Item No. 8(b)
June 20, 2011

CITY COUNCIL AGENDA MEMORANDUM

SUBJECT

Resolution No. 8249, authorizing the execution of a professional services agreement with Pacifica Law Group LLP (the "Law Firm"), in an amount not to exceed $193,000, to provide bond counsel services.

FISCAL IMPACT

This action obligates the City up to $193,000 depending on the amount of bonds issued and the number of other specialized legal services provided over the course of the next eighteen-month period. Bond issuance fees will be paid from the bond proceeds, and specialized legal services will be paid from the General Fund, General CIP projects or other budgets, as appropriate.

Debt Issuance Services: The fees for debt issuance services are based on the size and type of bond issues. As an example, a $10.0 million general obligation bond issue will cost $18,500. A $5.0 million Local Improvement District (LID) bond would cost $17,000. No funds will be expended unless and until a bond transaction actually occurs. In addition, all debt issuance fees are paid out of the bond proceeds and not from the City's operating or capital budgets.

Specialized Legal Services: Specialized legal services include: 1) representing the City in any litigation related to tax-exempt bonds; 2) interpreting Securities and Exchange Commission (SEC) rule requirements for both annual and material event reporting for existing debt instruments; and 3) reviewing recommended financial or management policies to assure compliance with applicable laws. Typically, the City requests these services on a project-by-project basis. Fees are charged on an hourly basis.

The actual cost of specialized legal services depends on the number and type of projects assigned to the Law Firm over the next eighteen-month period. This expenditure was anticipated and sufficient funds exist in the 2011-2012 budget.

STAFF CONTACT

Lori M. Riordan, City Attorney City Attorney's Office	452-7220
Jan Hawn, Finance Director	452-6846
Zemed Yitref, Investment & Debt Manager Finance Department	452-6101

POLICY CONSIDERATION

Should the City Manager be authorized to enter into an agreement for bond counsel services?

BACKGROUND

Council approved Resolution No. 7819 on November 3, 2008, authorizing the City Manager to execute a professional services agreement with K&L Preston Gates Ellis LLP (the "Firm") to

provide bond counsel services to the City of Bellevue after a competitive bidding process. The term of the contract covered a four year period, from November 4, 2008 through November 3, 2012, with no provision for renewals.

On April 1, 2011, the lead bond counsel assigned to the Bellevue account notified city officials of her decision to leave the Firm effective April 2, 2011 along with other prominent attorneys to become co-founders and partners in a new law firm that will concentrate on work similar to that performed at the Firm.

On May 16, 2011, in accordance with Section 4 of the Bond Counsel Services Agreement (the "Agreement) between the City of Bellevue and the Firm, the Finance Director sent a formal written notice to the Firm of the City's decision to terminate the Agreement effective June 16, 2011.

Staff is recommending the execution of an interim agreement with Pacifica Law Group LLP, to maintain bond counsel services with the team of attorneys that the City has been using in the past for the remainder of the initial contract term with the Firm (June 21, 2011 through November 3, 2012). At the end of the contract term, staff will again go through an open competitive bidding process to select the most qualified firm that will provide bond counsel services to the City.

EFFECTIVE DATE

If approved, this Resolution becomes effective immediately upon Council adoption.

OPTIONS

1. Adopt Resolution No. 8249 authorizing execution of a professional services agreement with Pacifica Law Group LLP, in an amount not to exceed $193,000 to provide bond counsel services.
2. Do not adopt Resolution No. 8249 and provide alternative direction to staff.

RECOMMENDATION

Adopt Resolution No. 8249 authorizing execution of a professional services agreement with Pacifica Law Group LLP, in an amount not to exceed $193,000, to provide bond counsel services.

MOTION

Move to adopt Resolution No. 8249 authorizing execution of a professional services agreement with Pacifica Law Group LLP, in an amount not to exceed $193,000, to provide bond counsel services.

ATTACHMENTS

Proposed Resolution No. 8249

AVAILABLE IN COUNCIL OFFICE

Proposed Agreement

2494-RES
6/15/2011

CITY OF BELLEVUE, WASHINGTON

RESOLUTION NO. 8249

A RESOLUTION authorizing the execution of a professional services agreement with Pacifica Law Group LLP, (the "Law Firm"), in an amount not to exceed $193,000, for bond counsel services.

THE CITY COUNCIL OF THE CITY OF BELLEVUE, WASHINGTON, DOES RESOLVE AS FOLLOWS:

Section 1. The City Manager or his designee is hereby authorized to execute a professional services agreement with Pacifica Law Group LLP, (the "Law Firm") in an amount not to exceed $193,000, for bond counsel services, a copy of which agreement has been given Clerk's Receiving No. _____.

Passed by the City Council this _____ day of _____, 2011, and signed in authentication of its passage this _____ day of _____, 2011.

(SEAL)

_____
Don Davidson, DDS
Mayor

Attest:

_____
Myrna L. Basich, City Clerk