

PALM BEACH COUNTY  
BOARD OF COUNTY COMMISSIONERS  
AGENDA ITEM SUMMARY

Meeting Date: Mar. 11, 2008 [X] Consent [ ] Regular  
[ ] Public Hearing

Department: Office of Financial Management & Budget

I. EXECUTIVE BRIEF

**Motion and Title:** Staff recommends motion to select Loop Capital Markets as Senior Manager and Wachovia Securities and Raymond James as Co-Managers for the estimated \$42 Million Public Improvement Revenue Bonds, Series 2008 (Convention Center Garage Project).

**Summary:** On April 10, 2007, the Board approved a Development Agreement with Ocean Properties, LTD, Convention Center Hotel Development LLC, Convention Center Residential Development LLC, Convention Center Garage Development LLC, and Convention Center Tunnel Development LLC to construct the Convention Center Hotel, Residential Condominiums, garage and Tunnel. Bond counsel and disclosure counsel were previously appointed to provide services for the Hotel project. Staff is in the process of preparing documents related to the bond issue for the project and recommends that the Board appoint the underwriting team at this time. The above firms are next on the Senior Manager Underwriting Rotation List. Countywide (PFK)

**Background and Justification:** On April 18, 2006, the Board directed staff to relocate the Hotel parking spaces from the Hotel Site to a garage to be constructed by Ocean Properties on the convention center expansion property. On September 12, 2006, the Board adopted an Ordinance levying an additional one cent Tourist Development Tax for improvements to the Convention Center. The payment of debt service on the bonds will be secured by a pledge of the County's non-ad valorem revenues with the Tourist Development Tax as the funding source.

**Attachments:**

- 1. Senior Manager Underwriter Rotation List

Recommended By: Elizabeth Brasher 3/5/08  
Department Director Date

Approved By: VC Baker 3/4/08  
for County Administrator Date

## II. FISCAL IMPACT ANALYSIS

### A. Five Year Summary of Fiscal Impact:

Fiscal Years	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Capital Expenditures	_____	_____	_____	_____	_____
Operating Costs	_____	_____	_____	_____	_____
Debt Service 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:

John A. Long 3/5/08 N/A  
OFMB Contract Dev. and Control

### B. Legal Sufficiency:

Paul F. Long  
Assistant County Attorney

### C. Other Department Review:

\_\_\_\_\_  
Department Director

REVISED 9/03  
ADM FORM 01

(THIS SUMMARY IS NOT TO BE USED AS A BASIS FOR PAYMENT.)

**PALM BEACH COUNTY**  
**SENIOR MANAGER UNDERWRITER ROTATION LIST**  
**November 20, 2007**

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

**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 November 20, 2007 appointment of Wachovia Securities, Raymond James, Jackson Securities and Citigroup as co-managers on the Series 2008 Bonds for the Jail Expansion Program. 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.