CS-15-178

CONTRACT APPROVAL FORM

(Contract Management Use only)

CONTRACT TRACKING NO.

CM2332

CONTRACTOR INFORMATION

Name: Robert Charles Lesser & Co.

Address: 7200 Wisconsin Avenue, 7th Floor, Bethesda, MD 20814
City State Zip

Contractor's Administrator Name: Brian Martin Title: Vice President

Tel#: (407) 515-4994 Fax: (407) 515-6599 Email: bmartin@rclco.com

CONTRACT INFORMATION

Contract Name: LignoTech Florida Manufacturing Facility Contract Value: $7,500.00

Brief Description: Professional Services related to the Fiscal & Economic Impacts of Proposed LignoTech Florida Manufacturing Facility

Contract Dates : From: ________ to: ________ Status: X New ___ Renew ___ Amend# ___ WA/Task Order

How Procured: ___ Sole Source ___ Single Source ___ ITB ___ RFP ___ RFQ ___ Coop. X Other Professional Services

If Processing an Amendment:

Contract #: ________ Increase Amount of Existing Contract: ________

New Contract Dates: ________ to ________ TOTAL OR AMENDMENT AMOUNT: ________

APPROVALS PURSUANT TO NASSAU COUNTY PURCHASING POLICY, SECTION 6

1. ________ 5-24-16
Department Head Signature Date

Board of County Commissioners
Submitting Department

2. ________ 5/24/16
Contract Management Date

01001513-531000
Funding Source/Acct #

3. ________ 5-24-16
Office of Management & Budget Date

4. ________ 5/20/16
County Attorney (approved as to form only) Date

Comments: ________

COUNTY MANAGER – FINAL SIGNATURE APPROVAL

________ 5/26/16
Ted Selby Date

16 MAY 31 AM 11: 13

RETURN ORIGINAL(S) TO CONTRACT MANAGEMENT FOR DISTRIBUTION AS FOLLOWS:

Original: Clerk's Services; Contractor (original or certified copy)
Copy: Department
Office of Management & Budget
Contract Management
Clerk Finance

Revised 9/24/2012

ATLANTA AUSTIN LOS ANGELES ORLANDO WASHINGTON DC

Sent via e-mail

May 19, 2016

Shanea Jones
Director, Office of Management & Budget
96135 Nassau PL., Suite 2
Yulee, FL 32097

SUBJECT: Fiscal & Economic Impacts of Proposed LignoTech Florida Manufacturing Facility; Fernandina Beach, FL

Dear Shanea:

It was a pleasure to speak with you by phone and based on our conversation we are pleased to present this letter outlining a proposed approach to providing professional services relative to the above subject.

ASSIGNMENT BACKGROUND AND OBJECTIVES

We understand that you are interested in quantifying the fiscal and economic impacts related to the development of the LignoTech Florida manufacturing facility to be located in Fernandina Beach, FL. The facility requires a capital investment of approximately $100 million and is forecast to generate 50 to 70 permanent jobs paying an average of $54,000 per year in wages. LignoTech has applied for incentives under Nassau County's Economic Incentive Program. This program offers LignoTech the chance to receive a rebate worth 75% of their property taxes paid to the Nassau County BOCC during each of the first five years of operation and a 50% rebate on property taxes in years six to ten. The facility would need to meet certain performance standards in order to be qualified to receive the rebates.

Nassau County is seeking a qualified, independent consultant to determine the fiscal & economic impact to the county of LignoTech under this incentive program. The County wants to be certain that even with giving LignoTech property tax rebates that the facility will still pay for itself in terms of costs to the County and generate a positive fiscal and economic benefit. RCLCO has an enormous amount of experience when it comes to building and running fiscal and economic impact models. In fact, we have just recently developed a fiscal model for Nassau County that would only need to be updated to the current budget year. This will provide the County cost savings as we would not have to construct the model from scratch. We have also worked in Nassau County on a variety of projects over the years. Brian Martin, an RCLCO Vice President in the Orlando office, has consulted for both Nassau County and the Nassau County School District.

RCLCO's fiscal and economic impact analysis model examines all potential revenues and costs generated or incurred by the County as a result of LignoTech's development. Fiscal impact analysis determines a land use's net benefit contribution to a local government. For instance, every land use (residential, retail, office, industrial, etc.) creates revenue for a local government in the form of property taxes, sales taxes, charges for service, etc. In addition, every land use creates expenses for local governments in the form of charges for police, fire, roads, general government, parks, etc. The net fiscal benefit to the County is simply revenues minus expenses. The model RCLCO has developed for Nassau County is configured with local tax data, current budget, local demographics, etc. in order to customize the model just for Nassau County since every county/city is different. The model is a useful tool for examining the potential impact of future land use decisions on the county's budget and is often used during comprehensive plan amendment hearings and other development approval actions being considered around the state by locally elected bodies of government such as a County/City Commission. In this case, the model will be used to quantify the effect on the County's budget as a result of providing an economic incentive package to LignoTech.

COMPANY BACKGROUND

RCLCO (Robert Charles Lesser & Co.) is the nation's leading independent real estate advisory firm, providing market and financial analysis and strategic planning for a broad spectrum of clients.

End to End
Real Estate Solutions

Strategy
- Corporate
- Portfolio
- Asset
- Green & Carbon Minimizing

Feasibility
- Market Demand Analysis
- Financial Optimization
- Fiscal & Economic Impact
- Consumer Research
- Product Segmentation, Positioning & Pricing
- Amenity Programming

Transaction
- Valuation Services
- Public/Private Partnerships
- Structured Finance (Public & Private)
- Mergers and Acquisitions
- Capital Formation
- Dispositions
- Work-out & Restructuring

Implementation
- Securing Entitlements
- Project Team Formation
- Development Concept & Design
- Stakeholder Engagement
- Project Management
- Owner Representation
- Portfolio & Asset Management

We are recognized in the industry as having the ability to address specific project situations as well as our clients' overall long-term strategic needs. Our services are customized to address our clients' particular needs, supported by both quantitative analysis and creative problem solving. RCLCO has unsurpassed experience in market and feasibility analysis and strategic programming. Our client base includes developers, major investors, lenders, and government agencies. In each engagement, we strive to add value to our clients' real estate activities and to provide ways for them to gain a competitive advantage in the marketplace. Our advice is market-driven, analytically based, practical, actionable, and financially sound.

OVERVIEW OF APPROACH

To meet the above objectives, we propose to do the following:

1. Kick off call to review project objectives, receive relevant information about the facility, review plans and documents pertaining to the assignment, and to understand your objectives more fully.

2. Update the fiscal impact analysis model for Nassau County, FL by populating it with the current budget, local demographics, and tax data.

3. Analyze the fiscal impact of the facility on Nassau County. The County will provide estimates for the number of jobs and estimated property tax value of the facility.

4. Analyze the annual fiscal impact of the proposed incentive program. This analysis will quantify the impact of offering tax rebates to the LignoTech.

5. Determine the economic impact of the facility in terms of jobs, wages, and output. Use the RIMS II multipliers developed by the U.S. Bureau of Economic Analysis to determine the indirect impacts and calculate the total economic impact of LignoTech to Nassau County.

6. Prepare a brief memo outlining our methodology and the results of our analysis.

TIME AND PROFESSIONAL FEE SCHEDULE

We would assume that the above analysis will take a maximum of four weeks to complete from the date of your authorization to proceed. The cost to perform this work is $7,500. This represents a significant savings to the County relative to us having to build the model from scratch since we already have a model for Nassau County that we can update. Additional work such as public presentations, out of office meetings, testimony, etc. will be billed at our standard hourly rates.

If the above meets with your approval, we are prepared to commence work on this assignment as soon as practical after receipt of an executed proposal-agreement. We also request that you process the attached invoice for a $3,750 retainer. This amount will be credited against the final invoice(s). An invoice for the retainer has been included for your convenience.

* * * * *

We are excited about working with you on this interesting project and sincerely appreciate your consideration of our firm. We look forward to hearing from you in the very near future.

Very truly yours,

Gregg Logan
Managing Director

Brian Martin
Vice President

AGREED AND ACCEPTED:

NASSAU COUNTY

By: Ted Selby

Title: County Manager

Signature:

Date: 5/26/16

Unless informed to the contrary in the space provided below, the monthly invoices and reports will be sent to the attention of the individual who executed this agreement:

Name: Shanea Jones

Title: OMB Director/Asst. County Manager

Invoicing Address: 96135 Nassau Place, Ste. 2 Yulee, FL. 32097

Telephone Number: (904)530-6010

Fax Number: (904)321-5917

Mail Address:

E-mail Address: sjones@nassaucountyfl.com

STANDARD APPENDIX TO PROPOSAL-AGREEMENT

Section 1: Payment Terms

If required, an initial payment of $3,750 shall be sent upon execution of this Agreement, which amount will be credited to the outstanding balance on the final invoice(s) submitted to Client. Payment of the retainer should be sent, along with one executed copy of this proposal-agreement, to:

Please mail checks and documents to:
RCLCO
7200 Wisconsin Avenue, Suite 1110
Bethesda, MD 20814

Below are wiring instructions for your convenience:

Bank Name:	Wells Fargo, N.A.
Bank Address:	420 Montgomery Street San Francisco, CA 94104
Bank Account:	2000006140506
Bank ABA:	055003201
RTN (Domestic):	121000248
Reference:	Nassau County

For each monthly billing period ("Billing Period"), RCLCO (Robert Charles Lesser & Co.) will submit invoices to Client for professional services and expenses. Amounts invoiced will be in proportion to the services performed during the preceding billing period. Amounts invoiced for reimbursable expenses, consultants' fees, and additional services will be based on amounts incurred and services performed through the invoice date.

Invoices will be sent via e-mail to the individual that executed this agreement, or otherwise as specified on the signature page.

All payments will be made in the U.S. and in U.S. currency. All taxes and tariffs associated with paying for our services will be paid by Client or, if levied on RCLCO, will be charged back to Client over and above the professional fees and expenses billed in accordance with this Agreement.

Invoices are due and payable upon receipt. Interest, at the highest rate permitted under the applicable law, will accrue on all accounts not paid within thirty (30) days of the invoice receipt date, at which point the account will be deemed overdue. RCLCO retains the right to halt work pending receipt of any overdue payments, and the right to withhold delivery of the final report until payment in full has been received if payment history does not meet the above terms. Client shall pay all costs and expenses, including, without limitation, reasonable attorney's fees and expenses incurred by RCLCO in connection with the collection of the overdue accounts of Client.

Section 2: Estimated Expenses

Travel expenses (mileage, airfare, car rental, hotel, meals, etc.); delivery charges (air freight, messenger service, postage, etc.); color printing and copies of special graphics, photos, etc.; and outside secondary data required for the completion of this engagement[1] will be billed at cost plus a 10% handling charge as incurred.

[1] Such as on-line database charges, other publications, reports, maps, and other miscellaneous out-of-pocket charges related to procurement of necessary information and data for this assignment.

Section 3: Acceptance and Expiration

Acceptance of this proposal-agreement is completed upon receipt of one executed copy of the proposal-agreement and the retainer fee specified. If we are not in receipt of a fully executed copy within thirty (30) days from the date thereof, this proposal-agreement shall be of no further force and effect and shall be deemed withdrawn.

Section 4: Additional Services

In addition to the scope of work covered in this Agreement, we will be available for additional work, including team meetings; planning and design review work; litigation support work; presentations to investors, lenders and/or public agencies; periodic updating of reports; financial analysis; marketing plan; consumer opinion research work; and other activities related to this engagement.

Additional team meetings and planning and design review sessions will be billed for professional time and expense based on our normal hourly or per diem rates. Proposals for other services, indicating scope of work and time and fee schedule, will be submitted upon request.

Professional time for court appearances, depositions, and public hearings will be billed at 150% of our normal hourly rates.

Section 5: Client's Responsibilities

Client agrees to provide full and reliable information about its requirements for the engagement and, at its expense, shall furnish the information, surveys and reports, if any. In addition, Client agrees to provide, at its expense and in a timely manner, the cooperation of its personnel and such additional information with respect to the engagement as may be required from time to time, to be provided by Client for the performance of RCLCO's work. Client shall designate a Project Representative authorized to act on behalf of Client with respect to this Agreement and agrees to render any decisions promptly to avoid unreasonable delay to the engagement and the performance of RCLCO's work.

Section 6: Termination

Either Client or RCLCO may terminate this Agreement by giving written notice at least three (3) days prior to the date of termination. In the event of such termination, Client shall pay RCLCO for services and reimbursable expenses performed or incurred to the termination date.

Section 7: Use of Documents

It is understood by RCLCO that the findings from this engagement ("Report") are the proprietary property of the Client and that for a period of one year, unless otherwise instructed by the Client in writing, they will not be made available to any other organization or individual without consent of the Client. It is agreed by the Client that the Report, unless specifically designated by RCLCO as an internal document, will be presented to third parties only in its entirety and that no abstracting of the Report will be made without first obtaining the permission of RCLCO.

Client agrees to indemnify RCLCO against any losses or claims for damage and liabilities under Federal and State laws that may arise as a result of statements or omissions in public or private offering of securities.

Section 8: General Limiting Conditions

It is understood by the Client that RCLCO can make no guarantees about the recommendations, which will result from the proposed engagement, because these recommendations must be based upon facts discovered by RCLCO during the course of the study and those conditions existing as of the date of the Report.

To protect the Client, and to assure that RCLCO's research results will continue to be accepted as objective and impartial by the business community, it is understood that RCLCO's fee for the undertaking of this engagement is in no way dependent upon the specific conclusions reached or the nature of the advice given by RCLCO in its Report to the Client.

The final Report furnished by RCLCO will contain a statement of General Limiting Conditions, as follows:

"Every reasonable effort has been made to ensure that the data contained in this study reflect the most accurate and timely information possible and are believed to be reliable. This study is based on estimates, assumptions, and other information developed by RCLCO from its independent research effort, general knowledge of the industry, and consultations with the client and its representatives. No responsibility is assumed for inaccuracies in reporting by the client, its agent, and representatives or in any other data source used in preparing or presenting this study. This report is based on information that was current as of the date of this report, and RCLCO has not undertaken any update of its research effort since such date.

Our report may contain prospective financial information, estimates, or opinions that represent our view of reasonable expectations at a particular time, but such information, estimates, or opinions are not offered as predictions or assurances that a particular level of income or profit will be achieved, that particular events will occur, or that a particular price will be offered or accepted. Actual results achieved during the period covered by our prospective financial analysis may vary from those described in our report, and the variations may be material. Therefore, no warranty or representation is made by RCLCO that any of the projected values or results contained in this study will be achieved.

Possession of this study does not carry with it the right of publication thereof or to use the name of "Robert Charles Lesser & Co." or "RCLCO" in any manner without first obtaining the prior written consent of RCLCO. No abstracting, excerpting, or summarization of this study may be made without first obtaining the prior written consent of RCLCO. This report is not to be used in conjunction with any public or private offering of securities or other similar purpose where it may be relied upon to any degree by any person other than the client without first obtaining the prior written consent of RCLCO. This study may not be used for any purpose other than that for which it is prepared or for which prior written consent has first been obtained from RCLCO."

Section 9: Arbitration

Any disputes, claims or other matters arising out of or relating to this Agreement or the breach hereof shall be settled by arbitration in Maryland in accordance with the Rules of the American Arbitration Association. Judgment upon the award rendered by the arbitrators may be entered into any court having jurisdiction hereof. In the event of any arbitration or other legal proceedings pertaining to this Agreement, including the enforcement of any arbitration award, the prevailing party shall be entitled to recover all legal expenses, including reasonable attorney's fees.

Section 10: Miscellaneous

By executing the proposal-agreement for this engagement, Client and RCLCO each bind themselves and their successors and assigns to this Agreement. Neither Client nor RCLCO shall assign or transfer their interest in this Agreement without the written consent of the other.

This Agreement represents the entire Agreement between Client and RCLCO. This Agreement may be amended only in writing, signed by both Client and RCLCO.

Florida law shall govern this Agreement.

Nassau County Board of County Commissioners
May 23, 2016

Proposal for Fiscal and Economic Impact Analysis for LignoTech Florida, LLC – Results Summary

- We reached out to four (4) firms to inquire about the cost benefit analysis of LignoTech Florida, LLC as instructed by the Board of County Commissioners:
  - Fishkind & Associates
  - RCLCO (Robert Charles Lesser & Company)
  - Burton and Associates
  - GSG (Government Services Group)

- **Only TWO Firms, Fishkind and RCLCO, responded that there were capable of performing a fiscal impact and economic impact study.**

- **Fishkind provided a proposal of $10,000 with a timeline that was dependent** upon information and materials available.

- **RCLCO provided a proposal of $7,500 with an approximate timeline of four (4) weeks**. If selected, a $3,750 retainer would be due upon receiving notice to proceed.

- **Burton and Associates** stated that they could perform a fiscal impact study, but would not be able to perform an economic impact. **Therefore, they declined to propose**.

- **GSG** stated that they could perform a fiscal impact study, but would not be able to perform an economic impact. **They provided a <u>verbal</u> quote of $5,000 for the fiscal impact study and suggested partnering with the Regional Planning Council to conduct the economic impact portion.** As of the date of this summary no response has been provided from the Planning Council.

GFOA Best Practice

Evaluating and Managing Economic Development Incentives

Background. State, provincial and local jurisdictions utilizing incentives defined by an economic development policy do so to promote and grow the local economy through job creation, wage and compensation growth, or tax base expansion. However, jurisdictions utilizing economic development incentives have very different objectives from the businesses receiving them. Public bodies are responsible for providing services to citizens while businesses, who in many cases have come to rely on incentives and subsidies, are focused on maximizing profits.

To reach the goals identified in the policy and ensure local government accountability, local jurisdictions need to measure the benefits of projects receiving economicdevelopment incentives against the cost of the public expenditure, or willingness to forgo future revenue. While there is no single best method for conducting analysis and it is impossible to predict all impacts a project will have on a community, providing a thorough and rigorous analysis of each project is critical for the purposes ofgovernment accountability and long-term revenue impacts. Responsible use of public funding requires that projects funded provide a suitable return for the jurisdiction, are consistent with overall community goals and priorities, and require that investments are made in a transparent manner with full understanding of all short- and long-term costs and benefits.

This best practice will give the finance officer guidance on what elements and methods to consider in a detailed cost/benefit analysis.

Work shop-
Tues. May-

Recommendation. The Government Finance Officers Association (GFOA) recommends that state, provincial and local government officials examine the specific benefits and costs associated with economic development projects, programs, and policies. Such an examination should also include an analysis of the assumptions, cost/benefit elements and methodologies being used to justify the incentive.

Overall analysis of projects

An analysis of each project or group of projects should, at a minimum, include:

1. A clear understanding between financial and non-financial costs and benefits.

Economic development projects will most likely result in both financial costs and benefits and non-financial costs and benefits. Financial costs and benefits are those that will impact the jurisdiction's bottom line. For example, additional property tax revenue, payments made on the project, and maintenance expenditures over time are items that will be reported on the jurisdiction's operating statement. Non-financial costs and benefits are realized and have value, but do not translate directly into increases in revenues or expenditures of the jurisdiction. For example, consider public safety, pollution, cultural impact and quality of life components. Economic costs and benefits would include both financial and non-financial costs and benefits.

2. Consideration of the timing of costs and benefits.

Economic development projects will generally occur over multiple years and ideally provide benefits over an even longer period. As part of the analysis, it is important to define when expected costs and benefits will occur to calculate the net cost/benefit for each year as well as a total net cost/benefit. When comparing costs and/or benefits from different years, it is important to discount future year impacts to compensate for the time value of money.

3. Scope of the analysis.

The area for which the analysis will be conducted needs to be identified. Depending on the incentives, multiple jurisdictional levels - counties, townships, school districts, park districts, social service agencies, and water/sewer districts - should be considered in the scope of the project. Consideration should be given to these other jurisdictions because the host of the project may receive a positive net impact while other levels of government experience a negative net impact.

4. Identification of all cost and benefits.

Within the scope of the analysis, direct and indirect costs and benefits that will result from the project, program, or policy need to be identified and addressed, again giving consideration to other jurisdictions that may be impacted.

- Direct Costs: Costs, from the upfront capital expenditures to the long-term ongoing operating expenditures that will result, should be identified. Existing infrastructure (utilities, roads, public transportation, and recreational services) and services (police, fire, schools, social services) that may be impacted from additional need should be projected as well.
- Direct Benefits: Revenues can range from increases in real estate, gross receipts, sales, lodging, utility, or other tax streams to increases in permitting or water and sewer fees.
- Indirect Impacts: Identifying and enumerating indirect costs and revenues is a difficult task most frequently accomplished with more sophisticated econometric models or more simplistic multiplier calculations.

5. Assessment of the chance that each cost and benefit will occur.

Projecting future costs and benefits of an economic development project involves some level of uncertainty. Not all project benefits are guaranteed and this must be accounted for in the cost/benefit analysis. For each cost and benefit and for each year the finance officer should explicitly state the probability of the impact occurring and include these costs in the overall calculation.

6. Communication of Results.

Communicating the assumptions that were involved in developing the net impact is just as important as the impact itself.

Analysis of project benefits

Analysis of the benefits of a project or group of projects should, at a minimum, include:

1. Growth and Diversification of Revenue Base.

Jurisdictions have a vested interest in realizing expected direct benefits of economic development through revenues from development activity. An analysis should include items such as:

- estimates of income, sales, property, and transactional taxes
- the impact of employment or income multipliers or other indirect economic effects
- any additional demand for new or remodeled business properties as a result of economic activity and the ability for existing housing stock to accommodate new resident workers.

It is important that the revenue analysis measure the impacts from business displacement and the "new" revenue generated within a jurisdiction rather than the result of business activity that is moved from one existing business to another.

2. Multi-jurisdictional Benefits.

The full benefit of the economic development project may not be captured solely by the local jurisdiction. An analysis of project benefits should take into account other jurisdictions and the overall project impact.

3. Assessing Intangible Benefits.

Other project benefits may be incurred by the local jurisdiction that, while not exactly quantifiable, can be estimated for the purpose of providing the jurisdiction's decision makers with the most thorough information. Examples of these intangible benefits include donated facilities or infrastructure, quality of life amenities, community prestige or pride, and corporate citizenship.

4. Net Present Value Consideration.

Determining the benefit of a project requires assumptions about the timing of benefit streams that will take place in the future and are based on conditions like employment, occupancy, etc. These benefits will most likely be received in a period other than the one in which the costs are incurred, requiring the calculation of the net present value of the project. For example, a public investment may be required at the onset of a project with annual commitments to operational costs. To make appropriate comparisons between the costs and benefit streams, a net present value analysis should be performed. The analysis should contain a clear description of the adjusted impact for the jurisdiction, the constructed methodology, and the assumptions employed. It is important to acknowledge the strengths, weaknesses, and limitations of results so that decision makers are fully informed.

Analysis of project costs

An analysis of the cost elements of a project or group of projects should, at a minimum, include:

1. Opportunity Costs.

Evaluate other potential uses for the funds, land, and other incentives. This can also include one-time upfront developer subsidies. The evaluation should include uses discussed to date or that may develop in the future, recognizing that future uses inherently involve uncertainty. Is the considered project the highest and best use of the incentive(s)? Or, does a future project generate sufficient benefits to justify the risk that a more desirable project won't appear for some time?

2. Operational Costs.

Within the scope of the project, direct and indirect costs should be identified, and whether these costs will be an expansion of ongoing operations that will require additional resources should be determined. Examples of additional costs include police, fire, social services, roads, public transport, utilities, and recreational facilities.

3. Multi-jurisdictional Impacts.

Whether direct or indirect, cost impacts to multiple government levels - counties, townships, school districts, park districts, social service agencies, libraries, water/sewer districts - should be considered when possible within the scope of the project.

4. Market Impact.

Whether direct or indirect, market impacts to the jurisdiction should be considered. Examples include market absorption or saturation, capacity for growth, and potential displacement or substitution of existing local businesses and service providers.

5. Assessing Intangible Costs.

Project impact considerations may also take into account a variety of intangible factors. Such factors may include quality-of-life or amenities, and, while they may not be readily quantified, these factors can be very influential from the perspective of the taxpayers, neighbors, etc. impacted by the project. Following the identification of applicable factors (e.g., noise, light pollution, traffic, and congestion), it is essential that jurisdictions understand and address the respective issues, while identifying mitigating factors if possible.

6. Cost Analysis Methodologies (See references below):

- *Net Present Value Consideration.* The timing of the costs must be accounted for in the analysis, as additional revenue generated from a project will most likely be realized in the future. For example, a public investment may be required at the onset of a project with annual commitments to operational costs. To make appropriate comparisons between the costs and benefits, a net present value analysis should be performed.
- *Average/Marginal Methods.* Two generally accepted methods for cost analysis are the average (or per capita) method and the marginal cost approach. Average or per capita approaches can be used when the scoped project is not anticipated to incur costs outside the typical average historical costs experienced by the jurisdiction. If costs vary significantly from historical averages, then employing the marginal cost method through a case study may be more appropriate. A case study analyzes the existing supply and demand for public services and projects the impact of the project on these services. Developing a case study requires interviews and data collection to understand current service levels and the impact a new project will have with respect to issues like infrastructure capacity.

Finally, when presenting the results, the analysis should contain a clear description of the net impact for the jurisdiction, the constructed methodology, and the assumptions employed. It is important to acknowledge the strengths, weaknesses, and limitations of results so that decision makers are fully informed.

References.

Preparing A Local Fiscal Benefit-Cost Analysis, International City/County Management Association (ICMA) Report, Volume 37, Number 3, 2005.

"Fiscal Impact Analysis: How to Use It and What to Look Out For," *Government Finance Review*, GFOA, October 2007.

"A Financial Analyst's Toolkit: Analyzing the Fiscal Impacts of Economic Development Projects," *Government Finance Review*, GFOA, June 2008.

GFOA Best Practice, "Developing an Economic Development Incentive Policy," 2008.

GFOA Best Practice, "Monitoring Economic Development Performance," 2009.

Paul Harris and Ronald Berkebile, *A Financial Analyst's Toolkit: Analyzing the Fiscal Impacts of Economic Development Projects*, Government Finance Review, June 2008.

Approved by the GFOA's Executive Board, February, 2014.