



CITY OF WHEATLAND

CITY COUNCIL MEETING STAFF REPORT

August 27, 2024

SUBJECT: Consideration and Adoption of Resolution Authorizing Execution of Amendment #3 to the Agreement with The Hatamiya Group for Economic Development Consulting Services

PREPARED BY: Bill Zenoni, City Manager

Recommendation

Staff recommends that the Wheatland City Council consider adoption of a resolution authorizing execution of Amendment #3 to the agreement with The Hatamiya Group for economic development consulting services for the 2024-25 fiscal year.

Background/Discussion

In October 2019, Applied Development Economics (ADE) was awarded a contract to complete the Wheatland Business Park Feasibility Study (the Employment Zone Feasibility Study) funded by a grant from SACOG. Lon Hatamiya, a sub-consultant of ADE, was actively involved in the project. That project opened the door for ongoing work with Beale Air Force Base, Yuba Water Agency, property owners and other potential partners to establish a University Affiliated Research Center (UARC) in Wheatland at a location within the Employment Zone study area which will launch the growth of technical business investment in the community.

The City has contracted directly with The Hatamiya Group since July 2021. Mr. Hatamiya and his staff have been extremely helpful in the City's efforts to promote a working partnership between the City of Wheatland and Beale Air Force Base, to continue discussions regarding the development of the Applied Research Center and also to promote the critical need for the Beale Expressway and the eventual Wheatland Bypass projects. Lon Hatamiya has, on the City's behalf, pursued federal and state funding opportunities and has attended numerous meetings with City staff to promote the needs of and potential economic benefits offered by this community. Staff is recommending that the City continue to utilize the services of The Hatamiya Group during the 2024-25 fiscal year. The proposed Scope of Work includes, but is not limited to, the following:

Consultants will prepare an ongoing analysis that highlights strategies and facilitates economic development opportunities under the following specific tasks.

TASK 1: CONTINUED DEVELOPMENT AND CREATION OF AN OFF-BASE COORDINATING AUTHORITY/ENTITY BETWEEN BEALE AIR FORCE BASE, THE YUBA WATER AGENCY, THE UNIVERSITY OF CALIFORNIA SYSTEM, AND THE CITY OF WHEATLAND WITH A FOCUS ON THE FURTHER DEVELOPMENT OF THE YUBA APPLIED RESEARCH CENTER (“YARC”) IN THE CITY OF WHEATLAND

Consultants will continue to facilitate the development of an off-base entity/coordinating authority through a combined effort of networking with the United States Air Force, United States Space Force, the Department of Defense, and the Memorandum of Understandings (“MOU’s”) between UC CITRIS and UC Davis, the Yuba Water Agency, the City of Wheatland, and any and all interested parties. This effort will include the possible development of an off-base research facility located upon the AKT property at Jasper Lane and Spenceville Road.

Deliverable: Build upon the MOU’s and creation of the 501(C)(3) overseeing the development of the YARC within the City of Wheatland that will facilitate of an off-base joint research center and resulting future economic development opportunities. In addition, Consultant(s) will continue discussion with the USAF, USSF, and appropriate defense contractors to site collaborative activities, labs, and/or offices at the YARC upon its completion. Moreover, Consultants will identify appropriate federal, state, local and philanthropic funding options to expedite planning and construction of the YARC.

TASK 2: FACILITATE, DEVELOP, AND ASSIST WITH COORDINATING A STRATEGY FOR THE FUNDING OF THE WHEATLAND BYPASS HIGHWAY PROJECT WITH APPROPRIATE FEDERAL, STATE, AND LOCAL ENTITIES AND PARTNERS.

Consultants will continue to facilitate, develop, and assist in coordinating a strategy for potential funding of the Wheatland Bypass highway project. This effort will include communicating with appropriate federal, state, and local entities and partners to determine the best pathway to completion. It will also include continued coordination with local property owners and the City of Wheatland.

Deliverable: Develop a strategy to expedite the funding and completion of the Wheatland Bypass highway project. Identify appropriate federal and state funding options to expedite planning. Coordinate communications among interested parties.

Mr. Hatamiya will be in attendance at the August 27th City Council meeting and will provide an update on his recent activities in support of the City of Wheatland and will also discuss the support activities planned for the coming year.

Fiscal Impact

The cost of the proposed contract amendment is for an amount not-to-exceed \$25,000 to be funded from the Economic Development Fund. Funding for these services is included in the Fiscal Year 2024-25 adopted budget.

Attachments

1. Resolution
2. Contract Amendment #3
3. Proposal – September 2024 to August 2025

**WHEATLAND CITY COUNCIL
RESOLUTION NO. 40-24**

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WHEATLAND
AUTHORIZING THE EXECUTION OF AMENDMENT #3 TO THE AGREEMENT WITH
THE HATAMIYA GROUP FOR ECONOMIC DEVELOPMENT CONSULTING SERVICES**

WHEREAS, the City Council, on July 13, 2021, approved an agreement with The Hatamiya Group ("Consultant") to assist with the pursuit of economic development opportunities identified in the June 30, 2021 Wheatland Employment Zone Feasibility Study ("Agreement"); and

WHEREAS, the City Council, on August 23, 2022, approved Amendment #1 to the Agreement with Consultant to extend Consultant's services to the City for the period of August 1, 2022 to July 31, 2023; and

WHEREAS, the City Council, on August 22, 2023, approved Amendment #2 to the Agreement with Consultant to extend Consultant's services for the period of August 23, 2023, to August 31, 2024; and

WHEREAS, Amendment #2 is set to expire and the City Council wishes to further amend the Agreement with Consultant to extend Consultant's services for an additional twelve-month period, through August 31, 2025.

NOW, THEREFORE, BE IT RESOLVED AND DETERMINED by the City Council of the City of Wheatland that:

- A. The foregoing recitals are true and correct.
- B. The City Council of the City of Wheatland hereby authorizes the City Manager to execute Amendment #3 to the Agreement between the City of Wheatland and The Hatamiya Group, as specified in Exhibit A and attached hereto.

PASSED AND ADOPTED by the City Council of City of Wheatland on this 27th day of August 2024, by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

APPROVED:

Rick West, Mayor

ATTEST:

Lisa Thomason, City Clerk

**AMENDMENT #3 TO THE AGREEMENT BETWEEN
THE CITY OF WHEATLAND AND THE HATAMIYA GROUP FOR ECONOMIC
DEVELOPMENT SERVICES**

THIS THIRD AMENDMENT TO THE AGREEMENT WITH THE HATAMIYA GROUP (“AMENDMENT #3”) is made and entered into effective August 27, 2024, by and between the **CITY OF WHEATLAND (“CITY”)** and **THE HATAMIYA GROUP (“CONSULTANT”)**, and is based on the Recitals and matters set forth herein.

RECITALS

- A. **CITY** approved a Professional Services Agreement with **CONSULTANT** for economic development support services during FY 2021-2022 that expired July 12, 2022 (“**ORIGINAL AGREEMENT**”).
- B. **CITY** approved Amendment #1 to the **ORIGINAL AGREEMENT** on August 23, 2022, for **CONSULTANT** to continue to provide such services for the period of August 1, 2022, to July 31, 2023 (“**AMENDMENT #1**”).
- C. **CITY** approved Amendment #2 to the **ORIGINAL AGREEMENT** on August 22, 2023, for **CONSULTANT** to continue to provide such services for the period of August 23, 2023, to August 31, 2024 (“**AMENDMENT #2**”).
- D. In consideration of the good and valuable services **CONSULTANT** has performed for **CITY**, and **CITY**'s desire for **CONSULTANT** to continue to perform such services for **CITY**, **CITY** and **CONSULTANT** now desire to amend the **ORIGINAL AGREEMENT** to include the additional provisions stated below.
- E. Collectively, the **ORIGINAL AGREEMENT**, **AMENDMENT #1**, **AMENDMENT #2** and this **AMENDMENT #3** will be referred to hereafter as the (“**AGREEMENT**”) and will constitute the entire understanding and agreement of the parties.

IN CONSIDERATION of the mutual covenants contained herein and for good and valuable consideration, the **CITY** and **CONSULTANT** agree as follows:

SECTION 1

Amendment to Paragraphs 2 and 3

Paragraph 2 of the **AGREEMENT** is hereby amended to read as follows:

2. **Payment.** **CITY** shall pay **CONSULTANT** a bimonthly fee as outlined in Exhibit A of this **AMENDMENT #3**, attached hereto. **CITY** shall pay **CONSULTANT** no more than \$25,000 for the work **CONSULTANT** is to complete between September 1, 2024, and August 31, 2025. The total compensation paid by **CITY** to **CONSULTANT** under the **AGREEMENT** shall not exceed \$105,000 (**ORIGINAL AGREEMENT**-\$30,000; **AMENDMENT #1**-\$25,000; **AMENDMENT #2**-\$25,000; **AMENDMENT #3**-\$25,000).

Paragraph 3 of the **AGREEMENT** is hereby amended to read as follows:

3. **Term.** This Agreement shall remain in effect until August 31, 2025.

Except as specifically modified by the terms of **AMENDMENT #1**, **AMENDMENT #2**, or this **AMENDMENT #3**, the provisions of the **ORIGINAL AGREEMENT** are unchanged and remain in full force and effect.

IN WITNESS WHEREOF, the parties have executed this **AMENDMENT #3** on the date set forth below.

Dated: 8/20/24



Lon Hatamiya, Consultant

Dated: _____

Bill Zenoni, City Manager

ATTEST:

Lisa Thomason, City Clerk

APPROVED AS TO FORM:



Gavin Ralphs, Deputy City Attorney

MEMORANDUM

To: Bill Zenoni, City Manager, City of Wheatland, California

From: Lon Hatamiya, President and CEO, The Hatamiya Group

Date: August 16, 2024

Re: Proposal for Continued Economic Development Consulting – September 2024 to August 2025

On behalf of the Hatamiya Group, including subcontractors Applied Development Economics and Two Blue Aces (collectively “Consultants”), we are pleased to submit the following proposal to continue our work on economic development strategies for the City of Wheatland.

SCOPE OF WORK

Consultants will prepare an ongoing analysis that highlights strategies and facilitates economic development opportunities under the following specific Tasks.

TASK 1: CONTINUED DEVELOPMENT AND CREATION OF AN OFF-BASE COORDINATING AUTHORITY/ENTITY BETWEEN BEALE AIR FORCE BASE, THE YUBA WATER AGENCY, THE UNIVERSITY OF CALIFORNIA SYSTEM, AND THE CITY OF WHEATLAND WITH A FOCUS ON THE FURTHER DEVELOPMENT OF THE YUBA APPLIED RESEARCH CENTER (“YARC”) IN THE CITY OF WHEATLAND

Consultants will continue to facilitate the development of an off-base entity/coordinating authority through a combined effort of networking with the United States Air Force, United States Space Force, the Department of Defense, and the Memorandum of Understandings (“MOU’s”) between UC CITRIS and UC Davis, the Yuba Water Agency, the City of Wheatland, and any and all interested parties. This effort will include the possible development of an off-base research facility located upon the AKT property at Jasper Lane and Spenceville Road.

Deliverable: Build upon the MOU’s and creation of the 501(C)(3) overseeing the development of the YARC within the City of Wheatland that will facilitate of an off-base joint research center and resulting future economic development opportunities. In addition, Consultant(s) will continue discussion with the USAF, USSF, and appropriate defense contractors to site collaborative activities, labs, and/or offices at the YARC upon its completion. Moreover, Consultants will identify appropriate federal, state, local and philanthropic funding options to expedite planning and construction of the YARC.

TASK 2: FACILITATE, DEVELOP, AND ASSIST WITH COORDINATING A STRATEGY FOR THE FUNDING OF THE WHEATLAND BYPASS HIGHWAY PROJECT WITH APPROPRIATE FEDERAL, STATE, AND LOCAL ENTITIES AND PARTNERS.

Consultants will continue to facilitate, develop, and assist in coordinating a strategy for potential funding of the Wheatland Bypass highway project. This effort will include communicating with appropriate federal, state, and local entities and partners to determine the best pathway to completion. It will also include continued coordination with local property owners and the City of Wheatland.

Deliverable: Develop a strategy to expedite the funding and completion of the Wheatland Bypass highway project. Identify appropriate federal and state funding options to expedite planning. Coordinate communications among interested parties.

BUDGET AND SCHEDULE

Consultants propose a fee not to exceed \$25,000 for twelve months beginning in September 2024 and ending in August 2025. Consultants will make every reasonable effort to perform the assignment in a cost-effective manner and will bill on a monthly basis at a rate of \$200/hour. The specific scope of work will be agreed to in regular collaboration and approval of the City Manager.