department's current 2007/2008 Consulting Services budget allocation, although not specifically earmarked for this project. The fiscal impact is none since the expenditures will be fully reimbursed by the project applicant.

Attached: Exhibit A: Hausrath Economics Group Contract Dated May 16, 2006
Exhibit B: Proposed First Amendment

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**DESCRIPTION: CONTRACT FOR PLANNING SERVICES-
PROFESSIONAL CONSULTANT SERVICES TO PROVIDE ECONOMIC ANALYSES
RELATED TO LAND USE ISSUES IN PLACER COUNTY AS THEY RELATE TO THE
PLACER RANCH PROJECT**

THIS AGREEMENT, entered into this 16th day of May 2006, by and between the COUNTY OF PLACER (hereinafter called the "COUNTY"), and Hausrath Economics Group, (hereinafter called the "CONSULTANT").

In consideration of the promises and covenants hereinafter set forth, the parties agree as follows

1. Consulting Services

- a. CONSULTANT agrees, during the term of this Agreement, to perform the services set forth below and in Exhibit A - Scope of Services.
- b. CONSULTANT shall be obligated to devote as much of its attention, skill, and effort as may be reasonably required to perform the services described herein in a professional and timely manner

2. Duties of County

To permit CONSULTANT to render the services required hereunder, COUNTY shall, at its expense and in a timely manner:

- a. Appoint a staff member to act as coordinator between the COUNTY and the CONSULTANT;
- b. Provide the CONSULTANT with all existing relevant information for the subject project;
- c. Promptly review any and all documents and materials submitted to COUNTY by CONSULTANT;
- d. Promptly notify CONSULTANT of any fault or defect in the PROJECT in any way relating to the performance of CONSULTANT'S services hereunder; and

3. Personnel

All services required hereunder shall be performed by the CONSULTANT.

4. Payment

The COUNTY agrees to pay to CONSULTANT \$47,713.00, as the sole compensation under this contract for the scope of work as described in Attachment A. Payment shall be made monthly based on time and materials charges according to the fee schedule set forth in Exhibit A attached hereto and incorporated herein by reference.

- a. The cost of additional services as may be requested by the parties hereto shall be mutually agreed upon in writing prior to commencement of such additional work
- b. COUNTY retains the right to require proof of services performed or costs incurred prior to any payment under this Agreement.

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- c. The COUNTY retains the right to require the submittal by the CONSULTANT of all background research materials generated by the CONSULTANT in the preparation of any report prepared pursuant to this contract.
- d. Payment shall only be made for work or attendance at meetings specifically authorized by the COUNTY.
- e. CONSULTANT shall have the right to stop work at any time during the project should COUNTY fail to pay CONSULTANT within thirty (30) days of receipt of an invoice.

5. Termination

This agreement may be terminated by CONSULTANT for cause upon serving thirty (30) day advance notice or by COUNTY for or without cause upon serving ten (10) days advance notice in writing to the other party. Such notice shall be personally served or given by United States Mail. In the event of termination by COUNTY without cause, CONSULTANT shall be paid for all work performed to the date of termination. In the event of termination by CONSULTANT without due cause, CONSULTANT shall be paid for all work performed to the date of termination, less any estimated increase in cost for completion of the work occasioned by such early termination by CONSULTANT, but in no event less than zero.

6. Uncontrollable Delay

All agreements on CONSULTANT'S part are contingent upon and subject to the provision that CONSULTANT shall not be responsible for damages or be in default by reason of delays in performance by reason of strikes, lockouts, accidents, acts of God, and any other delays unavoidable or beyond CONSULTANT'S reasonable control. In the event of any such cause of delay, the time of completion shall be extended accordingly.

7. Ownership of Documents

CONSULTANT agrees to return to the COUNTY, upon termination of this Agreement, all documents, drawings, photographs, and other written or graphic material, however produced, received from COUNTY and used by CONSULTANT in the performance of its services hereunder. All work papers, drawings, internal memoranda, graphics, photographs, and any written or graphic material, however produced, prepared by CONSULTANT in connection with its performance of services hereunder shall be, and shall remain after termination of this Agreement, the property of the COUNTY and may be used by the COUNTY for any purpose whatsoever. COUNTY agrees to absolve CONSULTANT of any liability resulting from such future use.

8. Representations

CONSULTANT represents that services will be performed with the usual thoroughness and competence of the profession; in accordance with the standard for professional services at the time those services are rendered.

9. Hold Harmless and Indemnification Agreement

The CONSULTANT hereby agrees to protect, defend, indemnify, and hold PLACER COUNTY free and harmless from any and all losses, claims, liens, demands, and causes of action of every kind and character including, but not limited to, the amounts of judgments, penalties, interest, court costs, legal fees, and all other expenses incurred by PLACER COUNTY arising in favor of any party, including claims, liens, debts, personal injuries, death, or damages to property (including employees or property of the COUNTY) and without limitation by enumeration, all other claims or demands, to the extent caused by CONSULTANT'S negligent acts, errors, or omissions or willful misconduct. CONSULTANT

agrees to investigate, handle, respond to, provide defense for, and defend any such claims, demand, or suit at the expense of the CONSULTANT to the extent caused by CONSULTANT'S negligent acts, errors, omissions or willful misconduct. This provision is not intended to create any cause of action in favor of any third party against CONSULTANT or the COUNTY to enlarge in any way the CONSULTANT'S liability but is intended solely to provide for indemnification of PLACER COUNTY from liability for damages or injuries to third persons or property to the extent arising from CONSULTANT'S negligent performance or willful misconduct pursuant to this contract or agreement.

As used above, the term PLACER COUNTY means Placer County or its officers, agents, employees, and designated volunteers

10. Insurance

CONSULTANT shall file with COUNTY concurrently herewith a Certificate of Insurance, in companies acceptable to COUNTY, with a Best's Rating of no less than A:VII certifying insurance coverage under policies and endorsements as required in paragraphs 11 - 15 below.

11. Worker's Compensation and Employers Liability Insurance

Worker's Compensation Insurance shall be provided as required by any applicable law or regulation. Employer's liability insurance shall be provided in amounts not less than one million dollars (\$1,000,000) each accident for bodily injury by accident, one million dollars (\$1,000,000) policy limit for bodily injury by disease, and one million dollars (\$1,000,000) each employee for bodily injury by disease.

If there is an exposure of injury to CONSULTANT'S employees under the U.S. Longshoremen's and Harbor Worker's Compensation Act, the Jones Act, or under laws, regulations, or statutes applicable to maritime employees, coverage shall be included for such injuries and claims.

Each Worker's Compensation policy shall be endorsed with the following specific language:

Cancellation Notice - "This policy shall not be canceled without first giving thirty (30) days prior written notice to the County of Placer."

CONTRACTOR shall require all SUBCONTRACTORS to maintain adequate Workers' Compensation insurance. Certificates of Workers' Compensation shall be filed forthwith with the County upon demand.

12. General Liability Insurance

a. Comprehensive General Liability or Commercial General Liability insurance covering all operations by or on behalf of CONSULTANT, providing insurance for bodily injury liability and property damage liability for the limits of liability indicated below the including coverage for:

- (1) Contractual liability insuring the obligations assumed by CONSULTANT in this Agreement.
- (2) One of the following forms is required.
 - (a) Comprehensive General Liability;
 - (b) Commercial General Liability (Occurrence); or
 - (c) Commercial General Liability (Claims Made)

- (3) If CONSULTANT carries a comprehensive General Liability policy, the limits of liability shall not be less than a Combined Single Limit for bodily injury, property damage, and Personal Injury Liability of:

One million dollars (\$1,000,000) each occurrence
One million dollars (\$1,000,000) aggregate

- (4) If CONSULTANT carries a Commercial General Liability (Occurrence) policy:

- (a) The limits of liability shall not be less than:

One million dollars (\$1,000,000) each occurrence (combined single limit for bodily injury and property damage)

One million dollars (\$1,000,000) for Products-Completed Operations

One million dollars (\$1,000,000) General Aggregate

- (b) If the policy does not have an endorsement providing that the General Aggregate Limit applies separately, or if defense costs are included in the aggregate limits, then the required aggregate limits shall be two million dollars (\$2,000,000).

- (5) Special Claims Made Policy Form Provisions:

CONSULTANT shall not provide a Commercial General Liability (Claims Made) policy without the express prior written consent of COUNTY, which consent, if given, shall be subject to the following conditions:

- (a) The limits of liability shall not be less than:

One million dollars (\$1,000,000) each occurrence (combined single limit for bodily injury and property damage)

One million dollars (\$1,000,000) aggregate for Products Completed Operations

One million dollars (\$1,000,000) General Aggregate

- (b) The insurance coverage provided by CONSULTANT shall contain language providing coverage up to six (6) months following the completion of the contract in order to provide insurance coverage for the hold harmless provisions herein if the policy is a claims made policy.

13 Endorsements

Each Comprehensive or Commercial General Liability policy shall be endorsed with the following specific language:

- a. "The County of Placer, its officers, agents, employees, and designated volunteers are to be covered as insured for all liability arising out of the operations by or on behalf of the named insured in the performance of this Agreement."
- b. "The insurance provided by the Consultant, including any excess liability or umbrella form coverage, is primary coverage to the County of Placer with respect to any insurance or self-insurance programs maintained by the County of Placer and no

insurance held or owned by the County of Placer shall be called upon to contribute to a loss."

- c. "This policy shall not be canceled without first giving thirty (30) days' prior written notice to the County of Placer."

14. Automobile Liability Insurance

Automobile Liability insurance covering bodily injury and property damage in an amount no less than one million dollars (\$1,000,000) combined single limit for each occurrence.

Covered vehicles should include owned, non-owned, and hired automobiles/trucks.

15. Professional Liability Insurance (Errors and Omissions)

Professional Liability Insurance for Errors and Omissions coverage in the amount of not less than _____ (Note: This coverage is not required unless an amount is indicated.)

16. Notices

- a. Any notice or demand desired or required to be given hereunder shall be in writing and deemed given when personally delivered or deposited in the mail, postage prepaid, sent certified or registered, and addressed to the parties as follows:

COUNTY OF PLACER
Planning Department
Attn: Melanie Heckel
11414 "B" Avenue
Auburn, CA 95603

CONSULTANT
Hausrath Economics Group
Attn: Sally Nielsen
1212 Broadway, Suite 1500
Oakland, CA 94612

Any notice so delivered personally shall be deemed to be received on the date of delivery and any notice mailed shall be deemed to be received five (5) days after the date on which it was mailed.

- b. No waiver, alteration, modification, or termination of this Agreement shall be valid unless made in writing and signed by all parties.

17. Assignment

No party shall assign, transfer, or otherwise dispose of this Agreement in whole or in part to any individual, firm or corporation without the prior written consent of each of the other parties. Subject to the provisions of the preceding sentence, this Agreement shall be binding upon, and inure to the benefit of, the respective successors and assigns of the parties hereto.

18. Jurisdiction

This Agreement shall be governed by and construed in accordance with the laws of the State of California. Any suit, action, or proceeding brought under the scope of this Agreement shall be brought and maintained to the extent allowed by law in the County of Placer, California.

19. Entire Agreement

This Agreement sets forth the entire understanding between the parties as to the subject matter of the Agreement and merges all prior discussions, negotiations, letters of understanding, or other promises, whether oral or in writing.

In witness, whereof, the parties have executed this Agreement the day and year first written above.

PLACER COUNTY:



Michael Johnson, Planning Director

5.26.06
Date

CONSULTANT:

Sally Nielsen

Consultant:
Sally Nielsen
Vice President/Secretary
Hausrath Economics Group

May 18, 2006
Date

Linda H. Hausrath

Consultant:
Linda Hausrath
President
Hausrath Economics Group

May 18, 2006
Date

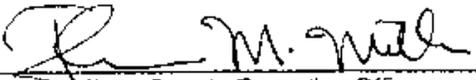
APPROVED AS TO FORM:
Scott Finley

Scott Finley, Senior Deputy County Counsel

MAY 23, 2006
Date

*If a corporation, agreement must be signed by two corporate officers; one must be the secretary of the corporation, and the other may be either the President or Vice President, unless an authenticated corporate resolution is attached delegating authority to a single officer to bind the corporation.

PLACER COUNTY:


Thomas M. Miller, County Executive Officer

6/7/04
Date

*If a corporation, agreement must be signed by two corporate officers; one must be the secretary of the corporation, and the other may be either the President or Vice President, unless an authenticated corporate resolution is attached delegating authority to a single officer to bind the corporation.

**PROPOSED SCOPE OF WORK
HAUSRATH ECONOMICS GROUP**

Fiscal Impact Analysis of the Proposed Placer Ranch Project and Three Alternatives

The first phase of the Placer Ranch fiscal impact analysis will evaluate the proposed project and up to three alternatives using cost and revenue factors developed for the 2005 update of the Placer County Fiscal Impact Model, in conjunction with relevant project-specific factors.

Other consultants are currently under separate contract to Placer County to evaluate level-of-service issues for the West Placer planning area. The second phase of the fiscal impact analysis will adapt the baseline Placer Ranch fiscal analysis to incorporate new information.

Tasks 1-4 below describe the work to undertake the first phase baseline analysis of the proposed project and three alternatives, including general consideration of the service cost implications of increases to levels of service for some municipal-type functions. Phase 2 is described in Task 5.

Task 1: Review project description and assumptions

HEG will review and evaluate project descriptions and development assumptions for the proposed project and up to three alternatives. The project sponsor and/or Placer County will provide the land use and development assumptions for the proposed *Placer Ranch Specific Plan* and any alternatives at a level of detail required for the fiscal impact analysis. Examples of the type of information and level of detail required are as follows:

- ◆ Number of units by type, including details on faculty or student housing;
- ◆ Average sales price in 2005 dollars, by unit type;
- ◆ Average expected monthly rent for any rental units;
- ◆ Acres and square footage of non-residential and university development by use and general characterization of potential occupants;
- ◆ Phasing and absorption schedule for residential, non-residential, and university development;
- ◆ Average number of occupants per unit by unit type;
- ◆ Employees per acre or square feet per employee for non-residential uses and estimates of university faculty and staff; and the
- ◆ Allocation of project area gross acreage and of the detailed development program by APN, for the proposed project and the three alternatives.

Qualitative description of the character of the proposed project and the alternatives should also be provided. In particular, it will be important to have description of the full range of retail and related uses—anticipated sales and target markets. Description of the proposed

University and its relationship to both the rest of Placer Ranch and the surrounding cities and unincorporated areas should also be covered. The County and/or the project sponsor will also provide the phasing and absorption schedule for each land use for the proposed project and any alternatives.

HEG will review the project description and development assumptions provided and will reach agreement with the County and the project sponsor on any adjustments that might be indicated. HEG will develop estimates of household income, household retail spending, and employee spending appropriate to the evaluation of the proposed project and each alternative.

Task 2: Summarize development program by Tax Rate Area

HEG will work with County staff and the project sponsor to develop the correspondence between assessor's parcel number (APN) and Tax Rate Area (TRA) identifiers. Based on the detailed description of the proposed project and each alternative, HEG will summarize project description and absorption information by Tax Rate Area. HEG will obtain current property tax increment factors for each TRA from the County Auditor-Controller, for use in the property tax revenue analysis.

Task 3: Evaluate retail development scenarios

For the proposed project and each alternative, HEG will assess the retail supply in relation to the retail spending potential represented by planning area residents and businesses. HEG will evaluate the extent to which the proposed retail development would satisfy the convenience spending demands of planning area residents and business and the extent to which the projected sales would depend on the capture of spending from a broader market area. HEG will not conduct a full blown retail market analysis, but will generally assess the level of retail sales projected in light of expectations for spending potential, increases in sales, and retail development elsewhere in the market area. This analysis will inform the estimates of retail sales tax revenue and provide the basis for sensitivity analysis of this important revenue source.

Task 4: Conduct baseline fiscal impact analysis

HEG will conduct separate fiscal impact analysis of the proposed Placer Ranch Specific Plan and each alternative. The analyses will be at an equal level of detail, using relevant project description factors specific to the proposed project and each alternative and other average cost and revenue factors from the South Placer Unincorporated sub-area fiscal impact model.

Task 5: Phase 2—Incorporate results of urban level of service studies

Phase 2 will incorporate the results of the analyses to estimate costs for urban levels of service for law enforcement, parks and recreation, library, and public works services. HEG will review studies estimating urban levels of service for the three specific plan areas. HEG will review material prepared by other consultants to the County and will coordinate with County staff and other consultants. HEG will conduct analysis to enable direct comparison

of baseline county costs to costs for urban levels of service and will devise a method for integrating the baseline fiscal analysis and the results of the urban levels of service studies.

HEG will prepare tables summarizing the baseline fiscal impact analysis on an annual basis through buildout for the proposed project. HEG will prepare tables that incorporate the urban level of service costs with the baseline fiscal impact costs, substituting costs where relevant and maintaining baseline costs where relevant. (Note that as of May 2006 estimates of costs for urban levels of service have **not** been prepared for any alternatives.)

Task 6: Prepare report documenting the results of the analysis

HEG will prepare a report with text and tables highlighting the conclusions of the baseline fiscal impact analysis of the proposed Placer Ranch Specific Plan and any alternatives. The report will also provide results of the urban levels of service scenario for the proposed Specific Plan. The report will summarize key assumptions and estimating factors for the fiscal impact analysis, focusing on those specific to the evaluation of the proposed project and any alternatives. Relevant sections of the Placer County Fiscal Impact Model documentation will be included as an appendix. HEG will prepare another appendix for the fiscal impact analysis report that presents the detailed tables showing results by year and by fund, for both the baseline analysis and the urban level of service scenario.

The proposed report is only one element of a broader analysis of local government services and public infrastructure in West Placer and how those costs will be allocated and financed. We expect that the fiscal impact analysis report will be a stand-alone document and not require integration in terms of format, outline, and content with the Placer Ranch EIR. We will prepare one administrative draft report for County staff review and up to two drafts for Placer Ranch and County review. HEG will make revisions in response to a total of three rounds of comments and will prepare a final report based on staff comment.

Task 7: Respond to comments

HEG will prepare a response to comments received from the project applicant or their consultants regarding the methodology and conclusions of the fiscal impact analysis. As appropriate, HEG will revise the draft report in response to these comments.

Proposed Budget

The proposed scope of work outlined above will be completed for a total estimated cost of **\$47,713**.

The budget detail is as follows:

\$36,000 for Phase One (Tasks 1-4 and Tasks 6 and 7).

This budget covers the time and materials to complete the baseline fiscal impact analysis and prepare a draft report. It also includes up to 16 hours to coordinate with County staff and other consultants working on the Placer Ranch project and on West Placer planning issues, generally and up to 16 hours of HEG staff time to respond to comments from the project applicant and/or their consultants.

\$7,375 for Phase Two (Task 5)

The total cost for Phase Two is \$25,000. This cost is shared between Placer Vineyards, Placer Ranch, and the Regional University Specific Plan projects. Placer Ranch's share of those costs is 29.5 percent of the total, or \$7,375.

\$4,338 for a 10 percent contingency

Hourly Rates

HEG will provide monthly or bi-monthly invoices describing the work performed and itemizing the hours of each staff person. HEG will notify the County prior to exceeding the estimates. HEG staff time will be billed at our current hourly rates. HEG will notify the County prior to any changes in these rates. These rates are shown below:

<u>Position</u>	<u>2005/2006 Hourly Rate</u>
Principal	\$125 - \$160 per hour
Economists	\$ 75 - \$110 per hour

These rates include all office related overhead and minor materials. They do not include any travel expenses or materials in excess of \$50 (e.g., large volume reproduction of reports, data acquisition). Travel and large material expenses will be billed separately.

**FIRST AMENDMENT TO CONSULTANT SERVICES AGREEMENT
FOR PLANNING CONSULTANT SERVICES**

THIS FIRST AMENDMENT TO THE CONSULTANT SERVICES AGREEMENT is made and entered on this _____ day of _____, 2007, by and between the COUNTY OF PLACER, hereinafter referred to as COUNTY, and HAUSRATH ECONOMICS GROUP hereinafter referred to as CONSULTANT.

WHEREAS, on May 16, 2006, COUNTY, and CONSULTANT entered into a contract whereby consulting services would be provided to the COUNTY ("Contract"); and

WHEREAS, the parties have agreed to continued services to be provided by Consultant under said Contract and the compensation for those continued services.

NOW, THEREFORE, IT IS MUTUALLY AGREED by and among the parties as follows:

1. That section 1(c) of the original Contract shall be amended to provide for the continued services and compensation as follows:

The CONSULTANT agrees to perform the professional services as set forth in Attachment "A" attached hereto and incorporated herein by reference, and the total compensation to be paid CONSULTANT for these services shall not exceed thirty thousand dollars (\$30,000.00), as set out in the cost proposal included in Attachment "A".

2. The COUNTY agrees to pay to CONSULTANT a total contract amount of seventy-seven thousand seven hundred thirteen dollars (\$77,713.00) for the services set forth in the Contract and as amended by this First Amendment.

EXCEPT as specifically modified above, all of the remaining terms and conditions of the said Contract shall remain and continue in full force and effect.

COUNTY OF PLACER:

By: 
Michael Johnson, Planning Director

Date: July 17, 2007

COUNTY OF PLACER:

By: 
Thomas Miller, County Executive Officer

Date: _____

CONSULTANT:

By: Sally E. Nielsen
Sally Nielsen, Vice President / Secretary
Hausrath Economic Group

Date: July 12, 2007

CONSULTANT:

By: Linda Hausrath
Linda Hausrath, President
Hausrath Economic Group

Date: July 12, 2007

APPROVED AS TO FORM:

By: Scott Finley
Scott Finley, Senior Deputy County Counsel

Date: July 23, 2007

ATTACHMENT "A"

1. Review and comment on draft Urban Services Plan to ensure consistency with the fiscal study.
2. Expand analysis to identify fiscal impacts for the University and for the Community, separately.
3. Analyze one or two additional alternatives, as needed.

Except as specifically modified above, all of the remaining terms and conditions of the Agreement shall remain and continue in full force and effect.

Services provided by Hausrath Economics Group will be billed at the following hourly service rates:

Hourly Rates

HEG will provide monthly or bi-monthly invoices describing the work performed and itemizing the hours of each staff person. HEG will notify the County prior to exceeding the estimates. HEG staff time will be billed at HEG's current hourly rates. HEG will notify the County prior to any changes in these rates. These rates are shown below:

<u>Position</u>	<u>2006/2007 Hourly Rate</u>
Principal	\$125 - \$160 per hour
Economists	\$ 75 - \$110 per hour

These rates include all office related overhead and minor materials. They do not include any travel expenses or materials in excess of \$50 (e.g., large volume reproduction of reports, data acquisition). Travel and large material expenses will be billed separately.