ITEM NO. 15

STAFF REPORT

DATE:	JULY 5, 2011
TO:	CHAIRPERSON AND AGENCY BOARD
FROM:	ROD FOSTER, EXECUTIVE DIRECTOR
PREPARED BY:	ARTHUR MORGAN, REDEVELOPMENT MANAGER
SUBJECT:	APPROVAL TO EXTEND THE TERM OF THE PROFESSIONAL SERVICES AGREEMENT WITH CSG ADVISORS, INC. DOCUMENTING A REDUCTION IN TOTAL COMPENSATION; AND EXTEND THE TERM OF THE PROFESSIONAL SERVICES AGREEMENT WITH URBAN FUTURES, INC.

RECOMMENDED ACTION

It is recommended that the Agency Board approve and authorize the City Manager to execute Amendment No. 5 to the Professional Services Agreement (Agreement) with CSG Advisors, (CSG) and approve Amendment No. 1 to the Professional Services Agreement with Urban Futures, Inc.(UFI), extending the term of both Agreements and documenting a prior reduction in compensation on the CSG Agreement.

GOAL STATEMENT

The proposed action will support the City's goal to have ongoing analyses completed on major projects or for Agency financing decisions.

BACKGROUND

On August 21, 2007, the Agency Board approved CSG Advisors Inc. (CSG) as a member of the Agency's financing team, and on October 10, 2007 the Agency entered into a professional services agreement with CSG for consulting services on bond-related matters.

Over the years, the Agreement has been amended to extend the term and adapt the scope to meet the needs of the Agency, increasing the compensation as necessary.

A December 22, 2009 action by the Agency Board moved $25,000 from the CSG Agreement to a professional services agreement with Urban Futures for Redevelopment Agency financial consulting needs and retaining CSG for housing consulting needs. That action was recorded in the meeting minutes of the Agency Board, but not formally documented by an amendment to the Agreement.

This fifth amendment to the CSG Agreement does not add additional funding to the contract at this time, but extends the term through to June 30, 2012 and documents the December 22, 2009 reduction in total compensation to $100,000.

On May 10, 2010 The Agency Board approved a Professional Services Agreement with Urban Futures, Inc. for the processing of a comprehensive redevelopment plan amendment and/or project area merger to increase the effectiveness and financial capabilities of the Agency. This first amendment to the UFI Agreement will extend the term of the Agreement to December 31, 2012 to enable work to be completed on the project.

ISSUES/ANALYSIS

CSG has provided input and analyses to the Redevelopment Agency in the areas of housing and bonding issues since October, 2007. This amendment will allow needed analyses of issues that affect the Agency and the City to continue.

UFI's completion of a redevelopment plan amendment and/or project area merger has been delayed by changes at the City level and the possibility of changes to the redevelopment program at the state level. Staff recommends that work resume on the project to minimize negative impacts to the City and maximize financial options available to the City for major projects.

FISCAL IMPACTS

Amendments to the CSG and the UFI Agreements are for term extensions and require no change in total compensation. Therefore, there is no fiscal impact.

ALTERNATIVES

1. Not extending the terms of the agreements will result in some projects and actions not having needed analysis from outside consultants.

2. Provide alternative direction to staff.

ATTACHMENTS

1) PSA Amendment #5 with CSG Advisors
2) PSA Amendment #1 with Urban Futures, Inc.

FIFTH AMENDMENT TO
PROFESSIONAL SERVICES AGREEMENT

BETWEEN THE REDEVELOPMENT AGENCY OF THE CITY OF COLTON
AND
CSG ADVISORS, INC.

1. PARTIES AND DATE.

This Fifth Amendment to the Professional Services Agreement ("Fifth Amendment") is made and entered into this 5th day of July, 2011 by and between the Redevelopment Agency of the City of Colton ("Agency") and CSG Advisors, Inc. ("Consultant"). Agency and Consultant are sometimes individually referred to as "Party" and collectively as "Parties" in this Fifth Amendment.

2. RECITALS.

2.1 Agreement. Agency and Consultant entered into that certain Professional Services Agreement dated October 10, 2007 ("Agreement"), whereby Consultant agreed to provide assistance in developing and overcoming impediments to implementation of a plan of finance for tax allocation bond financing and housing consulting services.

2.2 First Amendment. On July 1, 2008, Agency and Consultant amended the Agreement for the first time to expand the scope of services to include the Colton Palms replacement housing plan financial analysis for the Mt. Vernon and Colton Avenue site and to increase the compensation in the amount of $25,000 for a total of $50,000.

2.3 Second Amendment. On December 16, 2008, Agency and Consultant amended the Agreement for the second time to expand the scope of services to include the evaluation of City utility current and potential future debt and the evaluation of developer proformas and financing options for the proposed Senior Housing project, and to increase the compensation in the amount of $25,000 to $75,000.

2.4 Third Amendment. On July 21, 2009, Agency and Consultant amended the Agreement for the third time to extend the term to June 30, 2010 and to increase the compensation in the amount of $50,000 to $125,000.

2.5 Redirection of Compensation. On December 22, 2009, the Agency authorized the redirection of $25,000 from the Agreement to an agreement with Urban Futures, Inc, but that action was not formally documented by an amendment to the Agreement. Such action reduced the Agreement's total compensation to $100,000.

2.6 Fourth Amendment. On September 21, 2010, Agency and Consultant amended the Agreement for the fourth time to extend the term of the Agreement to June 30, 2011.

2.7 Fifth Amendment. Agency and Consultant desire to amend the Agreement for the fifth time to extend the term of the Agreement to June 30, 2012 and to document the reduction of total compensation by $25,000.

3. TERMS.

3.1 Term. Section 3.1.2 (Term) of the Agreement is hereby deleted in its entirety and replaced with the following:

> "3.1.2 Term. The term of this Agreement shall be from October 10, 2007 to June 30, 2012, unless earlier terminated as provided herein. Consultant shall complete the Services within the term of this Agreement."

3.2 Compensation. Section 3.3.1 (Compensation) of the Agreement is hereby deleted in its entirety and replaced with the following:

> "Consultant shall receive compensation, including authorized reimbursements, for all Services rendered under this Agreement at the rates set forth in Exhibit "C" attached hereto and incorporated herein by reference. The total compensation shall not exceed One Hundred Thousand Dollars ($100,000) without written approval of Agency's Board. Extra Work may be authorized, as described below, and if authorized, will be compensated at the rates and manner set forth in this Agreement."

3.3 Continuing Effect of Agreement. Except as amended by this Fifth Amendment, all provisions of the Agreement shall remain unchanged and in full force and effect. From and after the date of this Fourth Amendment, whenever the term "Agreement" appears in the Agreement, it shall mean the Agreement as amended by this Fourth Amendment.

3.4 Counterparts. This Fifth Amendment may be executed in duplicate originals, each of which is deemed to be an original, but when taken together shall constitute but one and the same instrument.

[SIGNATURES ON FOLLOWING PAGE]

REDEVELOPMENT AGENCY OF CITY OF COLTON

By: _____
Rod Foster
Executive Director

Attest:

_____
Eileen C. Gomez
Assistant Secretary

Approved as to Form:

_____
Best Best & Krieger LLP
Agency Attorney

CSG ADVISORS INCORPORATED

By: _____
Gene Slater,
Chairman

FIRST AMENDMENT TO
PROFESSIONAL SERVICES AGREEMENT

BETWEEN THE REDEVELOPMENT AGENCY OF THE CITY OF COLTON
AND
URBAN FUTURES, INC.

1. PARTIES AND DATE.

This First Amendment to the Professional Services Agreement ("First Amendment") is made and entered into this 5th day of July, 2011 by and between the Redevelopment Agency of the City of Colton ("Agency") and Urban Futures, Inc. ("Consultant"). Agency and Consultant are sometimes individually referred to as "Party" and collectively as "Parties" in this First Amendment.

2. RECITALS.

2.1 Agreement. Agency and Consultant entered into that certain Professional Services Agreement dated May 10, 2010 ("Agreement"), whereby Consultant agreed to provide comprehensive redevelopment plan amendment/merger services.

2.2 First Amendment. Agency and Consultant desire to amend the Agreement for the first time to extend the term of the Agreement to December 31, 2012.

3. TERMS.

3.1 Term. Section 3.1.2 of the Agreement is hereby deleted in its entirety and replaced with the following:

> "3.1.2 Term. The term of this Agreement shall be from May 10, 2010 to December 31, 2012, unless earlier terminated as provided herein. Consultant shall complete the Services within the term of this Agreement."

3.2 Continuing Effect of Agreement. Except as amended by this First Amendment, all provisions of the Agreement shall remain unchanged and in full force and effect. From and after the date of this First Amendment, whenever the term "Agreement" appears in the Agreement, it shall mean the Agreement as amended by this First Amendment.

3.3 Counterparts. This First Amendment may be executed in duplicate originals, each of which is deemed to be an original, but when taken together shall constitute but one and the same instrument.

[SIGNATURES ON FOLLOWING PAGE]

REDEVELOPMENT AGENCY OF CITY OF COLTON

By: _____
Rod Foster
Executive Director

URBAN FUTURES, INC.

By: _____
Marshall Linn, CEO
Chairman

Attest:

_____
Eileen C. Gomez
Assistant Secretary

Approved as to Form:

_____
Best Best & Krieger LLP
Agency Attorney