

**Master City of San José Consultant Agreement
Approved Service Order
(Non-Capital Projects)**

Cover Page

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- 1a.** Intentionally Omitted **1b.** AC Contract No.: 28034
- 2.** Approved Service Order No. 1
- 3.** Consultant's Name: Strategic Economics, Inc.
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- 4.** Project Name: Capitol Caltrain Station Area Plan Economic Analysis
- 5.** Project Location: Capitol Caltrain Station Area, as designated in the Envision San Jose 2040 General Plan Map.
- 6.** The Consultant and the City will implement this Approved Service Order in accordance with the Master Agreement, this cover page and Attachments "A" (Tasks), "B" (Terms and Conditions), and "C" (Compensation Table), which are incorporated herein by reference.
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7. Budget/Fiscal:

a. Current unencumbered amount in Master Agreement:	\$	100,000.00
b. Maximum Service Order Compensation for this Approved Service Order:	\$	22,740.00
c. New unencumbered balance in Master Agreement (7.a – 7.b):	\$	77,260.00

- d. Appropriation Certification:** I certify that an unexpended appropriation in the amount of the Maximum Service Order Compensation is available in the following fund(s) and that such fund(s) will be encumbered to pay for this Approved Service Order.

Fund: 239 Appn: 2050 RC: 000100 Amount: \$ 22,740.00



Email: sandy.doan@sanjoseca.gov

Date: 05/13/2022 GMT-07:00

Authorized Signature: _____

8. Division Analyst Approval:

Date: 05/12/2022 GMT-07:00

Email: kayla.do@sanjoseca.gov

9. Consultant Approval:



Email: dbelzer@strategieconomics.com

Date: 05/12/2022 GMT-07:00

10. Approval as to Form (City Attorney):

Service Order Form Approved by the Office of the City Attorney
(Maximum Service Order Compensation is \$100,000 or less, and the provisions of the service order form are not altered.)

Approved as to Form: _____ Date: _____
(Sr.) Deputy City Attorney

11. City Director Approval:



Email: chu.chang@sanjoseca.gov

Date: _____

05/13/2022 GMT-07:00

Attachment A: Tasks

The Consultant shall provide the services and deliverables set forth in this **Attachment A**. The Consultant shall provide all services and deliverables required by this **Attachment A** to the satisfaction of the City's contract manager.

General Description of Project for which Consultant Will Provide Services: Economic analysis of retail and housing demand in and around the Capitol Caltrain Station Area.

Task No. 1: Project Initiation and Ongoing Project Management

A. Services:

Consultant will meet with City staff to confirm project scope, schedule, and deliverables. Consultant will hold monthly one-hour meetings for the duration of the project (up to 12 meetings) to update City staff on project progress and address project questions as necessary.

Consultant will coordinate with City staff to assist as City staff members collect relevant economic, demographic, and spatial data for the analyses in Tasks 2 through 7. Coordination will include up to five hours of meeting time, as necessary, to guide data collection.

B. Deliverables:

- Kick-off meeting memorandum
- A Word document with annotated meeting agendas to document meeting proceedings.
- An excel sheet enumerating desired data sets for City staff to compile

C. Completion Time: The Consultant must complete the services and deliverables for this task in accordance with whichever one of the following time is marked:

- On or before the following date: June 30, 2022.
- On or before ____ Business Days from _____.

Task No. 2: Identify Existing and Pipeline Real Estate Supply and Market Conditions

- A. **Services:** The consultant will gather and summarize real estate market data for three product types in the general vicinity of the Capitol Caltrain Station Area: 1) multi-family/ mixed use housing, 2) retail, and 3) office buildings. Data to be collected will provide an inventory of existing competitive supply in the appropriate market/trade area for each product type including rents/sales prices, vacancies rates, recently built projects, and to the extent possible absorption rates. Information sources will include Costar, Redfin, and other real estate bases. Consultant will also conduct interviews with real estate brokers, developers, and as appropriate property managers or owners. These interviews will provide qualitative information regarding the local market conditions to compliment the quantitative data analysis. City staff will assist Consultant to obtain building permit data for each market area. Consultant will analyze building permit data to determine reinvestment in existing buildings as an indicator of strengthening market conditions.
- B. **Deliverables:**
- A word document or PowerPoint presentation summarizing 1) data sets used, 2) analyses conducted, 3) Summary of interviews with real estate developers and others; and 4) Building permit data analyzed; 5) conclusions from analyses of existing and pipeline real estate supply. Deliverable shall be presented at a monthly project check-in meeting.
 - One to three meetings with City staff to oversee acquisition and processing of building permit data
- C. **Completion Time:** The Consultant must complete the services and deliverables for this task in accordance with whichever one of the following time is marked:
- On or before the following date: June 10, 2022.
 - On or before ____ Business Days from _____.

Task No. 3: Real Estate Market Demand Dynamics

A. Services:

Consultant will evaluate changing demographic patterns in the areas by evaluating neighborhood change during the 2010-2020 period using decennial census data, or 2020-2019 American Community Survey as necessary. Demographic variables to be considered include population, households, household income, race and ethnicity, age, level of educational attainment, and commute patterns. These variables will provide insight as to what market segments may be seeking out this area as a place to live, and to determine whether these groups are commuting to destinations served by Caltrain.

Consultant will evaluate business and employment growth in the area. Data for this analysis will be provided by the City of San Jose using the city's business license data base, Dun and Bradstreet data, and records from the city's sales tax records where actual sales information will be redacted to eliminate confidentiality issues associated with this information.

Consultant will evaluate population, household and employment projections for the appropriate market area geographies as available from the city and/or the Association of Bay Area Governments. These data will provide an order of magnitude estimate of total expected growth for the area, which can then be compared to the Capitol Caltrain Station Area development program to estimate what growth share or capture rate would be necessary to support this project growth. These growth estimates will also be compared with Caltrain's ridership projections for the Capital Caltrain station to determine how this future ridership increase may correlate with future TOD development in the area.

B. Deliverables:

- A word document or PowerPoint presentation summarizing 1) data sets used, 2) analyses conducted, and 3) results from analyses of **changing demographic patterns**. Deliverable shall be presented at a monthly project check-in meeting.
- A word document or PowerPoint presentation summarizing 1) data sets used, 2) analyses conducted, and 3) results from analyses of business and **employment growth**. Deliverable shall be presented at a monthly project check-in meeting.
- A word document or PowerPoint presentation summarizing 1) data sets used, 2) analyses conducted, and 3) results from analyses of **population, household, and employment projections**. Deliverable shall be presented at a monthly project check-in meeting.

C. Completion Time: The Consultant must complete the services and deliverables for this task in accordance with whichever one of the following time is marked:

- On or before the following date: June 10, 2022.
- On or before ____ Business Days from _____.

Task 4 – Opportunity Site Analysis

- A. **Services:** Consultant will assist City Staff in the evaluation of potential land supply in the Capitol Caltrain Station Area to identify potential development sites that could accommodate future development by product type. The first step in this process will be to evaluate the existing parcels in the area with zoning that would either currently support multifamily/mixed use residential development, or where zoning could be changed to accommodate these uses. Variables to be considered included parcel size, property ownership, current use/use intensity, and proximity or accessibility to the Caltrain station.
- B. **Deliverables:**
- Up to three one-hour meetings with City Staff to evaluate parcels within the Station Area for potential development
 - A word document or PowerPoint presentation summarizing the information about potential opportunity sites. Deliverable shall be presented at a monthly project check-in meeting.
- C. **Completion Time:** The Consultant must complete the services and deliverables for this task in accordance with whichever one of the following time is marked:
- On or before the following date: June 30, 2022.
- On or before ____ Business Days from _____.

Attachment B: Terms and Conditions

1. **City's Contract Manager:** The City's contract manager for this Approved Service Order is:

Name: Matt Benjamin	Phone No.: 408- 535-8103
Department: Planning, Building, & Code Enforcement	E-mail: matt.benjamin@sanjoseca.gov
Address: 200 E. Santa Clara St., T3, San José, CA. 95113	

2. **Consultant's Contract Manager and Other Staffing:** Identified below are the following: (a) the Consultant's contract manager for this Approved Service Order, and (b) the Consultant(s) and/or employee(s) of the Consultant who will be principally responsible for providing the services and deliverables. *If an individual identified below does not have a current Form 700 on file with the City Clerk for a separate agreement with the City, and is required to file a Form 700, the Consultant must comply with the requirements of Subsection 17.2 of the Master Agreement, entitled "Filing Form 700."*

		<u>Required to File Form 700?</u>		
<u>Consultant's Contract Manager</u>		Yes Already Filed (Date Filed)	Yes Need to File	No
Name: Dena Belzer	Phone No.415-352-3848	<u>X</u> <u>(01.18.22)</u>		
Address: Strategic Economics, Inc. 2991 Shattuck Avenue #203 Berkeley, CA 94705	E-mail: dbelzer@strategiceconomics.com			
<u>Other Staffing</u>				
<u>Name:</u>	<u>Assignment:</u>			
1.				
2.				
3.				
4.				
5.				

3. Subconsultants: Whichever of the following is marked applies to this Approved Service Order:

- The Consultant can **not** use any subconsultants.
- The Consultant can use the following subconsultants to assist in providing the required services and deliverables:

4. Reimbursable Expenses: If the Compensation Table set forth in **Attachment C** of this Approved Service Order states that the City will reimburse the Consultant for expenses, then only the expenses identified in Subsection 10.5.3 of the Master Agreement are Reimbursable Expenses unless the following box is marked and additional reimbursable expenses are set forth:

- In addition to the expenses identified in Subsection 10.5.3 of the Master Agreement, the following expenses are Reimbursable Expenses:

<u>Additional Reimbursable Expense(s)</u>	<u>Mark-up</u>
1. _____	_____
2. _____	_____
3. _____	_____

Notwithstanding the foregoing, any additional reimbursable expense(s) set forth in the above table will be disregarded if the Compensation Table states that the City will *not* reimburse the Consultant for any expense

Attachment C: Compensation Table

The City will compensate the Consultant for providing the services and deliverables set forth in **Attachment A** in accordance this Compensation Table. This Compensation Table is subject to the terms and conditions set forth in the Master Agreement, including without limitation Section 10 of the Master Agreement.

Part 1 – Compensation for Services and Deliverables						
Column 1	Column 2		Column 3			Column 4
Task Nos. from Attachment A	Basis of Compensation		Invoice Period			Compensation
Task 1	<input type="checkbox"/> Time & Materials	<input checked="" type="checkbox"/> Fixed Fee	<input checked="" type="checkbox"/> Monthly	<input type="checkbox"/> Completion of Task(s)	<input type="checkbox"/> Completion of Work	\$ 1,000
Task 2	<input type="checkbox"/> Time & Materials	<input checked="" type="checkbox"/> Fixed Fee	<input checked="" type="checkbox"/> Monthly	<input type="checkbox"/> Completion of Task(s)	<input type="checkbox"/> Completion of Work	\$ 9,180
Task 3	<input type="checkbox"/> Time & Materials	<input checked="" type="checkbox"/> Fixed Fee	<input checked="" type="checkbox"/> Monthly	<input type="checkbox"/> Completion of Task(s)	<input type="checkbox"/> Completion of Work	\$ 9,180
Task 4	<input type="checkbox"/> Time & Materials	<input checked="" type="checkbox"/> Fixed Fee	<input checked="" type="checkbox"/> Monthly	<input type="checkbox"/> Completion of Task(s)	<input type="checkbox"/> Completion of Work	\$ 3,260

Part 2 – Reimbursable Expenses	<input type="checkbox"/> No expenses are separately reimbursable. The amount(s) in Column 4 of Part 1 include(s) payment for all expenses.	<input checked="" type="checkbox"/> Expenses are separately reimbursable in the maximum amount of:	\$ 120.00
Part 3 – Subconsultant Costs	<input checked="" type="checkbox"/> Subconsultant costs are not separately compensable. The amount(s) in Column 4 of Part 1 include(s) subconsultant costs.	<input type="checkbox"/> Subconsultant costs are separately compensable in the maximum amount of:	\$ 0
Maximum Service Order Compensation (sum of Parts 1 through 3):			\$ 22,740.00