



## Legislation Text

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**File #:** 24-478, **Version:** 1

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*Report Prepared by: Kim Espinosa, Temporary Director of Development Services, Development Services Department*

**SUBJECT:** Approval of an Agreement for Professional Services with De Novo Planning Group for Environmental Services in the Amount of \$348,610 and a Deposit and Reimbursement Agreement with MCYL1, LLC, Relating to the Annexation of the Yosemite Lake Village Project to the City of Merced in the Amount of \$383,471

### REPORT IN BRIEF

Considers approving a Professional Services Agreement with De Novo Planning Group in the amount of \$348,610 to perform environmental services for the annexation to the City of Merced of the Yosemite Lake Village project (734 acres generally located at the northeast corner of G Street and Old Lake Road) as well as additional properties for a total of 1,171 acres, and entering into a Deposit and Reimbursement Agreement with MCYL1, LLC., in the amount of \$383,471 to fund the De Novo contract and to reimburse for City staff time to manage the contract.

### RECOMMENDATION

**City Council** - Adopt a motion:

- A. Waiving a competitive bid for a professional service.
- B. Approving an Agreement for Services with De Novo Planning Group in the amount of \$348,610 to perform environmental services for the annexation of the Yosemite Lake Village project to the City of Merced; and,
- C. Approving a Deposit and Reimbursement Agreement with MCYL1, LLC, in the amount of \$383,471 to cover the cost of the consultant contract (\$348,610) and staff time (\$34,861) for the administration of the environmental review process and contract; and,
- D. Approving an increase of revenue in the amount of \$348,610 to Fund 3000-Development Services-Other Revenue Developers account line and \$34,861 to the Fund 3000-Development Services-EIR Management Fee account line; and appropriating \$348,610 to the Professional Services account line for payment to De Novo Planning Group; and,
- E. Authorizing the City Manager to execute the necessary documents; and,
- F. Authorizing the Finance Officer to make the necessary budget adjustments.

### ALTERNATIVES

- 1. Approving the Professional Services and Reimbursement Agreements as recommended by staff;

- or,
2. Amending the Professional Services and Reimbursement Agreements (with specific amendments to be specified in Council motion); or,
  3. Direct staff to make changes and return to Council at a later date; or,
  4. Deny; or,
  5. Continue the matter to a future Council meeting (date and time to be specified in motion).

## **AUTHORITY**

The Cortese-Knox-Hertzberg Act of 2000 establishes procedures for city annexations and other local government changes in organization. Merced Municipal Code Title 19 Environmental Protection. Merced Municipal Code 3.04.210 Exemptions from Competitive Bidding, Professional Services.

## **CITY COUNCIL PRIORITIES**

On April 4, 2022, the City Council indicated general support for moving forward with an application for the annexation of the Yosemite Lake Village project to the City of Merced.

## **DISCUSSION**

### Background

On April 4, 2022, the City Council reviewed Preliminary Annexation Application #21-06 for Yosemite Lake Village, a 734-acre mixed use development at the northeast corner of Old Lake and Golf Roads, along with adjoining properties to be included in the annexation area (Attachment 1). The project would include an estimated 2,708 dwelling units along with 8 acres of neighborhood commercial development and 564 acres of parks and open space. After reviewing the information in the application and hearing from the applicants, the City Council voted unanimously to offer general support for the project moving forward with an official annexation application.

### Recommended Consultant Selection

Although the applicants have yet to submit for an official annexation application, the applicants are anxious to get started with the environmental process since it is the longest part of the process. The official application will follow in the coming months.

The applicants have worked with De Novo Planning Group in the past and indicated that they had the skills and experience to handle such a complex project. City staff reviewed De Novo's qualifications (Attachment 2) and concur with that opinion. De Novo is also working on another City annexation project, Branford Point. After discussing the project with the applicants and City staff, De Novo prepared a scope of work for the preparation of an Environmental Impact Report (EIR) for the Yosemite Lake Village Project.

The scope of work (Exhibit A of Attachment 2) includes project management, preparation of project description, the preparation of the Notice of Preparation (NOP), the preparation of technical studies (air quality, greenhouse gas emissions, energy, biological resources, cultural resources, noise, traffic, and water supply), the preparation of the Draft EIR for circulation for public review, the preparation of the Final EIR and Responses to Comments on the Draft EIR, and participation in public hearings on the project. The project team includes De Novo as well as LSA for biological resources, Peak and Associates for cultural resources, Saxelby Acoustics for noise, TJKM for traffic, and West Yost for

water supply. The budget for the scope of services is \$348,610 and the work is expected to take approximately 11 months to complete.

The City Attorney's office has prepared an Agreement for Professional Services with De Novo, (Attachment 2) for \$348,610 and a Deposit and Reimbursement Agreement with MCYL1, LLC, (Attachment 3) for a total of \$383,471. The amount of \$348,610 is needed to cover the cost of the consultant contract and \$34,861 for to cover City staff time for the administration of the environmental review process and contract. The \$348,610 for the consultant contract will be paid in four (4) equal installments of \$87,152.50 within 30 days, 90 days, 120 days, and 180 days of execution of the contract respectively; and the \$34,861 for staff time will be paid in one installment within 30 days of execution.

### City Council Action

City staff is recommending that the City Council approves the contract with De Novo Planning Group in the amount of \$348,610, (Attachment 2) to perform the environmental services for the Yosemite Lake Village annexation to the City of Merced. The City Council should also approve the Deposit and Reimbursement Agreement with MCYL1, LLC, (Attachment 3) in the amount of \$383,471 to cover the costs of the contract (\$348,610) as well as City staff time involved in managing the contract (\$34,861).

### **IMPACT ON CITY RESOURCES**

MCYL1, LLC, through the Deposit and Reimbursement Agreement will fund the entire cost of De Novo's contract (\$348,610) as well as paying for City staff time to manage the contract (\$34,861 or ten percent of the contract amount per the Planning and Development Fee Schedule).

The Fiscal Year 2023-24 adopted budget needs to be amended to increase revenue in the amount of \$383,471 and appropriate \$348,610 in Professional Services account line for this contract.

### **ATTACHMENTS**

1. Yosemite Lake Village Project
2. Professional Services Agreement with De Novo Planning Group
3. Deposit and Reimbursement Agreement with MCYL1, LLC