

**State Road and Tollway Authority (State of Georgia)**  
**Request for Proposals (“RFP”)**  
**for**  
**Underwriters/Placement Agent/Direct Purchaser**  
**SRTA 2014 Toll Revenue Bonds (Interstate Highway 75 South Express Lanes Project)**  
**(“2014 Toll Revenue Bonds”)**

**February 10, 2014**

The State Road and Tollway Authority (“SRTA”) of the State of Georgia plans to issue toll revenue bonds by June 2014 to fund approximately \$23.1 million of costs for its Interstate Highway 75 South Express Lanes Project. SRTA seeks to retain a qualified senior managing underwriter and co-managing underwriters (any singular designation or combination of senior managing underwriter and co-managing underwriters hereinafter to be referred to as an “underwriting syndicate”), placement agent, or direct purchaser of its contemplated issuance of 2014 Toll Revenue Bonds. The 2014 Toll Revenue Bonds are anticipated to be tax-exempt and not subject to the alternative minimum tax. For purposes of this RFP, the professional team (“Professional Team”) consists of all Board members, employees, or contract employees of the following:

State Offices:	State Road and Tollway Authority Georgia Department of Transportation (“GDOT”) Governor’s Office Georgia State Financing and Investment Commission (“Commission”) Office of the Attorney General
Bond Counsel:	Sutherland Asbill & Brennan LLP
Disclosure Counsel:	McKenna Long & Aldridge LLP
Financial Advisor:	Public Resources Advisory Group
Traffic and Revenue:	Stantec
Consulting Engineer:	HNTB Corporation

For consideration, responses must be received by 3:00 PM (EST) on February 25, 2014. All responses will be reviewed by SRTA and members of a Commission RFP Committee. Based on a review of the proposals received, SRTA and/or the Commission RFP Committee may request clarification with respect to any portion of any responder’s proposal and/or that selected firms attend interviews, at their own expense, during the week of March 3, 2014 or March 10, 2014. Any request(s) for clarification will be made in writing, as must the response(s) to any such requests. SRTA and the Commission RFP Committee reserve the right to reject any or all proposals, or any portions or items of a proposal. SRTA and the Commission RFP Committee will proceed with the selection of an underwriting syndicate, placement agent, or direct purchaser based on responsiveness to the RFP and the best interest of SRTA and the State of Georgia. SRTA and the Commission reserve the right not to go forward with the anticipated sale of 2014 Toll Revenue Bonds for any reason. All costs of preparing the proposal shall be solely the responsibility of the proposer and SRTA and the State of Georgia shall have no liability to reimburse the proposers for any costs so incurred.

Records (including all documents, papers, letters, maps, books, tapes, photographs, computer based or generated information, data, data fields, or similar material) submitted pursuant to this RFP will be subject to disclosure under the Georgia Open Records Act, (O.C.G.A. § 50-18-70 et. seq., as amended). In accordance with O.C.G.A. § 50-18-72(a)(10), pending, rejected, or deferred sealed proposals and related detailed cost estimates will not be disclosed under the Georgia Open Records Act until the earlier of final award of contract, or the project is terminated or abandoned. Should any proposer wish to designate any records containing trade secrets as confidential, the proposer shall, in accordance with O.C.G.A. § 50-18-72(a)(34), submit and attach to the records an affidavit affirmatively stating that specific information in the records constitute trade secrets pursuant to Article 27 of Chapter 1 of Title 10 of the Official Code of Georgia Annotated. If the proposer attaches such an affidavit, then SRTA shall proceed in accordance with O.C.G.A. § 50-18-72(a)(34) in response to a request for any such designated record pursuant to the Georgia Open Records Act.

**I. Background**

SRTA is a body corporate and politic and an instrumentality and public corporation created and existing under the laws of the State of Georgia, particularly the State Tollway Authority Act (O.C.G.A. § 32-10-60, et seq., as amended). SRTA has no taxing power.

The proceeds of the Series 2014 Bonds will be used for the Interstate Highway 75 South Express Lanes Project (hereinafter, the “Project”), a 12.24 mile managed lane system along Interstate Highway (“I-75”) from the State Route 155 (“SR 155”) (Zack Hinton Parkway, South) interchange in Henry County north to the State Route 138 (“SR 138”) interchange in Henry and Clayton counties. In June 2013, the GDOT awarded a \$176.2 million design-build contract to C.W. Matthew Contracting Co., of Marietta. Design work has commenced and construction of the Project is anticipated to begin in February 2015. The total cost of the project (including civil work and tolling integration) is estimated to be \$217,603,739. The Project consists of two lanes which will be added in the center median of I-75 from SR 138 in southern Clayton County to just north of State Route 20 (“SR 20”) and one lane, also in the center median, will extend from that point to SR 155 in Henry County. The managed lanes will be barrier-separated and reversible, with traffic to be northbound in the mornings and southbound in afternoons and evenings. In addition to SR 155 and SR 138, the managed lanes will be accessible at Interstate Highway 675, near SR 20, and at Jonesboro Road. Motorists will be able to utilize the managed lanes by choosing to participate in SRTA’s Peach Pass program, which uses remote transponders to assess variable-rate tolls based on traffic volumes and other factors. SRTA anticipates the managed lanes will be open to traffic by January 2017.

See <http://www.dot.ga.gov/travelingingeorgia/expresslanes/I75expresslanes/Pages/default.aspx> for more information on the Project.

The Project will be financed with a combination of federal funds, which have been authorized, state funds, and the Series 2014 Toll Revenue Bonds as shown below:

Federal Funding	\$129,271,109
State Funds	65,237,250
2014 Toll Revenue Bonds	23,095,380
<b>Total Project Cost</b>	<b>\$217,603,739</b>

Stantec is preparing an investment grade traffic and revenue study, which is expected to be available in late February 2014. SRTA proposes to secure the Series 2014 Toll Revenue Bonds with a net revenue pledge, where toll-related operating and maintenance expenses and toll collections expenses are paid prior to debt service on the Series 2014 Bonds. In the first partial year of operations, fiscal year 2017, the projected revenues are not anticipated to be sufficient to cover toll-related and toll collection operation and maintenance expenses. GDOT and SRTA will contract whereby GDOT will cover any deficiency of revenues related to tolling operation and maintenance expenses for the period. In such event, however, there will be no revenues to pay debt service for that period. GDOT and SRTA will contract whereby GDOT will pay all roadway operation and maintenance expenses and roadway renewal and replacement expenses throughout the life of the project. In addition, GDOT and SRTA will contract whereby GDOT will pay tolling renewal and replacement expenses to the extent that toll revenues and amounts in the tolling renewal and replacement fund are insufficient.

Please contact Deirdre Johnson ([djohnson@georgiatolls.com](mailto:djohnson@georgiatolls.com)) to obtain copies of: (i) Exhibit A with Stantec's preliminary revenue projections; (ii) Exhibit B with projected toll-related operating and maintenance expenses and toll collections expenses that are paid prior to debt service; and (iii) Exhibit C with projected tolling renewal and replacement expenses, roadway operations and maintenance expenses, and roadway renewal and replacement expenses.

## **II. Proposal**

To be deemed responsive, the proposer must include the following in its submission relative to this RFP:

- A. Provide the name of the firm, the firm's proposed role, primary contact for the proposal, personnel to be assigned to the proposed financing and their roles; and provide email addresses and phone numbers for all individuals thus identified.
- B. Briefly describe the firm's experience as a senior book-running manager/placement agent and/or direct purchaser for toll road revenue bonds since January 2011. Provide a list in tabular form to include each issuer's name, date, amount issued and ratings.
- C. Briefly describe the firm's experience as a senior book-running manager/placement agent and/or direct purchaser for bonds issued in the State of Georgia since January 2011. Please provide a list in tabular form including each issuer's name, date, amount issued and ratings.
- D. Discuss two recent (within two years of the date of the submitted proposal) engagements that are similar to this proposed transaction.
- E. Please provide a proposed plan of finance for SRTA using the following assumptions:
  - i. Market conditions: As of February 19, 2014 3:00 PM EST
  - ii. Project Fund: \$23.1 million required in Project Fund
  - iii. Toll Revenues: Estimates in Exhibit A, based on preliminary projections by Stantec
  - iv. Tolling O&M Expenses: Projections in Exhibit B

- v. Security: As described in Section I.
  - vi. Fixed rate bonds: Current interest bonds and/or capital appreciation bonds
  - vii. Redemption Provisions: Ten year par call for current interest bonds; Non-callable for capital appreciation bonds
  - viii. Dated/Delivery Date: June 1, 2014
  - ix. Principal Payment Dates: June 1
  - x. Final Maturity: Up to 35 Years
  - xi. Cost of Issuance: \$300,000, to be paid from proceeds of the 2014 Toll Revenue Bonds
    - a. Attach detailed schedules of the proposed plan of finance in an appendix. Include sources and uses of funds, debt service, pro forma cash flows, debt service coverage ratios and a calculation of the true interest cost for the plan of finance.
    - b. Provide pricing scales (coupons and yields) for the proposed bond issuance. Provide actual yields and spreads to MMD for publicly issued bonds or the appropriate index for private placement or direct purchase.
    - c. Provide estimated underwriter's discount/purchaser fees as follows:
      - Takedown (by maturity and average takedown);
      - Management fee, if any; and
      - Expenses, including breakdown and underwriters' counsel fees.
- F. Describe the proposed structure and why it was recommended.
- G. Provide a term sheet of key terms of the financing.
- H. Provide any changes in yields and any changes in the plan of finance if capital appreciation bonds are used and have a ten year par call.
- I. Discuss a recommended credit and rating agency strategy with regard to the proposed plan of finance. Discuss, in order of importance, the key credit considerations for this financing and the recommendations to address those considerations. Discuss what ratings you would expect. In addition, discuss which rating agency, or agencies, if any, would be recommended to rate the bonds and why that (those) firm(s) was (were) recommended.
- J. Describe the recommended approach to sell the 2014 Toll Revenue Bonds – public offering or private placement. If a private placement is recommended, discuss what disclosure is necessary. Describe any proposed marketing plan for the 2014 Toll Revenue Bonds.
- K. Provide the name of the firm and the lead individual which is recommended to serve as underwriters' counsel or purchaser's counsel (if the proposal is for a direct purchase of the 2014 Toll Revenue Bonds).

- L. If applicable, provide a discussion of the proposed structure of the underwriting syndicate, including a brief discussion of the use and number of co-managers and proposed designation rules.
- M. Provide a timeline including tasks and responsibilities assuming transaction pricing in early June.
- N. Provide a summary statement of the firm's capital position as of the date of its most recently published statement of financial position. Include information on the firm's total capital, equity capital, excess net capital and daily average uncommitted capital. (DO NOT provide SEC filings or annual reports.)
- O. Disclose any conflicts of interest or potential conflicts of interest that may arise if the firm is selected for this engagement. Describe the current status and timing of any announced mergers with, or acquisitions of, any other firm that could impact the firm's engagement with SRTA. Also, in a separate appendix to the Proposal, identify fully the extent to which the firm or individual partners or employees are the subject of any ongoing securities investigation (including investigations undertaken by the SEC, state blue-sky commissions, the U.S. Department of Justice and the Internal Revenue Service pursuant to IRC Section 6700), are a party to any securities litigation or arbitration, or are the subject of a subpoena in connection with a municipal securities investigation, including any investigations involving auction rate securities and bid-rigging. Include any such investigations which concluded in an enforcement or disciplinary action ordered or imposed in the last three years and a description of those actions.
- P. Provide a statement to certify that the firm currently is in compliance with MSRB rules G-37 and G-38, if applicable. For purposes of this RFP, officials of the issuer include the elected officials who serve on the boards of SRTA and the Commission.

### **III. RFP Responses and Schedule of Events**

- A. **Due Date: RFP responses shall be received via e-mail no later than 3:00 PM (EST), on February 25, 2014 to the following:**

**Peggy Guillory**  
State Road and Tollway Authority  
[pguillory@georgiatolls.com](mailto:pguillory@georgiatolls.com)

**Diana Pope**  
Georgia State Financing and Investment Commission  
[diana.pope@gsfic.ga.gov](mailto:diana.pope@gsfic.ga.gov)

**Steven Peyser**  
Public Resources Advisory Group  
[speyser@pragny.com](mailto:speyser@pragny.com)

Responses received after that time will be deemed non-responsive and shall not be considered. Proposals must be limited to no more than **15 pages in total and with text in 12 point font**, including any cover letter and the term sheet, but excluding exhibits and appendices and response to item II.O, which should be presented as an appendix to the Proposal.

B. Additional Information: Any questions or information requests regarding the RFP must be received via email to Steven Peyser, speyser@pragny.com, no later than 2:00 PM (EST) on **February 14, 2014** to those receiving the proposals. Questions received by that time and answers to those questions will be posted on the SRTA website at: [www.georgiatolls.com/business](http://www.georgiatolls.com/business). on or about February 19, 2014.

C. Except as provided for above, firms are not to contact board members or staff of SRTA, GDOT or GSFIC or members of the Professional Team (as described on page 1 of this RFP) regarding this RFP. A failure to abide by this requirement will result in automatic disqualification.

D. RFP Review and Evaluation Process:

SRTA and the Commission RFP Committee will be responsible for reviewing all proposals. Selection criteria and their relative weighting will include:

- i. Ability and experience of firm and team proposed to execute the transaction (35%)
- ii. The structure proposed and overall cost (35%)
- iii. Proposed compensation (10%)
- iv. Marketing approach and distribution capability (10%)
- v. Overall quality of proposal (10%)

E. Tentative Schedule of Events

<u>Event</u>	<u>Date</u>
Release RFP	February 10, 2014
Submission of Questions	February 14, 2014 2:00 PM EST
Post Answers on SRTA Website	February 19, 2014
Submission of Proposals	February 25, 2014 3:00 PM EST
Interviews (if held)	Week of March 3, 2014 or March 10, 2014
Selection of Qualified Firm(s)	Week of March 17, 2014
Pricing of Bonds	Early June 2014