



ADDENDUM NO. 1

QUESTIONS AND ANSWERS

**Addendum to the Indianapolis Local Public
Improvement Bond Bank RFQ-CJC-2018-002**

Request for Qualifications
Underwriting Services for the Indianapolis-Marion County
Community Justice Campus

PUBLISHED: JULY 23, 2018

**THE INDIANAPOLIS LOCAL PUBLIC IMPROVEMENT BOND BANK
REQUEST FOR QUALIFICATIONS**

**UNDERWRITING SERVICES FOR THE INDIANAPOLIS – MARION
COUNTY COMMUNITY JUSTICE CAMPUS**

ADDENDUM NO. 1

BOND BANK RFQ-CJC-2018-002

DUE: AUGUST 3RD, 2018, AT 5:00 PM EST

INTRODUCTION AND DISCLAIMER

On July 13th, 2018, the Indianapolis Local Public Improvement Bond Bank (“Bond Bank”) issued a Request for Qualifications pertaining to services for *Underwriting Services for the Indianapolis – Marion County Community Justice Campus* (Bond Bank RFQ-CJC-2018-001).

As stated in Section 3.4, questions regarding this RFQ were required to be submitted via email by July 19, 2018, at noon EST.

This addendum serves as official answers to the questions submitted over email.

DEADLINE

Proposals must be submitted by **Friday, August 3, 2018, at 5:00 PM EDT** in PDF form via electronic mail to Karen Strunk, Project Manager, at karen.strunk@indy.gov with reference to **[Firm’s Name] | Indianapolis Bond Bank RFO-CJC-2018-002** in the subject line of the electronic mail.

CLARIFICATION

Question 5, Page 7, stated: For the purposes of this analysis, please note that the Bond Bank is currently considering the following:

- A 'lockbox' arrangement where the State transfers LOIT revenues to the Marion County Auditor, who then transfers appropriate portions of the revenue to the Trustee.
- All Debt Service payments will be in the appropriate account at the Trustee by 60 days before the respective Debt Service payment is due to bondholders.

*The Bond Bank would like to clarify the first option: a 'lockbox' arrangement where the State transfers LOIT revenues to the **Marion County Treasurer**, who then transfers appropriate portions of the revenue to the Trustee.*

QUESTIONS AND ANSWERS

Has the Bond Bank already or does it plan to utilize any funds outside of Note proceeds to finance project costs prior to the issuance of long-term debt?

No, not at this time.

Does the Bond Bank have a sense for the total value of the project?

The current engineering estimates are \$571M in project costs.

Section 2, Question 15 (page 8 of RFP) asks about pending investigations or enforcement actions against our firm within the past three years by the SEC or any other regulatory bodies. The Statement of Disclosure requested on Page 10 is worded differently but also asks about investigations and violations by our firm but over a different time period since January 1, 2013. Can the Bond Bank clarify which time period/question it would like firms to respond to in our RFP response?

Please disclose any investigations or violations from January 1, 2013 to present.

Are firms who plan to respond to the RFQ as a co-manager required to submit a response to the entirety of Question 11?

Firms planning to respond to the RFQ as a co-manager are not required to submit a response to the entirety of Question 11.

Could you please clarify question 1h? On question 1g you request that we use MMD as of July 18th, is question 1h meant to address items related to reinvestment securities?

g. Assume MMD rates as of July 18, 2018;

h. Incorporate into your interest rate assumptions, the two additional fed interest rate increases (0.25% each) signaled by Federal Reserve Board by end of 2018 into your firm's analysis;

No. For the purposes of structuring and sizing the bonds, we are asking everyone to utilize the same set of interest rate assumptions; i.e. use MMD rates as of the close on July 18th, incorporate into those base rates assumptions that would include two federal rate hikes by

December 2018 (e.g. a forward rate curve) since the bonds will not be issued until after January 1, 2019.

Please clarify the following paragraph at the bottom of question 5. Is this statement meant to apply to question 5e only or to all questions 5a through 5e? For purposes of this analysis, please note that the Bond Bank is currently considering the following:

- *A 'lockbox' arrangement where the State transfers LOIT revenues to the Marion County Auditor, who then transfers appropriate portions of the revenue to the Trustee.*
- *All Debt Service payments will be in the appropriate account at the Trustee by 60 days before the respective Debt Service payment is due to bondholders.*

All of question 5. The Bond Bank was seeking to lay out its expected approach to structuring the credit and is looking for your firm's analysis of that structure and how it will be viewed by the rating agencies.

Could you please provide a breakdown of the projected construction cash flows in Attachment A to reflect the cash flows for each project?

No. The City currently has an RFP outstanding street for the Jail and other facilities and so it is not an appropriate time to be providing detailed project cost estimates.