



*City of Arts & Innovation*

# City Council Memorandum

**TO: HONORABLE MAYOR AND CITY COUNCIL                      DATE: DECEMBER 10, 2024**

**FROM: OFFICE OF THE CITY MANAGER                                      WARDS: ALL**

**SUBJECT: APPROVAL OF A THIRD AMENDMENT TO A PROFESSIONAL CONSULTANT SERVICES AGREEMENT WITH ECONOMIC AND PLANNING SYSTEMS, INC., FOR COMPLETION OF ANALYSES RELATED TO AN ECONOMIC AND FISCAL IMPACT STUDY OF THE UNIVERSITY OF CALIFORNIA AT RIVERSIDE CAMPUS**

**ISSUE:**

Approval of a Third Amendment to a Professional Consultant Services Agreement with Economic and Planning Systems, Inc., for additional time to complete and present an analysis related to an economic and fiscal impact analysis of benefits and impacts of the University of California at Riverside (UCR) campus in relation to its adopted Long Range Development Plan.

**RECOMMENDATIONS:**

That the City Council:

1. Authorize a Third Amendment to a Professional Consultant Services Agreement (Exhibit A) with Economic and Planning Systems, Inc., EPS to complete analyses related to an economic and fiscal impact study of benefits and impacts of the UCR campus in relation to its adopted Long Range Development Plan (LRDP); and
2. Authorize the Assistant City Manager or designee to execute the Third Amendment to a Professional Consultant Services Agreement with Economic and Planning Systems, Inc., making minor corrections as necessary.

**BACKGROUND:**

UCR and Riverside have enjoyed a strong long-term partnership and has engaged in substantive discussions regarding the Campus, its impacts on the surrounding neighborhoods and larger city. This discussion has also covered the need to potentially partner on service cost offsets if necessary and justified by objective data. To assist in discussions, the City chose to hire an experienced consultant team to obtain objective analysis and data on the economic benefits versus City costs to serve the UCR campus.

The City Council approved the original Agreement with EPS on July 5, 2022. The original Agreement with EPS was extended by six months (First Amendment) under the terms of the

contract. The Second Amendment that extended the Agreement to the end of FY 23/24 was approved by the City Council on March 12, 2024. Due to the dynamic nature of discussions between the Campus and City, the City Manager elected to delay completion of the report and is now requesting additional time to complete the analysis, present a report to the City Council, and publicly release its findings.

## **DISCUSSION:**

This Third Amendment will extend the Current Agreement with EPS until June 30, 2025 and will also add a City Council approved contingency of \$20,000 (10% of the original contract amount) to Project funding. The analysis will better inform long-term discussions between the City and UCR regarding long-range campus growth and development. The ultimate goal of discussions is to ascertain a balanced and informed partnership for cost recovery related to campus growth related to direct/indirect impacts on municipal services.

The UCR Economic and Fiscal Impact Analysis generally covers the economic impact of UCR on Riverside, including direct, indirect, and induced Impacts, UCR's net impact on City finances, and the role of increasing UC enrollment and staffing on the City's housing market and neighborhood conditions. City staff expects that all aspects of the EPS project will be completed in the first quarter of 2025.

Purchasing Resolution 24101, Section 1104 "Change Orders" states, "Unless otherwise specifically authorized by the Awarding Entity, Change Orders which cumulatively exceed the following will require Awarding Entity approval... (d) A Contract amendment which extends the term of the agreement beyond one year of the original expiration date."

The Purchasing Manager concurs that the recommended actions are in accordance with Purchasing Resolution 24101.

## **STRATEGIC PLAN ALIGNMENT:**

This item aligns the Envision Riverside 2025 Strategic Plan as providing, "High Performing Government," especially Goal 5.4 to maintain fiscal health by addressing gaps between revenues and expenditures.

This report also touches the five cross-cutting threads:

1. **Community Trust** – Developing service equity with UCR will serve the public interest by potentially freeing additional funding elsewhere in the municipal budget that can be used in expanding programs and completing projects with external funding; benefiting the City's diverse populations, and result in greater public good.
2. **Equity** – Outside funding can be used to allow more City departments to be creative and competitive for grants, resulting in a more equitable distribution of funding opportunity that can reach populations citywide.
3. **Fiscal Responsibility** – The City ensures to maximize outcomes in usage of Campus offset funds as a way to lessen pressure on the General fund.
4. **Innovation** – This funding provides the City with the ability to create an innovative program for building capacity with the result in receiving greater external funding.

5. **Sustainability & Resiliency** – Riverside builds capacity to allow more departments to apply for grants, and compete for funding that allows the City to adaptively address resident needs.

**FISCAL IMPACT:**

The total fiscal impact of this Third Amendment discussed in this report is both a time extension and will also add a 10% contingency in the amount of \$20,000 that previously approved by the City Council (\$220,000 total project allocation) which will be paid by the City Manager’s Office Professional Services Account. Funds to cover the contingency are budgeted and available in the General Fund, City Manager's Office, Professional Services account number 1100000-421000.

Prepared by: Jeff McLaughlin, Grants Administrator  
Certified as to availability of funds: Kristie Thomas, Finance Director/Assistant Chief Financial Officer/Treasurer  
Approved by: Rafael Guzman, Assistant City Manager  
Approved as to form: Jack Liu, Acting City Attorney

Exhibits:

- a. Professional Consulting Services Agreement – Amendment # 3