



Request for Proposal

For

Installment Loan Financing

By

Town of Leland, North Carolina

November 22, 2021

*Due Date: December 3, 2021
by 3:00 PM*

**102 Town Hall Drive
Leland, North Carolina
BRUNSWICK COUNTY, NORTH CAROLINA
REQUEST FOR PROPOSAL
INSTALLMENT LOAN FINANCING**

The Town of Leland, North Carolina (hereinafter called the "Town") desires to enter into an installment financing agreement pursuant to N.C. General Statute §160A-20 in the principal amount not to exceed \$5,800,000 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.

PERTINENT INFORMATION

The purpose of an amount not to exceed \$3,000,000 of this proposed financing is to refinance an existing loan agreement that was entered into in June of 2020 for the purchase of property located at 1987 Andrew Jackson Hwy NE, Leland, NC 28451 and to upgrade facilities on the property to accommodate and enhance the Town of Leland's provision of various municipal services. These upgrades include but are not limited to, a Public Services Operations Center including garages and offices for Streets/Operation Services, Town-wide warehousing and storage facilities for regular and emergency operations, an Animal Control office, a Police impound and storage facility, a vegetative debris disposal and processing facility, and an emergency response staging area.

Additionally, an amount not to exceed \$2,800,000 is needed for the Town to finance the design and construction of a fire station on the existing property located at 1987 Andrew Jackson Hwy NE, Leland, NC 28451. This station will replace the existing Fire Station #51 located at 1004 Village Road, Leland, NC. . The proposed fire station will be a fourteen thousand one hundred ten (14,110) square foot facility that includes four (4) seventy-foot (70') apparatus bays, eight (8) bedrooms, twelve hundred (1200) square foot conference room, three (3) offices, and a six hundred seventy-two (672) square foot fitness area.

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

Town staff will seek the North Carolina Local Government Commission's ("LGC's) approval of the Town's entering into an Installment Financing Agreement as outlined herein. The Town anticipates it will obtain the LGC's approval in January, 2022.

CONTRACT SPECIFICATIONS

1. The desired amount of the financing is an amount not to exceed \$5,800,000.
2. The desired term of the financing agreement is ten (10) years. The Town desires the debt service payment schedule to reflect amortization over a ten (10) year fiscal period. The Town's fiscal year begins July 1 and runs through June 30.
3. Installment payments are to be made annually (both principal and interest in arrears).
4. The interest rate shall be fixed for the term.
5. The interest rate proposed must be guaranteed until January 30, 2022.
6. Prepayment terms will be negotiated between the Town and the successful bidder. The Town

- desires prepayment of principal at any time without penalty.
7. 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.
 8. The Installment Financing Agreement must not contain a non-substitution clause and there must not be a non-appropriation clause in the Agreement.

SUBMISSION OF PROPOSAL

Responses to this Request for Proposal must be submitted no later than 3:00 PM on Friday, December 3, 2021. Responses may be either mailed or emailed. Please address your response to the attention of:

Carly Hagg, Finance Director
Town of Leland
102 Town Hall Drive
Leland, NC 28541
chagg@townofleland.com

Proposals must specify, at a minimum, the following information:

1. The term of the financing.
2. The interest rate and total interest cost of the financing.
3. The terms of repayment (please attach a proposed amortization schedule showing the interest and principal payments due over the ten (10) year fiscal period.
4. Proposed terms for optional prepayment. Please also conspicuously state whether you would allow a prepayment without penalty.
5. A list of all additional costs to be associated with this transaction, including origination or placement fees, escrow fees, counsel fees, and any other expenses. A statement as to whether or not any of such fees or expenses can, or will be, capped or waived.
6. A statement acknowledging and confirming that your institution agrees to the contract specifications set forth in Part B of this Request for Proposal.
7. A description of the collateral you propose/require 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 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 lowest total financing cost (including both interest cost and upfront fees and expenses) will substantially influence the Town's selection, the Town reserves the right to select the bidder that best meets the needs of the Town as determined by the Town in its sole discretion.

Your proposal should address the matters set forth in Rider A attached hereto.

If further information is needed or if you have any questions regarding this Request for Proposal, please email your questions to Carly Hagg, Finance Director at chagg@townofleland.com.

Thank you in advance for your consideration of this proposal.

Sincerely,

David Hollis
Town Manager

RIDER A TO REQUEST FOR PROPOSAL
FOR TAXABLE INSTALLMENT LOAN
FINANCING BY TOWN OF LELAND,
NORTH CAROLINA
November 22, 2021

Legal counsel for the Town, will either (1) review documents prepared by the chosen bank/lender or (2) draft such documents for the bank/lender's review. For the Town to take the most cost-effective action, please indicate your fees associated with (1) the bank/lender drafting/processing the documents for the Town's legal counsel to review and (2) your fees in the event if the Town's legal counsel drafts the documents for the bank/lender's review.