

**ARKANSAS DEVELOPMENT FINANCE AUTHORITY
REQUEST FOR PROPOSALS FROM
TRUSTEES
FOR
AMENDMENT 82 BONDS**

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.



April 23, 2013

**Arkansas Development Finance Authority
900 West Capitol, Suite 310
Little Rock, AR 72201
(501) 682-5900**

SECTION I: INSTRUCTIONS TO PROPOSER/ GENERAL INFORMATION

A. PURPOSE. Act 1084 of the Regular Session of the State of Arkansas 89th General Assembly, Regular Session 2013 declared a \$1.1 billion economic development project to be a qualified Amendment 82 (A.C.A. §15-4-3201 et seq., as amended) project for Phase I of the Big River Steel Mill Project (BRS) located in Osceola, AR, and authorized the issuance of general obligation bonds in an amount not to exceed \$125 million. This is the first use of an Amendment 82 bond issue utilizing full faith and credit general obligation bonds for economic development purposes.

It is currently expected these taxable general obligation bonds will be one issuance comprised of two series of bonds, sold on a negotiated basis. The first series is expected to generate \$75 million in bond proceeds, with no more than a ten year call (without call premium) and will be used for site prep costs, pilings and cost of bond issuance. The second series is expected to generate \$50 million in bond proceeds, with no more than a two year call and will be used for building construction. The second series, although a general obligation of the State of Arkansas, is expected to be repaid by a loan agreement between ADFA and BRS and will also be secured by a real estate mortgage on two buildings with a cost of \$74 million. The Trustee selected for this transaction should note that it is possible the State will provide for the debt service on all the bonds, as the borrower's payment may be due the same day as debt service and there may be wiring delays. In this case, the state will need to be repaid from the borrower's payment when received.

BRS has an incentivized option to prepay the loan early within four years qualifying them to receive a ten percent (10%) discount of \$5 million on the loan. To be eligible for the discount, BRS must not only prepay the loan but also announce, raise the money and start construction a Phase II \$500 million dollar expansion at the Osceola plant in Mississippi County AR. If not prepaid, the loan balance will be paid out over time.

Prior to the issuance of the bonds by ADFA, BRS must raise \$300 million in private equity capital. After the bonds are issued, proceeds can only be released towards the project once BRS has expended \$250 million of their own capital towards the completion of the project. It is anticipated that a Payment in Lieu of Tax Agreement (PILOT) will be negotiated between BRS and Mississippi County. There is also a commitment of local investment of \$14 million from Mississippi County and \$2.5 million from the City of Osceola.

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:

rfp@adfa.arkansas.gov

To be considered, one (1) copy of the proposal should be delivered to ADFA not later than May 6, 2013, 12:00 p.m., via email. 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 (gene.eagle@adfa.arkansas.gov), Vice President for Development Finance at 501-682-5905, Leigh Ann Biernat (leighann.biernat@adfa.arkansas.gov), Vice President for Finance and Administration at 501-682-5995 or Patrick Patton (patrick.patton@adfa.arkansas.gov), 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 all the proposers 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. Firms wishing to respond to this RFP may contact any of the ADFA staff persons identified herein. **NO CONTACT WITH ADFA BOARD MEMBERS IS ALLOWED AND ANY SUCH CONTACT WILL BE GROUNDS FOR IMMEDIATE REJECTION OF A FIRM'S PROPOSAL.**

F. SELECTION TIMETABLE.

April 23, 2013	Request for Proposal Issued
May 6, 2013	Proposals due by 12:00 p.m.
TBA	Oral Presentations (if necessary)
May 16, 2013	Board Action (Appoint/ratify appointment of Trustee, authorizes the President of ADFA to negotiate fees).
TBD	Submission to Legislative Committee for contract review (if required)

G. SELECTION PROCESS. ADFA's Staff Professional Selection Committee will review the submitted proposals. Proposals will be evaluated based on the responses to specifics outlined in the Proposal Format section of this RFP and based upon the selection criteria. Proposals that omit any of these items may be rejected as non-responsive. The ADFA Board Professional Selection Committee will make its decision on a recommendation for selection, which will be reported to the Board of Directors of the Authority at its regular meeting. The final selection will be made by a vote of Board members.

ADFA may at any time prior to the selection of a firm reject any and all proposals and cancel this RFP, without liability therefore, upon finding that there is good cause for rejecting all proposals and that it would be in its interest to cancel the solicitation. Further, regardless of the number and quality of proposals submitted, 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 expenses. ADFA accepts no responsibility for the return of successful or unsuccessful proposals. This RFP in no way obligates ADFA to select a firm.

Any firm selected will be required to complete a disclosure form in compliance with Governor's Executive Order 98-04.

H. SELECTION CRITERIA. The proposals will be reviewed by the Staff Professional Selection Committee composed of selected members of ADFA staff. The committee generally will use the following criteria to rank all acceptable proposals and to develop recommendations to be presented to the ADFA Board Professional Selection Committee; however, ADFA reserves the right to evaluate the ranking of proposals based on factors beyond the listed criteria.

Criteria

1. Firm's prior experience as trustee for:
 - a. ADFA bond issues.
 - b. Other revenue bond issues.
 - b. Other state general obligation bond issues.
2. Ability to handle daily receipts and payments.
3. Experience with accounts and transactions of the state Treasurer.
4. Timeliness and clarity of transaction reporting.
5. Qualifications of staff to be assigned. (Position in firm and years and type of experience will be considered.)
6. Responsiveness of written proposals to the purpose and scope of services.
7. Reasonableness of proposed fee.

SECTION II: SCOPE OF SERVICES AND REQUIREMENTS

The trust indenture for this series of bonds, when adopted by the ADFA Board of Directors and accepted by the trustee, shall be deemed to be and shall constitute a contract between ADFA and the trustee. The indentures will require the trustee to perform services normally associated with being trustee for a revenue bond program, including, but not limited to:

1. Authenticate and deliver the bonds authorized by the trust indenture.

2. Maintain registry books of ADFA showing the person in whose name the Bonds are registered, if applicable.
3. Hold and maintain trust funds pursuant to the trust indentures.
4. Apply or deposit all bond proceeds, pledged funds and pledged revenues pursuant to the trust indentures.
5. Invest or reinvest moneys held in accounts pursuant to the trust indentures.
6. Maintain accurate records of all trust fund transactions.
7. Provide monthly and annual trust statements/activity, detailing all account activity, preferably both in paper form and via online or internet access.
8. Select bonds to be redeemed in such manner as prescribed in the trust indenture.
9. Give notice, in the name of ADFA, of redemption of Bonds at the time and in the manner required by the trust indentures.
10. Send copy of all unscheduled bond redemptions occurring prior to maturity to the ADFA Finance Manager.
11. Serve as Material Event Disclosure Dissemination Agent for ADFA - report all material events to EMMA on behalf of ADFA. ADFA should be notified and copied on all correspondence relating to disclosure to EMMA on ADFA bond issues.
12. File continuations of any UCC's related to the financing, on the behalf of ADFA, if applicable.
13. Prepare and forward, to borrower, UCC terminations, if applicable.
14. Prepare and forward, to borrower, any mortgage or lien terminations, if applicable.
15. Cancel note evidencing debt, if applicable.
16. Respond to inquiries of the Authority, Legislative Audit, DFA, Treasurer's Office, etc., regarding trust activity as needed.

SECTION III: STATEMENT OF QUALIFICATIONS

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

SECTION IV: PROPOSAL FORMAT

A. TRANSMITTAL LETTER. A one page transmittal letter prepared on the proposer's business stationery should accompany the submitted proposal.

B. PROPOSAL. The proposal should be labeled "Proposal to serve as Trustee for Amendment 82 Bonds." The submission must contain sufficient information to enable the ADFA Staff and Board Professional Selection Committees to evaluate the proposal. It should be prepared in a clear and concise manner and should address each of the following subsections:

1. **Experience.** Give a brief summary of your firm's prior experience as trustee for:
 - a) ADFA Bond issues.

- b) Other revenue bond issues.
 - c) Other state general obligation bond issues.
2. **Staffing and Qualifications.** Give a brief summary of the qualifications and experience of the trust officer and staff who will be assigned to this account.
 3. **Daily Processing and Reporting.** Please give a brief description of your computer systems and programs utilized in the Trust Division and their capabilities. Comment on your ability to handle daily receipts, daily payments and the timeliness and clarity of transaction reporting. Also discuss what account accessibility via the Internet you offer as well as any experience you have with electronic interfaces between your trust systems and your customer's accounting software.
 4. **Scope of Services.** Elaborate on the services you propose to perform as trustee for the proposed financing. In what way do you expect the scope of services to differ from those listed in Section II?
 5. **Financial Strength.** Please comment on your company's financial condition and any issues that might impact your ability to carry out this assignment.
 6. **Trustee Fee & Reimbursable Expenses.** Complete the attached Proposed Trustee Fee Schedule, and, if necessary, use a narrative description to present the basic assumptions on which your firm's fee proposal is predicated and any factors that would change the proposed fee. List all anticipated expenses to be incurred by your firm for which you expect reimbursement. This includes any wire fees or sweep fees you anticipate to be charged on the account. If applicable, give an estimated per unit cost and a total cost for the item.
 7. **Equal Opportunity Statement.** Please submit your Equal Opportunity Policy to ADFA in accordance with Arkansas Act 2157 of 2005. This act requires any firm wishing to respond to an RFP or submit a proposal or statement of qualifications to provide ADFA with your Equal Opportunity Policy.
 8. **Acceptance.** Submission of proposals, in response to this Request for Proposal, constitutes acceptance of all conditions, requirements and limitations described in this document.

ARKANSAS DEVELOPMENT FINANCE AUTHORITY

Proposed Trustee Fee Schedule

Acceptance Fee and Registration Fee. \$ _____

Trustee Counsel Fee – At Issuance (if any). \$ _____

Annual Administration Fee:

() Fixed annual fee \$ _____

() Other basis (Explain) _____

Fee payable for early redemption of bonds (please specify when this fee applies – partial redemptions, etc):

Additional Fees or Charges (Brief description and estimated \$ amount). **Wire fees and sweep fees should be included here:**

_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____

Presented on behalf of: _____

By: _____

Title: _____

Phone: _____