

**AMENDMENT NUMBER ONE  
TO PROFESSIONAL SERVICES AGREEMENT  
WITH  
THE NATELSON DALE GROUP, INC.**

This Amendment Number One ("Amendment") is made and entered into this 4th day of May, 2020 ("Effective Date"), by and between the CITY OF COSTA MESA, a municipal corporation ("City"), and THE NATELSON DALE GROUP, INC., a California corporation ("Consultant").

WHEREAS, City and Consultant entered into an agreement on January 23, 2019 for Consultant to provide fiscal impact analysis services in connection with the proposed One Metro West Project (the "Agreement"); and

WHEREAS, City and Consultant desire to amend the Scope of Services to include the additional services set forth in Exhibit "A," attached hereto and incorporated herein by this reference; and

WHEREAS, City desires to increase Consultant's maximum compensation accordingly to Thirty-Three Thousand Seven Hundred Seventy-Five Dollars (\$33,775.00).

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. The Scope of Services shall be amended to include the additional services set forth in Exhibit A.
2. Section 2.1 of the Agreement shall be amended to reflect that Consultant's total compensation shall not exceed Thirty-Three Thousand Seven Hundred Seventy-Five Dollars (\$33,775.00). Consultant shall be paid according to the fee schedule set forth in Exhibit A.
3. All terms not defined herein shall have the same meaning and use as set forth in the Agreement.
4. All other terms, conditions, and provisions of the Agreement not in conflict with this Amendment shall remain in full force and effect.
5. This Amendment may be executed in one or more counterparts, each of which shall be deemed an original. All counterparts shall be construed together and shall constitute one agreement. Counterpart written signatures may be transmitted by facsimile, email or other electronic means and have the same legal effect as if they were original signatures.

[Signatures appear on following page.]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed by and through their respective authorized officers, as of the date first written above.

CITY OF COSTA MESA

Ken. Dale Jones 4  
City Manager

Date: 6/3/20

CONSULTANT

[Signature]

Date: 5/5/20

Signature

ROGER A. DALE, PRESIDENT

Name and Title

ATTEST:

Brenda Green 6/10/2020  
City Clerk



APPROVED AS TO FORM:

Kimberly Rose Barber  
City Attorney

Date: 6/1/20

APPROVED AS TO INSURANCE:

[Signature]  
Risk Management

Date: 5/19/20

APPROVED AS TO CONTENT:

[Signature] for mt  
Project Manager

Date: 5/28/20

DEPARTMENTAL APPROVAL:

  
\_\_\_\_\_  
Economic and Development Services  
Director

Date: 5/28/20

APPROVED AS TO PURCHASING:

  
\_\_\_\_\_  
Budget and Purchasing Manager

Date: 5/14/20

**EXHIBIT A**  
**ADDITIONAL SERVICES**

**The Natelson Dale Group, Inc.**  
P.O. Box 489  
Yorba Linda, CA 92885  
714/692-9596 OFFICE | 714/692-9597 FAX | WEB: natelsondale.com

April 7, 2020  
#7433

Ms. Minoo Ashabi, AIA  
Principal Planner  
City of Costa Mesa  
77 Fair Drive  
Costa Mesa, CA 92626

**Subject:** Proposal to finalize Fiscal Impact Analysis for One Metro West project

Dear Ms. Ashabi:

Per your request, The Natelson Dale Group, Inc. (TNDG) is pleased to provide this proposal to finalize our fiscal impact analysis for the One Metro West Project (“Proposed Project”). This letter outlines our understanding of the assignment, proposed scope of work, cost proposal, and completion schedule.

***Background and Understanding of the Assignment.*** In February 2019, TNDG prepared a preliminary fiscal impact analysis (FIA) for the Proposed Project utilizing the City’s Fiscal Impact Model (FIM). The preliminary analysis was documented in a memorandum dated February 7, 2019. In addition to summarizing TNDG’s preliminary analysis, that memorandum also identified methodological differences between TNDG’s (FIM-based) study and an independent fiscal analysis submitted by the Project applicant.

Beginning in October 2019, TNDG completed a series of updates to the FIM based on updated/refined data from the City’s budgeting process. TNDG also prepared updated comparisons of the FIM analysis to the applicant’s FIA, and completed a peer review of market (residential rent) data supplied by the applicant. Finally, at the direction of City staff, TNDG conducted supplemental analyses of the Proposed Project’s potential impacts to the City’s police protection costs, based on the February 3, 2020 memorandum (“One Metro West Project Impacts to Police Services”) from the Costa Mesa Police Department.

ECONOMIC AND FINANCIAL CONSULTANTS

After considering the above information, as well as recent supplemental information supplied by the Project applicant, City staff has requested that TNDG prepare a “stand-alone” FIA based on the FIM, separate from any independent studies submitted by the applicant. TNDG understands that this final FIA will reflect the original FIM methodology, with only minor adjustments previously approved by City staff. These adjustments are generally in the nature of:

- Revisions to the Project description (the number of proposed dwelling units has changed slightly since the time of TNDG’s original analysis);
- Updated/refined budget inputs to the model; and
- Customization of certain model assumptions (e.g., projected household size) to reflect unique features of the Proposed Project.

***Proposed Scope of Work.*** Based on the project understanding described above, TNDG’s proposed work scope would include the following steps:

- A. In consultation with City staff, conduct final review of model assumptions to confirm scope of refinements to be included in the final FIA.
- B. Generate revised FIM analysis and provide results to City staff for final review.
- C. Prepare draft FIA summary report, fully documenting the study assumptions (with a particular emphasis on explaining any default model assumptions that have been modified/customized for the Proposed Project).
- D. Prepare final FIA summary report based on the City’s comments on the draft.
- E. If requested by City staff, participate in Planning Commission and City Council hearings for the Proposed Project. Given current social distancing requirements, it is assumed that TNDG would participate in these meetings via Zoom (or comparable technology).

***Completion Schedule.*** TNDG is available to begin work on this assignment immediately. Consistent with the City’s needs, TNDG would complete the draft report within approximately one week of authorization to proceed. The final report would be completed within one day of receiving the City’s comments on the draft.

**Cost Proposal.** TNDG is requesting a total contract augment of \$4,775.00 (FORTY-SEVEN HUNDRED AND SEVENTY-FIVE DOLLARS) for finalization of the FIA process.

Consistent with our existing contract for the Project, TNDG will bill this final segment of work on a time and materials basis. The following hourly billing (as specified in our existing contract) will apply:

Roger Dale - \$225/hour  
 Alan Levenson - \$175/hour

TNDG estimates that a total budget of up to \$12,500 will be required to complete Tasks A through E above. TNDG's existing contract for the Proposed Project has a remaining (unbilled) balance of \$7,725. Thus, our requested budget augment is for \$4,775.00.

A summary of the existing contract balance and the requested budget augment is provided below.

Contract Component	Original Budget	Billed to Date (through 2/29/20)	Remaining Budget
FIM Updates	\$10,500.00	\$8,962.50	\$1,537.50
Project FIA – preliminary and final	\$10,500.00	\$10,625.00	(\$125.00)
Public Hearings (assumed 4 meetings)	\$8,000.00	\$1,687.50	\$6,312.50
<i>Total, Existing Contract</i>	<i>\$29,000.00</i>	<i>\$21,275.00</i>	<i>\$7,725.00</i>
Estimated Costs for Finalization (Tasks A through E)			\$12,500.00
Less: Remaining Contract Balance			(7,725.00)
<b>Requested Budget Augment</b>			<b>\$4,775.00</b>

Our proposed budget and timeframe specifically reflect the assumption (as confirmed by City staff) that the work scope for this final analysis will not involve further data/methodology changes based on input from the Project applicant and/or additional information supplied by City departments (e.g., Police and Fire).

Ms. Minoo Ashabi  
April 7, 2020  
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We very much appreciate the opportunity to submit this proposal. Please feel free to contact me directly (714-692-9596 or [dale@natelsondale.com](mailto:dale@natelsondale.com)) if you have any questions or would like to discuss our proposal further.

Very truly yours,

THE NATELSON DALE GROUP, INC.

A handwritten signature in black ink, appearing to read "Roger Dale", written in a cursive style.

Roger Dale  
Managing Principal