



May 18, 2018

Mr. Ron Nalley, Town Manager
Town of Lake Lure
2948 Memorial Highway
Lake Lure, NC 28746

REGARDING:

***Lake Lure Marina Redevelopment
Project Financial Assessment***

Dear Mr. Nalley:

In response to our recent discussion, WR-Martin has prepared the following Scope of Services and cost estimate for your consideration. We look forward to working with you to prepare a preliminary financial summary on the proposed Lake Lure Marina Redevelopment Project, which can be used to inform future planning and analysis in support of this project. This project has tremendous economic potential for the Town and we're excited to be part of the initial planning work.

PROPOSED SCOPE OF SERVICES

The Town of Lake Lure seeks a firm to provide preliminary financial analysis of the Lake Lure Marina Redevelopment Project, including estimated construction and operations costs, potential revenue generation opportunities, debt service, and other financial considerations.

Project Planning and Current State Analysis

- Review project objectives with the Town Manager and Lake Operations Director as the basis for creating a Marina financial assessment model.
- Collect all relevant technical, organizational and financial information required for the project.
- Review financial information for the Marina project, including current budget and past audits, current user information, debt status, and previously prepared Marina plans and capital improvement programs.
- Meet with the Town Manager and his designated staff to discuss key project assumptions and project considerations that relate to the present or future financial status of the fund. Document assumptions and obtain signoff from client, confirming assumptions.

Capital Improvement Planning and Funding Strategies

- Assist the Town in creating a Capital Improvements Plan (CIP) for the Marina and summarize capital funding assumptions for each proposed project, along with related debt service requirements.
- Prepare the CIP component of the financial assessment and review with the Town staff to gain concurrence.

Financial Analysis Model

- Develop a 10-year financial assessment model for the Town's Marina.
- Develop key financial benchmarks for annual net income, reserves, and debt ratios as measures of fund sustainability.
- Project revenues from operating and non-operating sources and fund costs attributable to operations and capital investments over the ten-year period.
- Determine the extent to which revenues exceed expenditures for each year of the project period.
- Establish annual estimates of new revenue requirements necessary to sustain the program and meet Town objectives over the project period.
- Review the draft financial analysis with the Town Manager and his designated staff.



Final Project Deliverables

- Prepare a draft memorandum of findings and conclusions.
- Review the draft memorandum with the Town Manager and incorporate comments and input into a final financial assessment memorandum.
- Finalize the memorandum, which will highlight areas where future analysis of potential revenue sources and economic impact should be considered.

OUT OF SCOPE ACTIVITIES

- Any engineering assistance related to cost estimating or updating capital cost assumptions must be provided for outside this proposal. WR-Martin can provide these optional services from an engineer subcontractor for the Town's convenience.
- The scope does not include any environmental assessments or cost estimates that may be required to fully complete the financial assessment and does not include economic impact analysis, although the experienced team at WR-Martin/WithersRavenel would be happy to provide these services in the future.

TIMELINE

The report will be created in print and electronic format and submitted to the Town no later than June 8, 2018.

Work on this scope of services will begin upon the date of the execution of this contract (anticipated to be May 25, 2018) and would be complete by June 8, 2018 for Board consideration at its June 12 meeting.

ESTIMATED PROJECT COST

WR-Martin proposes to provide the services outlined in the above scope of services for an estimated fee of Seven Thousand, Five Hundred Dollars (\$7,500), plus reimbursable expenses. The estimated project cost would be assessed monthly based on progress, in accordance with WR-Martin's current schedule of fees and expenses. The estimated project cost does not include any cost for architectural or engineering services, cost estimates, legal services, or other technical or professional services that are not specifically addressed in the above scope of services, although such services can be added to this agreement with the written execution of an addendum from both parties. WR-Martin is a subsidiary of WithersRavenel.

We greatly value this opportunity to assist the Town of Lake Lure with this important project. We are prepared to begin work immediately upon receipt of your notice to proceed. We would be pleased to meet with you to discuss the proposed scope of services at your convenience, and we look forward to answering any questions that you or your Board may have.

Respectfully,
WR-Martin, Inc.

A handwritten signature in blue ink that reads 'Jessica Martin-Lane'.

Jessica Martin-Lane
President

Signatures to be provided on the next page



Execution of this document in the space provided below acknowledges approval of the terms and provisions provided for herein.

Ronald W. Nalley
Mr. Ron Nalley, Town Manager
Town of Lake Lure

6/5/2018
Date

Sam Karr
Mr. Sam Karr, Finance Officer
Town of Lake Lure

6/6/18
Date

This instrument has been pre-audited in the manner required by the Local Government Budget and Fiscal Control Act.

Sam Karr
Pre Audit Certification
Finance Officer

6/6/18
Date