



**COUNTY OF SAN MATEO**  
**Inter-Departmental Correspondence**

County Counsel

**DATE:** October 23, 2002

**BOARD MEETING DATE:** November 5, 2002

**TO:** Honorable Board of Supervisors

**FROM:** Paul Scannell, Assistant County Manager  
Thomas F. Casey III, County Counsel

**SUBJECT:** Resolution Authorizing Execution of a Contract with Orrick Herrington & Sutcliff and California Financial Services

**Recommendation**

Adopt a Resolution Authorizing Execution of Contracts with Orrick Herrington & Sutcliff and California Financial Services

**Background**

In 2002, Voorhis Associates completed the San Mateo County Youth Services Center Needs Assessment and Master Plan Update. That document expanded on the concept set forth by the Board of Supervisors for developing a range of services in one location surrounding a juvenile hall facility that would enhance the continuum of care in a campus-like setting and provide additional programs for youth encountering the juvenile justice system. Since then, the County has selected Turner Construction Company as the Construction Manager for the project. With an anticipated project budget of \$114 million, it is anticipated that lease revenue bonds will be issued to pay for the project.

**Discussion**

Legal services and financial advisor services will be necessary in connection with the issuance and payment of bonds. Orrick, Herrington & Sutcliff has provided the County with excellent legal services in connection with various funding projects, including the Certificates of Participation for construction of the Maguire jail in 1991; a Lease Revenue Bond refunding of that transaction in 1993; the Lease Revenue Bond for the North County Satellite Clinic in 1993; the 1994 Health Center financing; the 1995 financing for the 2500 Middlefield Office for HSA and the new courtrooms on the fourth floor; the 1997 Colma

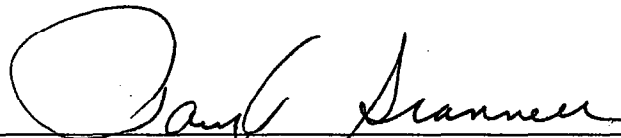
Creek Flood Control Zone; the 1997 Leave Revenue Bonds for 555 County Center and the 1999 refinancing and the 2001 Series A and Series B bonds for financing of the communications project and the Crime Lab. California Financial Services (CFS) has also been instrumental in these prior financings with its provision of financial consulting services related to the bonds. In addition, CFS has provided payment services for the construction projects and monthly updates to track construction progress; the cumulative reports on all payments for the annual audit of the bond issuance as well as assistance on the County's annual financial statements has been performed by CFS. Its contribution to negotiations with regard to the State 1732 financing of the hospital was invaluable and it is anticipated that CFS services will be important in successfully reporting on the funding from the Board of Corrections for the Youth Services Center. We have worked very successfully with these firms in connection with the County's bond issuances. It is expected that the proposed financing for Youth Services Center will be integrated with previous financings. It is therefore recommended that we contract with Orrick, Herrington & Sutcliff and with California Financial Services to provide such services for the current financing

**Vision Alignment**

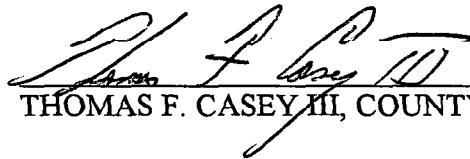
These contracts will advance the County's vision on people to maintain and enhance the public safety of all residents and help at-risk youth.

**Fiscal Impact**

The maximum amount payable under the contracts is \$150,000 to Orrick, Herrington and Sutcliff and \$85,000 to California Financial Services for the financing, with additional charges for reporting services during the construction. Payment will be made from the proceeds of the bonds and is conditioned upon the sale of the bonds.



PAUL T. SCANNELL, ASSISTANT COUNTY MANAGER



THOMAS F. CASEY III, COUNTY COUNSEL

**RECOMMENDED**

.....  
  
.....  
COUNTY MANAGER