

VIA EMAIL

November 6, 2015

**Request for Proposals  
RFP# 15-112011-A165**



**Lease Revenue Bond, Series 2015  
Proposals Due: 11:00 a.m. Eastern Time on Friday, November 20, 2015**

In our capacity as Financial Advisor to Henry County, Virginia (the “County”), Davenport & Company LLC (“Davenport”) is issuing this Request for Proposals (the “RFP”) on behalf of the County to solicit bids for the purchase of the Lease Revenue Bond, Series 2015 (the “2015 Bond”) to be issued by the Industrial Development Authority of Henry County (the “Authority”) on behalf of the County. Proceeds from the 2015 Bond will be used to finance a portion of the costs of construction of a new Collinsville Area Elementary School (the “New School”) and the related costs of issuance.

The 2015 Bond will be secured by a Lease Agreement between the Authority and the County, along with the County’s Moral Obligation pledge. Additionally, the 2015 Bond will initially be collateralized by a Ground Lease on one or more existing school facilities (the “Existing School(s)”) prior to completion of the New School’s construction. Once construction of the New School has been completed, the 2015 Bond will be secured by a Ground Lease on the New School, and the Existing School(s) will be released as collateral. The Lease and Ground Lease, with respect to the New School, will be for a term longer than the Final Maturity of the 2015 Bond.

Proposals may be submitted electronically to the Henry County Purchasing Office at the following e-mail address: [purchase@co.henry.va.us](mailto:purchase@co.henry.va.us). **Please note that proposals submitted by e-mail must contain an electronic signature.**

Proposals may also be submitted to the Henry County Purchasing Office in hard copy format at the following address:

Purchasing Department, Room 210  
Attn: Carole Jones, Chief Purchasing Agent  
Henry County Administration Building  
P.O. Box 7 (Postal Service)  
3300 Kings Mountain Road (UPS or FedEx)  
Collinsville, VA 24078-0007

### The 2015 Bond

The County would like to receive proposals for the 2015 Bond corresponding to both of the two financing options summarized below:

**Option 1:** Bank Qualified financing with a par amount not to exceed **\$10,000,000\***; and

**Option 2:** Non-Bank Qualified financing with a par amount not to exceed **\$15,000,000\***.

Respondents may submit proposals for one or both of the financing options, but no proposal for less than the requested amount for each option will be considered.

The County's historical audited financials and adopted budgets can be found on the County's website at the following link: <http://www.henrycountyva.gov/budget—audit-reports>

Respondents having questions related to any of the financial information of the County, or who would like to request any additional information, are asked to contact the undersigned, who will work to facilitate a timely response.

*Your response to the RFP would be greatly appreciated. The following key assumptions should be utilized in preparing your proposals.*

### Key Assumptions

*Issuer:* Industrial Development Authority of Henry County, Virginia.

*Maximum Par Amount\*:* **Option 1:** \$10,000,000.  
**Option 2:** \$15,000,000.

*Tax Treatment:* **Tax-Exempt.**

*Bank Qualification:* **Option 1:** Bank Qualified.  
**Option 2:** Non-Bank Qualified.

*Security:* The 2015 Bond will be secured by a Lease Agreement between the Authority and the County, along with a resolution of Moral Obligation to pay debt service, subject to and contingent upon the appropriation of funds thereof, by the Henry County Board of Supervisors. The County's obligation to pay rent under the Lease Agreement will be subject to and contingent upon annual appropriation by the Board of Supervisors of the County.

*\*Preliminary, subject to change.*

*Security (cont.):* Additionally, payment of the 2015 Bond will initially be collateralized by a Ground Lease on one or more Existing Schools prior to completion of the New School's construction. Once construction of the New School has been completed, the 2015 Bond will be secured by a Ground Lease on the New School, and the Existing School(s) will be released as collateral. The Lease and Ground Lease, with respect to the New School, will be for a term longer than the Final Maturity of the 2015 Bond (shown below).

*Rating:* None applied for on this financing.

*Interest Payment Dates:* Interest due semi-annually on February 1 and August 1, beginning on August 1, 2016, until Final Maturity.

*Principal Payment Dates:* Principal due annually on February 1, beginning February 1, 2017, until Final Maturity.

*Final Maturity:* February 1, 2036 (Approximately 20 years).

*Interest Rate:* Please provide a firm fixed rate that will be held through closing, which is expected to occur on or before Tuesday, December 22. To the extent possible, the County desires the longest fixed rate offered by potential lenders.

**A 20-year rate is preferred. If a 20-year fixed rate cannot be provided, please indicate the longest fixed rate available for a 20 year amortization and the basis on which the rate will be reset.**

Interest will be calculated using a 30/360-day count.

*[Remainder of page intentionally left blank.]*

*Preliminary Amortizations\**: Preliminary amortizations for Option 1 and Option 2 are shown below.

<b>Maturity</b>	<b>Option 1</b>	<b>Option 2</b>
2/1/2017	\$75,000	\$75,000
2/1/2018	100,000	100,000
2/1/2019	420,000	605,000
2/1/2020	430,000	625,000
2/1/2021	445,000	645,000
2/1/2022	460,000	670,000
2/1/2023	470,000	695,000
2/1/2024	485,000	720,000
2/1/2025	500,000	745,000
2/1/2026	515,000	770,000
2/1/2027	530,000	795,000
2/1/2028	550,000	825,000
2/1/2029	565,000	855,000
2/1/2030	580,000	885,000
2/1/2031	600,000	915,000
2/1/2032	615,000	945,000
2/1/2033	635,000	980,000
2/1/2034	655,000	1,015,000
2/1/2035	675,000	1,050,000
2/1/2036	695,000	1,085,000
<b>Total</b>	<b>\$10,000,000</b>	<b>\$15,000,000</b>

Principal is expected to be adjusted based on final interest rate to produce level annual debt service payments starting in Fiscal Year 2019, which ends 6/30/2019.

*Optional Redemption*: The County is looking for maximum flexibility. Please specify the call structure that would provide the County with the most flexibility at the lowest cost of funds. Please also address the possibility of a partial prepayment.

*Drawdown*: All at closing.

*Bank Closing Costs*: None anticipated to be paid by the County. Please specify any exceptions. If your bank requires a bank counsel, please provide a not-to-exceed fee quote.

*Annual/Ongoing Fees*: None anticipated to be paid by the County. Please specify any exceptions.

\*Preliminary, subject to change.

- Opinion(s) of Bond Counsel:* Bond Counsel to the County, LeClairRyan, will provide the necessary opinion(s).
- Ongoing Disclosure:* The County will provide annual audited financial statements. Please specify any additional requirements.
- Direct Bank Loan:* Proposals are requested for the issuance of a direct bank loan for the 2015 Bond, with a single financial institution or a syndicate of financial institutions represented by one lead institution with which the County and their consultants will deal with exclusively on all aspects of the financing. The successful bidder(s) will be expected to provide a letter in form satisfactory to the County and its Bond Counsel regarding the qualifications of the buyer and stating that the 2015 Bond is being purchased as an investment with no intention of sale or distribution. No formal offering material will be prepared, although bidders should feel free to direct any questions about the County or its finances to the undersigned.
- Award:* The County Board of Supervisors will make the formal award. The County reserves the right to reject any or all proposals and to waive any irregularity or informality.
- Closing:* Closing is expected to take place on or before Tuesday, December 22, 2015.

Additionally, please specify any other terms or conditions that would impact the proposed structure of the financing agreement. A preliminary timetable for action is shown on the following page.

*[Remainder of page intentionally left blank.]*

**Preliminary Timetable\***

<b><u>Date</u></b>	<b><u>Action</u></b>
Friday, November 6	Davenport distributes RFP to local, regional, and national banking institutions.
Friday, November 20	<b>RFP responses due back to the County at 11:00 a.m. Eastern Time.</b>
November 20 – November 23	Davenport and County Staff review RFP responses, evaluate bank proposals, and develop a recommendation.
Tuesday, November 24	<b><u>Meeting of the Henry County Board of Supervisors.</u></b> Davenport presents results of the RFP process to the Board of Supervisors and provides recommendation for winning bidder. No formal approval will be provided at this time.
Thursday, December 10	<b><u>Meeting of the Henry County School Board.</u></b> Davenport provides recommendation for financing provider. School Board considers formal approval of financing documents and collateral.
Tuesday, December 15	<b><u>Meeting of the Henry County Board of Supervisors.</u></b> The Board of Supervisors considers formal approval of winning bidder and financing documents.
Wednesday, December 16	<b><u>Meeting of the Henry County Industrial Development Authority.</u></b> Davenport provides recommendation for financing provider. Authority considers formal approval of financing documents.
On/Before Tuesday, December 22	Close on the 2015 Bond.

*[Remainder of page intentionally left blank.]*

\*Preliminary, subject to change.

We look forward to your response by 11:00 a.m. Eastern Time on Friday, November 20, 2015. Please submit your response to the Henry County Purchasing Department by e-mail or in hard copy format as specified on Page 1 of the RFP.

Please refer any questions related to the financial information of the County or any requests for additional information to the contacts below:

Roland Kooch  
Davenport & Company LLC  
Phone: (804) 697-2906  
[rkooch@investdavenport.com](mailto:rkooch@investdavenport.com)

Griffin Moore  
Davenport & Company LLC  
Phone: (804) 697-2901  
[gmoore@investdavenport.com](mailto:gmoore@investdavenport.com)

We look forward to your response.

Sincerely,



Roland Kooch  
Senior Vice President  
Davenport & Company LLC

cc: Tim Hall – County Administrator, *Henry County, Virginia*  
Darrell Jones – Director of Finance, *Henry County, Virginia*  
Dr. Jared Cotton – Superintendent, *Henry County Public Schools*  
Carole Jones – Chief Purchasing Agent, *Henry County, Virginia*  
John Selbach – Bond Counsel, *LeClairRyan*  
Katja Hill – Bond Counsel, *LeClairRyan*  
David Rose – Senior Vice President, Manager of Public Finance, *Davenport & Company LLC*  
Kyle Laux – Senior Vice President, *Davenport & Company LLC*  
Griffin Moore – Analyst, *Davenport & Company LLC*

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