

**THREE PARTY AGREEMENT**  
**FOR**  
**FISCAL SUSTAINABILITY STUDY**

**THIS AGREEMENT** entered into this the 9th day of November, 2007, by, between and among **FISHKIND AND ASSOCIATES** (hereinafter the "Contractor"), **NASSAU COUNTY, FLORIDA, a political subdivision of the State of Florida** (hereinafter the "County"), and **TERRAPOINTE, LLC.** (hereinafter "TerraPointe") for the purpose of arranging for a Fiscal Sustainability Study for the County.

**WHEREAS**, the County recognizes the need for fiscal sustainability including the need for a budget analysis and economic forecast which will help the County achieve and maintain sustainability; and

**WHEREAS**, the County desires to have a Fiscal Sustainability Study to help the County plan for its future;

**WHEREAS**, the Contractor has submitted a proposal which, *inter alia*, outlines the Scope of Work for such a study. The Proposal is attached hereto as Exhibit "A";

**WHEREAS**, the County has reviewed the Proposal and desires to have the Contractor conduct the study according to the Task Plan set forth in the Proposal;

**WHEREAS**, TerraPointe has offered to pay the cost of such a study, up to an amount of Sixty Thousand Dollars (\$60,000.00);

**WHEREAS**, the County and the Contractor have agreed to accept TerraPointe's offer to pay on behalf of the County for services rendered not to exceed an amount of Sixty Thousand Dollars (\$60,000.00); and

**WHEREAS** the Contractor has agreed to perform Tasks 1-5 as described in the Task Plan for a total cost of Fifty Thousand Dollars (\$50,000.00). At the County's request, Contractor agrees to perform Additional Work (as referenced in Task 6) at the hourly rates set forth in the Fee Proposal; TerraPointe agrees to pay the cost of any Additional Work not to exceed Ten Thousand Dollars (\$10,000.00).

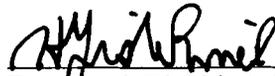
**NOW THEREFORE**, in consideration of the foregoing premises and for other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. The Contractor will perform the Fiscal Sustainability Study for Nassau County as set forth in its Proposal attached hereto as Exhibit "A".
2. The County shall cooperate with the Contractor so that the goal of a successful research program may be attained as contemplated in Section 2.4 of the Proposal. Specifically, the County shall work with the Contractor, as necessary, to complete the tasks described in the Task Plan as set forth in the Proposal.
3. The parties agree to the Fee Proposal, standard billing rates and billing procedures enumerated by the Contractor in the Proposal.
4. TerraPointe agrees to pay all bills rendered by the Contractor in accordance with the billing procedures not to exceed the amount of Sixty Thousand Dollars (\$60,000.00), and the Contractor agrees to look only to TerraPointe for payment.
5. The Contractor shall send all billing invoices to the County for review prior to their submittal to TerraPointe for payment so that the County can verify that the work has been performed. No later than ten (10) days from the date of County's receipt of the invoice, the

County shall forward all billing invoices to TerraPointe with a statement regarding authorization of payment of the invoice.

**IN WITNESS WHEREOF**, the parties have caused this Agreement to be executed the date first ascribed to above.

**FISHKIND AND ASSOCIATES**



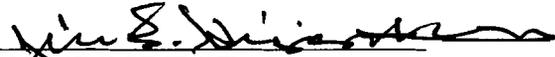
By: Hank Fishkind, President

**TERRAPOINTE, LLC**



By: CARL E. KRAUS  
Title: ACTING PRESIDENT

**BOARD OF COUNTY COMMISSIONERS  
NASSAU COUNTY, FLORIDA**

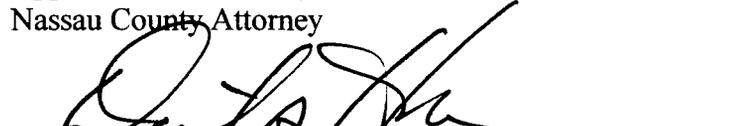


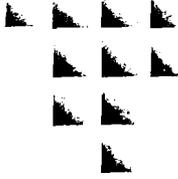
JIM B. HIGGINBOTHAM  
Its: Chairman

ATTEST AS TO CHAIRMAN'S  
SIGNATURE:

  
\_\_\_\_\_  
JOHN A. CRAWFORD  
Its: Ex-Officio Clerk

Approved as to form by the  
Nassau County Attorney

  
\_\_\_\_\_  
DAVID A. HALLMAN



**PROPOSAL**

**TO:** Mr. David Hallman, County Attorney  
Nassua County  
96160 Nassau Place  
Yulee, Florida 32097

**FROM:** Hank Fishkind, Ph.D., President **Henry H. Fishkind, Ph.D.**

Digitally signed by Henry H. Fishkind, Ph. D.  
DN: cn=Henry H. Fishkind, Ph.D., c=US, o=Fishkind & Associates, Inc., email=hankf@fishkind.com  
Date: 2007.08.19 14:02:25 -04'00'

**SUBJECT:** Fiscal Sustainability After Property Tax Reform

**DATE:** August 20, 2007

**VIA:** Email only to jbradley@nassaucountyfl.com

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**1.0 Scope Of Work**

**1.1 Background**

Florida's local governments constantly struggle to properly fund public services and infrastructure facilities needed to support new development and to provide for the needs of existing residents and businesses. The statutory package of property tax reforms enacted by the Legislature this June made this situation much more difficult. Furthermore, it is likely that this difficult funding environment will become much worse if, as is likely, voters approve the so-called super-sized homestead exemption in the upcoming referendum in January 2008. The reduction in property tax revenues from the statutory reforms already in place, and the prospects for additional dramatic reductions in future property tax revenues, calls for a strategic review of the County's current budget structure and the development of a plan to assure the fiscal sustainability of the County in the future.

Fishkind & Associates, Inc. ("Consultant") is experienced in these types of analyses. The Consultant has developed similar studies for St. Johns and for Sarasota Counties. The Consultant developed the Fiscal Impact Analysis Model ("FIAM") under contract to the Florida Department of Community Affairs to assist local governments in analyzing their budgets and the impacts of changes in their land use plans.

In addition, the Consultant served as the primary economic advisor to the Florida Association of Counties during this year's debates over property tax reform. As a result, the Consultant has intimate knowledge of the statutory and the constitutional components of the property tax reform program.

The Consultant envisions a collegial and cooperative approach with Nassau County staff and the Nassau County Board of County Commissioners to develop the data and the analytical tools to assist the County in developing a plan to restructure its budget to make it fiscally sustainable over the long haul in the aftermath of property tax reform. Our proposal follows for your consideration.

## 1.2 Task Plan

### Task 1 Calibrate FIAM for Nassau County

The first step is to develop an analytical tool and database to examine the County's budget. The Consultant will calibrate FIAM Version 7.5 for Nassau County ("County") based on the most current data including the budget for FY2007-08, latest budgetary data filed with the Division of Banking, and the most current data for impact fees and other direct development costs to the extent relevant. The Consultant will fully test the calibrated model to assure its accuracy.

The Consultant will schedule a series of three meetings with County Staff. The initial meeting will be to introduce the work plan and to identify data sources and contacts to obtain detailed data needed for the model. The second meeting will be a progress meeting at which the Consultant will present the preliminary model analysis to staff for review and comment. At the third meeting the Consultant will present the model for final review and critique by Staff. The work product will be a fully calibrated FIAM Version 7.5 vetted by Staff. The work product will include the excel workbook and full documentation for the model.

### Task 2 Economic forecast for Nassau County

The Consultant will develop detailed economic forecasts for Nassau County 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, income, unemployment rate, gross sales, single-family housing starts, multifamily housing starts, and development of commercial space for retail, office, warehouse, industrial, hospital, hotel, and government land uses. The forecasts will include not only totals for the County but the projections also will be articulated geographically, based on the County's existing traffic analysis zones ("TAZs").

The geographic projections will be informed by the land use plan of the County, existing land uses, permitted and entitled but not yet built land uses, plans by major land owners that may not yet be submitted to the County, the plans of the MPO, and other relevant sources.

The Consultant will conduct three meetings with 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 articulated by TAZ. The second meeting will reflect the input from Staff after their review of the preliminary projections. The final meeting will be to present the updated projections for review and comment by 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 baseline forecasts to be used in other tasks.

### Task 3 Projections for Nassau County's Budget

Using the forecasts developed under Task 2 and FIAM calibrated in Task 1, the Consultant will develop a set of forecasts for Nassau County's budget assuming first no change in policies. The question is whether the County's budget structure is fiscally sustainable in its current state? Furthermore, will be budget by sustainable if the proposed constitutional amendment to increase the homestead exemption passes?

Work products from this task will be combined with the work products from Task 4 as described below.

### Task 4 Structural Analysis of the Budget and Suggestions for Change

If the County budget is not sustainable, the Consultant will conduct a detailed analysis of the structure of the budget. What are the major sources of revenues? What forces are driving operating costs? What forces are driving capital expenditures? What options does the County have to raise revenues? What restructuring of departments or functions maybe appropriate?

The Consultant will use FIAM, the projections, and the Consultant's knowledge about other counties and their programs and policies to design a set of options for the Staff and the Commission to consider if appropriate. The options will be designed to create a fiscally sustainable budget structure for the County that can withstand the effect of passage of the expanded homestead exemption while still providing needed public services and capital facilities.

The work products will be: (1) briefings to staff of findings, (2) meetings with individual Commissioners on findings, (3) a presentation at a public workshop to the Board of County Commissioners concerning the sustainability of the budget, and (4) a report of findings in power point with a supporting statistical appendix.

#### Task 5 Follow Up Analysis and Technology Transfer

Task 5 is designed to wrap up the work and transfer the computer models and GIS maps to the County staff. The Consultant will meet with staff following the workshop and discuss any follow up items that need attention. The Consultant will complete the work plan. The Consultant will deliver to the County the models and GIS maps created during the work program and spend a day with Staff to assure the successful transfer of the technology to the appropriate staff.

#### Task 6 Additional Work

The Consultant will take on such additional work as the Client and the Consultant may agree to from time to time that transcend the scope of work outlined under Tasks 1-5. Any such additional work shall be documented by a memo between the parties outlining the scope and nature of the additional work and the fee arrangement.

### **2.0 Fee Proposal, Timetable, Billing Arrangements, and Additional Provisions**

#### 2.1 Fee Proposal

Our fixed fee proposal for the scope of work outlined above under Tasks 1-5 is \$50,000. Work under Task 6 will be on a time and expenses basis. All time is measured on a door-to-door basis and expenses are as incurred. Our standard billing rates apply to this matter and are as follows:

- Dr. Fishkind      \$350/hour
- Associates        \$250/hour

#### 2.2 Time Table

We can complete this scope of work to meet your needs in this matter. The timing of meetings and the workshop in Task 4 will be mutually agreeable times in Yulee.

### 2.3 Fishkind & Associates, Inc. Billing Procedures

We begin each engagement with your authorization to proceed. No retainer is necessary for us to commence work. Bills are rendered on a monthly basis, and payment is expected within 30 days unless other arrangements have been made in writing.

### 2.4 County Responsibilities

In our experience successful research programs, such as the one envisioned here, require close cooperation between the County staff and the Consultant. The County will assist the Consultant in the conduct of this research and provide the data requested on a reasonable basis including budgets, GIS databases, and planning and budgetary parameters used by the County. County staff will provide introductions to all Constitutional Officers and to the School Board and assist the Consultant in gathering data from these Officers and the Board. Finally, the County will appoint a senior staff person to be the liaison between the Consultant and the County.

## **3.0 Authorization to Proceed**

- 3.1 To authorize us to proceed as outlined above, please sign below and return an executed copy of this agreement.
- 3.2 Should you have any questions concerning this proposal, please feel free to give me a call.
- 3.3 Disputes and questions concerning our work are rare, but they do sometimes occur. It is our firm's policy to keep our clients satisfied if possible. If you have a question about our work, please bring it to our attention as soon as possible. Should we be unable to resolve a problem, you may cancel this engagement by informing us in writing. We will cease work, and bill only for the work we have successfully completed.

Litigation concerning our work is very rare. However, if there should be such an unhappy circumstance, the matter shall be subject to Florida law with the prevailing side to be compensated for reasonable attorney's fees and costs.

3.4 To authorize us to proceed, please sign below and return a copy.

Name:

Title:

Date:

Contract No: CN08-36-A  
Bid No: N/A

NOTICE TO PROCEED

RECEIVED

2007 NOV 27 PM 3:26

DATE: COUNTY ATTORNEY

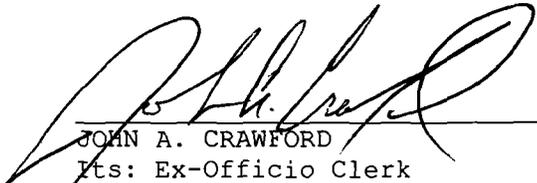
TO: FISHKIND AND ASSOCIATES  
12051 Corporate 11869 HIGH TECH AVENUE  
Boulevard ORLANDO, FL 32817

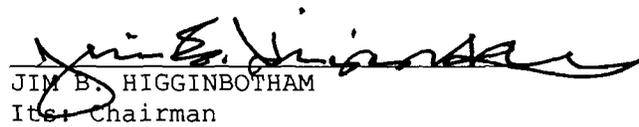
PROJECT: FISCAL  
SUSTAINABILITY STUDY  
Nassau County, Florida

You are hereby notified to commence work in accordance with the Agreement dated the 9<sup>th</sup> day of November 2007.

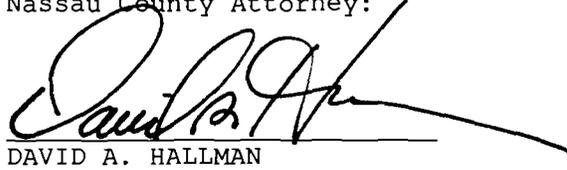
ATTEST AS TO CHAIRMAN'S  
SIGNATURE:

BOARD OF COUNTY COMMISSIONERS  
NASSAU COUNTY, FLORIDA

  
JOHN A. CRAWFORD  
Its: Ex-Officio Clerk

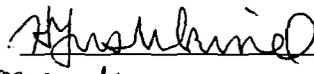
  
JIM B. HIGGINBOTHAM  
Its: Chairman

Approved as to form by the  
Nassau County Attorney:

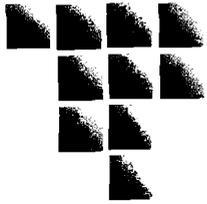
  
DAVID A. HALLMAN

ACCEPTANCE OF NOTICE

Receipt of the above Notice to Proceed is hereby acknowledged:

By:  this the 22 day of November, 2007.

By:   
Title: President



November 26, 2007

Joyce Bradley  
County Attorneys Office  
96135 Nassau Place  
Suite 6  
Yulee, FL 32097

Dear Joyce,

Here is the Notice to Proceed document that Dr. Fishkind has signed.

There was a small error made on our part in that an old template was pulled for the original proposal which shows our previous address. Would you be so kind as to correct your documentation to the correct address on Corporate Blvd.

Thank You

A handwritten signature in cursive script that reads "Linda Kay".

Linda Kay Maier,  
Associate-Controller