



CITY COUNCIL AGENDA STATEMENT



February 16, 2021

File ID: 20-0392

TITLE

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CHULA VISTA APPROVING THE FIRST AMENDED AND RESTATED AGREEMENT BETWEEN THE CITY OF CHULA VISTA AND SCG – SPICER CONSULTING GROUP, LLC. FOR SPECIAL TAX CONSULTANT SERVICES FOR ASSESSMENT DISTRICTS, COMMUNITY FACILITIES DISTRICTS, OPEN SPACE DISTRICTS AND ANNUAL SEWER ASSESSMENT ADMINISTRATION SERVICES

RECOMMENDED ACTION

Council adopt the resolution.

SUMMARY

The City of Chula Vista desires to amend and restate the current 3-year Agreement with Spicer Consulting Group, LLC. The City would like to increase the maximum spending from \$400,000.00 to \$500,000.00 to include Continuing Disclosure and Arbitrage Calculation Services for Non-Land Based Bond Issues, and District Formation and Modification.. The City also desires to amend and restate the current three-year contract to extend the duration from April 01, 2018 to June 30, 2022 with total costs not to exceed \$760,000.00.

ENVIRONMENTAL REVIEW

The Development Services Director has reviewed the proposed activity for compliance with the California Environmental Quality Act (CEQA) and has determined that the activity is not a “Project” as defined under Section 15378 of the State CEQA Guidelines because it will not result in a physical change in the environment; therefore, pursuant to Section 15060(c)(3) of the State CEQA Guidelines, the activity is not subject to CEQA. Thus, no environmental review is required.

BOARD/COMMISSION/COMMITTEE RECOMMENDATION

Not Applicable.

DISCUSSION

The City of Chula Vista entered into an Agreement with Spicer Consulting Group to perform special tax consulting services beginning April 01, 2018 through March 31, 2021. The 3-year Agreement has a maximum spending limit of \$400,000.00.

Due to additional services requested by the City such as district modifications, district formations, and continuing disclosure and arbitrage calculation services for Non-land based Bond Issues, the spending limit

will be surpassed prior to the end of the Agreement. The City would like to amend and restate the Agreement to include Arbitrage calculations and Continuing Disclosure reporting for Non-Land Based Bond issues, and district formation and modification services. Further, the City also wishes to amend and restate the current three-year contract to extend the duration from April 1, 2018 to June 30, 2022 with fees not to exceed \$760,000.00 in order to cover these additional costs and the extended duration.

Scope of Work Additions

Non-Land Based Bond Issues

- Provide Arbitrage Calculations at least every five years for each bond issue as well as a final computation on the date on which the last maturity of a bond issue is retired;
- Prepare continuing disclosure reports and event notices for City staff review, in accordance with each Bond Indenture and SEC Rule 15c2-12, and disseminate approved documents to the Electronic Municipal Market Access (EMMA).

Current Non-Land Based Bond Issues

Bond Issue Name	Bond Issue Amount	Maturity Date
2014 Refunding Certificates of Participation (Police Facility Project)	\$45,920,000	October 01, 2032
2015 Refunding Certificates of Participation (Civic Center Project)	\$34,330,000	March 01, 2034
2016 Refunding Certificates of Participation (Civic Center Project)	\$8,600,000	March 01, 2031
2016 Lease Revenue Refunding Bonds	\$25,885,000	May 01, 2033
2016 Tax Allocation Refunding Bonds	\$29,315,000	October 01, 2036
2017 Lease Revenue Bonds (Measure P)	\$61,355,000	May 01, 2027
2017 Lease Revenue Bonds Series A (New Clean Renewable Energy)	\$12,045,000	December 01, 2048
2017 Lease Revenue Bonds Series B (Tax-Exempt)	\$1,085,000	December 01, 2028

Upcoming Non-Land Based Bond Issues

Bond Issue Name	Bond Issue Amount	Maturity Date
2021 Pension Obligation Bonds	TBD	TBD

Upcoming Land Based Bond Issues

Bond Issue Name	Bond Issue Amount	Maturity Date
2021 Bayfront Project Special Tax Financing District	TBD	TBD
2021 Special Tax Bonds (CFD 16-I Improvement Area No. 2)	TBD	TBD

DECISION-MAKER CONFLICT

Staff has reviewed the property holdings of the City Council and has found that Mayor Casillas Salas and Councilmembers Padilla and McCann have real property holdings within 500 feet of the boundaries of the property which is the subject of this action. However, it has been determined that, no conflicts of interest exist pursuant to California Code of Regulations (CCR) section 18700(b)(6), as it is neither reasonably foreseeable that the decision will have a material financial effect on the real property, nor will the decision impose, repeal, or modify any assessments or taxes on the real property holdings as specified in CCR section 18705.2(a)(3), but is simply administrative in nature. Staff is not independently aware, and has not been informed by any City Council member, of any other fact that may constitute a basis for a decision-maker conflict of interest in this matter.

CURRENT-YEAR FISCAL IMPACT

The administrative costs for each non-bonded Special Tax District (Open Space Districts and Maintenance CFDs) will be financed out of the revenue generated by the individual districts via the annual levy. Administrative costs incurred by the bonded districts (Assessment District and Improvement CFDs) will be recovered through the 'administrative fee' component of the annual levy, with invoices sent directly to the district's trustee for payment. These costs include the placement of the annual levy on the tax roll and other administrative tasks as required. With the current number of parcels and districts, the annual contract amount for these administration services is \$24,966.55.

ONGOING FISCAL IMPACT

The ongoing fiscal impact in year 2022 would be an increase in costs of \$122,889.23. Of the \$122,889.23, the CFDs revenues will fund \$40,036.48 while the General Fund will be responsible for \$80,852.75 and the final \$2,000.00 will be paid with monies held by the Pension Obligation Bond Trustee. If the one-year extension is exercised, the fiscal year 2023 impact will be an increase in costs of \$34,206.86. Of the \$34,206.86, the CFDs revenues will fund \$18,179.80 while the General Fund will be responsible for \$14,027.06 and the final \$2,000.00 will be paid with monies held by the Pension Obligation Bond Trustee. Both would be due to an overall increase in the scope of work, duration extension and additional districts.

ATTACHMENTS

1. Amendment and Restatement to the Agreement Between the City of Chula Vista and SCG – Spicer Consulting Group, LLC. For Special Tax Consultant Services for Assessment Districts, Community Facilities Districts, Open Space Districts and Annual Sewer Assessment Administration Services; and Authorizing and Directing the Mayor to Execute Said Agreement

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