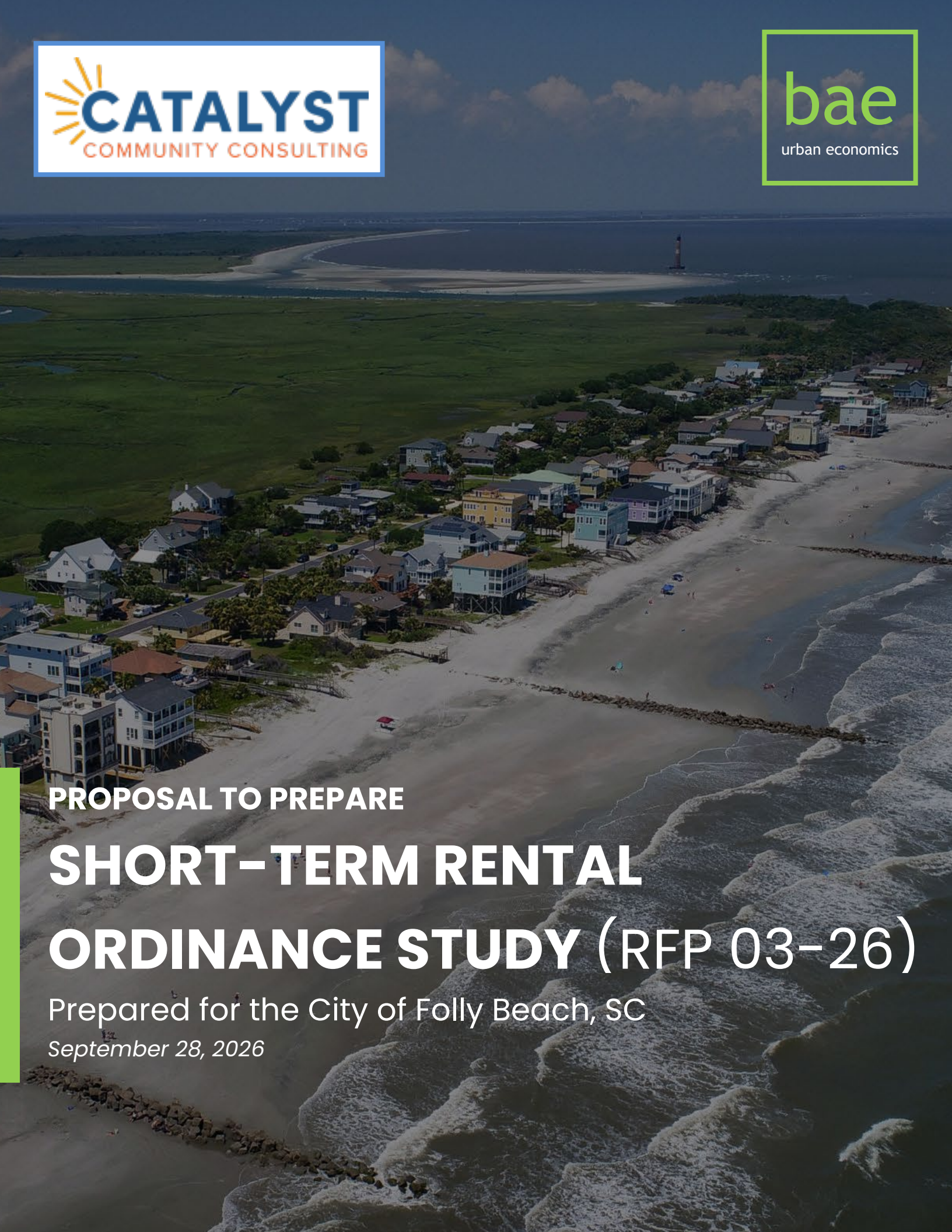


An aerial photograph of Folly Beach, South Carolina, showing a mix of residential buildings, green marshland, and the ocean with waves breaking on the shore. A lighthouse is visible in the distance across the water.

PROPOSAL TO PREPARE SHORT-TERM RENTAL ORDINANCE STUDY (RFP 03-26)

Prepared for the City of Folly Beach, SC

September 28, 2026

September 28, 2026

Aaron Pope
City Administrator
City of Folly Beach
21 Center Street
Folly Beach, SC 29439

Via email: apope@follybeach.gov

Dear Mr. Pope:

BAE Urban Economics, Inc. ("BAE") and Catalyst Community Consulting are pleased to submit this proposal to prepare the Folly Beach *Short-Term Rental Ordinance Study* (RFP 03-26).

Rather than asking whether short-term rentals affect the local housing market in the abstract, Folly Beach has an adopted cap with three years of operating history and six specific amendments on the table, and wants to know what the impacts and implications of each would be before Council takes action. That calls for a consultant who has done this work before in communities facing similar market influences and who can be candid and forthright about what the available data and resources can, and cannot, reasonably support.

BAE is one of the few firms in the nation that has quantified the relationship between short-term rental activity and long-term housing availability and pricing outside of an academic setting, and we have done it repeatedly in small, destination communities where the data are thin and the stakes are high. Our work in Mariposa County, eastern Placer County, the Town of Mammoth Lakes, Mono County, the City of Goleta, and the Town of Truckee has covered nearly every element of the scope described in RFP 03-26, including regulatory benchmarking against peer communities, estimation of the workforce housing demand induced by short-term rentals and other visitor accommodations, and the design of calibrated regulatory responses, and menus of policy approaches, for elected bodies choosing among options.

Having done this work repeatedly in other communities, we can also lend our experienced perspective regarding what this study can, and cannot, realistically deliver. Folly Beach is a city of roughly 2,100 residents on the periphery of a larger metropolitan area, where the data available to statistically isolate the effect of the Cap from concurrent regional and national market trends is likely to be extremely limited. The statistical methods that have been used, primarily in the academic literature, to quantify the impacts of short-term rentals on the availability and pricing of housing for full-time occupancy, and the associated impacts of discrete policy interventions, generally require data and resources that are likely to exceed

what is available for this research. Nevertheless, BAE has developed an approach that leverages findings from the academic research, coupled with analysis of local and regional data on housing market conditions and lodging industry trends, to effectively identify instances where short-term rental activity is likely to function (or not) as a significant driver of local market conditions, and to contextualize an analysis of the likely effects and tradeoffs associated with potential policy changes and market interventions.

If selected, I will serve as Principal-in-Charge and Project Manager for this assignment, will be the City's primary point of contact, and will personally conduct the majority of the analysis. I will be supported in part by Jacob Richey, who provided research support on our most recent short-term rental study, and by Sherry Okun-Rudnak, a Principal in our Atlanta office, as Special Project Advisor. Community and stakeholder engagement will be led by Tina Belge, MPA, AICP, Founder and Principal of Catalyst Community Consulting, a Greenville, South Carolina-based planning and housing-policy firm, who brings nearly two decades of housing policy and community engagement experience, and who has worked on short-term rental policy as a planning staff person, as a housing policy advocate, and as an elected official.

If you have any questions regarding our qualifications, experience, or proposed approach, please do not hesitate to contact me. I can be reached by phone at (530) 574-9285 or by email at aaronnousaine@bael.com.

Sincerely,

Aaron Nousaine

Aaron Nousaine

Principal, Lake Tahoe Region Office

BAE Urban Economics, Inc.

10266 Truckee Airport Road, Suite C

Truckee, CA 96161

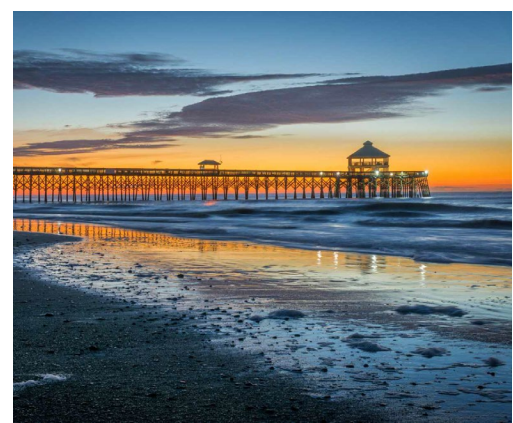


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INTRODUCTION

Data analysis and BAE's professional experience indicate that the primary driver of decreasing long-term housing availability and affordability in visitor-oriented markets like Folly Beach is demand for second homes, including those used as short-term rentals, seasonal lets, and personal vacation homes.

While communities have few tools to directly restrict non-resident purchases of existing homes, many are beginning to focus on factors that influence second home purchase and hold decisions, such as restrictions on short-term renting, in the hope that buyers may be deterred to other markets, or encouraged to open their properties up for full-time occupancy. One of the tools commonly considered by many communities is regulation of the number and use of short-term rentals (STRs). Nonetheless, STR regulation should also be considered within the context of broader affordable and workforce housing policy, and should be balanced alongside impacts to the broader overnight accommodations inventory (i.e., STRs and hotels/motels), which is a vital economic engine of many tourism-driven economies.

Effective STR regulation must also account for recent court rulings, both in South Carolina and nationally. For example, voters in South Lake Tahoe in California passed Measure T in 2018, which prohibited STRs in residential areas, unless the unit was owner-occupied. The California Court of Appeal ruled in 2023 that the owner occupancy requirement was illegal under the Dormant Commerce Clause of the U.S. Constitution, which prohibits differential treatment of in-state and out-of-state interests. Similarly, many jurisdictions have been challenged in court over issues ranging from the process through which STR regulations and fees were adopted, to the legal foundation of STR regulation in a jurisdiction's land use authority (an extension of its constitutional police powers) versus personal property rights.

The Consultant's Role

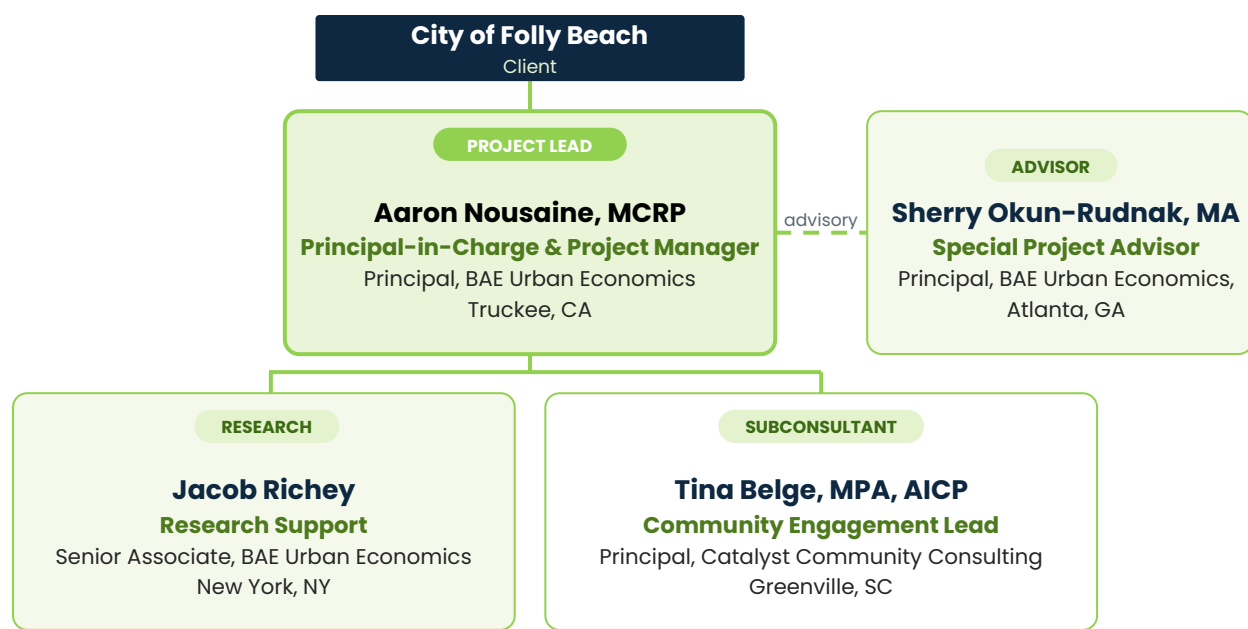
The City of Folly Beach is seeking a consultant to evaluate the current STR industry and to quantify the impacts of STR regulation not only on the local housing market (particularly the availability and affordability of housing for full-time residents), but also on the finances of license holders, the health of the local lodging market (a key economic driver), municipal revenues and service costs, and community livability and resident satisfaction. The consultant's role is to give the City, its decision makers, and the community, the best available information to thoughtfully weigh policy options and their anticipated impacts, balanced against the availability, quality, and cost associated with that information and establishing evidence of potential relationships. As described below, this proposal aims to strike a realistic balance between the desire for perfect information, the availability of high-quality data, and the cost associated with deploying more advanced statistical methods that, while more robust, often don't offer significantly different insights on key market drivers than can be achieved through the other less intensive approaches recommended here.

PROJECT TEAM QUALIFICATIONS

BAE is one of only a very small number of firms in the nation to have tackled these issues comprehensively. We have prepared groundbreaking research for destination communities in California and the Mountain West, and are negotiating similar work with policy makers on the island of Nantucket in Massachusetts. We have worked with clients to pioneer cutting-edge approaches that couple STR regulation with the provision of workforce housing, and developed an industry-leading methodology for estimating the workforce housing demand directly induced by new overnight tourist accommodations (i.e., new hotel or STR occupants spend money locally, creating jobs), and have prepared numerous hotel studies, including recently for the City of Novato and Napa County in California, and the City of Moab and Grand County in Utah, among others.

While we propose to lead this engagement out of BAE's Lake Tahoe Region Office in Truckee, California, which is the office responsible for the firm's short-term rental and destination community housing practice, we also bring significant local and regional expertise, with all senior staff proposed for this assignment having close ties to the area. Direct regional support will be provided from BAE's Atlanta office, with additional support staff based in New York City. Industry-leading community engagement expertise will be provided by BAE's subcontractor, Catalyst Community Consulting, who also brings significant experience with STR policy and decision making, from their office in Greenville, South Carolina.

Figure 1: Organizational Chart



BAE Urban Economics, Inc. (BAE)

BAE Urban Economics, Inc., is an award-winning, national urban economics and real estate consulting practice. Since 1986, we have completed more than 2,900 engagements for public agencies, non-profit organizations, financial institutions, and real estate developers.

All of our work is led by seasoned professionals, who are responsible for project direction and quality control. We have 15 staff across our offices serving the San Francisco Bay Area, Los Angeles, Sacramento, Washington D.C., and New York City regions. We also have staff based in the Lake Tahoe (CA), Atlanta (GA), and Portland (OR) regions. We intentionally seek to build a team that reflects the diversity of the communities we serve.

BAE offers a broad range of services focused on the nexus of market economics and feasibility and community-based planning. Some of our key practice areas include:

- Affordable and workforce housing needs
- Market and financial feasibility analyses
- Economic development and revitalization
- Public policy analysis and strategy development
- Public-private partnership (P3) structuring and negotiation support
- Sustainability and transit-oriented development (TOD)
- Public finance and infrastructure financing
- Fiscal impacts and economic benefits analyses

BAE's passion for the "triple bottom-line" of sustainable economics, community equity and social justice, and environmental sustainability makes us unique among urban economists. We believe that there are practical solutions to urban issues which will achieve this triple bottom-line, and that consideration of environmental impacts and social benefits, as well as financial returns, creates the best overall value and the highest quality outcomes for our clients and their communities.

Our company has practiced this same philosophy since our inception, with intentional investments in our staff and workplaces to foster creativity, collaboration, innovation, and a commitment to excellence in all we do. We empower staff to grow as independent professionals and subject area experts, while also developing the skills necessary to work collaboratively, recognizing each other's strengths and developing the synergy that only a firm of diverse team members can offer. BAE brings a similar approach to our clients, seeking to augment, enhance, and build internal capacity to help them better achieve their goals.

The BAE difference shows. We have earned more awards for excellence than any other firm in our field, and our clients have retained us repeatedly over our 40-year history.

For more information regarding our firm, please visit our website at www.baei.com.

Awards for Excellence

- 2026** **Stone Mountain PATH Project LCI**, Analysis and Planning Award, Georgia Chapter, ASLA
- 2025** **Napa RiverLine**, Award of Excellence, CalEd
- 2023** **Charlotte UDO Affordable Housing Bonus Program**, North Carolina State Chapter, APA
Antioch Commercial Infill Housing Program, Best Practices, Northern California, APA
- 2022** **Redondo Beach Artesia & Aviation Corridors Area Plan**, Economic Planning + Development Award, Los Angeles Section, APA
San Rafael General Plan 2040, Northern California Section, APA
- 2020** **Cache Creek Parkway Plan**, California State Chapter, APA
Long-Beach Civic Center P3, Project of the Year, Design-Build Institute of America (DBIA); Best Project, Government/Public Building. Southern California, Engineering New Record
- 2019** **Envision Stockton 2040 General Plan Update**, California State Chapter, APA
Brentwood Priority Area 1 Specific Plan, Northern California Section, APA
LA Affordable Housing Linkage Fee Ordinance, Los Angeles Section, APA
Santa Clara Valley Agricultural Plan, Governor's Environmental and Economic Leadership Award
NASA Research Park Housing, Best Public/Civic Project, Silicon Valley Business Journal
- 2018** **Sacramento Central City Specific Plan**, Northern California Section, APA
- 2016** **Downtown South San Francisco Specific Plan**, Northern California Section, APA
Long Beach Civic Center Master Plan, Southern California Section, APA
Vacaville General Plan Update, California State, APA
- 2015** **NASA/Google Moffett Airfield Lease**, *Best Public/Civic Project*, Silicon Valley Business Journal; *Real Property Innovation Award-Asset Management*, US General Services Administration
- 2014** **Oroville Arts, Cultural, and Entertainment District Plan**, Sacramento Valley Section, APA
- 2011** **Butte County General Plan Update**, Sacramento Valley Section, APA
- 2010** **West Broadway Urban Village Specific Plan**, Northern California Section, APA
Baltimore State Center, Charter Award, Congress for New Urbanism
- 2009** **Stewardship Council Land Conservation Plan**, Association of Environmental Professionals
- 2008** **Google Campus @ NASA Research Center**, Silicon Valley Business Journal Deal of the Year
San Leandro Downtown TOD Strategy, ABAG Growing Smarter Together
23rd Street Specific Plan, City of San Pablo, Northern California Section, APA
- 2007** **West Savannah Neighborhood Plan**, Georgia Chapter, APA
Early Care & Education for All Plan for Alameda County, Northern California Section, APA
- 2006** **Presidio Trust Management Plan**, ULI Award for Excellence
- 2005** **Coyote Valley Vision**, Charter Award, Congress for the New Urbanism
- 2004** **West Hyattsville TOD Strategy**, AASHTO Best Project of the Year
Golden Gate National Recreation Area Wireless Communications Facility Siting Guidelines, Real Property Innovation, US General Services Administration

* Excludes awards received prior to 2004.



Aaron Nousaine, MCRP

Principal-in-Charge

aaronnousaine@bael.com

Professional Experience

Aaron has more than 20 years of experience in affordable and workforce housing, revitalization/redevelopment, development advisory, and planning. As Principal, Aaron plays a key role in the day-to-day management of BAE's broad portfolio of consulting assignments. While Aaron conducts technical analyses across BAE's full range of services, he also specializes in the economics of destination communities, affordable and workforce housing policy and finance, economic development strategy, and economic and fiscal impacts analysis.

Aaron has led STR studies for destination communities ranging from mountain resort towns like Mammoth Lakes and Truckee, to rural gateway counties near Yosemite National Park, to the coastal City of Goleta near Santa Barbara. His STR work pairs a review of more than 50 academic and professional studies with local analysis of STR inventory and performance, seasonal vacancy and housing stock utilization, lodging market trends, and peer community regulations, culminating in tailored recommendations on permit caps, eligibility, density limits, enforcement, and program administration. Aaron pioneered a first-of-its-kind method for estimating the workforce housing demand induced by STR visitor spending, which has since been applied in communities across the nation. He has conducted detailed analysis of the finances associated with STR operation compared to long-term renting, and developed the valuation framework for the Town of Truckee's STR-Workforce Housing Token Program.

While based in California, Aaron attended graduate school at UNC Chapel Hill in Planning and Real Estate Economics and maintains close ties to friends and colleagues throughout the Carolinas.

Education

Master of City and Regional Planning,
University of North Carolina at Chapel Hill

Bachelor of Arts, Political Economy,
California State University, Monterey Bay

Example Projects

Short-Term Vacation Rental Study

City of Goleta, California

STVR and underused housing analysis
Housing Element program options

Short-Term Rental Study

Town of Mammoth Lakes, California

Induced workforce housing demand
Policy recommendations

Short-Term Rental Housing Study

Mono County, California

Literature review and economic analysis
Induced workforce housing demand
Policy recommendations

Short-Term Rental Study

Mariposa County, California

Peer community regulatory review
Lodging and housing market analysis
Ordinance recommendations

STR-Workforce Housing Token Program Valuation Study

Town of Truckee, California

STR token valuation pro formas
Induced workforce housing demand

Eastern County STR Economic Study

Placer County, California

STR inventory and housing trends
Lodging market impacts



Sherry Okun-Rudnak, MA

Principal

sherryokunrudnak@bae1.com

Professional Experience

Sherry Okun-Rudnak leads projects across BAE offices from her office in Atlanta. She specializes in providing practical real estate development advisory services, housing studies, economic development support, market studies, financial feasibility analyses, and economic impacts analyses to BAE's clients.

Sherry is leading BAE's assignment in updating the City of Smyrna, GA's demographic, economic, and real estate conditions in support of the Comprehensive Plan Update. As part of this work, BAE is conducting a detailed market analysis of the City and its subareas to identify economic development opportunities, as well as legacy residential and/or commercial communities that could be at risk of displacement.

She recently led a housing market analysis and anti-displacement strategy for the Stone Mountain PATH trail, near Atlanta, as part of an award-winning trail improvement project. She led the housing market analysis, needs assessment, and projections work that informed policymakers about appropriate anti-displacement strategies to support existing communities located along the trail.

Sherry also led BAE's economic analysis in support of the Riverbanks Land Use and Transportation Plan in Columbia, South Carolina, led BAE's efforts to create a new affordable housing disposition program for the Town of Wake Forest, NC, and helped tailor the City of Charlotte, NC's Affordable Housing Density Bonus program.

Sherry has lectured for the ULI Real Estate School and taught real estate economics and planning at the University of Southern California's Sol Price School of Policy Studies.

Education

Master of Arts, Economics, CSU Sacramento

Bachelor of Arts, Economics, Georgia State University

Example Projects

Stone Mountain PATH Project

DeKalb County, GA

Market Analysis; Housing Assessment; Anti-displacement Strategy; Implementation Strategy

Charlotte TOD Density Bonus

Charlotte, NC

Feasibility Analysis

Charlotte Silver Line Equitable TOD Strategy

Charlotte, NC

Financing Strategy

Riverbanks Land Use and Transportation Plan: Market Study and Housing Needs Assessment

Columbia, SC

Market Analysis; Housing Needs Assessment

Alexandria Duke Street Plan – Economic and Financial Feasibility Analysis

Alexandria, VA

Real Estate Market Analysis (Housing Focus); Economic and Financial Feasibility Analysis; Pro Forma Modeling

MARTA BRT Redevelopment Feasibility Analysis

Atlanta, GA

Pro Forma Feasibility Analysis; Feasibility Testing



Jacob Richey, MUP

Senior Associate

jacobrichey@bael.com

Professional Experience

Jacob Richey is a Senior Associate with BAE's Los Angeles office, who recently relocated to New York. He brings recent experience in short-term rental policy, real estate market research, pro forma financial feasibility analysis, demographic analysis, and GIS mapping.

Jacob served as the staff researcher for the City of Goleta STVR and underutilized housing study. Utilizing data from AirDNA, CoStar, and local TOT records, he investigated how STVRs are permitted in the City, devised a rough estimate of how many STVRs are currently operating, and described how STVRs function within the regional tourist accommodations market. After researching peer city STVR policies, Jacob and his colleagues recommended strategies for monitoring and addressing the impact of STVRs and underused housing on local housing availability.

Jacob worked with Villa Rica, Georgia, to conduct an analysis of local businesses that contributed to the Livable Centers Initiative Downtown Plan catalytic site analysis. He also played a key role in conducting demographic analysis for the DC Housing Authority's Langston Terrace Market Study. For LA Metro Joint Development Advisory Services, Jacob conducted interviews with the affordable housing finance community to help Metro assess the competitiveness of proposed developments near Duarte station.

Jacob holds a Bachelor of Arts in Government from Georgetown University in Washington, D.C., and is a Georgetown Entrepreneurship Fellow. He recently earned a Master of Urban Planning degree at the University of Southern California in Los Angeles, and is currently pursuing a Master of Business Administration at New York University.

Education

Master of Urban Planning, University of Southern California

Bachelor of Arts, Government, Georgetown University

Example Projects

Short-Term Vacation Rental and Underused Housing Stock Study

City of Goleta, CA

Lodging and housing market analysis;
Short-term vacation rental policy research

DC Housing Authority Langston Terrace Market Study

Washington, DC Housing Authority
Demographic Analysis, Market Study

Villa Rica Downtown Livable Centers Initiative (LCI) Plan

Villa Rica, GA

Housing Market Analysis, Economic
Development Analysis, GIS

High Cost of Affordable Housing Study

San Diego Housing Commission (SDHC)
Development cost analysis, Policy research,
LIHTC data collection

SCAG/Metrolink Station Area Housing Development Implementation Plan

Southern California Assoc. of Governments (SCAG)

Market Study and Financial Feasibility

LA Metro Joint Development Advisory Services

LA Metro

Developer Outreach and Proposal Advisory

Relevant Project Experience

The following is a selection of recent projects that included elements that are relevant to the work requested by the City of Folly Beach.

Short-Term Rental Impacts Analyses

Town of Mammoth Lakes and Mono County, CA

The Town of Mammoth Lakes and Mono County each separately retained BAE to analyze the state of the STR market in their jurisdiction and to assess relationships between STR activity and local housing market conditions, building on methods developed by BAE in other peer markets.

The foundation for BAE's approach was an extensive review of contemporary academic literature on the impact of STRs on the availability and pricing of housing for full-time occupancy. While much of the literature focused on large international destinations – like Seattle, San Francisco, New York, Madrid, and London – an effort was made to identify studies reflecting non-urban environments, including professional literature on STR impacts in communities throughout the Mountain West. Key findings from the review then framed BAE's interpretation of quantitative and qualitative market data for the Town and unincorporated Mono County.

Key findings included a determination that the concentration of STRs in Mammoth Lakes likely contributes to acute second home demand in that market, whereas the relatively small numbers of STRs in unincorporated Mono County are unlikely to be sufficient to substantively drive that market. Recognizing these dynamics, BAE offered recommendations for improving the existing regulatory framework and administration within each jurisdiction.



SERVICES PROVIDED

- Academic Literature Review
- STR and Housing Market Analysis
- Policy/Ordinance Recommendations

REFERENCES

Nolan Bobroff
Community Development Director
Town of Mammoth Lakes
(760) 965-3631
nbobroff@townofmammothlakes.ca.gov

Wendy Sugimura
Community Development Director
Mono County
(760) 924-1814
wsugimura@mono.ca.gov

KEY STAFF

Aaron Nousaine, MCRP, Principal

PROJECT DURATION

September 2023 – February 2024

WEB LINK

[Mammoth Lakes STR Study](#)
[Mono County STR Study](#)

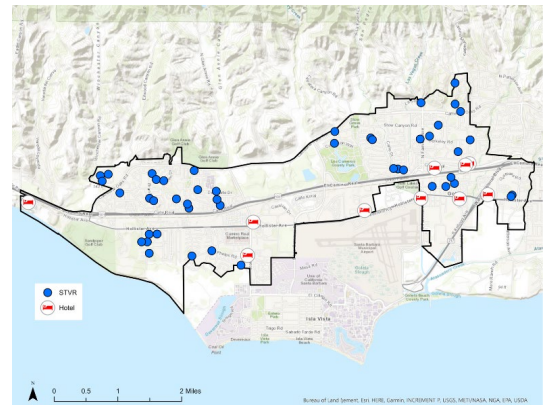
Short-Term Vacation Rental and Underused Housing Stock Study

City of Goleta, CA

The City of Goleta, near Santa Barbara, retained BAE to prepare a Short-Term Vacation Rental (STVR) and Underused Housing Stock Study supporting implementation of Programs 1.7 and 1.8 of the City's Sixth Cycle Housing Element. The Study asked whether evidence points to a significant decrease in the amount of housing that is available for full-time occupancy due to increased STVR activity, the extent to which Goleta's housing stock serves purposes other than primary residency, and what policies and programs comparable jurisdictions are using to try to preserve the relative availability and cost of housing for full-time occupancy.

BAE paired City permit and transient occupancy tax (TOT) records with AirDNA (a private data vendor) listing data from September 2021 through August 2024, with Census and American Community Survey (ACS) housing data, and CoStar (a private data vendor) lodging and multifamily market data. The analysis identified 51 active STVR permits as of August 2024 and found just 0.7 percent of Goleta's housing stock classified as seasonal, well below the 2.5 and 2.6 percent shares in the City and County of Santa Barbara. Nearly a quarter of listings were private rooms rather than entire units, and 54 percent were available 90 nights or fewer per year. Testing the impact more directly, BAE found that Goleta's functional vacancy rate averaged 2.2 percent between 2018 and 2022, which is indicative of a highly constrained market, but that it would be likely to rise to only 2.6 percent if all permitted STVR units returned to the long-term housing market, or 3.0 percent if all 56 pending permits were also denied. Due to the modest volume of STVR activity relative to the housing market, BAE determined that the primary driver of housing consumption is more likely to be second home demand at large.

BAE also reviewed STR regulations in 17 peer communities and offered 20 recommendations for STVR regulation in Goleta, spanning administrative and data collection updates, permit eligibility and enforcement, caps on the number and type of STVRs, geographic targeting and density limits, and measures intended to address other forms of underused housing.



SERVICES PROVIDED

- STVR Market and Permit Analysis
- Housing Utilization Analysis
- Peer Community Policy Review
- Induced Housing Demand Analysis
- Policy Recommendations

REFERENCE

Anne Wells
Planning Manager
awells@cityofgoleta.gov
805-961-7557

KEY STAFF

Aaron Nousaine, MCRP, Principal
Aaron Barker, MPL, Associate Principal

PROJECT DURATION

2024 – 2026

WEB LINK

[Goleta STVR and Underused Housing](#)

Short-Term Rental Housing Token Program Valuation Study

Town of Truckee, CA

The Town of Truckee (Town) retained BAE in late 2022 to prepare an economic analysis supporting a newly proposed workforce housing program, the STR-Workforce Housing Token Program (Token Program), which lets STR owners and operators secure additional STR permits in exchange for workforce housing.

The Token Program works in conjunction with the Town's newly updated STR ordinance, which caps the number of permitted STR units in Truckee, and the Truckee Home Access Program (THAP), which manages an inventory of deed-restricted housing units, with the units limited to occupancy by persons employed in the region. Principal Aaron Nousaine, MCRP, served on the committee that informed the STR ordinance and developed the THAP guidelines in his capacity as an economics consultant to the Town.

The Town asked BAE to identify how many additional STR permits would need to be issued to offset the net cost of providing deed-restricted workforce housing. BAE prepared a set of detailed pro forma financial models based on interviews with property managers, with data on STR revenue provided by the Town.

Given the non-homogeneous nature of the regional short- and long-term rental markets, the diversity of factors influencing a property owner's rental decisions, and the relative profitability of each option, BAE did not recommend a single exchange ratio. BAE instead presented a range of ratios across an array of housing types, with differing assumptions regarding level of service, and whether the owner holds a mortgage. Due to this complexity, BAE ultimately recommended a reverse auction format for token distribution rather than a single ratio applied to all applicants.

As a supplemental task, the Town requested an analysis of how many STRs generate demand for one new workforce housing unit through induced visitor spending — a first-of-its-kind methodology. Recognizing the complexities of establishing the token program as envisioned, BAE also recommended a workforce housing linkage fee for permitted STR units, calibrated using those induced demand estimates.



SERVICES PROVIDED

- Financial Pro Forma Modeling
- Token Valuation Framework
- Induced Housing Demand Analysis
- Program Design Recommendations

REFERENCE

Hilary Hobbs
Assistant to the Town Manager
Town of Truckee
(530) 582-2914

KEY STAFF

Aaron Nousaine, MCRP, Principal

PROJECT DURATION

September to November 2022

WEB LINK

[Truckee STR Token Program](#)

Catalyst Community Consulting, Inc.



Catalyst Community Consulting, Inc. (Catalyst) is a Greenville, South Carolina-based planning and housing-policy firm serving local governments, nonprofits, and development partners. Founded by Tina Belge, MPA, AICP, the firm's practice sits at the intersection of housing affordability, land-use regulation, public funding, community engagement, and implementation.

Catalyst's key practice areas include:

- Housing action plans and housing elements
- Municipal housing impact analyses
- Zoning and UDO reform, including missing-middle housing and ADUs
- Development feasibility studies and implementation tools
- Public funding, tax-abatement, and affordable-housing incentive policy
- Community engagement and facilitation

Selected government clients include the City of Greenville, Georgetown County, Marion County, the Greenville County Human Relations Commission, and the City of Hartsville, as well as numerous smaller communities throughout the Carolinas.

Tina Belge, MPA, AICP – Founder and Principal



Tina brings nearly two decades of public-sector, nonprofit, and consulting experience in housing policy, redevelopment, long-range planning, zoning reform, and community engagement. Her career includes service with the Greenville County Redevelopment Authority, Greenville County, and the Greenville Housing Fund, followed by the launch of Catalyst three years ago. Tina also serves as an at-large member of the Greenville City Council, where she contributes to housing, land use, and community development policy, giving her direct experience translating housing recommendations into practical municipal action.

Education and Credentials

Master of Public Administration (Community and Economic Development), University of North Carolina at Chapel Hill; AICP Certified Planner

A 360-Degree Perspective on Short-Term Rentals

Tina has engaged with STR issues from three distinct vantage points:

- **As planning staff:** managed STR activity when it was largely unregulated, addressing land-use conflicts, neighborhood complaints, and permitting ambiguity.
- **As a housing fund policy advocate:** supported STR regulations to protect long-term housing supply, affordability, and neighborhood stability.
- **As an elected official:** regularly navigates STR policy directly, balancing resident concerns, tourism impacts, enforcement realities, and municipal implementation.

This progression gives Tina a well-rounded understanding of STR dynamics, from operational challenges and regulatory gaps to housing market impacts and political feasibility.

Role on the Project

Tina will serve as the Community and Stakeholder Engagement Lead, personally leading key stakeholder interviews, community workshops, and Council presentations, and contributing to policy analysis. She will remain engaged throughout the assignment rather than delegating to junior staff.

For more information, visit www.catalyst-cc.org or contact Tina at tina@catalyst-cc.org.



SCOPE OF WORK

The request for proposals (RFP 03-26) issued by the City of Folly Beach describes a scope of work that is contingent upon a pre-study work session with the City Council. As such, the following proposed scope of work includes five baseline tasks covering the pre- and post-study work sessions with the City Council. Recognizing that the policy scenarios, data sources, and methods will be negotiated during the pre-study work session, the scope of work described here includes a series of optional tasks that exemplify the types of research that BAE has completed on this subject for other communities, and a level of analytical rigor that is both reasonable and realistic given the likely availability of data on the market.

Task 1. Staff Kickoff Meeting

To kick off the project, the BAE team will participate in a virtual meeting with City staff to discuss the scope of work, budget, and schedule. The City will provide an overview of the existing policy framework, noting aspects that are working well, ways the policy is falling short, known issues, like the owner occupancy requirement and associated legal considerations, that will need to be addressed, and a summary of the amendment scenarios that staff believe are most likely to be requested by the City Council during the pre-study work session. Potential amendment topics may include, but will not be limited to:

- Removal of the owner occupancy requirement;
- Substitution of hosted-rental requirements in place of owner occupancy;
- Leaving the existing cap in place;
- Allowing 72-day rentals for all properties;
- Exempting multifamily and/or commercially zoned properties from the cap;
- Allowing ISTR licenses to remain in effect after replacement of currently licensed units;
- Allowing ISTR licenses to transfer upon sale, transfer to family members, or transfer through inheritance; and
- Broadening the hardship exceptions to create new hardship license opportunities.

BAE will request available data and relevant background materials from the City, such as historical data on the number of STR permits issued, as well as the date permitted, reported availability, occupancy, and tax remittances by certificate or permit number. At project kickoff, the consultant team will also coordinate with City staff and legal counsel to confirm details of the current regulatory framework, recent ordinance changes, pending legal matters, and any constraints that should inform the study design, evaluation criteria, and public engagement process.

Deliverables: Meeting with City staff; information request.

Task 2. Pre-Study City Council Work Session

In preparation for the pre-study work session, Catalyst will review and synthesize existing public input materials, including public meeting minutes, written comments, City Council discussions, staff memoranda, and other relevant project records. The synthesis will identify key themes, concerns, and areas of consensus or disagreement; connect those issues to the proposed amendment scenarios and evaluation framework; and identify information gaps that warrant additional engagement. Findings will inform the design of stakeholder outreach and focus groups so participants can see how prior input is being incorporated into the study.

The BAE team, including staff from both BAE and Catalyst, will attend and facilitate a work session with the City Council to reach a common understanding of the proposed ordinance amendments being analyzed and the metrics that will be used to evaluate them. In preparation, BAE will review the City's existing STR ordinance, the background materials and data collected under Task 1, and any prior Council discussion of up to six amendment areas, based on those identified in the RFP. To better understand Council's intent before the work session, Catalyst Community Consulting will conduct brief one-on-one interviews with individual Councilmembers.

Based on this input, BAE will prepare a work session packet for distribution with the Council agenda. The packet will include:

- Draft descriptions for up to six amendment areas, including up to two alternative scenarios per area (up to 18 in total) where Council has expressed interest;
- Draft definitions associated with key terms relevant to the six impact areas, including 1) housing market, 2) license holder finances, 3) long-term rentals and legal residences, 4) municipal revenues and costs, 5) local business revenue, and 6) neighborhood livability and resident satisfaction;
- A matrix illustrating the data types and information sources that can speak to each impact area, such as City STR license and transient occupancy tax (TOT) records, Charleston County Assessor data on legal residence (4 percent) assessments, third-party STR market data (e.g., AirDNA, Rentalscape), U.S. Census Bureau data, Dean Runyan economic impacts of travel reports, and resident and business survey data, along with notes on data availability, cost, and other limitations.

BAE and Catalyst will attend the work session in person to present the packet, facilitate discussion, and document Council direction. The purpose of the work session will be to achieve a mutually agreed-upon understanding of what quantitative and qualitative analysis is both reasonable and realistic given the information that is most likely to be available. This will include an in-depth discussion of the methods that the BAE team proposes to use to help contextualize ordinance impacts against broader market trends. Where needed, the BAE team can and will highlight the ways in which we have conducted similar research in other communities. Following the work session, BAE will prepare a work session summary memorandum documenting outcomes and any required changes to the

initial scope of work and/or budget. Upon receipt of one consolidated set of comments from City staff, BAE will finalize the memorandum, which will serve as the basis for the remaining work.

Deliverables: Councilmember interview summary; synthesis of prior public input; work session packet; in-person work session facilitation; work session summary memorandum (draft and final).

Task 3. Literature Review on Impacts to Housing and Lodging Markets (OPTIONAL)

This optional task leverages research previously conducted by BAE regarding the current empirical research on relationships between the prevalence of STRs and long-term housing availability and pricing, both rental and for-sale. The resulting literature review will then function as the main empirical foundation for the evaluation of likely impacts of proposed amendment options on the housing market and the lodging industry. Under this task, BAE will update the literature review most recently completed for the City of Goleta, California, reviewing up to 10 additional peer-reviewed academic publications and professional research reports to provide an updated perspective based on the most up-to-date research. BAE will then prepare updated tables and a written narrative summarizing the key findings from the literature review for inclusion in the draft research report.

Deliverables: Draft and final report section.

Task 4. Housing Market Existing Conditions Assessment (OPTIONAL)

Under this task, BAE will prepare an assessment of current housing market conditions and trends in Folly Beach and Charleston County to establish a baseline against which the potential impacts of the proposed amendment scenarios can be assessed. The existing conditions assessment will include the following key components:

- **Housing Stock Characteristics:** Using data from the U.S. Census Bureau's Decennial Census and American Community Survey (ACS), BAE will identify the number of housing units by type, as well as change over time. This will provide a base of information regarding the types of housing units that are available in the market, as well as the rate at which the housing inventory has changed over time.
- **Housing Stock Utilization:** BAE will estimate the share of the housing stock that is occupied by full-time residents, available for rent or sale, held vacant for seasonal, recreational, or occasional use, or licensed as an STR, and will calculate the functional vacancy rate (i.e., the share of units actually available for full-time occupancy). BAE will also map concentrations of seasonally vacant housing at the Census Block level and, to the extent possible based on City permit records, will plot STR concentrations.
- **Legal Residence Trends:** BAE will analyze Charleston County Assessor data on properties receiving the four percent legal residence assessment ratio to track

changes in the number and share of units claimed as primary residences, both overall and for properties that have sold in recent years.

- **Workforce Availability and Commuting Patterns:** BAE will collect available information from the Bureau of Labor Statistics (BLS) regarding labor force availability in Charleston County, as well as information on workforce commuting patterns from the ACS and the U.S. Census Bureau's Longitudinal Employment-Household Dynamics (LEHD) OnTheMap data tool, unless more reliable figures can be acquired from the Berkeley-Charleston-Dorchester Council of Governments (BCDCOG) based on data used to calibrate the regional transportation model.
- **For-Sale Housing Prices:** Using data from the Charleston County Assessor and ListSource, a private data vendor, BAE will evaluate trends in sales volumes, median and average sales prices, and prices per square foot for single-family and condominium units by unit size, differentiating between properties with and without STR licenses to the extent the data allow.
- **Rental Housing Prices:** BAE will collect information from CoStar, a private data vendor, on rental rates, occupancy, and vacancy at larger multifamily rental housing complexes in Folly Beach and Charleston County. Recognizing the limited number of such complexes, particularly in Folly Beach, BAE will conduct primary research to compile a list of private rental listings, and will conduct up to three interviews with local property managers to inform a better understanding of local market dynamics.
- **Housing Affordability:** BAE will calculate affordable home purchase prices and rents by household size and income level, based on HUD income limits for the Charleston area, and will compare these to prevailing market prices and rents. BAE will also summarize HUD data on the prevalence of high housing cost burdens and other housing problems among area households to highlight the extent to which full-time residents may be struggling to afford and/or secure adequate housing.

Deliverables: Draft and final report section.

Task 5. Review Trends in STR and Hotel Inventory, Occupancy, and Pricing **(OPTIONAL)**

BAE will review the available TOT certificate and STR permit data provided by the City to assess changes in the number of active STRs and hotel/motel rooms in the market (to the extent practicable based on the available data). To augment data provided by the City of Folly Beach, such as information from Rentalscape, BAE will also collect information available through AirDNA – a private data vendor that provides critical market data based on web-scraped data from rental listings published through Airbnb and VRBO – and from CoStar – a private data vendor focused on real estate market information that now provides information on the hotel/motel industry following its acquisition of Smith Travel Research (also known by the acronym STR) in 2019. In addition to identifying the number of units, BAE will also evaluate the unit type (STR, hotel/motel, bed and breakfast, etc.), unit size (e.g., number of bedrooms), average daily rate (ADR), and occupancy characteristics to the extent possible based on the

available data. BAE will also compare the number of known STRs and hotel/motel rooms in the market with the estimated trend in tourist visitation over time based on information from the Charleston Area Convention and Visitors Bureau (Explore Charleston).

Deliverables: Draft and final report section.

Task 6. Illustrative Pro Forma Analysis of STR and Long-Term Rental Operations **(OPTIONAL)**

To illustrate the range of financial positions in which STR license holders and long-term rental property owners may find themselves, BAE will prepare simplified annual operating pro formas for four prototypical Folly Beach properties: two STRs (e.g., an average professionally managed unit and a higher-end unit offering a greater level of guest services) and two long-term rentals (e.g., a single-family home and a condominium or small multifamily unit). Drawing on the STR data compiled under Task 5, recent sales and market rent data from Task 4, and interviews with up to five local property managers, each pro forma will estimate gross rental revenue (based on average daily rate and occupancy for STRs, and monthly rents for long-term rentals), operating expenses, property management fees, property taxes, and applicable accommodations taxes and license fees, and will calculate net operating income (NOI) as a share of gross income and an estimated return on asset value.

Because the financial position of any given owner depends heavily on factors such as when and at what price the property was acquired, and how it is financed, BAE will test each prototype under a range of ownership scenarios, including a recent purchase at full market value with a conventional mortgage and an owner holding little or no debt. The analysis is intended to illustrate the diversity of outcomes across owners and operators, and the resulting difficulty of forecasting the effect of any particular regulatory change on property owner finances, rather than to predict impacts on individual properties. Findings will inform the assessment of impacts on the financial position of license holders under Task 9.

Deliverables: Draft and final report section, including pro forma worksheets.

Task 7. Estimate Visitor Spending and Induced Housing Demand **(OPTIONAL)**

To estimate the value of STRs to the local economy, as well as the extent to which creation of new STR units results in the creation of new workforce housing demand, BAE will collect data from the Economic Impacts of Travel: South Carolina report prepared by Dean Runyan and published by the South Carolina Department of Parks, Recreation, and Tourism, and will calculate a county-specific visitor spending-jobs multiplier.¹ Using this multiplier value, BAE will then estimate the number of jobs supported based on visitor spending originating from persons staying overnight in hotel, motel, or vacation rental accommodations. Based on the

¹ Dean Runyan and Associates. (March 2026) Economic Impact of Travel: South Carolina 2025. Columbia, SC: South Carolina Department of Parks, Recreation, and Tourism. Available at: <https://www.scprt.com/yearly-infrequent-reports>

total number of overnight stays in hotel, motel, and vacation rental units in Folly Beach, BAE will then calculate the average number of visitor nights per job supported. BAE will then apply the nights per job multiplier to the average STR occupancy in Folly Beach to estimate the number of STR units required to support one full-time equivalent job. BAE will then leverage data from the U.S. Census Bureau's Public Use Microdata Sample (PUMS) dataset to calculate the average number of workers per resident workforce household and will calculate the number of STRs needed to generate demand for one new workforce housing unit. As part of this process, BAE will also calculate the total estimated visitor spending resulting from overnight stays in STR units and will estimate the indirect and induced economic output and employment that results based on data from Dean Runyan.

Deliverables: Draft and final report section.

Task 8. Conduct Focus Groups with Local Stakeholder Groups (OPTIONAL)

Catalyst will build on the City's prior engagement to identify potential participants, including Save Folly's Future and the Folly Association of Business and representatives of year-round residents, long-term renters, short-term rental (STR) owners and managers, waitlisted property owners, and local businesses. Outreach will be informed by the synthesis of prior public input under Task 2, and will focus on filling participation gaps and testing issues raised through earlier engagement efforts. The City of Folly Beach will be responsible for securing a location to host the focus group sessions and for providing modest refreshments. Catalyst Community Consulting will work with City staff to identify stakeholders to be invited to participate. Catalyst and BAE will work with City staff to identify the stakeholder categories that each of the three focus group sessions should focus on, with an initial recommendation based on prior experience including 1) lodging and STR industry representatives, property owners and managers, 2) affordable and workforce housing providers and advocates, and 3) members of the community impacted by STR activity. Catalyst will prepare a discussion guide for each session, drawing on the amendment scenarios and impact areas confirmed under Task 2, to gather participants' perspectives on how the proposed amendments could affect their operations, housing needs, and quality of life. Each session is expected to last approximately 90 minutes. Following the sessions, Catalyst will prepare a brief memorandum summarizing key themes and findings, which BAE will use to help interpret the quantitative analysis and will incorporate into the summary report. The current budget for this task assumes that the focus groups will be facilitated by Catalyst alone, with participation by BAE staff possible either virtually or in person at additional cost.

Deliverables: Focus group discussion guides; facilitation of three in-person focus groups; focus group summary memorandum.

Task 9. Technical Assessment of Select Amendment Options

Based on the information collected under Tasks 3 through 8, BAE will assess the anticipated impacts of each of the selected amendment options (up to 18 in total) against the requested impact areas. Recognizing the significant challenges presented by the availability of data

and the cost associated with deployment of quantitative methods, such as statistical regression and hedonic pricing analysis, the analysis performed under this task will be primarily qualitative in nature, but will refer to the quantitative market data collected under prior tasks to contextualize the anticipated impacts under real-world market conditions.

For each amendment option, BAE will describe the mechanisms through which the change would be expected to affect each impact area, such as changes in the number of licensed STRs, the share of units available for long-term occupancy or claimed as legal residences, license holder revenues, accommodations tax and license fee revenues, and demand for municipal services. Where the available data and budget allow, BAE will, at its own discretion, prepare rough order-of-magnitude estimates of these effects (e.g., the potential number of units affected or the range of potential revenue changes), drawing on the STR inventory, housing market, and visitor spending data compiled under prior tasks, as well as outcomes documented in peer communities. Findings from the focus groups conducted under Task 8 will inform the assessment of impacts on neighborhood livability and resident satisfaction.

BAE will summarize the results in an impact matrix that rates the anticipated direction (positive, negative, or neutral) and relative magnitude (low, medium, high) of each option's impact on each impact area, along with the level of confidence (low, medium, high) in each rating given the available evidence. BAE will then prepare a preliminary ranking of the amendment options, along with recommendations for implementation, for discussion with City staff prior to the post-study work session. To support implementation, BAE will also review elements of STR regulations in up to five peer communities and identify example policy language relevant to the highest-ranked amendment option(s).

Deliverables: Draft and final technical memorandum, including the impact matrix and preliminary ranking of amendment options.

Task 10. Post-Study City Council Work Session

Upon completion of the technical analysis, the BAE team will facilitate a second work session with the City Council to present the study findings and support Council deliberation on the proposed ordinance amendments. In preparation, BAE will prepare a presentation and briefing materials summarizing the estimated impacts of each amendment scenario across the impact areas defined under Task 2, along with key findings from the focus groups conducted under Task 7. BAE will present a comparative ranking of the amendment scenarios, highlighting trade-offs among the impact areas and noting any limitations in the available data. BAE and Catalyst will attend the work session in person to present the findings, answer questions, and document Council direction on a preferred set of amendments. Following the work session, BAE will prepare a brief memorandum summarizing Council direction, which will inform the final summary report.

Deliverables: Work session packet; in-person work session facilitation; work session summary memorandum (draft and final).

Task 11. Prepare Summary Report

Upon completion of all prior tasks, BAE will prepare a concise report summarizing the market research completed under the optional tasks (as authorized), the findings from the focus groups, and the technical assessment of the amendment options, including the impact matrix and ranking, and will reflect the Council direction received during the post-study work session. Upon completion of the draft, BAE will participate in one virtual meeting with City staff to discuss the report. Upon receipt of one consolidated set of comments, BAE will revise the document and provide a final report. At the City's request, staff from both BAE and Catalyst will be available in person to present the report at one City Council meeting.

Deliverables: Draft and final summary report.



COST PROPOSAL

The BAE team proposes to complete the above scope of work on a fixed-fee, not-to-exceed basis, for a total cost of \$30,520 excluding optional tasks, or \$55,850 including optional tasks, as shown in Table 1 on page 22.

If the City requests modification to the scope of work, for example following the Task 2 pre-study City Council work session, the City and the BAE team would need to execute a contract and scope amendment. Alternatively, the City is welcome to initially authorize the baseline scope of work only, with authorization of any potential optional tasks being subject to negotiation and later contract amendment.

The hourly rates reported in Table 1 are subject to revision on or after January 1, 2027. Miscellaneous expenses, such as data purchases and travel are passed through to the client with no markup.

PROPOSED PROJECT SCHEDULE

The City's RFP requests a very tight turnaround for the desired analysis. Completion of the proposed scope of work within the desired timeframe is achievable due to BAE's significant experience conducting comparable analyses, but will be contingent upon timely coordination by City staff and participation by elected officials and stakeholders.

Figure 2, on page 23, illustrates the BAE team's proposed approach, assuming execution of the proposed scope of work, including optional tasks. Further adjustment of the scope of work following the pre-study City Council work session may impact the ability of the consultant team to deliver the research in a timely manner in line with the February deadline. Note that BAE interpreted the intended completion date for the research to be February 28, where the RFP requested the final presentation no later than February 29 which does not occur in 2027 (a non-leap year; the next occurrence is in 2028).

To the extent possible, the proposed schedule assumes the prompt authorization of the proposed optional tasks, as well as concurrent research and analysis across multiple tasks.

Table 1: Proposed Budget – City of Folly Beach Short-Term Rental Ordinance Study

Task	Catalyst Community		BAE Urban Economics				Combined Total
	Belge (Principal)	Subtotal	Nousaine (Principal)	Rudnak (Principal)	Richey (Associate)	Subtotal	
<i>hourly rates</i>	\$185		\$320	\$350	\$180		
Task 1 – Staff Kickoff Meeting	2	\$370	2	1	0	\$990	\$1,360
Task 2 – Pre-Study City Council Work Session	22	\$4,070	13	1	0	\$4,510	\$8,580
2a – Councilmember Interviews and Synthesis of Prior Public Input	8	\$1,480	1	0	0	\$320	\$1,800
2b – Ordinance/Background Review and Work Session Packet	4	\$740	6	1	0	\$2,270	\$3,010
2c – In-Person Work Session Facilitation (incl. travel)	6	\$1,110	4	0	0	\$1,280	\$2,390
2d – Work Session Summary Memorandum (Draft and Final)	4	\$740	2	0	0	\$640	\$1,380
Task 3 – Literature Review on Housing and Lodging Market Impacts (Optional)	0	\$0	8	0	0	\$2,560	\$2,560
Task 4 – Housing Market Existing Conditions Assessment (Optional)	0	\$0	6	0	22	\$5,880	\$5,880
Task 5 – STR and Hotel Inventory, Occupancy, and Pricing Trends (Optional)	0	\$0	6	0	12	\$4,080	\$4,080
Task 6 – Illustrative STR and Long-Term Rental Pro Formas (Optional)	0	\$0	8	0	8	\$4,000	\$4,000
Task 7 – Visitor Spending and Induced Housing Demand (Optional)	0	\$0	4	0	0	\$1,280	\$1,280
Task 8 – Focus Groups with Local Stakeholder Groups (Optional)	18	\$3,330	9	0	0	\$2,880	\$6,210
8a – Participant Outreach and Discussion Guides	4	\$740	1	0	0	\$320	\$1,060
8b – Facilitation of Three In-Person Focus Groups	8	\$1,480	6	0	0	\$1,920	\$3,400
8c – Focus Group Summary Memorandum	6	\$1,110	2	0	0	\$640	\$1,750
Task 9 – Technical Assessment of Select Amendment Options	4	\$740	22	0	0	\$7,040	\$7,780
9a – Impact Assessment of Amendment Options (up to 18)	2	\$370	16	0	0	\$5,120	\$5,490
9b – Impact Matrix, Preliminary Ranking, and Technical Memo	2	\$370	6	0	0	\$1,920	\$2,290
Task 10 – Post-Study City Council Work Session	9	\$1,665	9	0	0	\$2,880	\$4,545
10a – Presentation and Briefing Materials	2	\$370	2	0	0	\$640	\$1,010
10b – In-Person Work Session Facilitation (incl. travel)	6	\$1,110	6	0	0	\$1,920	\$3,030
10c – Council Direction Summary Memorandum	1	\$185	1	0	0	\$320	\$505
Task 11 – Summary Report	7	\$1,295	18	0	0	\$5,760	\$7,055
11a – Draft Summary Report	2	\$370	8	0	0	\$2,560	\$2,930
11b – Staff Review Meeting and Final Report	1	\$185	4	0	0	\$1,280	\$1,465
11c – City Council Presentation (In Person, at City Request)	4	\$740	6	0	0	\$1,920	\$2,660
Total Hours, Including Optional Tasks	62	62	105	2	42	149	211
Reimbursable Expenses (Travel, Data Purchase; see Expense Detail)		\$460				\$3,910	\$4,370
Air Fair (\$600 per round trip)		\$0				\$1,200	\$1,200
Hotel Stays (\$200 per person/night)		\$400				\$800	\$1,200
Staff Per Diem (\$30 per person/day)		\$60				\$60	\$120
AirDNA Vendor Charge		\$0				\$250	\$250
CoStar Vendor Charge		\$0				\$1,500	\$1,500
CoreLogic / ListSource Vendor Charge		\$0				\$100	\$100
Base Scope Total (Tasks 1, 2, 9–11)	\$8,140	\$8,140	\$20,480	\$700	\$0	\$22,380	\$30,520
Optional Tasks Total (Tasks 3–8)	\$3,330	\$3,790	\$13,120	\$0	\$7,560	\$21,540	\$25,330
Total, Including All Optional Tasks	\$11,470	\$11,930	\$33,600	\$700	\$7,560	\$43,920	\$55,850

Figure 2: Proposed Schedule – City of Folly Beach Short-Term Rental Ordinance Study

Task				Nov					Dec				Jan			Feb			
				1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
				11/2	11/9	11/16	11/23	11/30	12/7	12/14	12/21	12/28	1/4	1/11	1/18	1/25	2/1	2/8	2/15
Week beginning (Monday)	Scope	Start Wk	Dur (Wks)																
Task 1 – Staff Kickoff Meeting	Base	1	1																
Task 2 – Pre-Study City Council Work Session	Base	2	5																
2a – Councilmember Interviews and Synthesis of Prior Public Input	Base	2	2																
2b – Ordinance/Background Review and Work Session Packet	Base	2	2																
2c – In-Person Work Session Facilitation	Base	4	1																
2d – Work Session Summary Memorandum (Draft and Final)	Base	5	1																
Task 3 – Literature Review on Housing and Lodging Market Impacts (Optional)	Optional	2	2																
Task 4 – Housing Market Existing Conditions Assessment (Optional)	Optional	2	4																
4a – Housing Stock Characteristics and Utilization (incl. Mapping)	Optional	2	2																
4b – Legal Residence Trends, Workforce, and Commuting Patterns	Optional	2	3																
4c – For-Sale and Rental Housing Prices (incl. 3 PM Interviews)	Optional	2	2																
4d – Housing Affordability and Cost Burden	Optional	2	3																
Task 5 – STR and Hotel Inventory, Occupancy, and Pricing Trends (Optional)	Optional	2	4																
Task 6 – Illustrative STR and Long-Term Rental Pro Formas (Optional)	Optional	6	3																
Task 7 – Visitor Spending and Induced Housing Demand (Optional)	Optional	4	4																
Task 8 – Focus Groups with Local Stakeholder Groups (Optional)	Optional	6	6																
8a – Participant Outreach and Discussion Guides	Optional	6	3																
8b – Facilitation of Three In-Person Focus Groups	Optional	10	1																
8c – Focus Group Summary Memorandum	Optional	11	1																
Task 9 – Technical Assessment of Select Amendment Options	Base	6	5																
9a – Impact Assessment of Amendment Options (up to 18)	Base	6	6																
9b – Impact Matrix, Preliminary Ranking, and Technical Memo	Base	9	3																
Task 10 – Post-Study City Council Work Session	Base	10	3																
10a – Presentation and Briefing Materials	Base	10	3																
10b – In-Person Work Session Facilitation	Base	13	1																
10c – Council Direction Summary Memorandum	Base	13	1																
Task 11 – Summary Report	Base	11	3																
11a – Draft Summary Report	Base	14	3																
11b – Staff Review Meeting and Final Report	Base	14	3																
11c – City Council Presentation (In Person, at City Request)	Base	16	1																

Legend

Base scope

Optional task

Meeting / milestone



PENDING LEGAL ACTIONS OR CLAIMS

BAE has no pending litigation or claims threatened, filed, or settled against the company in the past five years. Similarly, BAE has not threatened, filed, or settled any claims against another party in the past five years.

REQUIRED FORMS AND MODEL CONTRACT

The forms and model contract required under RFP 03-26 are provided on the following pages:

- Signed Offeror Representations (Pgs. 25-26)
- IRS Form W9 (Pg. 27)
- BAE Model Contract (Pgs. 28-31)



REQUEST FOR PROPOSALS (RFP 03-26)
CITY OF FOLLY BEACH SHORT-TERM RENTAL ORDINANCE STUDY

Vendor Name: BAE Urban Economics

Offeror Representations

I certify that:

1. I am an agent of the company authorized to make representations on behalf of the company.
2. I have read and understand the solicitation.
3. I have not in any way colluded with anyone to obtain information that would give the me an unfair advantage over others or set pricing for the proposal.
4. I (alongside the Company) am qualified to perform the services required by the solicitation.

Aaron Nauseine 9/25/26
Authorized Signature for Bidder/Offeror & Date

Before me, the Undersigned, a Notary Public, for and in the County and State aforesaid, personally appeared AARON NOUSMINE and made oath.

Sworn to and Subscribed before me

this 25 day of SEPTEMBER, 2026

A handwritten signature in blue ink, appearing to be "A. Nauseine", written over a horizontal line.

Notary Public in and for South Carolina

**SEE ATTACHED FOR
NOTARIAL WORDING
& SEAL**

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of NEVADA

Subscribed and sworn to (or affirmed) before me on this 25
day of SEPTEMBER, 2026, by AARON NOUSAINÉ

proved to me on the basis of satisfactory evidence to be the
person(s) who appeared before me.



(Seal)

Signature 

**Request for Taxpayer
Identification Number and Certification**

Go to www.irs.gov/FormW9 for instructions and the latest information.

**Give form to the
requester. Do not
send to the IRS.**

Before you begin. For guidance related to the purpose of Form W-9, see *Purpose of Form*, below.

Print or type. See Specific Instructions on page 3.	1 Name of entity/individual. An entry is required. (For a sole proprietor or disregarded entity, enter the owner's name on line 1, and enter the business/disregarded entity's name on line 2.) BAE Urban Economics, Inc.	
	2 Business name/disregarded entity name, if different from above.	
	3a Check the appropriate box for federal tax classification of the entity/individual whose name is entered on line 1. Check only one of the following seven boxes. ☐ Individual/sole proprietor ☒ C corporation ☐ S corporation ☐ Partnership ☐ Trust/estate ☐ LLC. Enter the tax classification (C = C corporation, S = S corporation, P = Partnership) Note: Check the "LLC" box above and, in the entry space, enter the appropriate code (C, S, or P) for the tax classification of the LLC, unless it is a disregarded entity. A disregarded entity should instead check the appropriate box for the tax classification of its owner. ☐ Other (see instructions)	4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3): Exempt payee code (if any) _____ Exemption from Foreign Account Tax Compliance Act (FATCA) reporting code (if any) _____ (Applies to accounts maintained outside the United States.)
	3b If on line 3a you checked "Partnership" or "Trust/estate," or checked "LLC" and entered "P" as its tax classification, and you are providing this form to a partnership, trust, or estate in which you have an ownership interest, check this box if you have any foreign partners, owners, or beneficiaries. See instructions ☐	
	5 Address (number, street, and apt. or suite no.). See instructions. 2030 Addison Street, Suite 640	Requester's name and address (optional)
6 City, state, and ZIP code Berkeley, CA 94704		
7 List account number(s) here (optional)		

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the instructions for Part I, later. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN*, later.

Note: If the account is in more than one name, see the instructions for line 1. See also *What Name and Number To Give the Requester* for guidelines on whose number to enter.

Social security number									
			-				-		
or									
Employer identification number									
9	4	-	3	1	8	5	9	1	7

Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
2. I am not subject to backup withholding because (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
3. I am a U.S. citizen or other U.S. person (defined below); and
4. The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

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

Sign Here	Signature of U.S. person 	Date 1-13-26
------------------	------------------------------	------------------------

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Future developments. For the latest information about developments related to Form W-9 and its instructions, such as legislation enacted after they were published, go to www.irs.gov/FormW9.

What's New

Line 3a has been modified to clarify how a disregarded entity completes this line. An LLC that is a disregarded entity should check the appropriate box for the tax classification of its owner. Otherwise, it should check the "LLC" box and enter its appropriate tax classification.

New line 3b has been added to this form. A flow-through entity is required to complete this line to indicate that it has direct or indirect foreign partners, owners, or beneficiaries when it provides the Form W-9 to another flow-through entity in which it has an ownership interest. This change is intended to provide a flow-through entity with information regarding the status of its indirect foreign partners, owners, or beneficiaries, so that it can satisfy any applicable reporting requirements. For example, a partnership that has any indirect foreign partners may be required to complete Schedules K-2 and K-3. See the Partnership Instructions for Schedules K-2 and K-3 (Form 1065).

Purpose of Form

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS is giving you this form because they

Contract Description: [CONTRACT DESCRIPTION]

PROFESSIONAL SERVICES CONTRACT

THIS PROFESSIONAL SERVICES CONTRACT ("Contract") is made at [CITY, STATE], as of [DATE] by and between the [AGENCY NAME], ("[AGENCY]"), and BAE Urban Economics Inc. ("Contractor"), who agree as follows:

1. **Services** Subject to the terms and conditions set forth in this Contract, Contractor shall provide the services described in Exhibit A. Contractor shall provide said services at the time, place, and in the manner specified in Exhibit A.
2. **Payment** [AGENCY] shall pay Contractor for services rendered pursuant to this Contract at the time and in the amount set forth in Exhibit B. The payments specified in Exhibit B shall be the only payment made to Contractor for services rendered pursuant to this Contract. Contractor shall submit all billings for said services to [AGENCY] in the manner specified in Exhibit B; or, if no manner be specified in Exhibit B, then according to the usual and customary procedures which Contractor uses for billing clients similar to [AGENCY]. **The amount of the contract shall not exceed [AMOUNT IN WORDS] Dollars (\$[AMOUNT]).**
3. **Term** This Contract shall commence on [START DATE]. All services required to be provided by this Contract shall be completed and ready for acceptance no later than the **Contract Termination Date** of: [TERMINATION DATE].
4. **Facilities, Equipment and Other Materials** Contractor shall, at its sole cost and expense, furnish all facilities, equipment, and other materials which may be required for furnishing services pursuant to this Contract. [AGENCY] will be responsible to provide facilities for any required in-person meetings.
5. **Exhibits** All exhibits referred to herein and attached hereto are incorporated herein by this reference.
6. **Electronic Signatures** The parties acknowledge and agree that this Contract may be executed by electronic signature, which shall be considered as an original signature for all purposes and shall have the same force and effect as an original signature. Without limitation, "electronic signature" shall include faxed or emailed versions of an original signature or electronically scanned and transmitted versions (e.g., via pdf) of an original signature.
7. **Time for Performance** Time is of the essence. Failure of Contractor to perform any services within the time limits set forth in Exhibit A, or elsewhere in this Contract, shall constitute material breach of this contract. Contractor shall devote such time to the performance of services pursuant to this Contract as may be reasonably necessary for the satisfactory performance of Contractor's obligations pursuant to this Contract. Neither party shall be considered in default of this Contract to the extent performance is prevented or delayed by any cause, present or future, which is beyond the reasonable control of the party.

8. **Liquidated Damages**

Liquidated Damages are presented as an estimate of an intangible loss to [AGENCY]. It is a provision that allows for the payment of a specified sum should Contractor be in breach of contract. Liquidated Damages ☐ shall apply ☒ shall not apply to this contract.

9. **Relationship of Parties**

9.1. **Independent Contractor**

In providing services herein, Contractor, and the agents and employees thereof, shall work in an independent capacity and as an independent contractor and not as agents or employees of [AGENCY]. Contractor acknowledges that it customarily engages independently in the trade, occupation, or business as that involved in the work required herein. Further, the Parties agree that Contractor shall perform the work required herein free from the control and direction of [AGENCY], and that the nature of the work is outside the usual course of [AGENCY]'s business. In performing the work required herein, Contractor shall not be entitled to any employment benefits, Workers' Compensation, or other programs afforded to [AGENCY] employees. Contractor shall be responsible for all reports and obligations including but not limited to: social security taxes, income tax withholding, unemployment insurance, disability insurance, workers' compensation and other applicable federal and state taxes.

9.2. **No Agent Authority** Contractor shall have no power to incur any debt, obligation, or liability on behalf of [AGENCY] or otherwise to act on behalf of [AGENCY] as an agent. Neither [AGENCY] nor any of its agents shall have control over the conduct of Contractor or any of Contractor's employees, except as set forth in this Contract. Contractor shall not represent that it is, or that any of its agents or employees are, in any manner employees of [AGENCY].

10. **Assignment and Subcontracting** Except as specifically provided herein, the rights, responsibilities, duties and Services to be performed under this Contract are personal to the Contractor and may not be transferred, subcontracted, or assigned without the prior written consent of [AGENCY]. Contractor shall not substitute or replace any personnel for those specifically named herein or in its proposal without the prior written consent of [AGENCY].

11. **Licenses, Permits, Etc.** Contractor represents and warrants to [AGENCY] that Contractor shall, at its sole cost and expense, obtain or keep in effect at all times during the term of this Contract, any licenses, permits, and approvals which are legally required for Contractor to practice its profession at the time the services are performed.

12. **Hold Harmless and Indemnification Contract** To the fullest extent permitted by law, each Party (the "Indemnifying Party") hereby agrees to protect, defend, indemnify, and hold the other Party (the "Indemnified Party"), its officers, agents, employees, and volunteers, free and harmless from any and all losses, claims, liens, demands, and causes of action of every kind and character resulting from the Indemnifying Party's negligent act, willful misconduct, or error or omission, including, but not limited to, the amounts of judgments, penalties, interest, court costs, legal fees, and all other expenses incurred by the Indemnified Party arising in favor of any party, including claims, liens, debts, personal injuries, death, or damages to property (including employees or property of the Indemnified Party) and without limitation, all other claims or demands of every character occurring or in any way incident to, in connection with or arising directly or indirectly out of, the Contract. The Indemnifying Party agrees to investigate, handle, respond to, provide defense for, and defend any such claims, demand, or suit at the sole expense of the Indemnifying Party, using legal counsel approved in writing by Indemnified Party. Indemnifying Party also agrees to bear all other costs and expenses related thereto, even if the claim or claims alleged are groundless, false, or fraudulent. This provision is not intended to create any cause of action in favor of any third party against either Party or to enlarge in any way either Party's liability but is intended solely to provide for indemnification of the Indemnified Party from liability for damages, or injuries to third persons or property, arising from or in connection with Indemnifying Party's

performance pursuant to this Contract. This obligation is independent of, and shall not in any way be limited by, the minimum insurance obligations contained in this Contract.

13. **Standard of Performance** Contractor shall perform all services required pursuant to this Contract in the manner and according to the standards observed by a competent practitioner of the profession in which Contractor is engaged in the geographical area in which Contractor practices its profession. All products of whatsoever nature which Contractor delivers to [AGENCY] pursuant to this Contract shall be prepared in a substantial first class and workmanlike manner and conform to the standards or quality normally observed by a person practicing in Contractor's profession.
14. **Nondiscriminatory Employment** Contractor shall not discriminate in its employment practices because of race, religious creed, color, national origin, ancestry, physical handicap, medical condition, marital status, sex or sexual orientation in contravention of state or federal law.
15. **Waiver** One or more waivers by one party of any major or minor breach or default of any provision, term, condition, or covenant of this Contract shall not operate as a waiver of any subsequent breach or default by the other party.
16. **Conflict of Interest** Contractor certifies that no official or employee of [AGENCY], nor any business entity in which an official of [AGENCY] has an interest, has been employed or retained to solicit or aid in the procuring of this Contract. In addition, Contractor agrees that no such person will be employed in the performance of this Contract unless first agreed to in writing by [AGENCY].
17. **Entirety of Contract** This Contract contains the entire Contract of [AGENCY] and Contractor with respect to the subject matter hereof, and no other Contract, statement, or promise made by any party, or to any employee, officer or agent of any party, which is not contained in this Contract, shall be binding or valid.
18. **Alteration** No waiver, alteration, modification, or termination of this Contract shall be valid unless made in writing and signed by all parties, except as expressly provided in Section 19, Termination.
19. **Governing Law and Venue** This Contract is executed and intended to be performed in the State of California, and the laws of that State shall govern its interpretation and effect. The venue for any legal proceedings regarding this Contract shall be the County of [COUNTY], [STATE]. Each party waives any Federal court removal and/or original jurisdiction rights it may have.
20. **Compliance with Applicable Laws** Contractor shall comply with any and all federal, state and local laws, codes, ordinances, rules and regulations which relate to, concern or affect the Services to be provided by this Contract.
21. **Notification** Any notice or demand desired or required to be given hereunder shall be in writing and deemed given when personally delivered or deposited in the mail, postage prepaid, and addressed to the parties as follows:

[AGENCY NAME]

Name, Title: _____

Address: _____

[ADDRESS]

[CITY, STATE ZIP]

Phone: _____

E-mail: _____

BAE URBAN ECONOMICS, INC.

Aaron Nousaine, Principal

2560 9th Street, Suite 211

Berkeley, CA 94710

530-574-9285

aaronnousaine@bae1.com

Any notice so delivered personally shall be deemed to be received on the date of delivery, and any notice mailed shall be deemed to be received five (5) days after the date on which it was mailed.

Executed as of the day first above stated:

Authority: The individual executing this Contract on behalf of Contractor represents and warrants that they are authorized to execute and deliver this Contract on behalf of Contractor.

IN WITNESS WHEREOF, the parties have executed this Contract effective on the Beginning Date, above.

[AGENCY NAME]:

By: _____ Date: _____

Printed Name/Title: _____

CONTRACTOR: BAE URBAN ECONOMICS, INC.

By: _____ Date: _____

Name: **Aaron Nousaine**

Title: **Principal**

Exhibits

A. Scope of Work