



Request for Proposals to Serve as Bond Trustee to the Denver Urban Renewal Authority

Date: Friday, November 10, 2017

Proposals Due: Wednesday, November 22, 2017

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Background Information

The Denver Urban Renewal Authority (“DURA” or the “Authority”) is a body corporate created in 1958 by the City and County of Denver, Colorado (the “City”) pursuant to the Colorado Urban Renewal Law to exercise statutory powers in planning and implementing redevelopment projects in the City. The Authority is governed by a Board of Commissioners that directs policy. The Executive Director is appointed by the Board and directs the Authority staff and its operations.

DURA is seeking proposals from qualified financial institutions to furnish professional services as corporate trustee, paying agent and custodian for the Authority. It is expected that the institution selected pursuant to this Request for Proposals will serve as Trustee beginning with all series of bonds to be issued for 2017 Indentures and forward, subject to the terms of each Indenture, with the exception of the Stapleton Master Indenture and related Stapleton Supplemental Indentures.

Currently, DURA is considering the issuance of bonds for two tax increment financed (“TIF”) projects.

I-25 and Broadway Urban Redevelopment Area

In October 2017, the Denver City Council approved the I-25 and Broadway Urban Redevelopment Plan, which established the I-25 and Broadway Urban Redevelopment Area. An Infrastructure Master Plan was approved by the City, and provides the master plan infrastructure concept for streets, sewer lines, water lines, storm water systems, and bike, pedestrian and automobile circulation and connections.

All infrastructure costs will be initially funded through developer advances made by the owner of the property to the Broadway Station Metropolitan District No. 1 (the “District”). The District will cause the infrastructure to be constructed, and will be eligible for reimbursement of Reimbursable Project Costs, currently estimated to be \$90.1 million, through incremental property and sales taxes generated within the TIF Area.

At DURA’s sole discretion and subject to appropriate market conditions, DURA will refinance the developer advances with bonds. The bonds will be a scheduled debt service obligation to the bondholders, payable solely from pledged revenues. The proceeds of the bonds will primarily be used to repay the developer advances and, in some instances, pay direct infrastructure costs. Please see the attached Indenture, approved by the DURA Board of Commissioners, for more information regarding the reimbursement structure and application of pledged revenues.

9th Avenue(Denver) Land, LLC

In July 2013, the Denver City Council approved the 9th and Colorado Urban Redevelopment Plan (the “Plan”). The Plan created the 9th and Colorado Urban Redevelopment Area (the “Area”), a 41-acre site generally bounded by 8th Avenue to the south, Clermont Street to the east, East 11th Avenue to the north and Colorado Boulevard to the west. In December 2014, the Plan was amended to include the 9th Avenue project (the “Project”) as an approved project within the Area. The Project would redevelop approximately 26 acres of the Area into a mix of uses, including residential, office, retail, restaurant, hotel, and provide significant public spaces. A reimbursement obligation of \$47,860,000 was agreed to, with the expectation that DURA would, at some point in the future, pursue the issuance of bonds that would accelerate the repayment of the obligation to 9th Avenue (Denver) Land, LLC, (the “Redeveloper”).

In 2018, DURA will seek to issue a bond, supported by property tax and sales tax increment, to reimburse the redeveloper for all or a portion of the \$47,860,000 reimbursement obligation.

Any decision to issue bonds will be made by the DURA Board with guidance from the Authority’s Financial Advisor and Investment Bankers.

The RFP Process

RFPs are due by 12:00pm ET on Wednesday, November 22. Proposals shall be limited to 10 pages and a minimum size 11 font. Cover letters, limited to two pages, and appendices are not counted toward the page limit. Five bound copies and one electronic copy shall be delivered to:

Denver Urban Renewal Authority
Attn: Janet Colley, Financial Manager
1555 California St., Suite 200
Denver, CO 80202
jcolley@renewdenver.org

Questions Regarding this RFP

Questions regarding this RFP are to be directed to Janet Colley via email at jcolley@renewdenver.org no later than 5:00 PM ET on Friday, November 17, 2017. Please do not contact any other parties to discuss this RFP, doing so will be grounds for disqualification.

Schedule

The Authority anticipates the following schedule:

RFP released	Friday, November 10, 2017
Deadline for inquires/questions from firms	Friday, November 17, 2017 at 5:00 PM MT
RFP responses due	Wednesday, November 22, 2017 at 12:00 PM MST

No Assurances

Circulation of this RFP by DURA does not mean there will be a financing or that the schedule above will be followed.

Services to be Provided by the Bond Trustee

The Trustee will provide services required to carry out all administrative functions required of it under the trust indenture pertaining to the Bonds. The Trustee selected shall have extensive experience administering bonds. The responsibilities of the Trustee are expected to include the roles of bond trustee, registrar, and paying agent and include, but are not necessarily limited to, the following:

1) Trustee

- a. Establish Accounts and Manage Funds
 - i. Establish required accounts and apply bond funds according to the requirements of the Trust Indenture.
 - ii. Manage all funds and accounts according to the provisions of the Trust Indenture and in compliance with federal tax law.
 - iii. Process incoming wires and/or ACHs and immediately deposit the funds in the proper account(s).
 - iv. Monitor reserve funds to ensure that amounts required by the trust indenture are maintained.
 - v. Calculate interest on outstanding bonds for periodic payment of accrued interest.
 - vi. Pay or transfer funds to issuer or others as required by the Authority for costs of issuance, funding of loan originations or purchases, and other expenses provided for in the trust indenture.
 - vii. Provide detailed monthly reporting of all transactions in all funds or accounts identified in the trust indenture to be received by the 5th day of the following month, and prepare such other reports as the Authority may request.
- b. Invest Monies Held by the Trust
 - i. Invest funds in accordance with provisions of the trust indenture and Authority investment policy described therein.
- c. Coordinate and Execute Bond Redemptions
 - i. Contact and provide the Authority and its representatives with exact balances of monies available for bond redemption.
 - ii. Work with Authority staff and its representatives to determine the application of these monies to the bonds for redemption in compliance with the trust indenture.

- iii. Select bonds for redemption and mail notices to the correct person or institution.
- iv. Cancel or destroy paid bonds.
- d. Work with DURA's Financial Auditors
 - i. Provide required information needed for a successful audit process and the completion of audit confirmations related to trust account balances and bond activity.
- e. Provide Annual SOC 1 (SAS 70) Reports to DURA.

2) Registrar

- a. Maintain bondholder records.
- b. Transfer and exchange bonds.
- c. Cancel and reissue certificates.
- d. Update bond registrar.

3) Paying Agent

- a. Pay interest and principal for the Bonds.

Required Components of Proposal

1) Trust Indenture Requirements

The Trustee must be a commercial bank or trust company, organized or incorporated under the laws of the United States of America or any state thereof, duly authorized to execute corporate trust powers, subject to supervision or examination by federal or state authorities, subject to regulation regarding fiduciary funds on deposit when acting in its fiduciary capacity, having a reported capital and surplus of not less than \$100,000,000 and acceptable to the bond insurer.

If your firm is selected it will have to:

- a. Identify your form of entity (whether commercial bank or trust company, organized or incorporated under the laws of the United State of America or any state thereof) and provide a copy of (i) your articles of incorporation and/or organization and (ii) evidence of good standing.
- b. Verify that your entity is authorized to execute corporate trust powers and provide documentation of such authorization.
- c. Verify that your entity is subject to supervision or examination by federal or state authorities and identify which federal or state authorities provide supervision or examination.
- d. Verify that your entity is subject to regulation regarding fiduciary funds on deposit when acting in its fiduciary capacity and identify the source of such regulation or regulating entity.
- e. Verify that your entity has a reported capital and surplus of not less than \$100,000,000, identify the current amount of your reported capital and surplus and provide a statement from your audited financial statements showing your reported capital and

surplus as of your last completed fiscal year for which audited financial statements are available.

2) Financial Institution Background

- a. Brief summary of your experience in providing similar corporate trust services including:
 - i. General experience with municipal bonds
 - ii. Amount of assets held or administered by your corporate trust department
- b. The ratings of your financial institution by nationally recognized rating agencies.
- c. Provide a list of your existing corporate trustee clients.
- d. Disclosure of pending mergers, sales or consolidations.

3) Legal Issues

- a. Describe your procedures for handling defaults and defeasances. Provide a list of any defaulted or defeased bond issues your firm has handled in the last three (3) years. For any defaults, provide an explanation of the circumstances.
- b. Under what circumstances had the trust department resigned or been removed from a trusteeship in the last three (3) years?
- c. Have there been any losses with respect to funds held in trusts in connection with your trust operations during the past five (5) years (including, without limitation, any losses covered by errors and omission insurance)? If yes, provide by attachment annual losses and complete details on individual losses exceeding \$10,000.

4) Services

Please provide a brief discussion of your plan to provide the services you propose. Include such topics as:

- a. Level and frequency of communication with the Authority.
- b. Information provided/required.
- c. Extent of automated systems capabilities and interface features.
- d. Indicate city and state where central operations, account administrators, and information systems support would be located.
- e. Indicate the standards for customer service and the response time for inquiries and problem resolution.
- f. Identify any additional services or enhancements available.
Provide other information, if any, which may be relevant for consideration by the Authority in connection with your proposal.

5) Staffing

Identify the individual who would be the primary contact person with the Authority, as well as the names of other individual(s) who would provide services to the Authority. Describe the nature of services that each person would perform. Describe the firm's presence in Denver, including any staff available to call.

6) Fees

- a. Please provide a fee for all proposed services expressed as a fixed annual amount or fixed percentage (or basis points). For purposes of this response, ***please provide separate fee proposals for the I-25 and Broadway project and the 9th Avenue project.*** For the I-25 and Broadway project, assume 4-\$25,000,000 bond issues are sold to the secondary market between 2019 and 2026, to retire the reimbursement obligations. For the 9th Avenue project, assume a single \$60,000,000 issue in 2018. Please include both an upfront fee and annual fees (as a fixed annual amount or fixed percentage) applicable to any subsequent transactions going forward. This fee should also include fees or costs, if any, associated with the administration of any investment agreement that the Authority may currently have or may enter into in the future.
- b. Identify any and all other upfront ongoing fees that may be charged to or incurred by the Authority in connection with the services proposed.
- c. Please describe your preferred billing frequency and payment services.

Selection Process

Selection procedures will be based upon the following criteria:

1) Qualification

- a. Demonstrated experience in acting as Bond Trustee under bond indentures with multiple funds and multiple series of bonds
- b. Importance and priority of assignment to the firm
- c. Quality of service
- d. Firm personnel assigned to the DURA account
- e. Availability of assigned personnel
- f. Firm's financial condition
- g. Firm must be acceptable to Bond Insurer

2) Cost factors

- a. Cost of basic services
- b. Administrative costs to DURA

Any and all costs or expenses associated with the preparation of a response to this request for proposals and participation in the selection process, including travel time and expenses, shall be the responsibility of the institution submitting the proposal, and DURA shall not have any obligation to pay or reimburse any such cost of expense.

Additional Information

DURA reserves the right to request oral on-site interviews with one or more of the respondents.