

## **Town of Kiawah Island General Obligation Bond – Request For Proposals**

The Town of Kiawah Island, SC (the Town) is seeking proposals from qualified banking institutions for a \$3,000,000 bank-qualified, tax-exempt bond the proceeds of which will fund a portion of the construction of its new Municipal Complex. A banking institution is considered to be qualified if it is duly registered in the State of South Carolina. The proceeds of the bond awarded pursuant to this RFP are expected to be drawn-down beginning on the day of closing and ending during the second quarter of 2017. Other than an initial draw in the amount of \$50,000 on the day of closing, the Town expects to draw-down the bond proceeds during the first two quarters of 2017.

The Town's most recent annual audit, FY ended June 2015, is available on the Town's web site: <http://www.kiawahisland.org/SharedFiles/Download.aspx?pageid=37&mid=141&fileid=1036>. Additional financial information is also available on request. The Town has no outstanding general obligation bonds.

**One (1) original and four (4) copies of the proposal must be submitted in a sealed envelope and clearly marked in the lower left corner "Request for Proposals - General Obligation Bond", addressed and delivered to: Petra Reynolds, Town Clerk, Town of Kiawah Island, 21 Beachwalker Drive, Kiawah Island, SC 29455. Proposals must be received by 12:00 p.m. Friday, August 19, 2016 at the Town of Kiawah Island Town Hall, at which time the proposals will be publicly opened and reviewed.** Facsimile proposals will not be accepted. Responses delivered later will not be accepted. The Town is not responsible for delays in delivery. The Town is committed to providing equal opportunity in contracting services. The Town reserves the right to cancel this request or reject any and all proposals submitted or to waive any minor formalities if in the judgment of the Mayor and Council the best interest of the Town would be served. The Town's Ways & Means Committee will evaluate the proposals and make a recommendation to Town Council on August 30, 2016. The Town expects to issue the bond before October 14, 2016.

### **1. BACKGROUND**

In 2014, the Town purchased 27 acres of land, of which 19.8 acres is high ground, on Betsy Kerrison Parkway at the entrance to Kiawah Island. This land has been annexed into the Town and will be the site of a new Town Municipal Complex. Work has progressed since on the design of this complex and four qualified contractors were asked to bid on the project. Full details of this project are available to prospective lenders. A bidder (Thomas Construction) has been selected and total project cost is \$9.25 million. The Municipal Complex is expected to be completed in the second quarter of 2017.

### **2. ANTICIPATED BORROWING**

The Town is seeking to borrow \$3,000,000 for this project in the form of a bank-qualified, tax-exempt bond. Draws of the bond proceeds are expected to commence on the day of closing with the majority of the proceeds to be drawn in the first two quarters of 2017. The full amount will be drawn down by the end of May, 2017. The debt service of the bond will be paid primarily from General Fund revenue. The purchaser of the bond will be provided, at the expense of the Town, a tax-exempt opinion from Haynsworth Sinkler Boyd, P.A., Charleston, South Carolina, which is serving as bond counsel to the Town.

### **3. TERM**

The Town is seeking to repay the principal amount of the bond over the next 9 years. The Town seeks the most advantageous fixed interest rate for the entire draw-down and repayment periods. The Town also wants to make sure there is no penalty for prepayment of all or a portion of the bond.

### **4. PURPOSE AND CRITERIA**

The Town is requesting proposals in connection with the issuance of its general obligation bond. The goal is to obtain the highest quality banking services at the lowest borrowing rate to the taxpayer. The following criteria will be used to evaluate all proposals:

1. Borrowing (interest) rate and structure;
2. Banking institution's financial strength;
3. Banking institution's ability to provide the services outlined in the proposal, and;
4. Bank fees for the borrowing;
5. References from other municipal clients.

### **5. GENERAL BANKING INSTITUTION INFORMATION**

Please include the following general banking institution information in your proposal:

1. The name of the relationship representative at the banking institution who would be assigned to the Township bond.
2. The location, branch manager, and operating hours of the branch where the Township will most regularly conduct business.
3. A list of all municipal clients located within the State of South Carolina. The list should include name and address of the jurisdiction, along with a contact name and telephone. The list will be utilized by the Township for the purpose of obtaining at least three references for the banking institution. The entities selected for reference will be at the discretion of the Township. The banking institution may suggest certain organizations of similar size and structure to the Township as possible references.

Information Questions regarding this Request for Proposals may be directed to Ms. Stephanie Monroe Tillerson, Town Administrator at (843) 768-9166 or [stillerson@kiawahisland.org](mailto:stillerson@kiawahisland.org).