



City Council Agenda Report

Meeting Date: January 14, 2025
Prepared By: Monica Gallardo-Melkesian
Approved By: Nick Zornes

Subject: Amendment No. 1 – BAE Urban Economics, Inc.

COUNCIL PRIORITY AREA

- Business Communities
- Circulation Safety and Efficiency
- Environmental Sustainability
- Housing
- Neighborhood Safety Infrastructure
- General Government

RECOMMENDATION

Approve both attached resolutions authorizing the City Manager to execute Amendment No. 1 with BAE Urban Economics, Inc. in the amount of \$75,000 and additional two years to the original contract for the continued economic and financial analysis services, and appropriate \$75,000 from the General Fund to the Development Services Operating Budget for FY24/25.

FISCAL IMPACT

The \$75,000.00 funds for Amendment No. 1 will be appropriated from the General Fund. Approving this contract amendment will increase expenditures in the FY24/25 operating budget by \$75,000.00.

ENVIRONMENTAL REVIEW

The agreement amendment and budget appropriation are exempt from environmental review pursuant to section 15061(b)(3) of the California Environmental Quality Act (CEQA) Guidelines.

PREVIOUS COUNCIL CONSIDERATION

Not Applicable.

ANALYSIS

Amendment No. 1 is to extend the existing contract and scope of services for an additional two (2) years until FY25-FY27. This amendment is also requested to provide additional funds to cover the economic and financial analysis services. The amount of Amendment No. 1 is a not-to-exceed amount of \$75,000, which brings the final total contract amount to \$170,000.

DISCUSSION

On October 12, 2022, the City entered into a Professional Services Agreement in the amount

of \$95,000 with BAE Urban Economics, Inc. for economic and financial analysis services. BAE Urban Economics, Inc. provided assistance to the City for the following services, which include but not limited to:

- Inclusionary Housing Ordinance assessment performing the financial feasibility assessment and revised Inclusionary Housing percentages.
- In-Lieu Fee amount assessment establishing the required developer subsidy to provide Inclusionary units and prepared the financial feasibility assessment for the In-Lieu Fee amounts including an In-Lieu Fee comparison of cities within Santa Clara County.
- Prepare draft and final memoranda reports.
- General Economic and Financial Analysis to the City on the Development of Parking Plazas.
- Project specific Economic and Financial Analysis of Private and Public Development within the City of Los Altos.

ATTACHMENTS

- 1. Draft Resolution – Contract Amendment**
- 2. Draft Resolution – Budget Appropriation**