

January 18, 2019

Marty Wieder, AICP
Director Economic Development
City of Grand Prairie
PO Box 534045
Grand Prairie, Texas 75053

RE: Professional Services Proposal

Dear Mr. Wieder:

David Pettit Economic Development, LLC ("DPED") is pleased to provide this proposal for planning and economic development professional services relating to implementation of the amended Tax Increment Reinvestment Zone Number One, City of Grand Prairie, Texas, ("TIRZ #1") and extension of Tax Increment Reinvestment Zone Number One, City of Grand Prairie, Texas, ("TIRZ #3").

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.

Key Staff

David Pettit, Principal, would manage the project. Key staff from DPED working on the project would be:

- Natalie Moore, Project Manager

Statutory Requirements

Chapter 311 of the Texas Tax Code outlines the various procedures for creating a TIRZ, amending a TIRZ and the authorized use of funds from the TIRZ. The establishing 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.

A final project plan and financing plan is later approved by the TIRZ Board and then by the governing body of the municipality.

Per Section 311.007 of the Tax Code the governing body of the municipality that designated a reinvestment zone by ordinance may extend the term of all or a portion of the zone after notice and hearing in the manner provided for the designation of the zone. Additionally, Section 311.011 states the board of directors of the zone at any time may adopt an amendment to the project plan consistent with the requirements and limitations of the chapter and the amendment takes effect on approval by the governing body of the municipality that created the zone.

Planning Scope Relating to TIRZ #1

Creation Ordinance Amendment (TIRZ #1)

On October 16, 2018, the City of Grand Prairie City Council held a public hearing and approved an ordinance amending Ordinance No. 6095, extending TIRZ #1 boundary and term. The amendment ordinance included a preliminary amended project and financing plan.

The next steps in finalizing the amendment include a two-step process:

- 1.) TIRZ Board recommends approval of the Preliminary Amended Project and Financing Plan to City Council; and
- 2.) City Council considers an Ordinance adopting the Final Amended Project and Financing Plan.

The Ordinance adopting the Final Amended Project and Financing Plan does not require a public hearing unlike the amendment on October 16, 2018.

Participating Entities Negotiation (TIRZ #1)

Upon the approval of the Final Amended Project and Financing Plan, negotiations with Tarrant County and Dallas County and other jurisdictions can begin and be finalized through an appropriate participation agreement, if necessary. DPED would attend and support City staff at all required meetings during the negotiations, and the review and approval process for any participation agreements.

Planning Consulting regarding TIRZ Implementation (TIRZ #1)

Per Chapter 311, the governing body of the municipality that creates a reinvestment zone may enter into agreements as necessary or convenient to implement the project plan and reinvestment zone financing plan and achieve their purposes.

As projects are presented and TIRZ funds are requested, care must be exercised to thoroughly evaluate each project to ensure that the benefits that will accrue from the approval of the project are appropriate in relation to the TIRZ incentive provided to and the costs that will result from the project, and that the project is in line with the Project and Financing plan and benefits the City as a whole. DPED will serve as a consultant in the evaluation of these projects, including analysis of the existing and future TIRZ cash flows, cost/benefit analysis, and facilitation of meetings and presentations with the City, property owner representatives, and other parties involved in the process.

Additionally, the amended TIRZ#1 affords use of TIRZ Grants allowed under Chapter 311 of the Texas Tax Code and Chapter 380 of the Local Government Code. Per Chapter 311 only City funds may be used for TIRZ Grants and therefore, particularly detailed analysis of existing and future TIRZ cash flows must accompany any new TIRZ agreements utilizing the TIRZ Grants category.

Planning Scope Relating to TIRZ #3

Task 1

District Review

Our first step would be to collect and analyze available information in the existing TIRZ Projects. This typically 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. Majority of this work will be pulled from annual reports required per Chapter 311 of the Tax Code and will be used as a baseline for future assessment.

Task 2

Data Collection and Analysis

Based upon parcel data provided by the City, DPED would provide geographic information system (GIS) database of existing values for land and improvements, ownership data, and current land use information. The database and maps, in essence, are the baseline data for the analysis. From this

data along with anticipated development we will be able to generate the TIRZ Projects projections and expected revenue increments. Key products of this task would include a TIRZ Projects database and accompanying maps in spreadsheet, digital map, and PowerPoint summary formats.

Task 3

Taxable Value Analysis

A multi-year historic taxable value review of similar developments would be conducted to establish baseline conservative assumptions for each parcel in the proposed zone. We would also develop projections for future land uses, values, and timing of proposed developments. This task will be the basis for developing a spreadsheet model of potential TIRZ Projects increment, 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 of the development potential of the proposed TIRZ Projects.

Task 4

Develop TIRZ Cash Flow Models

Based on the anticipated land uses and projections, DPED would develop a draft financing cash flow model (and supporting spreadsheets) for a 10, 15, and 20-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.

Scope of Work

Our work under this proposal would be related to planning and implementation of the items above and also include project negotiations and analysis utilizing the projects costs approved under the Final Project and Financing Plan (TIRZ#1), including use of the TIRZ Grants per Chapter 311 of the Texas Tax Code and/or any necessary amendments.

Fee for Services

Our fee for services relating to the scope of services will be billed on an hourly basis, per the rates provided in this proposal with a not-to-exceed amount of \$47,500. Any additional hours billed will require written approval of the Client. Reimbursable expenses not-to-exceed \$750 would be charged to include out-of-pocket expenses incurred in the interest of the project at actual costs. Monthly invoicing with code whether hours are for planning work related to TIRZ #1 or planning work related to TIRZ #3.

Term of Agreement

It is anticipated that the services covered in the proposal will be completed within twelve (12) months of the date services begin. This Agreement will terminate upon the earlier of completion of services or twelve (12) months from the date of this Agreement. 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.

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	\$275.00
Project Manager	\$200.00
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.

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.

Suspension and Termination

If the project is suspended or abandoned, DPED will be compensated for all services billed prior to receipt of written notice by the Client. Services that are not billed or completed between billing periods and receipt of written notice will be reimbursed at DPED's standard hourly rates.

If the scope or schedule of the project should change beyond that to be reasonably expected due to the program changes, schedule or other reason, at their option, DPED may re-negotiate the aforementioned fees and scope of work. Any renegotiation of scope or fee will be in writing and subject to the signing of both parties.

Certifications

Guarantees and Warranties: We will not be required to execute any document that would result in our certifying, guaranteeing or warranting the existence of conditions whose existence we cannot ascertain.

Authorization to Proceed

Thank you again for this opportunity to work with you. Your signature below and the return of one copy to us for our file will confirm your approval and authorize us to proceed. **Insurance**

DPED 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, DPED shall carry the following insurance coverages:

- (a) Worker's compensation insurance 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
- (b) Comprehensive general liability insurance, with minimum limits of \$1,000,000.00 each occurrence and \$4,000,000.00 in aggregate; and
- (c) Comprehensive automobile liability insurance, with minimum limits of \$1,000,000.00 combined single limit each occurrence; and

DPED has previously provided, or concurrently with the execution of this agreement is providing, to Client 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).

Notices

Any notice required or permitted to be given to either party shall be deemed to be received by such party (a) three (3) days after deposit in the United States Registered or Certified Mail, Return Receipt Requested, or (b) one (1) business day after deposit with a nationally recognized overnight delivery service for next day delivery, or (c) upon personal delivery to the party to whom addressed provided that a receipt of such delivery is obtained, or (d) on the next business day after transmission by telecopy provided that a confirmation copy is concurrently deposited in United States Certified or Registered Mail, Return Receipt Requested, in any case addressed to the parties at the following addresses:

If to Client:

Director of Economic Development
City of Grand Prairie
PO Box 534045
Grand Prairie, Texas 75053
Attention: Marty Wieder, AICP
Email: Mwieder@GPTX.org

If to DPED:

David Pettit Economic Development, LLC.
306 West Seventh Street, Suite 1025
Ft. Worth, TX 76102
Attention: David Pettit
Email: dpettit@dpedllc.com

or to the parties at such other addresses or telecopy numbers as they may designate by notice to the other party as herein provided.

SUMMARY

I hope this accurately outlines the professional services you anticipated. If you have any questions or concerns please do not hesitate to contact me at 817.439.9421.

Thank you for considering David Pettit Economic Development, LLC.

Sincerely,



David Pettit
Managing Member

If this agreement meets with your approval, please sign and return one executed copy to our office as notice to proceed.

AGREED TO AND ACCEPTED BY:

City of Grand Prairie, Texas

By: _____

Date: _____

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