



Office of the City Manager

CONSENT CALENDAR
December 11, 2018

To: Honorable Mayor and Members of the City Council
From: Dee Williams-Ridley, City Manager
Submitted by: Jordan Klein, Economic Development Manager
Subject: Contract: UC Berkeley Economic and Fiscal Impact Study

RECOMMENDATION

Adopt a Resolution authorizing the City Manager to execute a contract, for an amount not to exceed \$150,000, and any amendments thereto, with a vendor to be determined, to study the economic and fiscal impacts of the University of California, Berkeley on the City of Berkeley.

FISCAL IMPACTS OF RECOMMENDATION

The \$150,000 contract will be funded from the \$250,000 allocation for *Consulting Services Related to the UC Long Range Development Plan* identified in the November 27, 2018 amendment to the Annual Appropriations Ordinance.

CURRENT SITUATION AND ITS EFFECTS

The City Manager's Office seeks to engage a qualified individual or firm to study the economic and fiscal impacts of the University of California, Berkeley on the City of Berkeley. The findings of this research will inform ongoing discussions between the City and the University regarding the University's long term planning and impacts on our local municipality.

Staff released a request for proposals for the project on October 23, 2018, with responses due on November 27, 2018. Staff anticipates that the selection process will be completed by mid-December. City Council authorization is required to enter into a contract greater than \$50,000. Staff typically seeks Council approval for these contracts once the vendor has been selected. Because this project is time sensitive, and because Council will be on recess from December 12, 2018 through January 21, 2019, for this project staff is seeking this authority in advance of vendor selection.

BACKGROUND

The University of California, Berkeley ("UC Berkeley" or "the University") makes essential contributions to the economic wellbeing and social and community fabric of the City of Berkeley. The City of Berkeley environs are as much a part of the Berkeley experience as the campus itself, and the quality of city life is a large part of what makes UC Berkeley a unique and desirable place to learn, work and live. The City's public

safety, parks, and other municipal services; superior transit access; commercial districts and mixed-use character; rich arts and cultural fabric; and other distinctive features make Berkeley a desirable location for the University's investments in education, research, housing, and services.

In 2005, UC Berkeley released the 2020 Long Range Development Plan (LRDP) and accompanying Environmental Impact Report to establish a framework for the University's land use and capital investments through the year 2020. Also in 2005, UC Berkeley and the City of Berkeley entered into an agreement, valid through spring 2021, regarding planning and development in Berkeley, which includes an annual payment from the University to the City of Berkeley to mitigate the University's impacts on City services, infrastructure, and community character. However, the basis for this agreement (e.g., the University's enrollment figures and development plans) has changed and requires current analysis.

Presently, both the 2020 LRDP and the City-University agreement near their expiration. The University's student enrollment far exceeds the figures identified in the LRDP and EIR, while the University has fallen short of their goals for housing their students. Earlier this year, UC Berkeley officials notified City officials of their plan to add an addendum to the existing 2020 LRDP and EIR, and to complete a new LRDP by the end of 2020.

In this context, the City of Berkeley seeks to engage a qualified individual or firm to study the economic impacts of the University of California, Berkeley on the City of Berkeley. The resultant product(s) will inform the development of long range planning documents and impact mitigations for the University and the City of Berkeley. The product document(s) should include:

- Analysis of the economic impact of the University in Berkeley, including direct, indirect, and induced impacts.
- Analysis of the net fiscal impact of the University on Berkeley's municipal finances, particularly in light of the University's tax exempt status.
- Calculation of the total revenues (including but not limited to property tax revenues, transfer tax revenues, mitigation and impact fee revenues) that the City of Berkeley forgoes due to the University's tax exempt status.
- Analysis of the demand for City services generated by University students, faculty and staff, and the cost of those services.
- Analysis of the impact of increased enrollment on the City's housing market.

ENVIRONMENTAL SUSTAINABILITY

There are no identifiable environmental effects or opportunities associated with the content of this report.

RATIONALE FOR RECOMMENDATION

The resultant products of this contract will enable City and University staff, and elected officials, to more clearly understand the economic and fiscal relationship between the City and the University, and the impacts of the University's future planning and development, and are necessary to inform ongoing discussions on those topics.

ALTERNATIVE ACTIONS CONSIDERED

None considered.

CONTACT PERSON

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Attachments:

1: Resolution

RESOLUTION NO. ##,###-N.S.

CONTRACT FOR A STUDY OF THE ECONOMIC AND FISCAL IMPACTS OF UC
BERKELEY ON THE CITY OF BERKELEY

WHEREAS, the University of California, Berkeley makes essential contributions to the economic wellbeing and social and community fabric of the City of Berkeley; and

WHEREAS, the City of Berkeley is engaged in discussions with the University of California, Berkeley regarding the University's Long Range Development Plan and the impacts of the University on the City of Berkeley; and

WHEREAS, the City of Berkeley seeks to engage a qualified individual or firm to study the economic and fiscal impacts of the University of California, Berkeley on the City of Berkeley, whose findings will inform ongoing discussions between the City and the University regarding the University's long term planning and impacts on our local municipality; and

WHEREAS, the Office of Economic Development staff issued a request for proposals on October 23, 2018 for consulting services related to this project; and

WHEREAS, a selection panel to assess the proposals, consisting of City staff from several departments, will be assembled in order to select the most qualified firm; and

WHEREAS, the \$150,000 contract will be funded from the General Fund.

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Berkeley that the City Manager is authorized to execute a contract and any amendments thereto for consulting services, for an amount not to exceed \$150,000. A record signature copy of said contract and any amendments are to be on file in the Office of the City Clerk.