

\$4,412,000
Town of Ridgeland, South Carolina
Wastewater Treatment System Revenue Bond Anticipation Notes, Series 2019

Request for Interim Financing for
Wastewater Treatment Plant Upgrade with USDA permanent loan takeout
 USDA Rural Development
 Community Facilities Direct Loan Program

Obligor: Town of Ridgeland, South Carolina (the “Town”)

Request Amount: \$4,412,000

Loan Form: The Town’s preferred structure is a “bank qualified” tax exempt note, 2 years, fixed rate, callable at par in 18 months, fully funded at closing. The Town is willing to consider other structures, however.

Due Date: The Town requests bank Term Sheet by May 21, 2019.

Selection Date: May 27, 2019

Closing Date: Late June/Early July 2019

Finance Plan: USDA Direct Loan, 40 Year fixed term @ 3.125% (construction to be completed with a Bank Loan having a 2 year term – Bank Loan to be redeemed with a \$4,412,000 USDA Direct Loan. Project is estimated to cost approximately \$7.7 million. Other funds for the project consist of \$2,013,000 USDA grant, \$1 million State of South Carolina Rural Infrastructure Grant, and \$350,000 Town Equity Contribution.

USDA Letter of Conditions is attached

<i>Sources of Funds</i>	USDA Direct Loan/Bank Interim	\$4,412,000
	USDA Grant	2,013,000
	SC Rural Infrastructure Grant	1,000,000
	Town of Ridgeland Equity	<u>350,000</u>
	Total Sources	\$7,775,000

<i>Uses of Funds:</i>	Wastewater Treatment Plant Upgrade	
	Construction	\$6,085,000
	Contingency	609,000
	Engineering Design, Construction Administration, and Inspection	763,900
	Interim Financing Interest	267,000
	Legal	<u>50,100</u>
	Total Uses	\$7,775,000

Project Description: The Town advertised the project for construction bids on April 2, 2019. Construction is expected to begin in July 2019 and to be completed by July 2021.

Security: 1) Pledge of net revenues of the Town's water and sewer system and
2) First security interest in USDA permanent loan 'takeout' proceeds (\$4,412,000)

Final Maturity: July 2021 (two years from initial closing date)

Amortization: Bullet maturity, Town desires semiannual payment of interest but will consider other interest payment dates designated by Interim Lender.

Call provision: Callable at par beginning 18 months after initial closing.

Bond Counsel: Howell, Linkous & Nettles, Charleston, SC

Financial Advisor: Raymond James & Associates, St. Simons Island, GA, and Charleston, SC

Attachments: 1) Town of Ridgeland Annual Financial Statements years ended 6/30/2017 and 6/30/2018 can be found here:

<https://www.ridgelandsc.gov/pdfs/Financial-Audit-Report-2017.pdf>

<https://www.ridgelandsc.gov/pdfs/Financial-Audit-Report-2018.pdf>

- 2) DRAFT General Bond Ordinance*
- 3) DRAFT Supplemental Bond Ordinance*
- 4) USDA Direct Loan Letter of Conditions
- 5) Financing Group Distribution List
- 6) Estimated Financing Schedule

* Please note that the General Bond Ordinance and the Supplemental Ordinance are subject to review and comment by the designated interim lender and its counsel.

\$4,412,000
Town of Ridgeland, South Carolina
USDA Rural Development
Community Facilities Direct Loan Program
Interim Financing Proposal

1. Request Amount and Preferred Structure

- a. \$4,412,000
- b. Term – 2 year
- c. Callable at par in 18 months
- d. “Bank qualified” tax-exempt
- e. Fixed rate
- f. The Town is willing to consider alternative structures and requests that any deviations from the Town’s preferred structure be described in your response

2. Fixed Rate and Fee Indications

- a. Fixed rate indication: ____% (Fully funded with trustee or lender at closing)
- b. Indicative Fixed Rate provided as of _____, 2019.
- c. Fixed rate indication based on a spread to _____ of _____ basis points.
- d. Provide estimated upfront fee for financing, if any, as a % of total loan amount ____%

Provide any legal cost estimate and any other interim lender fees and expenses

Proposals are due by Noon ET, May 21, 2019. Please send proposals by email to the following:

Town Administrator: Dennis Averkin, daverkin@ridgelandsc.gov
Financial Advisor: George Pugh, george.pugh@raymondjames.com
Jennifer Mills, jennifer.mills@raymondjames.com
Bond Counsel: Sam Howell, samhowell@bond-law.com
Alan Linkous, alanlinkous@bond-law.com

Please note that proposals which contain “gross-up” or “rate maintenance” language, which may become effective due to circumstances other than action or inaction of the Town, (e.g., Town allowing private use of project, etc.) may be considered at the Town’s sole discretion and may be passed over in favor of other proposals which do not contain similar language. A maximum fixed rate must be specified.

The Issuer reserves the right to reject any or all Proposals, to waive non-conforming elements at their sole discretion, and to negotiate with any proposer on final terms.