

City of Sacramento

Legislation Text

File #: 2018-01685, **Version:** 1

Title:

Third Supplemental Agreement with Montague DeRose and Associates

File ID: 2018-01865

Location: District 4

Recommendation:

Pass a Motion authorizing the City Treasurer or his designee to execute Supplemental Agreement No. 3 to City Agreement No. 2016-1223 with Montague DeRose and Associates in an amount not-to-exceed \$55,000, for a new Agreement total not-to-exceed amount of \$180,000.

Contact: Brian Wong, Debt Manager, (916) 808-1581; Colin Bettis, Senior Debt Analyst, (916) 808-8292, Office of the Treasurer

Presenter: None

Attachments:

1-Description/Analysis

2-Third Supplemental Agreement with Montague DeRose

Description/Analysis

Issue Detail: Montague DeRose and Associates (Montague) served as the City's Financial Advisor for the issuance of the 2018 Transient Occupancy Tax Revenue Bonds (Convention Center Complex) (the 2018 Bonds). The City is beginning to work on the issuance of bonds to finance the construction of the ballroom component of the Convention Center Complex. Since Montague served as the City's Financial Advisor for the issuance of the 2018 Bonds, maintaining Montague as the City's Financial Advisor for the issuance of bonds associated with the ballroom would be both logical and efficient.

Policy Considerations: Not applicable.

Economic Impacts: Not applicable.

Environmental Considerations: The public hearing approving the entitlements and the environmental impact report and adopting the mitigation monitoring program for the Convention Center Complex renovation and expansion project was held on June 19, 2018. The challenge period for the Environmental Impact Report has passed and there were no challenges to the report.

Sustainability: Not applicable.

Commission/Committee Action: Not applicable.

Rationale for Recommendation: Montague's familiarity with the 2018 Bonds will benefit the City so that there is no need to onboard a new advisor. Additionally, the efficiencies that will be gained from that could potentially reduce the overall cost of issuance.

Financial Considerations: The original contract 2016-1223 was for a not-to-exceed amount of \$82,500. The second supplemental agreement (2016-1223-2) increased the amount to \$125,000. The contract amount for the third supplemental agreement will be a not-to-exceed amount of \$55,000. The revised total compensation for Contract 2016-1223 will be \$180,000. Costs associated with supplement will be covered with the Convention Center Complex Renovation project (M17100100) or through bond issuance.

Local Business Enterprise (LBE): Not Applicable.