



CITY COUNCIL AGENDA REPORT

MEETING DATE: May 2, 2017

ITEM NUMBER: **CC-9**

SUBJECT: AMENDMENT NUMBER TWO TO PROFESSIONAL SERVICES WITH STRADLING YOCCA CARLSON & RAUTH, PC

DATE: April 15, 2017

FROM: FINANCE DEPARTMENT

PRESENTATION BY: STEPHEN DUNIVENT, INTERIM FINANCE DIRECTOR

FOR FURTHER INFORMATION CONTACT: STEPHEN DUNIVENT 714.754.5243

RECOMMENDED ACTIONS:

1. Approve Amendment Number Two to professional services with Stradling Yocca Carlson & Rauth, PC in the cumulative amount of \$83,500 to provide bond counsel and related services in connection to the debt financing of the Lions Park projects.
2. Authorize the City Manager and the City Clerk to execute Amendment Number Two.

BACKGROUND:

On June 21, 2016 Council approved a \$46,000,000 funding plan for the Lions Park projects and the rebuilding of Fire Station 1. As a first step in building the financial team for the debt financing of this project, Council approved on January 17, 2017 a municipal advisory services agreement with Fieldman Rolapp & Associates (Fieldman). And on March 28, 2017, Council authorized staff to advertise the Lions Park Projects for construction.

ANALYSIS:

The June 21, 2016 funding plan outlined the strategy of accumulation of funds from various sources over four fiscal years beginning with FY 16-17. The total of \$46,000,000 included \$10,000,000 for Fire Station 1 which would be paid for with funds accumulated over the first three years of the plan. The balance of the plan included \$36,000,000 for the Lions Park projects accumulated over four years. A portion of these funds, estimated at about \$18,600,000, would be from debt financing with the estimated debt payment of \$1,237,523 per year over 25 years being paid by City general funds currently used for the existing debt service on the 2003 Certificates of Participation (COPs). This was a refinancing of bonds originally issued to fund the Municipal Center and right-of-way property on Victoria Street. This debt will be fully paid in FY 18-19 and could possibly be paid as early as FY 17-18.

In addition to bringing on Fieldman as the financial advisor, another essential element of the financing team is bond counsel. The City already has an agreement with Stradling Yocca Carlson & Rauth, PC (Stradling) which provides for bond counsel and related services of the type needed for this project. Staff has experience working with Stradling on other projects and believe they will do an outstanding job for the City as part of the Lions Park projects financing team.

The debt financing plan prepared by this team will be brought to Council for review and approval prior to implementation and when the bids for the construction project are known.

ALTERNATIVES:

The City could seek the services of another bond counsel firm by issuing a request for proposal. This would delay implementation of the Lions Park funding plan and potentially result in a firm less familiar with the City and its projects.

LEGAL REVIEW:

The City Attorney has reviewed and approved the Professional Services Agreement as to form.

CONCLUSIONS:

Approval of the agreement with Stradling will enable the City to fully implement the funding plan to accomplish the Lions Park projects.

Stephen Dunivent
Interim Finance Director

Thomas R. Hatch
City Manager

Attachments:

- [1. Amendment Number Two to Professional Services Agreement with Stradling Yocca Carlson & Rauth, PC](#)