



June 16, 2011

AGENDA ITEM # **15**

REQUEST FOR PROPOSALS FOR BOND COUNSEL AND DISCLOSURE COUNSEL SERVICES

Action Requested: Authorize distribution of Request for Proposals

Key Staff: Brian Williams, Executive Director

Recommendation

Authorize staff to distribute the attached Request for Proposals (RFP) for bond counsel and disclosure counsel services in anticipation that the STA will restructure its debt portfolio later this year.

Discussion

Staff anticipates the need to partially refund or restructure the STA's existing debt portfolio later this summer to replace expiring liquidity contracts. We also expect that your Board may consider a small additional debt issue in 2012 to continue the accelerated delivery of specified capital projects per the Measure A Capital Allocation Plan. Before the STA approaches the private financial markets, it must retain bond counsel and disclosure counsel. Our existing contracts for consulting bond counsel and disclosure counsel services expire at the end of June.

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 to 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 solicit the services of bond and disclosure counsel now so that we can begin compiling the strategy and negotiating with underwriting teams prior to the expiration of the liquidity contracts associated with STA's existing debt portfolio. If authorized by your Board, the RFP will be circulated tomorrow (June 17). Proposals will be due by July 20th. 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 July 28th meeting.

Attachment