

PROFESSIONAL SERVICES AGREEMENT

BETWEEN THE CITY OF RIALTO AND STANLEY R. HOFFMAN ASSOCIATES, INC.

THIS PROFESSIONAL SERVICES AGREEMENT (herein "Agreement") is made and entered into this 23rd day of April, 2019, by and between the CITY OF RIALTO, a California municipal corporation (herein "City"), and Stanley R. Hoffman Associates, Inc., a California Corporation (herein "Consultant"). City and Consultant are sometimes individually referred to as "Party" or collectively as "Parties".

NOW, THEREFORE, the parties hereto agree as follows:

1. SERVICES OF CONSULTANT

1.1 Scope of Services. In compliance with all of the terms and conditions of this Agreement, the Consultant shall perform the work or services set forth in the "Scope of Services" attached hereto as Exhibit "A" and incorporated herein by this reference. Consultant warrants that it has the experience and ability to perform all work and services required hereunder and that it shall diligently perform such work and services in a professional and satisfactory manner.

1.2 Compliance With Law. All work and services rendered hereunder shall be provided in accordance with all ordinances, resolutions, statutes, rules, and regulations of the City and any federal, state, or local governmental agency of competent jurisdiction.

1.3 Licenses, Permits, Fees and Assessments. Consultant shall obtain at its sole cost and expense such licenses, permits, and approvals as may be required by law for the performance of the services required by the Agreement.

1.4 Special Requirements. Additional terms and conditions of this Agreement, if any, which are made a part hereof are set forth in the "Special Requirements" attached hereto as Exhibit "B" and incorporated herein by this reference. In the event of a conflict between the provisions of Exhibit "B" and any other provisions of this Agreement, the provisions of Exhibit "B" shall govern.

2. COMPENSATION

2.1 Contract Sum. For the services rendered pursuant to this Agreement, Consultant shall be compensated in accordance with the "Schedule of Compensation" attached hereto as Exhibit "C" and incorporated herein by this reference, but not exceeding the maximum contract amount of Twenty Thousand and No Hundred Dollars (\$20,000.00) ("Contract Sum").

2.2 Invoices. Each month Consultant shall furnish to City an original invoice for all work performed and expenses incurred during the preceding month in a form approved by City's Director of Finance. By submitting an invoice for payment under this Agreement, Consultant is certifying compliance with all provisions of the Agreement. The invoice shall detail charges for all necessary and actual expenses by the following categories: labor (by sub-category), travel, materials, equipment, supplies, and sub-contractor contracts. sub-contractor charges shall also be detailed by such categories. Contractor shall not invoice City for any duplicate services performed by more than one person.

City may independently review each invoice submitted by the Consultant to determine whether the work performed and expenses incurred are in compliance with the provisions of this Agreement. Except as to any charges for work performed or expenses incurred by Consultant which are disputed by City, City will use its best efforts to cause Consultant to be paid within thirty (30) days of receipt of Consultant's correct and undisputed invoice; however, Consultant acknowledges and agrees that due to City warrant run procedures, the City cannot guarantee that payment will occur within this time period. In the event any charges or expenses are disputed by City, the original invoice shall be returned by City to Consultant for correction and resubmission. Review and payment by the City of any invoice provided by the Consultant shall not constitute a waiver of any rights or remedies provided herein or any applicable law.

2.3 Additional Services. City shall have the right at any time during the performance of the services, without invalidating this Agreement, to order extra work beyond that specified in the Scope of Services or make changes by altering, adding to, or deducting from said work. No such extra work or change may be undertaken unless a written order is first given by the Contract Officer to the Consultant, describing in detail the extra work or change and the reason(s) therefor and incorporating therein any adjustment in (i) the Contract Sum for the actual cost of the extra work or change, and/or (ii) the time to perform this Agreement, which said adjustments are subject to the written approval of the Consultant. Any increase in compensation of up to ten percent (10%) of the Contract Sum but not exceeding a total contract amount of Five Thousand Dollars (\$5,000), or any increase in the time to perform of up to ninety (90) days, may be approved by the Contract Officer. Any greater increases, taken either separately or cumulatively, must be approved by the City Council.

No claim for an adjustment in the contract amount or time for performance shall be valid unless the procedures established in this Section are followed.

2.4 Prevailing Wages. It is the understanding of the City and Consultant that the California Prevailing Wage laws do not apply to this Agreement because the Agreement does not involve any services subject to prevailing wage rates pursuant to the California Labor Code or regulations promulgated thereunder.

3. PERFORMANCE SCHEDULE

3.1 Time of Essence. Time is of the essence in the performance of this Agreement.

3.2 Schedule of Performance. Consultant shall commence the services pursuant to this Agreement upon receipt of a written notice to proceed and shall perform all services within the time period(s) established in the "Schedule of Performance" attached hereto as Exhibit "D" and incorporated herein by this reference. When requested by the Consultant, extensions to the time period(s) specified in the Schedule of Performance may be approved in writing by the Contract Officer but not exceeding ninety (90) days cumulatively, pursuant to Section 2.3.

3.3 Force Majeure. The time period(s) specified in the Schedule of Performance for performance of the services rendered pursuant to this Agreement shall be extended because of any delays due to unforeseeable causes beyond the control and without the fault or negligence of the Consultant, including, but not restricted to, acts of God or of the public enemy, unusually severe weather, fires, earthquakes, floods, epidemics, quarantine restrictions, riots, strikes, freight embargoes, wars, litigation, and/or acts of any governmental agency, including the City, if the Consultant shall within ten (10) days of the commencement of such delay notify the Contract Officer in writing of the causes of the delay. The Contract Officer shall ascertain the facts and the extent of delay, and extend the time for performing the services for the period of the enforced delay when and if in the judgment of the Contract Officer such delay is justified. The Contract Officer shall extend the time for performance in accordance with the procedures set forth in Section 2.3. The Contract Officer's determination shall be final and conclusive upon the parties to this Agreement. In no event shall Consultant be entitled to recover damages against the City for any delay in the performance of this Agreement, however caused, Consultant's sole remedy being extension of the Agreement pursuant to this Section.

3.4 Term. Unless earlier terminated in accordance with Article 7 of this Agreement, this Agreement shall continue in full force and effect until completion of the services but not exceeding one (1) year from the date hereof, except as otherwise provided in the Schedule of Performance (Exhibit "D").

4. COORDINATION OF WORK

4.1 Representative of Consultant. Stanley Hoffman is hereby designated as being the representative of Consultant authorized to act on its behalf with respect to the work and services specified herein and to make all decisions in connection therewith. All personnel of Consultant and any authorized agents shall be under the exclusive direction of the representative of Consultant. Consultant shall utilize only competent personnel to perform services pursuant to this Agreement. Consultant shall make every reasonable effort to maintain the stability and continuity of Consultant's staff and subcontractors, and shall keep City informed of any changes. In the event that City, in its sole discretion, at any time during the term of this Agreement, desires to reassign any staff or subcontractor of Consultant, Consultant shall, immediately upon a Reassign Notice from City of such desire of City, reassign such persons or persons.

4.2 Contract Officer. Robb Steel, Assistant CA/Development Services Director, is hereby designated as being the representative the City authorized to act on its behalf with respect to the work and services specified herein and to make all decisions in connection

therewith ("Contract Officer"). The Assistant CA/Development Services Director shall have the right to designate another Contract Officer by providing written notice to Consultant.

4.3 Prohibition Against Subcontracting or Assignment. Consultant shall not contract with any entity to perform in whole or in part the work or services required hereunder without the express written approval of the City. Neither this Agreement nor any interest herein may be assigned or transferred, voluntarily or by operation of law, without the prior written approval of City. Any such prohibited assignment or transfer shall be void.

4.4 Independent Contractor. Neither the City nor any of its employees shall have any control over the manner, mode, or means by which Consultant, its agents or employees, perform the services required herein, except as otherwise set forth. Consultant shall perform all services required herein as an independent contractor of City with only such obligations as are consistent with that role. Consultant shall not at any time or in any manner represent that it or any of its agents or employees are agents or employees of City, or that it is a member of a joint enterprise with City.

5. INSURANCE AND INDEMNIFICATION

5.1 Insurance Coverages. The Consultant shall procure and maintain, at its sole cost and expense, in a form and content satisfactory to City, during the entire term of this Agreement including any extension thereof, the following policies of insurance which shall cover all elected and appointed officers, employees, and agents of City:

(a) Comprehensive General Liability Insurance (Occurrence Form CG0001 or equivalent). A policy of comprehensive general liability insurance written on a per occurrence basis for bodily injury, personal injury, and property damage. The policy of insurance shall be in an amount not less than \$1,000,000.00 per occurrence or if a general aggregate limit is used, either the general aggregate limit shall apply separately to this contract/location, or the general aggregate limit shall be twice the occurrence limit.

(b) Worker's Compensation Insurance. A policy of worker's compensation insurance in such amount as will fully comply with the laws of the State of California and which shall indemnify, insure, and provide legal defense for both the Consultant and the City against any loss, claim, or damage arising from any injuries or occupational diseases occurring to any worker employed by or any persons retained by the Consultant in the course of carrying out the work or services contemplated in this Agreement.

(c) Automotive Insurance (Form CA 0001 (Ed 1/87) including "any auto" and endorsement CA 0025 or equivalent). A policy of comprehensive automobile liability insurance written on a per occurrence for bodily injury and property damage in an amount not less than either (i) bodily injury liability limits of \$100,000 per person and \$300,000 per occurrence and property damage liability limits of \$150,000 per occurrence or (ii) combined single limit liability of \$1,000,000. Said policy shall include coverage for owned, non-owned, leased, and hired cars.

(d) Professional Liability. Professional liability insurance appropriate to the Consultant's profession. This coverage may be written on a "claims made" basis, and must include coverage for contractual liability. The professional liability insurance required by this Agreement must be endorsed to be applicable to claims based upon, arising out of, or related to services performed under this Agreement. The insurance must be maintained for at least 2 consecutive years following the completion of Consultant's services or the termination of this Agreement. During this additional 2-year period, Consultant shall annually and upon request of the City submit written evidence of this continuous coverage.

(e) Additional Insurance. Policies of such other insurance, as may be required in the Special Requirements.

(f) Subcontractors. Consultant shall include all subcontractors as insureds under its policies or shall furnish separate certificates and certified endorsements for each subcontractor. All coverages for subcontractors shall be subject to all of the requirements stated herein.

5.2 General Insurance Requirements. All of the above policies of insurance shall be primary insurance and shall name the City, its elected and appointed officers, employees, and agents as additional insureds, and any insurance maintained by City or its officers, employees, or agents shall apply in excess of, and not contribute with, Consultant's insurance. The insurer is deemed hereof to waive all rights of subrogation and contribution it may have against the City, its officers, employees, and agents and their respective insurers. The insurance policy must specify that where the primary insured does not satisfy the self-insured retention, any additional insured may satisfy the self-insured retention. All of said policies of insurance shall provide that said insurance may not be amended or cancelled by the insurer or any party hereto without providing thirty (30) days prior written notice by certified mail return receipt requested to the City. In the event any of said policies of insurance are cancelled, the Consultant shall, prior to the cancellation date, submit new evidence of insurance in conformance with this Section 5.1 to the Contract Officer. No work or services under this Agreement shall commence until the Consultant has provided the City with Certificates of Insurance or appropriate insurance binders evidencing the above insurance coverages and said Certificates of Insurance or binders are approved by the City. City reserves the right to inspect complete, certified copies of all required insurance policies at any time. Any failure to comply with the reporting or other provisions of the policies including breaches or warranties shall not affect coverage provided to City.

The insurance required by this Agreement shall be satisfactory only if issued by companies qualified to do business in California, rated "A" or better in the most recent edition of Best Rating Guide, The Key Rating Guide, or in the Federal Register, and only if they are of a financial category Class VII or better, unless such requirements are waived by the City's Risk Manager or other designee of the City due to unique circumstances.

5.3 Indemnification. To the full extent provided by law, Consultant agrees to indemnify, defend, and hold harmless the City, its officers, employees and agents against, any and all actions, suits, claims, damages to persons or property, losses, costs, penalties, obligations,

errors, omissions or liabilities, including paying any legal costs, attorney's fees, or paying any judgment (herein "claims or liabilities") that may be asserted or claimed by any person, firm, or entity arising out of or in connection with the negligent performance of the work or services of Consultant, its officers, agents, employees, agents, subcontractors, or invitees, provided for herein ("indemnitors"), arising from Consultant's reckless or willful misconduct, or arising from Consultant's indemnitors' negligent performance of or failure to perform any term, provision, covenant, or condition of this Agreement, except claims or liabilities to the extent caused by the sole negligence or willful misconduct of the City.

6. RECORDS, REPORTS, AND RELEASE OF INFORMATION

6.1 Records. Consultant shall keep, and require subcontractors to keep, such ledgers, books of accounts, invoices, vouchers, canceled checks, reports, studies or other documents relating to the disbursements charged to City and services performed hereunder (the "books and records"), as shall be necessary to perform the services required by this Agreement and enable the Contract Officer to evaluate the performance of such services and shall keep such records for a period of three years following completion of the services hereunder. The Contract Officer shall have full and free access to such books and records at all times during normal business hours of City, including the right to inspect, copy, audit and make records and transcripts from such records.

6.2 Reports. Consultant shall periodically prepare and submit to the Contract Officer such reports concerning the performance of the services required by this Agreement or as the Contract Officer shall require.

6.3 Confidentiality and Release of Information.

(a) All information gained or work product produced by Consultant in performance of this Agreement shall be considered confidential, unless such information is in the public domain or already known to Consultant. Consultant shall not release or disclose any such information or work product to persons or entities other than the City without prior written authorization from the Contract Officer.

(b) Consultant shall not, without prior written authorization from the Contract Officer or unless requested by the City Attorney, voluntarily provide documents, declarations, letters of support, testimony at depositions, response to interrogatories, or other information concerning the work performed under this Agreement. Response to a subpoena or court order shall not be considered "voluntary" provided Consultant gives the City notice of such court order or subpoena.

(c) If Consultant provides any information or work product in violation of this Agreement, then the City shall have the right to reimbursement and indemnity from Consultant for any damages, costs and fees, including attorneys' fees, caused by or incurred as a result of Consultant's conduct.

(d) Consultant shall promptly notify the City should Consultant be served with any summons, complaint, subpoena, notice of deposition, request for documents, interrogatories, request for admissions or other discovery request, court order or subpoena from any party regarding this Agreement and the work performed there under. The City retains the right, but has no obligation, to represent Consultant or be present at any deposition, hearing or similar proceeding. Consultant agrees to cooperate fully with the City and to provide the City with the opportunity to review any response to discovery requests provided by Consultant.

6.4 Ownership of Documents. All studies, surveys, data, notes, computer files, reports, records, drawings, specifications, maps, designs, photographs, documents and other materials (the “documents and materials”) prepared by Consultant in the performance of this Agreement shall be the property of the City and shall be delivered to the City upon request of the Contract Officer or upon the termination of this Agreement, and Consultant shall have no claim for further employment or additional compensation as a result of the exercise by the City of its full rights of ownership use, reuse, or assignment of the documents and materials hereunder. Moreover, Consultant with respect to any documents and materials that may qualify as “works made for hire” as defined in 17 U.S.C. § 101, such documents and materials are hereby deemed “works made for hire” for the City.

7. ENFORCEMENT OF AGREEMENT AND TERMINATION

7.1 California Law. This Agreement shall be interpreted, construed and governed both as to validity and to performance of the parties in accordance with the laws of the State of California. Legal actions concerning any dispute, claim, or matter arising out of or in relation to this Agreement shall be instituted in the Superior Court of the County of San Bernardino, State of California.

7.2 Disputes; Default. In the event that Consultant is in default under the terms of this Agreement, the City shall not have any obligation or duty to continue compensating Consultant for any work performed after the date of default. Instead, the City may give notice to Consultant of the default and the reasons for the default. The notice shall include the timeframe in which Consultant may cure the default. This timeframe is presumptively thirty (30) days, but may be extended, if circumstances warrant. During the period of time that Consultant is in default, the City shall hold all invoices and shall proceed with payment on the invoices only when the default is cured. If Consultant does not cure the default, the City may take necessary steps to terminate this Agreement under this Article.

7.3 Legal Action. In addition to any other rights or remedies, either party may take legal action, in law or in equity, to cure, correct, or remedy any default, to recover damages for any default, to compel specific performance of this Agreement, to obtain declaratory or injunctive relief, or to obtain any other remedy consistent with the purposes of this Agreement. Except with respect to rights and remedies expressly declared to be exclusive in this Agreement, the rights and remedies of the parties are cumulative and the exercise by either party of one or

more of such rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same default or any other default by the other party.

7.4 Termination Prior to Expiration of Term. This Section shall govern any termination of this Contract except as specifically provided in the following Section for termination for cause. City reserves the right to terminate this Contract at any time, with or without cause, upon thirty (30) days' written notice to Consultant, except that where termination is due to the fault of the Consultant, the period of notice may be such shorter time as may be determined by the Contract Officer. In addition, the Consultant reserves the right to terminate this Contract at any time, with or without cause, upon sixty (60) days' written notice to City, except that where termination is due to the fault of the City, the period of notice may be such shorter time as the Consultant may determine. Upon receipt of any notice of termination, Consultant shall immediately cease all services hereunder except such as may be specifically approved by the Contract Officer. Except where the Consultant has initiated termination, the Consultant shall be entitled to compensation for all services rendered prior to the effective date of the notice of termination and for any services authorized by the Contract Officer thereafter in accordance with the Schedule of Compensation or such as may be approved by the Contract Officer. In the event the Consultant has initiated termination, the Consultant shall be entitled to compensation only for the reasonable value of the work product actually produced hereunder, but not exceeding the compensation provided therefore in the Schedule of Compensation Exhibit "C". In the event of termination without cause pursuant to this Section, the terminating party need not provide the non-terminating party with the opportunity to cure pursuant to Section 7.2.

7.5 Termination for Default of Consultant. If termination is due to the failure of the Consultant to fulfill its obligations under this Agreement, City may, after compliance with the provisions of Section 7.2, take over the work and prosecute the same to completion by contract or otherwise, and the Consultant shall be liable to the extent that the total cost for completion of the services required hereunder exceeds the compensation herein stipulated (provided that the City shall use reasonable efforts to mitigate such damages), and City may withhold any payments to the Consultant for the purpose of set-off or partial payment of the amounts owed the City as previously stated.

8. MISCELLANEOUS

8.1 Covenant Against Discrimination. Consultant covenants that, by and for itself, its heirs, executors, assigns and all persons claiming under or through them, there shall be no discrimination against or segregation of any person or group of persons on account of race, color, creed, religion, sex, marital status, national origin, ancestry or other protected class in the performance of this Agreement. Consultant shall take affirmative action to ensure that applicants are employed and that employees are treated during employment without regard to their race, color, creed, religion, sex, marital status, national origin, ancestry, or other protected class.

8.2 Non-liability of City Officers and Employees. No officer or employee of the City shall be personally liable to the Consultant, or any successor in interest, in the event of any default or breach by City or for any amount, which may become due to the Consultant or to its successor, or for breach of any obligation of the terms of this Agreement.

8.3 Facilities and Equipment. Except as otherwise provided, Consultant shall, at its own cost and expense, provide all facilities and equipment necessary to perform the services required by this Agreement. City shall make available to Consultant only physical facilities such as desks, filing cabinets, and conference space ("City Facilities"), as may be reasonably necessary for Consultant's use while consulting with City employees and reviewing records and the information in possession of City. The location, quality, and time of furnishing of City Facilities shall be in the sole discretion of City. In no event shall City be required to furnish any facilities that may involve incurring any direct expense, including but not limited to computer, long distance telephone, network data, internet, or other communication charges, vehicles, and reproduction facilities.

8.4 Payment of Taxes. Consultant is solely responsible for the payment of employment taxes incurred under this Agreement and any federal and state taxes.

8.5 Notice. Any notice, demand, request, document, consent, approval, or communication either party desires or is required to give to the other party shall be in writing and shall be personally delivered, sent by pre-paid First Class U.S. Mail, registered or certified mail, postage prepaid, return receipt requested, or delivered or sent by facsimile with attached evidence of completed transmission, and shall be deemed received upon the earlier of (i) the date of delivery to the address of the person to receive such notice if delivered personally or by messenger or overnight courier; (ii) three (3) business days after the date of posting by the United States Post Office if by mail; or (iii) when sent if given by facsimile. Any notice, request, demand, direction, or other communication sent by facsimile must be confirmed within forty-eight (48) hours by letter mailed or delivered. Other forms of electronic transmission such as e-mails, text messages, instant messages are not acceptable manners of notice required hereunder. Notices or other communications shall be addressed as follows:

If to City: City of Rialto
 150 S. Palm Ave.
 Rialto, CA 92376
 Attn: City Administrator
 Tel: (909) 820-2525
 Fax: (909) 820-2527

With copy to: Aleshire & Wynder, LLP
 18881 Von Karman Ave., Suite 1700
 Irvine, CA 92612
 Attn: Fred Galante, City Attorney
 Tel: (949) 223-1170
 Fax: (949) 223-1180

If to Consultant: Stanley R. Hoffman Associates, Inc.
11661 San Vicente Blvd., Suite 306
Los Angeles, CA 90049-5111
Tel: 310-820-2680
Fax: 310-820-8341

8.6 Integration; Amendment. It is understood that there are no oral agreements between the parties hereto affecting this Agreement and this Agreement supersedes and cancels any and all previous negotiations, arrangements, agreements and understandings, if any, between the parties, and none shall be used to interpret this Agreement. This Agreement may be amended at any time by the mutual consent of the parties by an instrument in writing.

8.7 Severability. In the event that part of this Agreement shall be declared invalid or unenforceable by a valid judgment or decree of a court of competent jurisdiction, such invalidity or unenforceability shall not affect any of the remaining portions of this Agreement which are hereby declared as severable and shall be interpreted to carry out the intent of the parties hereunder unless the invalid provision is so material that its invalidity deprives either party of the basic benefit of their bargain or renders this Agreement meaningless.

8.8 Waiver. No delay or omission in the exercise of any right or remedy by any party shall impair such right or remedy or be construed as a waiver. A party's consent to or approval of any act by the other party requiring the party's consent or approval shall not be deemed to waive or render unnecessary the other party's consent to or approval of any subsequent act. Any waiver by either party of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of this Agreement.

8.9 Attorneys' Fees. If either party to this Agreement is required to initiate or defend or made a party to any action or proceeding in any way connected with this Agreement, the prevailing party in such action or proceeding, in addition to any other relief which any be granted, whether legal or equitable, shall be entitled to reasonable attorneys' fees, whether or not the matter proceeds to judgment.

8.10 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed to be an original, and such counterparts shall constitute one and the same instrument.

8.11 Corporate Authority. The persons executing this Agreement on behalf of the parties hereto warrant that (i) such party is duly organized and existing, (ii) they are duly authorized to execute and deliver this Agreement on behalf of said party, (iii) by so executing this Agreement, such party is formally bound to the provisions of this Agreement, and (iv) the entering into this Agreement does not violate any provision of any other Agreement to which said party is bound.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date and year first-above written.

CITY:

CITY OF RIALTO, a municipal corporation

Deborah Robertson, Mayor

ATTEST:

Barbara A. McGee, City Clerk

APPROVED AS TO FORM:

ALESHIRE & WYNDER, LLP

Fred Galante, City Attorney

CONTRACTOR:

By: _____
Name: Stanley R. Hoffman
Title: President

By: _____
Name: Linda J. Hoffman
Title: Corporate Secretary

Two signatures are required if a corporation.

EXHIBIT "A"

SCOPE OF SERVICES

March 22, 2019

Mr. Robb Steel
Assistant City Administrator/Development Services Director
City of Rialto
150 South Palm Avenue
Rialto, CA 92376

SUBJECT: Citywide Residential and Industrial/Warehouse Fiscal Impact Analysis Proposal

Dear Mr. Steel:

Stanley R. Hoffman Associates, Inc., (SRHA) is very pleased to submit this proposal to assist the City of Rialto in preparing a citywide fiscal analysis of the effect of new residential and industrial/warehouse development on the City's General Fund net revenues versus costs. Our study would focus on the fiscal impacts to the City of Rialto's General Fund operating budget and any related relevant funds, such as the Gas Tax Fund. We would use the latest 2018-2019 budget and employ the fiscal methodology that has recently been applied by SRHA to individual development proposals.

The key fiscal question is whether estimated public revenues from new development in Rialto is covering its fair share of public services costs. This analysis will focus on the following two major land use categories: 1) residential and 2) industrial/warehouse development. Based on increased growth in both land use categories, Rialto wants to ensure that their high quality of public service delivery will be maintained. While the City has prepared and applied these types of analyses on a project-by-project basis, this fiscal analysis will provide a comprehensive citywide evaluation of how new development impacts the goal of a balanced and fiscally sustainable budget. Given the outcome of this fiscal analysis, appropriate fiscal policies may be adopted that include ongoing fiscal impact fees by the respective land use categories.

PROPOSED SCOPE OF WORK

Based on the fiscal analyses that we have recently prepared for various individual projects in Rialto, we will build on this experience to estimate the potential net revenues to the City's General Fund that are required to cover the estimated costs to serve selected new development.

Task 1 Citywide Demographic Analysis

Using the latest U.S. Census and Department of Finance data for population and households, we will estimate Rialto's average persons per household for development housing types, including single family and multi-family development. This will include discussion with Development Services staff to identify the relevant housing types to include in the fiscal analysis. Additionally, the current level of employment by various industry categories will be estimated using sources such as the U.S. Census's Longitudinal Employer-Household Dynamics (LEHD) data base and local employment estimates from the San Bernardino County Transportation Authority and SCAG.

Task 2 Current Fiscal Factors and Levels of Service

The fiscal analysis will be based on the city's most recent adopted budget for Fiscal Year 2018-2019. Public revenue and cost fiscal factors will be developed through current budget analysis and

March 22, 2019

Mr. Robb Steel, Assistant City Administrator/Development Services Director
Citywide Residential and Industrial/Warehouse Fiscal Impact Analysis Proposal
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interviews with key departmental staff. Using the fiscal factors, we will estimate the revenues and costs from new residential and industrial/warehouse development in Rialto; we will also consider the City's existing service levels as reflected in current budget expenditures and compare this with any identified fiscal policies that reflect a structural increase in long-term expenditures. The fiscal analysis will also identify the level of roadway operations and maintenance that is covered through the City's Gas Tax Fund versus the General Fund. These levels of service will be defined based on discussion with City finance and service delivery staff. We will also examine the distribution of property tax allocations by tax rate area (TRA) for purposes of determining if specific areas of the City have significant differences in their average property tax allocation that would impact projected property tax.

Task 3 Residential Fiscal Analysis

For residential development, our methodology would estimate the project's average pro rata share of various public service costs, such as police, fire and emergency services, community services, development services, public works and general government versus the project's revenue generation from various General Fund sources. This would include an estimation of potential off-site sales tax from taxable expenditures captured by new project residents in Rialto. If a long-term fiscal deficit is estimated, this would be calculated on a per unit basis for the single family and multi-family categories analyzed.

Task 4 Industrial/Warehouse Fiscal Analysis

For industrial/warehouse development, our methodology would cover their relevant public safety, public works, development services and general government services, with focused attention given to the following issues: 1) what is the unique impacts from industrial/warehouse truck traffic on the roadway system and any extraordinary costs required for maintenance and repair; 2) in addition to property tax related revenues, how do these new facilities impact business related taxable sales and sales tax to Rialto – e.g., from internet driven fulfillment centers; and 3) what are the estimated demands on the utility system and how this generates increased utility fees from the City's recently adopted ongoing utility tax ordinance. If a long-term fiscal deficit is estimated, this would be calculated per developed acre and per building square foot basis for the industrial/warehouse categories analyzed.

Task 5 Meetings and Coordination

This task assumes one (1) presentation meeting at the City of Rialto. There will also be ongoing coordination with city staff/team to collect data and assumptions. It is assumed that Stan Hoffman, project manager, will attend the presentation meeting. Additional meetings would be billed either under a separate augmented Scope of Work or on a time and materials basis upon authorization.

PRODUCT: Draft and Final Fiscal Reports, with an executive summary. Attendance at one (1) meeting with City staff and public officials, as directed

March 22, 2019

Mr. Robb Steel, Assistant City Administrator/Development Services Director
Citywide Residential and Industrial/Warehouse Fiscal Impact Analysis Proposal
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BUDGET / SCHEDULE

As shown in Attachment 1, the proposed budget for this assignment is \$18,910, including labor and expenses. We will complete the draft report as expeditiously as possible for your review, depending upon availability of project information and coordination with key City staff. Ten (10) copies of the final report will be submitted along with an electronic version in PDF format. A nominal amount of expenses are estimated at this time, such as travel and printing and copying, and would be billed at cost.

Thank you for inviting us to submit a proposal for this analysis. We look forward to continuing to work with you on this very important fiscal policy project. Please call me if you need additional information or have any questions.

Very truly yours,

STANLEY R. HOFFMAN ASSOCIATES, Inc.



Stanley R. Hoffman
President

March 22, 2019

Mr. Robb Steel, Assistant City Administrator/Development Services Director
Citywide Residential and Industrial/Warehouse Fiscal Impact Analysis Proposal
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**Attachment 1
Proposed Budget
Stanley R. Hoffman Associates, Inc.
City of Rialto CFD Fiscal Analysis**

TASK	PRINCIPAL		SENIOR ASSOCIATE		ANALYST		Total
	Hours	Fee	Hours	Fee	Hours	Fee	
Hourly Rates @		\$250		\$180		\$150	
1. Citywide Demographic Analysis	4	\$1,000	4	\$720	12	\$1,800	\$3,520
2. Current Fiscal Factors & Level of Service	4	\$1,000	12	\$2,160	6	\$900	\$4,060
3. Residential Fiscal Analysis	6	\$1,500	16	\$2,880	0	\$0	\$4,380
4. Industrial/Warehouse Fiscal Analysis	6	\$1,500	16	\$2,880	0	\$0	\$4,380
3. Meetings and Coordination	4	\$1,000	4	\$720	4	\$600	\$2,320
Total Labor	24	\$6,000	52	\$9,360	22	\$3,300	\$18,660
Expenses ¹							\$250
Total Estimated Budget							\$18,910

¹ Expenses are for travel, printing and copying, postage and purchase of data and publications, as require
Expenses will be billed at cost.

EXHIBIT "B"

SPECIAL REQUIREMENTS

(Superseding Contract Standard Language)

(None)

EXHIBIT "C"

SCHEDULE OF COMPENSATION

- I. The total compensation for the Services shall not exceed \$20,000.00, as provided in Section 2.1 of this Agreement.

EXHIBIT "D"

SCHEDULE OF PERFORMANCE

- I. Consultant shall perform all services within twelve (12) weeks after submittal of complete project information by the City.
- II. Consultant shall deliver the following tangible work products to the City: A Fiscal Impact Analysis report, including an Executive Summary, data analysis, conclusions, and all supporting documentation.
- III. The Contract Officer may approve extensions for performance of the services in accordance with Section 3.2 of this Agreement.