

ITEM 4.8

CITY MANAGER'S REPORT APRIL 8, 2024 CITY COUNCIL REGULAR MEETING

ITEM: APPROVE TASK ORDER NO. 12 WITH GOODWIN CONSULTING GROUP, INC. FOR CITYWIDE CFF UPDATE, CIP GG 22-01 AND APPROVE BUDGET AMENDMENT

RECOMMENDATION: Adopt Resolution Approving Task Order No. 12 with Goodwin Consulting Group, Inc., for the Citywide Capital Facilities Fees Update, CIP GG 22-01 and Approve Budget Amendment

SUMMARY:

Capital Facilities Fees (CFF's) are essential to providing a revenue source for capital improvement projects within the City. As development progresses, it is necessary to update the CFF's to include modifications to land uses, reimbursements for developer installed infrastructure and adjustments to existing fees for current project costs.

Staff received a proposal from Goodwin Consulting Group, Inc. (GCG) to update the CFF's, CIP GG 22-01. Staff requests that City Council approve Task Order No. 12 with GCG for \$59,500. Sufficient funds were not approved in the FY 23-24 budget, therefore; staff also requests that City Council approve a budget amendment as detailed in the fiscal impact section below.

BACKGROUND:

On November 13, 2023, City Council approved the Central Lathrop Specific Plan (CLSP) Phase 2 Amendment changing the zoning in the CLSP Phase 2 area from residential to limited industrial. Pursuant to the conditions of the CLSP Phase 2 Amendment, Hodgdon Group (Developer) is required to complete a Capital Facility Fee Study to update existing fees and establish new fees that will fund existing and proposed infrastructure throughout the City. The change from residential to limited industrial zoning modified the weight in which the CFF's are distributed throughout the City and therefore, a citywide CFF update is needed.

The State of California Mitigation Fee Act (also known as "AB 1600," Government Code sections 66000, et seq.), identifies the required findings which must be made by the City in any action establishing, increasing, or imposing a development impact fee as a condition of approval of a development project. The City retained GCG to assist in preparing fees for CLSP Phase 2, in accordance with AB 1600. GCG has assisted the City in establishing CFF's for various specific plan areas throughout the City.

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APPROVE TASK ORDER NO. 12 WITH GOODWIN CONSULTING GROUP, INC.
FOR CITYWIDE CFF UPDATE, CIP GG 22-01 AND APPROVE BUDGET
AMENDMENT

REASON FOR RECOMMENDATION:

CFF's are essential to providing a revenue source for capital improvement projects within the City. As development progresses, it is necessary to update the CFF's to include modifications to land uses, reimbursements for developer installed infrastructure and adjustments to existing fees for current project costs.

FISCAL IMPACT:

The total cost of Task Order No. 12 with GCG is \$59,500 to update the CFF's. The Developer has funded Task Order No. 12, but the funds need to be transferred to the project (GG 22-01), therefore staff requests that City Council approve a budget amendment as detailed below.

| | | |
|------------------------|----------|----------|
| Increase Revenue | | |
| 2710-80-00-372-01-00 | | \$59,500 |
| | | |
| Increase Transfer Out | | |
| 2710- 9900-90-9010 | | \$59,500 |
| | | |
| Increase Transfer In | | |
| 3010-9900-393-0000 | GG 22-01 | \$59,500 |
| | | |
| Increase Appropriation | | |
| 3010-8000-420-1200 | GG 22-01 | \$59,500 |

ATTACHMENTS:

- A. Resolution Approving Task Order No. 12 with Goodwin Consulting Group, Inc., for the Citywide Capital Facilities Fees Update, CIP PS 22-01 and Approve Budget Amendment
- B. Task Order No. 12 with Goodwin Consulting Group to update the Citywide Capital Facilities Fees Update, CIP GG 20-17

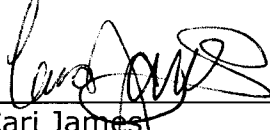
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APPROVALS



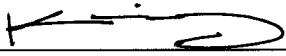
Brad Taylor
City Engineer

3/26/2024
Date




Cari James
Finance Director

3/26/2024
Date



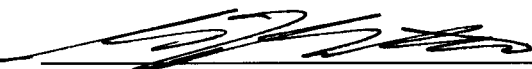
Michael King
Assistant City Manager

3.26.2024
Date



Salvador Navarrete
City Attorney

3-26-2024
Date



Stephen J. Salvatore
City Manager

3-28-24
Date

RESOLUTION NO. 24-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LATHROP APPROVING TASK ORDER NO. 12 WITH GOODWIN CONSULTING GROUP, INC. FOR THE CITYWIDE CAPITAL FACILITIES FEES UPDATE, CIP GG 22-01 AND APPROVE BUDGET AMENDMENT

WHEREAS, on November 13, 2023 City Council approved the Central Lathrop Specific Plan (CLSP) Phase 2 Amendment changing the zoning in the CLSP Phase 2 area from residential to limited industrial; and

WHEREAS, pursuant to the conditions of the CLSP Phase 2 Amendment Hodgdon Group Realty, Inc. (Developer) is required to complete a Capital Facility Fee Study to update existing fees and establish new fees that will fund existing and proposed infrastructure throughout the City; and

WHEREAS, the change from residential to limited industrial zoning modified the weight in which the CFF's are distributed throughout the City and therefore, a citywide CFF update is needed; and

WHEREAS, the State of California Mitigation Fee Act (also known as "AB 1600," Government Code sections 66000, et seq.), identifies the required findings which must be made by the City in any action establishing, increasing, or imposing a development impact fee as a condition of approval of a development project. The City retained GCG to assist in preparing fees for CLSP Phase 2, in accordance with AB 1600. GCG has assisted the City in establishing CFF's for various specific plan areas throughout the City; and

WHEREAS, the total cost of Task Order No. 12 with GCG is \$59,500 to update the Citywide CFF's, CIP GG 22-01. The Developer has funded Task Order No. 12, but the funds need to be transferred to the project; therefore, staff requests that City Council approve a budget amendment as follows:

| | | |
|------------------------|----------|----------|
| Increase Revenue | | |
| 2710-80-00-372-01-00 | | \$59,500 |
| Increase Transfer Out | | |
| 2710- 9900-90-9010 | | \$59,500 |
| Increase Transfer In | | |
| 3010-9900-393-0000 | GG 22-01 | \$59,500 |
| Increase Appropriation | | |
| 3010-8000-420-1200 | GG 22-01 | \$59,500 |

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Lathrop hereby approves Task Order No. 12 with Goodwin Consulting Group, Inc. for \$59,500 to update the Citywide CFF's and budget amendment as detailed above.

The foregoing resolution was passed and adopted this 8th day of April 2024, by the following vote of the City Council, to wit:

AYES:

NOES:

ABSTAIN:

ABSENT:

Sonny Dhaliwal, Mayor

ATTEST:

Teresa Vargas, City Clerk

APPROVED AS TO FORM:



Salvador Navarrete, City Attorney

CITY OF LATHROP

**TASK ORDER NO. 12 PURSUANT TO MASTER CONSULTING
AGREEMENT DATED MAY 13, 2019 WITH
GOODWIN CONSULTING GROUP**

**TO PREPARE THE CITYWIDE CAPITAL FACILITIES FEES UPDATE,
CIP GG 22-01**

THIS TASK ORDER NO. 12, dated for convenience this **8th of April 2024** is by and made and entered into by and between **GOODWIN CONSULTING GROUP** ("CONSULTANT") and the CITY OF LATHROP, a California municipal corporation ("CITY");

RECITALS:

WHEREAS, on May 13, 2019, CONSULTANT entered into a Master Agreement ("AGREEMENT") with the CITY, and pursuant to Section 3 "Effective Date and Term," the AGREEMENT shall automatically be renewed under the same terms and conditions by which the CONSULTANT has agreed to prepare Capital Facilities Fees for Various Development Projects; and

WHEREAS, at the request of the City, CONSULTANT submitted the scope of work and fee estimate for services which are attached hereto as Exhibit "A" and incorporated herein by reference; and

WHEREAS, the developer (Hodgdon Group Realty, Inc.) has fully funded the cost of this agreement, and payment has been deposited with the CITY;

NOW, THEREFORE, CONSULTANT and the CITY agree as follows:

AGREEMENT

(1) Incorporation of Master Agreement

This Task Order No. 12 hereby incorporates by reference all terms and conditions set forth in the Master Agreement for Consulting Services dated May 13, 2019, unless specifically modified by this Task Order.

(2) Scope of Service

CONSULTANT agrees to perform services in accordance with the scope of work and fee proposal attached hereto as Exhibit "A" to this Task Order. CONSULTANT agrees to diligently perform these services in accordance with the upmost standards of its profession and to the CITY'S satisfaction.

CITY OF LATHROP – TASK ORDER NO. 12 WITH GOODWIN CONSULTING GROUP
TO PREPARE THE CITYWIDE CFF UPDATE, CIP GG 22-01

(3) **Effective Date and Term.**

The effective date of this **Task Order No. 12** is **April 8, 2024**, and it shall terminate no later than **December 31, 2025**.

(4) **Compensation**

CITY hereby agrees to pay CONSULTANT hourly rates and other charges not to exceed **\$59,500** for the scope of work and fee proposal attached hereto as Exhibit "A". CONSULTANT shall be paid any uncontested sum due and payable within thirty (30) days of receipt of billings containing all information pursuant to Paragraph 5 below. Compensation for any task must be equal to or less than the percentage of task complete. In no event shall CONSULTANT be entitled to compensation for work not included in Exhibit "A", unless a written change order or authorization describing the extra work and payment terms has been executed by CITY's authorized representative prior to the commencement of the work.

(5) **Notice to Proceed**

Prior to commencing work under this agreement, CONSULTANT shall receive a written "Notice to Proceed" from CITY. A Notice to Proceed shall not be issued until all necessary insurance have been received. City shall not be obligated to pay CONSULTANT for any services prior to issuance of the Notice to Proceed.

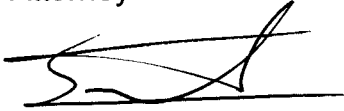
(6) **Signatures**

The individuals executing this Agreement represent and warrant that they have the right, power, legal capacity, and authority to enter into and to execute this Agreement on behalf of the respective legal entities of the CONSULTANT and the CITY. This agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

CITY OF LATHROP – TASK ORDER NO. 12 WITH GOODWIN CONSULTING GROUP
TO PREPARE THE CITYWIDE CFF UPDATE, CIP GG 22-01

Approved as to Form:

City of Lathrop
City Attorney



3-24-2024

Salvador Navarrete

Date

Recommended for Approval:

City of Lathrop
Assistant City Manager

Michael King

Date

Approved By:

City of Lathrop
390 Towne Centre Drive
Lathrop, CA 95330

Stephen J. Salvatore
City Manager

Date

CONSULTANT:

Goodwin Consulting Group
655 University Avenue, Suite 200
Sacramento, CA 95825

Fed ID # _____
Lathrop Bus License # _____

By: Print Name, Title

Date



I. CITY OF LATHROP FEE STUDY UPDATE - SCOPE OF WORK

Goodwin Consulting Group, Inc. (GCG) will prepare the City of Lathrop (City) Capital Facilities Fee (CFF) Study Update (the "Study") to ensure that the fees included in the Study are compliant with the Mitigation Fee Act (Government Code Section 66000 et. seq.) and updated for revised land uses approved in Phase 2 of the Central Lathrop Specific Plan (CLSP) area. Additionally, GCG will evaluate the existing fee methodologies and update as required to comply with new impact fee requirements pursuant to Assembly Bill 602 (AB 602) that went into effect in 2022. These CFFs will be used to fund various public facilities both within Central Lathrop and also other development areas of the City that share facilities with Phase 2 of CLSP. The CFFs included in this scope of work are as follows:

- West/Central Lathrop Regional Transportation
- Water System – West/Central Lathrop Well Improvement
- Sewer/Recycled Water System for CLSP
- Culture and Leisure
- CLSP In-Lieu Community Parks Dedication
- CLSP Storm Drainage System Improvements for WS4
- Municipal Services
- WLSP Regional Transportation

Following is a summary of the tasks that will be provided.

Task 1. Project Initiation Meeting

GCG will coordinate with City staff on the updated facilities, costs, and development estimates within CLSP and other areas that will be used to calculate the fees. GCG will also coordinate with staff on the cost allocation methodology that will be used to calculate the fees. GCG will review the cost allocation methodologies to ensure they are a reasonable approach to establish nexus between the land uses and the fees and to ensure compliance with AB 602. GCG will coordinate with the City on reviewing existing levels of service and any justifications needed for increases as a result of the fee updates. Additionally, GCG will coordinate with the City to examine fees collected prior to the fee update to justify fee increases, if any, as required by AB 602. Finally, GCG will coordinate with City staff to determine the preferable fee format for the program.

Task 2. Data Collection and Development

GCG will collect updated land use, infrastructure, parcel, and development data related to the CLSP area and refer to the DA regarding reimbursement provisions for the facilities and costs. GCG will also obtain land use information for other affected areas as necessary. If necessary,

GCG will collect existing residential square footage data to develop an average for use in converting fees to a per square-foot basis, as required by AB 602. GCG will rely on an existing traffic study or a new traffic study for trip generation information used to update the West/Central Lathrop Regional Transportation CFF.

Task 3. Fee Calculation and Analysis

Once the facilities and land costs have been updated, GCG will allocate costs based on application of the following steps:

- Allocate each facility's costs based on acreage or equivalent dwelling units (EDUs) to the land use categories in CLSP and any other affected areas. Coordinate with City staff on acreage totals and whether acreage numbers should be reduced to account for streets and other public uses.
- Calculate fees on a per square-foot basis or convert where necessary to comply with requirements in AB 602. Otherwise, GCG will calculate fees on a per unit basis for residential development and on a per square foot basis for non-residential development, or on any other basis that is compliant with the Mitigation Fee Act.

Once calculated, GCG will provide the draft fees to the City for discussion, comment, and to make any necessary changes to the fee analysis.

Task 4. Report Preparation

This task involves summarizing all data and assumptions used to determine the fees and presenting the findings of the Study. The report will identify all facilities and detailed costs to be funded by the plan, outline the nexus argument for the fee amounts and provide a clear discussion of how fees were calculated. GCG will also provide a clear summary of the land uses within the affected area of each fee.

The report will also identify the cost allocation methodology used to determine the fair share cost for the development areas. Pursuant to AB 602, the report will review levels of service for any fees that are establishing a higher level of service as a result of the CFF update. The report will also review fees collected for any fees that increase as a result of the update. Finally, the report will include a discussion of the annual accounting, reporting, and administrative procedures that are required pursuant to AB 1600. GCG will provide the City with an administrative draft version of the report, a draft report for public distribution, and a finalized report for presentation to the City Council and the public.

Task 5. Meetings

GCG will attend up to two meetings associated with this scope of work, which may include, but will not be limited to, meetings with City staff or developer(s) to review data requirements, assumptions, or the draft fee report; and City Council meeting to present the final report. GCG will also prepare a PowerPoint presentation for the City Council meeting that summarizes the results of the Study.

II. FEE PROPOSAL

In association with the scope of work set forth in Section I above, GCG proposes a fee of \$59,500. This fee represents a maximum amount not to be exceeded subject to the limitations set forth below. If the scope of work can be completed for less than the maximum budget, only the hours actually expended will be billed. Services will be billed on a time and materials basis using the hourly rates set forth in the table below.

Expenses

GCG shall be reimbursed for all costs such as travel mileage, overnight delivery, and data purchases.

Billing Structure

GCG shall submit monthly invoices to the City providing details of services rendered and expenses incurred. Out of scope services that are requested by the City will be billed at the hourly rates listed in Table 1. Out of scope services include:

- Meetings for which GCG is requested to attend that would be in excess of the two included in this scope of work will be billed at the hourly rates listed in Table 1
- Should the City determine that additional CFFs need to be updated as part of this work effort, an additional fee of \$6,000 per additional CFF will be charged.

TABLE 1
GCG HOURLY SERVICE RATES

| | |
|--------------------|------------|
| Managing Principal | \$345/Hour |
| Senior Principal | 325/Hour |
| Principal | 310/Hour |
| Vice President | 275/Hour |
| Senior Associate | 250/Hour |
| Associate | 230/Hour |
| Analyst | 215/Hour |
| Research Assistant | 95/Hour |