



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: November 25, 2008
SUBJECT: Contract Amendment to the Planning Services Agreement with Hausrath Economics Group for the preparation of a Fiscal Analysis for the Riolo Vineyard project.

ACTION REQUESTED: The Planning Department is requesting that the Board of Supervisors authorize the County Executive officer to execute a contract amendment in the amount of \$25,000 for a total contract amount of \$55,000, with Hausrath Economics Group to prepare a Fiscal Analysis related to land use for the Riolo Vineyard project.

BACKGROUND: In December 2007, Placer County entered into an agreement with Hausrath Economics to provide a Fiscal Impact Analysis for the Riolo Vineyard Project. Specific work areas in the Analysis included:

1. Review project description and assumptions;
2. Summarize development program by Tax Rate Area;
3. Conduct baseline fiscal impact analysis;
4. Evaluate costs associated with urban levels of service;
5. Prepare draft report documenting the results of the analysis; and
6. Prepare final fiscal impact analysis report.

This amendment to the original agreement is for the amount of \$25,000 to allow Hausrath Economics Group to conduct additional fiscal impact analysis, as directed by County staff, and to respond to comments from consultants and other members of the project team. The contract amendment will also provide on-going support to County staff during the preparation of the urban services plan and the related economic and financial analysis for the proposed specific plan.

FISCAL IMPACT: The cost for these additional services is \$25,000 for a total contract amount of \$55,000. The funds for this amendment are included in the Planning Department's current 2008/2009 Consulting Services budget allocation.

Respectfully Submitted,



MICHAEL J. JOHNSON, AICP
Director – Department of Planning

Attachments:

Exhibit A: Amendment to contract CN000710

Exhibit B: Original contract for Consultant Services and Scope of Work dated December 2007

cc: Placer County Procurement Office

**FIRST AMENDMENT TO PLANNING SERVICES AGREEMENT
PROFESSIONAL CONSULTANT SERVICES TO PROVIDE FISCAL ANALYSES RELATED TO LAND USE
ISSUES IN PLACER COUNTY AS THEY RELATE TO THE RIOLO VINEYARD PROJECT**

THIS FIRST AMENDMENT TO THE CONSULTANT SERVICES AGREEMENT is made and entered on this _____ day of _____, 2008, by and between the COUNTY OF PLACER, hereinafter referred to as COUNTY, and Hausrath Economics Group, hereinafter referred to as CONSULTANT.

WHEREAS, on December 13, 2007, COUNTY and CONSULTANT entered into a Contract whereby consulting services would be provided to the COUNTY; and

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

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

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

The CONSULTANT agrees to perform the additional 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 additional services shall not exceed \$25,000.00 as set out in Attachment "A".

2. The COUNTY agrees to pay to CONSULTANT \$51,700.00 as the sole compensation under 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: _____
Thomas M. Miller, County Executive Officer

Date: _____

CONSULTANT:

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

Date: October 24, 2008

By: Linda H. Hausrath
Linda Hausrath
President
Hausrath Economics Group

Date: October 28, 2008

APPROVED AS TO FORM:

By: _____
County Counsel

Date: _____

APPROVED AS TO CONTENT:

By: _____
Michael Johnson, Planning Director

Date: _____

AMENDED – OCTOBER 14, 2008
SCOPE OF WORK AND BUDGET
HAUSRATH ECONOMICS GROUP

RIOLO VINEYARD SPECIFIC PLAN FISCAL IMPACT ANALYSIS

I. Scope of work

Hausrath Economics Group (HEG) will conduct additional fiscal impact analyses as directed by County staff, will respond to comments from consultants and other members of the project team, and will provide on-going support to County staff during the preparation of the urban services plan and the related economic and financial analysis for the proposed specific plan.

II. Budget

HEG will complete the scope of work outlined above for a cost of \$25,000.

Original on file
e CEO

Contract No. CND00710

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

THIS AGREEMENT, entered into this 13th day of December 2007, 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 an amount not to exceed \$30,000 (Thirty Thousand Dollars), 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.
 - 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, CDRA
Attn: Ann Baker
3091 County Center Drive
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.

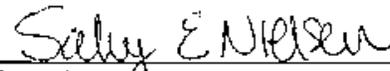
In witness, whereof, the parties have executed this Agreement the day and year first written above

PLACER COUNTY:

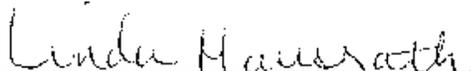

Thomas M. Miller, County Executive Officer

12/17/07
Date

CONSULTANT:

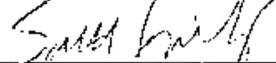

Consultant:
Sally Nielsen
Vice President/Secretary
Hausrath Economics Group

December 13, 2007
Date


Consultant:
Linda Hausrath
President
Hausrath Economics Group

December 13, 2007
Date

APPROVED AS TO FORM:


Scott Finley, Senior Deputy County Counsel

12/11/07
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 AND BUDGET
HAUSRATH ECONOMICS GROUP**

RIOLO VINEYARD SPECIFIC PLAN FISCAL IMPACT ANALYSIS

I. Scope of work

Task 1: Review project description and assumptions

Hausrath Economics Group (HEG) will review and evaluate the project description and development assumptions for the proposed project. The project sponsor and/or Placer County will provide the land use and development assumptions for the proposed Riolo Vineyard Specific Plan at a level of detail required for the fiscal impact analysis. The information and level of detail required are as follows:

- ◆ Number of units by type;
- ◆ Average expected sales prices, by unit type;
- ◆ Acres and square footage of non-residential development by use and general characterization of potential occupants;
- ◆ Absorption schedule for residential and non-residential development;
- ◆ Average number of occupants per unit by unit type;
- ◆ Estimates of employment for non-residential uses;
- ◆ Allocation of project area gross acreage and of the detailed development program (units by type, non-residential square footage by use) by Assessor's Parcel Number; and
- ◆ Qualitative description of the character of the proposed project.

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 and employee retail spending appropriate to the evaluation of the proposed project.

Task 2: Summarize development program by Tax Rate Area

HEG will develop the correspondence between assessor's parcel number (APN) and Tax Rate Area (TRA) identifiers. Based on the allocation of project land use provided by the project sponsor, HEG will summarize project land use and absorption 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: Conduct baseline fiscal impact analysis

HEG will conduct fiscal impact analysis of the proposed Riolo Vineyard Specific Plan, evaluating the relationship between the costs to the County to provide local public services to plan area residents and businesses and the revenues to the County that would be generated by project development, household population, and businesses. The analysis will assess only the direct fiscal impacts to Placer County of the proposed project. The baseline analysis will evaluate costs to provide current levels of countywide and municipal-type services to this part of unincorporated Placer County. Generally, costs are limited to those directly affected by growth and new development, as funded by the General Fund, Public Safety Fund, Library Fund, and Public Ways and Facilities (Road) Fund. The baseline analysis also estimates property tax revenues to relevant fire protection agencies.

The fiscal impact analyses will use relevant factors specific to the proposed project and other average cost and revenue factors from the South Placer Unincorporated sub-area fiscal impact model. Those average cost and revenue factors reflect average levels of county service to unincorporated areas and current local government revenue relationships, as reflected in the 2005-2006 and 2006-2007 Placer County budgets, and, for general fund sales tax revenue, a projected future retail scenario for West Placer. For this analysis, average per capita cost factors developed from analysis of the 2005-2006 budget will be inflated to current dollar values. Revenue factors will be updated to reflect current values as well.

Task 4: Evaluate costs associated with urban levels of service

HEG will work with County staff, the project sponsor, and other consultants involved in public facilities and services planning for proposed West Placer development to incorporate costs for urban levels of service in the Riolo Vineyard fiscal impact analysis. County staff will determine the appropriate urban services for evaluation, and HEG will work with County staff to develop cost estimates. Likely areas for consideration for urban services are law enforcement, parks and recreation, library, public works, and fire protection. HEG will integrate the resultant urban services costs with the results of baseline fiscal analysis. It is expected that this will be an iterative process that may continue through evaluation of the preliminary draft and draft fiscal impact reports.

Task 5: Prepare draft report documenting the results of the analysis

HEG will prepare a report with text and tables highlighting the conclusions of the fiscal impact analysis of the proposed Riolo Vineyard Specific Plan. The report will also summarize key assumptions and estimating factors, focusing on those specific to the evaluation of the proposed project. Relevant sections of the Placer County Fiscal Impact Model documentation will be included as an appendix. 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 Riolo Vineyard Specific Plan EIR. We will prepare a preliminary draft report and submit it to the County Executive Office for review. HEG will prepare a revised draft report based on staff comment; that report will be submitted to the project sponsor for review.

Task 6: Respond to project sponsor comments on draft fiscal impact analysis

HEG will attend a meeting with the project sponsor and County staff to discuss the draft report. HEG will prepare a written response to any written comments submitted by the project sponsor.

Task 7: Prepare final fiscal impact analysis report

HEG will prepare a final fiscal impact analysis report based on direction from staff and the project sponsor.

ii. Budget

HEG will complete the scope of work outlined above for a cost of \$26,700, including labor, a ten percent contingency, and expenses, as follows:

Labor	\$ 24,030
Contingency (10 percent)	2,403
Expenses	267
Total Budget	\$ 26,700

III. Schedule

HEG will complete the baseline fiscal impact analysis within one month of agreement on the relevant project description information and estimating factors. The schedule for the urban services analysis is highly dependent on the work of County staff and others. HEG will complete the preliminary draft fiscal impact analysis, including incorporation of urban services costs, within three weeks of agreement on the appropriate urban services cost factors.

IV. Hourly Rate

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>2007/2008 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.