

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

THIS PROFESSIONAL SERVICES AGREEMENT (“Agreement”) is made and entered into this 3<sup>rd</sup> 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:

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

\*\*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, 1<sup>st</sup> 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<sub>2B</sub>** 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<sub>2B</sub>**, 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<sub>2B</sub>\***  
 Principal-in-Charge

*\*Michael Schmitt, AICP CTP, PTP, RSP<sub>2B</sub> 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
<b>Purpose</b>	Safe and Reasonable Local Traffic Operations	Offset Deficiencies Caused by New Development	Identify and Mitigate Significant Impacts
<b>Legal Basis</b>	General Plan/Local Ordinance	State Law	State Law
<b>Analysis Basis</b>	LOS	DU Equivalency (Based on Trips or VMT)	VMT
<b>Typical Mitigation</b>	Local Infrastructure Improvements	Local/Regional Transportation Improvements	Transportation Demand Measures
<b>Analysis Documentation</b>	Traffic Report	Calculation Summary	Environmental Document
<b>Mitigation Recording</b>	Development Agreement	Building Permit	CEQA Document
<b>Key Challenges</b>	Defining Analysis and Mitigation Requirements After CEQA	Capacity Projects may Result in CEQA Significant Impacts	Transportation Demand Measures Don't Fully Meet Need
<b>Potential Solution</b>	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:

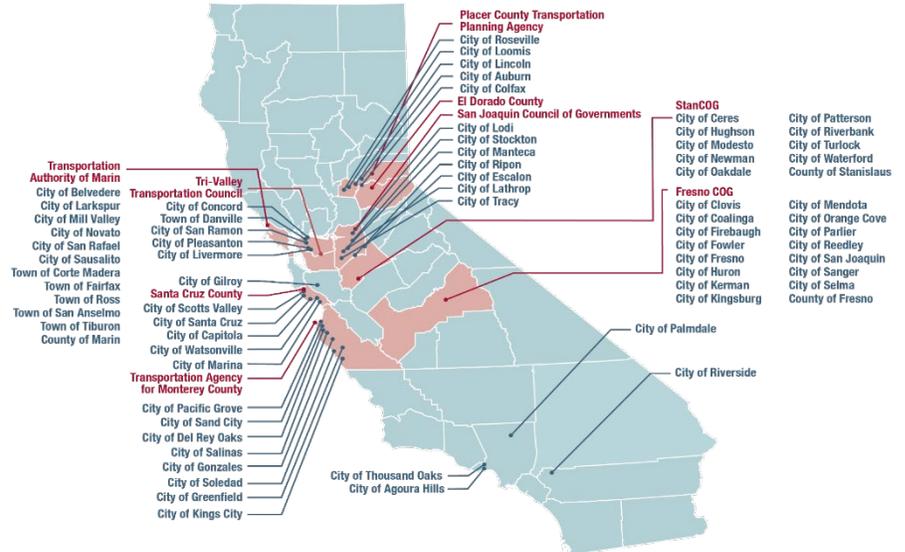
1. **Evaluating a broader base of needs and solutions.** We will work with you to uncover a broad range of opportunities to reduce VMT and improve LOS to offset the impacts of development-related growth. We anticipate this includes opportunities that broadly fall under active transportation, transit, 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 (SJCOG), 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.

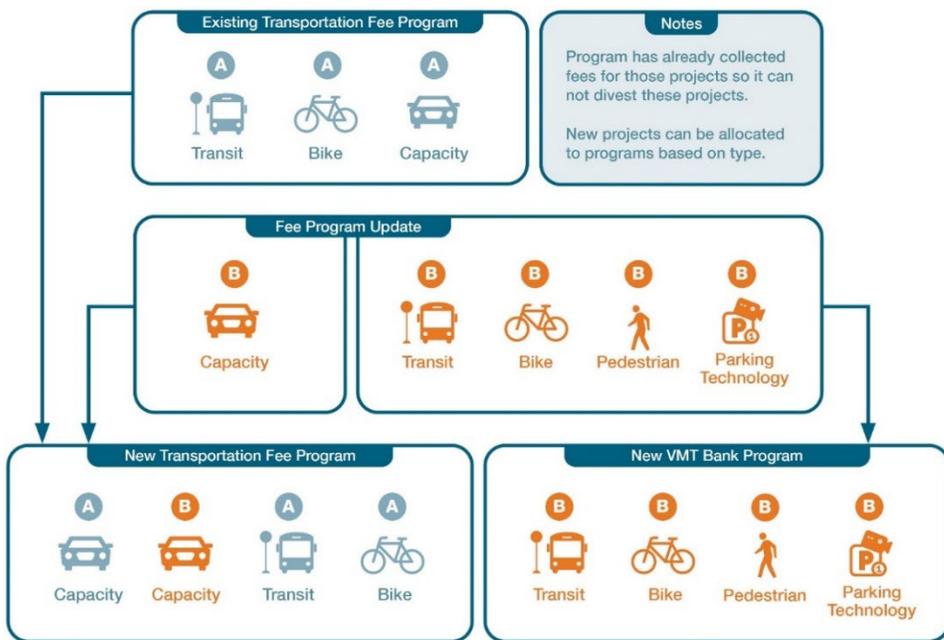
3. **VMT versus Trip-Based Calculations.** Comparing how the development of fees based on trips compares to VMT is an important consideration when updating a fee program. For instance, if a fee is calculated based on trips instead of VMT, this tends to favor residential development over commercial/retail, 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

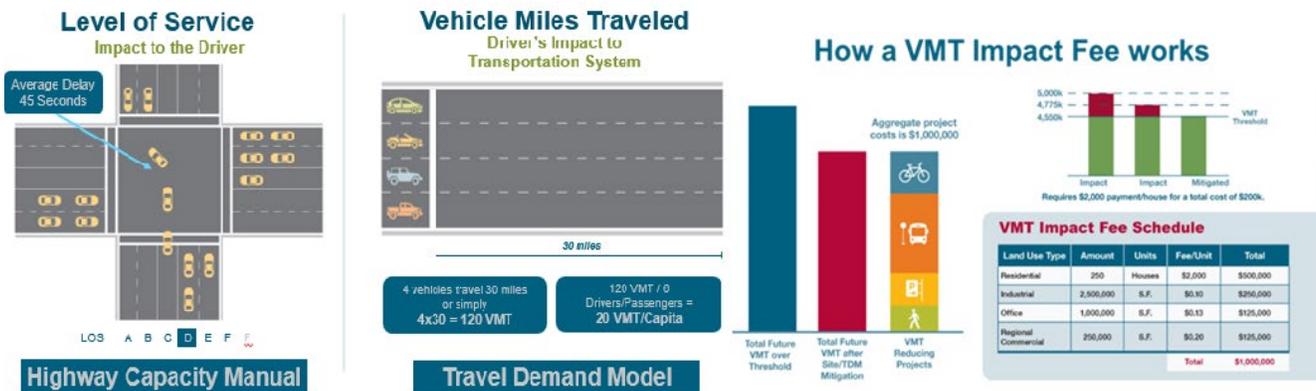


The approach to outreach for this project draws on our strengths and builds on our experience in developing impact fee programs and VMT mitigation programs to develop an outreach approach where the community and decision makers will feel included and results in project deliverables and study findings 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	
<b>Task 1: Project Management</b>										
<b>Task 2: Program Assessment</b>										
<b>Task 3: Nexus Study</b>										
<b>Task 4: CTSIP Ordinance and Resolution</b>										
<b>Task 5: Public Meetings</b>										

◆ 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

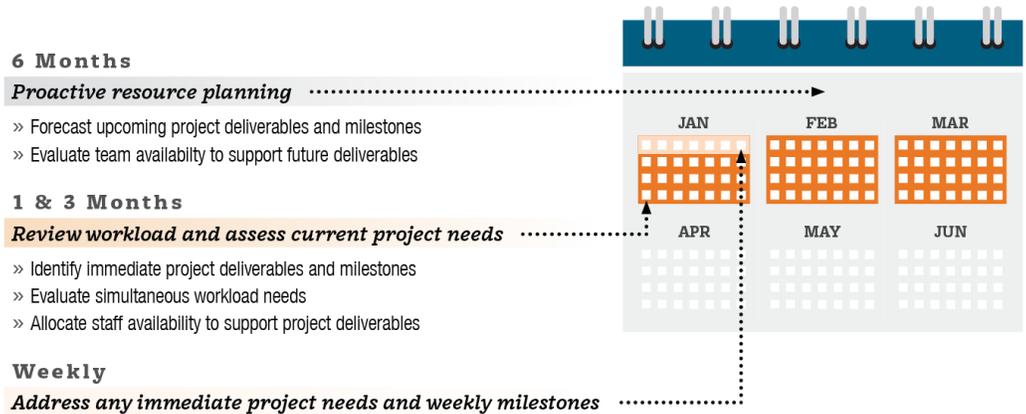
We know that updating the City's TIF program on an accelerated schedule presents both technical and communication challenges that must be carefully managed to achieve a successful outcome. From a technical perspective, the effort requires rapid assembly and validation of growth forecasts, travel demand 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

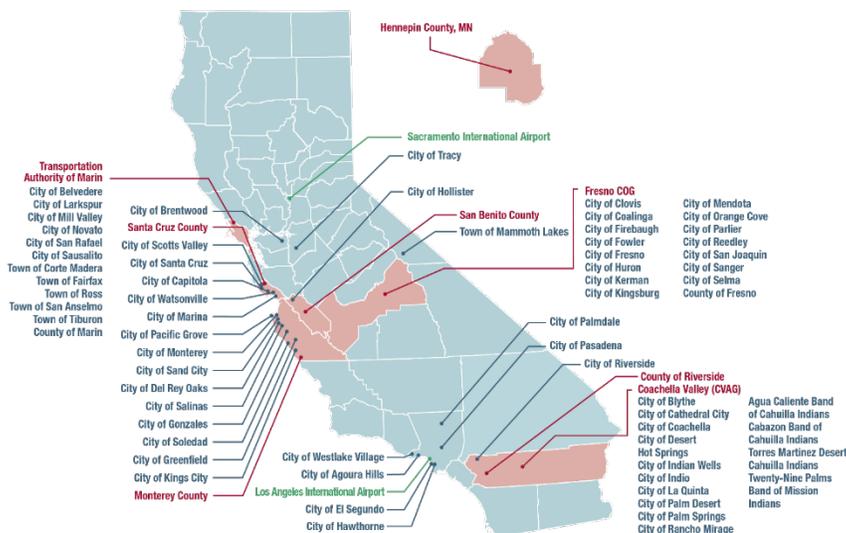
improvements. We have assisted numerous local agencies in developing and modifying fee procedures to allow planned growth to pay its proportionate share towards infrastructure improvement and obtain concurrence from officials with our findings. Most recently the members of this team have completed major 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

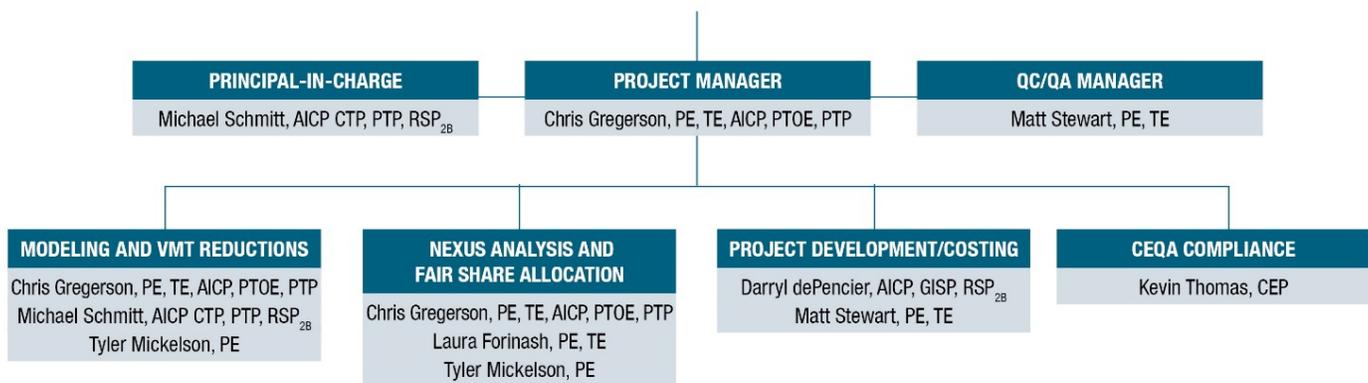
## Financial Capacity

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.							TOTAL HOURS	TOTAL COST	
Name	Category/Title	Kevin Thomas	Michael Schmitt	Darryl dePencier / Laura Forinash	Chris Gregerson / Matt Stewart	Tyler Mickelson	Analyst II	Analyst I			Project Support
Billing Rate		Sr. Professional II	Sr. Professional II	Sr. Professional I	Sr. Professional I	Professional					
<b>Task 1</b>	<b>Project Management</b>		2	2	8	4		4	4	24	\$ 5,940
1.1	Project Management		2	2	8	4		4	4	24	\$ 5,940
<b>Task 2</b>	<b>Program Assessment</b>		2	4	8	16	24			54	\$ 12,930
2.1	Program Assessment		2	4	8	16	24			54	\$ 12,930
<b>Task 3</b>	<b>Nexus Study</b>		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
<b>Task 4</b>	<b>CTSIP Ordinance and Resolution</b>	2		4	12	16	40			74	\$ 17,200
4.1	CTSIP Ordinance and Resolution	2		4	12	16	40			74	\$ 17,200
<b>Task 5</b>	<b>Public Meetings</b>		8	8	32		16		4	68	\$ 18,360
5.1	Public Meetings		8	8	32		16		4	68	\$ 18,360
	<b>TOTAL HOURS</b>	<b>2</b>	<b>22</b>	<b>32</b>	<b>124</b>	<b>140</b>	<b>304</b>	<b>4</b>	<b>8</b>	<b>636</b>	
	<b>Subtotal Labor:</b>	<b>\$860</b>	<b>\$8,250</b>	<b>\$11,040</b>	<b>\$34,720</b>	<b>\$35,000</b>	<b>\$57,760</b>	<b>\$660</b>	<b>\$1,200</b>		<b>\$ 149,490</b>
	<b>Other Direct Costs</b>										<b>\$ 250</b>
	Travel/Mileage										<b>\$ 250</b>
	<b>TOTAL COST:</b>										<b>\$ 149,740</b>

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

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