

**PROPOSAL FOR ECONOMIC DEVELOPMENT CONSULTING  
SERVICES**

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**CITY OF LEMOORE, CALIFORNIA**



**INTELLIGENT COMMUNITY DEVELOPMENT**

**ROSENOW SPEVACEK GROUP, INC.**  
309 West 4<sup>th</sup> Street  
Santa Ana, CA 92701

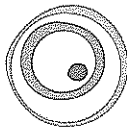
Jim Simon, Principal  
714.541.4585 x120

July 23, 2008



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RSG

INTELLIGENT COMMUNITY DEVELOPMENT

ROSENOW SPEVACEK GROUP INC.  
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**Via Overnight Mail**

July 23, 2008

Nanci Lima  
CITY OF LEMOORE  
119 Fox Street  
Lemoore, CA 93245

**PROPOSAL FOR ECONOMIC DEVELOPMENT CONSULTING SERVICES  
COMMERCIAL CENTER ADAPTIVE REUSE STUDY**

Dear Ms. Lima:

In response to your June 20, 2008 Request for Proposals, Rosenow Spevacek Group, Inc. (RSG) is pleased to present this proposal for consulting services to the City of Lemoore. It is our understanding that the City is seeking a reuse analysis of three commercial areas by an independent consulting team. The reuse analysis is intended to provide a market-based study of the potential for these centers, in support of the City's Community Development Block Grant application in the 2008-09 Economic Development Over the Counter program.

Together with Nestor+Gaffney Architecture, LLP (NGA), RSG is very excited about this opportunity to assist the City on this engagement. We believe our team offers the kind of project implementation experience necessary to both complete the study and work with property owners and the City on execution of the selected project.

We look forward to meeting with you to discuss our proposal in detail. In the meantime, should you have any questions, please feel free to contact us.

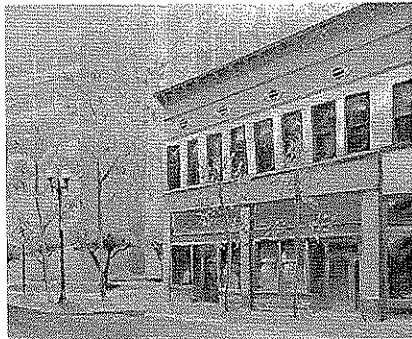
Sincerely,  
Rosenow Spevacek Group, Inc.

Jim Simon  
Principal

Nestor+Gaffney Architecture, LLP

Ron Nestor, AIA  
Principal

REDEVELOPMENT PLANNING  
REAL ESTATE ECONOMICS  
HOUSING  
FINANCING  
REAL ESTATE ACQUISITION  
ECONOMIC DEVELOPMENT  
GOVERNMENT SERVICES



## **ROSENOW SPEVACEK GROUP INC.**

RSG provides consulting services for public and private agencies. Our experienced professionals create customized solutions, emerging from an understanding of each community's unique set of challenges. We specialize in:

Redevelopment Planning	Real Estate Economics
Housing	Financing
Real Estate Acquisition	Economic Development
Government Services	

As one of the California's leading community development firms, RSG is able to take the hopes and dreams of builders, planners and community leaders and create something tangible, a vital place that meets the needs of all the residents, guests and employees. It's intelligent community development - a unique, holistic approach to creating living environments.

Taking a project from concept to completion requires:

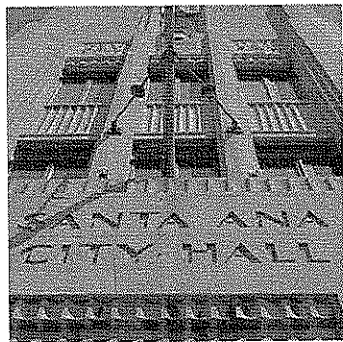
- Imagination and planning to see the possibilities
- Experience and commitment to make it happen
- The ability to focus on the smallest detail, without losing sight of the big picture
- Proactively surfacing unresolved issues and implementing solutions

## **CONTACT PERSON**

To provide the best, most transparent services, RSG dedicates a Principal to your project, and creates a core group of people that works with you on a consistent basis throughout all stages of the assignment. Our staff is focused, committed and passionate about the work we do.

This engagement would be led by Principal and Partner Jim Simon. His contact information is below.

Jim Simon, Principal  
Rosenow Spevacek Group, Inc.  
309 West 4<sup>th</sup> St.  
Santa Ana, CA 92701  
714.316.2120



## **CONSULTING TEAM**

Jim Simon, Principal and Project Manager, will lead this assignment. Mr. Simon has been with the firm for over 18 years, specializing in redevelopment planning, real estate economics, and economic development.

Alexa Smittle, Associate, will also be assigned to this project as supporting staff. Ms. Smittle has recently prepared both land use impact studies and economic development strategies for several clients. Other RSG staff will be assigned as needed.

Ron Nestor of Nestor+Gaffney Architecture will provide the architectural and graphic component to this assignment. Mr. Nestor brings over 30 years of architectural and site planning experience to the team.

## **JIM SIMON**

### **ROSENOW SPEVACEK GROUP INC. - PRINCIPAL**

Since 1990, Mr. Simon has advised public and private sector clients in California and Nevada on community development projects. Responsible for many of RSG's redevelopment plan adoption and implementation services, and specializes in real estate market analysis, economic impact analysis, and strategic planning. Develops financial management cash flow models for operational and capital improvement strategic planning and budgeting.

Recent engagements include real estate and redevelopment implementation services with the Santa Clarita Redevelopment Agency's Newhall Redevelopment Project Area, as well as similar assignments in Fountain Valley, Goleta and Los Angeles. Plan adoption and amendment projects include the Sacramento Richards Boulevard/ Railyards Redevelopment Plans, a merger and major amendment in Stockton, and smaller amendments in La Habra. Mr. Simon is also providing economic development consulting services to the City of Westminster and is currently preparing their first economic development plan. Mr. Simon has been a moderator at redevelopment symposiums, and has testified as an expert witness on a condemnation case.

Public agency clients include the Cities of Big Bear Lake, Fairfield, Fountain Valley, Garden Grove, Grand Terrace, Hollister, Huntington Beach, Huntington Park, CRA/LA, Madera LAFCo, Oroville, Palm Springs, Ridgecrest, Rio Vista, Sacramento (City and County), Santa Clarita, Shasta Lake, Sparks (Nevada), and Stockton. Among his private sector clients are Civic Partners, Friant Ranch LP, Homeplace Retirement Communities of America, Intrawest Mammoth Corporation, and the Mills Corporation.

### **EDUCATION**

Bachelor of Arts, Business Administration - Entrepreneurial Management Concentration, California State University, Fullerton

### **MEMBERSHIPS & PROFESSIONAL AFFILIATIONS**

Former Planning Commissioner, City of Laguna Niguel

Former Environmental Review Board Member, City of Laguna Niguel

California Redevelopment Association

California Association of Local Agency Formation Commissions

California Association for Local Economic Development

## **ALEXA SMITTLE**

### **ROSENOW SPEVACEK GROUP INC. - ASSOCIATE**

Primary responsibilities consist of project management and evaluation of project related data, research analysis, data collection, and report writing. Assignments include preparation of municipal feasibility studies, specific plans, economic development strategies, and financial analyses. Recent projects include annexation studies for the County of Sonoma, and the Cities of Huntington Beach, Oroville, and La Quinta; Implementation Plans for the Cities of San Carlos and San Bernardino; Economic Development Strategies for the Cities of San Carlos and Westminster; and Specific Plans for affordable housing developments in the City of La Quinta.

### **COUNTY OF ORANGE - WATERSHEDS AND COASTAL RESOURCES COORDINATOR**

Assisted regional stakeholder groups to coordinate NPDES permit compliance and community outreach. Participated in Outdoor Water Use Efficiency Task Force, and was integral in the introduction of evapotranspiration (ET) irrigation technology in County parkland. Other duties included grant writing, data collection, and legislative analysis.

### **PSOMAS - WATER RESOURCES INTERN**

Co-authored the Integrated Regional Water Management Plan for South Orange County in preparation of competing for Prop 50 grant funding, resulting in an award. Coordinated with local water agencies and municipalities to evaluate regional documentation.

### **EDUCATION**

Masters, Urban and Regional Planning, University of California, Irvine

Bachelor of Science, Regional Development, University of Arizona

### **PROFESSIONAL AFFILIATIONS**

Association of Environmental Professionals

Urban Land Institute

California Redevelopment Association

California Community Economic Development Association

## **RON NESTOR**

### **NESTOR+GAFFNEY ARCHITECTURE LLP - PRINCIPAL, DESIGN DIRECTOR**

As Principal of Nestor+Gaffney Architecture, LLP (NGA), Mr. Nestor oversees a tremendous variety of architectural projects ranging from single-family homes to high-density living environments, large-scale urban office complexes, mixed- and multi-use developments, and new town planning and urban design opportunities.

Prior to pursuing establishing NGA, Mr. Nestor's experience included sixteen years with McLarand, Vasquez & Partners and four years with Berkus Group Architects. His design expertise spans over three decades encompassing numerous award-winning major commercial, residential, and mixed-use projects throughout the country.

Mr. Nestor is a frequent speaker, architectural historian, and an active member of the AIA Orange County. He has taught Architectural History at Cerritos College, and has lectured at USC, UCLA, UC Irvine, Cal Poly Pomona, as well as the Orange County Forum and the California State Bar Real Property Division. He has been a member of the AIA/OC's Design Committee and Regional Urban Design Assistance Team (R/UDAT) participating in intensive R/UDATs benefiting numerous California communities, and numerous other postings. Additional affiliations include the Society of Architectural Historians; U.S. Green Building Council LEED Accredited Professional; and Associate Member of the Urban Land Institute.

### **EXPERIENCE**

1999-Present: Co-founder, Nestor+Gaffney Architecture LLP  
1993-1999: Partner & Design Principal, McLarand, Vasquez & Partners  
1983-1993: McLarand, Vasquez & Partners, Costa Mesa, CA  
1982-1983 EcoTecture, Orange, CA  
1977-1981 Berkus Group Architects, Santa Ana, CA

### **SELECTED PROJECTS**

#### **Residential**

133 Promenade Walk, Long Beach, CA: 80 Lofts over retail and live/work on a Full City Block  
East Village Lofts, Santa Ana, CA: 40 Live/Work Artists Lofts in downtown Santa Ana  
Burbank City Walk, Burbank, CA: 140 Condominium units/Retail/Office on Full City Block  
Gateway Walk, Alhambra, CA: 129 condominiums over one-level parking garage  
City Walk, San Diego: 109 Luxury condominiums, Type III, 5 Stories

#### **Commercial/ Office**

MTA Tower at Union Station Gateway Center, Los Angeles: 28-story Headquarters Tower\*  
The Water Garden, Santa Monica: 1.3 million square foot office complex, six stories\*  
Wilshire Courtyard, Los Angeles: 1 million square foot office complex, six stories\*  
6060 Center Drive, Howard Hughes Center, Los Angeles: 10-story 200,000 sf office tower\*  
Ladera Corporate Center, Ladera Ranch: 3-office buildings designed with a 1930's aesthetic  
Sole Technology Headquarters, Lake Forest: Office, Showroom, Warehouse for shoe manufacturer

### **PLANNING (selected list)**

PacifiCenter at Long Beach: 260-acre master planned community (5M SF Office/ 3000 DU)  
Kahului Town Center, Maui, Hawaii: 3-city block master plan with retail, residential, and town square

Howard Hughes Center, Los Angeles: 2.7 million square feet, 600 hotel rooms, retail

Corona Pointe, Corona: 1 million square foot mixed use brownfield redevelopment

MetroCenter at South Coast, Costa Mesa: 40-acre office park intensification

\* Projects completed while with another firm.

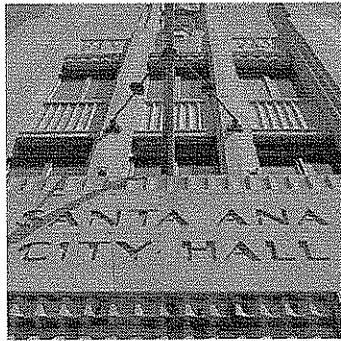
### **EDUCATION**

B.ARCH., magna cum laude, California State Polytechnic University, Pomona, 1981

B.SCI., magna cum laude, California State Polytechnic University, Pomona, 1980

### **REGISTRATION**

Registered Professional Architect, States of California, Nevada, Arizona, Colorado  
Limited Teaching Credential, State of California



## EXPERIENCE & REFERENCES

- Market Analysis
- Financial & Other Resource Reviews
- Strategic Planning
- Business Development & Business Retention
- Program Implementation

Business retention, expansion and recruitment: they're critical to ensure the sustained well-being of any community. Nevertheless, the market is competitive and factors influencing business decisions are regional and even global, as well as local. This is a setting where RSG excels.

We use a unique "business plan" approach to economic development. Before putting pen to paper, however, we assess current economic conditions, identify and prioritize economic development opportunities, and review financial and other resources available to underwrite implementation costs. Then, working with the client, we develop the strategic business plan. Developing a vision and mission statement puts the client's priorities in focus and creates concise, understood, agreed-upon targets. Economic development goals and policies, and a five-year action plan--with delegated implementation initiatives--make it possible for the vision and mission to become reality.

Once a plan is in place, RSG's economic development team can help implement it, meeting with members of your community, negotiating with developers, managing and negotiating real estate acquisition, obtaining financing, and providing staffing for special projects and administrative needs.

## **MARKET ANALYSIS**

RSG's real estate brokerage background provides our clients with sophisticated tools and insight on real estate trends and opportunities. We do not simply rely on theoretical models that overlook local influences.

## **FINANCIAL & OTHER RESOURCE REVIEWS**

RSG helps clients identify and procure financial, capital, and organizational resources to implement economic development projects. We also prepare resource utilization schedules that complement implementation priorities.

## **STRATEGIC PLANNING**

Where do you start an economic development initiative? What obstacles need to be overcome? How can we measure success? RSG can help answer these questions.

## **BUSINESS DEVELOPMENT & BUSINESS RETENTION**

Starting from a community's core competencies, RSG is able to identify expansion and diversification opportunities that create sustainable sources of jobs and municipal revenues.

## **PROGRAM IMPLEMENTATION**

Many of our clients retain RSG as contract staff to manage the day-to-day activities of economic development and redevelopment programs, including rehabilitation projects, business improvement projects, business recruitment, site selection and acquisition, and financing.

## **RELEVANT EXPERIENCE**

### **SPRINGDALE SITE REUSE ANALYSIS - WESTMINSTER**

The City of Westminster was approached by a local developer with a request to rezone a dilapidated but freeway adjacent neighborhood center to permit development of townhomes, implying that commercial uses were no longer viable. To confirm the developer's contentions, RSG was retained to perform a market study of the site. Our conclusions were that some retail and other nonresidential uses were supportable on the site, which led to discussions with the developer to focus on such uses. The developer is now working on one of these alternatives with City staff, which, if developed, could result in the voluntary consolidation of ownership of the site and significantly greater sales tax revenues to the City.

Contact: Ray Silver, City Manager  
CITY OF WESTMINSTER  
8200 Westminster Boulevard  
Westminster, CA 92683  
714.898.3311

### **REDEVELOPMENT INFILL STUDY - FOUNTAIN VALLEY**

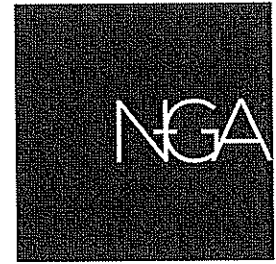
The City of Fountain Valley has a successful business park area which has begun to show signs of obsolescence as the City is struggling to find locations for more intensive commercial uses to sustain the City's General Fund. In 2008, the City engaged RSG to prepare a redevelopment infill study of two undeveloped parcels to gauge whether additional density could be economically viable. The study concluded that multifamily residential uses were the most economically viable for the area, since the site's mid-block location curtailed demand for many revenue generating uses sought by the City. It did leave open the possibility of relocating the civic center to this location, thereby freeing up the existing City Hall site to a more favorable reuse.

Contact: Ray Kromer, City Manager  
CITY OF FOUNTAIN VALLEY  
10200 Slater Avenue  
Fountain Valley, CA 92708  
714.593.4400

### **CIVIC PARTNERS DESTINATION DEVELOPMENT - LAKE ELSINORE**

Beginning in 2006, RSG was retained by this Huntington Beach-based developer of mixed-use projects to assist on projects in Lake Elsinore, CA and Boise, ID. Our services have included acting as a consultant to the developer's legal team on a condemnation case involving an ongoing public-private partnership with the City, an economic impact analysis identifying direct and indirect benefits of a 60-acre entertainment, retail, and residential project, and (most recently) a public outreach campaign wherein RSG is soliciting a broad range of input on project design, the development envelope, and role the public should play in assisting the project.

Contact: Steven Semingson  
CIVIC PARTNERS  
7777 Center Avenue, Suite 300  
Huntington Beach, CA 92647  
714.230.8000



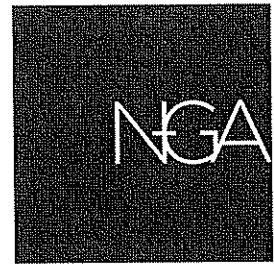
## NESTOR+GAFFNEY ARCHITECTURE LLP - RELEVANT PROJECT EXPERIENCE

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NGA and its principals participated in the following sample projects, which include providing strategic land use planning, product programming, building design and project implementation for the redevelopment efforts of large in-fill sites, suburban master planned properties and other public and private land holdings.

- **PacifiCenter**, a 460-acre reuse of the former McDonnell Douglas Long Beach Aircraft Plant into a vibrant community of more than five million square feet of commercial space and as many as 3000 housing units. Services included master planning (NGA with Altoon+Porter Architects); planning, landscape and architectural design guidelines; establishing of LEED guidelines; community workshops. Client: Boeing Realty.
- **Gateway Center**, the redevelopment of abandoned railyards adjacent to the historic **Union Station** in downtown Los Angeles. Services included master planning (MV&P with Ehrenkrantz Ekstut Architects) of a multiple tower development with four levels of underground parking, located above the Metro Red Line and creating a new entry to the historic station. Services also included the competition winning design and project implementation of the landmark 28-story MTA Headquarters Tower. Client: Catellus Development.
- **Howard Hughes Center**, the 60-acre master planned development included planning and design guidelines for a 2.9 million square foot office park with up to two hotels. Additional projects included the design and project implementation of the 20-story 6060 Center Drive tower; the five-story Kerlan-Jobe Orthopedic Clinic; and The Promenade at Hughes Center shopping center. Clients: The Howard Hughes Corporation; Arden Realty; Lowe Enterprises; J.H. Snyder Company.
- **Hughes Center**, the 40-acre master planned development in Las Vegas, included planning and design guidelines for a 1.2 million square foot office park with one hotel, two residential towers, and eight restaurants. Additional projects included the design and project implementation of the five-story Hilton Corporate Plaza; the five-story 3950 and 3960 Hughes Parkway towers; and planning for the 12-story 3883 Tower; Client: The Howard Hughes Corporation.
- **Corona Pointe**, the 50-acre brownfield redevelopment included planning and Specific Plan writing, design and project implementation for a one million square foot mixed use campus consisting of office park with hotel, retail and restaurant uses. Client: Rexco Real Estate Development.
- **Ladera Corporate Point**, the 20-acre master planned office and medical campus, located within the new community of Ladera Ranch. Services included site planning and design guidelines for two child care centers, a health club, service retail and a collection of office buildings. Additional projects included design and project implementation of three office buildings and a Montessori School. Client: Rancho Mission Viejo Company/ Lutzky Associates.

- **Wilshire Courtyard**, an 8-acre office project consisting of one-million square feet of Class A office space over three subterranean parking levels in the Miracle Mile District of Los Angeles. Project included numerous public meetings with homeowners groups, Page Museum officials (due to potential paleontological finds), and business groups. Project went on to become one of three National Endowment of the Arts study subjects on how Developers, Architects and Concerned Citizens can work together on projects where everyone wins. Client: J.H. Snyder Co.
- **The Water Garden**, a 17-acre office project consisting of 1.3 million square feet of Class A office space over three subterranean parking levels in Santa Monica. Project included numerous public meetings with homeowners groups resulting in a lushly landscaped project that is environmentally conscious. The first on-site sewage treatment plant within a privately-funded office building in America provides treated water for supplying a 1.2 acre lake and thirsty landscaping. Client: J.H. Snyder Co.
- **Lake Las Vegas**, a 3600-acre master planned community centered on a man-made 320-acre private lake. Services included extensive Design Guidelines for the wide variety of building types located within the project. Client: Transcontinental Properties.
- **Summerlin Centre**, a 1300-acre master planned community at the heart of the new Las Vegas community of Summerlin. Services included testing of project types on site alternatives, assistance with design guidelines, and design of 40-acre first phase office park. Client: The Howard Hughes Corporation.
- **The Canyons at Summerlin**, a 750-acre master planned specialty village within the new Las Vegas community of Summerlin. Services included planning and design guidelines for residential, office and hotel uses. Additional services included design and project implementation for the PGA/Tournament Players Club and The Canyons Office Park. Client: The Howard Hughes Corporation.
- **El Cerrito Town Center**, an existing 20-acre aging shopping center. Scope included public charette workshops to re-envision the development to better integrate into the fabric of the community and provide enhanced community services, open space, housing, and improved retail. Client: City of El Cerrito & RaceStudio.
- **Fruitvale Transit Village**, a 20-acre redevelopment of a former BART parking lot in Oakland. Scope included visioning for a new mixed-use complex built around and over new parking structures for the BART trains, providing shops, offices, senior housing, child care, and residential units. Scope included design charettes and public workshops. Client: Spanish Speaking Unity Council of Alameda County.
- **Kahului Town Center**, a 20-acre reuse of a burnt-out retail center. The plan calls for new retail and residential uses to knit the waterfront of this main city of Maui with its residential interior, connect disparate retail uses on adjacent parcels. Scope included development standards and architectural criteria conforming to historic Maui models. Client: Alexander & Baldwin Properties.



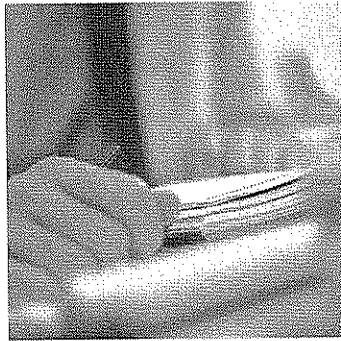
## NESTOR+GAFFNEY ARCHITECTURE LLP - REFERENCES

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Mr. Larry Hauptert, President  
REXCO Real Estate Development  
2518 North Santiago  
Orange, CA 92867  
(714) 998-3400

Ms. Allison Kunz, Director of Forward Planning  
The Olson Company  
3020 Old Ranch Parkway  
Suite 400  
Seal Beach, CA 90740-2751  
(562) 370-2263

Mr. Dale Lyon, Senior Vice President  
Olen Properties  
7 Corporate Plaza  
Newport Beach, CA 92660  
(949) 719-7221



## SCOPE OF SERVICES & SCHEDULE

The City of Lemoore intends to conduct an independent reuse study for the purposes of pursuing a Community Development Block Grant for one of three retail commercial centers, with the cooperation of the property owners. Specifically, the City is hoping that a market-based reuse plan may receive a favorable endorsement for the Economic Development Allocation, Over-the-Counter component of the block grant program, so that such funds may be used to revitalize one of the three commercial centers. According to the Notice of Funding Availability, up to \$2.5 million may be available from this CDBG program.

In order to receive an invitation to submit an application, the City and property owners must demonstrate that proposed revitalization program is based on fully completing readiness factors<sup>1</sup>, such as:

- Market feasibility of the proposed activity;
- Approval status of local and other regulatory requirements on the proposed project;
- Ownership/control status of any real estate needed for the proposed activities;
- Project and grand management capacity, proposed job creation/retention and public benefit; and
- Eligibility of "net new jobs" created or jobs retained.

The scoring and amount of any grant is based on several factors – including the percentage of countywide unemployment relative to the statewide average, the ration of CDBG funds per unit of public benefit (\$35,000 per job created or retained, or \$350 per low/moderate income person served), ratio of private funds to grant funds, quality of the applicant's past performance on these economic development grants, and the percent of funds allocated to general administrative costs.

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<sup>1</sup> Source: April 18, 2008 NOFA

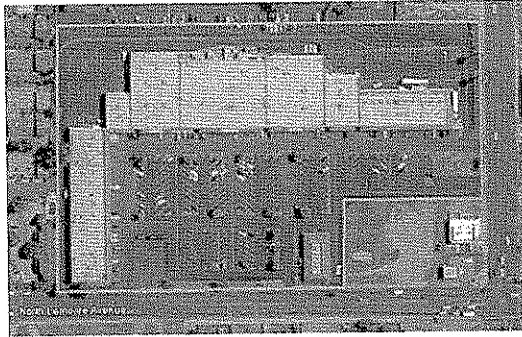
Based on the NOFA's criterion, it will be essential that the proposed reuse plan for the selected project be both economically viable (aside from the amount of grant funds needed for gap financing) and yield additional jobs and/or affordable housing units. Ownership is also another key consideration, and the major owners of all three locations have been engaged by the City already as part of this process.

### **STUDY AREAS**

This study would focus on the Pioneer Square center, the Lincoln Square center, and the Lemoore Town Center project. The three commercial areas subject of this study fall within the developed core of the city and are at or near major intersections. At the conclusion of this reuse study, the City intends to select one of the three reuse plans for consideration in the grant program.

These properties are briefly profiled below, based on information contained in the RFP and other public records:

### Pioneer Square<sup>2</sup>



Located at the northeast corner of Lemoore Avenue and Hanford Armona Road. This property consists of a single 9+ acre parcel with a older neighborhood shopping center. Originally constructed in 1978, the center is currently undergoing a façade improvement.

### Lincoln Square<sup>3</sup>



Anchored by a small grocery store, the Lincoln Square project consists of 4 parcels under contiguous ownership. The total center lies on approximately 7 acres, but is adjacent to a new housing development and proposed commercial development that could lead to renewed tenant interest in this location.

### Lemoore Town Center<sup>4</sup>



The Lemoore Town Center is a 12-unit commercial condominium project, under common ownership with the exception of the largest building and the common area. Redevelopment of this site may be a means for the City to compliment work in its adjacent historic downtown.

<sup>2</sup> APN 021-300-009

<sup>3</sup> APNs 023-230-003, 023-230-009, 023-230-010, 023-230-011

<sup>4</sup> APNs 020-300-002, 020-300-003, 020-300-004, 020-300-005, 020-300-006, 020-300-007, 020-300-008, 020-300-009, 020-300-010, 020-300-011

## **SCOPE OF SERVICES**

RSG and NGA have teamed together to formulate a cost-effective and results-oriented approach to this engagement that will be valuable to the City and property owners, regardless as to whether the City is ultimately successful in receiving the grant funds. Our intent is to develop an attainable and implementable reuse program for the sites that achieves economic development success in the form of new jobs, new revenues and better quality of life for Lemoore residents.

The consulting team's scope of services includes the following components:

### **Market Study**

The first component of this engagement is to prepare a site-specific market study for each of the three sites. RSG staff would initiate this component by conducting an inspection of the sites to determine tenancies, vacancy rates, and adjacencies. We would meet with City planning officials to understand emerging trends in development in the area, including potential projects that may capture market demand. RSG would also conduct a survey of local real estate brokers active in the market area to ascertain their views on the strengths and weaknesses of the sites, as well as gauge what shortfalls may be evident in the market. Finally, RSG and NGA would collaborate on an overall opportunities and constraints diagram of all three sites based on current development standards for existing commercial development.

Our quantitative analysis of market demand would include a review of demographic-based consumer preferences and job projections for the local area and the region. Lemoore is largely dependent on a few industries for the majority of its employment base (specifically NAS Lemoore and various educational facilities), so diversification of the employment base will be of key interest to the City's long term economic vitality. We use a variety of industry-accepted sources for real estate market data and socioeconomic reports, which would be integrated into our findings.

In consultation with NGA and City staff on the design and form of potential new land uses, RSG would present findings on the sustainability of the uses as currently developed, and make specific reuse recommendations on potential use(s) of the sites in the future based on market demand. Up to three development alternatives may be selected at this stage of the engagement, which would be studied for economic feasibility in the next step below.

### **Development Programming Analysis**

The development programming analysis would incorporate market study findings and recommendations and yield a development pro forma for each alternative on each site as a means to gauge the overall fiscal viability for reuse. Commonly, many development alternatives may not withstand this kind of scrutiny unless the nature of the reuse is significantly more intense than what exists today. The purpose of the development programming analysis is to gauge the amount of development shortfalls, if any, and determine whether the block grant funds are sufficient to meet such shortfalls. This approach also allows the private sector to see the potential return on investment, and compare this to their risk and return associated with holding the properties in their current condition.

This analysis would also perform a calculation of the fiscal benefits to the City, in terms of the following factors:

- Allowable grant limits (based on CDBG criteria)
- Property Tax revenue
- Sales Tax revenue, if applicable

- Transient Occupancy Tax revenue, if applicable
- Jobs created, including an estimate of the net new jobs created as compared to estimates of existing employment levels on site.
- Industry and consumer spending.

From a pure land use economics perspective, the results of the development program analysis would be to rank development schemes for further analysis based on current land use and infrastructure constraints, as described further below.

### **Land Use Policy Review**

RSG would review existing land use policies for the three sites in context of the potential development programs that may be supportable in terms of market demand and development economics. Common constraints identified in this phase include building height limitations, parking standards, mixed use authority, and building design.

In consultation with City Public Works staff, RSG would also research infrastructure needs of the potential uses. While City staff believes the current infrastructure suits uses present today, it is conceivable that transition to mixed use development or another more intensive use of the site could demand off-site and on-site infrastructure capacity expansion.

RSG would consult with City Planning staff to confirm the capability of the existing land use policy to accommodate new development envisioned by RSG. Where appropriate, RSG would make specific recommendations on capital improvements or development exactions necessary to reuse the sites, along with a cost estimate of such improvements as necessary.

### **Conceptual Site Planning**

The next phase of the engagement would be to prepare visual aids to depict the proposed reuse plan for the site. For this effort, NGA would prepare a Graphic Plan Exhibit demonstrating possible building configurations to support the recommended Land Use, parking, and open space for each site. NGA will provide simple, mass-oriented three dimensional sketches to illustrate Conceptual Plans. It is anticipated that due to the conceptual nature of the scope, infrastructure and other issues such as traffic will be reviewed by Public Works staff, rather than outside consultants. Similarly, our work will focus on Land Use recommendations, as the architectural design of the proposed buildings is believed to be outside of the scope. We further feel that Design Guidelines are also premature given the larger issue of Land Use at this time.

### **Draft and Present Reuse Study**

Upon completion of the study components of this engagement, RSG and NGA would collaborate on a document which collectively presents our research, evaluation, and recommendations for each site. Staff would receive a screen check draft for review and comment, prior to finalization by the consultant team. We anticipate one set of comments from which to prepare the final report.

The final reuse study may be presented to the Planning Commission, City Council, or both, at the discretion of staff, prior to proceeding with further discussions with property owners and selection of the site for the grant application. We do believe that it is appropriate to integrate the CDBG regulations for two public hearings on this application together with the review and adoption of the reuse study, and would anticipate further discussion with staff as to the precise timing and nature of these hearings.

### **CDBG/Economic Development Over-the-Counter Application Preparation**

Based on staff's selected reuse site, RSG would prepare the grant application for Department of Housing and Community Development Consideration. The April 2008 NOFA indicates that prior to submitting the application, applicants are strongly encouraged to conduct a pre-screening of their projects, which should include an on-site meeting or conference call with HCD officials. RSG and City staff should anticipate this process to occur concurrently with the preparation of the reuse plan. We suggest that HCD input during the early stages of the preparation of the reuse plan will not only be valuable for the application, but also help steer possible policy direction on the ultimate reuse of the site that may be integrated into the study if provided timely. It is unclear whether City staff has already initiated such discussions with HCD.

RSG will also prepare the application packet for staff submittal to HCD.

### **Meetings/Conference Calls**

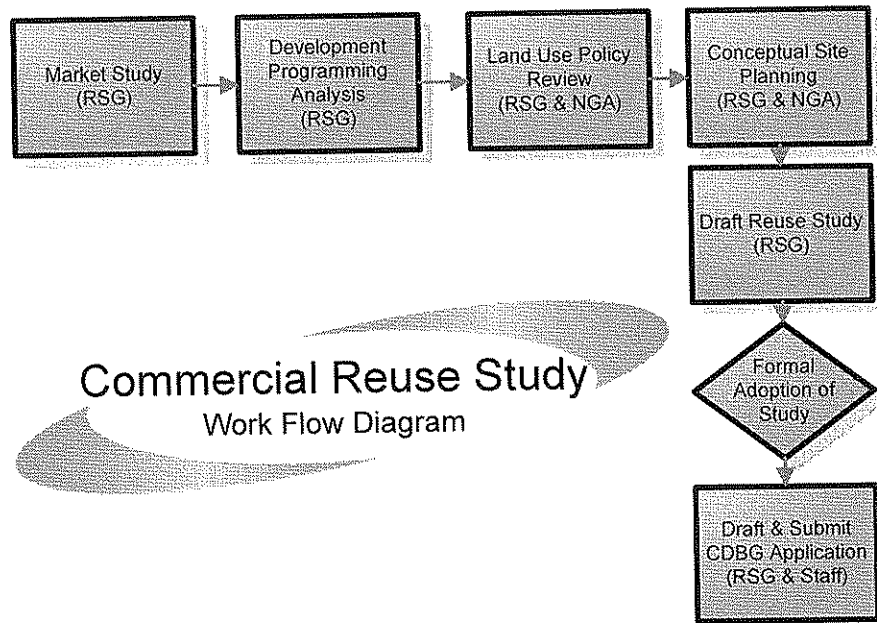
RSG anticipates three (3) on site meetings for this engagements, as well as regular (perhaps monthly) project status conference calls with key staff. All meetings would be attended by Jim Simon, Principal, and/or Alexa Smittle, Associate, and may include a kickoff meeting and two requisite public hearings for the grant application and reuse plan.

Additional meetings and conference calls may be provided outside of this scope of services on a time-and-materials basis.

### **WORK FLOW DIAGRAM**

The diagram below depicts the primary elements of this engagement. At each step in the process, the consultant team would present our findings to staff for review and input. We would encourage staff to maintain a dialog with affected property owners during the entire process, rather than wait for the final product to be completed. We find that this approach ensures better transparency and communication with property owners and stakeholders, and can increase the likelihood of implementation of the reuse recommendations.

It is unclear at this stage what kind of formal adoption of the reuse study the City foresees, if any. In our opinion, formal endorsement of the reuse program may increase the prospects of award of the grant application. In fact, CDBG regulations require two public hearings pertaining to the design and submittal of the application, so it is preferable that these hearings be incorporated into this process. In that this initiative involves land use policy, it may be appropriate to engage the Planning Commission around the period when the draft reuse plan is prepared to evaluate land use recommendations and design for the three sites, and then subsequently have the City Council adopt the final reuse plan, select the site for grant application, and authorize staff to proceed with the grant process at a separate hearing. The precise nature and timing of these hearings are subject to further discussion with staff.



**Commercial Reuse Study**  
Work Flow Diagram

**SCHEDULE**

Below, RSG has outlined a preliminary schedule of key tasks involved in the study. While we believe this schedule is attainable and realistic, events and factors beyond our control may affect the ultimate delivery of the work products described herein.

MONTH	TASKS
September 2008	Engagement Commenced
October	Market Study
November	Development Programming Analysis
December	Land Use Policy Review
December	Conceptual Site Planning
January 2009	Draft Reuse Study
February	Formal Adoption of Study
March	Draft & Submit Grant Application



## FIXED COST FEE PROPOSAL

Exclusive of optional services, the total not-to-exceed budget for this engagement is anticipated to be \$49,810 to be billed on a time-and-materials basis. This cost includes all consulting costs and reimbursable expenses.

A detailed breakdown of the work products and fees is presented in the table below.

Consultant Hours by Task	Principal 195	Associate 140	Analyst 100	NGA	Total Cost
Market Study	10	32	30	-	\$ 9,430
Development Programming	8	24	-	-	4,920
Land Use Policy Review	2	22	16	-	5,070
Conceptual Site Planning	2	10	-	11,600	13,390
Draft Reuse Study	8	32	-	-	6,040
CDBG Grant Application	8	16	8	-	4,600
Meetings (3) & Teleconferences	24	12	-	-	6,360
<b>Total</b>	<b>62</b>	<b>148</b>	<b>54</b>	<b>\$ 11,600</b>	<b>\$ 49,810</b>

## 2008 BILLING RATES

RSG will charge for these services under our current fee schedule:

Principal / Director	\$ 195
Senior Associate	\$ 160
Associate	\$ 140
Senior Analyst	\$ 110
Analyst	\$ 100
Research Assistant	\$ 90
Technician	\$ 70
Clerical	\$ 60

Reimbursable Expenses

Cost plus 10%

It is the policy of RSG, not to charge clients for mileage, parking, standard telephone/fax expenses, general postage or incidental copies. However, we do charge for messenger services, overnight shipping/express mail costs and teleconferencing services. We also charge for copies of reports, documents, notices, and support material in excess of five (5) copies. These costs are charged back at the actual expense plus a 10% surcharge.

RSG issues monthly invoices payable upon receipt, unless otherwise agreed upon in advance. Invoices identify tasks completed to date, hours expended and the hourly rate.