



## **CITY OF MENIFEE**

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SUBJECT: Agreement Amendments with Spicer Consulting Group and Stradling Yocca Carlson and Rauth for Bonded Community Facilities District Formation and Consulting Services

MEETING DATE: June 4, 2025

TO: Mayor and City Council

PREPARED BY: Lauri Lockwood, Financial Analyst

REVIEWED BY: Travis Hickey, Chief Financial Officer

APPROVED BY: Armando G. Villa, City Manager

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### **RECOMMENDED ACTION**

1. Approve and authorize the City Manager to execute Amendment No. 1 to the Professional Services Agreement with Spicer Consulting Group for bonded Community Facilities District (CFD) formation services and bond issuance services, increasing the amount by \$500,000, and extending the agreement terms through June 30, 2027; and
2. Approve and authorize the City Manager to execute Amendment No. 1 to the Professional Services Agreement with Stradling Yocca Carlson & Rauth for bonded CFD bond counsel services, increasing the amount by \$420,000 and extending the agreement terms through June 30, 2027.

### **DISCUSSION**

Since the fall of 2019, the City has been working with several developers interested in financing necessary infrastructure improvements through the establishment of CFDs. New public infrastructure that directly benefits properties within the boundaries of each district can be financed through the issuance of CFD debt in the form of municipal bonds.

After a competitive Request for Proposals (RFP) process initiated in Fiscal Year (FY) 2021/22, the City Council awarded agreements for FYs 2023/24 and 2024/25 to Spicer Consulting Group (Spicer) for special tax consultation (formation and bond sale services), and Stradling Yocca Carlson & Rauth (Stradling) for advisory counsel services (formation and bond sale counsel services). Both firms have extensive experience providing the respective services to municipalities.

The agreement terms stated in the original agreement were for two years, with an option to extend

both agreements for an additional two years. The proposed amendments would extend the terms of service through FY 2026/27, allocating \$250,000 for Spicer and \$210,000 for Stradling per fiscal year.

**TABLE 1 – SPICER AGREEMENT HISTORY**

	Date approved	FYs 2023/2024 & 2024/2025	FYs 2025/2026 & 2026/2027	Contract Term
Original PSA	7/19/2023	\$500,000		6/30/2025
<b>Amendment No. 1</b>	<b>PENDING</b>		<b>\$500,000</b>	<b>6/30/2027</b>
	<b>Total</b>	\$500,000	<b>\$500,000</b>	

**TABLE 2 – STRADLING AGREEMENT HISTORY**

	Date approved	FYs 2023/2024 & 2024/2025	FYs 2025/2026 & 2026/2027	Contract Term
Original PSA	7/19/2023	\$420,000		6/30/2025
<b>Amendment No. 1</b>	<b>PENDING</b>		<b>\$420,000</b>	<b>6/30/2027</b>
	<b>Total</b>	\$420,000	<b>\$420,000</b>	

### **STRATEGIC PLAN OBJECTIVE**

Regular City Business

### **FISCAL IMPACT**

The fiscal impact of the two proposed amendments with Spicer and Stradling is for a not-to-exceed amount of \$920,000 for the two fiscal years. Expenses associated with these services, as well as any applicable administrative expenses, are fully reimbursable with no impact on the General Fund. Formation costs are able to be charged against deposits from the respective developers of each proposed CFD. Bond issuance costs will be reimbursed from the bond proceeds.

### **ATTACHMENTS**

1. Amendment No. 1 – Spicer
2. Original Agreement – Spicer
3. Amendment No. 1 – Stradling
4. Original Agreement – Stradling