

RESOLUTION NO. 10-713

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
BLACK DIAMOND, KING COUNTY, WASHINGTON
AUTHORIZING THE MAYOR TO EXECUTE A
PROFESSIONAL SERVICES AGREEMENT WITH
HENDERSON, YOUNG & COMPANY FOR THE
DEVELOPMENT OF FIRE IMPACT FEES

WHEREAS, the City of Black Diamond has selected Henderson, Young & Company to provide fire impact fees related consulting services for the City; and

WHEREAS, the City needs fire impact fees to fund fire protection services for newly developed residential areas; and

WHEREAS, the City needs to determine the rate of the fire impact fees;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF BLACK DIAMOND, WASHINGTON, DOES RESOLVE AS FOLLOWS:

Section 1. The Mayor is hereby authorized to execute a Professional Services Agreement with Henderson, Young & Company for the development of fire impact fees in the form substantially attached hereto as Exhibit A.

PASSED BY THE CITY COUNCIL OF THE CITY OF BLACK DIAMOND, WASHINGTON, AT A REGULAR MEETING THEREOF, THIS 21ST DAY OF OCTOBER, 2010.

CITY OF BLACK DIAMOND:



Rebecca Olness, Mayor

Attest:



Brenda L. Martinez, City Clerk

CITY OF BLACK DIAMOND PROFESSIONAL SERVICES AGREEMENT

This Professional Services Agreement (the or this "Agreement"), for reference purposes only, is dated October 21, 2010 and is entered into by and between

CITY OF BLACK DIAMOND, WASHINGTON (the "City")

Physical Address: 24301 Roberts Drive

Mailing Address: PO Box 599

Black Diamond, WA 98010

Contact: Andrew Williamson

Phone: 360-886-2560 Fax : 360-886-2592

and

HENDERSON, YOUNG & COMPANY ("Consultant")

8060 – 165th Avenue NE, Suite 220

Redmond, WA 98052-3935

Contact: Randy Young Phone: 425-869-1786 Fax: 425-869-5669

Tax Id No.: 84-0780133

for Professional Services in connection with the following project:

The Consultant will develop the Fire Impact Fees for the City of Black Diamond (the "Project").

TERMS AND CONDITIONS

1. Services by Consultant

1.1 Consultant shall perform the services described in the Scope of Work attached to this Agreement as Exhibit "A." The services performed by Consultant shall not exceed the Scope of Work nor shall the Consultant be entitled to a greater amount of compensation as that provided in this Agreement without the prior written authorization of the City.

1.2 The City may from time to time require changes or modifications in the Scope of Work. Such changes, including any decrease or increase in the amount of compensation, shall be agreed to by the parties and incorporated in written amendments to this Agreement.

1.3 Consultant represents and warrants that it, its staff to be assigned to the Project, and its subconsultants and their staff have the requisite training, skill, and experience necessary to provide the services required by this Agreement and are appropriately accredited and licensed by all applicable agencies and governmental entities. Services provided by Consultant and its subconsultants under this Agreement will be performed in a manner consistent with that degree

of care and skill ordinarily exercised by members of the same profession currently practicing in similar circumstances.

2. Schedule of Work

2.1 Consultant shall perform the services described in the Scope of Work in accordance with the Schedule included in Exhibit "A" of this contract.

2.2 Time is of the essence as to the work provided in the Scope of Work. Consultant will diligently proceed with the work and shall assure that it, and its subconsultants, will have adequate staffing at all times in order to complete the Scope of Work in a timely manner. If factors beyond Consultant's control that could not have been reasonably foreseen as of the date of this Agreement cause delay, then the parties will negotiate in good faith to determine whether an extension is appropriate. The Consultant shall provide the City with written notice of any delay, or potential delay that may trigger the need for a time extension within 3 business days after the Consultant becomes aware of the delay or potential delay.

2.3 Consultant is authorized to proceed with services upon execution of this agreement.

3. Compensation

TIME AND MATERIALS NOT TO EXCEED. Compensation for the services provided in the Scope of Work shall not exceed \$40,000 without the written authorization of the City and will be based on the list of billing rates and reimbursable expenses attached hereto as Exhibit "B."

4. Payment

4.1 Consultant shall maintain time and expense records and provide them to the City monthly, along with monthly invoices, in a format acceptable to the City for work performed to the date of the invoice.

4.2 All invoices shall be paid by City warrant within sixty (60) days of actual receipt by the City of an invoice conforming in all respects to the terms of this Agreement.

4.3 Consultant shall keep cost records and accounts pertaining to this Agreement available for inspection by City representatives for three (3) years after final payment unless a longer period is required by a third-party agreement. Consultant shall make copies available to the City on request.

4.4 If the services rendered do not meet the requirements of the Agreement, Consultant will correct or modify the work to comply with the Agreement. The City may withhold payment for such work until the work meets the requirements of the Agreement.

5. Discrimination and Compliance with Laws

5.1 Consultant agrees not to discriminate against any employee or applicant for employment or any other person in the performance of this Agreement because of race, creed, color, national origin, marital status, sex, age, disability, or other circumstance prohibited by federal, state, or local law or ordinance, except for a bona fide occupational qualification.

5.2 Consultant and its subconsultants shall comply with all federal, state, and local laws and ordinances applicable to the work to be done under this Agreement.

5.3 Any violation of this Section 5 shall be a material breach of this Agreement and grounds for immediate cancellation, termination, or suspension of the Agreement by the City, in whole or in part, and may result in Consultant's ineligibility to conduct further work for the City.

6. Suspension and Termination of Agreement

6.1 The City reserves the right to terminate or suspend this Agreement at any time, without cause, by giving Consultant notice in writing ten (10) days prior to the termination or suspension date. In the event of termination, all finished or unfinished reports, or other material prepared by Consultant pursuant to this Agreement, shall be submitted to the City. In the event the City terminates this Agreement prior to completion without cause, Consultant may complete such analyses and records as may be necessary to place its files in order. Consultant shall be entitled to compensation for any satisfactory work completed on the Project prior to the date of suspension or termination.

6.2 Any notice from the City to Consultant regarding the suspension of this Agreement shall specify the anticipated period of suspension. Any reimbursement for expenses incurred due to the suspension shall be limited to Consultant's reasonable expenses and shall be subject to verification. Consultant shall resume performance of services under this Agreement without delay when the suspension period ends.

7. Standard of Care

7.1 Consultant represents and warrants that it has the requisite training, skill, and experience necessary to provide the services under this Agreement and is appropriately accredited and licensed by all applicable agencies and governmental entities. Services Consultant provides under this Agreement will be performed in a manner consistent with that degree of care and skill ordinarily exercised by members of the same profession currently practicing in similar circumstances.

8. Ownership of Work Product

8.1 Ownership of the originals of any reports, data, studies, surveys, charts, maps, drawings, specifications, figures, photographs, memoranda, and any other documents which are developed, compiled, or produced as a result of this Agreement, whether or not completed, shall

be vested in the City and shall be submitted to the City upon termination of this Agreement. Any reuse of these materials by the City for projects or purposes other than those that fall within the scope of this Agreement and the Project to which it relates, without written concurrence by Consultant, will be at the sole risk of the City.

8.2 The City acknowledges Consultant's documents as instruments of professional service. Nevertheless, the documents prepared under this Agreement shall become the property of the City upon completion of the work. The City agrees to hold harmless and indemnify Consultant against all claims made against Consultant for damage or injury, including defense costs, arising out of the City's reuse of such documents beyond the use for which they were originally intended without the written authorization of Consultant.

8.3 Methodology, software, logic, and systems developed under this Agreement are the property of Consultant and the City, and may be used as either Consultant or the City see fit, including the right to revise or publish the same without limitation.

9. Indemnification/Hold Harmless

9.1 Consultant shall defend, indemnify, and hold the City, its officers, officials, employees and volunteers harmless from any and all claims, injuries, damages, losses or suits including attorney fees, arising directly or indirectly out of or resulting from the acts, errors, or omissions of Consultant or its subconsultants in performance of this Agreement, except for injuries and damages caused by the sole negligence of the City.

10. Insurance

10.1 Consultant shall procure and maintain for the duration of the Agreement, and shall provide proof satisfactory to the City that such insurance is procured and maintained by each of its subconsultants, insurance against claims for injuries to persons or damage to property which may arise from or in connection with the performance of the work hereunder by Consultant, its agents, representatives, or employees.

10.2 Consultant shall procure and maintain the following types and amounts of insurance:

a. Commercial General Liability insurance shall be written on ISO occurrence form CG 00 01 or a substitute form providing equivalent liability coverage and shall cover liability arising from premises, operations, independent contractors, personal injury, and advertising injury. This insurance shall be written with limits no less than \$1,000,000 each occurrence, \$2,000,000 general aggregate.

b. Workers' Compensation coverage as required by the Industrial Insurance laws of the State of Washington.

c. Professional Liability insurance appropriate to Consultant's profession, with limits no less than \$1,000,000 per claim and \$1,000,000 policy aggregate limit

10.3 The City shall be named as an additional insured under Consultant's Commercial General Liability insurance policies with respect to the work to be performed for the City pursuant to this Agreement.

10.4 Insurance shall be placed with insurers with a current A.M. Best rating of not less than A:VII.

10.5 Declaration pages issued by the insurance carriers for the policies mentioned in this Section 10 showing such insurance to be in force shall be filed with the City not less than ten (10) days following both parties signing this Agreement and before commencement of the work. In addition, the City may request, in writing, a full copy from Consultant of any insurance policy Consultant must procure and maintain pursuant to this Agreement and Consultant must provide such copy to the City within ten (10) days of Consultant's receipt of the City's request. Any policy or required insurance written on a claims-made basis shall provide coverage as to all claims arising out of the services performed under this Agreement and for three (3) years following completion of the services to be performed. It shall be a material breach of this Agreement for Consultant to fail to procure and maintain the insurance required by this Section 10 or to provide the proof of such insurance to the City as provided for in this Agreement.

11. Assigning or Subcontracting

11.1 Consultant shall not assign, transfer, subcontract, or encumber any rights, duties, or interests accruing from this Agreement without the express prior written consent of the City, which consent may be withheld at the sole discretion of the City.

12. Independent Contractor

12.1 Consultant and its subconsultants are, and shall be at all times during the term of this Agreement, independent contractors.

13. Notice

13.1 All notices required by this Agreement shall be considered properly delivered when personally delivered, when received by facsimile, or on the third day following mailing, postage prepaid, certified mail, return receipt requested to:

City: City Administrator
City of Black Diamond
P.O. Box 599
Black Diamond, WA 98010
Fax: 360-886-2592

With a copy to: Chris Bacha
Kenyon Disend, PLLC
11 Front Street South
Issaquah, WA 98027
Fax: 425-392-7071

Consultant:

Randall Young

Henderson, Young & Company
8060 – 165th Ave. NE, Suite 220
Redmond, WA 98052-3935
Fax: 425-869-5669

14. Disputes

14.1 Any action for claims arising out of or relating to this Agreement shall be governed by the laws of the State of Washington. Venue shall be in King County Superior Court, Kent, Washington.

15. Attorney Fees

15.1 In any suit or action instituted to enforce any right granted in this Agreement, the substantially prevailing party shall be entitled to recover its costs, disbursements, and reasonable attorney fees from the other party.

16. General Administration and Management on Behalf of the City

16.1 The City Administrator for the City, or his designee, shall review and approve Consultant's invoices to the City under this Agreement and shall have primary responsibility for overseeing and approving work or services to be performed by Consultant.

17. Extent of Agreement/Modification

17.1 This Agreement, together with any attachments or addenda, represents the entire and integrated Agreement between the parties hereto and supersedes all prior negotiations, representations, or agreements, either written or oral. This Agreement may only be amended, modified, or added to by written instrument properly signed by both parties. The parties acknowledge the general contract rule that a clause in a contract, such as this one, prohibiting oral modifications is itself generally subject to oral modification. However, in order to ensure certainty as to the terms and conditions of this Agreement, the parties waive this general contract rule.

CITY OF BLACK DIAMOND

By: Rebecca Olness
Rebecca Olness

Its: Mayor

Date: October 22, 2010

CONSULTANT

By: Randall Young
Printed Name: Randall L. Young
Its: President

Date: Oct. 26, 2010

Attest:

By: Brenda L. Martinez
Brenda L. Martinez
City Clerk

EXHIBIT "A"

Henderson,
Young &
Company

8060 - 165th Ave. N.E., Suite 220
Redmond, Washington 98052-3935
(425) 869-1786 Fax: (425) 869-5669
E-mail: ryounghyco@aol.com

October 4, 2010

Andrew Williamson
Economic Development Director
City of Black Diamond
24301 Roberts Drive
Black Diamond, WA 98010

Henderson, Young & Company is pleased to submit our proposal to develop fire impact fees for the City of Black Diamond. The impact fees will be based on Washington's Growth Management Act, in particular RCW 82.02.050-100.

Henderson, Young & Company is a national consulting firm based in Redmond, Washington. We founded our firm in 1979 to provide services exclusively for the public sector. Our project leader for Black Diamond, Randy Young, has completed over 150 impact fees in the past 22 years. He is also the leading expert in developing capital facilities plans that are required by Washington law to be used as the basis for impact fees. He has been a featured speaker at the National Impact Fee Roundtable each of the last six years. In 1993 he and co-founder Bill Henderson authored the book on capital facilities plans for Washington's Department of Community Affairs (now Commerce) and they have completed 79 capital facilities plans for cities and counties.

Our proposal contains our qualifications (including leadership, experience, references and resumes), our proposed approach to the project, the schedule, and costs. Our contact information for phone, e-mail or surface mail is listed in the letterhead above. We look forward to answering any questions about our proposal.

Sincerely,



Randall L. Young
President

CONSULTING SERVICES EXCLUSIVELY FOR THE PUBLIC SECTOR

Henderson, Young & Company provides consulting services exclusively to public sector organizations. From our founding in 1979, Henderson, Young & Company has provided over 370 consulting projects for 194 government and public education organizations in 18 states.

Henderson, Young & Company's project manager for Black Diamond, Randy Young, is a recognized leader and has extensive experience in Washington and nationally in the development of impact fees for public facilities.

LEADERSHIP IN IMPACT FEES

Randy Young has ...

- Prepared the first impact fees for parks, roads, fire protection and schools under Washington's Growth Management Act in 1992. The fees were upheld by the courts in the first challenge of GMA-based impact fees in the State of Washington. (Olympia, Washington).
- Given 14 presentations at the last six National Impact Fee Roundtables (2004, 2005, 2006, 2007, 2008, 2009), including the plenary session of the 2008 Roundtable.
- Pioneered the use of incident data as the basis for impact fees for:
 - EMS (1989 in Polk County, Florida)
 - fire (1991 in Naples, Florida)
 - law enforcement (1991 in Naples, Florida)
 - correctional facilities (1999 in Collier County).
- Pioneered the use of "investment per capita" level of service for parks and recreational facilities in 1988.
- Pioneered the use of improvements-driven transportation impact fees in 1986.
- Pioneered the development of multi-modal transportation system development charges based on local multi-modal trip generation data in 1997.
- Presented "A Practitioner's Perspective on Impact Fees" to the Florida Impact Fee Review Task Force (state blue-ribbon commission on impact fees) in 2005
- Presented "Multimodal Trade-offs in Traffic Impact Studies" at the Transportation Research Board's 2004 Annual Meeting.

EXPERIENCE DEVELOPING IMPACT FEES

Randy Young, Bill Henderson, and Jane Fitzpatrick, the three professional members of our firm, have developed over 150 impact fees for 60 counties, cities, school districts, and other districts. They are experts in the uses and interpretation of RCW 82.02 (Washington's impact fee law) as well as impact fee practices in other states. Listed below are the jurisdiction names (in alphabetical order) and the year we developed the fee for fire protection impact fees:

COMPLETED FIRE PROTECTION IMPACT FEES

Altamonte Springs, Florida	1994
Auburn, Washington	2005
Bay County, Florida	2005
Collier County, Florida	2004
Eastside Fire and Rescue, Washington	2006
Issaquah, Washington	1999, 2006
Lake County, Florida	2003
Maitland, Florida	1998
Marco Island, Florida	2002
Naples, Florida	1991
New Smyrna Beach, Florida	1991
North Bend, Washington	2006
North Whatcom Fire and Rescue, Washington	2009
Olympia, Washington	1992
Osceola County, Florida	2006, 2010
Parkland, Florida	2002
Polk County, Florida	2006
Seminole County, Florida	1987
Sumter County, Florida	2005
The Villages of Sumter County, Florida	2005
Thurston County, Washington	1992
Tumwater, Washington	1992
Whitefish, Montana	2007

PROJECTS IN PROGRESS: FIRE PROTECTION IMPACT FEES

Ketchum, Idaho
Manatee County, Florida
Renton, Washington

REFERENCES

EASTSIDE FIRE AND RESCUE

We developed impact fees for fire protection facilities for the city members of Eastside Fire and Rescue in 2006.

Contact: Wes Collins, Chief of Planning
(425) 313-3235 or wcollins@ESF-R.org

or Fire Chief Lee Soptich
(425) 313-3201 or lsoptich@ESF-R.org

NORTH WHATCOM FIRE AND RESCUE

WE developed the capital facilities plan and impact mitigation fees for fire protection facilities for North Whatcom Fire and Rescue in 2009.

Contact: Fire Chief Tom Fields
(360) 318-9933 or tfields@nwfrs.net

IMPACT FEE CONSULTANTS

RANDALL L. YOUNG

Randy Young has 36 years experience in government and as a consultant during which he has developed over 150 impact fees for 60 local governments and districts. Young has written numerous publications about impact fees, mitigation of impacts, costs and benefits of public services and facilities, and capital improvements programming. Relevant examples include:

Making Your Comprehensive Plan a Reality: A Capital Facilities Plan Preparation Guide, (Olympia: Washington Department of Community Development, September 1992). With Henderson.

"Impact Fees in Florida: Their Evolution, Methodology, Current Issues and Comparisons with Other States," *About Growth*, September 2005, (Tallahassee, Florida: Florida City and County Management Association). With Nicholas, Juergensmeyer, Mullen, Smith, Stewart, and Wallace.

"System Development Charges [Oregon's Impact Fees]," League of Oregon Cities Newsletter, May 1991, (Salem, Oregon: League of Oregon Cities). With Ganer, D.

Young has been the featured speaker at over 50 conferences and workshops for local governments about impact fees and capital improvements programs. Young has made 13 presentations to the National Impact Fee Roundtable: 2004 – 2008, including the plenary session at the 2008 annual conference. In January 2004, Young presented "Multimodal Trade-offs in Traffic Impact Studies" to the 83rd Annual Meeting of the Transportation Research Board.

Young co-founded Henderson, Young & Company in 1979. He began his career as an administrator and policy analyst for three government agencies in California from 1966 through 1973: the City Administrator's Office of the City of Los Angeles, the Board of Governors of the California Community Colleges, and the California Legislature. From 1973 through 1978, Young was vice president of a consulting firm based in Los Angeles that served local governments throughout the United States.

Young's B.A. is in government from the University of Redlands, and his Master of Arts degree in political science is from the Eagleton Institute at Rutgers. Young was a Coro Intern between his B.A. and M.A. degrees.

JANE A. FITZPATRICK

Jane Fitzpatrick has 29 years experience in government and as a consultant during which she has developed 37 impact fees for 18 local governments and districts.

Fitzpatrick served the State of Michigan as a systems analyst, administrative analyst, and financial analyst from 1975 through 1984. She served Collier County, Florida from 1985 through 1988, serving one year as a budget analyst, and two years as the Director of Growth Management. Fitzpatrick joined Henderson, Young & Company in 1989.

Fitzpatrick has a B.S. from Michigan State University and graduate work in computer science at Michigan State. Fitzpatrick was President of the Michigan Chapter of the American Planning Association for 2008-09.

WILLIAM P. HENDERSON, III

Bill Henderson co-founded Henderson, Young & Company in 1979. He began his career as Assistant City Administrator of Lakewood, Colorado from 1968 through 1977. He was President of Henderson & Associates, Ltd. during 1978. He has a B.A. in political science and history from the University of Colorado, and a Master of Public Administration from the University of Oklahoma.

Henderson has published articles and books on such subjects as government finance, capital facilities planning, government budgeting, financing of government capital improvements, productivity improvements, and procurement. He has developed several impact fees in Washington and Florida. Henderson now serves Henderson, Young & Company in an adjunct capacity.

APPROACH TO DEVELOPING FIRE IMPACT FEES FOR BLACK DIAMOND

Henderson, Young & Company (the Consultant) will develop the fire impact fees for the City of Black Diamond through the following six tasks.

1. Evaluate Capital Facilities Plan and Reimbursable Prior Capital Improvements

For the purpose of fire protection facilities impact fees, the term “fire protection facilities” includes fire stations and apparatus, such as engines, aerial trucks, pumpers, tankers, haz/mat vehicles, rescue squads and battalion vehicles. The Consultant will review the portion of Black Diamond’s current Capital Facilities Plan for fire protection facilities, and amendments proposed by the Fire Department to identify capital projects that may be eligible for fire impact fees.

The Consultant will review previous capital improvements by the City for fire stations and apparatus to identify costs that may be eligible for reimbursement impact fees that are authorized by RCW 82.02.060(7).

2. Methodology

The Consultant will develop the methodology for the fire protection impact fee. Based on our experience with other fire impact fees in Washington, we believe the methodology is likely to require growth to pay for the average number of emergency fire incidents and EMS incidents per dwelling unit, and average emergency fire incidents and EMS incidents per square foot of non-residential development. The number of emergency fire incidents and EMS incidents per unit would be the same for growth as for current houses and non-residential development, thus ensuring that the same level of service would be provided to new development as is provided to existing properties. If insufficient data exists to document incident rates for some types of future development, we may use incident rates from other fire protection impact fees.

The cost per emergency fire incident and EMS incident could be based on recouping the portion of prior cost of fire stations, apparatus, and equipment that can serve new development as well as the proportionate share of future fire stations, apparatus and equipment that will serve new development.

New development would be charged an impact fee for the average number of emergency fire incidents and EMS incidents that occur during the economic life of the fire station and apparatus.

We will develop the final methodology after our review of existing plans and documents in Task 1.

3. Research

The following are examples of the primary data that would be assembled by City staff and fire district staff during the research phase to support the methodology developed by the Consultant during Task 2. NOTE: ALL DATA SHOULD BE FOR THE BLACK DIAMOND PORTION OF THE FIRE DISTRICT.

- A. Inventory of existing fire apparatus and stations.
- B. Response time data, both average and fractal, by station, and other level of service information, such as response time coverage areas for each station.
- C. Current and future population, households, dwelling units, employment, and population density. "Future" should be at least 6 years, and can be as much as 20 years.
- D. Fire emergency incidents and medical incidents during the base year: (1) number of responses by each fire apparatus and station, (2) type of incident (situation found), and (3) a list of all fire responses and medical responses indicting the type of property (fixed property use) at each response.
- E. Property data for the current year that provides the number of dwelling units (by type) and the number of square feet of buildings for each type of land use. This data is typically available from County files for property taxes.
- F. List of capital expenditures for the most recent fire apparatus and stations: (1) item purchased, (2) cost, (3) source(s) of funding, (4) year purchased.
- G. Six-year plan for future capital improvements for fire apparatus and stations, including costs and funding.
- H. Any other plans for fire protection that were prepared within the past 5 years including, but not limited to the following:

- Long Range Plans
- Strategic Plans
- Station Location Analysis
- Annual Performance Report
- City Capital Facilities Plan Element of Comprehensive Plan (if it includes information about fire protection)

The preceding list of data may be revised if the final methodology is different than the one described in Task 2, and/or if the City or fire district has alternative data that will serve the same purpose as the data listed above.

4. Analysis and Preliminary Calculation of Impact Fee Rates

The Consultant will develop the cost model for calculating fire protection facilities impact fees for the City of Black Diamond. The Consultant will analyze the data from Task 3 and use the data and cost model to calculate preliminary rates for fire protection impact fees.

The Consultant will provide City staff with the data and analysis from the cost model and the preliminary rates for fire protection impact fees.

City staff will review the data, analysis and preliminary impact fee rates for fire protection. The Consultant will respond to questions, comments, suggestions and changes requested by City staff.

5. Review Draft and Final Rate Study

The Consultant will prepare a review draft rate study that documents the formulas and algorithms for calculating the fire protection impact fees. The rate study will describe each variable in each formula, document the data and assumptions used for each variable, and the calculation of the resulting fire protection impact fee rates.

City staff will review the review draft rate study for fire protection impact fees. The Consultant will respond to questions, comments, suggestions and changes requested by City staff. The Consultant will use the feedback from City staff to prepare the final rate study for fire protection impact fees.

6. Presentations

The Consultant will present the fire protection impact fee rate study to the City Council for initial review and discussion. We will respond to comments, suggestions, questions and requests for clarification.

The Consultant will present the fire protection impact fee rate study at a public meeting for the community and stakeholders. We will respond to comments and questions.

The Consultant will present the fire protection impact fee rate study at the public hearing of the City Council for action on adopting the fire protection impact fee rates.

SCHEDULE FOR DEVELOPING IMPACT FEES

The Consultant will develop the review draft of the fire protection impact fee rate study (Task 5) no later than 30 days after all data in Task 3 is provided to the Consultant.

We are able to meet this schedule because we stay in close communication with the City and fire district during the research (Task 3) so that we are ready to analyze and use the data as soon as the research is completed.

CONSULTANT COST FOR DEVELOPING IMPACT FEES

The Consultant will develop fire impact fees for the City of Black Diamond for a total cost not exceed \$40,000. The costs include all professional services and expenses.

CONCLUSION

Henderson, Young & Company uses the strongest methodologies in order to ensure that the impact fees are the most defensible yet understandable impact fees that the City can adopt.

Exhibit "B"

Henderson,
Young &
Company

**RATE SCHEDULE
2010**

<u>Category</u>	<u>Rate</u>	
Principal	\$215.00	per hour
Associate	\$165.00	per hour
Mileage	\$0.50	per mile
Miscellaneous	At Cost	

October 15, 2010

Andrew Williamson, Economic Development Director
City of Black Diamond
PO Box 599
Black Diamond, WA 98010

Via: Electronic Delivery

Re: Fire Impact Fee Study

Dear Mr. Williamson:

Thank you for the opportunity to review the responses to the request for qualifications recently published by the City for its fire impact fee study. It is our understanding that the City wishes to move forward with a contract to hire Henderson, Young & Company to prepare a study to develop City-wide fire impact fees.

As described in City of Black Diamond Ordinances Nos. 10-946 and 10-947, the immediate need for a City-wide fire impact fee study is driven by the Villages and Lawson Hills Master Planned Developments (the "MPDs"). Thus, this fire impact fee study is being prepared contemporaneously with the City's review of the MPDs' development agreements. YarrowBay will reimburse the City for the costs it incurs as a result of this fire impact fee study as part of the consulting costs attributed to The Villages and Lawson Hills development agreements.

Please don't hesitate to contact me with any questions.

Sincerely,



Ryan J. Kohlmann, AICP
Senior Project Manager