

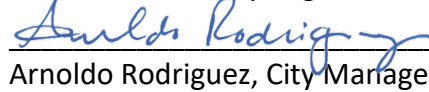


## REPORT TO CITY COUNCIL

Approved by:

  
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Keith Helmuth, City Engineer

  
\_\_\_\_\_

Arnaldo Rodriguez, City Manager

Council Meeting of: March 17, 2021

Agenda Number: B-11

### SUBJECT:

Amendment No. 1 to Agreement with Colgan Consulting Corporation for Professional Engineering Services Related to the Preparation of a Development Impact Fee Program Update

### RECOMMENDATION:

Adopt a Resolution Approving Amendment No. 1 to Agreement with Colgan Consulting Corporation for Professional Services Related to the Preparation of a Development Impact Fee Program Update.

### SUMMARY:

As part of a discussion on economic development tools and programs in the spring of 2017, the City Council (Council) authorized staff to proceed with an update to the City's Development Impact Fee (DIF) Program. A request for proposals was distributed and four proposals were received. The proposal by Colgan Consulting Corporation (Colgan) was found to offer the best services at the most efficient cost. A total contract cost of \$46,250 was approved at the July 19, 2017 Council meeting.

A draft report was provided to City. Given the passage of time staff has asked Colgan for a proposal (Proposal) to update the Report to address items that may require adjustment to account for those items that are affected by such passage. Staff has reviewed the Proposal and agrees with scope and fee of \$27,100.

### DISCUSSION:

The basic structure of the DIF program was established through Council action in July of 2003. The program called for annual adjustments to the fees to reflect changes in construction costs for public improvements as identified by the Engineering News Record Construction Cost Index. However, just two adjustments had been approved since 2003 prior to selection of Colgan, the most recent of which was completed in 2007. An update to the fee study was completed in 2010 and reviewed by the Council in early 2011. Due to poor economic conditions, the study was not adopted, and no changes were made to the fee schedule.

As part of a discussion on economic development tools and programs in the spring of 2017, the Council authorized staff to proceed with an update to the DIF Program. A request for proposals (RFP) was prepared and circulated, resulting in proposals from four firms, each with significant experience in similar work efforts. The submittal by Colgan was identified as the best overall proposal.

The original proposed scope of work included an evaluation of the City's existing fee program and the identification of new fees or adjusted fee categories. As planned, the Council would have the opportunity to review the full cost of development-related facilities, including alternate levels of facilities in some cases. After evaluating the final draft fee study, the Council may elect to set the actual fee amounts that will be applied to new development. The final fee study will also outline a series of implementation recommendations that address accounting and reporting requirements, administrative appeals, waivers and exemptions, updating and indexing the fees, and recovery of administrative costs.

Colgan completed the Final draft of the DIF Report (Report) in November of 2018. While this Report was considered complete at the time and ready for consideration by Council, staff has determined that the passage of time since it was originally completed resulted in the need to update a number of items. Examples of those items include:

- Cost of Living Adjustment (COLA) or other adjustments associated with current cost data
  - COLA – Where reasonable, a simple COLA utilizing the Engineering News Record's Construction Cost Index (CCI) will be applied to increase 2018 costs to 2021
  - Other Time Relevant Adjustments
    - Changes in Equipment Inventories and Replacement Values (i.e. street sweepers, vehicles, etc.)
    - Changes in Building Inventory – City has added or occupied several buildings including Engineering (Old RDA), Transit Facility, Fire Station 58
    - Changes in Building Replacement Value as derived from regularly updated City records
- Status of Development within the City – The 2018 Report assumed an inventory of completed residential, commercial, industrial facilities. These assumptions will be adjusted as determined necessary.
- Impact Fee Comparison of up to 10 cities/counties

In addition to the items cited above, all departments were given the opportunity to review and comment on the Report given many of them were not in their current positions when the report was completed. This review has resulted in a number of reasonable comments that should be reviewed by Colgan for possible Report revision.

As previously noted, the proposed fee is \$27,100. The proposed fee is not simply an update of the study. This fee includes \$7,200 to provide a fee comparison with ten other cities and counties. The original study included four other agencies. That comparison is considered out of date as some agencies conduct regular updates or provide annual updates based on application of a CCI. The fee also includes two days of on-site meetings and two public meetings. While this time has been included, it is unclear at this time how many of the proposed meeting will be required.

Once executed, Colgan has indicated that an update to the report can be completed within two to three months subject to how quickly data can be provided.

**FINANCIAL IMPACT:**

Funding for the Amendment is available from the various impact fee revenue accounts. Costs of Amendment will be funded from accounts in the proportions as that determined for the original agreement.

**CONSISTENCY WITH THE VISION MADERA 2025 PLAN:**

The 2025 Action Plan calls for an update to the impact fee program at least every two years or less. The recommended action is consistent with that direction, as well as with the various strategies which call for the provision of infrastructure to accommodate population growth, and the development of a financial plan to prepare for future growth.

The Report itself calls for fees to be reviewed annually and updated as necessary based on changes in the cost of park land, park improvements and other assets. The Report also recommends that studies be updated entirely every few years. Staff concurs with the recommendation contained within the Report.

**ALTERNATIVES:**

Should Council not to approve this Amendment, Council can direct staff to negotiate with Colgan on any or all terms included within the Colgan's Proposal.

**ATTACHMENTS:**

1. Resolution for Contract Amendment
  - a. Exhibit 1 – Amendment No. 1

**ATTACHMENT 1**

Contract Amendment Resolution

**RESOLUTION NO. 21-\_\_\_\_\_**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MADERA,  
APPROVING AMENDMENT NO. 1 TO AGREEMENT WITH COLGAN  
CONSULTING CORPORATION FOR PROFESSIONAL SERVICES RELATED TO  
THE PREPARATION OF A DEVELOPMENT IMPACT FEE PROGRAM UPDATE**

**WHEREAS**, Title X, Chapter 8 of the Madera Municipal Code provides for a Development Impact Fee Program, which allows fees to be levied to mitigate impacts attributable to new development; and

**WHEREAS**, the Municipal Code requires that the periodic updates of the Fee Program be prepared to reflect changes in construction costs, development schedules, availability of other funds, and other factors; and

**WHEREAS**, the City entered into an agreement with Colgan Consulting Corporation on July 17, 2017 to prepare an update to the existing Development Impact Fee Program; and

**WHEREAS**, Colgan Consulting Corporation completed a draft of a Development Impact Fee Study Report (Report) on November 18, 2018 which has not been adopted; and

**WHEREAS**, the City desires to update Report to reflect changes in costs, completed development projects and other items of relevance that may require adjustments given passage of time; and

**WHEREAS**, the City requested changes to consultant's scope of work for the preparation of update Report; and

**WHEREAS**, Colgan submitted an acceptable scope of work and cost proposal for the desired work.

**WHEREAS**, Amendment No. 1 to Agreement is necessary to revise the scope of work, compensation, and schedule for the additional engineering services.

**NOW, THEREFORE, THE COUNCIL OF THE CITY OF MADERA** hereby resolves, finds, determines and orders as follows:

1. The above recitals are true and correct.
2. The Council approves Amendment No. 1 to Agreement with Colgan Consulting Corporation for Professional Engineering Services Related to the preparation of a Development Impact Fee Program Update.
3. Council further authorizes Extra Services of up to 10 percent as approved by the City Engineer.
4. This resolution is effective immediately.

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EXHIBIT 1

Amendment No. 1

**AMENDMENT NO. 1 TO AGREEMENT WITH COLGAN CONSULTING CORPORATION FOR PROFESSIONAL SERVICES RELATED TO THE PREPARATION OF A DEVELOPMENT IMPACT FEE PROGRAM UPDATE**

This Amendment No. 1 to the Agreement with Colgan Consulting for Professional Engineering Services Related to the Preparation of a Development Impact Fee Program Update (hereinafter called "Agreement"), between the City of Madera, a municipal corporation of the State of California, hereinafter called "CITY" and Colgan Consulting Corporation, hereinafter called "CONSULTANT" is entered into this 17th day of March 2021.

**RECITALS**

**WHEREAS**, on July 19, 2017, CITY and CONSULTANT entered an Agreement to Prepare a Development Impact Fee Program Update, hereinafter called "Update"; and

**WHEREAS**, City has determined that an update to Update is necessary given the passage of time since the original Update was completed approximately two years ago; and

**WHEREAS**, Amendment No. 1 to Agreement is necessary to revise the scope of work, compensation and schedule for the additional professional services.

**AGREEMENT**

In consideration of the recitals listed above and the mutual obligations of the parties herein, CITY and CONSULTANT agree that the Agreement between CITY and CONSULTANT shall be amended as follows:

**SECTION 1.** Section 2 of the Agreement shall be amended by adding the following:

**2. SCOPE OF WORK:**

CONSULTANT shall provide the professional services necessary to update the 2018 Draft Impact Fee Study Report as set forth in EXHIBIT A, "Proposal to Update the 2018 Draft Impact Fee Study" (EXHIBIT A), attached hereto and incorporated herein by reference.

CONSULTANT accepts full responsibility for the scope of services provided by himself or any sub-consultants, if found necessary, for delivery of the project. CONSULTANT shall comply with applicable City of Madera design standards and requirements as directed by the CITY and applicable State and Federal requirements.

**SECTION 2.** Section 5 of the Agreement shall be amended to read as follows:

**5. COMPENSATION**

The basic fee for work listed in EXHIBIT A, attached hereto and incorporated herein by reference, for the work tasks itemized in the Scope of Services is \$27,100.00.

**SECTION 3.** Section 7 of the Agreement shall be amended to read as follows:

**7. EXTRA SERVICES**

CITY agrees to pay CONSULTANT for extra services not contemplated hereunder as set forth in the Scope of Services or for such services as may be specifically requested by CITY through the City Engineer in writing and agreed to by CONSULTANT for an agreed to fixed fee or hourly rate of compensation of \$150.00 per hour or for necessary expenses over that listed in the Exhibit A, provided, however, the City Engineer's authority under this provision is limited to expenditures not to exceed the amount of two thousand seven dollars (\$2,700).

**SECTION 4.** Section 11, Subsection A of the Agreement shall be amended by adding the following:

**11. TIME OF COMPLETION**

A. Based on an agreed upon Notice to Proceed date, CONSULTANT shall complete the work listed in EXHIBIT A attached hereto and incorporated by reference within 3 months from the date of this Agreement.

**SECTION 5.** Section 11, Subsection D of the Agreement shall be amended to read as follows:

D. CONSULTANT shall complete all services required under this Agreement and Amendment 1 to this Agreement and this Agreement shall expire 12 months from full execution of this Amendment.



**SECTION 6.** Except as set forth in this Amendment No. 1, all other terms and condition in the Agreement shall remain in full force and effect.

**In witness whereof,** CITY and CONSULTANT have executed this Amendment No. 1 to the Agreement on the date first written above.

**CITY OF MADERA**

**COLGAN CONSULTING CORPORATION**

By: \_\_\_\_\_  
Santos Garcia, Mayor

By: \_\_\_\_\_  
Joseph Colgan, President

APPROVED AS TO LEGAL FORM

By: \_\_\_\_\_

By: \_\_\_\_\_  
Hilda Cantu Montoy, City Attorney

Title: \_\_\_\_\_

\_\_\_\_\_ 20-1147363

ATTEST:

Taxpayer ID Number

By: \_\_\_\_\_  
Alicia Gonzales, City Clerk

EXHIBIT A  
Proposal



March 1, 2021

Keith Helmuth, P.E.  
City Engineer  
City of Madera  
428 East Yosemite Avenue  
Madera, CA 93638

**Subject: Proposal to Update the 2018 Draft Impact Fee Study Report**

Dear Mr. Helmuth:

As you requested, I am submitting this proposal to update the final draft impact fee study report that I originally completed in November 2018. Because of staff changes around that time, the City Council did not adopt the impact fees calculated in that report, and after almost 2 ½ years, certain aspects of the study are outdated.

To briefly review my qualifications, I founded Colgan Consulting Corporation in 2004 after serving for more than 14 years as the principal impact fee consultant for David M. Griffith & Associates (DMG) and for MAXIMUS, Inc. which acquired DMG in 1998. I am the only employee of Colgan Consulting Corporation. For convenience, I may refer to myself in this proposal, but it should be understood that the City would be contracting with my company for this update.

I have specialized in impact fee nexus studies for over 30 years. Since I began work in this field in 1990, I have personally conducted over 150 impact fee studies in six states. Most of that work was done for California clients, but I have also done impact fee studies in Oregon, Utah, Arizona, New Mexico and Florida. I have served three terms on the Board of the National Impact Fee Roundtable (now the Growth and Infrastructure Consortium) and have spoken on impact fees at conferences and seminars nationally. My background also includes ten years working in local government as a planner and planning director.

Since completing the final draft report of the Madera study, I have prepared impact fee studies for a number of other agencies including several fire districts and a park district as well as the cities of Rancho Cucamonga, La Quinta, Indio, Orland and Rocklin. I am currently working on impact fee studies for the Groveland Community Services District and the cities of Victorville and Sunnyvale.

**Scope of Services.** As we have discussed, the purpose of the work addressed in this proposal is to update each chapter of the 2018 draft report to reflect any changes in land use and development data, or existing and planned facilities and estimated costs, and to edit the text of the report for consistency with those revisions and to clarify some aspects of the report in response to comments from City staff. This proposal assumes that the scope of this study does not include changing the structure and organization of the report or the methods used to calculate impact fees in that report.

As part of this update, an appendix containing a detailed list of transportation improvements and estimated costs used in the calculation of the transportation impact fees will be added to the report. Information to be included in that appendix will be provided by the City.

This update will also include a comparison of Madera's existing and proposed impact fees with impact fees charged by up to ten other agencies selected by the City. I recommend that the comparison be contained in a separate document from the study report itself.

With a few exceptions, this proposal assumes that information needed to revise the Excel tables that make up the fee calculation model used in the study, including the development data tables in Chapter 2 and all of the tables in Chapters 3 through 11, will be provided by the City as numbers that can be entered directly into those tables.

The exceptions are: (1) Colgan Consulting will obtain the most current available data from the Census Bureau to update the population-per-dwelling-unit factors shown in Table 2.1 of the report; (2) Colgan Consulting will obtain current peak hour trip generation rates from the 10<sup>th</sup> Edition of the ITE manual, *Trip Generation*, to update those factors in Table 2.1; (3) if the City chooses to provide recent logs of police calls to update the calls-per-unit-per-year factors shown in Table 4.4 of the report, Colgan Consulting will analyze a random sample of calls to update those factors.

In addition, Colgan Consulting will obtain information needed to update the population growth chart on page 2-1 of the report.

I will work closely with staff from relevant departments to discuss information needed to update the report and to resolve any issues that may arise in the course of this update.

**Cost Proposal.** The cost of the services described in this proposal are shown below.

Update study report (includes 2 days of on-site meetings)	\$17,500.00
Travel expenses for two days of on-site meetings at \$200 each	\$400.00
Fee comparison (10 cities/counties)	\$7,200.00
<b>Subtotal</b>	<b>\$25,100.00</b>
Time and travel expenses for two public meetings at \$1000 each*	\$2,000.00
<b>Total Not to Exceed Amount</b>	<b>\$27,100.00</b>

\* No time or travel expenses will be charged for public meetings conducted remotely.

Colgan Consulting will submit monthly invoices to the City based on time and expenses charged to this project each month.

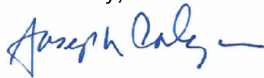
**Deliverables.** As the update proceeds, preliminary drafts of each chapter will be submitted to the City for review and comment. Once drafts of all chapters have been completed, an administrative draft of the entire report will be submitted for review and comment. A final draft report will then be prepared for review by the City Council and the public. If necessary, any additional revisions will be incorporated into the final report.

All versions of the report will be submitted electronically in .pdf format. Upon completion of the work, the original Word and Excel documents prepared as part of this study will be submitted to the City.

**Timeline.** The time required to complete the update is expected to be two-to-three months, but that time will depend on how quickly data needed for the update is provided by the departments. For contract purposes, I recommend a term of six months.

This proposal will remain valid for a period of 45 days. As president of Colgan Consulting Corporation, I am authorized to make binding commitments for the company.

Sincerely,

A handwritten signature in blue ink that reads "Joseph Colgan" followed by a horizontal flourish.

Joseph Colgan  
President