



County of Currituck Finance Department

To the Persons on the Attached Distribution List:

Re: Request for Proposal for Installment Financing Agreement

The County of Currituck North Carolina (the County) desires to enter into an installment financing agreement pursuant to N.C.G.S. §160A-20 in the principal amount not to exceed \$25,000,000 for the purpose of financing the cost of the project described below. The County 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. Pertinent Information

The Project consists of construction of a Public Safety Facility to include office spaces, emergency operations center and space for the College of the Albemarle to have classrooms and additional training facilities to be located in Maple, NC adjacent to the Currituck Airport runway (the "Project").

The financing will be bank eligible under Section 265 of the Internal Revenue Code of 1986.

The County expects to obtain Local Government Commission approval of the installment financing agreement on September 10, 2019.

B. Contract Specifications

1. The desired amount of the financing is not to exceed \$25,000,000. This amount could go to \$20,000,000 as we are currently awaiting for award period on a few grants. We are confirmed with a \$1,000,000 State School Bond grant from the College of the Albemarle.

2. The desired term of the financing is 10 or 15 years. The County desires the debt service payment schedule to reflect amortization over a 10 year period and a 15 year period. The County will evaluate these two options and choose one for the financing.

3. Installment payments are to be made semi-annually in arrears.

4. The interest rate(s) shall be fixed for the term.

5. The interest rate(s) proposed must be guaranteed for at least ninety (90) days. The County desires to close the transaction by the end of October 2019.

6. Prepayment terms will be negotiated between the County and the successful bidder. The County desires prepayment of principal at any time without penalty.

7. The County'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 County and the successful bidder. No deficiency judgment may be rendered against the County for breach of a contractual obligation under the Installment Financing Agreement, and the taxing power of the County will not be pledged to secure repayment thereunder.

8. The Installment Financing Agreement must not contain a non-substitution clause and there must be a non-appropriation clause in the installment financing agreement.

9. The County Attorney will be the County's legal advisor and bond counsel will not be retained for this transaction.

C. Submission of Proposal

One original of this proposal must be received by the Currituck County Finance Director by 4:00 PM on August 1, 2019. This can be delivered to **Currituck County Finance Department, Attention: Sandra Hill, Finance Director, 153 Courthouse Rd, Ste 102, Currituck, NC 27929**, by facsimile to (252)232-2141 or by e-mail to Sandra.Hill@CurrituckCountyNC.gov.

Proposals must specify at a minimum the following information.

1. The term of the financing.
2. The interest rate.
3. The terms of repayment. Please attach a sample debt service schedule.
4. Proposed terms for optional prepayment. Please also state whether you would allow a prepayment without penalty from excess construction proceeds.
5. 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.
6. A statement to the effect that the bank agrees to the contract specifications set forth in Part B of this Request for Proposal.
7. Proposed collateral to secure financing and the method for creating the lien or security interest in such collateral.
8. Bids should be based on gross funding of The Project (without consideration of investment earnings).

The County 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 County reserves the right to select the bidder that best meets the needs of the County.

If further information is needed or if you have any questions regarding this Request for Proposal, please contact Sandra Hill, Finance Director at (252)232-2381 or Sandra.Hill@CurrituckCountyNC.gov.

Thank you in advance for your consideration of this proposal.

Very truly yours,

Sandra L. Hill
Finance Director