



## REQUEST FOR PROPOSAL FOR AN INSTALLMENT FINANCING AGREEMENT FOR THE PURPOSE OF FINANCING THE COST OF CONSTRUCTION AND EQUIPPING OF A NEW FIRE STATION

OCTOBER 6, 2015

The Town of Beaufort, North Carolina (the Town) desires to enter into an installment financing agreement pursuant to N.C.G.S. 160A-20 in a principal amount not to exceed \$3,000,000 for the purpose of financing the cost of the project described below.

The Town is soliciting your proposal to provide the necessary financing for this project, subject to the terms and conditions set forth in this Request for Proposal.

- A. PROJECT INFORMATION The project consists of the construction and equipping of a new fire station located at 506 Live Oak Street in Beaufort, North Carolina. The Town expects to obtain Local Government Commission approval of an installment financing agreement on December 1, 2015.
- B. CONTRACT SPECIFICATIONS
- a. The desired amount of the financing is not to exceed \$3,000,000.
  - b. The desired term of the financing is either fifteen (15) or twenty (20) years. The Town desires rates and debt service payment schedules for both terms.
  - c. Installment payments are to be made semiannually in arrears.
  - d. The interest rate shall be fixed for the term. \*\*
  - e. Proposals shall be based on a tax-exempt interest rate.
  - f. The interest rates proposed must be guaranteed until the Town receives LGC approval. The Town desires to close the transaction no later than January 10, 2016.
  - g. The Town's obligations under the installment financing agreement will be secured by a deed of trust or security interest in all or a portion of the project being financed as negotiated between the Town and the successful bidder. No deficiency judgment may be rendered against the Town for breach of a contractual obligation under the Installment Financing Agreement, and the taxing power of the Town will not be pledged to secure payment thereunder.
  - h. The Installment Financing Agreement must not contain a non-substitution clause and there must not be a non-appropriation clause in the installment financing agreement.

**\*\*Considering the current volatility of the rate environment, the Town is willing to consider proposals with multiple rates over the term of the agreement. (updated 10/9/15)**

- C. SUBMISSION OF PROPOSAL

- a. Your proposal must be submitted to Charles W. Burgess, 701 Front Street, Beaufort, NC 28516 by 4:00pm on October 16, 2015. Proposals may be hand delivered or mailed to the above stated address, or emailed to [c.burgess@beaufortnc.org](mailto:c.burgess@beaufortnc.org).
- b. Proposals must specify at a minimum the following information:
  - i. The term of the financing.
  - ii. The interest rate.
  - iii. The terms of repayment.
  - iv. Sample debt service schedules.
  - v. Proposed terms for optional prepayment. Please also state whether you would allow a prepayment without penalty.
  - vi. A list of all additional costs to be associated with this transaction, including origination or placement fees, escrow fees, counsel fees and expenses. State whether or not any of such fees or expenses will be capped.
  - vii. A statement to the effect that the bank agrees to the contract specifications set forth in Part B of this Request for Proposal
  - viii. Proposed collateral to secure financing and the method for creating the lien or security interest in such collateral.
  - ix. Bids should be based on gross funding of the Purchase (without consideration of investment earnings).

The Town reserves the right to request additional information from the bidders and reserves the right to reject all proposals and to waive any irregularity or informality. Although the selection will be based substantially on lowest total financing cost (including both interest cost and upfront fees and expenses), the Town reserves the right to select the bidder that best meets the needs of the Town.

If further information is needed or if you have any questions regarding this Request for Proposal, please email your questions to Lauren Hermley, Assistant Town Manager, at [l.hermley@beaufortnc.org](mailto:l.hermley@beaufortnc.org) or Charles W. Burgess, Town Manager at [c.burgess@beaufortnc.org](mailto:c.burgess@beaufortnc.org).

Thank you in advance for your consideration.