



**Watsonville**  
CALIFORNIA

## **CITY COUNCIL AGENDA REPORT**

**MEETING DATE:** Tuesday, June 24, 2025  
**TO:** CITY COUNCIL  
**WRITTEN BY:** CHIEF BUILDING OFFICIAL DESANTE  
**RECOMMENDED BY:** COMMUNITY DEVELOPMENT DIRECTOR BRLETIC  
**APPROVED BY:** TAMARA VIDES, CITY MANAGER  
**SUBJECT:** RESOLUTION APPROVING CONTRACT AMENDMENTS TO CSG CONSULTANTS, INC., AND 4LEAF, INC. FOR PERMITTING SERVICES.

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### **RECOMMENDATION:**

Staff recommend that the City Council adopt resolutions:

1. Approving Fifth Amendment to contract with CSG Consultants, Inc. (CSG) for an additional two-year period to cover costs for plan review, inspection, and permit technician services, in an amount not to exceed \$250,000 per fiscal year (\$1,550,000 total); and
  2. Approving Third Amendment to contract with 4Leaf, Inc. (4Leaf) for the 2024-2025 FY contract for an additional \$40,000 (\$160,000 total) and to extend the contract for an additional two-year period to cover the costs for plan review and inspections services in an amount not to exceed \$150,000 per fiscal year (\$460,000 total)
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### **BACKGROUND:**

The Community Development Department currently utilizes professional consultant services to assist with the processing of building permit applications, review development plans for commercial and residential projects, and conduct inspections of construction work.

### **DISCUSSION:**

The services provided to the City by contracts with both CSG and 4LEAF cover all aspects of the permitting process and have been in place for the past six years. The coverage includes Permit Technician services, where assistance is provided to the front counter by creating permits, answering phones, issuing permits, processing fees and other front office work. They provide comprehensive digital reviews of all permit applications including residential and commercial construction, additions, and alterations, solar, and single-trade permits. The inspection services provide inspectors who are qualified

to inspect all issued permit types. Beneficially, all services are scalable based on the level of work in demand for each service provided.

The cost for these contract services are covered by applicants through the fees they pay during the permitting process, i.e., the consultants receive a percentage of the fees paid to the City.

### **CEQA DETERMINATION:**

Adopting resolution(s) approving an amendment to the each contract are exempt from the requirements of the California Environmental Quality Act (CEQA) in accordance with CEQA Guidelines § 15378(b)(5), in that they do not meet CEQA's definition of a "project," because the actions do not have the potential for resulting in either a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment and even if deemed a "project", it would be exempt under the "common sense" exception, pursuant to CEQA Guidelines § 15061(b)(3), because it can be seen with certainty that there is no possibility that these actions may have a significant effect on the environment.

### **STRATEGIC PLAN:**

This recommendation is consistent with the following council strategic goals:

- Economic development
- Housing
- Fiscal health
- Efficient and well-performing government

### **FINANCIAL IMPACT:**

There is no direct financial impact to the City on professional contract services as the cost for services are based on the number and type of applications and collected through permitting fees prior to conducting work.

### **ALTERNATIVE ACTION:**

The City Council could choose not to amend these contracts, which would cancel the contracts and place the full burden of responsibilities on existing staff to complete. Without additional staffing, this would cause significant delays in providing thorough and timely plan reviews and inspections.

### **ATTACHMENTS AND/OR REFERENCES:**

None.