

**ARKANSAS DEVELOPMENT FINANCE AUTHORITY  
REQUEST FOR PROPOSALS FROM  
BOND COUNSEL  
FOR  
Mt. Magazine Lodge and Cabin Complex Financing  
\$25,000,000**



**SPECIAL NOTE: YOUR IMMEDIATE ATTENTION IS CALLED TO SECTION I.C. YOU NEED TO SEND TO US AN E-MAIL ADDRESS FOR TRANSMISSION OF NOTICES OF INQUIRIES.**

**December 19, 2001**

**Arkansas Development Finance Authority  
100 Main Street, Suite 200  
Little Rock, AR 72201  
(501) 682-5900**

## SECTION I: INSTRUCTIONS TO PROPOSERS/ GENERAL INFORMATION

**A. PURPOSE.** Act 1390 of 2001, Mt. Magazine State Park and Cabin Complex Act (the “Act”) authorized the Arkansas Development Finance Authority (“ADFA”) to issue tax exempt Bonds for a lodge and cabin complex at Mt. Magazine (the “Bonds”). The proceeds of the Bonds will be used for financing the construction, equipping of the lodge and cabin complex consisting of a 60 room lodge, conference center, 15 cabins and ancillary building/site improvements. The capital costs of the complex are expected to be approximately \$ 25 million.

The 2,200 acres of land on which the facilities will be constructed is leased from the U.S. Forest Service. The lease expires at the end of 2027.

The historical Parks Division total revenues for the Year Ended June 30, 2000 were \$13,963,000 and the projected Mt. Magazine Lodge and Cabin Complex revenues are \$2,190,000.

Preliminary considerations should be given to the Arkansas Department of Parks and Tourisms ability to pledge rental/fee cash revenues derived from the operation of the Mt. Magazine Development, as well as, with other rental/fee based cash revenues derived from operation of the departments other facilities within the park system. Please explain any proposed finance structure utilizing alternative revenue sources.

A copy of the Act can be accessed at the Arkansas Code Online Search web site at [www.arkleg.state.ar.us/data/ar\\_code.asp](http://www.arkleg.state.ar.us/data/ar_code.asp), Act 1390 of 2001.

**B. SUBMISSION OF PROPOSALS.** Written proposals responding to the questions and requests for information in the manner specified in this Request For Proposal (“RFP”) should be submitted to the following:

[ppatton@adfa.state.ar.us](mailto:ppatton@adfa.state.ar.us)

To be considered, one (1) copy of the proposal should be delivered to ADFA not later than January 3, 2002, by 12:00 p.m, via email. All proposals shall be time and date stamped upon receipt. Late proposals will not be accepted. ADFA reserves the right to reject any or all proposals.

**C. ADDITIONAL INFORMATION.** It is the responsibility of the proposer to inquire about and clarify any aspect of the RFP. Questions should be directed to Gene Eagle ([geagle@adfa.state.ar.us](mailto:geagle@adfa.state.ar.us)), Vice President for Development Finance at 501-682-5905 or Patrick Patton ([ppatton@adfa.state.ar.us](mailto:ppatton@adfa.state.ar.us)), Vice President for Internal Audit at 501-682-5902. Substantive questions and answers will be documented in letter form and will be sent by electronic mail to those who provide us with an e-mail address. **IN ORDER TO BE ON THE DISTRIBUTION LIST FOR INTERNET TRANSMISSION OF ALL RESPONSES TO INQUIRIES, YOU MUST IMMEDIATELY ADVISE PATRICK PATTON OF ADFA, THE INTERNET E-MAIL ADDRESS TO WHICH YOU WANT ALL SUCH TRANSMISSIONS SENT.**

**D. PROPERTY OF ADFA.** Any information or materials submitted as a response to this RFP shall become the property of ADFA and will not be returned. All submitted materials will be available for public review.

**E. RESPONSE TO REQUEST FOR PROPOSAL.** Law firms wishing to respond to this RFP can interact and contact Patrick Patton, Chair of the Staff Professional Selection Committee. NO CONTACT WITH ADFA BOARD MEMBERS IS ALLOWED AND ANY SUCH CONTACT WILL BE GROUNDS FOR IMMEDIATE REJECTION OF A FIRM'S PROPOSAL.

**F. PROPOSAL TIMETABLE.**

December 19, 2001	Request for Proposal Issued
January 9, 2002	Proposals Due @ 12:00 p.m.
January 14, 2002	Short List chosen and announced (if necessary)
TBA	Oral Presentations (if necessary)
January 17, 2002	Board Action (Appoint/ratify appointment of bond counsel, authorizes the President of ADFA to negotiate fees)

**G. SELECTION PROCESS.** The ADFA Staff Professional Selection Committee, working with representatives from its project partners, the State Department of Parks and Tourism (collectively, the "Review Committee"), will review the submitted proposals. Proposals will be evaluated based on responses to specifics outlined in the Proposal Format section of this RFP and based upon the selection criteria. Proposals which omit any of these items may be rejected as non-responsive. From this review, a select group of firms may be chosen for oral interviews. All proposing firms will be advised of the firms selected for oral interviews, if necessary. After interviewing, the Board of Directors Professional Selection Committee, in consultation with the Review Committee, will make its decision on a recommendation for selection, which will be reported to the Board of Directors of the Authority at its January 17, 2002, regular meeting. The final selection will be made by a vote of Board members.

ADFA may at any time prior to the selection of bond counsel reject any and all proposals and cancel this RFP, without liability therefor, upon finding that there is good cause for rejecting all proposals and that it would be in its interest to cancel the solicitation. Further, ADFA shall under no circumstances be responsible for any proposer costs and expenses incurred in submitting a response to this RFP. Each proposer who submits a response does so solely at the proposer's cost, risk and expense. ADFA accepts no responsibility for the return of successful or unsuccessful proposals. This RFP in no way obligates ADFA to select a firm.

**H. SELECTION CRITERIA.** The proposals will be reviewed by the Review Committee. The committee may use the following criteria to rank all acceptable proposals and to develop recommendations to be presented to the ADFA Board Professional Selection Committee, although ADFA and the Review Committee reserve the right to consider factors beyond those mentioned below and to follow a process of selection that involves means other than ranking based on such scores.

*Factor*

*Point Range*

1.	Firm's recent experience as bond counsel:	
	a. Prior experience with municipal bond issues	0-15
	b. Size and number of prior bond issues and experience in complex bond financings similar to or related to this proposed financing	<u>0-15</u>
		0-30
2.	Organization, size and structure of firm:	
	a. Number of employees currently engaged in municipal bond transactions	0-10
	b. Response to Arkansas presence issue including relevance of presence to this transaction	<u>0-10</u>
		0-20
3.	Qualifications of staff to be assigned; including the team members demonstrated ability, years and type of experience	0-20
4.	Responsiveness of written proposals to the purpose and scope of services	0-10
5.	Responsiveness of proposal on fee issue	0-10
	<i>Maximum Points</i>	<u>0-90</u>

## SECTION II: SCOPE OF SERVICES AND REQUIREMENTS

The bond counsel will be expected to perform all the normal duties associated with being bond counsel for the issuer of municipal bonds, including but not limited to:

- A. Attend all ADFA subcommittees or staff meetings when such meetings include matters directly or indirectly related to the proposed bond issue.
- B. Provide advice and assistance in structuring the financing and in planning for the sale of the debt obligations, including consultation with the underwriters and their counsel. Underwriter's counsel will be primarily responsible for preparation of the preliminary official statement, official statement, bond purchase agreement, blue-sky memorandum and legal investment memoranda, but the bond counsel shall be available for consultation in the preparation of these documents if necessary.
- C. Prepare the borrowing resolutions and documentation, program administration agreement, bond resolutions, trust indenture, real estate and security documents, closing documents and certificates, including arbitrage certificate and tax regulatory agreement, to the extent such documents are required to acquire and construct the projects and to issue the bonds.
- D. Consult with ADFA and prepare any new legislation or amendments to existing legislation relating to the issuance of any debt obligations and the revenues pledged to those obligations.

- E. Provide assistance in selecting a registrar, trustee and paying agent and preparation of any related communication required by the registrar, trustee and paying agent, as needed.
- F. Supervise and contract for the printing and delivery of bonds, if required.
- G. Issue approving opinions for borrowings, and issue final approving opinions with respect to any debt obligations, as required, concerning matters of legality and tax exemption, and any supplemental opinion requested as to the bonds under federal and state tax laws.
- H. Provide assistance and preparation for rating agency hearings, if desired, including attendance at meetings and follow-up on any detailed information requested.
- I. Provide any required legal research, correspondence, and preparation of memoranda or other documents related to the issuance of any debt obligations, as required.
- J. Consult with the provider of any credit enhancement and its counsel concerning any such credit enhancement and documentation.
- K. Any additional legal services necessary to issue any debt obligations.
- L. Prepare an engagement letter for ADFA President's approval before performing any compensable work relating to the proposed engagement.

### **SECTION III: STATEMENT OF QUALIFICATIONS**

An updated statement of qualifications should be maintained on file at ADFA for all firms submitting proposals as bond counsel.

### **SECTION IV: PROPOSAL FORMAT**

**A. TRANSMITTAL LETTER.** A brief transmittal letter prepared on the proposer's business stationery should accompany the original and required copies of the proposal.

**B. PROPOSAL.** The proposal should be labeled "Proposal to serve as Bond Counsel for the Mt. Magazine Lodge and Cabin Complex Financing". The proposal must contain sufficient information to enable the Review Committee to evaluate the proposal. It should be prepared in a clear and precise manner and should address all appropriate subsections.

1. **Bond Counsel Team and Personnel.** Describe the manner in which you would organize your firm's resources to serve as bond counsel for the proposed financing. In doing so, please address the following questions or issues:

1. Identify the individual who will manage this financing on a day-to-day basis. Define this individual's position within the firm and indicate the degree to which he or she will be able to commit the firm's resources to ADFA. What is this person's availability for this financing and what other commitments does he or she have?
2. Identify other professionals from your firm who will be assigned to work on this project, their roles and responsibilities and relevant aspects of their background. How will these individuals work with the other members of the financing team?
2. **Bond Counsel Opinion.** Confirm whether your firm can issue opinions necessary for the issuance of debt instruments under existing law. If legislative action is needed before an opinion can be given, provide a brief summary of such legislation. Describe any other legal issues which must be resolved before the financing program can be completed.
3. **Comments on Scope of Services.** Elaborate on the services you propose to perform as bond counsel for the proposed financing. In what way do you expect the scope of services to differ from those listed in Section II?
4. **Arkansas Presence.** Please explain your firm's presence within Arkansas and describe how that presence is relevant to the proposed transaction.
5. **Potential Conflicts.** List any relationship which might lead to a potential conflict in performing any services for ADFA. Please list specifically any conflicts resulting from material adverse matters, as distinguished from the conduct of business as usual. Indicate what steps would be taken to eliminate any such conflict.
6. **Rationale for Appointment and Proposal Summary.** This section of the proposal should be used by each proposer to present the case for its appointment to the position sought. It is not necessary for you to recite comprehensively your firm's qualifications and experience, which should be on file with ADFA in your current Statement of Qualifications, but it would be useful for you to describe how your qualifications and experience is relevant to the proposed transaction. In particular, you may want to select, e.g., three (3) past deals as bond counsel (indicating the date of issue, issuer, credit description, size and method of sale) and summarize their similarity to this program and their successfulness.
7. **Malpractice Insurance.** Acknowledge that if selected as bond counsel, your firm will provide to ADFA proof of malpractice insurance covering, among other things, securities-related claims. Please list any pending claims or disputes relating to prior opinions as bond counsel.
8. **Bond Counsel Fee Determination.** Selection of a bond counsel will not be based on a competitive bid. ADFA will attempt to negotiate with the top ranked firm to establish a fair and reasonable fee. If an agreement cannot be reached with the top ranked firm, negotiations will be attempted with the lower ranked firms in order of their rankings.

Provide the basic assumptions on which your firm's fee would be predicated and any factors that would change the actual fee. State what you consider to be the most appropriate method for determining a reasonable attorney fee for this representation, and state your rationale.

**BOND COUNSEL  
TO RECEIVE RFP'S**

FIRM	TELEPHONE/FAX NUMBERS
Tom Leggett, Esq. and Shep Russell, Esq. Friday, Eldredge & Clark 2000 First Commercial Building 400 W. Capitol Little Rock, AR 72203	TEL: (501) 376-2011 FAX: (501) 376-2147 email: <a href="mailto:leggett@fec.net">leggett@fec.net</a> <a href="mailto:russell@fec.net">russell@fec.net</a>
George E. Campbell, Esq. and M. Jane Dickey, Esq. Rose Law Firm 120 East 4 <sup>th</sup> Street Little Rock, AR 72201	TEL: (501) 375-9131 FAX: (501) 375-1309 email: <a href="mailto:gcampbell@roselawfirm.com">gcampbell@roselawfirm.com</a> <a href="mailto:jdickey@roselawfirm.com">jdickey@roselawfirm.com</a>
Wooten Epes, Esq. Kutak Rock 425 West Capitol Avenue, Suite 1100 Little Rock, AR 72201	TEL: (501) 975-3000 FAX: (501) 975-3001 email: <a href="mailto:wooten.epes@kutackrock.com">wooten.epes@kutackrock.com</a> <a href="mailto:Gillian.Hughes@kutackrock.com">Gillian.Hughes@kutackrock.com</a>
Jack Williams, Esq. And David F. Menz, Esq. Williams & Anderson 111 Center Street, Suite 2200 Little Rock, AR 72201	TEL: (501) 372-0800 FAX: (501) 372-6453 email: <a href="mailto:jwilliams@williamsanderson.com">jwilliams@williamsanderson.com</a> <a href="mailto:dmenz@williamsanderson.com">dmenz@williamsanderson.com</a> <a href="mailto:hathaway@williamsanderson.com">hathaway@williamsanderson.com</a> o <a href="mailto:tjspeed@williamsanderson.com">tjspeed@williamsanderson.com</a>
John Tisdale, Esq. and Walter McSpadden, Esq. Wright, Lindsey & Jennings 200 W. Capitol Avenue, Suite 2200 Little Rock, AR 72201-3699	TEL: (501) 371-0808 FAX: (501) 376-9442 email: <a href="mailto:jtisdale@wlj.com">jtisdale@wlj.com</a> and <a href="mailto:wmcspadden@wlj.com">wmcspadden@wlj.com</a>
Anne Parker, Esq. Mitchell, Williams, Selig, Gates & Woodyard 425 West Capitol Avenue, Suite 1800 Little Rock, AR 72201-3525	TEL: (501) 688-8800 FAX: (501) 688-8807 email: <a href="mailto:aparker@mws gw.com">aparker@mws gw.com</a>