

### **THIRD AMENDMENT TO AGREEMENT NO. 2020-03 FOR FINANCIAL ADVISOR SERVICES**

This *Third Amendment to Agreement No. 2020-03 for Financial Advisor Services* ("Third Amendment") is made and entered into by and between the City of North Port, Florida, a municipal corporation of the State of Florida and whose address is 4970 City Hall Boulevard, North Port, Florida 34286 ("City"), and PFM Financial Advisors, LLC, a Florida limited liability company, whose address is 1735 Market Street, 42nd Floor, Philadelphia, Pennsylvania 19103 ("Consultant").

#### **RECITALS**

**WHEREAS**, on or about February 4, 2020, the parties entered into *Agreement No. 2020-03 for Financial Advisor Services* (the "Original Agreement") for the scope of services as identified in Exhibit A, per the fee schedule identified in Exhibit B; and

**WHEREAS**, on December 19, 2022, the parties entered into the *First Amendment to Agreement No. 2020-03 for Financial Advisor Services* (the "First Amendment"), extending the term of the Original Agreement for one year, until February 4, 2024; and

**WHEREAS**, on January 4, 2024, the parties entered into the *Second Amendment to Agreement No. 2020-03 for Financial Advisor Services* (the "Second Amendment"), extending the term of the Original Agreement for one additional year, until February 4, 2025; and

**WHEREAS**, on April 23, 2024, the City of North Port City Commission directed City staff to conduct studies to complete an economic development study and financial condition analysis by the end of the calendar year, to prepare a comprehensive long-term capital improvement plan, and to include the economic impacts associated with the City's spending on capital projects; and

**WHEREAS**, the Consultant's work and services are ongoing for the scope of services as identified in Exhibit A, per the fee schedule identified in Exhibit B; and

**WHEREAS**, the parties mutually desire to amend the Original Agreement to add Exhibits C, D, and E to provide a separate and distinct scope of services, fee schedule, and project schedule for an economic development study, financial condition analysis, and comprehensive long-term capital improvement plan; and

**WHEREAS**, Part I – General Instructions, Section 31 of the solicitation for Request for Proposal No. 2020-03 allows for changes in the work, including ordering extra work, when executed under the conditions of the Original Agreement; and

**NOW THEREFORE**, in consideration of the mutual covenants contained herein, the sufficiency and receipt of which are acknowledged, the parties agree that the Original Agreement is amended as follows, with all other terms in the Original Agreement remaining unchanged and in full force and effect:

#### **1. EFFECT OF AMENDMENT/EFFECTIVE DATE**

- A. The parties ratify the terms and conditions of the Original Agreement, the First Amendment, and the Second Amendment, not inconsistent with this Third Amendment, all of which are

incorporated by reference as if set forth fully herein. This Third Amendment modifies the sections of the Original Agreement as identified herein. Where a section of the Original Agreement is not identified, the terms as they appear in the Original Agreement remain and apply.

- B. All references to this “Agreement” in the Original Agreement and any subsequent amendments mean and include the combination of the Original Agreement, the First Amendment, the Second Amendment, and this Third Amendment.
- C. This Third Amendment is effective as of the date the last party approves or executes it, as applicable (the “Effective Date”), and shall continue as otherwise provided in the Original Agreement.

## **2. NEW EXHIBIT C - SCOPE OF SERVICES PURSUANT TO THE THIRD AMENDMENT**

Exhibit C – Scope of Services Pursuant to the Third Amendment, attached, is hereby added as a new exhibit and is incorporated as if set forth in the Agreement.

## **3. NEW EXHIBIT D – FEE SCHEDULE FOR SERVICES IN EXHIBIT C**

Exhibit D – Fee Schedule for Services in Exhibit C, attached, is hereby added as a new exhibit and is incorporated as if set forth in the Agreement.

## **4. NEW EXHIBIT E - PROJECT SCHEDULE FOR SERVICES IN EXHIBIT D**

Exhibit E – Project Schedule for Services in Exhibit D, attached, is hereby added as a new exhibit and is incorporated as if set forth in the Agreement.

**IN WITNESS WHEREOF**, the parties have executed this Third Amendment as follows. The signature by any person to this Agreement shall be deemed a personal warranty that the person has the full power and authority to bind any corporation, partnership, or any other business or governmental entity for which the person purports to act hereunder.

*(This space intentionally left blank; signature pages follow)*

**PFM FINANCIAL ADVISORS, LLC**

By:   
Name: Jeremy Niedfeldt  
Title: Managing Director

**ACKNOWLEDGEMENT**

STATE OF Florida  
COUNTY OF Orange

The foregoing instrument was acknowledged before me by means of ☒ physical presence or ☐ online notarization, on this 17 day of June 2024, by Jeremy Niedfeldt, as Managing Director for PFM Financial Advisors, LLC.

  
Notary Public-Dorrena B. Davis

Personally Known ☒ OR Produced Identification \_\_\_\_\_  
Type of Identification Produced \_\_\_\_\_



Approved by the City Commission of the City of North Port, Florida on \_\_\_\_\_, 2024.

**CITY OF NORTH PORT, FLORIDA**

\_\_\_\_\_  
A. JEROME FLETCHER II, ICMA-CM, MPA  
CITY MANAGER

ATTEST

\_\_\_\_\_  
HEATHER FAUST, MMC  
CITY CLERK

APPROVED AS TO FORM AND CORRECTNESS

\_\_\_\_\_  
AMBER L. SLAYTON, B.C.S.  
CITY ATTORNEY

## **EXHIBIT C - SCOPE OF SERVICES PURSUANT TO THE THIRD AMENDMENT**

Pursuant to the Third Amendment, the Consultant will provide the following Consulting Services as set forth in this Exhibit C. This work will be conducted in accordance with the fee schedule and performance schedule in Exhibits D and E.

These services are distinct from the services set forth in Exhibit A.

### **1.0 Background**

The Consultant has been asked to conduct an analysis of the fiscal sustainability and economic impacts of the proposed revisions to the Future Land Use Element of the Comprehensive Plan and associated land development code changes in the City. The Consultant and its prior assigns have conducted hundreds of fiscal and economic impact analyses throughout Florida. Their fiscal methodology closely follows the industry standard method developed by Burchell and Listokin of Rutgers University. Some modifications to methodology are undertaken to better account for the local economy and employment, as well as anticipated non-normal expenditures. Their Economic Impact methodology utilizes IMPLAN for local induced and indirect impacts. Direct Impacts, as input to IMPLAN, will be determined by the Consultant, based on the future buildout scenario, absorption, land use, and market analysis to determine volumes, timing, and prices.

This fiscal analysis will examine the ad valorem tax base as well as all budgeted operational and known capital revenue sources. Further, the expense profile will be derived from the current budget and expense growth based on recent past budgets. The goal will be to determine anticipated future fiscal conditions based on alternative economic growth conditions such as recession, normal and high growth scenarios as described by buildout of the 2024 revisions to the Future Land Use Element. Analysis will be undertaken based on existing land use data from property appraiser data, and future land use conditions based on the City's revised/updated Comprehensive Plan and Element and Future Land Use Map.

### **2.0 Scope of Work**

#### **Task 1 – Economic Outlook for City of North Port and Alternative Buildout Scenarios (Economic Development Study)**

The Consultant will develop detailed alternative economic growth forecasts for the City for both the short run and over the long term. The forecasts will include projections for population by age and income, employment by type of employment, single-family housing starts, multifamily housing starts, and development of commercial space for retail, office, warehouse, industrial, hospital, hotels, and government land uses. The forecasts will be market driven and will include City totals and economic projections articulated by alternative growth scenarios. The growth scenarios will reflect varying economic conditions as they may affect the development, absorption, and buildout of the 2024 revisions to the Future Land Use Element, particularly as this impacts: commercial land development, parcel land assemblages, and development alternatives driving assumptions about how much future development and what type will go into the Activity Centers; designated Development Corridors; mixed use higher density locations; and suburban development forms such as single-family residential areas.

The geographic projections will be informed by the City's 2024 revisions to the Future Land Use Element; existing land uses; permitted and entitled but not yet built land uses; plans by major

landowners as may be known; the plans of the Sarasota/Manatee Metropolitan Planning Organization; the planned FDOT I-75 interchange improvements, particularly the new interchange planned for Yorkshire/Raintree; and other relevant sources.

The Consultant will conduct three meetings with City staff to coordinate and to craft the forecasts. At the first meeting, the Consultant will present the preliminary projections for both the short and long term within the municipal area. The second meeting will reflect the input from City staff after their review of the preliminary projections. The final meeting will be to present the updated projections for review and comment by City staff. The work product will be an excel workbook containing the forecasts and a set of GIS maps illustrating the forecasts. A narrative report will be included. The projections developed under this task are the scenario forecasts to be used in the subsequent tasks.

### **Task 2 – Fiscal Model Calibration and Fiscal Impact Analysis (Financial Condition Analysis)**

The Fiscal Model Calibration will demonstrate whether public expenditure requirements for anticipated future growth such as police, fire protection, recreation, and roadway infrastructure among other things are offset by the revenue stream such as ad valorem taxes, sales tax, gas tax revenues and other fees/revenues flowing from all existing land use in the City. The analysis will include all non-enterprise fund revenues and expenses. The analysis will illustrate the expected operating costs incurred by the City and compare with budget expenditures to calibrate to the fiscal conditions in the City and future operating projections based on the alternative development scenarios. The fiscal model will assess the budget outlook, financial feasibility, and sustainability of future growth as envisioned by the 2024 revisions to the Future Land Use Element.

The future outlook will rely on the current Capital Improvements Plan (CIP) and existing levels of service standards as described in the City's Comprehensive Plan. An assessment of future capital needs is to be undertaken in response to the growth alternatives. Fiscal feasibility and sustainability will be examined for capital/infrastructure requirements based on alternative development scenarios. The City will provide cost data and engineering analysis as may be necessary to enable cost analysis and incorporation into the fiscal model for development scenarios, to the extent infrastructure cost profiles and capacity needs may differ as a result of the 2024 revisions to the Future Land Use Element.

The Consultant will also use the latest published City budgets as a guide to costs and revenues, including public safety, transportation, and general government. Wherever possible, the modified per capita approach methodology will be used. Cost and Revenue data may be supplemented with operational data and additional future cost outlook from interviews with local officials in affected agencies and organizations, plus City estimates of capital costs, infrastructure capacity and backlog, land use alternatives, and construction amounts and timing, if any. The Consultant will examine build out scenarios based on the Future Land Use Element; alternative development scenarios, addressing form and function, high, medium and low growth projections; and provide buildout projections of the net fiscal impacts of alternative development scenarios. This report will inform the capital needs and infrastructure funding discussion, as well as projected operational fiscal conditions.

The Consultant will provide alternative future fiscal scenarios based on low growth (recessionary) conditions, normal growth, and high growth alternatives. Growth alternatives will also vary according to geography, density, and land use development alternatives as described in the 2024 revisions to the Future Land Use Element. The Consultant will examine the budgetary break even points to help determine if additional revenue sources may be needed.

### **Task 3 – Economic Impact Analysis**

The Consultant will quantify the economic impacts of the alternative land use scenarios using the development and buildout scenario data prepared in the prior tasks, in conjunction with the IMPLAN input-output modeling system. Economic impacts include direct effects of new population, new jobs, wages and economic output/GDP, plus the multiplier effects that are illustrated in indirect and induced employment, wages, and economic output as presented through analysis in IMPLAN.

Economic impacts will be calculated by development scenario, for permanent activity and for construction activity, by selected time intervals over the buildout horizon. Impact profiles will be presented by interval to show the expected jobs, wages, and economic output/GDP.

### **Task 4 – Capital Improvement Plan & Funding Model (Long-Term Comprehensive CIP)**

The Consultant will examine the City's capital and infrastructure needs, and present financing alternatives and capital funding feasibility by creating a CIP Funding Model. The model will be driven by the economic development study and information related to an asset condition report from city staff. Credit metrics, rating agency criteria, and ratings methodology will be incorporated to provide management with a dynamic tool that can be used to implement policy. The Consultant will work with the City's Finance Department to review current investment and debt positions and to develop a draft debt policy. The financial model will incorporate liquidity demands and the cost of potential future debt financings. The model will be a working model City staff can use to simulate various economic and market conditions, and updated over time as the CIP changes and financing alternatives evolve.

### **Task 5 – Public Presentations**

Public presentations may be useful to communicate the results of the findings. The Consultant will prepare presentation materials, provide testimony at two public hearings, and respond to any staff or public questions or concerns regarding the Consultant's work. Additional meetings are available upon request to be billed hourly.

### **Task 6 – Fiscal Model for Ongoing Municipal Analysis**

The Consultant will provide the Fiscal Impact Analysis Model as a deliverable product which the City will own and operate on an ongoing basis. Alternatively, upon the City's request, the Consultant will maintain the calibrated model in-house and provide ongoing fiscal analysis services on an hourly, as-needed basis. Either alternative allows for development of ongoing fiscal analysis scenarios for new development or redevelopment projects, land use change alternatives, environmental restoration, and other purposes the City may wish to examine.

### **Task 7 – Additional Work**

Additional work may be undertaken pursuant to this Exhibit C only upon the City's request and authorization. This may include, but is not limited to, fiscal reanalysis, updates to the CIP and debt planning model, additional public hearings, or other analysis as needed.

Upon the City's request, the Consultant will provide assistance in communicating the financial feasibility characteristics to the State of Florida in its evaluation of revisions to the Future Land Use Element.

Upon the City's request and to the extent allowable by law, the Consultant will provide assistance in communicating the financial feasibility characteristics to the City (City Commission, City staff, and general public) in its evaluation of revisions to the Future Land Use Element as may inform voter referenda regarding local finance authority.

### **3.0 Time Frame, Fee Proposal and Billing Arrangements**

The work included in this Exhibit C will be completed pursuant to the fees set forth in this section and at an additional hourly rate as outlined in Exhibit D.

- The fee for Tasks 1, 2, and 3 is \$150,000.
- If the Task 2 model is to be housed for internal operation within and by the City, an additional fee for model deliverable plus training will be \$20,000.
- The fee for Task 4 is \$40,000.
- Additional work under Tasks 5, 6 and 7 if requested and authorized by the City, will be billed at the hourly rate as outlined in Exhibit D.
- Other than the two public presentations included in Task 5, public presentations as requested by the City will be billed at the hourly rate as outlined in Exhibit D.
- Expenses, travel and lodging are not included in the fee for services and will be billed in addition to fees and will be billed at cost.

The work included in this Exhibit C will be completed in the time frame outlined in Exhibit E.

### **4.0 Team Members and Responsibilities**

The Consultant will dedicate all expertise from around the firm, as needed. Primary responsibility for Tasks 1, 2, 3 and 6 will be PFM Group Consulting (PFMGC) team as a sub-consultant. The Consultant will retain primary responsibility for Task 4. Tasks 5, 6 and 7 will be a coordinated effort of the Consultant and of PFMGC as a sub-consultant.

Despite this allocation, these sub-consultants are not parties to this Agreement and the Consultant bears all legal responsibility for its rights and obligations as set forth in the Original Agreement, as amended.

Below are sub-consultant team members currently identified to provide a role in the completion of the tasks outlined herein:

#### **Consultant (PFMFA) Team Members**

Jeremy Niedfeldt, Managing Director

Jay Glover, Managing Director

Mara Lugo, Senior Managing Consultant

Lindsay Hodge, Analyst

#### **PFMGC Team Members**

Matthew Stitt, Managing Director



Kevin Plenzler, Director

Stan Geberer, Senior Managing Consultant

Bill Fulton, FAICP, Senior Advisor Subcontracted)

Garrett Hincken, AICP, Senior Managing Consultant

Mallory Richards, Analyst

Jackie Berry, GIS Analyst

#### **EXHIBIT D – FEE SCHEDULE FOR SERVICES IN EXHIBIT C**

Pursuant to the Third Amendment, the Consultant will provide the services in Exhibit C pursuant to the fees identified in Exhibit C and the hourly rates set forth in this Exhibit E.

This Exhibit D does not apply to the scope of services set forth in Exhibit A; the fee schedule in Exhibit B applies to the services in Exhibit A.

<b><u>Title</u></b>	<b><u>Hourly Rate</u></b>
Managing Director/Director	\$375 per hour
Senior Managing Consultant	\$350 per hour
Senior Analyst/Analyst	\$275 per hour
Analyst (FA & GIS Analyst)	\$200 per hour

#### **EXHIBIT E- PROJECT SCHEDULE FOR SERVICES IN EXHIBIT D**

Pursuant to the Third Amendment, the Consultant will provide the services in Exhibit C pursuant to the project schedule set forth in this Exhibit E.

PFM will complete the task plan within 150 calendar days from the receipt of authorization to proceed or a mutually agreed upon schedule with the City which results in providing the deliverable in advance of October 15, 2024.