

AMENDMENT NO. 2

CONTRACT NO. 30001825

FOR

Economic Opportunities Analysis Update

This Contract was made and entered by and between E.D. Hovee & Company, LLC, hereinafter called Contractor, and the City of Portland, a municipal corporation of the State of Oregon, by and through its duly authorized representatives, hereinafter called City.

1. **This contract is hereby extended through March 31, 2012.**
2. **Additional work is necessary as described in the Scope of Work Items #7-15 as shown below. Other changes are shown by striking out the old language to be replaced by the underlined language:**

The City of Portland Bureau of Planning and Sustainability requires a review of the City's most recent buildable lands inventory and update of a draft Economic Opportunities Analysis (EOA) prepared by E.D. Hovee & Associates LLC in 2009, including updates of maps. The final EOA as updated will provide analysis of the demand and supply of employment land in Portland to 2035 and may help drive policy choices regarding job growth targets. The City expects the update to provide the most current information and data to assist the community to better implement local economic development objectives as well as evaluate and develop supporting Comprehensive Plan policies.

The Contractor shall be expected to work closely with designated City personnel to accomplish goals and tasks described below:

1. Review the most recent draft of the City's Buildable Lands Inventory (BLI) in relation to GIS mapping previously coordinated for the 2009 draft EOA prepared by Contractor. Work with the City to identify and recommend corresponding revisions and/or refinement to the Economic Opportunities Analysis (EOA) Report and maps. Tabulate revisions with updated tables for buildable lands by forecast geography. Specific items to consider from the most recent BLI are maps that were not considered in the original EOA draft and consideration of a set of maps that identify "constraints" that impact the City's land supply for purposes of meeting state periodic review requirements. Attention should be given to BLI items that may overlap with other GIS layers; for example, the Natural Resource Inventory with existing environmental zones and floodways. These maps identify factors that may impact where forecasted employment and housing growth may occur. Information on Periodic Review can be found under the Oregon Revised Statutes 197, Sections 628-650 and Oregon Administrative Rules Chapter 660, Division 25. The EOA recommendations should be updated to take into consideration this additional information.
2. Evaluate how the environmental overlays, potential trail dedications, and other assumptions on brownfields and property ownership patterns will affect future development and redevelopment rates on employment lands in the city. Where appropriate, the original EOA assumptions, methodology and supply analysis should be revised or updated based on this research, with recommendations for further GIS/Data analysis subsequent to the EOA update. Provide analysis on the impact of these specific constraints as applied in Portland versus other parts of the region. The purpose of this task is to clearly describe and document, evaluate, and potentially refine the methodology and assumptions used to project the impact of these specific constraints on future land supply.

3. Analyze the 2009 EOA Report research on improvement/land value tests for redevelopment in various zones of the City and consider contrasts / comparisons with the City's November 2010 analysis on employment land supply using zoning allowances (FAR) as the primary factor. Apply GIS test /sampling application to actual development experience with varied employment land designations as a basis for revised methodology recommendation. Produce a written comparison of the methodologies and recommend how the two methodologies might be reconciled, or make a recommendation for a preferred method.
4. Revise the land supply maps, demand forecast and supply analysis, working with in-house files from the EOA and pertinent files from the city. Items included within this task are to:
- Revise the forecast geography and land supply maps to consider the unique qualities of the river industrial areas within the Columbia Harbor subarea, and to incorporate recent area plan revisions, including Comprehensive Plan map, overlay and base zoning amendments in the Hayden Island Plan, and map corrections in Cascade Station plan district. Consider effects on the forecast, if lands within the city's Urban Service Area, but outside of the city limits (such as West Hayden Island) are incorporated into the land supply.
 - Update the forecast inputs to include 2000-2008 employment trends, rather than the existing 2000-2006 trends, contingent on BPS successfully requesting confidential data from the State of Oregon Employment Department.
 - Revise the Town Center forecast geographies to include Lents and West Portland. Reduce the Institution forecast geographies from 29 to the 20 large campuses identified by BPS.
 - Analyze and recommend any revisions to the policy recommendations (EOA Task 4 Report) resulting from reconciliation of amended supply and demand forecasts.
5. Consider the effects of the proposed River Plan and Airport Futures Plan on the supply of buildable lands. Use permit data related to the North Reach portion of the River Plan and other readily available data resources available through consultation with the city. Consider the effects on the forecast, if land within the city's Urban Service Area, but outside of the city limits (such as West Hayden Island) are incorporated into the land supply.
6. Review the comments provided by a city managed advisory committee and make appropriate changes to the draft project document. Consultant will participate in 1-2 meetings with the advisory committee. Revisions will be limited to results of added research as provided with this update to the 2009 draft EOA.

With new information, update maps including forecast geographies map on page 6 of earlier Task 2/3 report and supply inventory map on page 39 of earlier report, and update the data tables and charts from the 2009 EOA.

7. Long-term Employment Trends: Analyze long-term (1980-2000) employment trends for the Metro region and Multnomah County (comparable city data is not available before 2000) to support a job capture rate for the City of Portland as a whole and at the employment sector level based on long term economic cycles and Portland's comparative advantages. Provide a supplemental analysis on the scale of job growth that the City of Portland can expect that can be used to corroborate Metro forecasts and allocations.
8. Employment Multipliers: Analyze the expected multipliers for different employment IMPLAN sectors and the resulting impact on the regional economy, the multiplier effect, industry output and the quality of jobs (income levels), especially in light of declining manufacturing employment trends. Update Figure 22 of Appendix A of the Task 2/3 report to include GDP data through 2009 and also include a comparison between GDP and employment growth in the Portland metro area for each of the sectors.

9. Employment Forecast Update: Update the employment forecast based on the new August 2011 Metro forecast and the information identified in Task 7. Cross-check Portland's employment sector growth rates with August 2011 Metro forecast sector allocation.
10. Employment Allocation to Existing Business Expansion and Intensification: Utilizing the development trend data compiled in Task 3, establish a methodology to determine the share of future job growth that can be attributed to existing buildings/businesses that does not result in increased demand for buildable land.
11. Site Size Demand: Establish a methodology to comply with Statewide Planning Goal 9 by determining the demand for a variety of site sizes (acres) to accommodate future employment utilizing the 1999-2011 development trend data compiled in Task 3. Based on this trend, forecast site size needs to 2035 for each employment geography.
12. Short Term Employment Forecast and Land Needs: Update the short-term (5-yr) growth forecast based on the August 2011 Metro forecast and the outlook on the pace of economic recovery to comply with Statewide Planning Goal 9.
13. Constraint Development Utilization Rates: Utilizing BPS parcel dataset and GIS shapefiles, determine the effective development rates (constraint on capacity) for the historic landmarks (high), environmental (medium), potential brownfields, and low constraints utilizing the 1999-2011 development trend data compiled in Task 3 and the GIS layers provided by BPS. Analysis will provide results in terms of both land area and building square footage of development.
14. Task 4 Alternative Choices: Amend and revise the discussion on potential policy choices based upon the new information gathered in Tasks 7-14, and through follow-up meetings to formulate policy choices.
15. Final Document Edits and Meetings: The final draft of the reports will be produced by the City and reviewed by the consultant to verify accuracy of the final conclusions. Up to 3 meetings will be held between the city and the consultant to coordinate final draft.

At the outset of the EOA update assignment, the Contractor shall meet with BPS to review work tasks and update information in more detail. Revisions to planned work tasks of methodologies may be determined as mutually agreed.

Deliverables shall include the following:

- An updated EOA Report which includes all three volumes incorporating the changes listed in the scope items #1-4 above.
- A cover memo that summarizes all pertinent updates and provides additional detail or clarification on products not covered specifically by the scope above.
- A separate addendum that addresses Item 5 of the scope.
- Where feasible, work in task #'s 7-15 will either be incorporated into the three volumes mentioned above or provided through a separate technical memo.

Schedule:

1. Submit draft project documentation by May 1, 2011 dependent on receipt of City's materials by January 17, 2011.
2. After review of comments to the draft documentation and research on additional tasks, provide final work products by October 10 July 1, 2011.

Schedule is subject to revision as may be mutually agreed between the City and Contractor.

Contractor shall provide all deliverables in electronic (GIS, Word, Excel and/or pdf) formats suitable for printing and/or distribution by City.

The City will provide support as follows:

- Provide sufficient hours of staff personnel as required to meet with successful Proposer and provide such information as required
- Coordinate any meetings and/or review of consultant's report with any technical or steering committees.
- Coordinate any correspondence between the consultant and policy makers
- Incorporate the findings of the consultant's work into an updated EOA report
- Provide copies of the most recent draft of the City's Buildable Lands Inventory (BLI) maps for industrial and employment lands (including BPS parcel dataset and GIS layers/shapefiles), and the Economic Opportunities Analysis (EOA) Report and maps.
- City will make staff available who have expertise in the Natural Resource Inventory (NRI) mapping and designations of significance.
- City will make staff available who have expertise in environmental overlay zoning designations. A meeting will be arranged to explain how the program works, and BPS will provide, upon request, specific case studies of how the regulations were applied in the past.
- City will make staff available who are familiar with the BLI and the employment land supply analysis in the EOA Report. A briefing meeting will be arranged.
- City will work with the Contractor to coordinate any updates to the EOA report and how these modifications get incorporated into the documents.
- City will incorporate additional findings from Tasks #7-15 into a final draft of the EOA report.

3. Tasks and hourly rates are added/amended as follows:

Added Tasks	Principal	Research	Office Support	Total
	Hours By Task	Coord. Hours By Task	Hours By Task	
5. Long-Term Employment Trends	6	2	-	8
6. Employment Multipliers	6	2	-	8
7. Employment Forecast Update	8	-	-	8
8.. Employment Allocation to Investment	8	48	-	56
9. Site Size Demand	6	24	-	30
10. Short-Term Forecast & Land Needs	6	-	-	6
11. Constraint Development Utilization	6	24	-	30
12. Policy Choices	6	-	-	6
13. Document Revisions	30	20	4	54
Amendment #2 - Additional Hours	82	120	4	206
Hourly Rates	\$185	\$100	\$75	
Amendment #2 Budget	\$15,170	\$12,000	\$675	\$27,470
Reimbursable Expenses				\$560
IMPLAN 2009 Added Data				
Total Amendment #2 Budget				\$28,030
Original Contract	\$30,000			
Amendment #1	\$7,500			
Amendment #2	\$28,030			
Total	\$65,530			

All other terms and conditions shall remain unchanged and in full force and effect.


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CONTRACTOR SIGNATURE:

This contract amendment may be signed in two (2) or more counterparts, each of which shall be deemed an original, and which, when taken together, shall constitute one and the same contract amendment.

The parties agree the City and Contractor may conduct this transaction by electronic means, including the use of electronic signatures.

E.D. Hovee & Company, LLC

By:  Date: 8/18/11

Name: Eric D. Hovee

Title: Principal

Address: 2408 Main Street, PO Box 225, Vancouver WA 98666


Telephone: 503-230-1414; 360-696-9870

Contract No. _____ Amendment/Change Order No. _____

Contract Title: _____

CITY OF PORTLAND SIGNATURES:

By: _____ Date: _____
Chief Procurement Officer

By:  Date: 8/24/11
Elected Official

Approved:

By: _____ Date: _____
Office of City Auditor

Approved as to Form **APPROVED AS TO FORM**

By:  Date: _____
Office of City Attorney **CITY ATTORNEY**