

AGREEMENT TO PERFORM PROFESSIONAL SERVICES

This agreement for the provision of Fiscal Consulting Services associated with the proposed refunding of Tax Allocation Bonds of the Successor Agency to the Former Redevelopment Agency of the City of Redlands ("Agreement") is made and entered into this 15th day of September, 2015 ("Effective Date"), by and between the Successor Agency of the Former Redevelopment Agency of the City of Redlands, a municipal corporation ("Agency") and HdL Coren & Cone ("Consultant"). Agency and Consultant are sometimes individually referred to herein as a "Party" and, together, as the "Parties." In consideration of the mutual promises contained herein, Agency and Consultant agree as follows:

ARTICLE 1 – ENGAGEMENT OF CONSULTANT

- 1.1 Agency hereby engages Consultant to provide fiscal consulting services and the preparation of a Fiscal Consultant's Report in connection with the proposed refunding of Tax Allocation Bonds of the Successor Agency to the Former Redevelopment Agency of the City of Redlands (the "Services").
- 1.2 The Services shall be performed by Consultant in a professional manner, and Consultant represents that it has the skill and the professional expertise necessary to provide the Services to Agency at a level of competency presently maintained by other practicing professional consultants in the industry providing like and similar types of Services.

ARTICLE 2 – SERVICES OF CONSULTANT

- 2.1 The Services that Consultant shall perform are more particularly described in Exhibit "A," entitled "Scope of Services," which is attached hereto and incorporated herein by reference.
- 2.2 Consultant shall comply with applicable federal, state and local laws and regulations in the performance of this Agreement including, but not limited to State prevailing wage laws.

ARTICLE 3 – RESPONSIBILITIES OF AGENCY

- 3.1 Agency shall make available to Consultant information in its possession that may assist Consultant in performing the Services.
- 3.2 Agency designates Tina T. Kundig, Finance Director, as Agency's representative with respect to performance of the Services, and such person shall have the authority to transmit instructions, receive information, interpret and define Agency's policies and decisions with respect to performance of the Services.

ARTICLE 4 – PERFORMANCE OF SERVICES

- 4.1 Consultant shall perform and complete the Services in a prompt and diligent manner.

- 4.2 If Consultant's Services include deliverable electronic visual presentation materials, such materials shall be delivered in a form, and made available to the Agency, consistent with Agency Board adopted policy for the same. It shall be the obligation of Consultant to obtain a copy of such policy from Agency Staff.

ARTICLE 5 – PAYMENTS TO CONSULTANT

- 5.1 Total compensation for Consultant's performance of the Services shall be in the amount of nineteen thousand five hundred dollars (\$19,500) plus actual costs for incurred expenses, if any, in an amount not-to-exceed \$200 in accordance with Exhibit "B" entitled "Project Costs and Hourly Rates." Exhibit "B" is attached hereto and incorporated herein by this reference.
- 5.2.1 All fees will be billed and payable upon the close of the bond sale.
- 5.3 Any notice or other communication required, or which may be given, pursuant to this Agreement, shall be in writing. Any such notice shall be deemed delivered (i) on the date of delivery in person; (ii) five (5) days after deposit in first class registered mail, with return receipt requested; (iii) on the actual delivery date if deposited with an overnight courier; or (iv) on the date sent by facsimile, if confirmed with a copy sent contemporaneously by first class, certified, registered or express mail; in each case properly posted and fully prepaid to the appropriate address set forth below, or such other address as a Party may provide notice in accordance with this section:

Agency

Tina T. Kundig, Director
Finance Department
Successor Agency/City of Redlands
35 Cajon Street, Suite 30
PO. Box 3005 (mailing)
Redlands, CA 92373

Consultant

David Schey, Vice President
HdL Coren & Cone
1340 Valley Vista Drive, Suite 200
Diamond Bar, CA 91765

ARTICLE 6 – INSURANCE AND INDEMNIFICATION

- 6.1 Insurance required by this Agreement shall be maintained by Consultant for the duration of its performance of the Services. Consultant shall not perform any Services unless and until the required insurance listed below is obtained by Consultant. Consultant shall provide Agency with certificates of insurance and endorsements evidencing such insurance prior to commencement of the Services. Insurance policies shall include a provision prohibiting cancellation or modification of the policy except upon thirty (30) days prior written notice to Agency.
- 6.2 Workers' Compensation and Employer's Liability insurance in the amount that meets statutory requirements with an insurance carrier acceptable to Agency, or certification to Agency that Consultant is self-insured or exempt from the workers' compensation laws

of the State of California. Consultant shall provide Agency with Exhibit "C," entitled "Workers' Compensation Insurance Certification," which is attached hereto and incorporated herein by this reference prior to occupancy of the Premises.

- 6.3 Consultant shall secure and maintain comprehensive general liability insurance with carriers acceptable to Agency Minimum coverage of One Million Dollars (\$1,000,000) per occurrence and Two Million Dollars (\$2,000,000) aggregate for public liability, property damage and personal injury is required. Agency shall be named as an additional insured and such insurance shall be primary and non-contributing to any insurance or self-insurance maintained by Agency.
- 6.4 Consultant shall secure and maintain professional liability insurance throughout the term of this Agreement in the amount of One Million Dollars (\$1,000,000) per claim made.
- 6.5 Consultant shall have business auto liability coverage, with minimum limits of One Million Dollars (\$1,000,000) per occurrence, combined single limit bodily injury liability and property damage liability. This coverage shall include all Consultant owned vehicles used in connection with Consultant's provision of the Services, hired and non-owned vehicles, and employee non-ownership vehicles. Agency shall be named as an additional insured and such insurance shall be primary and non-contributing to any insurance or self insurance maintained by Agency.
- 6.6 Consultant shall defend, indemnify and hold harmless Agency and its elected officials, employees and agents from and against any and all claims, losses or liability, including attorneys' fees, arising from injury or death to persons or damage to property occasioned by any negligent act or omission by, or the willful misconduct of, Consultant, or its officers, employees and agents in performing the Services.

ARTICLE 7 – CONFLICTS OF INTEREST

- 7.1 Consultant covenants and represents that it does not have any investment or interest in any real property that may be the subject of this Agreement or any other source of income, interest in real property or investment that would be affected in any manner or degree by the performance of Consultant's Services. Consultant further covenants and represents that in the performance of its duties hereunder, no person having any such interest shall perform any Services under this Agreement.
- 7.2 Consultant agrees it is not a designated employee within the meaning of the Political Reform Act because Consultant:
 - A. Does not make a governmental decision whether to:
 - (i) approve a rate, rule or regulation, or adopt or enforce an Agency law;
 - (ii) issue, deny, suspend or revoke any Agency permit, license, application, certification, approval, order or similar authorization or entitlement;
 - (iii) authorize the Agency to enter into, modify or renew a contract;

- (iv) grant Agency approval to a contract that requires Agency approval and to which Agency is a party, or to the specifications for such a contract;
- (v) grant Agency approval to a plan, design, report, study or similar item;
- (vi) adopt or grant Agency approval of, policies, standards or guidelines for Agency or for any subdivision thereof.

B. Does not serve in a staff capacity with Agency and in that capacity, participate in making a governmental decision or otherwise perform the same or substantially the same duties for Agency that would otherwise be performed by an individual holding a position specified in Agency's Conflict of Interest Code under Government Code section 87302.

7.3 In the event Agency officially determines that Consultant must disclose its financial interests, Consultant shall complete and file a Fair Political Practices Commission Form 700, Statement of Economic Interests, with the City Clerk's office pursuant to the written instructions provided by the City Clerk.

ARTICLE 8 – GENERAL CONSIDERATIONS

8.1 In the event any action is commenced to enforce or interpret any of the terms or conditions of this Agreement the prevailing Party shall, in addition to any costs and other relief, be entitled to the recovery of its reasonable attorneys' fees, including fees for the use of in-house counsel by a Party.

8.2 Consultant shall not assign any of the Services, except with the prior written approval of Agency and in strict compliance with the terms and conditions of this Agreement.

8.3 Records, drawings, designs, cost estimates, electronic data files, databases and any other documents developed by Consultant in connection with its performance of the Services, and any copyright interest in such documents, shall become the property of Agency and shall be delivered to Agency upon completion of the Services, or upon the request of Agency. Any reuse of such documents, and any use of incomplete documents, shall be at Agency's sole risk.

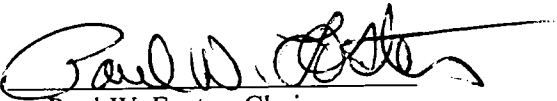
8.4 Consultant is for all purposes under this Agreement an independent contractor and shall perform the Services as an independent contractor. Neither Agency nor its agents shall have control over the conduct of Consultant or Consultant's employees, except as herein set forth. Consultant shall supply all necessary tools and instrumentalities required to perform the Services. Assigned personnel employed by Consultant are for its account only, and in no event shall Consultant or personnel retained by it be deemed to have been employed by Agency or engaged by Agency for the account of, or on behalf of Agency. Consultant shall have no authority, express or implied, to act on behalf of Agency in any capacity whatsoever as an agent, nor shall Consultant have any authority, express or implied, to bind Agency to any obligation.

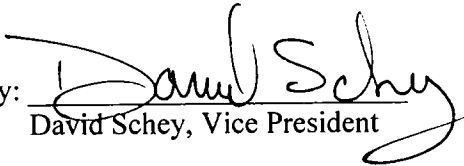
- 8.5 Unless earlier terminated as provided for below, this Agreement shall terminate upon completion and acceptance of the Services by Agency. This Agreement may be terminated by Agency, in its sole discretion, by providing not less than five (5) days prior written notice to Consultant of Agency's intent to terminate. If this Agreement is terminated by Agency, an adjustment to Consultant's compensation shall be made, but (1) no amount shall be allowed for anticipated profit or unperformed Services, and (2) any payment due Consultant at the time of termination may be adjusted to the extent of any additional costs to Agency occasioned by any default by Consultant. Upon receipt of a termination notice, Consultant shall immediately discontinue its provision of the Services and, within five (5) days of the date of the termination notice, deliver or otherwise make available to Agency, copies (in both hard copy and electronic form, where applicable) of project related data, design calculations, drawings, specifications, reports, estimates, summaries and such other information and materials as may have been accumulated by Consultant in performing the Services. Consultant shall be compensated on a pro-rata basis for Services completed up to the date of termination.
- 8.6 Consultant shall maintain books, ledgers, invoices, accounts and other records and documents evidencing costs and expenses related to the Services for a period of three (3) years, or for any longer period required by law, from the date of final payment to Consultant pursuant to this Agreement. Such books shall be available at reasonable times for examination by Agency at the office of Consultant.
- 8.7 This Agreement, including the Exhibits incorporated herein by reference, represents the entire agreement and understanding between the Parties as to the matters contained herein, and any prior negotiations, written proposals or verbal agreements relating to such matters are superseded by this Agreement. Except as otherwise provided for herein, any amendment to this Agreement shall be in writing, approved by Agency and signed by Agency and Consultant.
- 8.8 This Agreement shall be governed by and construed in accordance with the laws of the State of California.
- 8.9 If one or more of the sentences, clauses, paragraphs or sections contained in this Agreement is declared invalid, void or unenforceable by a court of competent jurisdiction, the same shall be deemed severable from the remainder of this Agreement and shall not affect, impair or invalidate the remaining sentences, clauses, paragraphs or sections contained herein, unless to do so would deprive a Party of a material benefit of its bargain under this Agreement.

IN WITNESS WHEREOF, duly authorized representatives of Agency and Consultant have signed in confirmation of this Agreement.

SUCCESSOR AGENCY

HdL COREN & CONE

By: 
Paul W. Foster, Chairman

By: 
David Schey, Vice President

Attest:


Sam Irwin, Secretary

EXHIBIT "A"

SCOPE OF SERVICES

The Successor Agency to the Former Redevelopment Agency of the City of Redlands is charged with winding down the redevelopment activities within the former redevelopment agency. The Redlands Redevelopment Project and its 1976 Amendment provide the majority of the tax increment revenue that will be available through the Redevelopment Property Tax Trust Fund (RPTTF) allocations for debt service on the proposed refunding bonds. There will, however, also be revenues available from the more recently established North Revitalization Project Area. Revenues from each of the redevelopment areas will be analyzed since all RPTTF revenues are likely to be pledged to the payment of debt service on the proposed refunding bonds. The scope of work normally used by HdLCC in its fiscal consulting assignments is as follows:

1. A historical review of the assessed values of the former Project Area;
2. An investigation and verification, if required, of any anomalies or discrepancies revealed by the historical review of the Project Area assessed values;
3. A ten-year projection of tax increment revenues for the former Project Areas based upon current year assessed values, property tax growth trends and transfers of ownership. Also taken into account will be the tax increment limits applicable to the Project Areas tax revenues and the impact of tax sharing obligations on the amount of revenue available for repayment of debt;
4. A listing of the top ten taxpayers in the Project Areas to establish the extent that concentration of property ownership may impact debt repayment and a determination of their tax payment status (i.e. delinquencies);
5. A review of the tax allocation and disbursement procedures of San Bernardino County in the aftermath of AB 1x 26 and AB 1484 and analysis of the impact these procedures may have on debt service payment;
6. A review of outstanding assessment appeals of property taxes for the Project Areas and estimation of the likely success of those assessment appeals in the reduction of revenues available for payment of debt service;
7. A review of any recently adopted legislation and its impact on the pledge of the tax increment revenues from the Project Areas to the payment of debt service;
8. Preparation of the Fiscal Consultant's Report describing our assumptions and presenting our projections of the Project Areas revenues as well as an aggregation of these revenues for inclusion with the offering documents of the proposed bond issuance;
9. Review of the bond issuance offering documents as they relate to the Project Area revenues and issues discussed in the Fiscal Consultant's Report.

EXHIBIT "B"

PROJECT COSTS AND HOURLY RATES

HdLCC will provide services for a fee of \$19,500. Actual incurred expenses such as express deliveries, travel and/or overnight accommodations connected with rating agency and insurance presentations or other out-of-pocket expenses, if any, will be billed separately based on actual costs, up to a not-to-exceed amount of \$200. Any additional services outside of the scope of work of this proposal will be provided at the following hourly rates **only** with prior written authorization of the Successor Agency.

| | |
|----------------|-------------------|
| Partner | \$225.00 per hour |
| Principal | \$195.00 per hour |
| Associate | \$150.00 per hour |
| Senior Analyst | \$100.00 per hour |
| Analyst | \$ 65.00 per hour |

All fees will be billed and payable upon the close of the bond sale.

EXHIBIT "C"

WORKERS' COMPENSATION INSURANCE CERTIFICATION

Every employer, except the State, shall secure the payment of compensation in one or more of the following ways:

- (a) By being insured against liability to pay compensation by one or more insurers duly authorized to write compensation insurance in this State.
- (b) By securing from the Director of Industrial Relations, a certificate of consent to self-insure, either as an individual employer, or as one employer in a group of employers, which may be given upon furnishing proof satisfactory to the Director of Industrial Relations of ability to self-insure and to pay any compensation that may become due to his or her employees.

CHECK ONE

_____ I am aware of the provisions of Section 3700 of the Labor Code which requires every employer to be insured against liability for Workers' Compensation or to undertake self-insurance in accordance with the provisions of that Code, and I will comply with such provisions before commencing the performance of the work and activities required or permitted under this Agreement. (Labor Code §1861).

_____ I affirm that at all times, in performing the work and activities required or permitted under this Agreement, I shall not employ any person in any manner such that I become subject to the workers' compensation laws of California. However, at any time, if I employ any person such that I become subject to the workers' compensation laws of California, immediately I shall provide the Agency with a certificate of consent to self-insure, or a certification of workers' compensation insurance.

I certify under penalty of perjury under the laws of the State of California that the information and representations made in this certificate are true and correct.

HdL Coren & Cone

Date: 9/14/2015

By: David Schey
David Schey