

# STANDARD AGREEMENT

Cleared  
CSG REIM  
Dist. 7-26-16

34323

AGREEMENT NUMBER  
M7103342

- This Agreement is entered into between the Agency and the Contractor named below:
 

<small>AGENCY'S NAME</small>	City of Long Beach
<small>CONTRACTOR'S NAME</small>	Employment Development Department
- The term of this Agreement is: July 1, 2016 through June 30, 2019
- The maximum amount of this Agreement is: \$7,994.70  
(Seven Thousand Nine Hundred Ninety-four Dollars and Seventy Cents)
- The parties agree to comply with the terms and conditions of the following exhibits which are by this reference made a part of the Agreement:

Exhibit A	Scope of Work	5 Pages
Attachment A-1	City of Long Beach/Beacon Economics PO & Service Agreement	30 Pages
Attachment A-2	Beacon Economics, LLC/EDR, LLC Subcontract Agreement	7 Pages
Exhibit B	Budget Detail and Payment Provisions	1 Page
Attachment B-1	Budget Detail Summary and Sheets	4 Pages
Exhibit C*	General Terms and Conditions	GTC 610
Exhibit D	Protection of Confidentiality	3 Pages
Attachment D-1	Confidentiality Agreements	3 Pages
Attachment D-2	Indemnity Agreements	3 Pages
Attachment D-3	Statement of Responsibility Information Security Certifications	3 Pages

Items shown with an Asterisk (\*), are hereby incorporated by reference and made part of this Agreement as if attached hereto.  
 These documents can be viewed at: [www.dgs.ca.gov/ols/Resources/StandardContractLanguage.aspx](http://www.dgs.ca.gov/ols/Resources/StandardContractLanguage.aspx).

**IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto.**

<b>CONTRACTOR</b>		California Department of General Services Use Only  <b>Dept. of General Services Approval Not Required</b>
<small>CONTRACTOR'S NAME (if other than an individual, state whether a corporation, partnership, etc.)</small>		
Employment Development Department		
<small>BY (Authorized Signature)</small>	<small>DATE SIGNED (Do not type)</small>	
Xochitl Montano		
<small>PRINTED NAME AND TITLE OF PERSON SIGNING</small>		
XOCHITL MONTANO, Manager, Contract Services Group		
<small>ADDRESS</small>		
P.O. Box 826880, MIC 62-C Sacramento, CA 94280-0001		
<b>AGENCY</b>		
<small>AGENCY'S NAME</small>		
City of Long Beach		
<small>BY (Authorized Signature)</small>	<small>DATE SIGNED (Do not type)</small>	
Nick Schultz		
<small>PRINTED NAME AND TITLE OF PERSON SIGNING</small>		
NICK SCHULTZ, Workforce Development Bureau Director		
<small>ADDRESS</small>		
333 W. Ocean Blvd. Long Beach, CA 90802		
APPROVED AS TO FORM By  CHARLES PARKIN, City Attorney Date: 7-12-2016		per: AMY R. WEBBER DEPUTY CITY ATTORNEY

**EXHIBIT A**  
(Standard Agreement)

This Agreement is entered into by and between the Employment Development Department, hereinafter referred to as the EDD, and the City of Long Beach, hereinafter referred to as the City. It sets forth the terms and conditions for the release and use of the EDD's confidential information.

**SCOPE OF WORK**

**I. Purpose**

This Agreement is established for the purpose of EDD producing and providing the City with confidential Quarterly Census of Employment and Wages (QCEW) data as specified herein. The City will use the confidential information provided by EDD for the purpose of economic planning and development.

**II. Legal Authority**

The EDD shall make this information available to the City under the authority of Section 1095(r) of the California Unemployment Insurance Code (CUIC).

The City shall request and use the specified information pursuant to Ordinance No. ORD-15-0026 dated September 24, 2015.

The EDD agrees that the confidential information provided to the City may be disclosed to *Beacon Economics, LLC*, a contractor of the City, for the specific purpose of fulfilling the Scope of Work as described in the *Services Agreement* between the City and *Beacon Economics, LLC*, which is attached hereto as *Attachment A-1* and incorporated herein by this reference.

The EDD agrees that *Beacon Economics, LLC* may disclose the EDD nonconfidential, aggregated, and statistical form data to *Economic Development Results, LLC*, a subcontractor, for the purpose of developing an Economic Development Support Strategy as detailed in *Attachment A-1, Section 5. B*. Any aggregation of EDD data must be in compliance with Exhibit A, Section V.(13.) of this Agreement.

*Beacon Economics, LLC* will allow the EDD to review any publication, data, or datasets that will be sent to *Economic Development Results, LLC*, a subcontractor of *Beacon Economics, LLC*, which uses EDD information 30 working days prior to publication. A copy shall be provided to the EDD at no cost.

**III. Contract Representatives**

1. The EDD contact is:

Rickee Nguyen  
Confidential Data Coordinator  
Employment Development Department  
Labor Market Information Division  
800 Capitol Mall, MIC 57  
Sacramento, CA 95814

Phone: 916-651-5687

FAX: 916-651-5780

E-mail: [hungrickee.nguyen@edd.ca.gov](mailto:hungrickee.nguyen@edd.ca.gov)

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2. The City contact is:

Nick Schultz  
Workforce Development Bureau Director  
Economic and Property Development Department  
City of Long Beach  
3447 Atlantic Avenue  
Long Beach, CA 90807

Phone: 562-570-3701

FAX: 562-570-3704

E-mail: [nick.schultz@pacific-gateway.org](mailto:nick.schultz@pacific-gateway.org)

3. Either party may make changes to the Contract Representatives information above by giving written notice to the other party. Said changes shall not require an amendment to this Agreement.

**IV. EDD Responsibilities**

The EDD agrees to:

1. Prepare and provide the City with QCEW data files consisting of employers within the boundaries of the City of Long Beach as defined by Census shapefile.
2. Provide the quarterly data file for the period beginning with Year 2008 Quarter 1 and subsequent quarters as they become available for the term of this Agreement.
3. Include in the data files the following QCEW data elements for each employer (if available):
  - Year and Quarter
  - County Code
  - Ownership Code
  - 6-Digit NAICS Code
  - MEEI Code
  - Employer Account Number and Reporting Unit
  - Legal and Trade Names
  - Mailing Address, City, State, and Zip Code
  - Physical Address, City, State, and Zip Code
  - Initial Liability Date
  - End Liability Date
  - Reactivation Date
  - Phone Number
  - Number of Employees
  - Total Quarterly Payroll
  - Latitude and Longitude
4. Provide the data files in ASCII format.

**EXHIBIT A**  
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5. Provide a record layout for the data output.
6. Transmit the data file to the City through the Office of Technology's (OTech) Secure File Transfer (SFT) system.

The EDD shall:

- a. Set up a Basic User Account and password for the City to access the SFT system.
- b. Provide user account administration to reset password, unlock user account, and/or modify user account. To request user account support, submit an email message to: [hungrickee.nguyen@edd.ca.gov](mailto:hungrickee.nguyen@edd.ca.gov).
- c. Retain the output data file for a period of seven (7) calendar days in the SFT temporary file repository. On the eighth (8<sup>th</sup>) day, the data file is automatically deleted.

**V. CITY Responsibilities**

The City agrees to:

1. Request only EDD information specifically authorized under this Agreement.
2. Use the specified EDD information provided under this Agreement only for the following purposes:
  - a. To more accurately measure the status of the local labor market.
  - b. To evaluate the sub-regions' industry concentrations (Location Quotient) and how those have changed over time (Shift-Share).
  - c. To identify developing clusters.
  - d. To calculate the average wage of jobs created.
  - e. To determine which industries are a natural fit given the existing industrial structure and to identify specific suppliers needed by the target industry.
  - f. To understand the physical location and concentration of specific industries at a much more detailed level.
  - g. To identify employers who are at risk of leaving or overall failing as a business.
3. Not use the confidential EDD information for any type of customer outreach, marketing, surveying, taxation, or enforcement purposes.
4. Comply with the CUIC on any matters pertaining to the access, use, and/or release of data under this Agreement. Failure to comply with this provision shall be deemed a breach of this Agreement and shall be grounds for cancellation of this Agreement.
5. Oversee the City, *Beacon Economics, LLC*, *Economic Development Results, LLC*, and any other contractor/subcontractor staff in their use of confidential information received from the EDD.
6. Instruct all City and contractor/subcontractor staff with access to the information provided by the EDD under this Agreement regarding the: (1) the confidential nature of the information; (2) the requirements of this Agreement; (3) the need to adhere to the security and confidentiality provisions outlined in *Exhibit D – Protection of Confidentiality* provisions; and (4) the sanctions and penalties against unauthorized use or disclosure found in CUIC Sections 1094 and 2111, the California Civil Code Section 1798.55, and the California Penal Code Section 502.
7. Ensure that all City and contractor/subcontractor staff assigned to work with the information provided by the EDD have signed the *EDD Confidentiality Agreement – Attachment D1*.

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8. Comply with Title 20, Code of Federal Regulations Section 603.9 with respect to any of the confidential EDD information.
9. Cooperate with EDD's authority to monitor this Agreement in accordance with Exhibit D, Section II, paragraphs (e) and (f).
10. Not release the confidential EDD information to any entity which is a private collection agency (CUIC, Section 1095(u)).
11. Not release the confidential EDD information to any other public or private entity without EDD's prior written consent.
12. Ensure that all contracts established with other private and/or public contractors and/or sub-contractors with access to the confidential EDD information disclosed under this Agreement include all EDD's confidentiality provisions specified herein.
13. Not disclose any individually identifiable EDD information when publishing information. Any summarized industry level data, when published, must contain three (3) or more firms. In those instances where there are three or more firms and the employment of a single firm represents more than 80 percent of the total, the number must be rolled up to a larger total in order to mask identification of such firms.
14. Allow the EDD to review any reports or publications which uses EDD information 30 working days prior to publication. A copy shall be provided to the EDD at no cost.
15. Adhere to the following procedures when retrieving EDD information from the OTech SFT system:
  - a. Establish a new password at first logon to the Basic User Account established for the City to access the OTech SFT system. The SFT Password Policy syntactical requirements are:
    - Password must contain at least eight (8) characters.
    - At least one (1) of the characters must be a number.
    - At least one (1) of the characters must be a symbol (e.g., !@#\$%).
    - At least one (1) of the characters must be an uppercase alpha character.
  - b. Change the Basic User Account password every 90 days. A limit of five (5) attempts to enter the password is allowed after which the account will be locked. To request User Account support, submit an e-mail message to: [hungrickee.nguyen@edd.ca.gov](mailto:hungrickee.nguyen@edd.ca.gov).
  - c. Retrieve the response data file from the SFT temporary file storage repository within seven (7) calendar days from submission. On the eighth (8<sup>th</sup>) day, the data file is automatically deleted.
16. Download the confidential EDD information to properly secured and encrypted data storage devices (including laptops, USB drives, CDs, DVDs, tapes, and similar devices and media) for specific business use when absolutely necessary.
17. Ensure that the confidential EDD information stored on portable devices is encrypted at all times.
18. Ensure encryption meets current National Institute of Standards and Technology (NIST) standards.
19. Ensure that portable data storage devices are destroyed, properly cleared, or sanitized in accordance with the EDD Data Storage and Removal Policy.
20. Dispose of the confidential EDD information using an approved method of confidential destruction at the end term of this Agreement.

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21. Pursuant to federal law, if the City fails to comply with any provisions of this Agreement, *including timely payment of the EDD's costs under this Agreement*, this Agreement shall be suspended, and no further disclosures will be made until the EDD is satisfied that corrective action has been taken and there will be no further breach. In the absence of prompt and satisfactory corrective action, this Agreement will be canceled, and the City shall surrender to the EDD all confidential information obtained under this Agreement which has not been previously returned to the EDD, and any other information relevant to the Agreement (20 C.F.R., Part 603.10(c)(1)).

**VI. ACCURACY ASSESSMENT**

The Individual employers and claimants report the information in EDD's files. Since the EDD is not the originator of the information disclosed, the EDD cannot guarantee the accuracy of the information.

**VII. DISPUTES**

Any dispute concerning a question of fact arising under the term of this Agreement which is not disposed of within a reasonable period of time (*ten days*) by the Contractor and state employees normally responsible for the administration of this Agreement shall be brought to the attention of the Chief Executive Officer (*or designated representative*) of each organization for joint resolution.

**VIII. TERMINATION**

This Agreement may be terminated by either party by giving written notice 30 days prior to the effective date of such termination.

ATTACHMENT A-1



City of Long Beach  
City Purchasing Agent  
333 W. Ocean Blvd./7th Floor  
Long Beach, CA 90802

**PURCHASE ORDER**

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BPO ID: BPCM16000003      PRINT DATE: 11/30/2015      PAGE: 01  
-----  
\*\* ORIGINAL \*\*  
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BEACON ECONOMICS LLC  
  
5777 WEST CENTURY BLVD., STE 895  
LOS ANGELES      CA 90045

-----  
SHIP TO:  
AS SPECIFIED ON INDIVIDUAL ORDERS      PLEASE REFER ALL QUESTIONS  
CONCERNING THIS ORDER TO:  
ANNE TAKII  
TEL: (562)570-6362  
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ITB ID	EXPR DATE	F.O.B. POINT	DISCOUNT TERMS	CONTRACT AMOUNT
	09/30/2016	DESTINATION	NET 30	94,000.00

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TERMS:  
TERM ORDER FOR THE PERIOD COMMENCING 11/01/2015 TO 09/30/2016 FOR  
PROVIDING ECONOMIC ANALYSIS SUPPORT SERVICES IN ACCORDANCE WITH  
DEPARTMENT NEEDS AND/OR FUND AVAILABILITY.  
  
TERMS AND CONDITIONS IN ACCORDANCE WITH PROPOSAL DATED NOVEMBER 4,  
2015 ATTACHED AS REFERENCE.  
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ITEM	COMMODITY ID	U/M	UNIT COST
001	962-58		
002	961-29		

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END OF ITEM LIST  
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AUTHORIZED SIGNATURE: *Jason B. MacDonald*      DATE: 11-30-2015  
\*\*\*\*\* LAST PAGE \*\*\*\*\*



**BEACON ECONOMICS**

**ECONOMIC DEVELOPMENT  
SUPPORT ANALYSIS**

**Presented to:**

The City of Long Beach  
333 West Ocean Boulevard  
Long Beach, CA 90802

**Presented by:**

Beacon Economics, LLC  
5777 West Century Boulevard, Suite 895  
Los Angeles, California 90045  
310-571-3399

**November 4, 2015**



## ATTACHMENT A-1

### PROPOSAL OVERVIEW

In order to facilitate a better understanding of various economic issues central to efforts involved in city planning, Beacon Economics, LLC ("Beacon") proposes to provide the City of Long Beach ("the City") with economic consulting services in the form of the following reports, as well as other services as outlined below:

- (1) **Regional Economic Profile with Mid-Year Update:** This report will focus on the issues and trends facing the City of Long Beach and the greater region. An overview of the national and state economies will also be provided for context.
- (2) **Detailed Employment Analysis:** This section will report and analyze the confidential employment data covering the historical employment, payroll, and establishment data for the City of Long Beach.
- (3) **Detailed Demographic Analysis:** This section will focus on issues and trends facing the region and the City of Long Beach specifically, and will include a detailed demographic and labor analysis.
- (4) **Optional Sub-Regional/Geospatial Breakouts:** Drill down on areas such as the Downtown Long Beach Business Improvement District, Waterfront, Commuting Corridor, Airport area, etc. for special analysis.
- (5) **Economic Development Support Strategy:** Identify and recommend strategies to achieve economic development goals. (To be conducted by Economic Development Results, LLC)

These products and Beacon's associated services are described in greater detail below.

### SCOPE OF WORK

Detailed descriptions of the products that Beacon proposes to provide the City to assist in its planning efforts are as follows:

#### 1. Regional Economic Profile with Mid-Year Update

##### Regional Overview with Comparative Elements\*

This section of the Economic Profile will be designed to update the City on economic trends in the U.S., California, Los Angeles County, and specifically the City of Long Beach. This top-down analysis will highlight national and state trends influencing the City to help better understand macro economic drivers which may be beyond local control. The regional analysis will highlight the City's industrial make-up, mix of jobs, demographics, and business performance. In addition, this section will provide insights to the City on a variety of topics including employment, demographics, consumer and business spending, residential real estate, commercial real estate, new construction activity, among others at the local level. Wherever possible, the graphics included within the report will include comparisons to other cities in the area, as well as the broader region and neighboring counties. Where appropriate, contrasts and comparisons with other cities or regions will also be drawn in the narrative to provide

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additional insights for the City.

Specifically, this analysis will include an analysis of the following indicators alongside the items highlighted above:

- Total worker income, which will serve as a proxy for local GDP. GDP data is collected primarily by the U.S. Bureau of Economic Analysis. And, while this data is not provided at the City level, Beacon Economics will use employment and incomes earned within the City of Long Beach to construct a proxy for local income/output.
- Total income/output proxy on a per capital basis. Using our proxy for total worker income/output in Long Beach, Beacon Economics will construct a per-capita measure of total income/output within the City of Long Beach.
- Real GDP Proxy. Using local/regional price indices, Beacon Economics will convert the nominal output proxy described above into a "real", price-deflated measure of total worker income/output.
- Real rate of growth. Once the measure of real total worker income/output proxy has been constructed, Beacon Economics will be able to provide an estimate of annual average growth in Long Beach.
- Real GDP per labor force participant. Using both Census data on labor force participation alongside our proxy estimate of real output, Beacon Economics will express the real output on a per-labor-force-participant basis.
- Venture capital investments. Beacon Economics will provide estimates of the number and amount of venture capital deals in the City of Long Beach. This will include the firm invested in, their corresponding industry, and the amount invested for any firm located in the City of Long Beach, if any.
- Residential real estate existing home prices, existing home sales, existing condo prices, existing condo sales, new home prices, total notices of default issues, total foreclosures/trustees' deed filings, apartment vacancy rates, apartment rents.
- A structural analysis of the housing market including overall housing vacancy, housing stock, home ownership rates, and new building permits issued.

### Mid-year Update

The Mid-year Update would be an update to the Regional Economic Profile described above. Some indicators, such as demographic data from the Census Bureau is only released annually, while employment, spending, real estate, and other indicators are released monthly or quarterly. As such, the Mid-Year Update will include any relevant data that is released more frequently and will be largely graphics-based with supporting text/narrative/bullets to help provide context for any recent changes.

In addition to economic and data analysis, Beacon will consider current topics of importance to the local community. Local news stories, recently published studies, and important policy

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announcements/developments will be included in the narrative to help provide additional context for the analysis.

**\*Note:** A large portion of the analyses to be contained in the Regional Economic Profile will be made possible by the acquisition of Confidential Employment Data from State's Employment Development Department (EDD). This data will allow Beacon to provide an exceptionally high degree of accuracy to the proposed economic analyses, which would not be possible with the publically available pre-aggregated data. For more detail about the Confidential Employment Data as well as the process for obtaining it from the EDD, please see Appendix A below.

### **2. Detailed Employment Analysis**

Beacon Economics will report and analyze the confidential employment data covering the historical employment, payroll, and establishment data for the City of Long Beach. This section of the report will primarily be comprised of graphics, but will also include bullet-point analysis of the graphs and tables, which will be broken down as follows:

#### **Employment Overview**

- A time series graph of total private employment in the City
- An index graph of total private employment for each industry in the City
- An industry breakdown table covering
  - The most recent quarter's private employment data by industry,
  - Year-over-Year employment growth for the City and County Balance by industry, and
  - The City's share of County employment by industry OR a Location Quotient

#### **Payroll Overview**

- A time series graph of total private wages in the City
- An index graph of total private wages for each industry in the City
- An industry breakdown table covering
  - The most recent quarter's private payroll data by industry,
  - Year-over-Year wage growth for the City and County Balance by industry, and
  - The City's average wage relative to the average wage in the County Balance

#### **The Recovery**

- A two-way graph of the total number of jobs added/lost since Q2-2009 by industry
- A two-way graph of wage growth since Q2-2009 by industry
- A table of the fastest growing subsectors (3 or 4 digit NAICS, confidentiality permitting) since Q2-2009 covering
  - The most recent quarter's private employment data by subsector
  - The number of jobs added since Q2-2009 by subsector
  - The most recent quarter's private payroll data by subsector
  - Wage growth since Q2-2009 by subsector

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### Establishment Breakdowns

- A pie chart of the share of employment by establishment average wage
- An establishment size breakdown table covering
  - Total employment by establishment size
  - Year-over-Year employment growth
- A table covering the number of establishment births/deaths by year (2008-2014YTD)
- A special topics graph/table
  - Tech employment trends in the City
  - What type of establishments are entering/exiting the City

To pull out smaller geographical employment data from within the City, such as designated places or neighborhoods, the City will need to provide the GIS shapefile, or a detailed definition of those boundaries in order for the Contractor to extract the sub-area data. There would be additional costs from the Contractor for this level of analysis should it be requested.

Beacon Economics can also produce reports that analyze confidential, establishment-level employment and payroll data. These types of reports can be used to identify trends in major establishments located in the region, as well as to conduct refined geospatial analyses. There would be additional costs from the Contractor for this level of analysis should it be requested.

### **3. Detailed Demographic Analysis**

Also included in the Economic Profile will be a Detailed Demographic Analysis section focused strictly on demographic issues, intended to supplement the trend and comparative analysis portions of the Economic Profile.

The Detailed Demographic Analysis will focus on trends in population, race and ethnicity, labor force statistics, income, educational attainment, and housing. Beacon will consider the following metrics in order to describe the City's strengths and weaknesses as they relate to local demographics.

- Population estimates and trends over the last 10 years compared to neighboring cities and counties.
- An estimate of the population by race and ethnicity for the City and how that compares to the rest of the State.
- Labor force characteristics, such as the total number of residents employed, the unemployment rate, employment by industry and by occupation, as well as earnings.
- Household income characteristics, including median household income in the City of Long Beach and neighboring cities and the percentage of households by various income brackets.
- Educational attainment in the City and how that compares to the rest of the State. In addition, Beacon will provide an account of the number of residents of the City by type of Bachelor's Degree and how that compares to the rest of the State.
- Housing costs in the City and neighboring cities, as well as the average commute

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- time of residents who are employed.
- Advanced (scientific) degree workers in the City of Long Beach. This analysis will be constructed using Census data on the number of employed residents within the city of Long Beach who possess the specified degrees. Information on workers employed within the City of Long Beach is not provided by the Census Bureau, as the survey is conducted on the basis of households. However, this will provide insights into the available workers in these degree categories.
  - Full-time and part-time workers by industry. The Census data will be used to pull out the number of full- and part-time workers who live in the City of Long Beach. Again, information on workers employed within the City of Long Beach is not provided by the Census Bureau, as the survey is conducted on the basis of households. However, this will provide insights into the number of workers who live in the City in each of these employment categories on a by-industry basis.

#### **4. Optional Sub-Regional/Geospatial Breakouts:**

At the request of client, Beacon Economics can break out specific sub-regions within the City of Long Beach to provide more granular employment analysis for specific areas of the city, such as Downtown Long Beach, or any other proposed geography. Beacon Economics will rely on the City of Long Beach to provide the corresponding GIS Shapefiles needed to define each requested sub-region or a definition based upon a list of Census Tracts that can then be used to construct a GIS Shapefile.

#### **5. Economic Development Support Strategy (Work to be conducted by Economic Development Results, LLC):**

- A. Research
1. Review current City of Long Beach planning documents, including General Plan, economic development plan, etc., as appropriate.
  2. Conduct interviews with key stakeholder groups, including:
    - a. Innovation Team
    - b. City Officials (City Manager Office, Development Services, Economic and Property Development)
    - c. Elected Officials (if deemed appropriate by City)
    - d. Economic Development Commission (if deemed appropriate by City)
    - e. Business Improvement Districts
    - f. Chamber of Commerce
  3. Review and analyze econometric data compiled by Beacon Economics.
- B. Strategy Document
1. Prepare draft strategy incorporating data, findings and input from Research that focuses on seven key issues:
    - a. Retail strategy to maximize sales tax revenue in a changing retail landscape.
    - b. Asset maximization strategy to leverage Long Beach assets, such as location, port, airport, convention center.

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- c. Sector growth strategy to identify potential growth sectors consistent with Long Beach workforce capabilities.
  - d. Civic Center strategy to maximize the economic development benefits from the development of a new civic center.
  - e. Creative economy strategy to leverage cultural assets to maximize impact of cultural institutions.
  - f. Education strategy to leverage Long Beach's educational infrastructure.
  - g. Tech strategy to better position Long Beach to develop and attract start-up and early stage tech firms.
2. Circulate draft to stakeholders; secure and incorporate feedback.
  3. Prepare final strategy document.
  4. Prepare PowerPoint presentation document.

### PRESENTATION AND RETAINER

#### BEACON ECONOMICS

A Beacon Partner or Director can present the findings of the completed Regional Economic Profile at a time and place jointly determined by Beacon and the City.

And, in addition to the above-mentioned products, Beacon can provide the City with five (5) hours of retainer time per quarter. This time can be used for general questions, PowerPoint slide development and/or ad hoc research, as well as issues that might arise from the Confidential EDD Data. The topics of such discussions might include, but are not limited to the specific types of professional and business services presently in the City as well as which of those companies are growing and which are shrinking. Utilizing retainer hours in this manner would enable the City's Economic Development team to get highly-focused analysis on specific issues that may arise, while enabling it to deliver value-added reports each year to large audiences.

#### Economic Development Results

An EDR principal can present the findings of the completed Economic Development Support Strategy at a time and place jointly determined by EDR and the City.

### SCHEDULE

#### REGIONAL ECONOMIC PROFILE

Beacon Proposes to deliver the (1) Regional Economic Profile within 45 days of execution of this agreement and receipt of applicable data, including the confidential EDD data. Followed by Mid-year update approximately six months later.

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**Economic Development Support Strategy**

Economic Development Results, LLC (EDR) proposes to conduct research, including review of Beacon economic data, Long Beach Documents and conduct key stakeholder interviews as well as prepare draft strategy within 45 days of receipt of Beacon's Regional Economic Profile.

EDR proposes to circulate draft and secure and incorporate feedback into final strategy document and prepare powerpoint presentation within 30 days of delivery of draft strategy.

**COMMUNICATIONS**

The City hereby designates the following individual as its representative for the performance of this Agreement:

Name (please print): \_\_\_\_\_

Title (please print): \_\_\_\_\_

Phone number: \_\_\_\_\_

Email Address: \_\_\_\_\_

In order to ensure efficient and effective communications between the City and Beacon, the City's representative shall have the power to act on behalf of the City for all purposes under this Agreement. Beacon shall not accept direction or orders from any person other than the City's representative or his or her designee(s). The City shall notify Beacon in writing if and when there are any changes to the City's representative.

**PROFESSIONAL FEES & EXPENSES**

REGIONAL ECONOMIC PROFILE WITH MID-YEAR UPDATE:	\$50,000
CONFIDENTIAL EDD EMPLOYMENT DATA (YEAR 1, INCLUDES HISTORICAL, SEE APPENDIX A)	\$ 7,000
OPTIONAL SUB-REGIONAL/GEOSPATIAL BREAKOUTS (EACH AREA)	\$ 3,000
ECONOMIC DEVELOPMENT SUPPORT STRATEGY	\$28,000

Beacon proposes to provide the City with the Regional Economic Profile and Mid-year Update with detailed demographic and employment analysis using the confidential employment data for \$57,000 (The Presentation and Retainer, as described above, will be included with this fee) and Economic Development Support Strategy for \$28,000.

The payment schedule will be in two installments, as follows:

- First Installment: 50% of the fee will be due upon execution of this Agreement, along with applicable fees or expenses, if any.\*

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- **Second Installment:** The remaining 50% of the fee along with applicable fees or expenses, if any, will be due within 30 days of delivery of the product(s), UNLESS:
  - The City notifies Beacon within 30 days after delivery that it would like reasonable modifications made to the product(s) that are within the original scope of work (modifications), then a new delivery/payment schedule may be established and Beacon will deliver the updated product(s) with such modifications, and payment will be due.
  - Modifications are desired but the City is unable to accept or provide feedback to Beacon within 30 days after delivery of the products(s), then Beacon can give the City an additional 30 days to address potential modifications, or payment will be due.
  - Final payment does not preclude Beacon from making reasonable modifications to product(s) that are within the original scope of work if requested by the City.

### \* Notes:

- In order for Beacon to complete and deliver the product(s) as described herein, Beacon may – to the extent indicated in the Scope of Work above – have to rely on the receipt of further instruction, information, or feedback (instruction) from the City. Accordingly, Beacon will make every reasonable effort to obtain such instruction from the City's representative. However, without prior notice, if the City's representative has been nonresponsive for 90 days, thus constituting an unreasonable delay in completing the assigned work, then Beacon reserves the right to be excused from further performance of this Agreement with partial or full retention of all monies paid to date and to bill the City for any unpaid portion of the fee or expenses as may be applicable based on time and costs incurred. Should such a case arise, Beacon may at its discretion work with the City at a later time to apply any remaining balance to continuing the project or developing a new project.
- The City will reimburse Beacon for expenses incurred in order to provide the Presentation.

Requests for services by the City that are beyond the scope of this Agreement may initiate an Amendment to this Agreement or a separate Agreement altogether, which in either case will detail the scope and deliverables for the additional work, along with a budget that will require the City's signature before work begins.

### NEXT STEPS

Beacon looks forward to the prospect of a continuing relationship with the City. For comments or questions about this proposal or to discuss it in more detail, please feel free to contact Beacon's Director of Business Development, Rick Smith at 858-997-1834 or at [rick@beaconecon.com](mailto:rick@beaconecon.com). Thank you for your consideration



**ATTACHMENT A-1**

**CLIENT ACKNOWLEDGEMENT**

If the City is ready to move forward, please select from the options below. The pricing below assumes that Beacon will be responsible for pursuit and purchase of all necessary data.

Please Mark Selections ( <input checked="" type="checkbox"/> )	Year One
Regional Economic Profile w/Mid-Year update and detailed demographic and employment analysis using Confidential EDD Employment Data	\$57,000 ( <input type="checkbox"/> )
Optional Sub-regional/Geospatial Breakouts (\$3,000 each)	One, Total \$3,000 ( <input type="checkbox"/> ) Two, Total \$6,000 ( <input type="checkbox"/> ) Three, Total \$9,000 ( <input type="checkbox"/> )
Economic Development Support Strategy	\$28,000 ( <input type="checkbox"/> )

**ACCEPTANCE**

If the above proposal by Beacon Economics, LLC is acceptable to the City of Long Beach, please sign and return to Sherif Hanna by fax to 424-646-4660 or by email to sherif@beaconecon.com.

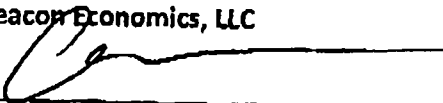
**The City of Long Beach**

\_\_\_\_\_  
SIGNATURE (Must be signed by an authorized representative of the City of Long Beach)

Printed Name & Title: \_\_\_\_\_

Dated: \_\_\_\_\_, 20\_\_\_\_


Beacon Economics, LLC



\_\_\_\_\_  
SIGNATURE: Christopher Thornberg, Founding Partner

Dated: 11-4, 2015

Beacon Economics, LLC



\_\_\_\_\_  
SIGNATURE: Sherif Hanna, Managing Partner

Dated: 11-4, 2015

# ATTACHMENT A-1

## APPENDIX A

### Confidential Employment Data from EDD

Traditionally, employment analyses utilize data pre-aggregated to various industry sectors by California's Employment Development Department (EDD). While this data reflects the actual City boundaries, one drawback of using such pre-aggregated data is that it does not provide visibility into the numbers that go into those aggregates. As a result, we are forced to take the EDD's word for items such as the number of firms or jobs within an industry. This is problematic because when the EDD discovers that it has been incorrectly categorizing a firm, the EDD may fix the mistake on a go-forward, but it does not go back to fix the issue in all of the prior years of data. This can create inconsistencies in the data, which, without deeper investigation, can lead to incorrect conclusions about industry growth that is actually attributable to such coding changes rather than to any economic shift.

For example, if a firm that had been incorrectly coded as a hotel were to be correctly coded to the appropriate restaurant category, we may see a jump in restaurants at the point where the EDD fixed the data and a consequent drop off in hotels. In this hypothetical example, the shift in restaurant and hotel employment was purely a coding problem on the EDD's end, but in the pre-aggregated data we would merely see such jumps without any insight into their cause. In turn, this can lead to faulty conclusions such as that hotels are shrinking and restaurants are seeing exponential growth, when in fact all we are seeing is status quo. The same type of issue can arise if a company were to be improperly coded as outside the City and were later included. Without the confidential data – explained in more detail below as well as in the appendix – there is really no reliable way to draw certain conclusions, such as whether a sector is actually doing well or whether we had been mistakenly excluding a key employer in prior years.

With the confidential employment data, however, Beacon could develop algorithms to go through all the establishments to ensure that each one had been consistently coded by industry and location, and could fix any that had been changed at some point throughout the sample. This would help to ensure that any changes in the data presented, such as growth or contraction in employment, are due to actual economic changes rather than to data anomalies associated with improper coding.

In addition to providing better industry divisions and a more consistent time series of employment trends, the confidential data will also provide information on the number of firms and establishments within each industry. This information will enable Beacon to include a more insightful analysis within the Report on the amount of job growth that is due to business formation / deletion versus existing business expansion / contraction.

Where available from the EDD, Beacon will also include an analysis of the average wages in each sector and the growth in wages by sector.

To obtain the data, Beacon and the City will need to enter into a contract with the State's Employment Development Department (EDD) for a confidentiality agreement that would allow Beacon to access all employment data, including individual employer level data, for all businesses within the City's boundaries. Beacon can then apply GIS (mapping) software to extract sub-regional (City) data.

## ATTACHMENT A-1

This data will enable Beacon and the City to obtain a more detailed view of 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:

- (1) Much more up-to-date than the publicly available sources in that the confidential data is only 3 quarters behind, while the publicly available data can lag by a year or more.
- (2) Much more detailed—whereas 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 Beacon can distinguish, for example between food manufacturing and high-tech manufacturing, (with this degree of detail, deeper analysis could also be made available). This will enable Beacon 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 its economic development mission.

This degree of detail will also allow more robust sub-regional analysis, allowing Beacon to break the City up into different parts (for example, downtown, waterfront, transportation corridor, east village or specific predetermined neighborhood boundaries). However, for use in the above deliverables, Beacon will roll the confidential EDD employment data up to a non-confidential level to enable the readers to understand employment trends within the City as well as other relevant economic issues. The key advantage is that these non-confidential aggregates will reflect true economic trends and will not be subject to the same statistical anomalies inherent in the pre-aggregated data from the EDD.

During the course of the agreement, Beacon will provide the City a rolled up, non-confidential version of the employment database in Excel format each quarter for internal use including analysis and presentation building. Designated City staff (identified during the application process) would also be able to comb the confidential employment database, allowing the City to do its own internal analysis.

The confidentiality agreement covers up to three years. Beacon strongly encourages the City to engage in the three-year contract (with the EDD) because writing a shorter-term contract provides no cost savings, yet would incur additional costs should an extension be desired. Beacon can acquire the confidential employment data from the EDD for up to three years, at the following rates.

Products & Services	Year One Price	Years Two &/or Three (if applicable) *
EDD Confidential Data (Historical)	\$7,000**	N/A
EDD Confidential Data Annual	included	\$2,000 per year
<b>TOTAL</b>	<b>\$7,000</b>	<b>TBD</b>

## ATTACHMENT A-1

- \* Years two and three are optional at the discretion of your region
- \*\* Approximate cost based on size of region & number of records

Designated City staff (identified during the application process) alone will have access to the confidential EDD employment data and will be able to comb the confidential EDD employment database, allowing the City to do its own internal analysis. Confidential EDD data will not be shared with the City Council.

Once an agreement has been entered into between Beacon and the City, the Economic Development Department will prepare an official contract.

As part of the agreement with Beacon, the City needs to consider the following:

- a. The City would need to enter into a contract with Beacon and the EDD to access the confidential data.
- b. To pull out smaller geographical employment data from within the City, such as designated places or neighborhoods (or any other geography the City should choose), the City will need to provide the GIS shape files or a detailed definition of those boundaries in order for Beacon to extract the sub-area data. There would be additional costs from Beacon for this next level of analysis should it be requested.
- c. The City will not share confidential employment data.

**ATTACHMENT A-1**  
**(Service Agreement)**

This Agreement is between the City of Long Beach Development Services Department (hereinafter "City") and Beacon Economics, LLC (hereinafter "Contractor"). Contractor will perform work for City using the Quarterly Census of Employment and Wages confidential data obtained from the State of California, Employment Development Department (EDD) under the California Unemployment Insurance Code 1095(r).

The term of this Agreement is from April 1, 2016 through March 31, 2019.

**SPECIFICATIONS**

The EDD confidential data will be used by Contractor for the purpose of:

- a) To more accurately measure the status of the local labor market in order to better leverage the City's economic development efforts. Specifically, the City needs to more clearly understand the sub-areas within its borders so that it can build economic development strategies around those smaller areas.
- b) To evaluate the sub-regions' industry concentrations and how those have changed over time. The goal here is to identify strengthening or weakening comparative advantage and to identify the forces creating that change. Understanding whether there are forces outside of local control will allow us to refocus on areas where there is an opportunity to create positive change. If we identify local levers we can use to strengthen those concentrations/advantages, we will.
- c) To identify developing clusters. As we review the time series, we will look to detect emerging industries growing at an above-average rate in order to be able to assist these businesses through any hurdles in their way.
- d) To calculate the average wage of jobs created. This will provide insights into the quality of the jobs that are forming in addition to the quantity of jobs created.
- e) To determine which industries are a natural fit given our existing industrial structure and to identify specific suppliers needed by our target industry to ensure that the industry will be successful in the local market long-term.
- f) To understand the physical location and concentration of specific industries at a much more detailed level. Also, for areas that are not accurately defined by traditional geographical conglomerations such as roll-up zip codes or census tracts, we can pull employment data to understand these areas as we never could before.
- g) To identify those employers who are at risk of leaving the City or overall failing as a business. As part of the City's retention strategy, we want to identify at-risk businesses/industries as early as possible so that we can help them to not only survive, but to thrive.
- h) To analyze a variety of region specific and/or policy oriented topics in support of regional economic development efforts.

To pull out smaller geographical employment data from within the City, such as designated places, or neighborhoods (or any other geography the City should choose), the City will need to provide the GIS shape files, or a detailed definition of those boundaries in order for the Contractor to extract the sub-area data. There would be additional costs from the Contractor for this next level of analysis should it be requested.

**ATTACHMENT A-1**  
**(Service Agreement)**

**RESPONSIBILITIES**

As part of this Agreement, City agrees to:

- a. Oversee Contractor in their use of the confidential information received from the EDD to ensure compliance with the California Unemployment Insurance Code on any matters pertaining to the access, use, and/or release of data under this Agreement. Failure to comply with this provision shall be deemed a breach of this Agreement and shall be grounds for cancellation of this Agreement.
- b. Instruct Contractor with access to the information provided by the EDD under this Agreement regarding the: (1) the confidential nature of the information; (2) the requirements of this Agreement; (3) the need to adhere to the security and confidentiality provisions outlined in Exhibit D ("Protection of Confidentiality") of the City's Agreement with the EDD; and (3) the sanctions and penalties against unauthorized use or disclosure found in the California Unemployment Insurance Code Sections 1094 and 2111, the California Civil Code Section 1798.55, and the California Penal Code Section 502.
- c. Ensure that all Contractor staff assigned to work with the information provided by the EDD have signed the Confidentiality Agreement (Attachment D1).
- d. Ensure that Contractor authorized management representatives have signed the Indemnity Agreement (Attachment D2) and the Statement of Responsibility (Attachment D3).

Contractor agrees to:

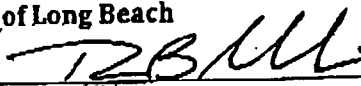
- a. Use the specified EDD information only for the purpose set forth in this Agreement.
- b. Download the EDD confidential data to properly secured and encrypted Data Storage Devices (including laptops, usb drives, cd's, dvd, tapes and similar devices and media) for specific business use when absolutely necessary.
- c. Ensure that the EDD confidential data stored on portable devices is encrypted at all times.
- d. Ensure encryption meets current National Institute of Standards and Technology (NIST) standards.
- e. Ensure that portable data storage devices are destroyed, properly cleared, or sanitized in accordance with the EDD Data Storage and Removal Policy.
- f. Ensure that all Contractor staff assigned to work with the EDD information provided by City have signed the Confidentiality Agreement (Attachment D1).
- g. Ensure that the Contractor authorized management representatives have signed the Indemnity Agreement (Attachment D2) and the Statement of Responsibility (Attachment D3).
- h. Comply with Title 20, Code of Federal Regulations Section 603.7 with respect to any of the EDD confidential information.
- i. Cooperate with EDD's authority to monitor this Agreement in accordance with Exhibit D, Section II, paragraphs (e) and (f) of the City's Agreement with the EDD.
- j. Not release the EDD confidential information to any other public or private entity without the EDD's prior written consent.

**ATTACHMENT A-1  
(Service Agreement)**

- k. Not disclose any individually identifiable EDD information when publishing information. Any summarized industry level data, when published, must contain three or more firms. In those instances where there are three or more firms and the employment of a single firm represents more than 80 percent of the total, the number must be rolled up to a larger total in order to mask identification of such firms.
- l. Allow the EDD to review any publication which uses EDD information 15 working days prior to publication. A copy shall be provided to the EDD at no cost.
- m. Dispose of the EDD confidential information using an approved method of confidential destruction at the end of term of this Agreement.
- n. Hold harmless and indemnify City against any and all liability costs, damages, attorney fees, and other expenses City may incur by reason of or as a result of our unauthorized use of the personal, sensitive, or confidential information or any violation of the "Confidentiality Statement" as set forth in City's Agreement with the EDD.
- o. To forever release City, it's officers, directors, employees representatives and agents ("Released Parties") from liability or responsibility of any kind or nature whatsoever, for any claims or causes of action that may arise solely as a result of our unauthorized use of the personal, sensitive, or confidential information or any violation of the "Confidentiality Statement" as set forth in City's Agreement with the EDD, except for any claims due to City's breach of the "Confidentiality Statement" and further agrees to pay all costs and expenses of any such damages, injury or loss, including attorney's fees incurred by the Released Parties, but only as a result of our unauthorized use of the personal, sensitive, or confidential information or any violation of the "Confidentiality Statement".

IN WITNESS THEREOF, the parties hereto have caused this Agreement to be executed by their respective duly authorized representatives.

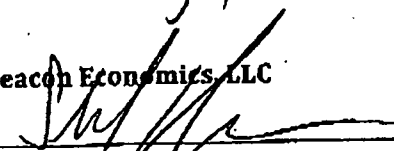
City of Long Beach

  
SIGNATURE: Assistant City Manager

Printed Name & Title: Patrick H. West, City Manager

Dated: May 4, 2016

Beacon Economics, LLC

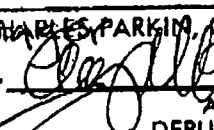

  
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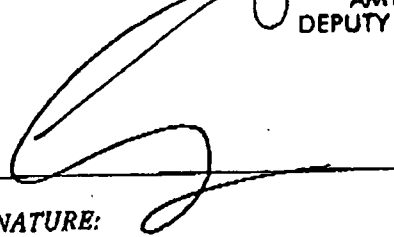
Sherif Hanna, Managing Partner

Dated: May 9, 2016

EXECUTED PURSUANT  
TO SECTION 301 OF  
THE CITY CHARTER.

APPROVED AS TO FORM

4-21, 2016  
  
By: CHARLES PARKIN, City Attorney  
  
AMY R. WEBBER  
DEPUTY CITY ATTORNEY

  
SIGNATURE:

Christopher Thornberg, Founding Partner

Dated: May 9, 2016

# ATTACHMENT A-1

## EDD Questionnaire For Confidential Data

1. Requesting agency name and address.

City of Long Beach  
Development Services Department  
333 West Ocean Blvd.  
Long Beach, CA 90802

2. Specify desired EDD data elements and data time frame.

QCEW CIPSEA data for the City of Long Beach as defined by the city shapefile.

2008(Q1) -- Most recent quarter

Year

Qtr

Account Number

Reporting Unit

County Code

Ownership Code

NAICS Code

MEEI Code

Employer Name

Legal Name

Mailing Address

Mailing City

Mailing ZIP Code

Mailing State

Physical address

Physical City

Physical ZIP Code

Physical State

Monthly Employment

Quarterly Payroll



## ATTACHMENT A-1

Latitude

Longitude

Initial Liability Date

End Liability Date

Reactivation Date

3. Describe in detail the intended use for each data element.

The requested data is to be used to more accurately measure the status of the local labor market in order to better leverage the City's economic development efforts. Specifically, the City needs to more clearly understand the sub-areas within its borders so that it can build economic development strategies around those smaller areas. This data will also be used to evaluate the sub-regions' industry concentrations (Location Quotient) and how those have changed over time (Shift-Share).

The goal here is to identify strengthening or weakening comparative advantage and to identify the forces creating that change. Understanding whether there are forces outside of local control will allow us to refocus on areas where there is an opportunity to create positive change. If we identify local levers we can use to strengthen those concentrations/advantages, we will.

Identifying developing clusters is also critical to our strategy. As we review the time series, we will look to detect emerging industries growing at an above-average rate in order to be able to assist these businesses through any hurdles in their way.

Total payroll information will enable the calculation of the average wage of jobs created, which will provide insights into the quality of the jobs that are forming in addition to the quantity of jobs created.

Additionally, the City wants to determine which industries are a natural fit given our existing industrial structure. Having 6-digit NAICS detail will allow us to identify specific suppliers needed by our target industry to ensure that the industry will be successful in the local market long-term.

Using the latitude and longitude data will allow the City's leadership to understand the physical location and concentration of specific industries at a much more detailed level. Also, for areas that are not accurately defined by traditional geographical conglomerations such as roll-up zip codes or census tracts, we can pull employment data to understand these areas as we never could before. This will also be an immense help in developing broad economic analysis for the region.

Also, we need to identify those employers who are at risk of leaving our community or overall failing as a business. As part of our retention strategy, we want to identify at-risk businesses/industries as early as possible so that we can help them to not only survive, but to thrive. Ultimately, this data will allow us, the regional economic developers, to better understand the inner workings of our City's labor markets. It will allow us to be more responsive/predictive to our employers' needs locally and to help find the right fit for future employers who want to open their doors in our City in the future.

## ATTACHMENT A-1

Finally, identification information such as the Account Number, Reporting Unit, MEEI Code, Initial Liability Date, End Liability Date, and Reactivation Date will help to link records for individual establishments over time, which is critical for understanding trends at an industry and sub-industry level as well as for individual sub-markets or sub-regions within the City.

In addition to the uses defined in the original contract, Confidential EDD data will also be used to analyze a variety of region-specific and/or policy-oriented topics in support of regional economic development efforts. The confidential data provided will not be used for any type of customer outreach, marketing, customer surveys, enforcement or taxation.

4. Provide your agency's statutory authority to receive confidential EDD data.  
Same

5. Indicate how frequently you plan to request data from EDD (one-time, annually, or quarterly).  
Quarterly

6. Indicate desired data format (Excel or ASCII).  
ASCII Format

7. Indicate desired term of contract (3 year maximum).  
3 years

8. Person with signatory authority to execute contract.  
Name: Patrick H West  
Title: City Manager  
Address: 333 W. Ocean Blvd., 13<sup>th</sup> Floor, Long Beach, CA 90802  
Phone: 562-570-5029

9. Person responsible for data security and integrity (e.g. information security officer).  
Name: John Keisler  
Title: Innovation Team Director  
Address: 333 W. Ocean Blvd., 13<sup>th</sup> Floor, Long Beach, CA 90802  
Phone: 562-570-7440

10. Person responsible for fiscal matters (e.g. invoices).  
Name: John Keisler  
Title: Innovation Team Director  
Address: 333 w. Ocean Blvd., 13<sup>th</sup> Floor, Long Beach, CA 90802  
Phone: 562-570-7440

## ATTACHMENT A-1

**Only complete this section if working with a contractor.**

**11. Name and address of contractor.**

**Name:** Beacon Economics LLC  
**Address:** 5777 W. Century Blvd., Suite 895  
Los Angeles, CA 90045

**12. Contractor contact person.**

**Name:** Sherif Hanna  
**Title:** Managing Partner  
**Address:** 5777 W. Century Blvd., Suite 895  
Los Angeles, CA 90045  
**Phone:** 424-646-4656

**13. Contractor person responsible for data security and integrity.**

**Name:** Sherif Hanna  
**Title:** Managing Partner  
**Address:** 5777 W. Century Blvd., Suite 895  
Los Angeles, CA 90045  
**Phone:** 424-646-4656

## ATTACHMENT A-1

### FIRM QUALIFICATIONS/OVERVIEW

Beacon Economics, LLC is an independent economic research and consulting firm with extensive experience conducting economic forecasting, economic impact analysis, economic policy/legislation analysis, public revenue forecasting, regional economic analysis, industry cluster analysis, real estate market analysis, labor market analysis, and international trade analysis.

Led by Christopher Thornberg, a renowned and highly experienced PhD economist committed to rigorous research and intellectual integrity, Beacon Economics has built a reputation as one of California's leading economic research firms. The company first rose to prominence as one of the earliest and most adamant forecasters of the subprime mortgage market meltdown that began in 2007, and is widely credited as being the first group on the West Coast to forecast the global economic recession of 2008-09. Dr. Thornberg is one of the West Coast's most recognized and widely published economic forecasters, with over a decade of experience forecasting the economies of the state and nation. Beacon Economics' highly valued, proprietary economic forecast models are developed by Dr. Thornberg and the firm's staff.

The diversity and prominence of Beacon Economics' clientele is indicative of the firm's objective, nonpartisan standing, and its reputable research products. Clients have ranged from the State of California to a major Wall Street hedge fund. In 2015, Dr. Thornberg was named to California State Treasurer John Chiang's *Council of Economic Advisors*, the body that advises the Treasurer on emerging strengths and vulnerabilities within the state's economy. Between 2008 and 2012, the firm served as economic advisors to the California State Controller's Office. Additionally, Dr. Thornberg served as Chair of then Controller John Chiang's Council of Economic Advisors, the main advisory body that counseled the Controller on rising issues and trends affecting the state's fiscal health. Below is a sampling of current and recent clients.

- Los Angeles Area Chamber of Commerce
- California Bankers Association
- Los Angeles Unified School District
- California State Controller
- Centre for Investor Education
- The City and County of San Bernardino
- The City of Oakland
- Kaiser Permanente
- Sacramento Kings
- The County of Monterey
- Paulson & Company, Inc.
- African Cashew Alliance
- PGA Tour, Inc.
- The Natural Resources Defense Council
- Pepperdine University
- San Mateo County Economic Development Association

Beacon Economics has also developed California state and regional economic analysis as one of its core areas of expertise. For five consecutive years, Beacon Economics has hosted a prominent series of economic forecast conferences in some of California's largest regions – Los Angeles, San Diego, and the Inland Empire. The centerpiece of each conference is an

## ATTACHMENT A-1

exhaustive, 100-plus page analysis detailing that region's economy and economic future, authored entirely by Beacon Economics. The books contain an examination of key economic indicators including employment, business activity, consumer spending, residential and commercial real estate markets, demographics, and quality of life. Beacon Economics' conference books have become widely used and anticipated regional research products and are illustrative of the firm's deep and up-to-date understanding of the economies and populations of California.

One of Beacon Economics' driving principles is that modeling the economy is not only a function of understanding the theories involved in economic growth, but also requires thorough comprehension of the data being used. Beacon Economics has developed and has access to vast databases of economic information acquired from both public and private sources. The firm's additional experience with data analysis includes conducting studies on the savings behavior in the U.S. population, and modeling rates of foreclosures and losses on mortgage backed bond pools.

### SELECT FIRM EXPERIENCE

Beacon Economics' team has extensive experience working with private and public sector clients to conduct economic forecasting and analysis that supports successful planning and decision-making. Listed below are descriptions of select projects/clients that illustrate the team's collective experience.

- **Economic Forecasting/Advisory Services, Office of the State Controller, John Chiang**  
*Client: Office of the California State Controller*  
*Beacon Economics Team Members: Christopher Thornberg, Jordan Levine*

Between 2008 and 2012, Beacon Economics served as a chief economic advisor/forecaster for the Office of the California State Controller. In this role Beacon Economics delivered comprehensive revenue and economic forecasts for the state to the Controller's Office twice per year. Beacon Economics also updated current revenue flows and provided economic background regarding why certain trends were occurring in the state's economy for the Controller's monthly revenue report.

The economic forecast models that Beacon Economics implemented for the State Controller's Office included projections of state unemployment rates, payroll employment, taxable sales, personal income, home construction sales and prices, non-residential construction permits, inflation, and population growth. Additionally, the forecasts were modeled to provide both long-and short-run outlooks. The long-run forecast was forward-looking and used long-run information, not simply information about current conditions. The firm forecast the state's underlying economic drivers before forecasting its revenues based on these projections. In its work for the State Controller, Beacon Economics applied its capability to build new long-run projections on top of already existing models.

Beacon Economics also provided a short-run forecast on cash flows to the Controller's Office on a month-to-month basis. This was done in part to allow the long-run forecast to be broken down into monthly revenue flows in order to promote proper cash management. Beacon Economics' short-run forecasts are based on time series approaches where current trends in

## ATTACHMENT A-1

the data – along with monthly information on leading business indicators such as employment, unemployment, and building permits – are incorporated.

➤ **Economic Benefit Analysis, 241 Completion Project**

*Client: The Transportation Corridor Agencies of Orange County*

*Beacon Economics Team Members: Christopher Thornberg, Jordan Levine, Eric Meux*

Beacon Economics conducted an analysis of the 241 Completion Project, the proposed extension of the 241 Toll Road to Interstate 5 near San Clemente in Orange County – a project that has been subject to planning efforts for more than 20 years by local, regional, state, and federal agencies. Because extension of the 241 will relieve much of the congestion along I-5 in Southern Orange County, the analysis included a thorough assessment of both the I-5 and the 241. The analysis also included an examination of cities that would experience some degree of reduction in travel times as a result of the project.

Beacon Economics' analysis provided a comprehensive estimate of the economic impact the construction activity would have on the local economy in terms of primary and secondary revenue generation for local and state businesses, as well as the number of jobs generated. Beacon Economics also examined the impact of time-savings as a result of congestion reduction. By using estimates of increased throughput at reduced times, Beacon Economics generated an aggregate level of time-savings for drivers. This was converted into a cash value to develop an estimate of the social value of the project. The analysis assessed time-savings for standard commuters and work traffic, and assessed the economic benefit of fuel savings and reduced fuel costs.

Finally, Beacon Economics examined the impact of the project on local economic growth. The model Beacon Economics developed allowed for an accurate estimate of the temporary acceleration of growth that the local economy would experience as a result of a major new expansion in the road system. The analysis included impacts to taxable sales, building permits, employment, and primary and secondary cities.

➤ **Revenue Forecasting Services, City of Oakland**

*Client: City of Oakland, Finance and Management Agency*

*Beacon Economics Team Members: Christopher Thornberg*

Beacon Economics provides revenue-forecasting services to the City of Oakland's Finance and Management Agency on an ongoing basis. For this project, Beacon Economics created and maintains a forecasting model for the City of Oakland that predicts the path of revenue flows for a five-year period from the point at which data is fully available.

In creating this model, Beacon Economics took two distinct steps: 1) create a revenue forecasting model, and 2) build a fully integrated econometric model in order to forecast both economic drivers and revenue streams.

Beacon Economics collected data on the history of Oakland's revenue flows by type, and used econometric models to find the important economic drivers of each type of flow. The drivers in the analysis include population and age, interest rates and inflation, housing sales and prices, employment and unemployment, consumer spending, production, port and airport operations, and residential and non-residential building permits. Wherever possible, data that are specific

## ATTACHMENT A-1

to the City of Oakland were used in building the models and continue to be used in maintaining them.

The forecasting models are augmented by data sources maintained by the City of Oakland's Revenue Administration. Beacon Economics continually works with staff at the City of Oakland to identify ways in which the basic model can be improved by incorporating additional data sources. Beacon economics updates the models and revises its forecast for the City of Oakland every six months.

➤ **Economic Forecasting Services, Los Angeles Unified School District**

*Client: Los Angeles Unified School District*

*Beacon Economics Team Members: Christopher Thornberg,*

Beacon Economics is currently contracted with the Los Angeles Unified School District (LAUSD) to provide quarterly assessed valuation and developer fee forecasts for LAUSD's property. In its analysis Beacon Economics is providing the school district with a clear vision of future property valuation and expected developer fee revenue within their administrative area to facilitate efficient and successful planning by LAUSD. Beacon Economics is providing its forecast using an econometric model to forecast out 25 years from the most current available data. Additionally, Beacon Economics is providing three forecast scenarios: most likely, high estimate, and low estimate.

➤ **Regional Economic Forecast Conferences**

*Clients: Pepperdine University, University of Redlands, University of California at Santa Barbara, University of California at Riverside*

*Beacon Economics Team Members: Christopher Thornberg, Jordan Levine*

Beacon Economics has conducted high-profile economic forecast conferences for clients in Riverside and San Bernardino Counties, Los Angeles, San Diego, the San Francisco Bay Area, and in communities along the Central Coast for the past 3-4 years. A focal point of each event is a 100-plus page *Economic Forecast Book* that Beacon Economics authors and produces. These forward-looking books provide unprecedented analysis and economic modeling of each region's economy. The analyses include thorough examinations of each region's major economic indicators and drivers including, employment, income, demographics, industry, residential and commercial real estate, and quality of life. Both the 2009 and 2010 Los Angeles Economic Forecast Conferences were sponsored by Pepperdine University, and the 2007, 2008, and 2009 Riverside/San Bernardino Economic Forecast Conferences were sponsored by the University of Redlands. In 2010, the University of California, Riverside sponsored the Riverside/San Bernardino Economic Forecast Conference. Finally, in 2009 and 2010, Beacon Economics provided full content for the University of California, Santa Barbara's Economic Forecast Project events in Santa Barbara, San Luis Obispo, and Ventura.

➤ **National Forecasting Services, Paulson & Company**

*Clients: Paulson & Company*

*Beacon Economics Team Members: Christopher Thornberg, Jordan Levine*

Beacon Economics is on Paulson & Company's Economic Advisory Board. Every month, Beacon Economics provides updated forecasts of U.S. GDP and of other economic indicators for both the U.S. and California economies to the Board of this Wall Street hedge fund. Additionally,

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Beacon Economics regularly conducts and delivers updates on the U.S. and California housing markets. Additional services provided by Beacon Economics include conducting forecasts of individual loan performance for a set of subprime mortgages.

### TEAM MEMBER QUALIFICATIONS

The key individuals who will work on the current project are listed below with short bios that include descriptions of their capabilities and experience regarding economic analysis. Complete resumes for all team members are attached to the end of this proposal.

**Dr. Christopher Thornberg** is Founding Partner of Beacon Economics, LLC and widely considered to be one of California's leading economists. An expert in economic forecasting, regional economics, real estate analysis, labor markets, and economic policy, he was one of the earliest and most adamant predictors of the subprime mortgage market crash that began in 2007, and of the global economic recession that followed. Since 2006, he has served on the advisory board of Wall Street hedge fund, Paulson & Co. Inc. In 2015, he was named to California State Treasurer John Chiang's *Council of Economic Advisors*, the body that advises the Treasurer on emerging strengths and vulnerabilities within the state's economy. Between 2008 and 2012, he served as a chief economic advisor to the California State Controller's Office, and as Chair of then Controller John Chiang's Council of Economic Advisors.

A highly sought after speaker, Dr. Thornberg regularly presents to leading business, government, and nonprofit organizations across the globe. These groups include REOMAC, the California State Association of Counties, Colliers International, State Farm Insurance, and the California and Nevada Credit Union League, among many others. He has testified before the U.S. Congress House Committee on Financial Services on municipal debt issues, and before the California State Assembly Committee on Revenue and Taxation regarding rule changes related to Proposition 13.

Dr. Thornberg has been involved in conducting research and developing analytic products for international clients that explore the trade and economic connections between the United States and the world. This has included analysis and speaking presentations regarding the impact that U.S. trading partners have on U.S. global competitiveness for the Centre for Investor Education in Melbourne Australia, and U.S. and international economic outlooks and their effect on global trade activity for the African Cashew Alliance in Cotonou, Benin. He has also conducted a number of special studies measuring the effect of important events on the economy including the NAFTA treaty, the California electricity crisis, port security, California's water transfer programs, and the terrorist attacks of September 11, 2001.

Dr. Thornberg serves on the editorial board of the *Graziadio Business Report*, a peer-reviewed publication of the Graziadio School of Business and Management at Pepperdine University. He is also a panel member of the National Association of Business Economists' quarterly "Outlook" and a contributor to the "Economic Consensus Outlook" published by the *Journal of Business Forecasting*.

Dr. Thornberg also serves on the boards of a number of business and nonprofit organizations including on the Board of Directors of the Los Angeles Area Chamber of Commerce, as a member of the Residential Real Estate Committee at the University of San Diego's Burnham-Moores Center for Residential Real Estate, as a Business Leader Member of America's Edge, a



## ATTACHMENT A-1

nonprofit organization focused on strengthening businesses and the economy through public investments in youth and education, and on the Advisory Board of the Asian Real Estate Association of America.

Prior to launching Beacon Economics Dr. Thornberg was a senior economist with UCLA's Anderson Forecast where he regularly authored economic outlooks for California, Los Angeles, the East Bay, and developed specialized forecasts for a variety of public and private entities. He previously taught in the MBA program at UCLA's Anderson School, in the Rady School of Business at UCSD, and at Thammasat University in Bangkok, Thailand. He has also held a faculty position in the economics department at Clemson University.

A well-known media commentator, Dr. Thornberg has appeared on CNN and NPR and is regularly quoted in major national dailies including the *Wall Street Journal* and *New York Times*.

Originally from upstate New York, Dr. Thornberg holds a Ph.D in Business Economics from The Anderson School at UCLA, and a B.S. in Business Administration from the State University of New York at Buffalo.

**Jordan Levine** is Economist and Director of Economic Research at Beacon Economics. In this role he is responsible for running and updating Beacon Economics' quarterly state and metro area forecast models, and plays a leading role in the firm's major consulting projects. He also manages Beacon Economics' EB-5 Visa economic and employment analysis practice. He has conducted economic forecasting and analysis for the Office of the California State Controller, the Los Angeles Chamber of Commerce, the California Bankers Association, and Paulson & Co., Inc., among many others.

Since joining Beacon Economics, Mr. Levine has emerged as a leading authority on the California economy and its many regional economies. He is in growing demand as a public speaker and as a trusted source among major national and state media. He is regularly quoted by print and broadcast media outlets including the Los Angeles Times, Sacramento Bee, San Jose Mercury News, Los Angeles Business Journal, KNX Radio in Los Angeles, and Capital Public Radio in Sacramento. An accomplished presenter, Mr. Levine has delivered information on the state budget and economy to the California State Controller's Council of Economic Advisors, to cities and counties across the state, to private businesses and trade groups, and delivers the state forecast at Beacon Economics' annual high-profile regional forecast conferences.

Mr. Levine specializes in analyzing economic indicators such as real output, employment, demographics, home prices, consumer spending, and new construction. He also has extensive experience analyzing the U.S. economy including gross domestic product; international trade; money, credit, and banking sectors; employment and labor force; and real estate markets.

Prior to joining Beacon Economics, Mr. Levine was an analyst with Quant Economics Inc., where he studied and predicted the economic effects alleged in business disputes for a wide variety of clients. Projects he managed while at Quant helped to discover hundreds of millions in monetary damages for his clients.

Mr. Levine's academic background includes an emphasis in international trade, monetary economics, and micro/macroeconomic analysis. His research on the manufacturing industry resulted in an innovative technique to measure the effect of global trade on U.S. employment.

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He is a member of the American Economics Association, the Econometrics Society, and the National Association of Business Economics.

Mr. Levine holds an M.A. in International Economics with Merit from the University of Sussex and a B.A. in Business Economics from the University of California, Santa Barbara.

**Rafael De Anda** is Research Project Manager at Beacon Economics, LLC. Mr. De Anda plays a key role in the firm's principal research projects including conducting extensive high-level data analysis of leading economic indicators in the Inland Empire, the Central Coast, and other regions across California. He also has significant expertise in performing econometric analysis, maintaining and managing extensive databases, conducting research in support statewide economic forecasts, and assessing the economic impacts of private and public programs, policies, and events. Prior to joining Beacon Economics, Mr. De Anda served as a research assistant with the Los Angeles County Economic Development Corporation Kyser Center where he co-authored numerous reports including analyses of international trade and an annual regional economic forecast and industry outlook. Mr. De Anda has an academic background in global economics and forecasting. Fluent in Spanish, he is highly proficient in a variety of economic and econometric software programs including STATA, EViews, and SPSS.

Mr. De Anda holds an M.A. degree in Economics from California State University, Los Angeles, and a B.A. degree in economics from the University of California at Riverside.

**Dustin Schrader** is Public Policy Manager at Beacon Economics, LLC. Mr. Schrader plays a leading role in the firm's principal research projects including performing econometric analysis; studying California's regional economies; assessing the economic impacts of private and public programs, policies, and events; and conducting economic policy analysis. In 2012 he was a lead researcher on a major economic impact study that examined the effect of a large music festival on a regional economy. He recently published a coauthored op-ed on 'NIMBY'ism' at LAX in the *Los Angeles Business Journal* and he regularly authors the "Demographic" and "Business Activity" chapters in Beacon Economics' regional forecast books, which serve as centerpieces for large, annual forecast conferences held across Southern California.

Mr. Schrader has an academic background in econometrics and research experience in both the public and private sector. Prior to joining Beacon Economics, he served as a research assistant for the Division of Social Sciences at the University of Chicago, examining electorate and demographics data primarily at the municipal and county levels. He has also served as a staffer and policy researcher for two members of Congress in the Illinois Delegation.

Mr. Schrader holds an M.P.P. degree from the University of Chicago and a B.A. degree in Political Science from the University of Illinois, Urbana-Champaign.

**Eric Meux** is a Senior Research Associate at Beacon Economics, LLC. Mr. Meux plays a key role in the firm's data analysis, modeling, and other research functions including conducting public revenue forecasting, international trade analysis, and managing and organizing the many large and complex databases Beacon Economics employs. His analytic work has been used by clients including the Transportation Corridor Agencies of Orange County and the African Cashew Alliance located in Benin, Africa. He was also instrumental in preparing a cost-benefit analysis for an education proposition that appeared on California's November 2012 statewide ballot.

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Mr. Meux has extensive expertise in conducting consumer demand analysis and in applying mathematical and statistical analysis to assess the economic impacts of programs and policies. His professional experience also includes working with a variety of data software and conducting macroeconomic forecasts for labor and commodity markets.

Prior to joining Beacon Economics, he was a research associate with the Department of Agriculture and Resource Economics at the University of California at Berkeley. In that role he managed and enhanced economic models, and managed and analyzed data related to Federal, state, and local revenues and expenditures. He previously served as a research assistant in the department where he oversaw training for an undergraduate research team.

Mr. Meux holds an M.S. degree in agricultural and resource economics from the University of California at Davis and a B.S. degree in environmental economics and policy from the University of California at Berkeley.

**Brian Vanderplas** is a Senior Research Associate at Beacon Economics, LLC. Mr. Vanderplas is responsible for building and maintaining a wide variety of complex databases that support the firm's projects and statewide and national economic forecasts. In addition to preparing, cleaning, and seasonally adjusting data, he has extensive experience using a wide array of economic and econometric software programs including STATA, EViews, and SPSS. Mr. Vanderplas conducts regional economic analysis and authors the 'demographics' and 'quality of life' chapters in Beacon Economics' regional economic forecast books. His academic focus included transportation economics and international trade and development. He has conducted graduate level research on the educational attainment level of migrant populations and on fuel consumption as it relates to population density.

Mr. Vanderplas holds M.A and B.A. degrees in Economics from California State University at Long Beach.

**Alan Hooper** is a Research Associate at Beacon Economics, LLC. Mr. Hooper is responsible for supporting the firm's principal research projects including conducting econometric analysis, working with Beacon's proprietary statewide and national forecast models, and managing a wide variety of complex databases. He has extensive experience using economic and econometric software programs including STATA and SPSS. Mr. Hooper previously served as an Assistant Director at Southern Regional Model United Nations where he researched United Nations policy and moderated debates on a wide range of global economic issues. He also conducted graduate level research on Federal government policies related to crop insurance while a Graduate Research Assistant at Clemson University. This work included designing qualitative surveys to assess participants' use of different risk management techniques.

Mr. Hooper holds M.A and B.A. degrees in Economics from Clemson University.

**Erica Hallie Comp** is a Research Associate at Beacon Economics, LLC. Ms. Comp is responsible for conducting econometric modeling and analysis; maintaining and managing large and complex datasets; conducting research in support of policy and economic impact analysis; creating presentation materials; and writing regional reports. She has academic experience in the areas of econometrics and economic forecasting and in the application of statistical and econometric software programs including STATA and EViews. Ms. Comp previously served as a

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Student Research Assistant at the A. Gary Anderson Center for Economic Research at Chapman University where she helped to prepare the University's economic forecast, enhance econometric models, create new models, and analyze economic data. She also formerly interned as a Financial Analyst for The Ayco Company, A Goldman Sachs firm, where she prepared client oriented financial reports related to portfolio construction and investment management.

Ms. Comp holds a B.A. degree in Economics from Chapman University.

## ATTACHMENT A-2

Subcontract Agreement  
Beacon Economics, LLC & Economic Development, LLC  
City of Long Beach Contract

### SUBCONTRACT AGREEMENT

This is a Subcontract Agreement ("Subcontract") made as of November \_\_, 2015 between Beacon Economics, LLC, with offices located at 5777 West Century Boulevard, Suite 895, Los Angeles, California 90045 ("Prime Contractor") and Economic Development Results, LLC, with offices located at 137 N. Larchmont Blvd., Suite 103, Los Angeles, California 90004 ("Subcontractor").

WHEREAS, Prime Contractor has a pre-existing agreement to provide consulting services ("Contract") with the City of Long Beach, or its affiliates thereof, ("Client"); and

WHEREAS, Prime Contractor desires to have Subcontractor assist in the performance of the Contract by having Subcontractor perform certain tasks that are a portion of the General Scope of Work of the Contract (Schedule A); and

WHEREAS, Subcontractor desires to assist in the performance of the Contract:

NOW, THEREFORE, in consideration of the promises and undertaking herein contained, Prime Contractor and Subcontractor enter into this Subcontract and mutually agree to the following:

1. **Subcontractor's Services.** Subcontractor will perform certain tasks as set forth in the Subcontractor Scope of Work (Schedule B) that are a portion of the General Scope of Work of the Contract subject to the review and approval of Prime Contractor and Client.
2. **Term of Subcontract.** The Term of this Subcontract shall be the same as the term of the Contract including all renewals or extensions thereof, unless otherwise terminated as provided herein.
3. **Payment of Services.** Prime Contractor agrees to pay Subcontractor for services rendered by Subcontractor under this Subcontract according to the pricing terms set forth in Schedule C following payment of Prime Contractor by Client. Subcontractor will submit invoices to Prime Contractor in the form, and with such detail, as may be required by the Prime Contractor and Client under the Contract with respect to the services being performed by Subcontractor. Such invoices are due and payable Net 30.
4. **Reimbursement for Direct Costs.** Subcontractor shall be entitled to reimbursement from Prime Contractor for all reasonable costs incurred in

## ATTACHMENT A-2

Subcontract Agreement  
Beacon Economics, LLC & Economic Development, LLC  
City of Long Beach Contract

the performance of services under this Subcontract to the extent that such costs are reimbursable by the Client and under the Contract. Such costs will be set forth on regular invoices rendered by Subcontractor to Prime Contractor for services rendered under this Subcontract.

5. Standards and Deliverables. The work performed and the resulting deliverables, outputs, outcomes, products or reports produced by the Subcontractor will be suitable for their intended purpose.
6. Confidentiality Requirements. The Subcontractor will maintain confidentiality and will not disclose, use or publish any information relating to the Client, the Client's business, or the Contract except as required to carry out its duties to the Client or the Prime Contractor except in circumstances where prior written consent has been obtained from the Prime Contractor to allow such disclosure, use or publishing. Information will include but not be limited to California Economic Development Department data and proprietary information of the Prime Contractor. Notwithstanding anything in this Subcontract to the contrary, the Subcontractor retains the right to disclose, use or publish any information that is in the public domain or otherwise becomes known to the public through no fault of the Subcontractor. This clause will continue in force for a period of two (2) years after termination of this Subcontract and/or the Contract, whichever date being the later.
7. Copyrights. Any work that is capable of protection under copyright created by the Subcontractor during the performance of the Services will be the property of the Prime Contractor as author and owner of the copyright in such work. The Subcontractor will, without charge to the Prime Contractor (except as set out below) execute, acknowledge and deliver to the Prime Contractor all papers, assignments and applications of copyright registration or renewal, as may be necessary to enable the Prime Contractor to protect or publish said works by copyright or otherwise in any and all countries. Further, the Subcontractor agrees to provide similar assistance and support to any nominee, successor, agent or assignee of the Prime Contractor.
8. Indemnity. The Subcontractor will indemnify the Prime Contractor, together with its officers, agents, subcontractors, subsidiaries, affiliates and employees, and hold them harmless from any damage, loss, expense or liability arising from all work and activities undertaken by the Prime Contractor in connection with this Subcontract.
9. Relationship of Parties. The Subcontractor will be engaged or retained by the Prime Contractor only for the purposes and to the extent set out in this Subcontract and any supplementary Project Specific Subcontracts.

## ATTACHMENT A-2

Subcontract Agreement  
Beacon Economics, LLC & Economic Development, LLC  
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The Subcontractor's relationship to the Prime Contractor will be during the period or periods that Services are provided, that of an independent contractor. During times when the Subcontractor is not committed or obliged under the terms of this Subcontract, the Subcontractor will be at liberty to dispose of such portion of its time, skill and energy in any manner that the Subcontractor sees fit.

This Subcontract will not establish a partnership, agency or joint venture between the Prime Contractor and the Subcontractor.

The Subcontractor will not be considered under this Subcontract or otherwise as having the status of an employee or be entitled to participate in any schemes, plans, arrangements or distributions by the Prime Contractor pertaining to or in connection with any financial benefit or benefit in kind.

10. **Audit Rights.** Nothing in this Subcontract shall give Prime Contractor the right to audit the books and records of the Subcontractor. Prime Contractor reserves the right to request documentation of adherence to state and federal laws.
11. **Assignment of Subcontracting.** No part of this Subcontract or of the obligations or rights of either party hereto shall be assigned or subcontracted without the prior written consent of the other party.
12. **Independent Contractor.** Subcontractor shall be an independent contractor under this Subcontract and shall assume all rights, obligations, and liabilities applicable to an independent contractor. Subcontractor shall comply with any and all state and federal laws regarding age, citizenship, hours, wages, and conditions of employment affecting the service covered by this Subcontract, and Subcontractor shall pay the taxes or contributions measured by wages of its principals, associates and employees required by the Internal Revenues Code, the Federal Unemployment Tax Act, Federal Insurance Contributions Act, and any other payroll tax.
13. **Insurance.** Subcontractor agrees to procure and maintain at its own expense insurance with insurance companies authorized to do business in the state of California, covering all operations under this Subcontract to be performed by Subcontractor, of the kinds and in the minimum amounts required under the Contract.
14. **Evidence of Insurance.** Subcontractor will deliver to Prime Contractor certificates of insurance and such additional assurance and evidence of the insurance required as Prime Contractor may from time to time request.

## ATTACHMENT A-2

Subcontract Agreement  
Beacon Economics, LLC & Economic Development, LLC  
City of Long Beach Contract

15. Termination. This Subcontract may be terminated under any or all of the following conditions: (a) By mutual written consent of the parties hereto, (b) Upon completion of the work under the Contract, (c) By either party upon breach by the other party of a material provision of this Subcontract, or (d) By either party upon the insolvency of the other party, or upon filing of a voluntary petition in bankruptcy by the other party or to have the other party declared a bankrupt, or upon the appointment of a reviver or trustee for the other party, or upon the execution by the other party of an assignment for the benefit of creditors.
16. Incorporation of Contract. Each of the provisions of the Subcontract, which apply to the performance of services by Subcontractor hereunder, is incorporated herein by reference. With respect to each such provision incorporated herein, references to the Client shall be deemed to be references to Prime Contractor, as appropriate, and references to Prime Contractor shall be deemed to be references to Subcontractor, as appropriate.
17. Notices. All notices and other communications pursuant to this subcontract shall be in writing and shall be deemed to have been duly given if personally delivered or, if mailed, when mailed by United States certified or registered mail, or by Federal Express (or comparable overnight mail service), postage prepaid to the other party at the address set forth on the first page of this Subcontract (or at such other address as shall be given in writing by either party to the other).
18. Validity of Terms. If any term or provision of this Subcontract shall be held void, illegal, unenforceable, or in conflict with any law of a federal, state or local government having jurisdiction over this Subcontract, the validity of the remaining portions or provisions hereof shall not be affected thereby.
19. Waiver. No waiver of a breach of any provision in this Subcontract shall constitute a waiver of any other breach, or of such provision. Failure of either party to enforce at any time, or from time to time, any provision of this Subcontract shall not be construed as a waiver thereof. The remedies herein reserve shall be cumulative and additional to any other remedies in law or in equity.
20. Resolution of Disputes. The parties agree that, in the event of a dispute arises between them, they will attempt, in good faith, to resolve such disputes in an amicable and equitable manner. However, if any dispute cannot be resolved, the parties agree that the matter will be resolved in accordance with the dispute resolution provision, if any, in the Contract. If there is no such provision in the Contract, then the parties agree that the matter will be decided by arbitration in accordance with the Commercial



ATTACHMENT A-2

Subcontract Agreement  
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Arbitration Rules of the American Arbitration Association to institute the arbitration proceedings. The fees and expenses of the arbitrators shall be shared equally by both parties.

21. Governing Law. The terms of this Subcontract will be construed and enforced in accordance with the laws of the State of California.

22. Entire Agreement. This Subcontract and its attachments constitutes the entire agreement between the parties with respect to the subject matter hereof, supersedes all prior and contemporaneous agreements and understandings, and no other understanding which modifies the terms hereof shall be binding unless made in writing and executed by authorized representatives of the parties hereto.

IN WITNESS WHEREOF, and intending to be legally bound, the parties hereto have executed this Subcontract as of the date first written.

PRIME CONTRACTOR

SUBCONTRACTOR

By:

[Signature]

By:

[Signature]

Title:

Managing Partner

Title:

Principal

Print Name:

Sherif Hanna

Print Name:

Robert M. Swayze

Date:

01/08/16

Date:

January 4, 2016

Mailing Address:

5797 West Century Blvd.  
Los Angeles CA 90045

Mailing Address:

137 N. Larchmont Blvd., Suite 103  
Los Angeles, CA 9004

## ATTACHMENT A-2

Subcontract Agreement  
Beacon Economics, LLC & Economic Development, LLC  
City of Long Beach Contract

### Schedule B Subcontractor Scope of Work

- A. Research
  - 1. Review current City of Long Beach planning documents, including General Plan, economic development plan, etc., as appropriate.
  - 2. Conduct interviews with key stakeholder groups, including:
    - a. Innovation Team
    - b. City Officials (City Manager Office, Development Services, Economic and Property Development)
    - c. Elected Officials (if deemed appropriate by City)
    - d. Economic Development Commission (if deemed appropriate by City)
    - e. Business Improvement Districts
    - f. Chamber of Commerce
  - 3. Review and analyze econometric data compiled by Beacon Economics.
- B. Strategy Document
  - 1. Prepare draft strategy incorporating data, findings and input from Research that focuses on seven key issues:
    - a. Retail strategy to maximize sales tax revenue in a changing retail landscape.
    - b. Asset maximization strategy to leverage Long Beach assets, such as location, port, airport, convention center.
    - c. Sector growth strategy to identify potential growth sectors consistent with Long Beach workforce capabilities.
    - d. Civic Center strategy to maximize the economic development benefits from the development of a new civic center.
    - e. Creative economy strategy to leverage cultural assets to maximize impact of cultural institutions.
    - f. Education strategy to leverage Long Beach's educational infrastructure.
    - g. Tech strategy to better position Long Beach to develop and attract start-up and early stage tech firms.
  - 2. Circulate draft to Prime Contractor and stakeholders; secure and incorporate feedback.
  - 3. Prepare final strategy document.
  - 4. Prepare PowerPoint presentation document.

## ATTACHMENT A-2

Subcontract Agreement  
Beacon Economics, LLC & Economic Development, LLC  
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### Schedule C Subcontractor Payment Schedule

Prime Contractor agrees to pay Subcontractor for services rendered by Subcontractor under this Subcontract according to the following pricing terms following payment of Prime Contractor by Client. Subcontractor will submit invoices to Prime Contractor in the form, and with such detail, as may be required by the Prime Contractor and Client under the Contract with respect to the services being performed by Subcontractor. Such invoices are due and payable Net 30.

#### Payment One

##### Tasks

- Research, including review of Beacon econometric data, Long Beach documents and conduct key stakeholder interview
- Prepare draft strategy

##### Time Period

- 45 days

##### Payment

\$14,000.00 (50%)

#### Payment Two

##### Tasks

- Circulate draft and secure and incorporate feedback
- Prepare final strategy document
- Prepare PowerPoint presentation

##### Time Period

- 30 days

##### Payment

- \$14,000.00 (50%)

**EXHIBIT B**  
(Standard Agreement)

**I. BUDGET DETAIL AND PAYMENT PROVISIONS**

**1. Invoicing and Payment**

- A. For services satisfactorily rendered and upon receipt and approval of the invoices, the City agrees to compensate the EDD for actual expenditures incurred in accordance with the rates specified in the *Budget Detail Summary and Sheets, Attachment B-1*, attached hereto and made a part of this Agreement. The total amount of this Agreement shall not exceed Seven Thousand Nine Hundred Ninety-four and 70/100 Dollars (\$7,994.70). Should the amount allotted for this Agreement be expended prior to the end of the terms stated, the Agreement shall be considered terminated.
- B. As part of the agreement between the City and *Beacon Economics, LLC*, the City has arranged for *Beacon Economics, LLC* to receive and process invoices for services rendered under this Agreement. It is mutually agreed that if *Beacon Economics, LLC* fails to make timely payment, the City will be responsible for all EDD costs under this Agreement.
- C. In consideration of services performed, a detailed invoice in triplicate, in arrears may be submitted monthly. The invoice must reference the EDD Agreement Number M7103342 and shall be forwarded to:

**Beacon Economics, LLC  
Attention: Sherif Hanna  
5777 W. Century Blvd., Suite 895  
Los Angeles, CA 90045**

- D. Payments shall be sent to:

**Employment Development Department  
Accounting Section, MIC 70  
P.O. Box 826217  
Sacramento, CA 94230-6217**

**2. Budget Contingency Clause**

- A. It is mutually agreed that if the Budget Act of the current year and/or any subsequent years covered under this Agreement does not appropriate sufficient funds for the program, this Agreement shall be of no further force and effect. In this event, the Contractor shall not be obligated to perform any provisions of this Agreement, and the City shall have no liability to pay any funds to the Contractor.
- B. If funding for any Fiscal Year is reduced or deleted by the Budget Act for purposes of this program, the Contractor shall have the option to either cancel this Agreement with no liability occurring to the Contractor, or offer an agreement amendment to the City to reflect the reduced amount.

Contract Name:  
 Term of Contract:  
 EDD Branch:

City of Long Beach  
 July 1, 2016 - June 30, 2019  
 LMID

EDD Contract: M7103342  
 Project Code: 344  
 Page: 1 of 4

**Attachment B-1**  
*(Standard Agreement)*

**Budget Detail Summary**

**PERSONAL SERVICES & PERSONNEL BENEFITS (PS & PB)**

<u>Classification</u>	<u>SFY</u> <u>2016-17</u>	<u>SFY</u> <u>2017-18</u>	<u>SFY</u> <u>2018-19</u>	<u>Total</u> <u>Costs</u>
Research Analyst II	\$1,320.88	\$1,320.88	\$1,320.88	\$2,641.76
	\$0.00	\$0.00	\$0.00	\$0.00
	\$0.00	\$0.00	\$0.00	\$0.00
	\$0.00	\$0.00	\$0.00	\$0.00
	\$0.00	\$0.00	\$0.00	\$0.00
	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>
Sub-Total	\$1,320.88	\$1,320.88	\$1,320.88	\$2,641.76
<b>Personnel Benefits</b>	\$706.14	\$706.14	\$706.14	\$2,118.42
<b>TOTAL PS &amp; PB</b>	<u>\$2,027.02</u>	<u>\$2,027.02</u>	<u>\$2,027.02</u>	<u>\$4,760.18</u>
<b><u>OPERATING EXPENSES &amp; EQUIPMENT (OE&amp;E)</u></b>				
Allocated OE&E (A)	\$213.05	\$213.05	\$213.05	\$639.15
<b>Direct OE&amp;E</b>				
<u>Expense Type</u>				
Data Center SFT Services - Exp. Code 835	\$192.00	\$192.00	\$192.00	\$576.00
<b>TOTAL OE&amp;E</b>	<u>\$405.05</u>	<u>\$405.05</u>	<u>\$405.05</u>	<u>\$1,215.15</u>
<b>Administrative Staff and Technical (AS&amp;T)</b>	<u>\$232.83</u>	<u>\$232.83</u>	<u>\$232.83</u>	<u>\$698.49</u>
<b>CONTRACT TOTAL</b>	<u>\$2,664.90</u>	<u>\$2,664.90</u>	<u>\$2,664.90</u>	<u>\$7,994.70</u>

Contract Name:  
 Term of Contract:  
 EDD Branch:

City of Long Beach  
 July 1, 2016 - June 30, 2019  
 LMID

EDD Contract: M7103342  
 Project Code: 344  
 Page: 2 of 4

**Attachment B-1**  
 (Standard Agreement)

**Budget Detail Sheet**  
 SFY 2016-17\*

**PERSONAL SERVICES & PERSONNEL BENEFITS (PS & PB)**

<u>Classification</u>	<u>Annual Salary</u>	<u>Contract Hours</u>	<u>PYs</u>	<u>Total Costs</u>
Research Analyst II	\$72,576	31.0	0.0182	\$1,320.88
		0.0	0.0000	\$0.00
		0.0	0.0000	\$0.00
		0.0	0.0000	\$0.00
		0.0	0.0000	\$0.00
		0.0	0.0000	\$0.00
Sub-Total		31.0	0.0182 (A)	\$1,320.88 (B)

Personnel Benefits (53.46% of (B))

\$706.14

**TOTAL PS & PB**

\$2,027.02

**OPERATING EXPENSES & EQUIPMENT (OE&E)**

Allocated OE&E ((A) multiplied by \$11,706 per PY)

\$213.05

Direct OE&E

Expense Type  
 Data Center SFT Services - Exp. Code 835

Est. Cost  
 \$192.00

Total Direct OE&E

\$192.00

**TOTAL OE&E**

\$405.05

Administrative Staff and Technical (AS&T) ((A) multiplied by \$12,793 per PY)

\$232.83

**CONTRACT TOTAL**

\$2,664.90

\* Rates may be subject to change.

Please Note: If staff is outstationed, DO NOT include the allocated OE&E.

Contract Name:  
Term of Contract:  
EDD Branch:

City of Long Beach  
July 1, 2016 - June 30, 2019  
LMID

EDD Contract: M7103342  
Project Code: 344  
Page: 3 of 4

**Attachment B-1**  
(Standard Agreement)

**Budget Detail Sheet**  
**SFY 2017-18\***

**PERSONAL SERVICES & PERSONNEL BENEFITS (PS & PB)**

<u>Classification</u>	<u>Annual Salary</u>	<u>Contract Hours</u>	<u>PYs</u>	<u>Total Costs</u>
Research Analyst II	\$72,576	31.0	0.0182	\$1,320.88
		0.0	0.0000	\$0.00
		0.0	0.0000	\$0.00
		0.0	0.0000	\$0.00
		0.0	0.0000	\$0.00
		0.0	0.0000	\$0.00
		0.0	0.0000	\$0.00
Sub-Total		31.0	0.0182 (A)	\$1,320.88 (B)

Personnel Benefits (53.46% of (B))

\$706.14

**TOTAL PS & PB**

\$2,027.02

**OPERATING EXPENSES & EQUIPMENT (OE&E)**

Allocated OE&E ((A) multiplied by \$11,706 per PY)

\$213.05

Direct OE&E

Expense Type  
Data Center SFT Services - Exp. Code 835

Est. Cost  
\$192.00

Total Direct OE&E

\$192.00

**TOTAL OE&E**

\$405.05

Administrative Staff and Technical (AS&T) ((A) multiplied by \$12,793 per PY)

\$232.83

**CONTRACT TOTAL**

\$2,664.90

\* Rates may be subject to change.

Please Note: If staff is outstationed, DO NOT include the allocated OE&E.

Contract Name:  
 Term of Contract:  
 EDD Branch:

City of Long Beach  
 July 1, 2016 - June 30, 2019  
 LMID

EDD Contract: M7103342  
 Project Code: 344  
 Page: 4 of 4

**Attachment B-1**  
 (Standard Agreement)

**Budget Detail Sheet**  
 SFY 2018-19\*

**PERSONAL SERVICES & PERSONNEL BENEFITS (PS & PB)**

<u>Classification</u>	<u>Annual Salary</u>	<u>Contract Hours</u>	<u>PYs</u>	<u>Total Costs</u>
Research Analyst II	\$72,576	31.0	0.0182	\$1,320.88
		0.0	0.0000	\$0.00
		0.0	0.0000	\$0.00
		0.0	0.0000	\$0.00
		0.0	0.0000	\$0.00
		0.0	0.0000	\$0.00
Sub-Total		31.0	0.0182 (A)	\$1,320.88 (B)

Personnel Benefits (53.46% of (B)) \$706.14

**TOTAL PS & PB** \$2,027.02

**OPERATING EXPENSES & EQUIPMENT (OE&E)**

Allocated OE&E ((A) multiplied by \$11,706 per PY) \$213.05

**Direct OE&E**

<u>Expense Type</u>	<u>Est. Cost</u>
Data Center SFT Services - Exp. Code 835	\$192.00

Total Direct OE&E \$192.00

**TOTAL OE&E** \$405.05

Administrative Staff and Technical (AS&T) ((A) multiplied by \$12,793 per PY) \$232.83

**CONTRACT TOTAL** \$2,664.90

\* Rates may be subject to change.

Please Note: If staff is outstationed, DO NOT include the allocated OE&E.



**EXHIBIT D**  
(Standard Agreement)

**PROTECTION OF CONFIDENTIALITY**

Federal and state confidentiality laws, regulations, and administrative policies classify all the Employment Development Department (EDD) information provided under this Agreement as confidential. The federal and state laws prohibit disclosure of the EDD's confidential information to the public, and mandate its protection against loss and against unauthorized access, use, disclosure, modification, or destruction.

The City must therefore, agree to the following security and confidentiality requirements:

**I. ADMINISTRATIVE SAFEGUARDS**

- a. Adopt policies and procedures to ensure use of the EDD's confidential information solely for purposes specifically authorized under this Agreement that meet the requirements of Title 20, Code of Federal Regulations §603.10.
- b. Warrant by execution of this Agreement, that no person or selling agency has been employed or retained to solicit or secure this Agreement upon agreement or understanding for a commission, percentage, brokerage, or contingent fee. In the event of a breach or violation of this warranty, the EDD shall have the right to annul this Agreement without liability, in addition to other remedies provided by law.
- c. Warrant and certify that in the performance of this Agreement, the City will comply with all applicable statutes, rules and/or regulations, and Agreement information security requirements, including but not limited to the following:
  - California Unemployment Insurance Code §1094 (Disclosure Prohibitions)
  - Title 20, Code of Federal Regulations §603.9 and §603.10 (Federal Unemployment Compensation Safeguards and Security Requirements)
  - California Civil Code §1798, et seq. (Information Practices Act)
  - California Penal Code §502 (Computer Fraud Act)
  - Title 5, U.S. Code §552a (Federal Privacy Act Disclosure Restrictions)
  - Title 42, U.S. Code §503 (Social Security Act)
  - Title 18, U.S. Code §1905 (Disclosure of Confidential Information)
- d. Except for state agencies, agree to indemnify the EDD against any loss, cost, damage, or liability resulting from violations of these applicable statutes, rules and/or regulations, and Agreement information security requirements.
- e. Protect the EDD's information against unauthorized access, at all times, in all forms of media. Access and use the information obtained under this Agreement only to the extent necessary to assist in the valid administrative needs of the program receiving such information, and only for the purposes defined in this Agreement.
- f. Keep all the EDD's confidential information completely confidential. Make this information available to authorized personnel on a "need-to-know" basis, and only for the purposes authorized under this Agreement. "Need-to-know" refers to those authorized personnel who need information to perform their official duties in connection with the uses of the information authorized by this Agreement.

**EXHIBIT D**  
(Standard Agreement)

- g. Notify the EDD Help Desk at (916) 654-1010, immediately upon discovery, that there may have been a breach in security which has or may have resulted in compromise to the confidential information. For purposes of this section, immediately is defined within 24 hours of discovery of the breach. The notification shall be by phone and e-mail. **It is not sufficient to simply leave a message.** The notification must include a detailed description of the incident (such as time, date, location, and circumstances) and identify responsible personnel (name, title, and contact information). The verbal notification shall be followed with an e-mail notification to [InformationSecurityOffice@edd.ca.gov](mailto:InformationSecurityOffice@edd.ca.gov).

**II. MANAGEMENT SAFEGUARDS**

- a. Acknowledge that the confidential information obtained by the City under this Agreement remains the property of the EDD.
- b. Instruct all personnel assigned to work with the information provided under this Agreement regarding the following:
- Confidential nature of the EDD information.
  - Requirements of this Agreement.
  - Sanctions specified in federal and state unemployment compensation laws, and of any other relevant statutes against unauthorized disclosure of confidential information provided by the EDD.
- c. Require that all personnel assigned to work with the information provided by the EDD complete the EDD Confidentiality Agreement (Attachment D-1).
- d. Return the following completed documents to the EDD Contract Services Group:
- The EDD Indemnity Agreement (Attachment D-2): Required to be completed by the City's Chief Financial Officer or authorized Management Representative, unless the City is a state agency.
  - The EDD Statement of Responsibility Information Security Certification (Attachment D-3): Required to be completed by the City's Information Security Officer or authorized Management Representative.
- e. Permit the EDD to make on-site inspections to ensure that the terms of this Agreement are being met. Make available to the EDD staff, on request and during on-site reviews, copies of the EDD Confidentiality Agreement (Attachment D-1) completed by personnel assigned to work with the EDD's confidential information, and hereby made a part of this Agreement.
- f. Maintain a system of records sufficient to allow an audit of compliance with the requirements under subsection (d) of this part. Permit the EDD to make on-site inspections to ensure that the requirements of federal and state privacy, confidentiality, and unemployment compensation statutes and regulations are being met, including but not limited to Social Security Act §1137(a)(5)(B).

**III. USAGE, DUPLICATION AND REDISCLOSURE SAFEGUARDS**

- a. Use the EDD's confidential information only for purposes specifically authorized under this Agreement. The information is not admissible as evidence in any action or special proceeding except as provided under Section 1094(b) of the California Unemployment Insurance Code (CUIC). Section 1095(u) of the CUIC does not authorize the use of the EDD's confidential information by any private collection agency.

**EXHIBIT D**  
(Standard Agreement)

- b. Extraction or use of the EDD information for any purpose outside the purposes stated in this Agreement is strictly prohibited. The information obtained under this Agreement shall not be reproduced, published, sold, or released in original or any other form not specifically authorized under this Agreement.
- c. Disclosure of any of the EDD information to any person or entity not specifically authorized in this Agreement is strictly prohibited. Personnel assigned to work with the EDD's confidential information shall not reveal or divulge to any person or entity any of the confidential information provided under this Agreement, except as authorized or required by law.

**IV. PHYSICAL SAFEGUARDS**

- a. Take precautions to ensure that only authorized personnel are given access to physical, electronic, and on-line files. Store electronic and hard copy information in a place physically secure from access by unauthorized persons. Process and store information in electronic format, such as magnetic tapes or discs, in such a way that unauthorized persons cannot retrieve the information by means of computer, remote terminal, or other means.
- b. Secure and maintain any computer systems (network, hardware, and software applications) that will be used in the performance of this Agreement. This includes ensuring that all security patches, upgrades, and anti-virus updates are applied as appropriate to secure data that may be used, transmitted, or stored on such systems in the performance of this Agreement.
- c. Store all the EDD confidential documents in a physically secure manner at all times to prevent unauthorized access.
- d. Store the EDD's confidential electronic records in a secure central computer facility. Where in-use on a shared computer system or any shared data storage system, ensure appropriate information security protections are in place. The HA shall ensure that appropriate security access controls, storage protections, and use restrictions are in place to keep the confidential information in the strictest confidence, and shall make the information available to its own personnel on a "need-to-know" basis only.
- e. Store the EDD's confidential data in encrypted format when recorded on removable electronic storage media, or on mobile computing devices such as a laptop computer.
- f. Maintain an audit trail and record data access of authorized users and authorization level of access granted to the EDD's data, based on job function.
- g. Direct all personnel permitted to use the EDD's data to avoid leaving the data displayed on their computer screens where unauthorized users may view it. Personnel should retrieve computer printouts as soon as they are generated so that the EDD's data is not left unattended in printers where unauthorized personnel may access them.
- h. Dispose of confidential information obtained from the EDD, and any copies thereof made by the City, after the purpose for which the confidential information is disclosed and served. Disposal means return of the confidential information to the EDD or destruction of the information utilizing an approved method of confidential destruction, which includes electronic deletion (following Department of Defense specifications), shredding, burning, and certified or witnessed destruction.

## EMPLOYMENT DEVELOPMENT DEPARTMENT CONFIDENTIALITY AGREEMENT

Information resources maintained by the State of California, Employment Development Department (EDD) and provided to your agency may be confidential or sensitive. Confidential and sensitive information are not open to the public and require special precautions to protect it from wrongful access, use, disclosure, modification, and destruction. The EDD strictly enforces information security. If you violate these provisions, you may be subject to administrative, civil, and/or criminal action.

NICK SCHULTZ

an employee of

City of Long Beach

PRINT YOUR NAME

PRINT YOUR EMPLOYER'S NAME

hereby acknowledge that the confidential and/or sensitive records of the Employment Development Department are subject to strict confidentiality requirements imposed by state and federal law, include the California Unemployment Insurance Code (CUIC) §1094 and §2111, the California Civil Code (CC) §1798 et seq., the California Penal Code (PC) §502, Title 5, USC §552a, Code of Federal Regulations, Title 20 part 603, and Title 18, USC §1905.

NKS  
INITIAL

acknowledge that my supervisor and/or the contract's Confidentiality and Data Security Monitor reviewed with me the confidentiality and security requirements, policies, and administrative processes of my organization and of the EDD.

NKS  
INITIAL

acknowledge responsibility for knowing the classification of the EDD information I work with and agree to refer questions about the classification of the EDD information (public, sensitive, confidential) to the person the contract assigns responsibility for the security and confidentiality of EDD's data.

NKS  
INITIAL

acknowledge responsibility for knowing the privacy, confidentiality, and data security laws that apply to the EDD information I have been granted access to by my employer, including CUIC §1094 and §2111, California Government Code §15619, CC §1798.53, and PC §502.

NKS  
INITIAL

acknowledge that wrongful access, use, modification, or disclosure of confidential information may be punishable as a crime and/or result in disciplinary and/or civil action taken against me—including but not limited to: reprimand, suspension without pay, salary reduction, demotion, or dismissal—and/or fines and penalties resulting from criminal prosecution or civil lawsuits, and/or termination of contract.

NKS  
INITIAL

acknowledge that wrongful access, inspection, use, or disclosure of confidential information for personal gain, curiosity, or any nonbusiness related reason is a crime under state and federal laws.

NKS  
INITIAL

acknowledge that wrongful access, use, modification, or disclosure of confidential information is grounds for immediate termination of my organization's contract with EDD.

NKS  
INITIAL

agree to protect the following types of EDD confidential and sensitive information:

- Wage Information
- Employer Information
- Claimant Information
- Tax Payer Information
- Applicant Information
- Proprietary Information
- Operational Information (manuals, guidelines, procedures)

NKS  
INITIAL

hereby agree to protect EDD's information on either paper or electronic form by:

- Accessing or using EDD supplied information only as specified in the contract for the performance of the specific work I am assigned.
- Never accessing information for curiosity or personal reasons.
- Never showing or discussing sensitive or confidential information to or with anyone who does not have the "need-to-know."
- Placing sensitive or confidential information only in approved locations.
- Never removing sensitive or confidential information from the work site without authorization.
- Following encryption requirements for all personal, sensitive, or confidential information in any portable device or media.

**"I certify that I have read and initialed the confidentiality statements printed above and will abide by them."**

SCHULTZ, NICK

Print Full Name (Last, First, MI)

**City of Long Beach**

Print Name of Requesting Agency  
**APPROVED AS TO FORM**

7-12-2016  
**CHARLES PARKIN, City Attorney**

By

Amy R. Webber  
**AMY R. WEBBER  
DEPUTY CITY ATTORNEY**

[Signature]  
Signature  
7/12/16  
Date Signed

**Check the appropriate box:**

- Employee                       Student  
 Subcontractor                       Volunteer  
 Other WORK FORCE DEVELOPMENT DIRECTOR

(Explain)

## EMPLOYMENT DEVELOPMENT DEPARTMENT CONFIDENTIALITY AGREEMENT

Information resources maintained by the State of California, Employment Development Department (EDD) and provided to your agency may be confidential or sensitive. Confidential and sensitive information are not open to the public and require special precautions to protect it from wrongful access, use, disclosure, modification, and destruction. The EDD strictly enforces information security. If you violate these provisions, you may be subject to administrative, civil, and/or criminal action.

Shoef Hanna  
PRINT YOUR NAME

an employee of

Beacon Economics, LLC  
PRINT YOUR EMPLOYER'S NAME

hereby acknowledge that the confidential and/or sensitive records of the Employment Development Department are subject to strict confidentiality requirements imposed by state and federal law, include the California Unemployment Insurance Code (CUIC) §1094 and §2111, the California Civil Code (CC) §1798 et seq., the California Penal Code (PC) §502, Title 5, USC §552a, Code of Federal Regulations, Title 20 part 603, and Title 18, USC §1905.

[Signature]  
INITIAL

acknowledge that my supervisor and/or the contract's Confidentiality and Data Security Monitor reviewed with me the confidentiality and security requirements, policies, and administrative processes of my organization and of the EDD.

[Signature]  
INITIAL

acknowledge responsibility for knowing the classification of the EDD information I work with and agree to refer questions about the classification of the EDD information (public, sensitive, confidential) to the person the contract assigns responsibility for the security and confidentiality of EDD's data.

[Signature]  
INITIAL

acknowledge responsibility for knowing the privacy, confidentiality, and data security laws that apply to the EDD information I have been granted access to by my employer, including CUIC §1094 and §2111, California Government Code §15619, CC §1798.53, and PC §502.

[Signature]  
INITIAL

acknowledge that wrongful access, use, modification, or disclosure of confidential information may be punishable as a crime and/or result in disciplinary and/or civil action taken against me—including but not limited to: reprimand, suspension without pay, salary reduction, demotion, or dismissal—and/or fines and penalties resulting from criminal prosecution or civil lawsuits, and/or termination of contract.

[Signature]  
INITIAL

acknowledge that wrongful access, inspection, use, or disclosure of confidential information for personal gain, curiosity, or any nonbusiness related reason is a crime under state and federal laws.

[Signature]  
INITIAL

acknowledge that wrongful access, use, modification, or disclosure of confidential information is grounds for immediate termination of my organization's contract with EDD.

[Signature]  
INITIAL

agree to protect the following types of EDD confidential and sensitive information:

- Wage Information
- Employer Information
- Claimant Information
- Tax Payer Information
- Applicant Information
- Proprietary Information
- Operational Information (manuals, guidelines, procedures)

[Signature]  
INITIAL

hereby agree to protect EDD's information on either paper or electronic form by:

- Accessing or using EDD supplied information only as specified in the contract for the performance of the specific work I am assigned.
- Never accessing information for curiosity or personal reasons.
- Never showing or discussing sensitive or confidential information to or with anyone who does not have the "need-to-know."
- Placing sensitive or confidential information only in approved locations.
- Never removing sensitive or confidential information from the work site without authorization.
- Following encryption requirements for all personal, sensitive, or confidential information in any portable device or media.

**"I certify that I have read and initialed the confidentiality statements printed above and will abide by them."**

Shoef Hanna

Print Full Name (Last, First, MI)

**Beacon Economics, LLC**

Print Name of Requesting Agency

[Signature]  
Signature

7-13-16

Date Signed

**Check the appropriate box:**

- Employee                       Student  
 Subcontractor                       Volunteer  
 Other

(Explain)

## EMPLOYMENT DEVELOPMENT DEPARTMENT CONFIDENTIALITY AGREEMENT

Information resources maintained by the State of California, Employment Development Department (EDD) and provided to your agency may be confidential or sensitive. Confidential and sensitive information are not open to the public and require special precautions to protect it from wrongful access, use, disclosure, modification, and destruction. The EDD strictly enforces information security. If you violate these provisions, you may be subject to administrative, civil, and/or criminal action.

Robert M. Swartz an employee of Economic Development Results, LLC  
PRINT YOUR NAME PRINT YOUR EMPLOYER'S NAME

hereby acknowledge that the confidential and/or sensitive records of the Employment Development Department are subject to strict confidentiality requirements imposed by state and federal law, include the California Unemployment Insurance Code (CUIC) §1094 and §2111, the California Civil Code (CC) §1798 et seq., the California Penal Code (PC) §502, Title 5, USC §552a, Code of Federal Regulations, Title 20 part 603, and Title 18, USC §1905.

RS acknowledge that my supervisor and/or the contract's Confidentiality and Data Security Monitor reviewed with me the confidentiality and security requirements, policies, and administrative processes of my organization and of the EDD.

RS acknowledge responsibility for knowing the classification of the EDD information I work with and agree to refer questions about the classification of the EDD information (public, sensitive, confidential) to the person the contract assigns responsibility for the security and confidentiality of EDD's data.

RS acknowledge responsibility for knowing the privacy, confidentiality, and data security laws that apply to the EDD information I have been granted access to by my employer, including CUIC §1094 and §2111, California Government Code §15619, CC §1798.53, and PC §502.

RS acknowledge that wrongful access, use, modification, or disclosure of confidential information may be punishable as a crime and/or result in disciplinary and/or civil action taken against me—including but not limited to: reprimand, suspension without pay, salary reduction, demotion, or dismissal—and/or fines and penalties resulting from criminal prosecution or civil lawsuits, and/or termination of contract.

RS acknowledge that wrongful access, inspection, use, or disclosure of confidential information for personal gain, curiosity, or any nonbusiness related reason is a crime under state and federal laws.

RS acknowledge that wrongful access, use, modification, or disclosure of confidential information is grounds for immediate termination of my organization's contract with EDD.

RS agree to protect the following types of EDD confidential and sensitive information:

- |   |   |
|---|---|
| <ul style="list-style-type: none"> <li>• Wage Information</li> <li>• Employer Information</li> <li>• Claimant Information</li> <li>• Tax Payer Information</li> </ul> | <ul style="list-style-type: none"> <li>• Applicant Information</li> <li>• Proprietary Information</li> <li>• Operational Information (manuals, guidelines, procedures)</li> </ul> |
|---|---|

RS hereby agree to protect EDD's information on either paper or electronic form by:

- Accessing or using EDD supplied information only as specified in the contract for the performance of the specific work I am assigned.
- Never accessing information for curiosity or personal reasons.
- Never showing or discussing sensitive or confidential information to or with anyone who does not have the "need-to-know."
- Placing sensitive or confidential information only in approved locations.
- Never removing sensitive or confidential information from the work site without authorization.
- Following encryption requirements for all personal, sensitive, or confidential information in any portable device or media.

**"I certify that I have read and initialed the confidentiality statements printed above and will abide by them."**

Robert M. Swartz  
Print Full Name (Last, First, MI)  
**Economic Development Results, LLC**  
Print Name of Requesting Agency

RS  
Signature  
7/13/16  
Date Signed

**Check the appropriate box:**

<input type="checkbox"/> Employee	<input type="checkbox"/> Student
<input type="checkbox"/> Subcontractor	<input type="checkbox"/> Volunteer
<input checked="" type="checkbox"/> Other <u>Member - LLC</u>	

(Explain)

## EMPLOYMENT DEVELOPMENT DEPARTMENT INDEMNITY AGREEMENT

In consideration of access to EDD information which is personal, sensitive, or confidential,

**Nick Schultz**

(Enter name of Chief Financial Officer or authorized Management Representative)

agrees to indemnify EDD against any and all liability costs, damages, attorney fees, and other expenses EDD may incur by reason of or as a result of any unauthorized use of the personal, sensitive, or confidential information, or any violation of the "Confidentiality Statement" by any and all employees of:

**City of Long Beach**

(Enter Requesting Agency/Entity Name)

This obligation shall be continuous and may not be changed or modified unless agreed to in writing.

In addition, I understand that the following penalties may be incurred for any such misuse of EDD information:

1. Any individual who has access to returns, reports, or documents maintained by EDD, who fails to protect the confidential information from being published or open to the public, may be punished by imprisonment in the county jail for up to one year or a fine of \$20,000.00 or both (California Unemployment Insurance Code §2111 and §2122).
2. Any person who intentionally discloses information, not otherwise public, which they knew or should have known was obtained from personal information maintained by a state agency, shall be subject to civil action for invasion of privacy by the individual to whom the information pertains (California Civil Code §1798.53).
3. Any unauthorized access to EDD computer data, computer systems, or unauthorized use of EDD data is punishable by a fine or imprisonment in the county jail or both (California Penal Code §502).

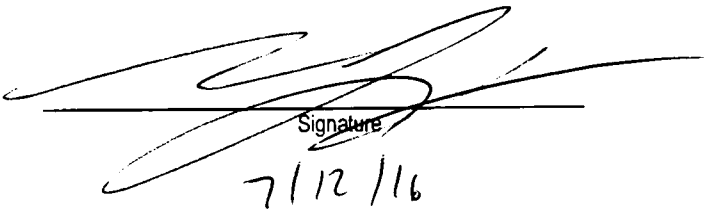
**I certify that I have read, understand, and agree with the above terms.**

### SIGNED BY REQUESTING ENTITY REPRESENTATIVE


Schultz, Nick  
 \_\_\_\_\_  
 Print Full Name (Last, First, MI)

Workforce Development Bureau Director  
 \_\_\_\_\_  
 Print Title

City of Long Beach  
 \_\_\_\_\_  
 Print Name of Requesting Entity

  
 \_\_\_\_\_  
 Signature

Date Signed  
**APPROVED AS TO FORM**  
 7-12-16  
 \_\_\_\_\_  
 7-12-2016

**CHARLES PARKIN, City Attorney**  
 \_\_\_\_\_  
 Enter Name Governmental Sponsor/Entity  
 By   
 \_\_\_\_\_  
 AMY R. WEBBER  
 DEPUTY CITY ATTORNEY  
 \_\_\_\_\_  
 AMY R. WEBBER  
 DEPUTY CITY ATTORNEY

## EMPLOYMENT DEVELOPMENT DEPARTMENT INDEMNITY AGREEMENT

In consideration of access to EDD information which is personal, sensitive, or confidential,

**Christopher Thornberg**

(Enter name of Chief Financial Officer or authorized Management Representative)

agrees to indemnify EDD against any and all liability costs, damages, attorney fees, and other expenses EDD may incur by reason of or as a result of any unauthorized use of the personal, sensitive, or confidential information, or any violation of the "Confidentiality Statement" by any and all employees of:

**Beacon Economics, LLC**

(Enter Requesting Agency/Entity Name)

This obligation shall be continuous and may not be changed or modified unless agreed to in writing.

In addition, I understand that the following penalties may be incurred for any such misuse of EDD information:

1. Any individual who has access to returns, reports, or documents maintained by EDD, who fails to protect the confidential information from being published or open to the public, may be punished by imprisonment in the county jail for up to one year or a fine of \$20,000.00 or both (California Unemployment Insurance Code §2111 and §2122).
2. Any person who intentionally discloses information, not otherwise public, which they knew or should have known was obtained from personal information maintained by a state agency, shall be subject to civil action for invasion of privacy by the individual to whom the information pertains (California Civil Code §1798.53).
3. Any unauthorized access to EDD computer data, computer systems, or unauthorized use of EDD data is punishable by a fine or imprisonment in the county jail or both (California Penal Code §502).

**I certify that I have read, understand, and agree with the above terms.**

### SIGNED BY REQUESTING ENTITY REPRESENTATIVE

Thornberg, Christopher

Print Full Name (Last, First, MI)

Founding Partner

Print Title

**Beacon Economics, LLC**

Print Name of Requesting Entity



Signature

7-13-16

Date Signed

**City of Long Beach**

Enter Name Governmental Sponsor/Entity



## EMPLOYMENT DEVELOPMENT DEPARTMENT INDEMNITY AGREEMENT

In consideration of access to EDD information which is personal, sensitive, or confidential,

**Robert M. Swayze**

(Enter name of Chief Financial Officer or authorized Management Representative)

agrees to indemnify EDD against any and all liability costs, damages, attorney fees, and other expenses EDD may incur by reason of or as a result of any unauthorized use of the personal, sensitive, or confidential information, or any violation of the "Confidentiality Statement" by any and all employees of:

**Economic Development Results, LLC**

(Enter Requesting Agency/Entity Name)

This obligation shall be continuous and may not be changed or modified unless agreed to in writing.

In addition, I understand that the following penalties may be incurred for any such misuse of EDD information:

1. Any individual who has access to returns, reports, or documents maintained by EDD, who fails to protect the confidential information from being published or open to the public, may be punished by imprisonment in the county jail for up to one year or a fine of \$20,000.00 or both (California Unemployment Insurance Code §2111 and §2122).
2. Any person who intentionally discloses information, not otherwise public, which they knew or should have known was obtained from personal information maintained by a state agency, shall be subject to civil action for invasion of privacy by the individual to whom the information pertains (California Civil Code §1798.53).
3. Any unauthorized access to EDD computer data, computer systems, or unauthorized use of EDD data is punishable by a fine or imprisonment in the county jail or both (California Penal Code §502).

**I certify that I have read, understand, and agree with the above terms.**

### SIGNED BY REQUESTING ENTITY REPRESENTATIVE

Swayze, M. Robert

Print Full Name (Last, First, MI)

Principal

Print Title

**Economic Development Results, LLC**

Print Name of Requesting Entity



Signature

7/3/12

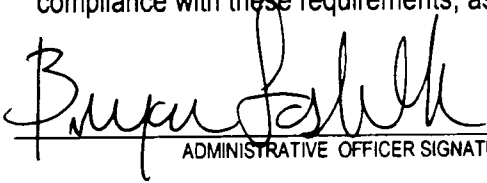
Date Signed

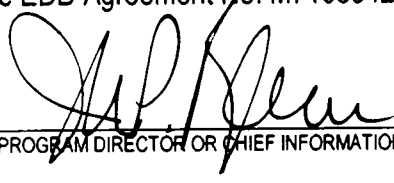
**City of Long Beach**

Enter Name Governmental Sponsor/Entity

**EMPLOYMENT DEVELOPMENT DEPARTMENT  
STATEMENT OF RESPONSIBILITY  
INFORMATION SECURITY CERTIFICATION**

We, Bryan Sastokas, Chief Information Officer and John Keisler, Innovation Team Director, hereby certify that the City has in place the safeguards and security requirements stated in this Agreement. We therefore accept responsibility for ensuring compliance with these requirements, as set forth in Exhibit "D" of the EDD Agreement No. M7103342.

  
ADMINISTRATIVE OFFICER SIGNATURE

  
PROGRAM DIRECTOR OR CHIEF INFORMATION OFFICER SIGNATURE

Bryan Sastokas

John Keisler

PRINT NAME OF INFORMATION SECURITY OFFICER

PRINT NAME

Chief Information Officer & Director of Technology  
& Innovation

Innovation Team Director

PRINT TITLE

PRINT TITLE

(568) 570-6455

(562) 570-7440

TELEPHONE NUMBER

TELEPHONE NUMBER

Bryan.Sastokas@longbeach.gov

John.Keisler@longbeach.gov

E-MAIL ADDRESS

E-MAIL ADDRESS

7.11.16

APPROVED AS TO FORM

7-12, 2016

7/2/16

DATE SIGNED

CHARLES PARKIN, City Attorney

DATE SIGNED

**NOTE:** Return this Information Security Certification to the EDD Contract Manager with the signed copies of the Agreement.

  
AMY R. WEBBER  
DEPUTY CITY ATTORNEY

**FOR EDD USE ONLY**

1. Information Security Certification received by:

\_\_\_\_\_  
EDD CONTRACT MANAGER NAME

\_\_\_\_\_  
DATE RECEIVED

2. EDD information asset access approved by:

\_\_\_\_\_  
CONTRACT MANAGER OR DISCLOSURE COORDINATOR

\_\_\_\_\_  
DATE APPROVED (AFF, E-MAIL, ETC.)

**NOTE:** The EDD must have a signed "Information Security Certification" in its possession prior to disclosure of any personal, confidential, or sensitive information to the City.

**EMPLOYMENT DEVELOPMENT DEPARTMENT  
STATEMENT OF RESPONSIBILITY  
INFORMATION SECURITY CERTIFICATION**

We, Sherif Hanna, Managing Partner and Robert Kleinhenz, Executive Director of Research, hereby certify that Beacon Economics, LLC has in place the safeguards and security requirements stated in this Agreement. We therefore accept responsibility for ensuring compliance with these requirements, as set forth in Exhibit "D" of the EDD Agreement No. M7103342.

  
ADMINISTRATIVE OFFICER SIGNATURE

Sherif Hanna  
PRINT NAME OF INFORMATION SECURITY OFFICER

Managing Partner  
PRINT TITLE

(424) 646-4656  
TELEPHONE NUMBER

Sherif@beaconecon.com  
E-MAIL ADDRESS

7-13-16  
DATE SIGNED

  
PROGRAM DIRECTOR OR CHIEF INFORMATION OFFICER SIGNATURE

Robert Kleinhenz  
PRINT NAME

Executive Director of Research  
PRINT TITLE

(424) 646-4652  
TELEPHONE NUMBER

Robert@beaconecon.com  
E-MAIL ADDRESS

7-13-16  
DATE SIGNED

**NOTE:** Return this Information Security Certification to the EDD Contract Manager with the signed copies of the Agreement.

**FOR EDD USE ONLY**

3. Information Security Certification received by:

\_\_\_\_\_  
EDD CONTRACT MANAGER NAME

\_\_\_\_\_  
DATE RECEIVED

4. EDD information asset access approved by:

\_\_\_\_\_  
CONTRACT MANAGER OR DISCLOSURE COORDINATOR

\_\_\_\_\_  
DATE APPROVED (AFF, E-MAIL, ETC.)

**NOTE:** The EDD must have a signed "Information Security Certification" in its possession prior to disclosure of any personal, confidential, or sensitive information to Beacon Economics, LLC.

**EMPLOYMENT DEVELOPMENT DEPARTMENT  
STATEMENT OF RESPONSIBILITY  
INFORMATION SECURITY CERTIFICATION**

We, Robert Swayze, Principal and Christina Kiino-Miller, Principal, hereby certify that Economic Development Results, LLC has in place the safeguards and security requirements stated in this Agreement. We therefore accept responsibility for ensuring compliance with these requirements, as set forth in Exhibit "D" of the EDD Agreement No. M7103342.



ADMINISTRATIVE OFFICER SIGNATURE

Robert Swayze

PRINT NAME OF INFORMATION SECURITY OFFICER

Principal

PRINT TITLE

(213) 250-6062

TELEPHONE NUMBER

Robert.swayze@econdevresults.com

E-MAIL ADDRESS

7/19/16

DATE SIGNED



PROGRAM DIRECTOR OR CHIEF INFORMATION OFFICER SIGNATURE

Christina Kiino-Miller

PRINT NAME

Principal

PRINT TITLE

(213) 250-6062

TELEPHONE NUMBER

Christina.miller@econdevresults.com

E-MAIL ADDRESS

7/19/16

DATE SIGNED

**NOTE:** Return this Information Security Certification to the EDD Contract Manager with the signed copies of the Agreement.

**FOR EDD USE ONLY**

**5. Information Security Certification received by:**

EDD CONTRACT MANAGER NAME

DATE RECEIVED

**6. EDD information asset access approved by:**

CONTRACT MANAGER OR DISCLOSURE COORDINATOR

DATE APPROVED (AFF, E-MAIL, ETC.)

**NOTE:** The EDD must have a signed "Information Security Certification" in its possession prior to disclosure of any personal, confidential, or sensitive information to Economic Development Results, LLC.