



WM Financial Strategies

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September 25, 2020

**RE: Request for Proposals for
Refunding Tax Increment Revenue Bonds
City of Osage Beach, Missouri**

In its capacity as a registered municipal advisor, WM Financial Strategies, on behalf of the City of Osage Beach, Missouri (the “City”), is seeking proposals from firms to privately place or purchase the City’s tax increment refunding revenue bonds (the “Refunding Bonds”). The proceeds will be used for a current refunding of the City’s Tax Increment Refunding Revenue Bonds (Prewitt’s Point Project), Series 2006 (the “Series 2006 Bonds”) in the amount further described below (the “Outstanding Bonds”). The closing is expected to be this fall.

The following information is available at <http://www.wmfinancialstrategies.com/RFPs.htm>:

- The Official Statement for the Outstanding Bonds (the “Official Statement”).
- The Official Statement for the City’s Tax Increment Refunding Revenue Bonds (Prewitt’s Point Project), Series 2012 (the “Series 2012 Bonds”), which were secured by an adjacent Subarea (the “Series 2012 Bonds’ Official Statement”).
- A schedule titled “TAX INCREMENT FINANCING INFORMATION” which includes a list of the businesses located in the Redevelopment Area and information regarding historical revenues (the “Historical Revenue Table”).
- The City’s 2019 Fiscal Year Comprehensive Annual Financial Report.

The Official Statements describe the City, the Redevelopment Area, the Outstanding Bonds and the sources of revenue that are either pledged or annually appropriated for payment of the Outstanding Bonds. Except as described below, the same sources of revenues described in the Official Statement and in the Historical Revenues Table will be pledged or annually appropriated for payment of the Refunding Bonds.

Prior to this year, the Outstanding Bonds were paid solely by Subarea 1. An adjacent Subarea 2 secured outstanding Tax Increment Refunding Revenue Bonds (Prewitt’s Point Project), Series 2012 (the “Series 2012 Bonds”). With the retirement of the Series 2012 Bonds on December 31, 2019, incremental revenues from both Subarea 1 and Subarea 2 now secure the Outstanding Bonds. The Refunding Bonds will be secured by incremental revenues from both Subarea 1 and Subarea 2.

The maturity schedule for the Outstanding Bonds is as follows:

<u>Date</u>	<u>Principal</u>	<u>Rate</u>
5/1/2021	\$1,445,000	5.00%
5/1/2022	1,560,000	5.00
5/1/2023	2,390,000	5.00

The Outstanding Bonds have a fully funded debt service reserve fund in the amount of \$1,757,500. The Outstanding Bond documents also provide for the funding, over time, of an additional Business Interruption Account in the amount of \$1,757,500 from certain incremental revenues. The Business Interruption Account is unfunded at this time but in the absence of a refunding is expected to be funded within the next two years.

In the event the transaction is completed, Gilmore & Bell will serve as bond counsel. Gilmore & Bell will render the legal opinion on the Refunding Bonds that will include the opinion that interest on the Bonds is exempt from income taxation by the State of Missouri and is excludable from gross income of the owners thereof for federal income tax purposes. The opinion will also state that the Bonds are designated as “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the “Code”).

The City intends to pay costs of issuance including trustee fees, bond counsel fees, City attorney fees, CUSIP fees (if required), and municipal advisor fees.

Written proposals will be accepted until 12:00 p.m., Central Time, October 13. Proposals should be submitted by email to the City’s municipal advisor, Joy A. Howard, WM Financial Strategies at Jhoward@wmfinancialstrategies.com and to Karri Bell, Treasurer, at kbell@osagebeach.org.

Proposals must include responses to the items set forth below.

1. Terms of the Bonds. Please describe your proposed bond terms which should reflect the following:

- a) Maturity Schedule. Indicate whether you require a fixed maturity schedule or will permit a super sinker structure. (With a super sinker structure, the Refunding Bonds would be structured as one term bond and principal would be redeemed on each interest payment date to the fullest extent possible with funds held by the Trustee in debt service fund.) The final stated maturity of the Refunding Bonds will be May 1, 2023.
- b) Reserve Fund. Indicate whether you require any reserve funds. (The City’s preference is to apply the current reserve fund to the transaction and thereby reduce the principal and debt service on the Refunding Bonds.)
- c) Redemption. The Bonds should be callable at any time with 30 days’ notice.
- d) Other Terms. The other terms of the Refunding Bonds are expected to remain similar to those set forth in the current documents. If you anticipate any further changes, please describe the changes.

2. Costs of Transaction. Describe any fees or costs the City will be required to pay in addition to those set forth above.

3. Rates and Yields. Describe the rates you would assign to the Refunding Bonds based on current market conditions. Indicate how the final rates will be established at the time of sale. Alternatively, you can submit a firm final rate based on a specified closing date or a rate that will be based on an index method set forth in your proposal.

4. Credit Approval. Indicate whether you have received preliminary credit approval for this financing. Describe in detail the process and timing required by your firm for obtaining final credit approval.

5. Personnel. Provide the name, phone number and email address for the person who will serve as the City's primary contact.

The City may select a placement agent or purchaser based on the written proposals received or may interview one or more firms following receipt of the proposals. The City reserves the right to reject any and all proposals. It is anticipated that the City will determine whether to accept a proposal or reject all proposals within two weeks following receipt. The City may waive any variations which are considered to be in the best interest of the City. The City will take all matters included in the proposals into account in determining the best proposal and will select the firm it deems to have the best proposal, not necessarily the lowest price. In the event the City elects to terminate the financing prior to execution of a purchase agreement the City will have no obligation to any firm submitting a proposal.

If you have any questions regarding this issue or the request for proposals, please contact the undersigned.

Sincerely,

Joy A. Howard
Principal