

**OTAY MESA ENHANCED INFRASTRUCTURE FINANCING DISTRICT
PUBLIC FINANCING AUTHORITY
Meeting of June 13, 2022**

DATE ISSUED: June 6, 2022

SUBJECT:

Authorize agreements for Municipal Advisor and Bond and Disclosure Counsel services related to the District's upcoming tax increment bond issuance.

CONTACT/PHONE NUMBER:

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OVERVIEW:

This item requests the Otay Mesa Public Financing Authority's ("PFA") Board to approve and execute agreements between the District and CSG Advisors Incorporated to provide municipal advisory services and Stradling Yocca Carlson & Rauth for bond and disclosure counsel services in relation to the District's upcoming tax increment bond issuance.

PROPOSED ACTIONS:

Authorize, via resolution, the execution of the Consultant Services Agreement with CSG Advisors Incorporated ("MA") for municipal advisory services in relation to the District's upcoming TI bond issuance, in an amount not to exceed \$34,500.

Authorize, via resolution, the execution of the Consultant Services Agreement with Stradling Yocca Carlson & Rauth ("BC/DC") for bond and disclosure services in relation to the District's upcoming TI bond issuance, in an amount not to exceed \$138,000.

DISCUSSION ITEM:

At the February 14, 2022 Otay Mesa PFA Board meeting, Debt Management ("DM") staff presented an informational item to the Board regarding the District's bonding capacity based on current and projected TI, and capital infrastructure needs to

support a bond issuance in Fiscal Year 2023. In this presentation, DM staff summarized the next steps for a bond financing including bringing certain related contracts to the Board for approval.

Municipal Advisor Agreement

On March 15, 2022, DM staff issued a Request for Proposals (“RFP”) for municipal advisory services to the District. The RFP was released to the City’s pool of Municipal Advisors. In response to the RFP, five proposals were received by April 6, 2022. Debt Management staff evaluated each proposal based on firm experience, assigned personnel, pricing and implementation approach, non-discriminatory policies and practices, client references and fee proposal. The range of proposed fees from the submitted proposals was \$34,500 – \$66,000. CSG Advisors Incorporated was determined by staff to score the highest overall based on the proposals received.

Per the RFP, the scope of services expected to be provided include, assist City staff on behalf of the District with procurement of a fiscal consultant; monitor and coordinate many of the activities of all parties engaged in the financing; review and comment on legal disclosure documents; advise the District on most cost effective transaction structure, sizing, terms, and other technical matters; assist with closing; post-issuance services, including post-sale analysis; and any other municipal advisory services deemed necessary and appropriate.

Unless otherwise terminated, this Agreement shall be effective from June 13, 2022 until completion of the Scope of Services or June 13, 2025, whichever is earliest.

The cost of the MA’s services will not exceed \$34,500 for professional services, including \$2,000 for out-of-pocket expenses. The fees payable to the MA related to the transaction will be paid in lump sum after the bonds are closed and paid from bond proceeds available at bond closing.

Bond and Disclosure Counsel Agreement

In anticipation of the potential bond issuance, the Office of the City Attorney (“OCA”) issued an RFP for bond and disclosure counsel services on April 8, 2022. The RFP was released to the City’s pool of bond and disclosure counsel law firms. In response to the RFP, three proposals were received by April 22, 2022. OCA staff evaluated each proposal based on experience and qualifications, expected level of service and fees. The range of proposed fees from the submitted proposals was \$106,500 – \$147,500. Stradling Yocca Carlson & Rauth was determined by staff to score the highest overall based on the proposals received.

The cost of the services for BC/DC contract will not exceed \$138,000, including \$1,500 out-of-pocket expenses. This amount includes the standard bond and disclosure services related to the TI bond issuance in addition to any litigation arising directly therefrom. As needed Additional Services, pre-approved by CAO,

will be billed at the hourly rates cited in the agreement. The fees payable to the BC/DC related to the transaction will be paid in lump sum after the bonds are closed and paid from bond proceeds available at bond closing.

Respectfully submitted,

Richard Eyre
Financial Operations Manager
City of San Diego
Department of Finance - Debt Management Division

Attachment: Consultant Services Agreement – CSG Advisors Incorporated