CONTRACT FOR PERSONAL SERVICES

Contract made on the date specified below in Recital A between the City and Contractor as follows:

Recitals:

A. The following information applies to this contract:

| CITY: CITY OF ASHLAND | Contractor: Ferrarini & Associates, INC. |
| City Hall | Address: 818 John Adams |
| 20 E. Main St. | Oregon City, OR 97045 |
| Ashland, Oregon 97520 | Telephone: 503-723-4777 |
| (541) 488-6002 | FAX: 503-723-7221 |
| FAX: (541) 488-5311 | |

| Date of this agreement: 11/21/06 | B: Date RFP 1st Advertised: September 20, 2006 |
| Beginning Date: 11/22/06 | Proposal opening date: October 23, 2006 |
| Completion Date: 4/1/07 | |

2.2. Contracting officer: Brandon Goldman, Housing Program Specialist

2.3. Project Name: Rental Needs Analysis
   Project Description: Complete an evaluation of Ashland’s rental market including data collection, survey of Ashland residents, expert interviews, market analysis, creation of an updatable database, projection of future rental needs, and presentation on market study findings and delivery of the projection model to the City.

Scope of work as presented in the proposal submitted by Ferrarini and Associates dated 10/18/2006.

6.1 Contractor's representative: Steve Ferrarini

8.3. Maximum contract amount: $25,000

B. On the date noted above, City issued a request for proposals (RFP) for services needed by City for the project described above. Contractor submitted a proposal in response to the RFP on the date noted above.

C. After reviewing Contractor's proposal and proposals submitted by other offerors, City selected Contractor to provide the services covered by the RFP.
City and Contractor agree as follows:

1. **Relationship between City and Contractor:** Contractor accepts the relationship of trust and confidence established between Contractor and City by this contract. Contractor covenants with the City to perform services and duties in conformance to and consistent with the standards generally recognized as being employed by professionals of Contractor's caliber in the locality of the project. Contractor further covenants to cooperate with City, City's representatives, contractors, and other interested parties in furthering the interests of City with respect to the contracted services. Contractor acknowledges that City is relying on Contractor to provide professional services in a manner that is consistent with the interests of City.

2. **Definitions:** Generally words, terms and phrases used in this contract shall have the meaning ascribed to them in the construction industry, unless the context clearly indicates otherwise. As used in this contract:

2.1. "City" means the City of Ashland, Oregon.
2.2. "Contracting officer" means the person specified in Recital A above or that person's designee.
2.3. "Project" means the project described in Recital A.
2.4. "Work" or "Services" shall mean all labor, materials, plans, specifications, opinions, reports, and other services and products which Contractor is required to provide under this contract.

3. **Term:** The term of this contract shall commence on the date specified in Recital A above and on the completion date specified in Recital A above, or with thirty (30) days written notice to the other party.

4. **Authority of Contracting Officer:** The contracting officer shall have the authority to act on behalf of City in the administration and interpretation of this contract. The contracting officer shall have complete authority to authorize services, transmit instructions, receive information, interpret and define City's policies and make other decisions with respect to Contractor's services.

5. **Contractor's Services:** Contractor shall provide services to City that are described in the RFP.

5.1. In connection with the services described in the RFP, Contractor shall:

5.1.1. Consult appropriate representatives of City to clarify and define City's requirements relative to the services.
5.1.2. Cooperate with other Contractors retained by City in the exchange of information needed for completion of the services and the project.
5.2. Contractor shall commence performance of services after receiving written authorization from the contracting officer for work described in the RFP. Contractor shall perform the services as expeditiously as is consistent with professional skill and care.
5.3. Contractor shall perform the services as an independent contractor in accordance with generally accepted standards in Contractor's profession. Contractor shall be responsible for the professional quality, technical accuracy and the coordination of all services performed by Contractor. Contractor shall, without additional compensation, correct or revise any error or deficiencies in the services that are caused by Contractor's negligence. City's review, approval, acceptance of, or payment for, any of the services shall not be construed to waive any of City's rights under this contract or of any cause of action arising out of Contractor's services. In the event of any breach of this contract by Contractor or negligent performance of any of the services, City's cause of action against Contractor shall not be deemed to accrue until City discovers such breach or negligence, or should have, with reasonable diligence, discovered such breach or negligence. The preceding sentence shall not be construed, however,
to allow City to prosecute an action against Contractor beyond the maximum time limitation provided by Oregon law.

5. This contract may be terminated by either party for any reason with thirty (30) days written notice.

6. Assignment of Contractor's Personnel:

6.1. The services covered by this contract shall be rendered by, or under the supervision of the person specified in Recital A above, who shall act as Contractor’s representative in all communications and transactions with City.

6.2. Contractor will endeavor to honor reasonable specific requests of City with regard to assignment of Contractor’s employees to perform services if the requests are consistent with sound business and professional practices.

7. Responsibilities of City:

7.1. City will cooperate fully with Contractor to achieve the objectives of this contract.

7.2. City will arrange for access to, and make all provisions for Contractor to enter upon, public and private property as required for Contractor to perform the services.

7.3. The contracting officer will act as liaison between City, Contractor, public agencies, and others involved in the project.

8. Payment:

8.1. City shall pay Contractor for services. No reimbursement will be made for expenses that are not specifically agreed to by the contracting officer.

8.2. Contractor shall submit monthly invoices to City for Contractor’s services within ten days after the end of the month covered by the invoice.

8.3. Total payments under this contract or any amendments shall not exceed the sum specified in Recital A above.

9. Compliance with Law:

9.1. This contract will be governed by and construed in accordance with laws of the State of Oregon. Contractor shall promptly observe and comply with all present and future laws, orders, regulations, rules and ordinances of federal, state, City and city governments with respect to the services including, but not limited to, provisions of ORS 279C.505, 279C.515, 279C.520, and 279C.530.

9.2. Pursuant to ORS 279C.520(2) any person employed by Contractor who performs work under this contract shall be paid at least time and a half pay for all overtime in excess of 40 hours in any one week, except for persons who are excluded or exempt from overtime pay under ORS 653.010 to 653.261 or under 29 U.S.C. Sections 201 to 209.

9.3. Contractor is a “subject employer” as defined in ORS 656.005 and shall comply with ORS 656.017. Prior to commencing any work, Contractor shall certify to City that Contractor has workers’ compensation coverage required by ORS Chapter 656. If Contractor is a carrier insured employer, Contractor shall provide City with a certificate of insurance. If Contractor is a self-insured employer, Contractor shall provide City with a certification from the Oregon Department of Insurance and Finance as
9.4. If the amount of this contract is $15,964 or more, Contractor is required to comply with chapter 3.12 of the Ashland Municipal Code by paying a living wage, as defined in this chapter, to all employees performing work under this contract and to any subcontractor who performs 50% or more of the service work under this contract. Contractor is also required to post the attached notice predominantly in areas where it will be seen by all employees.

10. Ownership of Documents: All documents prepared by Contractor pursuant to this contract shall be the property of City. To the extent permitted by law, City shall, within the limits of the Oregon Tort Claims Act, defend, indemnify and hold harmless Contractor, its Contractors, agents and employees against all damages, claims, expenses and losses arising out of any reuse of plans, specifications and other documents prepared by Contractor without prior written authorization of Contractor.

11. Records:

11.1. Contractor shall develop and maintain complete books of account and other records on the services, which are adequate for evaluating Contractor’s performance. Contractor shall maintain records in such a manner as to provide a clear distinction between the expenditures and revenues related to the project and the expenditures and revenues related to Contractor’s other business.

11.2. Contractor’s books and records shall be made available for inspection by City at reasonable times, to verify Contractor’s compliance with this contract. City shall have the right to request an audit of Contractor’s books and records by a certified public accountant retained by City.

12. Indemnification: Contractor shall defend, indemnify and save City, its officers, agents, and employees harmless from any and all claims, actions, costs, judgments, damages or other expenses resulting from injury to any person (including injury resulting in death,) or damage to property (including loss or destruction), of whatsoever nature arising out of or incident to the negligent performance of this contract by Contractor (including but not limited to, the negligent acts or omissions of Contractor's employees, agents, and others designated by Contractor to perform work or services attendant to this contract). Contractor shall not be held responsible for any claims, actions, costs, judgments, damages or other expenses, directly and proximately caused by the negligence of City.

13. Insurance:

13.1. Contractor shall, at its own expense, at all times during the term of this contract, maintain in force:

13.1.1. A comprehensive general liability policy including coverage for contractual liability for obligations assumed under this contract, blanket contractual liability, products and completed operations and owner's and contractor's protective insurance;

13.1.2. A professional errors and omissions liability policy; and

13.1.3. A comprehensive automobile liability policy including owned and non-owned automobiles.

13.2. The coverage under each liability insurance policy shall be equal to or greater than the limits for claims made under the Oregon Tort Claims Act, ORS 30.260-30.270, with minimum coverage of $500,000 per occurrence (combined single limit for bodily injury and property damage claims) or $500,000 per occurrence for bodily injury and $100,000 per occurrence for property damage.

13.3. Liability coverage shall be provided on an "occurrence" basis. "Claims made" coverage will
not be acceptable, except for the coverage required by subsection 13.1.2.

13.4. Contractor shall submit certificates of insurance acceptable to the City with the signed contract prior to the commencement of any work under this agreement. Each certificate shall state that coverage afforded under the policy cannot be cancelled or reduced in coverage cannot be made until at least 30 days prior written notice has been given to City. A certificate which states merely that the issuing company "will endeavor to mail" written notice is unacceptable. Each certificate of insurance shall provide proof of required insurance for the duration of the contract period.

14. Default:

14.1. There shall be a default under this contract if either party fails to perform any act or obligation required by this contract within ten days after the other party gives written notice specifying the nature of the breach with reasonable particularity. If the breach specified in the notice is of such a nature that it cannot be completely cured within the ten day period, no default shall occur if the party receiving the notice begins performance of the act or obligation within the ten day period and thereafter proceeds with reasonable diligence and in good faith to effect the remedy as soon as practicable.

14.2. Notwithstanding subsection 14.1, either party may declare a default by written notice to the other party, without allowing an opportunity to cure, if the other party repeatedly breaches the terms of this contract.

14.3. If a default occurs, the party injured by the default may elect to terminate this contract and pursue any equitable or legal rights and remedies available under Oregon law. All remedies shall be cumulative.

14.4. Any litigation arising out of this contract shall be conducted in Circuit Court of the State of Oregon for Jackson County.

15. Termination without Cause:

15.1. In addition to the right to terminate this contract under subsection 14.3, either party may terminate by giving the other party written notice thirty (30) days prior to the termination date.

15.2. In addition to the right to terminate this contract under subsection 14.3, Contractor may complete such analyses and records as may be necessary to place its files in order and, where considered necessary to protect its professional reputation, to complete a report on the services performed to date of termination.

15.3. If City terminates the contract under subsection 15.2, Contractor shall be paid for all fees earned and costs incurred prior to the termination date. Contractor shall not be entitled to compensation for lost profits.

16. Notices: Any notice required to be given under this contract or any notice required to be given by law shall be in writing and may be given by personal delivery or by registered or certified mail, or by any other manner prescribed by law.

16.1. Notices to City shall be addressed to the contracting officer at the address provided for the City in Recital A above.

16.2. Notices to Contractor shall be addressed to the Contractor's representative at the address provided for the Contractor in Recital A above.
17. **Assignment**: City and Contractor and the respective successors, administrators, assigns and legal representatives of each are bound by this contract to the other party and to the partners, successors, administrators, assigns and legal representatives of the other party. Contractor shall not assign or subcontract Contractor's rights or obligations under this contract without prior written consent of City. Except as stated in this section, nothing in this contract shall be construed to give any rights or benefits to anyone other than City and Contractor.

18. **Modification**: No modification of this contract shall be valid unless in writing and signed by the parties.

19. **Trade Secrets and Confidential Information**: Contractor shall clearly identify specific material within all documents that is considered a trade secret or is otherwise confidential. City agrees, to the extent allowed by state and Federal law, not to disclose to the public any identified trade secrets or confidential material. Contractor waives any and all civil claims arising from any violation of the Uniform Trade Secrets Act (ORS 646.461) if any material is disclosed to the public if such material is not clearly and specifically identified by Contractor.

**CONTRACTOR:**

**BY**

Signature  

**BY**

Print Name  

**TITLE**

President  

**DATE**

11/30/2006  

Federal ID #_75312645X_

**CITY OF ASHLAND:**

**BY**

FINANCE DIRECTOR  

**DATE**

**CONTENT REVIEW**

CITY DEPARTMENT HEAD  

**DATE**

**ACCOUNT #**

**PURCHASE ORDER #** (for City purposes only)

*The completed IRS W-9 form and required certificates of insurance must be submitted with the signed contract.*
Request for Taxpayer Identification Number and Certification

Name

STEVE FERRARINI

FERRARINI & ASSOCIATES

Print or Type Information on page 2.

Business name, if different from above

Address number, street, and apt. or suite no.

City, state, and ZIP code

List account number(s) here (optional)

Part I Taxpayer Identification Number (TIN)

Social security number

Employer identification number

Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and

2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and

3. I am a U.S. person (including a U.S. resident alien).

Certificate instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the Certification, but you must provide your correct TIN. (See the instructions on page 4.)

Purpose of Form

A person who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

U.S. person. Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),

2. Certify that you are not subject to backup withholding, or

3. Claim exemption from backup withholding if you are a U.S. exempt payee.

Note: If a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

Foreign person. If you are a foreign person, use the appropriate Form W-8 (see Pub. 515, Withholding of Tax on Nonresident Aliens and Foreign Entities).

Nonresident alien who becomes a resident alien. Generally, only a nonresident alien individual may use the terms of a tax treaty to reduce or eliminate U.S. tax on certain types of income. However, most tax treaties contain a provision known as a "saving clause." Exceptions specified in the saving clause may permit an exemption from tax to continue for certain types of income even after the recipient has otherwise become a U.S. resident alien for tax purposes.

If you are a U.S. resident alien who is relying on an exception contained in the saving clause of a tax treaty to claim an exemption from U.S. tax on certain types of income, you must attach a statement that specifies the following five items:

1. The treaty country. Generally, this must be the same treaty under which you claimed exemption from tax as a nonresident alien.

2. The treaty article addressing the income.

3. The article number (or location) in the tax treaty that contains the saving clause and its exceptions.

4. The type and amount of income that qualifies for the exemption from tax.

5. Sufficient facts to justify the exemption from tax under the terms of the treaty article.

Cat. No. 10231X

Form W-9 (Rev. 1-2003)
City of Ashland
LIVING WAGE

ALL employers described below must comply with City of Ashland laws regulating payment of a living wage.

$12.14 per hour effective June 30, 2006
(Increases annually every June 30 by the Consumer Price Index)

Employees must be paid a living wage:

➢ For all hours worked under a service contract between their employer and the City of Ashland if the contract exceeds $16,936 or more.

➢ For all hours worked in a month if the employee spends 50% or more of the employee’s time in that month working on a project or portion

of business of their employer, if the employer has ten or more employees, and has received financial assistance for the project or business from the City of Ashland in excess of $16,936.

➢ If their employer is the City of Ashland including the Parks and Recreation Department.

➢ In calculating the living wage, employers may add the value of health care, retirement, 401K and IRS eligible cafeteria plans (including childcare) benefits to the amount of wages received by the employee.

➢ Note: “Employee” does not include temporary or part-time employees hired for less than 1040 hours in any twelve-month period. For more details on applicability of this policy, please see Ashland Municipal Code Section 3.12.020.

For additional information:

Call the Ashland City Administrator’s office at 541-488-6002 or write to the City Administrator, City Hall, 20 East Main Street, Ashland, OR 97520 or visit the city’s website at www.ashland.or.us.

Notice to Employers: This notice must be posted predominantly in areas where it can be seen by all employees.

CITY OF ASHLAND
October 18, 2006

Brandon Goldman
City of Ashland, Community Development Department
51 Winburn Way
Ashland OR 97520

Re: Request for Proposals: Rental Needs Analysis.

Dear Mr. Goldman:

The Ferrarini & Associates team is pleased to submit the attached proposal to the City of Ashland. We have a passion for providing high-quality analysis based on well-designed and thorough research. Our primary goal is to provide you with sound market data and analysis to inform housing policy development and implementation.

Ferrarini & Associates offers insightful market and economic analyses to public and private sector clients throughout the Pacific Northwest. Our affordable housing resume includes over 50 projects completed during 15 years of practice. Though our team has extensive experience with similar projects, we understand that no two communities are alike, and apply unique solutions to every project. Ferrarini and Associates will lead the project and market study tasks.

Fusion MR is a full service market research firm based in Portland, OR. The company specializes in consumer research including random survey and statistical analysis methods. Fusion MR will lead the household survey task.

Richard Bjelland, of the Oregon Department of Housing and Community Services, has agreed to serve as a technical advisor to the team, lending his unsurpassed expertise on the Oregon Housing Needs Model to the project (subject to approval by departmental management).

We are committed to giving this project a high-priority – Steve Ferrarini, Principal-in-charge, will be directly involved in project delivery and project staff will be available to ensure timely completion of tasks and deliverables.

We believe that the Ferrarini and Associates team offers a unique blend of experience and market insight that will help the City of Ashland and its citizens understand the area’s rental housing needs. If you have any questions regarding our approach or qualifications, please contact me at 503-723-4777 or by email at steve@ferrariniadvisors.com. As requested, we’ve included six copies of our proposal and one copy of the RFP.

Sincerely,

Steve Ferrarini
Ferrarini & Associates
Proposal to the City of Ashland
Rental Needs Analysis Project

10/18/2006

Submitted by:
FERRARINI & ASSOCIATES, INC.
Real Estate Advisory Group
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**Project Understanding**

Ashland and the broader Rogue Valley area have undergone significant demographic and economic transformations since Census 2000 was completed. Median home prices in Ashland have increased from $188,400 to $478,000 between 2000 and June 2006, or by 18.5% annually. Meanwhile, median family income in Jackson County grew only 6.0% annually, from $38,800 in 2000 to $52,100 in 2005.

The disparity in home price and median household income growth is likely explained by the fact that:

- Ashland has gained popularity as a retirement and secondary home community, resulting in higher net-worth households buying into the local housing market and being able to afford higher prices;
- The Rogue Valley has caught the attention of speculative buyers, who have bid up the price housing; and
- Extraordinarily low interest rates and creative loan products have allowed credit-worthy consumers to borrow more.

These trends are causing a decline in the availability of ownership-oriented workforce housing. As a result, demand for rental housing will increase as:

- More households become unable to participate in the ownership housing market;
- Rental homes are placed into the ownership market by land owners looking to capitalize on high sales prices; and,
- Interest rates begin to rise to more normal levels.

It is apparent in the Request for Proposals (RFP) and a review of Ashland’s housing publications that the City recognizes that there may be an affordability problem in its rental market. This situation could result in out-migration of working families, a dynamic that could adversely impact:

- Socioeconomic diversity in Ashland;
- Local schools ability to maintain enrollment levels; and,
- Employer’s ability to attract qualified workers.

The creation of an accurate rental housing needs analysis will be an integral part of the City’s effort to “encourage the availability of adequate numbers of needed housing units at price ranges and rent levels which are commensurate with the financial capabilities of Oregon household,” as required under Goal 10. It will allow the City to understand the extent to which there is an affordability gap in the rental market now and to what extent it is likely to exist in the future. This information will allow the City to refine its policies and direct its resources to address this potential problem.
Now is a particularly good time to assess the market. Not only because of the trends discussed above, but because successful implementation of Ashland’s housing plans and programs relies, in part, on the availability of good market and demographic data.

**Approach**

We propose to complete a comprehensive evaluation of Ashland’s rental housing market. Our approach is based on the following tenets:

1. **Efficiency**: We will make efficient use of City resources by building on and improving the Oregon Housing Needs Model to specifically fit Ashland’s circumstances. The model has been proven to reliably predict attributes of housing demand. However, the weakness is the accuracy of the data that goes into the model especially with regard to housing supply. We propose to address this weakness by obtaining the best possible information on rental housing demand, and will make housing supply our principal area of investigation.

2. **Accuracy**: We will ensure the accuracy of the data used to run the State Housing Model and results by both obtaining statistically reliable information from a representative survey of Ashland households and by also cross-validating data using expert interviews, a field survey of available rental units, and other sources. This will result in a model that offers improved predictive ability.

3. **Analysis**: A hallmark of Ferrarini & Associates is the depth of our analysis. We won’t just report the demographic, economic, and market statistics that describe the rental market – we will “tell the story” of the underlying dynamics that drive these statistics. Our report will be articulated to facilitate a common understanding of the trends that will likely continue to affect the rental housing market.

4. **Expertise**: Our team brings deep expertise in all of the key areas of the Rental Needs Analysis project. Ferrarini & Associates offers considerable expertise in conducting housing market studies and in addressing the fundamental macroeconomic trends affecting Rogue Valley’s real estate market. Fusion MR offers more than five years experience in developing and implementing consumer surveys. Finally, Richard Bjelland will serve as a technical advisor to the team and will lend his unsurpassed knowledge of the Oregon Housing Needs model to the project.

We believe the approach described below is uniquely suited to achieve the City’s goals for the Rental Needs Analysis project.

**Task 1. Project Kickoff**

Steve Ferrarini, Principal-in-Charge, and David Stocker, Project Manager, will attend a project kickoff meeting with City staff following contract signing. The purpose of this step is for the consultant team and City staff to discuss the project delivery strategy, and clarify the following issues:

- project goals;
- survey instrument and methods;
- City data needs;
- City data resources; and,
• project schedule.

Ferrarini & Associates will work with City staff to collect available data that may help complete the analysis, including building permit information, confidential Oregon Employment Department statistics (ES-202 file), and GIS shapefiles.

Deliverables:
• Ferrarini & Associates will prepare for and facilitate a project initiation meeting with City staff.

Schedule:
• Week 1 (in combination with Task 2)

Task 2. Field Survey
A field survey of existing apartment buildings and complexes is needed to gather base information on the multi-family dwelling component of the rental market, and to make contact with property managers who can help explain factors that have been influencing the rental housing market in Ashland. Ferrarini & Associates will sample existing multi-family dwellings to gather data on their physical and market characteristics including occupancy and vacancy rates by unit type, size, and price. Ferrarini & Associates will solicit input from City staff on key apartment buildings/complexes to include in the survey.

Deliverables:
• Field survey of rental dwellings in multi-family buildings/complexes and a summary of our findings.

Schedule:
• Week 1 (in combination with Task 1)

Task 3. Survey of Households
Ferrarini & Associates and Michael Midghall, principal of Fusion MR, will develop and administer a representative sample of renter households who live in Ashland. The survey will provide the City of Ashland with valid and statistically reliable information about the market for rental housing in the Ashland area, including demographics, housing stock characteristics, and demand attributes.

Task 3.1. Sample Design
The purpose of this subtask is to verify survey goals with the City. Our proposal is based on the assumption that we will complete 450 to 550 surveys of the general population, including 225 to 275 surveys of renter households. This sample will provide information that has approximately a 4.5% percent error factor at a 95% confidence level for the sample population, and a 6.5% error factor for the renter subgroup. This means that 95 out of 100 times the results obtained from different samples of the same size would be within 4.5% of the sample population obtained in our survey. The Ferrarini &
Associates team can administer a more precise survey if preferred, however obtaining a larger sample may increase costs depending on the length of the questionnaire.

**Task 3.2. Questionnaire Design**

Questionnaire design is the most important component of the survey planning process. The Ferrarini & Associates team will work iteratively with City staff and Richard Bjelland to ensure that all necessary information will be solicited from the survey.

We will ensure that the survey is organized and worded to obtain valid and reliable information -- this is achieved by asking the most pertinent questions in multiple ways. The questionnaire will include mostly closed-ended questions with only a few open-ended questions.

Each interview is expected to last approximately 10 minutes. Asking the right questions in this timeframe is important both to sustain the interviewee’s attention and to ensure cost-effectiveness.

As mentioned earlier in our approach, a small portion of the questionnaire will include questions for Ashland’s general population while most of it will target questions to the renter subgroup.

Some components of the questionnaire will provide input to the Oregon Housing Needs Model. For these components, we propose to ask questions consistent with the U.S. Census Bureau’s survey design to allow for comparison with previous censuses and future releases of American Community Survey and U.S. Census data. This will help ensure the model’s reliability in assessing and predicting housing needs.

**Task 3.3. Data Collection**

The Ferrarini & Associates team will administer the survey to the sample population specified in Task 3.1. The survey will be administered by telephone via Random Digit Dialing (RDD). This technique ensures that a ‘random’ sample is utilized. The answers to all questions in the survey will be collected and stored in an electronic database but will not include personal identifying information.

**Task 3.4. Data Analysis and Reporting**

The purpose of this subtask is to create a report that provides a rich and easy-to-use dataset. This report will include a summary of responses to each question, and cross tabulations showing responses by subgroup. The data analysis process will also include coded responses to open-ended questions to reveal the frequencies of popular responses. This report will be structured to best inform future project tasks. Ferrarini & Associates may also provide survey data in an electronic format to enable City staff or other parties to create custom queries.

*Deliverables:*
- Draft and final survey questionnaire
A telephone survey of 450 – 550 households with approximately half of those, 225 – 275, being renter households
Data reports: Top Line Summary Report & Cross Tabulation Report
Electronic database of survey findings

Schedule:
- Weeks 2 - 5

Task 4. Expert Interviews
The purpose of this task is to better understand the perspectives of key actors in the rental market. While some of the expert interviews will be conducted in conjunction with Task 2, the intent in this task is to interview a broader range of real estate professionals to understand all market and economic factors that are influencing the rental housing market in Ashland. Brokers and developer interviews will be conducted to round out the information gathered from property managers in Task 2. The Ferrarini & Associates team will solicit suggestions from City staff on individuals or groups to interview.

Deliverables:
- Facilitate and summarize expert interviews

Schedule:
- Weeks 3 -5

Task 5. Market Analysis
Ferrarini & Associates will develop a comprehensive assessment of the rental housing market. This task includes three main components: 1) describe historical markets trends; 2) characterize current market conditions; and, 3) forecast future conditions.

Ferrarini & Associates will analyze market conditions by incorporating previously collected primary data and examining secondary economic, demographic, and permitting data to assess key changes in the rental housing market between 1990 and 2006. This will help us identify the demographic and economic trends likely to impact demand for rental housing units within Ashland.

Ferrarini & Associates will describe current market conditions, with an emphasis on furnishing reliable and accurate inputs to the Oregon Housing Needs Model. This component of the market analysis will address key features of the current rental market including current economic and demographic conditions. This task will result in a profile of rental housing demand and supply (incl. the number of units by type and price).

The Oregon Housing Needs Model has been demonstrated to reliably predict housing demand. Therefore, this analysis will provide a special emphasis on the features of rental housing supply.

Finally, the market study will include a forecast of future market conditions based on historical and current market dynamics. The forecast will address rental housing projects
in the development pipeline, and will take into account previous studies that assessed the quantity and productivity of vacant land zoned for multifamily uses.

Ferrarini & Associates will prepare an efficient and compelling report to tell the story of the Ashland rental housing market. The report will make appropriate use of tables, graphics, charts, and supporting narrative to make information user-friendly and maximize its utility in decision-making.

**Deliverables:**
- Market study exhibits with supporting narrative, tables, graphics, charts, and appendices.

**Schedule:**
- Weeks 6 – 8

**Task 6. Prepare Database and Implementation Methodology**
The purpose of this task is to use all information gathered in previous tasks to understand if there are any current gaps in the rental housing market in Ashland now and what those gaps may be in the future. This task will result in a Oregon Housing Needs model run to predict the profile of existing and future rental housing needs.

A key to obtaining accurate results from the needs analysis is to use the most precise inputs into the model, but also make adjustments to the model as needed to reflect the specific market dynamics influencing the City of Ashland.

Mr. Ferrarini and Mr. Bjelland have worked through minor modifications to the model previously in Ferrarini & Associates analysis of workforce housing needs in the City of Medford. This same collaborative and critical analysis of the model and local market factors will be also used in this assignment.

Another key component of this task is to provide a database and roadmap that can be used by the City of update the Needs Analysis in the future without the need to use additional consulting services. The methodology for updating the needs Analysis will draw from Richard Bjelland’s experience in Canby, Oregon where identified data and methods for updating the housing model using current data from the market rather than waiting for updated Census information.

**Deliverables:**
- Updatable database containing economic, demographic, and rental housing supply information
- Documentation on how to use and update the database

**Timeline:**
- Week 9
Task 7. Presentation to the Ashland Housing Commission
Ferrarini & Associates will present key findings from the market study to the Ashland Housing Commission. Our presentation will provide highlights from the Market Study and Gap Analysis described in Tasks 5 and 6.

Deliverables:
- Prepare for and deliver presentation on market study findings to the Ashland Housing Commission

Timeline:
- Week 10

Task 8. Project Management and Coordination
Ferrarini & Associates will provide on-going project management and team coordination. This task also includes invoicing and other administrative duties.

Deliverables:
- Biweekly invoices
- On-going project management and coordination

Timeline:
- Weeks 1 - 10
Project Timeline

What follows is the estimated time it will take the Ferrarini & Associates team to complete the above described scope of work based on our previous experience. However, the timing of tasks is flexible to meet the City’s needs and will be finalized during the project kickoff.

<table>
<thead>
<tr>
<th>Task</th>
<th>Timing*</th>
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</thead>
<tbody>
<tr>
<td>Task 1. Project Kickoff</td>
<td>Week 1</td>
</tr>
<tr>
<td>Task 2. Field Survey</td>
<td>Week 1</td>
</tr>
<tr>
<td>Task 3. Survey of Households</td>
<td>Weeks 2-5</td>
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<tr>
<td>Task 4. Expert Interviews</td>
<td>Weeks 3-5</td>
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<tr>
<td>Task 5. Market Analysis</td>
<td>Weeks 6-8</td>
</tr>
<tr>
<td>Task 6. Prepare Database and Implementation</td>
<td>Week 9</td>
</tr>
<tr>
<td>Task 7. Presentation to the Ashland Housing Commission</td>
<td>Week 10</td>
</tr>
<tr>
<td>Task 8. Project Management and Coordination</td>
<td>Weeks 1-10</td>
</tr>
</tbody>
</table>

* Denotes number of weeks from contract signing. This schedule can be adjusted to respond to the City’s needs.

Staffing Assignments

<table>
<thead>
<tr>
<th>Task</th>
<th>Staff</th>
</tr>
</thead>
<tbody>
<tr>
<td>Task 1. Project Kickoff</td>
<td>Steve Ferrarini (lead)</td>
</tr>
<tr>
<td></td>
<td>David Stocker</td>
</tr>
<tr>
<td></td>
<td>Richard Bjelland (advisor)</td>
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<tr>
<td>Task 2. Field Survey</td>
<td>David Stocker</td>
</tr>
<tr>
<td>Task 3. Survey of Households</td>
<td>Michael Midghall (lead)</td>
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<tr>
<td></td>
<td>Steve Ferrarini</td>
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<tr>
<td></td>
<td>David Stocker</td>
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<td>Task 4. Expert Interviews</td>
<td>David Stocker</td>
</tr>
<tr>
<td>Task 5. Market Analysis</td>
<td>David Stocker (lead)</td>
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<td></td>
<td>Steve Ferrarini</td>
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<td>Task 8. Project Management and Coordination</td>
<td>David Stocker (lead)</td>
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<tr>
<td></td>
<td>Steve Ferrarini</td>
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</tbody>
</table>
Team Organization
Ferrarini & Associates is a small firm which means that we offer responsive service to maximize the goals of each of our clients.

Not only do we have access to volumes of statistical information on the Ashland area’s economy, demographics, and real estate market – but we have over 15 years of practical know-how in interpreting the data.

Steve Ferrarini, Principal-in-Charge, will be personally involved in project delivery. Steve has led over 50 market study and strategic planning efforts for affordable housing projects. He will provide strategic advice and guidance to City staff and the project team. Steve will also provide quality assurance.

David Stocker, Project Manager, will lead the project’s daily operations. David has led development of several comprehensive housing assessments for public sector clients, and has extensive project management experience. David is both a qualified Planner and Market Analyst. David will ensure project delivery is timely and reflects superior workmanship, as well as completing technical duties.

Both Steve and David will be available to City of Ashland staff to advance the City’s goals. This basic leadership structure will result in high quality results and efficient use of resources.

Richard Bjelland, Technical Advisor, will be available to provide strategic advice to the project team and help improve and refine the Oregon Housing Needs Model for Ashland’s specific circumstances. As author of the Model, Richard will be an excellent resource in identifying areas for improvement and providing guidance on how to tailor it for future updates.

Michael Midghall, Survey Task Lead, will provide a supporting role in the project by leading the survey tasks.

Matt Johnson, Project Staff, will provide support in conducting market research and analysis.
Staff Resumes

Steve Ferrarini, Principal-in-Charge

Steve Ferrarini is a real estate advisor with more than a fifteen years of experience working on commercial, industrial, residential and recreational/hospitality development. During this period of time, Mr. Ferrarini has assessed hundreds of real estate projects throughout the United States, in Canada and the Caribbean, and has been a speaker at real estate development conferences. Mr. Ferrarini has also recently been involved in several prominent land use cases in Oregon.

As a principal at Ferrarini & Associates, Mr. Ferrarini is involved in research design, economic and financial modeling, market analysis and project management, in addition to managing the firm’s day-to-day operations. Mr. Ferrarini’s consulting practice is focused in three areas:

- Providing expert testimony to planning commissions, city councils and courts of law regarding market, economic and fiscal impacts associated with development;
- Analyzing specific development proposals and providing business and development strategies that capitalize on the advantages of the site and opportunities in the market; and
- Advising municipalities on how to realize community development objectives in newly developing or redeveloping areas.

Prior to forming Ferrarini & Associates, Mr. Ferrarini was an owner and principal at Hobson Ferrarini Associates.

Steve holds a Bachelor of Arts from the University of Washington and a Masters in Urban and Regional Planning from Portland State University

David Stocker, AICP, Project Manager

David Stocker is a real estate advisor and land use planner with more than six years of experience working on public and private sector projects throughout the Pacific Northwest.

As a Senior Associate at Ferrarini & Associates, Mr. Stocker is involved in research design, policy analysis, economic and financial modeling, strategic planning, market analysis and project management.

David Stocker’s experience covers three main areas:

- Advising public and private entities on real estate development strategies. This work takes into account public priorities, site characteristics, market conditions, and the regulatory environment. Mr. Stocker has provided guidance to decision-makers on how to leverage development opportunities while considering potential constraints.
• Completing planning studies, including: comprehensive plans, concept plans, sub-area plans, and site redevelopment plans. The purpose of each of these projects was to establish a planning framework that would facilitate development and enhance community livability. Each of these multidisciplinary efforts integrated land use planning, urban design, capital facilities programming, transportation planning, and economic analysis. Mr. Stocker’s approach to these projects was to ensure that implementation was achievable given public resources and physical and market conditions.

• Designing, researching, and authoring housing plans. Mr. Stocker has authored several community housing plans for jurisdictions in Oregon and Washington. These studies examined existing housing stock, anticipated trends, and provided policy recommendations for achieving local planning goals.

David Stocker holds a Bachelor of Arts from Michigan State University and a Masters in Urban and Regional Planning from Portland State University. He is also a member of the American Institute of Certified Planners.

Michael Midghall, Survey Task Lead
Michael Midghall founded Fusion MR in December 2001. In addition to running Fusion MR, he is an associate at Davis, Hibbitts & Midghall, Inc.

In his 20+ year sales & marketing career, Mr. Midghall has also worked for test & measurement, software and computer hardware manufacturers. Through Fusion MR projects he is able to work in a broad array of industries. His clients include business & civic associations, construction & urban development firms, consultants, educational foundations, environmental agencies, electric & gas utilities, entrepreneurial start-ups, financial services firms, government, health care organizations, high tech companies, non-profits, a social ministry, and the travel & tourism industry. Prior to creating Fusion MR, Mr. Midghall provided market research, channels marketing, product marketing, strategic alliance marketing, and website development & management services for Intel Corporation.

Mr. Midghall holds a B.S. in Electrical Engineering from the University of Massachusetts and an MBA in Marketing/New Venture Analysis from the University of Tennessee. He completed the University of Georgia’s Principles of Market Research Certification program prior to starting his company. Today, he continues to refine his knowledge and techniques through attendance of advanced market research conferences.
Selected Experience
Staff at Ferrarini & Associates have been assessing housing needs for approximately 15 years. During this time the firm has completed studies for jurisdictions who want to understand the needs within their own community and more than 50 private development projects including both rental apartments and affordable for-sale residences. This experience has made Ferrarini & Associates one of the most experienced and well respected firms who complete market rate and affordable housing analyses in Oregon.

Family Housing in the Pearl District and Central City
Portland Development Commission
Ferrarini & Associates, in partnership with Michael Midghall of Fusion MR, was hired by the Portland Development Commission (PDC) to assess the market for family-oriented, ownership housing in the Central City and the Pearl District. To assess the feasibility of this product type, the Ferrarini & Associates team completed 15 in-depth interviews with Pearl District families and experts and a statistically valid, on-line survey of the target market.

Goal 10 Analysis: Medford Oregon
Northeast Plan UGB Amendment
As part of a planned application for a UGB Amendment Ferrarini and Associates completed a 20 year housing needs analysis for the City of Medford. This analysis used two models, a proprietary housing needs model developed by Ferrarini and Associates and the State Housing Needs Analysis. Both models were used to confirm and validate the need for affordable workforce housing in the City, which was the reason for the proposed UGB amendment. Mr. Ferrarini worked with Mr. Bjelland to make minor adjustments to the State Housing Model so it more accurately reflected the need in this community.

Workforce Housing Needs Presentation
City of Medford Housing Commission
Mr. Ferrarini presented the results of a workforce housing needs analysis to the Medford Housing Commission in August 2005. This presentation used historic sales information to show how the supply of workforce housing is rapidly disappearing in the City of Medford. It also forecasted future trends considering the current cost of land in areas where the UGB would be expanded in the future, the cost of converting raw land to finished lots, and forecasts for continued in-migration from California.

“How To” Market Analysis Seminar
Oregon Housing and Community Services Department
Oregon Housing and Community Services Department (OHCS) hired Mr. Ferrarini and Ferrarini & Associates to conduct a seminar on market studies. The purpose of the seminar was to help OHSC staff to understand what kinds of information should be included in a market study and which data within the market study is the more reliable to use when assessing the merits of the many projects to come to this department seeking financial assistance.
Fee Arrangement

What follows is our proposed fee arrangement for the Rental Needs Analysis project. The budget described below represents a very efficient use of public funds given the breadth of tasks required by the project's scope. Our assumption is that the project's emphasis will be in completing high-quality research and analysis, and the budget reflects efficient reporting of our findings. The Ferrarini & Associates team is willing to work with the City to adjust the budget if more robust reporting is required.

It should be noted that Task 3 will provide a statistically valid survey at a 95% level of confidence with an estimated 4.5% margin-of-error for the total sample population. The Ferrarini & Associates team can work with the City of Ashland to adjust the proposed budget if more precise survey results are required.

<table>
<thead>
<tr>
<th>Task</th>
<th>Budget</th>
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<tr>
<td>Task 1. Project Kickoff</td>
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<td><strong>Total</strong></td>
<td><strong>$24,946</strong></td>
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Our rate schedule is as follows:

**Ferrarini & Associates**
Steve Ferrarini, Principal-in-Charge $140
David Stocker, Project Manager $85
Matt Johnson, Staff $70

**Fusion MR**
Michael Midghall $125

Richard Bjelland N/A
Contractual Terms and Conditions
We have reviewed the City of Ashland’s contract provisions included in the Request for Proposals and find them acceptable.

References

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Heather Hansen
Portland Development Commission
222 NW Fifth Ave
Portland, OR 97209-3859
Phone: 503-823-3200