

Hampton Roads Transportation Accountability Commission

Request for Proposals for Trustee Services



**HRTAC RFP 2018-02
ADDENDUM**

RFP ISSUED: October 31, 2017

PROPOSALS DUE: November 14, 2017 at 5 P.M. EST

Q1: In Questions 10(e) it asks for an Escrow Agent fee, I don't see where one would be needed, can you explain. I'd need to know if a refunding escrow what deal is it and how long would we hold funds before bonds were called (duration of our services), most clients want to pay this as a one-time fee since that debt is no longer on their books and not pay an annual fee.

A1: HRTAC does not have any existing debt at this point, and Question 10(e) is for refunding transactions at a future date.

Please specify whether your proposed Escrow Agent fee is a one-time fee. For the purpose of responding to this question, please assume a 3-year advance refunding.

Q2: Can you tell me the estimated size of the first bond financing and should we assume the financing will consist of new money?

A2: For the purpose of responding to this RFP, please assume the estimated size to be in a range of \$150 million to \$500 million. The entire issuance will be new money.

Q3: What are the projected balances in the transaction accounts?

A3: The majority of net bond proceeds will either be deposited in a Project Fund or reimburse HRTAC for prior expenditures (be deposited in General Fund). A debt service reserve fund will also be established (please assume 10% of the bond size for the purpose of responding to the RFP).

Q4: Is it anticipated that the Project Fund will be invested in traditional money market funds or will another investment vehicle be considered

A4: It is likely that some of HRTAC's approach to investing bond proceeds will vary over time. Some bond issues may be for 100% reimburse whereas others may invest bond proceeds for longer periods. When investing bond proceeds, HRTAC intends to use a wide array of investments permitted by its Investment Policy and memorialized in subsequent bond documents including fixed income securities, the Virginia State Non-Arbitrage Program's SNAP Fund, the Commonwealth of Virginia's LGIP, and government money market mutual funds.

Q5: There is reference to Virginia SNAP in the RFP. How would the trustee / escrow agent be expected to interact with this entity?

A5: Information on the Virginia State Non-Arbitrage Program (“VASNAP”) can be found here: <https://www.vasnap.com>. It is possible that HRTAC will invest a portion of its unspent bond proceeds through the commingled investment fund that is available to VASNAP’s participants. The commingled investment fund, the SNAP Fund, is a Government Accounting Standards Board Statement 79 compliant local government investment pool. The SNAP Fund may be used in addition to, or instead of, any registered money market mutual fund. Any trustee engaged through this RFP may be responsible for opening and maintaining accounts, investing and withdrawing funds, and maintain appropriate accounting records for any of HRTAC’s proceeds invested through the SNAP Fund. VASNAP’s Program/Investment Manager has significant experience helping the trustees of bond issued in the Commonwealth of Virginia. Your response to pricing should consider that a portion or all of HRTAC’s unspent bond proceeds will be invested in the SNAP Fund.”