



Lou Ann Texeira
Executive Officer

MEMBERS

Federal Glover <i>County Member</i>	Dwight Meadows <i>Special District Member</i>
Michael R. McGill <i>Special District Member</i>	Rob Schroder <i>City Member</i>
Martin McNair <i>Public Member</i>	Don Tatzin <i>City Member</i>
Gayle B. Uilkema <i>County Member</i>	

ALTERNATE MEMBERS

Sharon Burke
Public Member

Tom Butt
City Member

George H. Schmidt
Special District Member

Mary N. Piepho
County Member

May 11, 2011 (Agenda)

Contra Costa Local Agency Formation Commission (LAFCO)
 651 Pine Street, Sixth Floor
 Martinez, CA 94553

May 11, 2011
 Agenda Item 7

Northeast Antioch Monthly Update

Dear Commissioners:

On February 9, the Commission approved the extension of out of agency service by the City of Antioch and Delta Diablo Sanitation District to the Marsh Landing Generating Station property located in the unincorporated Northeast Antioch area. The Commission’s approval included a requirement that the City and County provide LAFCO with monthly updates regarding the status of the joint City/County Economic Development Strategy for the Northeast Antioch Area, the annexation of Northeast Antioch, and the tax transfer negotiations.

On April 13, LAFCO appointed Commissioners McNair and Meadows to serve as non-voting members of the City/County subcommittee. The appointees, along with LAFCO staff, attended the inaugural subcommittee meeting on April 25, at which time the subcommittee discussed its role, the work program and schedule; selected an outside subcommittee facilitator (Tom Sinclair); selected an economic consultant to update the 2009 fiscal study (Keyser Marston Associates); and set the next subcommittee meeting for May 23, 2011, 6:00 pm.

The City and County have submitted their third monthly written update (attached), which provides details regarding the recent subcommittee meeting, future meetings, and other anticipated actions relating to the strategic plan and annexation efforts.

RECOMMENDATIONS

1. Receive and file the written monthly City/County update;
2. Receive comments from the LAFCO subcommittee representatives; and
3. Provide direction as appropriate.

Sincerely,

LOU ANN TEXEIRA
 EXECUTIVE OFFICER

Attachment – Third Monthly Written Update from the City of Antioch and Contra Costa County

May 2, 2011

Mr. Michael McGill, Chairman
Contra Costa LAFCO
651 Pine Street, 6th Floor
Martinez, CA 94553

Dear Chairman McGill:

This letter constitutes the third monthly update provided to LAFCO by City and County staff concerning the status of the Northeast Antioch Annexation. This letter reflects staff activities since our last report for the April 13 LAFCO meeting. This update also provides information on upcoming meetings and other anticipated actions relevant to the Northeast Antioch Annexation.

- The inaugural Northeast Antioch Annexation Subcommittee meeting was held on April 25. Subcommittee members agreed that their role is to provide input and feedback on information and provide direction as necessary. Subcommittee members recognized and discussed that:
 1. Time is of the essence in developing a tax sharing agreement and that all areas (Area 1, 2A, and 2B) need to be addressed as part of the discussion and agreement, and;
 2. Northeast Antioch issues may be viewed as both a liability and an opportunity. While the liability shouldn't be minimized, the opportunity should be emphasized.

In addition to the discussion regarding the Subcommittee's role, other discussion items included: selection of a facilitator; selection of an economic consultant to update the market analysis, and; agenda items for the next meeting. These issues are discussed in the following sections.

The next Subcommittee meeting is scheduled for May 23, 6:00 p.m., Antioch City Hall.

- During the April 13 LAFCO meeting, City/County staff advised that they were in discussions with Phil Batchelor to be the facilitator. Subsequently, Mr. Batchelor advised that he is unable to commit to this project. However, Mr. Batchelor did recommend Mr. Tom Sinclair as an alternative. The Subcommittee endorsed this recommendation and

directed staff to negotiate with Mr. Sinclair. Mr. Sinclair has been contacted and is preparing a proposal.

- LAFCO was advised during last month's update that the market analysis, addressing the fiscal implications of the proposed annexation, needs to be updated. It was also noted that the update needs to be more specific concerning commercial/industrial development than the initial October 2009 Gruen, Gruen and Associates report. As reported last month, staff prepared a Request for Proposal (RFP) and five (5) qualified consultants were contacted. Two (2) proposals were received, evaluated by staff, and a recommendation was approved by the Subcommittee. Keyser Marston Associates (KMA) was selected based on relevant experience and cost. KMA is aware of the time sensitivity of this analysis. KMA has been given authorization to proceed. (Attachment "A": copy of KMA's proposal)
- Included in the October 2009 Gruen, Gruen and Associates report were infrastructure cost estimates for Area 2B (Viera) that were prepared by Carlson, Barbee & Gibson, Inc. (CBG). CBG will be updating their 2009 cost estimates to provide the basic infrastructure (i.e. sewer/water) needed for the public health safety improvements in Area 2B. (Attachment "B": copy of CBG's proposal).
- Target dates were identified for the various tasks outlined in the Work Program. Of particular note is the December 31, 2011 target for the Tax Exchange Agreement. This target date underscores that staff, and the Subcommittee, understands the urgency of an agreement. At the Subcommittee's suggestion, a concise calendar including due dates for quick reference and tracking purposes is being developed.

In addition to contacting the various consultants, staff is in contact with:

1. California State Board of Equalization – regarding state assessed parcels; property tax allocation, and; revenue and tax code characterization of qualified power generation facilities.
2. Pacific Gas & Electric – concerning gas surcharge and franchise fee revenue and the enabling Public Utility Code sections.
3. Lauritzen Yacht Harbor – regarding waterfront possibilities; marina perspective; historical perspective of Antioch waterfront.
4. California Economic Development Association – considering the precarious position of redevelopment, determine if there are alternative infrastructure financing tools available.

5. BNSF Railway, Economic Development – determine track capability and condition; determine rail access to parcels located in the Northeast Antioch area; market potential for a bulk product transload facility; utilization of a Fortune 200 company's marketing effort and international network.

Finally, staff is meeting with the Contra Costa County Environmental Health Department May 12 to discuss Area 2B (Viera area) and to prepare a presentation for the Northeast Antioch Annexation Subcommittee's May 23 meeting.



Jim Jakel
Antioch City Manager



Rich Seithel
Senior Deputy
County Administrator's Office

Cc: Antioch City Council
Contra Costa County Board of Supervisors
Lou Ann Texeira, Executive Director, LAFCO

Att.



KEYSER MARSTON ASSOCIATES
ADVISORS IN PUBLIC/PRIVATE REAL ESTATE DEVELOPMENT

April 7, 2011

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

LOS ANGELES
CALVIN E. HOLLIS, II
KATHLEEN H. HEAD
JAMES A. RABE
PAUL C. ANDERSON
GREGORY D. SOO-HOO
KEVIN E. ENGSTROM
JULIE L. ROMEY

SAN DIEGO
GERALD M. TRIMBLE
PAUL C. MARRA

Mr. Victor Carneglia
Consultant to the City of Antioch
City of Antioch
P.O Box 5007
Antioch, CA 94531-5007

Re: Proposal to Evaluate Development Opportunities for Northeast Antioch
Annexation Area

Dear Mr. Carneglia:

Keyser Marston Associates, Inc. (KMA) is pleased to have the opportunity to submit this proposal to prepare a market study of future development opportunities for the 800-Acre Northeast Antioch Annexation Area (NAAA). For this effort, KMA will be collaborating with the engineering and planning firm of RBF Consulting, who will provide expertise regarding physical and regulatory opportunities and constraints.

As we understand from the RFP, the area is comprised of three areas with distinctly different opportunities and constraints: 1) Area 1 is 460 acres of industrial land fronting on the San Joaquin River; 2) Area 2a is immediately east of Area 1 and is currently improved with a marinas and water-oriented uses; and 3) Area 2b is mostly residential in nature and lacks sewer and water systems.

The City of Antioch and Contra Costa County are actively pursuing the annexation of the property by the City of Antioch, with the primary hurdle being the negotiation of a Tax Transfer Agreement. Negotiations on the Agreement have stalled largely because of the lack of a funding source to provide the \$10 to \$15 million of basic infrastructure required to serve the residential area of 2a. The City and County are seeking to develop a financing plan for funding the infrastructure needs, which will enable the parties to complete the Tax Transfer Agreement and annexation.

The City and County see this market analysis as the first step in developing a financing plan for the NAAA. The objective is for the subject market analysis to identify realistic development opportunities for each of the three areas. We would envision that the market study would be followed by an evaluation of the development economics and

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fiscal impacts of the market study's recommended land use opportunities. The economic and fiscal evaluation would determine the extent to which the infrastructure needs can be privately financed or supported by public financing mechanisms.

As attested to below and in the attached, KMA and RBF are uniquely qualified to assist the City and County on this assignment. For more information, please visit our web site at www.keysermarston.com and RBF's at www.rbf.com.

THE FIRM

As the City may already know, Keyser Marston Associates, Inc. (KMA) has one of the largest real estate and redevelopment advisory practices on the West Coast, with experience in all types of commercial and residential real estate. Founded in 1973, the firm has served over 600 clients on more than 2,000 projects. Representative public sector clients include nearly every major municipality in California, as well as cities, ports and military bases throughout the west, county and special districts, and public and private colleges and universities. The firm's private sector clients include financial institutions, life insurance companies, major corporations, law firms, landowners, and developers.

KMA's principals are frequent speakers to industry groups such as the Urban Land Institute, International Council of Shopping Centers, League of Cities, California Community Redevelopment Association, and other similar organizations. KMA's principals have served on the Governor's Task Force on Military Base Reuse and have advised both the California Legislature's Committee on Economic Development and the California Redevelopment Association (CRA).

As demonstrated below and in the attached, the firm has had extensive experience in assisting clients to conceptualize, plan and strategize the development of projects to meet its economic goals.

RELEVANT EXPERIENCE

Select Industrial Market Study Experience

- Eden Road Study Area, City of San Leandro – Keyser Marston assessed the development potential for warehouse, light industrial/sale and service and R&D/flex use at the site. The purpose was to indicate the corresponding land values that could potentially be realized by developing higher and better uses.

- Pier 90-94 Backlands, Port of San Francisco – Keyser Marston, as lead consultant, assisted the Port of San Francisco on an analysis of long-term, economically feasible improvements for the approximately 44-acre “Backlands Site” within the Port’s Pier 80-86 Maritime Complex. The assignment includes preparation of an entitlement strategy, market demand analysis and financial feasibility analysis. Development concepts must enhance the Port’s marketing efforts for the Maritime Complex, comply with existing regulations, maximize Port revenues, be compatible with surrounding uses, and economically improve the Hunter’s Point neighborhood.
- Imo Industries East Oakland Site, Imo Industries – KMA conducted a highest and best use analysis for this 60-acre, high density infill site near the Oakland Airport to assess its feasibility for redevelopment into a business park. We surveyed East Bay and Silicon Valley brokers and products to identify an appropriate mix for the site.
- Marwais Steel, Pinole – Keyser Marston evaluated the highest and best use for a 377-acre parcel at Point Pinole and provided an assessment of market conditions for light industrial and business park uses as the most feasible at the subject site.
- Kaiser Property, City of Vallejo – KMA prepared a market study focusing on the site’s potential for manufacturing, warehousing/distribution, and light industrial/R&D. We also conducted pre-market testing of the property to major industrial developers, brokers, and potential users of the site.
- Site Analysis, Modesto – KMA undertook an assessment of the optimal land use mix for a private landowner’s 150-acre property at the intersection of Kiernan Ave and Dale Road just outside Modesto city limits. KMA focused on identifying a mix of land uses which are supported by current and projected future market demand. The property is currently in agricultural use, and is designated business park / light industrial by the county.
- Market Study, Monterey County Business Park – KMA conducted a market assessment for a preferred land development program for the County-owned business park / light industrial property at Fort Ord. The County / Agency identified two land use components for this property for feasibility evaluation: Retail manufacturing showroom and light industrial park (small lots). KMA’s evaluation was intended to help the County determine the preferred program as input to the preparation of a developer solicitation package.

- Chevron Site Financial Analysis, LSA Associates – KMA completed a market and financial feasibility analysis of the 188-acre Chevron site along the Richmond Parkway Corridor in Richmond. Our analysis included a review of the market potential, an assessment of the feasibility of recommended product mix and development plan for the subject site, and a preliminary option of supportable land values and potential ground lease revenues to Chevron.
- Piers 92 and 94, Port of San Francisco – Keyser Marston evaluated the market feasibility of expanding the production of ready-mix concrete on the Port's 4.5-acre parcel. KMA's evaluation included: reviewing existing metrics related to the ready-mix industry, evaluating the overall profitability of the ready-mix industry; evaluating the future demand for the product in San Francisco; surveying 11 West Coast ports that have similar tenants; conducting in-depth interviews with tow producers in San Francisco and interviewing two major construction firms.
- Horner Veasy Area, City of Union City – KMA developed a strategy for the redevelopment a 17-acre site with industrial and R&D users. This effort included: identifying potential major non-residential users that may be attracted to the site; evaluated near and long term demand from these potential users; developing prototypes; evaluating the economic feasibility of the selected prototypes; evaluating marketing options; and developing an overall "game plan" for the area.
- Oakland Army Base Reuse Plan, Oakland – As a member of the EDAW team, KMA assisted in the preparation of the Oakland Army Base Reuse Plan for the Oakland Base Reuse Authority (OBRA). The work included an analysis of the existing physical, environmental, operational and regulatory conditions, opportunities and constraints affecting the potential future reuse of the 422- acre Oakland Army Base located along the northwestern edge of the Oakland waterfront. As part of this analysis, we reviewed the issues related to the transfer of the Base assets through Port Conveyance, Public Benefit Conveyance and Economic Development Conveyance. We evaluated the market feasibility of potential office, R&D, warehouse, industrial and retail land uses and the financial feasibility of alternative redevelopment plans. KMA prepared the draft Business Plan elements, which includes a 15-year cash flow and a list of key decisions to be incorporated into the business plan. We also identified an interim reuse strategy and the operational, financial and marketing support required for the implementation of the Selected Preferred Plan for the Army Base.

Select Port/Waterfront Experience

- Piers 92 and 94, Port of San Francisco – Keyser Marston evaluated the market feasibility of expanding the production of ready-mix concrete on the Port's 4.5-acre parcel. KMA's evaluation included: reviewing existing metrics related to the ready-mix industry; evaluating the overall profitability of the ready-mix industry; evaluating the future demand for the product in San Francisco; surveying 11 West Coast ports that have similar tenants; conducting in-depth interviews with top producers in San Francisco and interviewing two major construction firms.
- Horner Veasy Area, City of Union City – KMA developed a strategy for the redevelopment a 17-acre site with industrial and R&D users. This effort included: identifying potential major non-residential users that may be attracted to the site; evaluated near and long term demand from these potential users; developing prototypes; evaluating the economic feasibility of the selected prototypes; evaluating marketing options; and developing an overall "game plan" for the area.
- Evaluation of Sea Wall Lot 351 Developer Proposal, Port of San Francisco – KMA, along with Robin Chiang & Company, evaluated the qualifications and proposal submitted by San Francisco Waterfront Partners (SFWP) based on the development objectives for the project identified in the Port's RFP, which were developed through a public planning process. KMA reviewed the financial objectives; Robin Chiang & Company identified the Design and Development Objectives.
- Point Potrero Marine Terminal RFP, Port of Richmond – KMA reviewed the proposals submitted by the two RFP respondents, Pt. Potrero Marine Terminal Investors and Orton Development, Inc. for development at the Port of Richmond. The goal of the project was to preserve four historic buildings, create jobs and provide revenue to the Port. KMA summarized the business terms of each proposal, analyzed each proposal's responsiveness to the RFP, and reviewed the City's goals and available assistance. In a related project, KMA provided an assessment of the financial data submitted by the respondents.
- Piers 1-½, 3, and 5, Port of San Francisco – KMA assisted the Port on the negotiations between the Port and the developer on the rehabilitation of Piers 1-½, 3, and 5, and tested various public/private partnerships structures to determine the impact of potential Port lease revenues.

- Pier 40, Port of San Francisco – For the San Francisco Redevelopment Agency, Keyser Marston lead team of architects and other specialists in evaluating the reuse potential of Pier 40 for hotel, retail, and restaurant. Assignment involved assessment of the market potential, project conceptualization, estimates of development costs, and development of a financial plan. Parking solutions were also considered, including costs and revenues. Recommendations on revisions to current governmental restrictions for the use of the pier were made.
- Ferry Building, Port of San Francisco – KMA assisted the Port through all predevelopment stages in the effort to renovate and redevelop the 100 year old Ferry Building, one of San Francisco's most important landmarks. Most recently, KMA supported negotiations between the Port and the selected developer for a long-term lease and development agreement. KMA advised the Port on structuring deal terms with a guaranteed minimum ground rent plus significant participation in net revenues, and recommended financial strategies to limit economic risks to the Port. KMA assisted the Port in evaluating developer responses to the RFQ and RFP and made recommendations on developer selection, outlining key negotiating issues for each. Keyser Marston also participated, as a member of a multi-disciplinary team, in feasibility studies intended to outline key barriers to achieving a successful rehabilitation program, and the feasibility of retaining the Port's current level of income from building operations. Throughout the predevelopment process, we presented briefings to the Port Commission and to the public.
- Oakland Army Base Reuse Plan, Oakland – As a member of the EDAW team, KMA assisted in the preparation of the Oakland Army Base Reuse Plan for the Oakland Base Reuse Authority (OBRA). The work included an analysis of the existing physical, environmental, operational and regulatory conditions, opportunities and constraints affecting the potential future reuse of the 422- acre Oakland Army Base located along the northwestern edge of the Oakland waterfront. As part of this analysis, we reviewed the issues related to the transfer of the Base assets through Port Conveyance, Public Benefit Conveyance and Economic Development Conveyance. We evaluated the market feasibility of potential office, R&D, warehouse, industrial and retail land uses and the financial feasibility of alternative redevelopment plans. KMA prepared the draft Business Plan elements, which includes a 15-year cash flow and a list of key decisions to be incorporated into the business plan. We also identified an interim reuse strategy and the operational, financial and marketing support required for the implementation of the Selected Preferred Plan for the Army Base.

PROPOSED WORK SCOPE

Task 1. Initial Kick-Off Meeting/Work Session with City Staff

An immediate first task is to meet with City staff to review of key issues relative to each of the three areas and confirmation of the non-residential land uses which appear at the outset to have the most potential for Areas 1 and 2a. We understand that power plants and uses that are synergistic with power plants are candidates for Area 1 and that port-related uses are candidates for Area 2a. We will want to understand the willingness of PG&E and GenOn to participate in this study and the location of key development sites within each of the areas.

This initial meeting/workshop will also be the opportunity for KMA to receive relevant materials on the subject area, e.g., title report and appraisals, from the City.

Task 2a. Market Feasibility Assessment – Area 1

KMA will provide a focused economic assessment of opportunities within Area 1. It is our understanding that the land uses that have been identified to date by staff include additional power plants and businesses that would be synergistic with power plants. The goal is to evaluate the opportunities for uses/users which can potentially generate a large number of jobs and/or enhance the City's tax base.

Given the unique nature of power plants, we believe that the input from PG&E and GenOn would be extremely valuable to the process. We would like to meet with them to discuss market conditions, specific expansion opportunities and constraints. General market data will be used to supplement the first source information provided by the power plant representatives.

To identify synergistic uses, KMA intends to: use the IMPLAN model to identify business categories that have high linkage factors with power plants, contact brokers active in the area, and evaluate industry trends. RBF will evaluate any special physical and regulatory opportunities/constraints that could impact the viability of land uses.

Subtasks will likely include the following:

- Review industry data and interview local industrial brokers on market trends in the City and the County, including vacancy rates, lease rates, profile of recent user types, and industrial user interest in Antioch.

- Meet with representatives from PG&E on GenOn to obtain their insights into expansion opportunities.
- Use the IMPLAN model to identify business types that have a high degree of linkage with power plants.
- Based on the analytical findings from the above, identify a list of candidate uses/users which appears to have the best match with the City's economic goals for the site and the strongest market demand.
- Identify the typical physical (i.e., site size, access, proximity to client base, etc.) and financial requirements (i.e., rent range) of these candidate uses/users.
- Prepare an evaluation matrix to rate the "fit" between the use requirements of the candidate uses/users for the site and the characteristics of Area 1.

Task 2b. Market Feasibility Assessment – Area 2a

It is our understanding that the area benefits from a deep water channel and good railway support, both of which are key elements for the development of a port district. While a port may bring economic opportunities, there are also considerable site assemblage, infrastructure and regulatory hurdles associated with developing a port, which must be weighed against the opportunities. KMA will focus on evaluating the development opportunities associated with the creation of a port and RBF will provide a general assessment of the regulatory and infrastructure requirements. KMA will also evaluate other non-residential development opportunities for key sites in the area, which may include light industrial, manufacturing, and R&D. Subtasks may include the following:

- Reviewing the economic health of West Coast ports;
- Providing a general assessment of the site assemblage, infrastructure and regulatory requirements for establishing a port district;
- Surveying the business categories at West Coast ports and the requirements and opportunities for the various land uses;
- Identify uses that are synergistic with the existing Marina development;

- Prepare an evaluation matrix to rate the "fit" between the use requirements of the candidate uses/users for the area and the characteristics of the area.

Task 2c. Market Feasibility Assessment – Area 2b

Our approach to identifying market opportunities for the residential area of 2b is to focus on the opportunities for key opportunity sites, to be identified collaboratively with City staff. It is anticipated that the study will focus on both residential and neighborhood supporting retail and commercial development. To the extent needed, RBF is available to evaluate the wastewater and potable water needs of the area. Subtasks may include the following:

- Reviewing the degree to which supporting retail businesses, such as neighborhood grocery and drug stores, are not represented in the area
- Evaluating the demand generated by the residential base for residential supporting uses
- Providing a general assessment of market conditions for new residential development – apartment rents, the extent that new rental product is being developed in the market area.

Task 4. Development Concept Identification

Based on the results of the Market Assessment above, KMA will work with City/County staff and RBF to identify concepts that appear to be the most marketable for each of the three areas.

Task 5. Assessment of City Tax Revenues to be Generated by Development Concepts

The tax base to be generated by future development in Area 1 and 2a and 2b could be a critical source of funding the improvements needed in 2a. Given that one of the City's objectives is to develop a strategy for financing infrastructure improvements in Area 2b, KMA will estimate the magnitude of annual tax revenues that could be generated by each concept.

STAFFING

Tim Kelly will serve as the principal in charge of this assignment. Tim is the president of Keyser Marston Associates, Inc. He has been assisting public clients for over 30 years in the feasibility evaluation and implementation of development projects. He will be assisted by Debbie Kern, also a Principal of the firm, and Jennifer Johnston, a Senior Associate with KMA. Their resumes are attached to this letter proposal.

Kristie Wheeler, a Senior Project Manager will lead the analyses to be undertaken by RFF Consulting. Kristie has over 22 years of public agency planning and private consulting experience. Kristie will be assisted by Fareed Pittalwala, a Project Engineer. Kristie's and Fareed's resumes are attached to this proposal along with a general statement about the services provided by RBF Consulting.

BUDGET

As delineated in the attached spreadsheet, we are proposing to undertake the services described above on an hourly basis, with the total fee to not exceed \$37,930. The budget includes attendance at two meetings with City/County staff. Attendance at any additional meetings will be billed separately on a time and materials basis.

TIMING

In accordance with the RFP, KMA will submit a preliminary draft of the market study within three (3) weeks following receipt of an authorization to proceed. It is anticipated that a final report will be submitted within one week following receipt of staff comments.

Mr. Victor Carneglia
City of Antioch

April 7, 2011
Page 11

We will be glad to review the above revised scope with you at your convenience. Please feel free to give us a call.

Sincerely,

KEYSER MARSTON ASSOCIATES, INC.

A handwritten signature in black ink, appearing to read "Timothy C. Kelly". The signature is written in a cursive style with a large initial "T" and "K".

Timothy C. Kelly



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 and prepared a presentation on the economic benefits generated by a large shipbuilder to the City of San Diego. Analysis resulted in an extension of the shipbuilder's lease.
- Evaluated and prepared a presentation on the fiscal and economic benefits to the City of Fresno to be generated by the Savemart Events Center. The Center has proven to be very successful and a key economic driver in the City.
- Assisted the City of Marina establish policies regarding the provision of municipal services to ensure that new large scale development within the City will generate sufficient tax revenue.

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.



RBF Consulting Planning and Environmental Services Feasibility Analysis

With more than 60 years of public and private sector experience, RBF Consulting (RBF) is respected and recognized in the profession of consulting planning, environmental and engineering services throughout the western United States. RBF has in house expertise in disciplines including Environmental Analysis, Planning, GIS Services, Surveying, Aerial Photogrammetry, Mapping, Real Estate Assessments, Transportation/Traffic Engineering, Civil Engineering, Mechanical/Electrical Services, Computer Aided Design and Drafting (CADD), and Media Services.

RBF has provided preliminary planning and engineering services for dozens of small and large scale projects. Services have included preparing initial feasibility analysis for properties to identify the constraints and opportunities of the site that must be addressed in decision making, and features that must be considered in the development of land use and site plans.

RBF possesses the full range of disciplines necessary to provide turn key planning, design and implementation of a wide range of projects. The staff at RBF has experience in development projects, urban planning and environmental analysis.

Kristie R. Wheeler, Senior Project Manager

Ms. Wheeler has more than 22 years of public agency planning and private consulting experience, encompassing a broad range of land use and development projects, many involving complex issues and difficult regulatory requirements. She has a strong background in policy planning, entitlement and environmental analysis. She manages the preparation of environmental and policy planning documents, and has extensive experience in the development review process, including annexations, and community-based planning.

Fareed Pittalwala, PE, Project Engineer

Mr. Pittalwala is experienced in providing civil engineering design and due diligence investigations for public and private facilities. His recent projects include analysis, design and cost estimating for water systems, commercial site design and subdivision design, including utility layout and engineering support for water, sewer and storm drain systems. His experience also includes project planning and due diligence studies, project permitting and agency coordination, as well as the management of multidisciplinary project teams.

Services Provided:

- Opportunities and Constraints Analysis
- Engineering Constraints Analysis
- Feasibility/Due Diligence Studies
- Highest and Best Use Studies
- Site Planning
- Entitlement Processing
- Detailed Cost Estimates
- Utility Master Planning
- Earthwork Estimates
- Wetland Delineation
- Regulatory Agency Coordination
- Jurisdictional Agency Meetings
- CEQA/NEPA Analysis
- Fee Studies/Phasing Studies
- Public Participation/ Meetings

Keyser Marston Budget Estimate
 Market Study - Northeast Antioch Annexation Area
 Contra Costa, CA

	KMA Hours				RBF Hours			Budget Estimate
	Tim Kelly	Debbie Kern	Jennifer Johnston	Admin.	Kristie Wheeler	Fareed Pittalwala		
	\$280	\$270	\$188	\$80	\$200	\$148		
Task 1 Kickoff Meeting, Review	4	4	0	0	4	6		\$3,888
Task 2a Market Evaluation of Area 1	15	0	30					\$9,825
Task 2b Market Evaluation of Area 2a	10	0	20		8	15		\$10,370
Task 2c Market Evaluation of Area 2b	4	10	15			8		\$7,817
Task 3 Development Concepts	6	4	0	2	4			\$3,720
Task 4 City Tax Revenues		3	8					\$2,310
Total	39	21	73	2	16	29		\$37,930

KEYSER MARSTON ASSOCIATES, INC.
PUBLIC SECTOR HOURLY RATES
2010/2011

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, air fares, hotels and motels, meals, parking, car rentals, taxis, 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.

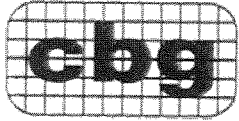


HOURLY RATE SCHEDULE
Effective January 2011 through December 2011

<u>OFFICE PERSONNEL</u>	<u>\$/ Hr.</u>
Senior Principal.....	\$245.00
Principal.....	225.00
Project Director.....	220.00
Program Manager.....	215.00
Senior Project Manager.....	200.00
Project Manager.....	195.00
Structural Engineer.....	195.00
Technical Manager.....	180.00
Senior Engineer.....	163.00
Senior Planner.....	163.00
Electrical Engineer.....	156.00
Landscape Architect.....	150.00
Senior GIS Analyst.....	150.00
Project Engineer.....	148.00
Project Planner.....	148.00
Environmental Specialist.....	138.00
Design Engineer/Senior Designer/Mapper.....	135.00
GIS Analyst.....	122.00
Designer/Planner.....	118.00
Project Coordinator.....	110.00
Graphic Artist.....	97.00
Environmental Analyst/Staff Planner.....	97.00
Design Technician.....	97.00
Assistant Engineer/Planner.....	93.00
Permit Processor.....	83.00
Engineering Aid/Planning Aid.....	75.00
Office Support/ Clerical.....	63.00
 <u>FIELD PERSONNEL</u>	
2-Person Survey Crew.....	\$245.00
1-Person Survey Crew.....	165.00
Licensed Surveyor.....	175.00
Field Supervisor.....	172.00
 <u>CONSTRUCTION MANAGEMENT PERSONNEL</u>	
Construction Manager.....	\$185.00
Resident Engineer/Project Manager.....	154.00
Senior Construction Inspector.....	123.00
Construction Inspector.....	118.00
Field Office Engineer.....	110.00
Construction Technician.....	95.00

Note:

Blueprinting, reproduction, messenger service and other direct expenses will be charged as an additional cost plus 15%. A Sub-consultant Management Fee of fifteen-percent (15%) will be added to the direct cost of all sub-consultant services to provide for the cost of administration, sub-consultant consultation and insurance. Vehicle mileage will be charged as an additional cost at \$0.50 per mile.



**Carlson, Barbee
& Gibson, Inc.**

CIVIL ENGINEERS • SURVEYORS • PLANNERS

ATTACHMENT B

April 15, 2011
Job No.: 1622-000

Proposal to Provide
Civil Engineering Services

**Antioch Annexation
Antioch, California**

<u>Description of Work</u>	<u>Estimated Fee</u>
I. Preliminary Engineering	\$ 14,560
A. Preliminary Cost Estimates	
1. Review cost estimate material prepared in 2009.	
2. Contact / coordinate with County Health Department to identify timing needs of sewer and water service.	
3. Analyze sewer system alternatives for Area 2B.	
4. Review existing drainage conditions in Area 2B.	
5. Prepare preliminary cost estimates for service to Area 2B to include:	
i. Sewer Service	
ii. Water Service	
iii. Street Lighting	
B. Meetings / Teleconferences	
1. Attend meetings and participate in teleconferences as requested by Client.	
Principal	8 hours @ \$ 220
Project Manager	40 hours @ \$ 190
Associate Engineer	40 hours @ \$ 130

Antioch Annexation
Page 2 of 2

April 15, 2011
Job No.: 1622-000

Description of Work

Estimated Fee

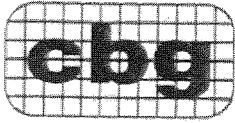
II. Reimbursables

(Cost + 10%)

- A. Printing and Computer Plots.
- B. Delivery Services and UPS.
- C. Computer Disks / Files for others.
- D. Mileage, Travel, and Lodging.

**Total \$ 14,560 (T&M)
Plus Reimbursables**

Fees will be charged per the attached Standard Hourly Charge Rate Schedule, which is in effect through June 30, 2011. The estimated fee amounts are for budget purposes only.



**Carlson, Barbee
& Gibson, Inc.**

CIVIL ENGINEERS • SURVEYORS • PLANNERS

STANDARD HOURLY CHARGE RATE SCHEDULE

Principal	\$220
Project Manager	190
Senior Engineer/Surveyor/Planner	170
Project Engineer/Surveyor/Planner	160
Design Engineer/Surveyor/Planner	145
Associate Engineer II/Surveyor/Planner	130
Associate Engineer I/Surveyor/Planner	115
Assistant Engineer II/Surveyor/Planner	105
Assistant Engineer I/Surveyor/Planner	90
CAD Technician III	130
CAD Technician II	115
CAD Technician I	105
3-Person Survey Crew	300
2-Person Survey Crew	240
Clerical	55
Reimbursables	Cost + 10%

Effective through June 30, 2011