



**REPORT TO SUCCESSOR AGENCY OF THE
REDEVELOPMENT AGENCY OF THE CITY OF LAKE ELSINORE**

To: Successor Agency Board

From: Grant Yates, Executive Director

Prepared by: Jason Simpson, Assistant Executive Director

Date: January 14, 2020

Subject: Professional Services Agreement (PSA) with Urban Futures, Inc. for Continuing Disclosures, CDIAC, and Arbitrage Services

Recommendation

Approve and Authorize the Executive Director to execute the Professional Services Agreement with Urban Futures, Inc. in an amount not to exceed \$35,000 per fiscal year for on-going continuing disclosure services, arbitrage reporting and related financial services in connection with Successor Agency bonds, in final form as approved by the Agency Counsel.

Background

On July 1, 2018 the Successor Agency entered into a Professional Services Agreement with Urban Futures, Inc., for continuing disclosure services and related financial services in connection with Agency bonds. The purpose of the proposed Agreement is to continue the relationship with Urban Futures, Inc. for the provision of such services.

Discussion

The Consultant will be expected to provide full annual continuing disclosure reporting for all of the Agency's outstanding bond transactions as required by the Securities Exchange Commission's Rule 15c2-12 and in accordance with the specific disclosure reporting requirements detailed in each respective bond transcript. Specifically, Consultant will:

1. Collect the necessary financial and statistical information from Agency staff, auditors, and any other source as required.
2. Transmit the annual report for each bond transaction listed below to the Municipal Securities Rulemaking Board's (MSRB) nationally recognized data repository known as EMMA.
3. Monitor each bond transaction listed below, on an on-going basis, for any occurrence of material events.

The Consultant will provide Services as described in this agreement for the following bond transaction(s):

- Tax Allocation Bonds (TAB);
- Certificates of Participation (including Transportation Sales Tax) (COP);
- Lease Revenue Bonds (LRB);
- Pension Obligation Bonds (PPOB);
- Community Facilities/ Assessment Districts (CFO/AD);
- Utility Revenue Bonds;
- Tax and Revenue Anticipation Notes (TRAN);
- Bond Anticipation Notes (BAN);
- General Obligation Bonds (GO);
- Industrial Development Bonds (IDB); and
- Private Placements Loans and Notes.

At the request of the Agency, the Consultant may be engaged to provide annual debt transparency reporting to the California Debt and Investment Advisory Commission (CDIAC) for the Agency's outstanding bond transactions as required by Government Code section 8855(k). Specifically, Consultant will:

1. Collect the necessary information relating to Bond Proceeds for each bond transaction listed below from Agency staff or the assigned Trustee.
2. File the annual debt transparency report with CDIAC through their online reporting system.

The Consultant will provide Services as described in this agreement for all bond's issues after January 2019.

ANNUAL ARBITRIAGE REBATE REPORTING

At the request of the Agency, the Consultant may be engaged to provide to provide annual arbitrage rebate reporting for the Agency's outstanding bond transactions as required by the Internal Revenue Service (IRS). Specifically, Consultant will:

1. Review of all outstanding bond issues to determine the existing level of arbitrage compliance and future compliance needs;
2. Data collecting;
3. Data review and analysis; and
4. Performing calculations, including:
 - o computing/verifying the allowable yield limit for each issue
 - o computing the estimated rebate liability, if any, as of the bond year end
 - o computing the amount of excess earnings, if any, rebatable to the
 - o U.S. Treasury, as of the 5th year (or final) installment date

CONTINUING DISCLOSURE FEE SCHEDULE

BOND TRANSACT/ON TYPE	PER OFFICIAL STATEMENT	ADDITIONAL SERIES (UNDER ONE OFFICIAL STATEMENT)
Tax Allocation	\$1,850	\$500
Certificate of Participation, Lease Revenue, Pension Obligation, General Obligation, Industrial Development	\$1,650	\$500
Utility Revenue, Community Facilities and Assessment Districts	\$1,500	\$500
Tax and Revenue Anticipation Notes, Bond Anticipation Notes, Private Placement Loans and Notes	\$1,000	\$500

The contract rate shall be adjusted each year by the Consumer Price Index: United States Department of Labor Bureau of Labor Statistics, www.data.bls.gov, CPI, US-All Urban Consumers (Base Period 182-84 = 100) on June of each year.

ANNUAL DEBT TRANSPARENCY REPORTING

When requested, the California Debt Investment Advisory Commission (CDIAC) Annual Debt Transparency Reports will be prepared for \$600 per bond, per year, for the first year, and \$175 per bond, per year thereafter.

ANNUAL ARBITRAGE REBATE REPORTING

When requested, the Annual Arbitrage Rebate Reports will be prepared for \$500 per bond, per year.

Fiscal Impact

Funds for these services to the Successor Agency are paid with RPTTF allocated for enforceable obligations through the ROPS process.

Exhibits

A – Professional Services Agreement