

AMENDMENT NO. 1

TO CONTRACT SERVICES AGREEMENT FOR INFRASTRUCTURE FINANCING DISTRICT CONSULTING SERVICES

THIS FIRST AMENDMENT TO THE AGREEMENT FOR CONTRACT SERVICES ("First Amendment") by and between the **CITY OF CARSON**, a California municipal corporation ("City") and **KOSMONT & ASSOCIATES, INC.**, a California Corporation ("Consultant") is effective as of the ____ day of _____, 2018.

RECITALS

A. City and Consultant entered into that certain Agreement for Contractual Services dated February 11, 2017 ("Agreement") whereby Consultant agreed to provide Enhanced Infrastructure Financing District Consulting Services for a one year term for the contract sum of \$24,990.

B. While extensive analysis has been completed by Consultant, extended professional services of the Consultant are required to further determine the feasibility of establishing Enhanced Infrastructure Financing Districts in City.

C. Accordingly, City and Consultant now desire to amend the Agreement to (i) extend the term of Consultant's Services for an additional one year term through February 6, 2019; (ii) extend the scope of services to provide additional Enhanced Infrastructure Financing District analysis; and (iii) increase the compensation to provide for the additional services by an amount not to exceed \$55,000, thereby increasing the maximum contract amount to \$79,990.

TERMS

1. **Contract Changes.** The Agreement is amended as provided herein (new text is identified in ***bold italics***, deleted text in ~~strike-through~~).

(a) **Section 2.1 of the Agreement, entitled "Contract Sum," shall be amended to read as follows:**

"For the services rendered pursuant to this Agreement, Consultant shall be compensated in accordance with the "Schedule of Compensation" attached hereto as Exhibit "C" and incorporated herein by this reference, but not exceeding the maximum contract amount of ~~Fifty Five Thousand Dollars (\$24,990)~~ ***Seventy-Nine Thousand Nine-Hundred Ninety Dollars (\$79,990)*** ("Contract Sum").

(b) **Section 3.4, of the Agreement, entitled "Term," shall be amended to read as follows:**

"Unless earlier terminated in accordance with Article 7 of this Agreement, this Agreement shall continue in full force and effect until ~~completion of the services but not exceeding one (1) year from the date hereof~~ ***February 6, 2019***, except as otherwise provided in the Schedule of Performance (Exhibit "D").

(c) **Exhibit “A” of the Agreement, entitled “Scope of Services,” is hereby replaced in its entirety with Exhibit “A”, (*First Amended*) Scope of Services, attached hereto.**

(d) **Exhibit “C” of the Agreement, entitled “Schedule of Compensation,” is hereby replaced in its entirety with Exhibit “C”, (*First Amended*) Schedule of Compensation, attached hereto.**

(e) **Exhibit “D” of the Agreement, entitled “Schedule of Performance,” is hereby replaced in its entirety with Exhibit “D”, (*First Amended*) Schedule of Performance, attached hereto.**

2. **Continuing Effect of Agreement.** Except as amended by this Agreement, all provisions of the Agreement shall remain unchanged and in full force and effect. From and after the date of this Amendment, whenever the term “Agreement” appears in the Agreement, it shall mean the Agreement, as amended by this Amendment to the Agreement.

3. **Affirmation of Agreement; Warranty Re Absence of Defaults.** City and Consultant each ratify and reaffirm each and every one of the respective rights and obligations arising under the Agreement. Each party represents and warrants to the other that there have been no written or oral modifications to the Agreement other than as provided herein. Each party represents and warrants to the other that the Agreement is currently an effective, valid, and binding obligation.

Consultant represents and warrants to City that, as of the date of this Amendment, City is not in default of any material term of the Agreement and that there have been no events that, with the passing of time or the giving of notice, or both, would constitute a material default under the Agreement.

City represents and warrants to Consultant that, as of the date of this Amendment, Consultant is not in default of any material term of the Agreement and that there have been no events that, with the passing of time or the giving of notice, or both, would constitute a material default under the Agreement.

4. **Adequate Consideration.** The parties hereto irrevocably stipulate and agree that they have each received adequate and independent consideration for the performance of the obligations they have undertaken pursuant to this Amendment.

5. **Authority.** The persons executing this Agreement on behalf of the parties hereto warrant that (i) such party is duly organized and existing, (ii) they are duly authorized to execute and deliver this Agreement on behalf of said party, (iii) by so executing this Agreement, such party is formally bound to the provisions of this Agreement, and (iv) the entering into this Agreement does not violate any provision of any other Agreement to which said party is bound.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date and year first-above written.

CITY:

CITY OF CARSON, a municipal corporation

Albert Robles, Mayor

ATTEST:

Donesia L. Gause, City Clerk

APPROVED AS TO FORM:
ALESHIRE & WYNDER, LLP

Sunny K. Soltani, City Attorney

[NDP]

CONSULTANT:

KOSMONT & ASSOCIATES, INC., a California corporation

By:_____
Name: Larry Kosmont
Title: President and CEO

By:_____
Name:_____
Title:_____
Address:_____

Two corporate officer signatures required when Consultant is a corporation, with one signature required from each of the following groups: 1) Chairman of the Board, President or any Vice President; and 2) Secretary, any Assistant Secretary, Chief Financial Officer or any Assistant Treasurer. CONSULTANT'S SIGNATURES SHALL BE DULY NOTARIZED, AND APPROPRIATE ATTESTATIONS SHALL BE INCLUDED AS MAY BE REQUIRED BY THE BYLAWS, ARTICLES OF INCORPORATION, OR

OTHER RULES OR REGULATIONS APPLICABLE TO CONSULTANT'S BUSINESS ENTITY.

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy or validity of that document.

STATE OF CALIFORNIA

COUNTY OF LOS ANGELES

On _____, 2018 before me, _____, personally appeared _____, proved to me on the basis of satisfactory evidence to be the person(s) whose names(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: _____

OPTIONAL

Though the data below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent reattachment of this form.

CAPACITY CLAIMED BY SIGNER

- ☐ INDIVIDUAL
☐ CORPORATE OFFICER

TITLE(S)
☐ PARTNER(S) ☐ LIMITED
☐ GENERAL
☐ ATTORNEY-IN-FACT
☐ TRUSTEE(S)
☐ GUARDIAN/CONSERVATOR
☐ OTHER _____

DESCRIPTION OF ATTACHED DOCUMENT

TITLE OR TYPE OF DOCUMENT

NUMBER OF PAGES

DATE OF DOCUMENT

SIGNER IS REPRESENTING:
(NAME OF PERSON(S) OR ENTITY(IES))

SIGNER(S) OTHER THAN NAMED
ABOVE

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

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DESCRIPTION OF ATTACHED DOCUMENT

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SIGNER IS REPRESENTING:
(NAME OF PERSON(S) OR ENTITY(IES))

SIGNER(S) OTHER THAN NAMED
ABOVE

EXHIBIT “A”

(FIRST AMENDED)

SCOPE OF SERVICES

- I. Consultant will perform infrastructure financing consulting services to determine the feasibility of establishing an Enhanced Infrastructure Financing District (“EIFD”), as follows:**

Task 1: Initial Research to Evaluate Proposed EIFD Boundary

Consultant will conduct a kickoff meeting (may be telephonic) with the City, and conduct a preliminary evaluation of a proposed boundary area, to be identified by the City, for consideration in forming an EIFD.

All Tasks identified herein include the potential of multiple EIFD sub-areas pursuant to the Carson Vision Plan and prospective expanded areas (to be determined). Consultant will consider certain factors in the preliminary evaluation of the Client’s recommended boundary area including, but not limited to:

1. Preferred membership within the EIFD (e.g. City/County/Special Districts, landowners/developers)
2. Available alternatives for funding improvements within the EIFD (e.g. grant sources based on transit or disadvantaged community census tract designation)
3. Infrastructure needs to improve the district and prepare the EIFD area for private development (to be provided by the Client or third party engineering consultant).

Task 2: Assessment of Governance Structure for EIFD

Consultant will, with assistance from City, identify the potential Public Facilities Authority (PFA) members and provide advice on steps to create the PFA governance structure that would best implement the planning and implementation of the EIFD.

Task 3: Illustrative Tax Increment Analysis & Identification of Other Potential Resources

Consultant will review readily available planning documents as well as funding information acquired from Task 1 to determine the general types of development projects that are planned within the boundaries of the potential EIFD. The advisory work for this Task will focus on prospective or illustrative key private project(s), which are within the proposed EIFD (as appropriate to the assignment). Consultant will incorporate these development projections into an illustrative tax increment analysis for the EIFD in order

to determine highest priority projects/areas as well as areas for future annexation/consideration.

Consultant will consider:

- Illustrative development projections in the EIFD (to be determined in consultation with Client)
- Corresponding range of assessed value creation and tax increment generation over time
- Preliminary list of complementary economic development tools and funding resources
- Potential infrastructure improvements to serve the development (to be provided by Client or selected engineering consultant)
- Overlap of EIFD with former RDA project areas and corresponding outstanding obligations.

Task 4: Strategic Review of Consolidated EIFD vs. Independent EIFD Areas

In conjunction with the Client, Consultant will evaluate the strategic preferences and disadvantages of proceeding based on one versus multiple EIFD areas. Considerations shall include cash flow and timing considerations, as well as likely priorities of other relevant public agencies that are potential contributors/participants in the PFA and or EIFD for a specific sub-area.

Task 5: Evaluation Summary Presentation Materials

Consultant will compile the data and research from Tasks 1 through 4 and compile it into a Summary PowerPoint Presentation that will explain the procedural requirements and potential operating authority of an EIFD and the steps the Client (and other entities, as appropriate) will have to take to create an EIFD.

Consultant will produce this Summary Power Point as a tool to educate the City Council, public agency representatives, general public, and other interested parties about the relevant factors and potential benefits of pursuing an EIFD and potential associated costs. The Summary PowerPoint will also identify the timing and follow on scope and budget to be determined in consultation with the Client.

Task 6: Public and Private Stakeholder Outreach & Analysis Refinement

- A. Consultant will assist with outreach to public and private sector entity stakeholders, potentially including, but not limited to: City Council, County Administrative Office, County Board of Supervisors, Southern California Association of Governments, State Board of Equalization / Department of Tax and Fee Administration, Special districts (e.g. fire district, water districts, utility agencies), Major EIFD area developers, property owners, and/or registered voters.*

- B. Consultant will assist with preparation and presentation of EIFD materials and Analysis as appropriate. Based on continued stakeholder outreach, Consultant will refine preliminary tax increment projections and related funding and financing analysis, in order to reflect proposed participating taxing entity tax increment dedications and supplementary funding sources and financing mechanisms. Consultant will assist with final determination of EIFD boundaries and governing Public Financing Authority (“PFA”) board composition.*

Task 7: Infrastructure Financing Plan (“IFP”) Document Template

Consultant will prepare an IFP document template to be populated by City staff in collaboration with Consultant and appropriate third-party consultants (e.g. special counsel, engineering / environmental consultants). The IFP template will include a table of contents and delineated sections for required information, including, but not limited to, a legal description of district boundaries, public improvements to be implemented, location, timing, and costs of development and financial assistance, finalized tax increment projections, intention to incur debt (e.g. EIFD bonds), district termination date, taxing entity fiscal impact analysis, and replacement housing obligations (pursuant to legislation Section 53398.63).

Task 8: IFP Supporting Fiscal Impact Analysis

The IFP is required by EIFD legislation to include an analysis of the projected fiscal impact of the EIFD and associated development upon each affected taxing entity. Consultant will prepare the fiscal impact analysis for the expected life of the EIFD (up to 45 years following the date on which the issuance of bonds is approved), including the period during and after new development has occurred. The analysis will include evaluation of potential fiscal revenues (e.g. property tax, sales tax, transient occupancy tax) and expenditures (e.g. police, fire, community services) for the City and other potentially participating taxing entities.

II. As part of the Services, Consultant will prepare and deliver the following tangible work products to the City:

- A. Task 1 Deliverables: Preliminary EIFD project area map
- B. Task 2 Deliverables: Outline of potential governance structure/governing board membership alternatives; Summary of steps, estimated timetable to complete formation of governing board; Preliminary estimate of PFA start-up costs
- C. Task 3 Deliverables: Illustrative tax increment analysis and preliminary list of complementary funding sources; Preliminary infrastructure improvement list (to be provided by Client or to be identified consultant); Ranking of potential EIFD areas by priority (e.g. early/higher priority vs. later/future consideration)
- D. Task 4 Deliverable: Summary Matrix of prospective EIFD Areas with technical and subjective observations

- E. Task 5 Deliverables: Summary PowerPoint; Presentation of Summary Power Point to City Staff and Council
 - F. *Task 6 Deliverables: EIFD materials and analysis.*
 - G. *Task 7 Deliverables: IFP document template and assist with the final determination of EIFD boundaries and governing Public Financing Authority ("PFA") board composition.*
 - H. *Task 8 Deliverables: A fiscal impact analysis for the expected life of the EIFD (up to 45 years following the date on which the issuance of bonds is approved), including the period during and after new development has occurred. The analysis will include evaluation of potential fiscal revenues and expenditures for the City and other potentially participating taxing entities.*
- III. In addition to the requirements of Section 6.2, during performance of the Services, Consultant will keep the City updated of the status of performance by delivering the following status reports:**
- A. As needed, upon request of Contract Officer.
- IV. All work product is subject to review and acceptance by the City, and must be revised by the Consultant without additional charge to the City until found satisfactory and accepted by City.**
- V. Consultant will utilize the following personnel to accomplish the Services:**
- A. Larry Kosmont
 - B. Joseph Dieguez
 - C. Brandon Phipps
 - D. Fernando Sanchez
 - E. Wil Soholf
 - F. Thomas Jirovsky
 - G. Alma Reza

EXHIBIT "C"

(FIRST AMENDED)

SCHEDULE OF COMPENSATION

I. Consultant shall perform the following Services at the following rates:

		TIME	SUB-BUDGET
A.	Task 1	3-4 weeks	\$6,500
B.	Task 2	2-4 weeks	\$3,500
C.	Task 3	3-4 weeks (overlapping w/Task B	\$6,000
D.	Task 4	3-4 weeks (overlapping w/Tasks 2-3)	\$3,500
E.	Task 5	2-4 weeks	\$5,490
F.	<i>Task 6</i>	<i>90 hours</i>	<i>\$25,000.00</i>
G.	<i>Task 7</i>	<i>27 hours</i>	<i>\$7,500.00</i>
H.	<i>Task 8</i>	<i>80 hours</i>	<i>\$22,500.00</i>

II. A retention of ten percent (10%) shall be held from each payment as a contract retention to be paid as a part of the final payment upon satisfactory completion of services.

III. Within the budgeted amounts for each Task, and with the approval of the Contract Officer, funds may be shifted from one Task subbudget to another so long as the Contract Sum is not exceeded per Section 2.1, unless Additional Services are approved per Section 2.3.

IV. The City will compensate Consultant for the Services performed upon submission of a valid invoice, in accordance with Section 2.2. Each invoice is to include:

- A. Line items for all the work performed, the number of hours worked, and the hourly rate.
- B. Line items for all materials and equipment properly charged to the Services.

- C. Line items for all other approved reimbursable expenses claimed, with supporting documentation.
- D. Line items for all approved subcontractor labor, supplies, equipment, materials, and travel properly charged to the Services.
- V. **The total compensation for the Services shall not exceed ~~\$24,990.00~~ \$79,990.00, as provided in Section 2.1 of this Agreement.**
- VI. **Consultant's billing rates for all personnel are attached as Exhibit C-1.**

EXHIBIT “D”

(FIRST AMENDED)

SCHEDULE OF PERFORMANCE

- I. Consultant shall perform all services timely in accordance with the following schedule:**

		<u>Days to Perform</u>	<u>Deadline Date (subject to modification based on date of authorization)</u>
A.	Task 1	30 days from authorization	3/17/2017
B.	Task 2	60 days from authorization	4/17/2017
C.	Task 3	60 days from authorization	4/17/2017
C.	Task 4	60 days from authorization	4/17/2017
D.	Task 5	90 days from authorization	5/17/2017
E.	Task 6	<i>30 days from authorization</i>	<i>3/8/2018</i>
F.	Task 7	<i>60 days from authorization</i>	<i>4/7/2018</i>
G.	Task 8	<i>60 days from authorization</i>	<i>4/7/2018</i>

- II. Consultant shall deliver the following tangible work products to the City by the following dates.**

- A. Task 1 Deliverables:** Preliminary EIFD project area map
- B. Task 2 Deliverables:** Outline of potential governance structure/governing board membership alternatives; Summary of steps, estimated timetable to complete formation of governing board; Preliminary estimate of PFA start-up costs
- C. Task 3 Deliverables:** Illustrative tax increment analysis and preliminary list of complementary funding sources; Preliminary infrastructure improvement list (to

be provided by Client or to be identified consultant); Ranking of potential EIFD areas by priority (e.g. early/higher priority vs. later/future consideration)

D. Task 4 Deliverable: Summary Matrix of prospective EIFD Areas with technical and subjective observations

E. Task 5 Deliverables: Summary PowerPoint; Presentation of Summary Power Point to City Staff and Council

F. Tasks 6 Deliverables: EIFD materials and analysis.

G. Task 7 Deliverables: IFD document template and assist with the final determination of EIFD boundaries and governing Public Financing Authority (“PFA”) board composition.

H. Task 8 Deliverables: A fiscal impact analysis for the expected life of the EIFD (up to 45 years following the date on which the issuance of bonds is approved), including the period during and after new development has occurred. The analysis will include evaluation of potential fiscal revenues and expenditures for the City and other potentially participating taxing entities.

III. The Contract Officer may approve extensions for performance of the services in accordance with Section 3.2.