

**OTAY MESA ENHANCED INFRASTRUCTURE FINANCING DISTRICT
PUBLIC FINANCING AUTHORITY
Meeting of February 22, 2024**

DATE ISSUED: February 15, 2024

SUBJECT:

First Amendment to the Consultant Services Agreement between Otay Mesa Enhanced Infrastructure Financing District and Stradling Yocca Carlson & Rauth for Legal Services

CONTACT/PHONE NUMBER:

Richard Eyre, Financial Operations Manager, 619-236-6899
Marisol Valdovinos, Financing Coordinator, 619-533-4071

DESCRIPTIVE SUMMARY OF ITEM:

This item requests the Otay Mesa Public Financing Authority's (PFA) Board to approve a first amendment to the Consultant Services Agreement between the Otay Mesa Enhance Infrastructure Financing District (District) and Stradling Yocca Carlson & Rauth (Law Firm) for bond and disclosure counsel and related services.

STAFF RECOMMENDATION:

Authorize, via resolution, an amendment to the Consultant Services Agreement with the Law Firm for bond and disclosure counsel services to increase the not-to-exceed additional services amount by \$15,000 making the contract total not-to-exceed amount \$153,000.

EXECUTIVE SUMMARY OF ITEM:

At the June 13, 2022, Otay Mesa PFA Board meeting, the PFA Board approved the execution of the Consultant Services Agreement with Law Firm for bond and disclosure services in relation to the District's upcoming tax increment (TI) bond issuance, in an amount not-to-exceed \$138,000.

The proposed amendment to the agreement updates the Compensation and Fee Schedule to increase the not-to-exceed Additional Services amount from \$30,000 to \$45,000. This increase is to compensate the Law Firm for the services provided in obtaining the judicial validation for future District bond issuances and for providing legal counsel in developing the District's Disclosure Policy which was approved by the

Board on February 23rd, 2023. The increased amount for Additional Services also provides capacity for future legal services as needed.

The cost of the services for the amended Law Firm contract will not exceed \$153,000, 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 the City Attorney's Office, will be billed at the hourly rates cited in the agreement. The fees payable to the Law Firm related to additional services will be paid either from funds held by the EIFD or bond proceeds.

ENVIRONMENTAL IMPACT:

This activity is not a "project" as defined in California Environmental Quality Act (CEQA) Section 21065 and State CEQA Guidelines Sections 15378 (b) (2), as it involves continuing administrative or maintenance activities, such as purchases for supplies, personnel-related actions, general policy and procedure making, which will not result in direct or indirect physical changes in the environment and 15378 (b) (5), as it constitutes organizational or administrative activities of governments, which will not result in direct or indirect physical changes in the environment. As such, this activity is not subject to CEQA pursuant to CEQA Guidelines Section 15060(c)(3).

CONCLUSION:

It is recommended that the Authority adopt the resolution to amend the contract with Law Firm.

Respectfully submitted,

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