



# Rhode Island Convention Center Authority

## **REQUEST FOR PROPOSALS FOR A DIRECT PURCHASE BY A FINANCIAL INSTITUTION OF A FEDERALLY TAXABLE BOND ISSUE**

FEBRUARY 1, 2021

## **INTRODUCTION**

The Rhode Island Convention Center Authority, a public corporation of the State of Rhode Island (the “Authority” or “RICCA”), is requesting proposals from qualified financial institutions to purchase, through a private placement, the Authority’s proposed \$32,610,000\* Refunding Revenue Bonds, 2021 Series A (Federally Taxable) (the “2021 Series A Bonds”). The 2021 Series A Bonds are non-bank qualified. Bond proceeds will: (1) provide funds for the advance refunding/defeasance of the Authority’s Refunding Revenue Bonds, 2015 Series A Bonds; and (2) to pay costs of issuance in connection with the 2021 Series A Bonds.

The 2021 Series A Bonds will be issued under the Authority's General Revenue Bond Resolution, adopted on November 7, 1991, as amended and readopted November 20, 1991, as further amended (the “Resolution”) and a Series Resolution to be adopted on or about February 25, 2021 (collectively, the “Resolutions”). The 2021 Series A Bonds are special obligations of the Authority secured by and payable from rental payments payable by the State of Rhode Island (the "State") and other revenues, income, rents and receipts derived by the Authority. Additional security is provided by a mortgage and a debt service reserve fund. (See “Direct Purchase Term Sheet” herein.) **The obligation of the State to make rental payments is subject to annual appropriation by the State General Assembly.**

The Authority will not be preparing an Official Statement or any other type of disclosure document in connection with this transaction.

## **RHODE ISLAND CONVENTION CENTER AUTHORITY**

The Authority is a public corporation, instrumentality and agency of the State created by The Convention Center Authority Act, Chapter 99 of Title 42 of the General Laws of Rhode Island, as amended. The Authority was created in 1987, having a distinct legal existence from the State and not constituting a department of State government. The Authority was created for the purpose of constructing, managing and operating a facility to house conventions, trade shows, exhibitions, displays, meetings, banquets, and other events, as well as facilities related thereto such as parking lots and garages, connection walkways, hotels and office buildings, including any retail facilities which are incidental to and located within any of the foregoing, and to acquire, by purchase or otherwise, land therefor.

In June 1991, the Authority commenced construction of a convention center complex and garage facilities. The convention center complex and garage facilities opened officially on December 2, 1993. A hotel and adjacent dome office building, formerly owned by the Authority and opened on December 1, 1994, was sold on April 27, 2005. Proceeds of the sale were used to reduce the Authority’s bonded indebtedness.

The present facilities are on an approximately 5.94-acre site in downtown Providence. West Exchange Street divides the site; the northern portion of the site consists of approximately 1.84 acres and the southern portion of the site consists of approximately 4.1 acres. A portion of the convention center complex was constructed over West Exchange Street.

The Authority, as lessor, is authorized to lease the Convention Center and the garage facilities to the State, as lessee, pursuant to a lease and agreement, dated as of November 1, 1991, as amended (the “Agreement”). The Authority manages the Convention Center and the garage facilities pursuant to the terms of a sublease agreement, dated as of November 1, 1991, as amended, by and between the State, as sublessor and the Authority, as sublessee (the “Sublease”). The State makes lease payments (the “rentals”) in an amount sufficient to pay, among other things, the debt service on the Authority’s obligations including, but not limited to, the 2021 Series A Bonds. As of June 30, 2020, the Authority had \$96,185,000 bonds outstanding under the Resolution (including the 2015 Series A Bonds to be refunded/defeased).

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\*Preliminary, subject to change.

In 2005 the Rhode Island General Assembly authorized the Authority to issue its revenue bonds to acquire the Dunkin' Donuts Center (formerly known as the Providence Civic Center). The Dunkin' Donuts Center is adjacent to the Convention Center. The Authority acquired the Dunkin' Donuts Center on December 5, 2005 pursuant to a Lease and Agreement, dated as of November 30, 2005 (the "Dunkin' Donuts Lease"). The Authority leases the Dunkin' Donuts Center to the State, and manages it pursuant to the terms of a sublease agreement by and between the State, as sublessor, and the Authority as sublessee. Rental payments from the Dunkin' Donuts Lease are applied to payments of bonds initially issued for the acquisition and renovation of the Dunkin' Donuts Center. Payments from the Dunkin' Donuts Lease are not available to pay principal or interest on the proposed 2021 Series A Bonds or any other bonds issued under the Resolution. Likewise, rentals under the Agreement are not available for payments of principal or interest under the resolution adopted by the Authority for acquisition and renovation of the Dunkin' Donuts Center. As of June 30, 2020, the outstanding Dunkin' Donuts Center bonds totaled \$66,850,000.

In 2016 the Rhode Island General Assembly authorized the Authority to issue its revenue bonds to construct the parking facility adjacent to the Garrahy Courthouse in Providence, Rhode Island (the "Clifford Street Garage"). The Authority leases the Clifford Street Garage to the State, and manages it pursuant to the terms of a sublease agreement by and between the State, as sublessor, and the Authority as sublessee. Rental payments from the Clifford Street Garage Lease are applied to payments of bonds initially issued for the construction of the Clifford Street Garage. Payments from the Clifford Street Garage Lease are not available to pay principal or interest on the proposed 2021 Series A Bonds or any other bonds issued under the Resolution. Likewise, rentals under the Agreement are not available for payments of principal or interest under the resolution adopted by the Authority for construction of the Clifford Street Garage. As of June 30, 2020, the outstanding Clifford Street Garage bonds totaled \$43,205,000.

#### **INSTRUCTIONS AND NOTIFICATIONS TO RESPONDENTS**

Any and all questions or clarifications regarding this Request for Proposals ("RFP") must be submitted by e-mail by February 10, 2021 to the attention of: Michael T. Crawley, Chief Financial Officer at [mcrawley@citrincooperman.com](mailto:mcrawley@citrincooperman.com) and the Authority's financial advisor, Stephen Maceroni at [maceronis@pfm.com](mailto:maceronis@pfm.com).

Questions and answers will be forwarded to all parties that have directly requested copies of this RFP and will also be posted on the State of Rhode Island Division of Purchases Rhode Island Vendor Information Program Website ("RIVIP Website") accessible at [www.purchasing.ri.gov](http://www.purchasing.ri.gov). Interested parties are requested to monitor the RIVIP Website on a regular basis.

## **SUBMITTAL REQUIREMENTS**

Any exhibits, documentation and collateral materials must be assembled and bound with the proposal into a single package. **All submittals must be received by the Authority by 3:00 p.m., local time, on February 17, 2021.** A proposal received after that time will not be considered. **There will be no exceptions to this deadline.**

Please submit five (5) copies of your complete proposal in a sealed envelope or package marked on the outside **“RFP for a Direct Purchase Taxable Bond”**. **Include in the envelope a CD or USB storage device with your complete proposal. The address to submit a proposal is:**

Michael T. Crawley, Chief Financial Officer  
Rhode Island Convention Center Authority  
Dunkin' Donuts Center -3rd FL  
One LaSalle Square  
Providence, RI 02903

Please also e-mail your proposal **by 3:00 p.m., local time, on February 17, 2021** to [Eileen.Smith@riccauth.com](mailto:Eileen.Smith@riccauth.com).

Following the review of the written proposals, the Authority may engage in individual discussions and negotiations with one or more institutions that submit proposals. **The Authority reserves the right to reject any and all proposals.** Consideration of proposals will not be limited to fee structure, interest rate and cost alone. Other considerations will also be taken into account including credit standing, experience with taxable bond financings, bond covenants, security provisions and a demonstrated ability to timely execute the proposal. The Authority will allow potential bidders to submit joint proposals.

The Authority accepts no financial responsibility for any costs incurred by an institution in responding to this RFP. The proposals submitted in response to this RFP become the property of RICCA and may be used by the Authority in any way it deems appropriate. By submitting a proposal, the institution certifies that it has fully read and understands the RFP, has full knowledge of the proposal to be provided, and accepts the terms and conditions under which the 2021 Series A Bonds will be purchased.

To assist you in the preparation of your proposal, we have attached the following:

- 1) Authority audited financial statements for the fiscal year ended June 30, 2020 and 2019;
- 2) State of Rhode Island Annual Report dated December 30, 2020 located at <https://emma.msrb.org/P21423897-P21105942-P21516124.pdf>;
- 3) State audited financial statement for the fiscal year ended June 30, 2019 located at <https://emma.msrb.org/ER1296289-ER1010869-ER1415762.pdf>; and
- 4) The Authority's General Revenue Bond Resolution adopted November 7, 1991 as amended and readopted, the Agreement, the Sublease and the Mortgage.

## **RIGHTS RESERVED TO THE AUTHORITY**

Notwithstanding any other provision of this RFP the Authority reserves to itself the rights listed below.

### **A. Right to Modify RFP Documents**

The Authority reserves the right to modify or amend any provision of the RFP documents. The Authority will forward a copy of any modification or amendment or addendum to those proposers who have directly received this RFP and will post a copy on the RIVIP Website.

### **B. Right to Reject Any and All Proposals**

Whenever the Authority deems it to be in the Authority's best interest, the Authority reserves the right, in its sole discretion, to cancel this RFP, to reject any and all proposals, to waive minor irregularities or informalities in a proposal; to re-solicit; and to proceed in a manner other than awarding a contract under this RFP. **The Authority will not waive, however, the requirement that qualifications and proposals be received by the Authority prior to the deadline for submission.**

### **C. Right to Cancel Award**

The Authority reserves the right to cancel negotiations with any proposer at any time prior to a contract being fully executed by the proposer and the Authority.

### **D. Additional Cause for Rejection**

In addition to any other cause for rejection of a submittal stated in this RFP, a proposal may also be rejected if there is evidence of collusion among proposers, if the proposer submitting it is in default or arrears under any prior or existing contract with the Authority or any other State of Rhode Island department or agency, or there is an unresolved claim between the proposer and the Authority or any other State of Rhode Island department or agency.

Any direct contacts made or attempted to be made by any proposer with any Authority Board member prior to the selection of qualified proposers will automatically disqualify a proposer from any further consideration.

Proposers are advised that the Authority is a quasi-public agency of the State of Rhode Island and its records, including statements submitted in response to RFP's are public records unless otherwise exempted under state law.

## DIRECT PURCHASE - TERM SHEET

<b>Issuer:</b>	Rhode Island Convention Center Authority (the "Authority" or "RICCA")
<b>Issue Description:</b>	Refunding Revenue Bonds, 2021 Series A (Federally Taxable) (the "2021 Series A Bonds")
<b>Par Amount:</b>	\$32,160,000*
<b>Bond Counsel:</b>	Partridge Snow & Hahn LLP
<b>Authority Counsel:</b>	DeSimone & Leach a Professional Corporation
<b>Financial Advisor:</b>	PFM Financial Advisors LLC
<b>Trustee/ Paying Agent:</b>	The Bank of New York Mellon Trust Company, N.A.
<b>Proposal Due Date:</b>	February 17, 2021 @ 3:00PM
<b>Expected Funding Date:</b>	On or about April 1, 2021
<b>Tax Status:</b>	Federally Taxable
<b>Interest Calculation:</b>	30/360.
<b>Interest Payments:</b>	Semi-annual on May 15 and November 15, commencing May 15, 2021
<b>Principal Payments:</b>	<b>Option One:</b> Annual on May 15, commencing May 15, 2021 through 2026 <b>Option Two:</b> Annual on May 15, commencing May 15, 2021 through 2027
<b>Principal Amortization:</b>	See attached Appendix A
<b>Bank Qualification:</b>	The 2021 Series A Bonds are non-bank qualified.
<b>Use of Proceeds:</b>	Bond proceeds will: (1) provide funds for the advance refunding/defeasance of the Authority's Refunding Revenue Bonds, 2015 Series A Bonds; and (2) to pay costs of issuance in connection with the 2021 Series A Bonds.

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\*Preliminary, subject to change.

**Security:** The 2021 Series A Bonds are special obligations of the Authority secured by and payable from rental payments payable by the State and other revenues, income, rents and receipts derived by the Authority. The 2021 Series A Bonds and the interest thereon do not constitute a debt, liability or obligation of the State or any political subdivision thereof (other than a special and limited obligation of the Authority) and neither the faith and credit nor the taking or taxing power of the State or any political subdivision or municipality thereof is pledged to the payment of the 2021 Series A Bonds or the interest thereon. The Authority has no taxing power. As additional security, the 2021 Series A Bonds (along with existing debt issued under the Resolution) will also be secured by an Open-End Mortgage Deed dated as of November 1, 1991, as amended from the Authority to the Trustee for the benefit of the Owners of the 2021 Series A Bonds. **The obligation of the State to make payments to the Trustee is subject to annual appropriation by the State General Assembly. The 2021 Series A Bonds will be issued on parity with the Authority's existing debt issued under the Resolution. See attached Appendix B for a summary of outstanding Authority debt.**

**Debt Service Reserve Fund:** The 2021 Series A Bonds will be further secured by the Debt Service Reserve Fund. The Debt Service Reserve Fund Requirement is currently funded by a Debt Service Reserve Fund Facility issued by Assured Guaranty Municipal Corp. ("Assured"), formerly known as Financial Security Assurance, Inc. in the amount of \$16,230,945. The Assured Debt Service Reserve Fund Facilities secure all obligations issued under the Resolution (including the proposed 2021 Series A Bonds). Such facilities are in an amount equal to or greater than the Debt Service Reserve Fund Requirement.

**Ratings:** The 2021 Series A Bonds **will not** be rated. The Authority's long-term ratings with Moody's, Fitch and S&P are A1, AA- and AA-, respectively.

**PFMB Fee:** Upon closing, the successful Purchaser of the 2021 Series A Bonds will be required to pay to the Public Finance Management Board of the State ("PFMB") a fee equal to 1/40 of 1% of the principal amount of the Bonds. The fee on \$32,160,000\* is \$8,040.00\*. Wire instructions for the PFMB Fee will be provided in the Closing Memorandum.

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**DIRECT PURCHASE - REQUEST FOR PROPOSALS INFORMATION**

If you are interested in a direct purchase of the Authority’s proposed \$32,160,000\* 2021 Series A Bonds, please submit a comprehensive proposal describing your qualifications, outlining all anticipated costs and detailing the material terms and conditions of the principal legal documents. Outlined below are the items of information that should be specifically included in your firm’s response.

1. **Name of Proposer:** \_\_\_\_\_

2. **Maximum Commitment Amount (up to):** \$ \_\_\_\_\_

3. **Interest Rate:**

**Option One:** \_\_\_\_\_

**Option Two:** \_\_\_\_\_

**Rate Lock Expiration Date:** \_\_\_\_\_ (Please state if your rate is locked or indicative)

4. **Credit Rating:**

- a. Please provide long-term credit ratings from all rating agencies currently maintaining such ratings. Please indicate if any of your current ratings are under review by any credit rating agency.

<i>Rating Agency</i>	<i>Long-term Rating</i>	<i>Outlook</i>
Moody's Investors Service		
S&P Global Ratings		
Fitch Ratings		

5. **Prepayment Provisions:**

- a. Please describe the terms and calculation methodology for any proposed pre-payment penalties (if any). Please provide definitions of key terms, as necessary.

6. **Other Conditions:**

- a. Please detail any other conditions that would be required of the Authority. Please define any terms necessary to understand these conditions.
- b. The Authority will not accept any Material Adverse Change provisions and Most Favored Nations clause.

7. **Legal Fees:**

- a. Please provide a not-to-exceed figure for legal fees. Please provide the name of the legal firm you would propose to use and the person from that firm that would serve as the primary contact.

8. **Reporting Requirements:**

- a. Please explain any reporting requirements that would be required of the Authority.

9. **Personnel:**

- a. Please provide the contact information (email, address, phone) of the individuals who will be working with the Authority.

10. **Timing:**

- a. Please note the Bank’s timing to receive internal credit approval.

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**11. Conflicts of Interest:**

- a. Please describe any conflicts of interests that could impact the contemplated transaction.

**12. Treatment of the 2021 Series A Bonds:**

- a. State whether the Proposer intends to purchase the 2021 Series A Bonds as an investment or whether the Bank intends to treat the Bonds as evidencing a loan from the Bank to the Authority. Bond counsel will require an investment letter from the purchaser.

**13. Representation of Present Intent to Hold:**

- a. Purchaser/Bidder has a present intent to hold the 2021 Series A Bonds and has no present intention of reselling or otherwise disposing of all or a part of such Bonds. Purchaser/Bidder acknowledges that PFM is relying on the foregoing representation and based on this representation this transaction meets the requirements for being a qualifying exception for purposes of MSRB Rule G-34, and PFM is excepted and released from the requirement to request a CUSIP assignment on behalf of the Authority pursuant to MSRB Rule G-34 for the 2021 Series A Bonds.

**Fees and Expenses are to be paid only if the transaction is closed.**

By: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_  
Signature: \_\_\_\_\_

**DIRECT PURCHASE - APPENDIX A**

Provided below is an estimated principal repayment schedule for the direct purchase 2021 Series A Bonds. The schedule provided below is an estimate and could change depending on the interest rate provided.

<b>Maturity Date (May 15)*</b>	<b>Option One Principal*</b>	<b>Option Two Principal*</b>
2021	\$ 6,915,000	\$ 6,915,000
2022	7,285,000	7,285,000
2023	13,155,000	13,155,000
2024	1,575,000	1,175,000
2025	1,600,000	1,190,000
2026	1,630,000	1,210,000
2027		1,230,000

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