

Appendix A

Services to be Provided by Contractor

Contractor: Seifel Consulting, Inc.

1. Description of Services

Contractor shall provide as-needed economic services for the Planning Department (“Department”) of the City and County of San Francisco (“City”), particularly related to planning work for the Transit District Center Plan (“District Plan”), which will produce new planning policies and controls for land use, urban form, building design, and public realm improvements for both private properties and public properties in and around the adopted Transbay Redevelopment Project Area and Transbay Terminal.

The following tasks outline an iterative process for projecting growth and capacity within Downtown San Francisco, with a particular focus on properties in the District Plan Area (Plan Area). Contractor shall initiate the process by fine-tuning the City’s Land Use Model to achieve a realistic foundation for the City’s Downtown and Plan Area projections (Task 2). The Department will then refine those projections based on a detailed analysis of existing and future supply (Task 3) and factors impacting demand (Task 4) to provide the Department with reliable projections of the level of detail necessary to adequately plan for changes in the Downtown and Plan Area.

Services shall include, but not be limited to, the following:

Task 1. Project Start Up and Project Management

At project inception, Contractor shall meet with the Department to review the proposed work tasks and discuss how they can most efficiently and cost effectively be implemented. At this meeting, Contractor and the Department will:

- Review the goals and objectives for the proposed assignment and refine tasks to be accomplished.
- Review the proposed timeline for completion of each task.
- Establish a schedule for the assembly of information and the preparation of draft and final documents.
- Determine how each work task can best be accomplished and allocate responsibilities to assure the timely and efficient completion of each step.
- Establish a potential public meeting schedule.

After this initial meeting, Contractor shall prepare summary notes of the meeting, a proposed schedule and information needs list. Contractor shall update the schedule, costs and information needs list as appropriate.

Throughout the work effort, Contractor shall meet with the Department and conduct coordination calls as needed to assure the work is accomplished effectively. These meetings/calls will be scheduled periodically and will serve to evaluate the progress of the project work, obtain additional information and review work performed to date.

Task 2. Evaluation of City’s Land Use Model for Use in Downtown Forecast

The first step in the work effort will be to evaluate how best to use the City’s 2030 Land Use Forecast Model (Model) in downtown growth projections. The Model, an implementation of UrbanSim, an open-source, nested sub-model environment functioning at the parcel level, utilizes data on business activity, zoning capacity, land sales, household type and location, current pipeline information, as well as other factors, to project future growth by land use activity within the City through 2030 based on citywide

target figures obtained from sources like the Association of Bay Area Governments. The Model projects growth in households, residents and employment, with jobs broken down by land use category and NAICS code. While the Model operates at the parcel level, it aggregates growth to meaningful scales such as traffic analysis zone (TAZ) and census tract levels. The Contractor and Department will define the Downtown and the Plan Area based on a combination of TAZs. Should Model capabilities and/or outputs differ from current understanding, or should the completion of the model for practical purposes be delayed beyond the summer of 2007, the scope of this task may need to be revised.

In collaboration with the Department, Contractor shall review the Model assumptions (including vacancy rates and absorption) and the preliminary output from the Model on both a citywide and downtown basis. Contractor shall compare the Model results with the existing land use capacity assumptions in the City's General Plan, Downtown Plan and the Transbay Zoning Map. If the Department determines that the Model results are reasonable, Contractor shall utilize them in baseline capacity projections for downtown growth (Baseline Scenario). If the Department determines that the Model results are not reasonable, Contractor shall work with the Department's Model contractor to refine the Model assumptions and achieve a workable result. In the event that the Department and Contractor agree that substantial additional services by Contractor are required to achieve this result, the Department may authorize the use of funds budgeted in this Agreement for Additional Services/Contingency, or execute a modification to this Agreement, or both to authorize Contractor to perform the additional services. In no event shall Contractor provide any additional reimbursable services without the Department's prior approval.

Once a reasonable baseline land use forecast based on existing zoning has been established, Contractor shall work with the Department and its Model contractor to test two alternative scenarios for development within the Plan Area: one based on maximum allowable heights/FARs under consideration (Maximum Build Out) and one based on a scenario developed by the Department that is more intensive than is allowed under existing Transbay zoning, but less than maximum build out (Intensified Build Out). Two variations reflecting a different mix of office and residential uses may be prepared, one for Maximum Build Out and one for the Intensive Build Out scenario.

Based on the work above, Contractor shall forecast the growth potential of key land uses (including office, residential, hotel, entertainment, retail, institutional/cultural, service/industrial, given Model limitations) for downtown San Francisco through 2030 under three basic scenarios: Baseline, Maximum Build Out, Intensive Build Out. This forecast will be significantly refined as part of Task 5 to reflect findings from Tasks 3 and 4.

Task 3. Existing and Future Supply in Downtown

In conjunction with Task 2, Contractor shall also review the existing and future near term supply of built space by land use in the downtown, as well as capacity for new development on opportunity sites within the Plan Area. Contractor shall analyze the potential supply of various uses based on new projects under construction, approved, under review, and opportunity sites and constraints throughout the downtown, with a particular focus on the Transbay area. The Department will update and provide its existing land and building database, data on development by land use that has occurred in the downtown since the original Downtown Plan was developed, and developments that have been approved or are under consideration in the downtown. Contractor shall conduct a field survey of the Plan Area to make sure the City's data on opportunity sites and pending development in the area accurately reflect conditions on the ground. Contractor shall also utilize in-house data obtained from existing conditions surveys and assessor database analysis conducted during the Transbay redevelopment process to verify the supply information.

Contractor shall review historical documents provided by the Department to compare the growth in supply projected in the Downtown Plan with actual growth that has occurred and is underway in the downtown. Historical documents to review include Downtown Plan and EIR, Downtown Monitoring Reports, Transbay Redevelopment Plan EIR, and other documents containing growth projections and

analysis provided by the Department. This review shall inform both the understanding of future supply and demand.

Task 4. Key Economic Factors Affecting Future Demand

The City's Land Use Model bases its forecasts upon economic and demographic projections and their impact on demand for the respective land uses. Contractor shall assume that the Model baseline economic factors are appropriate. However, the Model is informed by ABAG assumptions regarding San Francisco's share of regional growth and, given certain San Francisco policy choices and market conditions, those assumptions may not prove realistic. As such, Contractor shall review other economic forecasts to see what could occur if more demand were to be captured by San Francisco than anticipated in the Model.

Future demand for land uses in the downtown will also be affected by the sales prices and rents for the various land uses in the downtown. Contractor shall interview brokers, developers of projects recently completed and under construction, appraisers and other knowledgeable real estate professionals to distinguish the portion of land use demand that is attributable to higher end users who would potentially purchase or rent space in taller, newly developed buildings. Contractor shall also explore likely mixes of uses in especially tall buildings (those taller than the current height limit of 550 feet), given the ability of San Francisco's market to absorb large quantities of particular uses at or about the same time.

Historical, recent and ongoing trends and economic factors affecting the supply and demand of land uses shall also be considered. These include current and projected vacancy rates, historical market and economic cycles, Prop M annual office limitations and conversion of office space to residential units, adding to the review of historical projections from earlier planning efforts and comparison of actual buildouts described within Task 3.

Task 5. Demand Forecast

Contractor shall base its demand forecasts upon the data and projection assumptions from the analysis and information obtained from the above tasks. The output of the demand forecast will consist of employment projections distributed by land use sector and workforce location, households by income level, household size, and work/commute patterns, and, based on household characteristics, housing by housing type (e.g. affordability level, unit size). This information will be transmitted to the Transportation Authority for transportation and traffic analysis.

The demand forecast shall include a spatial analysis of the supply and demand of the key land uses, including potential opportunity sites (aggregated to the TAZ level for use in transportation analysis). As in Task 2, the projections and accompanying analysis will be based on three basic scenarios, Baseline, Maximum Build Out, Intensive Build Out, with up to two additional variations reflecting a different mix of office and residential uses within the Maximum Build Out and Intensive Build Out scenarios.

The results of this analysis will be used to inform upcoming considerations of urban form and land use policy analysis for the Transit Center District Plan, and provide adequate information for environmental analysis (e.g. transportation impacts).

Task 6. Public Meeting Attendance

Contractor shall prepare for, and participate in, two public meetings to present the findings of the work, as well as one presentation to the Planning Commission. Attendance and preparation for additional community meetings or Commission hearings will be billed as additional services on a time and materials basis.

Task 7. Additional Services

This scope of services is based on the Department's initial understanding of the Contractor's role and tools e.g., the City's Land Use Model. At the Department's request, Contractor shall provide

additional services as needed, on a time and materials basis above the basic budget for Tasks 1 through 6, which may include, but are not limited to, the following services:

- Prepare a similar analysis for the Fourth and King Streets Railyards Site.
- Receive training on and/or manipulate the City's Land Use Model.
- Contractor involvement in Model refinements beyond time initially allotted to achieve realistic Baseline Scenario (see Budget for approximation of hours needed to complete each task). Additional time will only be spent upon Planning Department staff request and/or authorization.
- Coordinate/review documents other than those referenced in the above scope.
- Prepare for, and present at, additional public meetings.
- Prepare more than one version of the documents described below under Work Products after the Department has approved the final version.
- Advise on community outreach strategy and implementation.
- Provide other advice and assistance regarding growth in the Plan Area and Downtown, as needed and requested.
- Assist in transmitting forecast information to staff from the City, Transportation Authority, TJPA or other public entities) and/or outside contractors working on the Transbay Project and related efforts.

Work Products

Contractor shall provide the following deliverables:

- Tables, graphs and transmittal memoranda containing key findings at the close of Tasks 2, 3 and 4;
- Memorandum detailing findings regarding demand forecasts at close of Task 5. This memorandum will outline methodology, explain key findings, and present final demand forecasts. Contractor shall provide one draft memorandum to be revised based on the Department's review and comment, and one final version; and
- Microsoft PowerPoint® slides and/or handouts for the Department's use in presentations.

Contractor shall provide all work products to the Department electronically in PDF format, and shall also provide final tables with demand forecasts in Microsoft Excel®. Contractor's work products shall be provided for the use of the San Francisco Planning Department, the Transportation Authority and other City departments and agencies, and any of City's contractors where such use relates to the Transbay Project and Downtown planning.

2. Reports

Contractor shall submit written reports as requested by the Department. Format for the content of such reports shall be determined by the Department. The timely submission of all reports is a necessary and material term and condition of this Agreement. The reports, including any copies, shall be submitted on recycled paper and printed on double-sided pages to the maximum extent possible.

3. Department Liaison

In performing the services provided for in this Agreement, Contractor's liaison with the Department will be Joshua Switzky, or his designee.