

PALM BEACH COUNTY
BOARD OF COUNTY COMMISSIONERS
AGENDA ITEM SUMMARY

Agenda Item #:

5B-1

Meeting Date: June 5, 2007 Consent Regular
 Ordinance Public Hearing
Department: Office of Financial Management & Budget

I. EXECUTIVE BRIEF

Motion and Title: Staff recommends motion to approve:

- A) Janney Montgomery as Senior Manager and Wachovia Securities, Raymond James, Loop Capital Markets and Citigroup as co-managers for the estimated \$105 Million Public Improvement Revenue Bonds, Series 2007 (Biomedical Research Park Project).
- B) Ruden McClosky as bond counsel for the estimated \$105 Million Public Improvement Revenue Bonds, Series 2007 (Biomedical Research Park Project).
- C) Hogan & Hartson as disclosure counsel for the estimated \$105 Million Public Improvement Revenue Bonds, Series 2007 (Biomedical Research Park Project).

Summary: The underwriters listed above are next to be selected from the Senior Manager Underwriter Rotation List. Because of the continuing work that Ruden McClosky has performed in its role as bond counsel for the Scripps bonds, staff is recommending that they continue to provide these services for the new Scripps bonds. On April 10, 2007, the Board approved the procedures for the selection and rotation of Disclosure Counsel. Hogan and Hartson is the corresponding disclosure counsel when Ruden McClosky serves as Bond Counsel. Each firm will now be moved to the bottom of their respective rotations. **Countywide (PFK)**

Background and Justification: On May 23, 2006, the Board approved the new Grant Agreement with The Scripps Research Institute. On November 21, 2007, the Board approved the First Amendment to the Grant Agreement to provide for potential reimbursement of additional costs associated with the relocation of existing Florida Power and Light transmission and distribution lines. The total reimbursement amount to Scripps under the new grant agreement is \$186,751,957. The estimated \$105 Million Public Improvement Revenue Bonds, Series 2007 (Biomedical Research Park Project) consists of additional funding for the Scripps Facilities at FAU, the repayment of the \$16,322,600 Public Improvement Revenue Bond Anticipation Notes (Biomedical Research Park Project) plus accrued interest, and the repayment of approximately \$6.5 Million Public Improvement Revenue Notes originally issued for initial infrastructure improvements at Mecca plus accrued interest. In accordance with the cash flow projections received from The Scripps Research Institute, the County anticipates issuing the Series 2007 Bonds in the Fall, 2007. Staff will be bringing a bond resolution to the Board in July, 2007.

Attachments:


1. Senior Manager Underwriter Rotation List
 2. County Bond Counsel Rotation List
 3. Procedures for Selection and Rotation of Disclosure Counsel
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Recommended by:


Department Director

5/29/07
Date

Approved By:


County Administrator

5/30/07
Date

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Capital Expenditures	_____	_____	_____	_____	_____
Operating Costs	_____	_____	_____	_____	_____
External Revenues	_____	_____	_____	_____	_____
Program Income (County)	_____	_____	_____	_____	_____
In-Kind Match (County)	_____	_____	_____	_____	_____
NET FISCAL IMPACT	_____	_____	_____	_____	_____
No. ADDITIONAL FTE POSITIONS (Cumulative)	_____	_____	_____	_____	_____


Is Item Included In Current Budget? Yes _____ No _____
 Budget Account No.: Fund _____ Department _____ Unit _____
 Object _____ Reporting Category _____

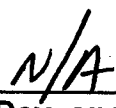
B. Recommended Sources of Funds/Summary of Fiscal Impact:

C. Departmental Fiscal Review:

III. REVIEW COMMENTS

A. OFMB Fiscal and/or Contract Dev. and Control Comments:

 5/25/07
 _____ OFMB


 _____ Contract Dev. and Control

B. Legal Sufficiency:

 5/30/07
 _____ Assistant County Attorney

C. Other Department Review:


 _____ Department Director

PALM BEACH COUNTY
SENIOR MANAGER UNDERWRITER ROTATION LIST
October 17, 2006

District 5	Janney Montgomery	Senior Manager on next issue
District 3	Merrill Lynch	Not eligible to serve as co-manager
District 6	Loop Capital Markets	Eligible to serve as co-manager
District 1	Citigroup	Eligible to serve as co-manager
District 4	Wachovia Securities (Note 2)	Eligible to serve as co-manager
District 2	Raymond James	Eligible to serve as co-manager
District 7	Jackson Securities	Not eligible to serve as co-manager

Note 1 - One selection per Commissioner with the senior manager selected for an issue always going to the bottom of the rotation list for future issues. If a Commissioner changes underwriters after the initial appointment in October, 2003, the new appointee will be placed at the bottom of the list. Raymond James was appointed by Commissioner Koons on June 6, 2006.

Note 2 - Depending on the size of the bond issue, additional co-managers will be selected from the above list as follows: The firm at the top of the list to be appointed as senior manager, the next firm in line to be senior manager and the last firm selected as senior are not eligible to serve as co-manager on the next bond issue. All firms on the senior manager rotation list are eligible to be co-manager. Eligible firm(s) will be selected to be co-managers in order from the senior rotation list. **As of the October 17, 2006 appointment of Loop Capital Markets and Citigroup as co-managers on the Judicial Center Parking Garage Expansion, Wachovia Securities is the next firm to be selected as co-manager with others to be selected following in order.** Selection as co-manager will not effect a firm's standing on the senior manager rotation list.

Note 3 - Staff and the County's Financial Advisor recommend the following guidelines for structuring teams for each bond issue: (1) Up to \$10 Million - 1 Senior, (2) \$10 to \$25 Million - 1 Senior, 1 Co-Manager; (3) \$25 to \$50 Million - 1 Senior, 2 Co-Managers; (4) \$50 to \$75 Million - 1 Senior, 3 Co-Managers; (5) Excess of \$75 Million 1 Senior, 4 or more Co-Managers, depending on the size of the issue.

Note 4 - Proprietary Proposals - The County will continue to consider new and innovative proposals from any underwriter. If the Board decides to move forward with a proposal, the underwriter will be given consideration as the book running manager on the bond issue without regard to the senior manager rotation list. If the underwriter selected to be bookrunning manager is on the County's senior rotation list, the underwriter will be moved to the bottom of the list for future issues. Refunding of outstanding bond issues and other proposals that are currently being done by other issuers are not considered proprietary proposals. Submission of these proposals will not necessarily be a factor in the selection of underwriting teams.



MEMORANDUM

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DATE: March 14, 2007

TO: The Honorable Commissioner Addie L. Greene, Chairperson
and Members of the Board of County Commissioners

FROM: Paul F. King, Assistant County Attorney *PFK*

RE: Revisions to and Current Status of the
County Bond Counsel Rotation List

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**Palm Beach County
Board of County
Commissioners**

Addie L. Greene, Chairperson

Jeff Koons, Vice Chair

Karen T. Marcus

Warren H. Newell

Mary McCarty

Burt Aaronson

Jess R. Santamaria

County Administrator

Robert Weisman

At the March 14, 2007 meeting, the Board of County Commissioners replaced the law firm of Moyle, Flanigan, Katz, Raymond, White & Krasker, P.A. with the law firm of Holland & Knight, LLP on the County bond counsel rotation list. The current County bond counsel rotation list now stands as follows:

1. Edwards Angell Palmer Dodge LLP
2. Nabors, Giblin & Nickerson, P.A.
3. Holland & Knight, LLP
4. Greenberg Traurig, P.A./Weiss, Handler, Angelos & Cornwell, P.A.
5. Ruden McClosky Smith Schuster & Russell, P.A.
6. Hogan & Hartson, LLP
7. Bryant Miller Olive, P.A./ Isaacs Williams, P.A.

PFK/mej

cc: Denise M. Nieman, County Attorney
Maureen Cullen, Chief Assistant County Attorney
Richard Roberts, Director, OFMB
John Long, Debt Manager, OFMB ✓

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Affirmative Action Employer"

PALM BEACH COUNTY
PROCEDURES FOR SELECTION AND ROTATION OF
DISCLOSURE COUNSEL ON COUNTY BOND ISSUES

Bond Counsel Rotation

Edwards & Angell
Nabors Giblin
Holland & Knight
Greenberg Traurig
Ruden McClosky
Hogan & Hartson
Bryant Miller & Olive

Corresponding Disclosure Counsel

Holland & Knight
Bryant Miller & Olive
Ruden McClosky
Nabors Giblin
Hogan & Hartson
Edwards & Angell
Greenberg Traurig

Selection and Rotation - Disclosure Counsels are paired with specific bond counsel and shall rotate with their corresponding Bond Counsel, in accordance with the Bond Counsel Rotation Policy. Bond Counsel and disclosure counsel will go to the bottom of the list after being assigned to a bond issue.

Description of Work - The service of disclosure counsel shall include, but not be limited to, the following: 1) Review all bond documents, 2) prepare the preliminary official statement and official statement for the sale of the County's bonds, advise and assist the County to assure the information contained in the official statement is accurate and complete in all material respects, and render to the County and the underwriters a 10b-5 opinion that there are no material omissions or misstatements, 3) prepare the County's continuing disclosure agreement required by Section 15c2-12 of the Securities Exchange Act of 1934, 4) advise on matters of material event disclosures and related matters regarding secondary market disclosure, 5) advise the County on changes in Federal and State legislation and regulatory matters involving disclosure matters applicable to the County, and 6) attend Commission and staff meetings when requested.

Disclosure Counsel Fee - Disclosure Counsel will receive 50% of bond counsel fee unless unusual circumstances warrant a higher or lower fee. Underwriter's counsel will be paid a nominal fee to prepare the bond purchase agreement and represent the underwriters.