



CITY OF MILPITAS AGENDA REPORT (AR)

Item Title:	Approve Amendments to the Professional Services Agreement with Ascent Environmental for Consultant Services and Master Funding Agreement with the Metropolitan Transportation Commission for the Priority Development Area Planning Grant Program Related to Preparation of the Gateway/Main Street Specific Plan Update and Authorize the City Manager to Execute the Amended Agreements and Supplement to the Master Funding Agreement with the Metropolitan Transportation Commission.
Category:	Consent Calendar-Community Development
Meeting Date:	3/1/2022
Staff Contact:	Ned Thomas, Planning Director, 408-586-3273 Jay Lee, Principal Planner, 408-586-3077
Recommendation:	Approve amendments to the Professional Services Agreement with Ascent Environmental for consultant services and Master Funding Agreement with the Metropolitan Transportation Commission for the Priority Development Area Planning Grant Program related to preparation of the Gateway/Main Street Specific Plan Update and authorize the City Manager to execute the amended agreements and Supplement to the Master Funding Agreement with the Metropolitan Transportation Commission.

Background:

The Milpitas Midtown Specific Plan was originally adopted by City Council in 2002 to maximize land use, transportation, and economic opportunities along the City’s historic Main Street and to energize and catalyze mixed-use, transit-oriented development in the Midtown area, also known as the “heart” of Milpitas. Since adoption of the current Midtown Specific Plan, little of the community’s vision for this area has been realized, and many potential development sites remain vacant and underutilized, especially along Main Street. As part of the update process, the Midtown Specific Plan will be renamed the “Milpitas Gateway/Main Street Specific Plan” and will provide a new vision and strategic policy framework to guide redevelopment and reinvestment in three focus areas and transform this important gateway into an attractive and vibrant destination for the City and the region.

On April 6, 2021, the City Council adopted the FY2022-26 Capital Improvement Plan (CIP), which included the Milpitas Gateway/Main Street Plan (Midtown Specific Plan Update) as Project No. 3437 with an initial outlay of up to \$960,000 from the Community Planning Fund. On May 26, 2021, the Metropolitan Transportation Commission (MTC) awarded the City of Milpitas an additional \$500,000 through its Priority Development Area (PDA) Planning Grant Program to complete the project.

On March 16, 2021, the Purchasing Division released RFP No. 2515 seeking proposals from qualified vendors with demonstrated experience in municipal planning services to assist the City with the Milpitas Gateway/Main Street Specific Plan (Midtown Specific Plan Update). Following a competitive evaluation process in accordance with the City’s Municipal Code, the top firm, Ascent Environmental, was invited to continue in the evaluation process by providing a detailed scope of work with the proposed compensation for all services outlined in the RFP.

On September 21, 2021, City Council authorized the City Manager to execute a master funding agreement with the Metropolitan Transportation Commission to receive funding through the PDA Planning Grant Program and a professional services agreement with Ascent Environmental for consultant services to prepare the

Gateway/Main Street Specific Plan. Additional information regarding the project and RFP process can be found in the attached Council agenda report from the September 21, 2021 meeting.

Analysis:

Amendments to the professional services agreement with Ascent Environmental are needed to keep Studio J9 as one of Ascent's subconsultants. Studio J9 is a sole proprietorship and therefore unable to meet the subcontractor insurance and liability requirements typically required by the City. Furthermore, Studio J9's work is limited to preparing branding materials for the project, which is considered a direct expense. Therefore, staff is proposing amendments to the professional services agreement with Ascent that would treat Studio J9 as a vendor and require Ascent to assume liability for all work performed by Studio J9 under the agreement. A redline version of the PSA is attached to show the proposed amendments.

Amendments to the master funding agreement with the Metropolitan Transportation Commission are needed to execute the standard form agreement used for all jurisdictions. At the City Council meeting on September 21, 2021, staff presented a version of the agreement with minor non-substantive revisions and the Council subsequently approved this version of the agreement. However, the Metropolitan Transportation Commission clarified that jurisdictions wishing to receive grant funding must execute the original standard form agreement with no revisions. A redline version of the master funding agreement is attached to show the proposed amendments.

Following approval of the master funding agreement on September 21, 2021, City staff and Metropolitan Transportation Commission staff prepared a supplement to the master funding agreement. While the master funding agreement is an agreement with the Metropolitan Transportation Commission that allows the City to receive grant funds in general, the supplement establishes the scope of work, schedule, and budget to receive funding specifically for the Gateway/Main Street Specific Plan.

Policy Alternatives:

Alternative 1: Do not approve amendments to the professional services agreement with Ascent Environmental and the master funding agreement with MTC and do not authorize the City Manager to execute the amended agreements and the supplement to the master funding agreement with MTC.

Pros: None.

Cons: Failure to approve the amendments to the professional services agreement with Ascent Environmental and the master funding agreement with MTC and authorize the City Manager to execute the amended agreements and the supplement to the master funding agreement with MTC would result in the City being unable to finish updating the Midtown Specific Plan and forgoing \$500,000 in approved PDA grant funds, which need to be expended within 36 months of execution of a funding agreement with MTC. Without the Milpitas Gateway/Main Street Specific Plan, the existing Midtown Specific Plan would remain in place. Absent new policies and standards to facilitate catalytic development, the Main Street area and Calaveras Corridor would likely continue to suffer from disinvestment and a lack of identity. The City would potentially miss out on the opportunity to revitalize an important area of the city.

Reason not recommended: In light of the City's anticipated Regional Housing Needs Allocation (RHNA) from the Association of Bay Area Governments (ABAG), the Milpitas Gateway/Main Street Specific Plan is needed to help Midtown realize its full development potential and support regional and state efforts to address critical housing needs. If Midtown is unable to accommodate more housing development, it will be more challenging to meet the City's RHNA obligation. Moreover, the Milpitas Gateway/Main Street Specific Plan is needed to implement the vision of the recently adopted General Plan, which establishes Midtown as a key opportunity area for new economic growth and development in the City.

Fiscal Impact:

The proposed amendments to the professional services agreement with Ascent Environmental and master funding agreement with the Metropolitan Transportation Commission would not change the project budget. The cost to provide planning services for the Milpitas Gateway/Main Street Specific Plan will be covered by a

combination of Community Planning Fees and the General Government CIP Fund in the amount of \$828,000, and funds received from MTC through the PDA Planning Grant Program in the amount of \$500,000. As noted above, the Milpitas Gateway Specific Plan is a budgeted CIP project (No. 3437).

California Environmental Quality Act:

Not applicable. The selection and contractual arrangement of planning services do not constitute a project, in accordance with Section 15378 of the CEQA Guidelines.

Recommendation:

Approve amendments to the Professional Services Agreement with Ascent Environmental for consultant services and Master Funding Agreement with the Metropolitan Transportation Commission for the Priority Development Area Planning Grant Program related to preparation of the Gateway/Main Street Specific Plan Update and authorize the City Manager to execute the amended agreements and Supplement to the Master Funding Agreement with the Metropolitan Transportation Commission.

Attachments:

1. Amended Master Funding Agreement with MTC
2. Supplement to Master Funding Agreement with MTC
3. Amended Professional Services Agreement with Ascent Environmental
4. MTC Resolution No. 4202 (PDA Grant Awards)
5. City Council Staff Report, September 21, 2021