



April 14, 2026

Ms. Hallie Adams
DF Development LLC
Donnelly, Idaho 83615

Re: Proposal to Conduct Economic and Fiscal Impact Study of Mixed-Use Development in Valley County, Idaho

Dear Ms. Adams:

BBC Research & Consulting (BBC) is pleased to present a proposal to DF Development LLC to conduct a targeted economic and fiscal impact analysis for the proposed mixed-use and residential development in the McCall area of Valley County, Idaho. We understand this effort is designed to provide high-level, streamlined decision-support information for staff review, Planning & Zoning Commission deliberations, and public understanding.

Given our extensive experience conducting municipal resource modeling, impact fee studies, and targeted fiscal analyses across Idaho and Colorado, we have a detailed understanding of the unique dynamics facing mountain and resort communities. We recognize that this is a streamlined impact analysis, not a comprehensive market or demand forecasting study. BBC will tailor our research directly to the development assumptions provided to deliver a clear, defensible narrative of the project's regional value.

BBC's Relevant Experience and Qualifications

(BBC brings over 55 years of expertise in regional economics and fiscal analysis, specializing in the intersection of large-scale land development and lifestyle-driven economic development. Our firm is uniquely qualified for this engagement based on our deep background in local government fiscal realities and regional economic modeling:

- **Idaho-Specific Studies.** BBC has extensive experience working in Idaho. We have completed impact fee and fiscal impact studies for Jefferson County, Kootenai County, and the cities of Boise and Payette. BBC has also completed multiple analyses of procurement programs and spending for the Idaho Department of Transportation as well as numerous studies on housing affordability for communities throughout Idaho. Through these engagements, we have developed a thorough understanding of Idaho's statutory framework and local tax structures. This familiarity allows us to rapidly adapt

our municipal resource modeling to Valley County's specific mill levies, ensuring our revenue projections are both hyper-local and highly defensible for the Planning & Zoning Commission.

- **Master-Planned Buildout Fiscal Impact (The Canyons at Castle Pines, Colorado).** BBC modeled the fiscal impacts of this 3,340-acre community, quantifying how sustained residential growth and high-volume construction directly impact revenues and municipal service costs across millions of square feet of mixed-use space.
- **Resort Community Fiscal and Economic Impacts (Teton Village, WY and Telluride, CO).** We specialize in isolating the fiscal impacts of development within mountain communities. As demonstrated by our work in Teton Village and Telluride, we understand how to accurately model the balance between new public service costs, such as infrastructure, schools, and public safety, and the resulting regional tax revenues, ensuring that decisions makers understand the revenues and costs associated with proposed projects.
- **Economic Impact (Red Rocks Amphitheatre, Colorado Lottery).** BBC conducted the first economic impact study of the world's most attended outdoor concert venue, Red Rocks Amphitheatre. BBC's analysis showed that the venue provides nearly a billion dollars of economic impact in the Denver Metro Area each year. BBC also conducted the first-ever economic impact analysis for the Colorado Lottery, including its impact on parks, wildlife, and other amenities funded by the Lottery's net proceeds.

By leveraging our diverse experience and background, we will deliver a highly defensible narrative that highlights the economic and fiscal impacts of the proposed mixed-use development and its place in the local economy and impact on the local tax base. Our goal is to ensure DF Development has a defensible, high-impact report that clearly communicates the total value of the proposed development to any interested stakeholders.

Project Tasks

To capture the economic and fiscal footprint of the proposed development, BBC proposes the following streamlined methodology:

Task 1 – Project initiation and management

Effective communication is essential for a compressed 4-to-6-week timeline. BBC will coordinate a project kickoff meeting with DF Development to confirm all development assumptions and finalize the methodology. Because this analysis relies strictly on client-provided data (e.g., unit counts, commercial square footage, construction costs), we will use this meeting to ensure our models are perfectly aligned with your internal projections before any analysis begins.

Task 2 – Economic impact analysis

Using the confirmed assumptions, BBC will utilize the RIMS II input-output model to estimate the localized economic impacts of the project. We will quantify the economic ripple effects of the development, specifically focusing on:

- **Construction Impacts:** Temporary jobs, economic output, and labor income generated during the buildout phase.
- **Operational Impacts:** Permanent jobs, ongoing economic output, and sustained labor income driven by the mixed-use commercial elements and ongoing residential spending.

Although the IMPLAN model is widely used for this type of analysis, it requires \$10,000 in pass-through data fees compared to just \$600 for RIMS II. Because both platforms yield essentially the same economic outputs, we strongly recommend moving forward with the RIMS II model to optimize your budget without sacrificing analytical quality.

Task 3 – Fiscal impact analyses

BBC will evaluate the fiscal implications of the development for Valley County and relevant local taxing districts (e.g. McCall, Idaho).

- **Anticipated Revenues:** BBC will use county and municipal budgets to develop localized spreadsheet models to explicitly estimate anticipated property tax, sales tax, and other applicable local revenues based on Valley County's and/or McCall, Idaho's current mill levies and tax structures.
- **Public Service Costs:** We will conduct a planning-level assessment of the anticipated public service costs generated by the new population and commercial activity, specifically evaluating impacts on local infrastructure, schools, public safety, and recreation.

By synthesizing these revenue estimates with the anticipated service costs, BBC will deliver a clear picture of the project's net fiscal impact on Valley County's and/or McCall, Idaho's public finances. This bottom-line analysis will provide the Planning & Zoning Commission and local stakeholders with the precise, defensible metrics needed to evaluate the development's long-term financial viability within the community.

Task 4 – Reporting, presentation, and impact model

BBC will translate the technical findings into highly accessible deliverables designed for public and commission review.

- **Technical Memorandum:** We will deliver a concise final report (approximately 10–20 pages) detailing the methodology, the assumptions summary, and all economic and fiscal impact tables.
- **Presentation Materials:** BBC will develop a polished slide deck that distills the core narrative.
- **P&Z Commission Meeting:** BBC Managing Director Michael Verdone and Director Emeritus Kevin Williams will virtually participate in one (1) Planning & Zoning Commission meeting to present the findings and serve as an expert resource to answer commission questions.

Together, these deliverables ensure that the economic and fiscal realities of the development are not just calculated but clearly communicated. Having Dr. Verdone and Mr. Williams present the results to and answer questions from the Commission will provide an added layer of confidence and defensibility to the project's public review.

Budget, Schedule, and Staffing

BBC will deliver the draft technical memorandum and presentation materials within 4 weeks of the Notice to Proceed, leaving one week for your review before finalizing the deliverables within the 6-week window. BBC proposes a total fixed fee budget of \$14,790 to complete this scope as shown in Table 1. This budget is inclusive of all professional time, RIMS II data, and any additional expense the project time faces to complete this assignment.

Table 1: Budget for Economic Impact Study of Babcock Ranch

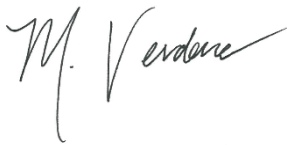
| Task | Staff Hours by Task | | Total BBC Labor Cost | Direct Expenses* | Total Cost |
|--|----------------------|---------------------|-------------------------|---------------------|-----------------|
| | Managing Director | Senior Associate | | | |
| | (\$240/hour) | (\$195/hour) | | | |
| 1. Project Initiation and Management | 2 | 0 | \$480 | \$0 | \$480 |
| 2. Economic Impact Analysis | 8 | 14 | \$4,650 | \$600 | \$5,250 |
| 3. Fiscal Impact Analyses | 8 | 14 | \$4,650 | \$0 | \$4,650 |
| 4. Reporting, Presentation, and Impact Model | 7 | 14 | \$4,410 | \$0 | \$4,410 |
| Project Totals | 25 | 42 | \$14,190 | \$600 | \$14,790 |

Dr. Michael Verdone will lead the project with support from Mr. Kevin Williams. Dr. Verdone has led numerous economic and fiscal impact studies throughout Colorado and Mr. Williams has led BBC's work in Idaho for the Idaho Department of Transportation and analyzed housing data for Pocatello, Idaho. He has also conducted numerous impact fee studies.

Next steps

We are excited about the possibility of partnering with DF Development to document the economic and fiscal impacts of the proposed mixed-used development near McCall, Idaho. Please contact us with any questions you have about this proposal or our study team. We look forward to hearing from you soon.

Sincerely,



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