

**STAFF REPORT**

**SUBJECT:** Measure D Sales Tax Revenue Bond Refunding

**MEETING DATE:** May 15, 2003

**AGENDA ITEM:** 7D

**RECOMMENDATION:**

Authorize the Chair to execute an agreement with *Kutak Rock, LLP* to provide bond counsel services in the amount of \$37,500 for the refunding of the Series 1993 Measure D Sales Tax Revenue Bonds.

**DISCUSSION:**

**Background**

In April 2003, staff presented to the board the option of undertaking a refunding process for the Series 1993 Measure D Sales Tax Revenue Bonds that would allow SBCAG to take advantage of a favorable bond market and achieve significant cost savings to the program. The board approved this action and at the same time approved a contract amendment with Municipal Capital Management, Inc. (MCM), SBCAG's Measure D financial advisor, to act as managers of the refunding process. MCM is on board and has begun work on the refunding effort. One of the first orders of work by MCM was to assist SBCAG in retaining a bond counsel. An RFP was prepared and sent to six potential and reputable legal firms that have experience in public finance and in particular with an emphasis of experience in acting as bond counsel. Three firms submitted proposals prior to the deadline identified in the RFP. Following a review of the proposals, two firms were short-listed based on qualifications, experience and price and were invited to oral interviews. The RFP required that the bond counsel provide a fixed fee cost for their services.

On May 5, 2003, SBCAG staff, Authority Counsel, and MCM conducted interviews with the top two firms. County Counsel, acting as Counsel to SBCAG in its role as the Local Transportation Authority (LTA), has made a recommendation to the Executive Director that SBCAG enter an agreement with *Kutak Rock, LLP* who has been identified as the top firm. Staff is now recommending that the SBCAG board approve the recommendation and authorize the chair to execute a contract with Kutak Rock in the amount of \$37,500. This total fee is comprised of \$35,000 fixed fee and \$2500 in not-to-exceed reimbursable expenses. All fees are contingent on the bond sale. A tentative schedule for completion of the bond issue is identified in Exhibit "A" of this staff report.

**Budget**

Since all costs payable to bond counsel are contingent on the bond sale, no appropriation action is necessary at this time.

**COMMITTEE REVIEW:** None

**STAFF CONTACT:** Fred Luna

**Santa Barbara County Local Transportation Authority  
Schedule for Bond Refunding**

<b><u>Date</u></b>	<b><u>Activity</u></b>	<b><u>Responsibility</u></b>
April 17	Board Approval of Contract Amendment for Financial Advisor to begin Bond Refunding	SBCAG
May 5	Selection of Bond Counsel	SBCAG and MCM
May 15	Board Approval of Contract Amendment for Bond Counsel and Financing Team	SBCAG and MCM
Week of May 12	Kick off meeting to discuss financing	Finance Team
Week of May 26	First draft of legal documents	MCM and Bond Counsel
Week of June 23	Final drafts of legal documents	MCM and Bond Counsel
Week of June 30	Distribute documents to Rating Agencies and Insurers	MCM
July 17	Board Approval of financing documents	SBCAG
Week of July 21	Deadline to public notice inviting bids and to publish notice in local publications	Bond Counsel
August 5	Accept Bids	SBCAG and MCM
August 8	Distribute Closing Documents	Bond Counsel
August 19	Close Financing	Finance Team