



City Council Agenda Item

City Council Meeting Date: January 6, 2026

TO: Dean Albro, City Manager

FROM: Greg Stones, Planning Manager
g_stones@ci.lompoc.ca.us

SUBJECT: Award of a Professional Services Agreement in the Amount of \$731,706 to Mintier Harnish for the City of Lompoc 2050 Technical General Plan Update (Phase II); Adoption of Resolution No. 6796(25) Approving Appropriations

Recommendation:

Staff recommends the City Council take the following actions:

- 1) Award a Professional Services Agreement (Agreement) to Mintier Harnish Planning Consultants (Consultant) in the amount of \$731,706 (Attachment 1) for City of Lompoc 2050 Technical General Plan Update;
- 2) Authorize the City Manager to execute the Agreement; and
- 3) Adopt Resolution No. 6796(25) approving the appropriations to allow the required updates to the General Plan (Attachment 2).

Background:

In October 2021 Mintier Harnish was contracted by the City as the Planning Consultant with two sub-consultants, Rincon Consultants, Inc., and DKS Associates to update:

- The General Plan Housing Element (6th Cycle, 2023-2031) which was re-adopted by the City Council on November 19, 2024, and subsequently certified by the California Department of Housing and Community Development (HUD) on January 7, 2025;
- The General Plan Environmental Justice Element, which was adopted by City Council on December 3, 2024;

- The General Plan Safety Element, which was adopted by the City Council on September 2, 2025; and
- An update to the General Plan Circulation Element, which is still in progress.

Those updates to the General Plan are considered Phase I.

As part of an Ad Hoc Committee (originally formed in 2020), the City Council directed staff to revise other General Plan Elements (i.e. Land Use, Conservation/Open Space, and Economic Development). On May 20, 2025, the City Council directed staff on the General Plan Ad Hoc comments and the funding in the Biennial Budget Fiscal Years (FYs) 2025-27 for amending Elements of the General Plan for the 2050 General Plan technical update efforts.

Discussion:

The General Plan represents the City's comprehensive effort to define what makes Lompoc a special place, delineate a vision for its future, and formulate action-oriented programs to achieve that future. The General Plan functions as a blueprint that defines not only how the City will evolve, but the steps the community will take to make this vision a reality. The year 2030 is close approaching and it is time to update the 2030 General Plan to the year 2050.

The cost to complete the 2050 General Plan technical updates would be approximately \$731,706 (Attachment 1). This includes updates to the General Plan Land Use Element, Conservation & Open Space Element, Noise Element, Public Services Element, Parks and Recreation Element, Economic Development Element, and Urban Design Element (Phase II). That cost includes a new Program Environmental Impact Report (PEIR) to update the environmental review for the 2050 General Plan.

Originally, in October 2021, the City released a competitive request for proposals for work associated with Phase I of this project and received one proposal from Mintier Harnish. Through the performance of the Phase I work, Mintier Harnish was required to develop in-depth knowledge about the City's General Plan and existing elements. City staff recommend the award of the Agreement for Phase II to Mintier Harnish because their knowledge and experience in performing work in Phase I makes them uniquely positioned to advise the City on the remainder of the project. The continuation of work with Mintier Harnish will streamline the performance of the work, improve efficiency, and ultimately reduce redundancy to save time and money for the City. Selecting a different consultant would result in increased onboarding costs and time.

Fiscal Impact:

As authorized by State law, the City has been collecting General Plan Maintenance Fees (GPMFs) as part of the process to obtain a building permit since 2010. The City Council

authorized collection of GPMFs to fund General Plan related work so the General Fund would not have to support those activities. As of December 15, 2025, the restricted balance set aside for GPMF-related projects was \$102,565.56. The GPMFs are expected to generate revenue of approximately \$35,000 annually, which is approximately an additional \$18,000 for FY 2026. Therefore, the anticipated FY 2026 available balance for General Plan related projects is approximately \$120,565.

The proposed Agreement is estimated not to exceed a maximum total of \$731,706. Based on the attached project plan schedule and budget submitted with the Agreement, annual costs are scheduled to be charged as follows in Table 1 below.

FY 2025-26	\$ 117,528
FY 2026-27	213,862
FY 2027-28	340,366
FY 2028-29	59,950
Total	\$ 731,706

Table 1

For FY 2025-26, the total anticipated cost is less than the anticipated available GPMF restricted cash balance of \$120,565. A budget adjustment to transfer the anticipated FY 2026 costs of \$117,528 from the GPMF restricted cash balance and simultaneously increase appropriations in account 110PLN-533050 (General Fund – Planning: Consulting) in that same amount will be processed by staff upon approval of the Agreement.

For FYs 2026-27, 2027-28 and 2028-29, however, the anticipated costs of the Agreement exceed the available GPMF restricted cash balance by \$614,178. Considering that the work itself is for a General Plan through 2050, and in order to match expenses for the contract work with the longevity of the 24-year work product, staff recommends funding the remainder \$614,178 from the expected GPMFs to be collected over that 24-year timeframe. There are two possible mechanisms for such extended funding.

Option 1 – Recommended

The recommended mechanism for such funding is through an interfund loan from the Insurance Fund (871) to the General Fund (110). Under this arrangement, up to a maximum of \$614,178 total from Fund 871 would be advanced, incrementally on a quarterly basis, to allow invoice payments according to the contractual terms and timelines. The advancement of funds from Fund 871 would incur finance charges to Fund 110 on the cumulative outstanding balance at the City's then-current "Total City Investments" yield as reported on the quarterly investment report (the most recent yield as of June 30, 2025, was 3.55% and the yield at June 30, 2020, was 1.36%). The purpose of using a variable rate that matches the City's investments is to ensure that the Insurance Fund recovers all interest it would otherwise have earned on the up-to \$614,178 loaned.

This method also allows for the General Fund to pay for its use of the Insurance Fund money, but to do so without incurring additional banking fees or otherwise inflated (or decreased) finance charges that might result from either a fixed rate or an external loan.

Revenues from GPMFs collected would be used to pay the internal loan back on a quarterly basis until the principal and any accrued interest is paid in full. The loan is expected to be amortized over the length of the General Plan, until 2050. The total amount of finance charges incurred and paid depends on the timing and the amount necessary to be borrowed during the term of the contract, the then-current yield “total City investments,” and the total amount of GPMF revenues received each quarter to repay the amount borrowed. Based on forecasting and analysis of possible amortization tables, the range of total interest paid on \$614,178 borrowed upfront and paid back over the next 24 years is between \$95k and \$490k. This range is high due to the inherent unknown variable of the City’s investment earnings over the next 24 years. Finance staff analysis and educated opinion suggests the most likely total interest that would be paid over the 24 year loan term would be closer to \$150k – \$200k. All interest payments would be paid from the GPMF revenues earned and would be paid to the Insurance Fund to recuperate the interest that would have otherwise been earned by the Insurance Fund if it had not made the loan.

With this option, the City Council would also need to appropriate General Fund monies to complete the Agreement with supplemental appropriations added to 110PLN-533050 (General Fund – Planning: Consulting) of up to \$614,178 to allow the completion of the contractual terms and timelines. Staff recommends additional appropriations to follow the FY 2026-27 – 2028-29 schedule in Table 1 above.

Option 2 – Alternative

The alternative mechanism for such funding is through direct funding of the costs out of General Fund equity balance. With this option, the City Council would, as in Option 1, appropriate General Fund monies to complete the Agreement with supplemental appropriations added to 110PLN-533050 (General Fund – Planning: Consulting) of up to \$614,178 to allow the completion of the contractual terms and timelines. However, instead of receiving a loan from the Insurance Fund, the General Fund alone would carry the upfront costs. New GPMF’s revenue would continue to be receipted to the GPMF account and then it would be transferred back into General Fund equity balance each year until the General Fund recoups the up to \$614,178. The General Fund would be repaid in full with future monies from the GPMFs. This option would cost the General Fund the same as in Option 1 – but rather than earning and then subsequently paying interest to Fund 871, the General Fund would not earn interest on the \$614,178 because its cash was used upfront to cover the cost of the Agreement. While this option would not require interest terms for repayment of appropriations, the General Fund would be carrying the cash requirements and burden directly and exclusively. Considering the General Fund 10-year forecast projects the General Fund reserve balance to steadily decline until the CalPERS UAL annual payments are scheduled to decrease in

FY 2034-35, staff believes the more prudent option for the benefit of the City overall is Option 1.

Conclusion:

Award of the Agreement to Mintier Harnish Planning Consultants, authorization of the City Manager to sign the Agreement, and approval of the necessary budget appropriations will allow the Project to be completed.

Respectfully submitted,

Greg Stones, Planning Manager

APPROVED FOR SUBMITTAL TO THE CITY MANAGER:

Mario Guerrero Jr., Community Development Director

APPROVED FOR SUBMITTAL TO THE CITY COUNCIL:

Dean Albro, City Manager

Attachments: 1) Services Agreement with Proposal from Mintier Harnish
2) Resolution No. 6796(25) Approving Appropriations