



COUNTY OF SAN MATEO
Inter-Departmental Correspondence
County Manager



DATE: March 1, 2012
BOARD MEETING DATE: March 13, 2012
SPECIAL NOTICE/HEARING: None
VOTE REQUIRED: Majority

TO: Honorable Board of Supervisors

FROM: David G. Holland, Assistant County Manager

SUBJECT: Agreement with Keyser Marston Associates Inc., to provide an Asset Management and Economic Development Plan for the County.

RECOMMENDATION:

Adopt a Resolution:

- A) Waiving the Request for Proposals process and authorizing the County Manager, or his designee, to execute an agreement with Keyser Marston Associates Inc. in the amount of \$120,303, to provide an Asset Management and Economic Development Plan for the County; and
- B) Authorizing the County Manager, or his designee, to execute subsequent amendments and minor modifications in an amount not to exceed \$25,000.

BACKGROUND:

The Board of Supervisors believes that the County needs to be more proactive in generating revenue from its assets, and improving the region's economic development environment. To maintain a sustainable economic environment in the region, it is critical that the County assess its current situation and chart a course to maintain economic viability and growth in areas that will strengthen the local economy. It is critical to develop a short-term and longer term strategy for ensuring the economic vitality of the region.

DISCUSSION:

The County of San Mateo has weathered the recent economic recession better than most areas of the country. The unemployment rate in December 2011 for the County was 7.2% compared to 11.1% for the state and 8.3% for the nation. Housing values have declined less than other parts of the Bay Area and the state. However, not all communities in the County are faring equally well. The region also faces ongoing global challenges as other areas of the world compete more successfully for jobs by offering a more skilled workforce, lower operating costs and less cumbersome regulatory processes that provide a more "speed-to-market" business climate for expanding businesses.

As a result of the dissolution of Redevelopment Agencies, the County needs to assume a stronger leadership role in finding new solutions and ways to add value to stimulate growth and development in the region. There may be opportunities to leverage new public/private partnerships and collaborative relationships with cities and other economic development stakeholder groups that can improve the quality of jobs for residents; effectively address barriers to growth; strengthen the tax base; sustain a balanced, higher quality of life; and support a continued culture of innovation.

In order to address these new challenges, there needs to be an economic development strategy that will provide a clear plan for guiding the region's economic future. To be successful, development and implementation of the plan will require collaboration with the cities, community partners, consensus on priority goals and outcomes, and the alignment and leveraging of resources.

Keyser Marston Associates, Inc. (KMA) is a full-service consulting firm providing strategic real estate and financial advisory services focusing on public private partnerships, public finance, affordable housing and economic development. The majority of the KMA assignments involve long-standing client relationships with cities, counties and redevelopment agencies, including San Mateo County. KMA has a wealth of expertise and relationships in the Bay Area that will expedite our efforts to implement a viable economic plan for the County. Therefore, we request that the Board waive the RFP process in selecting Keyser Marston Associates, Inc.

Staff is recommending that this Board direct the County Manager, or his designee, to execute an agreement with Keyser Marston Associates Inc., to provide an Asset Management and Economic Development Plan for the County.

Project deliverables will include an Asset Management Strategy and an Economic Development Strategy to be presented to the Board in August 2012.

Support of this activity contributes to our Shared Vision 2025 goal of fostering a Prosperous Community where our economic strategy fosters innovation in all sectors, creates jobs and educational opportunities for all residents.

The Agreement and the Resolution have been reviewed and approved by County Counsel as to form.

FISCAL IMPACT:

The net County cost for this agreement is \$120,303.



KEYSER MARSTON ASSOCIATES™
ADVISORS IN PUBLIC/PRIVATE REAL ESTATE DEVELOPMENT

March 5, 2012

ADVISORS IN:
REAL ESTATE
REDEVELOPMENT
AFFORDABLE HOUSING
ECONOMIC DEVELOPMENT

SAN FRANCISCO
A. JERRY KEYSER
TIMOTHY C. KELLY
KATE EARLE FUNK
DEBBIE M. KERN
ROBERT J. WETMORE
REED T. KAWAHARA
DAVID DOEZEMA

LOS ANGELES
KATHLEEN H. HEAD
JAMES A. RABE
PAUL C. ANDERSON
GREGORY D. SOO-HOO
KEVIN E. ENGSTROM
JULIE L. ROMEO
DENISE BICKERSTAFF

SAN DIEGO
GERALD M. TRIMBLE
PAUL C. MARRA

Mr. David G. Holland
Assistant County Manager
San Mateo County
400 County Center
Redwood City, CA 94063-1663

Re: Asset Management and Economic Development Strategies

Dear Dave:

Thank you for requesting this draft proposal from Keyser Marston Associates Inc. (KMA) in collaboration with Leslie Parks. As we discussed, we would be delighted to assist the County of San Mateo in its efforts to: 1) enhance revenues to the County through aggressive management of its real estate assets; and 2) to be a catalyst for the creation of quality jobs throughout the County.

OUR TEAM

Our team is comprised of Keyser Marston Associates, Inc. (KMA) and Leslie Parks. KMA will be responsible for the Asset Management component of the work scope and Leslie Parks will be responsible for the Economic Development Strategy component.

Keyser Marston Associates, Inc. (KMA) is a full-service consulting firm providing strategic real estate and financial advisory services focusing on public private partnerships, public finance, affordable housing and economic development. The majority of the KMA assignments involve long-standing client relationships with cities, counties and redevelopment agencies. KMA has offices in San Francisco, Los Angeles and San Diego. Our practice is focused in California where we have assisted over 600 public and private clients on more than 2,000 projects. The firm has significant experience in the following areas:

Asset Management / Public Private Partnerships

- Real estate strategy / valuation
- Disposition options – fee sale and ground lease

- Developer selection
- Implementation
- Underutilized and vacant properties
- Ground leases – harbor/marinas and airports

Please visit our web site at www.keysermarston.com for more information on the firm.

KMA's effort will be led by Timothy C. Kelly, the President of KMA. Tim has over 30 years of experience in assisting public agencies throughout California maximize revenues and achieve public benefits through the disposition and development of surplus properties. Of immediate relevance to this assignment is Tim's ongoing work with Redwood City in the disposition of its downtown properties. Other current assignments in San Mateo County include the development of properties in Brisbane, Los Altos, Sunnyvale, and Belmont. Debbie Kern, a Senior Principal of Keyser Marston will assist Tim with this assignment. Debbie has over 25-years of experience in real estate economics and specializes in infrastructure finance, municipal service finance, and affordable housing.

Leslie Parks will be responsible for the Economic Development Strategy. She has assisted with a number of consulting projects that include developing workforce and economic development strategies for clients such as the cities of San Jose, San Francisco, El Cerrito, Santa Rosa, and Redwood City. She has also consulted for workforce development programs in Portland, Maricopa County, Phoenix, Spokane, Fresno, San Bernardino County, and the California Workforce Association. That consulting work primarily focused on creating a seamless integration of workforce and economic development programs in order to more effectively deliver business services, leverage tools and resources, and support the growth of local companies. Her current assignments are with the cities of Half Moon Bay and Millbrae.

Resumes for Tim, Debbie and Leslie are provided in Attachment B.

Scope of Services

In Attachment A to this letter, there are detailed scopes of services for both the Asset Management and for the Economic Development Strategy.

Timing

As you will see in both the Asset Management scope and the Economic Development Strategy scope, meetings with you and key staff are planned throughout the effort. The

intent is to engage staff in both defining the direction of the effort and in the findings. The timeline to complete the work scope for the Asset Management Strategy is by the end of May.¹ The bulk of the Economic Development strategy will also be completed by the end of May, but it is anticipated that the strategy report will be finalized over the summer.

Budget

The following are the proposed budgets:

Asset Management Strategy	\$67,500
Economic Development Strategy	<u>\$52,823</u>
Total	\$120,303

We look forward to working with you on these interesting assignments. Should you have any questions or comments regarding this letter, please let us know.

Sincerely,

KEYSER MARSTON ASSOCIATES, INC.



Timothy C. Kelly



Debbie Kern

¹ The Strategy will be complete by the end of May. However, it is likely that recommendations for partnering with cities (Task 9 of Strategy scope) will be submitted following the presentation to the Board of Supervisors, probably during the month of June.

ATTACHMENT A: SCOPE OF SERVICES

ASSET MANAGEMENT STRATEGY

The focus of the assessment management strategy will be on:

- Identifying and evaluating surplus sites, particularly high value assets
- Evaluating the potential to enhance revenue to the County from surplus properties
- Evaluating the opportunity to achieve revenue objectives through the formation of public/private partnerships
- Recommending a strategy for disposing of surplus assets to maximize revenues to the County

For this effort, we have received the following documents listing assets:

- County of San Mateo: Real Property Report 2011-12
- Economic Development List (excel file)
- Leased Facilities (excel file)
- Assets include:
 - Properties that are owned but not used by the County and are available for disposal (have already been declared as surplus)
 - Properties that are owned but not currently used by County but have been designated as desirable to “hold” for future County use
 - Properties that are owned by the County but are underutilized, of which portions may be available for disposal or to house County functions currently operating elsewhere and buildings
 - properties fully used by County
 - properties that are leased to private interests (need further information)
 - privately owned property leased by the County for the County’s use(need further information)

Task 1: Initial categorizing of assets listed in documents into a range of time frames for feasible disposition, such as, immediate opportunities, midterm opportunities, and hold, based on the following:

- Existing master plan and feasibility reports, such as, Event Center, Tower Road site, and FATCO site, etc.
- Ability of individual assets to benefit from current real estate trends – high value properties
- Regulatory Constraints/Complexity of Entitlement Process - General plan and zoning, use restrictions recorded on property deeds, number of regulatory agencies governing reuse of property
- County /non-profit uses on properties and the ability to relocate

- Existing contract documents, if available: building leases and ground leases
- Other known constraints : parcel size, infrastructure capacity

Product: In house data gathering that will be discussed further with initial findings presented with Task 2.

Budget Estimate: \$4,338

Task 1a: (To be undertaken by County Counsel concurrently with Task 1)

- Determine County process for disposition of surplus assets and Conditions on Disposition – Public bid process, ability for staff to select developer; prevailing wage requirements; differences between ground lease and fee simple sale; process for establishing business terms – highest bid, negotiation, fair market value; county’s role in processing entitlements and ability to obtain entitlements and then market property

Task 2: Meeting with staff to review assets and revise initial categorization of assets and draft a one-page matrix summary of each property in the immediate and mid-term categories.

Product: Development of an initial matrix of properties based on the findings in Tasks 1 and 1a and meeting with staff.

Budget Estimate: \$9,800

Task 3: Address key questions related to selected assets in the immediate and midterm categories

- Possible land use options (real estate market and valuation trends))
- Discussion and identification of possible desired public benefits

Product: Internal memo discussing the above topics for sites identified as being immediate and midterm opportunities.

Budget Estimate: \$14,763

Task 4: Complete one-page matrix summary of each property in the immediate and mid-term categories

- Size;
- Zoning and General Plan land use designations;
- Other Constraints;
- Possible Land uses;
- Infrastructure Needs;

- Entitlement Process;
- County's objectives for the property/desirable public benefits/preferred disposition option (ground lease/sale)

Product: Matrix and meeting with staff to discuss

Budget Estimate: \$5,623

Task 5: Pretest Marketability of Immediate and Midterm Opportunities with Real Estate Community

- Meet with commercial and residential developers to discuss strength of market interest in surplus sites
 - Discuss alternative disposition strategies: fee sale, lease, public/private partnership
 - Discuss land use and potential value range of asset
 - Preconditions necessary for effective disposition
- Revise one-page matrix summary of each property based on input from real estate community

Product: Internal memo

Budget Estimate: \$6,985

Task 6: Prepare Draft Asset Management Strategy

- Summary of immediate and mid-term opportunities sites and long-term hold sites
 - Potential land use;
 - Target disposition strategy;
 - Estimate of Revenue to County;
 - Critical path issues
- Actions necessary and timeline to implement asset strategy
 - Actions (including staffing recommendations) to be undertaken in FY 2012/13
 - Actions to be undertaken in the next 2 to 3 years
 - Long term asset strategy

Product: Draft Asset Management Strategy

Budget Estimate: \$13,095

Task 7: Meet with Staff and Revise Strategy

Product: Revised Asset Management Strategy

Budget Estimate: \$5,033

Task 8: Presentation to Board of Supervisors

Budge Estimate: \$1,930

Task 9: Potential for Partnerships with Cities (This task will be undertaken following the presentation to the Board of Supervisors)

- Conceptual framework for county participation – nature of county contribution (e.g. IFD, combining service districts, job training, sharing economic development staff); return requirements (e.g. sharing of municipal revenues); eligible projects (e.g. quality job creation, etc.);
- Outreach Process to cities to identify key development sites and terms of public/public partnerships

Product: Memorandum

Budget Estimate: \$5,960

KMA proposes to undertake this scope of work on a time and materials basis for a not-to-exceed fee of \$67,500. A detail of the expected number of staff hours for each task is provided as Attachment C. If our assignment involves more than 4-5 meetings and one public presentation, there may be a need to supplement our budget at a later time. Our hourly rate schedule is also included in Attachment C. The budget includes travel costs and materials. Consultant will provide one hard copy of report for reproduction and one electronic copy (pdf format).

ECONOMIC DEVELOPMENT STRATEGY

I. Background

The County of San Mateo has weathered the recent economic recession better than most areas of the country. The unemployment rate in December 2011 for the County was 7.2% compared to 11.1% for the state and 8.3% for the nation. Housing values have declined less than other parts of the Bay and the State. However, not all communities in the County are faring equally well. The region also faces ongoing global challenges as other areas of the world compete more successfully for jobs by offering a more skilled workforce, lower operating costs and less cumbersome regulatory processes that provide a more "speed-to-market" business climate for expanding businesses.

For these reasons, the County's Board of Supervisors believes it is critical to develop a short-term and longer term strategy for ensuring the economic vitality of the region. With the elimination of redevelopment, there will be a shift of resources that will allow the County to take a stronger leadership role in finding new solutions and ways to add value to stimulate growth and development in the region. There is an opportunity to leverage new public/private partnerships and collaborative relationships with cities and other economic development stakeholder groups that can improve the quality of jobs for residents; effectively address barriers to growth; strengthen the tax base; sustain a balanced, higher quality of life; and support a continued culture of innovation.

II. Project Understanding

In order to address these new challenges, the County sees the opportunity to develop an economic development strategy that will provide a clear plan for guiding the region's economic future. To be successful, implementation of the plan will require collaboration with community partners, consensus on priority goals and outcomes, and the alignment and leveraging of resources.

The economic development strategy can help the County achieve the following priority economic development goals:

1. Identify the revenue base required to sustain County services. We feel this is a separate economic impact study that will require significant time and resources and, potentially, not yield feasible information.
2. Facilitate public/private partnerships to achieve key objectives
3. Define the mix of commercial industrial, residential and open space land use that will create a long-term stable tax base. (ABAG may already have these projections.)

4. Partner with the twenty cities located in the County to understand what drives local government economic development efforts and strategies. (Addressed by economic development partner interviews/focus group)
5. Identify programs and resources needed to position start-up businesses for success and assist existing businesses to expand. (Done as part of tools and resources for starting up businesses.)
6. Identify clusters of businesses that co-locate to maximize competitiveness and cost. (Industry cluster analysis.)
7. Address barriers for businesses that want to expand. (Business climate assessment - interviews of major employers.)
8. Identify demand occupations that drive workforce employment. (We are getting the occupations required of the target industries.)
9. Broaden and enhance programs that support the County's tourism industry. (This is really a study in itself if it's done correctly. Isn't the ConVis Bureau already undertaking a study?)
10. Support telecommunication and other infrastructure necessary to support the needs of County businesses. (This question can be asked of businesses as part of the Business Climate Survey.)

PHASE I: WHERE ARE WE NOW?

Task 1: Kick-off meeting with project director and staff. \$1,715

1. Review the project scope of work and schedule as well as the roles of the consultant and County staff.
2. Review and confirm the County's priority goals and outcomes for the strategy.
3. Identify key departments to be included in the economic development assessment.
4. Obtain copies of all relevant studies, reports, policies, and plans initiated by the County
5. Review the project scope of work and schedule as well as the roles of the consultant and staff.
6. Review and confirm the County's priority goals and outcomes for the strategy.
7. Identify key departments to be included in the economic development assessment.
8. Obtain copies of all relevant studies, reports, policies, and plans initiated by the County

Task 2: Submit revised scope of work and schedule.

Task 3: Review all County studies, reports, plans and policies relevant to the strategy scope of work. \$1,400

Task 4: Engage economic development partners and stakeholders in strategy process. \$685

Prepare letter to cities in the County and major economic development stakeholder organizations announcing the economic and workforce development strategy and inviting them to participate by identifying a representative who can be interviewed by the consultant.

Note: Only few cities in the County have economic staff so other senior staff such as deputy city managers and directors of community development may choose to participate in the strategy process.

Objective: Ensure that key economic development and workforce partners are engaged in the process for developing the County's workforce and economic development strategy.

Task 5: Prepare Economic Base/ Industry Cluster Analysis to determine \$3,940

The purpose of this analysis is to identify industries in which the County has a competitive advantage for attracting new business. The economic base and trends information for the local area will set the stage for target market identification. The analysis includes a detailed analysis of industry growth at the six-digit NAICS level for the County. Factors assessed include growth trends in:

- Employment
- Number of establishments
- Average regional wages by six digit NAICS from 2001-10
- National projected output and employment growth
- National capacity utilization rates for manufacturing industries as an indicator of expansion potential

Next, industries for which the County has particular advantages over other competing areas will be identified. The focus is on basic industries, i.e. those that bring new wealth into the local economy. A screening process will be used to narrow the list of industries included in the economic trend information to those that have the best potential for future growth, and industries that represent the appropriate targets for attraction. Factors used for screening and prioritizing include:

- Growth industries locally and industries that are growing at a faster rate in the region than in the nation as a whole.
- Industries that have above average projected output and employment growth nationally over the next 10 to 15 years.
- Within manufacturing, industries that have high capacity utilization rates nationally and are likely to expand in the near term.
- Firms that provide quality jobs to local residents and above average wages and
- Industries that will make significant capital investments

Once the initial screening process is complete, the next step will be to identify specific target clusters. Interdependent industries will be grouped together, including primary producers as well as related suppliers and other support industries. Clusters that have an established presence in the metro area, even if they are not currently in San Mateo County, are important because they may provide opportunities for expansion.

In addition to looking at growth trends for existing clusters in the region, additional opportunities to attract supplier industries that do not currently have a strong presence in the region using input/output data that shows detailed intra-industry transactions will be reviewed. Understanding linkages is important because these industries may provide opportunities for businesses to co-locate where there is demand for particular products or services from existing basic industries in the County, but there are no local suppliers.

Once all the targets have been identified based on the screening, additional industry intelligence including site location factors and occupations that are most important to each target industry as well as source areas and location patterns of these industries nationally will be identified.

Objective: The analysis will determine what types of industries have been the most successful in the local area in recent years and which ones are likely to hold the best potential for future growth in the County. The outcome of this analysis will be particularly valuable to the economic development efforts of local cities.

Task 6: Economic Indicators Analysis

\$3,800

This analysis is an important step to assessing the County's economic development climate and evaluating success. This snapshot provides a quantitative evaluation of how the County is performing relative to the metro area and the state. The data can be expanded to include individual communities but that analysis can be deferred and included in recommendations as a way in which the County can add value to community economic development efforts.

A matrix of current performance metrics comparing San Mateo County to the larger region will be created. The analysis will identify the specific economic challenges as well as strengths for the County that will be factors in creating a climate for economic growth. These factors can be measured on an on-going basis to monitor success of the economic development program. Performance metrics include: Demographics, human capital, economy, New Economy indicators, costs that affect business operations and quality of life factors.

Objective: Identify key opportunities and barriers to growth for the expansion of businesses in major industry sectors in the County

Task 7: Complete an asset map or scan of current resources, tools and technical assistance programs to assist with new business formations.

\$1,400

Potential resources include small business loan and financing programs; venture capital and angel investing; technical assistance and training programs; any state incentive programs.

Objective: Identify resources and tools available to support new business formations and growth as well as the most effective of ways of making them available to local businesses.

Task 8: Business Climate Survey

\$5,250

The best way to assess the overall business climate is to interview a cross section of employers in the County. This effort will require the cooperation of local cities in identifying the list of firms and the appropriate individual for the interview. The businesses should represent a cross section of major industry sectors and retail. Information obtained from the interviews can be a valuable source of industry intelligence for the community but the names of businesses and those interviewed will be kept confidential unless companies give permission to reveal identities. Interviews will be summarized.

1. Twenty interviews will be done by phone.
2. Information to be obtained from interviews:
 - Industry classification
 - Years in business
 - How is business doing?
 - Current total employment
 - Any expansion plans
 - County's potential for attracting new companies
 - Critical market challenges
 - Opinion of the County as a place to do business
 - Cluster linkages (major customers, suppliers, strategic partners, service providers)

Objective: Gain an understanding of how local businesses perceive the County (region) as a place to do business as well as identify key challenges and opportunities to their continued growth.

PHASE II: WHERE DO WE WANT TO GO?

Task 9: Meeting with Project Manager and staff for update on findings and progress on next set of tasks. \$700

Task 10: Convene a focus group of economic and workforce development stakeholders and partners in order to assess capacity, resources, how economic and workforce development services are delivered, challenges and opportunities. \$2,095

Agenda topics include:

1. *Determine areas of alignment, duplication and opportunities for leveraging resources.*
2. *What is their awareness of the Workforce Investment Program? Do they refer people for services?*
3. *What is the current economic development program? What services and resources are provided to businesses?*
4. *Are there opportunities for greater alignment with workforce investment program*
5. *What are their organization's priority economic development goals?*
6. *Determine any gaps in resources/services that the County can fill.*
7. *Identify any opportunities for partnership.*
8. *What role do they see for the County in economic development?*
9. *In what ways can the County add value to economic development for cities?*

Task 10.1: Individual interviews**\$1,575**

Six individual interviews with senior representatives of the County's 21 cities, SAMCEDA, Labor, college district, San Mateo County Silicon Valley Convention and Visitors Bureau are allowed if stakeholder representatives cannot attend the focus group or if an in-person interviews is more appropriate.

Objective: Gain insight and feedback from stakeholders and partners about the most appropriate role of the County in regional economic development.

Task 11: County Organizational Assessment**\$5,775**

Interviews will be conducted with key department directors involved with economic development implementation. Planning, building, code enforcement, public works, housing and the County Executive's Office are key departments that will be reviewed to determine current roles and responsibilities related economic development, how these managers view the importance of economic development to the to the County's fiscal health, and what do they see as their role. This assessment will also identify current resources and tools available for supporting economic development. Allows for 12 interviews either in person or by phone

Objective: Determine the internal capacity and the best organizational structure for creating a stronger regional economic development role for the County.

Task 11.1: Best practices: An investigative scan and interviews will be conducted to identify counties that have economic development programs that can be used as models for San Mateo County.

\$1,750

In particular, the effort will look at counties that also administer a workforce development program. This assessment will also be augmented with the perspectives about the County's potential role gained from interviews with economic development stakeholders and partners.

Task 12: Workforce Investment Program Assessment**\$8,188**

The quality of the workforce is a critical requirement of businesses competing in a global economy. Talent can now be accessed anywhere in the world. Consequently, to achieve goals of job creation and attraction and strengthen opportunities for upward mobility, workforce and economic development efforts need to be better integrated and aligned with respect to goals, effectively serving the needs of businesses, and leveraging resources. The assessment of the workforce development program will include a review of the draft strategic plan and interviews by phone or in-person with the director and staff to determine the following:

- Current program and services offered
- What is working and not working
- Who are key partners for effective delivery of services?
- Critical challenges and opportunities (short term and longer term)

- What can be done to raise the visibility and increase accessibility of the program?

Additional interviews will be conducted with key managers and staff of the Human Services Agency. Fifteen interviews are allocated for this task. Interviews with collaborative workforce development partners are included in Task 6.0.

Other tasks entailed in the workforce program assessment:

1. Identify three best practices for programs that integrate workforce and economic development and are relevant to the County's program. Interviews with program directors will be conducted.
2. Conduct a facilitated session with the WIB to present key findings and gain consensus on priority economic and workforce development goals; direction for actions and efforts that can achieve the goals; and strategic actions that can more effectively align and integrate the two worlds.

Objective: Identify ways in which the current workforce development program can more effectively support and integrate with regional economic development efforts in order to create a more seamless service delivery system.

PHASE III: HOW WILL WE GET THERE?

Task 13: Major stakeholders involved in economic and workforce development community will be convened to hear the findings from the target industry and economic base analysis and the business climate assessment.	\$3,245
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Other topics for discussion and information to be gathered:

1. Key strengths and weaknesses
2. Critical challenges or "red flags"
3. Short term and longer term opportunities
4. Resources that can be contributed or leveraged
5. Ways in which the County can add value to regional economic development efforts?
6. What do we control with respect to our economic future?

The group will also discuss and reach consensus on priority regional economic and workforce development goals that may include:

- Job creation
- Job retention

- Strengthen tax base
- Expansion of wealth - upward mobility
- Economic self-sufficiency
- Smart growth

The meeting will be a three-hour facilitated session. Assistance from the County is needed to identify and confirm a location, promote and manage both meetings.

Task 14: Meeting with County Project Manager, staff (and two supervisors and County Executive if so desired) to present findings from Tasks 4-8, and 10-13 and initial recommendations. **\$1,050**

Task 15: Economic Development Strategy Draft and Final Report **\$8,045**

Meeting will be scheduled with project manager and staff to review the format or template for the report that shows how it will be organized (headings and subheadings). Please note that the proposed budget allows for two drafts and two rounds of editing. Additional drafts and rounds of editing can be accommodated but will be billed on the basis of time and materials.

The first draft of the strategy will be provided after this meeting.

Task 16: Presentation of Economic Development Strategy (findings and recommendations) to the Board of Supervisors. **\$2,210**

STAFFING

Leslie Parks will be responsible for this scope of services.

BUDGET AND TIMING

Total Project Budget: \$52,823

Please Note:

Leslie Parks proposes to undertake this scope of work on a time and materials basis for a not-to-exceed fee of \$52,823. If her assignment involves more than the number of meetings identified in the scope and one public presentation, there may be a need to supplement our budget at a later time. Her hourly rate schedule is \$175. The budget includes travel costs and materials. Consultant will provide one hard copy of report for reproduction and one electronic copy.

Schedule:

PROJECT PHASE	March	April	May	June	July	Aug	Sept.
Task 1. Project Kick-off meeting	■						
Task 2. Submit final work plan	■						
Task 3. Review all studies, reports, plans and documents	■						
Task 4. Letter to economic development/workforce partners re: strategy	■						
Task 5. Economic Base/Industry Cluster Analysis	■	■					
Task 6. Economic Indicators		■					
Task 7. Asset map of start-up business resources		■					
Task 8. Business Climate Survey		■	■				
Task 9. Progress meeting			■				
Task 10. Focus group of economic development and workforce stakeholders			■				
Task 11. Best practices for county economic development role			■				
Task 12. Workforce Investment Program Assessment			■	■			
Task 13. Second meeting of stakeholders				■			
Task 14. Meeting with project manager, supervisors and CE to review findings and initial recommendations				■			
Task 15. Meeting with project manager to review report format. Draft report submitted August 1.				■	■		
Task 16. Presentation of draft findings and recommendations					■		

Assumes that a contract is executed March 15, 2012 and that individuals needed for project meetings and interviews are available per the project timeline.

ATTACHMENT B: RESUMES



TIMOTHY C. KELLY, CRE

Mr. Kelly is a founder of the firm and serves as President. He is the Managing Principal of the San Francisco office. For more than 30 years, Mr. Kelly has provided his clients with real estate and financial expertise on urban development.

Key Role

Mr. Kelly has been an advisor on a wide range of commercial and residential developments. Many have been pioneering, ranging from Horton Plaza in San Diego to the Fairmont Hotel in San Jose to Bay Street Shopping Center in Emeryville. The depth of his experience provides him with exceptional skills to work with both private developers and the public sector. He is frequently asked to play a key role in developer selections, disposition negotiations, and presentations to public officials.

Areas of Specialization:

Public Financing in Public/Private Partnerships

Mr. Kelly has played a major role in structuring creative public private financing agreements. He has advised on agreements with Catellus, Forest City, CIM Group, Related Companies, Wolff Sesnon, Madison Marquette, MacFarlane Partners, and The Olson Company. Projects have included: Bay Street Shopping Center in Emeryville, Plaza de San Jose, On Broadway in Redwood City, San Jose Marriott, and San Jose Fairmont.

Development Agreements and Entitlement Strategies

Mr. Kelly advises his clients on development agreements and entitlement strategies for surplus properties, underutilized industrial and commercial sites, and base closures. He specializes in developing strategies that balance development interests with requirements for public benefits, affordable housing and mixed use development. Assignments have included the Broadway Pointe in Walnut Creek, Chiron Campus in Emeryville, the former Santa Rita jail property in Dublin, and the Naval Fleet Industrial Supply Center in Alameda.

Disposition Strategies and Developer Selections

Mr. Kelly assists his clients in evaluating and structuring land sales, ground leases and the sale of air rights. Assignments have included the SGI Campus in Mountain View, Century Theatres in San Mateo, multiple residential sites throughout the Bay Area and in Reno.

Professional Credentials

A member of the prestigious American Society of Real Estate Counselors (CRE), Mr. Kelly is the past Chairman of the Northern California Chapter. Mr. Kelly currently serves on the Board of Directors of the California Redevelopment Association, a statewide organization comprised of 350 redevelopment agencies which provides information on legislative proposals and administrative regulations and professional development services to redevelopment agencies throughout the state. Mr. Kelly is a member of the ULI and ICSC. He has been a speaker at conferences for: ICSC, Community Redevelopment Association, ULI, and UC. An alumnus of UCLA, Mr. Kelly earned his undergraduate degree in economics there and continued at the Graduate School of Management where he earned his MBA.





DEBBIE KERN

Ms. Kern is a Senior Principal in Keyser Marston Associates' San Francisco office. She has over 20 years of experience in real estate consulting and specializes in fiscal and economic impact analysis and affordable housing finance.

Key Role

Ms. Kern specializes in the area of fiscal and economic impact analysis and manages housing related services for Keyser Marston clients in San Francisco. Her broad experience combined with strong technical skills provide her with unique ability to advise on conceptual issues as well as structuring complex public/private transactions.

Areas of Specialization

Fiscal and Economic Impact Analysis

Fiscal and economic impacts are becoming key factors in the approval process for new development and business expansion. Ms. Kern's expertise ranges from analyzing the impacts of specific businesses to helping municipalities establish standard approval policies and practices. Ms. Kern has analyzed the fiscal and economic impacts of businesses and real estate developments for both private and public sector clients. Ms. Kern is a leader in the field of structuring municipal service financing plans to ensure that new development generates sufficient revenues to fund needed services. Recent assignments include:

- Evaluated the fiscal impacts of the land use alternatives for the Ravenswood Specific Plan and prepared an infrastructure financing plan for Ravenswood;
- Evaluated the fiscal impacts of the proposed 1.1 million Stanford at Redwood City campus and advised the City regarding mechanisms to mitigate the fiscal impacts to be generated by the campus;
- Developed a municipal services financing plan for a 250 acre site to be developed with approximately 1,400 homes. The municipal services plan included services to be funded by special taxes, the General Fund, and the homeowners' association.

Affordable Housing

Ms. Kern manages housing related services for KMA clients in San Francisco. The development of affordable housing has become a primary objective of communities throughout California and Ms. Kern has been instrumental in assisting redevelopment agencies:

- Negotiate and structure business terms of public/private partnerships for the development of new affordable housing;
- Establish program and financial strategies for increasing the supply of affordable housing that maximize the leveraging of local public subsidies;



- Issue bonds secured by Housing Set-aside Funds to fund affordable housing developments; and
- Establish and update affordable housing inclusionary programs.

Conversion of Former Military Bases

Ms. Kern is a specialist in the area of converting former military bases into civilian uses. She has been instrumental in negotiating the transfer of military bases to municipalities, developing reuse plans that meet the communities' objectives, assisting reuse authorities select private developer partners, structuring financing plans for successful redevelopment and the provision of affordable housing, and in successfully implementing new development. Major military base conversion assignments include Hamilton Air Force Base, Alameda Point, Fort Ord, Naval Medical Center at Oak Knoll, Oakland Army Base, and McClellan Air Force Base.

Professional Credentials

Ms. Kern is a regular speaker on affordable housing issues at California Redevelopment Association seminars and has also spoken at Urban Land Institute and National Association of Homebuilders national conferences. Ms. Kern holds a master's degree in economics from Columbia University and a bachelor's degree in economics from the University of California at Berkeley. She is a member of the Phi Beta Kappa honor society.



LESLIE SAYOKO PARKS

408 264-1601 office and fax
408 892-0019 mobile
lparks2000@earthlink.net



Leslie Parks has led a diverse range of economic development, redevelopment and workforce development programs throughout her career in Silicon Valley. She recently served as Director of Downtown Management and Industrial Development for the San Jose Redevelopment Agency where she was responsible for business recruitment and retention for the City's downtown and industrial areas. She has now returned to consulting in economic development, redevelopment and workforce development. Previously, she served as Director of Community Development for the City of San Carlos and Director of Economic Development and Workforce Development for the City of San Jose. She has also extensive experience in adult education having worked for UC Berkeley Extension and the University of Phoenix.

Leslie has assisted with a number of consulting projects that included an assessment of biotech opportunities; site location assessments for various companies; and preparation of economic development strategies and marketing strategies for clients such as San Jose, San Francisco, El Cerrito, Santa Rosa, and Redwood City. She has consulted for workforce development programs in Portland, Maricopa County, Phoenix, Spokane, Fresno, San Bernardino County, and the California Workforce Association. That consulting work primarily focused on creating a seamless integration of workforce and economic development programs in order to more effectively deliver business services, leverage tools and resources, and support the growth of local companies.

Leslie is also a trained facilitator through in strategic planning, community outreach and consensus building and is a frequent speaker at workforce and economic development conferences.

ATTACHMENT C: BUDGET

Keyser Marston Fee Proposal
Asset Management Strategy
County of San Mateo

		KMA Hours				Budget Estimate
		Managing/ Senior Principal	Associate	Senior Analyst	Admin.	
	<i>Billing Rate</i>	\$275	\$168	\$150	\$80	
Task 1	<i>Initial Categorization of Assets</i>	10	5	5		\$4,338
Task 2	<i>Meeting with Staff and Preparation of Initial Property Matrix</i>	18	20	10		\$9,800
Task 3	<i>Review of Market Trends and Meeting to Discuss Public Benefit Objectives</i>	12	55	15		\$14,763
Task 4	<i>Complete one-page matrix of immediate and near-term opportunity properties</i>	8	15	5	2	\$5,623
Task 5	<i>Pretest sites with Real Estate Community</i>	16	10	5	2	\$6,985
Task 6	<i>Prepare Draft Asset Management Strategy</i>	20	30	15	4	\$13,095
Task 7	<i>Meet with Staff and Revise Strategy</i>	8	15	0	4	\$5,033
Task 8	<i>Presentation to Board of Supervisors</i>	4	4		2	\$1,930
Task 9	<i>Recommendations for Partnerships with Cities</i>	15	10		2	\$5,960
Total		111	164	55	16	\$67,500

KEYSER MARSTON ASSOCIATES, INC.
PUBLIC SECTOR HOURLY RATES

	<u>2011/2012</u>
A. JERRY KEYSER*	\$280.00
MANAGING PRINCIPALS*	\$280.00
SENIOR PRINCIPALS*	\$270.00
PRINCIPALS*	\$250.00
MANAGERS*	\$225.00
SENIOR ASSOCIATES	\$187.50
ASSOCIATES	\$167.50
SENIOR ANALYSTS	\$150.00
ANALYSTS	\$130.00
TECHNICAL STAFF	\$95.00
ADMINISTRATIVE STAFF	\$80.00

Directly related job expenses not included in the above rates are: auto mileage, parking, air fares, hotels and motels, meals, car rentals, taxies, telephone calls, delivery, electronic data processing, graphics and printing. Directly related job expenses will be billed at 110% of cost.

Monthly billings for staff time and expenses incurred during the period will be payable within thirty (30) days of invoice date.

* Rates for individuals in these categories will be increased by 50% for time spent in court testimony.

**AGREEMENT BETWEEN THE COUNTY OF SAN MATEO AND
KEYSER MARSTON ASSOCIATES, INC.**

THIS AGREEMENT, entered into this 13th day of March, 2012, by and between the COUNTY OF SAN MATEO, hereinafter called "County," and KEYSER MARSTON ASSOCIATES, INC. hereinafter called "Contractor";

W I T N E S S E T H:

WHEREAS, pursuant to Government Code, Section 31000, County may contract with independent contractors for the furnishing of such services to or for County or any Department thereof;

WHEREAS, it is necessary and desirable that Contractor be retained for the purpose of providing an Asset Management and Economic Development Plan for the County.

**NOW, THEREFORE, IT IS HEREBY AGREED BY THE PARTIES HERETO
AS FOLLOWS:**

1. Exhibits and Attachments

The following exhibits and attachments are included hereto and incorporated by reference herein:

Exhibit A—Draft Proposal (including a description of the scope of services and the proposed budget) from Contractor dated March 5, 2012

Exhibit B—Payments and rates

Attachment I—§504 Compliance

2. Services to be performed by Contractor

In consideration of the payments set forth herein and in Exhibit "B," Contractor shall perform services for County in accordance with the terms, conditions and specifications set forth herein and in Exhibit "A."

3. Payments

In consideration of the services provided by Contractor in accordance with all terms, conditions and specifications set forth herein and in Exhibit "A," County shall make payment to Contractor based on the rates and in the manner specified in Exhibit "B." The County reserves the right to withhold payment if the County determines that the quantity or quality of the work performed is unacceptable. In no event shall the County's total fiscal obligation under this Agreement exceed One hundred twenty thousand, three hundred and three dollars (\$120,303).

4. Term and Termination

Subject to compliance with all terms and conditions, the term of this Agreement shall be from March 13, 2012 through September 30, 2012.

This Agreement may be terminated by Contractor, the County Manager, or his/her designee at any time without a requirement of good cause upon thirty (30) days' written notice to the other party.

In the event of termination, all finished or unfinished documents, data, studies, maps, photographs, reports, and materials (hereafter referred to as materials) prepared by Contractor under this Agreement shall become the property of the County and shall be promptly delivered to the County. Upon termination, the Contractor may make and retain a copy of such materials. Subject to availability of funding, Contractor shall be entitled to receive payment for work/services provided prior to termination of the Agreement. Such payment shall be that portion of the full payment which is determined by comparing the work/services completed to the work/services required by the Agreement.

5. Availability of Funds

The County may terminate this Agreement or a portion of the services referenced in the Attachments and Exhibits based upon unavailability of Federal, State, or County funds, by providing written notice to Contractor as soon as is reasonably possible after the County learns of said unavailability of outside funding.

6. Relationship of Parties

Contractor agrees and understands that the work/services performed under this Agreement are performed as an independent Contractor and not as an employee of the County and that Contractor acquires none of the rights, privileges, powers, or advantages of County employees.

7. Hold Harmless

Contractor shall indemnify and save harmless County, its officers, agents, employees, and servants from all claims, suits, or actions of every name, kind, and description, brought for, or on account of: (A) injuries to or death of any person, including Contractor, or (B) damage to any property of any kind whatsoever and to whomsoever belonging, (C) any sanctions, penalties, or claims of damages resulting from Contractor's failure to comply with the requirements set forth in the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and all Federal regulations promulgated thereunder, as amended, or (D) any other loss or cost, including but not limited to that caused by the concurrent active or passive negligence of County, its officers, agents, employees, or servants, resulting from Contractor's negligence or willful misconduct in the performance of any work required of Contractor or payments made pursuant to this Agreement, provided that this shall not apply to injuries or damage for which County has been found in a court of competent jurisdiction to be solely liable by reason of its own negligence or willful misconduct.

The duty of Contractor to indemnify and save harmless as set forth herein, shall include the duty to defend as set forth in Section 2778 of the California Civil Code.

8. Assignability and Subcontracting

Contractor shall not assign this Agreement or any portion thereof to a third party or subcontract with a third party to provide services required by contractor under this Agreement without the prior written consent of County. Any such assignment or subcontract without the County's prior written consent shall give County the right to automatically and immediately terminate this Agreement.

9. Insurance

The Contractor shall not commence work or be required to commence work under this Agreement unless and until all insurance required under this paragraph has been obtained and such insurance has been approved by Risk Management, and Contractor shall use diligence to obtain such insurance and to obtain such approval. The Contractor shall furnish the County with certificates of insurance evidencing the required coverage, and there shall be a specific contractual liability endorsement extending the Contractor's coverage to include the contractual liability assumed by the Contractor pursuant to this Agreement. These certificates shall specify or be endorsed to provide that thirty (30) days' notice must be given, in writing, to the County of any pending change in the limits of liability or of any cancellation or modification of the policy.

- (1) **Worker's Compensation and Employer's Liability Insurance** The Contractor shall have in effect during the entire life of this Agreement Workers' Compensation and Employer's Liability Insurance providing full statutory coverage. In signing this Agreement, the Contractor certifies, as required by Section 1861 of the California Labor Code, that it is aware of the provisions of Section 3700 of the California Labor Code which requires every employer to be insured against liability for Worker's Compensation or to undertake self-insurance in accordance with the provisions of the Code, and I will comply with such provisions before commencing the performance of the work of this Agreement.
- (2) **Liability Insurance** The Contractor shall take out and maintain during the life of this Agreement such Bodily Injury Liability and Property Damage Liability Insurance as shall protect him/her while performing work covered by this Agreement from any and all claims for damages for bodily injury, including accidental death, as well as any and all claims for property damage which may arise from contractors operations under this Agreement, whether such operations be by himself/herself or by any sub-contractor or by anyone directly or indirectly employed by either of them. Such insurance shall be combined single limit bodily injury and property damage for each occurrence and shall be not less than the amount specified below.

Such insurance shall include:

- | | |
|---|-------------|
| (a) Comprehensive General Liability | \$1,000,000 |
| (b) Motor Vehicle Liability Insurance | \$1,000,000 |
| (c) Professional Liability | \$1,000,000 |

County and its officers, agents, employees and servants shall be named as additional insured on any such policies of insurance, which shall also contain a provision that the insurance afforded thereby to the County, its officers, agents, employees and servants shall be primary insurance to the full limits of liability of the policy, and that if the County or its officers and employees have other insurance against the loss covered by such a policy, such other insurance shall be excess insurance only.

In the event of the breach of any provision of this section, or in the event any notice is received which indicates any required insurance coverage will be diminished or canceled, the County of San Mateo at its option, may, notwithstanding any other provision of this Agreement to the contrary, immediately declare a material breach of this Agreement and suspend all further work pursuant to this Agreement.

10. Compliance with laws; payment of Permits/Licenses

All services to be performed by Contractor pursuant to this Agreement shall be performed in accordance with all applicable Federal, State, County, and municipal laws, including, but not limited to, Health Insurance Portability and Accountability Act of 1996 (HIPAA) and all Federal regulations promulgated thereunder, as amended, and the Americans with Disabilities Act of 1990, as amended, and Section 504 of the Rehabilitation Act of 1973, as amended and attached hereto and incorporated by reference herein as Attachment "I," which prohibits discrimination on the basis of handicap in programs and activities receiving any Federal or County financial assistance. Such services shall also be performed in accordance with all applicable ordinances and regulations, including, but not limited to, appropriate licensure, certification regulations, provisions pertaining to confidentiality of records, and applicable quality assurance regulations. Further, Contractor certifies that the Contractor and all of its subcontractors will adhere to all applicable provisions of Chapter 4.106 of the San Mateo County Ordinance Code, which regulates the use of disposable food service ware.

In the event of a conflict between the terms of this agreement and State, Federal, County, or municipal law or regulations, the requirements of the applicable law will take precedence over the requirements set forth in this Agreement.

Contractor will timely and accurately complete, sign, and submit all necessary documentation of compliance.

11. Non-Discrimination and Other Requirements

- A. *Section 504 applies only to Contractor who are providing services to members of the public.* Contractor shall comply with § 504 of the Rehabilitation Act of 1973, which provides that no otherwise qualified handicapped individual shall, solely by reason of a disability, be excluded from the participation in, be denied the benefits of, or be subjected to discrimination in the performance of this Agreement.
- B. *General non-discrimination.* No person shall, on the grounds of race, color, religion, ancestry, gender, age (over 40), national origin, medical condition (cancer), physical or mental disability, sexual orientation, pregnancy, childbirth or related medical condition, marital status, or political affiliation be denied any benefits or subject to discrimination under this Agreement.

- C. *Equal employment opportunity.* Contractor shall ensure equal employment opportunity based on objective standards of recruitment, classification, selection, promotion, compensation, performance evaluation, and management relations for all employees under this Agreement. Contractor's equal employment policies shall be made available to County of San Mateo upon request.
- D. *Violation of Non-discrimination provisions.* Violation of the non-discrimination provisions of this Agreement shall be considered a breach of this Agreement and subject the Contractor to penalties, to be determined by the County Manager, including but not limited to
 - i) termination of this Agreement;
 - ii) disqualification of the Contractor from bidding on or being awarded a County contract for a period of up to 3 years;
 - iii) liquidated damages of \$2,500 per violation;
 - iv) imposition of other appropriate contractual and civil remedies and sanctions, as determined by the County Manager.

To effectuate the provisions of this section, the County Manager shall have the authority to examine Contractor's employment records with respect to compliance with this paragraph and/or to set off all or any portion of the amount described in this paragraph against amounts due to Contractor under the Contract or any other Contract between Contractor and County.

Contractor shall report to the County Manager the filing by any person in any court of any complaint of discrimination or the filing by any person of any and all charges with the Equal Employment Opportunity Commission, the Fair Employment and Housing Commission or any other entity charged with the investigation of allegations within 30 days of such filing, provided that within such 30 days such entity has not notified Contractor that such charges are dismissed or otherwise unfounded. Such notification shall include the name of the complainant, a copy of such complaint, and a description of the circumstance. Contractor shall provide County with a copy of their response to the Complaint when filed.

- E. *Compliance with Equal Benefits Ordinance.* With respect to the provision of employee benefits, Contractor shall comply with the County Ordinance which prohibits contractors from discriminating in the provision of employee benefits between an employee with a domestic partner and an employee with a spouse.
- F. The Contractor shall comply fully with the non-discrimination requirements required by 41 CFR 60-741.5(a), which is incorporated herein as if fully set forth.

12. Compliance with Contractor Employee Jury Service Ordinance

Contractor shall comply with the County Ordinance with respect to provision of jury duty pay to employees and have and adhere to a written policy that provides that its employees shall receive from the Contractor, on an annual basis, no less than five days of regular pay for actual jury service in San Mateo County. The policy may provide that employees deposit any fees received for such jury service with the Contractor or that the Contractor deduct from the employees' regular pay the fees received for jury service.

13. Retention of Records, Right to Monitor and Audit

(a) CONTRACTOR shall maintain all required records for three (3) years after the COUNTY makes final payment and all other pending matters are closed, and shall be subject to the examination and/or audit of the County, a Federal grantor agency, and the State of California.

(b) Reporting and Record Keeping: CONTRACTOR shall comply with all program and fiscal reporting requirements set forth by appropriate Federal, State and local agencies, and as required by the COUNTY.

(c) CONTRACTOR agrees to provide to COUNTY, to any Federal or State department having monitoring or review authority, to COUNTY's authorized representatives, and/or their appropriate audit agencies upon reasonable notice, access to and the right to examine all records and documents necessary to determine compliance with relevant Federal, State, and local statutes, rules and regulations, and this Agreement, and to evaluate the quality, appropriateness and timeliness of services performed.

14. Merger Clause

This Agreement, including the Exhibits attached hereto and incorporated herein by reference, constitutes the sole Agreement of the parties hereto and correctly states the rights, duties, and obligations of each party as of this document's date. In the event that any term, condition, provision, requirement or specification set forth in this body of the agreement conflicts with or is inconsistent with any term, condition, provision, requirement or specification in any exhibit and/or attachment to this agreement, the provisions of this body of the agreement shall prevail. Any prior agreement, promises, negotiations, or representations between the parties not expressly stated in this document are not binding. All subsequent modifications shall be in writing and signed by the parties.

15. Controlling Law and Venue

The validity of this Agreement and of its terms or provisions, as well as the rights and duties of the parties hereunder, the interpretation, and performance of this Agreement shall be governed by the laws of the State of California. Any dispute arising out of this Agreement shall be venued either in the San Mateo County Superior Court or the United States District Court for the Northern District of California.

16. Notices

Any notice, request, demand, or other communication required or permitted hereunder shall be deemed to be properly given when both (1) transmitted via facsimile to the telephone number listed below and (2) either deposited in the United States mail,

postage prepaid, or when deposited for overnight delivery with an established overnight courier that provides a tracking number showing confirmation of receipt for transmittal, charges prepaid, addressed to:

In the case of County, to:

David Holland
Assistant County Manager
San Mateo County
400 County Center
Redwood City, Ca. 94063-1663
Fax: 650 363-1916

In the case of Contractor, to:

Timothy C. Kelly
Keyser Marston Associates
55 Pacific Avenue Mall
San Francisco, Ca. 94111
Fax: 415 397-5065

In the event that the facsimile transmission is not possible, notice shall be given both by United States mail and an overnight courier as outlined above.

IN WITNESS WHEREOF, the parties hereto, by their duly authorized representatives, have affixed their hands.

COUNTY OF SAN MATEO

By: _____
, y
Title: _____
Date: _____

KEYSER MARSTON ASSOCIATES, INC.

Contractor's Signature

Date: _____

EXHIBIT B

A budget estimate is incorporated into the scope of services described in Exhibit A. A total payment of \$120,303 is budgeted and anticipated. The budgeted amounts for each task is to be invoiced when that task is completed. Payment shall be due within 30 days of the County's receipt of the invoice.

RESOLUTION NO. _____

BOARD OF SUPERVISORS, COUNTY OF SAN MATEO, STATE OF CALIFORNIA

* * * * *

RESOLUTION WAIVING THE REQUEST FOR PROPOSALS PROCESS AND AUTHORIZING THE COUNTY MANAGER, OR HIS DESIGNEE, TO EXECUTE AN AGREEMENT WITH KEYSER MARSTON ASSOCIATES INC. IN THE AMOUNT OF \$120,303, TO PROVIDE AN ASSET MANAGEMENT AND ECONOMIC DEVELOPMENT PLAN FOR THE COUNTY; AND AUTHORIZING THE COUNTY MANAGER, OR HIS DESIGNEE, TO EXECUTE SUBSEQUENT AMENDMENTS AND MINOR MODIFICATIONS IN AN AMOUNT NOT TO EXCEED \$25,000

RESOLVED, by the Board of Supervisors of the County of San Mateo, State of California, that:

WHEREAS, this Board believes that the County needs to be more proactive in generating revenue from its assets, and improving the region's economic development environment, and that an economic development strategy will help to achieve that goal; and

WHEREAS, Keyser Marston Associates, Inc. (KMA) is experienced in the development of asset management and economic development strategies and has proposed providing the County with an Economic Development Strategy report; ; and

WHEREAS, waiving the RFP process is being requested because KMA has a wealth of expertise and relationships in the Bay Area that will expedite efforts to implement a viable economic plan for the County

WHEREAS, this Board has been presented with a form of agreement with KMA and said Board has examined and approved same as to both form and content and desires to enter into same.

NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED that the Request for Proposal process is waived and the County Manager, or his designee, is authorized to execute the agreement with KMA in the amount of \$120,303.

Be it further resolved that the County Manager, or his designee, is authorized to execute subsequent amendments and minor modifications in an amount not to exceed \$25,000.

* * * * *