



REQUEST FOR PROPOSALS FOR INVESTMENT OF BOND PROCEEDS

September 28, 2018

Lexington Center Corporation (LCC) is a non-profit, non-stock corporate agency and a component unit of the Lexington-Fayette Urban County Government (LFUCG). The purpose of LCC is to plan, finance, develop and operate a convention, trade show, performing arts, and sports facility. These facilities are comprised of a sports arena (Rupp Arena), an exhibition and display hall (The Lexington Convention Center), a historic theatre, Triangle Park, and parking facilities. The Corporation has been determined to be a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended.

THE PROJECT

Series 2018 Bonds are being issued as part of a \$241 million renovation and expansion of Lexington, Kentucky's Convention Center, known as the Convention Center Project (the "Project"). The Project will consist of, among other things, the demolition of the entire existing Convention Center building. Such demolition will be completed in phases, and in specific areas, to facilitate continuous partial occupancy and operation of the Convention Center throughout the construction period.

The Project will create 100,000 square feet of exhibit hall space; a new 24,000 square foot multi-purpose ballroom; 16 meeting rooms of various sizes and configurations totaling 25,000 square feet; large pre-function areas that allow for registration and other pre-function activities; clearly understandable wayfinding and vertical transportation systems; a 9,000 square foot commercial kitchen; and public entrance/pre-function spaces off of Main Street and High Street. A new parking/loading dock/service structure will be built west of Rupp Arena as well as a new central utility plant. The Project will also make several upgrades to Rupp Arena, including the replacement of a portion of the upper bowl bleacher seating with chair-back seating, four new hospitality club areas, and a renovation and enhancement of the building's façade and exterior design.

FINANCING

To pay certain Project costs, the Issuer will issue approximately \$101,300,000 Convention Facility Revenue Bonds, Series 2018 and \$83,690,000 Transient Room Tax Revenue Bonds, Series 2018A and \$13,535,000 Transient Room Tax Revenue Bonds, Subordinate Series 2018B. The LFUCG has granted proceeds in the aggregate amount of \$30,000,000 of to pay costs of the Project. The Commonwealth of Kentucky will make a grant of \$60,000,000 to pay costs of the Project.

INVESTMENT TYPES

Only securities permitted under the documents for the Series 2018 Bonds and other proceeds will be eligible investments for financing proceeds. These may include:

(a) obligations of the United States and of its agencies and instrumentalities, including obligations subject to repurchase agreements, if delivery of these obligations subject to repurchase agreements is taken either directly or through an authorized custodian. These investments may be accomplished through repurchase agreements reached with sources including, but not limited to, national or state banks chartered in the Commonwealth of Kentucky;

(b) obligations and contracts for future delivery or purchase of obligations backed by the full faith and credit of the United States or a United States government agency, including but not limited to:

- (i) United States Treasury;
- (ii) Export-Import Bank of the United States;
- (iii) Farmers Home Administration;
- (iv) Government National Mortgage Corporation; and
- (v) Merchant Marine bonds;

(c) obligations of any corporation of the United States government, including but not limited to:

- (i) Federal Home Loan Mortgage Corporation;
- (ii) Federal Farm Credit Banks;
- (iii) Bank for Cooperatives;
- (iv) Federal Intermediate Credit Banks;
- (v) Federal Land Banks;
- (vi) Federal Home Loan Banks;
- (vii) Federal National Mortgage Association; and
- (viii) Tennessee Valley Authority;

(d) certificates of deposit issued by or other interest-bearing accounts of any bank or savings and loan institution which are insured by the Federal Deposit Insurance Corporation or similar entity or which are collateralized, to the extent uninsured, by any obligations, including surety bonds, permitted by KRS 41.240(4);

(e) uncollateralized certificates of deposit issued by any bank or savings and loan institution rated in one (1) of the three (3) highest categories by a nationally recognized rating agency;

- (f) bankers' acceptances for banks rated in one (1) of the three (3) highest categories by a nationally recognized rating agency;
- (g) commercial paper rated in the highest category by a nationally recognized rating agency;
- (h) bonds or certificates of indebtedness of the Commonwealth of Kentucky and of its agencies and instrumentalities;
- (i) securities issued by a state or local government, or any instrumentality or agency thereof, in the United States, and rated in one (1) of the three (3) highest categories by a nationally recognized rating agency; and
- (j) shares of mutual funds, each of which shall have the following characteristics:
 - (i) the mutual fund shall be an open-end diversified investment company registered under the Federal Investment Company Act of 1940, as amended;
 - (ii) the management company of the investment company shall have been in operation for at least five (5) years; and
 - (iii) all of the securities in the mutual fund shall be investments described in (a) - (i) above.

These investments may be between 30 days and five years in length dependent upon the construction schedule and reserve requirements.

SERVICES TO BE PROVIDED

Municipal Investment Advisor works post-issuance to provide investment recommendations and execution for issue proceeds. Municipal Investment Advisor's transactions are effected on a non-discretionary principal or agency basis and the securities are to be delivered DVP to LCC's Trustee Huntington Bank. Services rendered include research, client meetings, client education, travel expenses and continued monitoring of each security purchased. Commissions are charged on a per transaction basis.

This is a Qualifications/Experience-Based selection process. Qualifications, proposals and pertinent experience will be reviewed during RFP evaluation. After evaluation, the selection committee may request in-person interviews or may select the successful candidate based on the written submission alone. The selection committee reserves the right to negotiate contract costs and terms after the selection process is completed and to waive formatting and component requirements.

Proposals should address the respondent's ability to meet the requirements listed in the services to be provided. The Request for Proposal response should contain the following components:

1. Introductory Letter

The introductory letter should include the mailing address, email address, and phone number of the primary contact person. Certify that the information in the proposal is true and complete. Signed by an authorized representative(s) of your organization.

2. Municipal Investment Advisor lead qualifications

Municipal Investment Advisor Lead should describe the pertinent qualifications, licenses, experience, capability, and availability of the lead advisor that would be available for and assigned to assist with this consultation. Describe any unique qualifications he/she may bring to this consultation. Describe their experience in investing bond proceeds, in particular experience with not-for-profit entities such as LCC. Resumes may be included. Provide a spreadsheet list of similar or pertinent projects or public/private partnership projects the Municipal Investment Advisor and firm may have participated in or completed during the last (5) five years.

3. Firm's Information and Qualifications

A. Provide general information about firm, including brief history, markets of operation and financial strength.

B. Describe the experience of your firm in serving as investment advisor for the proceeds of tax-exempt bonds. What is the percentage of your firm's business that pertains to the investment of bond proceeds. Describe the investment management organization of your firm including the location of the office from which funds are to be managed.

C. Please provide proof of your firm's registration as an investment advisor

D. Outline the steps to be taken to reflect the objectives of safety, liquidity, legality and yield. State how your firm would maximize net earnings for LCC while minimizing rebate payments, if possible.

E. Describe available disbursement options and any advance notification requirements for the disbursement of funds.

F. Provide samples of investment records and reports provided to clients.

G. Describe any material agreements, relationships, retainers or other employment that your firm or any employee of your firm has with any other investment banking firm, financial advisory firm, and law firm, or 501(c)(3) organization or other person or entity that may create a conflict of interest or the appearance of a conflict of interest.

H. Please list the regulatory agencies your firm is examined by and / or subject to its rules and regulations.

I. Does your firm have any pending litigation with public sector clients, or has there been any within the last five years?

If yes, please explain.

J. Has your firm, in the past five years, been subject to a regulatory, state or federal agency investigation for alleged improper, fraudulent, disreputable, or unfair activities related to the sale of government securities or money market instruments?

If yes, please explain.

4. Fees for Municipal Advisory services

Please provide your detailed schedule of fees for services and how those fees will be charged. This should include commission schedules, transaction fees, and any other fees that would be paid to you from the portfolio.

Proposal Acceptance

LCC intends to select a Municipal Investment Advisor based upon the LCC's Finance Committee's evaluation of the firm and the individuals representing the firm. The final choice will be the firm best qualified and capable of providing the specified services to the LCC in a timely, economical and efficient manner.

LCC reserves the right to accept the proposals in whole or in part, and to reject any and all proposals, and to negotiate separately as necessary to serve the best interests of LCC.

Neither the distribution of this RFQ nor acceptance of any response should be construed as creating a contractual obligation between LCC and any firm. LCC does not authorize and will not be responsible for any expense or charges associated with providing a response to this Request for Qualification.

Other information

Submission Deadline: 2 PM on October 22, 2018

Please direct all questions to Neal Werner, Director of Business Affairs who will be the primary point of contact:

nwerner@lexingtoncenter.com

(859) 551-3023

Submission of a proposal indicates acceptance by the firm of the conditions contained in this Request for Proposal, unless clearly and specifically noted in the proposal submitted and confirmed in the agreement between LCC and the firm selected.

Please be concise in your submission. Deadline for submission of your qualifications proposal is 2 PM on October 22, 2018. Please submit five hard copies and one electronic copy to:

Lexington Center Corporation
Attn: Neal Werner, Director of Business Affairs
430 West Vine Street
Lexington, KY 40507
nwerner@lexingtoncenter.com