

LEE COUNTY, FLORIDA

REQUEST FOR PROPOSALS:

**UNDERWRITER SERVICES
OR
BANK LOAN**

**TOURIST DEVELOPMENT TAX REFUNDING
REVENUE BONDS, SERIES 2019
(Tax-Exempt)**



ISSUING DATE: May 8, 2019

RESPONSES DUE: May 31, 2019

AT 2:00 P.M.

Anticipated Bond Closing Date: October 1, 2019

Anticipated Bank Loan Closing Date: August 8, 2019

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ATTACHMENTS

- Timetable
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- Draft Debt Service Schedules

NOTICE TO PROPOSERS

Notice is hereby given that the Lee County, Florida (the “County”) is seeking sealed proposals for:

**Tourist Development Tax Refunding Revenue Bonds, Series 2019 (Tax-Exempt)
(Underwriting Services or Bank Loan)**

Proposals will be accepted until 2:00 P.M. May 31, 2019. **One (1) electronic copy** shall also be sent via email to the County’s Financial Advisor at:

J. Craig Dunlap and Kelly Ryman
Dunlap & Associates, Inc.
jcdunlap@dunlapandassociates.com
kryman@dunlapandassociates.com

For additional information, please contact J. Craig Dunlap or Kelly Ryman, Financial Advisor to the County at (407) 542-7787 or by email: jcdunlap@dunlapandassociates.com or kryman@dunlapandassociates.com.

The County reserves the right to reject any and all proposals; to waive any and all informalities or irregularities and to reject all or any part of any proposal as it may deem to be in the best interest of the County.

“Cone of Silence” as used herein, means a prohibition on any communication regarding a particular Request for Proposal (“RFP”).

During the Cone of Silence, which begins May 8, 2019 and ends the date of Underwriter or Bank selections, the following is prohibited: Any communication regarding this proposal between a potential vendor, service provider, proposer, lobbyist, or consultant and the County professional staff, and the County Commission members. All communication regarding this proposal should be sent in writing to only the Financial Advisor, J. Craig Dunlap, jcdunlap@dunlapandassociates.com, kryman@dunlapandassociates.com.

I. INTRODUCTION

A. Background

In 2010 the County issued Tourist Development Tax Revenue Bonds, Series 2010A (the “Series 2010A Bonds”) (Federally Taxable Build America Bonds-Direct Subsidy) to partially fund the acquisition and construction of a major league baseball spring training facility for the Boston Red Sox. The Series 2010A Bonds were rated at that time “Aa3” and “AA-“ by Moody’s and Fitch Ratings, respectively. Refer to the Official Statement for a full description of the Series 2010A Bonds which can be found on EMMA

<https://emma.msrb.org/IssuerHomePage/Issuer?id=FCEADB662856015A0FF1BA5D9A719EC7&type=G>

Proceeds of the Tourist Tax Refunding Bonds, Series 2019 (the “Series 2019 Bonds”), together with other legally available funds of the County, will be used to provide sufficient funds to: i) advance refund, defease and redeem a portion of the outstanding Series 2010A Bonds, which are callable on October 1, 2020 (refunded maturities should be assumed

2021-2033), and to ii) and pay certain costs associated with the issuance of the Series 2019 Bonds and the refunding of the Series 2010A Bonds. The Series 2019 Bonds will be issued on a tax-exempt basis.

B. Purpose

The objective of this RFP is to enable the County either to (i) select one or more firms to serve the County in the role of Senior Manager or Co-Managing Underwriter for the County's proposed Series 2019 Bonds; or (ii) select commercial bank, to make a fixed rate loan to the County evidenced by the Series 2019 Bonds to accomplish the refunding of the Series 2010A Bonds. The final maturity dates for the Series 2019 Bonds shall not extend beyond the maturity dates of the Series 2010A Bonds and should be structured to produce level savings.

C. Statement of Credit Worthiness

The County's audited financial statements for the fiscal year ended September 30, 2018 can be found at:

<https://www.leeclerk.org/departments/finance/financial-reports/comprehensive-annual-financial-reports-cafr>

D. Request for Proposal Parameters

The Request for Proposal Parameters has been divided into two sections, depending on which type of proposal your firm is submitting. Section One (I) is for Underwriting Services, and Section Two (II) is for fixed rate loan.

Please respond only to one or both of the services described in the above paragraph. Proposals that do not fulfill the requirements stated above will not be considered.

Section One I. Underwriter Services Questions

Firm's Introduction: (Limit 2 pages)

- a. Provide a brief overview of the Firm including ownership, size, capital position as of the most recent fiscal year. Include the location of the office responsible for providing the underwriting services and the public finance professionals' offices.
- b. Identify the primary individual(s) that will provide underwriting and investment banking services to the County. Include individuals who will serve as the senior syndicate underwriter. Include a resume for each individual and the location of these professionals.

Experience: (Limit 3 pages)

- a. Provide a listing of the senior managed Tourist Tax Bonds and Build America Refundings since January 1, 2017 and identify the role of each individual responsible for the transaction while employed at the Firm submitting the proposal. Highlight any refundings of Build America Bonds issues in Florida. The listing should include:

1. Issuer
 2. Date of issue
 3. Par amount
 4. All-in-TIC
 5. Underlying ratings
 6. The underwriter's gross spread breakdown including management fee and expenses.
- b. The selection of underwriter's counsel shall be at the discretion of the senior managing underwriter. The County requests that each candidate for senior managing underwriter identify Firms which it would consider for this role. The County expects the Firms being considered to be listed in the Bond Buyer's Municipal Marketplace Directory (the "Red Book") and the current National Association of Bond Lawyers directory. It is assumed that the Firms being considered will accept the compensation level specified in the expense portion of your Firm's fixed price spread proposal.

Underwriting Capabilities: (Limit 3 pages)

- a. Describe your Firm's distribution capabilities. Specify your National and Florida Rankings and distribution capabilities including sales professionals, location and number of offices and financial consultants who will market the bonds.
- b. Identify likely purchasers of the bonds and the general percentage or breakdown by group (e.g. retail, institutional).
- c. Please provide details of your Firm's total capital and maximum underwriting capability as of your Firm's latest fiscal year end or most recent information on the latest quarterly filing with the Securities Exchange Commission.

Plan of Finance – Bond Issue Scenario (Limit 3 pages)

Series 2019 Bonds

- a. For this fixed rate transaction provide a **breakdown of the gross spread proposed**, including management fee, average takedown and expenses. Please specify in actual dollars, the costs which you expect to incur for underwriters' counsel fees and provide a budget for all other elements of underwriting expenses. Assume that the proposed bonds will be fixed rate obligations and issued in book-entry form.
- b. **Provide the All-in-TIC.** Interest rate scales should be written based on a current market as of May 28, 2019. Assume that the County's cost of issuance (bond counsel, disclosure counsel, financial advisor, printing, rating agency fees, etc.) is \$250,000.00. Your "fees", along with yields in the competitive market, will be used to establish a pricing index that will be important to the County in considering scales proposed at the actual time of sale. Your interest rate scales should reflect levels which your Firm would, if necessary, be prepared to price and underwrite the bonds, with closing on October 1, 2019
- c. **Include an Interest Rate Scale** with spreads to MMD as of May 28, 2019. Principal shall be payable annually, commencing on October 1, 2021, and interest shall be payable semi-annually, on each April 1 and October 1, commencing on April 1, 2020 on a 30/360-day count basis, with a final maturity of October 1, 2033. The structure is assumed to be level savings with a 10-year par call and will not extend the maturities of refunded bonds.

Refunding maturities should be assumed 2021-2033. Assume the Escrow will be net funded with SLGS or Open Market Securities. Assume the bonds are “Aa3” by Moody’s and “AA” by Fitch (upgraded in 2017).

- d. **Provide the Net Present Value of Savings** in percentage and dollars.
- e. **Provide the fixed price spread proposal** expressed in dollars per thousand.

Additional Information (Limit 2 pages)

- a. Provide any additional information you feel will be helpful to the County in evaluating your qualifications to serve as underwriter on the County’s financing.
- b. Provide a statement of assurance that your Firm is not presently in violation of any statutes or regulatory rules that might impact your Firm’s operations.
- c. Provide information on the nature and magnitude of any litigation in which your Firm has been a party during the past three (3) years. Also, include information on any pending litigation as well.

Section Two II- Fixed Rate Bank Loan Questions

Please refer to Sections I: INTRODUCTION, A: Background, B: Purpose and C: Statement of Credit Worthiness of this proposal.

The County prefers proposals from banks that can provide the following: a fixed rate of interest to be held until the estimated closing date of August 8, 2019. Indicate if the rate is fixed to closing, or state the formula used to set the rate prior to closing. The Series 2019 will have a final maturity of October 1, 2033

Terms and Condition of Financing

- 1. **Amount:** Not-to-Exceed *\$40,000,000
- 2. **Structure:** The Interest Rate should be fixed until the final maturity of the bonds on October 1, 2033. The bonds will not be rated, and no offering document will be prepared.

The following call options are requested:

- a. Callable in whole or in part at any time without penalty
 - b. Callable after five (5) years without penalty
 - c. other
- 3. **Principal and Interest:** Principal shall be payable annually, commencing on October 1, 2021, and interest shall be payable semi-annually, on each April 1 and October 1, commencing on April 1, 2020 on a 30/360-day count basis, with a final maturity of October 1, 2033. The structure is assumed to be level savings.
 - 4. The loan will be evidenced by a single Bond in a single denomination equal to the principal amount.

5. **Provide any additional fees**, including a not-to-exceed cost for bank legal counsel fees. Please provide the contact information of the Bank's legal counsel.

Additional Information (Limit 2 pages)

- a. Provide any additional information you feel will be helpful to the County in evaluating your qualifications to serve as a lender for the County's financing.
- b. Provide a statement of assurance that your Firm is not presently in violation of any statutes or regulatory rules that might impact your Firm's operations.
- c. Provide information on the nature and magnitude of any litigation in which your Firm has been a party during the past three (3) years. Also, include information on any pending litigation as well.

**APPENDIX
REQUEST FOR PROPOSAL
\$40,000,000
LEE COUNTY, FLORIDA
TOURIST DEVELOPMENT TAX REFUNDING REVENUE BONDS, SERIES 2019**

1. Name & Address of Proposer: _____

2. Contact Person of Proposer: _____
Title: _____
Phone #: _____
Fax #: _____

3. Expenses to be paid by City:

Item

Cost

4. Option A – Fixed Rate - Callable at any time -whole or in part at any time without penalty

Interest Rate: _____

Formula: _____

Interest Rate Held Until: _____

Provide details and calculation if Rate Lock is required _____

Option B – Callable after 5 years in whole or in part without penalty

Interest Rate: _____

Formula: _____

Interest Rate Held Until: _____

Provide details and calculation if Rate Lock is required _____

Option C- Other

Interest Rate: _____

Formula: _____

Interest Rate Held Until: _____

Provide details and calculation if Rate Lock is required _____

Signature of Proposer _____

Date _____

* Not-to-Exceed Amount

**SWORN STATEMENT UNDER SECTION 287.133 (3) (A)
FLORIDA STATUTES, ON PUBLIC ENTITY CRIMES**

This form must be signed in the presence of a Notary Public or other Officer authorized to administer oaths.

1. This sworn statement is submitted to:

(Print name of the Public Entity.)

by:

(Print individual's name and title.)

for:

(Print name of Entity submitting sworn statement.)

whose business address is:

and, if applicable, its Federal Employer Identification Number (FEIN) is

(If the Entity has no FEIN, please include the Social Security Number of the individual signing this sworn statement):

2. I understand that a "public entity crime" as defined in Section 287.133 (1) (g), Florida Statutes, means a violation of any state or federal law by a person with respect to and directly related to the transaction of business with any public entity or with an agency or political subdivision of any other state or of the United States, including but not limited to, any bid or contract for goods or services to be provided to any public entity or an agency or political subdivision of any other state or of the United States and involving antitrust, fraud, theft, bribery, collusion, racketeering, conspiracy, or material misrepresentation.
3. I understand that "convicted" or "conviction" as defined in Section 287.133 (1) (b), Florida Statutes, means a finding of guilt or a conviction of a public entity crime, with or without an adjudication of guilt, in any federal or state trial court of record relating to charges brought by indictment or information after July 1, 1989, as a result of a jury verdict, non-jury trial, or entry of a plea of guilty or nolo contendere.
4. I understand that an "affiliate" as defined in Section 287.133 (1) (a), Florida Statutes, means:
 - a) A predecessor or successor of a person convicted of a public entity crime; or,
 - b) An entity under the control of any natural person who is active in the management of the entity and who has been convicted of a public entity crime. The term "affiliate" includes those officers, directors, executives, partners, shareholders, employees, members, and agents who are active in the management of an affiliate. The ownership by one person of shares constituting a controlling interest in another person, or a pooling of equipment or income among persons when not for fair market value under an arm's length agreement, shall be a prima facie case that one person controls another person. A person who knowingly enters into a joint venture with a person who has been convicted of a public entity crime in Florida during the preceding 36 months shall be considered an affiliate.

5. I understand that a "person" as defined in Section 287.133 (1) (e), Florida Statutes, means any natural person or entity organized under the laws of any state or of the United States with the legal power to enter into a binding contract and which bids or applies to bid on contracts for the provision of goods or services let by a public entity, or which otherwise transacts or applies to transact business with a public entity. The term "person" includes those officers, directors, executives, partners, shareholders, employees, members, and agents who are active in management of an entity.
6. Based on information and belief, the statement which I have marked below is true in relation to the entity submitting this sworn statement. *(Please indicate which statement applies.)*

_____ Neither the entity submitting this sworn statement, nor any officers, directors, executives, partners, shareholders, employees, members, or agents who are active in management of the entity, nor any affiliate of the entity has been charged with and convicted of a public entity crime subsequent to July 1, 1989.

_____ The entity submitting this sworn statement, or one or more of its officers, directors, executives, partners, shareholders, employees, members, or agents who are active in the management of the entity, or an affiliate of the entity has been charged with and convicted of a public entity crime subsequent to July 1, 1989.

_____ The entity submitting this sworn statement, or one or more of its officers, directors, executives, partners, shareholders, employees, members, or agents who are active in the management of the entity, or an affiliate of the entity has been charged with and convicted of a public entity crime subsequent to July 1, 1989. However, there has been a subsequent proceeding before a Hearing Officer of the State of Florida, Division of Administrative Hearings, and the Final Order entered by the Hearing Officer determined that it was not in the public interest to place the entity submitting this sworn statement on the convicted vendor list. *(Please attach a copy of the final order.)*

I UNDERSTAND THAT THE SUBMISSION OF THIS FORM TO THE CONTRACTING OFFICER FOR THE PUBLIC ENTITY IDENTIFIED IN PARAGRAPH ONE (1) ABOVE IS FOR THAT PUBLIC ENTITY ONLY AND, THAT THIS FORM IS VALID THROUGH DECEMBER 31 OF THE CALENDAR YEAR IN WHICH IT IS FILED. I ALSO UNDERSTAND THAT I AM REQUIRED TO INFORM THE PUBLIC ENTITY PRIOR TO ENTERING INTO A CONTRACT IN EXCESS OF THE THRESHOLD AMOUNT PROVIDED IN SECTION 287.017, FLORIDA STATUTES, FOR CATEGORY TWO OF ANY CHANGE IN THE INFORMATION CONTAINED IN THIS FORM.

Signature

Date

STATE OF _____

COUNTY OF _____

PERSONALLY APPEARED BEFORE ME, the undersigned authority, _____ who, after first being sworn by me, affixed his/her signature in *(Name of individual signing.)*

the space provided above on this _____ day of _____, 20__

NOTARY PUBLIC

My commission expires: