BRIEF DESCRIPTION:
Authorize the Executive Director to open trustee accounts with Deutsche Bank for the Transbay Joint Powers Authority.

SUMMARY:
Under the TJPA bylaws, the Board of Directors designates the TJPA’s banking institution(s). In April 2005, the Board authorized the Executive Director to open a checking and money market account with Union Bank of California.

The TJPA soon anticipates the need for trustee accounts in order to have land sales proceeds and tax increment proceeds deposited into trust, per the terms of the Cooperative Agreement with the State of California.

On February 20, 2008, the TJPA issued a Request for Proposals (RFP) for an institution to provide trustee account management services. On March 17, 2008, the TJPA received three proposals in response to the RFP. A Selection Committee reviewed and scored the written proposals for technical merit. The committee determined that Deutsche Bank’s proposal was most responsive to the RFP and that Deutsche Bank is well qualified to perform the services. The Los Angeles County Metropolitan Transportation Authority, San Francisco County Transportation Authority, and Contra Costa Transportation Authority all use Deutsche Bank for their trustee account activities.

Two accounts will be opened, a construction fund for deposit of land sale proceeds, and a separate account for deposit of tax increment proceeds. Trustee Agreements similar in form and content to City and County of San Francisco Trustee Agreements will be negotiated. The attributes of both accounts include:

- No fee required to accept or open the account
- Low annual fee of $250 per account
- No transaction fees or investment management (“sweep”) fees
- Deposit collection and administrative services for proceeds, including transmission of payments per TJPA requisitions for TJPA staff-approved invoices
- Confirmation of trades at no charge
- Electronic reporting

The Cooperative Agreement, the Option Agreement for the Purchase and Sale of Real Property, and the Tax Increment Allocation and Sales Proceeds Pledge Agreement govern the deposit of funds into the two trust accounts. Whenever the City, TJPA, or the San Francisco Redevelopment Agency (SFRA) sells a formerly State-owned parcel to a third party, they shall direct the escrow holder to pay directly to the construction fund account the gross proceeds from the sale. Net Tax Increment will be deposited by the SFRA into the other trust account within ten days of SFRA’s receipt of the tax increment funds from the City Controller, which occurs three times per year. TJPA Internal Control Procedures will be followed to ensure that funds in each account will be used solely for the purposes dictated for each respective funding source in the Cooperative Agreement.

ENCLOSURES:
1. Resolution
WHEREAS, The Transbay Joint Powers Authority (TJPA) is a joint powers agency organized and existing under the laws of the State of California; and

WHEREAS, Pursuant to the Joint Powers Agreement creating the TJPA, dated April 4, 2001 (the “Agreement”), the TJPA has the authority to make and enter into contracts, to acquire real and personal property and to exercise all powers necessary and proper to carry out the provisions of the Agreement; and

WHEREAS, The TJPA will be receiving land sales proceeds and tax increment proceeds that are to be used solely for implementation of the Transbay Transit Center Program; and

WHEREAS, Under the Cooperative Agreement between the State of California, City and County of San Francisco and the TJPA, such proceeds are required to be deposited into trustee accounts; and

WHEREAS, The TJPA has followed the required procurement procedures for obtaining trustee account management services; and

WHEREAS, The TJPA will follow internal control procedures that ensure the necessary and proper internal controls over the authorization, disbursement, and accounting of funds from the trustee accounts; and

WHEREAS, Deutsche Bank provides trustee services to public agencies at a low cost; now therefore be it,

RESOLVED, That the Transbay Joint Powers Authority Board authorizes the Executive Director to establish a trustee relationship with Deutsche Bank on behalf of the Transbay Joint Powers Authority in order to have land sales proceeds and tax increment proceeds deposited into trust, per the terms of the Cooperative Agreement with the State of California.

I hereby certify that the foregoing resolution was adopted by the Transbay Joint Powers Authority Board of Directors at its meeting of May 15, 2008.

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Secretary, Transbay Joint Powers Authority