

December 2, 2021

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: Proposal and Contract for Park Union Area (formerly the Museum and Park URA) in Colorado Springs, Colorado

Dear Jariah,

As you requested, DGC Consulting (“Consultant”) is providing this proposal and contract to perform urban renewal studies and reports, in accordance with Colorado Urban Renewal Law, for a phased, mixed use development area located generally in Downtown Colorado Springs. The new URA is referred to as Park Union and is similar (with some additions and subtractions) to the 2018 Museum and Park Urban Renewal Area (URA). The purpose of the effort is to re-establish that blight currently is present within the new Study Area, and to prepare supporting fiscal and planning documentation supporting the establishment of a new URA that will “reset the clock” for Tax Increment Financing (TIF). The work will be contracted to CSURA (“Client”) on behalf of Developer (Nor’wood). This proposal is organized as follows:

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

- Confirm project goals, study area boundaries, scope of services, and schedule a meeting with the Client and Developer.
- The property boundary will be provided in digital form by the Client. See Attachment A – Park Union Blight Study Boundary 12-2-21.
- 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 and title information 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 square foot (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

- In accordance with 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, in order to support negotiations with CSURA. 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 5: Meetings, Presentations and Negotiation Support

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

Task 5-C: Negotiation Support

- Based on 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 preparing these will be determined be on a time and materials basis.

2. Fee and Expenses

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

1. Condition Study	\$12,000
2. Urban Renewal Plan	\$4,500
3. Tax Forecast and County Impact Report	\$9,000
4. Meetings, Presentations and Negotiation Support	(to be determined)
5. Expenses	\$1,500 (estimate)
<u>Total</u>	<u>\$28,000</u>

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.

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

3. Schedule

We understand that the Client and Developer wish to receive drafts of the Condition Study and Tax Forecast and County Impact Reports by February 1, 2022 in order to begin negotiations with Taxing Authorities. Based on a site visit no later than the week of December 13, 2021, the Conditions Study can be completed February 1, 2022. However, the Tax Forecast and County Impact Report may require several weeks more, depending on the availability of development program information or other factors. The Urban Renewal Plan can be completed by March 1, 2022. The timing of the field visit and start of the project are dependent on weather conditions and COVID restrictions.

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 15 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 December 2, 2021



Owner, DGC Consulting

Client (Colorado Springs Urban Renewal Authority)