COUNTY OF Placer
COMMUNITY DEVELOPMENT RESOURCE AGENCY

MEMORANDUM
COMMUNITY DEVELOPMENT/RESOURCE AGENCY
County of Placer

TO: Honorable Board of Supervisors DATE: April 19, 2016

FROM: Michael J. Johnson, AICP
Agency Director

BY: Jacqueline R. Debets, Senior Management Analyst

SUBJECT: Lincoln Village 7 Property Tax Revenue Sharing Agreement Fiscal Modeling Contracts

ACTION REQUESTED
Authorize the County Executive Officer to execute two contracts implementing provisions of the Lincoln Village 7 Property Tax Revenue Sharing Agreement as follows:
1) Execute a contract between the County of Placer and Goodwin Consulting Group, Inc. in a not to exceed amount of $17,000 for Countywide cost fiscal modeling services; and
2) Execute a joint contract between the County of Placer, the City of Lincoln and Goodwin Consulting Group, Inc., in a not to exceed amount of $38,000 for comparative fiscal modeling services

BACKGROUND
On February 4, 2014, your Board approved a Property Tax Revenue Sharing Agreement (Agreement) with the City of Lincoln for the annexation of the Lincoln Village 7 Specific Plan area (Annexation Area) to the City of Lincoln. The Agreement became effective on February 4, 2014. This Agreement allowed for the annexation of Lincoln Village 7 to proceed forward to catalyze a project that was largely ready for construction. The executed Agreement provides for a 50/50 share of the net Property Tax Revenue levied for the Annexation Area for the first three years. The Agreement also obligates the parties to work collaboratively to develop a City/County fiscal model (Model) that would provide the basis for a long-term tax sharing agreement and mitigate any negative fiscal effects. If the parties cannot agree on a Model, the Agreement provides for property tax revenue sharing to convert to allocation of 60 percent to the County and 40 percent to the City.

Over the past year, staff in concert with the County Executive Office, have been working with City of Lincoln staff to define a process to implement the conditions of the Agreement and more specifically to develop the Model. The intent of the Model is to provide for, through mutually agreed upon assumptions, a fixed property tax distribution that does not change annually and is readily applied by the County Auditor Controller in its property tax calculations consistent with normal business practices. The Model will describe the functions provided by each jurisdiction, the cost attributable to the Annexation Area of providing those services, and the anticipated revenue streams to include general revenues as well as special fees and assessments. The Model will take into consideration capital expenditures and maintenance expenses related to countywide growth, reserves and contingencies as may be applicable to both jurisdictions.

Both parties have agreed upon a process and consultant, Goodwin Consulting Group. To develop the Model and equitably allocate the costs, the process is broken out into two steps and contracts. In the first proposed contract for $17,000, Goodwin Consulting Group will prepare the County functions and costs attributable to the Annexation Area; this contract will be solely paid for by the County. (The City has had similar work completed with Economic & Planning Systems, Inc.) Through the second contract for $38,000, the City and the County will share equally in the cost for Goodwin Consulting Group to prepare a joint comprehensive fiscal model that integrates each jurisdiction's individual work performed by Goodwin Consulting Group and Economic Planning Systems to produce a tax-sharing recommendation. The City of Lincoln's Council approved entering into this contract on March 22, 2016.

FISCAL IMPACT

The County will bear the entire cost of the $17,000 contract with Goodwin Consulting Group, Inc. to perform Countywide cost modeling services. The City of Lincoln will share equally in the costs for the $38,000 comparative fiscal modeling contract. The County's share of that contract shall not exceed $19,000. Combined, the County's total share of the contracts totals $36,000. Sufficient funds have been budgeted in the FY 2015-16 Community Development Resource Agency budget for these services.

ATTACHMENTS

Attachment 1: County contract with Goodwin Consulting Group
Attachment 2: Joint City/County contract with Goodwin Consulting Group

ATTACHMENT 1

Contract No. _____

CONTRACT FOR PROFESSIONAL CONSULTANT SERVICES
TO IDENTIFY AND ANALYZE PLACER COUNTY COSTS AND FISCAL IMPACTS AS THEY RELATE TO THE
LINCOLN VILLAGE 7 Annexation

THIS AGREEMENT, entered into this _____day of _____ 2016, by and between the COUNTY OF PLACER (hereinafter called the "COUNTY"), a political subdivision of the State of California, and Goodwin Consulting Group, Inc., (hereinafter called the "CONSULTANT") a California Corporation, collectively referred to as the "Parties".

WHEREAS, the CITY of Lincoln (hereinafter called the "CITY") annexed the land within the Lincoln Village 7 Specific Plan area (the "Project"), and

WHEREAS, the COUNTY and the CITY entered into a Property Tax Revenue Sharing Agreement (the "Agreement"); and

WHEREAS, Section 8 of the Agreement describes a process for development of a comprehensive fiscal model (the "Model") to create a fixed rate which does not change annually and is readily useable by the County Auditor in its AB-8 property tax calculations; and

WHEREAS, the Model requires that the COUNTY prepare and analyze the COUNTY costs and fiscal impacts of the Project, which will be used in the Model; and

WHEREAS, the CONSULTANT has agreed to prepare the COUNTY costs for the Model, in accordance with the terms as set forth herein,

In consideration of the promises and covenants hereinafter set forth, the Parties agree as follows:

1. Consulting Services

   a) CONSULTANT agrees, during the term of this Agreement, to perform the services set forth below and in Exhibit A - Scope of Work.

   b) CONSULTANT shall be obligated to devote as much of its attention, skill, and effort as may be reasonably required to perform the services described herein in a professional and timely manner.

   c) The Costs and fiscal impact analysis to be prepared under this Contract shall be prepared in coordination with the COUNTY and its staff. CONSULTANT acknowledges that in the performance of services under this Contract, CONSULTANT's duty is to the COUNTY, and CONSULTANT shall request and receive direction from the COUNTY with respect to performance of any of the work described in this Contract. CONSULTANT agrees that it is not presently engaged in, and during the term of this Contract will not enter into, any contract that may impair CONSULTANT's ability to render complete, fair and impartial advice to COUNTY, or may otherwise directly or indirectly be adverse to the interests of COUNTY.

   d) CONSULTANT shall submit all administrative draft documents directly to the COUNTY. CONSULTANT shall not act as a CONSULTANT to any other individual or entity associated with or affected by the Project in any manner that would conflict with CONSULTANT's responsibilities to the COUNTY during the term of this Contract.

2. PAYMENT

a) The CONSULTANT agrees to complete the scope of work with a maximum budget of $17,000, billed to the COUNTY. The COUNTY agrees to compensate CONSULTANT in an amount not to exceed an Approved Cost total of SEVENTEEN THOUSAND DOLLARS ($17,000) for work performed in accordance with Exhibit A Scope of Work and Exhibit B Budget and Schedule.

b) Payment to the CONSULTANT shall be made by COUNTY based upon an actual time and materials basis in accordance with this Section 2 and Exhibit A, Scope of Work. CONSULTANT shall submit to the COUNTY monthly invoices for work performed as outlined in Exhibits A and B, including a detail listing of the actual work performed, the person(s) performing the work, his/her hourly rate, and the expenses for which reimbursement is claimed.

c) COUNTY shall promptly review the invoice, and provided the work has been satisfactorily performed in accordance to Exhibit A. COUNTY shall pay invoices within twenty (20) days of approval of the invoice. CONSULTANT shall provide such additional information as the COUNTY may request to verify any of the amounts claimed for payment in any invoice. Payment shall be made monthly based on time and materials charges according to the fee schedule set forth in Exhibit B attached hereto and incorporated herein by reference.

d) CONSULTANT shall have the right to stop work on the Project should COUNTY fail to pay CONSULTANT. In the event CONSULTANT determines to stop work due to the failure to receive payment, CONSULTANT shall immediately notify COUNTY of its decision in writing.

3. Duties of COUNTY

a) COUNTY shall designate a staff person who shall act as coordinator, provide the CONSULTANT with any relevant information in the COUNTY'S possession (although it remains CONSULTANT's responsibility to compile all required background information for the Model), promptly review any and all documents and materials submitted to COUNTY by CONSULTANT and promptly notify CONSULTANT of any fault or defect in the performance of CONSULTANT's services hereunder.

b) COUNTY shall provide all relevant and necessary information in its possession relevant to the Project, including but not limited to, budgets, plans, studies, and engineering data, and shall promptly review any and all documents and materials submitted, and provide comments thereupon.

4. Personnel

All services required hereunder shall be performed by the CONSULTANT.

5. Termination

a) In the event COUNTY, in its sole discretion, deems it in the best interests of the COUNTY, the COUNTY shall have the right to terminate this Contract at any time without cause by giving thirty (30) days prior written notice of such termination to CONSULTANT. In the event of notice of termination by COUNTY, CONSULTANT shall immediately cease rendering service upon receipt of such written notice, pursuant to this Contract. In the event of termination of this Contract:

1. CONSULTANT shall deliver to COUNTY copies of all documents and writings prepared by it pursuant to this Contract. The term "documents

and writings" shall be construed to mean and include: work papers, electronic files, e-mails, drawings, internal memoranda, photographs, background reports and studies, preliminary drafts and other documents and files pertaining to the Project.

2. COUNTY shall have full ownership and control of all documents and writings. All work papers, graphics, photographs, and any written or graphic material, however produced, prepared by CONSULTANT in connection with its performance of services hereunder shall be, and shall remain after termination of this Contract, the property of the COUNTY and may be used by the COUNTY for any purpose whatsoever. Notwithstanding, CONSULTANT shall not be responsible for any claims arising out of the COUNTY's extraction or modification of CONSULTANT's work products and for any claims arising out of the use of work product by COUNTY for any other purpose than which is expressly set forth under this Agreement.

3. CONSULTANT shall be paid the reasonable value of services rendered by CONSULTANT to the date of termination pursuant to this Contract not to exceed the amount documented by CONSULTANT as work accomplished to date in accordance with this Contract; provided, however, that in no event shall any payment hereunder exceed the amount specified in Section 2(a) hereof, and further provided, however, CONSULTANT shall not be entitled to payment for lost profits which might have been made by CONSULTANT had CONSULTANT completed the services required by this Contract.

b) CONSULTANT may terminate its services under this Contract only upon good cause or upon the written consent of the COUNTY, and shall provide thirty (30) working days advance written notice to COUNTY of any such intent to terminate.

6. Uncontrollable Delay

All agreements on CONSULTANT'S part are contingent upon and subject to the provision that CONSULTANT shall not be responsible for damages or be in default by reason of delays in performance by reason of strikes, lockouts, accidents, acts of God, and any other delays unavoidable or beyond CONSULTANT'S reasonable control. In the event of any such cause of delay, the time of completion shall be extended accordingly.

7. Ownership of Documents

CONSULTANT agrees to return to the COUNTY, upon termination of this Agreement, all documents, drawings, photographs, and other written or graphic material, however produced, received from COUNTY used by CONSULTANT in the performance of its services hereunder. All work papers, drawings, internal memoranda, graphics, photographs, and any written or graphic material, however produced, prepared by CONSULTANT in connection with its performance of services hereunder shall be, and shall remain after termination of this Agreement, the property of the COUNTY may be used by the COUNTY for any purpose whatsoever. COUNTY agree to absolve CONSULTANT of any liability resulting from such future use.

8. Representations

CONSULTANT represents that services will be performed with the usual thoroughness and competence of the profession; in accordance with the standard for professional services at the time those services are rendered.

9. HOLD HARMLESS AND INDEMNIFICATION AGREEMENT

The CONSULTANT hereby agrees to protect, defend, indemnify, and hold the COUNTY of Placer free and harmless from any and all losses, claims, liens, demands, and causes of action of every kind and character including, but not limited to, the amounts of judgments, penalties, interest, court costs, legal fees, and all other expenses incurred by COUNTY of Placer arising in favor of any party, including claims, liens, debts, personal injuries, death, or damages to property (including employees or property of the COUNTY of Placer) and without limitation by enumeration, all other claims or demands of every character occurring or in any way incident to, in connection with or arising directly or indirectly out of, the contract or agreement. CONSULTANT agrees to investigate, handle, respond to, provide defense for, and defend any such claims, demand, or suit at the sole expense of the CONSULTANT. CONSULTANT also agrees to bear all other costs and expenses related thereto, even if the claim or claims alleged are groundless, false, or fraudulent. This provision is not intended to create any cause of action in favor of any third party against CONSULTANT or the COUNTY or to enlarge in any way the CONSULTANT'S liability but is intended solely to provide for indemnification of COUNTY of Placer from liability for damages or injuries to third persons or property arising from CONSULTANT'S performance pursuant to this contract or agreement.

10. INSURANCE:

CONSULTANT shall file with COUNTY herewith a Certificate of Insurance, in companies acceptable to COUNTY, with a Best's Rating of no less than A-:VII showing.

11. WORKER'S COMPENSATION AND EMPLOYERS LIABILITY INSURANCE:

Worker's Compensation Insurance shall be provided as required by any applicable law or regulation. Employer's liability insurance shall be provided in amounts not less than one million dollars ($1,000,000) each accident for bodily injury by accident, one million dollars ($1,000,000) policy limit for bodily injury by disease, and one million dollars ($1,000,000) each employee for bodily injury by disease.

If there is an exposure of injury to CONSULTANT'S employees under the U.S. Longshoremen's and Harbor Worker's Compensation Act, the Jones Act, or under laws, regulations, or statutes applicable to maritime employees, coverage shall be included for such injuries or claims.

Each Worker's Compensation policy shall be endorsed with the following specific language:

Cancellation Notice - "This policy shall not be changed without first giving thirty (30) days prior written notice and ten (10) days prior written notice of cancellation for non-payment of premium to the COUNTY of Placer".

Waiver of Subrogation - The workers' compensation policy shall be endorsed to state that the workers' compensation carrier waives its right of subrogation against the COUNTY, its officers, directors, officials, employees, agents or volunteers, which might arise by reason of payment under such policy in connection with performance under this agreement by the CONSULTANT.

CONTRACTOR shall require all SUBCONTRACTORS to maintain adequate Workers' Compensation insurance. Certificates of Workers' Compensation shall be filed forthwith with the COUNTY upon demand.

12. GENERAL LIABILITY INSURANCE:

A. Comprehensive General Liability or Commercial General Liability insurance covering all operations by or on behalf of CONSULTANT, providing insurance for bodily injury liability and property damage liability for the limits of liability indicated below and including coverage for:

(1) Contractual liability insuring the obligations assumed by CONSULTANT in this Agreement.

B. One of the following forms is required:
(1) Comprehensive General Liability;
(2) Commercial General Liability (Occurrence); or
(3) Commercial General Liability (Claims Made).

C. If CONSULTANT carries a Comprehensive General Liability policy, the limits of liability shall not be less than a Combined Single Limit for bodily injury, property damage, and Personal Injury Liability of:

→One million dollars ($1,000,000) each occurrence
→Two million dollars ($2,000,000) aggregate

D. If CONSULTANT carries a Commercial General Liability (Occurrence) policy:

(1) The limits of liability shall not be less than:

→One million dollars ($1,000,000) each occurrence (combined single limit for bodily injury and property damage)
→One million dollars ($1,000,000) for Products-Completed Operations
→Two million dollars ($2,000,000) General Aggregate

(2) If the policy does not have an endorsement providing that the General Aggregate Limit applies separately, or if defense costs are included in the aggregate limits, then the required aggregate limits shall be two million dollars ($2,000,000).

E. Special Claims Made Policy Form Provisions:

CONSULTANT shall not provide a Commercial General Liability (Claims Made) policy without the express prior written consent of COUNTY, which consent, if given, shall be subject to the following conditions:

(1) The limits of liability shall not be less than:

→One million dollars ($1,000,000) each occurrence (combined single limit for bodily injury and property damage)
→One million dollars ($1,000,000) aggregate for Products Completed Operations
→Two million dollars ($2,000,000) General Aggregate

(2) The insurance coverage provided by CONSULTANT shall contain language providing coverage up to one (1) year following the completion of the contract in order to provide insurance coverage for the hold harmless provisions herein if the policy is a claims-made policy.

Conformity of Coverages - If more than one policy is used to meet the required coverages, such as a separate umbrella policy, such policies shall be consistent with all other applicable policies used to meet these minimum requirements. For

example, all policies shall be Occurrence Liability policies or all shall be Claims Made Liability policies, if approved by the COUNTY as noted above. In no cases shall the types of polices be different.

13. ENDORSEMENTS:

Each Comprehensive or Commercial General Liability policy shall be endorsed with the following specific language:

A. 'The COUNTY of Placer, its officers, agents, employees, and volunteers are to be covered as an additional insured for all liability arising out of the operations by or on behalf of the named insured in the performance of this Agreement."

B. 'The insurance provided by the CONSULTANT, including any excess liability or umbrella form coverage, is primary coverage to the COUNTY of Placer with respect to any insurance or self-insurance programs maintained by the COUNTY of Placer no insurance held or owned by the COUNTY of Placer shall be called upon to contribute to a loss."

C. "This policy shall not be changed without first giving thirty (30) days prior written notice and ten (10) days prior written notice of cancellation for non-payment of premium to the COUNTY of Placer."

14. AUTOMOBILE LIABILITY INSURANCE:

Automobile Liability insurance covering bodily injury and property damage in an amount no less than one million dollars ($1,000,000) combined single limit for each occurrence.

Covered vehicles shall include owned, non-owned, and hired automobiles/trucks.

15. PROFESSIONAL LIABILITY INSURANCE (ERRORS & OMISSIONS):

Professional Liability Insurance for Errors and Omissions coverage in the amount of not less than one million dollars ($1,000,000).

If CONSULTANT sub-contracts in support of CONSULTANTs work provided for in the agreement, Professional Liability Insurance for Errors shall be provided by the sub-contractor in an amount not less than one million dollars ($1,000,000) in aggregate.

The insurance coverage provided by the CONSULTANT shall contain language providing coverage up to one (1) year following completion of the contract in order to provide insurance coverage for the hold harmless provisions herein if the policy is a claims-made policy.

16. ADDITIONAL REQUIREMENTS:

Premium Payments - The insurance companies shall have no recourse against the COUNTY and funding agencies, its officers and employees or any of them for payment of any premiums or assessments under any policy issued by a mutual insurance company.

Policy Deductibles - The CONSULTANT shall be responsible for all deductibles in all of the CONSULTANT's insurance policies. The maximum amount of allowable deductible for insurance coverage required herein shall be $25,000.

CONSULTANT's Obligations - CONSULTANT's indemnity and other obligations shall not be limited by the foregoing insurance requirements and shall survive the expiration of this agreement.

Verification of Coverage - CONSULTANT shall furnish the COUNTY with original certificates and amendatory endorsements or copies of the applicable policy language effecting coverage required by this clause. All certificates and endorsements are to be received and approved by the COUNTY before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive the CONSULTANT's obligation to provide them. The COUNTY reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time.

Material Breach - Failure of the CONSULTANT to maintain the insurance required by this agreement, or to comply with any of the requirements of this section, shall constitute a material breach of the entire agreement.

17. Notices

Any notice or demand desired or required to be given hereunder shall be in writing and deemed given when personally delivered or deposited in the mail, postage prepaid, sent certified or registered, and addressed to the parties as follows:

COUNTY OF PLACER	CONSULTANT
Planning Services Division, CDRA	Goodwin Consulting Group
Attn: Michele Kingsbury	Attn: Susan Goodwin
3091 COUNTY Center Drive	555 University Avenue, Suite 280
Auburn, CA 95603	Sacramento, CA 95825

a) Any notice so delivered personally shall be deemed to be received on the date of delivery and any notice mailed shall be deemed to be received five (5) days after the date on which it was mailed.

b) No waiver, alteration, modification, or termination of this Agreement shall be valid unless made in writing and signed by all parties.

18. Assignment

No party shall assign, transfer, or otherwise dispose of this Agreement in whole or in part to any individual, firm or corporation without the prior written consent of each of the other parties. Subject to the provisions of the preceding sentence, this Agreement shall be binding upon, and inure to the benefit of, the respective successors and assigns of the parties hereto.

19. Jurisdiction

This Agreement shall be governed by and construed in accordance with the laws of the State of California. Any suit, action, or proceeding brought under the scope of this Agreement shall be brought and maintained to the extent allowed by law in the COUNTY of Placer, California.

20. Entire Agreement

This Agreement sets forth the entire understanding between the parties as to the subject matter of the Agreement and merges all prior discussions, negotiations, letters of understanding, or other promises, whether oral or in writing.

21. This contract may be signed in counterparts, each of which shall constitute an original and which collectively shall constitute one instrument.

In witness, whereof, the parties have executed this Agreement the day and year first written above.

PLACER COUNTY:

_____ _____

David Boesch, COUNTY Executive Officer Date

APPROVED AS TO FORM:

_____ _____

COUNTY Counsel Date

APPROVED AS TO CONTENT:

_____ _____

Michael J. Johnson, Community Development Resources Agency Date

CONSULTANT:

_____ _____

CONSULTANT: Date
Susan Goodwin, President
Goodwin Consulting Group

_____ _____

CONSULTANT: Date
Dave Freudenberger, Vice President/Secretary
Goodwin Consulting Group

COUNTY OF PLACER
FISCAL IMPACT MODEL – COUNTY IMPACTS

PROPOSED ANNEXATIONS INTO THE CITY OF LINCOLN

SCOPE OF WORK

Goodwin Consulting Group, Inc. (GCG) will assist the County of Placer (County) in understanding the potential fiscal impacts on the County associated with the proposed annexation into the City of Lincoln (City) of the Lincoln Land Holdings project (Project) within the Village 7 Specific Plan area. This scope of work will ensure that other potential annexations into the City can also be analyzed, although project-specific changes to the fiscal impact model may be necessary and a separate model would be prepared for each individual annexation. Tasks associated with this scope of work include the following:

1. GCG will review proposed land uses, estimated values, demographic data, and other Project information. GCG will also review the current operating budget (FY 2015-16) for the County, as well as property tax distributions (AB8 factors) for applicable tax rate areas (TRAs) within the Project. Similar information will be reviewed and/or developed for other potential annexation areas so that a separate fiscal model can easily be developed and used to estimate fiscal impacts associated with areas other than the Project (e.g., Village 1). Although capital expenditures will not be addressed in the model, General Fund (and other applicable funds, such as the County Library Fund) operating and maintenance costs associated with capital facilities will be addressed in the model where appropriate.

2. GCG will develop a fiscal impact model that estimates the impacts on the County from the Project annexation into the City. The current County fiscal expense module will be used as a starting point for developing the portion of the model that projects County cost impacts, and will include the latest assumptions and methodologies currently integrated into the analysis of County fiscal impacts based on Fiscal Year 2015-16 budget data. Also, the current County fiscal revenue module will be updated to reflect Project-specific assumptions and methodologies based on an annexation scenario. These revenue and expense modules will be merged into one comprehensive model so that fiscal impacts may be evaluated based on various assumptions regarding development of the Project.

3. GCG will complete an initial draft of the County impacts model for review by County staff. Based on feedback from County staff, GCG will prepare a second draft of the model and finalize it for review by City staff and its consultant.

4. GCG will attend meetings with County staff as necessary to complete the County impacts model. The budget assumes a maximum of two (2) meetings.

COUNTY OF PLACER
FISCAL IMPACT MODEL – COUNTY IMPACTS

PROPOSED ANNEXATIONS INTO THE CITY OF LINCOLN

BUDGET AND SCHEDULE

Services

For services provided pursuant to this scope of work, GCG will bill on a time and materials basis up to a maximum budget of $17,000, which includes expenses as delineated below. If the billings for services approach the maximum budget amount, GCG will consult with the County to determine whether an amendment to the budget is needed. Services will be billed based on the following hourly fee schedule:

Goodwin Consulting Group Billing Rates	
Managing Principal	$290/Hour
Senior Principal	$280/Hour
Principal	$235/Hour
Vice President	$210/Hour
Senior Associate	$195/Hour
Associate	$185/Hour
Analyst	$175/Hour
Research Assistant	$90/Hour

**** The rates reflected above are valid through December 31, 2016, and may be adjusted thereafter.***

Expenses

In addition to fees for services, GCG shall be reimbursed for direct expenses, including travel, photocopying, data sources, courier, overnight delivery, and long-distance telephone expenses.

Billing Structure

GCG shall submit monthly invoices to the County providing details of services rendered and expenses incurred.

ATTACHMENT 2

Contract No. _____

CONTRACT FOR PROFESSIONAL CONSULTANT SERVICES TO PROVIDE FISCAL IMPACT MODEL AND TAX SHARING ANALYSIS FOR IN PLACER COUNTY AND THE CITY OF LINCOLN AS THEY RELATE TO THE LINCOLN VILLAGE 7

THIS AGREEMENT, entered into this _____day of _____ 2016, by and between the COUNTY OF PLACER (hereinafter called the "COUNTY"), a political subdivision of the State of California, the CITY OF LINCOLN, a municipal corporation of the State of California (hereinafter called the "CITY"), and Goodwin Consulting Group, Inc., a California Corporation (hereinafter called the "CONSULTANT"), collectively referred to as the "Parties".

WHEREAS, the CITY of Lincoln proposes to annex the land within the Lincoln Village 7 Specific Plan area (the "Project"), and

WHEREAS, the COUNTY and the CITY wish to have a fiscal model that reflects the potential fiscal impacts on both the CITY and the COUNTY associated with the proposed annexation, and to base tax sharing agreements upon the outcomes of this model; and

WHEREAS, CONSULTANT has agreed to prepare Fiscal Impact Model and Tax Sharing Analysis of Lincoln Village 7 (the Model) for the COUNTY and the CITY, and

WHEREAS, the Model will substantially inform future tax sharing negotiations for Lincoln Village 1, and

WHEREAS, the CITY and the COUNTY have agreed to pay for the costs of preparation of the Model, in accordance with the terms as set forth herein,

In consideration of the promises and covenants hereinafter set forth, the Parties agree as follows:

1. Consulting Services
   a) CONSULTANT agrees, during the term of this Agreement, to perform the services set forth below and in Exhibit A - Scope of Services.

   b) CONSULTANT shall be obligated to devote as much of its attention, skill, and effort as may be reasonably required to perform the services described herein in a professional and timely manner.

   c) The Model to be prepared under this Agreement shall be prepared in coordination with the COUNTY and its staff, and the CITY and its staff. CONSULTANT acknowledge that in the performance of services under this Contract, CONSULTANT's duty is to both the COUNTY and the CITY, and CONSULTANT shall request and receive direction from the COUNTY and the CITY with respect to performance of any of the work described in this Contract. CONSULTANT agrees that it is not presently engaged in, and during the term of this Agreement will not enter into, any contract that may impair CONSULTANT's ability to render complete, fair and impartial advice to COUNTY and the CITY, or may otherwise directly or indirectly be adverse to the interests of COUNTY or the CITY.

   d) CONSULTANT shall submit all administrative draft documents directly to the COUNTY and the CITY at the same time. CONSULTANT shall not act as a CONSULTANT to any other individual or entity associated with or affected by the Project in any manner that would conflict with CONSULTANT's responsibilities

to the COUNTY and the CITY during the term of this Agreement. CONSULTANT may meet and confer with CITY and COUNTY staff independently while drafting the Model. For the final Model, all communications, including e-mail, must include a copy to the COUNTY and the CITY, unless COUNTY and CITY approve otherwise.

2. PAYMENT

a) The CONSULTANT agrees to complete the scope of work with a maximum budget of $38,000, billed and payable in equal amounts to the COUNTY and the CITY. The COUNTY agrees to compensate CONSULTANT in an amount not to exceed an Approved Cost total of NINETEEN THOUSAND DOLLARS ($19,000) for work performed, and the CITY agrees to compensate CONSULTANT in an amount not to exceed an Approved Cost total of NINETEEN THOUSAND DOLLARS ($19,000) for work performed in accordance with Exhibit A Scope of Work and Exhibit B Budget and Schedule.

b) Payment to the CONSULTANT shall be made by COUNTY and the CITY based upon an actual time and materials basis in accordance with this Section 2 and Exhibit A, Scope of Services. CONSULTANT shall submit to the COUNTY and the CITY monthly invoices for work performed as outlined in Exhibits A and B, including a detail listing of the actual work performed, the person(s) performing the work, his/her hourly rate, and the expenses for which reimbursement is claimed.

c) COUNTY and CITY shall promptly review the invoice, and provided the work has been satisfactorily performed in accordance to Exhibit A. COUNTY and CITY shall pay invoices within twenty (20) days of approval of the invoice. CONSULTANT shall provide such additional information as the COUNTY or the CITY may request to verify any of the amounts claimed for payment in any invoice.

d) CONSULTANT shall have the right to stop work on the Project should COUNTY or CITY fail to pay CONSULTANT. In the event CONSULTANT determines to stop work due to the failure to receive payment, CONSULTANT shall immediately notify COUNTY and CITY of its decision in writing.

3. Duties of COUNTY and CITY

a) COUNTY and CITY shall each designate a staff person of their respective agency who shall act as coordinator between the COUNTY, CITY and CONSULTANT during the preparation of the Model, provide the CONSULTANT with any relevant information in each agency's possession (although it remains CONSULTANT's responsibility to compile all required background information for the Model), promptly review any and all documents and materials submitted to COUNTY and/or CITY by CONSULTANT and promptly notify CONSULTANT of any fault or defect in the performance of CONSULTANT's services hereunder.

b) CITY and COUNTY shall provide all relevant and necessary information in its possession relevant to the Project, including but not limited to, budgets, plans, studies, and engineering data, and shall promptly review any and all documents and materials submitted, and provide comments thereupon.

4. Personnel

All services required hereunder shall be performed by the CONSULTANT.

5. Termination

a) In the event COUNTY or CITY, in each agency's sole discretion, deems it in the best interests of the COUNTY or the CITY, the COUNTY or the CITY shall have the right to terminate this Agreement at any time without cause by giving thirty (30) days prior written notice of such termination to the other parties. In the event of notice of termination by COUNTY or CITY, CONSULTANT shall immediately cease rendering service upon receipt of such written notice, pursuant to this Contract. In the event of termination of this Contract:

1. CONSULTANT shall deliver to COUNTY and the CITY copies of all documents and writings prepared by it pursuant to this Agreement. The term "documents and writings" shall be construed to mean and include: work papers, electronic files, e-mails, drawings, internal memoranda, photographs, background reports and studies, preliminary drafts and other documents and files pertaining to the Project.

2. COUNTY and CITY shall have full ownership and control of all documents and writings. All work papers, graphics, photographs, and any written or graphic material, however produced, prepared by CONSULTANT in connection with its performance of services hereunder shall be, and shall remain after termination of this Agreement, the property of the COUNTY and the City and may be used by the COUNTY and the City for any purpose whatsoever. Notwithstanding, CONSULTANT shall not be responsible for any claims arising out of the COUNTY's or City's extraction or modification of CONSULTANT's work products and for any claims arising out of the use of work product by the COUNTY or the City for any other purpose than which is expressly set forth under this Agreement.

3. CONSULTANT shall be paid the reasonable value of services rendered by CONSULTANT to the date of termination pursuant to this Agreement not to exceed the amount documented by CONSULTANT as work accomplished to date in accordance with this Agreement; provided, however, that in no event shall any payment hereunder exceed the amount specified in Section 2(a) hereof, and further provided, however, CONSULTANT shall not be entitled to payment for lost profits which might have been made by CONSULTANT had CONSULTANT completed the services required by this Agreement.

b) CONSULTANT may terminate its services under this Agreement only upon good cause or upon the written consent of the COUNTY and the CITY, and shall provide thirty (30) working days advance written notice to the COUNTY and the City of any such intent to terminate.

c) In the event the COUNTY or the CITY directs that work be suspended for a period longer than ninety (90) days for any reason other than dissatisfaction with CONSULTANT's work, CONSULTANT shall be entitled to request reasonable re-mobilization costs to recommence the work.

6. Uncontrollable Delay

All agreements on CONSULTANT'S part are contingent upon and subject to the provision that CONSULTANT shall not be responsible for damages or be in default by reason of delays in performance by reason of strikes, lockouts, accidents, acts of God, and any other delays unavoidable or beyond CONSULTANT'S reasonable control. In

the event of any such cause of delay, the time of completion shall be extended accordingly.

7. Ownership of Documents
CONSULTANT agrees to return to the COUNTY and the CITY, upon termination of this Agreement, all documents, drawings, photographs, and other written or graphic material, however produced, received from COUNTY and the CITY used by CONSULTANT in the performance of its services hereunder. All work papers, drawings, internal memoranda, graphics, photographs, and any written or graphic material, however produced, prepared by CONSULTANT in connection with its performance of services hereunder shall be, and shall remain after termination of this Agreement, the property of the COUNTY and the CITY may be used by the COUNTY and the CITY for any purpose whatsoever. COUNTY and the CITY agree to absolve CONSULTANT of any liability resulting from such future use.

8. Representations
CONSULTANT represents that services will be performed with the usual thoroughness and competence of the profession; in accordance with the standard for professional services at the time those services are rendered.

9. HOLD HARMLESS AND INDEMNIFICATION AGREEMENT
The CONSULTANT hereby agrees to protect, defend, indemnify, and hold the COUNTY of Placer and the CITY of Lincoln free and harmless from any and all losses, claims, liens, demands, and causes of action of every kind and character including, but not limited to, the amounts of judgments, penalties, interest, court costs, legal fees, and all other expenses incurred by COUNTY of Placer and the CITY of Lincoln arising in favor of any party, including claims, liens, debts, personal injuries, death, or damages to property (including employees or property of the COUNTY of Placer and/or the CITY of Lincoln) and without limitation by enumeration, all other claims or demands of every character occurring or in any way incident to, in connection with or arising directly or indirectly out of, the Agreement. CONSULTANT agrees to investigate, handle, respond to, provide defense for, and defend any such claims, demand, or suit at the sole expense of the CONSULTANT. CONSULTANT also agrees to bear all other costs and expenses related thereto, even if the claim or claims alleged are groundless, false, or fraudulent. This provision is not intended to create any cause of action in favor of any third party against CONSULTANT or the COUNTY or the CITY or to enlarge in any way the CONSULTANT'S liability but is intended solely to provide for indemnification of COUNTY of Placer and the CITY of Lincoln from liability for damages or injuries to third persons or property arising from CONSULTANT'S performance pursuant to this Agreement.

10. INSURANCE:

CONSULTANT shall file with COUNTY and the CITY concurrently herewith a Certificate of Insurance, in companies acceptable to COUNTY and the CITY, with a Best's Rating of no less than A-:VII showing.

11. WORKER'S COMPENSATION AND EMPLOYERS LIABILITY INSURANCE:

Worker's Compensation Insurance shall be provided as required by any applicable law or regulation. Employer's liability insurance shall be provided in amounts not less than one million dollars ($1,000,000) each accident for bodily injury by accident, one million dollars ($1,000,000) policy limit for bodily injury by disease, and one million dollars ($1,000,000) each employee for bodily injury by disease.

If there is an exposure of injury to CONSULTANT'S employees under the U.S. Longshoremen's and Harbor Worker's Compensation Act, the Jones Act, or under laws,

regulations, or statutes applicable to maritime employees, coverage shall be included for such injuries or claims.

Each Worker's Compensation policy shall be endorsed with the following specific language:

Cancellation Notice - "This policy shall not be changed without first giving thirty (30) days prior written notice and ten (10) days prior written notice of cancellation for non-payment of premium to the COUNTY of Placer".

Waiver of Subrogation - The workers' compensation policy shall be endorsed to state that the workers' compensation carrier waives its right of subrogation against the COUNTY, its officers, directors, officials, employees, agents or volunteers, which might arise by reason of payment under such policy in connection with performance under this agreement by the CONSULTANT.

CONTRACTOR shall require all SUBCONTRACTORS to maintain adequate Workers' Compensation insurance. Certificates of Workers' Compensation shall be filed forthwith with the COUNTY upon demand.

12. GENERAL LIABILITY INSURANCE:

A. Comprehensive General Liability or Commercial General Liability insurance covering all operations by or on behalf of CONSULTANT, providing insurance for bodily injury liability and property damage liability for the limits of liability indicated below and including coverage for:

(1) Contractual liability insuring the obligations assumed by CONSULTANT in this Agreement.

B. One of the following forms is required:
(1) Comprehensive General Liability;
(2) Commercial General Liability (Occurrence); or
(3) Commercial General Liability (Claims Made).

C. If CONSULTANT carries a Comprehensive General Liability policy, the limits of liability shall not be less than a Combined Single Limit for bodily injury, property damage, and Personal Injury Liability of:

→One million dollars ($1,000,000) each occurrence
→Two million dollars ($2,000,000) aggregate

D. If CONSULTANT carries a Commercial General Liability (Occurrence) policy:

(1) The limits of liability shall not be less than:

→One million dollars ($1,000,000) each occurrence (combined single limit for bodily injury and property damage)
→One million dollars ($1,000,000) for Products-Completed Operations
→Two million dollars ($2,000,000) General Aggregate

(2) If the policy does not have an endorsement providing that the General Aggregate Limit applies separately, or if defense costs are included in the aggregate limits, then the required aggregate limits shall be two million dollars ($2,000,000).

E. Special Claims Made Policy Form Provisions:

CONSULTANT shall not provide a Commercial General Liability (Claims Made) policy without the express prior written consent of COUNTY, which consent, if given, shall be subject to the following conditions:

(1) The limits of liability shall not be less than:

→One million dollars ($1,000,000) each occurrence (combined single limit for bodily injury and property damage)

→One million dollars ($1,000,000) aggregate for Products Completed Operations

→Two million dollars ($2,000,000) General Aggregate

(2) The insurance coverage provided by CONSULTANT shall contain language providing coverage up to one (1) year following the completion of the contract in order to provide insurance coverage for the hold harmless provisions herein if the policy is a claims-made policy.

Conformity of Coverages - If more than one policy is used to meet the required coverages, such as a separate umbrella policy, such policies shall be consistent with all other applicable policies used to meet these minimum requirements. For example, all policies shall be Occurrence Liability policies or all shall be Claims Made Liability policies, if approved by the COUNTY as noted above. In no cases shall the types of polices be different.

13. ENDORSEMENTS:

Each Comprehensive or Commercial General Liability policy shall be endorsed with the following specific language:

A. "The COUNTY of Placer, its officers, agents, employees, and volunteers are to be covered as an additional insured for all liability arising out of the operations by or on behalf of the named insured in the performance of this Agreement."

B. "The CITY of Lincoln, its officers, agents, employees, and volunteers are to be covered as an additional insured for all liability arising out of the operations by or on behalf of the named insured in the performance of this Agreement."

C. "The insurance provided by the CONSULTANT, including any excess liability or umbrella form coverage, is primary coverage to the COUNTY of Placer and CITY of Lincoln with respect to any insurance or self-insurance programs maintained by the COUNTY of Placer and CITY of Lincoln no insurance held or owned by the COUNTY of Placer and CITY of Lincoln shall be called upon to contribute to a loss."

D. "This policy shall not be changed without first giving thirty (30) days prior written notice and ten (10) days prior written notice of cancellation for non-payment of premium to the COUNTY of Placer and the CITY of Lincoln."

14. AUTOMOBILE LIABILITY INSURANCE:

Automobile Liability insurance covering bodily injury and property damage in an amount no less than one million dollars ($1,000,000) combined single limit for each occurrence.

Covered vehicles shall include owned, non-owned, and hired automobiles/trucks.

15. PROFESSIONAL LIABILITY INSURANCE (ERRORS & OMISSIONS):

Professional Liability Insurance for Errors and Omissions coverage in the amount of not less than one million dollars ($1,000,000).

If CONSULTANT sub-contracts in support of CONSULTANTs work provided for in the agreement, Professional Liability Insurance for Errors shall be provided by the sub-contractor in an amount not less than one million dollars ($1,000,000) in aggregate.

The insurance coverage provided by the CONSULTANT shall contain language providing coverage up to one (1) year following completion of the contract in order to provide insurance coverage for the hold harmless provisions herein if the policy is a claims-made policy.

16. ADDITIONAL REQUIREMENTS:

Premium Payments - The insurance companies shall have no recourse against the COUNTY and funding agencies, its officers and employees or any of them for payment of any premiums or assessments under any policy issued by a mutual insurance company.

Policy Deductibles - The CONSULTANT shall be responsible for all deductibles in all of the CONSULTANT's insurance policies. The maximum amount of allowable deductible for insurance coverage required herein shall be $25,000.

CONSULTANT's Obligations - CONSULTANT's indemnity and other obligations shall not be limited by the foregoing insurance requirements and shall survive the expiration of this agreement.

Verification of Coverage - CONSULTANT shall furnish the COUNTY and CITY with original certificates and amendatory endorsements or copies of the applicable policy language effecting coverage required by this clause. All certificates and endorsements are to be received and approved by the COUNTY and CITY before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive the CONSULTANT's obligation to provide them. The COUNTY and CITY reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time.

Material Breach - Failure of the CONSULTANT to maintain the insurance required by this agreement, or to comply with any of the requirements of this section, shall constitute a material breach of the entire agreement.

17. Notices

Any notice or demand desired or required to be given hereunder shall be in writing and deemed given when personally delivered or deposited in the mail, postage prepaid, sent certified or registered, and addressed to the parties as follows:

COUNTY OF PLACER	CONSULTANT
Planning Services Division, CDRA	Goodwin Consulting Group
Attn: Michele Kingsbury	Attn: Susan Goodwin
3091 COUNTY Center Drive	555 University Avenue, Suite 280
Auburn, CA 95603	Sacramento, CA 95825

CITY OF LINCOLN
Attn: Steve Ambrose
600 6th Street
Lincoln, CA 95648

a) Any notice so delivered personally shall be deemed to be received on the date of delivery and any notice mailed shall be deemed to be received five (5) days after the date on which it was mailed.

b) No waiver, alteration, modification, or termination of this Agreement shall be valid unless made in writing and signed by all parties.

18. Assignment
No party shall assign, transfer, or otherwise dispose of this Agreement in whole or in part to any individual, firm or corporation without the prior written consent of each of the other parties. Subject to the provisions of the preceding sentence, this Agreement shall be binding upon, and inure to the benefit of, the respective successors and assigns of the parties hereto.

19. Jurisdiction
This Agreement shall be governed by and construed in accordance with the laws of the State of California. Any suit, action, or proceeding brought under the scope of this Agreement shall be brought and maintained to the extent allowed by law in the COUNTY of Placer, California.

20. Entire Agreement
This Agreement sets forth the entire understanding between the parties as to the subject matter of the Agreement and merges all prior discussions, negotiations, letters of understanding, or other promises, whether oral or in writing.

21. This Agreement may be signed in counterparts, each of which shall constitute an original and which collectively shall constitute one instrument.

In witness, whereof, the parties have executed this Agreement the day and year first written above.

PLACER COUNTY:

_____ _____
David Boesch, COUNTY Executive Officer Date

APPROVED AS TO FORM:

_____ _____
COUNTY Counsel Date

APPROVED AS TO CONTENT:

_____ _____
Michael J. Johnson, Community Development Resources Agency Date

CITY OF LINCOLN

_____ _____
Matthew Brower, CITY MANAGER Date

APPROVED AS TO FORM:

_____ _____
CITY Attorney Date

APPROVED AS TO CONTENT:

_____ _____
Steve Ambrose, Director of Support Services Date

CONSULTANT:

_____ _____
CONSULTANT: Date
Susan Goodwin, President, Goodwin Consulting Group

_____ _____
CONSULTANT: Date
Dave Freudenberger, Vice President/Secretary, Goodwin Consulting Group

JOINT COUNTY OF PLACER/CITY OF LINCOLN PROPOSAL
FISCAL IMPACT MODEL – TAX SHARING ANALYSIS
PROPOSED ANNEXATIONS INTO THE CITY OF LINCOLN
SCOPE OF WORK

Goodwin Consulting Group, Inc. (GCG) will assist the County of Placer (County) and the City of Lincoln (City) in developing a tax-sharing agreement that reflects the potential fiscal impacts on both the County and the City associated with the proposed annexation into the City of the Lincoln Land Holdings project (Project) within the Village 7 Specific Plan area. This scope of work will ensure that other potential annexations into the City can also be analyzed, although project-specific changes to the fiscal impact model may be necessary and a separate model would be prepared for each individual annexation. Tasks associated with this scope of work include the following:

1. GCG will work with County staff to review the fiscal impact analysis prepared by the City and its consultant that estimates the fiscal impacts of the Project on the City. GCG will consolidate GCG and County comments into a memo that will be submitted to the City and its consultant. GCG will assist County staff in working with the City and its consultant to reach agreement on, and to facilitate, any changes to be made to the City analysis.
2. GCG with work with County staff to respond to any comments and suggested changes to the County analysis that may be submitted by the City and its consultant. GCG will assist County staff in reaching agreement with the City and its consultant on any changes to be made to the County analysis. Pursuant to the agreement reached with the City and its consultant, GCG will implement changes to the County analysis.
3. GCG will duplicate the agreed-upon City analysis and integrate it into the agreed-upon County analysis to create a single model that estimates the fiscal impacts of the Project on both the County and the City.
4. GCG will run the comprehensive model to produce a tax-sharing recommendation. GCG will work with County staff to review and discuss the recommended tax-sharing scenario with the City and its consultant, make any final changes that both the County and City agree to, and generate a final tax-sharing scenario.
5. GCG will prepare a brief report/memo that summarizes the assumptions, methodologies, and results of the tax-sharing analysis. Applicable charts and tables will accompany the report/memo. One draft and, following review and comments from the County and City teams, one final version of the report/memo will be prepared.
6. GCG will attend internal County meetings, meetings with the City and its consultant, and other meetings as necessary to complete the tax-sharing analysis. The budget includes a maximum of four (4) meetings.

JOINT COUNTY OF PLACER/CITY OF LINCOLN PROPOSAL
FISCAL IMPACT MODEL – TAX SHARING ANALYSIS

PROPOSED ANNEXATIONS INTO THE CITY OF LINCOLN

BUDGET AND SCHEDULE

Services

For services provided pursuant to this scope of work, GCG will bill on a time and materials basis up to a maximum budget of $38,000, which includes expenses as delineated below, to be split evenly between the County and City. If the billings for services approach the maximum budget amount, GCG will consult with the County and City to determine whether an amendment to the budget is needed. Any amendment to the budget that increases the maximum budget must be agreed to by both the County and the City. Any monetary increase will be split evenly between the County and City. Services will be billed based on the following hourly fee schedule:

Goodwin Consulting Group Billing Rates	
Managing Principal	$290/Hour
Senior Principal	$280/Hour
Principal	$235/Hour
Vice President	$210/Hour
Senior Associate	$195/Hour
Associate	$185/Hour
Analyst	$175/Hour
Research Assistant	$90/Hour

**** The rates reflected above are valid through December 31, 2016, and may be adjusted thereafter.***

Expenses

In addition to fees for services, GCG shall be reimbursed for direct expenses, including travel, photocopying, data sources, courier, overnight delivery, and long-distance telephone expenses.

Billing Structure

GCG shall submit monthly invoices to the County providing details of services rendered and expenses incurred.