

EXHIBIT A

First Amendment: Tax Revenue Sharing Agreement Reporting



FIRST AMENDMENT: TAX REVENUE SHARING AGREEMENT REPORTING

SUCCESSOR AGENCY TO THE COMMUNITY REDEVELOPMENT AGENCY OF
THE CITY OF HAWTHORNE



Harris & Associates



May 8, 2025

Von Norris
City Manager
City of Hawthorne
4455 W. 126th Street
Hawthorne, CA 90250

FIRST AMENDMENT: TAX REVENUE SHARING AGREEMENT REPORTING

Dear Mr. Norris,

We are pleased to present this proposal to the City of Hawthorne (“City”) in its role as the Successor Agency to the former Hawthorne Community Redevelopment Agency (“Successor Agency”). This proposal is for Harris & Associates (“Harris”) to provide services related to tax revenue sharing reporting to the Successor Agency through an amendment (“First Amendment”) to the existing contract executed and made effective as of April 7, 2025 (“Original Contract”).

The First Amendment will:

- Extend the Original Contract term end from June 30, 2025, to June 30, 2030. This extension will align this contract with a separate contract between the Successor Agency and Harris for other services related to the Gateway Center Disposition and Development Agreement (“DDA”) & Oceangate Owner Participation Agreement (“OPA”).
- Increase the total compensation amount & adjust the compensation structure from an annual not-to-exceed fee to an annual flat fee with annual escalators through the term end to account for cost increases (detailed in the Budget section of this document).

Tax revenue sharing reporting is required as of 2025 per Regulation 1808 adopted by the California Department of Tax and Fee Administration (“CDTFA”). Regulation 1808 requires every local agency to electronically complete and submit a tax revenue sharing agreement reporting form to the CDTFA by April 30 of each year to report information required by Revenue and Taxation Code (“RTC”) section 7213 for the immediately preceding fiscal year. This reporting requirement was identified to apply to the following Successor Agency agreements:

- The Gateway Center Disposition and Development Agreement (DDA). The DDA requires rebates of tax increment, sales tax, and transient occupancy tax revenues used for payment of debt service on the CFD 1999-1 2010 Special Tax Refunding Bonds and for repayment of the Agency Note debt assumed by the Hawthorne Community Redevelopment Agency to incentivize private improvements to public infrastructure in the Gateway development.
- The Oceangate Owner Participation Agreement (OPA). The Hawthorne Community Redevelopment Agency entered the OPA, which requires sales tax and tax increment rebates to property owners in the OPA project area, to redevelop certain parcels for commercial purposes and fund public improvements.

The successful completion of this work will ensure annual compliance with the CDTFA’s Regulation 1808.

SCOPE OF WORK

1. TAX REVENUE SHARING AGREEMENT REPORTING

Harris will complete and submit to the CDTFA a tax revenue sharing agreement report for the Successor Agency's DDA and OPA. Reporting will be completed in accordance with CDTFA requirements and submitted annually by April 30th through the term end of the First Amendment.

Regulation 1808 requires that public agencies publish the information submitted to CDTFA as part of the reporting requirements on the public agency's website. Annually, Harris will provide the information required to be posted to the City's website for City staff to upload to the City's website.

Harris will coordinate with the CDTFA as needed regarding data reported on, including providing supplemental information electronically to CDTFA staff.

Deliverables:

One (1) set of the following deliverables will be prepared for the following fiscal years and their corresponding reporting periods: Fiscal Year 2025-26, 2026-27, 2027-28, 2028-29 & 2029-30.

- One (1) electronic submission of a tax revenue sharing agreement reporting form related to the OPA & DDA (combined).
- One (1) confirmation of submission of the report.
- One (1) final report submitted to City staff to upload to the City's website.

SCHEDULE

The contract term for the services described in the Scope of Work will run through June 30, 2030. This extension will align this contract with a separate contract between the Successor Agency and Harris for other services related to the DDA & OPA.

BUDGET

Harris will provide services on a flat fee basis per the schedule detailed in the following table. Escalators were incorporated through the contract term end to account for annual cost increases. Fees will be collected annually only after completion of deliverables detailed in the Scope of Work. Harris and the Successor Agency may revisit the fee schedule if reporting requirements are changed.

Fiscal Year	Flat Fee
2025-26	\$7,500
2026-27	\$7,800
2027-28	\$8,100
2028-29	\$8,400
2029-30	\$8,800
Total	\$40,600

Services provided under this contract will be provided on a flat fee basis. However, if the Successor Agency and Harris determine that work should be billed on a time-and-materials basis, work billed will be based on the hourly billing rates detailed in the following table. Fees may be adjusted annually beginning January 1, 2026, not to exceed 4% per year. Miscellaneous costs including items such as mileage, phone calls, and postage are included in the hourly rates.

2025 Hourly Billing Rates	
Position	Billing Rate
Principal in Charge	\$312
Senior Director	\$275
Director	\$250
Senior Project Manager	\$238
Project Manager	\$212
Deputy Project Manager	\$196
Senior Analyst	\$160
Analyst	\$150
Research Analyst	\$140

We appreciate the opportunity to continue working with the City of Hawthorne and the Successor Agency. Please feel free to contact us if you have any questions.

Sincerely,



Dima Galkin
Director
Community Development + Housing
Dima.Galkin@WeAreHarris.com



Zaire Marin
Project Manager
Community Development + Housing
Zaire.Marin@WeAreHarris.com