



REQUEST FOR PROPOSALS

FOR

PRIVATE PLACEMENT / DIRECT PURCHASE

SUNRISE RECREATION & PARK DISTRICT

SACRAMENTO COUNTY, CALIFORNIA

REFUNDING OF SERIES 2007 CERTIFICATES OF PARTICIPATION

ESTIMATED PRINCIPAL AMOUNT: \$6,135,000

Responses will be accepted until 12:00 p.m. Pacific Time on Wednesday, September 2nd

Questions regarding this RFP should be directed to Sacramento County's Municipal Advisor:

PFM Financial Advisors LLC

Attn: Robert Gamble

(415) 310-2961

gambler@pfm.com

**SUNRISE RECREATION & PARK DISTRICT
SACRAMENTO COUNTY, CALIFORNIA**

**REQUEST FOR PROPOSALS FOR PRIVATE PLACEMENT / DIRECT PURCHASE
REFUNDING OF SERIES 2007 CERTIFICATES OF PARTICIPATION**

I. INTRODUCTION

PFM Financial Advisors LLC (“PFM”), Municipal Advisor to Sacramento County, California (the “County”) is soliciting proposals for a financing (the “2020 Lease”) that will be used to refinance the Sunrise Recreation & Park District (the “District”) outstanding Certificates of Participation (“COPs”) captioned \$7,435,000 Sunrise Recreation & Park District (Joint Use Facilities Project) Certificates of Participation, Series 2007 (the “2007 COPs”) to achieve cashflow savings, and to borrow up to \$1 million in additional funds for District capital projects.

The District is requesting the provision of terms for a 17-year fixed-rate financing, which will be secured by a lease/leaseback arrangement payable from the District’s general fund, under which the lease payments will be assigned to the lender. The District will use the Sacramento County Public Facilities Financing Corporation as the counterparty for the lease/leaseback arrangement, but the lease payments will be solely the responsibility of the District. The estimated amount of the 2020 Lease is \$6,135,000.

The 2007 COPs were issued in June 2007 to finance a portion of the construction of Antelope Community Park’s recreation and park improvements. The 2007 COPs will have an outstanding principal amount of \$5,275,000 after their September 1, 2020 principal payment date.

Moody’s reviewed the District’s ratings in 2018, upgrading the 2007 COPs from A2 to A1 and affirming the District’s Aa3 Issuer Rating, which is equivalent to a general obligation unlimited tax rating.

The District is a dependent district of the County, providing recreational services for Antelope, Citrus Heights, and Foothill Farms communities. The District’s Basic Financial Statements for the fiscal year ending June 30, 2019 and for prior years, as well as continuing disclosure information, can be found on EMMA at:

<https://emma.msrb.org/IssuerHomePage/Issuer?id=6E0A7D3B131D1DA6BD9F881201331AB9>

The FY2019-20 Adopted Budget can be found on the District’s website at:

<https://www.sunriseparks.com/sunrise-recreation-and-park-district-budgets>

II. PROPOSAL REQUIREMENTS

In developing a response to this request for proposals, proposers should be concise, limiting their response to the specific questions and requirements set forth herein. The proposal shall be limited to 10 one-sided pages using a minimum 11-point font size (excluding a maximum two-page cover letter and requested transaction lists). As an aid to evaluation, the proposal should respond to each question or requirement in consecutive order, as follows:

- A. Cover Letter** – Each response should include a cover letter no longer than two pages (will

not count against the page limit).

B. Firm Information

1. Provide a brief description of your firm and its recent experience with the purchase of lease financings in California.
2. Provide a list, in tabular form with a grand total, of all municipal obligations the firm has directly purchased and/or loans the firm has made to municipal borrowers over the past 24 months, specifically identifying staff members involved and their roles (will not count against the page limit).

C. Qualifications and Experience of Assigned Personnel

1. Identify the members of your firm who will be assigned to this project and provide the name, address, telephone number and e-mail address of each. Include a brief resume of each person that specifically addresses their experience relevant to the District's proposed financing and identify the responsibilities that he or she will be assigned for this engagement. Identify the day-to-day project manager and the back-up project manager for this engagement. Indicate how you will ensure the accessibility of key personnel to the District during this engagement.
2. Provide the name, address and telephone number of three references for issuers for whom the proposed project manager has carried out similar responsibilities to those contemplated under this RFP.

D. Proposed 2020 Lease Terms

Borrower:	Sunrise Recreation & Park District
Estimated Loan Amount:	\$6,135,000
Purpose:	The proceeds of the 2020 Lease will be applied to (i) refinance the District's prior 2007 COPs, (ii) fund District capital projects, and (iii) pay the costs associated with the transaction
Interest Payments:	Semi-annual interest payments on March 1 and September 1, commencing March 1, 2021
Principal Payments:	Annual payments on September 1, commencing September 1, 2021
Final Maturity Date:	September 1, 2037
Estimated Average Life:	9.5 years
Credit Rating:	The 2020 Lease is not expected to be rated. The 2007 COPs are currently rated A1 with a stable outlook by Moody's
Security for Repayment:	Loan repayments will be secured by a lease/leaseback arrangement payable from the District's general fund, which will be assigned to the lender

Optional Prepayment:	7-year prepayment option preferred, other options considered	
Interest Rate:	Fixed. Please include the applicable formula for determining fixed rate and any alternate rate structures as further described below	
Tax Treatment:	The lease is expected to be tax-exempt and Bank Qualified	
Expected Closing Date:	December 17 th , 2020	
Estimated Principal Amortization Schedule:	September 1, 2021	\$295,000
	2022	305,000
	2023	315,000
	2024	320,000
	2025	325,000
	2026	335,000
	2027	345,000
	2028	350,000
	2029	360,000
	2030	365,000
	2031	375,000
	2032	385,000
	2033	395,000
	2034	400,000
	2035	415,000
	2036	420,000
	2037	430,000
	Total	\$6,135,000

1. The District is seeking to achieve cash flow savings and access capital funds through a refunding of the 2007 COPs. To this end:
 - a. Assuming a 7-year par call option and tax-exempt Bank Qualified debt as indicated in the proposed terms above, please provide a borrowing rate and identify the index or other basis for determining this cost of funds, along with overall True Interest Cost ("TIC"). Please also provide borrowing rates assuming alternate structures: (i) a 10-year par call option (ii) non-callable debt (iii) tax-exempt debt which is not Bank Qualified.
 - b. Please describe any alternative methods regarding how your firm would propose to structure the 2020 Lease assuming fixed rate debt. Please be clear as to the benefits, costs, and/or considerations of any alternatives.
2. Please indicate the maximum par amount your firm would purchase / loan, as well as the minimum amount you would require in order to participate. Please also indicate whether you have credit approval for this transaction or what the timing and process will be to obtain final approval after submittal of your proposal.
3. Please indicate the earliest date a rate lock can take effect, and the maximum number of days the lock is effective therefrom.
4. Note any timing or financial challenges you anticipate given the impact of the COVID-

19 pandemic and/or the upcoming presidential election.

5. Please describe any proposed document covenants or requirements, such as a continuing covenant agreement.

E. Cost Proposal

1. Provide your proposed fees. Please note that any payment is contingent on the closing of the bonds. In your response, please specifically include (as applicable):
 - a. Bank Fee, if any.
 - b. Expenses. In this section, clearly break out and identify expense estimates.
 - c. Identity of the proposed Bank Counsel and Bank Counsel fees, assuming the District's bond counsel, Jones Hall APLC, would draft the lease documents.

III. EXCEPTIONS TO THIS RFP

The proposer shall certify that it takes no exceptions to this RFP. If the proposer does take exception to any portion of the RFP, the specific portion of the RFP to which exception is taken shall be identified and the reason(s) for exception explained.

IV. SUBMITTAL REQUIREMENTS

A. Authorization

The proposal shall be signed by an individual or individuals authorized to execute legal documents on behalf of the proposer. **By responding to this request for proposals, you acknowledge that you have received the following disclosure:**

PFM Financial Advisors LLC is soliciting your interest in this transaction pursuant to Securities and Exchange Commission Release No. 34-89074 (June 16, 2020) granting a temporary conditional exemption from the broker requirements of Section 15(a) of the Securities Exchange Act of 1934 for certain activities of registered municipal advisors. **In connection with such solicitation please be advised of the following:**

1. PFM Financial Advisors LLC ("PFM" or "we" or "us") represents solely the interests of Sacramento County with respect to this transaction and does not represent your interests.
2. We have not conducted any due diligence on your behalf.
3. Neither PFM nor Sacramento County have engaged a broker-dealer to act as a placement agent with respect to this transaction.
4. You may choose to engage the services of a broker-dealer to represent your interests.

We are required to obtain your acknowledgement that you received this disclosure.

In order to comply with the terms of the conditional exemption, at or prior to closing

you will be required to deliver a representation stating the following, in addition to whatever other representations may be required at or before closing:

1. You are a “Qualified Provider” as required by Securities and Exchange Commission Release No. 34-89074 (June 16, 2020) which is defined as (i) a bank as defined in Section 3(a)(6) of the Exchange Act of 1934; (ii) a wholly-owned subsidiary of a bank engaged in commercial lending and financing activities, such as an equipment lease financing corporation; or (iii) a federally- or state- chartered credit union.
2. You are capable of independently evaluating the investment risks of this transaction.
3. You are not engaging in this transaction with a view to distribute the debt instrument to other entities.
4. You will not transfer any portion of the debt instrument within one year of its issuance date.

B. Delivery

The proposal must be received no later than the date and time specified on the cover page. Only electronic submissions will be accepted. Please submit your proposal as a single pdf file to the email addresses below:

PFM Financial Advisors LLC

Robert Gamble
Managing Director
gambler@pfm.com

Nick Jones
Senior Managing Consultant
jonesni@pfm.com

Eric Heidel
Analyst
heidele@pfm.com

FAILURE TO COMPLY WITH ANY OF THE REQUIREMENTS OF THIS RFP, INCLUDING FAILURE OF A PROPOSAL IN RESPONSE TO THIS RFP TO BE RECEIVED BY THE DEADLINE NOTED ABOVE, MAY RESULT IN DISQUALIFICATION OR REJECTION OF THE PROPOSAL.

V. COMMUNICATION

All questions related to this RFP should be directed to the County’s Municipal Advisor, Robert Gamble of PFM Financial Advisors LLC, phone: (415) 310-2961, email: gambler@pfm.com. Should certain issues be identified as affecting all proposers, written responses will be provided to all recipients of the RFP. Other communications with the District related to this RFP are prohibited until the selection process is complete.

FAILURE TO ADHERE TO THIS REQUIREMENT MAY RESULT IN DISQUALIFICATION.

VI. EVALUATION CRITERIA

The District expects to evaluate the written proposals based on evaluation criteria including the following, which are not necessarily listed in order of importance:

- A. Interest Rate and True Interest Cost based upon the estimated amortization schedule
- B. Interest rate lock ability and terms (i.e. when does the rate lock take effect, as of the date

of the proposal, signing of the term sheet, other, including the maximum number of days the lock is effective therefrom)

- C. Prepayment provisions
- D. Proposer's costs to be paid from loan proceeds (i.e. bank counsel, upfront fees, etc.)
- E. Any additional requirement or desired covenants

VII. INTERVIEWS

Those firms considered most qualified to provide the desired services based on an evaluation of the written proposals may be invited for an interview, or the District may make its selection without holding interviews.

VIII. LIMITATIONS

This RFP does not commit the District to award a contract, to defray any costs incurred in the preparation of a proposal pursuant to this RFP, or to procure or contract for work.

All proposals submitted in response to this RFP become the property of the District and public records, and as such may be subject to public review.

The District reserves the right to cancel or revise, in part or in its entirety, this RFP including but not limited to: selection schedule, submittal date, and submittal requirements. If the District cancels or revises the RFP, all RFP holders of record will be notified in writing.

The District reserves the right to request additional information and/or clarifications from any or all responders to this RFP.