



**REQUEST FOR PROPOSALS FOR BOND UNDERWRITING SERVICES
OR
BANK DIRECT PURCHASE OF THE
UNITED STATES OLYMPIC MUSEUM FINANCING**

March 11, 2016

Colorado Springs Urban Renewal Authority (“CSURA”) is soliciting proposals from interested investment banking firms and other banking institutions with a Colorado public finance presence to underwrite, privately place, and/or directly purchase a portion of the \$73 million United States Olympic Museum project described below. The financing will be secured by State of Colorado Sales Tax Increment Revenue.

Please provide your response based on the “Proposal Questions” section below. Responses are requested by **March 25, 2016 at 3:00pm MST**. Submissions should be emailed to Ms. Steph Chichester and Mr. Nick Taylor of North Slope Capital Advisors, financial advisors to CSURA, at steph@northslopecapital.com and nick@northslopecapital.com.

The primary contacts for questions and requests for additional information regarding this solicitation are Ms. Chichester and Mr. Taylor (available at 303.953.4101 or at the emails shown above). Any inquiries related to this request for proposal must be received by March 21, 2016.

Prepared by:



**COLORADO SPRINGS URBAN RENEWAL AUTHORITY
TAX INCREMENT FINANCING
FOR THE UNITED STATES OLYMPIC MUSEUM
Tax-Exempt Bond or Bank Loan Financing**

INTRODUCTION:

The City of Colorado Springs submitted an application in November of 2013 to the State of Colorado Economic Development Commission seeking State Sales Tax Increment funding under the State Regional Tourism Act. The proposal contained four projects including: 1) the United States Olympic Museum and Hall of Fame, 2) the Colorado Sports and Event Center, 3) the University of Colorado at Colorado Springs Sports Medicine and Performance Center, and 4) the Gateway Visitors Center at the United States Air Force Academy. The State RTA approved the application on December 16, 2013 (Resolution attached as exhibit A).

The Museum Project

The Museum Project is an important project within the City of Colorado Springs with the U.S. Olympic Organizing Committee headquartered in Colorado Springs. The Museum is estimated to draw 350,000 new visitors to the Regional Tourism Zone (“RTZ”), with 82 percent or 287,000 coming from outside Colorado and being net new visitors to the State. The Museum will be affiliated with the United States Olympic Organizing Committee (USOC) enabling it to offer continually updated programming after each Olympic Event and closer access to exhibit material.

The Museum is a proposed 60,000 square foot museum building containing 20,000 square feet of exhibit space, flexible meeting and venue space, and 9,000 square feet of retail and restaurant space. The estimated opening date is in 2018.

The Resolution awarded a maximum of \$120 million in net new State Sales Tax Increment generated from within the RTZ over not more than 30 years. Of the total, 42% will be allocated to the U.S. Olympic Museum. The total cumulative amount of State Sales Tax Increment Revenue dedicated to the U.S. Olympic Museum shall not exceed \$50.6 million over the course of the financing term. In addition, 16% of the total will be allocated to a flexible account under the control of the City of Colorado Springs. It is expected that 10% of the 16% City discretionary share will be allocated to the U.S. Olympic Museum financing. The additional 10% allocation increases the estimated total Sales Tax Increment Revenue available to the project to \$62.4M over the financing term, not to exceed 30 years. RTA State Sales Tax Increment Revenues are eligible if bonds are issued by 2018 and the project is completed by 2023.

PROJECT COST AND SOURCES OF FUNDS

The CSURA and USOM team anticipate funding approximately \$73 million in project costs via a combination of bond/bank loan proceeds and fundraising. The current estimated size of the bond financed portion of the project is \$30 million with the balance coming from gift revenue. This amount is subject to change based on timing of gift receipts and funding needs for capitalized interest and/or reserves. The Museum has received approximately \$29 million in pledged commitments to date. The remaining \$14 million is expected to be raised through further fundraising efforts.

PROSPECTIVE BIDDER MINIMUM REQUIREMENTS

1. Prospective bidders must have experience advising Colorado governmental entities on matters relating to the issuance of securities by Colorado governmental entities, including matters such as the structuring, rating, sales and marketing of such securities in the last two years.
2. Bidders must demonstrate a Colorado public finance presence.
3. No bidder shall be an officer or employee of the Financing Entity nor may the Applicant have been otherwise engaged to provide services in connection with the transactions contemplated by the Resolution.

PROPOSAL QUESTIONS

1. Please provide the legal name of the firm, contact information for the professional responsible for managing the financing process, and names of other professionals that will work on the proposed financing in a day-to-day capacity.
2. Discuss which distribution channel is likely to produce the lowest cost financing for the project, bond issue or bank loan. Include a comparison of the different risk profiles of the two alternatives. Assume current market interest rates as of March 17, 2016.
3. Indicate whether you believe this financing can achieve an investment grade rating. Provide your views of the credit strengths and weaknesses of the project and the cost/benefit of pursuing a rating versus selling the bond issue or bank loan as non-rated.
4. Identify any structuring features you believe to be important to a successful sale of the financing including flow of funds, debt service coverage, other financial covenants, redemption features, the value of credit enhancement and any other structuring considerations.
5. Please identify any timing considerations you feel the CSURA and USOM should be mindful of in terms of interest rate risk, ideal time for issue pricing, or other economic or supply considerations.
6. Please provide a schedule outlining key financing activities and dates, from selection of a banking firm, to successful closing of a financing.
7. Summarize your firm's credentials in underwriting, placing and/or purchasing Colorado financings, TIF financings, and financings for unique projects such as the USOM.
8. For firms wishing to serve as underwriter or placement agent, please provide a not-to-exceed fee expressed as a \$1/\$1,000 of the principal amount financed. For underwriting fee proposals, include the detail for each component of spread – management fee, takedown by maturity, and expenses. For placement agent services, please provide a not-to-exceed fee expressed in a \$1/\$1,000 of principal amount financed format.

9. For firms interested in purchasing the financing directly please provide indicative interest rates for 5, 7, 10, 15 and 20 year financing as of March 17, 2016 (or pricing for as many tenors as your institution can provide). Please also detail all fees you would propose to charge in connection with the financing including an origination fee (if any) and bank legal fees.

If your institution is willing to offer a drawdown feature to the loan, please indicate how this would change the interest rates quoted above. Also, please indicate the general drawdown loan parameters: maximum draw period, minimum periodic draws, etc.

10. Please provide any additional information that distinguishes your firm and makes you particularly well suited for this engagement.
11. Please describe any conflicts of interest, current or past regulatory investigations, pending litigation, or judgments or settlements against the firm in the last three years.

EVALUATION CRITERIA

Proposals will be evaluated using the following criteria:

1. Expertise of the person(s) assigned to the financing and their experience with similar financings.
2. Demonstrated understanding of the Project and the work necessary to ensure a successful financing.
3. Demonstrated business in the State of Colorado and commitment to the Colorado Springs community.
4. The completeness of the proposal.
5. Estimated schedule to market.
6. Proposed fees.

Please note underwriter and/or bank selection is at the sole discretion of the CSURA and the USOM.