



# City of Palo Alto

## City Council Staff Report

(ID # 9855)

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**Report Type: Consent Calendar**

**Meeting Date: 12/17/2018**

**Summary Title: Amend Lexington Contract**

**Title: Approval of Amendment Number 3 to Contract Number C17156080 With Lexington Planning to Extend the Term for One-year for \$32,000 to Provide Long-range Planning Support**

**From: City Manager**

**Lead Department: Planning and Community Environment**

### **Recommendation**

Approve and authorize the City Manager or his designee to execute Amendment No. 3 to the existing agreement (C17056080) with Lexington Planning, increasing compensation by \$32,000 for a total contract not-to-exceed amount of \$116,500 and extending the term to December 31, 2019.

### **Background**

Lexington Planning has been providing consultant support to the Planning and Community Environment Department since July 2016. Most recently, Lexington has been focused on the Inclusionary Housing Economic Study and implementation of the Housing Work Plan, including assisting with a parking study associated with multi-family trips and parking demand.

### **Discussion**

The department contracted with Lexington Planning in July 2016 to provide implementation assistance for the Comprehensive Plan Update and other long range planning projects due to the staff shortage. The department continues to experience significant staff vacancies and relies on these consulting resources to provide expertise in long range planning.

Staff requests Council approval to amend the contract by extending it for one year and increasing the contract amount by \$32,000 for work on Zoning Ordinance updates related to the Comprehensive Plan, continuing work on the financial analysis of revisions to the City's Below Market Rate (BMR) Housing program, and other long range planning activities. Under the existing contract, Lexington Planning works on an on-call basis, when consulting expertise is needed. If work is not needed from this consultant, charges are not incurred. The requested extension will continue that practice.

### **Resource Impact**

Based on anticipated usage, the cost of the one-year extension of the contract with Lexington Planning is estimated at \$32,000. There is sufficient budget in the Fiscal Year 2019 Adopted Operating Budget to cover this extension. No additional funding is required. If over the year less support is needed, the full amount will not be spent.

**Attachments:**

**Attachment A: Contract #S17165080 Lexington Planning Amendment 3 (PDF)**

**AMENDMENT NO. 3 TO CONTRACT NO. S17165080  
BETWEEN THE CITY OF PALO ALTO AND  
JEAN EISBERG dba LEXINGTON PLANNING FOR PROFESSIONAL SERVICES**

This Amendment No. 3 to Contract No. S17165080 (“Contract”) is entered into December 17, 2018, by and between the CITY OF PALO ALTO, a California chartered municipal corporation (“CITY”), and JEAN EISBERG dba LEXINGTON PLANNING, a sole proprietor, located at 2083 Vine Street, Berkeley, California, 94709 (“CONSULTANT”).

**RECITALS**

A. The Contract was entered into between the parties for the provision of development of programs and plans to determine a framework for future development in Palo Alto.

B. CITY intends to extend the term to December 30, 2019 and increase the compensation by \$32,000.00 from \$84,500.00 to \$116,500.00 for additional work as specified in Exhibit “A” Scope of Services.

C. The parties wish to amend the Contract.

NOW, THEREFORE, in consideration of the covenants, terms, conditions, and provisions of this Amendment, the parties agree:

SECTION 1. Section 2 TERM is hereby amended to read as follows:

**“SECTION 2. TERM.**

The term of this Agreement shall be from the date of its full execution through December 30, 2019 unless terminated earlier pursuant to Section 19 of this Agreement.”

SECTION 2. Section 4 COMPENSATION is hereby amended to read as follows:

**“SECTION 4. NOT TO EXCEED COMPENSATION.** The compensation to be paid to CONSULTANT for performance of the Services described in Exhibit “A” (“Basic Services”), and reimbursable expenses, shall not exceed One Hundred Sixteen Thousand Five Hundred Dollars (\$116,500.00). CONSULTANT agrees to complete all Basic Services, including reimbursable expenses, within this amount. The applicable rates and schedule of payment are set out at Exhibit “C-1”, entitled “HOURLY RATE SCHEDULE,” which is attached to and made a part of this Agreement. Any work performed or expenses incurred for which payment would result in a total exceeding the maximum amount of compensation set forth herein shall be at no cost to the CITY.

Additional Services, if any, shall be authorized in accordance with and subject to the provisions of Exhibit “C”. CONSULTANT shall not receive any compensation for Additional Services performed without the prior written authorization of CITY. Additional Services shall mean any work that is

determined by CITY to be necessary for the proper completion of the Project, but which is not included within the Scope of Services described at Exhibit "A".

SECTION 3. The following exhibit(s) to the Contract is/are hereby amended to read as set forth in the attachment(s) to this Amendment, which are incorporated in full by this reference:


- a. Exhibit "A" entitled "SCOPE OF SERVICES".
- b. Exhibit "B" entitled "SCHEDULE OF PERFORMANCE".

SECTION 4. Except as herein modified, all other provisions of the Contract, including any exhibits and subsequent amendments thereto, shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have by their duly authorized representatives executed this Agreement on the date first above written.

**CITY OF PALO ALTO**

**JEAN EISBERG dba LEXINGTON PLANNING**

DocuSigned by:  
  
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Jean Eisberg

Principal

APPROVED AS TO FORM:

**Attachments:**

- EXHIBIT "A": SCOPE OF SERVICES
- EXHIBIT "B": SCHEDULE OF PERFORMANCE

## **EXHIBIT “A” SCOPE OF SERVICES**

As a consequence of CITY’S downtown, convenient transit and freeway access, great schools, employment opportunities, and desirable neighborhoods, the CITY is increasingly under pressure to grow and accommodate existing and new residents, workers, and visitors. At the same time, CITY as whole and the Planning and Community Environment Department specifically are in the midst of developing programs and plans to determine a framework for future development and ensure the continued livability of the city as a place to live and as a destination for work, shopping, entertainment, and recreation.

These dynamics coalesce into a heavier workload for CITY staff and an opportunity for CONSULTANT to provide support and advance a variety of long-range policies initiatives. Detailed work plans shall be prepared on a project-by-project basis, Consultant tasks generally shall include:

- Research, analysis, report writing, and presentations to staff, boards, commissions, city council and citizen or stakeholder groups.
- Prepare for and attend in-person meetings with staff, consultants, elected, appointed and others as needed.
- Participate in regular project update meetings remotely or in person as determined appropriate
- Strategize and conduct public outreach and engagement
- Conduct survey analysis, data collection, case study review and analysis
- Engage peers and professional contacts and planning organizations to identify and customize best practices for relevant planning policies and programs
- Facilitate project and program implementation
- Provide guidance and support to city planners and long-range planning-related projects
- Review and process development applications from filing to conclusion

### **AMENDMENT NO.1 SCOPE OF SERVICES**

#### **TASK ORDER #2: PROJECT MANAGEMENT OF THE DOWNTOWN DEVELOPMENT CAP EVALUATION, PHASE 2**

This task order describes the project understanding, work plan, timeline, and fee proposal for project management of the Downtown Development Cap Evaluation, Phase 2.

#### **WORK PLAN**

### **Task 1: Review and Provide Feedback on Reports**

- A. Cursory review of Phase 1 reports:
  - Development Capacity, Market and Financial Feasibility Assessment, and Preliminary Policy Concepts
  - Development Trends, Parking, and Traffic
  - Street Intercept Survey Report
- B. Detailed review of draft Phase 2 reports:
  - Residential Analysis
  - Active Use Analysis
  - Downtown Basement Conversion Study
- C. Coordination with staff and consultants
  - Coordinate with City staff on comments and map changes
  - Provide comments to Dyett & Bhatia/EPS
- D. Review final reports to ensure that all comments have been addressed and provide consultants with any final comments

Deliverables: (1) Comments/mark-ups on the Residential Analysis; (2) Comments/mark-ups on the Active Use Analysis; (3) Comments/mark-ups on the Downtown Basement Conversion Study

### **Task 2: Study Sessions**

- A. Planning & Transportation Commission Study Sessions (2)
  - Prepare staff reports and packet materials to present Phase 2 reports at three meetings
  - Coordinate with community members and consultants
- B. City Council Study Sessions (2)
  - Prepare staff reports and packet materials to present Phase 2 reports at three meetings
  - Coordinate with community members and consultants

Deliverables: (1) Staff reports and brief hearing presentations for each decision-maker meeting. (Scope assumes that Dyett & Bhatia/EPS will prepare and deliver the bulk of the presentations.)

### **AMENDMENT NO. 3 SCOPE OF SERVICES**

CONSULTANT will complete the following general tasks. A draft timeline of activities is identified in the sequence and timeline section below.

PART 1: 2018 Ordinance

1. Zoning Options. Provide objectives, issues, options, and recommendations for the zoning changes identified in the work plan. This task includes iterations (memos) to discuss with City staff and staff reports to be reviewed by the Planning and Transportation Commission through a series of meetings.
2. Outreach. In addition to decision-maker meetings, community outreach will be conducted through two sets of tasks:
  - A. Conduct informal community outreach efforts, including with developers and architects (i.e., stakeholder interviews) to solicit feedback on proposed zoning changes. Approximately 15 stakeholders would be contacted.
  - B. Conduct one community meeting where the public may discuss and ask questions regarding the Draft Ordinance. This task assumes that City staff will be responsible for meeting logistics, noticing, publicity, and printing. CONSULTANT will be responsible for developing an agenda, format, and summary of the meeting.
3. Zoning Ordinance Framework. Provide a framework for zoning changes identified in the form of memos to the City Attorneys' Office.
4. Draft Ordinance. Work with Planning staff and the City Attorneys' office to develop specific zoning language for decision-makers' consideration. Review of and contributions to draft ordinance.
5. Study Sessions/Hearings. Develop staff reports and related attachments for Planning & Transportation Commission, Architectural Review Board, and City Council study sessions and hearings. Attend and present at up to 10 decision-maker meetings.
6. Conceptual Site Analysis. Analyze recent projects and conduct yield analyses on opportunity sites to determine back-of-the-envelope net changes on individual sites based on the changes identified in task 1 above. This task will primarily be for internal use to test assumptions and aid in discussions with stakeholders (see subtask 3A). Task includes coordination with urban designers to create site massing models on individual sites. This scope does not include a complete analysis of all sites in the Downtown study area or Cal Ave. area.

PART 2: 2019 Ordinance

1. Zoning Options. Provide objectives, issues, options, and recommendations for the zoning changes identified in the work plan for the 2019 Ordinance, to be prepared by others.

2. Draft Ordinance. Work with Planning staff and the City Attorneys' office to develop specific zoning language for decision-makers' consideration. Review of and contributions to draft ordinance.

PART 3: BMR Economic Analysis

1. Project Management. The City of Palo Alto is considering updating its BMR program to potentially increase the inclusionary requirement on for-sale development, and impose a new inclusionary requirement on rental development. The City contracted Strategic Economics to analyze the financial feasibility of these policies. CONSULTANT will contribute to this effort through the following tasks:
  - Help to manage consultant tasks, including data gathering, direction, and assumptions.
  - Review and edit draft deliverables.
  - Contribute to potential policy changes.

PART 4: Downtown CAP

1. Scoping and Budgeting. Explore issues and options related to development of a coordinated area plan for Downtown.
  - Develop a draft scope of work for a CAP, including key issues to be addressed and major deliverables.
  - Develop a budget estimate.



**EXHIBIT “B”  
SCHEDULE OF PERFORMANCE**

**AMENDMENT NO. 1**

<b>Task</b>	<b>Timeline for Completion</b>
1-A: Review Phase 1 reports	Completed
1-B: Review draft Phase 2 reports	<i>Residential Analysis: February - March 2017 Active Use Analysis and Basement Study: March - April</i>
1-C: Coordination/feedback to consultants	<i>Residential Analysis: March - April 2017 Active Use Analysis and Basement Study: April - May</i>
1-D: Final review	<i>Residential Analysis: June 2017 Active Use Analysis and Basement Study: July 2017</i>
2-A: Planning & Transportation Commission	<i>Residential Analysis: July 2017 Active Use Analysis and Basement Study: August 2017</i>
2-B: City Council Study Session	<i>Residential Analysis: July 2017 Active Use Analysis and Basement Study: August 2017</i>

**AMENDMENT NO. 3**

Task	Timeline for Completion
<i>PART 1: 2018 Ordinance</i>	
Zoning Options (Memos and Discussion with Staff)	March – April 2018
Stakeholder Outreach	May – June 2018
PTC Study Session to Review Council Objectives for Housing Work Plan	March 14, 2018 (Meeting #1)
PTC Study Sessions to Review 2018 Zoning Options	April 25, 2018 (Meeting #2) May 30, 2018 (Meeting #3) August 29, 2018 (Meeting #4) September 26, 2018 (Meeting #5)
Community Meeting	June, 28 2018
Architectural Review Board Meeting (Open Space Standards)	September 20, 2018 (Meeting #6)
Zoning Ordinance Framework	July - August 2018
Planning & Transportation Commission Hearing	October 10, 2018 (Meeting #7)
Conceptual Site Analysis	October - November 2018
City Council Hearings	November 26, 2018 (Meeting #8)

	December 2018 (Meeting #9) (Meeting #10, if necessary)
<i>PART 2: 2019 Ordinance</i>	
Zoning Options (Memos and Discussion with Staff)	May – August 2019
Draft Ordinance Contributions	August – December 2019
<i>PART 3 BMR Economic Analysis</i>	
Project Management	May 2018 – March 2019
<i>PART 4 Downtown CAP</i>	
Scoping & Budgeting	October – December 2018

**EXHIBIT "C-1"**  
**SCHEDULE OF RATES**

Jean Eisberg, Principal: \$155

**AMENDMENT NO. 3**

<b>Task</b>	<b>Hours</b>	<b>Fee</b>	<b>% Complete</b>
<i>PART 1: 2018 Zoning Ordinance</i>			
1: Zoning Options	0	0	100%
2: Outreach			
2-A: Stakeholder Meetings	0	0	100%
2-B: Community Meeting	0	0	100%
3: Zoning Ordinance Framework	0	0	100%
4: Draft Ordinance	12	1,860	20%
5: Study Sessions & Hearings (10) incl. staff report, presentation, attendance			
5-A: PTC/ARB Meetings (7)	12	1,860	85%
5-B: Council Meetings (3)	36	5,580	0%
6: Conceptual Site Analysis	14	2,170	0%
<i>PART 2: 2019 Zoning Ordinance</i>			
1: Zoning Options	44	6,820	0%
2: Draft Ordinance	40	6,200	0%
<i>PART 3: BMR Economic Analysis</i>			
1: Project Management	32	4,960	20%
<i>PART 4: Downtown CAP</i>			
1: Scoping & Budgeting	12	1,860	0%
<i>Reimbursable Expenses (Travel, Printing, etc.)</i>		690	
<b>Total</b>	<b>202</b>	<b>32,000</b>	