

July 26, 2023

Shawna Burkhart
City Manager
City of Bay City
1901 Fifth Street
Bay City, TX 77414

RE: Professional Services Proposal

Dear Ms. Burkhart,

David Pettit Economic Development, LLC (DPED) is pleased to provide this proposal to the City of Bay City, Texas, (the "Client") for professional consulting services relating to potential creation and implementation of public improvement districts through Chapter 372 of the Local Government Code (the "Project").

Purpose

The purpose of this scope of services is to work directly with the Client to evaluate, recommend and implement an appropriate Project to provide supplemental services for Client and other ongoing implementation of capital improvement PIDs already created.

Public Improvement Districts

The Public Improvement District Assessment Act allows any city to levy and collect special assessments on property that is within the city or within the city's extraterritorial jurisdiction (ETJ). Further, counties may levy and collect special assessments on property located within the county unless, within 30 days of a county's action to approve the public improvement district, a home rule city objects to its establishment within the home rule city's corporate limits or its extraterritorial jurisdiction (ETJ). The statute authorizing the creation of PIDs is found in Chapter 372 of the Local Government Code.

A public improvement district may be formed to accomplish special supplemental services for improvement and promotion of the district, including services relating to advertising, promotion, health and sanitation, water and wastewater, public safety, security, business recruitment, development, recreation, and culture enhancement.

There are ten steps necessary to create a public improvement district and levy assessments.

Step One:

- The governing body or a group of the affected property owners must initiate a petition that calls for a defined area of the city or county to be declared a public improvement district.

Step Two:

- After receiving a petition to establish a public improvement district, the governing body of the city or county may appoint an advisory board to develop and recommend an improvement plan for the PID.

Step Three:

- After receiving a petition to establish a public improvement district, the governing body of the city or county should prepare a feasibility report.

Step Four:

- A public hearing on the advisability of the improvements must be conducted after meeting statutory notice requirements

Step Five:

- The governing body of the city or county must adopt a resolution by majority vote authorizing the creation of a PID

Step Six:

- Twenty days after authorization of the PID has taken effect, the city or county may begin accruing costs of the services

Step Seven:

- A five-year on-going service plan and assessment plan must be developed.

Step Eight:

- The city or county must prepare a proposed assessment roll and provide notice and a hearing on the proposed assessment roll.

Step Nine:

- After all the objections have been heard and considered, the governing body may levy, by ordinance or order, the special assessment against the taxable properties within the district

Step Ten:

- The governing body may make additional assessments against property within the district to correct omissions or mistakes regarding the costs of the improvements.

Scope of Services

Based on our previous conversations, and our experience with past projects, we propose the following scope of services broken down into project elements.

- **Data Assembly**
DPED would work directly with the Client and the Project representatives to identify and acquire the needed data to complete a thorough analysis of the proposed financing structure for the planned Projects. We will coordinate documentation between the various parties and develop an achievable timeline with key dates and implementation steps to ensure the project moves forward in a timely manner.
- **PID's Advisability Analysis**
Following the completion of the Data Assembly Task, our team will begin the process of reviewing the PID's Advisability. This will include the Project's public improvements, estimated costs for the services as provided by Client, the boundaries of the PID, the preferred method of assessment, an overview of the apportionment of costs between the PID and the City, and all other exhibits required for local government review per the state legislative requirements.
- **Facilitate Review and Consideration of the Proposed PID**
DPED would facilitate meetings and presentations with the City, Client and all other parties involved in the process. This will include supporting meetings, work sessions, briefings, commission meetings, and hearings.
- **Assist with Public/Private Development Agreements and Resolution Documents**
DPED will develop the draft documents required for the implementation of a PID as described in Chapter 372 of the Texas Local Government Code, for review by legal representatives of the City and the Client.

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 \$15,000. No work is authorized above \$15,000 unless expressly written approval is given by Client.

Fees would be charged on a monthly basis, subject to on-going progress on the work effort. Reimbursable expenses would be charged to include out-of-pocket expenses incurred in the interest of the project at actual costs.

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	\$325.00
Project Manager	\$250.00
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.

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.

Reimbursables

We propose to be reimbursed for out-of-pocket expenses incurred in the interest of the project at DPED 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. In the event we are forced to commence a collection proceeding, you agree to pay reasonable attorney's fees and court costs, in addition to our fees billed under this proposal.

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 \$2,000,000.00 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:

City of Bay City
1901 Fifth Street
Bay City, TX 77414
Attention: Scotty Crow Jones C.P.M., Finance Director
Email: sjones@cityofbaycity.org

If to DPED:

David Pettit Economic Development, LLC.
306 West Seventh Street, Suite 602
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 Bay City, Texas

By: _____

Date: _____