



Staff Report

TO: Honorable Mayor and Members of the City Council
FROM: Jennifer Ustation, Finance Director
DATE: February 3, 2026
SUBJECT: Approval of a Professional Services Agreement with Spicer Consulting Group for Fiscal Impact Model Development and Fiscal Impact Analysis Review Services

Description: Approval of a new Professional Services Agreement with Spicer Consulting Group to allow the City to establish a consistent, City-owned Fiscal Impact Model and strengthen fiscal oversight of proposed development projects.

Background and Analysis:

The City of Beaumont routinely evaluates the fiscal impacts of proposed development projects on the General Fund to ensure long-term fiscal sustainability and compliance with adopted financial policies. Historically, these evaluations have relied on a combination of applicant-prepared fiscal impact analyses and consultant reviews conducted on a project-by-project basis.

As large development activity increases and fiscal conditions evolve, the City has identified the need for a consistent, City-owned analytical framework to evaluate development-related fiscal impacts using uniform assumptions and methodologies across all projects.

Although Spicer Consulting Group has previously provided fiscal consulting services to the City under a separate agreement, the services proposed herein represent a new and distinct scope of work. Accordingly, staff are requesting approval of a new Professional Services Agreement.

Because the total value of the proposed services for this vendor exceeds the City Manager's signing authority, City Council approval is required.

Spicer Consulting Group submitted a proposal dated January 16, 2026, to provide the following services:

1. Fiscal Impact Model Development

SCG will develop a City-owned Fiscal Impact Model to be used by the City of Beaumont to evaluate the General Fund impacts of proposed residential, commercial, industrial, and mixed-use development projects. The model will:

- Apply uniform cost and revenue assumptions consistent with the City's operating budget and adopted fiscal policies
- Distinguish between fixed and variable service costs
- Identify service thresholds that may trigger additional staffing, capital investment, or operational costs
- Be delivered in an editable format under City control, allowing updates as fiscal conditions change

The Fiscal Impact Model will serve as the baseline analytical tool for all future development evaluations and for reviewing applicant-prepared fiscal impact analyses.

2. Fiscal Impact Analysis Review – Project Specific

Using the City-owned Fiscal Impact Model, SCG will conduct project-specific fiscal impact reviews or evaluate applicant-prepared analyses to ensure consistency with City assumptions, methodologies, and policy objectives. These reviews will support informed decision-making by City staff and policy makers.

Staff recommends Spicer Consulting Group based on their demonstrated familiarity with the City's General Fund structure, prior fiscal analysis work, and experience developing municipal fiscal impact models. Utilizing a consultant with institutional knowledge allows the City to implement a standardized framework efficiently while avoiding duplication of prior analytical work. In addition, staff reached out for two other proposals but were informed that they couldn't offer the services or were instructed that the current CFD Administrator is the best fit for this work.

Fiscal Impact:

The proposed fee structure includes:

- Fiscal Impact Model Development: Fixed fee of \$12,500 would be paid for using the contingency account 100-1200-7900-0000.
- Project-Specific Fiscal Impact Analysis Review:
 - Simple projects: \$2,500 – \$4,000
 - Moderate projects: \$4,000 – \$7,500
 - Complex projects: \$7,500 – \$12,000

Costs associated with project-specific reviews will be incurred only as needed and are anticipated to be funded through development review fees or other appropriate funding sources.

The estimated cost to prepare this report is \$165.

Recommended Action:

Approve a new Professional Services Agreement with Spicer Consulting Group (SCG) in an amount not to exceed \$40,000 to provide Fiscal Impact Model Development and Fiscal Impact Analysis Review services.

Attachments:

- A. Professional Services Agreement Spicer Consulting Group