



For Agenda Of:

April 13, 2006
ITEM # 11

To: Sacramento Transportation Authority

Subj: Request for Proposals (RFP) for Bond Counsel and Disclosure Counsel Services

RECOMMENDATION

Authorize staff to distribute the attached RFP for bond counsel and disclosure counsel services in anticipation that the STA will issue public debt later this year to begin financing accelerated delivery of *New* Measure A capital projects.

DISCUSSION

Staff anticipates that your Board will adopt a Plan of Finance for the *New* Measure A transportation sales tax program in May. Consistent with the ambitious project delivery schedules submitted by Caltrans, RT, and the local jurisdictions, the Plan of Finance will call for debt financing of future Measure A and Countywide development fee revenues beginning later this year. Before the STA approaches the private financial markets, it must retain bond counsel and disclosure counsel.

Bond counsel is retained by the issuer of public debt to provide a legal opinion that the issuer is authorized to issue the proposed municipal securities, that the issuer has met all legal requirements for issuance, and that interest on the proposed securities will be excluded from the gross income of holders (purchasers) for federal tax purposes and, where applicable, state taxation. *Disclosure counsel* is retained by the issuer of public debt to provide advice on the issuer's disclosure obligations and prepare the Official Statement and continuing disclosure agreement. The Official Statement provides an overview of material information related to a securities offering, while the disclosure agreement is the Authority's promise to disseminate pertinent annual financial information and material event disclosures to the nationally recognized municipal securities information repositories and state information depositories.

It is important to begin soliciting the services of bond and disclosure counsel now so that we can begin compiling the underwriting team and preparing the securities instruments soon after the Plan of Finance is adopted in May. If approved by your Board, the RFP will be circulated next week, with Proposals due by May 17th. A panel of local jurisdiction finance

managers and/or legal counsels will be convened to review the proposals, conduct interviews if necessary, and recommend a preferred consultant for consideration by your Board at the June 7th meeting.

Respectfully Submitted,

Brian A. Williams
Executive Director

Attachment

C: Keith Curry – Managing Director, PFM, Inc.