By ROBERT PIERCE
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EDITOR'S NOTE: This is the second of two articles examining the final candidates for underwriter of a bond for a proposed expansion project for Southwest Medical Center. This article looks at the second company, PiperJaffray of Leawood.
The deadline for filing a petition of protest is a little more than a week away for a potential bond package which would finance an expansion project for Southwest Medical Center.
With that in mind, county commissioners and hospital trustees heard from the two final candidates for underwriter of the bond Thursday.
The last candidate was PiperJaffray, an investment banking firm from Leawood. Greg Vahrenberg, managing director for the company, said the firm has a large size and scope.
"We have offices throughout the United States and London and China,"
he said. "We're traded on the New York Stock Exchange."

Vahrenberg said PiperJaffray is now the fifth largest investment banking firm in the country.
"We're proud of the focus we have on public finance," he said.
"Public finance and working on bond issues accounts for about half of our firm's focus and business."
Vahrenberg said his company has about 1,000 employees, half of whom are involved in public finance.
"We have a very strong focus in the Midwest and in Kansas in particular," he said. "We have a very strong focus on health care bond issues and rank high nationally and in this region on completing hospital bonds and a very, very strong focus on working with city, county and school bond issues in the Midwest."
PiperJaffray Senior Vice President Dustin Avey said local leaders are looking at two separate components to the bond issue.
"One being a PBC and county transaction and also the uniqueness of having a hospital involved in that type of transaction," he said.
Vahrenberg said PiperJaffray has been in the business of handling municipal bond issues since 1895.
"We've had a strong focus in Kansas for quite a number of years," he said.
Vahrenberg discussed some of the projects his firm has handled, including several in the area.

"We recently completed a project for a law enforcement center for Scott County, their public building commission issue," he said. "We helped Garden City with their large school bond issue that recently passed. Probably the most recent issue near here that closed was a school bond issue for Sublette. We've worked on a number of other county projects."

Avey said PiperJaffray has access to more than 1,400 independent financial advisors in Kansas.

"There's seven independent representatives here in Liberal who have access to your bonds and be able to sell those on to individual investors," he said.

Vahrenberg said it is important to make sure bonds can be sold to local investors if there are people in the city or the county who are interested in buying the bonds or even the region.

"Our approach would involve all of the local investment advisors that would be interested in selling bonds," he said. "Beyond that, we would pull in the local banks or the local brokerage firms and give them an opportunity to participate in the sale of bonds. That gives you comfort that any local or regional investors have access to buying your bonds."

Avey said regardless of the type of project, bond rates with PiperJaffray will be very similar.

"There's not gonna be any differentiating between a hospital project or a county corrections facility or a courthouse renovation," he said.

Vahrenberg said bond investors tend to look at what the best origin of payback for a bond issue.

"The ultimate source of repayment would be the credit quality of the county as being involved in the public building commission issue," he said.

Avey said after taking into account a 35 percent tax credit from the federal government to the county for the hospital to help make interest payments, yields on the bond would range from 0.9 percent to

3.933 percent.

"The average is about 3.5 percent over a 20-year period," he said.

Under its proposal, PiperJaffray's fees for handling the bond would be 1.25 percent for non-rated bonds, 1 percent for rated only and .75 percent for insured and rated or insured only.