

DATE: 6/2/2014

ECO Project #: 20765

TO: Keith Stahley, City of Olympia

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SUBJECT: OLYMPIA COMMUNITY RENEWAL AREA ADDITIONAL SCOPE OF WORK

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The City of Olympia desires a more in-depth analysis of the financial feasibility and fiscal and economic benefits from the redevelopment of several parcels under the scenarios developed from the May scenarios workshop. This analysis would be in addition to work ECONorthwest is conducting for the City as part of the Community Renewal Area project. This memorandum provides the scope of work for the additional tasks and proposed budget.

## Scope of Work

The scope of work will include three additional analytic pieces of work:

- **Pro Forma Scenarios:** This component will include building by building financial analysis for each proposed scenario to assess the development feasibility of each scenario.
- **Fiscal Benefits:** This component will analyze the potential one-time and ongoing tax revenues (property, sales, business & occupation, and utilities) resulting from the additional development in each scenario. The analysis will use a fiscal model tailored to Washington State tax environment, and require updating the model for each scenario and Olympia's tax structure.
- **Qualitative Research:** To assess other economic benefits and costs (property value increases, quality of place improvements, crime reduction, operating costs, etc.) we will review existing research to establish estimates and put these potential benefits in context of each scenario.

## Products

We will summarize the findings for each analytic component in a technical memorandum and present the result to the CAC. These presentations will involve two meetings, one by Skype and one in person, with the CAC.

## Budget

A summary of the additional hours and budget by each task is shown in the table below.

Labor Expenses	HOURS BY TASK					TOTALS		
	\$/Hour	Scenario Pro Formas	Fiscal Benefits	Qualitative Research	Write-up/ Presentation	Hours	\$	% of Budget
<b>ECONorthwest</b>								
Senior Planner	150.00				15	15	\$2,250	30%
Policy Analyst	140.00	12	12		6	30	\$4,200	56%
Analyst	75.00			8	5	13	\$975	13%
<b>Sub-Total</b>		<b>12</b>	<b>12</b>	<b>8</b>	<b>26</b>	<b>58</b>	<b>\$7,425</b>	<b>99%</b>

Non-Labor Expenses	0	0	0	0	Expense Totals		% of Budget
Travel					\$75	\$75	1%
<b>Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$75</b>	<b>\$75</b>	<b>1%</b>

Summary of Expenses		
Total Labor	\$7,425	99%
Total Non-Labor	\$75	1%
<b>Total Budget</b>	<b>\$7,500</b>	<b>100%</b>