



STAFF REPORT

DATE: 03/19/2025
TO: Honorable Mayor and City Council Members
FROM: Planning and Development Department

2025-105

REQUEST FOR CITY COUNCIL ACTION

SUBJECT:

PROFESSIONAL SERVICES AGREEMENT WITH KIMLEY-HORN AND ASSOCIATES, INC. IN THE AMOUNT OF \$269,750 FOR THE PREPARATION OF AN ENVIRONMENTAL IMPACT REPORT FOR THE CAJALCO INDUSTRIAL PROJECT PROPOSED BY SHEA PROPERTIES (RFP 25-020AT)

EXECUTIVE SUMMARY:

This staff report asks the City Council to award Request for Proposals No. 25-020AT (RFP25-020AT) to Kimley-Horn and Associates, Inc. for the preparation of an Environmental Impact Report (EIR) for the Cajalco Industrial Project. Shea Properties is the developer of the project, which proposes to develop 58.74 acres into a business park consisting of multiple industrial buildings. The project site is located on the east side of Interstate 15 and south of Cajalco Road. The EIR will analyze the project's potential environmental impacts according to the California Environmental Quality Act (CEQA). Kimley-Horn and Associates, Inc.'s proposal met the required elements of the scope of work in the City's request for proposal and demonstrated professional experience in preparing environmental documents for local agencies. The preparation of the EIR will be funded by the developer of the project.

RECOMMENDED ACTION:

That the City Council:

- a. Award the Request for Proposal 25-020AT to Kimley-Horn and Associates, Inc. for the preparation of an Environmental Impact Report for the Cajalco Industrial Project.
- b. Approve the Professional Services Agreement with Kimley-Horn and Associates, Inc. in the amount of \$269,750 for a two-year term beginning in Fiscal Year 2025 with one optional one-year extension.
- c. Authorize the City Manager, or his designee, to execute the Professional Services Agreement and to negotiate and execute any non-substantive extensions, change orders, purchase orders, and amendments up to the lesser amount of either \$100,000 or 10% of the original contract amount as authorized in Corona Municipal Code Section [3.08.070\(l\)](#).
- d. Authorize an appropriation in the amount of \$323,700 to the Planning and Development Department operating budget and increase revenue estimates by the same amount in the General Fund for the preparation of the Environmental Impact Report for the Cajalco Industrial Project and for City staff time on managing and reviewing the EIR.

BACKGROUND & HISTORY:

In January 2024, the Planning and Development Department received an application for Development Plan Review from Shea Properties proposing to subdivide three adjoining parcels totaling 58.74 acres into eight parcels to facilitate the development of an industrial business park consisting of multiple industrial buildings totaling approximately 768,000 square feet. The vacant parcels are located on the east side of Interstate 15 and south of Cajalco Road and are currently owned by the Riverside County Transportation Commission (RCTC). RCTC declared the properties excess surplus property no longer needed for use by RCTC. Shea Properties submitted a Letter of Intent to RCTC to purchase the properties and is currently in escrow to acquire the properties.

Two of the three parcels are currently zoned Agricultural. The third parcel is zoned General Manufacturing (M-2). To implement the proposed development, the project requires the approval of a change of zone and a General Plan amendment to change the Agricultural zoning to Industrial. The development also proposes a tentative tract map which will subdivide the project site into eight lots to allow for the development of industrial buildings on individual lots. City staff determined that an EIR according to CEQA is necessary for the project.

The Planning and Development Department uses qualified consultants in preparing EIRs which are funded at the expense of the developer. Shea Properties will be providing the required technical studies for the environmental review, which will be subject to peer review by City staff and the consultant for inclusion into the EIR.

ANALYSIS:

The Purchasing Division circulated RFP 25-020AT, on September 16, 2024, according to Corona Municipal Code Section [3.08.110](#), and notified 865 vendors. A total of 11 proposals were submitted to the City prior to the RFP closing date on October 17, 2024.

The 11 proposals were evaluated by the City consisting of three staff members using the following criteria outlined in the RFP:

1. Qualifications of Firm
2. Qualifications of Personnel
3. Related Experience
4. Completeness and Timeliness of Response
5. Reasonableness of Cost and Price

Following the evaluation of the proposals, Kimley-Horn and Associates, Inc. ranked the highest and has the essential skills, experience, and staffing required for the successful execution of the project's scope of work. Kimley-Horn and Associates, Inc. have also prepared EIRs for similar industrial projects in other local jurisdictions.

The Planning and Development Department is recommending RFP No. 25-020AT be awarded to Kimley-Horn and Associates, Inc. in the amount of \$269,750 for the preparation of an EIR for the Cajalco Industrial Project. The term of the agreement is for two years starting in Fiscal Year 2025.

FINANCIAL IMPACT:

The City's adopted fee schedule requires the developer of the project to pay all costs associated with the preparation of the project's EIR including the allocation of staff's time on managing and reviewing the document. Approval of the recommended actions will increase the Planning and Development Department's General Fund operating budget by \$323,700 for the preparation of the EIR and City staff time. General Fund revenue estimates will increase by the same amount. The developer of the project will place the funds into a deposit account with the City, which will be used to pay monthly invoices associated with the preparation of the EIR. As invoices are paid, the funds in the deposit account will be reduced and recognized as revenue to the General Fund.

ENVIRONMENTAL ANALYSIS:

This action is exempt pursuant to Section 15061(b)(3) of the Guidelines for the California Environmental Quality Act (CEQA), which states that a project is exempt from CEQA if the activity is covered by the commonsense exemption that CEQA applies only to projects that have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. This action is simply to approve a professional services agreement for consulting services related to the preparation of an environmental impact report. There is no possibility that this activity will have a significant effect on the environment. Therefore, no environmental analysis is required.

PREPARED BY: SANDRA VANIAN, PLANNING MANAGER

REVIEWED BY: JOANNE COLETTA, PLANNING AND DEVELOPMENT DIRECTOR

ATTACHMENTS:

1. Exhibit 1 – Professional Services Agreement with Kimley-Horn and Associates