

SACRAMENTO TRANSPORTATION AUTHORITY

Request for Proposals

New Measure A Transportation Sales Tax Program

Bond Counsel Services
Disclosure Counsel Services

Introduction

Since 1989, the Sacramento Transportation Authority (STA) has administered *Measure A*, a one-half percent sales tax in Sacramento County for the purpose of funding highway improvements, local street and road improvements and maintenance, and public transit improvements and operations. This existing Measure A program has been implemented exclusively on a pay-go basis. The STA has never incurred debt to accelerate program delivery.

The existing Measure A sales tax will expire on April 1, 2009. On November 2, 2004, voters in Sacramento County overwhelmingly approved a continuation of the transportation sales tax commencing April 1, 2009 and continuing for 30 years to March 31, 2039. In addition to continuation of the one-half percent sales tax, *New Measure A* mandates that local jurisdictions impose a new Countywide development mitigation fee. The *New Measure A* ordinance provides for partial funding of major highway, transit, local street and road capital improvements; environmental mitigation improvements; and on-going roadway and transit operations and maintenance.

Although the *New Measure A* sales tax does not take effect until 2009, the STA and local transportation providers seek to advance some of the *New Measure A* capital projects beginning as soon as Fall 2006. The STA and its financial advisor (*PFM, Inc.*) are preparing a Plan of Finance for the period between 2006 and 2039. This encompasses the three years until the commencement of *New Measure A* plus the 30-year term of the *New Measure A* sales tax program. It is anticipated that the final Plan of Finance will include financing mechanisms such as fixed rate notes, fixed rate bonds, interest rate swaps, and/or other techniques.

Requested Services

The STA is seeking to select a firm to serve as bond counsel and a firm to act as disclosure counsel for any upcoming debt financings.

Interested firms may apply to one or both of the following classifications:

- Bond Counsel
- Disclosure Counsel

Please indicate in the cover letter the category(ies) for which your firm wishes to be considered. STA anticipates selecting one preferred firm in each category.

Proposal Contents

Cover Letter

Each proposal should include a cover letter of no more than two pages. It should include confirmation that the proposal is valid for a period of 120 days, and should be signed by an individual authorized to negotiate and execute a contract.

Firm Background

1. Indicate the firm's annual SDC or comparable bond counsel rankings in the following categories for 2001-2005:
 - a. Long-term negotiated underwriting
 - b. California tax exempt debt
 - c. Transportation related debt
 - d. Variable Rate Demand Bonds
 - e. Auction Rate Securities
 - f. Tax exempt commercial paper
2. Provide a narrative description of the firm's prior experience with California transportation sales tax issuers. In particular, describe new or innovative contributions your firm has made to transportation finance in California.
3. Provide a narrative description of your prior experience with any of the following: GARVEE financings, securitizing federal transportation funds, and securitizing state of California transportation funds.
4. Provide a narrative description of your prior experience with securitizing local/regional development mitigation fee revenues.
5. Provide a statement regarding the commitment of your firm to the municipal bond business in California.

Legal Team Members

Provide a complete listing of the legal team to be assigned to STA. This should include the lead attorney, tax counsel, and associates. For each key person, provide a description of their background and experience with California sales tax and transportation debt and their office location. Full resumes should be included in an appendix.

Approach

Please respond to the following question:

- What issues would you anticipate related to any effort to leverage the *New* Measure A sales tax and development fee revenues prior to their commencement in 2009?

Fees

Provide a complete breakdown of all fees and expenses based on serving either as bond counsel or disclosure counsel. Fees may be expressed by category of transaction or by size of transaction. Please note any difference between bond types.

Reason for Selection

Provide a narrative not to exceed one page on the compelling reasons why your firm is uniquely qualified to function as STA's bond and/or disclosure counsel.

Disclosure of Contributions

Disclose all contributions of \$250 or more made to any STA Board member during the past 12 months by completing the *Contribution Disclosure Form* attached hereto.

Proposal Submittal Requirements

Proposals are due at close of business on **Wednesday May 17, 2006**. They should be submitted in a sealed envelope or container. Facsimile or electronically transmitted proposals will not be accepted. Proposals should be simply bound and measure 8½" x 11". Annual reports and marketing materials not directly related to the questions in the RFP should not be submitted. Please limit the response to 20 pages or less, not including the resumes.

Five copies of the proposal plus an original should be sent to the attention of:

Gloria Busby
Office Manager
Sacramento Transportation Authority
901 F Street, Suite 210
Sacramento, CA 95814

In addition, two copies of your proposal should be sent to the attention of the STA's consulting financial advisor:

Keith Curry
Managing Director
Public Financial Management
660 Newport Center Drive, Suite 750
Newport Beach, CA 92660-6408

All proposals become the property of STA, and will be considered public records after an associated agreement is executed.

Evaluation

STA will convene a panel of local public agency finance directors and/or attorneys to review the proposals and develop a recommendation on the preferred firm(s). On June 7th, 2006, the STA Governing Board will select the preferred firm with which to negotiate a formal agreement.

STA reserves the right to award a contract to the firm(s) whose qualifications, in the sole judgment of the STA, most closely match the needs of the project. The STA also reserves the right to reject any or all of the submittals, or to waive minor irregularities in the proposal process. Solicitation of proposals in no way obligates the STA to contract with any firm. Selection of a preferred firm may be made without subsequent discussion with any proposer.

Thank you for your interest in this important project.

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Enclosures: *New* Measure A Ordinance (#STA-04-01)
Draft *New* Measure A Plan of Finance