

REQUEST FOR UNDERWRITER'S SERVICES PROPOSALS

SPECTRUM ACADEMY, UTAH

\$31,000,000

**CHARTER SCHOOL REVENUE BONDS,
SERIES 2020**



JANUARY 15, 2020

**LEWIS  YOUNG
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INTRODUCTION

Spectrum Academy (“Spectrum”) is pursuing the issuance of Charter School Revenue Bonds, Series 2020 (the “Series 2020 Bonds”). Proceeds from the Series 2020 Bonds will be used to (i) refinance its existing Series 2015 Bonds, (ii) refinance a loan with a local bank used to construct new facilities, (iii) fund a debt service reserve fund, and (iv) pay costs of issuance associated with the issuance of the Series 2020 Bonds, (v) fund the construction of a new 20,000 Square foot facility at the Pleasant Grove Campus.

Spectrum is a K-12 public charter school with various campuses located in North Salt Lake and Pleasant Grove, Utah with a current enrollment of approximately 1500 students. More information about Spectrum can be found at its website: <https://www.spectrumcharter.org/>.

Spectrum will submit the requisite application to the Utah Charter School Finance Authority (“UCSFA”) to act as conduit issuer. Spectrum does not anticipate to participate in the UCSFA Credit Enhancement Program at this juncture. As a part of the process, Spectrum would like to have its underwriter as a part of its finance team as Spectrum prepares to issue the Series 2020 Bonds.

SUBMISSION OF PROPOSALS AND INQUIRIES

All proposals shall be submitted in electronic (pdf.) format only. Proposals shall be submitted no later than **4:00 p.m. MDT on January 28, 2020**. Please submit electronic proposals with a received and read receipt to verify that your proposal has been received. Neither Spectrum, nor LYRB, will be responsible for proposals that are not received in accordance with these instructions.

Respondents shall send electronic copies of their proposals to David Robertson at david@lewisyoung.com.

Failure to submit proposals as instructed above may, at the sole discretion of Spectrum, result in the rejection of the respondent for consideration as underwriter. Spectrum reserves the right to accept or reject any, or all, proposals received, or any or all parts of a proposal, to waive minor defects or technicalities and to request new proposals. The award, if any, will be made to the underwriting firm, or firms, that Spectrum, in its sole discretion, determines is best suited to serve the interests of Spectrum.

Questions and inquiries regarding this RFP shall be directed by e-mail to David Robertson at the address shown above no later than January 24, 2020 at 3:00 p.m. MDT. Responses to questions submitted will be shared via e-mail with all firms receiving a copy of this RFP directly.

No contact regarding this RFP shall be made directly with any Spectrum staff member or Board member. Any such contact will result in the immediate disqualification of the respondent.

SELECTION PROCESS AND INTERVIEWS

Spectrum will review the responses to this RFP and will be assisted by its Municipal Advisor, Lewis Young Robertson & Burningham, Inc. (“LYRB”).

At this time Spectrum does not anticipate a need for oral interviews. However, during the evaluation process, the Selection Committee may request an in-person or telephone interview with one or more respondents. The final recommendations shall be presented to Spectrum’s Board for its consideration.

The underwriter will be chosen who best demonstrates its ability to assist Spectrum in structuring its bonds to achieve the lowest interest rate possible with flexible redemption options. Past performance, strength of



personnel on the team, methodology for marketing the bonds, sales approach, proposed scale balanced with experience and costs will all be factored into the decision.

Spectrum anticipates formally selecting its underwriter at its February, 2020 Board meeting in anticipation of submitting other applications as discussed.

INCURRING COSTS

Spectrum will not be liable for any costs which any respondent might incur in the preparation and delivery of its proposal.

LEGAL COUNSEL

Bond & Disclosure Counsel as well as Borrower's Counsel have not yet been selected but will likely be selected in 5 days from the submit deadline.

PROPRIETARY INFORMATION

Please mark any specific information contained in your firm's proposal which is not to be disclosed to the public or used for purposes other than the evaluation of the proposals. Pricing and service elements of any proposal will not be considered proprietary. All material submitted becomes the property of Spectrum and may be returned only at Spectrum's option. Proposals submitted may be reviewed and evaluated by any person or persons at the discretion of Spectrum.

CONTENTS OF PROPOSAL

Proposals responsive to this RFP are limited in length to no more than six (6) pages, excluding appendices as allowed for in the detail below.

The proposal should address the following:

1. A profile of your firm that includes its history, philosophy and approach to the underwriting of municipal bonds. This profile should include the important characteristics of your firm and experience with non-rated bonds, particularly for charter schools.
2. Resumes for those individuals who will be actively representing your firm and interfacing with Spectrum, particularly the lead banker and lead sales manager with a discussion of how these individuals will be organized and in what capacity they will function in their respective roles. Please provide specific information relative to the relevant experience of the individuals assigned to the underwriting.
3. Describe your firm's approach to marketing Spectrum's Series 2020 Bonds including how your firm intends to target various market segments, and their relative importance, in order to identify prospective purchasers of the bonds.
4. Describe your firm's experience in pricing rated and non-rated charter school revenue bonds and how Spectrum's bonds should trade as compared to similar credits in other states.
5. Describe your firm's experience in pricing bonds in the Utah market and how Spectrum's bonds should trade as compared to similar credits in other states.
6. Representative examples of transactions (at least three but no more than five) similar to that proposed by Spectrum that your firm has marketed in the past 18 months, date offered, pricing structure, spread to MMD, what role your firm played in the marketing the bond issues and if there were any peculiarities in the market at the time of offering. A more complete list of representative transactions may be provided as an appendix (appendices are not included in the page count).



7. Include a proposed scale and spread to MMD based upon a 30-yr level amortization as of close of business on January 31, 2020. Describe the manner in which your firm approaches the pricing of bonds.
8. Provide any suggestions, creative ideas and/or cost-effective measures that your firm feels might be of benefit to Spectrum and should be taken into consideration in making a selection of underwriter for the proposed financing.
9. A list of up to three (3) references (including a contact person and that person's contact information and title) of persons or entities for which the responder has provided underwriting services who can render an opinion regarding the ability of the responder to provide those services.
10. Disclose any investigations and/or inquiries of your firm, in the last five years, by the SEC, MSRB, FINRA or any other regulatory entity and describe how such events have or could impact your firm's ability to market, sell or underwrite the Series 2020 Bonds.
11. Include any other relevant information that you feel should be considered in evaluating your firm's ability to act as a member of the underwriting syndicate.
12. Provide your firm's proposed underwriting spread, including takedown and management fees, as well as a detail of all associated expenses that your firm will charge in connection with the pricing, marketing and closing of the Series 2020 Bonds.
13. Indicate if your firm will require underwriter's counsel separate from bond & disclosure counsel and borrower's counsel. If so, please indicate a proposed fee and if this fee will be included in the underwriter's spread or should be included in the costs of issuance budget.

PRELIMINARY MATURITY SCHEDULE

Spectrum intends to issue its Series 2020 Bonds with a projected final maturity in 2050 with level amortization through the UCSFA. Preliminary estimated principal payments are shown below:

CHARTER SCHOOL REVENUE REFUNDING BONDS			
DATE (APRIL 15)	PRINCIPAL*	DATE (APRIL 15)	PRINCIPAL*
2021	\$460,000	2036	\$965,000
2022	480,000	2037	1,015,000
2023	505,000	2038	1,070,000
2024	530,000	2039	1,125,000
2025	560,000	2040	1,185,000
2026	585,000	2041	1,245,000
2027	615,000	2042	1,315,000
2028	645,000	2043	1,390,000
2029	680,000	2044	1,465,000
2030	710,000	2045	1,545,000
2031	750,000	2046	1,630,000
2032	785,000	2047	1,720,000
2033	830,000	2048	1,815,000
2034	870,000	2049	1,915,000
2035	915,000	2050	2,020,000
Total			\$31,340,000
*Preliminary and Subject to Change			