



COUNTY OF SAN MATEO
Inter-Departmental Correspondence
County Counsel



Date: April 9, 2012
Board Meeting Date: April 24, 2012
Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors
From: John C. Beiers, County Counsel
Subject: Issuance and Sale by the South San Francisco Unified School District of General Obligation Bonds

RECOMMENDATION:

Adopt a Resolution authorizing the South San Francisco Unified School District to issue and sell its 2012 General Obligation Bonds (Measure J), Series A, in an aggregate principal amount not to exceed \$12,000,000, by negotiated sale, without further action of the County.

BACKGROUND:

The voters in the South San Francisco Unified School District ("District") approved by more than fifty-five percent of the voters a school bond measure on November 2, 2010, in the maximum aggregate principal amount of \$162,000,000 (the "Bond Measure").

On June 3, 2011, the District's Board of Trustees issued its 2011 General Obligation Bond Anticipation Notes (Measure J), Series A and its 2011 General Obligation Bond Anticipation Notes (Measure J), Taxable Series B, in the aggregate principal amount of \$33,000,000 (the "prior financing"). By April 12, 2012, the District's Board of Trustees will have adopted its Resolution providing for the issuance and sale of "South San Francisco Unified School District 2012 General Obligation Bonds (Measure J), Series A", in an aggregate principal amount not to exceed \$12,000,000 (the "Bonds"), and requesting that the County Board of Supervisors authorize the District to issue and sell the Bonds on its own behalf, by negotiated sale (the "District Resolution").

DISCUSSION:

Typically, the County issues and sells general obligation bonds on behalf of a school district. For this transaction, the District has adopted, or will adopt, a resolution (the "District Resolution") requesting that the County authorize the District itself to issue the particular series of bonds, and to sell the bonds through a negotiated sale. The District Resolution provides, or will provide, that the District shall sell the Bonds by negotiated sale to the Underwriter. California Government Code sections 53506, et. seq. and

Education Code Section 15140(b) allow the Board of Supervisors to authorize the District to sell and issue bonds on its own behalf without further action of the Board of Supervisors or officers of the County.

The District is being assisted by Orrick, Herrington & Sutcliffe LLP, as bond counsel, and Keygent LLC, as financial advisor.

Authorizing the South San Francisco Unified School District to issue and sell its own bonds will contribute to the Shared Vision 2025 outcome of Collaborative Community by supporting fiscal accountability.

FISCAL IMPACT:

These bonds are general obligations of the District, and do not constitute an obligation of the County. No part of any fund of the County is pledged or obligated to the payment of the bonds.