

PALM BEACH COUNTY
BOARD OF COUNTY COMMISSIONERS
AGENDA ITEM SUMMARY

Meeting Date: 9/9/08 [X] Consent [] Regular
[] Ordinance [] Public Hearing
Department: Office of Financial Management & Budget

I. Executive Brief

Motion and Title: Staff recommends motion to appoint:

A) Loop Capital Markets as Senior Manager and Raymond James and Jackson Securities as Co-Managers for the not to exceed \$45 Million Public Improvement Revenue Bonds, Series 2008 (Max Planck Biomedical Research Project) to establish a biomedical research park at Florida Atlantic University (FAU) in Jupiter.

B) Holland & Knight as bond counsel for the not to exceed \$45 Million Public Improvement Revenue Bonds, Series 2008 (Max Planck Biomedical Research Project).

C) Ruden McCloskey as disclosure counsel for the not to exceed \$45 Million Public Improvement Revenue Bonds, Series 2008 (Max Planck Biomedical Research Project).

Summary: On July 22, 2008, the Board approved a Grant Agreement with Max Planck Florida Corporation (MPFC) providing for \$86.926 Million to construct and operate a Biomedical Research Facility. The County plans to issue Non-ad Valorem Revenue Bonds to fund the following grants to MPFC on November 1 on each of the following calendar years: 2008 - \$39,443,000; 2011 - \$15,615,000; 2013 - \$13,137,000; 2015 - \$13,384,000; and 2017 - \$5,347,000, totaling \$86,926,000. In addition to the grant funding, each bond issue will include costs of issuance and the funding of debt service reserve accounts. We anticipate that the initial bond issue of not to exceed \$45 Million will be sold in October and closed by November 1. The above firms are next on their respective rotation lists. Countywide (PFK)

Background and Justification: The payment of debt service on the bonds will be secured by a pledge of the County's non-ad valorem revenues.

Attachments:

- 1. Senior Manager Underwriter Rotation List.
- 2. Bond Counsel and Disclosure Counsel Rotation Lists.

Recommended by: Elizabeth Blaes 8/6/08
Department Director Date

Approved By: [Signature] 8/8/08
County Administrator Date

PALM BEACH COUNTY
SENIOR MANAGER UNDERWRITER ROTATION LIST
July 3, 2008

District 6	Loop Capital Markets	Senior Manager on next issue
District 4	Wachovia Securities	Not eligible to serve as co-manager
District 2	Raymond James (Note 2)	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	Eligible to serve as co-manager
District 1	Citigroup	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. Eligible firm(s) will be selected to be co-managers in order from the senior rotation list. **On March 11, 2008, Loop Capital Markets was appointed as Senior Manager and Wachovia Securities and Raymond James were appointed as Co-Managers for the estimated \$42 Million Public Improvement Revenue Bonds, Series 2008 (Convention Center Garage Project). Because the Project has been delayed, Loop Capital Markets has been moved back to top of rotation list as Senior Manager on next bond issue.**

Raymond James is the next firm to be selected as co-manager with others to be selected following in order. Selection as co-manager does 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.

PALM BEACH COUNTY
PROCEDURES FOR SELECTION AND ROTATION OF
DISCLOSURE COUNSEL ON COUNTY BOND ISSUES
April 2, 2008

Bond Counsel Rotation

Holland & Knight
Broad and Cassel
Hogan & Hartson
Ruden McClosky
Edwards & Angell
Nabors Giblin
Bryant Miller & Olive

Corresponding Disclosure Counsel

Ruden McClosky
Nabors Giblin
Edwards & Angell
Hogan & Hartson
Holland & Knight
Bryant Miller & Olive
Broad and Cassell

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. Bryant Miller & Olive was appointed bond counsel on the \$30 Sunshine Loan Refunding, Series 2008.

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.