

INVITATION TO BID

**CITY OF MONTEVALLO  
STATE OF ALABAMA  
COUNTY OF SHELBY**

**SEALED BID FOR CAPITAL IMPROVEMENT FINANCING**

Sealed bids for \$2,050,000 in financing for City of Montevallo Capital Improvement Projects, including the renovation of the Victory Building, installation of a storm shelter(s), and improvements to Dailey Park, among other things, will be received in the office of the City Clerk, City Hall, 541 Main Street, Montevallo, Alabama 35115 until Friday, September 11, 2020 at 3:00 p.m. at which time bids will be opened publicly and read. The City Council reserves the right to reject any or all bids and to waive informalities in awarding this bid to the lowest responsive and responsible bidder.

If you have any questions concerning this bid or the specifications, contact Herman Lehman at 205/665-2555, ext 105. All questions must be submitted in writing to hlehman@cityofmontevallo.com. No questions will be entertained within 48 hours of bid opening.

Bid form:

**City of Montevallo Capital Project Financing**

**TERM SHEET**

**Borrower:** City of Montevallo

**Lender (Bank):** \_\_\_\_\_

**Loan Amount:** \$2,050,000

**Purpose:** Capital Improvement Project Financing, including complete renovation on building and property at 555 Main Street (a.k.a. Victory Building), installation of a community storm shelter(s), and improvements to Dailey Park.

**Term:** 18-month construct period followed by a twenty-year term loan with monthly interest payments based on outstanding balance. Starting in the 19<sup>th</sup> month the construction line outstanding balance will convert to a permanent loan with Principal and Interest monthly payments for the remainder of the loan.

*No pre-payment premium will be assessed if the loan is paid off early or if extra principal payments are made.*

**Maturity:** \_\_\_\_\_

**Rate:** Fixed rate through maturity. (Rate may be locked in up to 45 days prior to loan origination.) Rate to be agreed to by Bank and Borrower based on one of the following options:

**Option 1 -** \_\_\_\_\_

**Option 2 -** \_\_\_\_\_

**Origination Fee:** \_\_\_\_\_

**Collateral:** General Obligation, full faith and credit of the City of Montevallo. Negative

**Pledge with a Springing Mortgage.**

**Deposits Required:** \_\_\_\_\_

**Loan Agreement:** Documentation acceptable to lender, including a comprehensive loan agreement with customary reporting requirements and covenants for financing of this nature to be agreed upon by borrower and bank.

**Other Requirements:** Bank will be provided by borrower with all standard due diligence items. Additionally, borrower will provide documents to support General Obligation and Tax-Free status.

**Fees, Costs  
And  
Expenses:**

\_\_\_\_\_  
\_\_\_\_\_

**Governing Law:** The proposal will be governed by and construed in accordance with the laws of the State of Alabama and applicable federal laws of the United States of America,

**Representations /  
Warranties:**

The loan agreement will contain customary representations and warranties by Borrower. These include, but are not limited to, good standing of Borrower, authority to enter into loan agreement, representation that delivery and performance of loan documents do not violate law or existing agreements, no litigation except as disclosed to Bank, ownership of property, payments of taxes, no material change in financial condition or operations, confirmation of principal place of business, and compliance with environmental laws.

**Event of Default:** Failure to pay scheduled payments of principal and interest when due, breach of the terms of the note and loan agreement and other usual and customary events of default for financing of this type.

**Other:**

\_\_\_\_\_  
\_\_\_\_\_

**BIDS SUBMITTED TO:**

Herman Lehman, City Clerk & Treasurer  
City of Montevallo  
541 Main Street  
Montevallo, AL 35115