



CITY OF COSTA MESA

REGULAR CITY COUNCIL AND HOUSING AUTHORITY*

Agenda

Tuesday, March 3, 2026

6:00 PM

City Council Chambers
77 Fair Drive

***Note: All agency memberships are reflected in the title "Council Member"**

The City Council meetings are presented in a hybrid format, both in-person at City Hall and as a courtesy virtually via Zoom Webinar. If the Zoom feature is having technical difficulties or experiencing any other critical issues, and unless required by the Brown Act, the meeting will continue in person.

TRANSLATION SERVICES AVAILABLE / SERVICIOS DE TRADUCCIÓN DISPONIBLE
Please contact the City Clerk at (714) 754-5225 to request language interpreting services for City meetings. Notification at least 48 hours prior to the meeting will enable the City to make arrangements.

Closed Captioning is available via the Zoom option in English and Spanish.

Los subtítulos están disponibles a través de la opción Zoom en inglés y español.

Favor de comunicarse con la Secretaria Municipal al (714) 754-5225 para solicitar servicios de interpretación de idioma para las juntas de la Ciudad. Se pide notificación por lo mínimo 48 horas de anticipación, esto permite que la Ciudad haga los arreglos necesarios.

Members of the public can view the City Council meetings live on COSTA MESA TV (SPECTRUM CHANNEL 3 AND AT&T U-VERSE CHANNEL 99) or http://costamesa.granicus.com/player/camera/2?publish_id=10&redirect=true and online at youtube.com/costamesatv.

Members of the public are welcome to speak during the meeting when the Mayor opens the floor for public comment. There is no need to register in advance or complete a comment card. When it's time to comment, line up at one of the two podiums in the room and wait for your turn. Each speaker will have up to 3 minutes (or as directed) to address the City Council.

To maintain a respectful and orderly atmosphere during the meeting, attendees shall refrain from using horns or amplified speakers. Signs and props may be brought into the Chamber, provided they do not exceed 11 inches by 18 inches in size and do not hinder the visibility of other attendees. The possession of poles, sticks, or stakes is strictly prohibited.

All attendees must remain seated while in the chamber until instructed by the Presiding Officer to approach and line up for public comment. To ensure safety and maintain order during the proceedings, standing or congregating in the aisles or foyer is strictly prohibited.

Further information regarding the City's regulations on addressing the City Council and expected conduct during meetings are available at the following links.

Title 2: Administration

§ 2-61: Conduct while addressing the council.

<https://ecode360.com/42609578>

Title 2: Administration

§ 2-64: Disorderliness by members of the audience.

<https://ecode360.com/42609598>

As a courtesy, the public may participate via the Zoom option.

Zoom Webinar:

Please click the link below to join the webinar:

<https://us06web.zoom.us/j/81933394516?pwd=FmIli7DmeGAUMHriZ8pJqJb0pkcMxh.1>

Or sign into Zoom.com and "Join a Meeting"

Enter Webinar ID: 819 3339 4516/ Password: 073204

- If Zoom is not already installed on your computer, click "Download & Run Zoom" on the launch page and press "Run" when prompted by your browser. If Zoom has previously been installed on your computer, please allow a few moments for the application to launch automatically.
- Select "Join Audio via Computer."
- The virtual conference room will open. If you receive a message reading, "Please wait for the host to start this meeting," simply remain in the room until the meeting begins.
- During the Public Comment Period, use the "raise hand" feature located in the participants' window and wait for city staff to announce your name and unmute your line when it is your turn to speak. Comments are limited to 3 minutes, or as otherwise directed.

Participate via telephone:

Call: 1 669 900 6833 Enter Webinar ID: 819 3339 4516/ Password: 073204

During the Public Comment Period, press *9 to add yourself to the queue and wait for city staff to announce your name/phone number and press *6 to unmute your line when it is your turn to speak. Comments are limited to 3 minutes, or as otherwise directed.

Note, if you have installed a zoom update, please restart your computer before participating in the meeting.

Additionally, members of the public who wish to make a written comment on a specific agenda item, may submit a written comment via email to the City Clerk at cityclerk@costamesaca.gov.

Any written communications, photos, or other materials for copying and distribution to the City Council that are 10 pages or less, can be e-mailed to cityclerk@costamesaca.gov, submitted to the City Clerk's Office on a flash drive, or mailed to the City Clerk's Office. Kindly submit materials to the City Clerk AS EARLY AS POSSIBLE, BUT NO LATER THAN 12:00 p.m. on the day of the meeting.

Comments received by 12:00 p.m. on the day of the meeting will be provided to the City Council, made available to the public, and will be part of the meeting record.

Please know that it is important for the City to allow public participation at this meeting. If you are unable to participate in the meeting via the processes set forth above, please contact the City Clerk at (714) 754-5225 or cityclerk@costamesaca.gov and staff will attempt to accommodate you. While the City does not expect there to be any changes to the above process for participating in this meeting, if there is a change, the City will post the information as soon as possible to the City's website.

Note that records submitted by the public will not be redacted in any way and will be posted online as submitted, including any personal contact information. All pictures, PowerPoints, and videos submitted for display at a public meeting must be previously reviewed by staff to verify appropriateness for general audiences. This includes items submitted for the overhead screen during the meeting. Items submitted for the overhead screen should be 1 page and provided to the City Clerk prior to the start of the meeting. No links to YouTube videos or other streaming services will be accepted, a direct video file will need to be emailed to staff prior to each meeting in order to minimize complications and to play the video without delay. The video must be one of the following formats, .mp4, .mov or .wmv. Only one file may be included per speaker for public comments, for both videos and pictures. Please e-mail to the City Clerk at cityclerk@costamesaca.gov NO LATER THAN 12:00 Noon on the date of the meeting. If you do not receive confirmation from the city prior to the meeting, please call the City Clerks office at 714-754-5225.

Note regarding agenda-related documents provided to a majority of the City Council after distribution of the City Council agenda packet (GC §54957.5): Any related documents provided to a majority of the City Council after distribution of the City Council Agenda Packets will be made available for public inspection. Such documents will be posted on the city's website and will be available at the City Clerk's office, 77 Fair Drive, Costa Mesa, CA 92626.

All cell phones and other electronic devices are to be turned off or set to vibrate. Members of the audience are requested to step outside the Council Chambers to conduct a phone conversation.

Free Wi-Fi is available in the Council Chambers during the meetings. The network username available is: CM_Council. The password is: cmcouncil1953.

As a LEED Gold Certified City, Costa Mesa is fully committed to environmental sustainability. A minimum number of hard copies of the agenda will be available in the Council Chambers. For your convenience, a binder of the entire agenda packet will be at the table in the foyer of the Council Chambers for viewing. Agendas and reports can be viewed on the City website at <https://costamesa.legistar.com/Calendar.aspx>. Las agendas y los informes se pueden ver en español en el sitio web de la Ciudad en <https://www.costamesaca.gov/trending/current-agendas/spanish-city-council-agendas>.

In compliance with the Americans with Disabilities Act, Assistive Listening headphones are available and can be checked out from the City Clerk. If you need special assistance to participate in this meeting, please contact the City Clerk at (714) 754-5225. Notification at least 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting. [28 CFR 35.102.35.104 ADA Title II].

En conformidad con la Ley de Estadounidenses con Discapacidades (ADA), aparatos de asistencia están disponibles y podrán ser prestados notificando a la Secretaria Municipal. Si necesita asistencia especial para participar en esta junta, comuníquese con la oficina de la Secretaria Municipal al (714) 754-5225. Se pide dar notificación a la Ciudad por lo mínimo 48 horas de anticipación para garantizar accesibilidad razonable a la junta. [28 CFR 35.102.35.104 ADA Title II].

REGULAR MEETING OF THE CITY COUNCIL AND HOUSING AUTHORITY

MARCH 3, 2026 – 6:00 P.M.

JOHN STEPHENS
Mayor

MANUEL CHAVEZ
Mayor Pro Tem - District 4

ANDREA MARR
Council Member - District 3

ARLIS REYNOLDS
Council Member - District 5

LOREN GAMEROS
Council Member - District 2

JEFF PETTIS
Council Member - District 6

MIKE BULEY
Council Member - District 1

KIMBERLY HALL BARLOW
City Attorney

CECILIA GALLARDO-DALY
City Manager

CALL TO ORDER

NATIONAL ANTHEM AND PLEDGE OF ALLEGIANCE

MOMENT OF SOLEMN EXPRESSION

[Per Council Policy 000-12, these presentations are made by community volunteers stating their own views. The City Council disclaims any intent to endorse or sponsor the views of any speaker.]

ROLL CALL

CITY ATTORNEY CLOSED SESSION REPORT

PRESENTATIONS:

1. Presentation on the New Active Development Map
2. Presentation: Fairview Park Steering Committee Annual Report

PUBLIC COMMENTS – MATTERS NOT LISTED ON THE AGENDA

Comments on Presentations and Consent Calendar items may also be heard at this time. Comments are limited to 3 minutes, or as otherwise directed.

COUNCIL MEMBER COMMITTEE REPORTS, COMMENTS, AND SUGGESTIONS

Each council member is limited to 3 minutes. Additional comments will be heard at the end of the meeting.

1. Council Member Pettis
2. Council Member Buley
3. Council Member Gameros
4. Council Member Marr
5. Council Member Reynolds
6. Mayor Pro Tem Chavez
7. Mayor Stephens

REPORT – CITY MANAGER

REPORT – CITY ATTORNEY

CONSENT CALENDAR

All matters listed under the Consent Calendar are considered to be routine and will be acted upon in one motion. There will be no separate discussion of these items unless members of the City Council, staff, or the public request specific items to be discussed and/or removed from the Consent Calendar for discussion.

1. [PROCEDURAL WAIVER: WAIVE THE FULL READING OF ALL 26-131 ORDINANCES AND RESOLUTIONS](#)

RECOMMENDATION:

City Council and Housing Authority approve the reading by title only and waive further reading of Ordinances and Resolutions.

2. [READING FOLDER](#) [26-163](#)

RECOMMENDATION:

City Council receive and file Claims received by the City Clerk: Abby Escobar Corona, Harry Nicholas Frenchank, Eric Little, Patricia Martinez, Jose Robels.

3. [ADOPTION OF WARRANT RESOLUTION](#) [26-135](#)

RECOMMENDATION:

City Council approve Warrant Resolution No. 2749.

Attachments: [1. Summary Check Registration 2-12-2026](#)

4. [MINUTES](#) [26-164](#)

RECOMMENDATION:

City Council approve the minutes of the regular meeting of February 17, 2026.

Attachments: [1. 02-17-2026 Draft Minutes](#)

5. [APPROVAL OF PERPETUAL NON-EXCLUSIVE EASEMENTS TO 26-144
MESA WATER DISTRICT FOR THE RECONSTRUCTION OF FIRE
STATION NO. 2](#)

RECOMMENDATION:

Staff recommends the City Council:

1. Approve the two (2) perpetual non-exclusive easements to Mesa Water District within Fire Station No. 2.
2. Authorize the Public Works Director to execute the Grants of Easements on behalf of the City.

Attachments: [1. Existing Water Mainline Easement](#)
[2. New Detector Assembly Easement](#)

AT THIS TIME COUNCIL WILL ADDRESS ANY ITEMS PULLED FROM THE CONSENT CALENDAR

-----**END OF CONSENT CALENDAR**-----

PUBLIC HEARINGS: NONE.

(Pursuant to Resolution No. 05-55, Public Hearings begin at 7:00 p.m.)

OLD BUSINESS: NONE.

NEW BUSINESS:

1. **[TRAFFIC IMPACT FEE PROGRAM UPDATE](#)** **[26-148](#)**

RECOMMENDATION:

Staff recommends the City Council:

1. Award a Professional Services Agreement (PSA) to Kimley-Horn and Associates, Inc. for professional engineering services for the update of the City's Traffic Impact Fee Program for a period of three (3) years with the option for a one-year renewal period in an amount not to exceed \$149,740, in final form as approved by the City Attorney.
2. Authorize a ten percent (10%) contingency in the amount of \$14,974 for any unforeseen costs that may be required by the project.
3. Authorize the City Manager and the City Clerk to execute the PSA and any future amendments to the agreement.
4. Authorize appropriation of \$164,714 from the Measure M2 Fairshare Fund 416 fund balance.

Attachments: [1. Kimley-Horn PSA](#)

2. **[2026 LEGISLATIVE UPDATE](#)** **[26-146](#)**

RECOMMENDATION:

Receive and file the update on Federal and State budgets and provide input on identified legislation impacting the City of Costa Mesa.

Attachments: [1. Proposed Legislation](#)

3. **[MEMORANDUM OF UNDERSTANDING WITH THE CITY OF IRVINE 26-115 FOR USE OF BEDS AT THE COSTA MESA BRIDGE SHELTER](#)**

RECOMMENDATION:

Staff recommends the City Council:

1. Approve the Memorandum of Understanding with the City of Irvine for access to beds, as available, at the Costa Mesa Bridge Shelter.
2. Authorize the City Manager and City Clerk to execute all agreements and any amendments to the agreement as needed.

Attachments: [1. Memorandum of Understanding](#)

**ADDITIONAL COUNCIL/BOARD MEMBER COMMITTEE REPORTS, COMMENTS, AND
SUGGESTIONS**

ADJOURNMENT



CITY OF COSTA MESA

Agenda Report

77 Fair Drive
Costa Mesa, CA 92626

File #: 26-131

Meeting Date: 3/3/2026

TITLE:

PROCEDURAL WAIVER: WAIVE THE FULL READING OF ALL ORDINANCES AND RESOLUTIONS

RECOMMENDATION:

City Council and Housing Authority approve the reading by title only and waive further reading of Ordinances and Resolutions.



CITY OF COSTA MESA

Agenda Report

77 Fair Drive
Costa Mesa, CA 92626

File #: 26-163

Meeting Date: 3/3/2026

TITLE:

READING FOLDER

DEPARTMENT: City Manager's Office/City Clerk's Division

RECOMMENDATION:

City Council receive and file Claims received by the City Clerk: Abby Escobar Corona, Harry Nicholas Frenchank, Eric Little, Patricia Martinez, Jose Robels.



CITY OF COSTA MESA

Agenda Report

77 Fair Drive
Costa Mesa, CA 92626

File #: 26-135

Meeting Date: 3/3/2026

TITLE:

ADOPTION OF WARRANT RESOLUTION

DEPARTMENT: FINANCE DEPARTMENT

PRESENTED BY: CAROL MOLINA, FINANCE DIRECTOR

CONTACT INFORMATION: CAROL MOLINA, FINANCE DIRECTOR AT (714) 754-5243

RECOMMENDATION:

City Council approve Warrant Resolution No. 2749.

BACKGROUND:

In accordance with Section 37202 of the California Government Code, the Director of Finance or their designated representative hereby certify to the accuracy of the following demands and to the availability of funds for payment thereof.

FISCAL REVIEW:

Funding Payroll Register No. 26-03 "A" Off Cycle for -\$235.92 and 26-04 On Cycle for \$4,096,107.19, and City operating expenses for \$1,591,016.20.

Bank: CITY
Cycle: ANNUAL

<u>Payment Ref</u>	<u>Date</u>	<u>Status</u>	<u>Remit To</u>	<u>Remit ID</u>	<u>Payment Amt</u>
0257551	02/09/26	P	US Postmaster	0000004377	10,000.00
<i>Line Description:</i> Permit PI 4000- EPS#1000067404					
TOTAL					\$10,000.00

0. *

~~10,000.00~~ +

3,531.95 +

1,320,158.37 +

257,325.88 +

1,591,016.2 *

Bank: CITY

Cycle: APAY

<u>Payment Ref</u>	<u>Date</u>	<u>Status</u>	<u>Remit To</u>	<u>Remit ID</u>	<u>Payment Amt</u>
0257645	02/13/26	P	Pamela Lilly	0000025324	750.00
			<i>Line Description:</i> Paryroll Deduction 26-04		
0257646	02/13/26	P	State of California	0000001546	1,820.70
			<i>Line Description:</i> Paryroll Deduction 26-04		
0257647	02/13/26	P	State of California	0000001546	448.07
			<i>Line Description:</i> Paryroll Deduction 26-04		
0257648	02/13/26	P	State of California	0000001546	513.18
			<i>Line Description:</i> Paryroll Deduction 26-04		
TOTAL					\$3,531.95

City of Costa Mesa Accounts Payable
SUMMARY CHECK REGISTER

Bank: CITY
 Cycle: AWKLY

<u>Payment Ref</u>	<u>Date</u>	<u>Status</u>	<u>Remit To</u>	<u>Remit ID</u>	<u>Payment Amt</u>
0257552	02/13/26	P	Association of California Cities	0000003059	18,152.22
			<i>Line Description:</i> 2026 Membership		
0257553	02/13/26	P	Charter Communications	0000011202	21,588.11
			<i>Line Description:</i> 237926501-PD Video Svs 256807001-PD-Warehouse Network 256806901-City Connect-PD Ware 253883901-Lions Park Caf? Inte 252590301-PD Warehouse Interne 243645501-Code Enforcement Int 237929301-PD Video Svs 237925901-PD Public WiFi 237927601-BCC Network Svs 237939201-DRC Network Svs 237938801-NHCC Network Svs 237940101-NHCC Public WiFi 240159901-DRC Internet Svs 244133301-BCC Internet Svs 237940001-CH Hub Network Svs 237926201-City Hall Video Svs 237926701-City Hall Video Svs 237927001-Fire Sta #6 Network 237927101-Parks Admin Network 237930101-City Hall Video Svs 237939101-Fire Sta #1 Network 237939301-Fire Sta #2 Network 237939401-Fire Sta #3 Network 237940301-Library Public WiFi 237940501-Fire Sta #4 Network 237926401-City Hall Public WiF 237926601-Senior Center Intern 237926801-City Hall Network/Vi 237927201-Senior Center Networ 237927301-West Side Substation 237927401-Corp Yard Network Sv 237927801-City Hall Internet S 237938601-CH Basement Internet		

Bank: CITY
 Cycle: AWKLY

<u>Payment Ref</u>	<u>Date</u>	<u>Status</u>	<u>Remit To</u>	<u>Remit ID</u>	<u>Payment Amt</u>
			<i>Line Description:</i> 237938701-Bridge Shelter Publi 237938901-Bridge Shelter Video 237939001-Parks @ Corp Yard Pu 237939501-SCP Substation Netwo 237939601-Bridge Shelter Netwo 237939901-Code Enforcement Net 237940401-Fire Sta #4 Internet		
0257554	02/13/26	P	County of Orange	0000007209	91,955.22
			<i>Line Description:</i> 800 MHz Cost Allctn Jan-Mar26		
0257555	02/13/26	P	Dudek	0000011416	108,436.38
			<i>Line Description:</i> Climate Action 10/25-11/21/25 Housing Rezon 11/22-12/26/25		
0257556	02/13/26	P	Endemic Environmental Services Inc	0000021277	58,476.96
			<i>Line Description:</i> FVP Wetland 1/1-1/15/26 Coastal Sage Restrtn 1/2-1/16		
0257557	02/13/26	P	ITZEN Architects Inc	0000030962	20,352.50
			<i>Line Description:</i> Comm Center 11/16-12/31/25		
0257558	02/13/26	P	Kimley Horn & Associates Inc	0000005251	18,037.57
			<i>Line Description:</i> CM HSIP Cycle Proj 12/31/25		
0257559	02/13/26	P	Metro Builders & Engineering Ltd	0000006443	58,425.00
			<i>Line Description:</i> City Proj 24-12 Tewinkle Park Retention City Proj 24-12/231		
0257560	02/13/26	P	Narc Destroyer, LLC	0000031573	17,982.00
			<i>Line Description:</i> Narcotics Destruction		

Bank: CITY
 Cycle: AWKLY

<u>Payment Ref</u>	<u>Date</u>	<u>Status</u>	<u>Remit To</u>	<u>Remit ID</u>	<u>Payment Amt</u>
0257561	02/13/26	P	Orange County Treasurer Tax Collector	0000003489	27,328.78
			<i>Line Description:</i> Prkng Citation Process-Dec 25		
0257562	02/13/26	P	Pinnacle Petroleum, Inc	0000029315	22,079.82
			<i>Line Description:</i> Unleaded Fuel PD Tank 7		
0257563	02/13/26	P	Place Works Inc	0000023119	65,235.25
			<i>Line Description:</i> Consulting Svcs FDC		
0257564	02/13/26	P	SCA of CA, LLC	0000029971	123,927.87
			<i>Line Description:</i> Street Sweeping Residential St Bi-Weekly Pressure Wash Bus Sh		
0257565	02/13/26	P	Santa Margarita Ford	0000022708	97,315.72
			<i>Line Description:</i> Unit 220 Replacement Unit 147 Replacement		
0257566	02/13/26	P	Southern California Edison Company	0000004088	191,894.35
			<i>Line Description:</i> 1035 Park Crest 1/5-2/2/26 Signals Jan 26 1990 Placentia 1/7-2/4/26 Parks Maint Jan 26 885 Junipero 1/5-2/2/26 Tennis Center 1/5-2/2/26 2750 Fairview 1/5-2/2/26 970 Arlington 1/5-2/2/26 980 Arlington 1/5-2/2/26 Volcom Sk8 Park 1/5-2/2/26 Fac & Equip Jan 26 Street Lights Jan 26 Loan8690 St Lights Jan 26 567 W 18th 1/6-2/3/26		

Bank: CITY
 Cycle: AWKLY

<u>Payment Ref</u>	<u>Date</u>	<u>Status</u>	<u>Remit To</u>	<u>Remit ID</u>	<u>Payment Amt</u>
			<i>Line Description:</i> 745 W 19th 1/6-2/3/26		
0257567	02/13/26	P	WSP USA Environment & Infrastructure Inc	0000029873	28,429.25
			<i>Line Description:</i> NPDES Industrial/Commercial In		
0257568	02/13/26	P	Ware Disposal Inc	0000000255	19,026.38
			<i>Line Description:</i> February 2026 Bulky Item February 2026 James St		
0257569	02/13/26	P	West Coast Arborists Inc	0000004498	25,950.00
			<i>Line Description:</i> Tree Maint 1/1-1/15/26		
0257570	02/13/26	P	Yunex LLC	0000029573	63,200.34
			<i>Line Description:</i> Traffic Singal Maint Dec 25 Traffic Signal Response Dec25 Redhill&405 Street Light Alumi		
0257571	02/13/26	P	AT & T Mobility	0000001107	109.38
			<i>Line Description:</i> Comm Cell-Phones 12/12-1/11/26		
0257572	02/13/26	P	AVNI Enterprises Inc	0000030676	705.79
			<i>Line Description:</i> Stock-Intelitank Display Label		
0257573	02/13/26	P	AYCE, Inc	0000031696	14,588.16
			<i>Line Description:</i> Newport Blvd Rehab Proj-Dec 25 Newport Blvd Proj-Jan 2026		
0257574	02/13/26	P	Angel Auto Spa LLC	0000027465	2,880.57
			<i>Line Description:</i> Car Wash-Dec 2025 PD Car Wash-Dec 2025		

Bank: CITY
 Cycle: AWKLY

<u>Payment Ref</u>	<u>Date</u>	<u>Status</u>	<u>Remit To</u>	<u>Remit ID</u>	<u>Payment Amt</u>
			<i>Line Description:</i> Car Wash-Jan 2026 PD Car Wash-Jan 2026		
0257575	02/13/26	P	BC Traffic Specialist	0000022225	1,019.29
			<i>Line Description:</i> Parking Stop Concrete/Pin Rain Suits De;omeatprs Base		
0257576	02/13/26	P	BCS Consultants	0000029856	462.32
			<i>Line Description:</i> Add 4 Cat 6A from EOC rach to		
0257577	02/13/26	P	BodEV Inc.	0000031666	6,565.00
			<i>Line Description:</i> EV Charging Station - Maintena		
0257578	02/13/26	P	Bound Tree Medical LLC	0000011695	1,210.81
			<i>Line Description:</i> EMS Supplies		
0257579	02/13/26	P	CA Dept of Tax & Fee Administration	0000025959	95.32
			<i>Line Description:</i> Underground Tank 2025-FS#6		
0257580	02/13/26	P	CSG Consultants Inc	0000001887	4,964.89
			<i>Line Description:</i> Building Plan Reveiw-Dec 2025		
0257581	02/13/26	P	CentralSquare Technologies LLC	0000028721	7,000.00
			<i>Line Description:</i> ONESolution RMS API Annual Sof		
0257582	02/13/26	P	Chandlers Air Conditioning &	0000001640	303.00
			<i>Line Description:</i> Property Refrigerator Repair		

Bank: CITY
Cycle: AWKLY

Payment Ref	Date	Status	Remit To	Remit ID	Payment Amt
0257583	02/13/26	P	Coastal Corridor Alliance	0000030600	5,000.00
			<i>Line Description:</i> Impact Analysis		
0257584	02/13/26	P	Comm Gear Supply Inc	0000031689	590.53
			<i>Line Description:</i> Hearing Defender Headset		
0257585	02/13/26	P	Compressed Air Specialties Inc	0000020784	1,930.06
			<i>Line Description:</i> REPAIR SERVICES SALES TAX (7.75%)		
0257586	02/13/26	P	Costa Mesa Lock & Key	0000001817	1,561.25
			<i>Line Description:</i> Combination Locks Duplicate Keys Replace Lock-Sr Cntr		
0257587	02/13/26	P	County of Orange	0000003486	3,279.00
			<i>Line Description:</i> AFIS Fee- December 2025		
0257588	02/13/26	P	Daniels Tire Service	0000001922	1,002.93
			<i>Line Description:</i> Warehouse Stock Warehouse Stock		
0257589	02/13/26	P	Data Ticket Inc	0000010929	7,526.87
			<i>Line Description:</i> Prkng Citation Process-Dec 25		
0257590	02/13/26	P	Ecolab Pest Elimination	0000024420	1,778.65
			<i>Line Description:</i> Pest Control Svc-Jan 2026		
0257591	02/13/26	P	Excel Paving Company	0000005040	9,357.50
			<i>Line Description:</i> Retention Proj #25-11/#450014		

Bank: CITY
 Cycle: AWKLY

<u>Payment Ref</u>	<u>Date</u>	<u>Status</u>	<u>Remit To</u>	<u>Remit ID</u>	<u>Payment Amt</u>
			<i>Line Description:</i> Bicycle Fac Proj#25-11/#450014		
0257592	02/13/26	P	FM Thomas Air Conditioning Inc	0000017151	1,517.67
			<i>Line Description:</i> Service Call-Corp Yard Service Call-Bridge Shelter Service Call-Historical Soc		
0257593	02/13/26	P	Ferguson Enterprises Inc #1350	0000007785	1,550.04
			<i>Line Description:</i> Plumbing Supplies Plumbing Supplies Plumbing Supplies Plumbing Supplies		
0257594	02/13/26	P	FireStats LLC	0000026188	2,500.00
			<i>Line Description:</i> Data Analysis Tool-Jan 2026 Data Analysis Tool-Dec 2025		
0257595	02/13/26	P	Forensic Nurse Specialists Inc	0000014039	1,700.00
			<i>Line Description:</i> Victim Physical-Jan 2026		
0257596	02/13/26	P	Fuel Pros Inc	0000026476	750.00
			<i>Line Description:</i> DO Inspection-FS #6 DO Inspctn-FS #2 DO Inspection-Corp Yard		
0257597	02/13/26	P	Galls LLC	0000002297	1,009.32
			<i>Line Description:</i> Uniform-Anguiano Uniform-Lapointe Uniform-Linden Uniform-Linden Uniform-Linden Uniform-Linden Uniform-Linden		

Bank: CITY
 Cycle: AWKLY

<u>Payment Ref</u>	<u>Date</u>	<u>Status</u>	<u>Remit To</u>	<u>Remit ID</u>	<u>Payment Amt</u>
0257598	02/13/26	P	Glenn Lukos & Associates Inc	0000011626	4,059.00
			<i>Line Description:</i> Vernal Pool Rstrtn 11/15-1/2		
0257599	02/13/26	P	Grainger	0000002393	5,255.72
			<i>Line Description:</i> Hardware Tank Bed Seater Hardware Hardware Hardware Hardware Hardware Hardware Hardware		
0257600	02/13/26	P	Greater Georgia Printers, Inc	0000031698	10,023.07
			<i>Line Description:</i> 70th Anniversary PD Book 70th Anniversary PD Book		
0257601	02/13/26	P	Hanks Electrical Supplies	0000002445	39.76
			<i>Line Description:</i> Electrical Supplies		
0257602	02/13/26	P	Harbor All Glass & Mirror Inc	0000002453	995.00
			<i>Line Description:</i> WSS Board Up Windows		
0257603	02/13/26	P	Image Concepts	0000026883	65.94
			<i>Line Description:</i> Safety Vests		
0257604	02/13/26	P	Interstate Batteries of California Coast	0000002700	2,808.27
			<i>Line Description:</i> Core Pick Up Batteries Stock		

Bank: CITY
 Cycle: AWKLY

<u>Payment Ref</u>	<u>Date</u>	<u>Status</u>	<u>Remit To</u>	<u>Remit ID</u>	<u>Payment Amt</u>
0257605	02/13/26	P	Irvine Ranch Water District	0000005112	558.10
		<i>Line Description:</i>	170 Del Mar 1/7-2/5/26 106 Del Mar 1/7-2/5/26 2603 Elden 1/7-2/5/26 261 Monte Vista 1/7-2/5/26 258 Brentwood 1/7-2/5/26 220 23rd 1/7-2/5/26 308 University 1/7-2/5/26		
0257606	02/13/26	P	LN Curtis & Sons	0000002983	1,035.97
		<i>Line Description:</i>	WILDLAND PPE WILDLAND PPE WILDLAND PPE WILDLAND PPE WILDLAND PPE		
0257607	02/13/26	P	Langlois Fancy Frozen Foods	0000030651	235.88
		<i>Line Description:</i>	Jail Food Services		
0257608	02/13/26	P	LineGear Fire & Rescue Equipment	0000026007	3,686.15
		<i>Line Description:</i>	FIRE EQUIPMENT FIRE EQUIPMENT FIRE EQUIPMENT FIRE EQUIPMENT FIRE EQUIPMENT FIRE EQUIPMENT FIRE EQUIPMENT FIRE EQUIPMENT FIRE EQUIPMENT		
0257609	02/13/26	P	Loomis	0000019082	437.09
		<i>Line Description:</i>	ARMORED CAR SERVICES		

Bank: CITY
 Cycle: AWKLY

<u>Payment Ref</u>	<u>Date</u>	<u>Status</u>	<u>Remit To</u>	<u>Remit ID</u>	<u>Payment Amt</u>
0257610	02/13/26	P	Los Angeles Times	0000003000	2,148.94
			<i>Line Description:</i> Skate Park Expansion Legal Adv Inviting Bids Sewer Pipe Reline		
0257611	02/13/26	P	Matthew Bender & Co Inc	0000010987	3,988.67
			<i>Line Description:</i> 2026 CA Penal Code Books		
0257612	02/13/26	P	NeWave Construction Inc	0000024108	7,400.00
			<i>Line Description:</i> Replace the storage room door Material chane from paint to w Sand down & use finish on wood		
0257613	02/13/26	P	Nex Tech Systems Inc	0000020700	12,142.32
			<i>Line Description:</i> Two Solar Rectangular Rapid FI		
0257614	02/13/26	P	OC Chiefs of Police & Sheriffs Assc	0000003427	200.00
			<i>Line Description:</i> 2026 Tri County Wkshp Reg		
0257615	02/13/26	P	Omari Smith	0000029906	157.50
			<i>Line Description:</i> Basketball Referee 2/4/26		
0257616	02/13/26	P	Orange Coast Plumbing Inc	0000009431	723.00
			<i>Line Description:</i> TeWinkle Park-Service Call Heller Park-Service Call		
0257617	02/13/26	P	Orange County Health Care Agency	0000000492	960.00
			<i>Line Description:</i> CMBS Food Permit Fee 2026 CM Rec-Center		

Bank: CITY
 Cycle: AWKLY

<u>Payment Ref</u>	<u>Date</u>	<u>Status</u>	<u>Remit To</u>	<u>Remit ID</u>	<u>Payment Amt</u>
0257618	02/13/26	P	Orange County Treasurer-Tax Collector	0000003489	7,808.05
			<i>Line Description:</i> 25 Sup Prop Tax-778 Shalimar 25 Sup Prop Tax-778 Shalimar		
0257619	02/13/26	P	PEAC Solutions	0000031369	8,201.48
			<i>Line Description:</i> Copier Lease-Maint Svc Copier Lease-City Clerk Copier Lease-City Mgr Admin Copier Lease-Park & Comm Svc Copier Lease-HR Copier Lease-IT Copier Lease-PD Copier Lease-Fin Copier Lease-CMBS Copier Lease-Finance Copier Lease-Building Copier Lease-City Mgr Copier Lease-FD Admin Copier Lease-Planning Copier Lease-Maint Svc Copier Lease-City Clerk Copier Lease-City Mgr Admin Copier Lease-Park & Comm Svc Copier Lease-HR Copier Lease-IT Copier Lease-PD Copier Lease-CMBS Copier Lease-Finance Copier Lease-Building Copier Lease-City Mgr Copier Lease-FD Admin Copier Lease-Planning		
0257620	02/13/26	P	Pacific Plumbing of Southern California	0000030657	845.50
			<i>Line Description:</i> Heller Park Service Call Heller Park-Service Call		

Bank: CITY
 Cycle: AWKLY

<u>Payment Ref</u>	<u>Date</u>	<u>Status</u>	<u>Remit To</u>	<u>Remit ID</u>	<u>Payment Amt</u>
			<i>Line Description:</i> City Hall Concrete Meter Box T		
0257621	02/13/26	P	Primex Clinical Laboratories Inc	0000027109	4,221.00
			<i>Line Description:</i> BLOOD SCREEN TESTS		
0257622	02/13/26	P	Primo Brands	0000031368	228.34
			<i>Line Description:</i> WATER DELIVERY SERVICE Fire		
0257623	02/13/26	P	Quality Counts LLC	0000031706	13,500.00
			<i>Line Description:</i> Collection of Turning movement		
0257624	02/13/26	P	RPW Services Inc	0000012440	190.00
			<i>Line Description:</i> Rodent Control at Community Ch		
0257625	02/13/26	P	Red Wing Business Advantage Account	0000003772	225.00
			<i>Line Description:</i> Price Agreement - Parks		
0257626	02/13/26	P	Renewell Fleet Services LLC	0000031060	3,519.84
			<i>Line Description:</i> Stock-Outriggers PAS Plastic M		
0257627	02/13/26	P	Resource Building Materials	0000024350	446.41
			<i>Line Description:</i> Sand for Sandblasting Graffiti		
0257628	02/13/26	P	Robyn Vanderplate	0000031719	1,148.40
			<i>Line Description:</i> Court Transcript		
0257629	02/13/26	P	Rocketology, LLC	0000029934	425.00
			<i>Line Description:</i> Guest Speaker for LEAP Prog		

Bank: CITY
 Cycle: AWKLY

Payment Ref	Date	Status	Remit To	Remit ID	Payment Amt
0257630	02/13/26	P	SESAC	0000024352	3,030.00
			<i>Line Description:</i> 2026 Pk Evnet Music License		
0257631	02/13/26	P	SiteOne Landscape Supply LLC	0000024133	63.38
			<i>Line Description:</i> Equipment for Park Facilities		
0257632	02/13/26	P	Spectraturf Inc	0000011615	746.70
			<i>Line Description:</i> Rubber Surfacing Repair Kit		
0257633	02/13/26	P	The Pun-Group LLC	0000029168	3,100.00
			<i>Line Description:</i> AUDIT SERVICES Tennis Court		
0257634	02/13/26	P	Turnout Maintenance Company LLC	0000020182	2,064.23
			<i>Line Description:</i> Turnout Coat & Pant Turnout Coat & Pant Turnout Coat & Pant Turnout Coat & Pant		
0257635	02/13/26	P	US Bank	0000002228	5,557.00
			<i>Line Description:</i> Paryroll 26-02		
0257636	02/13/26	P	US Postal Service	0000004376	10,000.00
			<i>Line Description:</i> Postage Meter POC#8109733		
0257637	02/13/26	P	UniFirst Holdings Inc	0000030616	77.94
			<i>Line Description:</i> CMBS Walk-Offs Mats		
0257638	02/13/26	P	United Industries	0000010867	342.11
			<i>Line Description:</i> Safety Items @ Warehouse		

Bank: CITY
 Cycle: AWKLY

<u>Payment Ref</u>	<u>Date</u>	<u>Status</u>	<u>Remit To</u>	<u>Remit ID</u>	<u>Payment Amt</u>
0257639	02/13/26	P	Verizon Wireless	0000008717	13,229.63
			<i>Line Description:</i> WIRELESS PHONE PD Cell Phones 11/16-12/15/25 PD Cell Phones 10*16-11/15/26 WIRELESS PHONE 12/18-1/17/25 PD Cell Phones 12/16-1/15/26		
0257640	02/13/26	P	Waterline Technologies Inc	0000014520	343.72
			<i>Line Description:</i> DRC-Pool Treatment		
0257641	02/13/26	P	Waxie Sanitary Supply	0000004480	10,933.97
			<i>Line Description:</i> JANITORIAL AND SANITARY SUPPLI JANITORIAL AND SANITARY SUPPLI JANITORIAL AND SANITARY SUPPLI		
0257642	02/13/26	P	Williams Data Management	0000018803	573.69
			<i>Line Description:</i> DATA STORAGE		
0257643	02/13/26	P	Z&K Consultants, Inc	0000029416	8,343.00
			<i>Line Description:</i> On-Call PW Engineering Staff		
0257644	02/13/26	P	Zoll Medical Corporation	0000021290	5,321.53
			<i>Line Description:</i> AUTOPULSE AND DEFIBRILLATORS AUTOPULSE AND DEFIBRILLATORS AUTOPULSE AND DEFIBRILLATORS AUTOPULSE AND DEFIBRILLATORS AUTOPULSE AND DEFIBRILLATORS		
TOTAL					\$1,320,158.37

Bank: DDP1
 Cycle: ADDEP1

<u>Payment Ref</u>	<u>Date</u>	<u>Status</u>	<u>Remit To</u>	<u>Remit ID</u>	<u>Payment Amt</u>
021608	02/13/26	P	Costa Mesa Employees Association	0000006284	4,596.01
			<i>Line Description:</i> Paryroll Deduction 26-04		
021609	02/13/26	P	Costa Mesa Executive Club	0000006286	340.00
			<i>Line Description:</i> Paryroll Deduction 26-04		
021610	02/13/26	P	Costa Mesa Firefighters Association	0000001812	8,887.50
			<i>Line Description:</i> Paryroll Deduction 26-04		
021611	02/13/26	P	Costa Mesa Police Association	0000001819	7,860.00
			<i>Line Description:</i> Paryroll Deduction 26-04		
021612	02/13/26	P	Costa Mesa Police Management Assn	0000005082	315.00
			<i>Line Description:</i> Paryroll Deduction 26-04		
021613	02/13/26	P	Travel Costa Mesa	0000024750	235,327.37
			<i>Line Description:</i> BIA Jan 2026		
TOTAL					\$257,325.88



CITY OF COSTA MESA

Agenda Report

77 Fair Drive
Costa Mesa, CA 92626

File #: 26-164

Meeting Date: 3/3/2026

TITLE:

MINUTES

DEPARTMENT: City Manager's Office/City Clerk's Division

RECOMMENDATION:

City Council approve the minutes of the regular meeting of February 17, 2026.



REGULAR CITY COUNCIL AND HOUSING AUTHORITY FEBRUARY 17, 2026 - MINUTES

CALL TO ORDER – The Closed Session meeting was called to order by Mayor Stephens at 4:02 p.m.

ROLL CALL

Present: Council Member Buley, Council Member Gameros, Council Member Marr, Council Member Pettis, Council Member Reynolds (Arrived at 4:04 p.m.), Mayor Pro Tem Chavez, and Mayor Stephens.

Absent: None.

PUBLIC COMMENTS

Dennis D'Alessio spoke about reaching a settlement in his cases with the City.

CLOSED SESSION ITEMS:

1. Public Employment, Workers' Compensation Claim
Pursuant to California Government Code Section 54956.9 (b)(1)
WCAB NO. ADJ20001620
2. Public Employment, Workers' Compensation Claim
Pursuant to California Government Code Section 54956.9 (b)(1)
WCAB NO. ADJ20046157
3. Public Employment, Workers' Compensation Claim
Pursuant to California Government Code Section 54956.9 (b)(1)
WCAB NO. ADJ18312550
4. Public Employment, Workers' Compensation Claim
Pursuant to California Government Code Section 54956.9 (b)(1)
WCAB NO. ADJ18493767
5. **CONFERENCE WITH LEGAL COUNSEL – ANTICIPATION OF LITIGATION - ONE CASE**
Pursuant to California Government Code Section 54956.9 (d)(2), Potential Litigation.

6. **CONFERENCE WITH REAL PROPERTY NEGOTIATOR**
Pursuant to California Government Code Section 54956.8
APN: 424-211-01; Property: 695 W. 19th Street, Costa Mesa, CA 92627
Agency Negotiators: Cecilia Gallardo-Daly, City Manager
Negotiating Parties: Jamboree Housing
Under Negotiation: Price and Terms of Payment

7. **CONFERENCE WITH LEGAL COUNSEL EXISTING LITIGATION**
Pursuant to California Government Code Section 54956.9 (d)(1)
Name of Case: Maxine Oshiro v. City of Costa Mesa, et al.
Orange County Superior Court Case No. 30-2022-01285097-CU-PA-CJC

8. **CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION**
Pursuant to California Government Code Section 54956.9 (d)(1)
Name of Case: City of Costa Mesa; People of State of Cal. v. D'Alessio Investments LLC, et al.
440 Fair Dr. and 1779 Newport Blvd.
Orange County Superior Court Case No. 30-2020-01170520

9. **CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION**
Pursuant to California Government Code Section 54956.9 (d)(1)
Name of Case: D'Alessio Investments LLC v. City of Costa Mesa
Orange County Superior Court Case No. 30-2020-01132646

10. **CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION**
Pursuant to California Government Code Section 54956.9 (d)(1)
Name of Case: D'Alessio v. City of Costa Mesa, et al.,
United States District Court, Central District of CA, Case No. 8:25-cv-00679-DOC-DFM

11. **CONFERENCE WITH LEGAL COUNSEL EXISTING LITIGATION**
Pursuant to California Government Code Section 54956.9 (d)(1)
Name of Case: City of Costa Mesa v. D'Alessio; 1963 Wallace Ave.
Orange County Superior Court Case No. 30 2020 01133479

City Council recessed at 4:07 p.m. for Closed Session.

Closed Session adjourned at 5:52 p.m.

CALL TO ORDER - The Regular City Council and Housing Authority meeting was called to order by Mayor Stephens at 6:05 p.m.

NATIONAL ANTHEM AND PLEDGE OF ALLEGIANCE – A video was played of the National Anthem and the Mayor led the Pledge of Allegiance.

MOMENT OF SOLEMN EXPRESSION – Led by Calvary Chapel Dave Manne, Pastor Emeritus.

ROLL CALL

Present: Council Member Buley, Council Member Gameros, Council Member Marr (excused at 7:37 p.m.), Council Member Pettis, Council Member Reynolds, Mayor Pro Tem Chavez, and Mayor Stephens.

Absent: None.

CITY ATTORNEY CLOSED SESSION REPORT – No reportable action.

PRESENTATIONS: NONE.

PUBLIC COMMENTS – MATTERS NOT LISTED ON THE AGENDA

Speaker, spoke against Flock Cameras and requested they be removed.

Brooke Grey thanked City Council and staff for their work on inclusivity in the city, for including Know Your Rights information at bus shelters, for updating the website, spoke against ICE, and against Flock Cameras.

Speaker, thanked the city for their efforts to support the immigrant community and spoke against Flock Cameras

Speaker, thanked City Council for sharing Know Your Rights information, thanked Police Chief LaPointe for filing the FOIA requests with DHS, spoke on holding federal agents accountable, and spoke on enforcing the No Vigilantes Act.

Speaker, spoke against Flock Cameras

Speaker, spoke against Flock Cameras.

Juano Trejo, thanked Council Member Reynolds for providing food to families in need, thanked City Council for their efforts during difficult times and the money designated to help families, requested a registry on the number of people detained in Costa Mesa, and thanked the Police Department for being present in the community.

Anne Stenton, Costa Mesa, thanked City Council for their efforts to support immigrants, encouraged the city to submit FOIA requests, and spoke against Flock Cameras.

COUNCIL MEMBER COMMITTEE REPORTS, COMMENTS, AND SUGGESTIONS

Council Member Reynolds thanked staff for their work to receive donations and facilitating assistance out to community organizations, thanked the Police Department for their report to the Active Transportation Committee on collision data, reported on attending the annual foundation gala for the Orange County Soccer Club and is interested in a partnership for a Costa Mesa night, spoke on a conversation with various property owners and Measure K locations and wanting to understand more of the process, spoke on Flock Cameras and controls, asked for an audit and if there is a risk of data breach, spoke on an event on February 18th at 6:00 p.m. in Costa Mesa for residents to get involved in community volunteering, reported that Orange County Rapid Response has statistics on those being detained, and requested to adjourn the meeting in honor and memory of Kathleen Andrews.

Council Member Pettis spoke on small businesses and on Housing and Community Development, requested more focus on community engagement and communications, spoke on watching the commission meetings, spoke on the Arts Commissions budgetary concerns and requests, and thanked the public for their participation in the government process.

Council Member Buley thanked Finance Director Molina and City Manager Gallardo-Daly for information on the budget and requested drafts of the budget be provided to the Finance and Pension Advisory Committee, attended the District meeting and addressed e-bike concerns, spoke on proposed state legislation on e-bikes for a registration process, thanked staff for helping a small business owner navigating Tessa, thanked Parks and Community Services Director Mr. Gruner and his department for handling residents concerns at Moon Park, and spoke on attending a Costa Mesa United Committee event.

Council Member Gamos thanked the community for expressing concerns on safety, spoke in support of the Costa Mesa Police Department and Fire Department, spoke on the Flock Camera systems, spoke on housing affordability in the community, spoke on the status of the Costa Mesa Tennis Center and thanked Parks and Community Services Director Mr. Gruner for staffing the tennis center, and indicated that Adam Ereth with the Someone Cares Soup Kitchen has food boxes ready for distribution.

Council Member Marr spoke on Flock cameras and requested staff to look at settings, expressed condolences to the family and friends of Kathleen Andrews, and spoke against ICE.

Mayor Pro Tem Chavez wish everyone a Happy Lunar New Year, Ramadan, and Lent, spoke on attending the groundbreaking for Ketchum Libolt Park, spoke on attending an Estancia High School club meeting to speak to students on the Costa Mesa Police Department and how they are not working with ICE, spoke on Flock Cameras and requested a report from the Police Department, spoke against the school district proposed banning of e-bikes, spoke on the City of Irvine's policy on e-bikes, spoke in memory of Kathleen Andrews, and requested to also adjourn the meeting in honor of Deputy Police Chief Chamness' father who recently passed away.

Mayor Stephens spoke on the Ketchum Libolt groundbreaking, spoke on attending a ribbon cutting for "Changes", spoke on Flock cameras and indicated they are successful for crime fighting and requested staff to analyze, wished everyone a Happy Mardi Gras, Lent, and Lunar New Year, spoke in memory of Kathleen Andrews and Bruce Chamness and adjourning the meeting in their honor.

REPORT – CITY MANAGER – Ms. Gallardo-Daly reported that on February 24th at 6:00 p.m. the Fire Marshal will kick-off the CERT program, spoke on the Neighborhoods Where We All Belong upcoming community workshops, spoke on the Tennis Center is temporarily being run by Agape Tennis Academy, stated Earth Day and Arbor Day festivals are on April 18th, February 17th is Lunar New Year, and spoke on state legislation SB 100 regarding law enforcement wearing masks.

REPORT – CITY ATTORNEY – Ms. Hall Barlow reported that the City Attorney’s Office submitted a FOIA request last August to Department of Homeland Security for records related to immigration enforcement actions, and the response did not provide specific information on incidents, spoke on contacting Congressman Min and that specific information could not be released due to federal privacy laws, stated that interested family members should submit requests as they are more likely to receive a better response, and that the City Attorney’s office refigured and resubmitted another request.

CONSENT CALENDAR

MOVED/SECOND: Mayor Pro Tem Chavez/Mayor Stephens

MOTION: Approve the Consent Calendar.

The motion carried by the following roll call vote:

Ayes: Council Member Buley, Council Member Gameros, Council Member Marr, Council Member Pettis, Council Member Reynolds, Mayor Pro Tem Chavez, and Mayor Stephens.

Nays: None.

Absent: None.

Abstain: Council Member Gameros recused himself on item 3 the Warrant Resolution due to his wife working for Priceless Pet Rescue.

Motion carried: 7-0

1. PROCEDURAL WAIVER: WAIVE THE FULL READING OF ALL ORDINANCES AND RESOLUTIONS

ACTION:

City Council and Housing Authority approved the reading by title only and waived further reading of Ordinances and Resolutions.

2. READING FOLDER

ACTION:

City Council received and filed Claims received by the City Clerk and authorized staff to reject any and all Claims: Alissa Aguayo, Fouad Malley, Debra Von Trapp.

3. ADOPTION OF WARRANT RESOLUTION

ACTION:

City Council approved Warrant Resolution No. 2748.

4. MINUTES

ACTION:

City Council approved the minutes of the regular meeting of February 3, 2026.

5. AUTHORIZE PURCHASE ORDER WITH BOUND TREE MEDICAL, LLC FOR THE PURCHASE OF SMALL DOLLAR EMERGENCY MEDICAL SUPPLIES THAT CUMULATIVELY EXCEED \$100,000 THROUGH THE EXTENDED TERM OF THE COOPERATIVE AGREEMENT

ACTION:

City Council authorized the City Manager to execute a purchase order with Bound Tree Medical within the Fire & Rescue Department's FY 2025-26 operating budget for various small dollar commodity purchases, which collectively exceed \$100,000, under the new cooperative agreement, Charles County, Maryland Medical Supplies Contract 22-42.

-----**END OF CONSENT CALENDAR**-----

PUBLIC HEARINGS: NONE.

(Pursuant to Resolution No. 05-55, Public Hearings begin at 7:00 p.m.)

OLD BUSINESS:

1. ADOPT AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF COSTA MESA, REQUIRING STAFFING AT SELF-SERVICE CHECKOUT STATIONS

Presentation by Mr. Barkman, Government Affairs Manager.

Public Comments:

Andrew Barnes, Costa Mesa, spoke against the ordinance.

Wendy Leece, Costa Mesa, spoke against the ordinance.

MOVED/SECOND: Council Member Marr/Council Member Reynolds

MOTION: Approve staff recommendation.

Council Member Pettis spoke in opposition of the item due to a potential loss of sales tax.

Council Member Buley spoke in opposition of the item due to concerns with complying with labor laws and the perception of making it difficult for businesses to operate in Costa Mesa.

MOVED/SECOND: Council Member Marr/Council Member Reynolds

MOTION: Approve staff recommendation.

The motion carried by the following roll call vote:

Ayes: Council Member Gameros, Council Member Marr, Council Member Reynolds, Mayor Pro Tem Chavez, and Mayor Stephens.

Nays: Council Member Buley and Council Member Pettis.

Absent: None.

Abstain: None.

Motion carried: 5-2

ACTION:

City Council Adopted Ordinance No. 2026-02 Adding Article 7 of Chapter II of Title 9 to the Costa Mesa Municipal Code relating to Grocery and Drug Store Staffing Standards for Self-Service Checkout Stations and directed staff to return to City Council with a report on implementation and outcomes in one year.

NEW BUSINESS:

1. APPROVAL OF A PROFESSIONAL SERVICES AGREEMENT WITH BRACKEN'S KITCHEN FOR KITCHEN OPERATIONS AT THE BRIDGE SHELTER

Presentation by Mr. Robbins, Neighborhood Improvement Manager.

Public Comments:

Mr. Bracken agreed to a three (3) year contract with two (2) one (1) year extensions.

MOVED/SECOND: Mayor Stephens/Mayor Pro Tem Chavez

MOTION: Approve staff recommendation.

The motion carried by the following roll call vote:

Ayes: Council Member Buley, Council Member Gameros, Council Member Pettis, Council Member Reynolds, Mayor Pro Tem Chavez, and Mayor Stephens.

Nays: None.

Absent: Council Member Marr.

Abstain: None.

Motion carried: 6-0

ACTION:

1. City Council approved a Professional Services Agreement (PSA) with Bracken's Kitchen for Kitchen Operations at the Costa Mesa Bridge Shelter in an amount not to exceed \$492,750 annually for a term of five (5) years from April 19, 2025 to April 18, 2030.
2. Authorized the City Manager and the City Clerk to execute the agreement and any future amendments to the agreement.

2. CITY OF COSTA MESA'S URBAN CANOPY AND LAND ASSESSMENT

Presentation by Mr. Ryan, Maintenance Services Manager.

Public Comments:

Speaker, spoke on a map indicating where more trees are needed and spoke on eliminating pavement and finding more places to plant trees.

Andrew Barnes, Costa Mesa, spoke on a canopy that creates shade, the need to have options for replanting trees, and spoke on the importance of maintenance of trees.

Cynthia McDonald, Costa Mesa, spoke on the value of trees.

MOVED/SECOND: Council Member Reynolds

MOTION: Bring back to City Council by April 21st a proposal or range of proposals to grow the tree canopy, including current costs for a tree program, what it would take to grow the canopy by 5% and increase to 20 or 30% in residential neighborhoods, include budget requirements for the potential targets, include grant opportunities or partnering opportunities, strategies to encourage planting on private lots, strategies for growth in areas marked as unsuitable when they are residential areas or pedestrian priority areas, and a potential policy to support growth and management of the urban forest.

Mayor Stephens noted the deadline of April 21st may not work.

Discussion ensued on the process and timelines.

MOVED/SECOND: Council Member Reynolds/Mayor Stephens

MOTION: Bring back to City Council by April 21st additional information on the City's existing tree program activities and expenses, with potential recommendations for expanding the tree program.

The motion carried by the following roll call vote:

Ayes: Council Member Gameros, Council Member Pettis, Council Member Reynolds, Mayor Pro Tem Chavez, and Mayor Stephens.

Nays: Council Member Buley.

Absent: Council Member Marr.

Abstain: None.

Motion carried: 5-1

ACTION:

City Council reviewed and provided feedback to staff to bring back to City Council by April 21st additional information on the City's existing tree program activities and expenses, with potential recommendations for expanding the tree program.

3. TRAINING REQUIREMENTS FOR ELECTED AND APPOINTED OFFICIALS

Presentation by Ms. Hall Barlow, City Attorney.

Public Comments: None.

MOVED/SECOND: Mayor Stephens/Council Member Gamos

MOTION: Approve staff recommendation.

The motion carried by the following roll call vote:

Ayes: Council Member Buley, Council Member Gamos, Council Member Pettis, Council Member Reynolds, Mayor Pro Tem Chavez, and Mayor Stephens.

Nays: None.

Absent: Council Member Marr.

Abstain: None.

Motion carried: 6-0

ACTION:

City Council received and filed a report on updated Training Requirements for Elected and Appointed Officials.

ADDITIONAL COUNCIL/BOARD MEMBER COMMITTEE REPORTS, COMMENTS, AND SUGGESTIONS – NONE.

ADJOURNMENT – Mayor Stephens adjourned the meeting at 9:04 p.m. in honor and memory of Kathleen Andrews and Bruce Chamness.

Minutes adopted on this 3rd day of March, 2026.

John Stephens, Mayor

ATTEST:

Brenda Green, City Clerk

DRAFT



CITY OF COSTA MESA

Agenda Report

77 Fair Drive
Costa Mesa, CA 92626

File #: 26-144

Meeting Date: 3/3/2026

TITLE:

APPROVAL OF PERPETUAL NON-EXCLUSIVE EASEMENTS TO MESA WATER DISTRICT FOR THE RECONSTRUCTION OF FIRE STATION NO. 2

DEPARTMENT: PUBLIC WORKS DEPARTMENT/ENGINEERING DIVISION

PRESENTED BY: RAJA SETHURAMAN, PUBLIC WORKS DIRECTOR

CONTACT INFORMATION: SEUNG YANG, P.E., CITY ENGINEER (714) 754-5335

RECOMMENDATION:

Staff recommends the City Council:

1. Approve the two (2) perpetual non-exclusive easements to Mesa Water District within Fire Station No. 2.
2. Authorize the Public Works Director to execute the Grants of Easements on behalf of the City.

BACKGROUND:

Two (2) perpetual non-exclusive easements to Mesa Water District are being proposed within Fire Station No. 2 located at 800 Baker Street. The first easement (Attachment 1) is for an existing water mainline located on the southeast corner of the property. The second easement (Attachment 2) is required by Mesa Water District to provide fire water and fire sprinkler service for the proposed fire station reconstruction project.

ANALYSIS:

Mesa Water District owns and maintains an existing 6-inch water mainline that was constructed in 1966. The proposed easement for the existing 6-inch water mainline was requested by Mesa Water District in order to continue to provide maintenance access to this water mainline.

The second easement is required for the reconstruction of Fire Station No. 2. This easement would permit the construction of a new double-check detector assembly (DCDA) to comply with Mesa Water District's rules and regulations for fire water and fire sprinkler service.

These easements together would allow Mesa Water to access, construct, replace, and repair its facilities.

The requested easements were reviewed for compliance with City Council policies and determined to be consistent with the City's General Plan, as they do not alter any General Plan elements or land uses.

ALTERNATIVES:

Retaining the mainline in its current location without granting easements would not comply with Mesa Water District's current rules and regulations. Therefore, staff does not recommend this alternative.

FISCAL REVIEW:

There are no fiscal impacts associated with the recommendations.

LEGAL REVIEW:

The City Attorney's Office has reviewed this staff report and attached easements and approves them as to form.

CITY COUNCIL GOALS AND PRIORITIES:

This project supports the following City Council goal:

- Strengthen the Public's Safety and Improve the Quality of Life

CONCLUSION:

Staff recommends the City Council:

1. Approve the two (2) perpetual non-exclusive easements to Mesa Water District within Fire Station No. 2.
2. Authorize the Public Works Director to execute the Grants of Easements on behalf of the City.

Free Recording Requested By and
Return To:

Mesa Water District
1965 Placentia Avenue
Costa Mesa, California, 92627
Attention: Engineering
Mesa Water District File No. C0013-25-04

(Space Above Line for Recorder 's Use)

GRANT OF EASEMENT
TO MESA WATER DISTRICT

Exempt from recording fee pursuant to California Government Code §27383
Conveyance is to an exempt governmental entity or political subdivision R&T §11922

FROM

CITY OF COSTA MESA
77 FAIR DRIVE

Costa Mesa, CA 92626
County of Orange

A. Grant of Easement

For valuable consideration, receipt of which is hereby acknowledged, City of Costa Mesa, a municipal corporation (the "Owner"), hereby grants and conveys to the Mesa Water District, a county water district pursuant to Section 30000 et seq. of the California Water Code (the "Grantee"), a perpetual nonexclusive easement and right of-way (the "Easement") to construct, reconstruct, lay, install, remove and replace, maintain, renew, repair, inspect, improve, relocate, operate, enlarge, duplicate, and otherwise use a pipeline or pipelines, with incidental ordinary and necessary appurtenances and connections (the "Facilities") over, under, upon, along, through, and across that real property located within the City of Costa Mesa, County of Orange, State of California, described on Exhibit "A" attached hereto and incorporated by reference herein and depicted on Exhibit "B" attached hereto and incorporated by reference herein ("Easement Area"): and to construct other structures appurtenant to the Facilities, which structures may extend above the surface of the ground, together with the right to enter upon other adjacent land of Owner in order to obtain access to and along the Easement Area and to deposit tools, implements, and material thereon by Grantee, its officers, agents, and employees, or by persons under contract to the Grantee, whenever and wherever

necessary for the purpose of constructing, reconstructing, laying, installing, removing and replacing, maintaining, renewing, repairing, inspecting, improving, relocating, operating, enlarging, duplicating and using the Facilities.

B. Rights and Responsibilities of Owner

Owner retains the right to use the surface areas and nonexclusive right to use the subsurface areas of or in the Easement Area in such a manner as will not prohibit access to the Grantee granted hereunder. Further the Owner shall not apply to any other governmental agency of entity for access limitation as to the territory encumbered by the Easement, or issue permits to allow the construction of a privately gated community covering the territory encumbered by the Easement, which would interfere with the rights of Grantee as granted by this Easement. In the performance of any work which Grantee is authorized to perform in the Easement Area, Grantee shall endeavor to avoid any unnecessary damage or interference with other installations in the Easement Area. There shall be no less than a 42-inch (42") cover over the Facilities or the Grantee, not greater than a 12-foot (12') fill thereon. There shall also be no less than 20 feet (20') of clear vertical distance immediately above the surface area of the Easement Area measured at finished ground level, nor shall any trees, buildings, or other permanent structures be planted, installed or located within the Easement Area. Grantee agrees to confer with Owner thereof in order that the Grantee's activity(ies) as to the easement rights granted hereunder will result in a minimum of inconvenience or hardship to Owner.

C. Responsibilities of Grantee

In making any use of this Grant, Grantee shall:

- a. Make adequate provision for the safety and convenience of all persons using the Easement Area or other improvements or facilities in or on the Easement Area;
- b. Not be responsible for replacing decorative concrete, pavers, block walls, fences, grass, rock, irrigation systems, or other appurtenances which may be installed within the boundaries of the Easement Area as a result of Grantee's standard maintenance or emergency repair work or the exercise of rights granted under this Grant of Easement. Grantee shall use asphalt paving to repair maintenance work performed within the Easement Area and only over the location of the repair(s). Grantee shall not be responsible for any cost(s) over and above the cost of replacing with asphalt pavement.

- c. Subject to the limiting provisions of (b.), above, in exchange for the granting of the Easement, Grantee agrees to indemnify Owner against and to hold the Owner harmless from any liability, loss, claims, or damage with respect to any property, injury, or death of any person whomsoever, proximately caused in whole or in part by the negligence of Grantee, its employees or agents are liable without fault in the exercise of the rights herein granted; save and except to the extent that such liability, loss, damage, injury, or death is proximately caused by the negligent act or omission of the owner or the employees or agents of Owner or by an act or omission for which Owner or the employees or agents of Owner are liable without fault.

In its use of the Easement, Grantee shall not permit any claim, lien, or other encumbrance arising from such use to accrue against or attach to the Easement Area of the interest of Owner in the land in, on, and under the Easement Area. In providing the Easement grant set forth herein, Owner expressly acknowledges the conditions set out in this subsection C.

D. Relocation at Owner's Expense

Owner may require Grantee to change or relocate the Facilities. If Owner requires such a change in the Facilities, then Grantee shall, within two hundred seventy (270) consecutive calendar days after the receipt from Owner of a notice in writing to do so, relocate the Facilities or portions thereof at the sole cost and expense of Owner and at no cost or expense to Grantee; provided, however, said obligation to relocate at the expense of Owner shall be conditioned upon the furnishing by Owner to Grantee a good and sufficient permanent grant of easement in a location acceptable to Grantee, which grant of easement shall be in a form identical to this Easement Grant.

E. Successors and Assigns

This Easement shall be binding upon and inure to the benefit of the successors and assigns of Owner and Grantee.

F. Acceptance and Recordation

Grantee acknowledges, by acceptance and recordation of this Grant of Easement from Owner, that the terms and conditions herein set forth shall be binding upon and inure to the benefit of Grantee.

G. Notices

Any notices, requests, demands, consents, approvals, or other communications required or permitted hereunder by law, shall be in writing and deemed received when personally served, of twenty-four hours after being deposited in the United States mail, first class postage prepaid, registered, or certified, and addressed as follows:

OWNER: City of Costa Mesa
77 Fair Drive
Costa Mesa, California 92626
Attn: Raja Sethuraman

GRANTEE: Mesa Water District
1965 Placentia Avenue
Costa Mesa, California 92627
Attn: Engineering

Any party may from time to time, by written notice to the other party hereto, designate a different address which shall be substituted for that specified above.

[Remainder of this page intentionally left blank]

IN WITNESS WHEREOF this Grant of Easement has been executed this _____ day of

_____, 2026. |

OWNER - CITY OF COSTA MESA

Signature

Raja Sethuraman
Public Works Director

Date: _____

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
COUNTY OF _____)

On, _____ before me, _____
(Date) (Here Insert Name and Title of the Officer)

Personally appeared _____
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: _____
Signature of Notary Public

CERTIFICATE OF ACCEPTANCE
MESA WATER DISTRICT

This is to certify that the interest in real property conveyed by the attached Easement Deed granted by:

Owner- **CITY OF COSTA MESA**

In and to that certain property described and depicted in Exhibits A and B hereto to the Mesa Water District ("District"), is hereby accepted by the undersigned officer on behalf of the District pursuant to authority conferred by the District's Board of Directors ("Board"), and the Board consents to recordation thereof by its duly authorized officer.

Date this _____ day of _____, 2026

Mesa Water District

By: _____
Denise Khalifa
District Secretary

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
COUNTY OF _____)

On, _____ before me, _____
(Date) (Here Insert Name and Title of the Officer)

Personally appeared _____
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the
State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature:

Signature of Notary Public

EXHIBIT "A"

Legal Description of Easement Area

EXHIBIT "A"
LEGAL DESCRIPTION
OF EASEMENT AREA

BEING A PORTION OF LOT 6 IN BLOCK E OF THE BERRY TRACT, IN THE CITY OF COSTA MESA, AS PER MAP RECORDED IN BOOK 30, PAGE 74 OF MISCELLANEOUS RECORDS, IN THE OFFICE OF THE COUNTY RECORDS OF LOS ANGELES COUNTY, CALIFORNIA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE POINT OF INTERSECTION OF THE CENTERLINE OF BAKER STREET, AS SHOWN ON SAID MAP, AND THE SOUTHERLY PROLONGATION OF THE WEST LINE OF SAID LOF 6; THENCE NORTH ALONG SAID PROLONGATION OF THE WESTERLY LINE NORTH 00°11'45 EAST 53.00 FEET; THENCE EASTERLY, PARALLEL WITH SAID CENTERLINE SOUTH 89°48'15 EAST 195.82 FEET TO THE TRUE POINT OF BEGINNING; THENCE

NORTH 00°11'45 EAST 91.18 FEET; THENCE
SOUTH 89°48'15 EAST 15.00 FEET; THENCE
SOUTH 00°11'45 WEST 91.18 FEET; THENCE
NORTH 89°48'15 WEST 15.00 FEET TO THE TRUE POINT OF BEGINNING.

CONTAINING: 1,367.8 SQUARE FEET, MORE OR LESS.

ALL AS SHOWN ON EXHIBIT "B", ATTACHED HERETO AND BY THIS REFERENCE MADE A PART THEREOF.

SUBJECT TO ALL COVENANTS, CONDITIONS, RESERVATIONS, RESTRICTIONS, RIGHTS OF WAY AND EASEMENTS OF RECORD, IF ANY.

PREPARED UNDER THE SUPERVISION OF:



Theodore M. Krull, L.S. 5848



Date



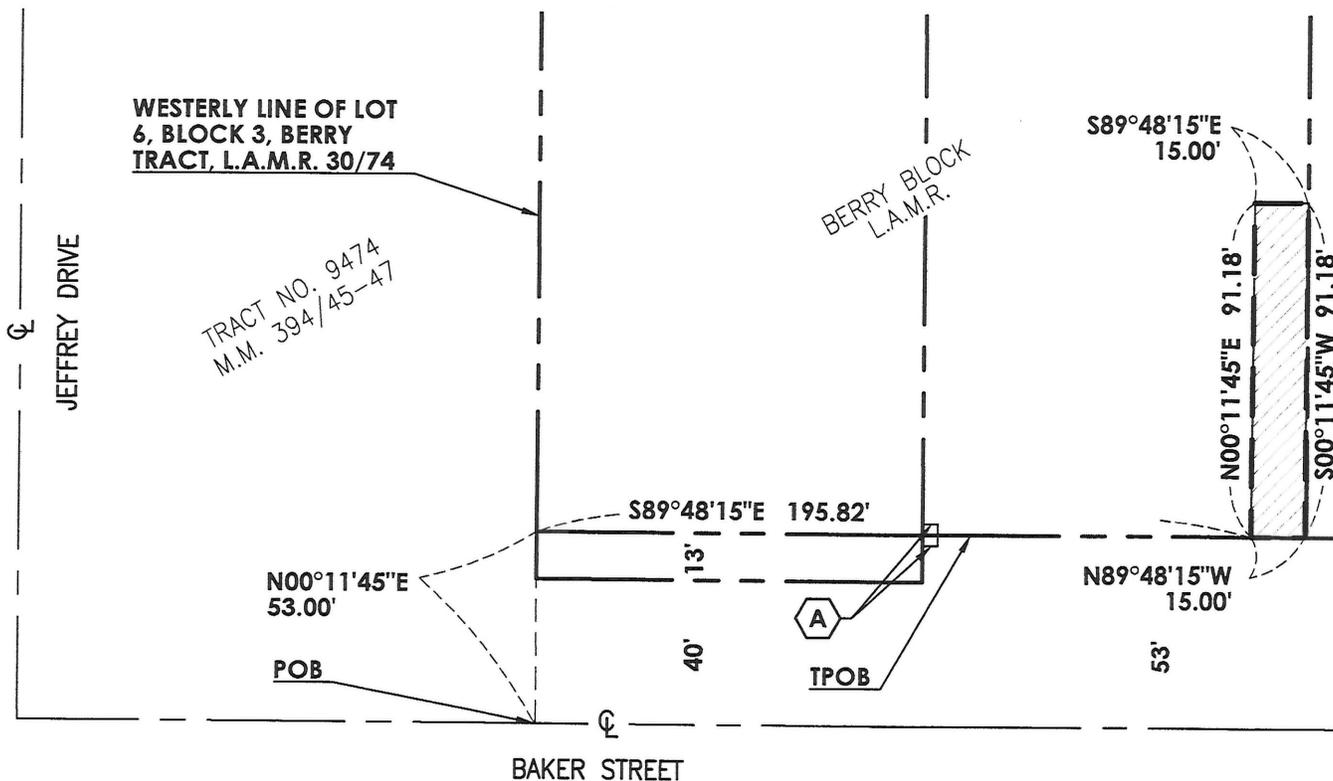
EXHIBIT "B"

Map of Easement Area

EXHIBIT 'B'

MAP OF EASEMENT AREA

NOTE: BASIS OF BEARINGS ARE BASED ON THE BEARING N 00°02'25" W OF THE CENTERLINE OF RANDOLPH AVENUE AS SHOWN ON TRACT NO. 11606 M.M. 509/29-30



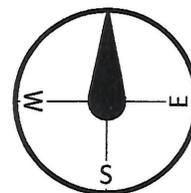
LEGEND

-  PROPERTY LINE
-  CENTERLINE
- POB** POINT OF BEGINNING
- TPOB** TRUE POINT OF BEGINNING
-  PROPOSED EASEMENT
1,367.8 SQ. FT.

EXISTING EASEMENT NOTES



4' WIDE EASEMENT TO S.C.E. FOR ELECTRIC AND COMMUNICATION SYSTEMS RECORDED OCTOBER 27, 1978 AS INSTRUCTION NO. 349321, O.R.



SCALE: 1" = 50'


Prepared under the supervision of:


 Theodore M. Krull, L.S. 5848

11-07-25
 Date

Free Recording Requested By and
Return To:

Mesa Water District
1965 Placentia Avenue
Costa Mesa, California, 92627
Attention: Engineering
Mesa Water District File No. C0013-25-04

(Space Above Line for Recorder 's Use)

GRANT OF EASEMENT
TO MESA WATER DISTRICT

Exempt from recording fee pursuant to California Government Code §27383
Conveyance is to an exempt governmental entity or political subdivision R&T §11922

FROM
CITY OF COSTA MESA
77 FAIR DRIVE

Costa Mesa, CA 92626
County of Orange

A. Grant of Easement

For valuable consideration, receipt of which is hereby acknowledged, City of Costa Mesa, a municipal corporation (the "Owner"), hereby grants and conveys to the Mesa Water District, a county water district pursuant to Section 30000 et seq. of the California Water Code (the "Grantee"), a perpetual nonexclusive easement and right of-way (the "Easement") to construct, reconstruct, lay, install, remove and replace, maintain, renew, repair, inspect, improve, relocate, operate, enlarge, duplicate, and otherwise use a pipeline or pipelines, with incidental ordinary and necessary appurtenances and connections (the "Facilities") over, under, upon, along, through, and across that real property located within the City of Costa Mesa, County of Orange, State of California, described on Exhibit "A" attached hereto and incorporated by reference herein and depicted on Exhibit "B" attached hereto and incorporated by reference herein ("Easement Area"): and to construct other structures appurtenant to the Facilities, which structures may extend above the surface of the ground, together with the right to enter upon other adjacent land of Owner in order to obtain access to and along the Easement Area and to deposit tools, implements, and material thereon by Grantee, its officers, agents, and employees, or by persons under contract to the Grantee, whenever and wherever

necessary for the purpose of constructing, reconstructing, laying, installing, removing and replacing, maintaining, renewing, repairing, inspecting, improving, relocating, operating, enlarging, duplicating and using the Facilities.

B. Rights and Responsibilities of Owner

Owner retains the right to use the surface areas and nonexclusive right to use the subsurface areas of or in the Easement Area in such a manner as will not prohibit access to the Grantee granted hereunder. Further the Owner shall not apply to any other governmental agency of entity for access limitation as to the territory encumbered by the Easement, or issue permits to allow the construction of a privately gated community covering the territory encumbered by the Easement, which would interfere with the rights of Grantee as granted by this Easement. In the performance of any work which Grantee is authorized to perform in the Easement Area, Grantee shall endeavor to avoid any unnecessary damage or interference with other installations in the Easement Area. There shall be no less than a 42-inch (42") cover over the Facilities or the Grantee, not greater than a 12-foot (12') fill thereon. There shall also be no less than 20 feet (20') of clear vertical distance immediately above the surface area of the Easement Area measured at finished ground level, nor shall any trees, buildings, or other permanent structures be planted, installed or located within the Easement Area. Grantee agrees to confer with Owner thereof in order that the Grantee's activity(ies) as to the easement rights granted hereunder will result in a minimum of inconvenience or hardship to Owner.

C. Responsibilities of Grantee

In making any use of this Grant, Grantee shall:

- a. Make adequate provision for the safety and convenience of all persons using the Easement Area or other improvements or facilities in or on the Easement Area;
- b. Not be responsible for replacing decorative concrete, pavers, block walls, fences, grass, rock, irrigation systems, or other appurtenances which may be installed within the boundaries of the Easement Area as a result of Grantee's standard maintenance or emergency repair work or the exercise of rights granted under this Grant of Easement. Grantee shall use asphalt paving to repair maintenance work performed within the Easement Area and only over the location of the repair(s). Grantee shall not be responsible for any cost(s) over and above the cost of replacing with asphalt pavement.

- c. Subject to the limiting provisions of (b.), above, in exchange for the granting of the Easement, Grantee agrees to indemnify Owner against and to hold the Owner harmless from any liability, loss, claims, or damage with respect to any property, injury, or death of any person whomsoever, proximately caused in whole or in part by the negligence of Grantee, its employees or agents are liable without fault in the exercise of the rights herein granted; save and except to the extent that such liability, loss, damage, injury, or death is proximately cause by the negligent act or omission of the owner or the employees or agents of Owner or by an act or omission for which Owner or the employees or agents of Owner are liable without fault.

In its use of the Easement, Grantee shall not permit any claim, lien, or other encumbrance arising from such use to accrue against or attach to the Easement Area of the interest of Owner in the land in, on, and under the Easement Area. In providing the Easement grant set forth herein, Owner expressly acknowledges the conditions set out in this subsection C.

D. Relocation at Owner's Expense

Owner may require Grantee to change or relocate the Facilities. If Owner requires such a change in the Facilities, then Grantee shall, within two hundred seventy (270) consecutive calendar days after the receipt from Owner of a notice in writing to do so, relocate the Facilities or portions thereof at the sole cost and expense of Owner and at no cost or expense to Grantee; provided, however, said obligation to relocate at the expense of Owner shall be conditioned upon the furnishing by Owner to Grantee a good and sufficient permanent grant of easement in a location acceptable to Grantee, which grant of easement shall be in a form identical to this Easement Grant.

E. Successors and Assigns

This Easement shall be binding upon and inure to the benefit of the successors and assigns of Owner and Grantee.

F. Acceptance and Recordation

Grantee acknowledges, by acceptance and recordation of this Grant of Easement from Owner, that the terms and conditions herein set forth shall be binding upon and inure to the benefit of Grantee.

G. Notices

Any notices, requests, demands, consents, approvals, or other communications required or permitted hereunder by law, shall be in writing and deemed received when personally served, of twenty-four hours after being deposited in the United States mail, first class postage prepaid, registered, or certified, and addressed as follows:

OWNER: City of Costa Mesa
77 Fair Drive
Costa Mesa, California 92626
Attn: Raja Sethuraman

GRANTEE: Mesa Water District
1965 Placentia Avenue
Costa Mesa, California 92627
Attn: Engineering

Any party may from time to time, by written notice to the other party hereto, designate a different address which shall be substituted for that specified above.

[Remainder of this page intentionally left blank]

IN WITNESS WHEREOF this Grant of Easement has been executed this _____ day of

_____, 2026. |

OWNER - CITY OF COSTA MESA

Signature

Raja Sethuraman
Public Works Director

Date: _____

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
COUNTY OF _____)

On, _____ before me, _____
(Date) (Here Insert Name and Title of the Officer)

Personally appeared _____
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the
State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature:

Signature of Notary Public

CERTIFICATE OF ACCEPTANCE
MESA WATER DISTRICT

This is to certify that the interest in real property conveyed by the attached Easement Deed granted by:

Owner- **CITY OF COSTA MESA**

In and to that certain property described and depicted in Exhibits A and B hereto to the Mesa Water District ("District"), is hereby accepted by the undersigned officer on behalf of the District pursuant to authority conferred by the District's Board of Directors ("Board"), and the Board consents to recordation thereof by its duly authorized officer.

Date this _____ day of _____, 2026

Mesa Water District

By: _____
Denise Khalifa
District Secretary

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
COUNTY OF _____)

On, _____ before me, _____
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who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the
State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: _____
Signature of Notary Public

EXHIBIT "A"

Legal Description of Easement Area

EXHIBIT "A"
LEGAL DESCRIPTION
OF EASEMENT AREA

BEING A PORTION OF LOT 6 IN BLOCK E OF THE BERRY TRACT, IN THE CITY OF COSTA MESA, AS PER MAP RECORDED IN BOOK 30, PAGE 74 OF MISCELLANEOUS RECORDS, IN THE OFFICE OF THE COUNTY RECORDS OF LOS ANGELES COUNTY, CALIFORNIA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE POINT OF INTERSECTION OF THE CENTERLINE OF BAKER STREET, AS SHOWN ON SAID MAP, AND THE SOUTHERLY PROLONGATION OF THE WEST LINE OF SAID LOF 6; THENCE NORTH ALONG SAID PROLONGATION OF THE WESTERLY LINE NORTH 00°11'45 EAST 53.00 FEET; THENCE EASTERLY, PARALLEL WITH SAID CENTERLINE SOUTH 89°48'15 EAST 116.34 FEET TO THE TRUE POINT OF BEGINNING; THENCE

NORTH 00°11'45 EAST 15.00 FEET; THENCE
SOUTH 89°48'15 EAST 15.00 FEET; THENCE
SOUTH 00°11'45 WEST 15.00 FEET; THENCE
NORTH 89°48'15 WEST 15.00 FEET TO THE TRUE POINT OF BEGINNING.

CONTAINING: 225.0 SQUARE FEET, MORE OR LESS.

ALL AS SHOWN ON EXHIBIT "B", ATTACHED HERETO AND BY THIS REFERENCE MADE A PART THEREOF.

SUBJECT TO ALL COVENANTS, CONDITIONS, RESERVATIONS, RESTRICTIONS, RIGHTS OF WAY AND EASEMENTS OF RECORD, IF ANY.

PREPARED UNDER THE SUPERVISION OF:

Theodore M. Krull

Theodore M. Krull, L.S. 5848

10/15/25

Date



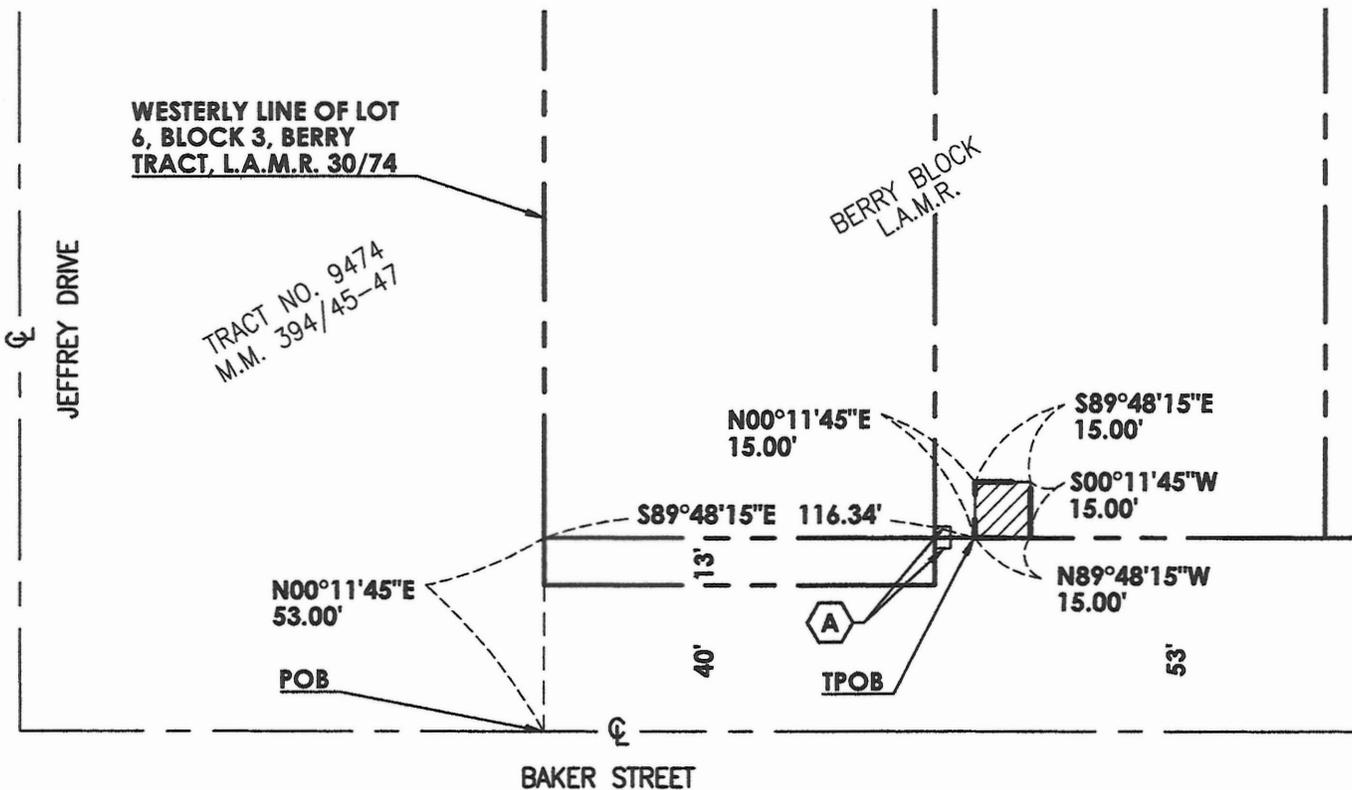
EXHIBIT "B"

Map of Easement Area

EXHIBIT 'B'

MAP OF EASEMENT AREA

NOTE: BASIS OF BEARINGS ARE BASED ON THE BEARING N 00°02'25" W OF THE CENTERLINE OF RANDOLPH AVENUE AS SHOWN ON TRACT NO. 11606 M.M. 509/29-30

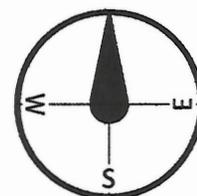


LEGEND

- PROPERTY LINE
- CENTERLINE
- POB POINT OF BEGINNING
- TPOB TRUE POINT OF BEGINNING
-  PROPOSED EASEMENT
225.0 SQ. FT.

EXISTING EASEMENT NOTES

-  4' WIDE EASEMENT TO S.C.E. FOR ELECTRIC AND COMMUNICATION SYSTEMS RECORDED OCTOBER 27, 1978 AS INSTRUCTION NO. 349321, O.R.



SCALE: 1" = 50'



Prepared under
the supervision of:

Theodore M. Krull *10/15/25*

Theodore M. Krull, L.S. 5848 Date



CITY OF COSTA MESA

77 Fair Drive
Costa Mesa, CA 92626

Agenda Report

File #: 26-148

Meeting Date: 3/3/2026

TITLE:

TRAFFIC IMPACT FEE PROGRAM UPDATE

DEPARTMENT: PUBLIC WORKS DEPARTMENT/ TRANSPORTATION
SERVICES DIVISION

PRESENTED BY: RAJA SETHURAMAN, PUBLIC WORKS DIRECTOR

CONTACT INFORMATION: PAUL MARTIN, TRANSPORTATION SERVICES MANAGER,
(714) 754-5343

RECOMMENDATION:

Staff recommends the City Council:

1. Award a Professional Services Agreement (PSA) to Kimley-Horn and Associates, Inc. for professional engineering services for the update of the City's Traffic Impact Fee Program for a period of three (3) years with the option for a one-year renewal period in an amount not to exceed \$149,740, in final form as approved by the City Attorney.
2. Authorize a ten percent (10%) contingency in the amount of \$14,974 for any unforeseen costs that may be required by the project.
3. Authorize the City Manager and the City Clerk to execute the PSA and any future amendments to the agreement.
4. Authorize appropriation of \$164,714 from the Measure M2 Fairshare Fund 416 fund balance.

BACKGROUND:

The City of Costa Mesa employs a Traffic Impact Fee (TIF) program to fund transportation system improvements necessitated by new land development. The TIF program, established in 1993, is based on the Comprehensive Transportation System Improvement Program (CTSIP), which serves as the program's nexus mandating circulation improvements to mitigate transportation system impacts resulting from new land development.

The current CTSIP uses capacity-based level of service (LOS) as the program evaluation metric. Improvements to ensure that the LOS standard is achieved and is maintained at intersections within the defined impact area are included within the current TIF program. The City seeks to revise the TIF program to update eligible projects and costs, support Statewide goals to reduce vehicle-miles-traveled (VMT) and greenhouse gases (GHGs) consistent with Senate Bill 743 (SB 743), and comply with all recently adopted applicable state laws. The need for this update was also identified and

recommended by the Traffic Impact Fee Ad Hoc Committee during their meetings in October 2025. The methodology for developing the TIF will be reviewed through this project and may be modified to be based on trips, LOS, VMT, or other applicable criteria.

The current state of the TIF program is summarized below:

- The City of Costa Mesa Ordinance 93-11 established the TIF in 1993.
- The TIF Program and CTSIP are codified in Title 13, Chapter 12, Article 3 - "Transportation System Management" of the Costa Mesa Municipal Code.
- The City's General Plan, adopted in 2016, requires the City to maintain a TIF for improvements to the Master Plan of Streets and Highways, and that the City review and update the fees on an annual basis through Council Resolution.
- The initial intent of the program was to fund projects that improve roadway LOS, typically intersection enhancements, lane additions, and roadway widenings, some of which require additional rights-of-way, which can be costly and may be infeasible. In 2018, the City completed its most recent TIF study and added the projects outlined in the City's Active Transportation Plan (ATP) into the program. These projects serve to provide active travel modes in the City, reduce the use of automobiles, and improve roadway LOS through reduced vehicular demand on the roadway. The City provided a five percent (5%) reduction in automobile trips for development projects due to the implementation of the ATP and an additional five percent (5%) reduction in average daily traffic (ADT) if a development proposes to implement active transportation improvements beyond typical code requirements. Currently, up to ten percent (10%) of traffic impact fees can also be used towards traffic signal synchronization projects.
- The current adopted TIF is set at \$231 per net daily trip.
- Fees collected can be used to fund any improvement in the City that is included in the fee program at the discretion of the City.

The major goals of the TIF Program update include:

- Identify best practices and fee program strategies given current transportation conditions and General Plan land development potential.
- Develop a new nexus study and a legally defensible TIF to be compatible with and complementary to the City's Vehicle-Miles-Traveled (VMT) guidelines currently under preparation.
- Evaluate the list of TIF eligible projects to achieve project objectives (VMT reductions, LOS improvements, etc.) such as congestion hot spot improvements, active transportation, complete streets, and transit enhancements.
- Maintain OCTA Measure M2 eligibility.

- Maintain consistency with the General Plan.
- Collaborate with and engage the TIF Ad Hoc Committee for community and business representative engagement.
- Update the program to be compliant with all new applicable state laws.
- Update the existing program ordinance and municipal code upon City Council approval.
- Establish a TIF that is equitable and comparable to those imposed by other neighboring cities.

ANALYSIS:

On November 19, 2025, the City issued a Request for Proposals (RFP) on PlanetBids for professional engineering services for the Project. Five (5) proposals were received to provide the professional services. Proposals were screened for compliance with the City's RFP process. To ensure an objective selection process, an evaluation committee was assembled, and all committee members evaluated proposals independently to assess qualifications and experience to address the City's needs. The proposals were evaluated based on project understanding, depth of experience, technical expertise, qualified personnel, ability to meet the schedule, and associated factors.

In developing the criteria and weightings, several factors were considered. The firm's qualifications and experience performing relevant work of similar scope, size and complexity are important to the success of the project. The proposed team should include key personnel who are experienced in working on traffic impact fee programs and nexus studies. The firm must also be knowledgeable on new state laws relevant to nexus studies and traffic impact fee programs.

All five (5) consultant proposals were deemed to be compliant with the minimum requirements and were evaluated based on the above criteria:

- Economic & Planning Systems, Inc. (EPS) -
EPS is a real estate and land use economics consulting firm founded in 1983, with offices in Los Angeles, Oakland, Sacramento, California, and Denver, Colorado. The firm's scope of work is clear, but the knowledge provided by the proposed subconsultant is not emphasized in the proposal. The Key staff, however, are currently working on similar types of fees for the City of Anaheim and City of Carlsbad.
- Kimley-Horn and Associates, Inc. (Kimley-Horn) -
Kimley-Horn showcases that they understand the City, the intent of the TIF update, and their experience in preparing TIFs and VMT fees. They highlighted their knowledge and experience on recently passed state laws that apply to traffic impact fees, such as AB 602, SB 99, and AB 3177, showcasing that they can provide a TIF update that meets all legal requirements. Relevant experience shows a long list of agencies where the firm has delivered similar work related to TIF program updates and VMT mitigation programs, including active transportation planning efforts and studies.

- **Iteris, Inc.-**
The Iteris proposal provides a well-organized description of the differences between a trip-based and vehicle-miles-traveled-based Traffic Impact Fee. Iteris does not showcase knowledge of recently passed state laws that affect the development of traffic impact fees. They showcase a good understanding and approach to deliver the expedited project schedule. Key staff have over 20 years of experience and firm has worked on traffic impact fees for a few cities in southern California. These cities include Seal Beach, Camarillo, Simi Valley, Chino Hills, and Irvine.
- **LSA Associates, Inc. (LSA) -**
The firm's proposal showcases their knowledge of the City and understanding of the background and needs of the City for the Traffic Impact Fee update. LSA is well-qualified in addressing requirements of SB 743, involving the metric of Vehicle-Miles-Traveled (VMT). The proposal, however, assumed that the City already decided on the new program methodology, which conflicts with the scope of services identified by City staff to prepare an evaluation through the Project. Key staff appear to have experience with VMT guidelines; however, they did not showcase experience on TIF Nexus Update studies.
- **Willdan Financial Services (Willdan) -**
The firm has experience working on many types of development impact fees. The approach generally mentions the difference between development impact fees, such as sewer, parks, and transportation, but lacks specifics and does not further elaborate on transportation-related traffic impact fees. The proposal does not show full understanding of the needs of the City. Key personnel did not demonstrate their experience in developing traffic impact fees, and the team's experience is broader, helping cities develop a wide range of impact fees.

After a thorough evaluation of the five proposals, it was determined that Kimley-Horn and Associates, Inc. (Kimley-Horn) possessed the best qualifications and experience in performing the City's Traffic Impact Fee program update. Kimley-Horn was responsive to the requirements in the RFP and is well qualified to perform the requested engineering services for the Project. Selection of Kimley-Horn is based on the firm's proposal, which demonstrates the following:

- A thorough understanding of the project and its scope.
- Substantial experience and technical ability to perform the outlined scope of work.
- A proven track record of developing traffic impact fee and nexus study updates for cities consistent with new and relevant state laws.
- Understanding of the City's expedited schedule for the project.

Regarding the other four (4) remaining consultant proposers, their proposals were also deemed qualified by the evaluation committee. However, the level of expertise and scope of experience did not exceed those presented by Kimley-Horn.

PROPOSERS	SCORES
Kimley Horn	1260
Economic & Planning	1180
Iteris	1020
LSA Associates	970
Willdan	870

Kimley-Horn has been providing engineering services in and around the City of Costa Mesa for over 20 years, including the City’s Local Road Safety Plan and Safe Routes to School Action Plan. Kimley-Horn offers a wide range of professional services, and their team of engineers, planners, environmental scientists, and technical study specialists have worked together in Southern California to deliver a multitude of projects to public agencies and private developers. Kimley-Horn has demonstrated experience working on traffic impact fee programs and nexus studies, VMT analyses, and other mitigation fee programs. Kimley-Horn has recently worked on similar projects for the cities of Agoura Hills, Riverside, West Sacramento, and County of El Dorado. Kimley-Horn is currently working on the City’s federally-funded Safe Routes to School Action Plan as well as the federally-funded Signal Modernization for Systemic Safety Improvements project. Kimley-Horn was ranked 8th on the Engineering News-Record’s 2025 Top 500 Design Firms, and its extensive network of professionals across the nation can be utilized to provide high-quality deliverables to the City.

The proposal submitted by Kimley-Horn represents a thorough understanding of the Project. Kimley-Horn provided a comprehensive and viable work plan and schedule that demonstrated an understanding of the project requirements and the expedited project timeline required to complete the TIF program update prior to establishment of the 2027 TIF in December 2026. The proposal documents Kimley-Horn’s technical ability and experience with similar projects and includes a project team consisting of staff with multiple years of experience working on TIF programs. Kimley-Horn’s consulting fees were also determined to be competitive and commensurate with the requested services.

Therefore, staff recommends the approval of a PSA to Kimley-Horn for a not-to-exceed amount of \$149,740 with an additional 10% contingency for unforeseen costs.

ALTERNATIVES:

The City Council may elect not to approve the PSA and continue the current TIF program without modification. However, this alternative is not recommended because the TIF program would not be compliant with new state laws and the TIF Ad Hoc Committee recommended the TIF program update. The City Council could also choose to readvertise the RFP. City Staff does not recommend this alternative because the City received a competitive number of proposals and readvertising would result in significant delays in the completion of the TIF program update.

FISCAL REVIEW:

The total amount of the proposed contract plus contingency will not exceed \$164,714 and will be funded with Measure M2 Fairshare Fund 416 fund balance, as recommended.

LEGAL REVIEW:

The City Attorney's Office has reviewed this report, prepared the proposed PSA and approves them both as to form.

CITY COUNCIL GOALS AND PRIORITIES:

This item supports the following City Council Goals:

- Maintain and enhance the City's facilities, equipment and technology.
- Advance environmental sustainability and climate resiliency.

CONCLUSION:

Staff recommends the City Council:

1. Award a Professional Services Agreement (PSA) to Kimley-Horn and Associates, Inc. for professional engineering services for the update of the City's Traffic Impact Fee Program for a period of three (3) years with the option for a one-year renewal in an amount not to exceed \$149,740, in final form as approved by the City Attorney.
2. Authorize a ten percent (10%) contingency in the amount of \$14,974 for any unforeseen costs that may be required by the project.
3. Authorize the City Manager and the City Clerk to execute the PSA and any future amendments to the agreement.
4. Authorize appropriation of \$164,714 from the Measure M2 Fairshare Fund 416 fund balance.

**CITY OF COSTA MESA
PROFESSIONAL SERVICES AGREEMENT
WITH KIMLEY-HORN AND ASSOCIATES, INC.**

THIS PROFESSIONAL SERVICES AGREEMENT (“Agreement”) is made and entered into this 3rd day of March 2026 (“Effective Date”), by and between the CITY OF COSTA MESA, a municipal corporation (“City”), and KIMLEY-HORN AND ASSOCIATES, INC., a North Carolina corporation (“Consultant”).

RECITALS

A. City proposes to utilize the services of Consultant as an independent contractor to update the City’s traffic impact fee (“TIF”) program, as more fully described herein; and

B. Consultant represents that it has that degree of specialized expertise contemplated within California Government Code section 37103, and holds all necessary licenses to practice and perform the services herein contemplated; and

C. City and Consultant desire to contract for the specific services described in Exhibit “A” and desire to set forth their rights, duties and liabilities in connection with the services to be performed; and

D. No official or employee of City has a financial interest, within the provisions of sections 1090-1092 of the California Government Code, in the subject matter of this Agreement.

NOW, THEREFORE, for and in consideration of the mutual covenants and conditions contained herein, the parties hereby agree as follows:

1.0. SERVICES PROVIDED BY CONSULTANT

1.1. Scope of Services. Consultant shall provide the professional services described in City’s Request for Proposals (RFP No. 26-12), attached hereto as Exhibit “A,” and Consultant’s Proposal, attached hereto as Exhibit “B,” both incorporated herein.

1.2. Professional Practices. All professional services to be provided by Consultant pursuant to this Agreement shall be provided by personnel experienced in their respective fields and in a manner consistent with the standards of care, diligence and skill ordinarily exercised by professional consultants in similar fields and circumstances in accordance with sound professional practices. Consultant shall comply with all laws that may affect its performance of this Agreement and shall advise City of any changes in any laws that may affect Consultant’s performance.

1.3. Performance to Satisfaction of City. Consultant agrees to perform all the work to the complete satisfaction of the City. Evaluations of the work will be done by the City Manager or his or her designee. If the quality of work is not satisfactory, City in its discretion has the right to:

- (a) Meet with Consultant to review the quality of the work and resolve the matters of concern;

- (b) Require Consultant to repeat the work at no additional fee until it is satisfactory; and/or
- (c) Terminate the Agreement as hereinafter set forth.

1.4. Warranty. Consultant shall exercise the professional standard of care to perform the services required by this Agreement in compliance with all applicable Federal and California employment laws, including, but not limited to, those laws related to minimum hours and wages; occupational health and safety; fair employment and employment practices; workers' compensation insurance and safety in employment; and all other Federal, State and local laws and ordinances applicable to the services required under this Agreement. Consultant shall indemnify and hold harmless City from and against all claims, demands, payments, suits, actions, proceedings, and judgments of every nature and description including attorneys' fees and costs, presented, brought, or recovered against City for, or on account of any liability under any of the above-mentioned laws, which may be incurred by reason of Consultant's negligent performance under this Agreement.

1.5. Non-Discrimination. In performing this Agreement, Consultant shall not engage in, nor permit its agents to engage in, discrimination in employment of persons because of their race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, or military or veteran status, except as permitted pursuant to section 12940 of the Government Code.

1.6. Non-Exclusive Agreement. Consultant acknowledges that City may enter into agreements with other consultants for services similar to the services that are subject to this Agreement or may have its own employees perform services similar to those services contemplated by this Agreement.

1.7. Delegation and Assignment. This is a personal service contract, and the duties set forth herein shall not be delegated or assigned to any person or entity without the prior written consent of City. Consultant may engage a subcontractor(s) as permitted by law and may employ other personnel to perform services contemplated by this Agreement at Consultant's sole cost and expense.

1.8. Confidentiality. Employees of Consultant in the course of their duties may have access to financial, accounting, statistical, and personnel data of private individuals and employees of City. Consultant covenants that all data, documents, discussion, or other information developed or received by Consultant or provided for performance of this Agreement are deemed confidential and shall not be disclosed by Consultant without written authorization by City. City shall grant such authorization if disclosure is required by law. All City data shall be returned to City upon the termination of this Agreement. Consultant's covenant under this Section shall survive the termination of this Agreement.

2.0. COMPENSATION AND BILLING

2.1. Compensation. Consultant shall be paid in accordance with the fee schedule set forth in Exhibit "C," attached hereto and made a part of this Agreement. Consultant's total compensation shall not exceed One Hundred Forty-Nine Thousand Seven Hundred Forty Dollars (\$149,740.00).

2.2. Additional Services. Consultant shall not receive compensation for any services provided outside the scope of services specified in the Consultant's Proposal unless the City Manager or designee, prior to Consultant performing the additional services, approves such additional services in writing. It is specifically understood that oral requests and/or approvals of such additional services or additional compensation shall be barred and are unenforceable.

2.3. Method of Billing. Consultant may submit invoices to the City for approval on a progress basis, but no more often than two times a month. Said invoice shall be based on the total of all Consultant's services which have been completed to City's sole satisfaction. City shall pay Consultant's invoice within forty-five (45) days from the date City receives said invoice. Each invoice shall describe in detail, the services performed, the date of performance, and the associated time for completion. Any additional services approved and performed pursuant to this Agreement shall be designated as "Additional Services" and shall identify the number of the authorized change order, where applicable, on all invoices.

2.4. Records and Audits. Records of Consultant's services relating to this Agreement shall be maintained in accordance with generally recognized accounting principles and shall be made available to City or its Project Manager for inspection and/or audit at mutually convenient times from the Effective Date until three (3) years after termination of this Agreement.

3.0. TIME OF PERFORMANCE

3.1. Commencement and Completion of Work. Unless otherwise agreed to in writing by the parties, the professional services to be performed pursuant to this Agreement shall commence within five (5) days from the Effective Date of this Agreement. Said services shall be performed in strict compliance with the Project Schedule approved by City as set forth in Exhibit "B," attached hereto and incorporated herein. The Project Schedule may be amended by mutual agreement of the parties. Failure to commence work in a timely manner and/or diligently pursue work to completion may be grounds for termination of this Agreement.

3.2. Excusable Delays. Neither party shall be responsible for delays or lack of performance resulting from acts beyond the reasonable control of the party or parties. Such acts shall include, but not be limited to, acts of God, fire, strikes, pandemics (excluding COVID-19), material shortages, compliance with laws or regulations, riots, acts of war, or any other conditions beyond the reasonable control of a party (each, a "Force Majeure Event"). If a party experiences a Force Majeure Event, the party shall, within five (5) days of the occurrence of the Force Majeure Event, give written notice to the other party stating the nature of the Force Majeure Event, its anticipated duration and any action being taken to avoid or minimize its effect. Any suspension of performance shall be of no greater scope and of no longer duration than is reasonably required and the party experiencing the Force Majeure Event shall use best efforts without being obligated to incur any material expenditure to remedy its inability to perform; provided, however, if the suspension of performance continues for sixty (60) days after the date of the occurrence and such failure to perform would constitute a material breach of this Agreement in the absence of such Force Majeure Event, the parties shall meet and discuss in good faith any amendments to this Agreement to permit the other party to exercise its rights under this Agreement. If the parties are not able to agree on such amendments within thirty (30) days and if suspension of performance continues, such other party may terminate this Agreement immediately by written notice to the party experiencing the Force Majeure Event, in which case neither party shall have any liability to the other except for those rights and liabilities that accrued prior to the date of termination.

4.0. TERM AND TERMINATION

4.1. Term. This Agreement shall commence on the Effective Date and continue for a period of thirty-six (36) months, ending on March 2, 2029, unless previously terminated as provided herein or as otherwise agreed to in writing by the parties.

4.2. Notice of Termination. The City reserves and has the right and privilege of canceling, suspending or abandoning the execution of all or any part of the work contemplated by this Agreement, with or without cause, at any time, by providing written notice to Consultant. The termination of this Agreement shall be deemed effective upon receipt of the notice of termination. In the event of such termination, Consultant shall immediately stop rendering services under this Agreement unless directed otherwise by the City.

4.3. Compensation. In the event of termination, City shall pay Consultant for reasonable costs incurred and professional services satisfactorily performed up to and including the date of City's written notice of termination. Compensation for work in progress shall be prorated based on the percentage of work completed as of the effective date of termination in accordance with the fees set forth herein. In ascertaining the professional services actually rendered hereunder up to the effective date of termination of this Agreement, consideration shall be given to both completed work and work in progress, to complete and incomplete drawings, and to other documents pertaining to the services contemplated herein whether delivered to the City or in the possession of the Consultant.

4.4. Documents. In the event of termination of this Agreement, all documents prepared by Consultant in its performance of this Agreement including, but not limited to, finished or unfinished design, development and construction documents, data studies, drawings, maps and reports, shall be delivered to the City within ten (10) days of delivery of termination notice to Consultant, at no cost to City. Any use of uncompleted documents without specific written authorization from Consultant shall be at City's sole risk and without liability or legal expense to Consultant.

5.0. INSURANCE

5.1. Minimum Scope and Limits of Insurance. Consultant shall obtain, maintain, and keep in full force and effect during the life of this Agreement all of the following minimum scope of insurance coverages with an insurance company admitted to do business in California, rated "A," Class X, or better in the most recent A.M. Best's Rating Guide, and approved by City:

- (a) Commercial general liability, including premises-operations, products/completed operations, broad form property damage, blanket contractual liability, independent contractors, personal injury or bodily injury with a policy limit of not less than One Million Dollars (\$1,000,000.00) per occurrence, Two Million Dollars (\$2,000,000.00) general aggregate.
- (b) Business automobile liability for owned vehicles, hired, and non-owned vehicles, with a policy limit of not less than One Million Dollars (\$1,000,000.00) combined single limit per accident for bodily injury and property damage.

- (c) Workers' compensation insurance as required by the State of California. Consultant agrees to waive, and to obtain endorsements from its workers' compensation insurer waiving subrogation rights under its workers' compensation insurance policy against the City, its officers, agents, employees, and volunteers arising from work performed by Consultant for the City and to require each of its subcontractors, if any, to do likewise under their workers' compensation insurance policies.
- (d) Professional errors and omissions ("E&O") liability insurance with policy limits of not less than One Million Dollars (\$1,000,000.00), combined single limits, per occurrence and aggregate. If the policy is written as a "claims made" policy, the retro date shall be prior to the start of the contract work. Consultant shall obtain and maintain, said E&O liability insurance during the life of this Agreement and for three years after completion of the work hereunder.

5.2. Endorsements. The commercial general liability insurance policy and business automobile liability policy shall contain or be endorsed to contain the following provisions:

- (a) Additional insureds: "The City of Costa Mesa and its elected and appointed boards, officers, officials, agents, employees, and volunteers are additional insureds with respect to: liability arising out of activities performed by or on behalf of the Consultant pursuant to its contract with the City; products and completed operations of the Consultant; premises owned, occupied or used by the Consultant; automobiles owned, leased, hired, or borrowed by the Consultant."
- (b) Notice: "Said policy shall not terminate, be suspended, or voided, nor shall it be cancelled, nor the coverage or limits reduced, until thirty (30) days after written notice is given to City."
- (c) Other insurance: "The Consultant's insurance coverage shall be primary insurance as respects the City of Costa Mesa, its officers, officials, agents, employees, and volunteers. Any other insurance maintained by the City of Costa Mesa shall be excess and not contributing with the insurance provided by this policy."
- (d) Any failure to comply with the reporting provisions of the policies shall not affect coverage provided to the City of Costa Mesa, its officers, officials, agents, employees, and volunteers.
- (e) The Consultant's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

5.3. Deductible or Self-Insured Retention. If any of such policies provide for a deductible or self-insured retention to provide such coverage, the amount of such deductible or self-insured retention shall be approved in advance by City. No policy of insurance issued as to which the City is an additional insured shall contain a provision which requires that no insured except the named insured can satisfy any such deductible or self-insured retention.

5.4. Certificates of Insurance. Consultant shall provide to City certificates of insurance showing the insurance coverages and required endorsements described above, in a form and content approved by City, prior to performing any services under this Agreement.

5.5. Non-Limiting. Nothing in this Section shall be construed as limiting in any way, the indemnification provision contained in this Agreement, or the extent to which Consultant may be held responsible for payments of damages to persons or property.

6.0. GENERAL PROVISIONS

6.1. Entire Agreement. This Agreement constitutes the entire agreement between the parties with respect to any matter referenced herein and supersedes any and all other prior writings and oral negotiations. This Agreement may be modified only in writing, and signed by the parties in interest at the time of such modification. The terms of this Agreement shall prevail over any inconsistent provision in any other contract document appurtenant hereto, including exhibits to this Agreement.

6.2. Representatives. The City Manager or his or her designee shall be the representative of City for purposes of this Agreement and may issue all consents, approvals, directives and agreements on behalf of the City, called for by this Agreement, except as otherwise expressly provided in this Agreement.

Consultant shall designate a representative for purposes of this Agreement who shall be authorized to issue all consents, approvals, directives and agreements on behalf of Consultant called for by this Agreement, except as otherwise expressly provided in this Agreement.

6.3. Project Managers. City shall designate a Project Manager to work directly with Consultant in the performance of this Agreement.

Consultant shall designate a Project Manager who shall represent it and be its agent in all consultations with City during the term of this Agreement. Consultant or its Project Manager shall attend and assist in all coordination meetings called by City.

6.4. Notices. Any notices, documents, correspondence or other communications concerning this Agreement or the work hereunder may be provided by personal delivery or mail and shall be addressed as set forth below. Such communication shall be deemed served or delivered: (a) at the time of delivery if such communication is sent by personal delivery, and (b) 48 hours after deposit in the U.S. Mail as reflected by the official U.S. postmark if such communication is sent through regular United States mail.

IF TO CONSULTANT:

KIMLEY-HORN & ASSOCIATES, INC.
1100 W. Town & Country Road,
Suite 700
Orange, CA 92868
Tel: (916) 571-1014
Attn: Chris Gregerson,

IF TO CITY:

City of Costa Mesa
77 Fair Drive
Costa Mesa, CA 92626
Tel: (714) 754-5184
Attn: Ramin Nikoui

Project Manager

Courtesy copy to:

City of Costa Mesa
77 Fair Drive
Costa Mesa, CA 92626
Attn: Finance Dept. | Purchasing

6.5. Drug-Free Workplace Policy. Consultant shall provide a drug-free workplace by complying with all provisions set forth in City's Council Policy 100-5, attached hereto as Exhibit "D" and incorporated herein. Consultant's failure to conform to the requirements set forth in Council Policy 100-5 shall constitute a material breach of this Agreement and shall be cause for immediate termination of this Agreement by City.

6.6. Attorneys' Fees. If litigation is brought by any party in connection with this Agreement, the prevailing party shall be entitled to recover from the opposing party all costs and expenses, including reasonable attorneys' fees, incurred by the prevailing party in the exercise of any of its rights or remedies hereunder or the enforcement of any of the terms, conditions, or provisions hereof.

6.7. Governing Law. This Agreement shall be governed by and construed under the laws of the State of California without giving effect to that body of laws pertaining to conflict of laws. In the event of any legal action to enforce or interpret this Agreement, the parties hereto agree that the sole and exclusive venue shall be a court of competent jurisdiction located in Orange County, California.

6.8. Assignment. Consultant shall not voluntarily or by operation of law assign, transfer, sublet or encumber all or any part of Consultant's interest in this Agreement without City's prior written consent. Any attempted assignment, transfer, subletting or encumbrance shall be void and shall constitute a breach of this Agreement and cause for termination of this Agreement. Regardless of City's consent, no subletting or assignment shall release Consultant of Consultant's obligation to perform all other obligations to be performed by Consultant hereunder for the term of this Agreement.

6.9. Indemnification and Hold Harmless. Consultant agrees to defend, indemnify, hold free and harmless the City, its elected officials, officers, agents and employees, from and against any and all claims, actions, suits or other legal proceedings brought against the City, its elected officials, officers, agents and employees to the extent arising out of the negligent performance of the Consultant, its employees, and/or authorized subcontractors, of the work undertaken pursuant to this Agreement. The defense obligation provided for hereunder shall be required whenever any claim, action, complaint, or suit asserts as its basis the negligence, errors, omissions or misconduct of the Consultant, its employees, and/or authorized subcontractors. Notwithstanding the foregoing, the Consultant shall not be liable for the defense or indemnification of the City for claims, actions, complaints or suits arising out of the sole or active negligence or willful misconduct of the City. This provision shall supersede and replace all other indemnity provisions contained either in the City's specifications or Consultant's Proposal, which shall be of no force and effect.

6.10. Independent Contractor. Consultant is and shall be acting at all times as an

independent contractor and not as an employee of City. Consultant shall have no power to incur any debt, obligation, or liability on behalf of City or otherwise act on behalf of City as an agent. Neither City nor any of its agents shall have control over the conduct of Consultant or any of Consultant's employees, except as set forth in this Agreement. Consultant shall not, at any time, or in any manner, represent that it or any of its agents or employees are in any manner agents or employees of City. Consultant shall secure, at its sole expense, and be responsible for any and all payment of Income Tax, Social Security, State Disability Insurance Compensation, Unemployment Compensation, and other payroll deductions for Consultant and its officers, agents, and employees, and all business licenses, if any are required, in connection with the services to be performed hereunder. Consultant shall indemnify and hold City harmless from any and all taxes, assessments, penalties, and interest asserted against City by reason of the independent contractor relationship created by this Agreement. Consultant further agrees to indemnify and hold City harmless from any failure of Consultant to comply with the applicable worker's compensation laws. City shall have the right to offset against the amount of any fees due to Consultant under this Agreement any amount due to City from Consultant as a result of Consultant's failure to promptly pay to City any reimbursement or indemnification arising under this paragraph.

6.11 Conflicts with Independent Contractor. Contractor/consultant's duties and services under this Agreement shall not include preparing or assisting the public entity with any portion of the public entity's preparation of a request for proposals, request for qualifications, or any other solicitation regarding a subsequent or additional contract with the public entity. The public entity entering into this Agreement shall at all times retain responsibility for public contracting, including with respect to any subsequent phase of this project. Contractor/consultant's participation in the planning, discussions, or drawing of project plans or specifications shall be limited to conceptual, preliminary, or initial plans or specifications. Contractor/consultant shall cooperate with the public entity to ensure that all bidders for a subsequent contract on any subsequent phase of this project have access to the same information, including all conceptual, preliminary, or initial plans or specifications prepared by contractor pursuant to this Agreement.

6.12. PERS Eligibility Indemnification. In the event that Consultant or any employee, agent, or subcontractor of Consultant providing services under this Agreement claims or is determined by a court of competent jurisdiction or the California Public Employees Retirement System (PERS) to be eligible for enrollment in PERS as an employee of the City, Consultant shall indemnify, defend, and hold harmless City for the payment of any employee and/or employer contributions for PERS benefits on behalf of Consultant or its employees, agents, or subcontractors, as well as for the payment of any penalties and interest on such contributions, which would otherwise be the responsibility of City.

Notwithstanding any other agency, state or federal policy, rule, regulation, law or ordinance to the contrary, Consultant and any of its employees, agents, and subcontractors providing service under this Agreement shall not qualify for or become entitled to, and hereby agree to waive any claims to, any compensation, benefit, or any incident of employment by City, including but not limited to eligibility to enroll in PERS as an employee of City and entitlement to any contribution to be paid by City for employer contribution and/or employee contributions for PERS benefits.

6.13. Cooperation. In the event any claim or action is brought against City relating to Consultant's performance or services rendered under this Agreement, Consultant shall render any reasonable assistance and cooperation which City might require.

6.14. Ownership of Documents. All findings, reports, documents, information and data including, but not limited to, computer tapes or discs, files and tapes furnished or prepared by Consultant or any of its subcontractors in the course of performance of this Agreement, shall be and remain the sole property of City. Consultant agrees that any such documents or information shall not be made available to any individual or organization without the prior consent of City. Any use of such documents for other projects not contemplated by this Agreement, and any use of incomplete documents, shall be at the sole risk of City and without liability or legal exposure to Consultant. City shall indemnify and hold harmless Consultant from all claims, damages, losses, and expenses, including attorneys' fees, arising out of or resulting from City's use of such documents for other projects not contemplated by this Agreement or use of incomplete documents furnished by Consultant. Consultant shall deliver to City any findings, reports, documents, information, data, in any form, including but not limited to, computer tapes, discs, files audio tapes or any other Project related items as requested by City or its authorized representative, at no additional cost to the City.

6.15. Public Records Act Disclosure. Consultant has been advised and is aware that this Agreement and all reports, documents, information and data, including, but not limited to, computer tapes, discs or files furnished or prepared by Consultant, or any of its subcontractors, pursuant to this Agreement and provided to City may be subject to public disclosure as required by the California Public Records Act (California Government Code section 7920.000 *et seq.*). Exceptions to public disclosure may be those documents or information that qualify as trade secrets, as that term is defined in the California Government Code section 7924.510, and of which Consultant informs City of such trade secret. The City will endeavor to maintain as confidential all information obtained by it that is designated as a trade secret. The City shall not, in any way, be liable or responsible for the disclosure of any trade secret including, without limitation, those records so marked if disclosure is deemed to be required by law or by order of the Court.

6.16. Conflict of Interest. Consultant and its officers, employees, associates and subconsultants, if any, will comply with all conflict of interest statutes of the State of California applicable to Consultant's services under this agreement, including, but not limited to, the Political Reform Act (Government Code sections 81000, *et seq.*) and Government Code section 1090. During the term of this Agreement, Consultant and its officers, employees, associates and subconsultants shall not, without the prior written approval of the City Representative, perform work for another person or entity for whom Consultant is not currently performing work that would require Consultant or one of its officers, employees, associates or subconsultants to abstain from a decision under this Agreement pursuant to a conflict of interest statute.

6.17. Responsibility for Errors. Consultant shall be responsible for its work and results under this Agreement. Consultant, when requested, shall furnish clarification and/or explanation as may be required by the City's representative, regarding any services rendered under this Agreement at no additional cost to City. In the event that an error or omission attributable to Consultant occurs, then Consultant shall, at no cost to City, provide all necessary design drawings, estimates and other Consultant professional services necessary to rectify and correct the matter to the sole satisfaction of City and to participate in any meeting required with regard to the correction.

6.18. Prohibited Employment. Consultant will not employ any regular employee of City while this Agreement is in effect.

6.19. Order of Precedence. In the event of an inconsistency in this Agreement and any of the attached Exhibits, the terms set forth in this Agreement shall prevail. If, and to the extent this Agreement incorporates by reference any provision of any document, such provision shall be deemed a part of this Agreement. Nevertheless, if there is any conflict among the terms and conditions of this Agreement and those of any such provision or provisions so incorporated by reference, this Agreement shall govern over the document referenced.

6.20. Costs. Each party shall bear its own costs and fees incurred in the preparation and negotiation of this Agreement and in the performance of its obligations hereunder except as expressly provided herein.

6.21. Binding Effect. This Agreement binds and benefits the parties and their respective permitted successors and assigns.

6.22. No Third Party Beneficiary Rights. This Agreement is entered into for the sole benefit of City and Consultant and no other parties are intended to be direct or incidental beneficiaries of this Agreement and no third party shall have any right in, under or to this Agreement.

6.23. Headings. Paragraphs and subparagraph headings contained in this Agreement are included solely for convenience and are not intended to modify, explain or to be a full or accurate description of the content thereof and shall not in any way affect the meaning or interpretation of this Agreement.

6.24. Construction. The parties have participated jointly in the negotiation and drafting of this Agreement and have had an adequate opportunity to review each and every provision of the Agreement and submit the same to counsel or other consultants for review and comment. In the event an ambiguity or question of intent or interpretation arises with respect to this Agreement, this Agreement shall be construed as if drafted jointly by the parties and in accordance with its fair meaning. There shall be no presumption or burden of proof favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Agreement.

6.25. Amendments. Only a writing executed by the parties hereto or their respective successors and assigns may amend this Agreement.

6.26. Waiver. The delay or failure of either party at any time to require performance or compliance by the other of any of its obligations or agreements shall in no way be deemed a waiver of those rights to require such performance or compliance. No waiver of any provision of this Agreement shall be effective unless in writing and signed by a duly authorized representative of the party against whom enforcement of a waiver is sought. The waiver of any right or remedy in respect to any occurrence or event shall not be deemed a waiver of any right or remedy in respect to any other occurrence or event, nor shall any waiver constitute a continuing waiver.

6.27. Severability. If any provision of this Agreement is determined by a court of competent jurisdiction to be unenforceable in any circumstance, such determination shall not affect the validity or enforceability of the remaining terms and provisions hereof or of the offending provision in any other circumstance. Notwithstanding the foregoing, if the value of this Agreement, based upon the substantial benefit of the bargain for any party, is materially impaired, which determination made by the presiding court or arbitrator of competent jurisdiction shall be binding, then both parties agree to substitute such provision(s) through good faith negotiations.

6.28. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original. All counterparts shall be construed together and shall constitute one agreement.

6.29. Corporate Authority. The persons executing this Agreement on behalf of the parties hereto warrant that they are duly authorized to execute this Agreement on behalf of said parties and that by doing so the parties hereto are formally bound to the provisions of this Agreement.

[Signatures appear on following page.]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by and through their respective authorized officers, as of the date first above written.

CONSULTANT

Signature

Date: _____

Name and Title

CITY OF COSTA MESA

Cecilia Gallardo-Daly
City Manager

Date: _____

ATTEST:

Brenda Green
City Clerk

APPROVED AS TO FORM:

Kimberly Hall Barlow
City Attorney

Date: _____

APPROVED AS TO INSURANCE:

Ruth Wang
Risk Management

Date: _____

APPROVED AS TO CONTENT:

Ramin Nikoui
Project Manager

Date: _____

DEPARTMENTAL APPROVAL:

Raja Sethuraman
Public Works Director

Date: _____

APPROVED AS TO PURCHASING:

Carol Molina
Finance Director

Date: _____

EXHIBIT A
REQUEST FOR PROPOSALS



REQUEST FOR PROPOSAL

FOR

TRAFFIC IMPACT FEE PROGRAM UPDATE

RFP NO. 26-12



PUBLIC WORKS DEPARTMENT

CITY OF COSTA MESA

Released on

November 19, 2025

**REQUEST FOR PROPOSAL
FOR
TRAFFIC IMPACT FEE PROGRAM UPDATE**

The City of Costa Mesa (hereinafter referred to as the “City”) is requesting Proposals from qualified contractors to update the City’s traffic impact fee program. The awarded Contractor, (hereinafter referred to as “Contractor”) shall be in accordance with the Sample Professional Services Agreement, **Appendix B** terms, conditions, and scope of work. Prior to submitting a Proposal, Proposers are advised to carefully read the instructions below, including the Sample Professional Services Agreement and any solicitation appendix/exhibits. The schedule for the project is anticipated to be up to eight (8) months; however the term is expected to be for 2 years with 1 one-year renewal option. The City reserves the right to award one or more contracts for this service.

I. GENERAL INFORMATION

The City of Costa Mesa is a general law city, which operates under the council/manager form of government with an annual General Fund budget of over \$186.8 million and a total budget of \$224 million for Fiscal Year 2025-2026.

The City of Costa Mesa, incorporated in 1953, has an estimated population of 115,000 and has an area of 16.8 square miles. It is in the northern coastal area of Orange County, California, and is bordered by the Cities of Santa Ana, Newport Beach, Huntington Beach, Fountain Valley, and Irvine.

The City is a “full-service city” providing a wide range of services. These services include police and fire protection; animal control; emergency medical aid; building safety regulation and inspection; street lighting; land use planning and zoning; housing and community development; maintenance and improvement of streets and related structures; traffic safety maintenance and improvement; and full range of recreational and cultural programs.

The City of Costa Mesa is home to the Segerstrom Center for the Arts, Orange County Fairgrounds, South Coast Repertory Theater and the South Coast Plaza Shopping Center, which is the single largest commercial activity center in the City. The volume of sales generated by South Coast Plaza secures its place as the highest volume regional shopping center in the nation.

The successful Proposer shall have experience in similar types of services. All Proposers responding to this Request for Proposal (RFP) will be evaluated based on their expertise, prior experience on similar projects, demonstrated competence, ability to meet the requested services, adequate staffing, reference check, understanding of services, cost and responsiveness to the needs and concerns of the City of Costa Mesa.

1. **Important Notice:** The City has attempted to provide all information available. It is the responsibility of each Proposer to review, evaluate, and, where necessary, request any clarification prior to submission of a Proposal. **Proposers are not to contact other City personnel with any questions or clarifications concerning this Request for Proposal (RFP).** Any City response relevant to this RFP other than through or approved by City’s Purchasing Department is unauthorized and will be considered invalid.

If clarification or interpretation of this solicitation is considered necessary by City, a written addendum shall be issued, and the information will be posted on PlanetBids. Any interpretation of, or correction to, this solicitation will be made only by addendum issued by the City's Purchasing Department. It is the responsibility of each Proposer to periodically check PlanetBids website to ensure that it has received and reviewed all addenda to this solicitation. The city will not be responsible for any other explanations, corrections to, or interpretations of the documents, including any oral information.

2. **Schedule of Events:** This Request for Proposal shall be governed by the following schedule:

Release of RFP	November 19, 2025
Deadline for Written Questions	December 1, 2025, at 11:00 a.m.
Responses to Questions Posted	December 8, 2025
Proposals are Due	December 17, 2025, by 2:00 p.m.
Approval of Contract	TBD

**All dates are subject to change at the discretion of the City.

3. **Proposer's Minimum Requirements:** Interested and qualified Proposers that can demonstrate their ability to successfully provide the required services outlined in **Appendix A – Scope of Services**, of this RFP are invited to submit a proposal, provided they meet the following requirements. All requirements must be met at the time of the proposal due date. **If these requirements are not met, the proposal may not receive further consideration, as determined at the sole discretion of the City.**

a. The Proposer shall have three (3) years or more of current experience in providing similar services for cities or other government agencies, at least one of which is similar in size and complexity as that of the City of Costa Mesa and at least one within Orange County, California. Experience must be reflective of references provided in the proposal.

b. The Contractor shall maintain a local office with a competent representative who can be reached during normal working hours or emergencies who is authorized to make decisions on matters pertaining to this contract with the City. Office facilities that support daily operations must be within ninety (90) miles of the City.

c. All Proposers must identify the project manager, and the individual authorized to negotiate the contract on behalf of the consulting firm; and provide an organization chart showing all proposed key project team members.

II. GENERAL INSTRUCTIONS AND PROVISIONS

1. **Proposal Format Guidelines:** Interested entities or contractors are to provide the City of Costa Mesa with a thorough Proposal using the following guidelines: Proposal should be typed and should contain no more than 20 typed pages using a 12-point font size, including cover letter, Table of Contents, tables, charts, and graphic exhibits, but excluding resumes of key people and pricing forms. Each Proposal will adhere to the following order and content of sections. Proposal should be straightforward, concise and provide clear explanations of technical terms that are used. Emphasis should be concentrated on conforming to the RFP instructions, responding to the RFP requirements, and on providing a complete and clear description of the offer. Proposals

which appear unrealistic in terms of technical commitments, lack of technical competence or are indicative of failure to comprehend the complexity and risk of this contract may be rejected. The following Proposal sections are to be included in the Proposer's response:

- **Cover Letter:** A cover letter, not to exceed two pages in length, should summarize key elements of the Proposal. An individual authorized to bind the Contractor must sign the letter. Indicate the address and telephone number of the contractor's office located nearest to Costa Mesa, California, and the office from which the project will be managed. And include proposed working relationship among the offering agency and subcontractors, if applicable.
- **Background and Project Summary Section:** The Background and Project Summary Section should describe your understanding of the City, the work to be done, and the objectives to be accomplished. Refer to **Scope of Services, Appendix A** of this RFP.
- **Project Approach and Methodology:** Provide a detailed description of the approach and methodology that will be used to fulfill each requirement listed in the Scope of Services of this RFP. The section should include:
 1. Describes familiarity of project and demonstrates understanding of work and project objectives moving forward.
 2. Detailed description of efforts your firm will undertake to achieve client satisfaction and to satisfy the requirements of the "Scope of Services" section.
 3. Detailed project schedule, identifying all tasks and deliverables to be performed, durations for each task, and overall time of completion.
 4. Identifies the project's potential issues and associated responses.
 5. Proposers are encouraged to provide additional innovative and/or creative approaches for providing the service that will maximize efficient, safe, and cost-effective operations or increased performance capabilities.
 6. Provide proposed schedule for completion of the Scope of Services by October 2026. See Section 15 for additional information regarding the schedule.
- **Qualifications & Experience of the Firm:** Describe the qualifications and experience of the organization or entity performing services/projects within the past eight years that are similar in size and scope to demonstrate competence to perform these services. Information shall include:
 1. Relevant experience, specific qualifications, and technical expertise of the firm and sub-consultants to provide construction management services.
 2. Submit a description of the organization's qualifications, experience and abilities that make it uniquely capable of providing the services specified in the Scope of Work.
 3. If the owner is a corporation please provide Name of corporation, corporate office street address, city, state, and zip code, state where incorporated, date of incorporation, first

and last name of officers, local office address, city, state & zip code, and the date local office opened its doors for business.

4. If the owner is a partnership or joint venture, please provide Name of partnership or joint venture, principal office street address, city, state, and zip code, state of organization, date of organization, first and last name of general partner(s), local office address, city, state, and zip code, and date local office opened its doors for operations.
 5. Provide a list of current and previous contracts like the requirements for this project in Costa Mesa, including all public agencies served (if any). For each, provide a brief description of the scope of work performed, the project duration, and the name, title, and telephone number of the person who may be contacted regarding your organization's service record.
- **Experience and Record of Success on Similar Projects:** Provide a listing of similar projects that your firm has completed within the last eight years. Please provide name of the project, project duration, public agency, and contact information of the project manager.
 - **Financial Capacity:** The City is concerned about the proposers' financial capability to perform and therefore is requesting copies of audited financials from the past three years to allow an evaluation of firm's financial capabilities.
 - **Key Personnel:** It is essential that the Proposer provide adequate experienced personnel, capable of and devoted to the successful accomplishment of work to be performed under this contract. The Proposer must agree to assign specific individuals to the key positions.
 - Identify the members of the staff who would be assigned to act for Proposer's firm in key management and filed positions providing the services described in the Proposal, and the functions to be performed by each.
 - Proposed team key members, as demonstrated by provided resumes, shall have relevant experience for their role in the project.
 - Team is managed by an individual with appropriate experience in similar project. This person's time is appropriately committed to this project.
 - Team structure provides adequate capability to perform both volume and quality of needed work within project schedule milestones.
 - Overall organization of the team is relevant to City of Costa Mesa needs.
 - Include resumes of each proposed member, including name, position, telephone number, email address, education, and years and type of relevant experience.
 - **Cost Proposal:** Provide a firm fixed fee cost proposal for the project. The cost proposal should identify the specific assigned personnel, their hourly rates and their number of hours, and the cost for each work task/deliverable as described in the Scope of Services. If work tasks or deliverable are proposed that are not specifically listed in the City's Scope of

Services, please identify those costs as separate and optional. Proposals shall be valid for a minimum of 180 days following submission.

- **Disclosure:** Please disclose all past or current business and personal relationships with any current Costa Mesa elected official, appointed official, City employee, or family member of any current Costa Mesa elected official, appointed official, or City employee. **Any past or current business relationship may not disqualify the firm from consideration.**
- **Sample Professional Services Agreement:** The firm selected by the City will be required to execute a Professional Services Agreement with the City. A sample of the Agreement is enclosed as **Appendix B** but may be modified to suit the specific services and needs of the City. **If a Proposer has any exceptions or conditions to the Agreement, these must be submitted for consideration with the Proposal. Otherwise, the Proposer will be deemed to have accepted the form of Agreement.**
- **Checklist of Forms to Accompany Proposal:** As a convenience to Proposers, following is a list of the forms **Appendix C** included in this RFP, which should be included with Proposals:
 1. Vendor Application Form
 2. Company Profile & References
 3. Ex Parte Communications Certificate
 4. Disclosure of Government Positions
 5. Disqualifications Questionnaire
 6. Bidder/Applicant/Contractor Campaign Contribution

2. Process for Submitting Proposals:

- **Content of Proposal:** The Proposal must be submitted using the format as indicated in the Proposal format guidelines.
- **Preparation of Proposal:** Each Proposal shall be prepared simply and economically, avoiding the use of elaborate promotional material beyond those sufficient to provide a complete, accurate and reliable presentation.
- **Cost for Preparing Proposal:** The cost for developing the Proposal is the sole responsibility of the Proposer. All Proposals submitted become the property of the City. The cost proposal shall be submitted in a **separate** file. The cost proposal is confidential and will be unsealed after all proposals have been reviewed, and the most qualified consultant has been selected. Proposals shall be valid for a minimum of 180 days following submission.
- **Forms to Accompany Proposal:** **Appendix C** forms shall be attached at the end of the Proposal except for the cost proposal which shall be submitted in a separate file.
- **Number of Proposals:** Submit one (1) PDF file format of your proposal in sufficient detail for thorough evaluation and comparative analysis.

- **Submission of Proposals:** Complete Proposals must be submitted electronically in PDF file format via the planetbids.com website not later than **2:00 p.m. (P.S.T) on December 17, 2025**. Proposals will not be accepted after this deadline. Proposals received after the scheduled closing time will not be accepted. It shall be the sole responsibility of the Proposer to see that the proposal is received in proper time. Hard copy, faxed or e-mailed Proposals will not be accepted. **NO EXCEPTIONS.**
- **Inquiries:** Questions about this RFP must be posted in the Q & A tab on Planetbids no later than **December 1, 2025, at 11:00 A.M.** The City reserves the right not to answer all questions.

The City reserves the right to amend or supplement this RFP prior to the Proposal due date. All addendum(s), responses to questions received, and additional information will be posted on PlanetBids.

From the date that this RFP is issued until a firm or entity is selected and the selection is announced, firms or public entities are not allowed to communicate outside the process set forth in this RFP with any City employee other than the contracting officer listed above regarding this RFP. The City reserves the right to reject any Proposal for violation of this provision. No questions other than posted on PlanetBids will be accepted, and no response other than written will be binding upon the City.

- **Conditions for Proposal Acceptance:** This RFP does not commit to the City to award a contract or to pay any costs incurred for any services. The City, at its sole discretion, reserves the right to accept or reject any or all Proposals received because of this RFP, to negotiate with any qualified source(s), or to cancel this RFP in part or in its entirety. The City may waive any irregularity in any Proposal. All Proposals will become the property of the City of Costa Mesa, USA. If any proprietary information is contained in the Proposal, it should be clearly identified.
- **Insurance & W-9 Requirements:** Upon recommendation of contract award, Contractor will be required to submit the following documents with ten (10) days of City notification, unless otherwise specified in the solicitation:
 - **Insurance** - City requires that licensees, lessees, and vendors have an approved Certificate of Insurance (not a declaration or policy) or proof of legal self-insurance on file with the City for the issuance of a permit or contract. Within ten (10) consecutive calendar days of award of contract, successful Bidder must furnish the City with the Certificates of Insurance proving coverage as specified in the sample contract.
 - **W-9** – Current signed form W-9 (Taxpayer Identification Number & Certification) which includes Contractor’s legal business name(s).

3. Evaluation Criteria: The City’s evaluation and selection process will be conducted in accordance with Chapter V, Article 2 of the City's Municipal Code (Code). In accordance with the Code, the responsive responsible proposer shall be determined based on evaluation of qualitative factors. At all times during the evaluation process, the following criteria will be used.

Sub-criteria are not necessarily listed in order of importance. Additional sub-criteria that logically fit within a particular evaluation criterion may also be considered even if not specified below.

1. **Project Approach & Methodology ----- 40%**
2. **Qualifications, Organization & Key Staff Experience ----- 20%**
3. **Experience & Record of Success on Similar Projects ---- 30%**
4. **Cost Proposal ----- 10%**

4. Evaluation of Proposals and Selection Process: In accordance with its Municipal Code, the City will adhere to the following procedures in evaluating Proposals. An Evaluation Committee, which may include members of the City's staff and possibly one or more outside experts, will screen and review all Proposals according to the weighted criteria set forth above. While price is one basic factor for award, it is not the sole consideration.

- A. **Responsiveness Screening:** Proposals will first be screened to ensure responsiveness to the RFP. The City may reject as non-responsive any Proposal that does not include the documents required to be submitted by this RFP. At any time during the evaluation process, the City reserves the right to request clarifications or additional information from any or all Proposers regarding their Proposals.
- B. **Initial Proposal Review:** The Committee will initially review and score all responsive written Proposals based upon the Evaluation Criteria set forth above. The Committee may also contact the Proposer's references. Proposals that receive the highest evaluation scores may be invited to the next stage of the evaluation process. The City may reject any Proposal in which a Proposer's approach or qualifications are not considered acceptable by the City. An unacceptable Proposal is one that would have to be substantially rewritten to make it acceptable. The City may conclude the evaluation process at this point and recommend award to the highest ranked consultant or proceed to interview the highest ranked consultants.
- C. **Interviews, Presentation, Reference Checks, Revised Proposals, Discussions:** Following the initial screening and review of Proposals, the Proposers included in this stage of the evaluation process may be invited to participate in an interview and make a presentation. Interviews/presentations, if held, are tentatively scheduled for **the week of January 19** and will be conducted at City of Costa Mesa City Hall, 77 Fair Drive, Costa Mesa, CA 92626 or virtually at the discretion of the City. The dates are subject to change. The individual(s) from the Proposer's organization that will be directly responsible for carrying out the contract, if awarded, should be present at the interview/presentation. The interview may, but is not required to, use a written question/answer format for the purpose of clarifying the intent of any portions of the Proposal.

In addition to conducting an oral interview, the City may during this stage of the evaluation process also contact and evaluate the Proposer's references, contact any Proposer to clarify any response or request revised or additional information, contact

any current users of a Proposer's services, solicit information from any available source concerning any aspect of a Proposal, and seek and review any other information deemed pertinent to the evaluation process.

Following the conclusion of this stage of the evaluation process, the Committee will again rank all Proposers according to the evaluation criteria set forth above. The Committee may conclude the evaluation process at this point and make a recommendation for the award. Once the highest ranked consultant is identified, the City will open the Cost Proposal and enter negotiations.

Recommendation for the award is contingent upon the successful negotiation of final contract terms. Negotiations shall be confidential and not subject to disclosure to competing Proposers unless an agreement is reached. If contract negotiations cannot be concluded successfully within a time determined by the City, the City may terminate negotiations and commence negotiations with the next highest scoring Proposer or withdraw the RFP.

5. Protests: Failure to comply with the rules set forth herein may result in rejection of the protest. Any proposals accepted pursuant to the formal procurement procedure set forth in the Proposal procedure may be appealed in accordance with the following procedure:

- The Proposer shall file the written notice of appeal with the Purchasing Officer at least ten (10) working days prior to proposal award date specified in the notice of recommendation to award.
- The written notice of appeal must include specifics as to the nature of the appeal.
- The Proposer must provide any and all documentation to support the appeal.
- The purchasing officer will respond in writing to the Proposer within five (5) working days.
- In the event the appeal is denied by the purchasing officer, the Proposer may appeal the purchasing officer's ruling to the City Council at the next available council meeting.

6. Accuracy of Proposals: Proposers shall take all responsibility for any errors or omissions in their Proposals. Any discrepancies in numbers or calculations shall be interpreted to reflect the cost to the City.

If prior to the contract award, a Proposer discovers a mistake in their Proposal which renders the Proposal unwilling to perform under any resulting contract, the Proposer must immediately notify the facilitator and request to withdraw the Proposal. It shall be solely within the City's discretion as to whether withdrawal will be permitted. If the solicitation contemplated evaluation and award of "all or none" of the items, then any withdrawal must be for the entire Proposal. If the solicitation provided for evaluation and award on a line item or combination of items basis, the City may consider permitting withdrawal of specific line item(s) or combination of items.

7. Responsibility of Proposers: The City shall not be liable for any expenses incurred by potential Contractors in the preparation or submission of their Proposals. Pre-contractual expenses are not to be included in the Contractor's Pricing Sheet. Pre-contractual expenses are defined as, including but not limited to, expenses incurred by Proposer in:

- Preparing Proposal in response to this RFP.
- Submitting that Proposal to the City.
- Negotiating with the City any matter related to the Proposal; and,
- Any other expenses incurred by the Proposer prior to the date of the award and execution, if any, of the contract.

8. Confidentiality: The California Public Records Act (Cal. Govt. Code Sections 6250 et seq.) mandates public access to government records. Therefore, unless information is exempt from disclosure by law, the content of any request for explanation, exception, or substitution, response to this RFP, protest, or any other written communication between the City and Proposer, shall be available to the public. The City intends to release all public portions of the Proposals following the evaluation process at such a recommendation made to the City Council.

If the Proposer believes any communication contains trade secrets or other proprietary information that the Proposer believes would cause substantial injury to the Proposer's competitive position if disclosed, the Proposer shall request that the City withhold from disclosure the proprietary information by marking each page containing such proprietary information as confidential. Proposer may not designate its entire Proposal as confidential nor designate its Price Proposal as confidential.

Submission of a Proposal shall indicate that, if Proposer requests that the City withhold from disclosure information identified as confidential, and the City complies with the Proposer's request, Proposer shall assume all responsibility for any challenges resulting from the non-disclosure, indemnify and hold harmless the City from and against all damages (including but not limited to attorney's fees and costs that may be awarded to the party requesting the Proposer information), and pay any and all costs and expenses related to the withholding of Proposer information. Proposer shall not make a claim, sue, or maintain any legal action against the City or its directors, officers, employees, or agents concerning the disclosure, or withholding from disclosure, of any Proposer information. If Proposer does not request that the City withhold from disclosure information identified as confidential, the City shall have no obligation to withhold the information from disclosure and may release the information sought without any liability to the City.

9. Ex Parte Communications: Proposers and Proposers' representatives should not communicate with the City Council members about this RFP. In addition, Proposers and Proposers' representatives should not communicate outside the procedures set forth in this RFP with an officer, employee, or agent of the City, including any member of the evaluation panel, except for the RFP Facilitator, regarding this RFP until after Contract Award. Proposers and their representatives are not prohibited, however, from making oral statements or presentations in public to one or more representatives of the City during a public meeting.

A "Proposer" or "Proposer's representative" includes all the Proposer's employees, officers, directors, consultants and agents, any subcontractors or suppliers listed in the Proposer's Proposal, and any individual or entity who has been requested by the Proposer to contact the City on the Proposer's behalf. Proposers shall include the Ex Parte Communications Form, **Appendix C** with their Proposals certifying that they have not had or directed prohibited communications as described in this section.

10. Conflict of Interest: The Proposer warrants and represents that it presently has no interest and agrees that it will not acquire any interest which would present a conflict of interest under California Government Code Sections 1090 et seq., or Sections 87100 et seq., during the performance of services under any Agreement awarded. The Proposer further covenants that it will not knowingly employ any person having such an interest in the performance of any Agreement awarded. Violation of this provision may result in any Agreement awarded being deemed void and unenforceable.

11. Disclosure of Governmental Position: In order to analyze possible conflicts that might prevent a Proposer from acting on behalf of the City, the City requires that all Proposers disclose in their Proposals any positions that they hold as directors, officers, or employees of any governmental entity. Additional disclosure may be required prior to contract award or during the term of the contract. Each Proposer shall disclose whether any owner or employee of the firm currently hold positions as elected or appointed officials, directors, officers, or employees of a governmental entity or held such positions in the past twelve months using the attached Disclosure of Government Positions Form, **Appendix C**.

12. Conditions to Agreement: The selected Proposer will execute a Maintenance Services Agreement for Services with the City describing the Scope of Services to be performed, the schedule for completion of the services, compensation, and other pertinent provisions. The contract shall follow the sample form of Agreement provided as **Appendix B** to this RFP.

All Proposers are directed to particularly review the indemnification and insurance requirements set forth in the sample Agreement. **The terms of the agreement, including insurance requirements, have been mandated by the City and can be modified only if extraordinary circumstances exist.**

Submittal of a Proposal shall be deemed acceptance of all the terms set forth in this RFP and the sample agreement for services unless the Proposer includes with its Proposal, in writing, any conditions or exceptions requested by the Proposer to the proposed Agreement.

13. Disqualification Questionnaire: Proposers shall complete and submit, under penalty of perjury, a standard form of questionnaire inquiring whether a Proposer, any officer of a proposer, or any employee of a Proposer who has a proprietary interest in the Proposer, has **ever** been disqualified, removed, or otherwise prevented from proposing on, or completing a federal, state, or local government project because of a violation of law or safety regulation and if so, to explain the circumstances. A Proposal may be rejected on the basis of a Proposer, any officer or employee of such Proposer, having been disqualified, removed, or otherwise prevented from proposing on, or completing a federal, state, or local project because of a violation of law or a safety regulation, **Appendix C**.

14. Standard Terms and Conditions: The City reserves the right to amend or supplement this RFP prior to the Proposal due date. All addendum(s) and additional information will be posted via PlanetBids. Proposers should check this web page daily for new information.

15. Schedule: The City seeks to expedite this project. The Consultant will be required to complete the scope of work in **Appendix A** by **October 2026**. The consultant's proposed schedule shall be included in the proposal. Failure to include a proposed schedule may result in the proposer being deemed nonresponsive. The proposer's ability to meet this expedited schedule is crucial. The proposer's schedule should assume the project starts on March 11, 2026.

APPENDIX A

**SCOPE OF SERVICES
FOR
TRAFFIC IMPACT FEE PROGRAM UPDATE**

Introduction: The Public Works Department of the City of Costa Mesa (City) is requesting proposals for update of the City’s Traffic Impact Fee Program.

BACKGROUND

The City of Costa Mesa employs a Traffic Impact Fee (TIF) program used to fund transportation system improvements necessitated by new land development. The TIF program is based on the Comprehensive Transportation System Improvement Program (CTSIP) which serves as the nexus mandating circulation improvements to mitigate transportation system impacts resulting from new land development.

The current CTSIP uses capacity-based level of service (LOS) as the program metric. Improvements to ensure that the LOS standard is achieved and is maintained at eligible intersections within the defined impact area are included within the current TIF nexus study. The City seeks to revise the TIF program for updated eligible projects and costs, to align with Statewide goals to reduce vehicle-miles-traveled (VMT) and greenhouse gases (GHGs) consistent with Senate Bill 743 (SB 743), and to comply with recently adopted applicable State Laws. The methodology for assigning the TIF will be reviewed through this project, and may be modified to be based on trips, LOS, VMT, or some other criteria.

The current state of the TIF program is summarized below:

- The City of Costa Mesa Ordinance 93-11 established the TIF in 1993.
- The TIF Program and CTSIP are codified in Title 13, Chapter 12, Article 3 – “Transportation System Management” of the Costa Mesa Municipal Code.
- The City’s General Plan, adopted in 2016, requires the City to maintain a TIF for improvements to the Master Plan of Streets and Highways and that the City review and update the fees on an annual basis.
- The initial intent of the program was to fund projects that improve roadway LOS, typically intersection enhancements, lane additions, and roadway widenings, some of which require additional rights-of-way which can be extremely costly and infeasible to obtain. In 2018, the City completed its most recent TIF study and added the projects outlined in the City’s Active Transportation Plan (ATP) into the program. These projects serve to provide active travel modes in the City, reduce the use of automobiles and improve roadway LOS through reduced vehicular demand on the roadway. The City provided a five percent (5%) reduction in automobile trips for development projects due to the implementation of the ATP and an additional five percent (5%) reduction in average daily traffic (ADT) if a development proposes to implement active transportation improvements beyond typical code requirements. Currently up to ten percent (10%) of traffic impact fees can also be used towards traffic signal synchronization projects.

- The current adopted TIF is set at \$228 per net daily trip, with an annual review planned at the December 2025 City Council meeting.
- Fees collected can be used to fund any improvement in the City that is included in the fee program at the discretion of the City.

The major goals of the TIF Program update include:

- Identify best practices and fee program strategies given current transportation conditions and General Plan land development potential.
- Develop a new nexus study and a legally defensible TIF to be compatible with and complementary to VMT Guidelines under preparation for consistency with SB 743 VMT project.
- Evaluate the list of TIF eligible projects to achieve project objectives (VMT reductions, LOS improvements, etc.) such as congestion hot spot improvements, active transportation, complete streets, and transit enhancements.
- Maintain OCTA Measure M2 eligibility.
- Maintain consistency with the General Plan.
- Engage the TIF Ad Hoc Committee for community and business representative engagement.
- Update the program to be compliant with all new applicable state laws.
- Update the existing ordinance and municipal code upon City Council approval.

The following description of work defines the general project requirements. Associated tasks and provisions necessary for a complete project, but not specifically defined herein are requested to be addressed in the proposal and undertaken within the proposed “Not to Exceed” contract fee.

The scope of services generally consists of the following:

- **Task I:** Project Management
- **Task II:** Program Assessment
- **Task III:** Nexus Study
- **Task IV:** CTSIP Ordinance and Resolution
- **Task V:** Public Meetings

TASK I – Project Management

This task involves all project management activities including but not limited to the project kick-off meeting, project team meetings, Quality Assurance/Quality Control (QA/QC), monitor and track budget and timeline, communications, and other project administration items.

Quality Assurance and Quality Control shall be consistently and thoroughly applied throughout project development. Assigned QA/QC staff shall be technically well qualified to conduct the appropriate level of oversight and demonstrate a concerted and sustained commitment to provide a high-quality product. Concise written records shall be maintained by the Consultant on

all activities. Designating in-house technical staff with professional level of expertise is required for delivery of the QA/QC of the project.

The City highly emphasizes the importance of QA/QC on all its projects. The Consultant shall thoroughly QA/QC all deliverables to ensure minimal errors and omissions. Submittals found to not have properly undergone QA/QC will not be reviewed by staff and will be sent back to the Consultant to undergo QA/QC at no additional cost to the City.

Project manager (PM) status meetings will take place every two weeks via recurring video-conference link developed by the Consultant. The PM status meetings are intended to ensure regular and consistent communication on upcoming tasks, identifying potential risks and challenges to success. Participation in the PM status meetings is anticipated to include the City Project Manager and the Consultant Project Manager.

The status meetings will occur to ensure the project remains on time and within budget, and expectations are defined. The Consultant will develop a list of topics for discussion and host an online shared document for joint review during the PM status meetings. Notes and actions should be recorded during the meeting and include a defined list of decisions, actions, and the party responsible. The duration of this project is assumed to be eight (8) months, but the Consultant may propose a shorter schedule.

The Consultant will prepare a Critical Path Method (CPM) schedule, based on activities to support all project milestones and subtasks shall be prepared. The project schedule will be reviewed monthly to track progress given the short project duration. Additionally, monthly invoices with a 1-2 page progress report is required for invoicing.

Deliverables: Monthly invoices and progress reports, project schedule updates, PM status meeting notes and actions, QA/QC confirmation memorandum for all major submittals.

TASK II – Program Assessment

The Consultant will evaluate the City's current Comprehensive Transportation System Improvement Program (CTSIP) and Traffic Impact Fee (TIF) Program, the project goals and objectives, prior TIF history, land development potential, applicable state laws, and other relevant information to determine the best approach for the new fee program. The Consultant will perform an analysis of best practices in transportation impact mitigation fees throughout the State of California, with a focus on newly adopted programs. Best practice examples should be selected based on similar characteristics to the local conditions such as city type, development patterns, multimodal network needs, etc. It is our understanding the following laws may have applicability to the fee program; SB 743, Assembly Bill (AB) 1600, AB 602, AB 2553, AB 3177, and AB 1820.

Potential methodologies to consider include trips, LOS, VMT, or other mechanisms. The Consultant will prepare a memorandum of best practices for comparison of methodologies and approaches to restructuring the program, examples of eligible project types, compliance with state laws, strategies to obtain political and community support for the fee, and lessons learned from execution of the fee after adoption.

Deliverables: Transportation Impact Fees Best Practices Memorandum.

TASK III – Nexus Study

City staff will provide input on the Transportation Impact Fees Best Practices Memorandum and direction for the Consultant to advance to the Nexus Study. Pursuant to Assembly Bill 1600, the Consultant will update the CTSIP by developing a new Nexus Study to ensure that adoption of an updated TIF program in the City of Costa Mesa demonstrates the necessary “nexus” or linkage between the fees being charged, the benefit of the facilities to mitigate new land development impacts, and the proportional cost allocation.

The Consultant will assess the following items, at a minimum, as part of the Nexus Study:

- Existing Land Use
- Existing Transportation Infrastructure
- Existing City Policies
- Projected Future Development and Demand
- Planned Future Facilities and Transportation Infrastructure Needs
- Deficiency Analysis
- Updated Infrastructure Project Cost Estimates
- Fee Assignment Methodology
- Compliance with New and Relevant Laws

Based on analysis, the Nexus Study will identify the maximum transportation impact fee that the City can charge, define eligible uses for mitigation fee funds, reporting requirements, and administrative/monitoring costs.

Deliverables: Nexus Study for updated CTSIP including projects, fees and fees spreadsheet.

TASK IV – CTSIP Ordinance and Resolution

Based on the findings from prior task deliverables, the Consultant shall prepare a report for the updated TIF Program. The report, at a minimum, will include:

- Updated administrative, monitoring, and reporting requirements.
- Discussion of consistency with applicable state laws and regional requirements.
- List of eligible projects and cost estimates.
- Analysis demonstrating the recommended fee or range of fee options.
- Ordinance language for the adoption of the new program and resolution for the updated Traffic Impact Fee.

Deliverables: Report on Updated Traffic Impact Fee Program, and New Ordinance and Resolution for Traffic Impact Fee Adoption.

TASK V – Public Meetings

During the October 2025 TIF Ad Hoc Committee meetings, multiple items were discussed with the Committee related to the eligibility of projects, the nexus calculations, and the relationship with the original ordinance. The Committee seeks to be involved in the evaluation and consideration of relevant items for the fee update, therefore, multiple meetings will be scheduled for engagement and discussion with the Committee. These meetings are in addition to regularly scheduled meetings with staff throughout the study.

The Consultant will prepare materials, attend, and present the project at Public Meetings throughout the update of the program. The following meetings are anticipated for attendance and presentation by the Consultant:

- Up to four (4) meetings with the City’s Traffic Impact Fee Ad Hoc Committee throughout development of the new program
- One (1) City Council Study Session
- One (1) City Council Meeting
- One (1) additional meeting at the discretion of City Staff

Deliverables: Presentations at Public Meetings on the CTSIP update and development of all associated materials.

**APPENDIX C
FORMS**

**Vendor Application Form
Ex Parte Communications Certification
Disclosure of Government Positions
Disqualification Questionnaire
Company Profile & References
Bidder/Applicant/Contractor Campaign Contribution**

EXHIBIT B
CONSULTANT'S PROPOSAL

PROPOSAL FOR **TRAFFIC IMPACT FEE PROGRAM UPDATE**

RFP NO. 26-12

Kimley»Horn
Expect More. Experience Better.



PREPARED FOR: CITY OF COSTA MESA

Cover Letter

December 17, 2025

Stephanie Urueta
City of Costa Mesa
77 Fair Drive, 1st Floor
Costa Mesa, CA 92626

660 South Figueroa Street, Suite 2050
Los Angeles, CA 90017
TEL: 213.261.4040

RE: Proposal for Traffic Impact Fee Program Update (Request for Proposals [RFP] No. 26-12)

The **City of Costa Mesa (City)** is seeking a qualified consultant to update its traffic impact fee (TIF) program. With extensive local knowledge of the City, impact fee experience, and the right technical expertise, *the Kimley-Horn team is uniquely qualified to assist you in completing this project on time, within budget, and with innovative solutions.* We offer the City the following benefits:

Best In-Class TIF and Nexus Study Team. Project manager **Chris Gregerson, PE, TE, AICP, PTP, PTOE** and our principal-in-charge, **Michael Schmitt, AICP CTP, PTP, RSP_{2B}** have extensive experience leading TIF programs and are experts in Assembly Bill (AB) 1600 as well as recent legal and regulatory developments, such as AB 602, AB 2553, AB 3177, Senate Bill (SB) 319, and the 2024 U.S. Supreme Court case *Sheetz v. County of El Dorado*. Since AB 602 took effect, Chris and our Kimley-Horn team have been contracted to conduct AB 602-compliant studies for multiple agencies, including the Tri-Valley Transportation Commission (TVTC); Placer County Transportation Planning Agency (PCTPA); County of El Dorado; and the cities of San Ramon, Agoura Hills, Tracy, Marina, Soledad, Gilroy, and Concord. Our team also has experience working with jurisdictions to update their programs to focus on funding active transportation projects and to develop fees based on vehicle miles traveled (VMT) instead of trips, to better account for the full effect of trips generated by new development. Our experience has taught us that engaging and educating decision makers early in the process is vital for ultimate approval of an updated program, and we will bring that experience to allow the City of Costa Mesa to meet the condensed schedule outlined in the RFP.

Local Knowledge and Familiarity. Our team of engineers, planners, and technical specialists has delivered projects in and around the City of Costa Mesa for over 20 years including the City's Local Road Safety Plan, Safe Routes to School, and Housing Element Update. Because of this, the City will benefit from our team's familiarity with the region and our current experience in the area and surrounding cities. Our team of engineers, planners, environmental scientists, and technical study specialists have worked together in Southern California to deliver a multitude of projects to public agencies and private developers. They bring an extensive and comprehensive understanding of the challenges and resources commonly encountered and how to manage them and creatively problem-solve during project delivery.

Leaders on SB 743 and VMT Reductions. Our team has been selected to prepare the policy, thresholds, VMT mitigation solutions, and tools for over 40 jurisdictions in California, including Metropolitan Planning Organizations (MPOs), transportation authorities, and counties. *We have also assisted or are currently assisting the Transportation Authority of Marin (TAM), Fresno Council of Governments (Fresno COG), Coachella Valley Association of Governments (CVAG), Santa Cruz County, Stanislaus Council of Governments (StanCOG), the City of Riverside, the City of Tracy, the City of Salinas, the City of Hollister, and the City of Watsonville implement their VMT Mitigation Programs, which are among the first of these programs in the state.* Our team has also completed hundreds of land use and transportation VMT assessments and have delivered over 100 VMT presentations across California and the U.S., including at major conferences. We have participated in the Institute of Transportation Engineers' (ITE) SB 743 Task Force, the California Department of Transportation's (Caltrans) SB 743 Roundtable, and the Rural County Transportation Commission's Induced Demand Study.

Extensive Safety and Active Transportation Experience. We understand that congestion hot spot improvements, active transportation, complete streets, and transit enhancement projects are a priority for this update. Kimley-Horn's experience ranges from regional planning, project selection, and grant application submittals to the design and construction of over 2,000 miles of pedestrian, bicycle, and trail projects nationwide. Project development/costing lead, **Darryl dePencier, AICP, GISP, RSP_{2B}**, has more than 19 years of experience in the transportation industry, particularly focused on bicycle and pedestrian safety. Darryl just completed the statewide Vulnerable Road User Safety Assessment for Caltrans and the Federal Highway Administration (FHWA), has conducted roadway safety plans for over 40 California cities, and recently completed the award-winning, community-driven City of Bakersfield Active Transportation Plan.

We are excited about the opportunity to collaborate with the City on this project. Please reach out to **Chris Gregerson** at **916.571.1014** or **chris.gregerson@kimley-horn.com** for any questions or additional information.

Sincerely,
KIMLEY-HORN AND ASSOCIATES, INC.



Chris Gregerson, PE, TE, AICP, PTOE, PTP
 Project Manager



Michael Schmitt, AICP CTP, PTP, RSP_{2B}*
 Principal-in-Charge

**Michael Schmitt, AICP CTP, PTP, RSP_{2B} is authorized to bind Kimley-Horn to the terms of this proposal. He attests that all information submitted with this proposal is true and correct.*

Office Locations

Work for this project will be completed primarily from our Los Angeles and Sacramento offices with support from our local office in Orange. The address and telephone number for each office are provided below.

- Sacramento:** 555 Capitol Mall, Suite 300, Sacramento, CA 95814 | 916.858.5800
- Orange:** 1100 W Town & Country Road, Suite 700, Orange, CA 92868 | 714.939.1030
- Los Angeles:** 660 South Figueroa Street, Suite 2050, Los Angeles, CA 90017 | 213.261.4040

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Background and Project Summary

Understanding of the City, Work, and Objectives

Our history of working with the City of Costa Mesa helps us best understand its unique role within Orange County as a fully built-out, economically vital community that places a high value on quality of life, mobility, and safety. The City has demonstrated a clear commitment to the safe movement of its residents throughout the City including viewing active transportation as a core element of its transportation system. The City's proactive approach to integrating active transportation into roadway design, land use planning, and capital improvement priorities reflects its leadership in advancing Complete Streets and sustainability objectives. As a regional employment and cultural center, improvements implemented in the City have impacts that extend beyond city boundaries, making the City an important partner and model for how thoughtful transportation engineering can support economic vitality, accessibility, and long-term mobility goals.

The City of Costa Mesa has picked an opportune time to update its TIF program to help fund active transportation projects in the City given the paradigm shift that is currently occurring within the transportation industry. TIF programs have historically sought primarily to reduce congestion via supply-side solutions (capacity enhancements), but as California has continued to seek solutions to address climate change and greenhouse gas (GHG) impacts, trip reduction and other demand side solutions have increasingly become a mitigation focus, thus leading to the development of fee programs focused on reducing VMT.

The City's desire to include projects that achieve VMT reductions and Level of Service (LOS) improvements such as active transportation, complete streets, and transit enhancements is consistent with the trend of waning from capacity enhancing solutions as the sole or primary way to mitigate transportation impacts resulting from growth. Research has shown capacity enhancing solutions have been far less effective than initially hoped due to induced demand. Specifically, research on induced demand has demonstrated that new trips from existing users take up more of the new capacity than originally thought. Under some circumstances, widenings can lead to a vicious cycle in which additional capacity is introduced but does not provide the congestion relief initially anticipated, leading to calls for more widenings.

	Traffic Analysis	TIF Program	CEQA Environmental Requirements
Purpose	Safe and Reasonable Local Traffic Operations	Offset Deficiencies Caused by New Development	Identify and Mitigate Significant Impacts
Legal Basis	General Plan/Local Ordinance	State Law	State Law
Analysis Basis	LOS	DU Equivalency (Based on Trips or VMT)	VMT
Typical Mitigation	Local Infrastructure Improvements	Local/Regional Transportation Improvements	Transportation Demand Measures
Analysis Documentation	Traffic Report	Calculation Summary	Environmental Document
Mitigation Recording	Development Agreement	Building Permit	CEQA Document
Key Challenges	Defining Analysis and Mitigation Requirements After CEQA	Capacity Projects may Result in CEQA Significant Impacts	Transportation Demand Measures Don't Fully Meet Need
Potential Solution	Create a Simpler, More Tailored Approach	Shift Focus to Multimodal or Technology Projects	Create a VMT Bank/Exchange

As shown in the graphic above, updates to impact fee programs such as those to be undertaken by this study or similarly to transportation impact analysis or SB 743 policies afford an opportunity to rethink a jurisdiction's approach to transportation and better align programs and policies with the values, desires, and current needs of the community.

Project Approach and Methodology

Approach

Building on the unique timing of this opportunity to re-evaluate the TIF program and the City's desire to consider a variety of solutions to meet the needs of its transportation system through the TIF fee program, our approach reflects our extensive impact fee experience and includes the following innovative elements:

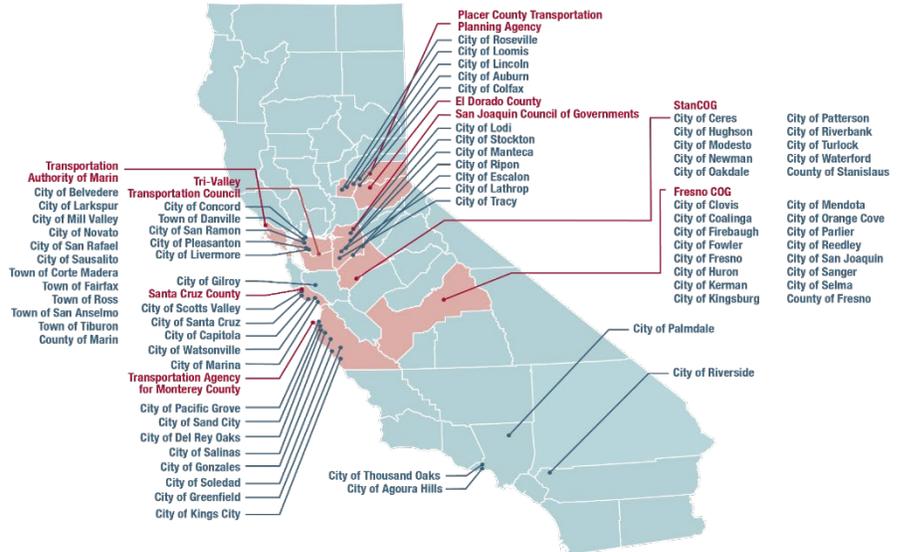
1. **Evaluating a broader base of needs and solutions.** We will work with you to uncover a broad range of opportunities to reduce VMT and improve LOS to offset the impacts of development-related growth. We anticipate this includes opportunities that broadly fall under active transportation, transit, technology, and safety. Together, we will consider a range of technology solutions which may include the more obvious options (e.g., upgrades to the signal system and traffic management systems) in addition to less obvious solutions (e.g., parking management systems and wayfinding)—all of which can reduce VMT and result in positive effects on congestion and air quality.

2. **Making sure you are current within the regulatory environment.** Understanding the legislative context for TIF programs is essential to developing a program that is able to comply with current legislative requirements and is legally defensible. Our team is well acquainted with many recent legal and legislative updates that add requirements to updating TIF programs including the Supreme Court of the United States' ruling on *Sheetz v. County of El Dorado, California*, AB 602, SB 319, AB 2553, and AB 3177. Our team has successfully incorporated the requirements of these documents/rulings into updates of fee programs for multiple California jurisdictions such as the City of Agoura Hills, the TVTC, the PCTPA, San Joaquin Council of Governments (SJCOC), and El Dorado County. As a result, we understand the additional analyses needed to be completed for fee program updates as well as the requirements or restrictions placed on fee updates to confirm the updated program's legal consistency. This knowledge will allow our team to efficiently update the City's fee program because we already understand how these rulings/bills will impact the City's updated fee program.

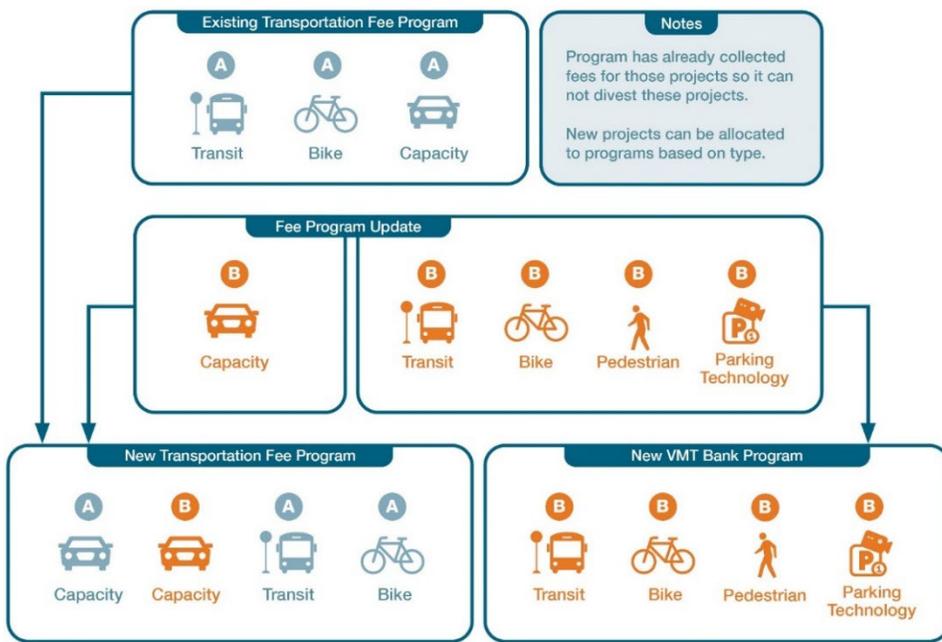
3. **VMT versus Trip-Based Calculations.** Comparing how the development of fees based on trips compares to VMT is an important consideration when updating a fee program. For instance, if a fee is calculated based on trips instead of VMT, this tends to favor residential development over commercial/retail, as residential trips, on average, are longer than retail trips. Conversely, if VMT is used, rates for residential may go up, while those for retail will go down. Although both approaches are used by jurisdictions throughout the state, this basis can be an important consideration in terms of policy and how the community wants to promote different types of development.

4. **Evaluating alternative program structures.** With the advent of SB 743, fee programs are starting to change. To date, VMT mitigation across most of the state has relied heavily on Transportation Demand Management (TDM) as a primary source of mitigation. These measures generally represent two basic types: infrastructure and policy. *CAPCOA Guide for Quantifying GHG Mitigation Measures*, recently updated and re-released in October 2024, is one of the primary sources for estimating mitigation effects in California. Although this resource is invaluable, it is still challenged by the limitations of the prior 2010 version because it provides solutions that

Kimley-Horn Transportation Fee Program Experience



work best in highly urbanized areas while TDM applications in suburban and rural contexts often have limited or questionable efficacy. TDMs can also be challenging from the standpoint of mitigation monitoring and are often unpopular with project applicants because they may need to be managed and paid for in perpetuity. These limitations have led jurisdictions to increasingly consider other programmatic approaches to VMT mitigation. The implementation of a VMT Fee-Based Reduction Program can take many forms, including those that either complement or even replace existing Impact Fee Programs in some instances. Although these programs are still relatively new, we have already amassed significant experience developing the VMT Impact Fee-Based programs for San Luis Obispo Council of Governments (SLOCOG), StanCOG, Fresno COG, TAM, Santa Cruz County, and the cities of Riverside, Palmdale, Hollister, Salinas, Tracy, and Watsonville. As illustrated by the graphic below, the format of such a program may result in the need to reconsider more traditional fee programs.



Our approach to updating the City's TIF program will be based on collaborative, iterative, and informed decision-making processes and build upon our understanding of the local context as well as our extensive knowledge of the technical, political, and legal issues inherent in developing an impact fee study. We understand that the City's ultimate objective with this update includes the establishment of a revised set of development impact fees that strike a balance between infrastructure and public facilities and new development and investment in the City. We will rely on our experiences enacting best practices for fee program updates and develop a fee program for the City that meets the City's

goals, satisfies the policies outlined in City documents, clearly identifies the nexus between the fees charged and the need for the improvements contained in the City's fee program, and satisfies current legal requirements governing impact fee programs.

VMT Reducing Projects

The ROI of individual VMT reducing measures is an important consideration and thus, there is a need to be selective about which VMT reducing measures are included in the City's TIF program to confirm that the program can provide financially feasible solutions to reducing VMT and LOS. Project evaluation should consider whether there are other funding sources available to help fund a project and lessen the burden on the program to fully fund VMT reducing projects while also being able to meet the requirements of additionality. In addition, when considering the types of VMT reducing projects to include in the City's TIF program, the ROI is the primary driver of ultimate fees charged to development. The following graphic provides an overview of our general experience with the efficiency of different project types when considered in the context of cost per VMT. While this graphic doesn't provide a complete answer, as other funding sources can be considered in the final ROI calculation, it provides additional context when considering options and/or trying to screen through large groups of projects.

Summary of ROI of VMT Reducing Project Types

Example Projects		ROI	Comments
	Pedestrian	-	Often too costly with minimal VMT reduction (short trip lengths)
	Bike	+	Need to remove recreational trips. Multi-use/Class IV tend to be overly expensive but less costly improvements (paint) generally show promise
	Transit	+/-	Often good VMT reduction, how high costs of improvements and operating costs can make transit less feasible
	Road Diet	+/-	Works best on larger facilities or on multiple nearby facilities, otherwise it can result in route diversion, often increasing VMT
	ITS/ TSM	-	Difficult to quantify, generally minimal impact, better for GHG
	Mobility Hub	+	Can provide a good ROI by serving to connect modes systems that already exist
	Affordable Housing	-	Depends on definition of additionality. Developments with a large number of units have better ROI
	Vanpool/Carpool	+	Shows high promise and cost effective
	Park-and-Ride	+/-	Very dependent on unique local circumstances. Only limited information on efficacy available

Developing a VMT-based fee program will help the City to meet the community's need for funding for projects identified in documents such as the City's Active Transportation Plan. Our team will build on our collective experiences in developing fee programs, both traditional and VMT-focused, and the many challenges facing implementation of those programs to provide Costa Mesa with a fee program that incorporates the successes of those programs. As these are among the first in the state, our experience is unmatched in this area.

Better Tools and Methods

Included as **optional task** is Kimley-Horn's next generation VMT tool, TREDLite VMT, to automate and enhance VMT analysis. The cloud-based online TREDLite VMT includes several industry-first features, including fast GIS-Based Analysis, ITE Trip Generation, the National Cooperative Highway Research Program (NCHRP) 684 Internal Capture Analysis, Customizable VMT Thresholds, Customizable VMT Screening Criteria, GHG and Criteria Air Pollutant estimation for mobile and nonmobile sources, CAPCOA TDM Analysis (October 2024 edition), and VMT Banking Mitigation (customizable to the local area and calculated cost per VMT reduced).

Kimley-Horn is a leader in transportation software, with a dedicated team of software engineers supporting TREDLite VMT and other solutions such as PublicCoordinate, Kimley-Horn's online public engagement tool. More than 25 agencies, including Santa Cruz County, San Luis Obispo County, Pasadena, Palmdale, Riverside, Monterey, and many others are already licensed to use TREDLite VMT. The tool is fully functional and available with a 2-year license, as outlined in the project budget.

A few things to note:

- The Demo version of TREDLite relies on raw data from the transportation analytics platform, Replica, that has been processed by Kimley-Horn.
- Thresholds are based on the Governor's Office of Land Use and Climate Innovation (LCI) guidance and are established for each jurisdiction separately.
- We often use client specific data in implementation (travel demand models for instance) although many clients also use the data in the Demo.
- Sometimes there are "blanks" in the data given that there is no existing data to base outcomes on (addressable in a full implementation).

We have included a link to our Demo tool so you can try out our TREDLite VMT software solution for yourself! Please follow these instructions:

Step 1 Click the following link: <https://tinyurl.com/CAatredlite>

<https://tredlite.kimley-horn.com/sites/california> Use this website to launch the site from your browser

Step 2

Step 3 Click "Accept" to continue

CALLOUT KEY

- Callouts in blue highlight key instructions or considerations
- Callouts in green provide general guidance or instructions

Additional Considerations

There are several considerations to be mindful of for any jurisdiction completing an update to their TIF Program. The primary concern is that the update results in a fee structure that is either politically infeasible or stifles development. However, there are several solutions this team has used to address this concern including making adjustments to the project list, including more cost-effective projects in the project list, changing the timing of constructing projects, and identifying outside funding sources such as grants to reduce the fees. Beyond this primary concern, other areas of focus include ensuring that the nexus study is prepared properly (AB 602 compliance) and that enough outreach to the public and development community is undertaken so that there are no surprises when the update is presented for adoption.

An Approach Built on Outreach and Education

Our team understands that the outreach conducted for this project is intended to be a collaborative, iterative process that will allow for the development of a publicly vetted updated TIF program. However, we know that the final decision is the responsibility of the City Council and our outreach approach is designed with that understanding in mind. As this is primarily a technical project, our outreach approach focuses on the restructuring of the program and the types of projects that would be included in the updated program.

Our outreach materials stand out due to their strong use of graphics, which have proven highly effective in simplifying complex information.

How to Calculate VMT for a Residential Project

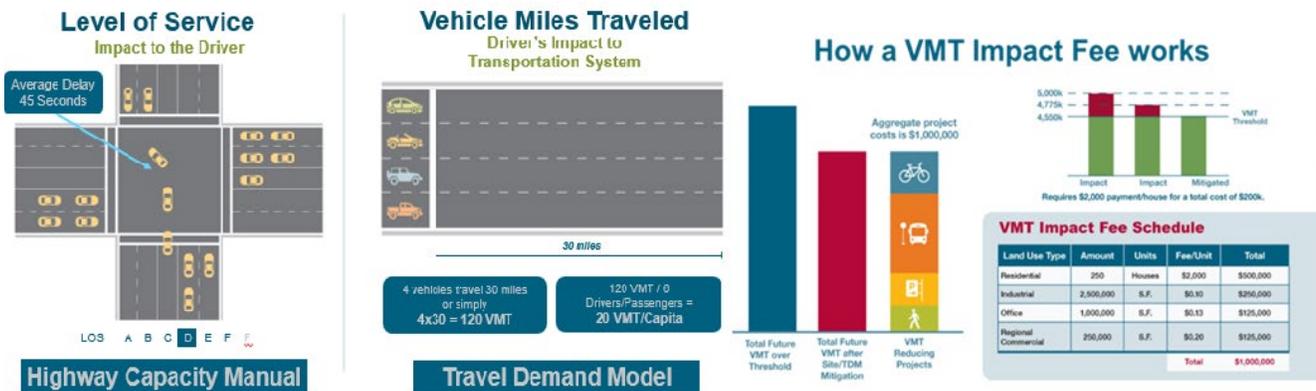


The approach to outreach for this project draws on our strengths and builds on our experience in developing impact fee programs and VMT mitigation programs to develop an outreach approach where the community and decision makers will feel included and results in project deliverables and study findings that best represent the goals and priorities of the City of Costa Mesa.

The staff selected to support this project have collectively presented more than 100 times on VMT analyses, policy, and mitigation/reduction and from

that experience we have developed both an understanding of the most effective ways to explain SB 743/VMT and have a large complement of existing resources that can help a broad range of audiences understand SB 743. One of the key differences with our SB 743 outreach materials is their strong reliance on graphics, as we have learned that pictures and images are the most successful way to help people understand some of these challenging subjects.

Our team has a library of more than 120 graphic/PowerPoint slides on SB 743/VMT including VMT-based impact fee programs to show how we can help the City simplify the complexities of TIF programs and VMT reduction. Below are a few outreach graphics we have prepared for other agencies for their VMT Implementation programs.



Scope of Services

We believe the scope included in the RFP provides a good approach to completing the project. We have added additional scope items and deliverables that we believe add value to the project for the City and will provide the necessary analysis and information to produce recommendations for a legally defensible TIF program and provides a consistent accounting of VMT throughout the City. Our additions to the scope of work provided in the RFP are denoted in a yellow box. In addition, we have provided optional items that we feel will further enhance the product produced by this project and provide additional value to the City. The optional task items are denoted in a blue box. We have added our additions to the scope so that it is clear that our approach will result in significant value for the City.

Task 1 – Project Management

This task involves all project management activities including but not limited to the project kick-off meeting, project team meetings, Quality Control/Quality Assurance (QC/QA), monitor and track budget and timeline, communications, and other project administration items.

Kimley-Horn will hold a virtual or in-person kick-off meeting with key City staff to discuss the goals of the project, agree on communications protocols and recurring meeting schedules, project management details, data needs, QC/QA, deliverable review expectations, and other relevant topics. We will provide the City with a summary of the kick-off meeting including notes of the meeting, items agreed to, and any action items.

QC/QA will be consistently applied throughout project development by Kimley-Horn staff that are technically qualified to conduct the appropriate level of oversight. Kimley-Horn will review and apply appropriate QC/QA practices for all deliverables to confirm minimal errors and omissions.

Project manager (PM) status meetings will take place every two weeks via recurring video-conference link initiated by Kimley-Horn. The PM status meetings are intended to allow for regular and consistent communication on upcoming tasks, identifying potential risks and challenges to success. Participation in the PM status meetings is anticipated to include the City project manager and Kimley-Horn's project manager.

Kimley-Horn will develop a list of topics for discussion and host an online shared document for joint review during the PM status meetings. Notes and actions should be recorded during the meeting and include a defined list of decisions, actions, and the party responsible.

Kimley-Horn will prepare a Critical Path Method (CPM) schedule, based on activities to support all project milestones and subtasks will be prepared. The project schedule will be reviewed monthly to track progress given the short project duration. Additionally, monthly invoices with a one- to two-page progress report will be provided for invoicing.

Deliverables

- Kick-off Meeting with Kimley-Horn - Agenda and Minutes
- Critical Path Method Schedule
- Monthly invoices and progress reports, project schedule updates
- Project management status meeting notes and actions
- QC/QA confirmation memorandum for all major submittals

Task 2 – Program Assessment

Kimley-Horn will evaluate the City's current Comprehensive Transportation System Improvement Program (CTSIP) and TIF Program, the project goals and objectives, prior TIF history, land development potential, applicable state laws, and other relevant information to determine the best approach for the new fee program. Kimley-Horn will perform an analysis of the best practices in transportation impact mitigation fees throughout the State of California (e.g., statutory requirements, legal requirements, and pending legal cases), with a focus on newly adopted programs. This will include the recent Supreme Court of the United States' ruling on *Sheetz v. County of El Dorado, California*, AB 602, SB 319, AB 2553, and AB 3177. The aforementioned documents have been previously reviewed by our team and incorporated into previous fee program updates.

The Kimley-Horn team will propose a fee allocation methodology, which could include trips, LOS, VMT, or other mechanisms. Kimley-Horn will prepare a memorandum of best practices for comparison of methodologies and approaches to restructuring the program, examples of eligible project types, compliance with state laws, strategies to obtain political and community support for the fee, and lessons learned from execution of the fee after adoption.

Deliverables

- TIF Best Practices Memorandum

Task 3 – Nexus Study

City staff will provide input on the TIF Best Practices Memorandum and direction for the Kimley-Horn to perform the Nexus Study. Pursuant to AB 1600, Kimley-Horn will update the CTSIP by developing a new Nexus Study to confirm that adoption of an updated TIF program in the City of Costa Mesa demonstrates the necessary "nexus" or linkage between the fees being charged, the benefit of the facilities to mitigate new land development impacts, and the proportional cost allocation.

Land Use Assumptions

Given that the Orange County Transportation Authority's (OCTA) travel demand model, OCTAM, currently has a base year of 2019, Kimley-Horn will work with the City to update the land use assumptions within the City to reflect 2025 conditions. Selecting the most current year as baseline is typically desired for a fee update and gap of 5 to 6 years could be considered problematic if no modifications are made.

Kimley-Horn will also review the land use categories for which the fee will be calculated and make recommendations if these should be revised. Our team will also define the operative land use assumptions, such as persons per household and employees per square foot, to be used to forecast growth. Once the land use categories and assumptions are defined, the Kimley-Horn team will prepare a growth forecast for each land use category. The City's General Plan preferred land use forecast will serve as the foundation of this analysis.

Deficiency Analysis and Improvement Project Development

Kimley-Horn will coordinate with City to perform the transportation analysis needed for the TIF Program update. OCTAM will provide the critical components of the TIF Program nexus analysis, including defining the City's roadway network; allocating travel demand among land uses and between new, existing, and external development; distinguishing between existing and future year deficiencies; and selecting capital improvements for fee funding. Although traffic counts will determine existing/baseline operations for the fee update, the future year AM/PM peak-hour assignments as generated by the project-specific version of OCTAM will be applied to generate the future year volume sets to determine future year operations using post-processed volumes based on traffic counts. It is assumed that the City will provide traffic counts taken within the last three years to provide the necessary existing traffic volumes for the study facilities analyzed for this deficiency analysis.

Depending on what type of nexus the City would like to move forward with, OCTAM will be operative analysis tool to determine operational deficiencies (trip-based with VMT weights) or VMT reduction needs (VMT-based). For the trip-based nexus, land use projections and ITE's (12th Edition) vehicle trip generation information will provide the basis for estimating the growth in Dwelling Unit Equivalents (DUEs). Use of VMT weights (i.e., application of average trip lengths by fee land use category) is recommended. The percentage growth in DUEs can be considered by the City during updates to non-transportation impact fees (i.e., general public facilities, library, fire, parks, storm drain, etc.). The VMT-based nexus will entail estimating the VMT increase associated with the City's roadway infrastructure capacity expansion projects including the induced VMT component if deemed applicable (recommended approaches of the Rural Induced Demand Study will be considered) as well as land use growth.

For the trip-based transportation fee, Kimley-Horn will use City's Average Daily Traffic (ADT) Thresholds and Intersection LOS standards and design standards to define specific goals related to traffic levels and facility design within the City's roadway network. Service and design standards will facilitate decisions regarding the type, location, and level of improvements needed to address identified deficiencies. They will also help allocate costs between new and existing development, an important determination, as improvements needed to correct existing deficiencies have different fair share requirements. Kimley-Horn will review the City's Capital Improvement Projects (CIP) projects list in the current program and update the list based on the analysis results and project status. We will propose the removal of any projects from the list that are no longer needed or already initiated/completed.

For the VMT-based nexus, areas within the City above the established VMT thresholds will define the total VMT needed to be reduced by projects funded by the program. Rather than using the City's existing CIP, a more VMT neutral CIP list will be developed. In addition, multimodal infrastructure needs (candidate projects to be funded by the program) may be identified in adopted planning documents. Additional projects will be identified based on the multimodal infrastructure needs necessary to support future land use patterns in the City.

Improvement Cost Estimates

The Kimley-Horn team will prepare preliminary cost estimates for construction of the identified transportation improvement projects included in the Transportation Impact Fee Nexus Study. Our team will also coordinate with the City regarding the calculated percentage of funding provided through the Transportation Impact Fee versus other sources (e.g., local funding, grants).

Updated improvement costs to previously identified improvements carried forward as part of this update will be based on percentage changes in the Engineering News-Record (ENR) Construction Cost Index. For the cost estimating of new or redefined improvements contained in City documents such as the Bicycle Master Plan, Kimley-Horn will incorporate planning level cost estimates developed by the City or its consultants.

Kimley-Horn will match the capital improvements described above with their anticipated or expected funding sources. Projects with designated funding sources will generally not be included in the calculations. In consultation with the City, we will identify all other "discretionary" funding sources, including federal, state, and local funds. The total discretionary and non-discretionary funding amounts will be deducted from the total of the cost estimates to determine the net funding gap for purposes of the TIF Program calculation.

Revenues already encumbered from the City's current TIF program (i.e., fund balances) or developer contribution requirements will likely be considered part of the funding pool and will be deducted from updated total TIF program cost estimates. It will be necessary to avoid "double-charging" for individual improvement projects.

Improvement Cost Allocation

Using OCTAM, a select link analysis will be performed to quantify the amount of traffic associated with specific types and/or areas of growth in Costa Mesa using each project location (i.e., traffic fair shares). This analysis will determine the proportion attributable to existing deficiencies and the portion to future growth. For the TIF, this calculation will be based on the service standards used for the deficiency analysis and trip generation (or VMT) estimates derived from the traffic model and demand projections. Only the portion of costs attributable to new growth within the City will be used to calculate the City's new TIFs.

The total cost of each infrastructure item will also be distributed among each of the land use types within the City's fee program based on their relative demand for each improvement. The analysis will abide by legally defensible nexus standards per AB 1600. For the VMT-based nexus option, the cost per VMT will be estimated for each land use type in the City's program. For each CIP improvement, this analysis will isolate trips associated with each fee benefit zone established by the City's fee program. Our team will categorize the trips as internal (i.e., start and end within the City boundary or I-I trips), trips with only one trip-end in the city (i.e., I-X and X-I trips), or pass-through trips (i.e., X-X trips) to allow for a proper accounting of fair share.

Fee Calculation

Based on the cost allocation and growth assumptions described above, Kimley-Horn will develop a preliminary fee calculation for each land use. Specifically, the total improvement costs will be divided by the expected growth in each land use category. Our team will summarize the impact fees by area for each land use for review by City staff. This preliminary fee calculation is designed to elicit input regarding the amount, scope, and incidence of the fees calculated.

Per AB 602 (effective July 1, 2022), residential fees must now be expressed on a per square foot basis rather than by unit. In addition, SB 99 provides screening criteria for ADU housing developments and AB 3177 requires a lower fee for residential land uses be set for developments within a half-mile of a major transit stop. We will coordinate with the City to provide an analysis that is consistent with the legislative requirements of AB 602, SB 99, and AB 3177 as part of this TIF update.

The Kimley-Horn team will update the preliminary impact fee schedule based on the provided by the City. For example, the preliminary fee calculation methodology may be revised to incorporate changes in the amount, scope, or incidence of the fees.

A fee per trip or VMT will be developed in conjunction with a traditional fee schedule to address atypical or non-traditional land use types (e.g., extraction- and recreation-related land uses). Determining a fee per trip/VMT cost will allow the City flexibility for applying an internally consistent but alternative fee type for those development applications that may not match the development type descriptions of the fee schedule – thereby reducing the likelihood of costly conflict resolutions.

Based on the analysis outlined in this task, the Nexus Study will identify the maximum TIF that the City can charge, and define eligible uses for mitigation fee funds, reporting requirements, and administrative/monitoring costs.

Deliverables

- Nexus Study for updated CTSIP including projects, fees, and fees spreadsheet

Task 4 – CTSIP Ordinance and Resolution

Based on the recommended nexus approach and establishment of a fee schedule, Kimley-Horn will prepare a technical report that documents assumptions, methodology, and study results applied to create the City's Transportation Impact Fee. The report will clearly describe nexus findings and rationale consistent with AB 1600 and other legal requirements, including identifying the purpose of the fee,

use of the fees and facilities financed, determination of the reasonable relationship between the fees use and the development project on which the fee is imposed, and identifying the reasonable relationship between the need for a public facility and the type of development project on which the fee is being imposed. The report will summarize the analysis demonstrating the recommended fee or range of fee options and ordinance language for the adoption of the new program and resolution for the updated TIF program will also be included. The report will also identify the options for annual standardized cost escalations for construction of transportation projects.

Deliverables

- Report on Updated TIF Program
- New Ordinance and Resolution for TIF Adoption

Task 5 – Public Meetings

Kimley-Horn will prepare materials, attend, and present the project at Public Meetings throughout the update of the TIF program. The following meetings will be attended by Kimley-Horn with presentations given as deemed appropriate by the City.

- Up to four (4) meetings with the City's TIF Ad Hoc Committee throughout development of the new program
- One (1) City Council Study Session
- One (1) City Council Meeting
- One (1) additional meeting at the discretion of City Staff

As support from the City's TIF Ad Hoc Committee and City Council is needed for adoption of the updated TIF program within the expedited timeline, Kimley-Horn proposes that the first Ad Hoc Committee meeting be held within one month of the kick-off meeting, once it is determined whether VMT will be used to establish the City's new fee or not. As ongoing discussions will be required if significant changes are made to the way the TIF fees are established and the types of projects funded by the program, it will be important to allow for one-off discussions with Committee and Council members to answer questions and incorporate feedback.

Deliverables

- Presentations at Public Meetings on the CTSIP update and development of all associated materials

OPTIONAL: Task 6 – VMT Analysis Guideline Review

As an optional task, Kimley-Horn will update the City's VMT analysis guidelines to be consistent with the new format of the program. The City's current guidelines include data from an outdated version of OCTAM and the linked VMT screening tool does not load. In addition, the low-VMT screening is based on the City average, which does not separate between land uses and is inconsistent with state guidance.

Kimley-Horn team will review the VMT datasets from the current version of OCTAM, and the Replica transportation analytics platform and calculate baseline conditions for the City of Costa Mesa. The baseline conditions calculated will serve to provide a comparison among the datasets to determine which provides the best representation of real-world conditions in the City as well as which would be most advantageous to use for VMT policy setting and VMT reduction calculations based on the City's priorities. We will meet with the City to discuss the datasets and our recommendation to determine which dataset the City would like to use to set VMT analysis policy and thresholds.

The Kimley-Horn team will use up to three previously approved development projects to perform case study analyses on the thresholds and screening criteria developed as a part of this task. The case study analysis will compare the results against the previously used criteria, where applicable, to compare how the project's impact would change with the new thresholds, screening criteria, and selected dataset.

Kimley-Horn team will also review existing screening criteria currently used by agencies within the Southern California Association of Governments (SCAG) region to presume less than significant impacts for developments meeting the criteria. In addition, we will identify other screening criteria used by jurisdictions throughout the state that may align with the City's goals and priorities. As recent legal cases

have required local data to substantiate the screening criteria used, Kimley-Horn will perform an analysis to determine the limit to be used for each criteria, such as building size or number of trips generated.

The new VMT analysis methodology and thresholds would be incorporated into the City's VMT Analysis Guidelines. A summary of the results of the efforts completed as a part of this task to establish a VMT screening process, VMT impact thresholds, and a VMT analysis methodology, will be summarized into a technical memorandum.

Deliverables

- **Optional:** VMT Screening Process and CEQA Transportation Impact VMT Analysis Methodology Memorandum

OPTIONAL: Task 7 – Costa Mesa Online VMT Tool

As an optional task, Kimley-Horn will provide a customized version of TREDLite VMT for the City, integrating the thresholds and screening criteria developed as a part of Optional Task 6 or the City's existing thresholds and screening criteria. TREDLite VMT is an online tool that allows users to quickly and easily screen projects, estimate VMT, assess project impacts, and evaluate mitigation strategies, including VMT impact fees, and mitigation updates from the most recent version of CAPCOA's VMT Reduction Handbook (October 2024). A fully functional demo link is provided in the Approach section of this proposal.

Deliverables

- **Optional:** 2-year license for a customized version of TREDLite VMT for the City of Costa Mesa
- **Optional:** TREDLite VMT User Documentation

Project Schedule

TASK	2026									
	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	
Task 1: Project Management										
Task 2: Program Assessment										
Task 3: Nexus Study										
Task 4: CTSIP Ordinance and Resolution										
Task 5: Public Meetings										

◆ City TIF Ad Hoc Committee Meeting

★ City Council Study Session

★ City Council Meeting

Potential Project Issues

Measure M2 Eligibility

We understand how important it is that any restructuring or update to the City's TIF program allows the City to maintain OCTA Measure M2 eligibility. Importantly, Measure M2 eligibility does not require that local impact fees be calculated on a trip-based methodology; rather, it requires that fee revenues and programmed improvements be consistent with adopted transportation plans and support the goals and performance outcomes established by OCTA. A VMT-based fee program can be consistent with Measure M2 by demonstrating how collected fees contribute to eligible projects—such as active transportation facilities, transit-supportive infrastructure, and congestion relief—that are identified in Measure M2 expenditure plans or local circulation elements. Through careful coordination of assumptions, documentation, and reporting, the City of Costa Mesa can modernize its impact fee methodology to a VMT-based approach while preserving access to Measure M2 funding and reinforcing its commitment to state-aligned, performance-driven transportation planning.

Accelerated Project Schedule

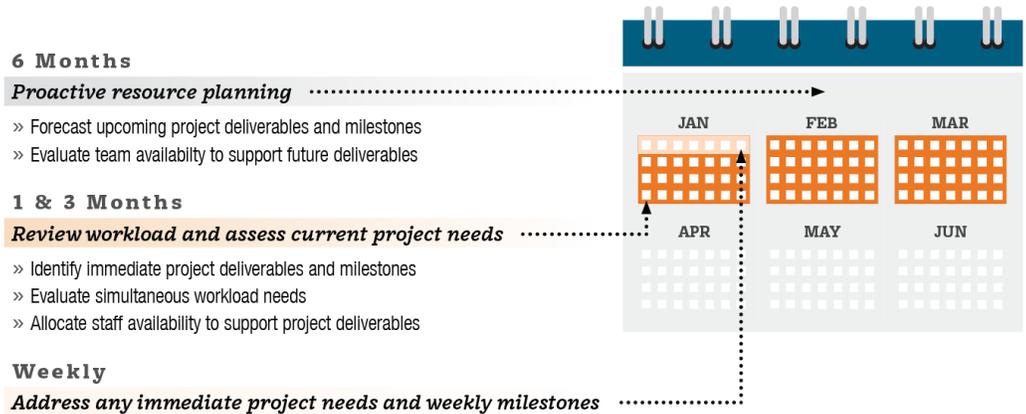
We know that updating the City's TIF program on an accelerated schedule presents both technical and communication challenges that must be carefully managed to achieve a successful outcome. From a technical perspective, the effort requires rapid assembly and validation of growth forecasts, travel demand assumptions, project cost estimates, and nexus documentation, all while maintaining consistency with state legal requirements and established best practices. However, it is equally important to clearly translate complex technical analyses into findings that are transparent, defensible, and easily understood by non-technical audiences, something in which Kimley-Horn excels. Our approach allows us to deliver on a compressed timeline, understanding that there is limited opportunity for iterative refinement. We will verify that our methodologies are clearly defined, data sources are well documented, and key assumptions are communicated early and consistently.

The successful adoption of the updated program will rely heavily on effective engagement with TIF Ad Hoc Committee members and City Council members throughout the process. These decision makers must have confidence not only in the technical validity of the program's update, but also in its fairness, reasonableness, and alignment with broader community and economic development goals. Kimley-Horn's approach to completing this project includes targeted briefings, clear and concise summary materials, and a deliberate focus on explaining why updates to the program are necessary. In addition, we will provide documentation on how fees were derived and what assumptions were made or decisions agreed to that led to the ultimate updated program. We understand that with a tight project schedule, proactive communication and anticipatory issue resolution will be critical to building trust, minimizing surprises, and positioning the TIF Ad Hoc Committee and City Council to act with confidence in approving the updated TIF program.

Staffing Capacity, Workload, and Ability to Meet Project Schedules

Kimley-Horn selects project team members based on their experience with similar projects and availability, using a management system called "castaheads" to confirm staff readiness. Based upon a review of our castaheads, we can assure you

that the staff members selected for this team are available immediately to serve you. Project manager, Chris Gregerson, has the authority to mobilize the firm's 9,700+ resources as needed to meet the project requirements and schedule efficiently. As outlined in the sections above, Kimley-Horn will complete the project by October 2026.



Qualifications and Experience of the Firm

Firm Profile

Kimley-Horn is a North Carolina C Corporation that delivers engineering, planning, and environmental consulting services to both public and private clients nationwide. Since its founding in 1967, the firm has grown to over 9,700 employees operating from 147 offices across the country—including 16 offices throughout California including Orange, Los Angeles, and Long Beach. Today, Kimley-Horn ranks among the largest consulting firms in the United States and placed **8th on *Engineering News-Record's* 2025 list of top design firms**. Our ongoing growth is fueled by a steadfast commitment to responsive service, continuous quality improvement, and a business-based practice approach.

Kimley-Horn is a local and national leader in the assessment of transportation impacts, the development of methodologies to continuously monitor development-generated traffic, and the analysis and recommendation of feasible financing mechanisms for transportation

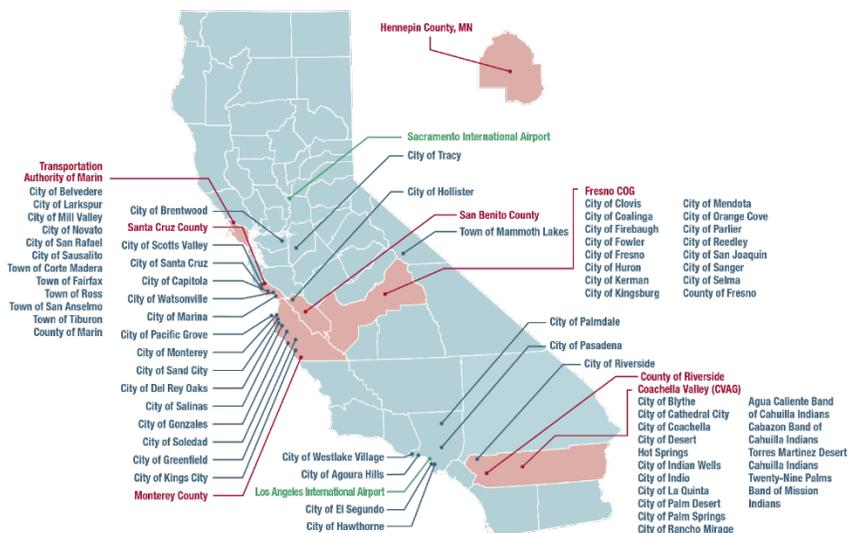
improvements. We have assisted numerous local agencies in developing and modifying fee procedures to allow planned growth to pay its proportionate share towards infrastructure improvement and obtain concurrence from officials with our findings. Most recently the members of this team have completed major impact fee updates for the TVTC, El Dorado County, the cities of Agoura Hills, Concord, Tracy, and numerous other cities throughout the state.

Relevant Experience, Specific Qualifications, and Technical Expertise

The team identified for this project has amassed significant experience with TIF programs, Nexus studies, proportionate cost share calculations, VMT analyses and policy development, VMT reduction and mitigation fee programs, and many other related considerations, including:

- Since AB 602 took effect in 2021, conducting AB 602-compliant Nexus studies for multiple agencies, including Transportation Agency for Monterey County (TAMC), TVTC, PCTPA, El Dorado County, and the cities of Agoura Hills, San Ramon, Tracy, Marina, Soledad, Gilroy, Concord, and West Sacramento
- Establishing more than 40 California public agency's (i.e., cities, counties, and airports) VMT thresholds, policies, VMT mitigation measures, and custom VMT calculation tools for SB 743 compliance
- Developing Regional VMT mitigation programs (considering Impact Fees/Banks/Exchanges) for CVAG, SLOCOG, Fresno COG, StanCOG, TAM, and Santa Cruz County (including its local jurisdictions)
- Developing Local VMT mitigation banks for the cities of Palmdale, Riverside, Tracy, Salinas, Hollister, and Watsonville
- Pioneering the first VMT Bank to be included as part of an MPO's SCS program policies, VMT mitigation measures, and custom VMT calculation tools for SB 743 compliance
- Development of TREDLite VMT, the only commercially available SB 743-compliant online tool, currently on the market. Used by more than 25 jurisdictions across California, this cloud-based platform offers comprehensive VMT analysis for many land uses, integrates the latest CAPCOA TDM strategies (October 2024), estimates trip generation, can apply an agency's VMT screening criteria, and includes both a VMT Banking Module and a GHG estimator. TREDLite VMT is fully operational and ready for immediate use.
- Successfully completing active transportation planning efforts, including multiple Active Transportation Plan (ATP) programs, in more than 40 California cities including multiple cities in Southern California
- Presenting SB 743 educational materials more than 100 times to audiences including dozens of public agencies, ITE, and the Association of Environmental Planners (AEP), and Urban Land Institute (ULI) in California and throughout the United States Invited participants in ITE's California SB 743 Task Force, Caltrans' SB 743 Implementation Technical Roundtable, and the Project Advisory Committee for the Rural Counties Task Force (RCTF) Induced Demand study Leading ground-breaking VMT Program development efforts outside of California, including Hennepin County (Twin Cities area of Minnesota), Pitkin County (Aspen, CO), and the City of Raleigh, NC. Our Hennepin County project was selected as American Planning Association (APA) Minnesota's project of the year for Sustainability and Resiliency.
- Developing the VMT Banking White Paper that has been foundational to several jurisdictions' submittals for Caltrans grant funding for VMT Mitigation/Banking Programs

Kimley-Horn SB 743 Policies and VMT Mitigation Programs Experience



Experience Performing Similar Work

Kimley-Horn has substantial experience working on impact fee updates and related projects. Specific examples of current and previous contracts for similar projects, including reference contact information, are provided in the **Experience and Record of Success on Similar Projects** section below.

Corporation Information

Founded on February 10, 1967, Kimley-Horn and Associates, Inc. is a North Carolina C Corporation headquartered at 421 Fayetteville Street, Suite 600 in Raleigh, NC 27601. Our local office is located at 1100 W Town & Country Road, Suite 700 in Orange, CA 92868 and opened its doors for business in 1988.

A list of principal officers is provided below:

- Brent H. Mutti, President,
Chief Executive Officer
- Steven E. Lefton, Executive Chair
- Tammy L. Flanagan, CFO,
Executive Vice President
- Aaron W. Nathan, COO,
Executive Vice President
- David L. McEntee, Senior Vice
President, Treasurer
- Ashley R. Keil, Secretary

Experience and Record of Success on Similar Projects

Kimley-Horn is proud of our working relationships with our clients, and much of our success over the last 58 years is directly related to our efforts to provide consistent, high-quality, and timely services. Our team has provided similar services to each of the references below. We encourage you to contact the clients listed below regarding our team's work history and quality of service.

City of Agoura Hills, TIF Update, Agoura Hills, CA

Kimley-Horn worked with the City of Agoura Hills to update their TIF program to establish the relationship between development and traffic impacts. The project involved a review of the planned land use growth through 2040, a deficiency analysis to determine needed transportation system improvements, a selection of non-capacity increasing improvement projects that include active transportation, transit, safety, and signal system projects, cost estimating for each project, calculating the new fees by land use type, an AB 602-compliant analysis of each proposed project and an evaluation of charging residential fees by household square footage, documentation, and presenting the updated fee to the City's public works committee and City Council.

Project Duration: July 2023 to August 2025

Contact Information: Charmaine Yambao | Director of Public Works/City Engineer | 818.597.7360

TAMC, Regional Development Impact Fee Nexus Study Project, Monterey, CA

Kimley-Horn is working with the TAMC to update the Nexus Study for the Regional Development Impact Fee (RDIF). The update includes a specific focus on safety and updating the program to fund projects that improve safety throughout Monterey County to confirm that growth does not result in an increase in traffic accidents or fatalities. The update is being conducted in coordination with TAMC's safety study and will result in an identification of priority projects. In addition, the project includes operational analyses of regionally significant roadways, cost estimations for projects addressing identified safety deficiencies, project prioritization, and determining the proportionate allocation of improvement costs across the TAMC region. Additionally, the project includes conducting AB 602 analyses to determine fees by residential unit size, prepare the Nexus Report, and participate in public outreach.

Project Duration: February 2025 to Present **Contact Information:** Aaron Hernandez | Transportation Planner | 831.775.4412

County of El Dorado, TIF Program Update, El Dorado County, CA

Kimley-Horn led the update to El Dorado County's TIF Program, incorporating the County's adopted 2045 land use projections into an updated travel demand model reflecting 2023 and 2045 conditions. The update included operational analyses for local roads, highways, and freeway segments, cost estimations for improvement projects addressing identified deficiencies, project prioritization, and determining

the proportionate allocation of improvement costs across the County's three fee zones. Additionally, the team updated the County's impact fees by land use, conducted AB 602 analyses to determine fees by residential unit size, prepared the Nexus Report, and participated in public outreach, including presentations at Board of Supervisors meetings.

Project Duration: January 2024 to July 2025 **Contact Information:** Zach Oates | Senior Civil Engineer | 530.621.7580

City of West Sacramento, Model Update, TIF Program Update, & VMT Mitigation Program, West Sacramento, CA

Kimley-Horn is assisting the City of West Sacramento with updating the City's TD, TIF Program, and Transportation Analysis Guidelines. Kimley-Horn is also working with the City to study the potential for implementing a VMT Reduction and Mitigation Fee Program as a part of this project. The project team will assist the City with upgrading its TDM from the 4-step SACMET platform to SACOG's activity-based platform SACSIM, using SACSIM23 as the basis. The City's TIF Program update will include a review of the land use types and zonal structure of the program. The VMT mitigation program study is funded by a Caltrans sustainability grant and will include an assessment of different mitigation frameworks, help prioritize mitigation strategies, and identify potential financing solutions to support implementation. The project also includes the implementation of Kimley-Horn's cloud-based TREDLite software for VMT analysis and mitigation.

Project Duration: August 2025 to Present **Contact Information:** Jimmy Fong | Senior Transportation Engineer | 916.617.4789

TVTC, 2020 Nexus Study, Project Prioritization, & Strategic Expenditure Plan, Tri-Valley Area, CA

Kimley-Horn assisted TVTC, a joint-powers authority, and its seven member jurisdictions (including two counties) in the East Bay, in updating the TVTC Fee Nexus Study to support the Strategic Expenditure Plan (SEP) for the TVTD TIF, which had not been updated since 2006. The update involved running travel demand model scenarios using the Contra Costa Transportation Authority (CCTA) model, modifying Traffic Analysis Zones (TAZs) and Traffic Impact Mitigation (TIM) Fee Zone designations, and conducting roadway, multimodal, and safety analyses. The project also included reviewing, evaluating, and prioritizing new projects for inclusion in the TVTDF, updating the fee structure, reviewing and developing project costs, and ensuring compliance with AB 602 by developing LOS methodologies to assess all proposed improvements, including intersections, roadway segments, safety enhancements, ITS infrastructure, and active transportation facilities. Additionally, Kimley-Horn assessed residential fee structures to account for housing size variations and updated the expenditure plan, including project descriptions, funding sources, and implementation timelines.

Project Duration: April 2020 to August 2022 **Contact Information:** Pratyush Bhatia | Transportation and Operations Manager at City of Dublin, Tri-Valley Transportation Council (TVTC) | 925.833.6630

City of Concord, TIF Program Update, Concord, CA

Kimley-Horn is working with the City of Concord to update their TIF program. This project involves land use planning for the future year scenario, performing a deficiency analysis on various intersections, roadways, and other transportation infrastructure throughout the City including active transportation and transit infrastructure, providing a review of the current fees within the City's Off-Site Street Improvement Program (OSIP), updating the City's Traffic Impact Study guidelines, and updating the current fee structure to address the revised General Plan Transportation Element update and the current roadway infrastructure requirements. A focus on improvements to identify deficiencies include active transportation, transit, technology, and signal system improvements.

Project Duration: September 2022 to Present **Contact Information:** Aaron Elias | Transportation Program Manager II | 925.671.3276

SJCOG, Regional TIF Mitigation Update, San Joaquin County, CA

Kimley-Horn worked with SJCOG to update its Regional TIF (RTIF) mitigation program. Kimley-Horn completed the Nexus analysis and fee schedule for the RTIF update, which involved reviewing existing planning area boundaries as they correspond to impact fee zones, providing an update to the boundaries based on new city annexations and sphere of influence expansions, working with SJCOG to determine growth projections and land use totals for the future year (2040), completing a deficiency analysis, determining the fee schedule based on project costs, and providing support for public involvement and stakeholder outreach.

Project Duration: September 2017 to February 2020 **Contact Information:** Kim Anderson | Deputy Director, Planning | 209.235.0600

City of Gilroy, Traffic Circulation Master Plan & TIF Program Updates, Gilroy, CA

Kimley-Horn's services include reviewing the City's existing traffic circulation master plan, conducting travel demand modeling, updating future land use data, evaluating the need for transportation improvements, preparing draft and final Traffic Circulation Master Plan documents that identify potential action items, providing approaches to updating the TIF program, developing draft and final Nexus Study reports, developing a public engagement plan, and TREDLite VMT™ Tool development and compliance with SB 743.

Project Duration: April 2023 to Present **Contact Information:** Jorge Duran | Senior Civil Engineer | 408.846.0265

City of Costa Mesa, Development of Safe Routes to School Action Plan, Costa Mesa, CA

Kimley-Horn is assisting the City of Costa Mesa with the development of a Safe Routes to School (SRTS) Action Plan, designed to enhance safety and offer more comfortable multi-modal options for students, families, and residents near 23 schools within the Newport-Mesa Unified School District. Supported by the federal Safe Street for All (SS4A) initiative, the plan will introduce a variety of improvements and programs focused on reducing bike and pedestrian collisions and increasing the numbers of students walking and biking to school from nearby neighborhoods. Kimley-Horn created content for the SRTS Plan project webpage and utilized its proprietary online mapping tool, PublicCoordinate, to gather resident input and identify key intersections and locations for pedestrian and bicycle improvements. The firm's services also include comprehensive stakeholder and community outreach, with multilingual support in Spanish to allow for broad participation among students and parents. This Action Plan will enable the City to prioritize expenditures and improvements across all schools, summarizing proposed enhancements and associated costs from individual plans. By building on prior foundational work from the ATP, Pedestrian Master Plan (PMP), and Local Roadway Safety Plan (LRSP), the SRTS Action Plan will emphasize safety and equity, providing a clear implementation strategy and project prioritization for future improvements.

Project Duration: January 2025 to Present **Contact Information:** Paul Martin, PE, TE | Transportation Services Manager | 714.754.5180

City of Tracy, SB 743 Implementation, TIF Update, and VMT Mitigation Banking Program, Tracy, CA

Kimley-Horn is working with the City of Tracy as a part of the City's update to their Transportation Master Plan (TMP) to develop a VMT Program and thresholds for land uses for the City based on Big Data. The City has many manufacturing and distribution centers that will require custom VMT analysis techniques for threshold development. As part of this effort, Kimley-Horn is updating the City's development impact fee program as well as developing a VMT Mitigation Bank fee program. This banking program analyzes the VMT savings produced by bicycle, pedestrian, and transit (mobility hub) projects and uses the total cost of constructing these projects to develop a cost per VMT for mitigation. The VMT savings will be calculated using a combination of the NCHRP 552 methodology and transit ridership forecasts. Development projects will then be able to contribute funds to the VMT Mitigation Bank to help fund these VMT reducing projects and mitigate the potential VMT impact.

Project Duration: September 2024 to Present **Contact Information:** Anush Nejad | Public Works Director | 209.831.6360

PCTPA, TIF Nexus Study, Placer County, CA

As a subconsultant, Kimley-Horn supported the PCTPA and its seven member jurisdictions in conducting travel demand analysis and project cost estimation for major roadway and traffic interchange improvements. This effort contributed to the update of PCTPA's Nexus Study for its \$125 million+ impact fee program. The scope included modifying TAZs and TIM Fee Zone designations as well as performing roadway and interchange analyses. Additionally, Kimley-Horn played a key role in reviewing and evaluating new projects for potential inclusion in the fee program, with primary responsibility for estimating costs associated with major roadway and interchange improvements.

Project Duration: March 2023 to September 2025 **Contact Information:** Cory Peterson | Senior Transportation Planner | 530.823.4032

City of Riverside, Fee-Based VMT Mitigation Program, Riverside, CA

Kimley-Horn is assisting the City of Riverside with developing a fee-based VMT Mitigation Program in accordance with SB 743 and to meet the needs of the local community. The project will result in a streamlined program that is consistent with the procedures of the California Environmental Quality Act (CEQA), can serve as a legally sound option for mitigation of impacts to VMT due to local land use projects or transportation improvements, and to provide meaningful projects in the City that discourage reliance on the single-occupant

vehicles and improve air quality in the region. The project includes the development of an informational website and other public outreach activities, including coordination with a stakeholder advisory committee, to solicit a broad base of input.

Project Duration: March 2023 to Present **Contact Information:** Philip Nitollama, PE, TE | City Traffic Engineer | 951.826.2563

SLOCOG, Regional Fee-Based VMT Mitigation Program, San Luis Obispo County, CA

Kimley-Horn worked with SLOCOG and its eight member jurisdictions, Caltrans, and regional transit providers to evaluate a fee-based Regional Fee-Based VMT Mitigation Program. The project included extensive stakeholder outreach, coordination with a Technical Advisory Committee (TAC), and an assessment of mitigation options such as VMT Banking, VMT Exchanges, and hybrid approaches. In partnership with the TAC and stakeholders, Kimley-Horn developed evaluation criteria and prioritized mitigation strategies, including active transportation projects, transportation demand solutions, and VMT-reducing measures such as one-way streets and traffic calming. The team also assessed project costs and identified potential financing solutions to support implementation. The analysis leveraged the TREDLite VMT tool, with input from Caltrans, CCTA, Santa Cruz, and other experts. The project includes implementation of Kimley-Horn's cloud-based TREDLite software for SB 743 analysis.

Project Duration: October 2023 to December 2024 **Contact Information:** Sara Sanders | Planning Supervisor | 805.597.8052

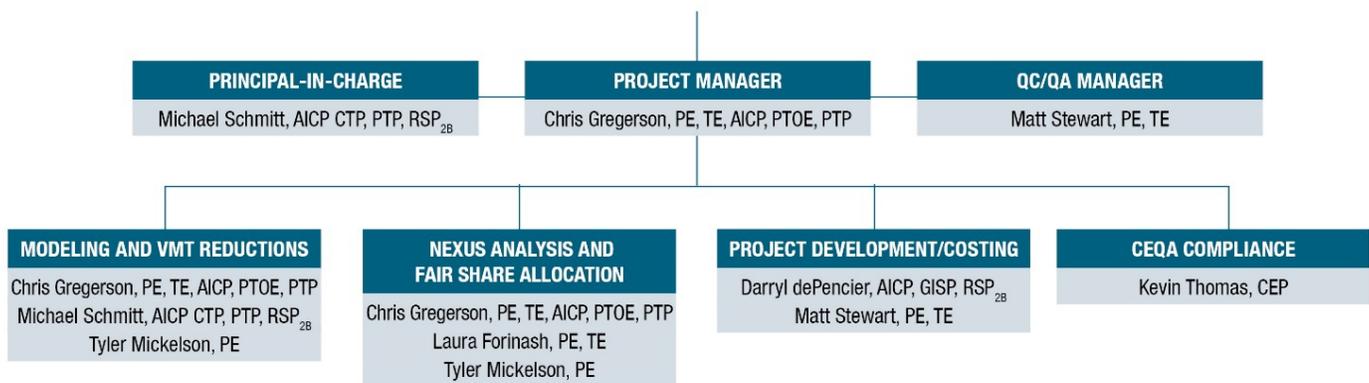
Financial Capacity

Per the City's RFP, we have provided copies of Kimley-Horn's financials from the past three years within the **Appendix**. *Please note that this information is confidential and is not subject to public disclosure.*

Key Personnel

We have identified a project team that brings recent and relevant experience along with extensive local knowledge. **Chris Gregerson, PE, TE, AICP, PTOE, PTP** will be the primary contact for the City, providing overall management and coordination for this project. The organizational chart below identifies the team and key personnel proposed to perform the work for this project. Chris will be supported by a team of engineers, planners, and analysts that bring the knowledge and experience that the City requires. We have provided full resumes for our project staff that highlight their qualifications, education, and professional licensing in the **Appendix**.

CITY OF COSTA MESA



Cost Proposal

Per the City's RFP, we have provided our cost proposal as a separate cost file (PDF attachment) on PlanetBids. Our cost proposal is valid for a minimum of 180 days following submission.

Disclosure

Kimley-Horn does not have any past or current business or personal relationships with any current Costa Mesa elected/appointed officials, City employees, or family members of Costa Mesa officials/staff.

Sample Professional Services Agreement

Kimley-Horn has reviewed the sample Professional Services Agreement and would like to discuss the following modifications with the City.

1.2. **Professional Practices.** All professional services to be provided by Consultant pursuant to this Agreement shall be provided by personnel experienced in their respective fields and in a manner consistent with the standards of care, diligence and skill ordinarily exercised by professional consultants in similar fields and circumstances in accordance with sound professional practices. Consultant ~~also warrants that it is familiar~~ shall comply with all laws that may affect its performance of this Agreement and shall advise City of any changes in any laws that may affect Consultant's performance of this Agreement.

1.4. **Warranty.** Consultant ~~warrants that it~~ shall ~~exercise the professional standard of care to~~ perform the services required by this Agreement in compliance with all applicable Federal and California employment laws, including, but not limited to, those laws related to minimum hours and wages; occupational health and safety; fair employment and employment practices; workers' compensation insurance and safety in employment; and all other Federal, State and local laws and ordinances applicable to the services required under this Agreement. Consultant shall indemnify and hold harmless City from and against all claims, demands, payments, suits, actions, proceedings, and judgments of every nature and description including attorneys' fees and costs, presented, brought, or recovered against City for, or on account of any liability under any of the above-mentioned laws, which may be incurred by reason of Consultant's performance under this Agreement.

6.9. **Indemnification and Hold Harmless.** Consultant agrees to defend, indemnify, hold free and harmless the City, its elected officials, officers, agents and employees, ~~at Consultant's sole expense,~~ from and against any and all claims, actions, suits or other legal proceedings brought against the City, its elected officials, officers, agents and employees ~~to the extent~~ arising out of the ~~negligent~~ performance of the Consultant, its employees, and/or authorized subcontractors, of the work undertaken pursuant to this Agreement. The defense obligation provided for hereunder ~~shall apply without any advance showing of negligence or wrongdoing by the Consultant, its employees, and/or authorized subcontractors, but~~ shall be required whenever any claim, action, complaint, or suit asserts as its basis the negligence, errors, omissions or misconduct of the Consultant, its employees, and/or authorized subcontractors, and/or whenever any claim, action, complaint or suit asserts liability against the City, its elected officials, officers, agents and employees based upon the work performed by the Consultant, its employees, and/or authorized subcontractors under this Agreement, whether or not the Consultant, its employees, and/or authorized subcontractors are specifically named or otherwise asserted to be liable. Notwithstanding the foregoing, the Consultant shall not be liable for the defense or indemnification of the City for claims, actions, complaints or suits arising out of the sole ~~or~~ active negligence or willful misconduct of the City. This provision shall supersede and replace all other indemnity provisions contained either in the City's specifications or Consultant's Proposal, which shall be of no force and effect.

Checklist of Forms to Accompany Proposal

The forms required by the RFP have been completed and provided on the following pages:

1. Vendor Application Form
2. Company Profile and References
3. Ex Parte Communications Certification
4. Disclosure of Government Positions
5. Disqualification Questionnaire
6. Bidder/Applicant/Contractor Campaign Contribution

EXHIBIT C
FEE SCHEDULE

CITY OF COSTA MESA
Traffic Impact Fee Program Update

		Kimley-Horn and Associates, Inc.									
Name		Kevin Thomas	Michael Schmitt	Darryl dePencier / Laura Forinash	Chris Gregerson / Matt Stewart	Tyler Mickelson					
Category/Title		Sr. Professional II	Sr. Professional II	Sr. Professional I	Sr. Professional I	Professional	Analyst II	Analyst I	Project Support	TOTAL HOURS	TOTAL COST
Billing Rate		\$430	\$375	\$345	\$280	\$250	\$190	\$165	\$150		
Task 1	Project Management		2	2	8	4		4	4	24	\$ 5,940
1.1	Project Management		2	2	8	4		4	4	24	\$ 5,940
Task 2	Program Assessment		2	4	8	16	24			54	\$ 12,930
2.1	Program Assessment		2	4	8	16	24			54	\$ 12,930
Task 3	Nexus Study		10	14	64	104	224			416	\$ 95,060
3.1	Land Use Assumptions		4		8	16	40			68	\$ 15,340
3.2	Deficiency Analysis and Improvement Project Development		2	8	24	40	96			170	\$ 38,470
3.3	Improvement Cost Estimates			4	12	16	40			72	\$ 16,340
3.4	Improvement Cost Allocation		2		12	16	24			54	\$ 12,670
3.5	Fee Calculation		2	2	8	16	24			52	\$ 12,240
Task 4	CTSIP Ordinance and Resolution	2		4	12	16	40			74	\$ 17,200
4.1	CTSIP Ordinance and Resolution	2		4	12	16	40			74	\$ 17,200
Task 5	Public Meetings		8	8	32		16		4	68	\$ 18,360
5.1	Public Meetings		8	8	32		16		4	68	\$ 18,360
	TOTAL HOURS	2	22	32	124	140	304	4	8	636	
	Subtotal Labor:	\$860	\$8,250	\$11,040	\$34,720	\$35,000	\$57,760	\$660	\$1,200		\$ 149,490
	Other Direct Costs										\$ 250
	Travel/Mileage										\$ 250
	TOTAL COST:										\$ 149,740

Optional Tasks											
Task 6	VMT Analysis Guideline Review			4	16	24	40		4	88	\$ 20,060
6.1	VMT Analysis Guideline Review			4	16	24	40		4	88	\$ 20,060
Task 7	Costa Mesa Online VMT Tool		2		8	16	40	8		74	\$ 15,910
7.1	Costa Mesa Online VMT Tool (TREDLite)		2		8	16	40	8		74	\$ 15,910
	OPTIONAL TASKS TOTAL HOURS		2	4	24	40	80	8	4	162	
	Optional Tasks Subtotal Labor:		\$750	\$1,380	\$6,720	\$10,000	\$15,200	\$1,320	\$600		\$ 35,970
	Optional Other Direct Costs										\$ 25,000
	TREDLite VMT Tool 2-Year License										\$ 25,000
	TOTAL OPTIONAL COST:										\$ 60,970

BR00PUSTD.A.001



CITY OF COSTA MESA

77 Fair Drive
Costa Mesa, CA 92626

Agenda Report

File #: 26-146

Meeting Date: 3/3/2026

TITLE:

2026 LEGISLATIVE UPDATE

DEPARTMENT: CITY MANAGER'S OFFICE

PRESENTED BY: JAY BARKMAN, GOVERNMENT AFFAIRS MANAGER

CONTACT INFORMATION: JAY BARKMAN, GOVERNMENT AFFAIRS MANAGER
(714) 754-5347

RECOMMENDATION:

Receive and file the update on Federal and State budgets and provide input on identified legislation impacting the City of Costa Mesa.

BACKGROUND:

On September 16, 2025, the City Council adopted the Legislative Platform and staff's proposed timeline to provide regular updates to the City Council beginning in 2026. This item is brought forward to provide the City Council with a summary of federal and state budgets, along with a preliminary review of state legislation.

The California Legislature's deadline to introduce bills was February 20, 2026. Legislative committees are beginning the process of analyzing bills and considering amendments as needed. During these early stages of the legislative process, many bills are under development or in a "spot bill" format. There will be future opportunities in the coming months for the City of Costa Mesa to request information, amendments, or adopt a position.

Finally, federal and state budget processes are in the early phases of development with state budget committees kicking off their hearings in March and the federal process catching up from their FY 2026 deliberations. Staff and City's lobbyists will provide a more detailed presentation regarding federal and state budget items impacting the City of Costa Mesa.

ANALYSIS:

California Budget

The Governor's proposed California budget was released on January 10, 2026, and despite a projected \$2.9 billion deficit, Governor Newsom's proposal was a balanced \$348.9 billion budget with no deficit. The Governor's proposal begins the annual budget process, during which the Legislature will review and analyze the Governor's proposals, engage with the Administration and the public regarding the state's resources and priorities, and then negotiate a final budget with the Governor.

The Governor's budget anticipates an increase in revenues due to growth in personal income taxes due to better than anticipated economic growth in 2025. This is attributed partly to lower than anticipated impacts from tariffs and resilient consumer spending. California's revenue sources are especially impacted by volatility in trade or tourism and are reliant on personal income tax or capital gains paid by high income earners. Continued uncertainty about federal policy on tariffs and immigration has led the Governor to hold off on new policy or program proposals. The May revise will provide the next opportunity to assess revenues and consider any significant new investments.

Federal Budget

On February 3, 2026, the House passed, and the President signed HR 7148, the final minibus of Fiscal Year 2026 (FY26) containing the Transportation, Housing and Urban Development; Labor, Health and Human Services, Education; Defense, State and Foreign Operations; and Financial Services and General Government funding bills alongside a short-term continuing resolution for the Homeland Security bill. Combined with the previously passed and signed omnibus, HR 6938, 11 of the 12 appropriations bills for FY 26 are now law and 96% of discretionary spending is accounted for through the end of FY 26 on September 30.

At the writing of this staff report, Congress and the White House were negotiating final funding levels for the Department of Homeland Security, which has been funded temporarily by a Continuing Resolution. Staff will provide a verbal update on the outcome of those discussions.

Legislative Review & Positions

The Government Affairs Manager is responsible for identifying and tracking legislation impacting the City of Costa Mesa and as appropriate, recommending positions aligned with the City's Legislative Platform. At this early phase of the legislative process policy committees of both the Assembly and Senate are just beginning their analysis and collection of information from authors and sponsors. The California League of Cities (League) and Association of California Cities Orange County (ACCOC) are also conducting their initial review.

Under City Council Policy 000-8 the Mayor is authorized to execute position letters on bills if legislative partners such as the League or ACCOC have adopted a position. If not, then formal City Council approval is required. Staff is proposing the City Council adopt positions on an initial list of bills that have been identified in Attachment 1. These seven bills cover affordable housing financing, homelessness prevention, residential inspections, ignition interlock devices and nitrous oxide sales.

ALTERNATIVES:

The City Council may direct staff to revise recommended legislative positions or to defer action on specific bill(s) and conduct further analysis.

FISCAL REVIEW:

There is no fiscal impact associated with the recommended action of this agenda item.

LEGAL REVIEW:

The City Attorney has reviewed and approved this report and approves it as to form.

CITY COUNCIL GOALS AND PRIORITIES:

The item is in alignment with the City's Legislative Platform and City Council goals listed below:

- Strengthen the Public's Safety and Improve the Quality of Life
- Achieve Long-Term Fiscal Sustainability
- Diversify, Stabilize and Increase Housing to Reflect Community Needs
- Maintain and Enhance the City's Facilities, Technology and Equipment
- Advance Environmental Sustainability and Climate Resiliency

CONCLUSION:

Staff recommends the City Council receive and file the update and provide input or direction on the identified legislative bills impacting the City of Costa Mesa.



BILL Author	TITLE	SUMMARY	LOCATION	POSITION
AB736 Buffy Wicks (D) Click for text.	The Affordable Housing Bond Act of 2026	Enacts the Affordable Housing Bond Act of 2026, which, if adopted, would authorize the issuance of bonds in the specified amount pursuant to the State General Obligation Bond Law. Provides that the proceeds from the sale of these bonds would be used to finance programs to fund affordable rental housing and home ownership programs, including, among others, the Multifamily Housing Program, the CalHome Program, and the Joe Serna, Jr. Farmworker Housing Grant Program.	SENATE	
SB417 Christopher Cabaldon (D) Click for text.	The Affordable Housing Bond Act of 2026	Proposes \$10 billion in general obligation bonds to finance affordable rental housing and home ownership programs including the Multifamily Housing Program, CalHome Program, and Joe Serna, Jr. Farmworker Housing Grant Program. The bond act would be submitted to voters at the November 3, 2026 statewide general election.		
AB1708 Jose Solache (D) Click for text.	Homeless Housing, Assistance, and Prevention Program	Requires a county continuum of cares that receive Homeless Housing, Assistance, and Prevention program funds to allocate funding to a smaller jurisdiction, defined as a city with a population under 300,000. In order to be eligible for funding a jurisdiction must have a compliant housing element and have adopted a local encampment policy. This bill will provide the city access to additional funding for homeless services pending completion and certification of the housing element. <u>The bill is sponsored by the California League of Cities.</u>	ASSEMBLY	SUPPORT



BILL Author	TITLE	SUMMARY	LOCATION	POSITION
AB1738 Juan Carrillo (D) Click for text.	State Housing Law: Remote Inspections	<p>Requires cities and counties to offer homeowners remote inspection options for building permits in single- or two-family dwelling units. The bill requires videoconferencing or recorded photos and videos be allowed for inspecting residential work such as HVAC systems, electrical work, plumbing, and accessory dwelling units.</p> <p>Based on discussions with Costa Mesa’s Fire Marshal and Chief of Inspections the use of videoconferencing or other “virtual” video tools is not adequate to ensure safety and adequacy of work. Staff recommends the bill be opposed unless amended to make this permissive for locals or to allow for a pilot program to occur in those jurisdictions willing to test new tools.</p>	ASSEMBLY	Oppose Unless Amended
AB1830 Cottie Petrie-Norris (D) Click for text.	Ignition Interlock Devices	Requires the court, upon the person's first criminal conviction for driving under the influence, to order installation of the ignition interlock device (IID). Includes, as part of the costs of the IID, the administration of the program, installation of the device, service, maintenance, and recalibration of the device, and any other costs associated with the device.	ASSEMBLY	Support
SB935 Steven S. Choi (R) Click for text.	Local Agency Design-Build Projects: Authorization	Under existing law local agencies are authorized until January 1, 2031, to use the design-build process for projects over \$1 million. This bill strikes that expiration date allowing locals to use design-build indefinitely.	Senate Local Government Committee	Support



City of Costa Mesa

City Council Meeting

March 3, 2026

BILL Author	TITLE	SUMMARY	LOCATION	POSITION
SB936 Catherine Blakespear (D) Click for text.	Nitrous Oxide: Sales	Prohibits the sale and distribution of a nitrous oxide container that is capable of holding more than 8 grams of nitrous oxide or from which an individual may directly inhale nitrous oxide. Prohibits the sale and distribution of a nitrous oxide that has, or is marketed as having, the taste or smell of any food. Prohibits the sale and distribution of a device that allows an individual to inhale nitrous oxide from the container or hold nitrous oxide for the purposes of inhalation.	Senate Public Safety Committee	Support



CITY OF COSTA MESA

77 Fair Drive
Costa Mesa, CA 92626

Agenda Report

File #: 26-115

Meeting Date: 3/3/2026

TITLE:

MEMORANDUM OF UNDERSTANDING WITH THE CITY OF IRVINE FOR USE OF BEDS AT THE COSTA MESA BRIDGE SHELTER

DEPARTMENT: CITY MANAGER'S OFFICE

PRESENTED BY: NATE ROBBINS, NEIGHBORHOOD IMPROVEMENT MANAGER

CONTACT INFORMATION: NATE ROBBINS, 714-754-5274

RECOMMENDATION:

Staff recommends the City Council:

1. Approve the Memorandum of Understanding with the City of Irvine for access to beds, as available, at the Costa Mesa Bridge Shelter.
2. Authorize the City Manager and City Clerk to execute all agreements and any amendments to the agreement as needed.

BACKGROUND:

In April 2021, the City of Costa Mesa ("City") opened the Costa Mesa Bridge Shelter ("Bridge Shelter" or "Shelter"), which provides emergency housing and supportive services to Costa Mesa residents experiencing homelessness. At that time, the City negotiated an agreement with the City of Newport Beach ("Newport Beach MOU") to secure exclusive rights of up to twenty (20) beds for use by its residents. The Newport Beach MOU was amended in 2023 to increase Newport Beach's allocation to twenty-five (25) beds. Recently, in December 2025, the Newport Beach MOU was amended a second time to reduce Newport Beach's allocation back down to twenty (20) beds through June 30, 2026. Further, the amendment terminates Newport Beach's *exclusive* access to beds at the Shelter as of July 1, 2026, but continues to provide access to beds, as available, through December 31, 2026. Beginning January 1, 2027, Newport Beach will no longer have access to beds at the Bridge Shelter.

In August 2025, the City began communication with the City of Irvine to discuss the possibility of granting access to beds at the Bridge Shelter for use by its residents. Over the past several months, the City has worked with Irvine to negotiate the terms and pricing included in the attached Memorandum of Understanding ("Irvine MOU") (Attachment 1).

ANALYSIS:

The Bridge Shelter is a 100-bed facility that provides emergency shelter and associated services to adult individuals with strong community ties to Costa Mesa and Newport Beach. Per the recent Newport Beach MOU, Newport Beach has exclusive access to 20 beds and the City has access to the remaining 80 beds. Further, the City was awarded grant funding by the Orange County Health Care Agency (OCHCA) to convert 15 of the 80 Costa Mesa beds to Behavioral Health Bridge Housing (BHBH) beds. Operations costs for these 15 BHBH beds are fully reimbursed by the OCHCA and thus can only be occupied by Costa Mesa residents.

Costa Mesa Bed Utilization

The City has exclusive access to 80 beds at the Shelter, with 15 of those beds occupied by BHBH clients. Over the past 60 days, Costa Mesa's average utilization has been 52 beds per day, resulting in an average vacancy rate of 28 beds per day.

As to other operational costs, the kitchen operator agreement with Bracken's Kitchen allows for cost reduction based on the number of actual meals prepared; however, the Shelter operator agreement with Mercy House does not. As a result, regardless of the number of beds occupied by Costa Mesa residents, the City's expenses to operate the Shelter remain static. Therefore, it would be beneficial to the City's Shelter operating budget in the Housing Authority Fund (Fund 222) to ensure maximum occupancy of 80 beds to offset operational expenses.

Summary of the MOU with the City of Irvine

The following is a summary of the Irvine MOU, as proposed:

- **Term** - The MOU would begin upon execution and terminate on June 30, 2026.
- **Allocation of Beds** - The MOU would give Irvine access to Costa Mesa beds, as available, and as determined by the City Manager or their designee. Irvine would not have *exclusive* access to beds at the Shelter.
- **Cost** - The MOU would give Irvine access to Costa Mesa beds at a cost of \$163.00 per bed, per day.
- **Payment** - The MOU would require Irvine to make monthly payments to the City based on its actual use of Costa Mesa beds during the previous month.
- **Referrals** - The MOU would require Irvine to identify specific personnel authorized to make referrals to the Shelter. These personnel would be responsible for screening referrals prior to entry based upon the Shelter's established intake guidelines (i.e., no outstanding warrants, no arson convictions, and no sexual offenders).
- **Transportation** - The MOU would require Irvine to transport its residents to the Shelter upon initial intake; however, the City would be responsible for providing transportation to residents actively enrolled at the Shelter.

- **Exit Procedures** - The MOU would require Irvine residents to be transported back to the City of Irvine upon exit from the Shelter. Transportation may be provided by the Shelter’s shuttle service, rideshare, or Irvine staff/service partners.

Kitchen and Shelter Operator Agreements

The City recently entered into an agreement with Bracken’s Kitchen to continue providing meals at the shelter for up to five years. The current Shelter Operator Agreement expires on June 30, 2026. The City is currently conducting a Request for Proposals (RFP) for Shelter Operations. As the Shelter’s budget is largely dependent upon the cost of the shelter operator expenses, the City is unable to enter a long-term contract with Irvine until these costs and the overall Shelter budget are finalized.

Intent of the MOU

The intent of the MOU is three-fold:

1. To ensure Costa Mesa beds are always occupied to assist in balancing the Shelter’s budget.
2. To allow Irvine to begin referring residents on an “as available” basis while the Shelter’s operational costs are finalized.
3. To allow both cities time to develop seamless referral and operational processes before executing a multi-year agreement proposed to commence on July 1, 2026.

Flex beds at the Bridge Shelter are calculated at \$163 per day. The following table provides an example of potential payments due by the City of Irvine based on the continuous use of beds at the shelter over a 30-day period, subject to availability.

Bed Utilization	Monthly Revenue	Remainder FY 2025-26 Revenue *
5 beds	24,450	73,350
10 beds	48,900	146,700
15 beds	73,350	220,050
20 beds	97,800	293,400

* Remainder FY 2025-26 revenue calculated at 3 months remaining.

ALTERNATIVES:

The City Council can choose to disapprove the proposed Irvine MOU and direct staff to bring back an updated MOU with alternative language.

The City Council can choose to deny the proposed Irvine MOU and direct staff to initiate discussions regarding use of beds at the Bridge Shelter with other potential partners.

FISCAL REVIEW:

The proposed MOU with the City of Irvine would provide a continuous revenue stream that would help offset some of the City's expenses to operate the Bridge Shelter. This agreement is estimated to have a net positive impact of \$73,350 for the continuous use of five (5) beds for the remainder of Fiscal Year 2025-26 in the Housing Authority Fund (Fund 222).

LEGAL REVIEW:

The City Attorney has reviewed this report and the MOU and approves them both as to form.

CITY COUNCIL GOALS AND PRIORITIES:

This item achieves City Council goals:

- Diversify, stabilize and increase housing to reflect community needs.
- Strengthen the public's safety and improve the quality of life.

CONCLUSION:

Staff recommends the City Council:

1. Approve the Memorandum of Understanding with the City of Irvine for access to beds, as available, at the Costa Mesa Bridge Shelter.
2. Authorize the City Manager and City Clerk to execute all agreements and any amendments to the agreement as needed.

**MEMORANDUM OF UNDERSTANDING
BETWEEN THE CITY OF COSTA MESA AND
THE CITY OF IRVINE**

This MEMORANDUM OF UNDERSTANDING (“MOU”) is dated as of _____, 2026 (“Effective Date”), and entered by and among the City of Costa Mesa, a municipal corporation organized and existing under California law (“Costa Mesa”) and the City of Irvine, a California municipal corporation and charter city (“Irvine”), (cumulatively the “Parties,” and at times individually a “Party”), with reference to and in consideration of the following:

WHEREAS, the Costa Mesa Bridge Shelter located at 3175 Airway Avenue provides temporary shelter and social services assistance with a “housing first” model of operation. The Shelter’s goal is to assist individuals experiencing homelessness by providing them with temporary shelter while working with a client case manager to create and follow through on a housing plan that seeks to match them to permanent housing as soon as possible;

WHEREAS, Irvine is committed to a regional solution to address homelessness and, as such, has expressed a desire to partner with Costa Mesa to provide funding to operate the Shelter, as provided herein, in exchange for use of Costa Mesa beds, as available, in the Shelter, as more fully described in Section 4.4;

WHEREAS, the Parties desire to memorialize the terms and conditions by which Irvine will provide payment in exchange for the accessibility of Shelter beds for Irvine; certain aspects or Shelter governance; and other related matters in furtherance of their common purpose;

WHEREAS, each Party has caused this MOU to be duly approved by its respective governing body, and by so doing, has found and determined that this MOU furthers the health, safety, and general welfare or their respective residents.

NOW THEREFORE, in consideration of the mutual covenants and conditions contained herein, and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Parties agree as follows:

MEMORANDUM OF UNDERSTANDING

1. PURPOSE

This MOU establishes the Parties’ mutual understanding related to maintaining, providing, operating, and facilitating the provision of temporary housing in the Shelter, and the provision of certain services to homeless and chronically homeless adults located within the boundaries of the Parties. This MOU defines the respective rights and responsibilities of the Parties with respect to the financing, implementing, operating, and the provision of Services, as defined in Section 2.10, at the Shelter.

2. DEFINITIONS

In addition to the other terms and phrases defined elsewhere in this MOU , the following key capitalized terms and phrases used throughout this MOU shall have the meaning assigned in this Section.

2.1. “Case Management Plan” shall mean the individual plan for each Shelter Resident that, among other things, sets forth details regarding how the Shelter Resident can reach the goal of obtaining long-term stable housing.

2.2. “Management and Operations Plan” shall mean and refer to the plan approved by Costa Mesa and the Shelter Operator, which details the terms, conditions, and standards by which Services are made available to Shelter Residents at the Shelter and shall require Services to meet or exceed industry standards.

2.3. “Operating Agreement” shall mean and refer to the contract between Costa Mesa and the Shelter Operator for the operation of the Shelter.

2.4. “Party Representative” shall mean and refer to the highest-ranking appointed executive official for each of the Parties, or his/or her duly authorized designee.

2.5. “Program” shall mean and refer to the Parties' cooperative financing and planning for the operation and the provision of Services at the Shelter.

2.6. “Program Area” shall mean and refer to the jurisdictional boundaries of the respective Parties.

2.7. “Property” shall mean the approximately 29,816 square foot building on a 1.34-acre parcel, located at 3175 Airway Avenue, Costa Mesa, CA (A.P.N. 427-091-12). The Property is more specifically described on Exhibit A.

2.8. “Resident Transportation” shall mean how each Party shall arrange for its respective Shelter Residents to be transported to and from the Shelter and for appointments related to their Case Management Plan.

2.9. “Services” shall mean and refer to the provision of overnight shelter and other sanitation, nutritional, health, educational, supportive, and/or basic human services at the Shelter, as described in the Management and Operations Plan.

2.10. “Shelter” shall have the meaning ascribed in the Recitals above, and including but not limited to the operation, maintenance, repair of and/or provision of Services at the Shelter.

2.11. “Shelter Operator” shall mean and refer to an experienced and qualified third-party contracted by Costa Mesa to provide comprehensive and day-to-day management and operation of the Shelter.

2.12. “Shelter Residents” shall mean and refer to homeless and chronically homeless adults located within the Program Areas of the respective Parties who receive services and reside at the Shelter.

3. TERM

3.1. General Term. This MOU shall be effective as of the date which the last of the Parties has executed the same, which shall be inserted as the Effective Date in the first paragraph above and shall remain in full force and effect through June 30, 2026. This MOU may be earlier terminated in

accordance with the provisions of this MOU.

3.2. Termination by Parties. Either Party may terminate this MOU without cause by giving the other Party 30-days written notice pursuant to Section 9.2 herein.

3.3. Termination for Default. Upon the occurrence of any default, and following written notice and expiration of the time to cure as provided in Section 7.1 herein, the non-defaulting Party may, at its option terminate this MOU by written notice to the defaulting Party that the defaulting Party has failed to cure the default in the time for cure provided in Section 7.1, in which case the defaulting party shall not be entitled to the benefits and privileges of this MOU or the Program following termination. Nothing herein shall be construed as the non-defaulting Party's exclusive remedy for the remediation of default by a Party, and the non-defaulting Party reserves the right to pursue any and all available rights and remedies at law or in equity.

3.4. Continuing Enforceability. Following the effective date of termination, the Parties shall have no further obligations or rights with respect to this MOU, except as expressly provided otherwise herein.

4. IRVINE'S OBLIGATIONS

4.1. Irvine Per Diem Rate for Operations Costs. Upon the Effective Date, Irvine shall, at Costa Mesa's sole discretion, have access to Costa Mesa beds for use by Irvine clients, at a cost of \$163.00 per bed, per day ("Per Diem Rate"). Irvine shall pay the Per Diem Rate subject to the procedure in Section 4.2. The Parties expressly agree that Irvine shall not be liable for any operational or per bed costs prior to the Effective Date. While the Parties expect the aggregate compensation under this MOU to be substantially lower, in no event shall the aggregate compensation due from Irvine to Costa Mesa hereunder exceed one million dollars and zero cents (\$1,000,000.00).

4.2. Invoicing of Per Diem Rate. Costa Mesa through the Shelter Operator or otherwise shall keep an accounting of each bed used by a Shelter Resident referred by or on behalf of Irvine and the number of days the Shelter Resident used the bed. The number of nights per bed shall be multiplied by the Per Diem Rate and an invoice reflecting the total due from Irvine to Costa Mesa hereunder for each month of the term of the MOU shall be provided by Costa Mesa or the Shelter Operator to Irvine and payable within thirty (30) days of receipt. Irvine's obligation to pay such invoice shall survive termination of this MOU until said invoice is paid.

4.3. Irvine Outreach. Irvine shall assign a designated staff member as the main point of contact for all Shelter related items, who will participate in the various weekly and monthly meetings. Irvine reserves the right to amend the designated staff member; provided Irvine shall give Costa Mesa advanced notice of any new designee. Irvine outreach providers shall provide potential client referrals and all required paperwork to Costa Mesa's Neighborhood Improvement Manager or their designee to confirm bed availability and acceptance. Irvine will coordinate outreach within its jurisdiction and provide transportation to the Shelter for all Shelter Residents referred by Irvine or its outreach providers and accepted by Costa Mesa or its designee for a bed in the Shelter.

4.4. Allocation of Beds. Irvine will work collaboratively with Costa Mesa to ensure that the shelter beds addressed in this MOU are prioritized to meet the greatest needs of both Parties. Irvine shall, at Costa Mesa's sole discretion, have access to Costa Mesa beds at the Per Diem Rate stated in

Section 4.1.

4.5. No Subletting. Subletting of beds will not be allowed. Irvine shall be allocated use of Shelter beds to refer homeless individuals deemed by Irvine to be in high-priority need of shelter.

5.0 COSTA MESA OBLIGATIONS

5.1. Operation of Shelter. Costa Mesa shall act as the lead agency with respect to the operation of the Shelter. Costa Mesa shall provide to Irvine a copy of the Operating Agreement and Management and Operations Plan, which provides the standard of care for the Program, which shall meet or exceed industry standards. Costa Mesa shall ensure that Shelter Residents referred to the Shelter by either Costa Mesa or Irvine shall receive the same level of Services, as provided for in the Operating Agreement and Management and Operations Plan.

5.2. Intake. Costa Mesa shall maintain oversight of the Shelter intake clearance process for a reservation at the Shelter, which requires clearance by either Party's Police Department or the Neighborhood Improvement Manager or their designee. Entry will not be approved for individuals with an active felony warrant, who are a registered sex offender and/or have been convicted of any arson offense, as reflected on their background check, as confirmed by either Party's Police Department prior to entry.

6. JOINT OBLIGATIONS

6.1. Security. Costa Mesa shall ensure that adequate security measures and policies are incorporated into the operation of the Shelter. This includes the requirement that entry to the Shelter is controlled by referral only, with no walk-up admission. Both Parties shall ensure their outreach staff provide clear direction to potential Shelter Residents on requirements for accessing the Shelter and its services, including the prohibition of walk-ups. Irvine will abide by any reasonable intake procedures and protocols established by Costa Mesa.

6.2. Cooperation. The Parties agree to cooperate to the extent necessary in connection with ongoing administrative, grant funding, regulatory, and/or litigation proceedings, and similar matters which affect both Parties to this MOU.

7. DEFAULTS, AND REMEDIES

7.1. Defaults.

a) Notice and Time to Cure. The failure by any Party to perform any of its obligations set forth in this MOU shall constitute a default, except as provided in Section 9.4 hereof. Except as required to protect against further damages, the non-defaulting Party may not institute legal proceedings against the Party in default until the non-defaulting Party has provided the defaulting Party notice of the default and the cure period has expired. The cure period for any default shall be thirty (30) calendar days after the defaulting Party's receipt of written notice from the non-defaulting Party that such obligation was not performed. In the case of a default which cannot be cured within the cure periods set forth in this Section, the defaulting Party shall commence efforts to cure within such time periods and shall diligently thereafter pursue to cure the default to completion within a reasonable period of time.

b) Cooperative Resolution. During the cure period set forth in paragraph (a), and prior to

pursuing any remedies described in this Section, the Parties will attempt, in good faith, to find a mutually agreeable resolution through communicating with each other and attempting to resolve any substantive problems arising under this MOU, including challenges arising from funding difficulties, and/or any difficulty with effectively implementing the responsibilities detailed in this MOU. Communication and attempts to resolve such problems and difficulties prior to pursuing remedies under this MOU include, but are not limited to, meeting together, amending this MOU, and/or seeking the assistance of a jointly agreed upon mediator.

7.2. Remedies. Upon the occurrence of any default, and following written notice and expiration of the time to cure, the non-defaulting Party may, at its option: terminate this MOU pursuant to Section 3.3 and/or pursue damages or specific performance or other legal and equitable remedies the injured Party may have against the non-defaulting Party in accordance with applicable law. Nothing herein shall be construed as the non-defaulting Party's exclusive remedy for the remediation of default by a Party, and the non-defaulting Party reserves the right to pursue any and all available rights and remedies at law or in equity.

7.3. Non-Refund. The payments made by Irvine pursuant to Sections 4.1 and 4.2 are nonrefundable.

8. INDEMNITY AND INSURANCE

8.1. Indemnity / Hold Harmless. Each Party shall hold harmless, indemnify, and defend the other Party, and its officers, employees, and agents, from and against any and all claims, suits, or actions of every kind brought for or on account of injuries to or death of any person or damage to any property of any kind whatsoever and to whomsoever belonging to the extent caused by a Party's failure to fulfill any obligation of such Party arising pursuant to the performance or nonperformance of the Party's covenants and obligations under this MOU, and/or which result from the negligent or wrongful act of the Party, or its officers, employees, Contractors (as defined in Section 8.2 and as limited by the following sentence), or agents. This provision requiring a Party to hold harmless, indemnify, and defend the other Party shall expressly not apply to claims, losses, liabilities, or damages arising solely from actions or omissions, negligent or otherwise, of any independent Contractor providing services pursuant to a contract with any other Party except to the extent said contract contains an indemnity or similar provision that would require the independent contractor to be financially liable for to the contracting Party for the claim, loss, liability, or damage. In the event of concurrent negligence of the Parties, their respective officers, or employees, then the liability for any and all claims for injuries or damages to persons and/or property or any other loss or cost which arises out of the terms, conditions, covenants or responsibilities of this MOU shall be apportioned in any dispute or litigation according to the California theory of comparative negligence. Costa Mesa, in contracting following the Effective Date of this MOU with third parties for design, development, construction, equipping, maintenance and repair of the Property, and operation of any aspect of the Shelter, shall require full indemnification, defense, and hold harmless clauses naming all Parties as provided for herein. Irvine, in contracting following the Effective Date of this MOU with any third parties relating to operation of any aspects of the Shelter, including, but not limited to, street outreach and transportation of Irvine referrals to and from the Shelter, shall require full indemnification, defense, and hold harmless clauses naming all Parties as provided for herein.

8.2. Insurance. Costa Mesa shall insure the Property and the Shelter, and shall require any consultants, contractors or subcontractors (each a "Contractor") operating or performing work at the Property, or for the Shelter, to hold policies of insurance with coverage and limits commensurate with

industry standards and practices, which shall be agreed to by the Risk Managers of the Parties. Both Parties and their respective officers, employees and agents shall be named insureds on any liability coverage. Each Party shall provide for Workers' Compensation coverage for its own employees. Each Party shall obtain endorsements from its workers' compensation insurer waiving subrogation rights under its workers' compensation insurance policy against the other and their respective officers, agents, employees, and volunteers arising from this MOU and to require each of its subcontractors, if any, to do likewise under their workers' compensation insurance policies.

8.3. Insurance for Consultants and Contractors Each Party shall require any Consultants or Contractors engaged by them in conjunction with this MOU to obtain, maintain, and keep in full force and effect during the life of this MOU all of the following minimum scope of insurance coverages with an insurance company admitted to do business in California, rated "A," Class X, or better in the most recent Best's Key Insurance Rating Guide, and approved by each Party's Risk Manager:

a) Commercial general liability, including premises-operations, products/completed operations, broad form property damage, blanket contractual liability, independent contractors, personal injury or bodily injury with a policy limit of not less than One Million Dollars (\$1,000,000.00), combined single limits, per occurrence. If such insurance contains a general aggregate limit, it shall apply separately to this MOU or shall be twice the required occurrence limit.

b) Business automobile liability for owned vehicles, hired, and non-owned vehicles, with a policy limit of not less than One Million Dollars (\$1,000,000.00), combined single limits, per occurrence for bodily injury and property damage.

c) Workers' compensation insurance as required by the State of California. Consultants shall be required to waive, and to obtain endorsements from their workers' compensation insurer(s) waiving subrogation rights under their workers' compensation insurance policy(ies) against each Party, its officers, agents, employees, and volunteers arising from work performed by Consultant for the Party and to require each of its subcontractors, if any, to do likewise under their workers' compensation insurance policies.

d) Professional errors and omissions ("E&O") liability insurance with policy limits of not less than One Million Dollars (\$1,000,000.00), combined single limits, per occurrence and aggregate. Architects' and engineers' coverage shall be endorsed to include contractual liability. If the policy is written as a "claims made" policy, the retro date shall be prior to the start of the contract work. Consultants shall obtain and maintain, said E&O liability insurance during the life of the MOU and for three years after completion of the work thereunder.

e) In addition, the Shelter Operator shall be required to provide Sexual abuse/molestation coverage with limits of not less than One Million Dollars (\$1,000,000.00) per occurrence and Two Million Dollars (\$2,000,000.00) in the aggregate and Cyber liability insurance with policy limits of not less than One Million Dollars (\$1,000,000.00) per occurrence and Two Million Dollars (\$2,000,000.00) in the aggregate covering: (i) all acts, errors, omissions, negligence, infringement of intellectual property; (ii) network security and privacy risks including, but not limited to, unauthorized access, failure of security, breach of privacy perils, wrongful disclosure, collection, or negligence in the handling of confidential information, privacy perils including coverage for related regulatory defense and penalties; and (iii) data breach expenses payable whether incurred by the Parties or Shelter Operator including, but not limited to, consumer notification, whether or not required by law, computer forensic investigations, public relations and crisis management firm fees, credit file or identity monitoring or

remediation services in the performance of services for Costa Mesa and/or Irvine.

f) Endorsements. Unless otherwise agreed to by the Parties, all insurance referred to in this Section 8.3 shall contain or be endorsed to contain the following provisions:

(i) Additional insureds: “The City of Costa Mesa and the City of Irvine and their elected and appointed boards, officers, officials, agents, employees, and volunteers are additional insureds with respect to: liability arising out of activities performed by or on behalf of the Consultant pursuant to its contract with the respective city; products and completed operations of the Consultant; premises owned, occupied or used by the Consultant; automobiles owned, leased, hired, or borrowed by the Consultant.” This endorsement requirement does not apply to Professional Errors and Omissions insurance required by subsection (d) of this Section 8.3.

(ii) Notice: “Said policy shall not terminate, be suspended, or voided, nor shall it be cancelled, nor the coverage or limits reduced, until thirty (30) days after written notice is given to the City of Costa Mesa and City of Irvine.”

(iii) Other insurance: “The Consultant's insurance coverage shall be primary insurance, as respects the City of Costa Mesa, the City of Irvine and their officers, officials, agents, employees, and volunteers. Any other insurance maintained by the City of Costa Mesa or the City of Irvine shall be excess and not contributing with the insurance provided by this policy.”

g) Any failure to comply with the reporting provisions of the policies shall not affect coverage provided to Costa Mesa, Irvine, or their respective officers, officials, agents, employees, and volunteers.

h) The Consultant's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

i) Deductible or Self-Insured Retention. If any of such policies provide for a deductible or self-insured retention to provide such coverage, the amount of such deductible or self-insured retention shall be approved in advance by the contracting party. No policy of insurance issued as to which the Parties are an additional insured shall contain a provision which requires that no insured except the named insured can satisfy any such deductible or self-insured retention.

8.4. Certificates of Insurance. Consultants shall be required to provide to each Party certificates of insurance showing the insurance coverages and required endorsements described above, in a form and content approved by the Parties, prior to performing any services under the agreement. The certificates of insurance shall be attached to any Consultant agreement, provided that such attachment may occur after execution.

8.5. Non-limiting. Nothing in this Section shall be construed as limiting in any way, the indemnification provision contained in this MOU, or the extent to which any Consultants contracted by either Party may be held responsible for payments of damages to persons or property.

9. MISCELLANEOUS

9.1. Approval by Party Representatives. Any term or provision of this MOU that calls for the direction, approval, or consent of the Parties or Party Representatives, shall mean and refer to the direction, approval, or consent of both of the Party Representatives; provided that, notwithstanding

anything contrary in this MOU, Costa Mesa shall have sole discretion to approve or disprove any such action that: directly relates to the operation, management, capacity, construction, location, design, or scale of the Shelter, so long as Irvine's ability to use its allocated beds is not unreasonably impaired thereby; or any other action that, in Costa Mesa's reasonable discretion, will have a reasonably foreseeable negative material impact on residents, business, or public facilities in the area surrounding the Shelter, materially increase the intensity of Shelter use or capacity, or materially increase burdens on public services provided to said area. Except as specifically provided herein, all actions reasonably necessary to effectuate the purpose of this MOU may be performed by the Party Representatives except as may otherwise be prohibited by state or federal law.

9.2. Notice. Any notice, demand, request, document, consent, approval, or communication either Party desires or is required to give to the other Party or any other person shall be in writing and either served personally or sent by prepaid, first-class mail to the person(s) at the address below. Either Party may change its address by notifying the other party of the change of address in writing. Notice shall be deemed communicated at the time personally delivered or in seventy-two (72) hours from the time of mailing if mailed as provided in this Section.

CITY OF COSTA MESA

Cecilia Gallardo-Daly
City Manager
77 Fair Drive
Costa Mesa, CA 92626

CITY OF IRVINE

Sean Crumby
City Manager
One Civic Center Plaza
Irvine, CA 92606

With a copy to:

Kimberly Hall Barlow
City Attorney
3777 N. Harbor Blvd.
Fullerton, CA 92835

Jeffrey T. Melching
City Attorney
18575 Jamboree Road, 9th Floor
Irvine, CA, 92612

9.3. Parties as Independent Contractors. Each Party is, and at all times shall be deemed to be, an independent contractor as to the other Party. Nothing herein is intended or shall be construed as creating the relationship of employer and employee, or principal and agent, between any Party, or any Party's agents or employees. Each Party shall retain all authority for rendition of services, standards of performance, control of personnel, and other matters incident to the performance of the Program pursuant to this MOU. Each Party, and its agents and employees, shall not be considered to be employees of any other Party.

9.4. Force Majeure. In no event shall either Party be responsible or liable for any failure or delay in the performance of its obligations hereunder arising out of or caused by, directly or indirectly, forces beyond the control of the party obligated, including, without limitation, strikes, work stoppages, accidents, acts of war or terrorism, civil or military disturbances, nuclear or natural catastrophes or acts of God, epidemic, and interruptions, loss or malfunctions of utilities, communications or computer (software and hardware) services; it being understood that the Parties shall each use reasonable efforts to resume performance as soon as practicable under the circumstances.

9.5. Survival of Terms at Termination. The provisions of Sections 3.4, 7.1-7.3, 8.1, 8.2, 8.5, 9.2, 9.4-9.10, and 9.12 shall survive the termination of this MOU.

9.6. Governing Law and Venue. This MOU has been negotiated and executed in the State of California and shall be governed by and construed under the laws of the State of California. In the event of any legal action to enforce or interpret this MOU, the sole and exclusive venue shall be a court of competent jurisdiction, located in Orange County, California, and the Parties agree to and hereby submit to the jurisdiction of such court, notwithstanding Code of Civil Procedure Section 394. Furthermore, the Parties specifically agree to waive any and all rights to request that an action be transferred for trial to another county.

9.7. Amendments/ Entire Agreement. Amendments to this MOU must be in writing and approved by the governing body of each Party. This MOU, and the various Exhibits referenced herein which are incorporated fully by this reference, is the entire agreement among the Parties with respect to the subject matter hereof: and it supersedes any prior written or oral agreements with respect to the subject matter.

9.8. Severability. If any section, subsection, paragraph, term, or provision of this MOU, or the application thereof: is held by a court of competent jurisdiction to be invalid, void or unenforceable, such section, subsection, paragraph, term, or provision, to the extent the same is valid and enforceable, and all other remaining provisions hereof, shall remain in full force and effect, to the fullest extent possible, and shall in no way be affected, impaired or invalidated thereby to the extent such are not rendered impractical to perform taking into consideration the purposes of this MOU.

9.9. Interpretation. This MOU has been negotiated at arm's length and between persons sophisticated and knowledgeable in the matters dealt with in this MOU. In addition, each Party has been represented by experienced and knowledgeable independent legal counsel of its own choosing or has knowingly declined to seek such counsel despite being encouraged and given the opportunity to do so. Each Party further acknowledges that it has not been influenced to any extent whatsoever in executing this MOU by the other Parties, or by any person representing the other Parties, or both. Accordingly, any rule or law (including Civil Code section 1654) or legal decision that would require interpretation of any ambiguities in this MOU against the Party that has drafted it is not applicable and is waived. The provisions of this MOU shall be interpreted in a reasonable manner to affect the purpose of the Parties and this MOU.

9.10. Non-Waiver of Rights and Remedies. No term or provision of this MOU shall be deemed waived and no breach excused, unless such waiver or consent shall be in writing and signed by the Party claimed to have waived or consented. Any consent by any Party to, or waiver of, a breach by the other, whether express or implied, shall not constitute consent to, waiver of, or excuse for any other different or subsequent breach.

9.11. Authority. The Parties represent and warrant that this MOU has been duly authorized by their respective governing boards, and executed by a duly authorized representative thereof, and constitutes the legally binding agreement and obligation of their respective Party, enforceable in accordance with its terms.

9.12. Assignment. Except as otherwise expressly provided for herein, no Party shall assign any of its obligations or rights hereunder without the consent of the other Party, and any such assignment without consent shall be null and void.

9.13. Execution in Counterparts. This MOU may be executed in counterparts, each of which,

when the Parties have signed this MOU, shall be deemed to be an original, and such counterparts shall constitute one and the same instrument.

[SIGNATURE PAGE(S) TO FOLLOW]

IN WITNESS WHEREOF, the Parties to this MOU have caused the same to be executed by each of their duly authorized officers as follows:

Dated: _____, 2026

CITY OF COSTA MESA

By: _____
Cecilia Gallardo-Daly, City Manager

APPROVED AS TO FORM:

Kimberly Hall Barlow, City Attorney

Dated: _____, 2026

CITY OF IRVINE

By: _____
Sean Crumby, City Manager

APPROVED AS TO FORM:

Jeffrey T. Melching, City Attorney

ATTEST:

By: _____
Carl Petersen, City Clerk

EXHIBIT A.
Legal Description

Parcel 4, in the City of Costa Mesa, County of Orange, State of California, as per map filed in book 34, page 13 of parcel maps, in the office of the county recorder of said county.

Except therefrom the minerals, oil, gas, and other hydrocarbon substances lying below the surface of said land.

APN/Parcel ID(s): 427-091-1.2

Commonly known as 3175 Airway Ave, Costa Mesa, California

Photographic depiction of the Property

