

- First**
- Second**
- Third**

**Amendment to Standard City of San José Consultant Agreement**  
(Non-Capital Projects)

Consultant's Name: Century Urban, LLC

**(Standard Agreement AC No. 32327)**

This Amendment is made and entered into this 28th day of April, 2022. The City and Consultant amend the above-reference agreement as set forth herein.

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1. Capitalized words in this Amendment have the same meaning as in the Agreement.
  2. The provisions of this Agreement (including any previous amendments) not modified by this Amendment remain in full force and effect.
  3. The provisions of this Amendment are effective upon execution of the Amendment by both parties.
  4.  **Agreement Term:** Subsection 2.1 is amended to extend the expiration date from \_\_\_  
\_\_\_\_\_ to \_\_\_\_\_.
  5.  **Maximum Total Compensation:** Subsection 10.1 is amended to  Increase  Decrease the  
Maximum Total Compensation from \$ 200,000 to \$ 234,875.
  6.  **Agreement Section(s):** Section(s) \_\_\_\_\_ is/are amended to read as set forth in Attachment A of  
the Amendment.
  7.  **Scope of Basic Services – Exhibit A:** The  original  First Revised  Second Revised  
Exhibit A is amended to read as set forth in the attached  First  Second  Third Revised  
Exhibit A, which is incorporated by reference into this Amendment.
  8.  **Compensation – Exhibit B:** The  original  First Revised  Second Revised Exhibit B is  
amended to read as set forth in the attached  First  Second  Third Revised Exhibit B,  
which is incorporated by reference into this Amendment.
  9.  **Additional Services:** The Consultant is authorized to perform the Additional Services set forth in the  
attached Additional Services Exhibit, which is incorporated by reference into this Amendment.
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This Amendment is executed by the authorized representatives of the City and Consultant as follows:

**City of San José**

By

*Sarah Zarate*

Email: sarah.zarate@sanjoseca.gov

**Name:** Sarah Zarate

**Title:** Director of Office of Administration, Policy and Intergovernmental Relations

**Consultant**

By

*bsparkman@centuryurban.com*

Email: bsparkman@centuryurban.com

**Name:** Bryant Sparkman

**Title:** President & Managing Principal



**Approved as to Form:**

Attorney

Kevin Fisher

Assist City Attorney U

kevin.fisher@sanjoseca.gov

*Kevin Fisher*

Email: kevin.fisher@sanjoseca.gov

**First**

**Second**

**Third**

## Revised Exhibit A: Scope of Basic Services

(Non-Capital Project)

This revised Exhibit A is an attachment to the  First  Second  Third amendment to Agreement.

The tasks set forth in the original Exhibit A, or in any previous amendment to the original Exhibit A, are amended as follows:

### Task No. 1, entitled "Pro Forma Model Development," is amended to read as follows:

**A. Services:** The Consultant will develop a pro forma analysis that utilizes a financial model to evaluate the development economics of multiple prototypical projects representing multiple subcategories including development typology and geography within San José. The prototypes will include market-rate rental, market-rate for-sale, and affordable rental. The analysis will include, but is not limited to, the following criteria:

a. Project costs:

- i. Direct project costs, divided by labor and materials, and broken down by residential construction, site work, parking, labor costs, etc.
- ii. Indirect project costs, including architecture and engineering, fees, taxes, insurance, financing, and overhead.
- iii. Land costs.
- iv. City fees, broken down by individual impact fees, service fees, and taxes.
  - Including Transportation Demand Management (TDM) measures

b. Project Value:

- i. Average rents.
- ii. Vacancy, operating expenses, and other miscellaneous revenues.
- iii. Capitalization rate used to determine project value.
- iv. Minimum developer profit targets, including consideration for different types of financing structures or other development characteristics such as speculative development, large multi-family development, co-living, real estate investment trust, closely-held real estate development, international developers, etc.

c. A sensitivity analysis estimating the impact of potential variances in the prototype, cost or revenue of the development project based on stakeholder input, including but not limited to:

- i. Land cost
- ii. Financing cost and/or structure
- iii. Development threshold (expected returns)

**B. Deliverable:** Draft memo summarizing results and pro forma inputs.

**C. Completion Time:** The Consultant must complete the services and deliverable 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. 2, entitled “Conceptual Pro Forma Analysis,” is amended to read as follows:**

- A. Services:** Complete an analysis (consistent with San José Municipal Code Section 14.10.310) of whether construction of development projects in each subcategory are financially feasible or not. The analysis will address the following issues:
- a. Whether all projects in the specific subcategory are financially infeasible.
  - b. The reason(s) for any conclusion that construction of the projects in the specific subcategory is financially infeasible.
  - c. The anticipated duration of any condition(s) making construction of the projects in the subcategory financially infeasible.
  - d. The estimated size of the financial gap between the project in the specific subcategory being financially infeasible or financially feasible.
  - e. Any additional options that would make construction within a subcategory financially feasible, provided that any such options must comply with all applicable laws and regulations, including the City’s current General Plan.
- B. Deliverable:** Draft memo summarizing results of the conceptual pro forma analysis.
- C. Completion Time:** The Consultant must complete the services and deliverable 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, entitled “Stakeholder Engagement,” is amended to read as follows:**

- A. Services:** The Consultant will work with City staff to gather input from staff, the development community, and other stakeholders as needed. It is anticipated that this will include the following:
- a. Initial kick-off meeting with City staff and further regular coordination calls (as needed).
  - b. Initial stakeholder meeting prior to preparation of the pro forma model and pro forma analysis.
  - c. Interview with members of the development and/or other groups to vet pro forma inputs.
  - d. Meeting(s) to vet results with City staff and other key stakeholders.
  - e. Presentations of the results, including attendance at a City Council committee meeting and/or City Council meeting.
- B. Deliverable:** Presentation materials for meetings and City Council.
- C. Completion Time:** The Consultant must complete the services and deliverable 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 \_\_\_\_\_.

**A new task is added to be numbered and to read as follows:**

**Task No. 4: Affordable Housing Study**

- A. Services:** Complete an analysis of the cost of affordable housing in the City of San José, based on recent affordable housing projects that received tax credit allocations.
- a. Determine average affordable development costs in San José based on recent projects.
  - b. Research and determine comparable projects and associated average costs in other local jurisdictions in the state.
  - c. Meet with City staff and key stakeholders to vet results.
  - d. Present results at a City Council committee meeting and/or City Council meeting, as needed.
- B. Deliverable:** Draft report with the results of the study and recommendations on maximizing City of San José funding.
- C. Completion Time:** The Consultant must complete the services and deliverable 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 \_\_\_\_\_.

**A new task is added to be numbered and to read as follows:**

**Task No. 5: Land Use Fiscal Analysis**

- B. Services:** Complete an update of a prior fiscal revenue study related to specific land uses in the City.
- a. Request and compile data from City necessary for study.
  - b. Prepare estimated revenues and expenditures for seven different land use categories
  - c. Prepare fiscal revenue and expenditure analysis for five to six selected residential projects.
  - d. Attend meetings to share results with City staff.
- B. Deliverable:** Draft report with the results of the study and explanation of methodology for update.
- C. Completion Time:** The Consultant must complete the services and deliverable for this task in accordance with whichever one of the following time is marked:
- On or before the following date: July 31, 2022.
- On or before \_\_\_\_ Business Days from \_\_\_\_\_.

First  Second  Third **Revised Exhibit B: Compensation** (Non-Capital Projects)

This revised Exhibit B is an attachment to the  First  Second  Third amendment to the Agreement.

**Section 1 – Compensation Table**

Part 1 – Compensation for Basic Services			
Column 1	Column 2	Column 3	Column 4
Task Nos.	Basis of Compensation	Invoice Period	Compensation
1,2,3	<input checked="" type="checkbox"/> Time & Materials <input type="checkbox"/> Fixed Fee	<input checked="" type="checkbox"/> Monthly <input type="checkbox"/> Completion of Task(s) <input type="checkbox"/> Completion of Work	\$ 100,000
4	<input checked="" type="checkbox"/> Time & Materials <input type="checkbox"/> Fixed Fee	<input checked="" type="checkbox"/> Monthly <input type="checkbox"/> Completion of Task(s) <input type="checkbox"/> Completion of Work	\$ 34,875
5	<input checked="" type="checkbox"/> Time & Materials <input type="checkbox"/> Fixed Fee	<input checked="" type="checkbox"/> Monthly <input type="checkbox"/> Completion of Task(s) <input type="checkbox"/> Completion of Work	\$ 45,700
Part 2 – Reimbursable Expenses			
<input checked="" type="checkbox"/> No expenses are separately reimbursable. The amount(s) in Column 4 of Part 1 include(s) payment for all expenses.		<input type="checkbox"/> Expenses are separately reimbursable in accordance with Subsection 10.5 of the Agreement. The maximum amount of reimbursable expenses is:	\$
Part 3 – Subconsultant Costs			
<input checked="" type="checkbox"/> The amount(s) in Column 4 of Part 1 include(s) payment for subconsultants. Subconsultant costs are <b>not</b> separately compensable.		<input type="checkbox"/> Subconsultant costs are separately compensable in accordance with Subsection 10.6 of the Agreement. The maximum amount of compensation for subconsultant costs is:	\$
Part 4 – Additional Services			
<input type="checkbox"/> No money is budgeted for Additional Services, and the Director cannot authorize any Additional Services.		<input checked="" type="checkbox"/> The Director may authorize the Consultant to perform Additional Services up to the following maximum amount:	\$ 54,300

<b>Maximum Total Compensation</b> (sum of Parts 1 through 4):	<b>\$ 234,875</b>
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**Section 2 – Schedule of Rates and Charges**

- Omitted.** No Schedule of Rates and Charges is included because the City will not be compensating the Consultant for any Basic Services on a “time & materials” basis.
- The following is the Schedule of Rates and Charges applicable to this Agreement:

<b>Title</b>	<b>Hourly Billing Rate</b>
Managing Principal	\$325.00
Vice President	\$250.00
Financial Analyst	\$175.00