

September 18, 2020

Mr. Peter Brixius, City Manager
City of Craig
300 W 4th Street
Craig, CO 81625

Re: Letter Proposal for Downtown Urban Renewal Areas in Craig, Colorado

Dear Peter,

As requested, DGC Consulting ("Consultant") is providing this letter scope of services and contract to perform urban renewal studies and reports for the City of Craig ("Client"), in accordance with Colorado Urban Renewal Law. The scope covers two potential redevelopment areas in Craig, Colorado, totaling approximately 227 and 24 acres. A single Conditions Study (or "blight study") will be prepared that includes both areas, followed by two Urban Renewal Plans and two Tax Forecast and County Impact Reports. The work will be performed for the City of Craig ("Client"). This scope of services and contract includes the following:

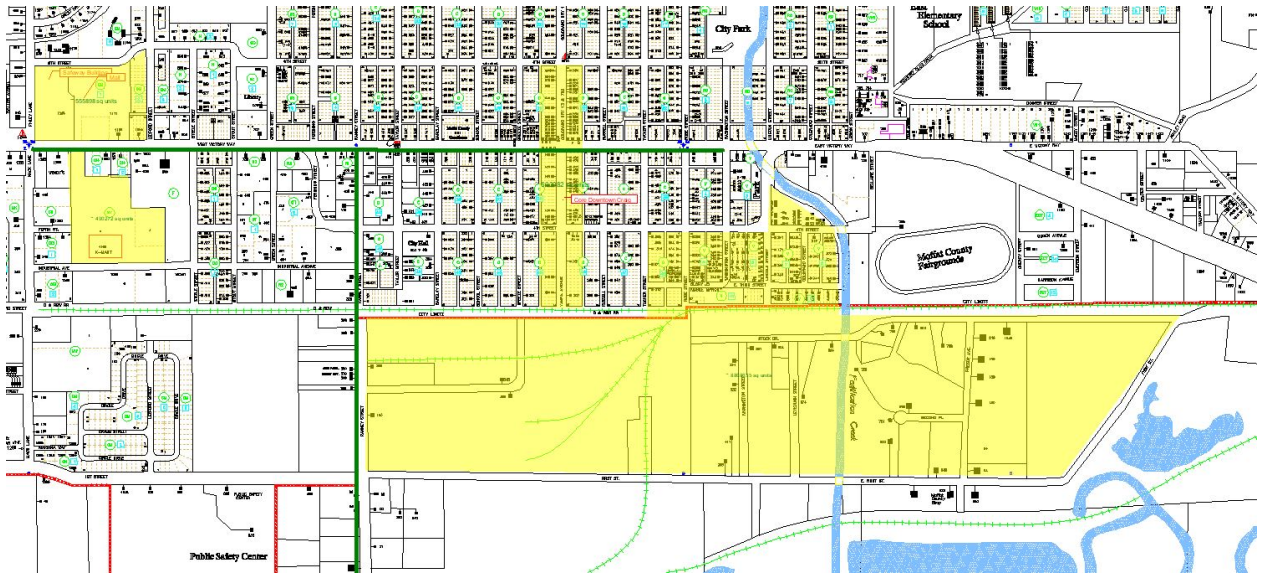
1. Scope of Services
2. Fees and Expenses
3. Schedule
4. Payment
5. Indemnification
6. Limitation of Liability
7. Acknowledgements

1. Scope of Services

Task 1: Conditions ("Blight") Study

Task 1-A: Project Initiation, Data Collection, and Mapping

- Consultant will confirm project goals, study area boundaries, scope of services, and review scope with Client and/or Client's Attorney.
- Client will furnish the study area boundary graphic and area total calculation. Two potential urban renewal areas will be studied: Area 1 is 227 acres and Area 2 is 24 acres. Portions of these areas are not currently within City boundaries, but may be annexed in the future. They are depicted in the graphic that follows.
- Consultant will collect and analyze relevant physical information within the study area, which could include information on public facilities, property ownership data, street layout, land use, utilities, future development plans, and other appropriate information.
- Consultant will assemble digital base maps and/or aerial photographs that document the location of information such as streets, parcels boundaries, and other physical and political information that are identified as relevant to this study.

Urban Renewal Study Areas:

- Client will be responsible for providing environmental reports and studies and title information that may be useful in supporting a finding of blight.
- Client will be responsible for notification of property owners pursuant to Colorado Urban Renewal Law requirements.

Task 1-B: Field Survey

- Consultant will conduct a detailed visual survey of the study area for the purpose of identifying and documenting conditions that meet the criteria of “blight” as required and defined by Colorado Urban Renewal Law and to provide an unbiased, objective report.
- After completion of the field survey, Consultant will report any unusual findings or conditions to the Client.

Task 1-C: Documentation of Findings and Report Preparation

- Consultant will organize and analyze the findings from the field survey into conclusions based upon Colorado Urban Renewal Law.
- Consultant will submit a digital version of the draft report for review and comment. After receiving comments, the agreed-upon changes will be made and the final report will be issued in digital format. The final report will include:
 1. Introduction
 - Purpose
 - Colorado Urban Renewal Law
 - Study Methodology
 2. Study Area Analysis
 - Study Area

- Field Survey Approach
 - Blight Factors
 - Results of the Field Survey
- 3. Summary of Findings and Conclusions
 - Findings
 - Conclusions
- 4. Appendix
 - Sources
 - Photographs

Task 2: Urban Renewal Plans

Task 2-A: Table of Contents of the Urban Renewal Plan

- Consultant will prepare two urban renewal plans– one for Area 1 and one for Area 2. The Urban Renewal Plans will cover the proposed urban renewal areas shown on the graphic (or revised areas contained within the conditions study areas). These project areas will be identical to those used for the Tax Forecast and County Impact Report.
- Consultant will confirm content and scope of the Urban Renewal Plans with the Client.
- Client will provide legal review and the legal description and exhibit of the proposed Urban Renewal Areas.
- The Urban Renewal Plans will include the following:
 - 1. Preface and Background
 - 2. Findings
 - 3. Conformance
 - 4. Urban Renewal Activities
 - 5. Redevelopment Opportunities
 - 6. Project Financing
 - 7. Development Standards and Procedures
 - 8. Modification of the Plan
 - 9. Term of the Plan
 - 10. Appendices

Task 2-C: Draft/Final Urban Renewal Plans

- Consultant will submit a digital version of the draft plans for review and comment. After receiving comments, the agreed-upon changes will be made and the final plans distributed in digital format.

Task 3: Tax Forecast and County Impact Reports

Task 3-A: Development Program

- Consultant will prepare two tax and sales tax forecast reports, open for each urban renewal area or project.
- For each of the urban renewal areas or projects, the Client will provide a development concept, development program, 25 year phasing schedule, valuations for commercial and residential property, and projected retail

sales tax revenue by square footage (SF) or other suitable metric. If a suitable development program is not available, the Consultant will work with the Client to develop growth assumptions and absorption schedules based on general market trends. This information will be used to calibrate the property and sales tax spreadsheets in the forecast.

- The Client will provide a tabular download (excel format) of Moffat County Assessor Parcel information for the properties within the proposed Urban Renewal Area.
- Consultant understands that some properties are currently outside City boundaries, but may be annexed in the future.

Task 3-B: Property and Sales Tax Forecast

- Due to changes in Colorado Urban Renewal Law, it is anticipated that the sales and property tax analysis will be necessary for all impacted property and sales tax entities. With this in mind, the spreadsheet analysis will include the following property taxing entities:
 - State of Colorado
 - Moffat County
 - City of Craig
 - K-12 School District
 - Community College District
 - Other property tax jurisdictions to be identified

The spreadsheet will include the following sales tax entities:

- State of Colorado
- Moffat County
- City of Craig
- Other sales tax jurisdictions to be identified

Task 3-C: Tax Forecast and County Impact Report

- Upon completion of a final concept, development program and absorption schedule, the Consultant will prepare the Tax Forecast and County Impact Reports. These will summarize the property and sale tax forecast for each taxing jurisdiction and discuss general impacts to Moffat County. After review by the Client, the Consultant will make changes as appropriate, and issue final digital reports.

Task 3-E: County Notification

- In accordance with the requirements of Colorado Urban Renewal Law, the Client will distribute copies of the Tax Forecast and County Impact Report to Moffat County and other taxing jurisdictions.
- The Client will be responsible for all meetings with other tax jurisdictions, which are not planned to include the Consultant.

Task 3-F: Negotiations

- The Client will be responsible for negotiations with taxing jurisdictions potentially impacted by the formation

of the urban renewal areas. The Consultant can support these negotiations as an additional service.

Task 4: Meetings and Presentations

Task 4-A: Coordination Meetings

- Up to three coordination/review telephone meetings with the Client, Client Attorney, and other stakeholders (one per deliverable – this cost is included in Task 1-3 fixed price).

Task 4-B: Additional Meetings, Presentations and Public Hearing

- It is not clear if additional meetings or presentations before bodies in the City of Craig will be required. This work (including preparation of a PowerPoint or other materials) will be billed on a time and materials basis.
- Potentially, these may include the following:
 - Public Open House
 - City Council or Boards

2. Fee and Expenses

DGC Consulting will provide the services described above for a maximum fee of \$28,000, including expenses, billed for the following tasks:

1. Condition Study (1)	\$8,500
2. Urban Renewal Plans (2)	\$7,500
3. Tax Forecast and County Impact Reports (2)	\$10,500
4. Meetings/Presentations	(to be determined)
5. <u>Expenses</u>	<u>\$1,500 (estimate)</u>
Total	\$28,000

Expenses (estimated to be approximately \$1,500, based on report reproduction costs, airfare, car rental or mileage at \$.54/mile, lodging/field meals, and other project costs, if necessary. Labor for additional will be charged at an hourly rate of \$150/hour for David Cooper, and \$90/hour for technical assistance in the field or office. Telephone consultations beyond the three included in the scope will be at the rate of \$150 per hour.

Due to Covid-19 precautions, I have identified three ways to accomplish the site visit – (1) having an associate drive or fly from Denver to do the work, or (2) driving from San Jose to Craig, or (3) flying from SJC to Denver/Hayden.. In any case, the Client will not be charged for travel time or any expenses greater than what it would cost if I flew to Denver/Hayden and rented a car. I reserve the right to choose which option works best for my schedule, Covid 19 restrictions, and weather conditions at the time.

Total billing and expense charges greater than \$28,000 must be approved in writing by the Client.

3. Schedule

The work described can be completed in 12 -16 weeks, assuming Client - provided materials are available at the appropriate time. The timing of the field visit and start of the project is dependent on weather.

4. Payment

Consultant will bill monthly for work and Task 1-3 will be billed as a percentage of jobs completed. Task 4 will be billed on a time and materials basis. Expenses will be billed with no markup, and are in addition to fees for Tasks 1 - 4. Payment is due in 30 days. Late payments will be charged 1% interest per month.

5. Indemnification

The Client shall, to the fullest extent permitted by the law, indemnify and hold harmless DGC Consulting from and against all damage, liability and cost, including reasonable attorney's fees and defense costs, arising out of or in any way connected with the performance of the services under this agreement. DGC Consulting shall indemnify and hold harmless the Client from and against all damage, liability, and cost, including reasonable attorney's fees and defense costs, arising out of negligent acts by DGC Consulting during the performance of the services under this agreement.

6. Limitation of Liability

In recognition of the relative risks, rewards and benefits of the project to both the Client and DGC Consulting, the risks have been allocated such that the Client agrees that, to the fullest extent permitted by law, DGC Consulting's total liability to the Client for any and all injuries, claims, losses, expenses, damages or claim expenses arising out of this Contract from any cause or causes, shall be limited to \$28,000 or the fee to be paid by Client for the scope of work described in this Contract, whichever is less.

7. Acknowledgements

David G. Cooper September 18, 2020



Owner, DGC Consulting

Client (City of Craig)