

AGREEMENT FOR CONSULTING SERVICES

EPS #163127

1. Parties

The parties to this Agreement are:

CLIENT: Town of Castle Rock
Castle Rock Economic Development Council (EDC)

CONSULTANT: Economic & Planning Systems, Inc.

2. Scope of Service

CONSULTANT shall prepare a economic development strategy for CLIENT in conformance with the Scope of Services attached as **Attachment A**.

3. Budget

CONSULTANT shall be entitled to fees and expenses set forth in **Attachment A** provided that CONSULTANT shall complete its work for an amount not to exceed \$54,520. CLIENT agrees that in the event of a delay or work stoppage of 90 days or more, EPS, in its sole discretion, may submit a revised budget to CLIENT for its approval and that the parties shall negotiate the terms of any such revised budget in good faith.

4. Payment

CONSULTANT shall be compensated in the manner indicated in **Attachment A**. Invoices are due and payable upon receipt.

5. Time for Performance

CONSULTANT shall commence work upon mutual approval of this agreement. Thereafter the work shall be completed as specified in **Attachment A** unless the time is extended by mutual agreement.

6. Standard Terms and Conditions

Attachment B is the Standard Terms and Conditions that are incorporated by reference as though set out in full.

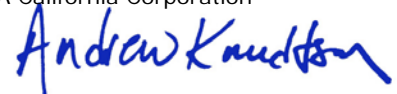
7. Approved: Dated this _____ day of _____, 2017.

Executed as of the day stated above.

Accepted:

Town of Castle Rock

Economic & Planning Systems
A California Corporation



Andrew M. Knudtsen, Managing Principal

Castle Rock Economic Development Council



Daniel R. Guimond, Principal

The Economics of Land Use



Economic & Planning Systems, Inc.
730 17th Street, Suite 630
Denver, CO 80202-3511
303 623 3557 tel
303 623 9049 fax

Oakland
Sacramento
Denver
Los Angeles

www.epsys.com

Economic & Planning Systems, Inc.
Attachment A

Project Understanding

Founded in 1874, the Town of Castle Rock is the county seat for Douglas County. Originally, Castle Rock flourished as a community due to Rhyolite quarries and nearby farming and ranching. A rail station stop on the Denver and Rio Grande Railway was also instrumental in growing the original community. The population of the Town began to boom in the 1990's as growth in the Denver metro spurred demand for housing in Castle Rock. The population of Castle Rock grew from 8,410 in 1990 to 20,224 in 2000, and increase of approximately 240 percent. The early 2000's brought even more rapid expansion as the Town continued to grow as a bedroom community but also began to expand its own economic base. The population of the Town more than doubled between 2000 and 2015 and is now over 52,000 people with 19,360 housing units. To compliment the expanding resident base, the Town's employment base has grown to just over 20,000. With jobs outnumbering housing units, Castle Rock operates as a stand-alone community with the luxury of being in close proximity to one of the largest employment centers in the State, the South I-25 corridor, which has approximately 130,000 jobs.

The Town of Castle Rock (Town), the Castle Rock Economic Development Council (EDC) and other partners have been successful in continuing to grow the economic base of the community. The economic partners have worked well together to make major advancements, but the process of collectively getting to the same common understanding has not always been smooth. As the Town expects to grow by another 25,000 residents over the next 15 to 20 years, the Town and EDC want develop a proactive vision and approach to guiding their economic future to ensure the Town continues to evolve as a stand-alone, highly sought after community. To develop this proactive vision and approach, the Town and EDC are hoping to gain a common understanding of the Town's current economic base and future opportunities, and integrate stakeholders under a common vision and set of implementation efforts.

Approach to Services

The Town and EDC have asked Economic & Planning Systems (EPS) to develop a scope of work that will result in a long-term economic vision that the Town can use to guide economic development efforts. The analysis of existing conditions and assets will form a common platform for decision-making. Part of the consulting effort will include an aspirational set of tasks that will identify the next steps for the community, as it reaches for a new level of economic activity. The study will also address weaknesses, threats and barriers that the Town faces in achieving its economic vision.

EPS's approach to economic development has always been grounded in a community development based approach, with the belief that the growth in all aspects of a community that contribute to a healthy, vibrant place play a collective role in spurring economic activity. EPS believes this approach is in line with the approach taken by the Town and EDC. As a result, the evaluation of the Town's economic assets and base will be completed in light of their impact on quality of life.

The proposed approach to this project includes four main parts:

- First is an evaluation of the Town's economic base and assets. This evaluation will include an analysis of baseline economic and demographic data, future growth estimates, a series of interviews with essential stakeholders at the Town and regional level, and a comprehensive "SWOT" analysis of the Town's economic conditions.
- The Second component includes an analysis of comparable aspirational communities across the nation. The analysis will evaluate from five to ten communities that are comparable in size to Castle Rock at its build-out. The goal is to develop set of potential future conditions to identify assets and actions the Town would need to take to reach its desired future. The cross-section represented by this set of comparable communities will provide a range of different concepts to stimulate discussion by the client team. As part of the process, EPS will align the aspirational goals with the local assets to narrow the options and create an achievable vision, complete with a series of action steps within the Economic Master Plan.
- The Third set of tasks call for the development of a long-term Economic Master Plan for the Town of Castle Rock. The Master Plan will include four sections:
 - Economic goals and future vision for the Town,
 - The identification of target industries and industry clusters,
 - A summary of current and desired future economic assets, and
 - The identification of challenges and barriers that need to be addressed.

The plan will include a menu of strategic actions that Town stakeholders can collectively use to shape its economic vision. The goal is not to develop one singular path or outcome for the Town but a variety approaches that can help lead the Town towards its desired outcomes.

- Finally, the study will include an analysis of the financial feasibility of future development that will identify specific barriers that could prevent the placement of capital within the local market. This component will help document the economic and financial gaps related to desired assets and development types. EPS will analyze a set of two to four potential development projects (i.e. Class A office building, medical campus, major hotel, etc.) that were identified as needed assets and quantify the gaps associated with each. The development feasibility will be gauged using pro forma financial models, informed with market inputs calibrated for local conditions. The purpose is to provide a basic understanding of the major drivers of development, the corresponding barriers, extent of the gaps, and potential methods to close gaps to achieve a common understanding and expectation among stakeholders of the challenges to be addressed. To complete this task, EPS will utilize work completed on the Miller's Landing and Promenade at Castle Rock projects. Data and analysis from these projects will be used to evaluate gaps related to office and hotel uses.

Scope of Work

The approach to services was developed in response to the issues and outcomes identified in discussion with representatives of the Castle Rock Economic Development Council and the Town of Castle Rock.

Task 1: Project Initiation

Task 1.1: Kick off meeting and Steering Committee Participation

An initial project kickoff meeting will be held to review the overall scope and schedule and to discuss specific issues or potential challenges that will arise. EPS will also tour Castle Rock with key staff members to understand the existing assets and growth areas of the Town.

Task 1.2: Review of previous related plans, projects and efforts

EPS will review all existing plans, analysis, and related efforts to help inform the project. The goal of this review is ensure we are not “reinventing the wheel” and re-analyzing something that has already been analyzed. As well, all relevant information, where applicable, from these previous efforts will be incorporated and used to full utilize past efforts. EPS will building its own previous work in Castle Rock including recent work on Miller’s Landing and The Promenade at Castle Rock.

Task 2: Economic Base and Assets Assessment

This task will provide objective baseline data on economic conditions and future growth estimates for the Town. The economic base analysis will assess current economic and market conditions related to future employment opportunities with a focus on primary employment industry sectors.

Task 2.1: Data Collection, Review and Analysis

In this task, EPS will review and document demographic trends related to population, households, and the housing inventory the Town, using data from the Town of Castle Rock, the US Census, the Colorado Department of Local Affairs (DOLA), and other sources. EPS will also obtain QCEW Microdata for Douglas County from the Colorado Department of Labor under an agreement with the Town or the Castle Rock EDC. This individual business level data will be used to conduct a detailed employment/business cluster analysis by location within the County and Town. We will identify and analyze job and industry clusters within the Town using the QCEW Microdata. The end-result of this data collection and analysis will be an Economic Base Analysis, which will serve as an appendix to the Master Plan.

Task 2.2: Stakeholder Interviews

During and after the economic base analysis, EPS will work with the EDC to arrange any necessary interviews with economic partners (both local and regional), key business owners, entrepreneurs, real estate interests, and community and business leaders. The purpose of these interviews is to enrich the data analysis with a finer grained understanding of the strengths and weaknesses and possible changes in the local economy. To save time and budget, EPS will rely on the Castle Rock Economic Development Council to arrange and coordinate stakeholder

interviews grouped into one day. The information gained from the interviews will be incorporated into the Economic Base Analysis and inform the SWOT Analysis to be conducted in the following task.

Task 2.3: SWOT Analysis

The SWOT Analysis will identify the strengths, weaknesses, opportunities, and external threats to the local economy and community. Additionally, it will identify the local assets that can be developed to create greater economic impact. The purpose of the SWOT analysis is to identify key opportunities to pursue, and any issues or constraints that need to be overcome to maximize the results. The identification of opportunities and assets will be derived from the Economic Analysis and from the community interviews, as well as the weaknesses and threats. A draft SWOT Analysis will be prepared for review by the client team and then incorporated into the final Master Plan.

Task 3: Comparable Aspirational Communities Analysis

EPS will work with the Town and EDC to develop a set of four to eight Aspirational Communities to analyze. The study will use common metrics and high-level qualitative assessments of the economic and demographic trends within these communities and, most importantly, the assets and actions these communities have taken to achieve their status. The comparable set will be selected based on the total jobs and population (current and at build out) that is similar to the Town of Castle Rock. Additional focus will be placed on communities that are excelling at expanding their economic base. EPS will generate a list of potential comparable communities and refine the list with client team input. A range of factors, such as geographic location, proximity to the primary metropolitan area, size, income, etc. will be factored into the find communities with common attributes. The result will be a summary of assets and actions that have been effective in propelling comparable communities to higher economic and quality of life performance.

Task 4: Economic Development Master Plan

The Economic Development Master Plan will synthesize the information and process above into a concise document that prioritizes the Town and EDC's recommended strategic action menu and focus areas in economic development. The Master Plan will provide future vision and goals, a succinct summary of economic conditions and strengths, a summary of desired future assets and attributes, and lastly an action plan menu, which will be the primary component of the Master Plan.

Task 4.1: Vision and Goals

Using the Town's Master Plan as a starting point, EPS will draft a set of goals to influence the development of the Plan. These will define the Town's vision for economic development and how economic development will complement community development and the Town's vision of who they are and what they want to become. These will be vetted with all relevant parties for consideration and discussion. The Vision and goals will also define the desired future conditions for the Town based on the comparable communities analysis.

Task 4.2 – Priority Future Opportunities and Desired/Needed Assets, Infrastructure, Amenities

The Plan will identify the most promising opportunities for strengthening existing economic/market segments and for economic diversification. As well, the desired and/or needed assets, infrastructure, and amenities that can help Castle Rock achieve its vision will be identified. This section of the Master Plan will contain the following elements:

- Target and priority industries and industry clusters
- Desired economic assets, infrastructure, and amenities
- Desired and/or needed uses, buildings, development types as well as community amenities
- Summary of opportunities in which the Town and EDC can act as a catalyst to leverage private sector efforts, including acquiring land, building infrastructure, and/or creating programs that stimulate economic development
- Quality of life improvements

Task 4.3 – Action Plan Menu

The Economic Development Master Plan will also include an implementation action plan that provides a menu of potential strategic actions. The actions will be sorted by short term/immediate actions and mid/long term actions. Each action will identify potential partners needed, lead roles, estimate investment costs, high-level assessment of impact on future vision, and the goal(s) directly related to the action.

Task 4.4: Development Feasibility and Barriers Analysis

To augment the master plan and action plan menu, EPS will provide an analysis of the development feasibility and market barriers to desired development types. EPS will analyze the feasibility of two to four desired building types or development projects to help illustrate the current financial barriers to these desired developments. The purpose will help illustrate the factors driving cost and revenues for a given project. As well, the relative impact of various incentive and funding/financing tools will be assessed to illustrate how various stakeholders can contribute to projects and impact they will have. The analysis will provide a common understanding of the relative financial gaps associated with each project and how each stakeholder can help address the gaps. Market barriers to desired development types will be identified and recommended strategies and actions will be developed to address market barriers.

Two anticipate development types will be a Class A Office building and major hotel. EPS will utilize analysis completed within the Miller's Landing project to provide the basis for feasibility for these development types. Up to two additional building types will be analyzed.

Fee for Services

Project Budget/Schedule/Compensation

The estimated budget by task is shown below in **Table 1** and totals **\$54,520** using an upset, not to exceed, limit. EPS estimates this project will take approximately four to seven months to complete and can develop a detailed schedule, with input from the client team.

Table 1
Proposed Budget

	Principal in Charge	Principal Advisor	Vice President	Analyst	Total
Billing Rate	\$225	\$225	\$180	\$125	
Labor Costs					
Task 1: Project Initiation and Steering Committee Participation	20	4	20	4	\$9,500
Task 2: Economic Base and Assets Assessment	10	0	36	40	\$13,730
Task 3: Comparable Aspirational Communities Analysis	8	2	16	32	\$9,130
Task 4: Economic Development Master Plan	<u>32</u>	<u>12</u>	<u>32</u>	<u>40</u>	<u>\$20,660</u>
Total Hours	70	18	104	116	\$53,020
Direct Costs					
Meeting Travel, Data Acquisition, Misc Costs					\$1,500
Total Project Cost					\$54,520

Source: Economic & Planning Systems

\\epsdc02\proposals\163127-Castle Rock Economic Development Plan\163127-pbud_22817.xlsx]BUDGET

Economic & Planning Systems, Inc.
Attachment B Standard Terms and Conditions for Consulting Services

1. Authority

Each party has full power and authority to enter into and perform this contract, and the person signing this contract on behalf of each has been properly authorized and empowered to enter into this contract. Each party further acknowledges that it has read this agreement, understands it, and agrees to be bound by it.

2. Independent Contractor

It is specifically understood and agreed that in the creation and performance of this Agreement, CONSULTANT is an independent contractor, and is not and shall not be construed to be an employee or agent of the CLIENT.

3. Insurance

CONSULTANT shall maintain the following insurance:

- 3.1. Workers Compensation as required by law.
- 3.2. General Liability insurance policy of \$1,000,000, \$3,000,000 in aggregate, for personal injury and property damage.
- 3.3. Auto Liability insurance of \$1,000,000, combined single limit for bodily injury and property damage covering all vehicles including hired, owned and non-owned vehicles.
- 3.4. Errors and Omissions/Professional Services Liability and Personal and Advertising Injury insurance in the amount of \$2,000,000.
- 3.5. Excess/Umbrella Liability insurance in the amount of \$1,000,000.

4. Personnel

The CONSULTANT represents that it is an equal opportunity employer and has, or will secure at its expense, all personnel required in performing the services under this Agreement. All personnel engaged in the work shall be authorized or permitted under State and Local law to perform such services.

5. Interest of CONSULTANT

CONSULTANT covenants that it presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of services required to be performed under this Agreement.

6. Publication, Reproduction, and Use of Material

CLIENT may publish, distribute, or otherwise use any data, information, reports, or other materials prepared under this Agreement by EPS (EPS Work Product), in whole or in part, for purposes of this project. This authority does not apply to any computer models or software used or developed as a result of this contract, unless a separate agreement is signed concerning the disposition of such materials. CLIENT acknowledges that EPS Work Product was prepared by EPS solely for contemporaneous use by CLIENT for this Project and that it is not intended for use at any other time, location, purpose or by any other party. Accordingly, CLIENT shall not, without the prior written consent of EPS (which EPS may withhold in its sole discretion), (i) use EPS Work Product for purposes unrelated to the Project, (ii) modify EPS Work Product, or (iii) disclose or distribute any EPS Work Product to any other person, firm, or entity. EPS shall be entitled to indemnification by CLIENT, pursuant to paragraph 13 hereof, if CLIENT breaches this provision, in addition to all other available remedies at law or in equity.

7. Confidentiality

Any reports, information, or data given to or prepared or assembled by the CONSULTANT under this Agreement shall not be made available to any individual or organization by the CONSULTANT without the prior written approval of the CLIENT. CONSULTANT is entitled to retain copies of all data, working papers, interim documents, memoranda, and reports produced under this Agreement. However, nothing contained herein shall prevent the disclosure of such information if compelled by legal process, and in the event thereof, only after notice to CLIENT.

8. Amendments to the Contract

No amendment to this Agreement shall be effective unless it is in writing and signed by duly authorized representatives of both parties.

9. Disputed Invoices

In the event that CLIENT disputes any item on an invoice, CLIENT shall notify the CONSULTANT of this disputed item within five working days of receipt of the invoice. CLIENT will approve payment of items on an invoice that are not in dispute and CLIENT and CONSULTANT will proceed to negotiate or arbitrate the disputed items as specified elsewhere in this Agreement.

10. Audits and Inspections

On reasonable notice, CLIENT may inspect any books, records, or other materials that pertain directly to this Agreement.

11. Compensation for Testimony and Preparation Thereof

If any legal action is brought in connection with the Agreement, other than an action that is solely the result of the incompetence or malfeasance by CONSULTANT, by or against a third party, and CLIENT requests that CONSULTANT or a SUBCONSULTANT, (or if CONSULTANT or a SUBCONSULTANT is otherwise required) to testify, provide information, produce materials, or otherwise spend time on such action, then CLIENT shall pay CONSULTANT or SUBCONSULTANT

for time expended at their standard rates then in effect, plus advance all related expenses and costs, including, but not limited to, reasonable attorneys' fees. Such compensation shall be in addition to the maximum charge for services defined in the Agreement.

12. Termination of Agreement

The CLIENT may, at its option, elect to cancel the contract at any time, by notice to CONSULTANT, on completion of any task described in the scope of services. In such event the CLIENT will pay to the CONSULTANT the amount due by virtue of completion of the products therefore delivered. If such cancellation is not based on any claim of CONSULTANT default, such payment shall include any sums withheld pursuant to this Agreement. In addition, the CONSULTANT shall be reimbursed (in addition to the payment) for that portion of the actual out-of-pocket costs not otherwise reimbursed under this Agreement previously incurred by the CONSULTANT during the period of the Agreement, which are directly attributable to the incomplete portion of the services covered by this Agreement.

13. Indemnification/Limitation of Liability

- 13.1. CLIENT agrees to release, indemnify, hold harmless, and defend CONSULTANT and all of its partners, employees, agents, and representatives of all types from and against all claims, liability, loss, cost, damage, expense, or obligation, including, but not limited to reasonable attorneys' and experts' fees and costs, which any of them may hereafter incur, suffer, or be required to pay by reason of any actions in connection with this Agreement or the performance thereof except as to claims which are finally adjudicated or arbitrated to have resulted from the sole negligence or willful misconduct of CONSULTANT.
- 13.2. CLIENT agrees that CONSULTANT is not responsible for the identification of hazardous or toxic substances, waste or materials, or petroleum products and/or petroleum components or constituents, and is not liable for any conditions that stem from contamination from hazardous or toxic substances, waste or materials, or petroleum products and/or petroleum components or constituents.

14. Nondiscrimination and Equal Opportunity

CONSULTANT and its SUBCONSULTANTS shall not unlawfully discriminate against any employee, applicant for employment, subcontractor, bidder for a subcontract, or participant in, recipient of, or applicant for any services or programs provided by CONSULTANT under this Agreement because of race, religion, color, national origin, ancestry, physical disability, medical condition, marital status, age (over 40), gender, or gender orientation. CONSULTANT shall comply with all applicable federal, state, and local laws, policies, rules, and requirements related to equal opportunity and nondiscrimination in employment, contracting, and the provision of any services that are the subject of this Agreement, including but not limited to the satisfaction of any positive obligations required of CONSULTANT thereby.

15. Standard of Performance

All work performed by CONSULTANT for CLIENT pursuant to this Agreement shall be performed by qualified persons, and shall be performed in accordance with standards of performance generally applicable to the work in the community in which the work is performed.

As in all projects of this type, the estimated results are based on the continued competent and efficient management by CLIENT. In addition, the conclusions reached by CONSULTANT are based on the assumption that no significant changes in project conditions will occur beyond those expressly discussed in EPS Work Product. CONSULTANT shall be able to rely on information provided to it by the CLIENT, and CONSULTANT shall have no responsibility to audit or otherwise verify such information.

16. Force Majeure

Neither party shall be responsible for delays or failures in performance resulting from acts beyond the control of such party. Such acts shall include, but not be limited to, acts of God, strikes, lockouts, riots, acts of war, epidemics, governmental regulations superimposed after the fact, fire, power failures, earthquakes, or other disasters.

17. Arbitration and Attorneys Fees

In the event of a dispute in any manner relating to or arising out of this Agreement, the parties shall meet, confer, and negotiate in good faith in an attempt to resolve the dispute. In the event the parties are unable to resolve the dispute themselves, the dispute shall be resolved through binding arbitration in Denver County, State of Colorado, under the Appropriate Rules of the American Arbitration Association. In arbitrating any issue arising under this Agreement, the power and authority of the arbitrator shall include the power and authority to grant such equitable relief (including injunctive relief) as may be appropriate under the circumstances, in accordance with applicable law. The decision award of the arbitrator shall be binding on the parties and shall be enforceable by judgment entered in a court having jurisdiction. In the event the arbitrator determines there is a prevailing party in the arbitration, the prevailing party shall recover from the losing party all costs of arbitration, including all fees of the arbitrator and all attorneys' fees reasonably incurred by the prevailing party. The arbitrator shall have authority to order such limited discovery as the arbitrator shall deem relevant and appropriate.

18. Governing Law

This contract will be governed by and construed in accordance with the laws of the State of Colorado.

19. Notice

Notice given under the terms of this Agreement shall be in writing and shall be effective the day it is mailed, properly addressed, to the party to receive such notice. Notice delivered other than by mail shall be effective when received. Any change of address of either of the parties shall be effective on receipt of notice of such change by the opposite party.