



Request for Proposals
For
Installment Loan Financing
June 13, 2024

*Due Date: Friday, July 5, 2024
By 12:00 PM*

423 Bethania-Rural Hall Road
Rural Hall, North Carolina

**FORSYTH COUNTY, NORTH CAROLINA
REQUEST FOR PROPOSALS
INSTALLMENT LOAN FINANCING**

The Town of Rural Hall, 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 \$1,500,000 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 Proposals.

PERTINENT INFORMATION

The Town seeks to finance \$1,500,000 for its Fire Station construction project and related improvements.

The existing Rural Hall Fire Station has served the Town of Rural Hall and its surrounding fire district since approximately 1949 and was remodeled in 1988. In 2019, a space needs assessment identified the need for further remodeling and significant improvements, however, staffing changes and the need for additional space since that time have resulted in the Rural Hall Town Council's decision to demolish the existing structure and construct a new state of the art facility.

In 2023, the Town selected Bobbitt Construction, Inc. & Bobbitt A&E, PLLC of Raleigh, NC as its design-build contractor. A committee comprised of Rural Hall firefighters and Town management and elected officials have finalized a design, and the Town has received a legislative appropriation of \$3,800,000 in the current state budget toward this project. Construction is scheduled to begin in the summer of 2024. The total estimated cost of the project is \$6,142,335. Included in the estimated cost is a recommended \$401,835 (7%) contingency, which the Town of Rural Hall plans to self-finance.

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 August of 2024.

CONTRACT SPECIFICATIONS

1. The desired amount of the financing is an amount not to exceed \$1,500,000.
2. The desired term of the financing agreement ten or fifteen is (10 or 15) years. The Town desires the debt service payment schedule to reflect amortization over a ten or fifteen (10 or 15) 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 August 7, 2024.
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 12:00 PM on Friday, July 5, 2024. Responses may be either mailed or emailed. Please address your response to the attention of:

Lynette Hendrick, Town Clerk
Town of Rural Hall
423 Bethania-Rural Hall Road
PO Box 549
Rural Hall, NC 27045
lhendrick@ruralhall.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 or fifteen (10 or 15) 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.
6. A statement as to whether any of such fees or expenses can or will be capped or waived.
7. A statement acknowledging and confirming that your institution agrees to the contract specifications set forth in the section labeled "Contract Specifications" of this Request for Proposals.
8. A description of the collateral you propose/require to secure financing and the method for creating the lien or security interest in such collateral.
9. 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 Homer Dearmin, Interim Town Manager at manager@ruralhall.com.

Thank you in advance for your consideration of this request for proposals.

Sincerely,

A handwritten signature in black ink, appearing to read 'H. T. Dearmin', with a stylized flourish at the end.

Homer T. Dearmin
Town Manager

**RIDER A TO REQUEST FOR PROPOSALS
FOR TAX EXEMPT INSTALLMENT LOAN FINANCING
BY TOWN OF RURAL HALL NORTH CAROLINA**

June 13, 2024

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.