

RESOLUTION NO. R-2018-75

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BASTROP, TEXAS APPROVING A PROFESSIONAL SERVICES AGREEMENT BETWEEN THE CITY OF BASTROP AND VERDUNITY, INC. IN THE AMOUNT OF FIFTY-THOUSAND AND 00/100 DOLLARS (\$50,000) FOR A FISCAL IMPACT ANALYSIS; ATTACHED AS EXHIBIT A; AUTHORIZING THE CITY MANAGER TO EXECUTE ALL NECESSARY DOCUMENTS; PROVIDING FOR A REPEALING CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, The City Council has appointed the City Manager as the Chief Administrative Officer of the City; and

WHEREAS, The City Manager is responsible for the proper administration of all affairs of the City; and

WHEREAS, the City Council has determined the need to ensure development in Bastrop is geographically sensitive and fiscally sustainable; and

WHEREAS, The City's Comprehensive Plan 2036 contains Goal 2.1 to "Maintain and Enable a Policy of 'Measured Growth' as represented by The Bastrop Conceptual Growth Program; and

WHEREAS, Action 2 under Goal 2.1 of the Comprehensive Plan says "prepare and utilize a fiscal impact analysis tool when determining the value of annexing property, or when reviewing proposed development or other development proposals.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BASTROP, TEXAS:

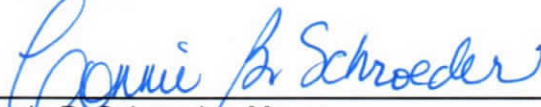
Section 1: That the City Manager is hereby authorized to execute a Contract with Verdunity, Inc., which is attached as Exhibit A.

Section 2: All orders, ordinances, and resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Resolution are hereby repealed to the extent of such conflict, and the provisions of this Resolution shall be and remain controlling as to the matters resolved herein.

Section 3: That this Resolution shall take effect immediately upon its passage, and it is so resolved.


DULY RESOLVED AND ADOPTED by the City Council of the City of Bastrop this 28th, day of August 2018.

APPROVED:



Connie B. Schroeder, Mayor

ATTEST:



Ann Franklin, City Secretary

APPROVED AS TO FORM:



Alan Bojorquez, City Attorney



A better future, by design.

August 22, 2018

Lynda Humble, City Manager
City of Bastrop
1311 Chestnut Street
P.O. Box 427
Bastrop, Texas 78602

**Reference: Proposal for Professional Consulting Services
Fiscal Impact Analysis for Current and Future Development in Bastrop, TX**

Ms. Humble,

Thank you for contacting us to discuss interest in having VERDUNITY assist with fiscal impact analysis of existing and proposed future development in the city. Per your request, we are pleased to submit this scope and fee proposal for the above referenced project for your consideration. Details of our proposal are provided below. We would be happy to schedule a call to review this proposal at your convenience.

PROJECT PURPOSE

A strong local economy, long-term fiscal sustainability and keeping tax rates competitive are top priorities of city leadership. Like many communities in Texas and across the country, there are also growing concerns about how to fund the increasing infrastructure maintenance needs in the community. The City of Bastrop (CLIENT) is interested in gaining a deeper understanding of the revenues and service costs associated with existing and future land use and development patterns so that future development, infrastructure and tax rate decisions can be made in a manner that closes the fiscal gap – not increase it further.

VERDUNITY (VU) is building a detailed fiscal impact model to help communities like Bastrop evaluate existing conditions, project revenues, costs and net performance of projected buildout, and evaluate future scenarios and proposed development projects through a fiscal lens. Once we build the initial model, we intend to offer cities the opportunity to have ongoing access to the database (property tax revenue, infrastructure replacement costs, etc), queries/reports and development assessment tools via an annual subscription. Additionally, there is interest from multiple communities in Texas in getting initial assessment and case study comparisons together for presentation at the upcoming legislative session where property tax caps are expected to be discussed again. In an effort to complete this work quickly and ensure we have a good mix of cities for the case study comparisons, we are offering a few cities a discounted fee and accelerated schedule for this work. We are pleased to include Bastrop in this group.

SCOPE OF SERVICES

BASIC SERVICES – Includes the following phases, tasks and deliverables.

PHASE 1 – BASELINE ANALYSIS (EXISTING CONDITIONS)

1.1 Project Management and Communication – Our Team will utilize Dropbox, email and phone/video conferences to communicate with the CLIENT throughout the project. We also offer our clients the option to utilize our online collaboration software (Basecamp) for project communication and can discuss that with you further, if desired. This task includes:

- Kickoff Meeting with city staff to review communication protocol, data needs, roles, deliverables and project timeline. (Assumes full day for two people with travel from Dallas)
- Bi-weekly conference calls with project team and city staff to provide updates and coordinate needs for upcoming tasks
- Preparation of monthly progress reports and invoices (sent via email or Basecamp)

1.2 Data Collection and Review – VU will work with City staff to obtain and review available information relevant to the study. Where possible, we would like to receive data in electronic format, and in particular any GIS, XLS and Access Database files associated with infrastructure, land use and developments. Information we would like to review will include, but not be limited to:

- Comprehensive Plan, Master Plans
- Zoning and Subdivision Regulations/Ordinances
- Developer Agreements – existing and proposed
- Budget and CAFR – last ten years (or as many as possible)
- Asset Management and CIP information
- Property Tax Data – database records from the County Appraisal District
- Market Research and Economic Impact Studies

1.3 Baseline Analysis – VU will utilize available data to perform an initial analysis of revenue trends and service costs. Tasks will include:

- CAFR and Budget Review – cursory review to assess the general fiscal situation, summarize trends and identify issues and opportunities
- Basic Revenue/Acre Map (using available property tax data)
- Cost Analysis and Benchmarking (costs from budget)
- Basic Net Revenue or Return on Investment (ROI) Map using basic revenue and service cost/acre
- Property tax revenue and base ROI analysis of existing conditions (current year) to evaluate performance of:
 - Existing land use categories
 - Current zoning districts
 - Downtown, neighborhoods or other specific geographic areas as determined by City
- Prepare deliverables and meet with staff to review (2 people with travel)

PHASE 2 – PROJECTED SERVICE COST AND BUILDOUT ANALYSIS

2.1 Neighborhood Age Map and Infrastructure Replacement Projections – VU will prepare a map showing the age of existing neighborhoods in the city and documentation summarizing the age of infrastructure and rough estimate of projected replacement costs by decade.

- Classify areas of city by decade built
- Identify amount of existing infrastructure in each area
- Estimate replacement costs and distribute required annual savings over future years (assume 40 yr life cycle)
- Develop roll-up chart that projects infrastructure replacement costs for next life cycle

2.2 Service Cost Allocation – VU will work with staff to determine service costs and allocate them down to the parcel level. This will be done at the most accurate level depending on the setup of the city and available data.

- Level 1: Allocate service costs equally across all parcels in the city
- Level 2: Allocate service costs by geographic areas/districts/service areas
- Level 3 (most accurate): Allocate service costs to individual parcels
- Includes a two-day workshop with staff to review initial service cost allocations, gather additional information (where available), and revise.

2.3 Refined Parcel ROI Mapping and Buildout Analysis – VU will update the net revenue and ROI maps and analysis to incorporate the more detailed service costs and project fiscal impact out to the city's current planning horizon:

- Update Net Revenue/Return on Investment (ROI) Map using more detailed revenue and service cost numbers for individual parcels
- Update analysis of existing conditions (current year) to evaluate performance of:
 - Existing land use categories
 - Current zoning districts
 - Downtown, neighborhoods or other specific geographic areas as determined by City
- Use results from existing conditions and data from other cities to project fiscal impact of the city's Future Land Use Plan and buildout population
- Prepare deliverables (slides/report and associated GIS and XLS models) and meet with staff to review (2 people with travel)

PHASE 3 – FINAL DELIVERABLE AND PRESENTATION TO COMMUNITY/COUNCIL

3.1 Finalize Deliverables and Present to Council/Public – VU will summarize findings into a concise, easy-to-understand presentation and support documents that can be shared with elected officials, staff, residents and developers. VU's Principal will present a summary of the study process, findings and recommendations to City Council. Deliverables and presentation can be for just Phase 1 or for Phases 1 and 2 together, and will include:

- Report (PDF and MS Word) with executive summary and appendices

- Presentation
- GIS shapefiles with result fields
- Excel models

ADDITIONAL SERVICES - The following optional tasks can be added to the Basic Services to evaluate potential development and tax rate scenarios and assist staff with presentation, discussion and application of the information going forward:

- 4.1 ROI Optimized Scenario Modeling** – VU will analyze up to four build out scenarios based on the City’s population projections and land use plan. The options will illustrate the spatial characteristics and tax rate impacts of different development scenarios.
- 4.2 Community Workshops** – VU can be available to facilitate sessions with Council, staff, and/or the community to discuss the fiscal analysis and explore opportunities in more detail.

SCHEDULE

We understand the City is looking to complete this work as soon as possible. We are prepared to complete the work outlined in Basic Services within **3-4 months** of Notice to Proceed. The time required for scenario modeling will vary based on the scenarios being considered and information available. For estimating purposes, we anticipate being able to complete this in an additional 3 months. We are prepared to begin work immediately and have already started researching city financial information and availability of property tax data from the Appraisal District. **Additionally, we are including some fee discounts as incentive to begin work on or before September 1, 2018.**

COMPENSATION

We can complete the work described in Basic Services for a lump sum of \$25,000 (Ph 1 and 3 only) or \$50,000 for all three phases:

Basic Services

Phase 1 (Baseline Analysis)	\$20,000
Phase 2 (Projected Service Cost & Buildout Analysis)	\$25,000
Phase 3 (Final Deliverables and Council Presentation)	\$ 5,000
Total Fee – Basic Services	\$50,000

Additional Services

Scenario Modeling	\$20 (typically \$40K*)
Community Workshop (per workshop cost)	\$ 5,000**

*Fee for scenario modeling is being discounted as incentive for starting this process on or before September 1, 2018

** One complementary community workshop will be included with Basic Services as incentive for starting this process on or before September 1, 2018.

Services will be invoiced monthly on a percent complete basis. A progress report summarizing work completed, work upcoming and items needing assistance from staff will be provided with each invoice. Electronic payment is preferred. If the City has this capability, we can provide bank account information and other required information via the City's process. Otherwise, payments can be mailed to:

VERDUNITY, Inc.
5307 E. Mockingbird Lane, 5th Floor
Dallas, TX 75206
EIN # 45-1743690

TERMS OF ENGAGEMENT

This proposal is valid for a period of 30 days from the date of this proposal. This information was prepared specifically for the CLIENT and its designated representatives and may not be provided to others without VERDUNITY's written permission. We have attached a copy of our standard contract terms and conditions to this proposal. If the City has standard contract terms you would like us to use, please provide the contract to us so we can review it. Acceptance of this proposal indicates the CLIENT's review and understanding of the scope of services, fee and terms.

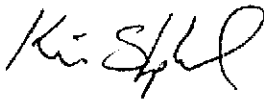
If you have any questions about this proposal, please give me a call at 214-425-6720 or email me at kevin@verdunity.com. We look forward to partnering with you to set Bastrop on a more resilient and fiscally sustainable path.

Respectfully Submitted,

Accepted By:

VERDUNITY, Inc.
Texas Registered Engineering Firm F-13496

CITY OF BASTROP (CLIENT)



Kevin Shepherd, P.E., ENV-SP
Founder & CEO

By

Name & Title

Date

VERDUNITY, Inc.

Terms and Conditions for Professional Consulting Services

1. STANDARD OF PERFORMANCE

The standard of care for all professional planning, engineering, consulting and related services performed or furnished by CONSULTANT and its employees under this Agreement will be the care and skill ordinarily used by members of CONSULTANT'S profession practicing under the same or similar circumstances at the same time and in the same locality. CONSULTANT makes no warranties, express or implied, under this Agreement or otherwise, in connection with CONSULTANT'S services.

2. INSURANCE/INDEMNITY

CONSULTANT agrees to procure and maintain, at its expense, Workers' Compensation insurance as required by statute; Employer's Liability of \$250,000; Automobile Liability insurance of \$1,000,000 combined single limit for bodily injury and property damage covering all vehicles, including hired vehicles, owned and non-owned vehicles; Commercial General Liability insurance of \$1,000,000 combined single limit for personal injury and property damage; and Professional Liability insurance of \$1,000,000 per claim for protection against claims arising out of the performance of services under this Agreement caused by negligent acts, errors, or omissions for which CONSULTANT is legally liable. Upon request, OWNER shall be made an additional insured on Commercial General and Automobile Liability insurance policies and certificates of insurance will be furnished to the OWNER. CONSULTANT agrees to indemnify OWNER for claims to the extent caused by CONSULTANT negligent acts, errors or omissions. This indemnity is subject to and limited by the provisions agreed upon by the OWNER and CONSULTANT in the limitation of liability section (#17) of this agreement.

3. OPINIONS OF PROBABLE COST (COST ESTIMATES)

Any opinions of probable project cost or probable construction cost provided by CONSULTANT are made on the basis of information available to CONSULTANT and on the basis of CONSULTANT'S experience and qualifications, and represents its judgment as an experienced and qualified professional engineer. However, since CONSULTANT has no control over the cost of labor, materials, equipment or services furnished by others, or over the contractor(s)' methods of determining prices, or over competitive bidding or market conditions, CONSULTANT does not guarantee that proposals, bids or actual project or construction cost will not vary from opinions of probable cost CONSULTANT prepares.

4. CONTROLLING LAW

This Agreement is to be governed by the law of the state of Texas.

5. SERVICES AND INFORMATION

OWNER will provide all criteria and information pertaining to OWNER's requirements for the project, including project objectives, constraints, and any budgetary limitations. OWNER will also provide copies of any OWNER-furnished Plans, Maps or other data which are to be incorporated into the project. The OWNER agrees to bear full responsibility for the technical accuracy and content of OWNER-furnished documents and services.

In performing professional planning, engineering and related services hereunder, it is understood by OWNER that CONSULTANT is

not engaged in rendering any type of legal, insurance or accounting services, opinions or advice. Further, it is the OWNER's sole responsibility to obtain the advice of an attorney, insurance counselor or accountant to protect the OWNER's legal and financial interests. To that end, the OWNER agrees that OWNER or the OWNER's representative will examine all studies, reports, sketches, drawings, specifications, proposals and other documents, opinions or advice prepared or provided by CONSULTANT, and will obtain the advice of an attorney, insurance counselor or other consultant as the OWNER deems necessary to protect the OWNER's interests before OWNER takes action or forebears to take action based upon or relying upon the services provided by CONSULTANT.

6. SUCCESSORS AND ASSIGNS

OWNER and CONSULTANT, respectively, bind themselves, their partners, successors, assigns, and legal representatives to the covenants of this Agreement. Neither OWNER nor CONSULTANT will assign, sublet, or transfer any interest in this Agreement or claims arising therefrom without the written consent of the other.

7. TERMINATION OF AGREEMENT

OWNER may terminate the Agreement, in whole or in part, by giving seven (7) days written notice, if the other party substantially fails to fulfill its obligations under the Agreement through no fault of the terminating party. CONSULTANT may terminate this Agreement, in whole or in part, by giving thirty (30) days written notice, if the other party substantially fails to fulfill its obligations under the Agreement through no fault of the terminating party. Where the method of payment is "lump sum," or cost reimbursement, the final invoice will include all services and expenses associated with the project up to the effective date of termination. An equitable adjustment shall also be made to provide for termination settlement costs CONSULTANT incurs as a result of commitments that had become firm before termination, and for a reasonable profit for services performed.

8. SEVERABILITY

If any provision of this agreement is held invalid or unenforceable, the remaining provisions shall be valid and binding upon the parties. One or more waivers by either party of any provision, term or condition shall not be construed by the other party as a waiver of any subsequent breach of the same provision, term or condition.

9. INVOICES

CONSULTANT will submit monthly invoices for services rendered and OWNER will make prompt payments in response to CONSULTANT 's invoices.

CONSULTANT will retain receipts for reimbursable expenses in general accordance with Internal Revenue Service rules pertaining to the support of expenditures for income tax purposes. Receipts will be available for inspection by OWNER's auditors upon request.

If OWNER disputes any items in CONSULTANT 's invoice for any reason, including the lack of supporting documentation, OWNER may temporarily delete the disputed item and pay the remaining amount of the invoice. OWNER will promptly notify CONSULTANT of the dispute and request clarification and/or correction. After any dispute has been settled, CONSULTANT will include the disputed

item on a subsequent, regularly scheduled invoice, or on a special invoice for the disputed item only.

OWNER recognizes that late payment of invoices results in extra expenses for CONSULTANT. CONSULTANT retains the right to assess OWNER interest at the rate of one and one half percent (1.5%) per month, but not to exceed the maximum rate allowed by law, on invoices which are not paid within thirty (30) days from the date of the invoice. In the event undisputed portions of CONSULTANT's invoices are not paid when due, CONSULTANT also reserves the right, after seven (7) days prior written notice, to suspend the performance of its services under this Agreement until all past due amounts have been paid in full.

10. CHANGES

The parties agree that no change or modification to this Agreement, or any attachments hereto, shall have any force or effect unless the change is reduced to writing, dated, and made part of this Agreement. The execution of the change shall be authorized and signed in the same manner as this Agreement. Adjustments in the period of services and in compensation shall be in accordance with applicable paragraphs and sections of this Agreement. Any proposed fees by CONSULTANT are estimates to perform the services required to complete the project as CONSULTANT understands it to be defined. For those projects involving conceptual or process development services, activities often are not fully definable in the initial planning. In any event, as the project progresses, the facts developed may dictate a change in the services to be performed, which may alter the scope. CONSULTANT will inform OWNER of such situations so that changes in scope and adjustments to the time of performance and compensation can be made as required. If such change, additional services, or suspension of services results in an increase or decrease in the cost of or time required for performance of the services, an equitable adjustment shall be made, and the Agreement modified accordingly.

11. CONTROLLING AGREEMENT

These Terms and Conditions shall take precedence over any inconsistent or contradictory provisions contained in any proposal, contract, purchase order, requisition, notice-to-proceed, or like document.

12. EQUAL EMPLOYMENT AND NONDISCRIMINATION

In connection with the services under this Agreement, CONSULTANT agrees to comply with the applicable provisions of federal and state Equal Employment Opportunity for individuals based on color, religion, sex, or national origin, or disabled veteran, recently separated veteran, other protected veteran and armed forces service medal veteran status, disabilities under provisions of executive order 11246, and other employment, statutes and regulations, as stated in Title 41 Part 60 of the Code of Federal Regulations § 60-1.4 (a-f), § 60-300.5 (a-e), § 60-741 (a-e).

13. EXECUTION

This Agreement, including the exhibits and schedules made part hereof, constitute the entire Agreement between CONSULTANT and OWNER, supersedes and controls over all prior written or oral understandings. This Agreement may be amended, supplemented or modified only by a written instrument duly executed by the parties.

14. LIMITATION OF LIABILITY

CONSULTANT and its employees' total liability to OWNER for any loss or damage, including but not limited to special and consequential damages arising out of or in connection with the

performance of services or any other cause, including CONSULTANT's and its employees' professional negligent acts, errors, or omissions, shall not exceed the greater of the CONSULTANT's Professional Liability coverage or the total compensation received by CONSULTANT hereunder.

15. LITIGATION SUPPORT

In the event CONSULTANT is required to respond to a subpoena, government inquiry or other legal process related to the services in connection with a legal or dispute resolution proceeding to which CONSULTANT is not a party, OWNER shall reimburse CONSULTANT for reasonable costs in responding and compensate CONSULTANT at its then standard rates for reasonable time incurred in gathering information and documents and attending depositions, hearings, and trial.

16. STATUTE OF LIMITATIONS

The parties agree that any action in relation to an alleged breach of this Agreement shall be commenced within two years of the date of the breach, without regard to the date the breach is discovered. Any action not brought within that two year time period shall be barred, without regard to any other limitations period set forth by law or statute.