



CITY COUNCIL COMMUNICATION

May 11, 2010

SUBJECT: AUTHORIZE THE CITY MANAGER TO ENTER INTO A PROFESSIONAL SERVICES AGREEMENT WITH GIDEON TOAL

SUBMITTED BY: Gary McKamie, City Manager

REFERENCE NO: 10-07-CC

ACTION REQUESTED:

Approve motion authorizing the City Manager to enter into a professional services agreement with Gideon Toal.

ALTERNATIVES:

1. Approve the request – *simple majority*
2. Approve the request with modifications – *simple majority*
3. Deny the request – *simple majority*

SUMMARY OF SUBJECT:

Staff has negotiated a 2 Phase agreement with Gideon Toal, a Fort Worth based consulting firm, to provide consulting services related to the future Glade Park development. The first phase would provide data assembly, taxable value analysis, development of a Tax Increment Reinvestment Zone (TIRZ) cash flow model, and finally a feasibility report. The cost for phase 1 is proposed to be \$30,000 plus reimbursable expenses, not to exceed, \$10,000. The second phase, to be undertaken only if the phase 1 feasibility study determines the TIRZ model is viable for the project and upon written authorization by the City, would provide preparation of a preliminary Tax Increment Finance (TIF) project and financing plan, facilitation of review and consideration of the proposed TIF, and assistance with negotiations of the public/private agreements for development of the site. The cost for phase 2 is proposed to be \$40,000 plus reimbursable expenses, not to exceed \$2,500. Any additional costs for either phase must receive prior approval by the City Manager.

Gideon Toal is a recognized leader in our area for their expertise in the area of analysis of proposed retail mixed-use developments.

A separate letter agreement will be executed by the Glade Park owner/developer, Rubloff Development Group Inc, agreeing to reimburse the City for the total expenses incurred in the study by Gideon Toal. The letter agreement will be executed prior to execution of the Gideon Toal agreement for the protection of the City. It should be noted that Rubloff may be eligible for reimbursement of this expense from future project proceeds, if the project moves forward.

FINANCIAL CONSIDERATIONS:

Revenue Sources:

Expenditure Accounts:

Budgeted Fiscal Year(s):

Estimated Expenditure:

Over/Under Projection By:

Other Comments:

SUPPORTING DOCUMENTS:

- Professional Services Contract with Gideon Toal

APPROVED BY:

_____ **GM** _____

City Manager's Office

_____ **SC** _____

City Secretary's Office