

**THE INDIANAPOLIS LOCAL PUBLIC IMPROVEMENT BOND BANK
AND INDIANAPOLIS AIRPORT AUTHORITY**

**REQUEST FOR PROPOSALS & BIDS FOR LETTERS OF CREDIT TO SUPPORT
SUBORDINATE COMMERCIAL PAPER, LINES OF CREDIT OR OTHER INTERIM
FUNDING VEHICLES**

November 21, 2017

Summary

The Indianapolis Local Public Improvement Bond Bank, on behalf of the Indianapolis Airport Authority (“the Bond Bank” and/or the “Airport”) is seeking proposals and bids from financial institutions interested in providing a direct-pay letter of credit to support the issuance of subordinate commercial paper (“Credit Facility”) and/or offer alternative solutions, such as revolving credit facilities, that they believe may meet the Airport’s goals and needs. At present, the Airport anticipates entering into one or more Credit Facilities, with one or more financial institutions, to support the issuance of up to an aggregate amount of \$175 million of tax-exempt or taxable subordinate commercial paper. The Airport currently intends to primarily utilize commercial paper, or other financing vehicles, as an interim financing vehicle for airport capital program expenses prior to the issuance of permanent, long-term bond financing.

For the purposes of responding to this proposal, respondents should assume the following schedule of draws for interim financing. This schedule is preliminary and does not represent a commitment by the Authority to borrow on this, or any other, fixed schedule.

Year	Quarter	Amount
Y1	Q1	\$ 8,000,000
Y1	Q2	\$ 17,325,000
Y1	Q3	\$ 21,262,500
Y1	Q4	\$ 32,162,500
Y2	Q1	\$ 9,800,000
Y2	Q2	\$ 19,600,000
Y2	Q3	\$ 18,375,000
Y2	Q4	\$ 13,475,000
Y3	Q1	\$ 31,500,000
Y3	Q2	\$ 3,500,000

The Authority intends to refinance the interim financing with one or more permanent financing(s) prior January 1, 2022.

Any commercial paper issued would be considered limited obligations of the Bond Bank, and payable solely from and secured exclusively

by the Trust Estate, which will consist primarily of a subordinate pledge of Net Revenues of the Airport Authority.

**General
Background**

This Request for Proposals and any updates thereto may be found at : <http://indianapolisbondbank.com/investor-relations-2/sales-schedule/>

Bond Bank official statements and financial disclosures are available at the Bond Bank's EMMA home page and at: <http://indianapolisbondbank.com/investor-relations/>

Information related to the Airport's financial statements and traffic statistics is at: <https://www.indianapolisairport.com/about/investors-financials-reports>

The Airport Master Bond Ordinance is attached. Specific provisions related to Subordinate Securities as contemplated by this RFP will be incorporated in a Supplemental Ordinance authorizing the issuance of such Subordinate Securities. Key credit provisions related to the Subordinate Securities are expected to include a rate covenant requiring 110% coverage of Revenue Bond and Subordinate Securities debt service by Net Revenues plus Moneys in the Coverage Fund. The Airport intends to fund interest on the Subordinate Securities with the proceeds of the Subordinate Securities; and does not expect there will be any debt service on the Subordinate Securities during the term of the interim financing. Additional parity Subordinate Securities of up to \$300 million are expected to be permitted without permission of the financial institution supporting this financing. Additional Senior Lien obligations will be permitted in accordance with the Airport's Master Bond Ordinance. There will not be a required Subordinate Securities Reserve Fund for this financing.

The Airport's issuer credit ratings for Senior Bonds (the proposed interim financing will be subordinate to these Bonds) are as follows:

	Senior Lien	Date
Moody's	A1 (stable)	4-26-2016
S&P	A (stable)	8-23-2017
Fitch	A (stable)	8-11-2017

Basis for Award

The selection of an institution or institutions to provide a Credit Facility or alternate solution shall be at the Bond Bank's and Airport's sole discretion based on the proposals that best meets the Airport's objectives, which primarily include the purchaser's creditworthiness and the terms and conditions outlined in the requested term sheet(s) and may not be based entirely upon the lowest cost.

Conditions of Response

Non-collusion Vendor Certification. By submission, the responder certifies that: a) the response was prepared by the responder independently and has been submitted without collusion with any other vendor; b) the contents of the response have not been communicated by the responder, nor, to its best knowledge and belief, by any of its employees or agents, to any person not an employee or agent of the responder, and will not be communicated to any such person prior to the official opening of the proposal; and c) no responder shall submit more than one response.

Disclosure of Contents of Responses. All responses become a matter of public record and shall be regarded as Public Records pursuant to IC 5-14-3. If responder designates specific elements in the response as confidential or trade secrets under a good faith belief that those elements qualify for an exception under IC 5-14-3-4, and those elements are plainly marked "Confidential" or "Trade Secret," such items so marked shall not be disclosed unless disclosure is required under the Indiana Access to Public Records Law. If such items are requested under the Open Records Act, the Bond Bank will use reasonable efforts to notify the responder, and it will be the responsibility of the responder to take appropriate action to substantiate the firm's designations, including seeking a court order protecting the records. Responders must defend, indemnify, and hold harmless the Bond Bank from any claim or action related to the Bond Bank's disclosure or non-disclosure of such information.

The Bond Bank reserves the right to postpone or cancel this request for proposals and bids at any time without notice, waive irregularities, reject any or all proposals, and, prior to selection, request an oral interview with, and/or additional information from submitting firms. Neither the Bond Bank nor the Airport assume any liability for expenses incurred by firms in their response to this Request. Materials submitted to the Bond Bank become property of the Bond Bank.

**Response
Deadline
and
Tentative
Schedule**

Signed responses to this request for proposals and bids, must be received no later than **5:00 PM Eastern Standard Time on Friday, December 8, 2017**. Signed responses should be delivered electronically in “pdf” format to:

Sarah Riordan, Executive Director General Counsel
Indianapolis Local Public Improvement Bond Bank
sarah.riordan@indy.gov

Robert Thomson, Senior Director of Finance/Treasurer
Indianapolis Airport Authority
rthomson@ind.com

Ken Cushine
Frasca & Associates, LLC
kcushine@frascallc.com

Harold Bean
Frasca & Associates, LLC
hbean@frascallc.com

Diana Hamilton
Sycamore Advisors, LLC
dhamilton@sycamoreadvisors.com

The Bond Bank and Authority tentatively expect to select a purchaser on December 15, 2017, have substantially final documents for any facility or financing by January 28, 2018 and close the transaction the week of February 21, 2018.

Questions

All questions related to this request for proposals and bids should be directed to Harold Bean at Frasca & Associates, LLC:

Harold Bean, Managing Director
Frasca & Associates, LLC
518-532-3523 (p) / 518-369-6893 (c)
hbean@frascallc.com

**Proposal
Requirements**

Each proposal should include a completed Attachment A and the following information:

1. Provide a brief description of your institution (including credit ratings).
2. Identify the primary (and day to day, if different) contact person for your institution.

3. Proposals and bids should be firm through March 1, 2018. If the pricing indicated is not firm, please describe the factors that could affect a change in pricing between the date of submission and March 1, 2018.
4. Please attach a term sheet outlining the key terms, covenants and other provisions of your proposal.
5. Proposals should be signed by an authorized representative of your institution.

Whenever it appears to be in the best interest of the Bond Bank and Airport, the Bond Bank and Airport retain the right to request clarification of any information submitted in any proposal, to waive any irregularities in any proposal or to accept or reject any proposal in whole or in part.

ATTACHMENT A
Irrevocable Direct Pay Letter of Credit for Subordinate Commercial Paper Notes
or Other Interim Financing Vehicle

SECTION 1 – GENERAL INFORMATION

Full Legal Name of Purchaser: _____

Contact Person: _____

Phone: _____

E-mail: _____

Bank's Ratings and Outlooks:

	Long-Term	Short-Term	Outlook	Last Ratings Action/Date
Moody's				
Standard & Poor's				
Fitch Ratings				

- Maximum Facility Offered: _____ (plus required interest coverage)
- Status and Timeframe for Credit Approval:

SECTION 2 – PRICING

2.1 Complete the fee table below. Separately, provide a downgrade pricing grid.

Expiration Date	Undrawn Fee	Drawn Fee	Upfront Fee
3 Years			
5 Years			
Other (____) Years			

Would your fee differ if the Airport were to commit to draw the full amount of the facility at closing or commit to draw funds on a predetermined schedule?

2.2 List any and all additional fees for which you would expect reimbursement (e.g., Draw, Amendment, Origination, etc.) and any expenses other than Legal Counsel.

2.3 List and describe additional fees, if any, for reduction in size or early termination of LOC. Are termination fees waived if the Bond Bank's action is due to a downgrade of Provider's long or short term ratings?

2.4 Provide a description any term loan provisions including interest rates and all conditions.

2.5 Bank Counsel: Firm: _____
Primary Contact: _____
Legal Fees and Expenses (Estimate): _____
Capped at: _____

2.6 If the Bond Bank and Airport select more than one LOC provider, please indicate your willingness to agree to one law firm as representative of all Providers.

2.7 Please describe your institution's credit approval process and how it would be applied to the proposed issue. Include answers to the following questions:

- How long does it take to receive approval of a letter of credit facility and to issue a commitment?
- Is there a committee structure for credit approval?
- Would the credit application be sent to a non-U.S. headquarters for final credit approval?
- If your institution is a foreign bank, will the proposed credit facility will be an obligation of the parent company or a U.S. affiliate?
- Assuming that you are awarded the business on December 15, 2017, do you foresee any problem with completing documentation by January 28, 2018, and closing the transaction by February 21, 2018?

2.8 Discuss the risk of increased costs for the proposed letter of credit, which would be passed through to the Bond Bank/Airport. Include a discussion of the laws, regulations or policies that currently under consideration, or awaiting implementation, that could trigger increased costs.

SECTION 3 – COVENANTS

3.1 Itemize and describe all required Security Covenants for the LOC.

3.2 List all Termination Events and Events of Default for the LOC.

3.3 Identify any key terms, conditions, covenants, legal provisions or other restrictions that you would in an attached term sheet.