

**OVERSIGHT BOARD OF THE  
IMPERIAL BEACH REDEVELOPMENT AGENCY SUCCESSOR AGENCY**

**A G E N D A**

**JULY 10, 2013**

**City of Imperial Beach Council Chambers  
825 Imperial Beach Boulevard  
Imperial Beach, CA 91932**

**REGULAR MEETING – 10:30 a.m.**

The Oversight Board of the Imperial Beach Redevelopment Agency Successor Agency is endeavoring to be in total compliance with the Americans with Disabilities Act (ADA). If you require assistance or auxiliary aids in order to participate at Oversight Board meetings, please contact the City Clerk's/Secretary's Office at (619) 423-8301, as far in advance of the meeting as possible.

**1. CALL TO ORDER**

**2. ROLL CALL BY CITY CLERK/SECRETARY**

- 3. PUBLIC COMMENTS** - Each person wishing to address the Oversight Board regarding items not on the posted agenda may do so at this time. In accordance with State law, the Oversight Board may not take action on an item not scheduled on the agenda. If appropriate, the item will be referred to the Successor Agency staff or placed on a future agenda.

**4. REPORTS**

**A. APPROVAL OF MINUTES.**

Recommendation: Approve the Oversight Board Regular Meeting Minutes of June 12, 2013.

**B. RESOLUTION NO. OB-13-22 APPROVING, AUTHORIZING AND DIRECTING THE SUCCESSOR AGENCY EXECUTIVE DIRECTOR TO ENTER INTO A PROFESSIONAL SERVICES AGREEMENT BETWEEN THE SUCCESSOR AGENCY AND FRASER & ASSOCIATES FOR FISCAL CONSULTANT SERVICES FOR THE POTENTIAL REFUNDING OF THE SERIES 2003A TAX ALLOCATION REVENUE BONDS.**

Recommendation:

1. Adopt Resolution No. OB-13-22 approving the Professional Services Agreement between the Successor Agency and Fraser & Associates;
2. Authorize and direct the Successor Agency Executive Director to enter into a Professional Services Agreement with Fraser & Associates to provide fiscal consultant services according to the terms contained in the Proposal (Attachment No. 3 to the Staff Report) and as agreed to by Successor Agency staff; and
3. Agree pursuant to Resolution No. OB-13-22 that, if the Series 2003 TABs refunding is not completed, then accrued compensation and expenses not to exceed \$25,500 will be paid to Fraser & Associates and that the Successor Agency seek payment or reimbursement of this cost as an enforceable obligation of the Successor Agency as part of its ROPS 13-14B.

**Any writings or documents provided to a majority of the Oversight Board regarding any item on this agenda will be made available for public inspection in the office of the City Clerk located at 825 Imperial Beach Blvd., Imperial Beach, CA 91932 during normal business hours.**



**OVERSIGHT BOARD OF THE  
IMPERIAL BEACH REDEVELOPMENT AGENCY SUCCESSOR AGENCY**

**JUNE 12, 2013**

**City of Imperial Beach Council Chambers  
825 Imperial Beach Boulevard  
Imperial Beach, CA 91932**

**REGULAR MEETING – 10:30 a.m.**

**1. CALL TO ORDER**

CHAIR PERSON WINTER called the meeting to order at 10:31 a.m.

**2. ROLL CALL BY CITY CLERK/SECRETARY**

Oversight Board Members present: West, Hentschke (arrived at 10:34 a.m.), Foltz

Oversight Board Members absent: Saadat

Vice Chair present: Fernandez

Chair present: Winter

Staff present: Deputy Executive Director Wade, City Attorney Lyon, Administrative Services Director VonAchen, City Clerk/Secretary Hald

**3. PUBLIC COMMENTS**

None.

**4. REPORTS**

**A. INTRODUCTION OF AND OATH OF OFFICE ADMINISTERED TO WAYNE YANDA, SOUTHWESTERN COMMUNITY COLLEGE DISTRICT REPRESENTATIVE.**

BOARD MEMBER YANDA, representing the Southwestern Community College District, introduced himself to the Oversight Board.

CITY CLERK/SECRETARY HALD administered the Oath of Office to Wayne Yanda.

BOARD MEMBER YANDA took his seat at the dais at 10:34 a.m.

**B. APPROVAL OF MINUTES.**

**MOTION BY WINTER, SECOND BY WEST, TO APPROVE THE OVERSIGHT BOARD SPECIAL MEETING MINUTES OF APRIL 10, 2013. MOTION CARRIED BY THE FOLLOWING VOTE:**

**AYES: BOARD MEMBERS: WEST, FERNANDEZ, WINTER, HENTSCHE, FOLTZ**

**NOES: BOARD MEMBERS: NONE**

**ABSTENTIONS: BOARD MEMBERS: YANDA**

**ABSENT: BOARD MEMBERS: SAADAT**

- C. RESOLUTION NO. OB-13-18 DIRECTING THE SUCCESSOR AGENCY TO COMMENCE THE REFINANCING OR REFUNDING OF THE SERIES 2003A TAX ALLOCATION REVENUE BONDS FOR DEBT SERVICE SAVINGS PURSUANT TO CALIFORNIA HEALTH AND SAFETY CODE SECTION 34177.5 AND AUTHORIZING THE SUCCESSOR AGENCY TO RECOVER ITS COSTS THEREFOR.**

DEPUTY EXECUTIVE DIRECTOR WADE gave an overview of the item.

ADMINISTRATIVE SERVICES DIRECTOR VON ACHEN gave a PowerPoint presentation on the item.

Staff responded to questions of the Board and discussion followed. It was noted that based on interest rates in the current market, the refunding of the bonds could result in an annual projected savings of \$295,000. The expected savings to the City's General Fund is approximately \$77,000 annually. It was further noted that the other taxing entities will likely benefit from the refunding of the bonds.

In response to a concern raised, BOARD MEMBER HENTSCHKE stated that refunding of municipal bonds is common and that substantial savings can be achieved.

**MOTION BY HENTSCHKE, SECOND BY FERNANDEZ, TO ADOPT RESOLUTION NO. OB-13-18 DIRECTING THE SUCCESSOR AGENCY TO COMMENCE THE REFINANCING OR REFUNDING OF THE SERIES 2003A TAX ALLOCATION REVENUE BONDS FOR DEBT SERVICE SAVINGS PURSUANT TO CALIFORNIA HEALTH AND SAFETY CODE SECTION 34177.5 AND AUTHORIZING THE SUCCESSOR AGENCY TO RECOVER ITS COSTS THEREFOR. MOTION CARRIED BY THE FOLLOWING VOTE:**

<b>AYES:</b>	<b>BOARD MEMBERS:</b>	<b>YANDA, WEST, FERNANDEZ, WINTER HENTSCHKE, FOLTZ</b>
<b>NOES:</b>	<b>BOARD MEMBERS:</b>	<b>NONE</b>
<b>ABSENT:</b>	<b>BOARD MEMBERS:</b>	<b>SAADAT</b>

- D. ADOPTION OF RESOLUTION NO. OB-13-19 APPROVING, AUTHORIZING AND DIRECTING THE SUCCESSOR AGENCY EXECUTIVE DIRECTOR TO ENTER INTO A PROFESSIONAL SERVICES AGREEMENT BETWEEN THE SUCCESSOR AGENCY AND FIRST SOUTHWEST COMPANY FOR FINANCIAL ADVISORY SERVICES FOR THE POTENTIAL REFUNDING OF THE SERIES 2003A TAX ALLOCATION REVENUE BONDS**

**ADOPTION OF RESOLUTION NO. OB-13-20 APPROVING, AUTHORIZING AND DIRECTING THE SUCCESSOR AGENCY EXECUTIVE DIRECTOR TO ENTER INTO A PROFESSIONAL SERVICES AGREEMENT BETWEEN THE SUCCESSOR AGENCY AND JONES HALL FOR BOTH BOND AND DISCLOSURE COUNSEL SERVICES FOR THE POTENTIAL REFUNDING OF THE 2003A TAX ALLOCATION REVENUE BONDS**

DEPUTY EXECUTIVE DIRECTOR WADE reported on the item.

**MOTION BY HENTSCHKE, SECOND BY WEST, TO ADOPT RESOLUTION NO. OB-13-19 APPROVING, AUTHORIZING AND DIRECTING THE SUCCESSOR AGENCY EXECUTIVE DIRECTOR TO ENTER INTO A PROFESSIONAL SERVICES AGREEMENT BETWEEN THE SUCCESSOR AGENCY AND FIRST SOUTHWEST COMPANY FOR FINANCIAL ADVISORY SERVICES FOR THE POTENTIAL REFUNDING OF THE SERIES 2003A TAX ALLOCATION REVENUE BONDS. MOTION CARRIED BY THE FOLLOWING VOTE:**

**AYES: BOARD MEMBERS: YANDA, WEST, FERNANDEZ, WINTER HENTSCHKE, FOLTZ**

**NOES: BOARD MEMBERS: NONE**

**ABSENT: BOARD MEMBERS: SAADAT**

**MOTION BY HENTSCHKE, SECOND BY WEST, TO ADOPT RESOLUTION NO. OB-13-20 APPROVING, AUTHORIZING AND DIRECTING THE SUCCESSOR AGENCY EXECUTIVE DIRECTOR TO ENTER INTO A PROFESSIONAL SERVICES AGREEMENT BETWEEN THE SUCCESSOR AGENCY AND JONES HALL FOR BOTH BOND AND DISCLOSURE COUNSEL SERVICES FOR THE POTENTIAL REFUNDING OF THE 2003A TAX ALLOCATION REVENUE BONDS. MOTION CARRIED BY THE FOLLOWING VOTE:**

**AYES: BOARD MEMBERS: YANDA, WEST, FERNANDEZ, WINTER HENTSCHKE, FOLTZ**

**NOES: BOARD MEMBERS: NONE**

**ABSENT: BOARD MEMBERS: SAADAT**

**E. RESOLUTION NO. OB-13-21 APPROVING THE SECOND AMENDMENT TO THE AGREEMENT WITH MCDUGAL, LOVE, ECKIS, BOEHMER & FOLEY TO EXTEND THE TERM FOR TWO YEARS FOR LEGAL SERVICES**

DEPUTY EXECUTIVE DIRECTOR WADE reported on the item.

BOARD MEMBER HENTSCHKE noted that the proposed rates are an exceptionally fair value.

**MOTION BY HENTSCHKE, SECOND BY WEST, TO ADOPT RESOLUTION NO. OB-13-21 APPROVING THE SECOND AMENDMENT TO THE AGREEMENT WITH MCDUGAL, LOVE, ECKIS, BOEHMER & FOLEY TO EXTEND THE TERM FOR TWO YEARS FOR LEGAL SERVICES. MOTION CARRIED BY THE FOLLOWING VOTE:**

**AYES: BOARD MEMBERS: YANDA, WEST, FERNANDEZ, WINTER HENTSCHKE, FOLTZ**

**NOES: BOARD MEMBERS: NONE**

**ABSENT: BOARD MEMBERS: SAADAT**

CHAIR PERSON WINTER commented that in her twelve years of experience on the City Council, she found McDougal, Love, Eckis, Boehmer & Foley to have a proven history of efficiency and good work. The service the firm offers is a good value for the money.

**F. ADJOURNMENT**

The meeting was adjourned at 11:33 a.m.

---

**MAYDA C. WINTER, CHAIRPERSON**

---

**JACQUELINE M. HALD, MMC  
CITY CLERK/SECRETARY**

STAFF REPORT  
OVERSIGHT BOARD  
OF THE  
IMPERIAL BEACH REDEVELOPMENT AGENCY SUCCESSOR AGENCY

TO: CHAIR AND MEMBERS OF THE OVERSIGHT BOARD OF THE  
IMPERIAL BEACH REDEVELOPMENT AGENCY  
SUCCESSOR AGENCY

FROM: GARY BROWN, EXECUTIVE DIRECTOR  
GREG WADE, DEPUTY DIRECTOR  
KATHLEEN VONACHEN, TREASURER

MEETING DATE: JULY 10, 2013

SUBJECT: ADOPTION OF RESOLUTION NO. OB-13-22 APPROVING,  
AUTHORIZING AND DIRECTING THE SUCCESSOR AGENCY  
EXECUTIVE DIRECTOR TO ENTER INTO A PROFESSIONAL  
SERVICES AGREEMENT BETWEEN THE SUCCESSOR  
AGENCY AND FRASER & ASSOCIATES FOR FISCAL  
CONSULTANT SERVICES FOR THE POTENTIAL REFUNDING  
OF THE SERIES 2003A TAX ALLOCATION REVENUE BONDS

---

**BACKGROUND:**

On December 11, 2003, the former Imperial Beach Redevelopment Agency (the "Former Agency") and the Imperial Beach Public Financing Authority (the "Financing Authority"), a Joint Powers Authority between the City of Imperial Beach (the "City") and the Former Agency, issued Tax Allocation Revenue Bonds, Series 2003A (the "Series 2003A TABs") secured by the Former Agency's tax increment revenues as funding for the debt service obligations. The Series 2003A TABs were issued in order to finance redevelopment activities relating to improvements within the Original and Amended Redevelopment Project Areas ("Project Areas") including street improvements, public park capital improvements, construction of community facilities, and landscaping improvements, among others.

Debt service on the Series 2003A TABs has been and is repaid solely with tax increment revenues generated within the Project Areas. As of June 1, 2013, the Series 2003A TABs were outstanding in the amount of \$17,965,000, with annual principal maturities ranging from June 1, 2014 through June 1, 2033. These principal bond maturities can be prepaid on December 1, 2013, and on any subsequent date thereafter, without a prepayment penalty. The Series 2003A TABs have interest rates ranging from 5.00% to 6.00%.

Pursuant to Assembly Bill No. X1 26 ("AB 26") and Assembly Bill No. 1484 ("AB 1484") (collectively referred to herein as the "Dissolution Act"), and specifically California Health and Safety Code ("HSC") Section 34177.5(f) of the Dissolution Act, the Oversight Board of the Imperial Beach Redevelopment Agency Successor Agency (the "Oversight Board") may direct the Imperial Beach Redevelopment Agency Successor Agency (the "Successor Agency") to commence the refinancing or refunding of the Series 2003A TABs, among other actions

authorized by HSC Section 34177.5(a) of the Dissolution Act, for debt service savings so long as the Successor Agency is able to recover its related costs in connection with the transaction.

Upon the direction of the Oversight Board, the Successor Agency may cause the refinancing or refunding of the Series 2003A TABs for debt service savings by issuing, or causing the issuance of, Property Tax Revenue Refunding Bonds (the "Refunding Bonds") in accordance with the Dissolution Act including, without limitation, HSC Sections 34177.5 and 34180(b).

Further, pursuant to HSC Section 34177.5(h) of the Dissolution Act, the Successor Agency shall make use of an independent financial advisor in developing financing proposals and shall make the work products of the financial advisor available to the California Department of Finance (the "DOF") at its request.

With a refunding of the outstanding principal of \$17,965,000 of the Series 2003A TABs, based on interest rates in the current market, annual debt service savings are projected. With the City's share, as a taxing entity, of distributions from the Redevelopment Property Tax Trust Fund ("RPTTF"), approximately 26% of this projected refunding savings would be allocated to the City's General Fund, based on anticipated payments of RPTTF distributions to the City pursuant to HSC Section 34183(a) of the Dissolution Act.

Based on the benefits to be achieved by refunding the Series 2003A TABs, on June 12, 2013, the Oversight Board approved Resolution No. OB-13-18 directing the Successor Agency to commence with the refinancing or refunding of the Series 2003A TABs for debt service savings pursuant to HSC Section 34177.5 of the Dissolution Act and authorized the Successor Agency to recover its costs therefor. In addition, the Oversight Board approved Resolution Nos. OB-13-19 and OB-13-20 authorizing and directing the Successor Agency to retain the services of First Southwest Company for financial advisory services and Jones Hall for both bond and disclosure services, respectively, by approving the professional services agreements with such consultants for the bond refunding transaction. The DOF has requested review of all such Oversight Board actions. Once approved by the DOF, First Southwest Company and Jones Hall will be part of the financing team to initiate and execute the bond refunding transaction.

In anticipation of the Oversight Board's action taken on June 12, 2013 directing the Successor Agency to commence with the refinancing or refunding of the Series 2003A TABs, the Successor Agency, on June 5, 2013, approved Resolution Nos. SA-13-24 and SA-13-25 approving, and authorizing the Successor Agency Executive Director to enter into, the professional services agreements with First Southwest Company and Jones Hall, respectively, for the bond refunding transaction.

In furtherance of HSC Section 34177.5 of the Dissolution Act and pursuant to the Oversight Board's direction pursuant to Resolution No. OB-13-18, the Successor Agency must also retain the services of a fiscal consultant for the bond refunding transaction. In this regard, on June 28, 2013, the Successor Agency approved Resolution No. SA-13-26 approving, and authorizing the Successor Agency Executive Director to enter into, the professional services agreement (the "Professional Services Agreement") with Fraser & Associates (also referred to as the "Fiscal Consultant") to provide fiscal consultant services for the bond refunding transaction, subject to the Oversight Board's approval of said Agreement as required by the Dissolution Act or desired by the Successor Agency Executive Director. Fraser & Associates is also intended to be a part of the financing team for the bond refunding transaction.

The Professional Services Agreement between the Successor Agency and Fraser & Associates is now presented to the Oversight Board for approval.

**DISCUSSION:**

In order for the Successor Agency to issue or cause the issuance of the Refunding Bonds, and pursuant to the proposed Resolution No. OB-13-22, the Oversight Board would authorize and direct the Successor Agency to retain the services of Fraser & Associates for fiscal consultant services by approving the Professional Services Agreement and authorizing and directing the Successor Agency Executive Director to execute said Agreement. As previously presented in the June 12, 2013 Staff Report to the Oversight Board, various financing team members are required in order to successfully analyze and prepare the debt financing plan of the Refunding Bonds and market the Refunding Bonds to investors. As is typical in a bond issuance or bond refinancing or refunding secured by a sole revenue source, such as property taxes (formerly tax increment), a fiscal consultant is required for the transaction.

As described in the Professional Services Agreement with Fraser & Associates, the need for, and services provided by, the Fiscal Consultant for the proposed Refunding Bonds includes:

- a) To prepare a report on the economic feasibility of the Project Areas providing the security for the debt issue.
- b) The views of the Fiscal Consultant on the economic feasibility of the security are taken into account by the credit rating agencies, underwriters and investors in the process of marketing the Refunding Bonds.

In evaluating the limited number of firms which provide this specialized service for California redevelopment successor agencies, Successor Agency staff recommends Fraser & Associates to provide fiscal consultant services in relation to the refunding of the Series 2003A TABs.

**Professional Services Agreement**

The services provided under the Professional Services Agreement would include preparation of a report on the economic feasibility of the Project Areas providing the security of the debt issue used in the preparation of bond documents and the preliminary official statement for future authorization by the Successor Agency, Oversight Board, the DOF if review requested, as well as the City, and advising on matters pertinent to the refunding of its Series 2003A TABs on the economic feasibility of the security taken into account by the credit rating agencies, underwriters and investors in the process of marketing the Refunding Bonds. As is typical in municipal bond financing, the professional services fees of most of the financing team members are paid only if the bond deal is successfully completed, or closed. In other words, payment of the fees of the financing team members, with a few exceptions, is generally made on a contingency basis. However, there are a few notable exceptions, including the retention of a Fiscal Consultant for redevelopment bond issuances whose services and expenses are compensated regardless of the successful sale of the refunded bonds. In this regard, Fraser & Associates would provide professional services to the Successor Agency and would be paid on a non-contingency basis, regardless of whether the Refunding Bonds transaction is successfully completed or closed. Such compensation for fees and expenses would be an obligation of the Successor Agency and paid by the Successor Agency as non-contingent costs. Therefore, if the refunding of the 2003A Series TABs is successful, Fraser & Associates' compensation as the Fiscal Consultant would be considered a part of the cost of issuance, would be paid from the proceeds of the new

Refunding Bonds issue, and would be deemed an enforceable obligation included within the financing documents to be submitted to the Successor Agency and Oversight Board for approval (with the DOF's right to review). If the refunding is successful, these costs will likely not be included on the ROPS 13-14B because they would be encompassed within the refunding approvals and paid from the proceeds of the Refunding Bonds. However, if required by the DOF, such costs will be included on the ROPS 13-14B. If the proposed refunding of the 2003A Series TABs is not successfully closed, Fraser & Associates' compensation as the Fiscal Consultant would be paid by the Successor Agency and will be included in the ROPS 13-14B for approval as a proposed enforceable obligation of the Successor Agency.

The professional services fees and expenses of Fraser & Associates as the Fiscal Consultant proposed in the Proposal (Attachment No. 3 to this Staff Report; Exhibit A to the Agreement) and as agreed upon by the Successor Agency staff are (a) not to exceed \$20,000 for the performance of certain services reflected as Items 1 through 9 in the Proposal; (b) subject to the prior written approval of the Treasurer for any such work to be completed by Fraser & Associates, an hourly rate of \$200 per hour on a time and materials basis but not to exceed a total amount of \$3,000 for the performance of additional services reflected in Items 10 and 11 in the Proposal relating to document review, bond rating agency presentation and other meetings; and (c) expenses not to exceed \$2,500. Combined compensation of fees and expenses payable to Fraser & Associates is a not to exceed amount of \$25,500.

This non-contingent compensation payable to Fraser & Associates as the Fiscal Consultant pursuant to the proposed Professional Services Agreement is above the City's \$15,000 threshold requirement to perform a formal competitive bid process for the procurement of professional services. However, Imperial Beach Municipal Code Section 3.04.160 (G) states that the City Council may waive the formal bid requirements for the procurement of professional services by resolution when it is necessary or convenient for the management of the City's affairs. (Ord. 2009-1084 § 2.) Consistent with this authority provided to the City Council and based on the unique nature of the services to be rendered, the complexity of the proposed bond refunding transaction, and the necessity and convenience for the management of the Successor Agency's affairs, the Successor Agency waived any applicable formal bid requirements for the selection of Fraser & Associates and authorized the Successor Agency Executive Director to enter into the Professional Services Agreement with Fraser & Associates under the terms discussed above. As mentioned above, if the Series 2003A TABs are refinanced, the entire cost for the Fiscal Consultant professional services of Fraser & Associates would be considered a "cost of issuance" and paid from the proceeds of Refunding Bonds.

**ENVIRONMENTAL DETERMINATION:**

Not a project as defined by CEQA.

**FISCAL IMPACT:**

The potential fiscal impact to the Successor Agency pursuant to the Professional Services Agreement is (a) not to exceed \$20,000 for the performance of certain services reflected as Items 1 through 9 in the Proposal (Attachment No. 3 to this Staff Report; Exhibit A to the Agreement); (b) subject to the prior written approval of the Successor Agency's Treasurer for any such work to be completed by Fraser & Associates, an hourly rate of \$200 per hour on a time and materials basis but not to exceed a total amount of \$3,000 for the performance of additional services reflected in Items 10 and 11 in the Proposal relating to document review,

bond rating agency presentation and other meetings; and (c) expenses not to exceed \$2,500. Combined compensation of fees and expenses payable to Fraser & Associates is a not to exceed amount of \$25,500.

As stated in the Professional Services Agreement, if the Series 2003 TABs refunding is not completed, then accrued compensation of fees and expenses as detailed in said Agreement in a total amount not to exceed \$25,500 will be paid to Fraser & Associates. Successor Agency staff will, however, seek payment or reimbursement of this cost as an enforceable obligation of the Successor Agency as part of its ROPS 13-14B.

**DIRECTOR'S RECOMMENDATION:**

Successor Agency staff recommends the Oversight Board:

1. Adopt Resolution No. OB-13-22 approving the Professional Services Agreement between the Successor Agency and Fraser & Associates;
2. Authorize and direct the Successor Agency Executive Director to enter into a Professional Services Agreement with Fraser & Associates to provide fiscal consultant services according to the terms contained in the Proposal (Attachment No. 3 to this Staff Report) and as agreed to by Successor Agency staff; and
3. Agree pursuant to Resolution No. OB-13-22 that, if the Series 2003 TABs refunding is not completed, then accrued compensation and expenses not to exceed \$25,500 will be paid to Fraser & Associates and that the Successor Agency seek payment or reimbursement of this cost as an enforceable obligation of the Successor Agency as part of its ROPS 13-14B.

Attachments:

1. Resolution No. OB-13-22
2. Professional Services Agreement with Fraser & Associates
3. Fraser & Associates Proposal

**RESOLUTION NO. OB-13-22**

**A RESOLUTION OF THE OVERSIGHT BOARD OF THE IMPERIAL BEACH REDEVELOPMENT AGENCY SUCCESSOR AGENCY APPROVING, AND AUTHORIZING AND DIRECTING THE SUCCESSOR AGENCY EXECUTIVE DIRECTOR TO EXECUTE, A PROFESSIONAL SERVICES AGREEMENT BETWEEN THE SUCCESSOR AGENCY AND FRASER & ASSOCIATES FOR FISCAL CONSULTANT SERVICES FOR THE POTENTIAL REFUNDING OF THE SERIES 2003A TAX ALLOCATION REVENUE BONDS**

**WHEREAS**, the Imperial Beach Redevelopment Agency (“Redevelopment Agency”) was a redevelopment agency in the City of Imperial Beach (“City”), duly created pursuant to the California Community Redevelopment Law (Part 1 (commencing with Section 33000) of Division 24 of the California Health and Safety Code) (“Redevelopment Law”); and

**WHEREAS**, the City Council has adopted redevelopment plans for Imperial Beach’s redevelopment project areas, and from time to time, the City Council has amended such redevelopment plans; and

**WHEREAS**, the Redevelopment Agency was responsible for the administration of redevelopment activities within the City; and

**WHEREAS**, Assembly Bill No. X1 26 (2011-2012 1<sup>st</sup> Ex. Sess.) (“AB 26”) was signed by the Governor of California on June 28, 2011, making certain changes to the Redevelopment Law and the California Health and Safety Code (“HSC”), including adding Part 1.8 (commencing with Section 34161) (“Part 1.8”) and Part 1.85 (commencing with Section 34170) (“Part 1.85”) to Division 24 of the HSC; and

**WHEREAS**, pursuant to AB 26, as modified by the California Supreme Court on December 29, 2011 by its decision in *California Redevelopment Association v. Matosantos*, all California redevelopment agencies, including the Redevelopment Agency, were dissolved on February 1, 2012, and successor agencies were designated and vested with the responsibility of paying, performing and enforcing the enforceable obligations of the former redevelopment agencies and expeditiously winding down the business and fiscal affairs of the former redevelopment agencies; and

**WHEREAS**, the City Council of the City adopted Resolution No. 2012-7136 on January 5, 2012, pursuant to Part 1.85 of AB 26, electing for the City to serve as the successor agency to the Redevelopment Agency upon the dissolution of the Redevelopment Agency under AB 26 (“Successor Agency”); and

**WHEREAS**, on February 15, 2012, the Board of Directors of the Successor Agency, adopted Resolution No. SA-12-01 naming itself the “Imperial Beach Redevelopment Agency Successor Agency,” the sole name by which it will exercise its powers and fulfill its duties pursuant to Part 1.85 of AB 26, and establishing itself as a separate legal entity with rules and regulations that will apply to the governance and operations of the Successor Agency; and

**WHEREAS**, as part of the FY 2012-2013 State budget package, on June 27, 2012, the Legislature passed and the Governor signed Assembly Bill No. 1484 (“AB 1484”, Chapter 26, Statutes 2012). Although the primary purpose of AB 1484 was to make technical and substantive amendments to AB 26 based on issues that have arisen in the implementation of AB 26, AB 1484 imposes additional statutory provisions relating to the activities and obligations of successor agencies and to the wind down process of former redevelopment agencies, including without limitation refunding or refinancing bonds or other indebtedness; and

**WHEREAS**, HSC Section 34179 of AB 26 as amended by AB 1484 (collectively the "Dissolution Act") establishes a seven (7) member local entity with respect to each successor agency and such entity is titled the "oversight board." 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 HSC Section 34179 of the Dissolution Act. The duties and responsibilities of the Oversight Board are primarily set forth in HSC Sections 34179 through 34181 of the Dissolution Act; and

**WHEREAS**, pursuant to HSC Section 34179.7 of the Dissolution Act, the California Department of Finance ("DOF") has issued a Finding of Completion to the Successor Agency; and

**WHEREAS**, on December 11, 2003, the former Redevelopment Agency and the Imperial Beach Public Financing Authority (the "Financing Authority"), a Joint Powers Authority of the City of Imperial Beach (the "City") and the former Redevelopment Agency, issued Tax Allocation Revenue Bonds, Series 2003A (the "Series 2003A TABs") secured by the former Redevelopment Agency's tax increment revenues as funding for the debt service obligations. The Series 2003A TABs were issued in order to finance redevelopment activities relating to improvements within the Original and Amended Redevelopment Project Areas ("Project Areas") including street improvements, public park capital improvements, construction of community facilities, and landscaping improvements, among others; and

**WHEREAS**, debt service on the Series 2003A TABs has been and is repaid solely with tax increment revenues generated within the Project Areas. As of June 1, 2013, the Series 2003A TABs are outstanding in the amount of \$17,965,000, with annual principal maturities ranging from June 1, 2014 through June 1, 2033. These principal bond maturities can be prepaid on December 1, 2013, and on any subsequent date thereafter, without a prepayment penalty. The Series 2003A TABs have interest rates ranging from 5.00% to 6.00%; and

**WHEREAS**, pursuant to the Dissolution Act, and specifically HSC Section 34177.5(f), the Oversight Board may direct the Successor Agency to commence the refinancing or refunding of the Series 2003A TABs, among other actions authorized by HSC Section 34177.5(a) of the Dissolution Act, for debt service savings so long as the Successor Agency is able to recover its related costs in connection with the transaction; and

**WHEREAS**, upon the direction of the Oversight Board, the Successor Agency may cause the refinancing or refunding of the Series 2003A TABs for debt service savings by issuing, or causing the issuance of, Property Tax Revenue Refunding Bonds (the "Refunding Bonds") in accordance with the Dissolution Act including, without limitation, HSC Sections 34177.5 and 34180(b); and

**WHEREAS**, pursuant to HSC Section 34177.5(h) of the Dissolution Act, the Successor Agency shall make use of an independent financial advisor in developing financing proposals and shall make the work products of the financial advisor available to the DOF at its request; and

**WHEREAS**, based on the benefits to be achieved by refunding the Series 2003A TABs, on June 12, 2013, the Oversight Board approved Resolution No. OB-13-18 directing the Successor Agency to commence with the refinancing or refunding of the Series 2003A TABs for debt service savings pursuant to HSC Section 34177.5 of the Dissolution Act and authorized the Successor Agency to recover its costs therefor. In addition, the Oversight Board approved Resolution Nos. OB-13-19 and OB-13-20 authorizing and directing the Successor Agency to retain the services of First Southwest Company for financial advisory services and Jones Hall for both bond and disclosure services, respectively, by approving the professional services

agreements with such consultants for the bond refunding transaction. The DOF has requested review of all such Oversight Board actions. Once approved by the DOF, First Southwest Company and Jones Hall will be part of the financing team to initiate and execute the bond refunding transaction; and

**WHEREAS**, in furtherance of HSC Section 34177.5 of the Dissolution Act and pursuant to the Oversight Board's direction pursuant to Resolution No. OB-13-18, the Successor Agency must also retain the services of a fiscal consultant for the bond refunding transaction. In this regard, on June 28, 2013, the Successor Agency approved Resolution No. SA-13-26 approving, and authorizing the Successor Agency Executive Director to enter into, the professional services agreement (the "Professional Services Agreement") with Fraser & Associates (also referred to as the "Fiscal Consultant") to provide fiscal consultant services for the bond refunding transaction, subject to the Oversight Board's approval of said Agreement as required by the Dissolution Act or desired by the Successor Agency Executive Director. Fraser & Associates is also intended to be a part of the financing team for the bond refunding transaction; and

**WHEREAS**, the Professional Services Agreement between the Successor Agency and Fraser & Associates is now presented to the Oversight Board for approval; and

**WHEREAS**, in order for the Successor Agency to issue or cause the issuance of the Refunding Bonds, and pursuant to this Resolution, the Oversight Board would authorize and direct the Successor Agency to retain the services of Fraser & Associates for fiscal consultant services by approving the Professional Services Agreement and authorizing and directing the Successor Agency Executive Director to execute said Agreement; and

**WHEREAS**, pursuant to the Professional Services Agreement, Fraser & Associates would provide to the Successor Agency debt fiscal consultant services, including without limitation, to prepare a report on the economic feasibility of the Project Areas providing the security for the debt issue to accomplish the public purposes of the issuer such as minimizing the Successor Agency's total interest costs on outstanding debt, and to advise on matters pertinent to the refunding of its Series 2003A TABs on the economic feasibility of the security taken into account by the credit rating agencies, underwriters and investors in the process of marketing the Refunding Bonds; and

**WHEREAS**, pursuant to the Professional Services Agreement, and subject to the below, Fraser & Associates shall be compensated for work completed in an amount not to exceed \$25,500 for basic services rendered under the Agreement and all accrued expenses. According to the Agreement, if the Refunding Bonds are issued, payment to Fraser & Associates for compensation and accrued expenses not to exceed \$25,500 will be made by the Successor Agency through the Refunding Bonds Trustee/Escrow Agent and from the proceeds of the Refunding Bonds within thirty (30) calendar days of receipt of the invoice. However, in the unlikely event that the Refunding Bonds are not issued, payment to Fraser & Associates for compensation and accrued expenses not to exceed \$25,500 is not contingent on the closing and bond issuance and will be made by the Successor Agency from available funds within thirty (30) calendar days of receipt of the invoice; 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 of the Imperial Beach Redevelopment Agency Successor 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 hereby approves the Professional Services Agreement between the Successor Agency and Fraser & Associates in substantial form as the Professional Services Agreement attached as Exhibit "A", for bond fiscal consultant services relating to the Series 2003A TABs and the Refunding Bonds, and compensation for services and accrued expenses in a total amount (i) not to exceed \$25,500 if the Refunding Bonds are issued, payment to Fraser & Associates will be made by the Successor Agency through the Refunding Bonds Trustee/Escrow Agent and from the proceeds of the Refunding Bonds; or (ii) not to exceed \$25,500 if the Refunding Bonds are not issued, payment to Fraser & Associates will be made by the Successor Agency from available funds including Redevelopment Property Tax Trust Fund distributions pursuant to an approved Recognized Obligation Payment Schedule (and the Successor Agency may seek payment or reimbursement of this cost as an enforceable obligation of the Successor Agency as part of its ROPS 13-14B).
- Section 3.** The Successor Agency Executive Director, or designee, is hereby authorized and directed to execute the Professional Services Agreement in substantial form as the Professional Services Agreement attached as Exhibit "A", upon the effectiveness of the Oversight Board's actions approved by this Resolution pursuant to the Dissolution Act.
- Section 4.** The Successor Agency Executive Director, or designee, is hereby authorized to make non-substantive changes and amendments to the Professional Services Agreement deemed necessary and as approved by the Successor Agency Executive Director and its legal counsel and to 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.
- Section 5.** The Oversight Board determines that the activity approved by this Resolution is not a "project" for purposes of CEQA, as that term is defined by Guidelines Section 15378, because the activity approved by 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.
- Section 6.** If any provision of this Resolution or the application of any such provision to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of this Resolution that can be given effect without the invalid provision or application, and to this end the provisions of this Resolution are severable. The Oversight Board declares that its board would have adopted this Resolution irrespective of the invalidity of any particular portion of this Resolution.
- Section 7.** This Resolution shall take effect upon the date of its adoption.

**PASSED, APPROVED, AND ADOPTED** by the Oversight Board of the Imperial Beach Redevelopment Agency Successor Agency at its meeting held on the 10<sup>th</sup> day of July 2013, by the following vote:

**AYES: BOARD MEMBERS: NONE**  
**NOES: BOARD MEMBERS: NONE**  
**ABSENT: BOARD MEMBERS: NONE**

---

**MAYDA C. WINTER**  
**CHAIRPERSON**

**ATTEST:**

---

**JACQUELINE M. HALD, MMC**  
**SUCCESSOR AGENCY SECRETARY**



Imperial Beach Redevelopment Agency Successor Agency  
**AGREEMENT FOR PROFESSIONAL SERVICES**

**FOR FISCAL CONSULTANT SERVICES RELATED TO THE  
POSSIBLE REFUNDING OF THE 2003A TAX ALLOCATION BONDS**

This Agreement, entered into this \_\_\_ day of July, 2013, by and between the IMPERIAL BEACH REDEVELOPMENT AGENCY SUCCESSOR AGENCY, a public entity (hereinafter referred to as "AGENCY"), and FRASER & ASSOCIATES, a California LLC (hereinafter referred to as "CONSULTANT"), (collectively "PARTIES").

**RECITALS**

WHEREAS, AGENCY desires to take advantage of the current low interest rate environment in order to minimize its total interest costs on outstanding debt by refunding its Series 2003A Tax Allocation Bonds at a comparatively lower interest rates than the current bond issue's average bond coupon rate and at as low a cost of issuance as possible; and

WHEREAS, AGENCY desires to retain a debt fiscal feasibility consultant whose views are taken into account by the credit rating agencies, underwriters and investors in the process of marketing the bonds to accomplish the goal of minimizing the AGENCY's total interest costs on outstanding debt; and

WHEREAS, AGENCY desires to retain a debt fiscal consultant to provide services and advise on matters pertinent to the refinancing of its Series 2003A Tax Allocation Bonds, such as preparation of a report on the economic feasibility of the Project Areas providing the security of the debt issue; and

WHEREAS, AGENCY has authorized the preparation of an Agreement to retain the services of CONSULTANT as hereinafter set forth; and

NOW, THEREFORE, IT IS MUTUALLY AGREED BY THE PARTIES THAT AGENCY DOES HEREBY RETAIN CONSULTANT ON THE FOLLOWING TERMS AND CONDITIONS:

**Section 1. EMPLOYMENT OF CONSULTANT.**

AGENCY hereby agrees to engage CONSULTANT, and CONSULTANT hereby agrees to perform the services hereinafter set forth, in accordance with all terms and conditions contained herein. CONSULTANT represents that all professional services required hereunder will be performed directly by CONSULTANT, or under direct supervision of CONSULTANT.

**Section 2. SCOPE OF SERVICES AND COMPENSATION.**

- A. CONSULTANT shall provide services as described in Exhibit "A" entitled "Proposal", attached hereto and made a part hereof.
- B. As additional consideration, CONSULTANT and AGENCY agree to abide by the terms and conditions contained in this Agreement.

- C. CONSULTANT will, in a professional manner, furnish all labor and all personnel; all supplies, materials, equipment, printing, vehicles, transportation, office space, and facilities; all testing, analyses, and calculations; and all other means, except as otherwise expressly specified to be furnished by AGENCY, that are necessary or proper to complete the work and provide the required professional services.
- D. CONSULTANT shall be compensated for work completed in accordance with this Section 2 as follows: (a) not to exceed \$20,000 for the performance of certain services reflected as Items 1 through 9 in the Proposal (Exhibit A); (b) subject to the prior written approval of the Treasurer for any such work to be completed by CONSULTANT, an hourly rate of \$200 per hour on a time and materials basis but not to exceed a total amount of \$3,000 for the performance of additional services reflected in Items 10 and 11 in the Proposal (Exhibit A) relating to document review, bond rating agency presentation and other meetings; and (c) expenses not to exceed \$2,500. Combined compensation of fees and expenses payable to Fraser & Associates is a not to exceed amount of \$25,500. CONSULTANT shall be compensated for additional services only upon prior written approval of AGENCY.
- E. *If the 2013 Tax Allocation Bonds are not issued,* CONSULTANT shall submit a statement of accrued compensation for basic and additional services rendered in accordance with this Agreement and all accrued expenses, not to exceed **\$25,500**. Payments to CONSULTANT will be made by AGENCY within thirty (30) calendar days of receipt of invoice. AGENCY agrees that the CONSULTANT's billings are correct unless AGENCY, within ten (10) calendar days from the date of receipt of such billing, notifies CONSULTANT in writing of alleged inaccuracies, discrepancies, or errors in billing. In the event AGENCY disputes part or all of an invoice, AGENCY shall pay the undisputed portion of the invoice within the above mentioned thirty (30) calendar days.
- F. *If the 2013 Tax Allocation Bonds are issued,* CONSULTANT shall submit a statement for total accrued compensation for basic and additional services rendered in accordance with this Agreement and all accrued expenses, not to exceed **\$25,500**. Payments to CONSULTANT will be made by AGENCY through the 2013 Tax Allocation Bonds Trustee/Escrow Agent and from the proceeds of the 2013 Tax Allocation Bonds within thirty (30) calendar days of receipt of invoice. AGENCY agrees that the CONSULTANT's billings are correct unless AGENCY, within ten (10) calendar days from the date of receipt of such billing, notifies CONSULTANT in writing of alleged inaccuracies, discrepancies, or errors in billing. In the event AGENCY disputes part or all of an invoice, AGENCY shall pay the undisputed portion of the invoice within the above mentioned thirty (30) calendar days from the proceeds of the 2013 Tax Allocation Bonds.

### **Section 3. PROJECT COORDINATION AND SUPERVISION.**

The AGENCY's Treasurer, currently Kathleen VonAchen, is hereby designated as the PROJECT COORDINATOR for AGENCY and will monitor the progress and execution of this Agreement.

Donald J. Fraser, President of CONSULTANT, is hereby designated as the contact for CONSULTANT and will monitor the progress and execution of this Agreement.

### **Section 4. LENGTH OF CONTRACT.**

The contract between CONSULTANT and AGENCY will be terminated upon completion of the work as set forth in Section 2 above or in accordance with Section 16 below.

Should CONSULTANT begin work on any phase in advance of receiving written authorization to proceed, any professional services performed by CONSULTANT in advance of the said date of authorization shall be considered as having been done at CONSULTANT'S own risk and as a volunteer unless said professional services are so authorized.

Any delay occasioned by causes beyond the control of CONSULTANT may be reason for the granting of extension of time for the completion of the aforesaid services. When such delay occurs, CONSULTANT shall immediately notify the PROJECT COORDINATOR in writing of the cause and the extent of the delay, whereupon the PROJECT COORDINATOR shall ascertain the facts and the extent of the delay and determine whether an extension of time for the completion of the professional services is justified by the circumstances.

#### **Section 5. CHANGES.**

If changes in the work seem merited by AGENCY or CONSULTANT, and informal consultations with the other Party indicate that a change is warranted, it shall be processed by AGENCY in the following manner: a letter outlining the changes shall be forwarded to AGENCY by CONSULTANT with a statement of estimated changes in fee or time schedule. An amendment to the Agreement shall be prepared by AGENCY and executed, if approved, by both PARTIES before performance of such services or AGENCY will not be required to pay for the changes in the scope of work. Such amendment shall not render ineffective or invalidate unaffected portions of this Agreement.

#### **Section 6. OWNERSHIP OF DOCUMENTS.**

All documents, data, studies, drawings, maps, models, photographs and reports prepared by CONSULTANT under this Agreement shall be considered the property of AGENCY. CONSULTANT may retain such copies of said documents and materials as desired, but shall deliver all original materials to AGENCY.

#### **Section 7. AUDIT OF RECORDS.**

7.1. At any time during normal business hours and as often as may be deemed necessary the CONSULTANT shall make available to a representative of AGENCY for examination all of its records with respect to all matters covered by this Agreement and shall permit AGENCY to audit, examine and/or reproduce such records. CONSULTANT shall retain such financial and program service records for at least four (4) years after termination or final payment under this Agreement.

7.2. The CONSULTANT shall include the AGENCY's right under this section in any and all of their subcontracts, and shall ensure that these sections are binding upon all subcontractors.

#### **Section 8. PUBLICATION OF DOCUMENTS.**

Except as necessary for performance of service under this Agreement, no copies, sketches, or graphs of materials, including graphic art work, prepared pursuant to this Agreement shall be released by CONSULTANT to any other person or agency without AGENCY's prior written approval. All press releases, including graphic display information to be published in newspapers or magazines, shall be approved and distributed solely by AGENCY, unless otherwise provided by written agreement between the PARTIES. After project completion, CONSULTANT may list the project and the general details in its promotional materials.

**Section 9. COVENANT AGAINST CONTINGENT FEES.**

CONSULTANT declares that it has not employed or retained any company or person, other than a bona fide employee working for CONSULTANT, to solicit or secure this Agreement, that it has not paid or agreed to pay any company or person, other than a bona fide employee, any fee, commission, percentage, brokerage fee, gift or any other consideration, contingent upon or resulting from the award or making of the Agreement. For breach of violation of this warranty, AGENCY shall have the right to annul this Agreement without liability, or, at its sole discretion, to deduct from the Agreement price or consideration, or otherwise recover the full amount of such fee, commission, percentage, brokerage fee, gift or contingent fee.

**Section 10. NO ASSIGNMENTS.**

Neither any part nor all of this Agreement may be assigned or subcontracted, except as otherwise specifically provided herein, or to which AGENCY, in its sole discretion, consents to in advance thereof in writing. Any assignment or subcontracting in violation of this provision shall be void.

**Section 11. INDEPENDENT CONTRACTOR.**

At all times during the term of this Agreement, CONSULTANT and any subcontractors employed by CONSULTANT shall be an independent contractor and shall not be an employee of the AGENCY. AGENCY shall have the right to control CONSULTANT only insofar as the results of CONSULTANT'S services rendered pursuant to this Agreement; however, AGENCY shall not have the right to control the means by which CONSULTANT accomplishes its services. Any provision in this Agreement that may appear to give AGENCY the right to direct CONSULTANT or sub consultant as to the details of doing the work or to exercise a measure of control over the work means that CONSULTANT shall follow the direction of the AGENCY as to end results of the work only.

Neither CONSULTANT nor CONSULTANT's employees shall in any event be entitled to any benefits to which AGENCY employees are entitled, including, but not limited to, overtime, any retirement benefits, workers' compensation benefits, any injury leave or other leave benefits, CONSULTANT being solely responsible for all such matters, as well as compliance with social security and income tax withholding and all other regulations and laws governing such matters.

**Section 12. LICENSES, PERMITS, ETC.**

CONSULTANT represents and declares to AGENCY that it has all licenses, permits, qualifications, and approvals of whatever nature that are legally required to practice its profession. CONSULTANT represents and warrants to AGENCY that 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 CONSULTANT to practice its profession. CONSULTANT shall obtain and maintain a City of Imperial Beach business license during the term of this Agreement.

**Section 13. INSURANCE.**

CONSULTANT shall maintain, during the term of this Agreement, Employer's Liability Insurance as prescribed by applicable law. Upon request, AGENCY shall be provided with satisfactory evidence that premiums have been paid and CONSULTANT shall deliver to AGENCY certificates of insurance and endorsements as to each policy. Each certificate of insurance shall provide that the policy will not be materially altered or cancelled without first giving ten (10) calendar days written notice to the AGENCY by certified mail. Coverage shall include appropriate waivers of subrogation as to the City of Imperial Beach (the "City") and AGENCY. CONSULTANT agrees to this requirement

irrespective of any other similar obligation imposed on others and CONSULTANT agrees to do so in conformity with the requirements set forth herein including those requirements set forth for certificates of insurance.

CONSULTANT is aware of the provisions of California Labor Code Section 3700 which requires every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and will comply with the provisions of that code before commencing with and during the performance of the work of this Agreement.

CONSULTANT shall assume liability for the wrongful or negligent acts, errors and omissions of its officers, agents and employees and sub Contractors in regard to any functions or activity carried out by them on behalf of AGENCY pursuant to the terms of this Agreement.

#### **Section 14. CONSULTANT NOT AN AGENT.**

Except as AGENCY may specify in writing, CONSULTANT shall have no authority, expressed or implied, to act on behalf of AGENCY in any capacity whatsoever as an agent. CONSULTANT shall have no authority, expressed or implied, pursuant to this Agreement to bind AGENCY to any obligation whatsoever.

#### **Section 15. INDEMNITY.**

To the fullest extent permitted by law, CONSULTANT shall indemnify, defend, and hold harmless the AGENCY, the City, and their officers, officials, agents and employees from any and all claims, demands, costs or liability that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of CONSULTANT, its employees, agents, and subcontractors in the performance of services under this AGREEMENT. CONSULTANT's duty to indemnify under this section shall not include liability for damages for death or bodily injury to persons, injury to property, or other loss, damage or expense arising from the active or sole negligence or willful misconduct by the AGENCY, the City or their elected officials, officers, agents, and employees. CONSULTANT's indemnification obligations shall not be limited by the insurance provisions of this AGREEMENT. The PARTIES expressly agree that any payment, attorney's fees, costs or expense AGENCY or the City incurs or makes to or on behalf of an injured employee under the AGENCY's or City's self-administered workers' compensation is included as a loss, expense, or cost for the purposes of this section, and that this section will survive the expiration or early termination of this AGREEMENT.

#### **Section 16. TERMINATION.**

AGENCY may terminate this Agreement at any time by giving ten (10) calendar days' written notice to CONSULTANT of such termination and specifying the effective date thereof at least ten (10) calendar days before the effective date of such termination. In that event, all finished or unfinished documents, data, studies, surveys, drawings, maps, reports and other materials prepared by CONSULTANT shall, at the option of AGENCY, become the property of AGENCY. If this Agreement is terminated by AGENCY as provided herein, CONSULTANT will be paid an amount which bears the same ratio to the total compensation as the services actually performed bear to the total services of CONSULTANT covered by this Agreement, less payments of compensation previously made.

Should CONSULTANT be in default of any covenant or condition hereof, AGENCY may immediately terminate this AGREEMENT for cause if CONSULTANT fails to cure the default within ten (10) calendar days of receiving written notice of the default.

#### **Section 17. NON-DISCRIMINATION.**

CONSULTANT shall not discriminate against any employee or applicant for employment

because of race, color, religion, sex or national origin, nor shall CONSULTANT discriminate against any qualified individual with a disability. CONSULTANT will take affirmative action to insure that applicants are employed and that employees are treated during employment without regard to their race, color, religion, sex or national origin and shall make reasonable accommodation to qualified individuals with disabilities. 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. CONSULTANT agrees to post in conspicuous places available to employees and applicants for employment any notices provided by AGENCY setting forth the provisions of this non-discrimination clause.

#### **Section 18. GENERAL CONDITIONS.**

CONSULTANT agrees that it shall provide no services for any private client within the boundaries of AGENCY during the period that this Agreement is in effect, nor shall CONSULTANT, without, previous written permission from the PROJECT COORDINATOR, review any plan, map or other work which to the best of CONSULTANTS knowledge has been submitted by a private client for which the CONSULTANT has performed work within the previous 12 months or anticipates performing work in the succeeding 12 months. CONSULTANT shall immediately notify the PROJECT COORDINATOR in writing whenever CONSULTANT has reason to believe that aforementioned circumstance exists. CONSULTANT knows of no interests where it holds nor of any relationship it has or may have that would constitute a conflict of CONSULTANT performing the duties set forth in this Agreement solely in the best interest of CITY.

#### **Section 19. OFFICE SPACE AND CLERICAL SUPPORT.**

CONSULTANT shall provide its own office space and clerical support at its sole cost and expense.

#### **Section 20. SUBCONTRACTORS.**

20.1. The CONSULTANT's hiring or retaining of third parties (i.e. subcontractors) to perform services related to this Agreement is subject to prior approval by the AGENCY.

20.2. All contracts entered into between the CONSULTANT and its subcontractor shall also provide that each subcontractor shall obtain insurance policies which shall be kept in full force and effect during any and all work related to this Agreement and for the duration of this Agreement. The CONSULTANT shall require the subcontractor to obtain all policies described in Section 13 above in the amounts required by the AGENCY, which shall not be greater than the amounts required of the CONSULTANT.

20.3. In any dispute between the CONSULTANT and its subcontractor, the AGENCY or the City shall not be made a party to any judicial or administrative proceeding to resolve the dispute. The CONSULTANT agrees to defend and indemnify the AGENCY and the City as described in Section 15 of this Agreement should the AGENCY or the City be made a party to any judicial or administrative proceeding to resolve any such dispute.

#### **Section 21. CONFIDENTIAL RELATIONSHIP.**

AGENCY may from time to time communicate to CONSULTANT certain information to enable CONSULTANT to effectively perform the services. CONSULTANT shall treat all such information as confidential, whether or not so identified, and shall not disclose any part thereof without the prior written consent of AGENCY. CONSULTANT shall limit the use and circulation of such information,

even within its own organization, to the extent necessary to perform the services. The foregoing obligation of this Section 21, 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 CONSULTANT, hereafter disclosed in publicly available sources of information; (iii) is now in the possession of CONSULTANT without any obligation of confidentiality; or (iv) has been or is hereafter rightfully disclosed to 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.

CONSULTANT shall not disclose any reports, recommendations, conclusions or other results of the services or the existence of the subject matter of this contract without the prior written consent of AGENCY. In its performance hereunder, 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.

**Section 22. MEDIATION.**

In the event of a dispute between AGENCY and CONSULTANT concerning the terms of this Agreement or its performance, the PARTIES may, but are not required to, agree to submit such dispute to mediation. If both PARTIES agree to mediation, AGENCY and CONSULTANT agree to cooperate in good faith to promptly select a mediator, to schedule a mediation session, and to attempt to settle the claim or dispute through mediation.

**Section 23. NOTICES.**

All communications to either Party by the other Party shall be deemed made when received by such Party at its respective name and address, as follows:

Kathleen VonAchen  
Treasurer  
Imperial Beach Redevelopment Agency Successor Agency  
825 Imperial Beach Blvd.  
Imperial Beach, CA 91932

Donald Fraser  
President  
Fraser & Associates  
225 Holmfirth Court  
Roseville, CA 95661

Any such written communications by mail shall be conclusively deemed to have been received by the addressee five (5) business days after the deposit thereof in the United States Mail, postage prepaid and properly addressed as noted above.

**Section 24. CALIFORNIA LAW; VENUE.**

This Agreement and its performance shall be governed, interpreted, construed, and regulated by the laws of the State of California. Any action brought to enforce or interpret any portion of this Agreement shall be brought in the county of San Diego, California. CONSULTANT hereby waives any and all rights it might have pursuant to California Code of Civil Procedure § 394.

**Section 25. ENTIRE AGREEMENT.**

This Agreement, and its Attachments and Exhibits, set forth the entire understanding of the PARTIES. There are no other understandings, terms or other agreements expressed or implied, oral or written. The following attachments are a part of this Agreement: **Proposal dated April 3, 2013**. No change, alteration, or modification of the terms or conditions of this Agreement, and no verbal understanding of the PARTIES, their officers, agents, or employees shall be valid unless agreed to in writing by both PARTIES.

**Section 26. SEVERABILITY.**

If any portion of this Agreement is declared by a court of competent jurisdiction to be invalid or unenforceable, then such portion shall be deemed modified to the extent necessary in the opinion of the court to render such portion enforceable and, as so modified, such portion and the balance of this Agreement shall continue in full force and effect.

**Section 27. TIME IS OF ESSENCE.**

Time is of the essence for each and every provision of this Agreement that states a time for performance and for every deadline imposed by the PROJECT COORDINATOR.

**Section 28. COMPLIANCE WITH LAW.**

CONSULTANT shall comply with applicable laws in effect at the time the services are performed hereunder which, to the best of its knowledge, information and belief, apply to its obligations under this Agreement.

**Section 29. STATEMENT OF EXPERIENCE.**

By executing this Agreement, CONSULTANT represents that it has demonstrated trustworthiness and possesses the quality, fitness, and capacity to perform the Agreement in a manner satisfactory to AGENCY. CONSULTANT represents that its financial resources, surety and insurance experience, service experience, completion ability, personnel, current workload, experience in dealing with private owners, and experience in dealing with public agencies all suggest that CONSULTANT is capable of performing the proposed contract and has a demonstrated capacity to deal fairly and effectively with and to satisfy a public agency.

**Section 30. CONFLICTS OF INTEREST AND POLITICAL REFORM ACT OBLIGATIONS.**

During the term of this Agreement, CONSULTANT shall not act as consultant or perform services of any kind for any person or entity whose interests conflict in any way with those of the AGENCY. CONSULTANT shall at all times comply with the terms of the Political Reform Act and the local conflict of interest ordinance. CONSULTANT shall immediately disqualify itself and shall not use its official position to influence in any way any matter coming before the AGENCY in which the CONSULTANT has a financial interest as defined in Government Code Section 87103. CONSULTANT represents that it has no knowledge of any financial interests which would require it to disqualify itself from any matter on which it might perform services for the AGENCY.

CONSULTANT shall comply with all of the reporting requirements of the Political Reform Act and local ordinance. Specifically, CONSULTANT shall file Statements of Economic Interest with the City Clerk of the City of Imperial Beach in a timely manner on forms which CONSULTANT shall obtain from the City Clerk.

**Section 31. RESPONSIBILITY FOR EQUIPMENT.**

AGENCY or the City shall not be responsible nor held liable for any damage to persons or property consequent upon the use, misuse, or failure of any equipment used by CONSULTANT or any of CONSULTANT's employees or subcontractors, even if such equipment has been furnished, rented, or loaned to CONSULTANT by AGENCY or the City. The acceptance or use of any such equipment by CONSULTANT, CONSULTANT's employees, or subcontractors shall be construed to mean that CONSULTANT accepts full responsibility for and agrees to exonerate, indemnify and hold harmless AGENCY and the City from and against any and all claims for any damage whatsoever

resulting from the use, misuse, or failure of such equipment.

**Section 32. NO WAIVER.**

No failure of either the AGENCY or the CONSULTANT to insist upon the strict performance by the other of any covenant, term or condition of this Agreement, nor any failure to exercise any right or remedy consequent upon a breach of any covenant, term, or condition of this Agreement shall constitute a waiver of any such breach of such covenant, term or condition.

**Section 33. DRAFTING AMBIGUITIES.**

The PARTIES agree that they are aware that they have the right to be advised by counsel with respect to the negotiations, terms and conditions of this Agreement, and the decision of whether or not to seek advice of counsel with respect to this Agreement is a decision which is the sole responsibility of each Party. This Agreement shall not be construed in favor of or against either Party by reason of the extent to which each Party participated in the drafting of the Agreement.

**Section 34. CONFLICTS BETWEEN TERMS.**

If an apparent conflict or inconsistency exists between the main body of this Agreement and the Exhibits, the main body of this Agreement shall control. If a conflict exists between an applicable federal, state, or local law, rule, regulation, order, or code and this Agreement, the law, rule, regulation, order, or code shall control. Varying degrees of stringency among the main body of this Agreement, the Exhibits, and laws, rules, regulations, orders, or codes are not deemed conflicts, and the most stringent requirement shall control. Each Party shall notify the other immediately upon the identification of any apparent conflict or inconsistency concerning this Agreement.

**Section 35. EXHIBITS INCORPORATED.**

Exhibits "A" is incorporated into the Agreement by this reference.

**Section 36. SIGNING AUTHORITY.**

The representative for each Party signing on behalf of a corporation, partnership, joint venture or governmental entity hereby declares that authority has been obtained to sign on behalf of the corporation, partnership, joint venture, or entity and agrees to hold the other Party hereto harmless if it is later determined that such authority does not exist.

**\*\*\*SIGNATURES ON FOLLOWING PAGE\*\*\***

IN WITNESS WHEREOF the PARTIES hereto have executed this Agreement on the day and year first hereinabove written.

AGENCY:

IMPERIAL BEACH REDEVELOPMENT AGENCY  
SUCCESSOR AGENCY,  
a public entity

CONSULTANT:

FRASER & ASSOCIATES,  
a California LLC

\_\_\_\_\_  
Gary Brown, Executive Director

\_\_\_\_\_  
Donald J. Fraser, President

APPROVED AS TO CONTENT:

\_\_\_\_\_  
Kathleen VonAchen, Treasurer/  
Administrative Services Director

APPROVED AS TO FORM:

\_\_\_\_\_  
Jennifer M. Lyon, General Counsel

**FA FRASER & ASSOCIATES****Property Tax and Financial Consulting**

---

225 Holmfirth Court  
Roseville CA 95661

Phone: (916) 791-8958  
FAX: (916) 791-9234

April 3, 2013

Mr. Greg Wade  
Assistant City Manager / Community Development Director  
City of Imperial Beach  
825 Imperial Beach Blvd.  
Imperial Beach, CA 91932

**Dear Mr. Wade:**

Per your request, Fraser & Associates is pleased to provide this proposal for financial and bond services to the Imperial Beach Successor Agency (Agency). The Agency is requesting that Fraser & Associates assist the Agency with the sale of refunding tax allocation bonds for the Imperial Beach Redevelopment Project Area (Project Area).

**Scope of Services**

Fraser & Associates is prepared to provide an in depth analysis of the tax increment revenues to be generated from the Project Area. In order to accomplish this, we recommend the following scope of services:

1. **Tax Increment Projection**: An estimate of the 2012-13 tax increment revenues expected to be received in the Project Area will be prepared, along with a projection showing the future tax increment revenues estimated to be annually allocated to the Agency. The tax increment projections will include an analysis of the impact of senior liens on revenue available for debt service, including pass through payments.
2. **Analysis of County Allocation Procedures**: A review of County procedures used for the calculation of tax increment, including tax increment from the application of tax rates to incremental value and unitary property taxes, will be prepared for the current year revenue estimate. This will include a review of distributions from the Redevelopment Property Tax Trust Fund prepared by the County. This analysis ensures that the current year revenue estimate is accurate.

**FA FRASER & ASSOCIATES**

Mr. Greg Wade

04/03/13

Page 2

3. **Review of Historical Revenues**: Fraser & Associates will review the growth in taxable values over the past five fiscal years and provide a table showing such trends. In addition, an analysis will be prepared of the actual tax increment receipts to the initial County levy in order to determine collection trends.
4. **Appeals Analysis**: An analysis of recently resolved and open appeals will be prepared. The tax increment projections will be revised as needed for the potential impact of appeals.
5. **Housing Market Impact Analysis**: Recent volatility in the housing market has caused rating agencies to require additional information concerning housing prices and property transfers. As a result, the impact that housing price declines have had on the Project Area will be analyzed. We will also review recent sales data in order to determine whether housing price declines and Proposition 8 reductions may be leveling off.
6. **Plan Limits Review**: The Project Area's plan limits will be reviewed in order to determine any potential impact on the bond issue and on the tax increment revenue stream.
7. **Impacts of Redevelopment Dissolution Act**: We will review the impact of AB 26 and AB 1484 on the flow of revenues to the Agency.
8. **Fiscal Consultants Report**: A Fiscal Consultants Report (FCR) will be prepared summarizing the analysis of historical, current and projected tax increment revenues. The FCR will include our methodology in preparing the tax increment study. The FCR is typically included as an appendix to the Official Statement for the bond issue.
9. **Official Statement Tables**: Fraser & Associates will provide tables on the revenues in the Project Area for inclusion in the offering document based on the data utilized in the services described above.
10. **Document Review**: Other documents (Official Statement; Indenture of Trust; etc.) will be reviewed and commented on by Fraser & Associates.
11. **Bond Rating Agency and Other Meetings**: Fraser & Associates will be available to represent the Agency in meetings and presentations to the bond rating agencies (Moody's and Standard and Poor's). Other meetings will also be attended, as requested by the Agency.

### **Compensation**

Services shall be compensated on the basis of a fixed fee of Twenty Thousand Dollars (\$20,000) for items one through nine above, inclusive of one meeting. Service items ten and eleven shall be compensated on a time and material basis in accordance with my standard hourly rate of \$200 per hour.

**FA FRASER & ASSOCIATES**

Mr. Greg Wade

04/03/13

Page 3

It is estimated that hourly rate services will not exceed Three Thousand Dollars (\$3,000). Expenses are estimated at \$2,500. Expenses include, but are not limited to: authorized travel; mileage at the current IRS per mile rate or equivalent rental car fee; copy expenses; shipping and messenger services; long distance phone calls; the acquisition of property tax data (Top 10, etc.) and other similar expenses.

Payment for services can be made from the cost of issuance fund created as part of the bond issue, but the fee is not contingent upon a successful closing of the bond issue. If the bond issue is not completed, payment shall still be owed to Fraser & Associates.

Fraser & Associates appreciates the opportunity to submit this proposal and looks forward to with you again. Please let me know if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Donald J. Fraser". The signature is written in a cursive style with a large initial "D".

Donald J. Fraser