



CONSENT CALENDAR

City of San Bernardino Request for Council Action

Date: December 7, 2022

To: Honorable Mayor and City Council Members

From: Robert D. Field, City Manager;
Barbara Whitehorn, Agency Director of Administrative Services

Department: Finance

Subject: **Approving a Contract with Columbia Capital to
Provide Financial Services for Community Facility
Districts (Wards 3, 4, 6)**

Recommendation:

It is recommended that the Mayor and City Council of the City of San Bernardino, California, approve a contract with Columbia Capital in an amount not to exceed \$55,000 that will be paid by developers and from bond proceeds for financial services related to Community Facility Districts, and authorize the City Manager or his designee to execute the agreement.

Background

The City of San Bernardino has a number of Community Facility Districts (CFDs) that are separate taxing districts under the Mello-Roos Act of 1982. These Districts require financial advisory services in their formation, and in the issuance of bonds to build infrastructure as part of development.

Discussion

From time-to-time developers forming or issuing bonds to add infrastructure to CFDs require financial services. The financial services provided by Columbia Capital for CFDs will be paid by the developer(s) if the services are related to the formation of a new CFD, and through bond proceeds if the services are related to the issuance of bonds for a CFD. The services provided are anticipated to be in relation to CFDs 2021-1 (Ferree Street), 2022-1 (Highland/Medical) and 2022-2 (Palm).

Standard financial services provided include:

1. Analysis, review, and advice on proposed CFD formation actions and financing options. Provide supporting analysis as needed.
2. Review and confirm revenues available for debt service including review of special

tax formula and CFD report. Review resolution of intention, funding agreement, and resolution of formation.

3. Develop plan of finance including financing calendar.
4. Assist issuer in retaining other financing team members as required including bond underwriter, appraisers, and other professionals. Prepare RFPs as needed.
5. Evaluate underwriter responses if negotiated sale.
6. Review and evaluate debt structure options including recommended debt coverage, legal covenants, and other terms; work with staff, consultants, and board as necessary.
7. Modify plan of finance as needed.
8. Prepare required reports; prepare other reports, materials, and analysis required or requested.
9. Maintain and manage financing calendar.
10. Work with issue legal counsel in the drafting of required legal documents, investor disclosure documents, and bond sale documents and terms. To the extent the transaction includes a disclosure document (official statement or similar), review and comment on such disclosure document.
11. Assist issuer by managing the financing process; provide updated bond market information; provide advice on market conditions.
12. Advise on and coordinate bond sale including verifications, represent issuer in underwriter negotiations processes. Assess reasonableness of bond pricing and bond sale terms.
13. Assist issuer and legal counsel in finalizing bond and closing documents. Prepare closing memo and confirm all wiring instruction.
14. In conjunction with bond counsel, coordinate closing of transaction.
15. Provide post-closing follow up and advice as needed.

All or some of the above services may be required or requested on an as needed basis as outlined in the Engagement Letter (Attachment 1).

2021-2025 Strategic Targets and Goals

Community Facility Districts help to maintain the cleanliness and landscaping of developments within the City. This aligns with Strategic Goal number 3.d., Quality of

Life: Improve the City's appearance, cleanliness and attractiveness.

Fiscal Impact

There is no fiscal impact to the City. The total contract cost will be between \$45,000 and \$55,000; the fees will be paid by developers or through bond proceeds.

Conclusion

It is recommended that the Mayor and City Council of the City of San Bernardino, California, approve a contract with Columbia Capital in an amount not to exceed \$55,000 that will be paid by developers and from bond proceeds for financial services related to Community Facility Districts, and authorize the City Manager or his designee to execute the agreement.

Attachments

Attachment 1 – Engagement Letter with Columbia Capital

Ward:

Third Ward; Fourth Ward; Sixth Ward

Synopsis of Previous Council Actions:

March 3, 2021	Mayor and City Council of the City of San Bernardino, California adopted Resolution No. 2021-42 establishing Community Facilities District No. 2021-1 (Ferree Street)
March 3, 2021	Mayor and City Council of the City of San Bernardino, California, adopted Resolution No. 2021-43 Declaring Necessity to Incur a Bonded Indebtedness of Proposed Community Facilities District No. 2021-1 (Ferree Street)
July 16, 2022	Mayor and City Council of the City of San Bernardino, California, adopted Resolution No. 2022-141 Declaring Intention to Establish Proposed Community Facilities District No. 2022-1(Highland/Medical)
July 16, 2022	Mayor and City Council of the City of San Bernardino, California, adopted Resolution No. 2022-142 Declaring Necessity to Incur a Bonded Indebtedness of Proposed Community Facilities District No. 2022-1 (Highland/Medical)
July 16, 2022	Mayor and City Council of the City of San Mayor and City Council of the City of San Bernardino adopted Resolution No. 2022-143 Declaring Intention to Establish Proposed Community Facilities District No. 2022-2 (Palm)

July 16, 2022

Mayor and City Council of the City of San Bernardino,
California, adopted Resolution No. 2022-144 Declaring
Necessity to Incur a Bonded Indebtedness of Proposed
Community Facilities District No. 2022-2 (Palm)