



CITY OF MARTINEZ

CITY COUNCIL AGENDA February 6, 2008

TO: Mayor and City Council

FROM: Joann Tool, Deputy Director – Parks & Community Services

SUBJECT: 2008 Parks Bond

DATE: January 23, 2008

RECOMMENDATION:

Authorize the City Manager to execute agreements for the services of a political consultant, pollster, financial advisor and bond counsel to help facilitate the placing of a parks bond on the November 2008 ballot, and appoint two Council liaison members to the Citizens Committee on Parks Bonds.

BACKGROUND:

The City Council and Park and Recreation Commission met on October 10, 2007 to discuss the Parks System Master Plan. The Parks Master Plan outlines the current need for upgrades in all of the parks in Martinez. The Council and Commission also discussed the possibility of placing a bond on the November 2008 ballot as a way to fund the projects in Master Plan. This Plan addresses the need to renovate our sixty year old pool.

Park improvement needs are extensive and include:

- Restroom facility replacement
- Play structure replacement
- Ball field renovations, including softball and soccer fields
- Bringing all parks up to current ADA and safety standards

The Parks Master Plan has recently been approved by both the Park and Recreation Commission and the Planning Commission and awaits City Council approval after input from East Bay Regional Park District and the Martinez Unified School District. This Parks Master Plan will serve as the guide for the updates/upgrades that are needed at each facility.

Currently, Architectural Network, Inc. is performing an ADA accessibility study that will include all of our parks. City Recreation and Public Work Maintenance staffs are working with a landscape architect to develop a scope of work and quote to prepare up-to-date cost estimates for renovation of all of our city parks pursuant to the new Park Master Plan. The services of a

Landscape Architect are needed to accurately estimate the projects listed in the Parks Master Plan. Staff requested proposals from landscape architecture firms and received one response. We expect a quote for services within the next week. Both studies will assist staff in determining the expenditure alternatives and priorities for a new parks bond.

The bond measure that was attempted in 2004 included both the pool and parks. It also included items such as the Marina, library and street improvements. With only six months to campaign, the bond had a great showing, coming in only 750 votes away from the needed 66 2/3% needed to win. Opponents of the measure were quick to point out that the bond was not specific enough in detail as to how the bond proceeds were to be spent. Other opponents were concerned about spending money on items that did not have a life as long as the taxpayer would be paying on the bond.

Beginning the process of placing a bond on the November, 2008 ballot now gives the City Council sufficient time to retain the necessary consultant services to assist the City. The services needed are a campaign consultant, pollster, financial advisor, bond counsel and landscape architect. A campaign committee has already formed to take on the task of educating the voters on the need for a bond to fund pool and park renovations and upgrades that will improve the quality of life for the community's children and increase property values.

If the decision is made to support a campaign, a consultant/pollster team needs to be retained to develop the survey instrument to determine the current level of support for a parks bond as well as the community's priorities. If there are favorable results from the community survey the Council may then vote to place the bond on the November, 2008 ballot.

Staff has met with and obtained proposals for all the professionals landscape architecture needed to aide in putting a bond initiative on the November ballot, except the landscape architect. We have a proposal from Saggau & DeRollo for campaign consulting services. Dustin DeRollo has worked with the City on numerous projects including the 2004 bond measure. The cost for its services is \$7,500. They will work in partnership with the polling firm, Fairbank, Maslin, Maullin & Associates at a cost of \$18,000 for a 15 minute poll or \$21, 250 for a 20 minute poll. Given the state of the economy, we may need a second poll closer to election time, that cost is \$15,000. (Proposals from both firms are attached)

Bond Counsel designated for the 2004 bond issue would not submit a contingent proposal for a 2008 election. Staff asked another prominent Bay Area bond firm, who submitted a proposal in 2004, to submit a contingent proposal. Bond Counsel, Jones Hall, has provided us with a proposal that outlines its services and shows that payment is contingent upon successful sale of each series of bonds. Bond Counsel provides both pre-election and post-election services. Their proposal, which is attached, outlines the break down of costs that will be incurred from bond sale proceeds, if the election is successful.

City staff invited two firms that responded to an RFP for financial advisor services in 2004 to submit updated proposals for consideration in 2008. One additional firm was asked to submit and declined. KNN Public Finance and Public Financial Management, Inc. (PFM) submitted updated proposals.

Both firms were interviewed by a panel consisting of the City Manager, City Treasurer, a Park and Recreation Commissioner and the Assistant City Manager for Administrative Services. They recommend contracting PFM. It offered the best proposal. PFM's fees are also contingent upon bond passage. Its pre-election fee of "not to exceed" \$12,500 plus \$40,000 per transaction would be paid when and if bonds are issued. A copy of the PFM proposal that includes the scope of work, the firms' experience and resumes of project personnel is on file in Recreation. (This proposal is quite lengthy and is not attached)

The City Council must also consider other potentially competing local, regional and/or state ballot initiatives that could potentially also be on the ballot. Before and after the bond initiative is placed on the ballot, the community campaign educates the public on why the bond would be beneficial to the City.

FISCAL IMPACT:

To retain the services of the campaign consultant/pollster team \$25,500 will be needed for a 15 minute pole, \$28,750 for a 20 minute poll. An additional fee of \$15,000 would be needed to cover a second poll; this is an option that can be considered at a future time. These fees will come from the General Fund balance. Bond Counsel and Financial Advisor fees will only be incurred with passage of a successful bond and these fees will be part of any bonds issued.

ACTION:

Authorize the City Manager to enter into agreements for professional services needed to poll the community and prepare what may be necessary to place a parks bond on the November 2008 ballot and appoint two Council liaison members to the Citizens Committee on Parks Bonds.

ATTACHMENTS:

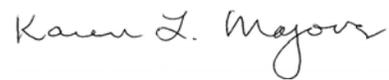
Saggau & DeRollo proposal
Fairbank, Maslin, Maullin & Associates proposal
Jones Hall proposal

APPROVED BY:



City Manager

APPROVED BY:



Assistant City Manager Community &
Economic Development



TO: JOANN TOOL, CITY OF MARTINEZ
FROM: DUSTIN DEROLLO
SUBJECT: CITY OF MARTINEZ POTENTIAL BOND MEASURE
DATE: 1/29/2008

This memo serves as our proposal to perform a voter opinion survey testing the feasibility of a Bond Measure for the City of Martinez targeted for the November 2008 ballot. This proposal is a joint submittal from Saggau & DeRollo, LLC a political consulting firm and Fairbank, Maslin, Maullin & Associates, a nationally respected polling and research firm. Both firms have collaborated successfully together to pass local tax and bond measures.

PROPOSAL FOR CITY OF MARTINEZ

It has been our experience that the most critical element of passing a local bond measure is the work performed prior to the measure reaching the ballot. In-depth research, stakeholder outreach, and effective community-based communications, all conducted prior to placing a measure on the ballot, are essential to reaching a two-thirds majority. Thus, before the City decides to place a bond measure on the ballot, the City should conduct the appropriate research and begin to lay the foundation for success at the ballot box.

Based on the City's desire to move forward with a GO Bond, it is important to assess the City's chances for success in November 2008, and to determine which potential ballot components will improve a bond's likelihood of passing. Our commitment is to give the City Council informed, honest and data-driven advice on whether to move forward with a bond measure, and if so how to move forward in the most advantageous manner.

We recommend the following scope of work to qualify this measure for the ballot:

Services provided by Saggau & DeRollo, LLC:

Services provided by Saggau & DeRollo, LLC would be in the form of project management for crafting the potential bond measure and voter opinion survey. This would include the following:

1. Assist in the drafting of the voter opinion survey.

2. Develop and implement project timeline to ensure bond has the opportunity to qualify for the November 2008 ballot.
3. Advise and assist the City in implementing the appropriate pre-ballot activities to conduct which could include:
 - a. Develop pre-campaign messages and themes
 - b. Develop Community/Stakeholder outreach plan
 - c. Create media relations strategy to maximize positive media exposure.
 - d. Community relations
4. Present survey results to City Manager, City Staff and City Council.
5. Advise City on the formation of the measure, ballot language and ballot arguments to ensure best chances for success.
6. Advise City on final decision as to whether or not to move forward with the bond measure. If the decision is to move forward, provide recommendations on conducting a winning campaign.
7. Design community relations plan and press rollout strategy to launch the bond measure.

Services Provided by FMMA:

FMM&A services include questionnaire design, sample selection, telephone interviewing, data analysis and cross tabulation, and presentation of survey results. Included is a proposal for both a twenty-minute and fifteen-minute voter opinion survey of 400 likely voters in the City of Martinez. The final content of the survey would be determined in consultation with the City.

Upon conclusion of the survey project, the City of Martinez will receive from FMMA all of the documents listed below. All documents can be provided in hard copy or electronic form (or both), depending on the preference of the City.

- *The final survey questionnaire*
- *Topline survey results (the survey questionnaire filled in with the percentages choosing each response code)*
- *Full cross-tabulated results (responses to every question in each survey, broken down by dozens of demographic, geographic, and attitudinal subgroups of the population)*

- Written report of results (*a written summary and analysis of the survey – including tables and graphs – with conclusions and recommendations*)
- Graphic presentation of key findings (*color slides highlighting important survey results*)

Compensation for Saggau & DeRollo, LLC

In terms of compensation, Saggau & DeRollo, LLC proposes a fee of \$7,500, paid in monthly installments of \$1,250 per month for a total of 6 months. If the City desires to conduct a second tracking survey, Saggau & DeRollo, LLC proposes a fee increase of \$2,500, for a total amount not to exceed \$10,000. If the City desires to expand the scope of Saggau & DeRollo, LLC to present findings to various city commissions, community organizations, or other stakeholder groups, we propose a total fee not to exceed \$15,000.

In either case of scope expansion, we propose that the monthly fee be restructured for so that all fees are collected within six months of work commencing.

Compensation for FMMA

We estimate that the survey questionnaire will take approximately 20 minutes for the average respondent to complete over the telephone. The table below presents the costs associated with a survey of 400 Martinez voters likely to cast a ballot in the November 2008 election at a length of 15 or 20 minutes. All costs listed are comprehensive, and include all costs for questionnaire design, sample preparation, telephone interviewing, data analysis and cross-tabulation, and presentation of survey results to City staff.

Item/Length	Cost
Baseline survey (15 min. option)	\$18,000
Baseline survey (20 min. option)	\$21,250
Optional tracking survey (8 min.)	\$13,000

Of course, FMM&A will be happy to structure the survey so that it both fits the City's available budget and meets the its research needs.

CONCLUSION

We appreciate the opportunity of working with you. We look forward to discussing this further. We believe the team of Saggau & DeRollo and FMM&A will put the City of Martinez in the absolute best position to pass a bond measure to fund the critical quality of life public improvements the residents of Martinez deserve.

Please feel free to call Dustin DeRollo to discuss any items outlined in this memo or if you have any questions at (408) 297-4052 x103.

Fairbank, Maslin, Maullin & Associates

*Opinion Research &
Public Policy Analysis*

TO: Dustin DeRollo
Saggau and DeRollo

FROM: David Metz
Fairbank, Maslin, Maullin & Associates

RE: Proposal to Conduct Opinion Research

DATE: January 23, 2008

Fairbank, Maslin, Maullin & Associates (FMM&A) is pleased to submit this proposal to conduct survey research on behalf of the City of Martinez to explore public support for a bond to finance park and recreation improvements. We believe our experience providing research for local park districts other local public agencies and helping them craft successful local finance measures make FMM&A highly qualified to conduct this research. The remainder of this brief proposal outlines FMM&A's general organization, credentials and approach; the firm's relevant experience; and a proposed research methodology and budget.

FIRM ORGANIZATION, CREDENTIALS, AND APPROACH

Fairbank, Maslin, Maullin & Associates (FMM&A), a California corporation, has specialized in public policy-oriented opinion research since the company was first organized in 1981. Our firm is especially experienced in conducting research for government jurisdictions to support the planning, development, implementation, and evaluation of public services and public policy programs.

FMM&A offers a full range of opinion research and communications strategy consulting services including all research services supporting the development and implementation of community evaluation efforts for public-sector agencies. FMM&A opinion research and marketing services include:

2425 Colorado Ave. Suite 180
Santa Monica, CA 90404
Phone: (310) 828-1183
Fax: (310) 453-6562

1999 Harrison Street Suite 1290
Oakland, CA 94612
Phone: (510) 451-9521
Fax: (510) 451-0384

- Random-digit-dial (RDD) and listed sample public opinion telephone surveys in English, Spanish, Chinese or other languages
- Public opinion mail surveys in English, Spanish or other languages
- In-depth executive interviews
- Focus groups in English and/or Spanish
- Product testing and consumer market research
- Advertising testing using Audience Response System “Perception Analyzer” technology
- Communications strategy consulting

FMM&A plans and executes all phases of focus group and survey research projects from beginning to end. On an annual basis, the company conducts as many as one hundred focus groups and three hundred surveys. It designs the research instrument, specifies the sampling or recruitment plan, manages the data gathering process and analyzes and interprets the data. FMM&A is also adept in the use of perception analyzer technology, which bridges the gap between qualitative and quantitative opinion research. FMM&A has on-staff Spanish language capability that it applies to all research projects involving populations with significant Spanish-speaking segments.

FMM&A's primary business is to provide timely public opinion analysis to assist policymakers in making decisions. The firm's principals have decades of experience in opinion research, and our 22-person staff is multi-talented and works as a team to assure the completion of quality opinion analysis in a timely manner. In addition, FMM&A's data collection and sampling sub-contractors are closely supervised and pre-qualified by FMM&A to render immediate, high-quality service. FMM&A prides itself in delivering personal service to its clients, who are assured ongoing contact with the firm's principals and senior personnel.

More detailed information about FMM&A and its clients may be found on the firm's website, www.fmma.com

FMM&A'S RELEVANT EXPERIENCE

A. Experience Conducting Research to Pass Local Finance Measures

FMM&A has helped many communities pass local ballot measures to fund the building of public facilities. Passing a bond for park and recreation facilities in Martinez requires the approval of two-thirds of local voters. FMM&A research has led to the success of numerous bond measures and special taxes requiring support from two-thirds of the electorate. These measures have generated funding for parks, libraries, transportation, public safety services, zoos and school districts. Our past experience with these types of finance initiatives suggests that only the most carefully crafted ballot initiative, supported by a strategically targeted public outreach and education effort and placed on the most advantageous election ballot will garner the two-thirds majority required to pass. Our approach to your project would build on the knowledge we've gained from similar

efforts. FMM&A research has helped pass many of these measures throughout the past few years, as detailed in the table on the following pages.

FMM&A Successful Bond and Tax Measures Requiring 2/3 Voter Approval 2004-2007			
Location	Measure	Amount	Year
City of Monrovia	Measure L: Library Parcel Tax	\$62 per Parcel	2007
Fresno County	Measure C: Transportation Sales Tax	½ Cent Sales Tax	2006
Tulare County	Measure R: Transportation Sales Tax	½ Cent Sales Tax	2006
Nevada City	Measure R: Transportation Sales Tax	½ Cent Sales Tax	2006
City of Santa Monica	Measure V: Clean Water Parcel Tax	\$84 per Parcel	2006
Trinity County	Measures O & P: Hospital Parcel tax	\$118 per Parcel	2006
Sierra Kings Health Care District	Measure E: Hospital Bond Measure	\$20 million	2006
City of Dinuba	Measure F: Public Safety Sales Tax	½ Cent Sales Tax	2005
City of Porterville	Measure H: Public Safety Sales Tax	½ Cent Sales Tax	2005
Los Angeles County	Measure O: Storm Drain and Water Clean Up Bond	\$500 Million	2004
East Bay Regional Park District	Measure CC: Park District Parcel Tax	\$12 per Parcel	2004
Palm Drive Health Care District	Measure W: Hospital Parcel Tax	\$155 per Parcel	2004
Palomar Pomerado Health Care District	Measure BB: Hospital Bond	\$496 Million	2004
City of Los Banos	Measure P: Public Safety Sales Tax	½ Cent Sales Tax	2004
City of Escondido	Proposition P: Escondido Public Safety Bond	\$84.35 Million	2004
City of Stockton	Measure W: Public Safety Bond	1/4 Cent Sales Tax	2004
San Mateo County	Measure A: Transportation Sales Tax	1/2 cent sales tax	2004
Fresno County	Measure Z: Zoo Bond	\$95 Million	2004
City of San Jose	Measure S: Library Parcel Tax	\$25 per parcel	2004

FMM&A Successful Bond and Tax Measures Requiring 2/3 Voter Approval 2004-2007			
Location	Measure	Amount	Year
City of Grover Beach	Measure O: Utility Users Tax	1% Utility Users Tax	2004
Alum Rock Unified School District	Measure R: School Parcel Tax Measure	\$100 per parcel	2004
City of La Mesa	Proposition D: Public Safety Bond Measure	\$25 Million	2004
City of Visalia	Measure T: Public Safety Sales Tax	¼ cent	2004
City of Oakland	Measure Q: Library Parcel Tax	Single Family Residential: \$75/parcel; Multi-Unit Residential: \$51.24/parcel; Non-Residential: \$38.41/parcel	2004

In addition to conducting ballot measure research for cities, FMM&A also conducts seminars and forums with the **California League of Cities** to educate cities as to how public opinion research can be used to address the concerns, needs and priorities of their residents and provide additional funds for vital City services. In 2004, our research helped the League successfully pass **Proposition 1A, the statewide Local Taxpayer Protection Act** that safeguards local tax dollars for cities and counties. FMM&A's research services also helped the League and a coalition of local governments defeat Proposition 90 in the November 2006 election and we are currently working with the League in preparation for a "Son of Prop 90" measure expected to be placed on an upcoming ballot. Additionally, FMM&A is currently working with a coalition of California cities to increase state funding for local public safety services.

FMM&A also has extensive experience conducting city-wide surveys to assess residents' views of conditions in their community, measure their satisfaction with existing local government service delivery, including libraries, and gauge support for new programs and policies as well as reaction to new proposed taxes. Recent projects have included community assessments for the Cities of **Bellflower, Capitola, Concord, Coronado, Del Mar, El Monte, Folsom, Hemet, Hollister, Huntington Beach, Irvine, Long Beach, La Habra, Oakland, Redding, Rancho Cordova, Redondo Beach, Santa Ana, San José, San Luis Obispo, Torrance** and many others. FMM&A has also conducted "customer satisfaction" studies in the cities of **Santa Monica, Los Angeles, San Juan Capistrano**, as well as **Los Angeles, Ventura, Santa Cruz, Monterey** and **Santa Barbara** Counties.

B. Experience Conducting Research on Park, Recreation, and Conservation Measures

FMM&A has a long history of conducting research for public and private entities on issues relating to parks, recreation, and open space. Our specialty has been providing research to help government agencies acquire funds for the creation or improvement of parks and recreational facilities. The following are some highlights of our recent work on these issues:

- **Local Park and Recreation Ballot Measures** – FMM&A has provided research for dozens of local ballot measures to protect and improve parks and open space. Recent examples of this local research follow:
 - ✓ FMM&A is currently conducting research for the **Marin County Department of Parks and Open Space** to assess support for a potential sales tax to fund County parks.
 - ✓ Last month, FMM&A conducted a countywide survey for the **Land Trust of Santa Cruz County** to gauge support for a parks and open space sales tax there.
 - ✓ Starting in July of 2005, FMM&A completed a series of surveys in support of Measure F, the successful November 2006 ballot measure to extend the sales tax funding the **Sonoma County Agricultural Preservation and Open Space District**.
 - ✓ In 2005 and 2006, FMM&A conducted surveys of **Hawaii County** voters on behalf of the **Trust for Public Land** to gauge support for a proposed charter amendment to dedicate a portion of existing county property tax revenue to parks and conservation. That measure was approved by voters in November 2006. FMM&A completed similar studies on the viability of a parks measure in **Maui County, Hawaii** in both 2000 and 2002. Maui County voters overwhelmingly approved a charter amendment that was shaped by the survey research.
 - ✓ Also in November 2006, FMM&A research conducted with TPL helped the City of **Issaquah, Washington** win voter approval for a measure to finance park and recreation improvements in the city. In 2004, FMM&A conducted a voter survey in the City of **Olympia, Washington** that helped an advisory task force shape a ballot measure establishing an increase in local utility taxes to fund parks and conservation programs. The measure was approved by local voters in the September primary election. FMM&A completed similar surveys in **Redmond** and **Bellevue, Washington** in 2005 and in 2006 completed similar research in **Covington**, and **King County, Washington**. This year, FMM&A has completed similar surveys in **Pierce County** and **Bainbridge Island, Washington**.

- ✓ In July of 2004, FMM&A conducted a survey of 400 voters in Alameda and Contra Costa Counties on behalf of the **East Bay Regional Park District** to evaluate support for a parcel tax measure to fund overdue repairs and safety upgrades to regional parks. Measure CC passed in the November general election with 67.8% of the vote. It will provide funding for important projects such as reducing the risk of wildfires in the East Bay Hills; preserving water quality by protecting rivers, lakes and streams; improving disabled access at parks; and providing repairs and upgrades to playgrounds and ball fields.
- ✓ Also in mid-2004, FMM&A conducted a survey of 600 voters and property owners in Santa Clara County on behalf of the **Santa Clara County Parks and Recreation Department**. The goal of the survey was to gauge voter and property owner satisfaction with County parks and to measure their support for proposed ballot measures that would provide enhanced funding for conservation and the operation, maintenance, and improvement of County parks.
- ✓ In August of 2004, FMM&A surveyed 690 registered voters in **Sacramento County** on behalf of a coalition of private organizations – including the American Lung Association, Sacramento Valley Conservancy, Sacramento Chamber of Commerce, and The Nature Conservancy – to gauge public support for ballot measures to enhance funding for regional parks and river parkways, including the American River Parkway.
- ✓ FMM&A conducted research for the **Trust for Public Land** in the spring of 2000 to assess the viability of a measure to increase park and recreation funding in the **City of Minneapolis**.
- ✓ In 1996, FMM&A helped pass **Measure A, the Los Angeles County Safe Neighborhood Parks** bond; the largest such measure in local history, it repaired and improved neighborhood and regional parks throughout Los Angeles to enhance their safety. That same year, FMM&A research also helped pass **Proposition K**, a companion measure for the City of Los Angeles.
- ✓ Also in 1996, we researched attitudes toward parks in **Dade County, Florida**, as part of an effort to implement a \$200 million program of park repairs and restoration.
- **Statewide Park, Open Space and Conservation Ballot Measures** – FMM&A has provided research in support of numerous statewide park and land conservation ballot measures. Recent examples of this research follow:
 - ✓ FMM&A provided a wide range of opinion research (in the form of voter surveys, focus groups and “dial group” advertising tests) to supporters of **California’s Propositions 12 and 13** (in March 2000), **Proposition 40** (in March 2002), **Proposition 50** (in November 2002) and **Proposition 84** (in November 2006).

Together, the measures will generate nearly \$15 billion in public funding for parks, land and water conservation in California. FMM&A research helped to shape the content of each measure, identify demographic and geographic targets for campaign communications, craft campaign messages, and track the effectiveness of advertising and outreach.

- ✓ In early 2005, FMM&A completed a statewide poll of Pennsylvania voters – sponsored by a coalition of conservation organizations – for the campaign to pass **Pennsylvania’s “Growing Greener”** ballot measure, a \$625 million conservation bond approved by voters in May 2005.
- ✓ In November 2002, FMM&A research helped guide **Nevada’s Question 1** to a decisive victory at the polls. The \$200 million Question 1 was Nevada’s first conservation bond in over a decade, and the largest in state history.
- ✓ In 1998, FMM&A research helped pass **Oregon’s Measure 66**, a multi-million dollar initiative that dedicated a portion of lottery proceeds to protect parks, beaches, salmon, wildlife habitats, and watersheds. The measure was expected to provide \$50 million annually to fund these programs.
- ✓ FMM&A has recently conducted research in support of potential statewide conservation finance measures in **Arizona, New Mexico, Idaho, Oregon, New Jersey, North Carolina, and Minnesota.**

RESEARCH METHODOLOGY AND BUDGET

We propose conducting up to two polls: an initial baseline survey 15 to 20 minutes in length, and possible tracking survey about 8 minutes in length. The initial survey would explore public support for a potential ballot measure, and provided date that could be used to design the measure and associated public education efforts. The tracking survey – should the City choose to conduct it – would provide updated data on community support to help guide the City shortly before it would have to make a decision about placing the measure on the ballot.

The table on the following page presents the costs associated with surveys of 400 Martinez voters likely to cast a ballot in the November 2008 election at the lengths specified above. All prices listed are comprehensive, and include all costs for questionnaire design, sample preparation, telephone interviewing, data analysis and cross-tabulation, and presentation of survey results to City staff.

Item/Length	Cost
Baseline survey (15 min. option)	\$18,000
Baseline survey (20 min. option)	\$21,250
Optional tracking survey (8 min.)	\$13,000

Of course, FMM&A will be happy to structure either or both surveys so that they fit the City's available budget and meet its research needs.

We are ready to begin working on this project at your request, and would welcome the opportunity to provide research in support of a City of Martinez bond measure. Please let us know if there is any more information we can provide. Should you have any questions or concerns, please contact Senior Vice President David Metz in our Oakland office at (510) 451-9521. We look forward to working with you on this important project.

JONES HALL

A PROFESSIONAL LAW CORPORATION

Statement of Qualifications to Provide Bond Counsel Services

presented to the

CITY OF MARTINEZ

by

**Jones Hall, A Professional Law Corporation
650 California Street, Eighteenth Floor
San Francisco, CA 94108
Phone: (415) 391-5780 Fax: (415) 391-5784
E-Mail: wmadison@joneshall.com**

1. **INTRODUCTION.**

We are pleased to provide the City of Martinez (the "City") with the following Statement of Qualifications to serve as bond counsel in connection with the City's possible general obligation bond election and issuance. We believe that Jones Hall is extremely qualified to serve the City in this capacity and we welcome the opportunity to do so.

2. **FIRM ATTRIBUTES AND ORGANIZATION.**

Jones Hall is a firm comprised of fourteen attorneys, all of whom practice exclusively in the area of municipal finance as bond counsel, disclosure counsel, special tax counsel and rebate compliance counsel. The firm operates as professional law corporation. Ten of the attorneys are shareholders in the corporation. We are the largest law firm in California which devotes 100% of its efforts to public finance. This specialization allows us to orient our practice to the particular requirements of public finance, without the need to suit other, unrelated areas of the legal profession. The attorneys are supported by a twenty-five member support staff.

All of the firm's attorneys and staff are devoted to the single goal of serving local government in connection with its financing needs. The result of the concentration in this area is a highly trained and skilled staff directly responsible to its municipal clients. Our success has been achieved by providing responsive service to all clients, whether their issues are very large or very small.

Our Closing Department illustrates the flexibility the firm has in tailoring its practice to the requirements of the municipal bond business. Seven highly trained para-professionals, some with backgrounds in investment banking, assist the attorneys in all pre-closing, closing and post-closing logistics and greatly alleviate the stress and strain which is typical of many bond closings.

Jones Hall is structured so as to provide the highest quality bond counsel services in the most effective and efficient manner possible. We believe that as a result of our unique attributes, our clients are provided with significant advantages that are not obtainable elsewhere.

3. **BACKGROUND AND EXPERIENCE.**

General. Jones Hall is one of the most active municipal finance law firms in the country. During the past twelve years, more local California agencies have used Jones Hall as bond counsel on their long-term financings than any other law firm, based upon statistics compiled by the California Debt and Investment Advisory Commission.

We represent virtually every type of public agency in California, including cities, counties, school districts, community college districts, special districts, redevelopment agencies and housing authorities, having served as bond counsel for over 1100 public entities in the State of California. The depth and breadth of the experience of the firm's attorneys enables us to bring a level of knowledge and creativity to the structuring of financing transactions that is far greater than that of most bond counsel firms.

Federal Tax Matters. Jones Hall has broad experience in the federal tax aspects of municipal finance. The firm's tax partner, David Walton, was the attorney advisor on tax-exempt bonds for the United States Treasury Department prior to joining the firm. During his

two years with Treasury, Mr. Walton played a key role in revising reimbursement rules and in the allocation and accounting provisions, and has been widely praised by the industry for helping to make tax-exempt bond rules simpler and more workable.

General Obligation Bond Financing. Jones Hall has extensive experience as bond counsel for general obligation bond issues. In the past five years, the firm served as bond counsel on general obligation bond financings aggregating in excess of \$3.2 Billion.

4. PERSONNEL.

The attorney directly responsible for the City's financing would be Bill Madison. David Walton would handle the tax issues involved in the financing. As the transaction approaches a closing, we would assign one of the professionals from our Closing Department to assist in completing the financing. Brief resumes of Messrs. Madison and Walton follow.

William H. Madison has over 28 years of municipal bond experience, having joined Jones Hall in 1979. He has been active in the financing of traditional public improvements through general obligation bonds, revenue bonds and tax allocation bonds, as well as certificates of participation, a financing vehicle he helped to develop in California in the early 1980's.

Mr. Madison attended St. Michael's College in Vermont, where he received his A.B. degree, *cum laude*, in 1971, and Fordham University in New York, where he received his J.D. degree in 1979. He was admitted to the California and New York Bars in 1980 and is a member of the American Bar Association and the National Association of Bond Lawyers.

David A. Walton has 20 years of municipal bond experience and joined Jones Hall in 1992. From 1989 to June of 1990 he was Counsel to the Assistant Chief Counsel (Technical) - Financial Institutions and Products at the Internal Revenue Service; and for two years thereafter served as an Attorney-Advisor in the Office of Tax Policy at the United States Department of Treasury where he specialized in tax-exempt finance. He performs the tax analysis and writes the tax opinion and certificates for all tax exempt issues for the firm.

Mr. Walton attended Brigham Young University, where he received a B.S. degree in 1980, and Hastings College of the Law, where he received his J.D. degree in 1983. He was admitted to the Utah Bar in 1983 and the California Bar in 1990. He is chair of the National Association of Bond Lawyers Committee on Arbitrage and Rebate, and a member of the Committee on Tax-Exempt Finance of the American Bar Association, and a member of the Editorial Advisory Board of the *Public Finance Advisor*.

Mr. Walton reviews all school financing transactions done by the firm. He has been involved with the first Qualified Zone Academy Bonds (QZAB) transaction completed in California.

Mr. Walton will perform all tax analysis, research, and preparation of tax opinions and certificates for the issue.

Each of the attorneys and other professionals involved in the financing would devote whatever time required to ensure that the transaction is completed on schedule and in accordance with the College's expectations. They would be available for meetings, conferences, consultations and otherwise, as and when needed, in order to accomplish the financing in an orderly and expeditious manner.

5. **SCOPE OF SERVICES.**

Assistance with Election and Campaign Laws. An important aspect of our services as Bond Counsel is to insure compliance with the requirements for properly placing the bond measure on the ballot. This requires a knowledge of the technical rules applicable to bond measure propositions such as proposition length, deadlines, and ancillary documents, including the tax rate statement, full ballot text, written arguments and impartial analysis. We work with the Registrar of Voters to determine the deadlines that office has set for submittal of the necessary documents (this varies among counties) and other concerns they have or operating procedures they employ.

Once the Council calls the election we provide the City with a detailed written explanation of the law applicable to campaign and information dissemination activities of the City, Council members, staff members, and the citizens campaign committee. We provide the appropriate Fair Political Practices Commission (FPPC) forms to the campaign committee upon request. Compliance with all campaign rules is essential since applicable statutes impose criminal penalties for violations. During the campaign period we take an active role to discuss and review specific proposed activities to help avoid legal pitfalls and the public relations difficulties which can flow from them while assisting the City in achieving its communication goals.

Pre-Election Services. If we are selected as bond counsel to the City, we will provide the following pre-election legal services:

1. Preparation of a timetable setting forth the actions required to be undertaken to accomplish the election, and coordination with the election officials in the Contra Costa County to insure that the necessary legal requirements are satisfied.
2. Preparation of the resolutions of the City Council of the City required to call the election and to request consolidation with any other elections to be held on the same date.
4. Assistance with the preparation of the tax rate statement and the City Attorney's independent analysis required to be distributed to voters.
5. Review of the ballot arguments to be prepared by or on behalf of the City.
6. Consultation with the City and its staff, and the City's financing consultant concerning the election proceedings and campaign law requirements.
7. Review of information campaign activities and documents proposed for use by the City to assist the City to achieve its objectives while complying with applicable law.
8. Preparation of the notices, affidavits and certificates required by law for the conducting of the election.

Post-Election Services. Following the successful bond election, we will provide the following post-election services as required in connection with the issuance of General Obligation Bonds in series from time to time:

1. Consultation with the City and its staff, and the City's financial advisor concerning the bonds and the timing, terms and structure of the offering thereof including an examination of the alternative methods of issuance available to the City.
2. Preparation of the proceedings for the authorization and issuance of the bonds, including the resolution of the City Council of the City setting forth the terms and conditions of the bonds and their form, date, denominations and maturity, and preparation of the proceedings for the sale of the bonds.
3. Review, as to those matters relative to the issuance and sale of the bonds, of the Official Statement and, if requested, participation in meetings reviewing the Official Statement.
4. Participation in preparation and attendance at rating agency presentations.
5. Attendance at meetings of the City Council of the City and with the City's financial advisor or underwriter regarding the issuance and sale of the bonds.
6. Examination of proofs of the bonds, the preparation of final closing papers, the organization and conducting of the bond closing and the rendering of a final legal opinion at the time of delivery of and receipt for payment of the bonds.

6. **FEE SCHEDULE.**

Compensation for Attorney's Fees and costs is fully contingent upon successful sale of each series of bonds and is computed as follows:

For the services of Attorneys acting as bond counsel, the proposed fee, per issue, will be calculated as one percent of the first \$1,000,000, plus one half of one percent (1/2 of 1%) of the next \$5,000,000, plus one-tenth of one percent (1/10 of 1%) of the bond issue over \$6,000,000, subject to a minimum fee of Twenty-Five Thousand dollars (\$25,000) and a maximum fee of Forty-Five Thousand Dollars (\$45,000), plus an additional \$5,000 for the first bond issue, to compensate Attorneys for services performed prior to the bond election.

In addition, the City shall pay to Attorneys all direct out-of-pocket expenses for travel, messenger and delivery service, closing costs and expenses and expenses for other services incurred in connection with the services rendered by Attorneys' duties hereunder. Out-of-pocket expenses shall not exceed \$2,500. Payment of said fees and expenses to Attorneys shall be due upon the issuance of Bonds and the delivery of the proceeds thereof to the City, and said fees and expenses shall be payable solely from the proceeds of the Bonds and from no other funds of the City.

7. **CONCLUDING STATEMENT.**

We believe that Jones Hall is exceptionally qualified to serve as bond counsel for the City's facilities financing. We would provide the City with a depth of experience and expertise that is second to none, together with an unmatched level of services delivered in a timely and cost effective manner.

We look forward to working with the City on this financing. If you have any questions or require any additional information, please call Bill Madison at (415) 391-5780.

**JONES HALL,
A Professional Law Corporation**