



DATE ISSUED: July 13, 2005 REPORT NO. CCDC-05-31

ATTENTION: Chair and Members of the Redevelopment Agency  
Docket of July 19, 2005

SUBJECT: Bond Counsel Service  
Centre City and Horton Plaza Redevelopment Projects

STAFF CONTACT: Susan Schade, Senior Financial Analyst/Accountant  
David Allsbrook, Manager – Contracting and Public Works

SUMMARY

Issue - Should the Redevelopment Agency approve agreements with Nossaman Guthner Knox & Elliott, LLP (“Nossaman”) and Adorno Yoss Alvarado & Smith (“Adorno”) jointly and Orrick Herrington & Sutcliffe LLP (“Orrick”) for a period of three (3) years, to serve as bond counsels relating to the sale of tax allocation bonds in the Centre City and/or Horton Plaza redevelopment projects?

Staff Recommendation - That the Redevelopment Agency approve agreements with Nossaman and Adorno jointly and Orrick for a period of three (3) years.

Centre City Development Corporation Recommendation (“CCDC”) – On June 22, 2005, the CCDC Board voted in 5-0 in favor of the recommendation.

Other Recommendations - None.

Fiscal Impact - Funds for these agreements will be provided from the proceeds of the sale of bonds. The compensation for bond counsel services, including reimbursement of out-of-pocket expenses, is contingent upon and payable at the time of a successful completion of a financing. Compensation for services is structured as follows for each bond sale:

<u>Par Value of Bond Sale</u>	<u>Fee</u>
\$1 million to \$10 million	\$40,000
\$10 million to \$15 million	\$45,000
\$15 million and thereafter	\$45,000 plus \$1.00/\$1,000 par value over \$15 million capped at \$60,000

In addition, out-of-pocket expenses will be reimbursed up to a maximum of \$5,000.

Orrick:

<u>Par Value of Bond Sale</u>	<u>Fee</u>
\$1 million to \$25 million	\$45,000
\$25 million and thereafter	\$45,000 plus .0004 times the par value in excess of \$25 million capped at \$60,000

In addition, out-of-pocket expenses will be reimbursed up to a maximum of \$5,000.

BACKGROUND

In accordance with adopted Board policy and in conjunction with the City Attorney’s Office, a Request for Qualifications (“RFQ”) was issued for bond counsel services for the next three years. Twelve firms responded to the RFQ and four firms were short-listed and interviewed. The interview panel consisted of Board member Wayne Rafflesberger, Deputy City Attorney Sharon Matthews and Corporation Staff Frank Alessi and Susan Schade. Three firms were selected to provide bond counsel services for the next three years. The selected firms are Nossaman and Adorno, jointly, and Orrick based on their experience and knowledge of the local environment. Staff will designate the firm or firms to provide bond counsel services for each bond financing.

CONSULTANT FIRMS

The consultant firm is comprised of the following principals and primary contacts:

<b>ROLE/FIRM</b>	<b>CONTACT</b>	<b>OWNED BY</b>
Nossaman Guthner Knox & Elliott LLP (OBE)	Jeff A. Stava (Partner) Barney Allison (Partner) David Tan (Partner)	64 Partners (Privately Owned)
Adorno Yoss Alvarado & Smith Co-bond Counsel (MBE)	Ruben A. Smith (Partner) Thomas A. Zeigler (Partner) Jeffrey D. DeCarlo (Partner)	Raymond G. Alvarado Ruben A. Smith Maurice Sanchez John M. Sorich (Privately Owned)
<b>SUBCONTRACTING FIRM &amp; DESCRIPTION</b>	<b>CONTACT</b>	<b>OWNED BY</b>
Law Offices of Samuel Norber (Non-Certified SBE)	Samuel Norber	Samuel Norber (Privately Owned)

ROLE/FIRM	CONTACT	OWNED BY
Orrick Herrington & Sutcliffe LLP (OBE)	William Bothwell (Partner) Larry D. Sobel (Partner) M. Kevin Hale (Associate)	248 Partners (Privately Owned)

EQUAL OPPORTUNITY

Nossaman submitted a Work Force Report on May 12, 2005 which indicates a total of 293 employees in their Orange County office, of which 185 are female, and 67 are members of an under-represented ethnic group:

- 2 African-American Males
- 10 African-American Females
- 6 Hispanic Males
- 20 Hispanic Females
- 9 Asian Males
- 18 Asian Female
- 2 American Indian Females

City of San Diego staff will request an Equal Employment Opportunity Plan describing equal employment policies and practices to remedy the identified under representations.

Adorno submitted a Work Force Report on May 13, 2005 which indicates a total of 36 employees in their Orange County Office, of which 17 are female, and 25 are members of an under-represented ethnic group:

- 10 Hispanic Males
- 12 Hispanic Females
- 2 Asian Males
- 1 Asian Female

City of San Diego staff will request an EEO Plan describing equal employment policies and practices to remedy identified under representations.

Orrick submitted a Work Force Report on May 4, 2005 which indicates a total of 126 employees in their Los Angeles office, of which 61 are female, and 59 are members of an under-represented ethnic group:

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2 African-American Males  
8 African-American Females  
5 Hispanic Males  
20 Hispanic Females  
8 Asian Males  
15 Asian Females  
1 American Indian Female

City of San Diego staff has requested an updated EEO Plan describing equal employment policies and practices to remedy the identified under representations. The original EEO Plan was approved by the City of San Diego in April 2003.

SUMMARY/CONCLUSION

There is no conflict of interest known to me regarding any Agency or Corporation officer or employee regarding this agreement.

Respectfully submitted,

Concurred by:

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Susan Schade  
Senior Financial Analyst/Accountant

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Peter J. Hall  
President

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David Allsbrook  
Manager – Contracting and Public Works