



County of Santa Cruz

REDEVELOPMENT AGENCY

701 OCEAN STREET, ROOM 510, SANTA CRUZ, CA 95060-4000

(831) 454-2280 FAX: (831) 454-3420 TDD: (831) 454-2123

TOM BURNS, AGENCY ADMINISTRATOR

May 10, 2001

Agenda: May 22, 2001

Board of Directors
County of Santa Cruz Redevelopment Agency
701 Ocean Street
Santa Cruz, CA 95060

Exploration of New Redevelopment Project Areas

Dear Members of the Board:

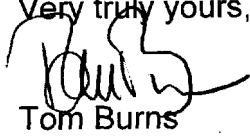
Elsewhere on this agenda is a report to your Board, as the Board of Supervisors, regarding the status of new redevelopment planning efforts. That report provides an overview of the efforts to date and next steps relative to exploring the feasibility of establishing a new redevelopment project area in the San Lorenzo Valley.

That report recommends a number of actions that are required at this time for the Board of Supervisors, including the approval of a survey area to define the study area. In addition, it is necessary for your Board, as the Board of Directors of the Redevelopment Agency, to take a number of parallel actions, including hiring a redevelopment consultant to conduct a more **indepth** feasibility analysis of the potential project area.

It is therefore **RECOMMENDED** that your Board, as the Board of Directors for the Redevelopment Agency, take the following actions:

1. Adopt the attached resolution amending the Cooperation Agreement between the Redevelopment Agency and County (Attachment 1);
2. Adopt the attached resolution formally establishing a loan between the Agency and the County for the purpose of financing start-up costs for the San Lorenzo Redevelopment Project Area (Attachment 2); and
3. Approve the attached contract for redevelopment consulting services to initiate a more formal feasibility review of the area contained within the survey area (Attachment 3).

Very truly yours,



Tom Burns
Redevelopment Agency Administrator

RECOMMENDED:



Susan A. Mauriello
Redevelopment Agency Director

Attachments

cc. RDA

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BEFORE THE BOARD OF DIRECTORS
OF THE SANTA CRUZ COUNTY REDEVELOPMENT AGENCY

RESOLUTION NO.

On the motion of Supervisor
duly seconded by Supervisor
the following resolution is

RESOLUTION OF THE BOARD OF DIRECTORS
OF THE SANTA CRUZ COUNTY REDEVELOPMENT AGENCY
AUTHORIZING THE COOPERATION AGREEMENT
BETWEEN THE COUNTY OF SANTA CRUZ AND THE
REDEVELOPMENT AGENCY OF THE COUNTY OF SANTA CRUZ

WHEREAS, the Board of Directors of the Redevelopment Agency of the County of Santa Cruz, upon activation by the Board of Supervisors of the County of Santa Cruz, pursuant to the provisions of the Community Redevelopment Law (Health & Safety Code Section 33000 et sea.), by Ordinance No. 3736 was adopted on April 1, 1986; and

WHEREAS, the County and Agency have entered into a Cooperation Agreement to assist in implementing the Agency's efforts throughout the county area; and

WHEREAS, the County and Agency have periodically amended the Cooperation Agreement; and

WHEREAS, the County and Agency are desirous of adopting additional amendments to the Cooperation Agreement to facilitate financing exploratory activities relative to forming additional redevelopment project areas.

NOW, THEREFORE, BE IT RESOLVED that the Board approves the attached revised Cooperation Agreement (Exhibit A) and directs the Board Chairman to sign the Agreement on behalf of the Agency.

PASSED AND ADOPTED this ____ day of, ____ 200 1, by the following vote:

AYES: SUPERVISORS
NOES: SUPERVISORS
ABSENT: SUPERVISORS

Chairperson of said
Board of Directors

ATTEST: _____
Clerk of the Board

APPROVED AS TO FORM:

Jane M. Scott
County Counsel

DISTRIBUTION: County Counsel
County Administrative Office
Auditor-Controller

COOPERATION AGREEMENT BETWEEN
THE COUNTY OF SANTA CRUZ AND THE
REDEVELOPMENT AGENCY OF THE COUNTY OF SANTA CRUZ

THIS REVISION OF THE COOPERATION AGREEMENT is entered into as of the _____ day of _____, 2001, by and between the COUNTY OF SANTA CRUZ (the "County") and the REDEVELOPMENT AGENCY OF THE COUNTY OF SANTA CRUZ (the "Agency").

R E C I T A L S :

WHEREAS, Section 33601 of the California Health and Safety Code authorizes the Agency to borrow money or accept financial or other assistance from the County in implementing a redevelopment plan; and

WHEREAS, Section 33623 of the California Health and Safety Code authorizes the Board of Supervisors, by resolution adopted by two-thirds vote, to appropriate funds to the Agency, upon such terms and conditions as the Board of Supervisors may prescribe, for acquisition of real property in any project area, clearance of any project area for redevelopment, and any expenses necessary or incidental to the carrying out of a redevelopment plan; and

WHEREAS, Section 33445 of the California Health and Safety Code authorizes the County to install and construct public improvements in a redevelopment project area, and further authorizes the County and Agency to enter into an agreement under which the Agency agrees to reimburse the County for all or part of the cost of such improvements; and

WHEREAS, with respect to the public improvement projects identified in the Agency's Capital Projects Budget, the Board of Supervisors and Agency have each determined by their approval of this Cooperation Agreement (1) that said improvements are of benefit to the respective project areas or to the immediate neighborhood in which the projects are located, and (2) that no other reasonable means of financing said improvements are available to the County.

NOW, THEREFORE, the County of Santa Cruz and the Redevelopment Agency of the County of Santa Cruz hereby agree as follows:

C O V E N A N T S :

1. The County agrees to provide for the Agency such staff assistance, supplies, technical services and other services and facilities of the County as the Agency may require in carrying out its functions under the Community Redevelopment Law. Such assistance and services may include the services of officers and employees and special consultants.

2. The County may, but is not required to, advance necessary funds to the Agency or to expend funds on behalf of the Agency for the costs of acquisition of property within the project area, demolition and clearance of properties acquired, building and site preparation, public improvements and relocation assistance to displaced residential and nonresidential occupants as required by law.

3. The County will keep records of activities and services undertaken pursuant to this Agreement and the costs thereof in order that an accurate record of the Agency's liability to the County can be ascertained. The County shall periodically, but not less than annually, submit to the Agency a statement of the costs incurred by the County in rendering activities and services of the County to the Agency pursuant to this Cooperation Agreement. Such costs shall include a proration of the County's administrative and salary expense attributable to services of County officials, employees, and departments rendered for the Agency.

4. The Agency agrees to reimburse the County for all costs incurred for services by the County pursuant to this Cooperation Agreement from and to the extent that funds are available to the Agency for such purpose pursuant to Section 33670 of the Health and Safety Code or from other sources; provided, however, that the Agency shall have the sole and exclusive right to pledge any such sources of funds to the repayment of other indebtedness incurred by the Agency in carrying out the redevelopment project. The costs of the County under this Cooperation Agreement will be shown on statements submitted to the Agency pursuant to Section 3 above.

5. The obligations of the Agency under this Agreement shall constitute an indebtedness of the Agency within the meaning of Section 33670 et seq. of the Community Redevelopment Law, to be repaid to the County by the Agency along with interest computed at the same rate which the County Treasurer earns on other investments during the same time period from other available tax increment revenue.

IN WITNESS WHEREOF, the parties have executed this Revised Cooperation Agreement as of the date first written above.

ATTEST:

COUNTY OF SANTA CRUZ

Clerk of the Board

BY _____
Chairperson of the Board

“COUNTY”

ATTEST:

REDEVELOPMENT AGENCY OF THE
COUNTY OF SANTA CRUZ

Secretary

BY _____
Chairperson of the Agency

“AGENCY”

APPROVED AS TO FORM;

Jane M. Scott
County Counsel

BEFORE THE BOARD OF DIRECTORS
OF THE SANTA CRUZ COUNTY REDEVELOPMENT AGENCY

RESOLUTION NO.

On the motion of Supervisor
duly seconded by Supervisor
the following resolution is

RESOLUTION ACCEPTING A LOAN FROM THE COUNTY
GENERAL FUND TO THE SANTA CRUZ COUNTY REDEVELOPMENT AGENCY

WHEREAS, the County of Santa Cruz, Board of Supervisors, is authorized pursuant to Section 33610 of the Health & Safety Code to loan funds and;

WHEREAS, the County of Santa Cruz, Board of Supervisors, has agreed to make a temporary loan to be designated to pay the administrative and initial studies costs for the Agency purpose pursuant to Section 33610 of the Health & Safety Code;

NOW, THEREFORE, BE IT RESOLVED AND ORDERED that the Agency accept advance funds in the amount of \$500,000.00 from the General Fund of Santa Cruz County for the purpose of establishing a new project area;

BE IT FURTHER ORDERED that all money advanced to the Agency will be repaid if and when the new project area has been created and is generating tax increment revenue.

PASSED AND ADOPTED this ____ day of ____, 200 1, by the following vote:

AYES: SUPERVISORS
NOES: SUPERVISORS
ABSENT: SUPERVISORS

Chairperson of said
Board of Directors

ATTEST: _____
Clerk of the Board

APPROVED AS TO FORM:

Jane M. Scott
County Counsel

DISTRIBUTION: County Counsel
County Administrative Office
Auditor-Controller

Contract No. _____

INDEPENDENT CONTRACTOR AGREEMENT

THIS CONTRACT is entered into this ____ day of _____, 20__, by and between the COUNTY OF SANTA CRUZ REDEVELOPMENT AGENCY, hereinafter called AGENCY, and SEIFEL CONSULTING, INC., hereinafter called CONTRACTOR. The parties agree as follows:

1. DUTIES. CONTRACTOR agrees to exercise special skill to accomplish the following result: as described in Exhibit A. "Proposal for Santa Cruz County Redevelopment Feasibility Services."

2. COMPENSATION. In consideration for CONTRACTOR accomplishing said result, COUNTY agrees to pay CONTRACTOR as follows: as described in Exhibit A, "Proposal for Santa Cruz County Redevelopment Feasibility Services."

3. TERM term of this contract shall be: until 6/30/2002.

4. EARLY TERMINATION. Either party hereto may terminate this contract at any time by giving 30 days written notice to the other party.

5. INDEMNIFICATION FOR DAMAGES, TAXES AND CONTRIBUTIONS. CONTRACTOR shall exonerate, indemnify, defend, and hold harmless AGENCY and the COUNTY OF SANTA CRUZ (hereinafter called COUNTY) (which for the purpose of paragraphs 5 and 6 shall include, without limitation, their officers, agents, employees and volunteers) from and against:

A. Any and all claims, demands, losses, damages, defense costs, or liability of any kind or nature which COUNTY or AGENCY may sustain or incur or which may be imposed upon it for injury to or death of persons, or damage to property as a result of, arising out of, or in any manner connected with the CONTRACTOR'S performance under the terms of this Agreement, excepting any liability arising out of the sole negligence of AGENCY or COUNTY. Such indemnification includes any damage to the person(s), or property(ies) of CONTRACTOR and third persons.

B. Any and all Federal, State and Local taxes, charges, fees, or contributions required to be paid with respect to CONTRACTOR and CONTRACTOR'S officers, employees and agents engaged in the performance of this Agreement (including, without limitation, unemployment insurance, social security and payroll tax withholding).

6. INSURANCE. CONTRACTOR, at its sole cost and expense, for the full term of this Agreement (and any extensions thereof), shall obtain and maintain at minimum compliance with all of the following insurance coverage(s) and requirements. Such insurance coverage shall be primary coverage as respects AGENCY and COUNTY, and any insurance or self-insurance maintained by AGENCY or COUNTY shall be excess of CONTRACTOR'S insurance coverage and shall not contribute to it.

If CONTRACTOR utilizes one or more subcontractors in the performance of this Agreement, CONTRACTOR shall obtain and maintain Independent Contractor's Insurance as to each subcontractor or otherwise provide evidence of insurance coverage for each subcontractor equivalent to that required of CONTRACTOR in this Agreement, unless CONTRACTOR and AGENCY both initial here ____ / ____.

A. Types of Insurance and Minimum Limits

(1) Worker's Compensation in the minimum statutorily required coverage amounts. This insurance coverage shall not be required if the CONTRACTOR has no employees and certifies to this fact by initialing here ____.

(2) Automobile Liability Insurance for each of CONTRACTOR's vehicles used in the performance of this Agreement, including owned, non-owned (e.g., owned by CONTRACTOR'S employees), leased or hired vehicles, in the minimum amount of \$500,000 combined single limit per occurrence for bodily injury and property damage. This insurance coverage shall not be required if vehicle use by CONTRACTOR is not a material part of performance of this Agreement and CONTRACTOR and AGENCY both certify to this fact by initialing here ____ / ____.

(3) Comprehensive or Commercial General Liability Insurance coverage in the minimum amount of \$1,000,000 combined single limit, including coverage for: (a) bodily injury, (b) personal injury, (c) broad form property damage, (d) contractual liability, and (e) cross-liability.

(4) Professional Liability Insurance in the minimum amount of \$1,000,000 combined single limit, if, and only if, this Subparagraph is initialed by CONTRACTOR and AGENCY ____ / ____.

B. Other Insurance Provisions

(1) If any insurance coverage required in this Agreement is provided on a "Claims Made" rather than "Occurrence" form, CONTRACTOR agrees to maintain the required coverage for a period of three (3) years after the expiration of this Agreement (hereinafter "post agreement coverage") and any extensions thereof. CONTRACTOR may maintain the required post agreement coverage by renewal or purchase of prior acts or tail coverage. This provision is contingent upon post agreement coverage being both available and reasonably affordable in relation to the coverage provided during the term of this Agreement. For purposes of interpreting this requirement, a cost not exceeding 100% of the last annual

policy premium during the term of this Agreement in order to purchase prior acts or tail coverage for post agreement coverage shall be deemed to be reasonable.

(2) All required Automobile and Comprehensive or Commercial General Liability Insurance shall be endorsed to contain the following clause:

"The County of Santa Cruz, and The County of Santa Cruz Redevelopment Agency, their officials, employees, agents and volunteers are added as additional insureds as respects the operations and activities of, or on behalf of, the named insureds performed under Agreement with the County of Santa Cruz and The County of Santa Cruz Redevelopment Agency. "

(3) All required insurance policies shall be endorsed to contain the following clause:

"This insurance shall not be canceled until after thirty (30) days prior written notice has been given to:
County of Santa Cruz Redevelopment Agency
Agency Administrator
701 Ocean Street, Room 510
Santa Cruz, CA 95060."

(4) CONTRACTOR agrees to provide its insurance broker(s) with a full copy of these insurance provisions and provide AGENCY on or before the effective date of this Agreement with Certificates of Insurance for all required coverages. All Certificates of Insurance shall be delivered or sent to:

County of Santa Cruz Redevelopment Agency
Agency Administrator
701 Ocean Street, Room 510
Santa Cruz, CA 95060.

7. EQUAL EMPLOYMENT OPPORTUNITY. During and in relation to the performance of this Agreement, CONTRACTOR agrees as follows:

A. The CONTRACTOR shall not discriminate against any employee or applicant for employment because of race, color, religion, national origin, ancestry, physical or mental disability, medical condition (cancer related), marital status, sex, sexual orientation, pregnancy, gender, age (over 18), veteran status, or any other non-merit factor unrelated to job duties. Such action shall include, but not be limited to, the following: recruitment; advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training (including apprenticeship), employment, upgrading, demotion, or transfer. The CONTRACTOR agrees to post in conspicuous places, available to employees and applicants for employment, notice setting forth the provisions of this non-discrimination clause.

B. If this Agreement provides compensation in excess of \$50,000 to CONTRACTOR and if CONTRACTOR employs fifteen (15) or more employees, the following requirements shall apply:

(1) The CONTRACTOR shall, in all solicitations or advertisements for employees placed by or on behalf of the CONTRACTOR, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, national origin, ancestry, physical or mental disability, medical condition (cancer related), marital status, sex, sexual orientation, pregnancy, gender, age (over 18), veteran status, or any other non-merit factor unrelated to job duties. In addition, the CONTRACTOR shall make a good faith effort to consider Minority/ Women/Disabled Owned Business Enterprises in CONTRACTOR's solicitation of goods and services. Definitions for Minority/Women/Disabled Business Enterprises are available from the COUNTY General Services Purchasing Division.

(2) The CONTRACTOR shall furnish COUNTY Affirmative Action Office information and reports in the prescribed reporting format (PER 4012) identifying the sex, race, physical or mental disability, and job classification of its employees and the names, dates and methods of advertisement and direct solicitation efforts made to subcontract with Minority/Women/Disabled Business Enterprises.

(3) In the event of the CONTRACTOR's non-compliance with the non-discrimination clauses of this Agreement or with any of the said rules, regulations, or orders said CONTRACTOR may be declared ineligible for further agreements with the COUNTY.

(4) The CONTRACTOR shall cause the foregoing provisions of this Subparagraph 7B. to be inserted in all subcontracts for any work covered under this Agreement by a subcontractor compensated more than \$50,000 and employing more than fifteen (15) employees, provided that the foregoing provisions shall not apply to contracts or subcontracts for standard commercial supplies or raw materials.

8. INDEPENDENT CONTRACTOR STATUS. CONTRACTOR and AGENCY have reviewed and considered the principal test and secondary factors below and agree that CONTRACTOR is an independent contractor and not an employee of AGENCY. CONTRACTOR is responsible for all insurance (workers compensation, unemployment, etc.) and all payroll related taxes. CONTRACTOR is not entitled to any employee benefits. AGENCY agrees that CONTRACTOR shall have the right to control the manner and means of accomplishing the result contracted for herein.

PRINCIPAL TEST: The CONTRACTOR rather than AGENCY has the right to control the manner and means of accomplishing the result contracted for.

SECONDARY FACTORS: (a) The extent of control which, by agreement, AGENCY may exercise over the details of the work is slight rather than substantial; (b) CONTRACTOR is engaged in a distinct occupation or business; (c) In the locality, the work to be done by CONTRACTOR is usually done by a specialist without supervision, rather than

under the direction of an employer; (d) The skill required in the particular occupation is substantial rather than slight; (e) The CONTRACTOR rather than the AGENCY supplies the instrumentalities, tools and work place; (f) The length of time for which CONTRACTOR is engaged is of limited duration rather than indefinite; (g) The method of payment of CONTRACTOR is by the job rather than by the time; (h) The work is part of a special or permissive activity, program, or project, rather than part of the regular business of AGENCY; (i) CONTRACTOR and AGENCY believe they are creating an independent contractor relationship rather than an employer-employee relationship; and (j) The AGENCY conducts public business.

It is recognized that it is not necessary that all secondary factors support creation of an independent contractor relationship, but rather that overall there are significant secondary factors which indicate that CONTRACTOR is an independent contractor.

By their signatures to this Agreement, each of the undersigned certifies that it is his or her considered judgment that the CONTRACTOR engaged under this Agreement is in fact an independent contractor.

9. NONASSIGNMENT. CONTRACTOR shall not assign this Agreement without the prior written consent of the AGENCY.

10. RETENTION AND AUDIT OF RECORDS. CONTRACTOR shall retain records pertinent to this Agreement for a period of not less than five (5) years after final payment under this Agreement or until a final audit report is accepted by AGENCY, whichever occurs first. CONTRACTOR hereby agrees to be subject to the examination and audit by the Santa Cruz County Auditor-Controller, the Auditor General of the State of California, or the designee of either for a period of five (5) years after final payment under this Agreement.

11. PRESENTATION OF CLAIMS. Presentation and processing of any or all claims arising out of or related to this Agreement shall be made in accordance with the provisions contained in Chapter 1.05 of the Santa Cruz County Code, which by this reference is incorporated herein.

12. ATTACHMENTS. This Agreement includes the following attachments (identify by name or write "NONE"):

Exhibit A. "Proposal for Santa Cruz County Redevelopment Feasibility Services."

IN WITNESS WHEREOF, the parties hereto have set their hands the day and year first above written.

COUNTY OF SANTA CRUZ

By: _____
Redevelopment Agency Administrator

Date _____

CONTRACTOR: Seifel Consulting, Inc.

By: _____

Date _____

Address: 1388 Sutter Street
San Francisco, CA 94109-5452
Telephone: (415) 931-9600

APPROVED FOR INSURANCE:

By: Janet McKinley 5-10-2001
Risk Management

APPROVED AS TO FORM:

By: Lane M. Scott
County Counsel

DISTRIBUTION: County Administrative Office
Auditor-Controller
County Counsel
Redevelopment
Risk Management
Contractor

Proposal for Santa Cruz County Redevelopment Feasibility Services

A. Project Overview

Seifel Consulting understands that the Santa Cruz County Redevelopment Agency (Agency) is considering the establishment of a redevelopment project in San Lorenzo Valley, and seeks the assistance of an experienced redevelopment consultant to perform the redevelopment feasibility analysis, including the preparation of a Feasibility Report. Seifel Consulting and John B. Dykstra and Associates will undertake the analysis needed to prepare the Feasibility Report.

Our team understands that the primary focus of this assignment is to help the Agency assess the feasibility of forming a redevelopment project in San Lorenzo Valley. With the Agency, we will evaluate the survey area for redevelopment eligibility, initially determine the feasibility of proposed redevelopment program and how it will alleviate blight, consult with Agency counsel, and prepare an analysis of how tax increment revenues would be best directed.

B. Work Program Initiation

At the initiation of the contract, members of the consulting team will meet with the Agency to review the proposed work tasks and discuss how they can most efficiently and cost-effectively be implemented. In this session we will:

- Compile a master list of relevant materials required, such as maps, aerial photos, plans, graphics, and prior cost estimates on proposed improvements in the survey area.
- Review the proposed timeline for completion of each task and establish a schedule for the assembly of information and the preparation of draft documents.
- Determine how each work task can best be accomplished and allocate responsibilities among staff and consultant team members to assure the timely and efficient completion of each step.
- Designate a point person from the Agency responsible for assembling materials, scheduling meetings, and gathering comments on written drafts.
- Review existing data and reports. Our approach will maximize the use of existing data and previous analyses performed for the Agency.
- Schedule the preparation of documents and public participation process.

C. Redevelopment Feasibility Assessment

This section describes the work to be performed.

1. Eligibility Analysis

a. Eligibility Requirements of the California Community Redevelopment Law

The first task is to determine, on a preliminary basis, the eligibility of the proposed survey area as a redevelopment project under the stringent requirements of the California Community Redevelopment Law (CRL). In doing so, special attention will be given to the issues of Urbanization and Blight:

- **Urbanization.** This requirement specifies that at least 80 percent of the project area must be urbanized (i.e., currently or previously developed, subdivided with substandard lots, or is a small non-urbanized area that is surrounded by an urbanized area)
- **Blight.** Blighting physical and economic conditions must both be present, such conditions must be (1) prevalent, (2) substantial and (3) a burden on the community.

b. Assessment of the Extent of Urbanization and Blight

- **Urbanization.** A review of available maps has permitted the consultant team to conclude preliminarily that the defined survey area is sufficiently urbanized in terms of two of the urbanization categories: (1) currently or previously developed or (2) undeveloped but subdivided with substandard lots. Although this conclusion will need to be confirmed later during the plan adoption process by examining plans and making calculations, it should be sufficiently accurate for the feasibility study.

In any case during the field reconnaissance surveys described below, larger areas that are non-urbanized will be identified and, as appropriate, recommended for deletion to ensure a higher level of compliance with the urbanization requirements of the CRL.

- **Blight.** A field reconnaissance survey of the entire area will be conducted to confirm our preliminary conclusions on urbanization and the extent of physical and economic blight in the survey area. This field survey will be supplemented by a discussion with Agency staff and an examination of available documents provided by the Agency.

The findings of the consultant team concerning the urbanization and blight will be discussed with agency staff and a consensus will be reached prior to preparation of the summary of findings described below.

The Agency will provide a clean, reproducible base map of the survey area. Using this map, JBD&A will indicate on a preliminary basis where blight exists.

c. **Summary of the Consultant Team's Findings on Eligibility**

A summary of our preliminary conclusions regarding urbanization and blight will be prepared for incorporation into the Feasibility Study. Photographs illustrating typical blighting conditions throughout the area will be taken and prepared for publication in the Feasibility Study.

As appropriate the Consultant Team will recommend adjustments to the boundaries of the proposed project area to better achieve the eligibility requirements of the CRL.

Task I will be performed by John B. Dykstra and Associates.

2. Redevelopment Program Definition and Financial Feasibility Analysis

Seifel Consulting will perform a preliminary financial feasibility analysis projecting tax increment revenues and redevelopment project costs, based on the work performed by Agency staff to date. Under the CRL, the Agency must demonstrate that the proposed redevelopment project activities are directly related to the alleviation of blight. We will review the County's current capital improvement programs for San Lorenzo Valley and relevant County plans, studies, and reports, including the Wastewater Feasibility Study. We will work with staff to identify potential programs that would alleviate blight in the recommended Project Area, based on these reports, staffs knowledge of the area and staffs compilation of potential redevelopment activities identified at various community meetings in San Lorenzo Valley.

Seifel Consulting will work with Agency staff to identify opportunity areas within the recommended Project Area. We will assess the impact of various public and present alternative redevelopment strategies focusing on the six subareas. The purpose of this task is to allow for discussion of possible options and to identify the most desirable and viable elements for possible incorporation into the redevelopment strategy and plan.

Based on discussions with County staff and community input, we will recommend a list of potential actions and projects that might be included in the proposed redevelopment program. Our team will work with Agency staff *co*:

- Recommend project activities to be accomplished and prepare a description of how each will alleviate blight.
- Analyze the use of tax increment revenues as the principal source of funding. We will independently project tax increment revenues building upon previous financial projections prepared by Agency staff. The analysis will project potential tax increment revenues available for project activities, including the 20 percent housing set-aside for affordable housing and the amount of funds to be reallocated to all affected taxing entities (pass-throughs).
- Work closely with staff to prepare refined financial assumptions, including projections of new construction, increases in assessed value due to reassessment and the annual inflation allocation. The analysis will be conducted using historical property tax data and available development data. Tax increment projections will be based on growth projections and development opportunities. (The Agency will provide an estimate of the FY 2000/01 AV and property tax rate data, as well as five-year trend data on the area.)

- Prepare a budget for proposed project activities based on the financial feasibility analysis. Determine which of the activities can be funded given the projected tax increment available for project activities.

Task 2 will be performed by *Seifel Consulting*.

3. Preparation of Feasibility Report

Seifel Consulting will take the lead in preparing a Feasibility Report that discusses the preliminary findings on redevelopment project feasibility. Major issues to be covered include the extent of urbanization in the area, blight findings, and potential financial benefit. Recommendations will also be presented on proposed boundaries for a Project Area. Seifel Consulting will incorporate the analysis and recommendations in Task 1 prepared by John B. Dykstra and Associates.

The Feasibility Report will be organized as follows:

- I. **Introduction**
- II. **Eligibility Analysis**
- III. **Redevelopment Program Description**
- IV. **Proposed Methods of Financing and Feasibility**
- V. **Steps in Redevelopment Plan Adoption Process**

If the Agency decides to proceed with a redevelopment plan adoption, we will then work with staff to scope the remaining work effort. This may include the preparation of a public involvement plan with specific activities, appropriate contact list, and timelines for implementation. We would also work with the County's environmental consultant to present recommendations regarding the EIR process for those areas determined to be suitable for redevelopment.

4. Meeting Attendance

Consultant team coordination meetings or conference calls with Agency staff will be scheduled every month through the duration of the project. The purpose of these meetings will be to evaluate progress of the project work, obtain additional information such as reports from Agency staff, and review work performed to date.

- **Public Agency Presentation.** Team members will also prepare for and participate in **one** formal presentation to the Agency Board and Board of Supervisors. Formal presentations in excess of those set forth above will be billed on a time and materials basis and invoiced as additional services.
- **Staff Meetings.** The consultants will attend up to three meetings with staff to ensure that the tasks described in this Scope of Work are efficiently performed. John Dykstra will attend one of these meetings and Seifel Consulting up to two of these meetings.

As an optional and additional service, Seifel Consulting is willing to help staff prepare a public participation process to facilitate reaching a consensus on a redevelopment program. This could involve community workshops with various constituent groups. The community process should

be designed to involve the business community, various neighborhood associations, and community groups that have an interest in the redevelopment project.

D. Work Products

We will provide two work products: an administrative draft Feasibility Report and a final Feasibility Report. The administrative draft will be prepared for use by staff, redevelopment legal counsel and other interested parties. We will provide the following number of copies of each report:

- Administrative Draft - 5 copies
- Final - 5 copies

We understand that we need to incorporate periodic reviews by staff and legal counsel.

Table 1
Proposed Schedule
Redevelopment Feasibility Services
Santa Cruz County

		June				July				August			September		
Task Descriptions	Weeks	1	2	3	4	5	6	7	8	9	10	11	12	13	
Work Program Initiaion and Coordination															
Eligibility Analysis															
Preliminary Redevelopment Program															
Financial Feasibility Analysis															
Draft Report Preparation															
Final Report Preparation															
Meeting Attendance															
Public Agency Presentation															
Staff Meetings (3 including work program)															

Table 2
Proposed Budget
Redevelopment Feasibility Services
Santa Cruz County

Task Descriptions	Total Budget	Seifel Consulting	JBD & Associates
Work Program Initiaion and Coordination	\$3,240	\$2,240	\$1,000
Eligibility Analysis			
Assessment of Extent of Urbanization and Blight ¹	\$12,000	\$0	\$12,000
Photographic Documentation ²	\$3,820	\$0	\$3,820
Map Preparation ³	\$1,000	\$0	\$1,000
Summary of Urbanization and Blight Findings	\$3,000	\$0	\$3,000
Preliminary Redevelopment Program	\$1,480	\$1,480	\$0
Financial Feasibility Analysis	\$1,960	\$1,960	\$0
Draft Report Preparation	\$2,960	\$2,960	\$0
Final Report Preparation	\$2,160	\$2,160	\$0
Meeting Attendance			
Public Agency Presentation	\$2,400	\$1,440	\$960
Staff Meetings (3 including work program)	\$3,160	\$2,240	\$920
Subtotal- Labor	\$37,180	\$14,480	\$22,700
8. Expenses (@ 5% of labor cost)*	\$700	\$700	Included
Total Budget	\$37,880	\$15,180	\$22,700

* Expenses will be billed on a direct reimbursable basis, to the proposed budget.
Professional labor budget based on following professional hourly rates:

<u>Seifel Associates</u>	<u>Billing Rate</u>
President/Team Manager	\$180 /hour
Senior Consultant	\$140 /hour
Consultant	\$100 /hour
Data Entry/Graphics/Word Processing	\$60 /hour
Graphics (Sixth St. Studio)	\$60 /hour

<u>John B. Dykstra & Associates</u>	
Principal	\$120 /hour
Planner/Administrator	\$75 /hour
Support Staff	\$55 /hour

- 1 Assumes compensation for field reconnaissance surveys and document research at an average of \$2,000 for six community subareas.
- 2 Assumes 6 photos representing blighting conditions for each of the 6 community subareas (i.e. a total of 36 published photos); labor costs of \$2,800; expenses of \$300; and film, proof sheets, and screen prints @ \$720.
- 3 Coordination only, Assumes actual map preparation will be by Sixth Street Studio.

Table 3
Proposed Budget
Redevelopment Feasibility Services
Santa Cruz County

Task Descriptions	Total Budget	Seifel Consultine			
		Principal	Sr. Consultant	Consultant	Support
Work Program Initiaion and Coordination	\$2,240	\$1,440	\$0	\$800	\$0
Eligibility Analysis					
Assessment of Extent of Urbanization and Blight1	\$0	\$0	\$0	\$0	\$0
Photographic Documentation2	\$0	\$0	\$0	\$0	\$0
Map Preparation	\$0	\$0	\$0	\$0	\$0
Summary of Urbanization and Blight Findings	\$0	\$0	\$0	\$0	\$0
Preliminary Redevelopment Program	\$1,480	\$360	\$0	\$1,000	\$120
Financial Feasibility Analysis	\$1,960	\$360	\$0	\$1,600	\$0
Draft Report Preparation	\$2,960	\$360	\$280	\$1,600	\$720
Final Report Preparation	\$2,160	\$360	\$280	\$800	\$720
Meeting Attendance					
Public Agency Presentation	\$1,440	\$1,080	\$0	\$0	\$360
Staff Meetings (3 including work program)	\$2,240	\$1,440	\$0	\$800	\$0
Total Labor	\$14,480	\$5,400	\$560	\$6,600	\$1,920

* Expenses will be billed on a direct reimbursable basis, to the proposed budget.
Professional labor budget based on following professional hourly rates:

<u>Seifel Consulting</u>	<u>Billing Rate</u>
Principal/Project Manager	\$180 /hour
Senior Economist	\$140 /hour
Economist	\$100 /hour
Dam Entry/Graphics/Word Processing	\$60 /hour
Graphics (Sixth St. Studio)	\$60 /hour