



City of Harrisonburg, Virginia

Department of Finance

345 South Main Street
Post Office Box 20031
Harrisonburg, VA 22802
(540) 432-7702 / FAX (540) 432-7779

Larry L. Propst
Director of Finance

**CITY OF HARRISONBURG, VIRGINIA
BANK QUALIFIED TAX-EXEMPT LEASE PURCHASE FINANCING
REQUEST FOR PROPOSALS
NOVEMBER 18, 2013**

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Purpose. The purpose of this Request for Proposal (RFP) is to select a financial institution that can provide the City of Harrisonburg, Virginia (City) with an approximate \$525,000 bank qualified fixed rate tax-exempt lease purchase arrangement based upon the proposed financing structures. The City will select the proposal that provides the best overall borrowing opportunity based on two financing options. Provide proposed rates for both options. The lease will be used to finance the purchase of a 2013 Spartan ERV 110' Rear Mount Aerial Platform Fire Truck. The initial cost of the fire truck was \$923,750, however, the City made a \$400,000 down payment and intends to lease finance the remaining amount upon delivery. The financing amount may change after discounts from the down payment and change orders are applied to the initial cost. The following assumptions are to be used in preparing your proposal:

- Type of Financing:** Bank qualified tax-exempt lease (subject to annual appropriation)
- Amount:** Approximately \$525,000 (preliminary, subject to change)
- Final Maturity:** Option 1 (3 years from date of closing)
Option 2 (5 years from date of closing)
- Interest Rate:** Fixed rate of interest (indicate the date through which your proposal rates will be held)
- Payments:** If different, provide rates based on either 1) Annual principal and semi-annual interest payments or 2) Monthly principal and interest payments.
- Security:** Fire Truck
- Prepayment:** The City is looking for maximum flexibility. Please specify the prepayment terms that provide the most flexibility at the lowest cost of funds.
- Anticipated Closing Date:** On or about December 16, 2013
- Lease Documents:** Indicate whether the lease financing documents will be prepared by the financial institution or prepared by City's bond counsel.
- Closing Costs:** None anticipated to be paid by the City. Please specify any exceptions and provide a not to exceed amount.

- Preliminary Schedule:** December 3 (Selection and negotiation)
December 10 (City Council adopts awarding resolution)
- Other:** Provide other special terms and conditions not addressed above.
- Financial Information:** Current financial information can be found on the City's website at <http://www.harrisonburgva.gov/finance>.

Proposal Submittal. The proposal may be submitted by sealed envelope or by email with a notation on the envelope or in the subject line of the email that it contains a proposal for the fire truck lease purchase financing no later than **December 2, 2013 at 12:00 P.M. local time**. The City reserves the right to reject any and all proposals if it is in the best interest of the City to do so. Late proposals will not be accepted. The proposal shall be signed by an authorized representative of the proposer. Questions should be directed to:

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Harrisonburg, VA 22801
Email: larry.propst@harrisonburgva.gov
Phone: (540) 432-7702