

**Agenda Of The Regular Meeting – Oversight Board to the Successor Agency to the
Redevelopment Agency of the City of National City
Council Chambers
Civic Center
1243 National City Boulevard
National City, California
Wednesday – January 18, 2017 – 3:00 P.M.**

Open To The Public

Please complete a request to speak form prior to the commencement of the meeting and submit it to the Oversight Board Secretary.

It is the intention of your National City Oversight Board to be receptive to your concerns in this community. Your participation in local government will assure a responsible and efficient City of National City. We invite you to bring to the attention of the Board Chairman any matter that you desire the National City Oversight Board to consider. We thank you for your presence and wish you to know that we appreciate your involvement.

ROLL CALL

Pledge of Allegiance to the Flag by Chairman Ron Morrison

Public Oral Communications (Three-Minute Time Limit)

NOTE: Pursuant to state law, items requiring National City Oversight Board action must be brought back on a subsequent National City Oversight Board Agenda unless they are of a demonstrated emergency or urgent nature.

Upon request, this agenda can be made available in appropriate alternative formats to persons with a disability in compliance with the Americans with Disabilities Act. Please contact the City Clerk's Office at (619) 336-4228 to request a disability-related modification or accommodation. Notification 24-hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting.

**It Is Requested That All Cell Phones
And Pagers Be Turned Off During The Meetings**

OVERSIGHT BOARD ACTIONS

1. Approval of the Minutes of the Regular Meeting of the Oversight Board to the Successor Agency to the Community Development Commission as the National City Redevelopment Agency meeting held on September 21, 2016.
2. Resolution of the Oversight Board to the Successor Agency to the Community Development Commission as the National City Redevelopment Agency Approving the Recognized Obligation Payment Schedule (ROPS) for the Period July 1, 2017 through June 30, 2018 (ROPS 17-18) with Expenditures Totaling \$8,443,472. **(Reso 2017-01)**
3. Resolution of the Oversight Board to the Successor Agency to the Community Development Commission as the National City Redevelopment Agency authorizing the Executive Director of the Successor Agency to the Community Development Commission as the National City Redevelopment Agency to execute an agreement with NHA Advisors, LLC for municipal advisory services for the period January 17, 2017 through December 31, 2019 with two additional one-year options and authorizing staff to submit the agreement to the State Department of Finance. **(Reso 2017-02)**

REPORTS

4. Update on Redevelopment Issues

ADJOURNMENT

Adjourn to the next Regular meeting of the Oversight Board to the Successor Agency to the Community Development Commission as the National City Redevelopment Agency scheduled on February 15, 2017 at 3:00 p.m. in Council Chambers, Civic Center.

**MINUTES OF THE REGULAR MEETING OF THE OVERSIGHT BOARD TO THE
SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF
THE CITY OF NATIONAL CITY**

September 21, 2016

This Regular Meeting of the Oversight Board to the Successor Agency to the Community Development Commission as the National City Redevelopment Agency was called to order at 3:06 pm by Chairman Ron Morrison.

ROLL CALL

Board Members Present: Fellows, Carson, Morrison, Perri, McCarthy, Desrochers
Board Members Absent: Desrochers, Kerl

OTHER STAFF PRESENT: Brad Raulston, Deputy City Manager

PLEDGE OF ALLEGIANCE by Chairman Morrison

PRESENTATIONS: None

OVERSIGHT BOARD ACTIONS

- 1. SUBJECT:** Approval of the Minutes of the Regular Meeting of the Oversight Board to the Successor Agency to the Community Development Commission as the National City Redevelopment Agency meeting held on May 18, 2016.

RECOMMENDATION: Approve the minutes as presented.

ACTION: Motion by McCarthy, seconded by Fellows to approve the minutes of the regular meeting held on May 18, 2016.

Motion carried by the following vote:

Ayes: Fellows, Carson, Morrison, Perri, McCarthy
Absent:, Desrochers, Kerl

- 2. SUBJECT:** Approval of the Minutes of the Regular Meeting of the Oversight Board to the Successor Agency to the Community Development Commission as the National City Redevelopment Agency meeting held on August 17, 2016.

RECOMMENDATION: Approve the minutes as presented.

ACTION: Motion by Perri, seconded by Fellows to approve the minutes of the regular meeting held on August 17, 2016.

Motion carried by the following vote:

Ayes: Fellows, Carson, Morrison, Perri, McCarthy
Absent:, Desrochers, Kerl

- 3. SUBJECT:** Resolution of the Oversight Board of the Successor Agency to the Community Development Commission as the National City Redevelopment Agency Approving an Amendment of \$831,191 to the Recognized Obligation

Payment Schedule (ROPS) for the Period January 1, 2017 through June 30, 2017 (ROPS 16-17B) (Successor Agency)

RECOMMENDATION: Approve the Resolution

ACTION: Motion by Perri, seconded by Fellows to approve the Minutes of the meeting held on August 17, 2016.

Motion carried by the following vote:

Ayes: Fellows, Carson, Morrison, Perri, McCarthy

Absent:, Desrochers, Kerl

REPORTS

4. Update on Redevelopment Issues: No report

ADJOURNMENT

The regular meeting was adjourned to the next Regular Meeting of the Oversight Board to the Successor Agency to the Community Development Commission as the National City Redevelopment Agency to be held on October 19, 2016 at 3:00 p.m., Council Chambers – National City Civic Center, California.

The meeting adjourned at 3:14 p.m.

Clerk

Secretary

The foregoing minutes were approved at the Regular Meeting of **September 21, 2016.**

Oversight Board Chairman

**OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO
THE COMMUNITY DEVELOPMENT COMMISSION
AS THE NATIONAL CITY REDEVELOPMENT AGENCY
AGENDA STATEMENT**

MEETING DATE: January 18, 2017

AGENDA ITEM NO. 2

ITEM TITLE: Resolution of the Oversight Board to the Successor Agency to the Community Development Commission as the National City Redevelopment Agency Approving the Recognized Obligation Payment Schedule (ROPS) for the Period July 1, 2017 through June 30, 2018 (ROPS 17-18) with Expenditures Totaling \$8,443,472.

PREPARED BY: Brad Raulston, Executive Director

DEPARTMENT: Successor Agency

PHONE: (619) 336-4256

APPROVED BY: 

EXPLANATION:

Effective February 1, 2012, all redevelopment agencies in California were dissolved and "Successor Agencies" were established to wind down the affairs of the former redevelopment agency in accordance with the direction of an oversight board. Health and Safety Code Section 34177 requires Successor Agencies to perform a number of functions in that regard, one of which is to prepare a Recognized Obligation Payment Schedule (ROPS) before each fiscal period that details amounts required to be spent and the source of funds for those expenditures. Each ROPS must be submitted to the Oversight Board for approval after which it is forwarded for review and approval to the State Department of Finance, with copies to the County Auditor and Controller and State Controller's Office.

Before the Oversight Board today is the proposed ROPS for the period July 1, 2017 through June 30, 2018 (ROPS 17-18), in which a total of \$8,443,472 in expenditures are itemized. Upon the Oversight Board's approval, it will be submitted to the State Department of Finance and other agencies as noted above. ROPS 16-17 is due to the State Department of Finance by February 1, 2016. Please see attached staff report for further details regarding the ROPS.

FINANCIAL STATEMENT:

APPROVED:  Finance

APPROVED: _____ MIS

ACCOUNT NO. Pursuant to AB 1X 26/AB 1484/ SB 107

ENVIRONMENTAL REVIEW:

Pursuant to Title 15 of the California Code of Regulations, Section 15378(b)(4), this item is not subject to the California Environmental Quality Act review because the recommended approvals are not considered a project and are governmental funding mechanisms and fiscal activities that do not involve any commitment to any specific project that may result in a potentially significant environmental impact.

ORDINANCE: **INTRODUCTION:** **FINAL ADOPTION:**

STAFF RECOMMENDATION:

Adopt the resolution to approve the ROPS 17-18 and authorize staff to submit it to the State Department of Finance, the State Controller and the County of San Diego.

BOARD / COMMISSION RECOMMENDATION:

Successor Agency: Adopt the resolution to approve the ROPS 17-18 and authorize staff to submit it to the State Department of Finance, the State Controller and the County of San Diego.

ATTACHMENTS:

1. Staff Report
2. Recognized Obligation Payment Schedule for the period July 1, 2017 through June 30, 2018 (ROPS 17-18)
3. Proposed Oversight Board Resolution 2017-01

CITY OF NATIONAL CITY
OVERSIGHT BOARD STAFF REPORT

January 18, 2017

Item:

Resolution of the Oversight Board to the Successor Agency to the Community Development Commission as the National City Redevelopment Agency Approving the Recognized Obligation Payment Schedule (ROPS) for the Period July 1, 2017 through June 30, 2018 (ROPS 17-18) with Expenditures Totaling \$8,443,472.

Background:

One of the changes to the redevelopment agency dissolution law that was enacted in 2015 via SB 107 was the requirement that for fiscal periods beginning on or after July 1, 2016, the ROPS would be prepared on an annual basis instead of once every six months. ROPS 17-18 is the second annual ROPS. Even though it is called an annual ROPS, the standardized form distributed by the State Department of Finance (DOF) requires that obligation payment amounts be assigned to either the "A" portion of the fiscal year (July through December) or the "B" portion of the year (January through June). The assignment of expenses to one half or the other of the fiscal year is designed to facilitate the distribution of redevelopment property tax trust fund (RPTTF) monies, the primary source of funding for the ROPS. RPTTF monies are distributed on January 2 and June 1 by the County Auditor and Controller; the June 1 distribution applies to expenditures expected to occur during the "A" portion of the ROPS cycle, while the January 2 distribution provides cash for the second half ("B" portion) of the fiscal year.

Under the new annual ROPS process, each successor agency is allowed one amendment to the approved ROPS, but it must be submitted to DOF by October 1, and successor agencies may only amend the amounts requested for payment of approved enforceable obligations that fall within the "B" portion of the year; no new obligations can be created through the amendment process. Also, as part of the transition to an annual ROPS, DOF has temporarily removed the Prior Period Adjustment (PPA) form to allow for future reporting of actual expenditures for a twelve month period. The PPA form will reappear with ROPS 18-19. The Cash Balances form has been retained, however, allowing agencies to report prior period spending and available balances.

Discussion:

The proposed Recognized Obligation Payment Schedule for the July 1, 2017 through June 30, 2018 (ROPS 17-18) period for the National City Successor Agency totals \$8.44 million. Of that amount, \$6.80 million is allocated to the first half of the fiscal year and \$1.64 million to the second half of the fiscal year. Enforceable obligations for the ROPS 17-18 period include debt service on the Successor Agency's tax allocation bonds of \$5.2 million, a carry-over of \$2.4 million for environmental remediation and related planning and review costs for the WI-TOD housing project site, a loan repayment to the City's sewer fund of \$0.34 million, an

administrative cost allowance of \$0.31 million, legal services totaling \$0.13 million and various other operational costs totaling \$0.07 million.

Debt service: Scheduled debt service payments peaked at \$7.8 million in Fiscal Year 2016. For Fiscal Year 2018, debt service payments total \$5.2 million for the three remaining series of tax allocation bonds (1999, 2005B and 2011).

WI-TOD Project: Construction of the Phase I project is complete and Phase II has begun with a projected completion date of March 2018. Environmental remediation for the park portion of the project was expected to begin in July 2016, but has been delayed until plans and environmental agency approvals are finalized. ROPS 17-18 includes \$2.2 million for Item 176 in the "A" portion: \$2.0 million of that amount is a carry-over of the \$2.0 million that was authorized in the "B" portion of ROPS 16-17 for environmental remediation of the park, and \$0.2 million is a carry-over of a portion of the \$369,191 that was authorized to be carried over from ROPS 15-16B pursuant to the Amended ROPS for 16-17. The carry-over of the \$0.2 million allows for potential delays in the spending rate related to the Health and Safety Plan (HASP) requirements for the remediated Phase II site. Remediation planning (Item 12) and environmental oversight (Item 13) for the WI-TOD project are still in progress. Total final costs and the timing of them are not known, so \$0.1 million is being carried over from ROPS 16-17 for each of these items.

Sewer Fund Loan Repayment: In June, 2010, the City of National City undertook a \$4.0 million street resurfacing program that was funded in part by a \$1.5 million loan from the Sewer Fund, an enterprise fund of the City. The former Redevelopment Agency of National City committed a total of \$771,250 of tax increment funds towards the street resurfacing project in the form of loan repayments to the Sewer Fund over a three year period. Having received a Finding of Completion, approval by the Oversight Board that the loan was an enforceable obligation and a finding by the Oversight Board that the loan was for legitimate redevelopment purposes, the Successor Agency became eligible to complete the repayment of this loan that had an outstanding balance of \$420,000 (principal and interest). An initial partial repayment of \$148,322 was authorized as part of ROPS 15-16A based on a formula that factors in past residual balance payments to affected taxing entities. The Successor Agency was not eligible to make another payment in ROPS 16-17, but meets the criteria to do so in ROPS 17-18.

SB 107 amended the interest rate provisions for repayment of approved loans. Any interest on the remaining principal amount of the loan that was previously unpaid after the original effective date of the loan is to be recalculated from the date of origination using a simple interest rate of 3%. Staff performed both the calculation to determine the maximum payment that could be made in ROPS 17-18 and the total amount due to the Sewer Fund using the simple interest rate of 3%. The maximum payment that could be made is approximately \$562,000. The entire loan could be retired on July 1, 2017, with a payment of \$340,350 (including principal and interest). Because it is less than the calculated maximum payment, the \$340,350 has been requested for ROPS 17-18. Exhibit A shows the calculations used to determine the maximum repayment amount for ROPS 17-18, and Exhibit B shows the calculations used to derive the requested repayment amount.

Administrative Cost Allowance: The administrative cost allowance is calculated based on the amount of Redevelopment Property Tax Trust Fund (RPTTF) revenue distributed in the prior fiscal year less the prior year's authorized administrative cost allowance (ACA) and less any city loan repayments. This adjusted RPTTF amount is then multiplied by 3%. The 2017 adjusted RPTTF for the National City Successor Agency is \$10.219 million. When multiplied by 3%, it results in an ACA for ROPS 17-18 of \$0.31 million, which has been split equally between the two periods of the year. The minimum ACA is still \$250,000 annually (but may not exceed 50% of the adjusted RPTTF distribution).

Legal Services: Barring any new issues that might arise, the Successor Agency has only one litigation matter remaining: the Affordable Housing Coalition v. Sandoval, et al case. In July, 2013, the Affordable Housing Coalition of San Diego County filed a lawsuit in the Sacramento County Superior Court against the City of National City in its capacity as the Successor Agency to the Community Development Commission of National City, as well as other cities/successor agencies in San Diego County, claiming that 1) the statutes under the former Redevelopment Law imposing affordable housing obligations upon redevelopment agencies created enforceable obligations under the redevelopment dissolution statutes, and 2) if enforceable obligations were not created, the dissolution statutes unconstitutionally impaired the obligations of contracts. In September, 2016, the Court ruled against the petitioner and in favor of the respondent cities/successor agencies. Judgment based upon this ruling was entered in November, 2016.

The petitioner subsequently filed a motion for a new trial, claiming that the trial court in its decision failed to address all issues that were before it, and the decision was therefore contrary to law and based on error in law. The Superior Court in Sacramento denied the petitioner's motion for new trial on December 22, 2016. However, the City and other respondents were served with a notice of appeal by the petitioner.

While the Successor Agency has been providing for outside counsel services for this matter in its ROPS (Item 144), the course of events was such that the City Manager, as the executive director of the Successor Agency, entered into a "Joint Defense, Common Interest & Cost Sharing Agreement" in March, 2015 with seven other cities wherein the City of Lemon Grove was designated to prepare the legal arguments in the defense of this case and the participating cities/successor agencies agreed to jointly share the costs. The City of Lemon Grove retained the law firm of Lounsbery, Ferguson, Altons & Peak to assist in the matter.

This agreement was entered into after the preparation and submittal of ROPS 15-16A and was overlooked for ROPS 15-16B and ROPS 16-17, so resources of the City of National City were used to pay the National City Successor Agency's share of the costs to defend the lawsuit. Two invoices totaling \$6,964.47 from the City of Lemon Grove were paid during fiscal year 2015-16. The recent activity in the case will result in a new invoice(s) from the City of Lemon Grove in an amount yet to be determined. The \$20,000 requested for Item 179 will be used to reimburse the City of National City for the nearly \$7,000 previously paid in defense of this case, costs that will be incurred during the remainder of ROPS 16-17 as a result of the recent court events, and any costs that may arise during ROPS 17-18 should the matter extend into that period.

In addition to the \$20,000 noted above, ROPS 17-18 requests \$106,000 for legal services (spread across items 144, 146, 147, and 167) that will provide subject matter expertise to

ensure compliance with agreements entered into by the former redevelopment agency and for active environmental remediation activities.

Other Operational Costs: Other operational costs of \$0.07 million include amounts for environmental monitoring services arising from agreements entered into by the former redevelopment agency, and for financial services related to the tax allocation bonds.

Recommendation:

Adopt the resolution and submit the ROPS 17-18 to the Oversight Board for approval and subsequent submittal to the State and the County.

Fiscal Impact Statement:

The expenditures for the items listed on ROPS 17-18 total \$8.44 million, \$4.90 million of which is proposed to be funded from RPTTF, \$1.0 million from Other Funds (interest earnings and other non-RPTTF revenues including \$0.83 million received by the SA from the CYAC indemnity claim during fiscal year 2015-16), and \$2.53 million from Reserve Balance (unspent RPTTF amounts from prior periods). The amount of new RPTTF projected to be available to the Successor Agency for ROPS 17-18 is \$13.0 million. If RPTTF funding projections are correct and if all of the items on the ROPS proposed to be funded by RPTTF are approved, approximately \$8.1 million would be available for distribution to the affected taxing entities as residual balance. The \$8.1 million would be split approximately equally between the two applicable distribution dates (June 1, 2017 and January 2, 2018).

ROPS Review Period:	ROPS 17-18		
Sponsoring Entity Loan Repayment Calculator			
Base Year:	ROPS II July thru December 2012	ROPS III January thru June 2013	Total For Base Year
Residual Balance	0	1,179,866	1,179,866

Comparison Year:	ROPS 16-17 A July thru December 2016	ROPS 16-17 B January thru June 2017	Total For Comparison Year
Residual Balance	1,127,808	1,175,658	2,303,466

A	Total Residual Balance for Comparison Year	2,303,466
B	Total Residual Balance for Base Year	1,179,866
A-B	Difference of Residual Balance	1,123,600
		+2
Maximum Repayment for Fiscal Year 2017-18		561,800

National City Successor Agency
 ROPS Item 86: Obligation to Repay Loan from Sewer Fund
 Loan Origination Date: June 30, 2010
 Unpaid principal balance originally due June 30, 2013: \$411,216
 Interest due on unpaid balance recalculated to date of origination using simple interest rate of 3%
 Ref: Health and Safety Code 34191.4 (b) (3)

	Beginning balance	Amount Due	Amount Due	Amount Due	Amount Due	Amount Due	Amount Due	Amount Due
Date	30-Jun-10	30-Jun-11	30-Jun-12	30-Jun-13	30-Jun-14	30-Jun-15	30-Jun-16	30-Jun-17
Unpaid principal	411,216.00	411,216.00	411,216.00	411,216.00	411,216.00	411,216.00		
Interest (3% simple on principal balance)		12,336.48	24,672.96	37,009.44	49,345.92	61,682.40		
Total payments due		423,552.48	435,888.96	448,225.44	460,561.92	472,898.40		
Less principal payment						(148,322.00)		
New unpaid principal						262,894.00	262,894.00	262,894.00
Unpaid interest on beginning balance							61,682.40	61,682.40
Interest (3% simple on new principal balance)							7,886.82	15,773.64
Total payments due							332,463.22	340,350.04

Notes:

1) A principal payment of \$148,322 was authorized in ROPS 15-16A. It's being shown in this table as being applied to the balance that would have been due on June 30, 2015.

2) The SA did not qualify to make a loan repayment in ROPS 16-17.

Recognized Obligation Payment Schedule (ROPS 17-18) - Summary

Filed for the July 1, 2017 through June 30, 2018 Period

Successor Agency: National City
 County: San Diego

Current Period Requested Funding for Enforceable Obligations (ROPS Detail)	17-18A Total (July - December)	17-18B Total (January - June)	ROPS 17-18 Total
A Enforceable Obligations Funded as Follows (B+C+D):	\$ 3,531,000	\$ -	\$ 3,531,000
B Bond Proceeds	-	-	-
C Reserve Balance	2,531,000	-	2,531,000
D Other Funds	1,000,000	-	1,000,000
E Redevelopment Property Tax Trust Fund (RPTTF) (F+G):	\$ 3,269,489	\$ 1,642,983	\$ 4,912,472
F RPTTF	3,116,195	1,489,690	4,605,885
G Administrative RPTTF	153,294	153,293	306,587
H Current Period Enforceable Obligations (A+E):	\$ 6,800,489	\$ 1,642,983	\$ 8,443,472

Certification of Oversight Board Chairman:
 Pursuant to Section 34177 (o) of the Health and Safety code, I hereby
 certify that the above is a true and accurate Recognized Obligation
 Payment Schedule for the above named successor agency.

 Name Title
 /s/ _____
 Signature Date

National City Recognized Obligation Payment Schedule (ROPS 17-18) - ROPS Detail

July 1, 2017 through June 30, 2018

(Report Amounts in Whole Dollars)

A	B	C	D	E	F	G	H	I	J	K	17-18A (July - December)					Q	17-18B (January - June)					W	
											Fund Sources						Fund Sources						
											L	M	N	O	P		R	S	T	U	V		
											Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF		Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF		
Item #	Project Name/Debt Obligation	Obligation Type	Contract/Agreement Execution Date	Contract/Agreement Termination Date	Payee	Description/Project Scope	Project Area	Total Outstanding Debt or Obligation	Retired	ROPS 17-18 Total	Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF	17-18A Total	Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF	17-18B Total	
179	Joint Defense and Cost Sharing Agreement with respect to the Affordable Housing Coalition of San Diego County v. Sandoval et al case	Litigation	3/30/2015	6/30/2018	City of National City/City of Lemon Grove	Reimburse the City of National City for previously paid invoices (\$6,964.47) for legal services in defense of the Affordable Housing Coalition's lawsuit against the National City Successor Agency as well as those that may arise during the ROPS 16-17 period (TBD). Allow the Successor Agency to directly pay its share of the costs to the City of Lemon Grove for any invoices arising during ROPS 17-18 (TBD).	Merged	20,000	N	\$ 20,000			20,000			\$ 20,000							\$ -
180									N	\$ -						\$ -							\$ -
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**National City Recognized Obligation Payment Schedule (ROPS 17-18) - Report of Cash Balances
(Report Amounts in Whole Dollars)**

Pursuant to Health and Safety Code section 34177 (I), Redevelopment Property Tax Trust Fund (RPTTF) may be listed as a source of payment on the ROPS, but only to the extent no other funding source is available or when payment from property tax revenues is required by an enforceable obligation. For tips on how to complete the Report of Cash Balances Form, see [Cash Balance Tips Sheet](#).

A	B	C	D	E	F	G	H	I	
		Fund Sources							
		Bond Proceeds		Reserve Balance		Other	RPTTF		
	Cash Balance Information by ROPS Period	Bonds issued on or before 12/31/10	Bonds issued on or after 01/01/11	Prior ROPS period balances and DDR RPTTF balances retained	Prior ROPS RPTTF distributed as reserve for future period(s)	Rent, grants, interest, etc.	Non-Admin and Admin	Comments	
ROPS 15-16B Actuals (01/01/16 - 06/30/16)									
1	Beginning Available Cash Balance (Actual 01/01/16)	632,735	5,238,722			133,201	2,353,165	In column H, the amount is the sum of the 14-15B PPA of \$1,028,591 and the reported savings from 15-16A of \$1,324,574	
2	Revenue/Income (Actual 06/30/16) RPTTF amounts should tie to the ROPS 15-16B distribution from the County Auditor-Controller during June 2016	29,223	30,876			900,254	5,430,671	In column G, \$826,577 of the \$900,254 is the amount received by the SA as a result of the indemnity claim filed pursuant to the CYAC litigation	
3	Expenditures for ROPS 15-16B Enforceable Obligations (Actual 06/30/16)						4,766,224		
4	Retention of Available Cash Balance (Actual 06/30/16) RPTTF amount retained should only include the amounts distributed as reserve for future period(s)	661,958	4,230,938					Cells C4 and D4 are debt service reserves	
5	ROPS 15-16B RPTTF Balances Remaining	No entry required						1,693,038	
6	Ending Actual Available Cash Balance C to G = (1 + 2 - 3 - 4), H = (1 + 2 - 3 - 4 - 5)	\$ -	\$ 1,038,660	\$ -	\$ -	\$ 1,033,455	\$ 1,324,574		

National City Recognized Obligation Payment Schedule (ROPS 17-18) - Notes July 1, 2017 through June 30, 2018

Item #	Notes/Comments
12	Supporting explanation contained in staff report submitted to SA and OB - see page 2 "WI-TOD Project"
13	Supporting explanation contained in staff report submitted to SA and OB - see page 2 "WI-TOD Project"
86	Supporting explanation contained in staff report submitted to SA and OB - see page 2 "Sewer Fund Loan Repayment"
128	SA is changing the service provider for this item. A separate resolution will be taken to the OB for approval and submittal to DOF.
176	Supporting explanation contained in staff report submitted to SA and OB - see page 2 "WI-TOD Project"
179	Supporting explanation contained in staff report submitted to SA and OB - see page 3 "Legal Services"

RESOLUTION NO. 2017 – 01

**RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY
TO THE COMMUNITY DEVELOPMENT COMMISSION AS
THE NATIONAL CITY REDEVELOPMENT AGENCY APPROVING
THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS) FOR THE PERIOD
JULY 1, 2017 THROUGH JUNE 30, 2018 (ROPS 17-18) WITH EXPENDITURES TOTALING
\$8,443,472**

WHEREAS, the City Council established the Redevelopment Agency of the City of National City (the "Redevelopment Agency") by Ordinance No. 1164, dated April 11, 1967; and

WHEREAS, the City Council established the Housing Authority of the City of National City (the "Housing Authority") by Ordinance No. 1484, dated October 14, 1975; and

WHEREAS, the City Council established the Community Development Commission of the City of National City (the "CDC") by Ordinance No. 1484, dated October 14, 1975, and vested the CDC with all of the powers, duties, and responsibilities of both the Redevelopment Agency and the Housing Authority, among other matters, for the purpose of enabling the CDC to operate and govern the Redevelopment Agency and the Housing Authority under a single board and as a single operating entity. The CDC acting in its capacity as the Redevelopment Agency of the City of National City is referred to herein as the "CDC-RDA"; and

WHEREAS, all California redevelopment agencies, including the Redevelopment Agency and the CDC-RDA, were dissolved on February 1, 2012, and successor agencies were designated and vested with the responsibility of winding down the business and fiscal affairs of the former redevelopment agencies; and

WHEREAS, pursuant to AB 26, the City Council adopted Resolution No. 2012-15 on January 10, 2012, electing to be the Successor Agency to the CDC-RDA. The Successor Agency is a legal entity that exists separate and independent from the City. The Successor Agency formally named itself the "Successor Agency to the Community Development Commission as the National City Redevelopment Agency"; and

WHEREAS, on February 1, 2012, all assets, properties, contracts, leases, books and records, buildings and equipment of the Redevelopment Agency and the CDC-RDA were transferred by operation of law to the control of the Successor Agency and all authority, rights, powers, duties, and obligations previously vested in the Redevelopment Agency and the CDC-RDA were vested in the Successor Agency, for administration pursuant to Part 1.85 of AB 26; and

WHEREAS, in the course of the State's budget process for fiscal year 2012-13 and again for 2015-16, the California legislature and the Governor approved amendments to AB 26 through AB 1484 and SB 107 respectively; and

WHEREAS, AB 1484 and SB 107 modified the process through which ROPS are prepared and approved, and the format in which ROPS are submitted to the State Department of Finance; and

WHEREAS, under AB 26 as amended by AB 1484 and SB 107, each successor agency shall have an oversight board with fiduciary responsibilities to holders of enforceable obligations and the taxing entities that benefit from distributions of property taxes and other revenues pursuant to Health and Safety Code Section 34188; and

WHEREAS, the oversight board has been established for the Successor Agency (hereinafter referred to as the "Oversight Board") and all seven (7) members have been appointed to the Oversight Board pursuant to Health and Safety Code Section 34179. The duties and responsibilities of the Oversight Board are primarily set forth in Health and Safety Code Sections 34179 through 34181 of AB 26 as amended by AB 1484 and SB 107; and

WHEREAS, per SB 107, the ROPS preparation and approval cycle is now based upon annual periods, and an Oversight Board-approved ROPS for the time period of July 1, 2017 to June 30, 2018 must be adopted, approved and submitted to the Department of Finance by February 1, 2017; and

WHEREAS, according to Health and Safety Code Section 34177(l)(1), for each recognized obligation, the ROPS shall identify one or more of the following sources of payment: (i) Low and Moderate Income Housing Funds, (ii) bond proceeds, (iii) reserve balances, (iv) administrative cost allowance, (v) the Redevelopment Property Tax Trust Fund, and (vi) and other Oversight Board-approved revenue sources allowed under law; and

WHEREAS, it is the intent of AB 26 as amended by AB 1484 and SB 107 that the ROPS serve as the designated reporting mechanism for disclosing the Successor Agency's payment obligations by amount and source and that subsequent to the audit and approval of the ROPS, the County Auditor/Controller will be responsible for ensuring that the Successor Agency receives revenues sufficient to meet the requirements of the ROPS during each bi-annual period; and

WHEREAS, on January 17, 2017, the Successor Agency considered and adopted ROPS 17-18, subject to the contingencies and reservations set forth therein and with expenditures totaling \$8,443,472; and

WHEREAS, the Successor Agency's adopted ROPS 17-18, which is consistent with the requirements of the Health and Safety Code and other applicable law, is attached to and incorporated in this Resolution as **Exhibit "A"**; and

WHEREAS, the Successor Agency submitted the ROPS 17-18 to the San Diego County Administrative Officer, the San Diego County Auditor and Controller and the State Department of Finance at the same time as the ROPS 17-18 was submitted to the Oversight Board; and

WHEREAS, a copy of the approved ROPS 17-18 shall be submitted to the County Auditor/Controller, State Department of Finance and State Controller, and posted on the Successor Agency's internet website; and

WHEREAS, on January 18, 2017 in the course of taking action on a properly agendaized item at a regular meeting, the Oversight Board considered the approval of the ROPS 17-18, and upon (i) further consideration of all information and documentation presented by staff, (ii) all public comment and Oversight Board deliberation, if any, and (iii) the

recommendation of the Successor Agency's staff, did independently find and determine that the ROPS 17-18 should be approved; and

WHEREAS, the Department of Finance sometimes changes the format of reporting and the requirements, thus the Successor Agency staff may need to make changes to the ROPS 17-18 subsequent to the Oversight Board's approval to have it compliant with the changing Department of Finance requirements; and

WHEREAS, this Resolution has been reviewed with respect to applicability of the California Environmental Quality Act ("CEQA"), the State CEQA Guidelines (California Code of Regulations, Title 14, Sections 15000 *et seq.*, hereafter the "Guidelines"), and the City's environmental guidelines; and

WHEREAS, this Resolution is not a "project" for purposes of CEQA, as that term is defined by Guidelines section 15378, because this Resolution is an organizational or administrative activity that will not result in a direct or indirect physical change in the environment, per section 15378(b)(5) of the Guidelines; and

WHEREAS, all of the prerequisites with respect to the approval of this Resolution have been met.

NOW, THEREFORE, BE IT RESOLVED by the Oversight Board to the Successor Agency to the Community Development Commission as the National City Redevelopment Agency, as follows:

- Section 1. The foregoing recitals are true and correct, and are a substantive part of this Resolution.
- Section 2. The adoption of this Resolution is not intended to and shall not constitute a waiver by the Successor Agency of any rights the Successor Agency may have to challenge the effectiveness and/or legality of all or any portion of AB 26, AB 1484, or SB 107 through administrative or judicial proceedings.
- Section 3. The Successor Agency's ROPS 17-18, which is attached hereto as Exhibit "A", is approved and adopted.
- Section 4. The Executive Director, or designee, is hereby authorized and directed to:
 - (i) Take such other actions and execute such other documents as are necessary to effectuate the intent of this Resolution on behalf of the Oversight Board; and
 - (ii) Take such other actions and execute such other documents as are necessary to effectuate the intent of AB 26, AB 1484, and SB 107 in regard to ROPS 17-18, including modifying and/or amending the ROPS 17-18 administratively to reflect the most up to date prior period actual cost or cash data, or conform to the direction, guidance, and/or requirements related to ROPS 17-18 by of the Department of Finance.

- Section 5. The Oversight Board confirms the Successor Agency's determination (to the extent that it is required to do so) that neither the ROPS 17-18 nor this Resolution is a "project" for purposes of CEQA, as that term is defined by Guidelines section 15378, because the ROPS 17-18 approved by this Resolution represents an organizational or administrative activity that will not result in a direct or indirect physical change in the environment, per section 15378(b)(5) of the Guidelines.
- Section 6. The Oversight Board Secretary and/or Successor Agency Secretary shall certify to the adoption of this Resolution, and transmit notice of this Resolution, including ROPS 17-18 as approved, to the State of California Department of Finance and to the San Diego County auditor-controller by electronic means, and ROPS 17-18 shall be subject to review pursuant to California Health & Safety Code Section 34177(m).
- Section 7. Pursuant to California Health and Safety Code Section 34179(h)(2), the State of California Department of Finance may review Oversight Board action; therefore, this Resolution shall be effective on the date five (5) business days after its adoption, absent and pending any request for review by the State of California Department of Finance.

NOW, THEREFORE, BE IT RESOLVED that the foregoing resolution was duly and regularly adopted at a regular meeting of the Oversight Board for the Successor Agency to the Community Development Commission as the National City Redevelopment Agency held on the 18th day of January 2017, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Ron Morrison, Chairman

ATTEST:

Brad Raulston, Executive Director
Secretary to the Oversight Board

APPROVED AS TO FORM:

Resolution No. 2017 – 01
January 18, 2017
Page 5

Oversight Board Counsel
Edward Z. Kotkin, Esq.
Law Offices of Edward Z. Kotkin

**OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO
THE COMMUNITY DEVELOPMENT COMMISSION
AS THE NATIONAL CITY REDEVELOPMENT AGENCY
AGENDA STATEMENT**

MEETING DATE: January 18, 2017

AGENDA ITEM NO. 3

ITEM TITLE:

Resolution of the Oversight Board to the Successor Agency to the Community Development Commission as the National City Redevelopment Agency authorizing the Executive Director of the Successor Agency to the Community Development Commission as the National City Redevelopment Agency to execute an agreement with NHA Advisors, LLC for municipal advisory services for the period January 17, 2017 through December 31, 2019 with two additional one-year options and authorizing staff to submit the agreement to the State Department of Finance.

PREPARED BY: Mark Roberts, Director of Finance

PHONE: 619-336-4265

DEPARTMENT: Successor Agency

APPROVED BY: 

EXPLANATION:

See attached staff report.

FINANCIAL STATEMENT:

ACCOUNT NO.

See attached staff report.

Expenses may be paid from various accounts.

APPROVED:  Finance

APPROVED: _____ MIS

ENVIRONMENTAL REVIEW:

This is not a project and, therefore, not subject to environmental review.

ORDINANCE: INTRODUCTION: FINAL ADOPTION:

STAFF RECOMMENDATION:

Adopt the resolution, authorizing the Executive Director of the Successor Agency to the Community Development Commission as the National City Redevelopment Agency to execute an agreement with NHA Advisors, LLC for municipal advisory services for the period January 17, 2017 through December 31, 2019 with two additional one-year options and authorizing staff to submit the agreement to the State Department of Finance.

BOARD / COMMISSION RECOMMENDATION:

Successor Agency: Adopt the resolution, authorizing the Executive Director of the Successor Agency to the Community Development Commission as the National City Redevelopment Agency to execute an agreement with NHA Advisors, LLC for municipal advisory services for the period January 17, 2017 through December 31, 2019 with two additional one-year options and authorizing staff to submit the agreement to the State Department of Finance.

ATTACHMENTS:

1. Staff report
2. NHA Advisors, LLC Agreement
3. Resolution



Oversight Board Staff Report

January 18, 2017

ITEM

Resolution of the Oversight Board to the Successor Agency to the Community Development Commission as the National City Redevelopment Agency authorizing the Executive Director of the Successor Agency to the Community Development Commission as the National City Redevelopment Agency to execute an agreement with NHA Advisors, LLC for municipal advisory services for the period January 18, 2017 through December 31, 2019 with two additional one-year options and authorizing staff to submit the agreement to the State Department of Finance.

BACKGROUND

The Successor Agency has received professional municipal (financial) advisory services for several years. These services have been provided to assist the Successor Agency with reviewing its long-range financing needs and developing alternative strategies for meeting those needs, analyzing and interpreting legislation for economic or financial opportunities or impacts for the Successor Agency, analyzing and interpreting complex business plans and financial proposals made to the Successor Agency, and issuing debt.

In anticipation of the expiration of its agreement with its current municipal advisor, Urban Futures, Inc., on January 31, 2017, the City of National City, on behalf of itself, the Successor Agency, and the Housing Authority, issued a request for proposals ("RfP") for municipal advisory services on September 15, 2016.

REQUEST FOR PROPOSALS PROCESS

As noted above, the City issued an RfP for municipal advisory services on September 15, 2016. The RfP was sent to several municipal advisory firms and was posted on the City's and the California Society of Municipal Finance Officers (CSMFO) websites. Responses to the RfP were due by 5:00 pm on October 13, 2016.

The City received four (4) proposals in response to the RfP. The firms submitting proposals, listed in alphabetical order, are:

KNN Public Finance, LLC;
Kosmont Transactions Services;

**NHA Advisors, LLC;
Urban Futures, Inc.**

A selection panel reviewed all proposals and interviewed all submitting firms. The selection panel included the following members:

**Janel Pehau, Finance Analyst;
Javier Carcamo, Financial Services Officer;
Alfredo Ybarra, Director of Housing & Economic Development;
Tim McDermott, Director of Finance / Treasurer, City of Santee;
Alicia Granados, Accountant, City of Chula Vista.**

In order to rank the firms and provide a recommendation to the Successor Agency, the selection panel considered:

- relevant experience with California municipal governments;
- commitment of key members of the firm to the Successor Agency;
- demonstrated knowledge of the work/services required;
- approach to municipal advisory services; and
- cost of services.

After reviewing and considering each proposal and interviewing representatives of each of the firms, the consensus of the panel members was that NHA Advisors, LLC would best meet the municipal advisory services needs of the Successor Agency.

NHA ADVISORS (from submitted proposal)

NHA Advisors, LLC (“NHA”) is an independently-owned municipal advisor/Independent Registered Municipal Advisor organized as a California limited liability company. NHA specializes in providing municipal advisory services to local government agencies only in California, with a primary focus on small and medium-sized cities, special districts (utilities and community services), and successor agencies to redevelopment.

NHA is registered with the Municipal Securities Rulemaking Board and has five practicing municipal advisors. The three principals of NHA each have more than 25 years of public finance experience. Its two vice presidents each have more than 10 years of public financing experience.

Every member of NHA has dedicated his/her entire career to the public sector, either as a consultant or directly in public service. NHA only brings qualified and experienced people into the organization and does not believe in training individuals at the expense of public agencies.

NHA serves as municipal advisor to public agencies throughout California, working with over 60 municipalities on projects including proposal review for new development, budget and long-term planning, policy considerations, and traditional municipal finance.

APPROVAL & REVIEW

If this agreement is approved, before it may become effective, the approval is subject to review by the State Department of Finance (“DoF”). Absent a request for review by DoF, the Oversight Board’s approval of the agreement would become effective five (5) business days after the action is taken.

Resolution of the Oversight Board to the Successor Agency to the Community Development Commission as the National City Redevelopment Agency authorizing the Executive Director of the Successor Agency to the Community Development Commission as the National City Redevelopment Agency to execute an agreement with NHA Advisors, LLC for municipal advisory services for the period January 18, 2017 through December 31, 2019 with two additional one-year options and authorizing staff to submit the agreement to the State Department of Finance.

January 18, 2017

RECOMMENDATION

Staff recommends the Oversight Board approve the agreement with NHA Advisors, LLC for municipal advisory services for the period January 18, 2017 through December 31, 2019 with two additional one-year options and authorize staff to submit the agreement to DoF.

FISCAL IMPACT

NHA's advisory fees (for projects not related to the issuance of any debt obligations) will be based upon hourly rates for actual work performed, in accordance with the following schedule:

<u>Person Performing Work</u>	<u>Hourly Rate</u>
Principal	\$275
Vice President	\$225
Associate	\$175
Analyst	\$125
Administrative	\$75

These fees do not include reasonable and necessary out-of-pocket expenses, including but not limited to data resources, photocopying, postage, and delivery. California travel will not be considered a reimbursable expense.

For projects associated with the issuance of notes, bonds, or other obligations, NHA's fees will be based upon the schedule below. The ranges provided in the schedule are indicative. NHA's specific compensation on a project will depend upon the time required to complete the process, which is typically a function of credit quality, structure, nature/extent of NHA's role, and NHA's expected time commitment.

<u>Project</u>	<u>Fee Range</u>
Tax and Revenue Anticipation Notes	\$17,500 - \$22,500
Certificates of Participation	\$42,500 - \$67,500
Revenue Bonds	\$47,500 - \$72,500
Assessment Districts	\$32,500 - \$72,500
Community Facilities Districts	\$37,500 - \$72,500
Tax Allocation Bonds	\$47,500 - \$92,500

Fees related to the issuance of debt typically are included in costs of issuance and financed by the debt.

ATTACHMENTS

Attachment 1 – NHA Advisors, LLC Agreement

Attachment 2 – Resolution

**AGREEMENT
BY AND BETWEEN
THE
SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION AS
THE NATIONAL CITY REDEVELOPMENT AGENCY
AND
NHA ADVISORS, LLC**

THIS AGREEMENT is entered into this 18th day of January, 2017, by and between the SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION AS THE NATIONAL CITY REDEVELOPMENT AGENCY, a governmental entity (the "SUCCESSOR AGENCY"), and NHA ADVISORS, LLC, a California limited liability company (the "CONSULTANT").

R E C I T A L S

WHEREAS, the SUCCESSOR AGENCY desires to employ a CONSULTANT to provide municipal advisory services.

WHEREAS, the SUCCESSOR AGENCY has determined that the CONSULTANT is a municipal advisor and is qualified by experience and ability to perform the services desired by the SUCCESSOR AGENCY, and the CONSULTANT is willing to perform such services.

WHEREAS, this Agreement will require approval of the Oversight Board to the SUCCESSOR AGENCY and is subject to review pursuant to Health and Safety Code (HSC) Section 34179 by the California Department of Finance ("DoF") prior to being effective.

NOW, THEREFORE, THE PARTIES HERETO DO MUTUALLY AGREE AS FOLLOWS:

1. **ENGAGEMENT OF CONSULTANT.** The SUCCESSOR AGENCY agrees to engage the CONSULTANT, and the CONSULTANT agrees to perform the services set forth here in accordance with all terms and conditions contained herein.

The CONSULTANT represents that all services shall be performed directly by the CONSULTANT or under direct supervision of the CONSULTANT.

2. **EFFECTIVE DATE AND LENGTH OF AGREEMENT.** This Agreement will become effective five business days after submission to "DoF" or at such time as a review initiated by "DoF" pursuant to HSC Section 34179 is resolved. The duration of this Agreement is for the period of January 18, 2017 through December 31, 2019. This Agreement may be extended by mutual agreement upon the same terms and conditions for two (2) additional one (1) year terms.

3. **SCOPE OF SERVICES.** The CONSULTANT shall perform municipal advisory services as set forth in the attached Exhibit "A."

The CONSULTANT shall be responsible for all research and reviews related to the work and shall not rely on personnel of the SUCCESSOR AGENCY for such services, except as authorized in advance by the SUCCESSOR AGENCY.

The SUCCESSOR AGENCY may unilaterally, or upon request from the CONSULTANT, from time to time reduce or increase the Scope of Services to be performed by the CONSULTANT under this Agreement. Upon doing so, the SUCCESSOR AGENCY and the CONSULTANT agree to meet in good faith and confer for the purpose of negotiating a corresponding reduction or increase in the compensation associated with said change in services.

4. **PROJECT COORDINATION AND SUPERVISION.** The Director of Finance is designated as the Project Coordinator for the SUCCESSOR AGENCY and will monitor the progress and execution of this Agreement. The CONSULTANT shall assign a single Project Director to provide supervision and have overall responsibility for the progress and execution of this Agreement for the CONSULTANT. Craig Hill thereby is designated as the Project Director for the CONSULTANT.

5. **COMPENSATION AND PAYMENT.** The compensation for the CONSULTANT shall be based upon billing(s) covering actual work performed in accordance with the rates stated in the attached Exhibit "B." Billings shall include labor classifications, respective rates, hours worked and also materials, if any. The labor rates for work described in Exhibit "A" of this agreement shall not exceed the rates listed in Exhibit "B" of this Agreement. Compensation for bond transactions shall be based upon the schedule included in Exhibit "B" and shall not exceed the rates listed in Exhibit "B." Invoices will be processed for payment and remitted within thirty (30) days from receipt of invoice, provided that work is accomplished consistent with Exhibit "A," as determined by the SUCCESSOR AGENCY.

The CONSULTANT shall maintain all books, documents, papers, employee time sheets, accounting records, and other evidence pertaining to costs incurred, and shall make such materials available at its office at all reasonable times during the term of this Agreement and for three (3) years from the date of final payment under this Agreement, for inspection by the SUCCESSOR AGENCY, and for furnishing of copies to the SUCCESSOR AGENCY, if requested.

6. **ACCEPTABILITY OF WORK.** The SUCCESSOR AGENCY shall decide any and all questions which may arise as to the quality or acceptability of the services performed and the manner of performance, the acceptable completion of this Agreement, and the amount of compensation due. In the event the CONSULTANT and the SUCCESSOR AGENCY cannot agree to the quality or acceptability of the work, the manner of performance and/or the compensation payable to the CONSULTANT in this Agreement, the SUCCESSOR AGENCY or the CONSULTANT shall give to the other written notice. Within ten (10) business days, the CONSULTANT and the SUCCESSOR AGENCY shall each prepare a report which supports their position and file the same with the other party. The SUCCESSOR AGENCY shall, with reasonable diligence, determine the quality or acceptability of the work, the manner of performance, and/or the compensation payable to the CONSULTANT.

7. **DISPOSITION AND OWNERSHIP OF DOCUMENTS.** The Memoranda, Reports, Maps, Drawings, Plans, Specifications, and other documents prepared by the

CONSULTANT for this Project, whether paper or electronic, shall become the property of the SUCCESSOR AGENCY for use with respect to this Project, and shall be turned over to the SUCCESSOR AGENCY upon completion of the Project, or any phase thereof, as contemplated by this Agreement.

Contemporaneously with the transfer of documents, the CONSULTANT hereby assigns to the SUCCESSOR AGENCY, and CONSULTANT thereby expressly waives and disclaims any copyright in, and the right to reproduce, all written material, drawings, plans, specifications, or other work prepared under this Agreement, except upon the SUCCESSOR AGENCY'S prior authorization regarding reproduction, which authorization shall not be unreasonably withheld. The CONSULTANT shall, upon request of the SUCCESSOR AGENCY, execute any further document(s) necessary to further effectuate this waiver and disclaimer.

The CONSULTANT agrees that the SUCCESSOR AGENCY may use, reuse, alter, reproduce, modify, assign, transfer, or in any other way, medium, or method utilize the CONSULTANT'S written work product for the SUCCESSOR AGENCY'S purposes, and the CONSULTANT expressly waives and disclaims any residual rights granted to it by Civil Code Sections 980 through 989 relating to intellectual property and artistic works.

Any modification or reuse by the SUCCESSOR AGENCY of documents, drawings, or specifications prepared by the CONSULTANT shall relieve the CONSULTANT from liability under Section 14, but only with respect to the effect of the modification or reuse by the SUCCESSOR AGENCY, or for any liability to the SUCCESSOR AGENCY should the documents be used by the SUCCESSOR AGENCY for some project other than what was expressly agreed upon within the Scope of this project, unless otherwise mutually agreed.

8. **INDEPENDENT CONTRACTOR.** Both parties hereto in the performance of this Agreement will be acting in an independent capacity and not as agents, employees, partners, or joint venturers with one another. Neither the CONSULTANT nor the CONSULTANT'S employees are employees of the SUCCESSOR AGENCY, and are not entitled to any of the rights, benefits, or privileges of the SUCCESSOR AGENCY'S employees, including but not limited to retirement, medical, unemployment, or workers' compensation insurance.

This Agreement contemplates the personal services of the CONSULTANT and the CONSULTANT'S employees, and it is recognized by the parties that a substantial inducement to the SUCCESSOR AGENCY for entering into this Agreement was, and is, the professional reputation and competence of the CONSULTANT and its employees. Neither this Agreement nor any interest herein may be assigned by the CONSULTANT without the prior written consent of the SUCCESSOR AGENCY. Nothing herein contained is intended to prevent the CONSULTANT from employing or hiring as many employees, or SUBCONSULTANTS, as the CONSULTANT may deem necessary for the proper and efficient performance of this Agreement. All agreements by CONSULTANT with its SUBCONSULTANT(S) shall require the SUBCONSULTANT(S) to adhere to the applicable terms of this Agreement.

9. **CONTROL.** Neither the SUCCESSOR AGENCY nor its officers, agents, or employees shall have any control over the conduct of the CONSULTANT or any of the CONSULTANT'S employees, except as herein set forth, and the CONSULTANT or the

CONSULTANT'S agents, servants, or employees are not in any manner agents, servants, or employees of the SUCCESSOR AGENCY, it being understood that the CONSULTANT its agents, servants, and employees are as to the SUCCESSOR AGENCY wholly independent CONSULTANT, and that the CONSULTANT'S obligations to the SUCCESSOR AGENCY are solely such as are prescribed by this Agreement.

10. **COMPLIANCE WITH APPLICABLE LAW.** The CONSULTANT, in the performance of the services to be provided herein, shall comply with all applicable state and federal statutes and regulations, all Municipal Securities Rulemaking Board rules, and all applicable ordinances, rules, and regulations of the City of National City, whether now in force or subsequently enacted. The CONSULTANT and each of its SUBCONSULTANT(S), shall obtain and maintain a current City of National City business license prior to and during performance of any work pursuant to this Agreement.

11. **LICENSES, PERMITS, ETC.** The CONSULTANT represents and covenants that it has all licenses, permits, qualifications, and approvals of whatever nature that are legally required to practice its profession. The CONSULTANT represents and covenants that the CONSULTANT shall, at its sole cost and expense, keep in effect at all times during the term of this Agreement, any license, permit, or approval which is legally required for the CONSULTANT to practice its profession.

12. **STANDARD OF CARE.**

A. The CONSULTANT, in performing any services under this Agreement, shall perform in a manner consistent with that level of care and skill ordinarily exercised by members of the CONSULTANT'S trade or profession currently practicing under similar conditions and in similar locations. The CONSULTANT shall take all special precautions necessary to protect the CONSULTANT'S employees and members of the public from risk of harm arising out of the nature of the work and/or the conditions of the work site.

B. Unless disclosed in writing prior to the date of this Agreement, the CONSULTANT warrants to the SUCCESSOR AGENCY that it is not now, nor has it for the five (5) years preceding, been debarred by a governmental agency or involved in debarment, arbitration or litigation proceedings concerning the CONSULTANT'S professional performance or the furnishing of materials or services relating thereto.

C. The CONSULTANT is responsible for identifying any unique products, treatments, processes or materials whose availability is critical to the success of the project the CONSULTANT has been retained to perform, within the time requirements of the SUCCESSOR AGENCY, or, when no time is specified, then within a commercially reasonable time. Accordingly, unless the CONSULTANT has notified the SUCCESSOR AGENCY otherwise, the CONSULTANT warrants that all products, materials, processes or treatments identified in the project documents prepared for the SUCCESSOR AGENCY are reasonably commercially available. Any failure by the CONSULTANT to use due diligence under this sub-paragraph will render the CONSULTANT liable to the SUCCESSOR AGENCY for any increased costs that result from the SUCCESSOR AGENCY'S later inability to obtain the specified items or any reasonable substitute within a price range that allows for project completion in the time frame specified or, when not specified, then within a commercially reasonable time.

13. **NON-DISCRIMINATION PROVISIONS.** The CONSULTANT shall not discriminate against any employee or applicant for employment because of age, race, color,

ancestry, religion, sex, sexual orientation, marital status, national origin, physical handicap, or medical condition. The CONSULTANT will take positive action to insure that applicants are employed without regard to their age, race, color, ancestry, religion, sex, sexual orientation, marital status, national origin, physical handicap, or medical condition. Such action shall include but not be limited to the following: employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship. The CONSULTANT agrees to post in conspicuous places available to employees and applicants for employment any notices provided by the SUCCESSOR AGENCY setting forth the provisions of this non-discrimination clause.

14. **CONFIDENTIAL INFORMATION**. The SUCCESSOR AGENCY may from time to time communicate to the CONSULTANT certain confidential information to enable the CONSULTANT to effectively perform the services to be provided herein. The CONSULTANT shall treat all such information as confidential and shall not disclose any part thereof without the prior written consent of the SUCCESSOR AGENCY. The CONSULTANT shall limit the use and circulation of such information, even within its own organization, to the extent necessary to perform the services to be provided herein. The foregoing obligation of this Section 14, however, shall not apply to any part of the information that (i) has been disclosed in publicly available sources of information; (ii) is, through no fault of the CONSULTANT, hereafter disclosed in publicly available sources of information; (iii) is already in the possession of the CONSULTANT without any obligation of confidentiality; or (iv) has been or is hereafter rightfully disclosed to the CONSULTANT by a third party, but only to the extent that the use or disclosure thereof has been or is rightfully authorized by that third party.

The CONSULTANT shall not disclose any reports, recommendations, conclusions, or other results of the services or the existence of the subject matter of this Agreement without the prior written consent of the SUCCESSOR AGENCY. In its performance hereunder, the CONSULTANT shall comply with all legal obligations it may now or hereafter have respecting the information or other property of any other person, firm, or corporation.

CONSULTANT shall be liable to SUCCESSOR AGENCY for any damages caused by breach of this condition, pursuant to the provisions of Section 14.

15. **INDEMNIFICATION AND HOLD HARMLESS**. The CONSULTANT agrees to defend, indemnify and hold harmless the City of National City, its officers and employees, against and from any and all liability, loss, damages to property, injuries to, or death of any person or persons, and all claims, demands, suites, actions, proceedings, reasonable attorneys' fees, and defense costs, of any kind or nature, including workers' compensation claims, of or by anyone whomsoever, resulting from or arising out of the CONSULTANT'S performance or other obligations under this Agreement; provided, however, that this indemnification and hold harmless shall not include any claims or liability arising from the established sole negligence or willful misconduct of the SUCCESSOR AGENCY, its agents, officers, or employees. The indemnity, defense, and hold harmless obligations contained herein shall survive the termination of this Agreement for any alleged or actual omission, act, or negligence under this Agreement that occurred during the term of this Agreement.

16. **WORKERS' COMPENSATION**. The CONSULTANT shall comply with all of the provisions of the Workers' Compensation Insurance and Safety Acts of the State of

California, the applicable provisions of Division 4 and 5 of the California Government Code and all amendments thereto; and all similar State or federal acts or laws applicable; and shall indemnify, and hold harmless the SUCCESSOR AGENCY and its officers, and employees from and against all claims, demands, payments, suits, actions, proceedings, and judgments of every nature and description, including reasonable attorney's fees and defense costs presented, brought or recovered against the SUCCESSOR AGENCY or its officers, employees, or volunteers, for or on account of any liability under any of said acts which may be incurred by reason of any work to be performed by the CONSULTANT under this Agreement.

17. **INSURANCE.** The CONSULTANT, at its sole cost and expense, shall purchase and maintain, and shall require its SUBCONSULTANT(S), when applicable, to purchase and maintain throughout the term of this Agreement, the following checked insurance policies:

A. If checked, **Professional Liability Insurance** (errors and omissions) with minimum limits of \$5,000,000 per occurrence.

B. **Automobile Insurance** covering all bodily injury and property damage incurred during the performance of this Agreement, with a minimum coverage of \$1,000,000 combined single limit per accident. Such automobile insurance shall include owned, non-owned, and hired vehicles ("any auto"). The policy shall name the SUCCESSOR AGENCY and its officers, agents and employees as additional insureds, and a separate additional insured endorsement shall be provided.

C. **Commercial General Liability Insurance**, with minimum limits of \$2,000,000 per occurrence and \$4,000,000 aggregate, covering all bodily injury and property damage arising out of its operations under this Agreement. The policy shall name the SUCCESSOR AGENCY and its officers, agents and employees as additional insureds, and a separate additional insured endorsement shall be provided. The general aggregate limit must apply solely to this "project" or "location."

D. **Workers' Compensation Insurance** in an amount sufficient to meet statutory requirements covering all of CONSULTANT'S employees and employers' liability insurance with limits of at least \$1,000,000 per accident. In addition, the policy shall be endorsed with a waiver of subrogation in favor of the SUCCESSOR AGENCY. Said endorsement shall be provided prior to commencement of work under this Agreement.

If CONSULTANT has no employees subject to the California Workers' Compensation and Labor laws, CONSULTANT shall execute a Declaration to that effect. Said Declaration shall be provided to CONSULTANT by SUCCESSOR AGENCY.

E. The aforesaid policies shall constitute primary insurance as to the SUCCESSOR AGENCY, its officers, employees, and volunteers, so that any other policies held by the SUCCESSOR AGENCY shall not contribute to any loss under said insurance. Said policies shall provide for thirty (30) days prior written notice to the SUCCESSOR AGENCY of cancellation or material change.

F. If required insurance coverage is provided on a "claims made" rather than "occurrence" form, the CONSULTANT shall maintain such insurance coverage for three years after expiration of the term (and any extensions) of this Agreement. In addition, the "retro" date must be on or before the date of this Agreement.

G. Insurance shall be written with only California admitted companies that hold a current policy holder's alphabetic and financial size category rating of not less than A VIII according to the current Best's Key Rating Guide, or a company equal financial stability that is approved by the SUCCESSOR AGENCY'S Risk Manager. In the event coverage is provided by

non-admitted "surplus lines" carriers, they must be included on the most recent California List of Eligible Surplus Lines Insurers (LESLI list) and otherwise meet rating requirements.

H. This Agreement shall not take effect until certificate(s) or other sufficient proof that these insurance provisions have been complied with, are filed with, and approved by the SUCCESSOR AGENCY'S Risk Manager. If the CONSULTANT does not keep all of such insurance policies in full force and effect at all times during the terms of this Agreement, the SUCCESSOR AGENCY may elect to treat the failure to maintain the requisite insurance as a breach of this Agreement and terminate the Agreement as provided herein.

I. All deductibles and self-insured retentions in excess of \$10,000 must be disclosed to and approved by the SUCCESSOR AGENCY.

18. **LEGAL FEES.** If any party brings a suit or action against the other party arising from any breach of any of the covenants or agreements or any inaccuracies in any of the representations and warranties on the part of the other party arising out of this Agreement, then in that event, the prevailing party in such action or dispute, whether by final judgment or out-of-court settlement, shall be entitled to have and recover of and from the other party all costs and expenses of suit, including attorneys' fees.

For purposes of determining who is to be considered the prevailing party, it is stipulated that attorney's fees incurred in the prosecution or defense of the action or suit shall not be considered in determining the amount of the judgment or award. Attorney's fees to the prevailing party if other than the SUCCESSOR AGENCY shall, in addition, be limited to the amount of attorney's fees incurred by the SUCCESSOR AGENCY in its prosecution or defense of the action, irrespective of the actual amount of attorney's fees incurred by the prevailing party.

19. **TERMINATION.**

A. This Agreement may be terminated with or without cause by the SUCCESSOR AGENCY. Termination without cause shall be effective only upon 60-day's written notice to the CONSULTANT. During said 60-day period the CONSULTANT shall perform all services in accordance with this Agreement.

B. This Agreement may also be terminated immediately by the SUCCESSOR AGENCY for cause in the event of a material breach of this Agreement, misrepresentation by the CONSULTANT in connection with the formation of this Agreement or the performance of services, or the failure to perform services as directed by the SUCCESSOR AGENCY.

C. Termination with or without cause shall be effected by delivery of written Notice of Termination to the CONSULTANT as provided for herein.

D. In the event of termination, all finished or unfinished Memoranda Reports, Maps, Drawings, Plans, Specifications and other documents prepared by the CONSULTANT, whether paper or electronic, shall immediately become the property of and be delivered to the SUCCESSOR AGENCY, and the CONSULTANT shall be entitled to receive just and equitable compensation for any work satisfactorily completed on such documents and other materials up to the effective date of the Notice of Termination, not to exceed the amounts payable hereunder, and less any damages caused the SUCCESSOR AGENCY by the CONSULTANT'S breach, if any. Thereafter, ownership of said written material shall vest in the SUCCESSOR AGENCY all rights set forth in Section 7.

E. The SUCCESSOR AGENCY further reserves the right to immediately terminate this Agreement upon: (1) the filing of a petition in bankruptcy affecting the CONSULTANT; (2) a reorganization of the CONSULTANT for the benefit of creditors; or (3) a

business reorganization, change in business name or change in business status of the CONSULTANT.

20. **NOTICES.** All notices or other communications required or permitted hereunder shall be in writing, and shall be personally delivered; or sent by overnight mail (Federal Express or the like); or sent by registered or certified mail, postage prepaid, return receipt requested; or sent by ordinary mail, postage prepaid; or telegraphed or cabled; or delivered or sent by telex, telecopy, facsimile or fax; and shall be deemed received upon the earlier of (i) if personally delivered, the date of delivery to the address of the person to receive such notice, (ii) if sent by overnight mail, the business day following its deposit in such overnight mail facility, (iii) if mailed by registered, certified or ordinary mail, five (5) days (ten (10) days if the address is outside the State of California) after the date of deposit in a post office, mailbox, mail chute, or other like facility regularly maintained by the United States Postal Service, (iv) if given by telegraph or cable, when delivered to the telegraph company with charges prepaid, or (v) if given by telex, telecopy, facsimile or fax, when sent. Any notice, request, demand, direction or other communication delivered or sent as specified above shall be directed to the following persons:

To SUCCESSOR AGENCY:

Director of Finance
City of National City
1243 National City Boulevard
National City, CA 91950-4301

To CONSULTANT:

Craig Hill, Principal
NHA Advisors, LLC
4040 Civic Center Drive, Suite 200
San Rafael, CA 94903

Notice of change of address shall be given by written notice in the manner specified in this Section. Rejection or other refusal to accept or the inability to deliver because of changed address of which no notice was given shall be deemed to constitute receipt of the notice, demand, request, or communication sent. Any notice, request, demand, direction or other communication sent by cable, telex, telecopy, facsimile or fax must be confirmed within forty-eight (48) hours by letter mailed or delivered as specified in this Section.

21. **CONFLICT OF INTEREST AND POLITICAL REFORM ACT OBLIGATIONS.** During the term of this Agreement, the CONSULTANT shall not perform services of any kind for any person or entity whose interests conflict in any way with those of the SUCCESSOR AGENCY. The CONSULTANT also agrees not to specify any product, treatment, process, or material for the project in which the CONSULTANT has a material financial interest, either direct or indirect, without first notifying the SUCCESSOR AGENCY of that fact. The CONSULTANT shall at all times comply with the terms of the Political Reform Act and the National City Conflict of Interest Code. The CONSULTANT shall immediately disqualify itself and shall not use its official position to influence in any way any matter coming before the SUCCESSOR AGENCY in which the CONSULTANT has a financial interest as defined in Government Code Section 87103. The CONSULTANT represents that it has no

knowledge of any financial interests that would require it to disqualify itself from any matter on which it might perform services for the SUCCESSOR AGENCY.

If checked, the CONSULTANT shall comply with all of the reporting requirements of the Political Reform Act and the National City Conflict of Interest Code. Specifically, the CONSULTANT shall file a Statement of Economic Interests with the City Clerk of the City of National City in a timely manner on forms which the CONSULTANT shall obtain from the City Clerk.

The CONSULTANT shall be strictly liable to the SUCCESSOR AGENCY for all damages, costs or expenses the SUCCESSOR AGENCY may suffer by virtue of any violation of this Paragraph 22 by the CONSULTANT.

22. **PREVAILING WAGES.** State prevailing wage rates may apply to work performed under this Agreement. State prevailing wages rates apply to all public works contracts as set forth in California Labor Code, including but not limited to, Sections 1720, 1720.2, 1720.3, 1720.4, and 1771. Consultant is solely responsible to determine if State prevailing wage rates apply and, if applicable, pay such rates in accordance with all laws, ordinances, rules, and regulations.

23. **MISCELLANEOUS PROVISIONS.**

A. *Computation of Time Periods.* If any date or time period provided for in this Agreement is or ends on a Saturday, Sunday or federal, state or legal holiday, then such date shall automatically be extended until 5:00 p.m. Pacific Time of the next day which is not a Saturday, Sunday or federal, state, or legal holiday.

B. *Counterparts.* This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which, together, shall constitute but one and the same instrument.

C. *Captions.* Any captions to, or headings of, the sections or subsections of this Agreement are solely for the convenience of the parties hereto, are not a part of this Agreement, and shall not be used for the interpretation or determination of the validity of this Agreement or any provision hereof.

D. *No Obligations to Third Parties.* Except as otherwise expressly provided herein, the execution and delivery of this Agreement shall not be deemed to confer any rights upon, or obligate any of the parties hereto, to any person or entity other than the parties hereto.

E. *Exhibits and Schedules.* The Exhibits and Schedules attached hereto are hereby incorporated herein by this reference for all purposes. To the extent any exhibits or schedules or provisions thereof conflict or are inconsistent with the terms and conditions contained in this Agreement, the terms and conditions of this Agreement will control.

F. *Amendment to this Agreement.* The terms of this Agreement may not be modified or amended except by an instrument in writing executed by each of the parties hereto.

G. *Waiver.* The waiver or failure to enforce any provision of this Agreement shall not operate as a waiver of any future breach of any such provision or any other provision hereof.

H. *Applicable Law.* This Agreement shall be governed by and construed in accordance with the laws of the State of California.

I. **Audit.** If this Agreement exceeds ten-thousand dollars (\$10,000), the parties shall be subject to the examination and audit of the State Auditor for a period of three (3) years after final payment under the Agreement, per Government Code Section 8546.7.

J. **Entire Agreement.** This Agreement supersedes any prior agreements, negotiations and communications, oral or written, and contains the entire agreement between the parties as to the subject matter hereof. No subsequent agreement, representation, or promise made by either party hereto, or by or to an employee, officer, agent, or representative of any party hereto shall be of any effect unless it is in writing and executed by the party to be bound thereby.

K. **Successors and Assigns.** This Agreement shall be binding upon and shall inure to the benefit of the successors and assigns of the parties hereto.

L. **Construction.** The parties acknowledge and agree that (i) each party is of equal bargaining strength, (ii) each party has actively participated in the drafting, preparation and negotiation of this Agreement, (iii) each such party has consulted with or has had the opportunity to consult with its own, independent counsel and such other professional advisors as such party has deemed appropriate, relative to any and all matters contemplated under this Agreement, (iv) each party and such party's counsel and advisors have reviewed this Agreement, (v) each party has agreed to enter into this Agreement following such review and the rendering of such advice, and (vi) any rule or construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in the interpretation of this Agreement, or any portions hereof, or any amendments hereto.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date and year first above written.

**SUCCESSOR AGENCY TO THE COMMUNITY NHA ADVISORS, LLC
DEVELOPMENT COMMISSION AS THE
NATIONAL CITY REDEVELOPMENT
AGENCY**

By: _____
Leslie Deese, Executive Director

By:  _____
(Name)

CRAIG HILL
(Print)

PRINCIPAL
(Title)

APPROVED AS TO FORM:

George H. Eiser, III
Interim General Counsel for the Successor Agency
to the Community Development Commission as the
National City Redevelopment Agency

NHA Advisors, LLC

Scope of Services

Municipal advisory services may include, but are not limited to, assisting the Successor Agency to the Community Development Commission as the National City Redevelopment Agency ("Successor Agency") to:

- review the Successor Agency's long-range financing needs, particularly with respect to its capital improvement program, and develop alternative strategies for meeting those needs;
- analyze and interpret legislation for economic or financial opportunities or impacts for the Successor Agency;
- analyze and interpret complex business plans and financial proposals made to the Successor Agency;
- present alternative strategies for managing the Successor Agency's current or future debt to achieve the best value for taxpayers.

The consultant may also be called upon to assist with the issuance of debt, including, but not limited to:

- review of credit issues & key terms of the financing indenture;
- review and analysis of complex business plans and financial proposals, including those for refunding opportunities, made to the Successor Agency;
- selling bonds or obtaining other debt financing by performing tasks such as:
 - advising on the essential features of the bond or other financing structure;
 - providing market analysis and information to determine the best method of sale or course of action for the Successor Agency;
 - assisting with or preparing requests for proposals as appropriate for other professional services needed to carry out the financing;
 - participating in the preparation of offering or other documents needed for the financing;
 - preparing or coordinating the preparation of material for such purposes as rating agency and credit enhancement review processes;
 - coordinating the bidding for bonds in a competitive sale;
 - negotiating bond terms in a negotiated sale;
 - working with the finance team to facilitate an effective bond sale or other closing and delivery of proceeds;
 - providing post-sale advice on proceeds investments (as needed);
- preparation and submittal of continuing disclosure reports annually, or as otherwise required by the Successor Agency's current or future bond covenants, to the Electronic Municipal Market Access, a service of the Municipal Securities Rulemaking Board.

NHA ADVISORS, LLC

**HOURLY RATES AND MAXIMUM FEE TO
PERFORM MUNICIPAL ADVISORY SERVICES**

For projects not directly related to the issuance of any debt obligations, the Successor Agency to the Community Development Commission as the National City Redevelopment Agency ("Successor Agency") will be billed at the following hourly rates:

Principal	\$275
Vice President	\$225
Associate	\$175
Analyst	\$125
Administrative	\$75

The Successor Agency will reimburse NHA for reasonable and necessary out-of-pocket expenses, including but not limited to data resources, photocopying, postage, and delivery. California travel will not be considered a reimbursable expense.

For projects associated with the issuance of notes, bonds, or other obligations, the Successor Agency will compensate NHA in accordance with the table below. The ranges provided in the table are indicative. NHA's specific compensation on a project, which shall be agreed upon prior to commencement of the project, will depend upon the time required to complete the process, which is typically a function of credit quality, structure, and nature/extent of NHA's role, and NHA's expected time commitment.

<u>Project</u>	<u>Fee Range</u>
Tax and Revenue Anticipation Notes	\$17,500 - \$22,500
Certificates of Participation	\$42,500 - \$67,500
Tax Allocation Bonds	\$47,500 - \$92,500
Revenue Bonds	\$47,500 - \$72,500
Assessment Districts	\$32,500 - \$72,500
Community Facilities Districts	\$37,500 - \$72,500

RESOLUTION NO. 2017 – 02

**RESOLUTION OF THE BOARD OF THE SUCCESSOR AGENCY
TO THE COMMUNITY DEVELOPMENT COMMISSION AS
THE NATIONAL CITY REDEVELOPMENT AGENCY
AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE
AN AGREEMENT WITH NHA ADVISORS, LLC, FOR MUNICIPAL
ADVISORY SERVICES FOR THE PERIOD JANUARY 17, 2017 THROUGH
DECEMBER 31, 2019 WITH TWO ADDITIONAL ONE-YEAR OPTIONS**

WHEREAS, in anticipation of the expiration of its agreement with its current municipal advisor, Urban Futures, Inc., on January 31, 2017, the City of National City, on behalf of itself, the Successor Agency, and the Housing Authority, issued a request for proposals (“RfP”) for municipal advisory services on September 15, 2016; and

WHEREAS, four (4) responses to the Requests for Proposals were received and reviewed, taking into consideration, among other things, relevant experience with California municipal governments, commitment of key members of the firm to the Successor Agency, demonstrated knowledge of the work/services required, approach to municipal advisory services and, cost of services; and

WHEREAS, after reviewing and considering each proposal, and interviewing representatives of each of the firms, it was determined that NHA Advisors, LLC, would best meet the municipal advisory services needs of the Successor Agency; and

WHEREAS, NHA Advisors, LLC, (“NHA”) is an independently-owned municipal advisor/Independent Registered Municipal Advisor organized as a California limited liability company that specializes in providing municipal advisory services to local government agencies only in California, with a primary focus on small and medium-sized cities, special districts (utilities and community services), and successor agencies to redevelopment; and

WHEREAS, NHA is qualified by experience and ability to perform the services desired by the City, Successor Agency, and the Housing Authority, and NHA is willing to perform such services for the period January 17, 2017 through December 31, 2019, with two additional one-year options; and

WHEREAS, this Agreement, insofar as it provides for services to the Successor Agency, requires the approval of the Oversight Board to the Successor Agency and the California Department of Finance prior to being effective.

NOW, THEREFORE, BE IT RESOLVED by the Oversight Board to the Successor Agency to the Community Development Commission as the National City Redevelopment Agency, as follows:

Section 1. The foregoing recitals are true and correct, and are a substantive part of this Resolution.

Section 2. The Oversight Board approves the Successor Agency's selection of NHA Advisors, LLC and authorizes the Executive Director to execute an Agreement with NHA Advisors, LLC, for municipal advisory services for the period January 17, 2017 through December 31, 2019, with two additional one-year extension options. The Oversight Board has

reviewed said Agreement, a copy of which is on file in the office of the City Clerk as a public record.

Section 3. The Oversight Board Secretary and/or Successor Agency Secretary shall certify to the adoption of this Resolution.

Section 4. Pursuant to California Health and Safety Code Section 34179(h)(2), the State of California Department of Finance may review Oversight Board action; therefore, this Resolution shall be effective on the date five (5) business days after its adoption, absent and pending any request for review by the State of California Department of Finance.

PASSED and ADOPTED this 18th day of January, 2017.

Ron Morrison, Chairman

ATTEST:

Brad Raulston, Executive Director
Secretary to the Oversight Board

APPROVED AS TO FORM:

Oversight Board Counsel
Edward Z. Kotkin, Esq.
Law Offices of Edward Z. Kotkin