NURA MEMORANDUM 17-02

DATE: April 12, 2017

TO: Chairperson Rosie Garner and NURA Members

FROM: Eric J. Ensey, Senior Planner

Becky Smith, Planning Manager

Debbie Tuttle, Economic Development Manager

Brook Svoboda, Director of Planning and Development

SUBJECT: Personal Services Agreement, Parkhill Development LLC

Background Information

At the March 8, 2017 NURA meeting, the Board voted to approve a Personal Services Agreement with Parkhill Development LLC. The intent of the contract was to assist the City in creating an approach to positon the City/NURA with the most strategic outcome for Marketplace. Specifically, the contract outlines the following goals:

- Provide for on-going development analysis and information to City/NURA regarding the potential re-positioning of the property with new ownership.
- Assist City/NURA in the analysis and development of the long-term re-development strategy for the Marketplace.
- Define role/opportunities for City/NURA in implementing interim and long term goals/vision.

Additionally, the contract included a scope of work with four (4) objectives, which are intended to serve as the means and methods to carrying out the stated goals above. As staff presented at the April 8, 2107 NURA meeting, the objectives were intended to be illustrative and not specific in nature. Additionally, the contract was set up in a manner such that the City could call on the services of Parkhill Development LLC on an as-needed basis.

NURA directed staff to bring forward a refined task list with specific deliverables and fee schedule. Attachment 1 is the Scope and Deliverables for Parkhill Development LLC associated with the first phase of the contract. The proposed Phase 1 Project Scope and Deliverables outlines those tasks and deliverables anticipated to assist the City/NURA with a market analysis as well as property and ownership research and recommendation. Parkhill's primary role will be to assist the City/NURA in the transition of the new purchaser of the Marketplace and provide profession expertise and recommendations in analyzing the purchaser's vision for the center and their incentive requests.

Budget

NURA had approved the Personal Services Agreement with Parkhill Development LLC in an amount not to exceed \$125,000. The range of cost to the city as part of the initial phase was estimated in the contract to range from \$10,000 to \$20,000. The Scope and Deliverables for Phase 1 includes a range of \$16,000 to \$20,000 for completion of the tasks and deliverables outlined. Parkhill will only perform those tasks and deliverables specifically requested by the City/NURA. If certain items are not requested, then there is no obligation to complete the task or deliverable and no compensation will be paid.

Annual Operating Cost Impact

N/A

Schedule

Staff will engage Parkhill Development LLC on an as-needed basis to perform any tasks or deliverables determined to be necessary immediately. It is anticipated that this phase will cover the next couple of months. Any future phases of this contract will be presented to NURA at a future meeting for consideration, as necessary.

Staff Recommendation

Staff recommends NURA authorize staff to proceed with the Phase 1 Project Scope and Deliverables as presented in Attachment 1.

Staff Reference

Eric J. Ensey, Senior Planner eensey@northglenn.org 303-450-8740

Attachments

Attachment 1 Phase 1 Project Scope and Deliverables

Attachment 2 Personal Services Agreement, Parkhill Development LLC

Northglenn Marketplace Strategic Plan
Phase 1 – Market Analysis, Property and Owner Research & Recommendations
Project Scope and Deliverables
Parkhill, LLC

The scope of work for the initial phase of Parkhill LLC's contract will include two tasks: 1) gathering property information and property and owner research and analysis, and recommendations, and 2) assisting the city in the review of final development proposals from potential purchasers of the Marketplace.

- 1) Property Information and Owner Research
 - a) Tasks: Fee Range \$3,500 \$4,500
 - i) Review market analysis provided by the Marketplace listing broker.
 - ii) Review information the city's Economic Development Department has on file for the Marketplace.
 - iii) Review the CC&R's for the Marketplace.
 - iv) Review Drainage and Utilities Study prepared by the City.
 - b) Deliverables: **Fee Range** \$5,000 \$6,000
 - i) A "white paper" that analyzes, summarizes and provides direction on the following:
 - (1) Current market trends and assumptions made in the Market Analysis provided by the listing broker.
 - (2) Discussion on current retail trends.
 - (3) Discussion to help NURA/City understand the benefits a theater would bring (assign value for the use in the form of reasonable incentive for this use to help NURA with incentive negotiations with the new owner)
 - (4) Discussion on the market viability of other land use types, including, but not limited to just retail and restaurant uses, on the site (again, assign value of these uses in form of incentive to help NURA with incentive negotiations)
 - (5) Analysis of the CC&R's and recommendations for modifications.
 - (6) Provide a profile of the potential purchaser of the site.
- 2) Proposal Review
 - a) Tasks: Fee Range \$3,500 \$4,500
 - i) Attend meetings between the city, brokers, current property owners, NURA and the finalists for purchasing the Marketplace site.
 - ii) Review any proposals submitted to the City/NURA for consideration.
 - iii) Meet with City/NURA and purchaser of the property to discuss their vision for the center, both long-term and short-term
 - b) Deliverables: **Fee Range** \$4,000 \$5,000
 - i) Attendance at meetings with the top finalists for purchasing the Marketplace.
 - ii) A "white paper" that provides an analysis of the top proposals and how incentive funds might be best distributed for each of the proposals.
 - iii) Provide recommendations about the best way the City/NURA could utilize any funds for incentives based on the proposals.

NORTHGLENN URBAN RENEWAL AUTHORITY

RESOLUTION NO.

N/17-10 Series of 2017

A RESOLUTION APPROVING A PERSONAL SERVICES AGREEMENT WITH PARKHILL DEVELOPMENT, L.L.C.

WHEREAS, NURA desires to contract with Parkhill Development L.L.C. for professional consulting services relating to professional advisory services for urban renewal projects as set forth in the attached professional services agreement.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE NORTHGLENN URBAN RENEWAL AUTHORITY, THAT:

<u>Section 1.</u> The Personal Services Agreement attached hereto as **Exhibit A** is hereby approved and the Chair is authorized to execute the same on behalf of the Authority.

DATED this 8 day of March, 2017.

Rosie Garner

Chair

ATTEST:

Debbie Tuttle

Executive Director

APPROVED AS TO FORM

Jeff Parker

Board Attorney

PERSONAL SERVICES AGREEMENT

| Contractor:Parkhill LLC | Department Director: Debbie Tuttle | | |
|---|---|--|--|
| Address: 631 High Street Denver, CO 80218 | Department Supervisor: Debbie Tuttle | | |
| Complete Attached W-9 | Program/Project Supervisor: Debbie Tuttle | | |
| Brief Description of Contracted Service: | NURA Account #: 61100-3 | | |
| Marketplace Redevelopment Professional | Duration of Contract: 12 months | | |
| Assistance | Unit Price: Not to exceed:\$125,000.00 | | |
| | Total Contract Amount: \$125,000.00 | | |
| | Payment Schedule: Monthly | | |
| | | | |

THIS AGREEMENT is made and entered into by and between the Northglenn Urban Renewal Authority of Northglenn, hereinafter referred to as "NURA" acting by and through the Department Director or his designee, hereinafter referred to as "DD", and whose address is hereinafter referred to as "Contractor" as follow:

- SERVICES TO BE PERFORMED BY CONTRACTOR. Contractor shall perform the following: instruction and/or services during the days and times, and at the location, indicated in Attachment "A", which is attached hereto and incorporated herein and made a part hereof by this reference.
- 2. **TERM**. The term of the Agreement shall commence on the 8th day of March 2017, and shall terminate on the 8th day of March 2018, unless earlier terminated pursuant to Section 12 herein.
- 3. **COMPENSATION**. In consideration of the performance of the instruction and/or services provided herein, Contractor shall receive Compensation as provided through the rate schedule listed in Attachment "A".
- 4. **METHOD OF PAYMENT**. The compensation provided in Paragraph 3 shall be paid by NURA to Contractor upon filing of an invoice to said Department.
- 5. EQUIPMENT, MATERIALS AND SUPPLIES. Unless otherwise agreed by NURA, Contractor shall acquire, provide, maintain and repair at Contractor's sole cost and expense such equipment, materials, supplies, etc., as necessary for the proper conduct of the aforesaid instruction and/or services. Unless otherwise agreed by NURA, participants shall not be required to purchase from Contractor and the equipment, materials, supplies necessary to engage in the instruction or services to be provided under this Agreement, if such equipment, materials or supplies are available from any other sources.
- 6. **COMPLIANCES**. In the conduct of the instruction and/or services contemplated hereunder, Contractor shall comply with all applicable laws, rules and regulations, and the directives or instructions issued by the DD or his designated Department Supervisor hereinafter referred to as "DS" or designated Program/Project Supervisor hereinafter referred to as "PS".
- 7. PURPOSE. The instruction and/or services Contractor performs pursuant to this Agreement are intended to have the result or increasing the ability and the enjoyment of the participants in the activities and/or services Contractor conducts or provides. The means and manner by which Contractor accomplishes this result and conducts the activity or provides the services shall be determined by the Contractor.
- 8. **INDEPENDENT CONTRACTOR.** Contractor agrees that he/she is not a NURA employee and shall be solely responsible for payment of salaries, wages, payroll taxes, unemployment benefits, and any other form of compensation or benefit of Contractor or any of Contractor's personnel performing the instruction and/or services herein, whether it be of direct or indirect nature. Contractor acknowledges that he/she is an independent contractor and that accordingly neither he/she nor his employees are covered by NURA's workers' compensation policy, or any other worker's compensation policy. Contractor further acknowledges that he/she is statutorily required to obtain and provide worker's compensation insurance for all of his employees.

- 9. **PUBLICITY**. Contractor shall not advertise, print or publish any promotional material in connection with the instruction or service to be conducted under the Agreement without prior approval of the DS or his designee.
- 10. **HOLD HARMLESS**. Contractor shall indemnify, defend and hold harmless NURA, its officers, agents and employees, from and against any and all loss, damage, injuries, claims, or causes of action, or any liability of any kind whatsoever resulting from, arising out of or in connection with the instruction and/or services provided by Contractor pursuant to this agreement.

11. TERMINATION

- A. NURA shall have the right to terminate this Agreement upon three (3) days notice, if Contractor fails to comply with the terms and conditions set forth in Section 7, 9, 13 and 14. For breach of any other term or condition of this agreement, NURA may terminate this Agreement upon ten (10) days notice to cure and failure by the Contactor to so cure and failure by the Contractor to so cure.
- B. Contractor shall be right to terminate this Agreement for failure of NURA to comply with the terms and conditions of this Agreement upon ten (10) days notice to cure and failure by NURA to do so cure.
- C. This Agreement may be terminated, without cause, by either party upon thirty (30) days written notice to the other party.
- 12. **ASSIGNMENT**. Contractor shall not assign or otherwise transfer this Agreement or any rights or obligations therein, without first receiving prior written consent of NURA.
- 13. **INSURANCE**. Contractor understands and agrees that Contractor shall have no right of coverage under any and all existing or future NURA comprehensive or personal injury liability policies, and in the regard, Contractor agrees to provide insurance coverage on behalf of the Contractor, that will sufficiently protect Contractor, or his agents, servants and employees, in connection with the instruction and/or services which are to be provided by Contractor pursuant to this Agreement.
- 14. **CONTRACT MONITORING**. Contractor and NURA agree that, in connection with the instructions and/or services to be provided by the Contractor pursuant to this Agreement, the result of the Contractor's instructions and/or services shall be monitored by NURA pursuant to the requirements set forth in Attachment "A", which is incorporated by reference within.

15. CONTRACT INTERPRETATION

- A. No amendment or modification of this agreement shall be valid unless expressed in writing and executed by the parties hereto in the same manner as the execution of this Agreement.
- B. This is a completely integrated Agreement and contains the entire Agreement of the parties, and any prior written or oral agreement which are different from the terms, conditions and provisions of this Agreement shall be of no effect and shall not be binding upon either party.
- C. This Agreement and the provisions hereof shall be binding upon and shall inure to the benefit of the parties and their respective successors; provided, that neither party may assign its rights hereunder without the previous written consent of the other party which shall not be unreasonable withheld.
- D. Notice required or permitted to be given hereunder (including any notice of change of address) shall be considered delivered when hand-delivered or when mailed, by United States mail, first-class postage paid, as follows:

Contractor:Parkhill, LLC

Northglenn Urban Renewal Authority

Attn:Debbie Tuttle

11701 Community Center Drive

Northglenn, Colorado 80233

All notices so given shall be considered effective when delivered by hand-delivery, or in writing, as stated above.

- E. This Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original hereof and all of which together shall constitute a single agreement.
- F. This Agreement is made and delivered in the State of Colorado, and shall be construed and enforced in accordance with the laws thereof.

NURA Contract #2017-003

| respective signat | | e executed | this agreement as o | the dates written opposite their |
|-------------------|--|------------|---------------------|----------------------------------|
| Date: | 02/08/2017 | By: | Kon' Can | Department Director |
| Date: | 03/08/2017 | By: | () abbeit y | Department Supervisor |
| Date: | Virginia de la Companya de la Compan | By: | | Program/Project Supervisor |
| Date: | | By: | Whi. | Contractor |
| Street Address | | | 031 +110H | DENUEZ. |
| NURA | State | 10 | Zip &02.18 | 3 |
| Telephone: Hom | e : | | Work: | |

EXHIBIT A

1. Services:

a. Contractor has been asked to provide certain consulting services related to the stabilization and re-development of the area known as the Marketplace at Northglenn, located at approximately the intersection of I-25/W and 104th Avenue in Northglenn. Contractor shall furnish all labor and materials to perform the work and services which are more specifically described in the Scope of Work below (the "Services").

2. Compensation:

a. In consideration for the completion of the Services specified herein by Contractor, NURA shall pay Contractor an amount not to exceed one hundred twenty-five thousand dollars and no/cents (\$125,000.00) in accordance with the fee range(s) and at the rates as set forth herein (the "Fees"). The total Fees have been agreed upon based on an estimate of the time needed to complete the Scope of Services as set forth herein. Invoices will be itemized and include hourly breakdown for all personnel and other charges. The maximum fee specified herein shall include all fees and expenses incurred by Contractor in performing all services hereunder.

3. Scope of Services:

- a. Primary Goals: In generally terms the goals for this effort are:
 - i. Provide on-going development analysis and information to City / NURA regarding the potential re-positioning of the property with new ownership.
 - ii. Assist City / NURA in the analysis and development of the long-term redevelopment strategy for the Marketplace.
 - iii. Define role/opportunities for City/NURA in implementing interim and long term goals/vision.

b. Specific Objectives:

- i. Establish Baseline Market & Development Parameters (Fee range \$10,000 \$20,000)
 - Provide on-call consulting to and analysis to City / NURA regarding the re-development proposals from potential purchasers of the Marketplace.

- Review and analyze CC&Rs, REA(s). Lease (when leases will roll, basic lease terms, renewals and other parameters), and any other relevant documents the City/NURA can provide.
- Review property ownership, location of property lines and crosseasement restrictions – City/NURA to provide site development plans, studies and/or related documents.
- Assess infrastructure for wet & dry utilities and storm water

ii. Proposal Analysis & Engagement (Fee range \$25,000 - \$35,000)

- Provide on-call consulting and analysis to City / NURA regarding the re-development proposals from potential purchasers of the Marketplace.
- Assist City / NURA in discussions with the potential new ownership to understand redevelopment goals & objectives, opportunities and constraints.
- Assist City / NURA to understand tenant goals & objectives to assure conformity with any future new ownership plan
- Present information to NURA/City Council
- Public Engagement
 - Engage community stakeholder group assist in understanding community desires for mixed land uses, tenant composition, vehicle and pedestrian access / circulation
 - o Engage NURA as a stakeholder group to understand land use goals, financial goals, incentive package goals, etc.
 - Engage potential purchaser to determine land use goals, tenant mix, access, and planning concepts.
- The goal being an agreed vision that will incorporate each group's main concerns or objectives. What should the Marketplace be? A vibrant mixed use center that acts as a City Center/downtown? Should the site be walkable? Etc.

iii. Market Fiscal Analysis (Fee range \$15,000 - \$35,000)

- Review and distill any market feasibility study regarding market opportunities, constraints, and existing & future land planning proposed by new purchaser.
- Review various redevelopment scenarios for their impact to the local economy and the City's fiscal bottom line.
- Include with this analysis would be the City's participation in development scenarios at varying levels and the impact of each
- iv. Strategic Implementation (Fee range \$15,000 \$35,000)

- Report/Deliverable that distill and refines the goals of City / NURA with the goals of the new purchaser.
- These overall goals will include land uses and asset classes; strategic phasing (interim and long term); budgets &financing programs; preliminary zoning I design guideline recommendations with civil infrastructure requirements
- 4. Change in Scope of Services: If at any time Contractor determines that more time or resources are needed to complete the Services and that there needs to be a change to the scope of Services, it shall notify NURA of the same and the parties shall hold a meeting (a "Joint Scope Meeting") in which both parties will work in good faith to discuss and refine the requirements for each project scope and/or revise the Fees as needed. A change in the scope of Services shall constitute any material change or amendment of services or work which is different from or additional to the Services as set forth herein. No such change, including any additional compensation, shall be effective, or paid unless authorized by written amendment executed by both parties.
- 5. Exclusions and Qualifications: The Services largely consist of advice and analysis; therefore, Contractor cannot guarantee success of any suggestions and payment of the Fees is not contingent upon the outcome of such advice or the results obtained. The indemnification provided in Section 10 of this Contract is hereby limited to liabilities arising out of Contractor's gross negligence or intentional misconduct with relation to this agreement.

6. Procedures:

- a. Each Scope of Services item listed above, contains specific tasks and deliverables and a not to exceed amount.
- b. Both parties will hold a Joint Scope Meeting in which both parties have the opportunity to discuss and refine the requirements for each project scope. Project scope will include all associated costs, timeline(s), deliverables (from both parties) and any sub-consultants costs not specifically listed the attached Fee Schedule
- c. Once approved by both parties work shall begin.

Fee Schedule

Hourly Rates

| Individual | Rate | Role |
|------------------|--------------|-------------------------------------|
| Dana Crawford | \$350 / Hour | Vision / Community |
| Bill Parkhill | \$300 / Hour | Overall Development Analysis |
| Ryan Arnold | \$300 / Hour | Lease Analysis / CC&R Analysis |
| Jim Johnson | \$300 / Hour | Legal & Land Use |
| David Levine | \$200 / Hour | Retail Curation |
| Grant D. Bennett | \$175 / Hour | Tax Increment Financing Consult |
| Project Manager | \$150 / Hour | Project Management |
| Analyst | \$150 / Hour | Financial Analyst / Pro-Forma |
| Clerical | \$50 / Hour | Miscellaneous / Reports / Documents |
| | | |