

CITY OF EL PASO, TEXAS
AGENDA ITEM
DEPARTMENT HEAD'S SUMMARY FORM

AGENDA DATE: April 27, 2021
PUBLIC HEARING DATE: N/A

CONTACT PERSON(S) NAME AND PHONE NUMBER:

Jessica Herrera, Director of Economic Development, (915) 212-1624
Bruce D. Collins, Director of Purchasing & Strategic Sourcing, (915) 212-1181

DISTRICT(S) AFFECTED: All

STRATEGIC GOAL: No. 1 Create an Environment Conducive to Strong, Sustainable, Economic Development.

SUBGOAL: 1.1 - Stabilize and Expand El Paso's Tax Base and Activate Targeted Development.

SUBJECT:

AUTHORIZE the City Manager to sign a Consulting and Planning Services Agreement between the City of El Paso and David Pettit Economic Development, LLC. Amount not to exceed \$355,000.00, including reimbursements for expenses not to exceed \$7,500.00.

Request that the City Manager be authorize to sign a Consulting and Planning Services Agreement between the City of El Paso and David Pettit Economic Development, LLC ("Contractor"), for Contractor to provide consulting and planning services related to Tax Increment Reinvestment Zones and Public Improvement Districts within the City of El Paso, for a term of 2 years, with the option to extend for an additional 2 years for an aggregated amount not to exceed \$355,000.00, including reimbursements for expenses not to exceed \$7,500.00.

BACKGROUND / DISCUSSION:

On August 2018, the city entered into an agreement with David Pettit Economic Development, LLC. to perform professional and planning services for projects located in El Paso for the duration of 2 years, capped at \$280,000. Now the City desires to execute a new agreement. The Consultant will supply services to further projects, create, review and maintain Tax Increment Reinvestment Zones and Public Improvement Districts within the City of El Paso. The City will benefit from the extensive knowledge and experience the Contractor possesses related to the creation and expansion of TIRZs and PIDs. The Contractor will perform the necessary data collection and analysis to assess the financial viability of any proposed TIRZ or PID. Additionally, the Contractor will develop and draft all documents and exhibits required for local government review and approval per the state legislative requirements. Citizen concerns about the creation, expansion, or modification of any TIRZ or PID will be heard through the statutory requirements that require these ordinances to be approved by City Council. The Contractor will provide professional consulting services to complement upcoming corridor studies, including the Alameda Corridor Study and the Downtown Plan Study, to ensure that recommendations are market feasible, actionable, and achievable.

SELECTION SUMMARY:

N/A

CONTRACT VARIANCE:

The difference in price, based on comparison to the previous contract is as follows: An increase of \$55,000.00 for the initial term, which represents a 20% increase due to an expanded scope of services that includes professional consulting services to complement upcoming corridor studies and on-call consulting services.

PROTEST

No protest received for this requirement.

PRIOR COUNCIL ACTION:

On August 21, 2018 City Council approved the award of contract 2018-1001 to David Pettit Economic Development, LLC for a two (2) year term for a total amount of \$287,500.00.

AMOUNT AND SOURCE OF FUNDING:

Amount: \$362,500.00

Funding Source: Economic Development outside Contracts

Account: 480-1000-48010-522150

HAVE ALL AFFECTED DEPARTMENTS BEEN NOTIFIED? X YES NO

PRIMARY DEPARTMENT: Economic Development Department

SECONDARY DEPARTMENT: N/A

*****REQUIRED AUTHORIZATION*****

DEPARTMENT HEAD:

Eduardo Garcia

Digitally signed by Eduardo Garcia
Date: 2021.04.20 10:52:45 -06'00'

For Jessica Herrera - Director

**COUNCIL PROJECT FORM
(Noncompetitive)**

*******POSTING LANGUAGE BELOW*******

Please place the following item on the **CONSENT** agenda for the Council Meeting of **April 27, 2021**.

Strategic Goal 1: Create an Environment Conducive to Strong, Sustainable, Economic Development.

The linkage to the Strategic Plan is subsection 1.1 - Stabilize and Expand El Paso's Tax Base and Activate Targeted Development.

Award Summary:

Request that the City Manager be authorize to sign a Consulting and Planning Services Agreement between the City of El Paso and David Pettit Economic Development, LLC ("Contractor"), for Contractor to provide consulting and planning services related to Tax Increment Reinvestment Zones and Public Improvement Districts within the City of El Paso, for a term of 2 years, with the option to extend for an additional 2 years for an aggregated amount not to exceed \$355,000.00, including reimbursements for expenses not to exceed \$7,500.00.

Contract Variance: The difference in price, based on comparison to the previous contract is as follows: An increase of \$55,000.00 for the initial term, which represents a 20% increase due to an expanded scope of services that includes professional consulting services to complement upcoming corridor studies and on-call consulting services.

Department:	Economic Development
Award to:	David Pettit Economic Development, LLC. Fort Worth, TX
Initial Term:	2 years
Option to Extend:	2 years
Total Estimated Award:	\$362,500.00 (4 years)
Funding Source:	Economic Development outside Contracts
Account No.:	480-1000-48010-522150
Districts(s):	All
Sole Source No.:	2021-1110

This is a non-competitive, Planning Services Agreement.

*******ADDITIONAL INFO BELOW*******

RESOLUTION

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EL PASO:

That the City Manager be authorize to sign a Consulting and Planning Services Agreement between the City of El Paso and David Pettit Economic Development, LLC (“Contractor”), for Contractor to provide consulting and planning services related to Tax Increment Reinvestment Zones and Public Improvement Districts within the City of El Paso, for a term of 2 years, with the option to extend for an additional 2 years for an aggregated amount not to exceed \$355,000.00, including reimbursements for expenses not to exceed \$7,500.00.

ADOPTED THIS _____ DAY OF _____ 2021.


THE CITY OF EL PASO

Oscar Leeser,
Mayor

ATTEST:

Laura D. Prine
City Clerk

APPROVED AS TO FORM:

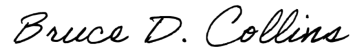


Frances M. Maldonado Engelbaum
Senior Assistant City Attorney

APPROVED AS TO CONTENT:



Jessica Herrera, Director
Economic Development Department



Bruce D. Collins, Director
Purchasing and Strategic Sourcing

STATE OF TEXAS)
)
COUNTY OF EL PASO) **CONSULTING AND PLANNING SERVICES
AGREEMENT**

THIS CONSULTING SERVICES AGREEMENT FOR DAVID PETTIT ECONOMIC DEVELOPMENT, LLC (this “*Agreement*”) is executed effective for all purposes as of this ___ day of _____, 2021, (Effective Date) by and between the City of El Paso, a home rule municipal corporation, (the “*City*”) and David Pettit Economic Development, LLC, a Texas Limited Liability Company (the “*Contractor*”).

RECITALS

WHEREAS, pursuant to Section 252.022(a)(4) of the Texas Local Government Code a procurement for personal, professional or planning services are exempt from the competitive bid or proposal requirement; and

WHEREAS, the City desires to engage the Contractor to provide Consulting and Planning services related to Tax Increment Reinvestment Zones and Public Improvement Districts within the City of El Paso, as more fully described in Exhibit “A”, which is attached hereto and incorporated herein by reference as the “*Scope of Services*”; and,

WHEREAS, pursuant to Chapter 2254 of the Texas Government Code the City has a substantial need for the Consulting and Planning Services; and the City does not have the ability to perform the Services with its own personnel; and

WHEREAS, the Contractor desires and possesses the skills to perform these Consulting and Planning Services for the City.

WHEREAS, the City approved a Service Agreement to engage the Contractor to provide Consulting and Planning services on August 21, 2018 for 24 months, and that contract expired on August 21, 2020.

WHEREAS, the City desires to enter into a new contract with the Contractor to perform these Consulting and Planning Services for the City.

AGREEMENT:

NOW THEREFORE, in consideration of the mutual promises set forth in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. **SCOPE OF SERVICES.** The Contractor hereby agrees to provide the Consulting and Planning Services for the City as described in **Exhibit “A”**, which is attached hereto and

incorporated herein by reference (the “Services”). The Contractor will provide all Services in a professional, and diligent, and in accordance with all applicable laws and regulations. If there are any conflicts between Attachment “A” and this Agreement, the Agreement prevails.

2. **TERM.** The Contractor shall perform the Consulting Services within 24 months of the “*Effective Date*” of this Agreement (the “*Agreement Period*”). “*Effective Date*” is defined as the date upon which both parties have fully executed this Agreement as set forth on the signature page hereof. Prior to the expiration of the Term, the City Manager, or designee, may extend the Term for two additional years. The Agreement may be administratively extended without the need for additional consideration by either party.
3. **PAYMENT OF CONSULTING SERVICES.** The City hereby agrees to pay the Contractor an amount not to exceed \$355,000.00 for the services performed by the Contractor under this Agreement (“*Total Fee*”) in accordance with **Exhibit “B”**. All reimbursable expenses will be paid in accordance with City policy. The total amount for reimbursed expenses will not exceed \$7,500.00 during the term of the agreement.
4. **INVOICES AND PAYMENTS.** The City will pay the Contractor the amounts as described in **Attachment “B”**. The Contractor will invoice the City through written invoices as described in **Attachment “B”**. The City will pay invoices for all Services performed as soon as it is reasonably possible, but no later than 30 calendar days from receipt in accordance with Chapter 2251 of the Texas Government Code. The City may withhold payment if the Services performed by the Contractor does not comply with this Agreement. The City will only pay for services performed in accordance with the agreed compensation.
5. **INSURANCE.** The Contractor will provide the City the following insurance policies:
 - A. Contractor will provide proof of professional liability insurance (including errors and omissions) with minimum limits of \$1,000,000 per occurrence and \$2,000,000 in the aggregate and excess/umbrella liability of \$1,000,000 per occurrence and \$2,000,000 in the aggregate to client. Additionally, the Contractor shall carry the following insurance coverages:
 1. **LIABILITY INSURANCE.** Comprehensive General Liability insurance coverage from a solvent company authorized to do business in the State of Texas, with minimum limits of \$2,000,000.00 each occurrence and \$4,000,000.00 in aggregate; and
 2. **WORKERS COMPENSATION.** Workers’ Compensation insurance coverage, at the statutory limits and employer’s liability insurance, with minimum limits of \$1,000,000.00/\$1,000,000.00/\$1,000,000.00; and

3. **AUTO LIABILITY**. Comprehensive Automobile Liability Insurance covering all owned, hired, and non-owned motor vehicles used by Contractor, its employees, contractors or agents, in connection with the Services being performed under this Agreement with limits of liability not less than \$1,000,000.00 for each occurrence Combined Single Limit for Bodily Injury and Property Damage.
- B. Contractor will maintain the insurance policies described above throughout the Term of this Agreement. The Contractor will ensure that all policies comply with the following:
1. Contractor will provide concurrently with the execution of this agreement is providing, to City a certificate of insurance issued to Client evidencing the foregoing insurance coverages and evidencing that Client and Client's lender, if any, are additional insured parties with respect to the insurance policies referred to in the foregoing subparagraphs (b) and (c).
 2. The Contractor may provide the insurances required in this section in one or more policies of insurance, the form of which must be approved by the City's Risk Manager.
 3. Prior to performing any Services, the Contractor will provide the City copies of all insurance policies along with all endorsements and certificates of insurance.
 4. The Contractor will provide the City all certificates evidencing renewal or replacement of said policies of insurance at least 15 calendar days prior to the expiration or cancellation of any such policies
 5. The issuer of any policy must have a certificate of authority to transact insurance business in the State of Texas. Each issuer must be responsible, reputable, and have financial capability consistent with the risks covered. The City may reject an issuer of an insurance policy in the City's sole discretion.
 6. Each policy, except those for Workers' Compensation, must name the City of El Paso (and their elected and appointed officials, officers, agents and employees) as Additional Insured parties on the original policy and all renewals or replacements during the term of this Agreement.

7. Contractor will obtain the prior written approval of the City's Risk Manager for any deductibles, aggregate caps, and endorsements on any insurance policy required under this Agreement.
8. The Contractor will require the insurance policy issuer to provide the City 30 calendar days advance notice of any reduction in coverage under an insurance policy.
9. Each policy must expressly state that it may not be canceled or non-renewed unless there are 30 calendar days advance notice of cancellation or intent not to renew is given in writing to the City's Purchasing Manager by the insurance company.
10. Each policy must contain an endorsement to the effect that the issuer waives any claim or right in the nature of subrogation to recover against the City, their elected and appointed officials, officers, agents or employees.
11. Each policy must contain an endorsement that such policy is primary insurance to any other insurance available to the Additional Insured with respect to claims arising hereunder and that the insurance applies separately to each insured.

6. **INDEMNIFICATION OF THE CITY.** BY ACCEPTANCE OF THIS AGREEMENT, Contractor or its insurer will INDEMNIFY, DEFEND AND HOLD the City, its officers, agents and employees, HARMLESS FOR AND AGAINST ANY AND ALL CLAIMS, CAUSES OF ACTION, LIABILITY, DAMAGES OR EXPENSE, (INCLUDING BUT NOT LIMITED TO ATTORNEY FEES AND COSTS) FOR ANY DAMAGE TO OR LOSS OF ANY PROPERTY, OR ANY ILLNESS, INJURY, PHYSICAL OR MENTAL IMPAIRMENT, LOSS OF SERVICES, OR DEATH TO ANY PERSON ARISING OUT OF OR RELATED TO THIS AGREEMENT, even where such damage, injury, loss, illness, physical or mental impairment, loss of service, or death results from or involves NEGLIGENCE, or allegations of negligence on the part OF THE CITY, its officers, agents, or employees. Without modifying the conditions of preserving, asserting or enforcing any legal liability against the City as required by the City Charter or any law, the City will promptly forward to the Contractor every demand, notice, summons or other process received by the City in any claim or legal proceeding contemplated herein. Contractor will 1) investigate or cause the investigation of accidents or occurrences involving such injuries or damages; 2) negotiate or cause to be negotiated the claim as the Contractor may deem expedient; and 3) defend or cause to be defended on behalf of the City all suits for damages even if groundless, false or fraudulent, brought because of such injuries or damages. Contractor will pay all judgments finally establishing liability of the City in actions defended by Contractor

pursuant to this section along with all attorneys' fees and costs incurred by the City including interest accruing to the date of payment by Contractor, and premiums on any appeal bonds. The City, at its election, will have the right to participate in any such negotiations or legal proceedings to the extent of its interest. The City will not be responsible for any loss of or damage to the Contractor's property from any cause.

7. TERMINATION. This Agreement may be terminated as provided in this Section.

A. TERMINATION FOR CONVENIENCE. Either party may terminate this Agreement for any reason by sending a written notice to the non-terminating party at least 15 calendar days before termination. The Contractor will halt all Services upon receiving a termination notice under this provision from the City. Upon such termination, the Contractor will provide one final invoice for all Services completed and reimbursable expenses incurred prior to the notice of termination. Reimbursable expenses means any expenses that the Contractor can provide a receipt for and that were necessary for providing Services to the City. The City may withhold payment to the Contractor if there is any dispute in the amount until the City determines the exact amount that is owed to the Contractor by the City. The City is not required to pay for any Services that does not comply with the provisions of this Agreement. If the Contractor terminates this Agreement under this provision, then the Contractor will return all payments made by the City prior to the notice of termination.

B. TERMINATION BY EITHER PARTY FOR CAUSE. Either party may terminate this Agreement if one party fails to fulfill the obligations set out in this Agreement. Before terminating this Agreement pursuant to this provision the terminating party will provide written notice of intent to terminate enumerating the failures for which the termination is being sought and provide at least 30 calendar days to the non-terminating party to cure such failure. If the City terminated this Agreement pursuant to this provision, then the City may withhold any payments to the Contractor until the exact amount owed to the Contractor by the City is determined.

Termination by either party is not a release of any claims that the terminating party may be lawfully entitled to assert against the terminated party. Further, the terminated party is not relieved of any liability for damages sustained by the terminating party by virtue of any breach of this Agreement.

8. NOTICE. The parties will send all notices required by this Agreement in writing, postmarked, and delivered by certified mail. All notices are considered received 3 business

diligently pursue a mediated settlement until such time as the parties mutually agree to terminate such mediation or the mediator declares an impasse.

14. CONFIDENTIALITY. The Contractor acknowledges that this Agreement is subject to Chapter 552 of the Texas Government Code (Texas Public Information Act). The release of the Agreement as a whole or in part must comply with Chapter 552 of the Texas Government Code (Texas Public Information Act).
15. LAW GOVERNING AGREEMENT AND VENUE. For purposes of determining the place of the Agreement and the law governing the same, it is agreed that the Agreement is entered into in the City and County of El Paso, State of Texas, and shall be governed by the laws of the State of Texas. Venue shall be in the courts of El Paso County, Texas.
16. GOVERNMENTAL FUNCTIONS. The parties agree that the City is entering this Agreement in the exercise of its governmental functions under the Texas Tort Claims Act. The parties also agree that the City is entering into this Agreement as a governmental entity performing a governmental function.
17. COMPLIANCE WITH THE LAWS. The parties will comply with all applicable laws, administrative orders, and any rules or regulations relating to the obligations under this Agreement. If applicable, then the Contractor will procure all licenses and pay all fees or other charges as required to complete the Services under this agreement.
18. AUDITING RECORDS FOR THE SPECIFIC PROJECT. The Contractor will allow the City to inspect and copy all records pertaining to the Services provided in this Agreement.
19. CONTRACTING INFORMATION. The Contractor must preserve all contracting information related to this Agreement as provided by the records retention schedule requirements applicable to the City for the duration of this Agreement. The Contractor will promptly provide the City any contracting information related to this Agreement that is in the custody or possession of the Contractor on request of the City. On completion of this Agreement, the Contractor will either provide at no cost to the City all contracting information related to this Agreement that is in the custody or possession of the Contractor or preserve the contracting information related to this Agreement as provided by the records retention requirements applicable to the City.
20. FORCE MAJEURE. There is no breach of contract should either party's obligations within this Agreement be delayed due to an act of God, outbreak of hostilities, riot, civil

disturbance, acts of terrorism, the act of any government or authority, fire, explosion, flood, theft, malicious damage, strike, lockout, or any cause or circumstances whatsoever beyond either party's reasonable control. The delayed party must resume performing its obligations in this Agreement after the reason for the delay is resolved.

21. **SUCCESSORS AND ASSIGNS.** This Agreement is binding on the City and the Contractor, and the Contractor's successors and assigns. Neither party may assign, sublet, or transfer its interest or obligations in this Agreement without the written consent of the other.
22. **THIRD-PARTY BENEFICIARIES.** There are no third-party beneficiaries for this Agreement.
23. **SEVERABILITY.** A future finding of invalidity of any provision of this Agreement does not affect the validity of any remaining provisions of this Agreement.
24. **HEADINGS.** The headings and subheadings of this Agreement are for information purposes only and are not substantive terms.
25. **NO WAIVER.** Failure by either party on one or more occasions to exercise one or more of its rights hereunder shall not be construed as a waiver of such right or rights, and rights granted hereunder are in addition to those available under law and equity.
26. **PROVISIONS SURVIVING THIS AGREEMENT.** Representations, releases, warranties, covenants, indemnities, and confidentiality survive past the execution, performance, and termination of this Agreement.
27. **AUTHORITY TO CONTRACT.** The person signing this document on behalf of Contractor warrants that he or she has been duly authorized to sign this Agreement on behalf of Contractor and to bind the organization, its officers, agents and employees.
28. **ENTIRE AGREEMENT.** This Agreement constitutes the entire agreement between the parties.

(Signatures page to follow)

STATE OF TEXAS)
)
COUNTY OF EL PASO) **CONSULTING AND PLANNING SERVICES
AGREEMENT**


Signature Page

IN WITNESS WHEREOF, the parties have executed this Agreement on this ____ day of April, 2021.

CITY OF EL PASO

Tomás González, City Manager

APPROVED AS TO FORM:




Frances M. Maldonado Engelbaum
Assistant City Attorney

APPROVED AS TO CONTENT:



Jessica Herrera, Director
Economic & International Development



Bruce D. Collins, Director
Purchasing and Strategic Sourcing

**CONTRACTOR:
DAVID PETTIT ECONOMIC
DEVELOPMENT, LLC.**



David Pettit, President

Exhibit "A"
SCOPE OF SERVICES

David Pettit Economic Development, LLC (“DPED”) is pleased to provide this proposal for economic development professional services relating to Tax Increment Reinvestment Zones (“TIRZ”), Public Improvement Districts (PID), Planning Initiatives, and ongoing hourly professional services in the City of El Paso, Texas (“City”).

The Scope

It is our understanding that the City of El Paso, Texas is seeking the following services:

- Creation or Expansion of TIRZs
- Creation of a PID Policy
- Creation or Expansion of PIDs
- Professional Consulting Services Related to Economic Development

The Assignment

Our work under this proposal would include providing professional economic development services relating to the creation or expansion of TIRZs, the creation of a PID policy, and the creation or expansion of PIDs.

Additionally, DPED will provide ongoing professional services related to economic development within the City of El Paso on an hourly basis.

The Team

We proposed working in a team organized as follows:

- You will be our point of contact and will provide overall direction to our team. You may also include other members of City staff with which we will meet regularly to review our progress and to get input and direction on our work.
- At this time we do not anticipate the need for any additional consultants to accomplish the work described in this proposal.

TIRZ Statutory Requirements

Chapter 311 of the Texas Tax Code outlines the various procedures for creating a TIRZ. The designation TIRZ ordinance is approved by the governing body of the municipality and establishes four key elements, including:

- Boundary;
- Term;
- TIRZ Board; and
- Preliminary project and financing plan.

Before adopting an ordinance designating the reinvestment zone, the governing body of the municipality must hold a public hearing on the creation of the zone and publish notice of the hearing not later than the seventh day before the public hearing. A final project and financing plan is subsequently approved by the TIRZ Board and then by the governing body of the municipality.

TIRZ Scope of Services

Based on our conversations and our experience on previous projects, we propose the following scope of services for each potential TIRZ. Our proposed scope of services is divided into separate tasks, each providing a description of the work to be performed and the key products resulting from the task.

Task 1

District Review

Our first step would be to collect and analyze available information in the proposed TIRZ. This includes available development data; existing planning documents such as the comprehensive plan, land use plan, thoroughfare plan; physical information such as existing zoning and land use, existing and planned infrastructure, and topography; and property data such as ownership and tax values.

Task 2

Data Collection and Analysis

Based upon parcel data provided by the City, DPED would provide a geographic information system (GIS) database of existing values for land and improvements, ownership data, and current land use information. The database and maps will provide the baseline data for the analysis. Key products of this task would include a TIRZ database and accompanying maps in digital and hard copy formats.

Task 3

Taxable Value Analysis

A multi-year historic taxable value review of similar developments would be conducted to establish conservative assumptions of future taxable value for each parcel in the proposed zone. We would also develop projections for future land uses, and timing of proposed developments. This task will be the basis for developing a spreadsheet model of potential TIRZ increments, given a reasonable range of development assumptions and taxable values. Key products of this task would include a spreadsheet model on a parcel by parcel basis with projections based upon the historical taxable value review, development projections and reasonable timing expectations.

Task 4

Develop TIRZ Cash Flow Model

Based on the anticipated land uses and projections, DPED would develop a draft financing cash flow model (and supporting spreadsheets) for a 15, 20, and 30-year time period. This model will allow the City, consultants and others to underwrite the proposed developments and test various scenarios for the eventual financing plan. Key products of this task would include excel spreadsheets of TIRZ Cash Flow Models with macros established for growth and development assumptions.

Task 5

Prepare TIRZ Project and Financing Plan

DPED would then develop the Finance Plan, Project Plans, and Detailed Description of TIRZ, and other exhibits required for local government review and approval per the state legislative requirements. This work includes the written, graphic, and PowerPoint materials and exhibits, as well as support of the process. Backup materials such as spreadsheets and databases will also be products that support the plans. Key products would include a preliminary TIRZ Project and Financing Plan comprised of a legal description of the zone, proposed TIRZ projects, estimated project costs, term of the zone and a tax increment analysis.

Task 6

TIRZ Documentation Support

DPED will provide assistance with drafting necessary documents for creating the TIRZ including: 1) public hearing notices; 2) resolutions; 3) ordinances; and 4) participation agreements. This can be a time consuming process for City staff, however DPED's extensive experience in drafting these documents should help streamline the preparation of materials necessary for City Council consideration. This task would also include assistance in creating and appointing the appropriate TIRZ board per the TIRZ creation ordinance.

PID Statutory Requirements

Public Improvement Districts (“PIDs”), per the Texas Local Government Code Chapter 372, provide the City an economic development tool that permits the financing of qualified public improvement costs that confers a special benefit on a definable part of the City, including both its corporate limits and its extra-territorial jurisdiction. A PID can finance capital costs and fund supplemental services to meet community needs which could not otherwise be constructed or provided. The costs of the capital improvements and/or supplemental services are paid entirely by property owners within the PID who receive special benefits from the capital improvements or services. A PID may only be used to pay for public improvements, all other expenditures not related to public improvements may not be reimbursed.

PID Policy Scope of Services

Based on our conversations and our experience on previous projects, we propose the following scope of services for the PID policy. Our proposed scope of services is divided into separate tasks, each providing a description of the work to be performed and the key products resulting from the task.

Task 1

Develop Policy Content

DPED would work directly with the City staff, the City’s financial advisors and bond counsel to identify and acquire the needed data to complete a thorough analysis of a proposed PID policy content consistent with Chapter 372 of the Texas Local Government Code.

Task 2

Prepare PID Policy

DPED would then develop a draft PID Policy, and other exhibits required for local government review and approval. The process would outline the appropriate use of a PID, what types of public and third-party financing are available, and delineate the preferred approach given the level of risk associated with each public financing mechanism and the type of project being considered by the City. This work products includes the draft PID Policy document, written, graphic, and PowerPoint materials and exhibits, as well as support of the process.

Task 3

Facilitate Review and Consideration of the Proposed PID Policy

DPED would facilitate meetings and presentations with the City, which would include supporting meetings, work sessions, and briefings. Key products of this task would include attendance and support of City staff at all required meetings in the review and approval process of the PID Policy.

PID Creation and Amendment Scope of Services

Based on our conversations and our experience on previous projects, we propose the following scope of services for each potential PID creation and/or amendment. Our proposed scope of services is divided into separate tasks, each providing a description of the work to be performed and the key products resulting from the task.

Task 1

Data Assembly

DPED would work directly with the City and property owner representatives to identify and acquire the needed data to complete a thorough analysis of the proposed financing structure for the planned development (“Project”). We will coordinate documentation between the various parties and develop an achievable timeline with key dates and implementation steps to ensure the project moves forward in a timely manner. This task would also include documenting key elements of the private development and public/private partnership.

Task 2

PID's Advisability Analysis

Following the completion of the Data Assembly Task, our team will begin the process of developing an analysis of the PID's Advisability. This will include a description of the Project's public improvements, estimated costs for the improvements as provided by property owner representatives, the boundaries of the PID, the preferred method of assessment for the Debt Service portions of the assessment, an overview of the apportionment of costs between the District and the Municipality, and all other exhibits required for local government review per the state legislative requirements.

Task 3

Facilitate Review and Consideration of the Proposed PID

DPED would facilitate meetings and presentations with the City, property owner representatives, and other parties involved in the process. This will include supporting meetings, work sessions, briefings, commission meetings, and hearings. This will be a labor-intensive component of the process; however it is vital to a successful partnership. Key products of this task would include attendance and support of City staff at all required meetings in the review and approval process.

Task 4

Assist with Public/Private Development Agreements and Resolution Documents

DPED will develop the draft documents required for the implementation of a PID as described in Chapter 372 of the Texas Local Government Code, for review by legal representatives of the City and the property owner representatives. These draft documents would include the PID Petitions, Public Hearing Notices, PID Improvement Orders, PID Authorization Notices and Assessment Orders.

Task 5

Service and Assessment Plan & Assessment Roll

Following the creation of the PID by the City Council, DPED will create a service and assessment plan that defines the annual indebtedness of the PID and the projected costs for improvements as well as an overview of how the City will apportion the cost of an improvement to be assessed against property within the improvement districts. Lastly, we will develop an assessment roll that states the assessment against each parcel of land in the district, as determined by the method of assessment in the Service and Assessment Plan.

Planning Initiatives

The Capital Improvements Department has requested economic development professional consulting services to complement upcoming corridor studies including the Alameda Corridor Study and the Downtown Plan Study. The scope would include reviewing the work of the outside consultants preparing the studies to ensure that the recommendations are market feasible, and then providing recommendations on economic development strategies and tools that will make the recommendations actionable and achievable within a practical time frame. DPED will provide the outside consultants with insight into market realities, while also acknowledging that the ambitious nature of such plans makes economic incentives a crucial part of facilitating new private investment in desired areas of the City.

Professional Consulting Services Related to Economic Development

The City has requested an on-call consulting services ability as new economic development opportunities and planning projects arise during the term of the contract. This includes 3rd party analysis of individual incentive requests, which would include but is not limited to market data collections, cash flow proforma and gap analysis, and best practice approaches used in the economic development marketplace.

Exhibit "B"
COMPENSATION

Fee for Services

TIRZ Scope of Services

Our fee for services would be a lump sum fee of \$35,000 per creation or expansion of each TIRZ district. Each TIRZ assignment would be initiated by DPED through separate written authorization by City.

PID Policy Scope of Services

Our fee for services would be a lump sum fee of \$40,000 for the creation of the PID policy.

PID Creation and Amendment Scope of Services

Our fee for services would be a lump sum fee of \$35,000 for the creation or expansion of each PID district. Each PID assignment would be initiated by DPED through separate written authorization by City.

Planning Initiatives

Our fee for services would be a lump sum fee of \$25,000 for services related to each corridor study. Each Planning Initiative assignment would be initiated by DPED through separate written authorization by City.

Professional consulting services related to Economic Development

Our fee for services would be charged on an hour basis, per the rates in the proposal, and would be charged on a monthly basis.

Reimbursable expenses not to exceed \$7,500 would be charged to include out-of-pocket expenses incurred in the interest of the projects at actual costs.

Total fees for the defined scope above shall not exceed \$335,000, plus \$7,500 in reimbursable expenses during the 24-month term of the contract, unless otherwise authorized by separate City authorization.

Changes of Scope and Additional Services

Minor additions to our scope will be treated as Additional Services. Work on Additional Services will not begin until authorized in writing by the Client.

Additional Services and Rates for Hourly Services

Additional Services shall be billed on an hourly not to exceed basis unless a fixed fee or other method of compensation is mutually agreed upon. Our current hourly rates are:

<u>Classification</u>	<u>Hourly Billing Rate</u>
David Pettit	\$325.00
Project Manager	\$250.00
Project Specialist	\$120.00
Planning Intern	\$100.00
Administrative	\$80.00

These rates apply for the current calendar year and are subject to revision on January 1, when they may be revised to reflect changes in staff salaries over the preceding year.

Term of Agreement

This Agreement will terminate (24) months from the date of this Agreement, with the an option for two (2) one-year extensions if funds have not been fully utilized. Additionally, Client may terminate this Agreement for any reason upon thirty (30) days written notice to DPED and DPED will cease any and all work upon receipt of such notice, unless otherwise directed in the notice. In the event of a termination as described above, Client shall be responsible for the payment of the fees and expenses incurred by DPED pursuant to this agreement through the date of such termination.

Reimbursables

We propose to be reimbursed for out-of-pocket expenses incurred in the interest of the project at our actual cost. Reimbursable expenses include: our direct consultants and their expenses (to be reimbursed, all consultants and their bids must be approved in writing, in advance by the client); reproduction; long distance communication; document printing and delivery; document graphics and binding; delivery, postage and handling; travel time; special materials; photography; etc. (Reasonable backup will be available upon request.)

Invoices and Payments

Payment for services rendered is due within thirty (30) days of Client's next monthly billing cycle following receipt of invoice. In the event any invoices remain unpaid 45 days after the invoice date, we suspend work until we have been paid in full all amounts due for services and expenses. Amounts unpaid for more than 30 days after the due date may accrue interest at 10% per annum. In the event we are forced to commence a collection proceeding, you agree to pay reasonable attorney's fees and court costs, in addition to our fees billed under this proposal.