



PORT OF CHELAN COUNTY
Request for Proposal

DIRECT PURCHASE of 2018 GO BONDS

Issued by
Port of Chelan County
238 Olds Station Road, Suite A
Wenatchee, WA 98801

PROPOSAL INFORMATION	
Contact:	Monica Lough, Director of Finance
Email Addresses:	accounting@ccpd.com
Phone:	(509) 663-5159
Submittal Due Date	MAY 15, 2018 @ 5:00 PM (PST)

**PLEASE SUBMIT ALL CORRESPONDENCE AND BIDS
VIA E-MAIL DIRECTLY TO THE CONTACT LISTED ABOVE AND INCLUDE
'DIRECT PURCHASE OF 2018 GO BONDS' IN THE SUBJECT LINE**

PORT OF CHELAN COUNTY DIRECT PURCHASE of 2018 GO BONDS

Introduction

The Port of Chelan County (the “Port”), is requesting proposals for a direct purchase of fixed-rate General Obligation (“GO”) Bonds, Series 2018 (the “Bonds”) in accordance with the proposed financing terms set forth below. The Bonds are being issued to fund the purchase of the Executive Flight building located in the Pangborn Memorial Airport industrial park.

The lender will be provided with an opinion from the Port’s bond counsel, K&L Gates LLP, relating to the Port’s authority to issue the Bonds, enforceability of the Bonds, and status of the Bonds. The Port’s outstanding limited tax general obligation bonds carry an underlying rating of “Aa3” from Moody’s Investor Service.

By providing a rate proposal, each lender is agreeing to the proposed financing terms herein, and is acknowledging the Schedule of Events set forth below. Each proposal must state an interest rate to be offered, which will not be subject to adjustment by the lender. The Bond will mature June 1, 2039.

Schedule of Events

04-25-18	■ Request for bids distributed
05-15-18	■ Proposals due electronically – 3:00 pm Pacific Time
By 05-20-18	■ Review of and acceptance of winning proposal by the District
06-15-18	■ Initial Potential Closing Date - Funding
07-16-18	■ Extended Potential Closing Date – Funding
	<i>*or such other date requested in the winning proposal</i>

The Port reserves the right to reject all proposals and is not obligated to accept any proposals.

A. BACKGROUND

The Port District was incorporated by consent of the voters within Chelan County in November, 1958, and operates under the laws of the State of Washington applicable to port districts. The Port District is a special purpose government that provides industrial park, airport, tourism and economic development services to the general public, and is supported primarily through user charges (or where the governing body has decided that periodic determination of net income is needed). The Port District is governed by an elected three member commission.

More information can be found at <https://www.portofchelancounty.com>.

B. SCOPE OF SERVICES

Fixed Rate 2018 GO Bonds

The Bonds will be issued to fund the purchase of the Executive Flight building located at Pangborn Memorial Airport. The Bonds will constitute a general obligation of the Port and are payable from tax revenues of the Port and such other money as is lawfully available and pledged by the Port for the payment of principal of and interest on the Bonds. For as long as any of the Bonds are outstanding, the Port irrevocably will pledge to, in the manner provided by law, within the constitutional and statutory limitations provided by law without the assent of the voters, include in its annual property tax levy amounts sufficient, together with other money that is lawfully available, to pay principal of and interest on the Bonds as the same become due. Any such tax levy is subject to certain limitations. The full faith, credit, and resources of the Port will be pledged irrevocably for the prompt payment of the principal of and interest on the Bonds.

The Port may levy up to 45 cents per thousand dollars of assessed value for general port purposes, including the establishment of a capital improvement fund for future capital improvements. A levy for the payment of the principal and interest on general obligation bonded indebtedness of a port district can be in excess of any levy made by a port district under the 45 cents per thousand dollars of assessed value limitation. Based on the current assessed valuation, the Port budgeted levy revenue of \$2,778,811 for 2018. The Port's assessed valuation for the years 2013 to 2017 is summarized in the table below:

Assessed Valuation 2013-2017

<u>Tax Year</u>	<u>Assessed Valuation</u>
2013	\$8,602,216,676
2014	\$9,122,362,233
2015	\$9,709,253,746
2016	\$10,358,133,863
2017	\$11,083,349,991

Source: Chelan County Assessor's Office

Outstanding Debt

As of April 25th, 2018, the following outstanding debt is held by the Port:

- a. Outstanding voted general obligation bonds:

<u>Description</u>	<u>Principal Balance</u>
None	

- b. Outstanding non-voted general obligation bonds (excluding the 2018 GO Bond to be financed):

<u>Description</u>	<u>Principal Balance</u>
LTGO Refunding Bond, 2010	\$ 476,204.76
LTGO Refunding Bond, 2017	1,978,770.87

- c. Outstanding leases, conditional sales contracts and other contract for which the Port is obligated for a period of more than one year:

<u>Description</u>	<u>Principal Balance</u>
CERB Loan – CTC	\$242,647.08
CERB Loan – Cashmere Mill	785,692.56

Miscellaneous Provisions

The Port is not responsible for any expense incurred in preparing and submitting a response to this bid or taking any action in connection with the selection process, including the costs of any service performed by any firm prior to the engagement of the firm for this financing assignment.

The Port retains the discretion not to utilize the services of any selected firm or to terminate the selection process without cause and without penalty. Selection of a firm does not assure that any service will ultimately be requested.

The Port reserves the right to modify and/or suspend any and all aspects of this RFP, to obtain further information from any firm or person responding, and to waive any defect as to form or content of this RFP. Also, oral communications with the Port and its agents shall be non-binding and shall in no way operate to modify the provisions in this bid.

C. BID ELEMENTS & EVALUATION CRITERIA:

Bid Elements

Principal Amount: \$3-4,000,000

Form: The bond shall be issued in the form of a single, fully-registered bond, purchased by the financial institution for private placement.

Maturity Date: The Bond will mature June 1, 2039

Structure: Equal semiannual installments of principal and interest shall be due each June 1 and December 1, beginning December 1, 2018.

Prepayment: The Bond may be prepaid in whole or in part at any time, without penalty, at the price of par plus accrued interest to the date of the prepayment. The Port will provide the financial agency with 10 days advance written notice of any intended prepayment.

Additional Items: The bond documents shall be prepared by bond counsel to the Port, and will include additional terms not discussed here.

Selection Criteria

If any financial institution is selected, the Port will select the financial institution based on interest rate(s), fees, and expenses quoted in the response, terms and conditions, and the loan structure that best meets the financing requirements of the Port. The Port will negotiate with the financial institution that, in its sole opinion, offers the best value to the Port. The Port also reserves the right to waive any irregularity in any response.

Bid Requirements

Firms interested in providing a proposal for the Bonds should submit written responses including the following information:

1. General information on the respondent, including the name, address, phone/fax numbers and e-mail address of the contact person who is authorized to answer questions and negotiate final terms and conditions on behalf of the respondent.
2. Please outline any covenants, representations, or other requirements known at this point that the respondent will need as a prerequisite to entering into this financial arrangement with the Port, including any events of default, termination events, or related provisions that are not addressed in this RFP.
3. **Please outline the respondent's procedure and timing for credit approval and provide a formal statement indicating that the respondent will be able to meet the Port's schedule of implementing/closing the Bonds** by June 15, 2018. If possible, please include in your response language to the effect that your response to this RFP indicates that your financial institution expects no difficulties or delays in receiving credit approval.

Bids should present information in a straightforward and concise manner, while ensuring complete and detailed descriptions of the firm's/team's abilities to meet the requirement of this RFP.