



REQUEST FOR PROPOSALS

For Direct Purchase or Private Placement of:

Brownfield Redevelopment Authority of the City of East Lansing

\$14,650,000*

**Limited Obligation Tax Increment Revenue Refunding Bonds, Series 2020A
(Tax-Exempt)**

\$14,660,000*

**Limited Obligation Tax Increment Revenue Refunding Bonds, Series 2020B
(Taxable)**

October 14, 2020

The Brownfield Redevelopment Authority of the City of East Lansing, County of Ingham, State of Michigan (the "Authority") is requesting proposals from one or more qualified investors (each a "Proposer" or "Purchaser") to purchase its proposed Limited Obligation Tax Increment Revenue Refunding Bonds, Series 2020A (Tax Exempt) & Series 2020B (Taxable) (the "Series 2020 Bonds"), in accordance with the Proposed Financing Terms set forth below. If issued, the proceeds of the Series 2020 Bonds will be used to refund the Authority's \$25,265,000 Limited Obligation Tax Increment Revenue Bonds, Series 2017 (Taxable) (the "2017 Bonds"), which was issued in order to finance the costs of certain infrastructure improvements and a parking structure (collectively, the "Project"), within the approved City Center Brownfield Plan No. 24 (the "Brownfield Plan"), possibly paying or reimbursing additional eligible costs of the Project, and the cost of issuance related to the Series 2020 Bonds. The Project financed from proceeds of the 2017 Bonds is completed and Taxable Value within Brownfield Plan was established on the tax roll as of December 31, 2019, see Exhibit C herein and the "Schedule of Projected Tax Increment Revenues Available for Debt Service."

The Series 2020 Bonds shall be payable solely from Tax Increment Revenues and DDA revenues transferred to the Authority pursuant to an Interlocal Agreement between the Authority and the City of East Lansing, Michigan Downtown Development Authority (the "DDA"), the Debt Service Fund, the Debt Service Reserve Fund, if any (the "Pledged Funds"). **Pledge Funds are limited to \$55,952,038 during the Brownfield Plan and authorized for collection through December 2049.** As of the date of this RFP, approximately \$1,316,000 of Pledged Funds have been collected and is currently being held by the trustee of the 2017 Bonds.

The 2020 Bonds are not a general obligation of the Authority or the City of East Lansing (the "City") and do not constitute an indebtedness of the City within any constitutional, statutory or charter limitation.

By providing a proposal, each Proposer is agreeing to the Proposed Financing Terms herein and is acknowledging the Schedule of Events set forth below. Proposals should be firm through December 1, 2020.

* Preliminary, subject to change.

Schedule of Events

The following sets forth the estimated time schedule for events relating to the Series 2020 Bonds:

Key Dates	Event
Wednesday, October 14, 2020	Distribute Request for Proposals (“RFP”)
Wednesday, October 21, 2020	Indication of Intent to Respond to the RFP and Questions Due at 3:00 p.m. ET
Thursday, October 22, 2020*	Authority Responds to Request for Proposal (“RFP”) Questions
Wednesday, November 4, 2020	Proposal Submissions due (via email) at 3:00 p.m. ET
Friday, November 6, 2020*	Proposer Selected and Notified
Wednesday, November 24, 2020*	Closing
Monday, December 1, 2020*	Series 2017 Bonds are Redeemed

* - *Preliminary, subject to change*

1. PROPOSED FINANCING TERMS

Series 2020A Amount: \$14,650,000*

Series 2020B Amount: \$14,660,000*

Purpose: To provide funds for (i) refunding the Series 2017 Bonds (See Exhibit D which provides the closing transcript index of documents), (ii) if required, funding a deposit to the Debt Service Reserve Fund, (iii) paying or reimbursing additional eligible costs of the Project and (iv) paying costs of issuance of the Series 2020 Bonds.

Principal Payments: The Authority has provided a hypothetical amortization structure for the Series 2020 Bonds as Exhibit B. This structure assumes a full funding of the Total Estimated Uses of Funds (see below), a pro-rata amortization of the Series 2020 Bonds between taxable and tax-exempt bonds based on tax status as determined by Tax Counsel, a 30-year term for each series of the Series 2020 Bonds and amortizes principal to create debt service below the estimated tax increment revenues as defined in Act 381 and collected under the Brownfield Plan (the “Tax Increment Revenues”), as shown in Exhibit C. While the desire of the Authority is to achieve a 30 year bond term (final maturity no later than July 1, 2050), the Authority welcomes Proposers to provide alternative amortization structures. The Series 2020 Bonds shall be issued in minimum denominations of \$100,000 or in integral multiples of \$5,000 in excess thereof.

* Preliminary, subject to change.

The Authority reserves the right to increase or decrease the aggregate principal amount of the Series 2020 Bonds after receipt of the proposals and prior to final award. Such adjustment, if necessary, will be made in increments of \$5,000, and may be made in any maturity, so that the purchase price of the Series 2020 Bonds will provide an amount determined by the Authority to be sufficient to refund the prior obligations, the debt service reserve fund requirement, if needed, and costs of issuance. Below is an estimated breakdown:

Escrow (Series 2017)	\$29,006,428.96
Repayment of Additional Project Cost	822,213.42
Cost of Issuance (excludes Proposer's fees)	231,357.62
Debt Service Reserve Fund Deposit	0.00
Less: Funds on Hand Contribution	(750,000.00)
Estimated Total Uses of Series 2020 Bonds:	\$29,310,000.00

The Series 2020 Bonds final principal breakdown and amortization will be subject to Tax Counsel opinion regarding final allocation of public and private use of the Project.

Interest Rate:

The Series 2020 Bonds shall bear interest at a fixed rate or rates, which results in an aggregate yield on the 2020 Bonds not to exceed 5.00%. The aggregate purchase price of the Series 2020 Bonds cannot be less the Estimated Total Uses of Series 2020 Bonds shown above (plus any Proposer's fees). Interest on the Series 2020 Bonds will be payable semiannually on the 1st day of each January and July, commencing July 1, 2021. Interest will be computed on the basis of a 360-day year consisting of twelve 30-day months. Should your proposal request alternative principal and interest payment dates for the Series 2020A or Series 2020B Bonds, please provide an explanation.

The interest rate will not be subject to an adjustment for any reason, including but not limited to a determination of taxability, a change in the corporate income tax rate(s), a default, a change in law, or otherwise unless clearly stated in the Proposer's proposal.

Optional Redemption:

The Authority encourages Proposers to provide flexible prepayment terms. However, the Series 2020 Bonds shall have an optional redemption date no later than July 1, 2030, with all Series 2020 Bonds maturing on or after July 1, 2031 subject to redemption at the option of the Authority in whole or in part at a redemption price equal to par plus accrued interest with respect thereto to the date fixed for redemption.

Extraordinary Redemption:

In the event Tax Increment Revenue is captured in excess of original projections, the 2020 Bond may be subject to extraordinary mandatory redemption prior to scheduled maturity, in whole on any date or in part on any Interest Payment Date with 30-day notice. The extraordinary redemption of principal would have to result in the non-extension of the Weighted Average Maturity (the "WAM") established on the original

date of issuance of the Series 2020 Bonds, subject to review by Tax Counsel.

Fees and Expenses: The Authority will pay the fees and expenses of Bond Counsel, Tax Counsel, the Trustee, the Municipal Advisor, the Verification Agent, required State filing fees and the Consultant, including the preparation of all documentation required for the transcript of proceedings from Series 2020 Bond proceeds. The Proposer or Purchaser will be responsible for all costs incurred by the Proposer or Purchaser in connection with the purchase of the Series 2020 Bonds, including any applicable fee for Proposer or Purchaser's legal counsel unless clearly stated in the Proposers proposal.

Debt Service Fund: As Tax Increment Revenues are collected, including delinquent property taxes received from the Ingham County Treasurer, Tax Increment Revenues will be deposited into the Debt Service Fund.

Debt Service Reserve Fund: If a Debt Service Reserve Fund is required, please describe the amount of the Debt Service Reserve Fund and how it would be funded.

Security: The Series 2020 Bonds shall be payable solely from Tax Increment Revenues and DDA revenues transferred to the Authority pursuant to an Interlocal Agreement (Exhibit D) between the Authority and the DDA, the Debt Service Fund, the Debt Service Reserve Fund, if any (the "Pledged Funds"). The 2020 Bonds are not a general obligation of the Authority or the City of East Lansing (the "City"), and do not constitute an indebtedness of the City within any constitutional, statutory or charter limitation. There can be no assurance that the Tax Increment Revenues will be sufficient to pay debt service on the Bonds.

Subordinate Bonds: A proposal may include the issuance of subordinated bonds in compliance with the parameters described in the Interest Rate section above.

If the Additional Project Cost (\$822,213.42) is not funded from proceeds of the Series 2020 Bonds, the Additional Project Cost would be a subordinate obligation to the Series 2020 Bonds to be paid with the Pledged Funds after the maturity of the Series 2020 Bonds and would bear an interest rate of 5.00%.

Authorization: The Series 2020 Bonds are authorized by Act 34, Public Acts of Michigan, 2001, as amended ("Act 34") permits the Authority to issue refunding bonds for the purpose of refunding part of its funded indebtedness and an refunding bond resolution passed by the Authority.

Documentation: All documents relating to the Series 2020 Bonds shall be prepared by Bond Counsel, with review and comment as necessary provided to Purchaser and its legal counsel. Documents will include an indenture and a validity and tax opinion, among others.

On the Closing Date, the Issuer will provide a transcript of proceedings to the Purchaser, which will include the Bond Authorization Resolution, the Series 2020 indenture, a tax compliance certificate, a signature and no-litigation certificate, such other documents and certificates as required by Bond Counsel, and an opinion of Bond Counsel.

On the Expected Closing Date, the winning Purchaser will be required to deliver the Investor Letter, in substantially the form attached as Exhibit G.

A copy of the Series 2020 Bonds Authorizing Resolution (Exhibit E), Series 2017 Bonds documentation (Exhibit D) have been included herein or are available upon request to the Municipal Advisor. Contact Information is provided below.

**Trustee, Registrar and
Paying Agent:** The Huntington National Bank, Grand Rapids, Michigan

**Bond Counsel /
Tax Counsel:** Miller, Canfield, Paddock and Stone PLC

No Official Statement: The Authority has not and will not prepare offering disclosure documents for the Series 2020 Bonds. The Series 2020 Bonds are being offered on a private placement basis.

DTC Eligible: The Series 2020 Bonds, at the request and expense of the Purchaser, may be registered in the name of CEDE & Co., as nominee of The Depository Trust Company, New York, New York.

CUSIP: CUSIP numbers will not be required for the Series 2020 Bonds. If required, CUSIP numbers shall be at the expense of the Purchaser.

No Ratings: The Authority has not applied for and does not intend to apply for any rating of the Series 2020 Bonds. By submitting a proposal, the Proposer or Purchaser acknowledges that it will perform its own due diligence with regard to credit and documentation of the Series 2020 Bonds.

**Joint Bids/Bids By
Agents:** A Proposer may submit a joint proposal or submit a proposal as placement agent which **must** identify the ultimate Purchaser or Purchasers, provided that each initial holder of the Series 2020 Bonds executes an Investor Letter and meets the criteria set forth therein. Joint proposals or proposal by a placement agent should be so noted on the first page of the proposal.

2. PROPOSALS

Please see Exhibit A for the required information to be submitted by the date shown in the Schedule of Events. **All proposals will be considered firm proposals and may not be changed from the date and time of submission through the date set forth above.**

The Authority reserves the right to seek clarification or negotiate modifications with one or more Proposers, if needed to meet the Authority's needs. Award of the Series 2020 Bonds generally will be based upon the lowest true interest cost to the Authority but will also take into account the impact of any terms and other conditions. The Authority reserves the right, in its sole discretion, to select the proposal that is in the best interest of the Authority or to reject any and all proposals and to waive any informality or failure to conform to the instructions contained in any response.

We respectfully request potential Proposers to state their intent to respond prior to 3:00 p.m. ET on Wednesday October 21, 2020.

All proposals are due (via email) to the Authority (tfehren@cityofeastlansing.com) and its Municipal Advisor (watsonn@pfm.com) no later than 3:00 pm ET on Wednesday, November 4, 2020.

3. CONTACT INFORMATION

All questions related to this RFP must be submitted via e-mail by 3:00 p.m. ET on Wednesday, October 21, 2020. Please address your questions to the following contacts when submitting your questions. All potential Proposers that state their intent in providing the Authority with a proposal will receive the Authority's response to questions received.

Brownfield Redevelopment Authority of the City of East Lansing:

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City of East Lansing
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Bond Counsel:

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Municipal Advisor:

PFM Financial Advisors LLC ("PFM")
Nate Watson
Phone: (734) 794-2522
Email: watsonn@pfm.com

The Authority has retained PFM to serve as the Authority's municipal advisor and to assist in the structuring of the Series 2020 Bonds, review of related documents, and in the evaluation of the proposals. PFM is a municipal advisor registered with the United States Securities and Exchange Commission and the Municipal Securities Rulemaking Board. As such, PFM is providing certain specified municipal advisory services to the Authority. PFM is neither a placement agent to the Authority nor a broker/dealer.