

**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 – March 15, 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. 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 January 18, 2017.
3. 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 February 15, 2017.
4. Resolution of the Oversight Board to the Successor Agency to the Community Development Commission as the National City Redevelopment Agency authorizing the Chairman of the Successor Agency to execute a First Amendment to the 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, regarding errors and omissions insurance.
(Resolution 2017-05)

REPORTS

5. 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 April 19, 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 ROPS 16-17B.

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 March 15, 2017.

Oversight Board Chairman

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

January 18, 2017

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 3:04 pm by Chairman Ron Morrison.

ROLL CALL

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

OTHER STAFF PRESENT: Deputy City Manager Brad Raulston, Director of Finance Mark Roberts, Financial Analyst Janel Pehau, Interim City Attorney George Eiser

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 September 21, 2016.

RECOMMENDATION: Approve the minutes as presented.

ACTION: Motion by Perri, seconded by Morrison to approve the minutes of the regular meeting held on September 21, 2016.

Motion carried by the following vote:

Ayes: Fellows, Morrison, Perri

Abstain: Kerl, Desrochers

Absent: McCarthy, Carson

Following the vote, Legal Counsel, Edward Kotkin advised telephonically that a quorum was not present to initiate a vote; therefore, the item would require a re-vote at the next Oversight Board meeting.

2. **SUBJECT:** 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)

RECOMMENDATION: Approve the Resolution

ACTION: Motion by Perri, seconded by Desrochers to approve Resolution (2017-01).

Motion carried by the following vote:

Ayes: Fellows, Desrochers, Morrison, Kerl, Perri

Absent: McCarthy, Carson

3. **SUBJECT:** 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)

RECOMMENDATION: Approve the Resolution

ACTION: Motion by Desrochers, seconded by Fellows to approve Resolution (2017-02).

Motion carried by the following vote:

Ayes: Fellows, Desrochers, Morrison, Kerl, Perri

Absent: McCarthy, Carson

REPORTS

4. Update on Redevelopment Issues: Deputy City Manager Brad Raulston provided an update on various parcels and noted the City's goal to be a catalyst for the H&M Goodies and Trophy Lounge sites.

In response to a question posed by an Oversight Board member, Financial Analyst Janel Pehau advised that the Oversight Board's obligation would end in June 2018.

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 February 15, 2017 at 3:00 p.m., Council Chambers – National City Civic Center, California.

The meeting adjourned at 3:17 p.m.

Clerk

Secretary

The foregoing minutes were approved at the Regular Meeting of March 15, 2017.

Oversight Board Chairman

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

February 15, 2017

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 Vice Chair Paul Desrochers.

ROLL CALL

Board Members Present: Desrochers, Carson, Fellows, Perri

Board Members Absent: Morrison, Kerl, McCarthy

OTHER STAFF PRESENT: Deputy City Manager Brad Raulston, Director of Finance Mark Roberts, Financial Analyst Janel Pehau, Interim City Attorney George Eiser

PLEDGE OF ALLEGIANCE by Vice Chair Desrochers

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 September 21, 2016.

RECOMMENDATION: Approve the minutes as presented.

Item postponed to the next meeting, due to lack of a quorum eligible to vote.

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 January 18, 2017.

RECOMMENDATION: Approve the minutes as presented.

Item postponed to the next meeting, due to lack of a quorum eligible to vote.

3. **SUBJECT:** Resolution of the Oversight Board to the Successor Agency to the Community Development Commission as the National City Redevelopment Agency authorizing the Chairman of the Successor Agency to execute the Fourth Amendment to the Agreement for Legal Services between the Successor Agency and Christensen & Spath, LLP, to extend the term, with no change in the total agreement amount of \$450,000. **(Resolution 2017-03)**

RECOMMENDATION: Approve the Resolution

ACTION: Motion by Carson, seconded by Perri to approve Resolution (2017-03) with a correction noted that the agreement shall extend for an indefinite term, subject to termination by either party upon 60 days' written notice.

Motion carried by the following vote:

Ayes: Desrochers, Carson, Fellows, Perri

Abstain: None.

Absent: Morrison, Kerl, McCarthy

4. **SUBJECT:** Resolution of the Oversight Board to the Successor Agency to the Community Development Commission as the National City Redevelopment Agency authorizing the Chairman of the Successor Agency to execute an Agreement for Legal Services between the Successor Agency and Richard G. Opper, with a not-to-exceed amount of \$50,000. **(Resolution 2017-04)**

RECOMMENDATION: Approve the Resolution

ACTION: Motion by Carson, seconded by Fellows to approve Resolution (2017-04).

Motion carried by the following vote:

Ayes: Desrochers, Carson, Fellows, Perri

Abstain: None.

Absent: Morrison, Kerl, McCarthy

5. **SUBJECT:** Resolution of the Oversight Board to the Successor Agency to the Community Development Commission as the National City Redevelopment Agency authorizing the Chairman of the Successor Agency to execute a First Amendment to the 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, regarding errors and omissions insurance. **(Resolution 2017-05)**

RECOMMENDATION: Approve the Resolution

ACTION: Motion by Carson, seconded by Perri to postpone the item to the next meeting to allow staff time to provide more information regarding the amendment of the agreement due to the consultant's insurance coverage.

Motion carried by the following vote:

Ayes: Desrochers, Carson, Fellows, Perri

Abstain: None.

Absent: Morrison, Kerl, McCarthy

REPORTS

6. Update on Redevelopment Issues: In response to a question posed by Vice Chair Desrochers, Deputy City Manager Brad Raulston spoke to a new Senate Bill proposed by Speaker Toni Atkins regarding a transaction fee that would create a funding source for affordable housing. Mr. Raulston noted that a Request for Proposals would be released in March 2017 to acquire a development partner for development of City-owned downtown properties.

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 March 15, 2017 at 3:00 p.m., Council Chambers – National City Civic Center, California.

The meeting adjourned at 3:21 p.m.

Clerk

Secretary

The foregoing minutes were approved at the Regular Meeting of March 15, 2017.

Oversight Board Chairman

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

MEETING DATE: March 15, 2017

AGENDA ITEM NO. 4

ITEM TITLE:

Resolution of the Oversight Board to the Successor Agency to the Community Development Commission as the National City Redevelopment Agency authorizing the Chairman of the Successor Agency to execute a First Amendment to the 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, regarding errors and omissions insurance.

PREPARED BY: Mark Roberts, Director of Finance

DEPARTMENT: Successor Agency

PHONE: 619-336-4265

APPROVED BY: Mark Roberts

EXPLANATION:

See attached staff report.

FINANCIAL STATEMENT:

APPROVED: Mark Roberts Finance

ACCOUNT NO.

APPROVED: _____ MIS

Expenses may be paid from various accounts.

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 Chairman of the Successor Agency to the Community Development Commission as the National City Redevelopment Agency to execute the First Amendment to the Agreement with NHA Advisors, LLC and authorizing staff to submit the First Amendment to the Agreement to the State Department of Finance.

BOARD / COMMISSION RECOMMENDATION:

Successor Agency: Adopt the resolution, authorizing the Chairman of the Successor Agency to the Community Development Commission as the National City Redevelopment Agency to execute the First Amendment to the Agreement with NHA Advisors, LLC and authorizing staff to submit the First Amendment to the Agreement to the State Department of Finance.

ATTACHMENTS:

1. NHA Advisors, LLC agreement amendment
2. February 15, 2017 Oversight Board Agenda Statement
3. January 18, 2017 Oversight Board Staff Report
4. Resolution 2017-05



Oversight Board Staff Report

March 15, 2017

ITEM

Resolution of the Oversight Board to the Successor Agency to the Community Development Commission as the National City Redevelopment Agency authorizing the Chairman of the Successor Agency to execute a First Amendment to the 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, regarding errors and omissions insurance.

BACKGROUND

On January 18, 2017, the Oversight Board adopted Resolution 2017-02 authorizing the Successor Agency to enter into an agreement with NHA Advisors LLC for municipal advisory services. Subsequent to that action, staff and NHA Advisors engaged in further discussions regarding the minimum insurance requirements for professional liability and commercial general liability provided for in the agreement. Staff concluded that the minimum levels were too high given the nature of the services to be provided. Consequently, staff returned to the Successor Agency Board and the Oversight Board to request approval of an amendment to the agreement to lower the minimum levels with the provision the Successor Agency reserves the right to review and require higher professional liability insurance limits for engagements deemed by the Successor Agency to pose greater than normal risk. On February 7, 2017, the Successor Agency Board approved the request. On February 18, 2017, the Oversight Board considered the request to amend the agreement, but delayed action on it until additional information could be provided.

DISCUSSION

In the original agreement with NHA Advisors, the minimum professional liability (“errors and omissions”) insurance limit was stated to be \$5 million per occurrence, and the minimum commercial general liability insurance limits required to be maintained were reflected as \$2 million per occurrence and \$4 million in the aggregate. The City’s standard agreement requires a minimum of \$1 million per occurrence for professional liability coverage. For commercial general liability insurance, there is an option of either \$2 million per occurrence and \$4 million aggregate or \$1 million per occurrence and \$2 million aggregate with a \$2 million umbrella policy. Upon consultation with the City’s risk manager, insurance provisions may be modified to reflect the risk scope of services. In this case, \$1 million per occurrence and \$2 million aggregate each for professional liability and commercial general liability have been deemed to be

Resolution of the Oversight Board to the Successor Agency to the Community Development Commission as the National City Redevelopment Agency authorizing the Chairman of the Successor Agency to execute a First Amendment to the 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, regarding errors and omissions insurance.
March 15, 2017

sufficient but with the provision that, if the Executive Director determines at a future point that higher limits are necessary to protect the interests of the Successor Agency, NHA Advisors will be notified and will be obligated to obtain the additional limits of insurance.

STAFF RECOMMENDATION

Staff recommends the Oversight Board adopt the resolution, authorizing the Chairman of the Successor Agency to the Community Development Commission as the National City Redevelopment Agency to execute the First Amendment to the Agreement with NHA Advisors, LLC and authorizing staff to submit the First Amendment to the Agreement to the State Department of Finance.

BOARD/COMMISSION RECOMMENDATION

Successor Agency: Adopt the resolution, authorizing the Chairman of the Successor Agency to the Community Development Commission as the National City Redevelopment Agency to execute the First Amendment to the Agreement with NHA Advisors, LLC and authorizing staff to submit the First Amendment to the Agreement to the State Department of Finance.

ATTACHMENTS

NHA Advisors, LLC Agreement

February 15, 2017 Oversight Board Agenda Statement

January 18, 2017 Oversight Board Staff Report

Resolution 2017-05

**FIRST AMENDMENT TO AGREEMENT
BY AND BETWEEN
THE SUCCESSOR AGENCY TO
THE COMMUNITY DEVELOPMENT COMMISSION AS
THE NATIONAL CITY REDEVELOPMENT AGENCY
AND NHA ADVISORS, LLC, FOR
MUNICIPAL ADVISORY SERVICES**

THIS FIRST AMENDMENT TO AGREEMENT is entered into this 7th day of February, 2017, by and between the Successor Agency to the Community Development Commission as the National City Redevelopment Agency, a political subdivision of the State of California (the "SUCCESSOR AGENCY") and NHA ADVISORS, LLC, a California limited liability company (the "CONSULTANT").

RECITALS

A. The SUCCESSOR AGENCY, at their meeting of January 17, 2017, authorized the Executive Director to execute an Agreement with NHA Advisors, LLC, to provide municipal advisory services through December 31, 2019, with two additional one-year options; and

B. The parties have agreed to amend Subsections "A" and "C" of Section 17 of the Agreement pertaining to Professional Liability and Commercial General Liability insurance coverage, and to add Subsection "J" to Section 17 of the Agreement pertaining to the periodic adjustment of limits of insurance coverage.

NOW, THEREFORE, THE PARTIES HERETO AGREE that the Agreement entered into on January 17, 2017, shall be amended as follows:

1. Section A of Section 17, Insurance, is amended to read as follows:

A. If checked, **Professional Liability Insurance** (errors and omissions) with minimum limits of \$1,000,000 per occurrence and \$2,000,000 aggregate.

2. Subsection C of Section 17, Insurance, is amended to read as follows:

C. **Commercial General Liability Insurance**, with minimum limits of \$1,000,000 per occurrence and \$2,000,000 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, employees, and volunteers as additional insureds, and a separate additional insured endorsement shall be provided. The general aggregate limit must apply solely to this "project" or "location".

3. Subsection J is added to Section 17, Insurance, to read as follows:

J. The Executive Director or their designee may periodically review the insurance coverage required to be carried by the CONSULTANT. If the Executive Director or their designee determines that higher limits are necessary to protect the interests of the SUCCESSOR AGENCY or the Additional Insureds, the CONSULTANT shall be so notified and shall obtain the additional limits of insurance at its sole cost and expense.

THE PARTIES FURTHER AGREE that with the foregoing exceptions, each and every provision of the Agreement entered into on January 17, 2017, shall remain in full force and effect.

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

**SUCCESSOR AGENCY TO THE
COMMUNITY DEVELOPMENT
COMMISSION AS THE NATIONAL CITY
REDEVELOPMENT AGENCY**

NHA ADVISORS, LLC

By: _____
Ron Morrison, Chairman

By:  _____
Craig Hill, Principal

APPROVED AS TO FORM:

George H. Eiser, III
Interim Successor Agency Counsel

POLICY NUMBER: 72SBMAK4728

COMMERCIAL GENERAL LIABILITY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED-OWNERS, LESSEES OR CONTRACTORS (Form B)

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY

SCHEDULE

Successor Agency to the Community Development Commission as the National City Redevelopment Agency, and its officers, agents and employees.

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

WHO IS AN INSURED (Section II) is amended to include as an insured the person or organization shown in the Schedule, but only with respect to liability arising out of your ongoing operations performed for that insured.

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

MEETING DATE: February 15, 2017

AGENDA ITEM NO. 5

ITEM TITLE:

Resolution of the Oversight Board to the Successor Agency to the Community Development Commission as the National City Redevelopment Agency authorizing the Chairman of the Successor Agency to execute a First Amendment to the 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, regarding errors and omissions insurance.

PREPARED BY: Mark Roberts, Director of Finance

DEPARTMENT: Successor Agency

PHONE: 619-338-4265

APPROVED BY: 

EXPLANATION:

The Successor Agency entered into an agreement with NHA Advisors LLC on January 17, 2017 for municipal advisory services for the Successor Agency. The minimum commercial general liability insurance limits required to be maintained by NHA Advisors by the agreement are \$2 million per occurrence and \$4 million aggregate. The minimum professional liability ("errors and omissions") insurance limit required is \$5 million per occurrence.

After additional review of the agreement, staff has determined the required insurance limits stated are incorrect. Therefore, staff seeks to amend the agreement to decrease each of the minimum required limits to \$1 million per occurrence and \$2 million aggregate with the provision the Successor Agency reserves the right to review and require higher professional liability insurance limits for engagements deemed by the Successor Agency to pose greater than normal risk.

FINANCIAL STATEMENT:

APPROVED:  Finance

ACCOUNT NO.

APPROVED: _____ MIS

See attached staff report.

Expenses may be paid from various accounts.

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 Chairman of the Successor Agency to the Community Development Commission as the National City Redevelopment Agency to execute the First Amendment to the Agreement with NHA Advisors, LLC and authorizing staff to submit the First Amendment to the Agreement to the State Department of Finance.

BOARD / COMMISSION RECOMMENDATION:

Successor Agency: Adopt the resolution, authorizing the Chairman of the Successor Agency to the Community Development Commission as the National City Redevelopment Agency to execute the First Amendment to the Agreement with NHA Advisors, LLC and authorizing staff to submit the First Amendment to the Agreement to the State Department of Finance.

ATTACHMENTS:

1. NHA Advisors, LLC agreement amendment
2. Resolution 2017-05



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

RESOLUTION NO. 2017 – 05

**RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY
TO THE COMMUNITY DEVELOPMENT COMMISSION AS
THE NATIONAL CITY REDEVELOPMENT AGENCY
AUTHORIZING THE CHAIRMAN OF THE SUCCESSOR AGENCY TO EXECUTE
A FIRST AMENDMENT TO THE 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, REGARDING
ERRORS AND OMISSIONS INSURANCE**

WHEREAS, the Board of the Successor Agency to the Community Development Commission as the National City Redevelopment Agency ("Successor Agency") adopted Resolution No. 2017-82 at their meeting of January 17, 2017, and the Oversight Board to the Successor Agency adopted Resolution No. 2017-02 at its meeting on January 18, 2017, both actions authorizing the Chairman of the Successor Agency to execute an Agreement with NHA Advisors, LLC ("NHA"), to provide municipal advisory services through December 31, 2019, with two additional one-year options ("Agreement"); and

WHEREAS, the Successor Agency and NHA have agreed to amend Subsections "A" and "C" of Section 17 of the Agreement pertaining to Professional Liability and Commercial General Liability insurance coverage, and to add Subsection "J" to Section 17 of the Agreement pertaining to the periodic adjustment of limits of insurance coverage.

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 Recitals set forth above are true and correct and are incorporated into this Resolution by this reference.

SECTION 2. The Oversight Board hereby authorizes the Chairman of the Successor Agency's Board or his designee to execute a First Amendment to Agreement with NHA Advisors, LLC, to amend Subsections "A" and "C" of Section 17 of the Agreement pertaining to Professional Liability and Commercial General Liability insurance coverage, and to add Subsection "J" to Section 17 of the Agreement pertaining to the periodic adjustment of limits of insurance coverage.

SECTION 3. A true, correct and complete copy of the First Amendment shall be maintained on file in the office of the City Clerk.

SECTION 4. Pursuant to California Health and Safety Code Section 34179(h), 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.

SECTION 5. The Oversight Board Secretary and/or Successor Agency Secretary shall certify to the adoption of this Resolution.

PASSED and ADOPTED this 15TH day of March, 2017.

Ron Morrison, Chairman

ATTEST:

Brad Raulston, Executive Director
Secretary to the Oversight Board

APPROVED AS TO FORM:

Edward Z. Kotkin
Oversight Board Counsel