

**AGENDA  
ITEM**


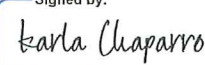
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# CITY COUNCIL

## AGENDA STAFF REPORT

**DATE:** December 17, 2025  
**TO:** Mayor and City Council  
**APPROVED BY:** Benjamin A. Martinez, City Manager   
**PREPARED BY:** Karla Chaparro, Finance Director   
**SUBJECT:** Direction on Preparation and Issuance of an RFP for a Citywide User Fee Study

**Recommendation:**

Staff recommends that the City Council provide direction to the Finance Department on whether to proceed with preparing and issuing a Request for Proposals (RFP) for a comprehensive, citywide user fee study, including an update to the City's Development Impact Fees and Master User Fee Schedule.

**Background:**

The City of Calexico last completed a Development Impact Fee (DIF) update in 2006 and a citywide User Fee Study in 2009. Since then, operational costs across all City departments, such as labor, materials, equipment, regulatory compliance, and general service delivery, have increased substantially.

User fees and development impact fees are essential tools that ensure the City recovers an appropriate share of the cost of providing services and that growth-related infrastructure needs are properly funded. When fees are not updated regularly, the City's cost-recovery structure becomes misaligned with current service delivery costs and infrastructure demands, reducing the effectiveness of long-term financial and operational planning.

**Discussion and Analysis:**

City departments have recently discussed updating their respective fees individually; however, a department-by-department approach could result in inconsistent methodologies, uneven cost recovery, and varying implementation standards.

A citywide, comprehensive update offers several advantages:

- Ensures consistent methodology across all departments
- Establishes uniform cost-allocation practices
- Promotes organizational efficiency and transparency
- Provides a single, consolidated fee schedule for ease of administration

- Ensures compliance with the Mitigation Fee Act (AB 1600) and cost-of-service requirements

To achieve this consistency and ensure all fees receive the long-needed evaluation and adjustment, staff recommends issuing a single RFP for a citywide user fee and development impact fee study.

If authorized, staff anticipates bringing the RFP for city council approval on January 21, 2026. After receiving proposals, staff will return to Council with:

- A recommended consultant
- A proposed scope of work
- Funding options to support the study

**Fiscal Impact:**

There is no fiscal impact at this time. If approved, once proposals are received, staff will return with project cost estimates and recommended funding sources.

**Coordinated With:**

City Manager

**Attachments:**

None