

**SUPPLEMENT NO. \_\_\_\_\_**  
**TO THE PROFESSIONAL SERVICES AGREEMENT**  
**BETWEEN WILLDAN FINANCIAL SERVICES AND**  
**THE TOWN OF HOWEY-IN-THE-HILLS, FLORIDA**

**MOBILITY IMPACT FEE STUDY**

---

This document represents Supplement No. \_\_\_\_\_ to the Professional Services Agreement (the "Agreement") dated on \_\_\_\_\_, 2025 by and between Willdan Financial Services ("Willdan" or the "Consultant") and the Town of Howey-in-the-Hills, Florida (the "Client" or "Town"). All provisions of the Agreement remain in effect except as specifically defined in this Supplement.

In accordance with the Agreement, this Supplement sets forth the Scope of Services and Professional Service Fees for Willdan to provide certain financial consulting services to the Town. The applicable services consist of the preparation of a Mobility Impact Fee Study ("Study").

### **Project Objectives**

The objective of this project is to prepare mobility impact fees pursuant to Florida State law. To accomplish this objective, this study will:

- Develop a technically defensible fee justification, based on the reasonable relationship and deferential review standards;
- Review and update facility standards, capital facilities plans and costs, and development and growth assumptions;
- Provide a schedule of maximum-justified fees by land use category; and
- Provide comprehensive documentation of assumptions, methodologies, and results.

Many agencies have had to adopt a policy of "growth pays its own way." This policy shifts the burden of funding infrastructure expansion from existing rate and taxpayers onto new development. This funding shift has been accomplished primarily through the imposition of assessments, special taxes, and development impact fees. Assessments and special taxes require approval of property owners or registered voters and are appropriate when the funded facilities are directly related to the developing property. Development impact fees, on the other hand, are an appropriate funding source for facilities that benefit development jurisdiction-wide. Development impact fees need only a majority vote of the Town Council for adoption.

### **Summary of Approach**

Willdan's methodology for calculating mobility impact fees is both simple and flexible. Simplicity is important so that the development community and the public can easily understand the justification for the fee program. At the same time, we use our expertise to reasonably ensure that the program is technically defensible.

Flexibility is important, so we can tailor our approach to the available data, and the agency's policy objectives. Our understanding of the technical standards established by statutes and case law suggests that a range of approaches are technically defensible. Consequently, we can address policy objectives related to the fee program, such as economic development and housing affordability. Flexibility also enables us to avoid excessive engineering costs associated with detailed facility planning. We calculate the maximum justifiable impact fee and provide flexibility for the agency to adopt fees up to that amount.

Development impact fees are calculated to fund the cost of facilities required to accommodate growth. The four steps followed in an impact fee study include:

- **Estimate existing development and future growth:** Identify a base year for existing development and a growth forecast that reflects increased demand for multi-modal facilities;
- **Identify facility standards:** Determine the facility standards used to plan for new and expanded multi-modal facilities;
- **Determine facilities required to serve new development and their costs:** Estimate the total amount and cost of planned facilities, and identify the share required to accommodate new development; and
- **Calculate fee schedule:** Allocate facilities costs per unit of new development to calculate the mobility impact fee schedule.

Outlined below is Willdan's proposed scope of services to develop the Study.

## Scope of Services

### Task 1: Identify and Resolve Policy Issues

**Objective:** Identify and resolve policy issues raised by the study.

**Description:** Review agency documents related to existing capital planning policies and funding programs. Meet with representatives of affected Town departments to gather background regarding the Town's impact fee program. Bring policy issues to Town staff's attention, as appropriate, during the project and seek guidance prior to proceeding.

Potential policy issues include:

- Adequacy of General Plan and other public facility planning policies (e.g. level of service standards); development impact fee ordinances and resolutions, and prior nexus studies;
- Availability of existing multi-modal master plans and CIPs to identify needed facilities;
- Availability of existing studies;
- Types of multi-modal needs (roads, traffic lights, trails, sidewalks, etc.) to be funded by each fee;

- Land use categories for imposition of fees;
- Nexus approach to determining facility standards;
- Nexus approach to allocating cost burden among land uses;
- Potential alternative funding sources, if needed;
- Funding existing deficiencies, if identified;
- Master-planned development and relationship to fee program;
- Existing development agreements;
- Implementation concerns and strategies; and
- Potential additional fees consistent with the Town's goals and policies.

**Meetings:** One meeting to initiate the project, discuss data needs, and begin discussion of applicable policy issues.

**Deliverables:** 1) Information requests; 2) revised project scope and schedule (if needed); and 3) summary of policy decisions (if needed).

## **Task 2: Identify Existing Development and Future Growth**

**Objective:** Identify estimates of existing levels of development; as well as a projection of future growth consistent with current planning policy.

**Description:** Identify base year for estimating existing levels of development and for calculating facility standards based on existing facility inventories (see Task 3). Include entitled development that would be exempt from the impact fee program.

Consult with Town staff to identify growth projections for the next 5 to 10 years. Projections provide a basis for determining the facilities needed to accommodate growth (see Task 4).

Develop approach for converting land use data to vehicle miles traveled (VMT) to measure system demand. For example, identify population and employment density factors to convert population and employment estimates to VMT. Select appropriate approach for mobility impact fee based on:

- Available local data on facility demand by land use category;
- Approaches used by other agencies; and
- Support for other agency policy objectives.

Changes to estimates and projections during subsequent tasks could cause unanticipated effort and require an amendment to the scope of services and budget. Willdan will obtain approval of estimates and projections from Town staff prior to proceeding.

**Task 3: Determine Facility Standards**

**Objective:** Determine standards to identify facilities required to accommodate growth.

**Description:** Facility standards document a reasonable relationship between new development and the need for new infrastructure. Standards ensure that new development does not fund deficiencies associated with existing development.

Our approach recognizes three separate components of system standards:

- 1. Demand standards** determine the amount of facilities required to accommodate growth. Example includes arterial lanes per vehicle miles traveled (VMT);
- 2. Design standards** determine how a facility should be designed to meet expected demand, for example park improvement requirements and technology infrastructure for office space. Design standards are typically not explicitly evaluated as part of a development impact fee analysis but can have a significant impact on the cost of facilities. Our approach incorporates current facility design standards into the fee program to reflect the increasing construction cost of roadway systems; and
- 3. Cost standards** are an alternate method for determining the amount of facilities required to accommodate growth based on facility costs per unit of demand. Cost standards are useful when demand standards were not explicitly developed for the facility planning process. Cost standards also enable different types of facilities to be analyzed based on a single measure (cost or value), useful when disparate facilities are funded by a single fee program. Example includes facility costs per vehicle trip.

As part of this task, Willdan will Identify and evaluate possible facility standards depending upon the facility type, current facility inventory data, and available facility planning documents. Consider use of:

- Adopted policy standards (e.g. General Plan, Comprehensive Plan, transportation master plans listed above, etc.);
- Standards derived from existing facility inventories; or
- Standards derived from a list of planned projects.

Town staff to provide policies, inventories, and project lists.

**Task 4: Determine Facilities Needs and Costs**

**Objective:** Identify the type, amount and cost of facilities required to accommodate growth and correct deficiencies, if any.

**Description:** Quantify total planned investments based on growth projection from Task

2 and facility standards from Task 3. Express planned investments in general quantities such as lane miles, or as a specific list of capital projects from a master facility plan. Location of planned investments may or may not be specified. If only a general description of planned facilities is available through the planning horizon, Town staff should provide a list of specific capital projects for use of fee revenues during the short term (e.g. five to ten years).

Distinguish between: investment needed to serve growth (that can be funded by development impact fees); and investment needed to correct existing deficiencies (that cannot be funded by development impact fees). Use one of three cost allocation methods (existing inventory, system plan, or planned facilities) to calculate the fee schedule.

Gather planning-level data on new investments based on lump sum project cost estimates, or unit costs and project quantities (acres, building square feet, lane miles, etc.). Consider recent Town experience, local market data such as land transactions, and Willdan experience from prior projects. Inflate older cost estimates to base year using appropriate cost indices.

#### **Task 5: Identify Funding and Financing Alternatives**

**Objective:** Determine the extent of alternative (non-fee) funding available for new investment.

**Description:** If development impact fees are going to only partially fund a capital project, the agency should report on the anticipated source and timing of the additional funding. There are two types of alternative funding sources that we will identify:

1. Funding from non-development impact fee sources to correct existing deficiencies; and
2. Funding from new development other than development impact fees that must be credited against new development's development impact fee contributions, such as developer contributed capital or improvements.

Identify anticipated alternative funding based on information from Town staff or note that funds are still to be identified based on a list of probable funding alternatives. If fees will fund debt service include financing costs in the total cost of facilities.

Assume infrastructure to be funded predominantly on a pay-as-you-go basis.

#### **Task 6: Calculate Fees and Prepare Report**

**Objective:** Provide technically defensible fee report that comprehensively documents project assumptions, methodologies, and results.

**Description:** Generate fee schedule to apportion facility costs to individual development projects. Use facility costs per unit of demand multiplied by demand by land use category based on data developed in prior tasks.

Prepare draft report tables for Town staff to review that document each step of the analysis, including schedule of maximum justified fees by facility type land use category.

Following one round of comments from Town staff on the quantitative analysis and fee schedules, prepare administrative draft report. Following one round of comments on the administrative draft, prepare public draft for presentation to interested parties, the public and elected officials. Prepare final report, if necessary, based on one round of comments received on the public draft report. Submit up to ten bound copies of report.

**Meetings:** We will attend up to four meetings with the Town. In addition to the project kick-off meeting, Willdan anticipates one meeting to review initial results with Town staff (web conference); one Town Council meeting to present the public draft report; and one public hearing to present the report for adoption. Participation at more than four meetings shall be billed at our additional per meeting cost.

**Deliverables:** Draft report tables, administrative draft report, public draft report, final report (if needed), and slide presentation (if needed).

## **Town Staff Assistance**

To complete our tasks, we will need the cooperation of Town staff. We suggest that the Town assign a key individual to represent the Town as the project manager who can function as our primary contact. We anticipate that the Town's project manager will:

- 1) Coordinate responses to requests for information;
- 2) Coordinate review of work products; and
- 3) Help resolve policy issues.

Willdan will rely on the validity and accuracy of the Town's data and documentation to complete the analysis. Willdan will rely on the data as being accurate without performing an independent verification of accuracy and will not be responsible for any errors that result from inaccurate data provided by the client or a third party. Town shall reimburse Willdan for any costs Willdan incurs, including without limitation, copying costs, digitizing costs, travel expenses, employee time and attorneys' fees, to respond to the legal process of any governmental agency relating to Town or relating to the project. Reimbursement shall be at Willdan's rates in effect at the time of such response.

## **General Disclosure**

The Town further represents, acknowledges, and agrees that:

- (i) The Town uses, or may use, the services of one or more municipal advisors registered with the U.S. Securities and Exchange Commission ("SEC") to advise it in connection with municipal financial products and the issuance of municipal securities;
- (ii) The Town is not looking to Willdan to provide, and Town shall not otherwise request or require Willdan to provide, any advice or recommendations with respect to municipal financial products or the issuance of municipal securities (including any advice or recommendations with respect to the structure, timing, terms, and other similar matters concerning such financial products or issues);
- (iii) The provisions of this proposal and the services to be provided hereunder as outlined in the scope of services are not intended (and shall not be construed) to constitute or include any municipal advisory services within the meaning of Section 15B of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act"), and the rules and regulations adopted thereunder;
- (iv) For the avoidance of doubt and without limiting the foregoing, in connection with any revenue projections, cash-flow analyses, feasibility studies and/or other analyses Willdan may provide the Town with respect to financial, economic or other matters relating to a prospective, new or existing issuance of municipal securities of the Town, (A) any such projections, studies and analyses shall be based upon assumptions, opinions or views (including, without limitation, any assumptions related to revenue growth) established by the Town, in conjunction with such of its municipal, financial, legal and other advisers as it deems appropriate; and (B) under no circumstances shall Willdan be asked to provide, nor shall it provide, any advice or recommendations or subjective assumptions, opinions or views with respect to the actual or proposed structure, terms, timing, pricing or other similar matters with respect to any municipal financial products or municipal securities issuances, including any revisions or amendments thereto; and
- (v) Notwithstanding all of the foregoing, the Town recognizes that interpretive guidance regarding municipal advisory activities is currently quite limited and is likely to evolve and develop during the term of the potential engagement and, to that end, the Town will work with Willdan throughout the term of the potential Agreement to ensure that the Agreement and the services to be provided by Willdan hereunder, is interpreted by the parties, and if necessary amended, in a manner intended to ensure that the Town is not asking Willdan to provide, and Willdan is not in fact providing or required to provide, any municipal advisory services.

## Professional Fees

On the basis of the general Scope of Services described herein, Willdan's total labor billings and all out-of-pocket costs and expenses directly chargeable to this Supplement will **not exceed \$7,500** unless specifically authorized in writing by the Town. Further, no work will be performed under this Supplement unless specifically directed by the Town.



**IN WITNESS WHEREOF**, the parties have executed this Supplement No. \_\_\_\_ on the date(s) indicated below.

**TOWN OF HOWEY-IN-THE-HILLS, FLORIDA**

**WILLDAN FINANCIAL SERVICES**

By: \_\_\_\_\_  
(Signature)

By: \_\_\_\_\_  
(Signature)

By: \_\_\_\_\_  
(Name Printed)

By: Jeff McGarvey  
(Name Printed)

Title: \_\_\_\_\_

Title: Vice President, Managing Principal

Date: \_\_\_\_\_

Date: \_\_\_\_\_