



**REQUEST FOR PROPOSALS
FOR
2023 PUBLIC INFRASTRUCTURE FINANCING**

RFP Issue Date	08/11/2023	4:00 pm CST
Proposals Due and Opened	09/01/2023	3:00 pm CST
City Council Meeting & Recommendation for Loan Approval	09/11/2023	
Closing of Loan	09/29/2023	

Submit Questions To:
mmoran@cityofgalena.org

Submit Proposals To:
mmoran@cityofgalena.org

Note: This cover sheet is an integral part of the proposal documents and is, as are all of the following documents, part of any contract executed between the City of Galena and any successful Respondent.

Respondent Financial Institution Name *(please print)*

LINKS

A. City Audited Financials:

https://www.cityofgalena.org/documents/filelibrary/top_tabs/your_government/audits/City_of_Galena_FY_2022_Audit_59A096958AC43.pdf

B. City Annual Budgets:

https://www.cityofgalena.org/en/city_services/budget/

C. Monthly Financial Reports:

https://www.cityofgalena.org/en/your_government/agendas_and_minutes/city_council/monthly_financial_reports/

A. REQUEST FOR LOAN

The City of Galena, Illinois (the “City”) is seeking proposals from qualified financial institutions to provide a tax-exempt fixed rate bank loan (the “Loan” or the “Note”), at the lowest overall borrowing cost, pursuant to certain conditions. The proceeds of the Loan, along with other available funds of the City, if any, will be used to (i) fund the 2023 Downtown Sidewalk and Crosswalk Replacement Project, (ii) fund the Industrial Park Water Tower Recoating Project, and (iii) fund cost of issuance associated with the Loan.

The City shall accept and review proposals from qualified banking institutions. Proposals for a bank-qualified, tax-exempt fixed rate loan should be submitted based upon the proposed financing structure below. The City will select the bank financing that provides the lowest overall borrowing cost to the City and meets the financing requirements of the City.

B. STRUCTURE OF FINANCING

Amount: \$1,328,000.00

Closing Date: Expected on or about September 29, 2023

Rate: Bank Qualified (BQ), Tax-Exempt fixed rate for the entire term of the Loan.

Prepayment: The City requests the ability to prepay the Loan without penalty in whole or in part during the term of the Loan. Alternative prepayment options may be considered.

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Term:	60 months
Final Maturity:	On or about September 29, 2028
Interest Payment Dates:	Semi-annually
Interest Compounding:	None
Interest Day Count Method:	Please specify in proposal
Principal Payment Dates:	Semi-annually

C. SECURITY FOR THE LOAN

The Loan will be secured solely by Pledged Revenues, which include (i) General Fund Revenues, including but not limited to Sales Tax, Cannabis Excise Tax, Income Tax, Property Tax, Food and Beverage Tax, and Amusement Tax and (ii) Water Fund User Revenues (payable by each user of the public water supply).

D. TAX-EXEMPT OBLIGATION

The City will agree to take such actions as may be required by Treasury regulations in order to maintain the status of the Note as a tax-exempt obligation.

E. DOCUMENTATION

The financial institution (“Lender”) selected by the City to issue the Loan shall prepare the Note, loan agreement, and other documents to close the Loan.

At the closing of the Loan, the Lender will be required to make certain certifications, including, but not limited to, signing a closing certificate that:

- a. It is making the Loan for its own account, does not currently intend to syndicate the Loan, will take no action to cause the Loan to be characterized as a security, and will not treat the Loan as a municipal security for purposes of the securities law;
- b. It is not acting as a broker or other intermediary, and is funding the Loan from its own capital for its own account and not with a present view to a resale or other distribution to the public, and currently intends to hold the Loan to the earlier of maturity or redemption;
- c. The Loan will not be used in the future on a securitized transaction and is not a municipal security;
- d. The Lender is a bank organized under the Illinois Banking Act and in good standing;
- e. It has in its possession or has had access to all material information concerning the security and sources of payment of the Note, and, as a result thereof, is thoroughly familiar with the nature and

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risks of making the Loan and purchasing the Note. It has been afforded access to all material information and has had sufficient opportunity to discuss the business of the City and the projects financed with the proceeds of the Note, with its officers, employees and others, and has been permitted to make an investigation of the City and its operations. It does not require any further information or data concerning the City. In making the Loan and purchasing the Note, it has relied solely upon its own investigation, examination, and evaluation of the City and other relevant matters, and has not relied upon any statement or materials which have not been supported by its own investigation and examination. It has knowledge and experience in financial and business matters, particularly in tax-exempt obligations, and is capable of evaluating the merits and risks of making the Loan and purchasing the Note and has determined that it can bear the economic risk of making the Loan and purchasing the Note.

f. It is not funding the Loan for the direct or indirect promotion of any scheme or enterprise with the intent of violating or evading any provision of any Illinois statutes;

g. Understands that the Loan is not a municipal security and that, unless otherwise required, no filing may be made with respect to the Loan with EMMA, the Municipal Securities Rulemaking Board continuing disclosure site;

h. There will be no CUSIPs obtained on the Loan; and

i. There will be no credit rating obtained on the Loan.

F. PROPOSAL FORMAT – SELECTION CRITERIA

Proposals will be evaluated on the basis of cost and the structure that best meets the financing requirements of the City. Further, the City will accept proposals that provide for the ability to prepay the Loan in whole or in part at any time without penalty, but alternative prepayment options may be considered. In order to assist the City in reviewing the responses, each proposal should include the following information.

(1) The legal name of the Bank and the primary Bank contact person(s) (include address, telephone number, and e-mail address).

(2) A tax-exempt, bank qualified (BQ) fixed interest rate for the full term of the Loan. The proposal shall give a stated time in which the proposed rate will be held as well as the index in which the rate shall be calculated should the stated time elapse. The proposal should include a preliminary Loan amortization schedule, and acknowledge there may be adjustments to the preliminary amortization schedule in order to achieve the desired debt service structure based upon the final interest rate and Loan size.

(3) Describe in detail all fees and expenses which the City will be responsible to pay to the Bank. The amounts stated in the proposal shall represent the maximum amounts payable to the Bank by the City.

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All fees and expenses in excess of those stated in the proposal shall be the sole responsibility of the Bank and will not be paid or reimbursed by the City.

(4) A listing of all conditions, covenants, terms or restrictions, other than those specified in this RFP, which would be included in your commitment to provide the Loan.

G. MISCELLANEOUS

(1) The City will not accept proposals with reserve requirements or other restrictions to revenues or requirements to maintain minimum balances in any bank account as a condition for the Loan.

(2) The City reserves the right, in its sole discretion, to accept or reject any and all proposals, to waive any irregularities or informalities in any proposal or in the proposal process, and to accept or reject any items or combination of items. If the City determines to move forward with the Loan, the award will be to the financial institution whose proposal best complies with the requirements set forth in this RFP and whose proposal, in the opinion of the City, is best, taking into consideration all aspects of the offeror's response.

(3) Changes to this RFP may be made by and at the sole discretion of the City.

(4) The City will not be liable for any expenses incurred in connection with the preparation of a response to this RFP.

(5) All requests for clarification or additional information should be directed to:

Mark Moran, City Administrator
City of Galena, Illinois
815-777-1050 | mmoran@cityofgalena.org

(6) Federal, State, and local laws, ordinances, rules and regulations that in any manner affect the items covered herein apply. Lack of knowledge by the Bank will in no way be a cause for relief from responsibility.

(7) No successful proposer may assign any portion of the contractual agreement between the parties without prior written authorization by the City.

(8) Warranties – The proposer, in submission of its proposal, warrants to the City that it will comply with all applicable federal, state and local laws, regulations and orders in providing the services under the proposed documents.

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H. TENTATIVE SCHEDULE*

August 11, 2023: Issue Request for Bank Loan Proposal (RFP)
September 1, 2023: Bank Proposals Due Prior to 3:00 P.M. CST
September 11, 2023: City Council Meeting & Recommendation for Loan Approval
September 29, 2023: Closing of the Loan
*Preliminary/subject to change.

I. RFP INSTRUCTIONS

All responses/bids must be submitted via e-mail (in PDF format) directly to the City with a copy to Mark Moran, City Administrator, at the e-mail addresses below for receipt no later than 3:00 PM Central Standard Time on September 1, 2023:

City of Galena
Mark Moran, City Administrator, mmoran@cityofgalena.org

- With a copy to -

City of Galena
Jennifer Schmidt, Finance Director, jschmidt@cityofgalena.org