

**PROFESSIONAL SERVICES AGREEMENT WITH TISCHLERBISE, INC.,
FOR LAND USE ASSUMPTIONS, INFRASTRUCTURE IMPROVEMENT PLAN
AND DEVELOPMENT FEE STUDY**

THIS AGREEMENT is made as of the ____ day of _____, 2025 (the "Effective Date") by and between the CITY OF APACHE JUNCTION, an Arizona municipal corporation ("City"), and TISCHLERBISE, a Maryland corporation ("Consultant"), both of which may be hereinafter referred to collectively as the "Parties" or individually as a "Party", for Land Use Assumptions, Infrastructure Improvement Plan and Development Fee Study.

RECITALS

A. City desires to retain a consultant to complete a comprehensive land use assumptions, infrastructure improvement plan and development fee study and to make payment for the same in accordance with the terms and conditions set forth in this Agreement, including all attachments and addenda which are appended hereto by mutual agreement of the Parties.

B. The Arizona legislature codified the legal / financial unfunded mandate under A.R.S. § 9-463.05, *et seq.*, for cities and towns to adopt land use assumptions, infrastructure improvement plan and a development fee study every five years, or otherwise face a reduction in state shared revenue.

C. The procurement process under this Agreement is exempt from the requirements set forth in A.J.C.C., Vol. I, § 3-7-7, including but not limited to, legal and financial services, as well as sole source procurements (for consistency in applications).

D. The Parties have set forth below contemplated services Consultant will provide City, including payment terms for such services and products.

AGREEMENT

NOW, THEREFORE, in consideration of the Recitals noted above, the mutual covenants and conditions below, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. **CONSULTANT'S DUTIES:** Consultant agrees to perform the professional services detailed in Exhibit A.

2. **COMPENSATION:** In accordance with the terms and conditions of this Agreement, City shall compensate Consultant for professional services in an amount not to exceed Sixty Seven Thousand Four Hundred Forty Dollars and

Zero Cents (\$67,440.00) in accordance with the price sheet set forth in Exhibit B.

3. **CONSULTANT BILLING:** Consultant shall bill City on a time and expense basis in a total amount not to exceed Section 2 above. City shall pay such billings within thirty (30) calendar days of the date of receipt.

4. **TERM/RENEWAL:** The term of this Agreement starts on July 1, 2025 and ends on June 30, 2026.

5. **CITY'S STANDARD OF PERFORMANCE:** City shall furnish Consultant with all data, information and other supporting services specified in Exhibit A.

6. **CONSULTANT'S STANDARD OF PERFORMANCE:** While performing the services, Consultant shall exercise the reasonable professional care and skill customarily exercised by reputable members of Consultant's profession practicing in the Phoenix Metropolitan Area, and shall use reasonable diligence and best judgment while exercising its professional skill and expertise. Consultant shall be responsible for all errors and omissions Consultant commits in the performance of this Agreement.

7. **NOTICES:** All notices to the a Party required under this Agreement shall be in writing and sent by first class certified mail, postage prepaid, return receipt requested, addressed to the following:

If to City: City of Apache Junction
Sidney Urias, Deputy Director of Development Services
300 East Superstition Boulevard
Apache Junction, AZ 85119
surias@apachejunctionaz.gov

If to Consultant: Carson Bise
TischlerBise, Inc.
4701 Sangamore Road, Suite S240
Bethesda, MD 20818
carson@tischlerbise.com

8. **INSURANCE:** Consultant, at its own expense, shall purchase and maintain the herein stipulated minimum insurance with companies duly licensed, possessing a current A.M. Best, Inc. Rating of B++6, or approved unlicensed in the State of Arizona with policies and forms satisfactory to City.

All insurance required herein shall be maintained in full force and effect until all work or service required to be performed under the terms of the Agreement is satisfactorily completed and formally accepted; failure to do so may, at the sole discretion of City, constitute a material breach of this Agreement.

Consultant's insurance shall be primary insurance as respects the City, and any insurance or self-insurance maintained by City shall not contribute to it.

Any failure to comply with the claim reporting provisions of the insurance policies or any breach of an insurance policy warranty shall not affect coverage afforded under the insurance policies to protect City.

The insurance policies, except Workers' Compensation, shall contain a waiver of transfer rights of recovery (subrogation) against City, its agents, officers, officials and employees for any claims arising out of Contractor's acts, errors, mistakes, omissions, work or service.

The insurance policies may provide coverage which contains deductibles or self-insured retentions. Such deductible and/or self-insured retentions shall not be applicable with respect to the coverage provided to City under such policies. Consultant shall be solely responsible for the deductible and/or self retention and City, at its option, may require Consultant to secure payment of such deductibles or self-insured retentions by a surety bond or an irrevocable and unconditional letter of credit.

City reserves the right to request and to receive, within ten (10) working days, certified copies of any or all of the herein required insurance policies and/or endorsements. City shall not be obligated, however, to review same or to advise Consultant of any deficiencies in such policies and endorsements, and such receipt shall not relieve Consultant from, or be deemed a waiver of, City's right to insist on strict fulfillment of Consultant's obligations under this Agreement.

The insurance policies, except Workers' Compensation and Professional Liability, required by this Agreement, shall name City, its agents, officers, officials and employees as Additional Insureds.

REQUIRED COVERAGE

Commercial General Liability

Consultant shall maintain Commercial General Liability insurance with a limit of not less than \$1,000,000 for each occurrence with a \$2,000,000 Products/Completed Operations Aggregate and a \$2,000,000 General Aggregate limit. The policy shall include coverage for bodily injury, broad form property damage, personal injury, products and completed operations and blanket contractual coverage including, but not limited to, the liability assumed under the indemnification provisions of this Agreement, which coverage will be at least as broad as that on Insurance Service Office, Inc. Policy Form No. CG 00011093, or the equivalent thereof.

Such policy shall contain a severability of interest provision, and shall not contain a sunset provision or commutation clause, nor any provision which would serve to limit third party action over claims.

The Commercial General Liability additional insured endorsement shall be at least as broad as the Insurance Service Office, Inc.'s Additional Insured, Form B, CG 20101185, or the equivalent thereof, and shall include coverage for Consultant's operations and products and completed operations.

If required by this Agreement, if Consultant sublets any part of the work, services or operations, Consultant shall purchase and maintain, at all times during prosecution of the work, services or operations under this Agreement, an Owner and Consultant's Protective Liability insurance policy for bodily injury and property damage, including death, which may arise in the prosecution of Consultant's work, service or operations under this Agreement. Coverage shall be on an occurrence basis with a limit not less than \$1,000,000 per occurrence, and the policy shall be issued by the same insurance company that issues Consultant's Commercial General Liability insurance.

Automobile Liability

Consultant shall maintain Commercial/Business Automobile Liability Insurance with a combined single limit for bodily injury and property damage of not less than \$1,000,000 each occurrence with respect to Consultant's owned, hired, and non-owned vehicles assigned to or used in performance of Consultant's work. Coverage will be at least as broad as coverage code 1, "any auto", (Insurance Service Office, Inc. Policy Form CA 00011293, or the equivalent thereof). Such insurance shall include coverage for loading and off loading hazards. If hazardous substances, materials or wastes are to be transported, MCS 90 endorsement shall be included and \$5,000,000 per accident limits for bodily injury and property damage shall apply.

Workers' Compensation

Consultant shall carry Workers' Compensation insurance to cover obligations imposed by federal and state statutes having jurisdiction of Consultant's employees engaged in the performance of the work or services; and, Employer's Liability insurance of not less than \$100,000 for each accident, \$100,000 disease for each employee, and \$500,000 disease policy limit.

By execution of this Agreement, Consultant certifies as follows:

"I am aware and understand the provisions of A.R.S. § 23-901 *et seq.* which requires every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of this chapter, and I will comply with

such provisions before commencing the performance of the work of this Agreement."

If Consultant has no employees for whom workers' compensation insurance is required, Consultant shall submit a declaration or affidavit to City so stating and covenanting to obtain such insurance if and when Consultant employs any employees subject to coverage.

In case any work is subcontracted, Consultant will require subcontractors to provide Workers' Compensation and Employer's Liability insurance to at least the same extent as required of Consultant.

Professional Liability

Consultant retained by City to provide the work or service required by this Agreement will maintain Professional Liability insurance covering acts, errors, mistakes and omissions arising out of the work or services performed by Consultant, or any person employed by Consultant, with a limit of not less than \$1,000,000 each claim.

Certificates of Insurance

Prior to commencing work or services under this Agreement, Consultant shall furnish City with Certificates of Insurance, or formal endorsements as required by the Agreement, issued by Consultant's insurer(s), as evidence that policies providing the required coverages, conditions and limits required by this Agreement are in full force and effect. The form of the certificates of insurance and endorsements shall be subject to the approval of the Apache Junction City Attorney's Office, shall comply with the terms of this Agreement, and shall be issued and delivered to City Attorney, City of Apache Junction, 300 East Superstition Boulevard, Apache Junction, AZ 85119.

In the event any insurance policies required by this Agreement are written on a "claims made" basis, coverage shall extend for two (2) years past completion and acceptance of Consultant's work or services and as evidenced by annual Certificates of Insurance.

If a policy does expire during the life of the Agreement, a renewal certificate must be sent to City thirty (30) calendar days prior to the expiration date.

All Certificates of Insurance shall be identified with bid serial number and title. Policies or certificates and completed forms of City's Additional Insured Endorsement (or a substantially equivalent insurance company form acceptable to the City Attorney) evidencing the coverage required by this section shall be filed with the City and shall include the City as an additional insured. The policy

or policies shall be in the usual form of a public liability insurance, but shall also include the following provision:

"Solely as respects work done by or on behalf of the named insured for the City of Apache Junction, it is agreed that the City of Apache Junction and its officers and employees are added as additional insureds under this policy."

Insurance required herein shall not expire, be canceled, or materially changed without thirty (30) calendar days' prior written notice to City.

9. APPLICABLE LAW AND VENUE: The terms and conditions of this Agreement shall be governed by and interpreted in accordance with the laws of the State of Arizona. Any action at law or in equity brought by either party for the purpose of enforcing a right or rights provided for in this Agreement, shall be tried in a court of competent jurisdiction in Pinal County, State of Arizona. The parties hereby waive all provisions of law providing for a change of venue in such proceeding to any other county. In the event either party shall bring suit to enforce any term of this Agreement or to recover any damages for and on account of the breach of any term or condition in this Agreement, it is mutually agreed that the prevailing party in such action shall recover all costs including: all litigation and appeal expenses, collection expenses, reasonable attorney fees, necessary witness fees and court costs to be determined by the court in such action.

10. FORCE MAJEURE: Neither City nor Consultant, as the case may be, shall be considered not to have performed its obligations under this Agreement in the event of enforced delay (an "Enforced Delay") due to causes beyond its control and without its fault or negligence or failure to comply with applicable laws, including, but not restricted to, acts of God, fires, floods, epidemics, pandemics and related executive orders, quarantine, restrictions, embargoes, labor disputes, and unusually severe weather or the delays of subcontractors or materialmen due to such causes, acts of a public enemy, war, terrorism or act of terror (including but not limited to bio-terrorism or eco-terrorism), nuclear radiation, blockade, insurrection, riot, labor strike or interruption, extortion, sabotage, or similar occurrence or any exercise of the power of eminent domain of any governmental body on behalf of any public entity, or a declaration of moratorium or similar hiatus (whether permanent or temporary) by any public entity directly affecting the obligations under this Agreement. In no event will Enforced Delay include any delay resulting from unavailability for any reason of labor shortages, or the unavailability for any reason of particular Consultants, subcontractors, vendors or investors desired by Consultant in connection with the obligations under this Agreement. Consultant agrees that Consultant alone will bear all risks of delay which are not Enforced Delay. In the event of the occurrence of any such Enforced Delay, the time or times for performance of the obligations of the Party claiming delay shall be extended for a period of the Enforced Delay; provided, however, that the Party seeking the benefit of the

provisions of this Section shall, within thirty (30) calendar days after such Party knows or should know of any such Enforced Delay, first notify the other Party of the specific delay in writing and claim the right to an extension for the period of the Enforced Delay; and provided further that in no event shall a period of Enforced Delay exceed ninety (90) calendar days.

11. **TERMINATION:** This Agreement may be terminated by either Party for any reason upon thirty (30) days written notice. If this Agreement is terminated, City shall be reimbursed from Consultant the amount paid for any undelivered and/or unaccepted products or services. Upon termination, City agrees to pay for all delivered, accepted, and properly invoiced services that were provided up to the announced Termination Date.

12. **INDEMNIFICATION:** To the fullest extent permitted by law, Consultant shall defend, indemnify and hold harmless City, its elected and appointed officers, officials, agents, and employees from and against any and all liability including but not limited to demands, claims, actions, fees, costs and expenses, including reasonable attorney and expert witness fees, arising from, or alleged to have arisen from, relating to, arising out of, or alleged to have resulted from the acts, errors, mistakes, omissions, Work or services of Consultant, its agents, employees, or any tier of Consultant's subcontractors in the performance of this Agreement, but only to the extent caused by the negligence, recklessness or intentional wrongful conduct of Consultant or its subcontractors in the performance of the Work under this Agreement or any subcontract. Consultant's duty to defend, hold harmless and indemnify City, its special districts, elected and appointed officers, officials, agents, and employees shall arise in connection with any claim, damage, loss or expense that is attributable to bodily injury, sickness, disease, death, or injury to, impairment, or destruction of property including loss of use resulting therefrom, caused by an Consultant's acts, errors, mistakes, omissions, work or services in the performance of this Agreement including any employee of Consultant, any tier of Consultant's subcontractor or any other person for whose acts, errors, mistakes, omissions, Work or services Consultant may be legally liable, but only to the extent caused by the negligence, recklessness or intentional wrongful conduct of Consultant or any tier of Consultant's subcontractors or any other person for whose acts, errors, mistakes, omissions, Work or services Consultant may be legally liable in the performance of the Work under this Agreement or subcontract. The amount and type of insurance coverage requirements set forth herein will in no way be construed as limiting the scope of the indemnity in this paragraph. The rights and obligations under this Section shall survive termination of this Agreement.

13. **TAXES:** Consultant shall pay all license, sales, consumer, transaction privilege, use and other similar taxes for services provided by Consultant which are legally enacted at the time the obligations under this Agreement are performed.

14. **PERMITS & FEES:** Unless otherwise provided in this Agreement, Consultant shall secure and pay for all applicable permits, government fees, licenses and inspections necessary for the proper execution and completion of services which are customarily secured after execution of the Agreement. Consultant shall give all notices and comply with all laws, ordinances, rules, regulations and lawful orders of any public authority bearing on the performance of the obligations. Consultant represents and warrants that any license necessary to perform the services under this Agreement is current and valid. Consultant understands that the activity described herein constitutes "doing business in the City of Apache Junction" and Consultant agrees to obtain a business license pursuant to Chapter 8 of the Apache Junction City Code, Vol. I, and keep such license current during the term of this Agreement. Consultant also acknowledges that the tax provision of the Apache Junction Tax Code, Chapter 8A, may also apply and if so, shall obtain a transaction privilege license and/or other licenses as may be required by all applicable laws. Further, Consultant agrees to pay all applicable privilege and use taxes that are applicable to the activities, products and services provided under this Agreement.

15. **RECORDS:** Records of Consultant's labor, payroll, and other costs pertaining to this Agreement shall be kept on a generally recognized accounting basis and made available to City for inspection on request. Consultant shall maintain records for a period of at least two (2) years after termination of this Agreement, and shall make such records available during that retention period for examination or audit by City personnel during regular business hours.

16. **RIGHT OF CITY TO CONTRACT WITH OTHERS:** Nothing in this Agreement shall imply City is obligated to obtain the services described herein with only this particular Consultant.

17. **INDEPENDENT CONTRACTOR:** City and Consultant agree and understand that the relationship between both Parties is that of an independent contractor.

18. **WAIVER OF TERMS AND CONDITIONS:** The failure of City or Consultant to insist in any one or more instances on performance of any of the terms or conditions of this Agreement or to exercise any right or privilege contained herein shall not be considered as thereafter waiving such terms, conditions, rights or privileges, and they shall remain in full force and effect.

19. **COMPLIANCE WITH FEDERAL AND STATE LAWS:** Consultant understands and acknowledges the applicability of the American with Disabilities Act, the Immigration Reform and Control Act of 1986 and the Drug Free Workplace Act of 1989 to the services performed under this Agreement.

As required by A.R.S. § 41-4401, Consultant hereby warrants its compliance with all federal immigration laws and regulations that relate to its employees and

A.R.S. § 23-214(A). Consultant further warrants that after hiring an employee, Consultant will verify the employment eligibility of the employee through the E-Verify program. If Consultant uses any subcontractors in performance of services, subcontractors shall warrant their compliance with all federal immigration laws and regulations that relate to its employees and A.R.S. § 23-214(A), and subcontractors shall further warrant that after hiring an employee, such subcontractor verifies the employment eligibility of the employee through the E-Verify program. A breach of this warranty shall be deemed a material breach of the Agreement that is subject to penalties up to and including termination of this Agreement. Consultant is subject to a penalty of \$100 per day for the first violation, \$500 per day for the second violation, and \$1,000 per day for the third violation. City at its option may terminate this Agreement after the third violation. Consultant shall not be deemed in material breach of this Agreement if the Consultant and/or subcontractors establish compliance with the employment verification provisions of Sections 274A and 274B of the federal Immigration and Nationality Act and the E-Verify requirements contained in A.R.S. § 23-214(A). City retains the legal right to inspect the papers of any Consultant or subcontractor employee who works under this Agreement to ensure that the Consultant or subcontractor is complying with the warranty. Any inspection will be conducted after reasonable notice and at reasonable times. If state law is amended, the Parties may modify this paragraph consistent with state law.

20. **ENTIRE AGREEMENT:** This Agreement and any attachments represent the entire agreement between City and Consultant and supersede all prior negotiations, representations or agreements, either express or implied, written or oral. It is mutually understood and agreed that no alteration or variation of the terms and conditions of this Agreement shall be valid unless made in writing and signed by the Parties hereto. Written and signed amendments shall automatically become part of the Supporting Documents, and shall supersede any inconsistent provision therein; provided, however, that any apparent inconsistency shall be resolved, if possible, by construing the provisions as mutually complementary and supplementary.

21. **SEVERABILITY:** City and Consultant each believe that the execution, delivery and performance of this Agreement are in compliance with all applicable laws. However, in the unlikely event that any provision of this Agreement is declared void or unenforceable (or is construed as requiring City to do any act in violation of any applicable laws, including any constitutional provision, law, regulation, or city code), such provision shall be deemed severed from this Agreement and this Agreement shall otherwise remain in full force and effect; provided that this Agreement shall retroactively be deemed reformed to the extent reasonably possible in such a manner so that the reformed agreement (and any related agreements effective as of the same date) provide essentially the same rights and benefits (economic and otherwise) to the Parties as if such severance and reformation were not required. Unless prohibited by applicable

laws, the Parties further shall perform all acts and execute, acknowledge and/or deliver all amendments, instruments and consents necessary to accomplish and to give effect to the purposes of this Agreement, as reformed.

22. SUCCESSORS, ASSIGNMENT & DELEGATION: City and Consultant each bind themselves, their partners, successors, assigns and legal representatives to the other Party hereto and to the partners, successors, assigns and legal representatives of such other Party in respect to all covenants, agreements and obligations contained in this Agreement. Neither Party to the Agreement shall assign the Agreement or sublet it as a whole or delegate the duties hereunder, without the written consent of the other, nor shall Consultant assign any monies due or to become due to it without the previous written consent of City.

23. ACCURACY OF WORK: Acceptance of services or work by City shall not relieve Consultant of the responsibility for subsequent correction of any such errors and the clarification of any ambiguities. Consultant shall make all necessary revisions or corrections resulting from errors and omissions on the part of Consultant without additional compensation.

24. TIME IS OF THE ESSENCE: Time is of the essence with respect to all provisions in this Agreement. Any delay in performance by either Party shall constitute a material breach of this Agreement.

25. PROHIBITION TO CONTRACT WITH CONSULTANTS WHO ENGAGE IN BOYCOTT OF THE STATE OF ISRAEL: The Parties acknowledge A.R.S. §§ 35-393 through 35-393.03, as amended, which forbids public entities from contracting with Consultants who engage in boycotts of the State of Israel. Should Consultant under this Agreement engage in any such boycott against the State of Israel, this Agreement shall be deemed automatically terminated by operation of law. Any such boycott is a material breach of contract.

26. CERTIFICATION PURSUANT TO A.R.S. § 35-394. In accordance with Arizona Revised Statutes § 35-394, Consultant hereby certifies and agrees that Consultant does not currently and shall not for the duration of this Agreement use: 1) the forced labor of ethnic Uyghurs in the People's Republic of China; 2) any services or goods produced by the forced labor of ethnic Uyghurs in the People's Republic of China; and/or 3) any suppliers, contractors or subcontractors that use the forced labor or any services or goods produced by the forced labor of ethnic Uyghurs in the People's Republic of China. If Consultant becomes aware during the term of this Agreement that Consultant is not in compliance with this Section, then Consultant shall notify the City within five (5) business days after becoming aware of such noncompliance. If Consultant does not provide the City with written certification that Consultant has remedied such noncompliance within one hundred eighty (180) days after notifying the City of such noncompliance, this Agreement shall terminate, except

that if the Agreement termination date occurs before the end of such one hundred eighty (180) day remedy period, this Agreement shall terminate on such contract termination date.

27. **CONFLICTS OF INTEREST:** This Agreement is subject to, and may be terminated by City in accordance with, the provisions of A.R.S. § 38-511.

IN WITNESS WHEREOF, Consultant and City have executed this Agreement as of the date first set forth above.

CONSULTANT:

TISCHLERBISE, INC.
a Maryland corporation

By: L. Carson Bise
Its: President

CITY:

CITY OF APACHE JUNCTION, ARIZONA,
an Arizona municipal corporation

By: Walter "Chip" Wilson
Its: Mayor

ATTEST:

Yvette McKinney, City Clerk

APPROVED AS TO FORM:

 4-15-25
R. Joel Stern
City Attorney

STATE OF Maryland)
) ss.
COUNTY OF Montgomery

The foregoing was subscribed and sworn to before me this 15
day of April, 2025, by L. Carson Bise as President of TischlerBise,
Inc., a Maryland Corporation.

[Signature]
Notary Public

My Commission Expires:

02/19/2029

Michael R Miller-Mercer
Notary Public
Montgomery County, MD
My Commission Expires: February 19, 2029



STATE OF ARIZONA)
) ss.
COUNTY OF PINAL)

The foregoing was subscribed and sworn to before me this _____
day of _____, 20____, by Walter "Chip" Wilson, as Mayor of the City of
Apache Junction, Arizona, an Arizona municipal corporation.

Notary Public

My Commission Expires:

EXHIBIT A

SCOPE OF WORK

TASK 1: PROJECT INITIATION / DATA ACQUISITION

During this task, Consultant shall 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 discussions on 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 with 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. Consultant shall prepare a memorandum discussing the recommended land use projections (Land Use Assumptions Document) that will serve as the basis for the Infrastructure Improvement Plan ("IIP") and development impact fee schedule. Consultant shall 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 and discussions with staff will be held as part of Task 1, as well as conference calls as needed. Deliverables: Consultant shall 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"

Pursuant to A.R.S. § 9-463.05, *et seq.*, 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 under the law 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. Consultant shall 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 Consultant to ensure that three important development fee requirements are met, collectively referred to as rational nexus requirements: demonstration of impact, benefit, and rough proportionality. Meetings will include two (2) with City staff to discuss capital facility needs and levels-of-service. As a no charge option, Consultant can meet with a Stakeholder Group if the City desires.
Deliverables: See Task 7.

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** – Consultant shall 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** – Consultant shall 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** – Consultant shall 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** – Consultant shall 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. Consultant shall consider all of these components in developing an equitable allocation of costs. There will be 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. Consultant shall 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 CIPs are often fiscally constrained and may not reflect the true requirements of new development. Consultant shall 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. Consultant shall prepare draft levels-of-service tables and methodology recommendations for each infrastructure category and component. Consultant shall 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. There shall be 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, Consultant shall meet with a Stakeholder Group if the City desires. Deliverables: Consultant shall 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 IIP

In this task, Consultant shall 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. 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, Consultant shall 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, most likely from the General Fund. To estimate the annual operational and maintenance costs of the projected infrastructure, Consultant shall utilize several data sources, including:

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

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. Consultant shall calculate the maximum justifiable fee for commercial, residential, and industrial development that can be charged and conform to fee requirements.

Deliverables: Draft Development Fee Report.

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

Consultant shall 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 and 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. There shall be 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
FEE SCHEDULE

Fees – Infrastructure Improvement Plan and Land Use Assumptions					
Project Team Member	Bise	Herlands	Griffin	Total	
Hourly Rate	\$210	\$190	\$190	Hours	Cost
Task 1: Project Initiation / Data Acquisition	8	0	0	8	\$1,680
Task 2: Prepare Land Use Assumptions	8	2	24	34	\$6,620
Task 3: Ascertain Demand Factors and Levels-of-Service for Necessary Public Services	16	4	24	44	\$8,680
Task 4: Identify Capital Needs and Costs	16	4	40	60	\$11,720
Task 5: Determine Need for Credits	8	2	12	22	\$4,340
Task 6: Discuss Preliminary Methodologies and Policy Options	8	0	16	24	\$4,720
Task 7: Prepare 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	4	2	16	22	\$4,260
Task 10: Prepare Final Land Use Assumptions, IIP and Development Fee Report, Public Presentations	24	4	32	60	\$11,880
Total Cost:	104	24	216	344	\$67,440