



Agenda Item No: 1.g

PLACENTIA CITY COUNCIL AGENDA REPORT

Meeting Date: February 3, 2026

Submitted by: Jeannette Ortega

From: Administrative Services

Subject:

PROFESSIONAL SERVICES AGREEMENT FOR INDEPENDENT REGISTERED MUNICIPAL ADVISOR FOR THE INFRASTRUCTURE FINANCING PLAN ("IFP") FOR THE PLACENTIA ENHANCED INFRASTRUCTURE FINANCING DISTRICT ("PLACENTIA EIFD")

Financial Impact:

Fiscal Impact:

EXPENSE: \$50,000

BUDGETED: \$50,000 EIFD ACCOUNT (206-90300-9600)

Summary:

On June 18, 2019, the City Council approved Resolution No. R-2019-28, approving the Infrastructure Financing Plan ("IFP") for the EIFD. The IFP specifically defines the boundaries of the EIFD, identifies the public infrastructure improvements, and the financial analysis of expected tax increment over the life of the EIFD to allow for the issuance of bonds to pay for the identified public infrastructure improvements.

On July 30, 2019, the Placentia EIFD PFA approved Resolution No. PFA-2019-01, approving the IFP for the Placentia EIFD and the allocation of the City's incremental tax revenue from the project area pursuant to Government Code Section 53398.75 et seq.

On March 5, 2024, the City Council adopted a resolution approving the amended Infrastructure Financing Plan ("IFP") for the EIFD as a result of increased construction costs, interest rates, and inflation. The County Board of Supervisors, at their Board meeting on March 12, 2024, unanimously approved a resolution to amend the Infrastructure Financing Plan for the City of Placentia EIFD. The amended IFP was approved by the Placentia EIFD Public Financing Authority on April 9, 2024, and May 14, 2024, respectively.

This action approves a Professional Services Agreement with Kosmont Financial Services, Inc. ("KFS") to serve as the City's Independent Registered Municipal Advisor for the issuance of securities (including bonds, notes, and private placement loans) on behalf of the Placentia EIFD. Fees for KFS's professional, transaction-based services related to the issuance of securities will be paid from tax increment revenues collected by the Placentia EIFD. Any additional closing costs or final financial analysis expenses will be payable from proceeds

generated upon the successful closing of a securities issuance.

Recommendation:

Recommended Action: It is recommended that the City Council:

1. Award a Professional Services Agreement with Kosmont Transactions Services, Inc.; and
2. Authorize the City Administrator, and/or her designee, to execute all documents necessary, substantially in a form approved by the City Attorney.

Strategic Plan Statement:

This item is consistent with the City Council approved Five Year Strategic Goal 3: Promote Community and Economic Development, under Objective 3.4: Complete Financing Structure for Old Town EIFD.

Discussion:

EIFDs provide an opportunity for agencies to issue bonds for an array of public infrastructure projects as well as supporting economic development efforts in specific areas. The area of particular interest to Placentia is the infrastructure needed in and around Old Town Placentia. This area will require a significant investment of public infrastructure in order to attract developers to the area while improving the City's housing stock and retail opportunities for the public. Land use designations in the area include residential, commercial, industrial, open space and parks. The EIFD area contains over 300 acres, which is approximately 7.1% of the City's total 4,243 acres.

Infrastructure Financing Plan

The IFP prepared by Kosmont Companies ("Kosmont") for the Placentia EIFD includes TI revenue projections, a cap on the maximum TI revenue to be contributed to the EIFD by both the City and the County, bond authorization, a description of proposed facilities to be funded, a finding of communitywide significance, and a statement of the goals of the EIFD. The PFA is ultimately responsible for preparation and final adoption of an IFP for the Placentia EIFD. As a participating taxing entity of the Placentia EIFD, the County Board of Supervisors approved the IFP at their June 25, 2019, Board Meeting.

On July 30, 2019, the Placentia EIFD PFA adopted Resolution No. PFA-2019-01, approving the IFP for the Placentia EIFD and the allocation of the City's TI revenue from the project area pursuant to Government Code Section 53398.75 et seq.

On March 5, 2024, the City Council adopted a resolution approving the amended Infrastructure Financing Plan ("IFP") for the EIFD as a result of increased construction costs, interest rates, and inflation. The County Board of Supervisors, at their Board meeting on March 12, 2024, unanimously approved a resolution to amend the Infrastructure Financing Plan for the City of Placentia EIFD. The amended IFP was approved by the Placentia EIFD Public Financing Authority on April 9, 2024, and May 14, 2024, respectively.

The City's contribution is approximately 50% of its share of property tax increment (~6.8 out of 13.6 cents on the dollar) within the district over the approximately 40-year district lifetime. The County's contribution is approximately 50% of its share (~3.0 out of 5.9 cents) within the district boundary over the approximately 25-year district lifetime.

Independent Registered Municipal Advisors

KFS will serve as the Independent Registered Municipal Advisor (“IRMA”), as such term is defined by the Securities and Exchange Commission (“SEC”) and Municipal Securities Rulemaking Board (“MSRB”), to the City of Placentia (the “City”) for the issuance of securities (e.g. bonds, notes, private placement loans, etc.) for the Placentia EIFD.

The establishment of an IRMA relationship between KFS and the City authorizes KFS to provide the Placentia EIFD with advice regarding municipal securities. MSRB regulations impose fiduciary and loyalty obligations on IRMAs with regards to any advice an IRMA may provide to an issuer of municipal securities. KFS is required to act and provide advice in a manner that is in the City's best interests, not KFS or those of any other party. Per MSRB regulations, KFS may not dispense to the City any suggestions or recommendations related to municipal securities prior to the establishment in writing of an IRMA relationship. The Professional Services Agreement (Attachment 1) formally establishes the IRMA relationship and authorizes KFS to bring ideas and suggestions to the City related to any outstanding and/or contemplated issues of municipal securities.

IRMA activities covered by this Professional Services Agreement will likely include, but not necessarily be limited to, analysis and suggested courses of action related to the issuance of various types of bonds or other types of financing vehicles, the proceeds of which will be used to finance the acquisition and/or installation of the public infrastructure improvements and/or facilities as contemplated in the EIFD's IFP.

Fiscal Impact Summary:

On June 30, 2025, the Placentia EIFD Public Financing Authority approved the FY 2024–25 Annual Report, which includes \$50,000 for municipal advisory and consulting services. Pursuant to the Professional Services Agreement with KFS, this \$50,000 fee will be paid from tax increment revenues collected by the Placentia EIFD. Any additional costs incurred by KFS related to closing expenses and final analyses will be incorporated into the overall bond issuance structure and will be payable solely from the proceeds generated upon a successful, City-approved closing of a securities issuance (including bonds, notes, or private placement loans) for the Placentia EIFD.

Attachments

[PSA Kosmont 1-29-2026 FINAL.pdf](#)
[Exhibit A KFS Placentia Proposal 2025.pdf](#)