

RICHARD CAPLAN & ASSOCIATES

October 20, 2011

Mayor Rick Davis and Hailey City Council
City of Hailey
Attn: Heather Dawson, City Administrator
115 Main Street South
Hailey, ID 83333

Re: Community Benchmark Survey and
Quigley Canyon Annexation Cost/Benefit Study
Update – Proposal & Contract for Services

Dear Mayor and City Council:

I am pleased to respond to the city's request for assistance on behalf of the proposed Quigley Canyon development in Hailey.

It is our understanding the applicant has revised the plan for Quigley Canyon requiring the city to update the previous Cost/Benefit Study for this project. In order to prepare this update, a revised Hailey Capital Improvement Plan is needed (C.I.P). The C.I.P. will reflect, in part, the findings of a community survey. Therefore, these services will be accomplished in two phases:

Phase 1: Community Survey

Phase 2: Quigley Canyon Annexation Cost/Benefit Study

This letter summarizes our services, schedule and compensation for this survey and cost/benefit study update and can be used as an agreement for services.

Scope of Services

Phase I: Community Survey

A. Community Service Benchmark Survey – A survey will be prepared and disseminated that assesses Hailey residents' expectations with emphasis on existing facilities and proposed capital improvements, including the amenities proposed in the Quigley Canyon development. This survey will be accomplished utilizing three methods:

- i. A mail back survey in the city's monthly utility billing to be returned with the payments or dropped off at City Hall;
- ii. Distributing and collecting the survey at the Hailey Library; and
- iii. Placing the survey on the city's web site.

The survey format will reflect the 2009 Community Survey prepared by our firm for the city, offering trends in opinions and comparative insights. The survey results will provide an assessment of the city's current improvements and prioritize potential capital projects, amenities and related level of service Hailey residents want the city to address, improve and/or enhance within current and future city boundaries.

B. Annual Costs Analysis to Meet Benchmark

Based on the results of the survey, cost estimates will be prepared in cooperation with city staff to determine the incremental annual costs associated with providing, increasing and/or offering services and/or capital improvements that respond to the highest ranked citizen responses.

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Phase 2: Quigley Canyon Annexation Cost/Benefit Study

This phase will incorporate the revised C.I.P. as a critical element of the Quigley Canyon cost/benefit study. This will include the following steps summarized as follows:

1. Updating the cost/benefit study to reflect the most current fiscal year city expenditures and the revised Hailey C.I.P.;
2. Recalculating city revenues and expenses based on updated number of Quigley Canyon units, revised project build phasing and revised city and Quigley Canyon projected population;
3. Updating all tables in the prior study, as necessary;
4. Revising and submitting the updated Cost/Benefit Study;
5. Conducting a conference call(s) to discuss the report with the city and the applicant;
6. Preparing any agreed upon revisions, if required.

Schedule and Compensation

We are prepared to initiate this Survey and Update immediately upon approval by the City. The schedule to complete this survey and update will be in accordance with the following:

Major Task	November 2011	December 2011	January 2012	February 2012
Phase I: Prepare and distribute survey	by November 30			
Survey collection		Due by January 7		
Survey analysis & distribution of results		By January 30		
Revise C.I.P. (led by city)			By February 13	
Phase 2: Update Cost/Benefit Study		No later than January 16		

The total professional fees and all routine expenses for each phase are as follows:

Phase I:	2012 Community Survey	\$4,750.
Phase II:	Cost / Benefit Update	\$3,750.
Total:		\$8,500.

These fees include all routine expenses. Out-of-pocket travel expenses for any required Hailey site visit(s) for round trip air fare from our staff, Hailey car rental and lodging will be subject to reimbursement by the city and added to these professional fees.

The costs of distributing the Community Survey in the City's utility billing and through the Hailey Public Library will be the responsibility of the City of Hailey. RCA will be responsible for tabulation of the survey results, analyzing the findings and comparing certain findings to the 2009 Community Survey.

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To indicate the City of Hailey's acceptance of these services, please sign and return by e-mail or fax a copy of this proposal.

I am pleased to provide this assistance and look forward to working with you on this important project.

Respectfully submitted,

Rich Caplan

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For the City of Hailey:

Date