

# ASSOCIATION OF BAY AREA GOVERNMENTS

Representing City and County Governments of the San Francisco Bay Area



**ABAG**

Date: July 9, 2014

To: ABAG Executive Board

From: Miriam Chion  
Planning and Research Director

Subject: **Authorization to Execute a License Agreement with Regional Economic Models, Inc. (REMI), and to Accept Funds from Finance Authority for Non-Profits (FAN) for License Fees**

## Executive Summary

ABAG is mandated by the State to generate a forecast of the number of people, households and jobs in the Bay Area periodically. This forecast becomes a critical component of the decision support information underlying numerous public policy deliberations, most notably development and adoption of the Regional Transportation Plan (RTP) and Sustainable Communities Strategy (SCS).

Forecasting requires iterative analysis of the complex interaction of many demographic and economic variables. It is customary to use specialized modeling software to manage this complexity and the computational load. ABAG's Chief Economist reviewed the modeling software and forecasting methodologies employed by ABAG over the past three decades, as well as those currently in use by peer organizations. Based on this technical analysis and consultation with ABAG senior management as to cost-benefit trade-offs it was determined that the REMI model, developed by Regional Economic Models, Inc., would be most appropriate to support forecasting for the 2017 RTP/SCS.

The REMI modeling software and associated software support services are made available to users through a license agreement. The license fee for use of the four geographical modules required for ABAG's purposes is \$90,000. The software support services cost an additional \$20,000 for the first year. ABAG Executive Director submitted a request to the ABAG Finance Authority for Non-Profit Corporations (FAN) to cover these costs, and on June 4, 2014 the Executive Committee of FAN approved the request.

## Recommended Action

Authorization is requested for the Executive Director or designee to enter into a License Agreement with Regional Economic Models, Inc. in the amount of \$110,000 for software licenses and software support. Further, ratification is requested for the Executive Director or designee's acceptance of \$110,000 from FAN to cover this cost. A proposed resolution authorizing these actions is attached.

Attachment:  
Resolution No. 13-14