



ATTACHMENT A – SCOPE OF SERVICES

Development Fiscal Impact Analysis Process/Tool

City of Fernley, Nevada

BASIC SERVICES

The general scope of this project is to develop a standardized process and tools to evaluate the fiscal impact of proposed development projects. The Fiscal Impact Analysis (FIA) will encompass a long-term analysis that considers the first full life cycle of infrastructure (20+ years) and includes guidance for assumptions, parameters, and other requirements. Specific tasks and deliverables are outlined below.

TASK 1: PROJECT INITIATION AND ADMINISTRATION – This task includes efforts related to data collection and review, project kickoff and ongoing coordination.

1.1 Data Request – Verdunity (VU) will prepare and submit a data request to city staff (Staff) to obtain copies of relevant information, including but not limited to:

- Recent city budgets and financial statements
- Asset management, pavement condition studies, and CIP information
- Plans and fiscal impact analysis reports for recent development projects
- Initial list of suggested inputs, data sources, and desired outputs (provided by City)
- Other information as deemed appropriate by Staff

1.2 Project Kickoff – VU will complete internal project setup activities and facilitate a kickoff call with the team and city staff to review the project scope, deliverables, timeline, and roles. Tasks will include:

- Internal project setup
- Internal team kickoff meeting
- Project kickoff meeting with city staff

1.3 Project Coordination and Invoicing – VU will hold monthly progress calls with city staff and the project team throughout the duration of the project to discuss progress, get feedback, and coordinate next steps. Invoices will be submitted monthly along with a progress report summarizing work completed, upcoming tasks, and anything requiring assistance from staff.

TASK 2: BASE MODEL DEVELOPMENT – The objective of this task is to review the data provided and build an initial base model, including inputs, calculations, and desired outputs.

2.1 Budget Assessment – Review current and recent versions of the City’s budget and CAFR to identify major revenues, expenditures, and trends. The model will focus on revenues and costs associated with development and the general fund, will not include enterprise type services that are tied to individual consumption and rates.

2.2 Development Assessment – Review existing development along with recent and in-process development projects to develop a deeper understanding of the local market, developer preferences and approach to fiscal analysis, and impacts on city budgets and services for various types of development (single family, multifamily, retail, office, industrial, and mixed-use).

2.3 Revenue and Expenditure Mapping – VU will review expenditures and revenue sources and work with Staff to map out how various costs and revenue streams are connected to aspects of

development. Specific benchmarks and estimation approaches will be developed for each major revenue and service cost item, which will likely include a mix of factors such as revenue or cost per capita, per acre, per dwelling unit, per facility, and/or service area.

2.4 Methodology Workshop – VU will meet (via video conference) with Staff to review the proposed baseline data and assumptions for revenues and expenditures prior to development of the model.

2.5 Build Base Fiscal Impact Analysis Model – Based on the results of previous tasks, VU will build an initial model to determine the projected fiscal impact on revenues, services, and net fiscal performance for proposed development.

TASK 3: MODEL REFINEMENT – The primary objective of this task is to test and refine the base model to incorporate feedback from Staff, Council, and (if desired) select developers.

3.1 Model Testing – VU will coordinate with Staff to identify up to three (3) development projects to run through the model. The appropriate information will be collected, and the model run for each development. Results will be reviewed and summarized in a memo to Staff.

3.2 Model Revisions – VU will participate in a video call with Staff to review the model test results and get Staff comments, and then refine the model accordingly.

3.3 Developer Workshop (TRIP #1) – VU will prepare for and facilitate a workshop with selected developers (as identified by Staff) to present the basic model methodology and get feedback from the developers' perspective.

3.4 Staff Workshop (TRIP #1) – VU staff will meet with Staff in person after the Developer workshop to discuss to review the model test results and identify and discuss potential revisions.

3.5 Joint Council/P&Z Workshop (TRIP #1) – VU will present the draft model methodology and results of Developer and Staff workshops to a joint session of City Council and Planning Commission.

3.6 Final FIA Model – VU will incorporate comments and develop the final version of the FIA modeling tool.

TASK 4: IMPLEMENTATION ROLLOUT – This task will focus on the presentation and rollout of the final Fiscal Impact Analysis tool and associated process.

4.1 Implementation Documentation – VU will prepare documentation to assist in the rollout and implementation of the FIA. Documentation will include:

- Guidance for Staff for administration and update procedures
- A template for developers to provide information to the city
- A template for staff to report model results to P&Z and Council

4.2 Training Workshop (TRIP #2) – VU will facilitate a training session for City staff, City Council, and the Planning Commission. The training will include an overview of the goal for fiscal impact analysis, review how to use the tool and coordinate with developers, and answer any questions.

END OF SCOPE