



## **CITY OF MENIFEE**

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SUBJECT: Agreement with Urban3, LLC for a Land Use Financial Analysis

MEETING DATE: November 6, 2024

TO: Mayor and City Council

PREPARED BY: Kayla Charters, Acting Economic Development Manager

REVIEWED BY: Bryan Jones, Assistant City Manager

APPROVED BY: Armando G. Villa, City Manager

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### **RECOMMENDED ACTION**

1. Approve and authorize the City Manager to execute a Professional Services Agreement with Urban3, LLC. for a Land Use Financial Analysis for a not-to-exceed amount of \$71,250 through December 31, 2025.

### **DISCUSSION**

Within the City of Menifee's Strategic Plan, the City Council identified a "Thriving Economy" as a strategic priority and a core value detailed within this strategic priority is to "encourage smart growth." Although "smart growth" is often cited, the City lacks data and analysis on the fiscal impacts of the current growth pattern. In order to promote a balanced pattern of smart growth, it is critical that the City assesses its current land use and economic impact to create a fiscal condition baseline of the current growth pattern. Creating this baseline would provide the City with the data necessary to assess fiscal impacts of current development and analyze return of investment modeling for future development, ultimately empowering City leadership with data to guide smart growth within the City of Menifee.

Urban3 is a consulting firm specializing in land value economics, property tax analysis, and community design. Urban3 analyzes the fiscal implications of differential development patterns down to the level of individual parcels but at the scale of entire communities. This typically entails processing tax assessment data, retail sales, income, and other economic metrics to produce a quantifiable case to support smart city planning and fiscally sustainable growth. Urban3 transforms the value per acre information, property tax productivity, as well as retail tax productivity into a visualization that assists organizations communicate and understand their economic and spatial dynamics.

The analysis and reports generated by Urban3 create powerful tools for effective communication

between city leaders and citizens. This provides city leaders with valuable information to guide discussions and decision-making around infrastructure, land use plans, special area districts, and highlight the value of current Menifee businesses.

Staff is recommending moving forward with engaging Urban3, LLC for the land use financial analysis services included within the proposed agreement based on the firm's robust and extensive experience providing such services, combined with the proprietary data set used to develop such analysis and long-term benefit of having such analysis completed. Staff did canvass other prospective consulting firms that could potentially provide similar analysis, but in review of overall approach, experience, and foundational data used to develop a land use financial analysis, Urban3, LLC's qualifications position the firm as the leader in municipal economic analysis through geospatial modeling. The firm has worked with over 170 cities providing similar services.

Pursuant to Menifee Municipal Code Section 3.12.080, professional service agreements are exempt for the bidding process and may be awarded by the City Council based on the demonstrated professional qualifications necessary for the performance of the services required. City Council approval is required for all professional services agreements in an amount greater than \$25,000.

### **STRATEGIC PLAN OBJECTIVE**

Thriving Economy: The results of this analysis would empower staff and leadership to guide smart growth within the City of Menifee, ultimately supporting a thriving economy.

### **FISCAL IMPACT**

The current fiscal impact for this item is \$71,250. Funding for the proposed agreement is available within the approved Fiscal Year 2024/2025 budget within the General Fund for one-time consulting services (1100-ECD-652855).

### **ATTACHMENTS**

1. Agreement with Urban3, LLC