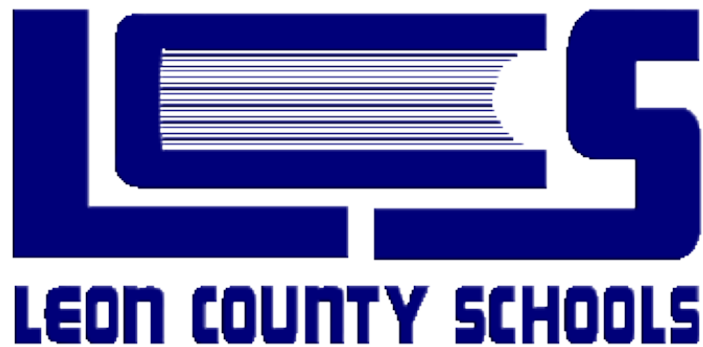


# **Request for Proposals**

**Issued on behalf of:**

**The School Board of Leon County, Florida**



**Solicitation #367-2016**

**Refunding Certificate of Participation, Series 2016A**

**Proposals due: March 30, 2016**

**by 3:00PM Eastern**



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## **Introduction**

On behalf of The School Board of Leon County, Florida (the “Board”), Ford & Associates, Inc. (“Ford & Associates” or the “Financial Advisor”) is soliciting proposals from qualified lending institutions (“Respondents”) to provide approximately \$ financing for its proposed Refunding Certificate of Participation, Series 2016A (the “2016A COP”) for the purposes of refinancing certain outstanding obligations of the Board as described below.

## **Description of the Proposed Financing**

The Board’s Certificates of Participation, Series 2005 (the “2005 COPs”) are currently outstanding in the amount of \$14,425,000 and mature on July 1<sup>st</sup> of each year from 2016 through 2022. As of July 1, 2015, all of the outstanding 2005 COPs are subject to redemption at the option of the Board on any date at a price of par plus accrued interest to the call date.

The Certificates of Participation, Series 2006 (the “2006 COPs”) are currently outstanding in the amount of \$45,070,000 and mature on July 1<sup>st</sup> of each year from 2016 through 2026. The 2006 COPs maturing on and after July 1, 2017 are subject to redemption at the option of the Board beginning on July 1, 2016 at a price of par plus accrued interest to the call date.

The Board intends to issue the “2016A COP” in the amount necessary to refund all of the outstanding 2005 COPs and all of the callable 2006 COPs and to pay associated transactional costs. A summary of the 2005 COPs and the 2006 COPs to be refunded can be found in **Appendix A**. An estimated principal amortization schedule for the proposed 2016A COP can be found in **Appendix B**.

## **About the Board**

The Board is organized under Section 4, Article IX, of the Constitution of Florida and Chapter 1001, Florida Statutes, as amended, and is the governing body of the School District of Leon County, Florida (the “District”). The geographic boundaries of the District are coterminous with those of Leon County, Florida (the “County”). As of June 30, 2015, the District included 24 elementary schools, 8 middle schools, 5 high schools, 3 alternative schools, 2 exceptional student education facilities, and 2 vocational technical centers. For the current fiscal year, the School Board has reported 33,674 unweighted full time equivalent students, inclusive of the vocational technical centers. The District employs 4,318 full-time employees, of which 2,215 are full-time teachers. The Board’s management of the District is independent of county and

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city governments. The Leon County Tax Collector collects ad valorem taxes for the Board, but exercises no control over expenditures by the Board.

### **Organization and Powers of the Board**

The District is a body corporate existing under the laws of the State of Florida. The Board is the governing body of the District, consisting of five members elected by districts for overlapping four-year terms. Under existing law, the School Board's duties and powers include, but are not limited to, the development of policies and rules for the efficient operation of the District; the acquisition, maintenance and disposition of school property within the District; the development and adoption of a school program for the District; the establishment and operation of programs for gifted students and for students in residential care facilities; the appointment, compensation, promotion, suspension and dismissal of employees; the establishment of courses of study and the provision of adequate instructional aids; and the establishment of a system to transport students to school or school-related activities.

Direct control of the public schools in the County is vested in the Board. Each member must reside in one of the five districts in the County. The Board operates under the general direction of the State Board of Education, which is appointed by the Governor. The Board establishes policy, selects school sites, makes contracts, approves building plans, appoints teachers and other employees, sets salaries and approves the school budget.

The Board also has broad financial responsibilities, including the approval of the annual budget, adoption of the school tax levy and the establishment of a system of accounting and budgetary controls. The annual budget and accounting reports must be filed with the State Department of Education.

The present members of the School Board, their offices, if any, and the expiration of their respective terms are as follows:

District 1	Ms. Alva Striplin	Member	November 2018
District 2	Mr. Dee Crumpler	Member	November 2016
District 3	Ms. Maggie Lewis-Butler	Member	November 2018
District 4	Ms. Dee Dee Rasmussen	Chair	November 2016
District 5	Ms. Georgia "Joy" Bowen	Vice Chair	November 2018

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## **Superintendent of Schools**

The Superintendent of Schools (the "Superintendent"), who is also elected, is the chief executive officer of the District and secretary of the Board. The Superintendent oversees operations of the school system, makes policy recommendations to the Board, and performs the duties assigned to him by law and the regulations of the State Department of Education.

The Superintendent also prepares the annual budget for approval by the Board, recommends the ad valorem tax levy based upon needs illustrated by the budget, recommends debt issuance or borrowing plans of the Board when necessary, provides recommendations for investment of available funds, and keeps records with respect to all funds and financial transactions of the Board. The Superintendent is assisted by one Deputy Superintendent, three Assistant Superintendents and four Executive Directors. The various administrators, instructional personnel and other staff which support and service each of the schools report to the Executive Directors.

The Superintendent is Mr. Jackie Pons, whose current term expires in November 2016.

## **About the Corporation**

Leon School Board Leasing Corporation (the "Corporation") is a Florida single purpose, not-for-profit educational corporation formed for the purpose of acting as lessor in connection with "lease purchase" capital facilities for the Board. The members of the Corporation are the members of the Board. The Chairman of the Board serves as Chairman of the Board of Directors and President of the Corporation; the Vice Chairman of the Board serves as Vice Chairman of the Board of Directors and Vice President of the Corporation; and the Superintendent of Schools serves as ex officio Secretary/Treasurer of the Corporation.

The Corporation has assigned all of its right, title and interest in and to the Master Lease (except certain indemnification rights, the right to initiate additional Lease Schedules from time to time and its obligation not to impair the tax status of the Series 2016A Certificates) including its right to receive Lease Payments from the Board, its right, title and interest in and to the Ground Lease, and its right to use, sell and relet Projects, to the Trustee. The Trustee directly collects from the Board all of the Basic Rent Payments which are the source of and security for payment of the Series 2016A Certificates. Therefore, the credit of the Corporation is not material to the transaction contemplated in this RFP. No financial information concerning the Corporation has been included herein or by reference, nor is it contemplated that any such financial information will be provided in any future offering statement or

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request for proposals relating to the sale of any additional Series of Certificates of Participation or other obligations of the Board. The Corporation has no assets.

### **The Master Lease**

The Master Lease provides for the lease-purchase financing by the Board from time to time of various real and/or personal property projects ("Projects"). The Master Lease provides the terms and conditions governing the lease of Projects, and the framework under which the Board is obligated to pay rent ("Basic Rent") to the Corporation for the Project described on a particular Lease Schedule. Lease Payments consist of Basic Rent, the principal and interest components of which are set forth in each Lease Schedule, and Supplemental Rent consisting of, among other things, Trustee fees and expenses, prepayment premiums and other financing expenses. Each Lease Schedule describes the Project to be lease-purchased by the Board and the details governing the particular lease transaction, including the obligation to make Basic Rent Payments for such Project and to pay Supplemental Rent.

Under the Trust Agreement, one or more Series of Certificates of Participation may be issued to obtain funds to be used to pay the costs of acquisition and construction of Projects. The proceeds of the sale of the Certificates of Participation of each Series are deposited with the Trustee and will be requisitioned by the Board, acting as agent for the Corporation, to pay the costs of one or more related Projects. Pursuant to the Lease Assignment, the Corporation has assigned its rights under the Master Lease, including its right to receive Basic Rent Payments from the Board under all Lease Schedules, other than its right to indemnification, its right to enter into additional Lease Schedules and its obligation not to impair the tax status of the Certificates, to the Trustee for the benefit of owners of the Certificates in order to secure such Certificates. Failure to appropriate any Lease Payment results in an Event of Non-Appropriation with respect to all Lease Payments set forth on all Lease Schedules to the Master Lease, and a default with respect to any obligation under the Master Lease and any Lease Schedule results in an Event of Default with respect to the entire Master Lease and all Lease Schedules thereto.

### **Terms and Conditions**

The District reserves the right to accept or reject any or all responses submitted in response to this RFP and to waive any informalities and irregularities in any response reviewed and to request resubmission. The District reserves the right to award the financing to the qualified financial institution whose response and, if necessary, any accompanying negotiation, offers

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the transaction(s) which is in the best interest of the District, in its sole discretion. The District shall be the sole judge of the response and the resulting negotiated agreement that is in its best interest. Any and all cash flows produced in the course of the proposed transaction shall be considered preliminary until deemed final by the District's Financial Advisor and verified by the District's Verification Agent.

**The District will not accept any terms and conditions beyond those available to the existing holders of any of its Certificates of Participation or Bonds, nor any terms or conditions which could disadvantage such parties.**

All costs of responding to this RFP are the responsibility of the Respondent and may not be charged to the District, either directly or indirectly. All fees and expenses, including legal fees of the Respondent, are on a contingency basis and shall only be paid if and when the financing closes. Any dispute concerning the timeliness of a response shall be resolved against the Respondent.

All applicable laws and regulations of the State of Florida and policies and resolutions of the District will apply to any resulting agreement.

Prior to delivery of the 2016A COP, the Respondent(s) must provide the District with a disclosure statement containing the information required by Section 218.385(6), Florida Statutes and a Truth-In-Bonding Statement pursuant to Section 218.385, Florida Statutes.

The Respondent(s) will be required to make certain certifications at closing, including certificates necessary for Special Counsel to deliver their opinion, and to the effect of the following:

- We are engaged in the business of investing in securities similar to the 2016A COP, or in the business of entering into loan transactions evidenced by securities similar to the 2016A COP.
- We are purchasing the 2016A COP for our own account (or the account (s) of our banking affiliates) for investment purposes and not for resale; provided, however, that subject to our compliance with federal and state securities laws applicable to us, we reserve the right to transfer the 2016A COP or any part thereof or interest therein at any time in our sole discretion. The interest rate represented by the 2016A COP was negotiated pursuant to an arms-length transaction. In the opinion of the undersigned, the fair market value of the 2016A COP is at least equal to the stated principal amounts represented by the 2016A COP. The full principal amount represented by the 2016A COP, except for our fees and expenses, will be advanced by the Respondent on this date to the District.

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- We are a [bank/bank subsidiary] and we have sufficient knowledge and experience in financial and business matters, including the purchase and ownership of tax-exempt obligations, to be capable of evaluating the merits and risks of our investment in the 2016A COP.
  - We are able to bear the economic risk of our investment in the 2016A COP.
  - We acknowledge that the 2016A COP does/do not represent a general obligation of the District, are not secured by a pledge of the faith and credit of the District, the Counties, or the State of Florida or of any political subdivision thereof and do not create indebtedness of the State of Florida or any political subdivision thereof, and we further acknowledge that no covenant, stipulation, obligation or agreement contained in any documents related to the issuance of the 2016A COP is/are or shall be deemed to be a covenant, agreement, or obligation of any present or future Board, officer, or employee of the District in his or her individual capacity.
  - We understand, acknowledge, and agree that the 2016A COP has not been and will not be registered under the 1933 Act or the securities or Blue Sky laws of any state and are not listed on any stock or securities exchange.
  - We understand that no offering statement, prospectus, offering circular, official statement or other disclosure document containing material information with respect to the District and the 2016A COP is being or has been prepared, and that, with due diligence, we have made our own inquiry and analysis with respect to the District, the 2016A COP, and the security therefor.
  - We have received all financial and other information regarding the District that we have requested and which we consider relevant or necessary to make an informed decision to invest in the 2016A COP. We have made our own inquiry into the creditworthiness of the District, we have received all the information that we have requested from the District or any agents or representatives thereof, and we have been afforded a reasonable opportunity to ask questions about the terms and conditions of the offering, the 2016A COP, the security therefor, and the District.

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## **Basis of Award**

It is the intent of the District to award each financing to the qualified financial institution proposing the best and lowest cost financing vehicle. Responses will be evaluated on a number of criteria including, but not limited to, legal and financial covenants, terms and conditions, true interest cost, and prepayment provisions. The award is subject to review by the District and its consultants and negotiation of all items included within the proposal, as applicable.

The District reserves the right to accept or reject any or all proposals. The District reserves the right to waive any irregularities and/or technicalities contained in any proposal and may, at its sole discretion, request a clarification or other information to evaluate any or all proposals. The District reserves the right, before awarding the contract, to require proposer(s) to submit evidence of qualifications, contact references or any other information that the District may deem necessary. The District reserves the right to cancel or amend this RFP or any portion thereof prior to approval by the Board.

## **Submission of Proposals**

Respondents must submit their proposals electronically AND in hard copy form. One signed, original copy of each proposal must be delivered to the District at the address below. Packages should be clearly labelled with Solicitation Number shown on the cover of this RFP.

Leon County Schools Purchasing Department  
Attn: June Kail, Purchasing Director  
3397 W. Tharpe St.  
Tallahassee, FL 32303

In addition, an electronic copy of each proposal must be submitted in unlocked PDF format to the following four email addresses:

[kailj@leonschools.net](mailto:kailj@leonschools.net)

[jwford@fordassocinc.com](mailto:jwford@fordassocinc.com)

[jonford@fordassocinc.com](mailto:jonford@fordassocinc.com)

[wreed@fordassocinc.com](mailto:wreed@fordassocinc.com)



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## Questions about this RFP

Questions about this RFP should be submitted via email to the individuals listed below:

June Kail, LCS Purchasing Director

[kailj@leonschools.net](mailto:kailj@leonschools.net)

Jerry Ford, Ford & Associates, Inc.

[jwford@fordassocinc.com](mailto:jwford@fordassocinc.com)

Jon Ford, Ford & Associates, Inc.

[jonford@fordassocinc.com](mailto:jonford@fordassocinc.com)

Will Reed, Ford & Associates, Inc.

[wreed@fordassocinc.com](mailto:wreed@fordassocinc.com)

## Additional Information

- A. [Official Statement – Certificates of Participation, Series 2005](#)
- B. [Official Statement – Certificates of Participation, Series 2006](#)
- C. [Leon County Schools, Finance Department](#) (links to financial statements and budgets)

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## Minimum Information to be Submitted by the Respondent

1. Name of Financial Institution.
2. Name and contact information of individuals who will work with the District.
3. Interest rate(s) proposed for the 2016A COP. Please note that final cash flows will be produced by the District's Financial Advisor and verified by the Verification Agent.
4. Please indicate how long your institution can hold its proposed interest rate(s), as well as any additional cost associated with locking the interest rate until closing.
5. Interest will be payable semiannually, on January 1<sup>st</sup> and July 1<sup>st</sup> of each year, commencing July 1, 2016. Interest shall be calculated using a 30/360 day count. Principal will be payable annually on July 1<sup>st</sup>. Respondents must provide a statement accepting this provision.
6. Describe provisions for prepayment of the 2016A COP, if any. If any prepayment penalties apply, Respondent must include the formula(s) used to calculate those penalties.
7. Please list all fees and expenses for which the District will be responsible, if any, if your firm is selected in the course of this RFP. All fees and expenses, including those of bank counsel, are contingent upon the successful closing of the transaction. No exceptions will be made.
8. Please provide the name of the firm and the individual within that firm who will serve as bank counsel if your firm is selected. Provide a not to exceed number for legal fees and expenses for which the District will be responsible if your firm is selected.
9. Outline any conflicts of interest, or potential conflicts of interest, that might affect or impact your firm's selection in response to this RFP.
10. The District will not accept any terms, conditions, or covenants not currently in the District's master lease program, or which could have, or would appear to have, an adverse effect on its financial condition, credit ratings, or other holders of the District's obligations. Please detail any terms, conditions, and covenants proposed by your firm. Language similar to "...and other standard terms and conditions..." will be considered nonresponsive.

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**APPENDIX A**

**SUMMARY OF COPS TO BE REFUNDED\***

**Certificates of Participation, Series 2005**

<b>CUSIP</b>	<b>Maturity</b>	<b>Principal</b>	<b>Coupon</b>	<b>Call Date*</b>
52643MBK0	07/01/2016	1,830,000	4.000%	05/07/2016
52643MBL8	07/01/2017	1,900,000	4.000%	05/07/2016
52643MBM6	07/01/2018	1,975,000	4.000%	05/07/2016
52643MBN4	07/01/2019	2,055,000	4.000%	05/07/2016
52643MBP9	07/01/2020	2,135,000	4.000%	05/07/2016
52643MBQ7	07/01/2021	2,220,000	4.000%	05/07/2016
52643MBR5	07/01/2022	2,310,000	4.125%	05/07/2016
		<b>14,425,000</b>		

**Certificates of Participation, Series 2006**

<b>CUSIP</b>	<b>Maturity</b>	<b>Principal</b>	<b>Coupon</b>	<b>Call Date</b>
526432BA6	07/01/2017	2,035,000	4.125%	07/01/2016
526432AZ2	07/01/2017	570,000	4.200%	07/01/2016
526432BB4	07/01/2018	1,125,000	4.250%	07/01/2016
526432BC2	07/01/2019	1,100,000	4.250%	07/01/2016
526432BE8	07/01/2020	1,100,000	4.250%	07/01/2016
526432BF5	07/01/2021	1,000,000	4.375%	07/01/2016
526432BH1	07/01/2022	310,000	4.400%	07/01/2016
526432BJ7	07/01/2023	1,000,000	4.375%	07/01/2016
526432BK4	07/01/2023	1,015,000	4.500%	07/01/2016
526432BMO	07/01/2024	1,100,000	4.500%	07/01/2016
526432BN8	07/01/2025	2,405,000	4.500%	07/01/2016
526432BQ1	07/01/2026	6,720,000	4.500%	07/01/2016
526432BD0	07/01/2019	3,325,000	5.000%	07/01/2016
526432BG3	07/01/2021	3,990,000	5.000%	07/01/2016
526432BL2	07/01/2023	6,770,000	5.000%	07/01/2016
526432BP3	07/01/2025	9,015,000	5.000%	07/01/2016
		<b>42,580,000</b>		

*\*Preliminary; Subject to Change*

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**APPENDIX B**

**PRELIMINARY AMORTIZATION FOR THE  
PROPOSED CERTIFICATE OF PARTICIPATION, SERIES 2016A\***

<b>Date</b>	<b>Principal*</b>
07/01/2016	2,595,000
07/01/2017	5,100,000
07/01/2018	5,210,000
07/01/2019	5,330,000
07/01/2020	5,445,000
07/01/2021	5,570,000
07/01/2022	5,700,000
07/01/2023	5,650,000
07/01/2024	5,775,000
07/01/2025	5,905,000
07/01/2026	6,040,000
	<b>58,320,000</b>

Average Life\*: 5.628 years

*\*Preliminary; Subject to Change*