

**CITY OF EL MIRAGE**  
**PROFESSIONAL SERVICES CONTRACT**

THIS PROFESSIONAL SERVICES CONTRACT is made and entered into this \_\_\_ day of \_\_\_\_\_ 2022, (“Effective Date”) by and between the City of El Mirage, an Arizona municipal corporation (“City”), and TischlerBise, Inc. (“Consultant”).

**RECITALS**

- A. The City of El Mirage is authorized and empowered by provisions of the City Code to execute contracts for professional services by and through its Mayor and Council;
- B. The City desires to contract for Consultant to provide professional services described in the attached scope of work (Exhibit “A”) in accordance with the terms of this Contract;
- C. Consultant is duly qualified to perform the requested Services.

**AGREEMENT**

NOW, THEREFORE, in consideration of the mutual promises and obligations set for herein, the parties hereto agree as follows:

***1.1 DESCRIPTION, ACCEPTANCE, DOCUMENTATION***

Consultant shall act under the authority and approval of the Contract Administrator for the City to provide the Services required by this Contract. The Contract Administrator for the City shall be Robert Nilles, Deputy City Manager or designee. The Contract Administrator shall oversee the execution of this Contract, assist the Consultant in accessing the organization, acquiring necessary data and information, and approve payments. The Consultant shall channel reports and special requests through the Contract Administrator. City reserves the right to change the Contract Administrator for the City without prior approval of the Consultant.

***1.2 SERVICE DESCRIPTION***

Consultant shall provide the Services described in Exhibit “A.” All work will be reviewed, evaluated, approved, and monitored by the Contract Administrator to determine acceptable completion. Review and approval by the Contract Administrator shall not relieve Consultant of any liability for improper, negligent or inadequate services rendered pursuant to this Contract. Consultant shall provide all work necessary to assure the Services are completed in a timely and efficient manner consistent with service requirements, including, but not limited to, working in close interaction with, and interfacing with, City and its designated employees, and working closely with others, including other consultants or contractors retained by City. In the event of a discrepancy between this Agreement and Exhibit “A”, this Agreement shall control over Exhibit “A”. Consultant shall provide

sufficient qualified personnel to perform all services as required herein, including but not limited to inspections, research, analysis, recommendations, and preparation of reports and presentations, and making presentations as reasonably requested by representatives of the City. The Consultant shall base the analysis on data and information available at the time of the study.

### **1.3 DOCUMENTATION AND DATA**

All documents, including but not limited to, data compilations, studies, and reports which are prepared in the performance of this Contract are to be, and remain the property of, the City and are to be delivered to the Contract Administrator before final payment is made to the Consultant.

### **2.1 FEE SCHEDULE, RECORDS, AUDIT RIGHTS**

The fee Consultant shall be paid for all Services provided pursuant to the terms of this Contract pursuant to the terms of Exhibit "B".

The Contract Administrator reserves the exclusive right to determine the amount of work performed and payment due the Consultant pursuant to the schedule set forth on Exhibit "B". Consultant shall maintain all books, paper documents, accounting records and other evidence pertaining to such monthly billings and shall make such materials available at all reasonable times to the Contract Administrator. Monthly billings shall be accompanied by such documentation as the Contract Administrator may require to make a determination of work performed and payment due.

### **2.2 ADDITIONAL SERVICES; PRICE ADJUSTMENT**

The total Scope of Work to be performed by Consultant in accordance with this Contract is set forth herein and in Exhibit "A." Services not included in this Contract, including Exhibit "A," will be considered Additional Services. Consultant shall not perform any Additional Services without written authorization from the City. It shall be presumed that all Services performed/provided by Consultant were included in the Contract and contemplated by Consultant as being part of the original Scope of Work and the fees set forth herein, unless such Services have been separately approved by the City, in writing, as Additional Services. Consultant shall not be paid for any Additional Services that are not authorized by the City in writing.

### **2.3 OWNERSHIP**

Upon receipt of payment for Services, Consultant grants to City, and shall cause its subconsultants to grant to City, the exclusive ownership of any and all copyrights, if any, to evaluations, reports, drawings, specifications, project manuals, surveys, estimates, reviews, minutes, and other intellectual work product as may be applicable ("Work Product"). This grant is effective whether the Work Product is on paper (e.g., a "hard copy"), in electronic format, or in some other form. Consultant warrants, and agrees to

indemnify, hold harmless and defend City for, from and against any claim that any Work Product infringes on third-party proprietary interests. City may reuse the Work Product at its sole discretion. In the event the Work Product is used for another project without further consultations with Consultant, the City agrees to indemnify and hold Consultant harmless from any claim arising out of the Work Product. In such case, City will also remove any title block from the Work Product.

### **3.1 TERM AND EXTENSION**

This Contract shall be in full force and effect only when approved and signed by Mayor as attested by the City Clerk. This Contract begins on the Effective Date and shall terminate upon the completion of the appropriate tasks specified in Exhibit “A”, Scope of Work within the timeframe identified in Exhibit “B”, Project Schedule.

### **3.2 TERMINATION**

#### **3.2.1 Termination for Cause**

The City has the right to terminate this Contract for cause in the event Consultant materially breaches any provision of this Contract or portion of the Services and fails to remedy the breach within five (5) business days of notification of the breach, if the breach is remedial. If Consultant fails to remedy the breach or if the breach is not remedial, City may terminate this Contract for cause immediately upon written notice to Consultant. In the event the City terminates this Contract or any part of the Services as herein provided pursuant to this Section 3.2.1, the City shall notify the Consultant in writing, and immediately upon receipt of such notice, the Consultant shall discontinue all work under this Contract.

Upon termination for cause, Consultant shall immediately deliver to the City all drawings, research, data, studies, reports, estimates and all other documents or work product generated by the Consultant under the Contract, together with all unused material supplied by the City. Consultant shall be responsible only for such portion of the work which has been completed and accepted by the City. Use of incomplete data by the City shall be the City’s sole responsibility.

In the event of termination for cause, Consultant shall only be compensated a portion of the agreed upon fee for such portion of the work that City agrees, in its sole discretion to accept. City shall have no obligation to accept any portion of Consultant’s work if the contract is terminated for cause and shall have no obligation to pay Consultant for any portion of the work, if any, not accepted by City.

If the Consultant materially fails to fulfill in a timely and proper manner its obligations under this Contract, or if the Consultant violates any of the covenants, agreements, or stipulations of this Contract, the City may withhold from payment due to the Consultant such amounts as are necessary to protect the City’s position

for the purpose of set-off until such time as the exact amount of damages can be determined.

### **3.2.2. Termination for Convenience**

The City has the right to terminate this Contract for convenience or to abandon any portion of the work for which Services have not been performed by the Consultant with ten (10) day's written notice.

Upon such termination for convenience or abandonment, the Consultant shall immediately deliver to the City all drawings, research, data, studies, reports, estimates and all other documents or work product generated by the Consultant under the Contract, together with all unused material supplied by the City. Consultant shall be responsible only for such portion of the work which has been completed and accepted by the City. Use of incomplete data by the City shall be the City's sole responsibility.

The Consultant shall receive as compensation in full for Services performed to the date of such termination or abandonment, a fee for the percentage of Services completed and accepted by the City. This fee shall be in an amount to be mutually agreed upon by the Consultant and the City, based upon the scope of work set forth in Exhibit "A" and the payment schedule set forth in Exhibit "B". If mutual agreement cannot be reached after reasonable negotiation, the Contract Administrator shall determine the percentage of satisfactory completion of each task set forth in the scope of work contained in Exhibit "A" and the amount of compensation Consultant is entitled to for such work and the Contract Administrator's determination in this regard shall be final. The City shall make such final payment within thirty (30) days after the Consultant has delivered the last of the partially completed items.

### **3.3 FUNDS APPROPRIATION**

If the City Council does not appropriate funds to continue this Contract and pay for charges hereunder, the City may terminate this Contract at the end of the current fiscal period. The City agrees to give written notice, pursuant to Section 3.2, Termination, of this Contract to the Consultant at least thirty (30) days prior to the end of its current fiscal period and will pay to the Consultant all approved charges incurred through the end of such period.

The City's fiscal year begins July 1st and ends June 30th each calendar year. The City may make payment for Services rendered or costs encumbered only during a fiscal year and for a period of sixty (60) days immediately following the close of the fiscal year, under the provisions of Arizona Revised Statutes § 42-17108. Therefore, Consultant must submit billings for Services performed or costs incurred prior to the close of a fiscal year within forty-five (45) days to allow payment within this period.

#### **4.1 ENTIRE AGREEMENT**

This Contract constitutes the entire understanding of the parties and supersedes all previous representations, written or oral, with respect to the Services specified herein. This Contract may not be modified or amended except by a written document, signed by authorized representatives of each party.

#### **4.2 ARIZONA LAW**

This Contract shall be governed and interpreted according to the laws of the State of Arizona. Any action brought to interpret or enforce any provision of this Contract that cannot be administratively resolved, or otherwise related to or arising from this Contract, shall be commenced and maintained in the state or federal courts of the State of Arizona, Maricopa County, and each of the parties, to the extent permitted by law, consents to jurisdiction and venue in such courts for such purposes.

#### **4.3 COMPLIANCE WITH LAWS**

Consultant shall comply with all existing and subsequently enacted federal, state and local laws, ordinances, codes, and regulations that are, or become applicable to this Contract. If a subsequently enacted law imposes substantial additional costs on Consultant, a request for an amendment may be submitted pursuant to this Contract.

#### **4.4 MODIFICATIONS**

Any amendment, modification or variation from the terms of this Contract shall be in writing and shall be effective only after approval of all parties signing the original Contract.

#### **4.5 ASSIGNMENT**

Services covered under this Contract shall not be assigned or sub-contracted in whole or in part without the prior written consent of the Contract Administrator.

#### **4.6 SUCCESSORS AND ASSIGNS**

This Contract shall extend to and be binding upon Consultant, its successors and assigns, including any individual, company, partnership or other entity with or into which Consultant shall merge, consolidate or be liquidated, or any person, corporation, partnership or other entity to which Consultant shall sell its assets.

#### **4.7 ATTORNEYS' FEES**

In the event either party brings any action for any relief, declaratory or otherwise, arising out of this Contract, or on account of any breach or default hereof, neither party shall be entitled to receive from the other party attorneys' fees, costs or expenses.

**4.8 INDEPENDENT CONTRACTOR**

The Services Consultant provides under the terms of this Contract to the City are that of an Independent Contractor, not an employee or agent of the City. The City will report the value paid for these Services each year to the Internal Revenue Service (I.R.S.) using Form 1099.

City shall not withhold income tax as a deduction from contractual payments. As a result of this, Consultant may be subject to I.R.S. provisions for payment of estimated income tax. Consultant is responsible for consulting the local I.R.S. office for current information on estimated tax requirements. Consultant will not be entitled to any benefits provided by City to its employees, including, but not limited to, health benefits, workers' compensation, unemployment coverage, deferred compensation, and all other typical employee benefits.

**4.9 CONFLICT OF INTEREST**

The City may cancel any contract or agreement, without penalty or obligation, if any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the City's departments or agencies is, at any time while the contract or any extension of the contract is in effect, an employee of any other party to the contract in any capacity or a consultant to any other party to the Contract with respect to the subject matter of the Contract. The cancellation will be effective when written notice from the City is received by all other parties to the Contract, unless the notice specifies a later time (A.R.S. §38-511).

**4.10 NOTICES**

All notices or demands required to be given pursuant to the terms of this Contract shall be given to the other party in writing, delivered by hand or registered or certified mail, at the addresses set forth below, or to such other address as the parties may substitute by written notice given in the manner prescribed in this paragraph.

In the case of Consultant: L. Carson Bise, AICP  
TischlerBise, Inc.,  
4701 Sangamore Road,  
Suite S240,  
Bethesda, MD 20816

In the case of City City of El Mirage  
Attn: City Manager  
10000 N. El Mirage Road  
El Mirage, Arizona 85335



of any subconsultants shall be subject to the prior approval of the City. In the event of subcontracting, the sole responsibility for fulfillment of all terms and conditions of this Contract rests with the Consultant.

#### **4.17 INDEMNIFICATION**

The Consultant agrees, to the fullest extent permitted by law, to indemnify and hold harmless the City, its officers, directors and employees (collectively, City) against all damages, liabilities or costs, including reasonable attorneys' fees and defense costs, to the extent caused by the Consultant's negligent performance of professional services under this Contract and that of its subcontractors or anyone for whom the Consultant is legally liable.

The City agrees, to the fullest extent permitted by law, to indemnify and hold harmless the Consultant, its officers, directors, employees and subcontractors (collectively, Consultant) against all damages, liabilities or costs, including reasonable attorney's fees and defense costs, to the extent caused by the City's negligent acts in connection with the Services and the acts of its contractors, subcontractors or consultants or anyone for whom the City is legally liable.

Neither the City nor the Consultant shall be obligated to indemnify the other party in any manner whatsoever for the other party's own negligence or for the negligence of others.

#### **4.18 INSURANCE**

The Consultant shall secure and maintain at all times that this Contract is in effect, insurance coverage which shall include statutory workers' compensation, comprehensive general and automobile liability, owner's and Consultant's protective liability insurance and errors and omissions professional liability. The comprehensive general and automobile liability limits shall be no less than one million dollars (\$1,000,000) combined single limit. The owner's and Consultant's protective liability limits shall be no less than one million dollars (\$1,000,000) for each occurrence and one million dollars (\$1,000,000) policy aggregate naming the City as an additional insured. The minimum amounts of coverage for Consultant's professional liability shall be one million dollars (\$1,000,000). In other than errors and omissions professional liability, City's and Consultant's protective liability and worker's compensation, the City of El Mirage shall be named as an additional insured.

All insurance coverage shall be written through a carrier licensed in Arizona, or an approved non-admitted list of carriers published by the Arizona Department of Insurance, and possessing an A.M. Best rating of at least A- or above with policies and forms satisfactory to the City.

The Consultant shall submit to the City a certificate of insurance evidencing the coverage and limits stated in the foregoing paragraph within ten (10) days of award of this Contract. City shall not issue a "Notice to Proceed" until after Consultant has submitted the certificate of insurance to City. Insurance evidenced by the certificate shall not expire or be canceled or materially changed without thirty (30) days prior written notice to the City, and a statement to that effect must appear on the face of the certificate and the certificate shall

be signed by a person authorized to bind the insurer. Consultant shall also submit to the City a copy of Consultant's insurance policy endorsements indicating that the City is an additional insured under Consultant's insurance policies as required herein.

The insurance policies, except Workers' Compensation required by this Contract, shall name the City, its agents, representatives, officers, directors, officials and employees as Additional Insureds.

#### **4.19 FEDERAL AND STATE EMPLOYMENT IMMIGRATION LAWS AND OTHER REQUIREMENTS**

To the extent applicable under A.R.S. § 41-4401, Consultant warrants its and its subconsultants' compliance with all federal immigration laws and regulations that relate to their compliance with the E-verify requirements under A.R.S. § 23-214(A). Consultant's or its subconsultants' breach of the above-mentioned warranty shall be deemed a material breach of the Contract and may result in the termination of the Contract by the City. The City retains the legal right to randomly inspect the papers and records of Consultant and its subconsultants to ensure that the Consultant and its subconsultants are complying with the above-mentioned warranty.

The Consultant warrants to keep the papers and records open for random inspection during normal business hours by the City. The Consultant shall cooperate with the City's random inspections including granting the City entry rights to Consultant's property to perform the random inspections and waiving its right to keep such papers and records confidential. The failure of Consultant to comply with this warranty regarding the keeping of papers and records and cooperating with City's random inspections shall constitute a material breach of the Contract and the City will have the right to immediately terminate the Contract.

A breach of the Immigration Warranty shall constitute a material breach of this Contract and shall subject the Consultant to penalties up to and including termination of this Contract at the sole discretion of the City.

Neither the Consultant nor any Sub-contractor shall be deemed to have materially breached the Professional Immigration Warranty if the Consultant or Sub-contractor establishes that it has complied with employment verification provisions prescribed by Sections 274A and 274B of the Federal Immigration and Nationality Act and the E-Verify requirements prescribed by A.R.S. § 23-214(A).

The provisions of this Article must be included in any contract the Consultant enters into with any and all of its Sub-contractors who provide services under this Contract or any sub-contract. "Services" are defined as furnishing labor, time or effort in the State of Arizona by a professional or sub-contractor. Services include construction or maintenance of any structure, building or transportation facility or improvement to real property.

Consultant understands and acknowledges the applicability to it of the Americans with Disabilities Act, the Immigration Reform and Control Act of 1986 and the Drug Free

Workplace Act of 1989. The following is only applicable to construction contracts: The Consultant must also comply with A.R.S. § 34-301, “Employment of Aliens on Public Works Prohibited”, and A.R.S. § 34-302, as amended, “Residence Requirements for Employees”.

**4.20 SEVERABILITY**

If any term or provision of this Contract shall be found to be illegal or unenforceable, then notwithstanding such illegality or unenforceability, this Contract shall remain in full force and effect and such term or provision shall be deemed to be deleted.

**4.21 DEGREE OF CARE**

Professional shall exercise the same degree of care, skill and diligence in the performance of the Services as is ordinarily possessed and exercised by a professional under similar circumstances.

**4.22 THIRD PARTY BENEFICIARIES**

Nothing in this Agreement shall be construed to give any rights or benefits to anyone other than the City and Professional.

**4.23 ISRAEL BOYCOTT**

Consultant certifies that it is not currently engaged in and agrees for the duration of this Agreement that it will not engage in a “boycott”, as that term is defined in A.R.S. § 35-393, of Israel.

**4.24 FORCED LABOR**

Pursuant to and in compliance with A.R.S. § 35-394, Consultant hereby agrees and certifies that it does not currently, and agrees for the duration of this Agreement that Consultant will not, use: (1) the forced labor of ethnic Uyghurs in the People’s Republic of China; (2) any goods or services produced by the forced labor of ethnic Uyghurs in the People’s Republic of China; or (3) any sub-consultants, subcontractors or suppliers that use the forced labor or any goods or services produced by the forced labor of ethnic Uyghurs in the People’s Republic of China. Consultant also hereby agrees to indemnify and hold harmless the City, its officials, employees, and agents from any claims or causes of action relating to the City’s action based upon reliance upon this representation, including the payment of all costs and attorney fees incurred by the City in defending such as action.

**CITY OF EL MIRAGE**

**CONSULTANT:**

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By: Alexis Hermosillo  
Its: Mayor

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By: Carson Bise  
President  
TischlerBise, Inc.

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ATTEST:

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Jill Boltz, City Clerk

APPROVED AS TO FORM:

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Justin Pierce, City Attorney

## **EXHIBIT “A” SCOPE OF WORK**

The following work scope is designed to meet the requirement of SB1525, as well as national case law. This scope of work assumes the following infrastructure categories: Fire, Police, Parks and Recreation, and Transportation.

### **TASK 1: PROJECT INITIATION / DATA ACQUISITION**

During this task, we will meet with City staff to establish lines of communication, review and discuss project goals and expectations related to the project, review (and revise if necessary) the project schedule, request data and documentation related to new proposed development, and discuss City staff's role in the project. The objectives of this initial discussion are outlined below:

- Obtain and review current demographics and other land use information
- Review and refine work plan and schedule
- Discuss current fee categories and current/future funding arrangements
- Assess additional information needs and required staff support
- Identify and collect data and documents relevant to the analysis
- Identify any relevant policy issues

**Meetings:** One (1) on-site visit to meet with City project management team/City staff as appropriate.

**Deliverables:** Data request memorandum.

### **TASK 2: PREPARE LAND USE ASSUMPTIONS**

TischlerBise will prepare annual projections of population, employment, housing, commercial, industrial, and other nonresidential square footage data for ten (10) year for all other development fee categories. This will be based on discussions with City staff and review of published information. The Consultant will prepare a memorandum discussing the recommended land use projections (Land Use Assumptions Document) that will serve as the basis for the IIP and development impact fee schedule. TischlerBise will prepare a plan that includes projections of changes in land uses, densities, intensities, and population for a specific service area. A map of the area(s) to which the land use assumptions apply will also be included in this task.

**Meetings:** Discussions with Development Services staff will be held as part of Task 1, as well as conference calls as needed.

**Deliverables:** TischlerBise will prepare a draft technical memorandum discussing the recommended Land Use Assumptions. After review and sign-off by the City, a final memorandum will be issued, which will become part of the final Development Fee Report.

### TASK 3: ASCERTAIN DEMAND FACTORS AND LEVELS-OF-SERVICE FOR “NECESSARY PUBLIC SERVICES”

Communities in Arizona may assess development fees for “necessary public services” which have a useful life of more than three years and that are owned and operated on behalf of the City and within the incorporated boundary.

There are several important subtasks that are outlined below:

- **Proportionate Share** – Determine the proportionate share of the cost of “necessary public services,” based on service units needed to provide such services to new development.
- **Determine Existing Levels-of-Service** – The costs for the “necessary public services” required to serve new development are based on the same level-of-service being provided to existing development in the service area. We will determine the existing level-of-service by conducting onsite interviews, evaluating the appropriate studies, and analyzing relevant local data. These onsite interviews will also include discussions about and defining of the infrastructure components to be included in the IIP and development fees.
- **Determine Service Areas** – Specify the area(s) within the City’s boundaries in which development will be served by the “necessary public services” or facility expansions and that a substantial nexus exists between the necessary public services or facility expansions and the development being served as prescribed in the IIP.

The above subtasks will enable us to ensure that three important development fee requirements are met, collectively referred to as rational nexus requirements: demonstration of impact, benefit, and proportionality.

**Meetings:** Two (2) meetings with City staff to discuss capital facility needs and levels-of-service. As a no charge option, TischlerBise can meet with a Stakeholder Group if the City desires.

**Deliverables:** Technical Memorandum Discussing Recommended Service Areas by Fee Category.

### TASK 4: IDENTIFY CAPITAL NEEDS AND COSTS

This task will determine the relevant capital needs and costs due to growth.

- 1) **Long-Range Capital Need** – TischlerBise will focus on relevant documents such as the relevant planning documents and master plans, the current Capital Improvements Plan, and other mapping and data that is available. Discussions will aim not only to understand the specific costs, but also to assess the size and scope of projects and whether capital facility needs are due to normal replacement, catch-up, or new demand.

- 2) **Service Units** – TischlerBise will define the standardized measures of consumption, use, or generation attributable to an individual unit of development for each category of “necessary public services” or facility expansions.
- 3) **Review Cost Estimates** – TischlerBise will review the costs of infrastructure improvements, real property, financing, engineering, and architectural services associated with the “necessary public services” to be included in the IIP and development fees.
- 4) **Financing Costs** – TischlerBise will identify projected interest charges and other financial costs which are to be used for repayment of principal and interest of debt used to finance construction of “necessary public services” identified in the IIP.
- 5) **Identify Ineligible Costs** – TischlerBise will identify costs that are not eligible for inclusion in the IIP and development fees. Ineligible costs include projects not included in the IIP; repair, maintenance, or operation of existing facilities; projects which serve existing development in order to meet stricter regulatory requirements; projects which provide a higher level-of-service to existing development; and administrative, maintenance, and operating costs.

As part of calculating the fee, costs for infrastructure improvements, real property, financing, engineering, and architectural services will be considered. TischlerBise will consider all of these components in developing an equitable allocation of costs.

**Meetings:** Two (2) meetings with City staff.

**Deliverables:** See Task 7.

#### **TASK 5: DETERMINE NEED FOR “CREDITS” TO BE APPLIED AGAINST CAPITAL COSTS**

A consideration of “credits” is integral to the development of a legally valid impact fee methodology. There is considerable confusion among those who are not immersed in impact fee law about the definition of a credit and why it may be required.

There are two types of “credits” that are included in the calculation of impact fees, each with specific, distinct characteristics. The first is a credit due to possible double payment situations. This could occur when a property owner will make future contributions toward the capital costs of a public facility covered by an impact fee. The second is a credit toward the payment of an impact fee for the required dedication of public sites and improvements provided by the developer and for which the impact fee is imposed. Both types of credits will be considered and addressed in the development fee study.

**Deliverables:** Memoranda as appropriate. See Task 10.

#### **TASK 6: DISCUSS PRELIMINARY METHODOLOGIES AND POLICY OPTIONS**

The requirement that development fees be based on an IIP does not equate to a requirement that only the plan-based methodology can be used in the calculations. The IIP can reflect the past capacity investments in infrastructure that will be repaid by new

development with development fee revenue. Likewise, the City can plan to provide new development the same level-of-service being currently provided to existing development.

TischlerBise will evaluate different allocation methodologies for each IIP and development fee component to determine which methodology is the most appropriate measure of the demand created by new development. These methodologies include:

**Cost Recovery Methodology** – This methodology is best suited for infrastructure which has already been built and has excess capacity available to be utilized for new development.

**Incremental Expansion Methodology** – Under this approach, new development will receive the current level-of-service being provided to existing development by the existing inventory of infrastructure.

**Plan-Based Methodology** – This methodology primarily evaluates the CIP for new development's proportionate share of planned capital projects. It is important to note, however, that CIP's are often fiscally constrained and may not reflect the true requirements of new development. TischlerBise will therefore also evaluate master plans for different categories of infrastructure.

This comprehensive approach and consideration of alternative methodologies will allow maximization of the development fees. TischlerBise to prepare draft levels-of-service tables and methodology recommendations for each infrastructure category and component. We will discuss this information with City staff to ensure understanding and acceptance. Policy alternatives will be discussed as appropriate. This should help ensure "sign-off" and prevent time delays in finalizing the analysis.

**Meetings:** One (1) meeting with City staff and elected officials (if desired) to discuss and explain the preliminary findings, assumptions, and results. As a no charge option, TischlerBise can meet with a Stakeholder Group if the City desires.

**Deliverables:** TischlerBise will prepare a "story board" for staff review and comment detailing proposed levels-of-service, cost estimates, service areas, credits and recommended calculation methodologies.

## **TASK 7: PREPARE DRAFT INFRASTRUCTURE IMPROVEMENT PLAN (IIP)**

In this task, TischlerBise's qualified professionals will prepare an IIP using generally accepted engineering and planning practices for each "necessary public service" for which a development fee can be assessed. Development of the IIP will include the following subtasks:

- **Reserve Capacity** – The IIP will identify infrastructure capacity to be reserved to serve future development.
- **Description of Existing Necessary Public Services in the Service Area(s)** – The IIP will include a description of the existing "necessary public services" in the service area(s) and the costs to upgrade, update, improve, expand, correct, or

replace those services to meet existing needs and usage and stricter safety, efficiency, environmental, and regulatory standards.

- **Analysis of Total Capacity** – The IIP will identify the current usage and commitments for usage of capacity of the existing “necessary public services.”
- **Description of “Necessary Public Services” Attributable to New Development** – The IIP will describe all parts of the “necessary public services” of facility expansions and their costs necessitated by and attributable to development in the service area(s) based on the approved land use assumptions. Cost forecasts will include the costs of infrastructure improvements, real property, financing, engineering, and architectural services.
- **Equivalency/Conversion Table** – The IIP will include a table establishing the specific level or quantity of use, consumption, or generation of a service unit for each category of “necessary public services” or facility expansions. The table will include the ratio of a service unit to various types of residential, commercial, and industrial land uses.
- **Projected Service Units** – The IIP will include the total number of projected service units necessitated by and attributable to new development in the service area(s), based on the approved land use assumptions.
- **Projected Demand for Necessary Public Services** – The IIP will include a ten-year projection of the demand for “necessary public services”, or facility expansions required by new service units.
- **Forecast of Non-Development Fee Revenues from New Service Units** – The IIP will forecast revenues other than development fees generated by new service units, such as state-shared revenue, highway user revenue, federal revenue, ad valorem property taxes, construction contracting or similar excise taxes attributable to development based on the approved land use assumptions. This subtask will include a plan to include these contributions in determining the extent of the burden created by new development.

These subtasks will result in a written plan that identifies each “necessary public service” or facility expansion that is to be the subject of a development fee and complies with the requirements of State law.

**Meetings:** None.

**Deliverables:** Draft Infrastructure Improvement Plan.

## **TASK 8: CONDUCT FUNDING AND CASH FLOW ANALYSIS; ESTIMATE ANNUAL OPERATING COSTS**

To prepare a meaningful IIP, it is important to evaluate the anticipated funding sources. In this task, TischlerBise will prepare a ten-year cash flow analysis. This calculation will allow the City to better understand the revenue potential of the development fees and the

amount which would be needed if the fees were discounted. It will also provide a good understanding of the cash flow needed to cover the infrastructure costs for new development. The cash flow analysis will indicate whether additional funds might be needed or whether the IIP might need to be altered. This could also affect the total credits calculated in the previous task. Therefore, it is likely that several iterations will be conducted in order to refine the cash flow analysis reflecting the capital improvement needs. Development fee revenues can only be spent on capital projects that add capacity. Operating and maintenance costs associated with these capital improvements will have to be funded from other revenue sources, mostly likely from the General Fund. To estimate the annual operational and maintenance costs of the projected infrastructure, TischlerBise will utilize several data sources, including:

- Most recently adopted operating budget.
- Most recently adopted CIP.
- Capital project/program submittal sheets from departments.

**Meetings:** None.

**Deliverables:** See Task 10.

#### **TASK 9: COMPLETE DEVELOPMENT FEE METHODOLOGY AND CALCULATIONS**

The completion of the previous task will enable the development fee methodology and calculations to be finalized. TischlerBise will calculate the maximum justifiable fee for commercial, residential, and industrial development that can be charged and conform to fee requirements.

**Meetings:** None.

**Deliverables:** Draft Development Fee Report.

#### **TASK 10: PREPARE FINAL LAND USE ASSUMPTIONS, IIP AND DEVELOPMENT FEE REPORT, PUBLIC PRESENTATIONS**

TischlerBise will prepare a written report for the City that summarizes the need for development fees for the “necessary public services” category and the relevant methodologies employed, as well as documentation for all assumptions and cost factors. The report will include at a minimum the following information:

- Executive Summary.
- A detailed description of the methodologies used during the study.
- A detailed description of all level-of-service standards and cost factors used and accompanying rationale.
- An IIP spanning a maximum ten-year planning horizon (15-year for utilities), listing projects, costs, timing, and financing.
- A detailed schedule of all proposed fees listed by land use type and activity.

- Other information which adequately explains and justifies the resulting recommended fee schedule.
- A ten-year cash flow analysis of development fees and estimate of operating costs.

**Meetings:** One (1) presentation/work session with the City Council to present and discuss final and Use Assumptions, Development Fee Report and IIP as part of the legislatively required adoption process.

**Deliverables:** Final Land Use Assumptions, IIP and Development Fee Report and presentation materials for meetings.

**EXHIBIT “B”  
PROJECT BUDGET**

<b>PROPOSED FEE - INFRASTRUCTURE IMPROVEMENT PLAN AND LAND USE ASSUMPTIONS</b>						
Project Team Member:	Bise	Herlands	Griffin	Total		
Hourly Rate*	<b>\$210</b>	<b>\$190</b>	<b>\$190</b>	Hours	Cost	
Task 1: Project Initiation / Data Acquisition	10	0	10	20	\$4,000	
Task 2: Prepare Land Use Assumptions	8	2	40	50	\$9,660	
Task 3: Ascertain Demand Factors and Levels-of-Service for Necessary Public Services	16	8	48	72	\$14,000	
Task 4: Identify Capital Needs and Costs	40	6	60	106	\$20,940	
Task 5: Determine Need for Credits	8	2	12	22	\$4,340	
Task 6: Discuss Preliminary Methodologies and Policy Options	8	2	16	26	\$5,100	
Task 7: Prepare Infrastructure Improvement Plan (IIP)	8	4	40	52	\$10,040	
Task 8: Conduct Funding and Cash Flow Analysis	4	2	12	18	\$3,500	
Task 9: Complete Development Fee Methodology and Fee Calculations	8	2	16	26	\$5,100	
Task 10: Prepare Final Land Use Assumptions, IIP and Development Fee Report, Public Presentations	32	8	60	100	\$19,640	
<b>Total Cost:</b>	<b>142</b>	<b>36</b>	<b>314</b>	<b>492</b>	<b>\$96,320</b>	

\* Hourly rates are inclusive of all costs.