



## **STAFF REPORT TO THE CITY COUNCIL**

**DATE:** Regular Meeting of September 9, 2025

**TO:** Mayor and Members of the City Council

**VIA:** Dante Hall, City Manager

**SUBMITTED BY:** Timothy Rood, AICP, Community Development Director

**SUBJECT:** Professional Services Agreement Amendment 1 with M-Group

### **RECOMMENDED ACTION:**

Staff recommends that the City Council adopt a Resolution which authorizes the City Manager to sign Amendment 1 (Attachment 2) to the original Professional Services Agreement with M-Group, Agreement No. 25-040 (Agreement), increasing the contract maximum from \$125,000 to \$166,133 using existing funding.

### **BACKGROUND**

The City's consultant, M-Group, provides part-time staffing services to the Community Development Department by providing the services of an Associate Planner averaging 16 hours per week. The Fiscal year 2025-26 budget for M-Group's contract staffing services was approved through the Community Development Department's budget as \$136,133; however, the authorizing resolution associated with the 2025-26 annual contracts (City Council Resolution 25-031) inadvertently listed the amount as \$125,000. In order to maintain continuity of service, Professional Services Agreement No. 25-040 for \$125,000 was executed and became effective on July 1, 2025. The Agreement was executed with the understanding that an amendment would be needed to amend the original agreement and add the remaining \$11,133, bringing the total to the approved Community Development Department's budgeted amount of \$136,133.

In addition to the M-Group budget correction, there is an additional \$30,000 in developer deposit accounts that should also be allocated to M-Group for review of specific Planned Development Plans (PDP). An applicant who submits a PDP application is required to

submit \$10,000 as an application fee deposit to be utilized by all personnel involved, and the City's costs are passed through to the developer per the Master Fee Schedule.

The Associate Planner from M-Group is currently reviewing three (3) submitted PDPs for Bayfront Blocks A-B-C-D-J and K-L-M-O-P and the Emblem Hercules (Loop Site). The PDP deposits are from Ledcor on behalf of Hercules Land Partners LP and from Quarterra Multifamily Communities, LLC. The additional \$30,000 in the M-Group staffing contract will allow the City to use the deposit account funds to pay for the Associate Planner's additional time to review these PDP submittals

## **ANALYSIS**

The resolution authorizes the City Manager to sign Amendment 1 to the approved Professional Services Agreement with M-Group for 2025-26 fiscal year planning services, increasing the not-to-exceed amount from \$125,000 to \$166,133 using existing funding.

## **FISCAL IMPACT:**

Amendment 1 adjusts the not-to-exceed amount for M-Group, updating it from the previously indicated \$125,000 in the Budget Resolution to the budgeted figure of \$136,133, an increase of \$11,133; in addition, the Amendment adds an additional \$30,000 from Planned Development Plan application fee deposits for pass-through planning services to review PDP applications for three projects. In summary, Amendment 1 revises the not-to-exceed figure for Fiscal Year 2025-26 to \$166,133, or \$41,133 more than the cited amount in the approved Budget Resolution.

Funds are available within the Community Development Department Professional Services budget and developer deposit accounts and these will be appropriately allocated for this expenditure as outlined in the following table:

<b>Funding Source:</b>	<b>Account Number</b>	<b>Amount</b>
Professional Services / Engin/Inspection / Planning Services	100-5235-611.50-00	\$ 11,133
Ledcor Group – P25002	100-0000-204.00-00	\$ 20,000
Quarterra - P25004	100-0000-204.00-00	\$ 10,000
		<b>\$ 41,133</b>

<b>Expenditure account:</b>	<b>Account Number</b>	<b>Amount</b>
Proposed - Professional Services / Engin/Inspection / Planning Services	100-5235-611.50-00	\$ 41,133
		<b>\$ 41,133</b>

**ATTACHMENTS:**

Attachment 1 – Resolution

Attachment 2 – Draft Professional Services Agreement – Amendment 1