

**FIRST AMENDMENT TO  
PROFESSIONAL CONSULTANT SERVICES AGREEMENT**

UCR FORECAST, LLC  
(Regional Intelligence Report with Confidential Edd Data)

THIS FIRST AMENDMENT TO PROFESSIONAL CONSULTANT SERVICES AGREEMENT ("First Amendment") is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 2017 ("Effective Date"), by and between the CITY OF RIVERSIDE ("City"), a California charter city and municipal corporation, and UCR FORECAST, LLC, a California limited liability company ("Consultant"), a subsidiary of BEACON ECONOMICS, LLC, a California limited liability company ("Beacon").

**RECITALS**

WHEREAS, the City and Beacon entered into that certain Professional Consultant Services Agreement ("Agreement") dated March 14, 2014; and

WHEREAS, Beacon desires to amend the Agreement to assign all of its interest and obligations in the Agreement to Consultant, its subsidiary; and

WHEREAS, City is agreeable and consents to the assignment to Consultant; and

WHEREAS, the City and Consultant desire to amend the Agreement to extend the term to March 1, 2019; and

WHEREAS, the City and Consultant desire to amend the Agreement to increase the compensation by an amount not to exceed Sixty-Five Thousand Dollars (\$65,000); and ✓

WHEREAS, the City and Consultant desire to amend the Scope of Services and to revise the Notice section.

NOW THEREFORE, in consideration of the foregoing recitals which are incorporated herein by this reference, City and Consultant agree as follows:

1. The Agreement is hereby assigned to UCR Forecast, LLC, a California limited liability company, and all references to Consultant in the Agreement and this First Amendment shall hereinafter mean UCR FORECAST, LLC, a California limited liability company.

2. Section 1, Scope of Services, is hereby amended by replacing the existing Exhibit "A," with Exhibit "A-1," attached hereto and incorporated herein by reference.

3. Section 2 of the Agreement is hereby amended and replaced in its entirety as follows:

“2. **Term.** This Agreement shall be effective on the date first written above and shall remain in effect until March 1, 2019, unless otherwise terminated pursuant to the provisions herein.”

4. Section 3 of the Agreement is hereby amended to include the following new paragraph:

“For the term of July 1, 2017 to March 1, 2019, Consultant shall perform the Services under this Agreement for the total sum not to exceed Sixty-Five Thousand Dollars (\$65,000).”

5. Section 4 of the Agreement is hereby amended as follows:

To City:

Community & Economic Development  
City of Riverside  
Attn: Sherry Shimshock  
3900 Main Street  
Riverside, CA 92522

To Consultant:

UCR Forecast, LLC  
Attn: Sherif Hanna  
5777 West Century Blvd.  
Suite 895  
Los Angeles, CA 90045

6. All other terms of the Agreement not inconsistent with this First Amendment remain in full force and effect.

[Signatures on following page]

IN WITNESS WHEREOF, City and Consultant have caused this First Amendment to Agreement to be duly executed the day and year first above written.

CITY OF RIVERSIDE, a California  
charter city and municipal corporation

By: \_\_\_\_\_  
City Manager

Attest: \_\_\_\_\_  
City Clerk

Certified as to Availability of Funds:

By: \_\_\_\_\_  
Chief Financial Officer

Approved as to Form:

By: [Signature]  
Chief Assistant City Attorney

UCR FORECAST, LLC,  
a California limited liability company

By: [Signature]  
Name: Sherif Hanna  
Its: Deputy Director

By: \_\_\_\_\_  
Name: Christopher Thurnberg  
Its: Director

Consent to the Assignment:

By: BEACON ECONOMICS, LLC,  
a California limited liability company

By: [Signature]  
Name: Sherif Hanna  
Its: Managing Partner

By: \_\_\_\_\_  
Name: Christopher Thurnberg  
Its: Founding Partner

**EXHIBIT “A-1”**

**SCOPE OF SERVICES**

# PROJECT AGREEMENT

This Work Agreement is established between UCR Forecast ("UCR" or "Firm") and The City of Riverside ("City" or "Client").

## A. Regional Intelligence Report

UCR's Regional Intelligence Report (RIR) is a quarterly document designed to help the reader gain perspective on the local economy. Unlike most economic reports, the RIR will focus on the City, with short write-ups on the national and state economy for comparison. It will be designed to help the City's leadership better understand the economic reality it faces relative to the broader economies. By producing it quarterly, the City will be able to stay on top of current economic trends.

The product will be delivered as an electronically readable, single page version in PDF format.

The RIR will be constructed for the City with the following components:

1. National Overview (one page)
2. State Overview (one page)
3. City Overview\*
4. City of Riverside Branding

*\*City overview will draw from the following data points to compile an informative City focused story (data points will be chosen on a quarter-by-quarter basis to ensure the most compelling story and variety). An outline of each issue will be discussed with the city.*

*In each report, using data from the EDD, UCR will detail the key industries in the area using a variety of measures. This analysis will help the City of Riverside understand and quantify which of its industries are large or small and which ones are growing or shrinking; which industries are seeing the greatest increase in the number of firms located within the City; which sectors have seen the greatest expansion in their payroll; which sectors offer the best wages and what areas of the economy are poised for growth.*

*In addition, UCR will tie these trends into performance in the commercial real estate market. This will enable the City to better understand whether, for example, growth in professional or finance jobs led to rising rents and falling vacancies or a surge in new permitting in the local office market.*

A selection of potential topics include:

Labor Markets	Real Estate Markets	Consumer Indicators
Number of Firms by Industry	Residential RE	Income
Employment by Industry	Commercial RE	Median
Payroll by Industry	Sales and Prices	Per Capita
Unemployment Rate (can be calculated but not for economic analysis)	Vacancy	Taxable Sales
Wages	Absorbency	Demographics
	Permits	Population
Educational Attainment	Deaths & Foreclosures	Diversity
	Rents	Household Info + more
	New Res. Permits	

#### B. Annual State of the City Business Event (Presentation)

Should the City request it, a UCR Director will present the material at a time and location jointly determined by UCR and the City, on an annual basis and in association with the release of an RIR.

#### C. Conference Call and Report Review

After an RIR is delivered and reviewed by the Client and its team, UCR will be available for a conference call of up to 30 minutes each quarter to answer questions concerning the report and to provide context where necessary.

#### D. Confidential Employment Data from EDD

This data will enable UCR and the City to get a more detailed view into the types of businesses in the area, and their growth patterns (augmenting or declining), as well as the number of new firms that are coming on line by Industry. In order to avoid disclosing confidential information to the public, the report will roll up employment data by industry, but the advantage is that the level of industry break out will be:

A. Much more up-to-date than the publicly available sources in that the confidential data are only 2 quarters behind, while the publicly available data can lag by a year or more; and

B. Much more detailed—where the publicly available data can break out new firms in the manufacturing industry (two digit NAICS), there is no further detail beyond that; in contrast, the confidential data provides a 6-digit NAICS code associated with each employer location so that UCR can distinguish between food manufacturing and high-tech manufacturing. (With this degree of detail deeper analysis could also be made available). This will enable UCR to provide a more detailed view into the types of businesses that have added jobs, are still on the decline, or have recently formed in the region, and help the City to act more strategically when carrying out their economic development mission.

5. **As part of this agreement, the City needs to consider:**

- A. To pull out smaller geography employment data from within the city, such as designated places or neighborhoods (or any other geography the Client should choose), the Client will need to provide the GIS shape files or a detailed definition of those boundaries in order for UCR to extract the sub-area data. There would be additional costs from UCR for this next level of analysis should it be requested.
- B. The City will not share confidential Employment Data

6. **Pricing** - Under this Agreement, all services and products described herein are priced as follows:

Products & Services	Cost
Regional Intelligence Report	\$17,000
Report Related Talks <sup>1</sup>	\$2,500 per occurrence
EDD Confidential Data (Annual)	\$2,000

See additional Products on Attachment 1.

<sup>1</sup>Mileage/travel expenses are not included and will be billed separately.

7. **Payment Terms** - UCR will deliver the products and services as priced above, including all data expenses. Payments for regional Intelligence Reports & EDD Confidential Data are due in quarterly installments of \$4,750 to be invoiced with product deliveries.

Services requested by the City to be provided by UCR that are beyond the scope of this Agreement will be billed separately to the City. UCR will prepare a budget for all requests that are beyond the scope of this Agreement and the City will approve all such requests and budgets in advance in writing.

Hourly Billing Rates	
Ph.D Economist	\$350/hr
Director	\$250/hr
Research Associate	\$200/hr

8. **Schedule** - Delivery on RIR's are scheduled on a quarterly basis.

# ATTACHMENT I - ADDITIONAL PRODUCTS

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1. Employment Dashboard - \$5,500 for Historical - \$4,500 per/on-going reports
  2. Small Business Dashboard - \$10,000
  3. Annual Industry Trends Report - \$10,000 1st - \$5,000 each additional report
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1. Employment Dashboard - The Historical Employment Report can be followed up on a semi-annual basis in the form of a two-page, non-confidential report. This purely graphical report is broken down as follows:

City of Riverside Payroll Employment	City of Riverside Industry Wages
City of Riverside Average Annual Wages	Special Topics Graph/Tables
Establishment Birth/Deaths	Jobs Added/Lost by Industry
Employment Growth by Establishment Size	Wage Growth by Industry
City of Riverside Industry Employment	Summary

2. Small Business Dashboard Report - Will include a variety of maps to indicate how the different small businesses are spread Geographically by Sector:



3. Semi Annual Industry Trends Report - The Center will develop the following report by using the confidential EDD employment data to identify the selected Industry establishments located within the City of Riverside. Data from the U.S. Census Bureau's American Community Survey will also be used to examine the demographic composition of the associated workers throughout the region. The sectors that comprise the selected industries will be based on a mutually agreed upon list as discussed by the Center and the City of Riverside. Final selection of NAICS codes subject to change/revision based on the Center's analysis.

The Center will report and analyze the confidential employment data in a 4-6 page, non- confidential report covering the historical employment, payroll, and establishment data for the chosen industries in the City of Riverside.

This report will primarily be broken down as follows:

I. Overview of the growth of the industry \*

- Creating a time series of employment and establishments in the industry space over time
  - Identifying trends by individual sub-sector
  - Discussion of wages and wage growth
  - All of the above can be compared to the comparable regions or the balance of county depending as available.
  - A discussion of geospatial patterns of growth by mapping out regional clusters within the city

\* Due to the confidentiality of the data some data points may need to be rolled up or suppressed to preserve confidentiality

# PROFESSIONAL FEE SUMMARY

Products & Services	Cost	Mark choices
Regional Intelligence Report	\$4,250 per Quarter for \$29,750 total over 21 months of Contract	
Report Related Talks <sup>1</sup>	\$2,500 each	
EDD Confidential Data (Annual)	\$500 per quarter for \$3,500 over 21 month of contract	
Employment Dashboard Report	\$5,500 for Historical, \$4,500 on-going	
Small Business Report	\$10,000	
Annual Industry Trends Report	\$10,000 1st - \$5,000 each additional	

**Total of selected services not to exceed \$65,000 over term of agreement**

## NOTIFICATIONS

All communications to the consultant should be directed to the following:

### CONSULTANT:

The UCR School of Business, Center for Economic Forecasting & Development  
Attn: Sherif Hanna, Deputy Director  
5777 W. Century Blvd Suite 895  
Los Angeles, CA 90045  
424-646-4656  
sherif.hanna@ucr.edu

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All communications to the client should be directed to the following:

### CLIENT:

Attn:

Billing Address:

City, State, ZIP

Phone number

Email Address