THIRD AMENDMENT
TO PROFESSIONAL SERVICES AGREEMENT NUMBER F002578
WITH DTA Public Finance, Inc

This First Amendment to Agreement number F002578, dated _____ ("Agreement") is made as of this _____ day of _____, 2025, by and between the City of Santa Rosa, a municipal corporation ("City"), and DTA Public Finance, Inc., a California Corporation ("Consultant").

RECITALS

A. City and David Taussig and Associates, Inc. dba DTA entered into the Agreement to evaluate the feasibility of Enhanced Infrastructure Financing Districts (EIFD) and develop an Infrastructure Financing Plan specific to any EIFD(s) created.

B. City and Consultant now desire to amend the Agreement for the purpose of extending the Time of Performance, and increasing the Compensation.

AMENDMENT

NOW, THEREFORE, the parties agree to amend the Agreement as follows:

1. Section 1. Scope of Services

Exhibit A.1 to the Agreement is supplemented by Exhibit A.2 to this Amendment.

2. Section 2. Compensation

Exhibit B.2 to the Agreement is replaced by Exhibit B.3 to this Amendment. Section 2(c) is amended to increase the compensation payable to Consultant under the Agreement by $50,000.00 to read as follows:

> "Notwithstanding any other provision in this Agreement to the contrary, the total maximum compensation to be paid for the satisfactory accomplishment and completion of all tasks set forth above shall in no event exceed the sum of three hundred one thousand, five-hundred dollars and no cents ($301,500.00). The City's Chief Financial Officer is authorized to pay all proper claims from Charge Numbers 42118.

3. Section 12. Time of Performance

The last sentence of Section 12 is amended to read as follows:

> "Consultant shall complete all the required services and tasks and complete and tender all deliverables to the reasonable satisfaction of City, not later than June 30, 2026."

All other terms of the Agreement shall remain in full force and effect.

Executed as of the day and year first above stated.

CONSULTANT:

Name of Firm:
DTA Public Finance, Inc

TYPE OF BUSINESS ENTITY *(check one)*:

_____ Individual/Sole Proprietor
_____ Partnership
__*X*__ Corporation
_____ Limited Liability Company
_____ Other (please specify: _____)

Signatures of Authorized Persons:

By: _____

David Taussig, President

By: _____

Cecily Burke, Secretary

CITY OF SANTA ROSA
a Municipal Corporation

By:_____

Print Name:_____

Title:_____

APPROVED AS TO FORM:

_____
Office of the City Attorney

ATTEST:

_____
City Clerk

City of Santa Rosa Business Tax Cert. No.

_____

Attachments:

- Exhibit A.2 – Scope of Services
- Exhibit B.3 - Compensation

EXHIBIT A.2

www.FinanceDTA.com

EIFD EVALUATION ASSISTANCE and DEVELOPMENT OF THE INFRASTRUCTURE FINANCE PLAN(S) FOR THE CITY OF SANTA ROSA

Scope of Services

Throughout the process of evaluating an EIFD, DTA will provide guidance, including lessons learned and best practice models from other jurisdictions. The proposed effort relates to collecting background information, working with the City staff to select improvements to be funded by the EIFD, and preparing an IFP. DTA shall also assist the City in the proper distribution of EIFD documents to EIFD property owners, the noticing of these distributions and public hearings, and all of the other tasks related to the formation process, culminating with the submittal of all necessary materials to the State Board of Equalization ("BOE"). A general outline of the work plan, estimated to be completed for submittal to the State Board of Equalization by December 1, 2024, is provided as follows:

Phase 1: Feasibility Analysis

DTA will perform an EIFD feasibility study to determine how the City may utilize this financing tool for supporting infrastructure, affordable housing, and other economic development goals in the City. We shall also assist the City with implementing the identified next steps should the study results determine that EIFDs are a feasible enterprise. The Scope of Services is as follows:

Task 1 – Kickoff Meeting (scheduled upon completion of PSA)

DTA will attend an in-person kickoff meeting with City staff to discuss overall objectives related to the EIFD feasibility analysis and develop an approach for the project.

Task 2 – Identify Boundaries and Initial Screening Criteria

Subtask 2.1 – Determine Boundary Scenarios

DTA will utilize the data in its library in conjunction with City datasets to analyze the data and develop boundary scenarios to study for the preliminary screening of eligibility for an EIFD. To better visualize the information, DTA proposes to provide each scenario as an interactive story map and web map, along with written descriptions and narrative explanations of the methodologies used, to determine the boundary depicted in each scenario for consideration. **Deliverables**: Preliminary EIFD Boundary Maps for Each Scenario; General Description of EIFD Boundaries

Subtask 2.2 – Initial TIF Screening

DTA will prepare a Geographic Information System ("GIS") inventory of datasets to support the initial TIF screening task. The data inventory will be included as part of a matrix of primary

screening criteria. This matrix will be a compilation of data compiled in Subtask 2.1 and other sources. The matrix will identify current and proposed zoning with density factor considerations for anticipated zoning updates, locations of projects and a list of their infrastructure needs (as well as the identification of whether they are in a priority area), potential financing solutions based on property tax capture rates and grant eligibility, whether the proposed EIFD boundaries overlap a former California Redevelopment Project Area ("RPA"), economic development potential of the planned project and existing parcel values, and any former Redevelopment Agency ("RDA") project areas and any existing Recognized Obligation Payments ("ROPs") or other bond/financing obligations.
Deliverables: Matrix Showing TIF Screening Variables for Each Boundary Scenario; Memorandum ("Memo") Discussing Each Alternative Financing Mechanism and its Application to the Three Alternative EIFD Scenarios.

Subtask 2.3 – Strategic Considerations
DTA will evaluate development proposals presented to the City by various landowners, as well as the ownership of individual parcels to be included in each of the EIFD alternatives. DTA will prepare a Financing Plan that summarizes the results of the analyses performed under Subtasks 2.1 and 2.2, including the infrastructure improvements being considered for financing, recommendations regarding the use of alternative financing mechanisms to complement EIFDs, development absorptions projections, etc.
Deliverable: Market and Future Investment Plan

Task 3 – Tax Increment Analysis

Subtask 3.1 – Revenue Generation
DTA will develop an existing property valuation and property tax rate base, which is an electronic parcel database containing parcel data, including the existing land and property improvement valuations from the most current County Assessor records, that will be assembled in an electronic file at a parcel level. DTA will then identify potential property tax apportionment rates that can be utilized by an EIFD. Hopefully, both the City and County will participate in the EIFD. If not, it may be the City alone. DTA will prepare its analyses of both possibilities to enable the City and County to make informed choices regarding their participation in the EIFD.
DTA will also evaluate the amount of vacant zoned land by various residential densities and non-residential floor area ratios to understand the level of future build-out capacity within the selected alternative EIFD boundaries. DTA will also consider bond terms and pay-as-you-go terms of 10, 20, 30, and 45 years and determine the City's ability to develop if TIF is not available to the City. A range of bonded indebtedness and pay-as-you-go projections will be prepared based on reasonable growth assumptions to be reviewed and agreed upon with City staff. Based on the economic and demographic projections, market pricing, and absorption projections determined above, DTA will prepare a set of property tax increment projections for the EIFD analyses. Initially, several EIFD areas may be tested in order to maximize the future property tax increment capacity. In order to establish the parameters for the tax increment projections, the Assessor's parcel database established above will determine the existing base year valuation estimate and list the existing property tax rates by the various Tax Rate Areas ("TRAs") within the proposed EIFD boundary. The property tax increment projections over the base year will be prepared, along with reasonable phasing assumptions, based on the market absorption analysis and key growth assumptions.

Subtask 3.2 – Bonding Capacity
As part of this subtask, DTA will perform the following:

Base Case Tax Rate Allocation (the City's Property Tax Rate Only): This bonding capacity analysis scenario will be based on the availability of only the City's share of the basic 1% *ad valorem* property tax as identified by each TRA within the proposed EIFD boundary; and

Alternative Tax Rate Allocation (the City's and County's Property Tax Rates): This property tax rate scenario will be based on the availability of both the City's and County's share of the basic 1% *ad valorem* property tax as identified by each TRA within the proposed EIFD boundary.

Deliverables: Bonding Capacity and Pay-as-You-Go Capacity Calculations Using the Base Case and Alternative Tax Rate Allocations for all the Alternative EIFD Areas for 10, 20, 30, and 45-Year Periods

Task 4 – Identify Infrastructure Needs

Subtask 4.1 – Identify Infrastructure Needs and Community Development Investments

Based on the results of the tax increment analysis and direction from staff, DTA will update the maps and matrix identifying the recommended community development projects and programs. DTA's engineering staff will prepare Rough Order of Magnitude cost estimates for infrastructure projects and DTA will support this effort by providing cost estimates for any future City policies, plans, or programs.

Deliverable: Summary of Facilities and Community Investment Projects to be Financed and the Costs of Such Facilities Projects

Subtask 4.2 – Identify other Funding Sources

As noted previously under Subtask 2.2, DTA will evaluate a series of other sources of funding sources aside from TIF to fund needed public improvements. These include CFD and Assessment District ("AD") financing, Certificates of Participation, Revenue Bonds, benefit area Development Impact Fee ("DIF") programs, New Markets Tax Credits ("NMTCs"), and State grant programs, all of which are programs that DTA regularly employs during its engagements. DTA can also investigate alternative financing programs to support operations and maintenance efforts within the selected EIFD.

Deliverable: Summary Memo Detailing the Other Funding Sources that Could Be Utilized to Finance Infrastructure Under this Program and the Amount of Funding that Could Be Made Available on a Year-to-Year Basis

Task 5 – Next Steps for Implementation

DTA will prepare the Next Steps Summary Memo, including a write-up on the final infrastructure improvements and program/policy-related actions to be taken. Based on DTA's experiences establishing several EIFDs, our firm will prepare a detailed schedule providing each of the steps involved in forming an EIFD and obtaining approval from the voters for the eventual sale of EIFD bonds. DTA has copies of all the documents utilized in its recently formed EIFDs, including two separate Infrastructure Financing Plans, so our firm can provide significant assistance to any legal advisors hired by the City. DTA can also provide scheduling and documentation for the formation of CFDs, ADs, NMTCs, or any of the other types of financing utilized to complement the EIFDs. All this information will be incorporated in a Next Steps Summary Memo.

Deliverable: Next Steps Summary Memo

Task 6 – Study Results

DTA will provide copies of all documents as requested by the City.

Deliverables: Electronic Copies of All Documents (PDF)

Phase 2: Development of IFPs

This phase of the scope is intended to cover the completion of the formation of an EIFD for the City. The proposed effort relates to collecting background information and working with City staff to prepare an IFP for the proposed EIFD. DTA shall also assist the City in the proper distribution of EIFD documents to EIFD property owners, the noticing of these distributions and public hearings, and all of the other tasks related to the formation process, culminating with the submittal of all necessary materials to the BOE. The tasks detailed below will be undertaken by DTA on behalf of the City to establish an EIFD for the City.

Task 7 – Assist City in Council Approval of the Resolution of Intention ("ROI") and Establishment of the Public Financing Authority ("PFA")

DTA will prepare the draft ROI and PFA formation documents, attend online meetings and hearings as necessary, and participate in up to two (2) in-person meetings with the City Council and PFA.

Task 8 – Prepare Draft IFP

Once the City Council approves an ROI to form the EIFD, DTA shall incorporate the data assembled and calculated under Phase 1 into a Draft IFP pursuant to Government Code Section 53398.63. DTA will prepare all of the statutorily required sections of the Draft IFP and submit a draft of the IFP to the City and PFA.

Task 9 – Hold Property Owners Meeting to Present IFP and Coordinate with the PFA on Hearings and Modifications to the IFP (May-October 2023)

DTA shall assist City staff, as necessary, in presenting the IFP at a public meeting of property owners, in addition to making presentations to the PFA and incorporating edits in to the IFP, as requested by the PFA, through the 3rd public hearing held with the PFA. DTA will attend online meetings and up to two (2) additional in-person meetings.

Task 10 – Compete and Submit Required Documents to the BOE

DTA shall submit all required documents to the BOE by December 1 of the given year that the PFA passes a Resolution of Formation, . **The completion of this task in a timely manner is dependent on City staff, the PFA, and other parties promptly approving the necessary documents throughout the formation process**.

ADDITIONAL SERVICES

City may incorporate optional, additional services into the scope of services as follows:

- Project Implementation Upon City Request – City may request that Consultant assist with project implementation. These services could relate to, without limitation, support, oversight, and reporting and/or programmatic implementation to augment City resources on an as needed basis.

  PSA Amendment 1 Additional Service:

  - Engineering and Land Surveying Services – Outsourced to Hess Development Inc. (HDI): preparation of legal and plats for the parcels included in the EIFD boundaries as adopted by City Council, including 917 parcels as described per the requirements from the State Board of Equalization dated August 1, 2005. The estimated time of delivery would be 40-45 business days from the date of approval to start this work. Not included in this Amendment 1 to the PSA is the location of the deeds for each parcel and the coordination with a title company related to that work.

- On-Call Consulting Upon City Request – City may also request that Consultant work with the City on an ongoing basis to provide additional consulting services, including, without limitation, advice related to financial and operating procedures, processes, and policies.

PSA Amendment 1 Additional Service:

- Funds allocated for more frequent check-ins and to accommodate an extended timeline – with the extension of the project timeline into 2024, and the City's desire for more frequent check-ins, an additional $50,000 is being added to the agreement.

PSA Amendment 3 Additional Service:

- Gather all documents required to be submitted to the California State Board of Equalization ("BOE") for the Jurisdictional Boundary Change and creation of a new Tax Rate Area, which include the following:
  - DTA will prepare the Statement of Boundary Change (Form BOE-400-TA);
  - The City will provide the certified copy of election results to DTA for submittal;
  - The City will provide the Certificate of Completion to DTA for submittal;
  - The City will provide resolutions to DTA for submittal;
  - The City will provide the written geographic description of the project area ("metes and bounds") to DTA for submittal;
  - The City will provide the maps and supporting documents to DTA for submittal (DTA will prepare the boundary map, if required);
  - DTA will prepare the list of Assessor parcel numbers of the project area;
  - The City will provide the letter of tax rate area assignment to DTA for submittal; and
  - The City will provide a check made payable to SBOE to DTA for submittal fees.

  The completion of this task in a timely manner is dependent on City staff, the PFA, and other parties promptly approving the necessary documents throughout the formation process.

EXHIBIT B.3

EIFD EVALUATION ASSISTANCE and DEVELOPMENT OF THE INFRASTRUCTURE FINANCE PLAN(S) FOR THE CITY OF SANTA ROSA

COMPENSATION

Fees for services shall be charged on an hourly basis according to the rates set forth in the **fee schedule** below, with invoices being submitted to the City monthly. The estimated fees for services are not to exceed **$20,000** for Phase 1 and **$29,500** for Phase 2, including out-of-pocket expenses. $102,000 was added under amendment 1 of Agreement F002578, and $100,000 added under amendment 2, to accommodate an extended timeline and service needs. For Amendment 3 of Agreement F002578, an additional **$50,000** has been added to accommodate an extended timeline as outlined below. Further work at that point would require additional fees. Notably, the estimated fees for each phase are just estimates and the charges assigned to any one task may be transferred to another task, as long as the overall invoices submitted by DTA do **not exceed $301,500**, including out-of-pocket expenses.

DTA's Fee Schedule:

President/Managing Director	$300/Hour
Senior Vice President	$275/Hour
Vice President	$250/Hour
Senior Manager	$210/Hour
Manager	$200/Hour
Senior Associate	$190/Hour
Associate III	$175/Hour
Associate II	$165/Hour
Associate I	$150/Hour
Research Associate II	$140/Hour
Research Associate I	$125/Hour

Additional meetings above and beyond the five (5) meetings specified in the Scope of Services, including the kickoff meeting, shall be billed on a time and materials basis, not to exceed **$2,000 per in-person meeting**.

All hourly rates for services apply through June 30, 2026, and are subject to a cost-of-living Increase at that time. On or about the first two weeks of each month during which consulting services are rendered hereunder, DTA shall present to the City an invoice covering the current consulting services performed and reimbursable expenses incurred pursuant to the agreement and exhibits thereto. Such invoices shall

be paid by the City within 30 days of the date of each invoice. DTA shall stop all work on the project if payment is not received within 45 days of submittal of an invoice.

Limitations

This budget covers only those tasks outlined in the Scope of Services. Additional consulting services beyond those included in the Scope of Services ("Additional Work") shall require additional fees once the proposed maximum fee level is exceeded. DTA will notify the City if Additional Work has been requested by the City or any other parties before proceeding with such work, which will be billed at the hourly rates listed above. The following are examples of Additional Work:

- For the fiscal analysis, work related to the *Case Study Approach* for determining recurring police and fire protection service costs or other departmental operations and maintenance costs associated with the project, [e.g., the analysis of the number of service calls to applicable development projects (if available) and information obtained from discussion with City police and fire departments (if necessary) to assess the expected project-related City General Fund costs at build-out];
- Any work responsibilities performed by DTA that were assigned to the City in the Scope of Services;
- Any research performed to assist the City in its selection of infrastructure to be funded by the EIFD;
- Attendance at more meetings than listed in the Scope of Services;
- Significant revisions to the analysis after the draft IFP has been completed, including varying the borders of the EIFD requested by the City, the PFA, or other stakeholders;
- Any negotiations with property owners or other stakeholders after work on the draft IFP has commenced, or revisions to the analysis based on such negotiations;
- Any work on the use of other financing districts and finance mechanisms to supplement the revenues generated by the EIFD; and
- Any expenses incurred as a result of Additional Work.

PSA Amendment 1 Additional Services Costs:

- Engineering and Land Surveying Services:..... $52,000.00
  service outsourced to Hess Development Inc.

- Additional meetings and extended timeline:..... $50,000.00

PSA Amendment 2 Additional Services Costs:

- Additional meetings and extended timeline:..... $100,000.00

PSA Amendment 3 Additional Services Costs:

- Additional meetings and extended timeline:..... $50,000.00

An additional $50,000 has been added to the Agreement to accommodate the additional scope of work, for a new total not to exceed amount of $301,500.00.