

June 19, 2017

Mr. Jariah Walker
Colorado Springs Urban Renewal Authority (CSURA)
30 South Nevada Avenue, Suite 502
Colorado Springs CO 80903

719-385-5714
JWalker@springsgov.com

Re: Letter Proposal for Hotel Site (Tejon and Cimmaron) in Colorado Springs, Colorado

Dear Jariah,

As you requested, DGC Consulting ("Consultant") is providing this letter proposal to perform urban renewal studies and reports, in accordance with Colorado Urban Renewal Law, for a potential hotel project located at Tejon and Cimarron in Downtown Colorado Springs. The work will be contracted to CSURA ("Client") on behalf of the hotel developer. The site is located a block east of the Southwest Downtown Study Area that I studied last year. This proposal is organized as follows:

1. Scope of Services
2. Fees and Expenses
3. Schedule
4. Payment
5. Acknowledgements

1. Scope of Services

Task 1: Conditions ("Blight") Study

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

- Confirm project goals, study area boundaries, scope of services, and schedule a meeting with the Client and hotel developer.
- The property boundary will be provided in digital form by the Client.
- 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.
- 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.
- The Client will be responsible for providing environmental reports and studies that may be useful in supporting a finding of blight.
- The Client will be responsible for notification of property owners pursuant to Colorado Urban Renewal Law

requirements.

Task 1-B: Field Survey

- 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. Not all blight factors will be evaluated if 5 factors or more are readily identified during the field survey portion. However, the Consultant will provide a "desktop analysis" of other available reports and documents which may support a finding of blight.
- After completion of the field survey, report to Client any unusual findings or conditions.

Task 1-C: Documentation of Findings and Report Preparation

- Organize and analyze the findings from the field survey into conclusions based upon Colorado Urban Renewal Law.
- 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
 - Contacts and Sources
 - Photographs

Task 2: Urban Renewal Plan

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

- The Urban Renewal Plan will cover the Study Area or a smaller area as determined by the Client. The urban renewal area will be the same areas as used for the County Impact Report and tax forecast.
- Confirm content and scope of the Urban Renewal Plan with the Client.
- Legal review and the urban renewal area the urban renewal area legal exhibit and legal description will be provided by the Client.
- The Urban Renewal Plan 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 Plan

- 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 plan distributed in digital format.

Task 3: Tax Forecast and County Impact Report

Task 3-A: Development Program

- 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 SF. We will use this information to calibrate the property and sales tax spreadsheets used for the forecast.

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:
 - EL PASO COUNTY
 - EPC ROAD & BRIDGE SHARE
 - CITY OF COLORADO SPRINGS
 - EPC-COLORADO SPGS ROAD & BRIDGE SHARE
 - ACADEMY SCHOOL NO 20
 - PIKES PEAK LIBRARY
 - SOUTHEASTERN COLO WATER CONSERVANCY
 - EL PASO COUNTY CONSERVATION
 - COLORADO CROSSING METRO #3

The spreadsheet will include the following sale tax entities:

- State of Colorado
- El Paso County
- City of Colorado Springs
- Special Tax

Task 3-C: County Impact Report

- The County Impact report will cover the same area as the Urban Renewal Plan.
- Upon completion of a final concept, development program and absorption schedule, the Consultant will prepare the El Paso County Impact Report. This will only discuss impacts to El Paso County and El Paso County Road and Bridge Fund. The Consultant will discuss the results of the report, make changes as appropriate, and issue a final digital report.

Task 3-E: County Notification

- In accordance with the requirements of Colorado Urban Renewal Law, the Client will distribute copies of the impact report to appropriate El Paso County and other elected officials. The Consultant will review comments and make changes, as appropriate.

Task 4: Documentation for Taxing Entities

Task 4-A: Additional Documentation

- Based on recent changes to Colorado Law and the direction of the Client, it may be necessary to prepare separate tax forecasts for other districts/taxing entities, based on the spreadsheet. This will maintain negotiation confidentiality between the separate negotiations, if they occur. The cost for producing these will be determined after the districts/taxing entities have been identified.

Task 5: Meetings and Presentations

Task 5-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 5-B: Additional Meetings, Presentations and Public Hearing

- It is not clear how many additional meetings or presentations before bodies in Colorado Springs 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
 - URA Board
 - City Council Work Session
 - City Council Public Hearing

2. Fee and Expenses

DGC Consulting will provide the services described above for the following fee, plus expenses, which will be billed at cost.

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|---------------------|---------|
| 1. Conditions Study | \$6,000 |
|---------------------|---------|

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|--|--------------------------------|
| 2. Urban Renewal Plan | \$5,000 |
| 3. Tax Forecast and County Impact Report | \$5,000 |
| 4. Confidential Memos to Taxing Entities | TBD |
| 5. <u>Meetings/Presentations</u> | <u>\$1,500 (estimate only)</u> |
| Total | \$17,500 |

Expenses (estimated to be approximately \$1,500, based on report reproduction costs, transportation costs, mileage at \$.54/mile, lodging/field meals, and other project costs, if necessary).

3. Schedule

The work described can be completed in 12-16 weeks, assuming Client-provided materials are available at the appropriate time. This does not include time spent in negotiations with different taxing districts and entities, if the Client pursues that approach.

4. Payment

Consultant will bill monthly for work on Task 1-3, based on a percentage of job complete, plus expenses. Task 4 and 5 will be billed on a time and materials basis, unless other arrangements are made. Payment is due in 30 days. Late payments will be charged 1% interest per month.

5. Acknowledgements

David G. Cooper June 19, 2017



Owner, DGC Consulting

Client (Colorado Springs Urban Renewal Authority)