



AGENDA REPORT

FINANCE DEPARTMENT

DATE: October 5, 2021

TO: Mayor Butt and Members of the City Council

FROM: Anil Comelo, Interim Deputy City Manager

SUBJECT: On-Call Municipal Advisor Consulting Services

STATEMENT OF THE ISSUE:

Staff is requesting authorization to establish on-call professional services agreements for licensed Municipal Advisor services to support the City in the formation of various land-secured financing districts, including landscaping and lighting districts, community facilities districts, benefit assessment districts, geologic hazard abatement districts, and tax-exempt financing mechanisms.

RECOMMENDED ACTION:

ADOPT a resolution authorizing the City Manager to execute a professional services agreement for Municipal Advisor services for land-secured financing districts if and when needed with any of the following firms (listed alphabetically):

KNN Public Finance, LLC
NHA Advisors, LLC
Public Resources Advisory Group, Inc. ("PRAG")

Professional services agreements for as-needed services shall be for individual amounts not to exceed \$100,000 over a three-year period, with an option to extend the contract for two years. Total authority is limited to \$300,000 maximum, with no single contract exceeding \$100,000. This list and these limits may be revised, amended, or cancelled by action of the City Council, including by Resolution for the issuance of bonds.

FINANCIAL IMPACT OF RECOMMENDATION:

There will be no fiscal impact since the firms will be utilized on an as-needed basis and the costs will be paid for with funds deposited to the City in advance by developers and memorialized by Deposit and Funding Agreements as drafted by the City Attorney.

DISCUSSION:

Cities typically agree to cooperate with developers in the formation of land-secured financing districts as permitted by State law to finance the construction, development, and operation of the Master Infrastructure, Offsite Improvements, and Master Developer Amenities in connection with various projects and the development of the property.

During the entitlement phase of land use planning and/or project planning, the City is periodically asked to include provisions in its agreements to cooperate with developers in the formation of these financing districts, including landscaping and lighting districts, community facilities districts, benefit assessment districts, geologic hazard abatement districts, and tax-exempt financing mechanisms.

The City, the community, and a given project's ultimate property owners would benefit from the early participation of highly qualified firms to assist the City's project team in comprehensively anticipating and leveraging its future performance of those elements of its agreements that pertain to the establishment of one or more land-secured benefit assessment districts.

Staff is seeking to establish a list of qualified firms to assist the City on an as-needed basis by establishing professional services agreements for licensed Municipal Advisor services in advance so that these firms are available to quickly support the City during the early entitlement phase of project development.

In August 2021, the City issued a Request for Qualifications (RFQ) for as-needed professional Municipal Advisory services. The RFQ was posted on the service bidsonline.com, which the City commonly uses to maximize exposure of its Requests for Proposals and its Requests for Qualifications.

The City received four responses to its RFQ; three were determined to be responsive and qualified with regards to the specialty of land-secured financing in California under California law. The firms and their RFQ responses were reviewed by staff members from Finance, Public Works, Community Development, Economic Development, and the City Attorney's office. The responses were evaluated in accordance with the RFQ and ranked by representatives of the Finance, Public Works, Community Development, and Economic Development departments. Proposals were rated based on:

- Technical qualifications
- Experience
- Past performances
- References
- Demonstrated understanding of and approach to services
- Fees

The total service agreement authority for ALL contracts with all firms is proposed to be for an amount not to exceed \$300,000, with no single firm's contracts collectively exceeding \$100,000. Contracts will be for initial terms not to exceed a three-year period with an option to extend for two years. The establishment of on-call service contracts

will allow the City to provide necessary analysis and evaluation services in a proactive, efficient, and timely manner. The on-call agreements would authorize the City to enter into smaller standing contracts with the listed firms as required for individual projects. The establishment of standing professional services agreements will significantly reduce the time, including staff time, and the costs that will otherwise be expended in selecting consultants on a project-by-project basis. This is consistent with the City's objectives for the prudent and efficient use of resources.

POLICY SYNERGIES:

As reflected in Richmond's Revenue Generation and Cost Recovery Policies, the City Council has identified the need to consider the potential formation of benefit assessment districts including landscape & lighting maintenance districts and community facility districts to support the City's revenue generation and cost-recovery policies (see Strategic Priority 1A). This service contract allows the City to hire licensed Municipal Advisors to assist staff in the evaluation and negotiation of benefit assessment districts.

DOCUMENTS ATTACHED:

Attachment 1 - Resolution

RESOLUTION NO. 120-21

**RESOLUTION OF THE COUNCIL OF THE CITY OF RICHMOND AUTHORIZING
PROFESSIONAL SERVICES AGREEMENTS FOR LICENSED MUNICIPAL
ADVISOR CONSULTING SERVICES FOR LAND-SECURED FINANCING
DISTRICTS ON AN ON-CALL AS-NEEDED BASIS WITH INDIVIDUAL
CONTRACT AMOUNTS NOT TO EXCEED \$100,000 OVER A THREE-YEAR
PERIOD WITH AN OPTION TO EXTEND THE CONTRACT FOR TWO YEARS, AND
WITH TOTAL AUTHORITY LIMITED TO A MAXIMUM OF \$300,000
COLLECTIVELY**

WHEREAS, the City of Richmond anticipates needing special services for project-related financial planning including but not limited to review and negotiation of terms for land-secured financing districts, including landscaping and lighting districts, community facilities districts, benefit assessment districts, geologic hazard abatement districts, and tax-exempt financing mechanisms in advance of development and execution of development agreements; and

WHEREAS, the City is periodically asked to adopt land-use entitlement documents that memorialize and commit the City to cooperate with developers in the formation of various land-secured financing districts, including landscaping and lighting districts, community facilities districts, benefit assessment districts, geologic hazard abatement districts, and tax-exempt financing mechanisms, as permitted by State law, to finance the construction, development, and operation of the Master Infrastructure, Offsite Improvements, and Master Developer Amenities in connection with projects and the development of property, and

WHEREAS, the project-by-project bidding process for these services can take up to four months and involves significant per-project staff time and costs; and

WHEREAS, the use of professionals drawn from an on-call list of firms that have undergone a competitive process eliminates significant costs including staff time associated with project-by-project bidding; and

WHEREAS, in August, the Richmond Finance Department issued a Request for Qualifications (RFQ) for Municipal Advisors to the City of Richmond for the purpose of establishing an on-call list that could be used on an as-needed basis as projects are proposed to the City; and

WHEREAS, 661 firms were notified, and 4 firms submitted responses; and

WHEREAS, proposals from all responding firms were reviewed by representatives of Finance, Public Works, Community Development, Economic Development, and City Attorney's office; and

WHEREAS, the responses were evaluated in accordance with the RFQ and ranked by representatives of the Finance, Public Works, Community Development, and Economic Development departments based on each firm's technical qualifications, experience, past performances, references, demonstrated understanding of and approach to services, and fees; and

WHEREAS, the firms recommended for licensed Municipal Advisor services are, in alphabetical order: KNN Public Finance, LLC; NHA Advisors, LLC; Public Resources Advisory Group, Inc. ("PRAG"); and

WHEREAS, each as-needed service contract shall be for an amount not-to-exceed \$100,000 over a three-year period with an option to extend for two years and would be on a project-by-project basis; and

WHEREAS, the City Council shall review the benefits and risks of any proposed land-secured financing district prior to initiation of Municipal Advisor consulting services and may approve, disapprove, revise, amend or cancel the nature and scope of work; and

WHEREAS, the Finance Department will manage the contract(s), and the costs of each individual contract will be paid by the project applicant, and/or grants; and

WHEREAS, the approved firms and the contract limits may be revised, amended, or cancelled by action of the City Council, including by Resolution for the issuance of bonds.

NOW, THEREFORE, BE IT RESOLVED that the Council of the City of Richmond hereby authorizes the Finance Department to enter into Professional Services Agreements for licensed Municipal Advisor services for land-secured financing districts with KNN Public Finance, LLC; NHA Advisors, LLC; Public Resources Advisory Group, Inc. ("PRAG"), for amounts not to exceed \$100,000 over a three-year period with an option to extend for two years. Be it further resolved that the total authority is limited to a maximum of \$300,000 collectively across all firms across terms or time periods, with no single contract exceeding \$100,000.

I certify that the foregoing resolution was passed and adopted by the City Council of the City of Richmond at a regular meeting thereof held October 5, 2021, by the following vote:

AYES:	Councilmembers Bates, Jimenez, Martinez, McLaughlin, Willis, and Vice Mayor Johnson III.
NOES:	Mayor Butt.
ABSTENTIONS:	None.
ABSENT:	None.

PAMELA CHRISTIAN
CLERK OF THE CITY OF RICHMOND
(SEAL)

Approved:

THOMAS K. BUTT
Mayor

Approved as to form:

TERESA STRICKER
City Attorney



State of California	}	
County of Contra Costa	}	: ss.
City of Richmond	}	

I certify that the foregoing is a true copy of **Resolution No. 120-21**, finally passed and adopted by the City Council of the City of Richmond at a regular meeting held on October 5, 2021.

Pamela Christian

Pamela Christian, Clerk of the City of Richmond