INDEPENDENCE
MISSOURI

**Procurement Division**
**111 E Maple, PO Box 1019**
**Independence, MO 64051-0519**

**REQUEST FOR PROPOSAL #23057**
**FINANCIAL ADVISOR SERVICES**

***ATTENTION PROPOSER – COMPLETE AND RETURN WITH PROPOSAL***

Proposing Firm Columbia Capital Management, LLC Phone Number 913-312-8068
(Please print or type)

Address 6700 Antioch Road, Suite 250 City Merriam State KS Zip 66204

Name of Authorized Agent Khalen Dwyer Email kdwyer@columbiacapital.com

The only authorized source for Request for Proposal (RFP) forms, addenda, and information regarding this RFP is www.publicpurchase.com. Using RFP forms, addenda, and information not obtained from www.publicpurchase.com creates the risk of not receiving necessary information about the RFP that may eliminate your proposal from consideration.

Submit questions regarding this RFP online at www.publicpurchase.com by deadline in the RFP schedule.

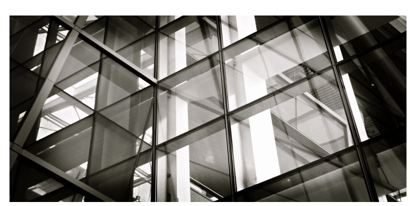
Proposals shall be submitted online via www.publicpurchase.com by the date and time indicated. Paper, fax, or email responses will NOT be accepted and will not be returned to sender. Proposals are sealed in a virtual lockbox that can only be opened after the Request for Proposal (RFP) closing date and time, to maintain confidentiality of the proposal. All proposals are subject to the terms and conditions herein.

Submission of a proposal shall be deemed a firm offer and is not revocable within 120 days after response deadline.

# City of Independence, Missouri

Request For Proposal #23057
Financial Advisor Services

June 16, 2023



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Columbia Capital is a **municipal advisor**, registered with the US Securities and Exchange Commission and the Municipal Securities Rulemaking Board. Columbia Capital provides advice as a fiduciary to its clients.

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June 16, 2023

City of Independence, Missouri
Procurement Division, PO Box 1019
111 E. Maple Ave.
Independence, MO 64051

To Whom It May Concern:

**Columbia Capital Management, LLC** ("Columbia Capital", "Columbia") hereby submits its response to the City of Independence, Missouri's ("City") Request for Proposal for Financial Advisor Services ("RFP"). Columbia Capital was founded in 1996 to provide issuers with a strong, independent alternative to receiving financial advice from investment banks. Over the past two decades Columbia has developed into a national leader in public finance, serving a variety of local, regional and state-level governments and agencies throughout the Midwest and across the country. We believe our team of advisors offers the City an unparalleled combination of financial advisory experience, local government knowledge and industry expertise. In addition, Columbia Capital proposes to partner with **Independent Public Advisors, LLC** ("IPA") for this engagement, as more fully described herein.

Our team is well positioned to provide expert financial advisory services to the City for a variety of reasons:

***Established Missouri Footprint.*** Columbia Capital was founded in Missouri 27 years ago, and over the years the firm has developed into one of the most trusted financial advisory teams in the region. Current Missouri clients include the State of Missouri; Missouri Housing Development Commission; Environmental Improvement and Energy Resources Authority; Metro/Bi-State Development Agency (St. Louis); Jackson County; St. Louis County; Boone County; and the Cities of Columbia, Lee's Summit, Raytown, and Riverside, among others.

***Extensive Breadth and Depth of Experience.*** Columbia's advisors possess more than 100 years of combined experience serving municipal bond issuers. We bring to the City experience advising a very diverse client base on the issuance of more than 1,580 transactions totaling more than $87 billion in par. This experience includes advising the City of Topeka; City of Chicago; City of Olathe, Kansas; State of Kansas (Kansas Development Finance Authority); State of Illinois; Illinois Finance Authority; Oklahoma Capitol Improvement Authority; Illinois State Toll Highway Authority; Metro Bi-State Development Agency (St. Louis region public transit provider); Kansas Turnpike Authority; Southwestern Illinois Flood Prevention District Council; Chicago Public Schools; City Colleges of Chicago; and Cook County, Illinois, among others.

***Holistic, Innovative Service.*** Columbia possesses a track record of success developing and implementing innovative and thoughtful financing solutions. Our team frequently works with clients to design financing programs from the ground up, often providing each of the services identified in the City's RFP, including: conducting sophisticated quantitative analysis; providing cash management advisory services; evaluating the advantages and disadvantages of financing alternatives; advising on the optimal execution of refunding opportunities; working closely with legal counsel on the construction of legal and offering documents; developing rating agency strategies and presentations; administering successful competitive auctions; serving as an informed and aggressive fiduciary during price negotiations; and facilitating a timely settlement.

**Responsive, Local, Team-Based Service.** Unlike many firms, Columbia uses a true local team system to serve clients—an approach that grants each client access to the firm's broad range of skills and expertise. Our team builds on a variety of backgrounds, including investment banking, economics, local government administration, and state government finance, to develop thoughtful, and often novel, financing solutions. Our distinctive service delivery model offers many advantages, including seamless account coverage, responsiveness, and a unique approach to innovation that we feel sets us apart from the competition.

**Advice as an Independent Fiduciary.** The public finance industry has undergone substantial regulatory change over the years. As of July 2014, the Securities and Exchange Commission implemented new standards for municipal advisors. These rules codified the long-anticipated restrictions governing the manner in which a variety of parties are permitted to interact with municipal bond issuers and borrowers with regard to the planning for, and issuance of, municipal financial products. As a registered municipal advisor with the SEC and MSRB, Columbia is duty-bound to provide financial advice as its clients' fiduciary—a standard the firm has maintained since its inception.

We appreciate the opportunity to respond to this RFP.

Respectfully submitted,
COLUMBIA CAPITAL MANAGEMENT, LLC

Khalen Dwyer

Khalen Dwyer
Managing Director

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- A: Affidavit
- B: Agreement for Professional Services
- C: Standard Disclosures

# A. Expertise and Experience of Responding Firm

**1 The respondent's past experience and performance demonstrated on comparable government engagements, preferably municipal.**

***Extensive Transaction Experience.*** Columbia Capital brings to the City extensive experience providing the scope of services sought by the City for this engagement. Our experience is broad, extending to nearly every corner of the municipal market. In total, Columbia Capital has advised on transactions totaling over **$87 billion** in par spanning more than **1,580** financings. The tables below demonstrate the full extent of our firm's financial advisory experience in both Missouri and across the country.

**Transaction Experience By Type**

| Category | Par | No. |
|---|---|---|
| General Obligation | $ 19,138,889,740 | 298 |
| General Revenues | 12,873,366,917 | 248 |
| Housing | 10,357,219,412 | 200 |
| Misc. Temporary Financing | 8,543,083,000 | 89 |
| Lease/Appropriation | 7,245,056,270 | 204 |
| Transport/Parking | 6,136,017,361 | 57 |
| Hospital/Healthcare | 5,225,075,000 | 50 |
| Pension / Tobacco / Unemployment | 4,515,810,000 | 12 |
| Econ Develop & Industrial Rev | 4,415,121,936 | 222 |
| Education | 4,224,736,000 | 122 |
| Airport | 2,561,320,000 | 11 |
| Utility/SRF | 1,940,843,865 | 73 |
| Other | 4,885,000 | 2 |
| Total | $87,181,424,501 | 1588 |

**Transaction Experience By State**

| State | Par | No. |
|---|---|---|
| IL | $ 36,064,136,908 | 188 |
| MO | 21,996,444,022 | 465 |
| CA | 14,340,226,593 | 450 |
| KS | 11,938,636,978 | 432 |
| OK | 1,171,225,000 | 18 |
| MI | 431,485,000 | 6 |
| HI | 396,085,000 | 7 |
| AL | 364,290,000 | 2 |
| CO | 131,460,000 | 2 |
| LA | 74,505,000 | 3 |
| MD | 72,460,000 | 4 |
| AZ | 64,080,000 | 3 |
| NE | 59,165,000 | 2 |
| TX | 40,000,000 | 2 |
| NY | 18,850,000 | 1 |
| Other | 10,975,000 | 2 |
| OH | 7,400,000 | 1 |
| | $87,181,424,501 | 1588 |

**Transaction Experience by Government Level**

| Issuer Type | Par | No. |
|---|---|---|
| Local Level | $ 39,548,722,730 | 977 |
| State Level | 32,983,719,819 | 460 |
| Regional Level | 13,157,461,952 | 114 |
| Other | 1,491,520,000 | 37 |
| Total | $ 87,181,424,501 | 1588 |

***Columbia Capital is a Local Leader in Municipal Finance.*** We believe the team assigned to the City's account brings a truly unparalleled combination of public finance expertise, Missouri municipal market knowledge and local presence. In total, Columbia Capital has advised Missouri bond issuers on 465 transactions totaling $21.9 billion in principal amount.

Columbia Capital has operated from its primary office in the Kansas City Metro since the firm's inception in 1996. The firm has grown persistently through the years, establishing a reputation for excellence of advice, thoroughness of approach and creativity in problem solving. Today, we are one of the most active municipal advisors in the Midwest, having established long-standing relationships with a variety of large, high profile bond issuers throughout the region. Our headquarters is only a 30-minute drive from the City's offices.

Representative local government clients in Missouri include the cities of Columbia, Lee's Summit, Raytown, and Riverside, and the counties of St. Louis, Jackson, and Boone. We also serve the State of Missouri (Office of Administration), Missouri Housing Development Commission, the Metro/Bi-State Development Agency, the Missouri Health and Educational Facilities Authority, and the Environmental Improvement and Energy Resources Authority, among others.

Columbia Capital also serves a number of clients throughout Kansas, including: the State of Kansas (Kansas Development Finance Authority) and each of the State's six board of regents institutions; the Kansas Municipal Energy Agency; Butler County, Kansas; and the Cities of Topeka, Olathe, Prairie Village and Edgerton, among others.

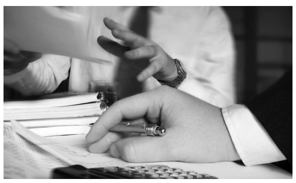
***The Ability to Provide all of the Services Requested in the RFP.*** Columbia Capital is prepared to provide all of the services identified in the City's RFP. Our work routinely includes: developing, managing and implementing long-term financial plans; analyzing the impact of capital plans on debt management and operating budgets; evaluating debt refunding and restructuring opportunities; assisting in the conceptual development of a financing or financing program; developing cash flow models to assess a financing's short- and long-term budgetary impact; preparing financing packages for rating agencies and bond insurers; reviewing and commenting on offering statements and legal documentation; presenting to client governing bodies; administering the bidding process for a public sale; serving as our clients' fiduciary during price negotiations for negotiated sales; and coordinating and overseeing the closing process.

**Financial Advice**
- Financial planning (budgets and CIP)
- Conceptual plans of finance
- Financial modeling
- Debt transaction management
- Coordinating the professional team

**Economic Development**
- Sustainable economic development
- Policy development and analysis
- Plan of finance development and cost/benefit modeling
- Transaction management
- NMTC, TIF, TDD, CID, NID, tax abatement, etc.

### Structured Investments
- Investment of bond proceeds
- Brokering of structured investments
- bidvault®, Columbia's patented secure image bidding system
- Unwinds and terminations

### Cash Management
- Policy development and analysis
- Cash demand forecasting
- Investing idle funds
- Portfolio accounting and reporting
- Analyzing alternative investments



### Consulting
- Municipal finance consulting
- Solutions to complex problems
- General government consulting
- Munivault® post-issuance compliance services
- Policy development and analysis

***Economic Development Expertise.*** Columbia routinely advises clients seeking to implement new, or grow existing, sustainable economic development programs. Columbia is familiar with the various federal and regional programs available to issuers, and the issuer qualifications necessary to utilize these programs. We regularly review and analyze feasibility studies and other third-party reports to opine on the validity of assumptions used for projecting developmental success. We often find that developers rely on highly—and sometimes, unreasonably—optimistic assumptions to justify their project. Accordingly, we encourage our clients to review proposals very carefully, and to substitute their own prudent assumptions into the modeling framework to gauge the viability of the program along a spectrum of "what-if" scenarios.

Columbia has considerable experience working on tax increment financings and financings for other types of development districts in a variety of states (TDDs, CIDs, NIDs, PIDs, etc.). In addition, Columbia has extensive experience producing studies and analysis on potential TIF projects that ultimately were not executed and other TIF and economic development advisory work that modeled the efficiency and effectiveness of our clients' current policies and programs.

The case study below recaps our consulting work on behalf of the City of Roeland Park, Kansas. For this engagement, we analyzed the feasibility of a development project in Roeland Park's neighboring city, Mission, which stood to negatively impact our client, if implemented.

**CASE STUDY** City of Roeland Park, KS—Economic Research & Modeling

CITY OF ROELAND PARK

In early 2012, the City of Roeland Park, Kansas engaged Columbia to evaluate a planned economic development project in neighboring city, Mission, Kansas. The project, named Mission Gateway, was intended to be a mixed-use regional destination, featuring an aquarium, retail shops, restaurants, a hotel, and a business office complex. The project's sources and uses relied upon a large allocation of STAR bonds from the State of Kansas, permitting the project to capture state sales taxes generated from the development.

Core to the economic viability of the project was the closure and relocation of Roeland Park's Walmart about one-half mile south of its present location to the Mission Gateway site. The City asked Columbia Capital to assess the resulting economic impact of Walmart's departure from the City, and also to review the Mission Gateway project's market study to determine its viability and potential qualification for STAR bond allocation.

Columbia approached the consulting project from two separate angles. First, the team reviewed in detail the developer's feasibility study, from both a legal and quantitative standpoint. Secondly, Columbia developed three part "economic impact model" to evaluate the projected economic impact the project would have at the City (Roeland Park), county and state levels. Columbia quickly determined that the Mission Gateway project was (a) not viable on its face and (b) would likely have an overall negative economic impact if implemented, putting it in conflict with state statute. Columbia's findings concluded:

The proposed project did not "promote, stimulate and develop the general and economic welfare of the state" as required in the STAR bond enabling legislation. In fact, our projections suggested a net present value economic loss as a result of the project to the City of Roeland Park, Johnson County, and the State.

The feasibility of the project ultimately hinged upon the closure and relocation of Roeland Park's Walmart to Mission-a violation of Kansas statute which prohibits a business from relocating within the state for the purpose of a STAR bond project.

The feasibility study overstated the project's economic benefits through unsupported assumptions, and overstated the project's ability to support itself through an aggressive analysis of bond debt service affordability. Columbia also found that the market study presumed retail sales per square foot well above the average for other similar entertainment centers in the metro area.

In February, Columbia presented its findings to the Kansas Department of Commerce illustrating that: (a) the STAR project, as presented, was in direct violation of Kansas statute, (b) if the STAR project were to be approved and implemented as planned, resulting in the relocation of Roeland Park's Walmart to Mission in the process, the City would face devastating and persistent economic hardship without any reasonable hope of replacing property and sales tax revenue gaps left by Walmart's departure for many years, and (c) the project was not economically viable at its core.

Ultimately, the City rescinded its application for STAR bonds and has now downsized the project. The Mission Gateway's developer recently validated Columbia Capital's conclusions about the viability of the project, indicating that it could not proceed to construction unless the City provided $30 million in general obligation bond proceeds as a project subsidy.

***Advantages of Independent Advice.*** We commend the City's preference for engaging an independent municipal advisor with no ties to the underwriting community. Columbia Capital is not a municipal securities dealer/underwriter. We provide fiercely independent advice—a topic federal regulators and lawmakers have addressed extensively in recent years beginning with the Dodd-Frank Act of 2010. Columbia Capital is a strong proponent of these regulatory changes, many of which greatly reduced the risk of interest conflicts in the municipal advisory arena.

Columbia Capital was well positioned—and has been since its inception—to take these regulatory changes in stride. Unlike broker-dealers or underwriting firms providing financial advisory services or financial advisory firms owned by hedge funds, our advice is not subject to the conflicts of interest such relationships entail. **We have no ties to broker-dealers, no outside investors, and no debt—a position that allows us to serve as a fiduciary to our clients.** As a result, we provide absolutely unhindered, independent and objective advice in the best interest of one entity: our client.

***Case Studies.*** The following case studies demonstrate Columbia Capital's approach to providing many of the services identified in the City's RFP:

**CASE STUDY** De Soto, Kansas – Panasonic Battery Plant

De Soto, Kansas has engaged Columbia as their financial advisor since 2007. In 2022 Columbia advised the City on what will be a multi-phase plan of finance over the next couple of years. The financing goal is providing funds for different phases of expansion for the City's water and sewer treatment facilities in regards to the large demand the new Panasonic Li-Ion battery plant will require. The 4-million-square foot Panasonic plant is expected to create nearly 4,000 jobs, cost approximately $4 billion, and be the largest economic development project in the state of Kansas.

Columbia has been working closely with the City and Panasonic to plan multiple financings from 2022 to 2025, when the plant is expected to be operational. The first series of bonds related to this project was issued in 2022 to provide for the initial build cost of the project. Since then, Columbia has assisted the City with drafting agreements between Panasonic, the State, the County, and the City, generating multiple revenue and expense models, and providing potential bond structuring analytics. The City is expecting to issue their Community Improvement Bonds later in 2023.

**CASE STUDY** Jackson County, Missouri – Justice with Dignity Project

Jackson County, Missouri engaged Columbia in the summer of 2022 as financial advisor on this financing. We quickly began work on a financing strategy for its Justice with Dignity Project, a new state-of-the-art facility to replace the existing Jackson County Detention Center. The County had a limited amount of annual revenues earmarked to pay debt service on the new facilities financing, with hopes of annual revenues left over to pay for other capital projects on a pay-as-you-go basis.

Columbia ran nearly two-dozen scenarios before presenting a plan of finance to the County. The scenarios encompassed duration of the borrowing (e.g. 30 vs. 35 years), number of financings (e.g. 1 vs. 2), timing of the financing(s), amortization structures of the financing(s), and various "breakeven" calculations to assist the County in understanding interest rate sensitivity, which is particularly important in a rising rate environment.

Also, after careful deliberation, we advised the County to pursue an S&P rating only on the transaction. Previously, the County carried a Moody's only rating of 'Aa1' (Issuer Credit Rating). Columbia took the lead in drafting a detailed credit rating presentation and worked with the County to prepare for the rating call. This transaction successfully priced and closed in 2023.

**CASE STUDY** Raytown, MO – Private Placement TIF Refinancing (2019)

The City of Raytown, Missouri engaged Columbia Capital in April 2017 to advise on the potential refinancing and restructuring of the City's Series 2007 TIF Bonds. The Series 2007 Bonds were issued to finance costs related to the City's Raytown Live redevelopment project, including the relocation of certain school district facilities and the development of a Walmart Supercenter. The Series 2007 Bonds were secured by certain tax increment financing revenues, including Economic Activity Taxes, PILOTs, CID revenues, and TDD revenues, as well as, subject to annual appropriation by the City, other legally available revenues of the City. In the event development-related tax collections were insufficient to pay debt service on the Bonds, the City covenanted to seek annual appropriation from other legally available City revenues.

Unfortunately, the project had not generated economic activity to the extent originally anticipated. As a result, revenues available for debt service repayment had fallen short of expectations, causing thin revenue coverage and budgetary stress on the City. In addition, reductions in certain revenue sources and a timing lag in revenue collections resulted in—on at least one occasion—the City transferring money from its general revenue fund to cover a portion of the debt service. Exacerbating the issue was the fact that the original financing was structured with debt service that increase over time and ran past the expiration of the TIF.

Over the course of more than two years, Columbia Capital worked closely with the City to refine a plan of finance to achieve the following:

refund the bonds to produce at least 3% present value debt service savings;
provide immediate budgetary relief;
flatten debt service costs in later years (i.e. remove the balloon payments); and
shorten the term of the bonds to more closely match the life of the TIF district.

Over this period, Columbia Capital worked with the City through a number of complicating factors that hindered the refinancing process, including:

litigation between the City and the Fire District regarding the latter's share of certain TIF revenues;

- changes and clarifications regarding the availability of certain non-TIF (non-captured) tax revenues for debt service repayment
- severe revenue concentration (i.e. Walmart);
- the unusually large size of the City's debt service payments relative to its general fund budget;
- public controversy regarding Walmart's role in the project;
- a rating downgrade on the Series 2007 Bonds from 'A+' to 'BBB';
- a citizen petition filed with the Missouri State auditor seeking an audit of the City;
- the resignation of the original underwriter engaged on the transaction; and
- heightened scrutiny of annual appropriation credits in light of Platte County, Missouri's non-appropriation on bonds related to the Zona Rosa development.

Given the rating downgrade, the political and financial headwinds facing the City, and the stigma associated with annual appropriation credits in Missouri—especially those backed by non-essential development projects—the underwriting team struggled to find buyers in the public market. Columbia Capital worked diligently with the City and Stifel (as placement agent) to refine the plan of finance and place the new bonds privately with a single institutional investor. The bonds successfully priced and closed in September 2019, achieving each of the City's refinancing goals, including 6.5% present value savings, and $3.1 million in cash flow savings.

## CASE STUDY City of Columbia, Missouri—Pivoting our Approach During the Pandemic

In late 2019 / early 2020 CCM worked with City finance staff to craft a plan of finance for an airport project totaling approximately $14 million. The work included financial modeling around the City's hotel tax dedicated to the project and future passenger facility charge (PFC) revenues. We determined that using the City's existing Special Obligation (promise to appropriate) credit was the best route as the hotel tax ballot language did not contemplate formal bond securitization, language required under Missouri law in order to pledge hotel taxes as security for revenue bonds. Other bond structures, such as lease transactions, would be higher cost and would require the City to pledge real estate collateral.

Given the City's well-tested and highly-rated Special Obligation credit, we recommended a competitive capital markets sale – the primary method of bond sale the City had used over the years. We assembled the finance team and formally "kicked-off" the financing process on March 6, 2020 with a planned competitive sale on May 18, 2020 and a closing in June 4, 2020.

In early March, we received an unsolicited offer from Regions Bank to privately finance the airport project. Based on rates at the time, we estimated that Regions' offer was 0.22% better than what we would be able to achieve in the public markets. Further, because Regions provided a loan to the City in 2019, they were already familiar with the City and already had approved the credit, shortening our timeline by two weeks. Other advantages CCM noted with the Regions proposal were as follows:

(1) No need for a rating
(2) No offering document
(3) Accelerate closing

The advantages above reduced the costs of issuance and lessened the administrative burden on City staff to transact the offering. Given the accelerated schedule, the City could start construction about one month earlier.

As the City's fiduciary, we are obligated to assess viable financing options for the City. For standard transactions that are highly rated and known to the market, such as the City Special Obligation credit, we usually recommend a public markets competitive sale; hence our initial recommendation. When the situation calls, if a private placement appears to offer a better cost of borrowing, we may recommend our client canvass the private placement market by releasing an RFP to banks. Private placements usually work best for shorter duration loans (inside 10-years), for more challenged credits (low or no rating) and those that have other unusual characteristics. These loans sometimes require a security interest in some asset.

## CASE STUDY — State of Missouri—State Parks Improvement

Columbia Capital has served as financial advisor to the State of Missouri (Office of Administration) since 2005. Through the years, Columbia Capital has advised on 29 transactions—both general obligation and special obligation credits—totaling approximately $2.6 billion in par. Our work for the State has included a variety of consulting and financing projects, including designing a $100+ million restructuring to produce both budgetary relief and economic savings, and advising on a bond issuance to partially finance the State's largest in-patient psychiatric facility (Fulton State Hospital).

Through the years, Columbia has encouraged the State—as a highly rated and relatively frequent market participant—to issue its bonds via competitive auction. Each time, we tailor both the plan of finance and the bidding constraints to most effectively achieve the State's objectives.

Most recently, Columbia Capital advised the State on the issuance of its $60.885 million Taxable Special Obligation Bonds, Series A 2021. The Series A 2021 Bonds (rated AA+, AA+, Aa1) are special obligations of the State, payable solely from anticipated State general fund payments subject to annual appropriation. The Bonds were issued to fund certain improvements to the state park system.

Columbia Capital advised on each step of the transaction: we reviewed and commented on the legal documents and official statement, provided pro forma financing analysis, tailored the bid specifications in the notice of sale, and administered a successful competitive auction. The Bonds were priced on Tuesday, October 19, 2021. Eight banks placed bids for the bonds, ranging in True Interest Cost (TIC) from 2.45% to 2.73%.

## CASE STUDY — Boone Hospital Center—Executing A Refunding Amid Rating Agency Turmoil

Boone County Hospital Center, a County-owned hospital in Columbia, Missouri, is managed under the County Hospital Law by an elected board of trustees. In a unique arrangement, the Trustees lease the hospital to a 501(c)(3) subsidiary of BJC Hospitals. Although the financial performance of the hospital has historically been strong, a series of unfortunate events—physician departures, nursing shortages, increases in costly surgeries—created a challenging situation in 2014. During the same period, BJC made a change in its accounting practices, resulting in a demand on the hospital for a multi-million dollar catch-up payment of accounts payable due to BJC. Together, the negative financial impact was sufficient to cause the Hospital to breach a key debt service covenant. The Hospital had also announced its intention to undertake a comprehensive review of the BJC lease ahead of a 2018 renewal date, bringing significant uncertainty to the Hospital's future.

The timing could not have been worse: the Hospital had engaged Columbia Capital to advise on a refunding expected to produce at least $8 million in present value debt service savings. That savings level, however, was predicated on the Hospital's ability to maintain its current bond ratings and to convince investors that the lease renewal issue would work out favorably.

Columbia negotiated with Fitch a deferral of its scheduled surveillance call that would have occurred prior to the development of the preliminary official statement for the refunding, and before Columbia had an opportunity to work with the Hospital to craft a market response to the covenant violation noticed filed by the bond trustee on EMMA. Columbia worked closely with the lead managing underwriter (chosen through a competitive RFP process managed by Columbia) to develop a comprehensive rating presentation to show what we expected to be true—that the coincidence of the bad news surrounding the Hospital was a transitory problem, and that a return to solid performance was expected in the short-term.

Columbia also drafted an in-depth voluntary market disclosure to calm the nerves of investors, and to tell the story of the covenant violation in the context of broader operating performance. Market feedback after the posting was positive and confirmed our goal of easing investor concern.

Ultimately, Fitch affirmed the Hospital's rating. Moody's downgraded the credit one notch, but primarily based upon the uncertainty related to the renewal of the lease, not as a result of the covenant default or recent financial performance. The County sold its Hospital bonds in July 2016 with yield spreads consistent with two comparable hospital financings during the prior week, and with significant investor interest. Columbia further took this refunding opportunity to make key principal structuring adjustments to smooth aggregate debt service to significantly reduce maximum annual debt service, which is the debt metric used in calculating its debt service covenant. Present value savings exceeded $15 million, well above original expectations.

## CASE STUDY City of Prairie Village, Kansas—Meadowbrook Development

In 2014, the owner of Meadowbrook Golf and Country Club approached the City of Prairie Village, Kansas with a potential plan for the redevelopment of the property. The development company wished to transform the 140 acre site into a 90+ acre regional park managed by the Johnson County Parks and Recreation District and a 50 acre high-end mixed-use development, including single-family homes, market-rate apartments, senior living and a 35-room inn, through the use of tax increment financing and industrial revenue bonds. Total investment is projected at more than $150 million. As advisor to the City, Columbia has been actively involved in all facets of the project's development, including timing, end uses, public-private partnership issues, public information, council education and developer negotiations. Columbia developed the financial modeling the team is using to make decisions about the size and scope of the project, the feasibility of the bonds versus statutory requirements, and the "right" mix of shared costs between the public and private parties. The approval and financing phase of the project concluded in May 2016 with an approximately $20 million TIF bond issuance and an approximately $25 million industrial revenue bonds issuance.

## CASE STUDY City of Branson, MO—Staunch Advocate During Price Negotiations

The City of Branson, Missouri contacted Columbia in August of 2012 to review a refunding proposal of its outstanding Series 2004A bonds provided by a regional underwriting firm. Columbia reviewed the proposal and assessed the viability of the underlying assumptions included in the proposal, highlighting any differences between the proposal and Columbia's independent evaluation. Columbia concluded that the City could achieve significant economic savings by pursuing the refunding transaction—significantly more savings than was projected by the underwriter—and recommended execution of the transaction. Columbia worked with the City to negotiate underwriting compensation, *utlimately reducing the proposed compensation on the refunding bonds by nearly 50%.*

The bonds being refunded were originally issued to finance a large economic development project called Branson Landing. The trust indenture governing the bonds includes a dozen discrete revenue streams and many stops in a waterfall of funds. As part of our advice to the City, we built an intricate model to assess how the savings achieved by the refunding would impact the flow of funds and ultimately, the general fund of the City (which backs the bonds). The Series 2012A Bonds received an "A" rating from Standard and Poor's.

The Series 2012A Bonds priced in mid November of 2012. After Columbia engaged in negotiations with the Underwriter, the City was able to ahcieve present value savings of over $ 4 million or 11.7% of the refunded par amount. When Columbia was originally engaged to review the proposal, savings were only $2 million. Although a portion of the increase of savings is attributable to a decline in nominal interest rates, a larger portion of the increase in savings is a result of negotiations related to the interest rate spreads on the bonds.

**CASE STUDY** City of Chicago—Sales Tax Securitization

STSC
SALES TAX SECURITIZATION CORPORATION

Columbia Capital serves as financial and structuring advisor to the Sales Tax Securitization Corporation, a special purpose entity developed by the City of Chicago to take advantage of new state legislation permitting certain home rule entities to create bankruptcy-remote entities to securitize sales tax distributions from the State of Illinois. The City plans to use the Corporation to issue up to $3 billion in sales tax revenue bonds, refunding a similar amount of its general obligation bonds with the proceeds. This structure will permit the City to convert a substantial portion of its low-investment grade category GO bonds to 'AAA/AA' sales tax bonds. Based upon the pricing of the inaugural $744 million tranche in December 2017, the City stands to save more than 200 bps per year in borrowing costs on matched maturities as a result. Although the City's desired outcome is to normalize its annual corporate borrowing debt service demands at sustainable levels over time (which includes lengthening the period its current debt portfolio will be outstanding), the structure is projected to generate a significant amount of present value savings, as well.

As structuring advisor, Columbia Capital led the finance team in determining which series of outstanding bonds should be refunded across each of the initial four tranches of the Corporation's bonds. This process was made more complex by the significant amount of historical "scoop and toss" financing undertaken by the City, necessitating tracing for tax purposes down to the maturity level on the prior bonds, as well as funding refunding escrows on a series-by-series basis. Columbia Capital worked closely with the legal team on the transaction to support the tax analysis; ensure compliance with the state's complex property tax levy, extension and collection laws; and, to meet the City's desires for the overall post-completion structure of its debt portfolio.

The Corporation sold its inaugural three series of bonds, one tax-exempt and two taxable, in December 2017. The Corporation priced its second securitization tranche the week of January 22, 2018, with a $362 million tax-exempt series and a $300 million taxable series. The offering was the largest municipal market offering in 2018 at the time and tested post-tax bill investor demand and pricing levels. Columbia Capital will advise on the third tranche of the financing in the Fall of 2018.

***We Strongly Encourage the City to Consider Competitive Bond Auctions.*** One of our chief tasks as financial advisor is securing the lowest cost of capital for our clients with terms that maximize their flexibility as a borrower. Achieving this goal requires that we carefully determine the most advantageous method of marketing our client's financings. Columbia works closely with each client to determine the method of sale on a case-by-case basis, taking into consideration the various financing aspects, such as unusual credit or term structure characteristics, prevailing market trends and statutory limitations. As a financial advisor to a variety of bond issuers throughout Missouri and the greater Midwest, Columbia frequently oversees both competitive and negotiated offerings.

For transactions with strong credit ratings, we encourage the City to consider issuing bonds more frequently on a competitive basis. In our experience, competitive sales have proven advantageous in a number of ways for highly rated and frequent issuers. Our data reveal that straightforward, strongly rated credits are highly marketable for public auction. A broad range of underwriters frequently competes for high quality bonds. This fact, coupled with the prevalence of large spread differentials in bids for auctions we have administered in recent years, illustrates that each bank's market clearing prices and distribution capacity vary significantly from week-to-week, or even day-to-day. By soliciting **every** qualified bank at the time of pricing, an issuer is mitigating this bank-to-bank fluctuation in pricing efficiency, ensuring it the opportunity to work with the bank offering the most attractive yields in the prevailing market.

Columbia's guidelines for determining the sale type are consistent with the Government Finance Officers Association's (GFOA) approach to evaluating the determining factors concerning the method of bond sale. We conduct due diligence on behalf of our clients to determine the method of sale that we believe stands to produce the most advantageous financing outcome considering our client's short- and long-term objectives. Pursuant to this objective, we often suggest that frequent, highly rated issuers with an established market presence or straightforward, well-understood credit consider the merits of a competitive sale. Conversely, issuers that are confined to a particular set of marketing or structuring constraints, or issuers offering an unusually large, new or sophisticated credit should consider the potential benefits of marketing the bonds on a negotiated basis.

**2 Experience and creativity in providing municipal advisory services to other cities or government agencies.**

As demonstrated in **Section A-1**, Columbia Capital has extensive experience providing comprehensive financial advisory services to clients similar to the City. Columbia has distinguished itself as a creative and innovative advisory firm by tailoring the firm's advice around the unique needs of each client. The diverse backgrounds of our personnel and our team's unusual breadth of experience—which includes serving nearly every corner of the municipal market—drive our innovative, tailored approach to crafting financing solutions. Our team regularly works in some of the most technical and difficult areas of public finance, including single and multi-family housing, state revolving loan programs, new market tax credits, pension obligation bonds and economic development. Columbia's slogan, "Innovative Solutions, Proven Results," succinctly describes our thoughtful, innovative approach to finding—and often *creating*—the best solutions for our clients.

***Case Studies.*** The following case studies demonstrate Columbia's creativity and innovation in practice. Many of these examples center around transaction-related work, and our ability to optimize financing solutions. Other case studies in this section summarize Columbia's experience providing non-transaction related consulting services.

**CASE STUDY** City of Topeka—A Long-Term Financial Advisory Relationship

Columbia Capital has developed a longstanding, close-working relationship with the City of Topeka, Kansas as the City's sole-financial advisor for the better part of two decades. Our work for the City over the years is extensive and includes providing comprehensive financial advisory services on dozens of financings totaling more than $1 billion in par offered and spanning a variety of credit structures, including general obligation, utility revenues and economic development/sales tax revenues. On occasion, Columbia's work for the City transcends the traditional financial advisory role. In recent years, for instance, Columbia has provided a variety of consulting services, including assessing the economic feasibility of unusual private development proposals, and actively serving as the City's interim finance director.

**Developing a Combined Utility Security Structure**

One of Columbia's initial engagements with the City occurred in 1998 and entailed consolidating the City's water, wastewater, and, eventually, stormwater utility systems to form a combined utility security structure. Aggregating the City's utility enterprises to serve as a single credit offered several advantages, including: enhanced credit strength relative to stand-alone utility credits; improved economies of scale and reduced costs of issuance through the combination of multi-system financings; and consistent systemwide bonding covenants. This combined structure proved especially beneficial for the City's stormwater utility, which, due to its smaller size, was a relatively weaker credit on a stand-alone basis.

Columbia's work on the 1998 financing included designing the new credit structure, such as the rate covenants, additional bonds tests, reserve fund requirements, and provisions related to superior and subordinate indebtedness. In developing our recommendations for the financing covenants and provisions, we conducted a survey of recent utility revenue bond transactions throughout the country, as well as a review of Moody's and

S&P rating criteria. Our recommendations were reviewed by the City's financing team, utility system staff and the engineering firm engaged to provide a rate study of the systems.

Since the design and implementation of this new credit structure, Columbia has advised on the City's issuance of more than a dozen of combined utility revenue financings totaling more than $300 million in total par.

**Adding Value Through Creativity**

During the summer of 2016 the City sought Columbia's advice on the issuance of bonds to fund $9.6 million in utility infrastructure improvements. While preparing preliminary financing analysis, Columbia identified two of the City's outstanding series of revenue bonds—Series 2007-B and Taxable Series 2007-C—as potential current refunding canddiates. The financing team added both refunding components to the transaction since they each produced signficant economic savings. This resulted in two transactions: Series 2016-A (tax-exempt new money and refunding) and Series 2016-B (taxable refunding).

By convention, most issuers structure refunding transactions to maintain the existing debt service footprint of the refunded bonds and produce substantially level fiscal year savings. However, the Series 2016-B taxable refunding rendered this approach less advantageous for two reasons. First, the small size of the refunded bonds ($1.69 million) produced unusually small principal maturities throughout the existing amortization, and Columbia identified this as a potential deterrent to underwriters participating in the competitive auction. Secondly, accelerating the amortization of the more expensive taxable refunding component would both lower the City's interest cost and increase the bond block sizes.

The City maintained very specific debt service constraints for the overall transaction (Series 2016A + Series 2016B), and front-loading the taxable component in isolation would viloate these constraints. To solve this problem, Columbia deferred the new money component of the tax-exempt Series 2016-A Bonds in a corresponding amount to perfectly offset the accelerated Series 2016-B amortization. When combined, the Series 2016-A and Series 2016-B Bonds produced the City's desired overall debt service structure, while (i) lowering the City's borrowing costs and (ii) increasing the block sizes of the new taxable bonds

The City sold its Series 2016-A and Series 2016-B Bonds competitivley in August; the transactions received five and four bids, respectively. As a result of Columbia Capital's creative amortization structure, the City saved more than $100,000 in interest payments, which represents approximately 12% of the total budgetary refunding debt service savings. On a present value basis, the City's refundings produced total savings of $500K, or 23% of refunded principal.

Columbia is currently advising the City on its Series 2014-A Combined Utility Improvement and Refunding Revenue Bonds to: (i) fund approximately $12 million in systemwide infrastructure improvements, and (ii) advance and current refund $30+ million across three series of bonds for economic savings. Columbia's scope of work includes advising on every aspect of the financing, including identifying the City's refunding candidates; performing pro forma financing analysis in the context of the City's outstanding debt; and analyzing the potential for downward rating pressures in light of stagnant utility rates (the City has since approved water and wastewater rate increases). The Series 2014-A Bonds are scheduled to price in December 2014 and achieve approximately $3.2 million in present value debt service savings, or more than 9% of refunded principal.

**Facilitating a Credit Rating Upgrade**

The City has historically suffered from a high debt burden mitigated by a diverse and stable employment and tax base. During the global financial crisis, this stable economic base protected the City from deep reductions in sales and property tax receipts, but the lack of dynamism in the economy also prolonged the impacts of the recession on the City's operating budget. The City drew upon its "rainy day" funds to maintain critical public services between 2010 and 2012, leading to a Moody's rating downgrade from 'Aa2' to 'Aa3'.

Following the release by Moody's and Standard and Poor's of their new local government rating criteria, Columbia Capital analyzed the City's potential general obligation bond ratings from each agency and determined that it might suffer an additional downgrade under Moody's criteria while potentially experiencing an upgrade under Standard and Poor's. At Columbia's recommendation, the City pursued a private rating indication from S&P, reflecting the upgrade to 'AA' we anticipated, ultimately switching to S&P for all new general obligation borrowings.

**CASE STUDY** SW Illinois Flood Prevention District Council—Capital Planning & Execution

In 2013 Columbia Capital engaged the Southwestern Illinois Flood Prevention District Council to serve as the Council's financial advisor. The Council covers a 170+ square mile region in Illinois located directly across the Mississippi River from the City of St. Louis. The Council was formed in 2009 via tri-county arrangement (Madison, Monroe and St. Clair) in response to the Federal Emergency Management Agency's (FEMA) intention to de-accredit the region's levy system based on design deficiencies identified by the U.S. Army Corps of Engineers. FEMA's announcement to de-accredit the levy meant designating a substantial portion of the region as a Special Flood Hazard Area (SFHA) for flood insurance maps, resulting in potentially devastating consequences to the region's economy. Acting with urgency, regional leaders successfully sought authorization from the Illinois General Assembly to create independent Flood Protection Districts (FPDs) in each county to collect a 0.25% excise (retailers' sales) tax for the purpose of funding improvements to the levee system necessary to achieve a 500-year flood level of protection.

Strategic Capital Planning

Columbia's initial task entailed demonstrating the Council's capacity to fund its levy improvements through a tailored multi-year capital plan. This work involved (i) modeling expected excise tax revenues, (ii) identifying the capacity to issue additional bonds under the existing senior lien indenture, (iii) identifying the opportunity for additional leverage through a junior lien structure and (iv) modeling residual income to accommodate additional pay-as-you go financing. Columbia presented this analysis to the Council's governing body in August 2014, describing the advantages and disadvantages of pursuing various financing alternatives to achieve the Council's funding objectives.

Successful Implementation of Financings

Columbia worked with the Council throughout 2015 to finalize and implement its chosen plan of finance, which entailed (i) maximizing the Council's leverage capacity under its existing senior lien indenture, and (ii) concurrently maximizing the Council's bonding capacity to borrow under a new subordinate lien credit structure. The plan included deferring newly issued senior lien principal to minimize the Council's borrowing cost, and wrapping subordinate lien debt service around the Council's aggregate senior lien debt (existing + new) to produce level projected subordinate lien debt service coverage.

Columbia worked closely with the Authority to design and administer the financing plan from inception to settlement. In addition to conducting extensive pro forma financing analysis, our work included: overseeing the development of the financing team, including managing the underwriting RFP process; closely monitoring the development of legal documents; working closely with the Council and each underwriter to develop rating strategies and present to the rating agencies; develop sale priorities and designation rules for each negotiated offering; and leading price negotiations with underwriters on behalf of the Council. The thoughtful development of the Council's subordinate lien indenture was especially important to ensure the transaction was marketed successfully and with adequate issuer flexibility. Columbia worked tediously with the financing team to balance the objectives of maximizing the Council's flexibility and subordinate lien borrowing capacity while addressing investor predilections regarding revenue growth projections, estimated debt service coverage levels, and covenants concerning the issuance of additional bonds.

The Council's senior and subordinate lien bonds were issued successfully in December 2015 and January 2016, respectively, as municipal borrowing rates recorded (then) record lows. Both transactions priced at aggressive credit spreads relative to comparable market transactions, allowing the Council to achieve total funding above original estimates.

In 2019-20 Columbia Capital advised the Council on a large economic refunding, achieving significant debt service savings for the Council.

**CASE STUDY** City of Edgerton, KS—BNSF Railway Intermodal Facility

The City of Edgerton, in the southwest corner of the Kansas City metropolitan area, is the home of BNSF railroad's newest rail/freight intermodal facility, and a key node along its Transcontinental Corridor. Surrounding the 450-acre intermodal port is Logistics Park Kansas City (LPKC), a 1000+ acre master planned distribution and warehousing logistics park anticipated to house 19 million square feet of buildings, including three million square feet of rail-served warehousing. Total public and private development will exceed $1.2 billion at build-out. LPKC's development is governed by a unique three-party agreement including a master private developer (Northpoint), BNSF Railroad and the City of Edgerton. In support of the partnership, the City in 2014 authorized its issuance of up to $500 million in industrial revenue bonds (IRBs) for private projects within LPKC.

Although the Kansas Department of Transportation developed a key connection between LPKC and Interstate 35, more than $60 million of adjacent and interior infrastructure to this formerly greenfield site is anticipated to be financed from local sources. Working together, the parties have created a financing strategy that produces a variety of revenue streams from new development within LPKC.

Because of Edgerton's small population and limited borrowing capacity, the City had to explore a variety of approaches to finance public improvements supporting the intermodal facility. The intended financing approach, an intermodal revolving loan facility administered by the State's DOT, has not come to fruition, and the City's governing body is committed not to use the City's credit to finance intermodal-related infrastructure.

Working within these constraints, Columbia worked closely with City staff and legal counsel to develop a public-private partnership with Northpoint where it provides the initial financing for projects, evidenced by a note secured under a master revenue bond indenture issued by the City. The master indenture provides that the security for repayment of these financings comes solely from the half-dozen project-related revenue streams administered and captured by the City. As the project develops, the City anticipates the ability to issue revenue bonds to the public, refunding the Northpoint infrastructure notes, providing Northpoint with capital to undertake additional projects.

Columbia Capital developed and maintains a complex, dynamic financial model identifying the timing and scale of the development's revenue streams, and we are currently working with the parties to develop an availability payment-type structure to provide public-private financing for the bulk of the project's infrastructure needs.

## 3 Experience with alternative financing strategies, such as lease purchase, public-private partnerships, interfund loans, etc.

***Lease-purchases and interfund loans***. Columbia Capital has extensive experience advising on lease-purchase transactions. Due to popular convention or statutory necessity, many bond or COP financings for Missouri local governments are structured with underlying lease agreements, often with the payments on such leases being secured by the borrower's annual appropriation covenant. Columbia Capital advised the City of Branson on a lease purchase agreement related to its $12,000,000 Certificates of Participation, Series 2017. The purpose of the transaction was to provide financing for improvement costs and cost reimbursements related to the City's Highway 76 improvement project. Without some source of capital financing the City faced drawing down its fund balances below policy threshold levels.

On several occasions, Columbia has worked with the City of Topeka to establish interfund loans to address temporary funding needs, fund projects, or reallocate resources as appropriate pursuant to City policy. We also occasionally assist clients with evaluating the economics of equipment leases.

***Public-private partnerships.*** Under the right conditions, public-private-partnership projects offer governmental entities an opportunity to reduce costs, improve operating efficiency, transfer risk, expedite processes, create design and operation "synergy", and fund infrastructure or capital needs that may otherwise not be financed. These advantages, however, come with certain risks and costs—and due to the infancy of many P3 initiatives, many of the disadvantages of P3 structures remain difficult to evaluate or fully understand.

Columbia's strategic and tailored approach to providing advisory services lends itself to developing a complete understanding of the advantages and disadvantages of specific P3 structures. Our team includes former investment bankers, former economists, highly skilled financial modelers, and a track record of advising on very complex, multidisciplinary projects. Columbia Capital is prepared to assist the City with soliciting and evaluating public-private partnership opportunities as they arise, including drafting requests for proposals and evaluating responses from potential developers.

Columbia Capital's direct experience advising on potential public-private partnership arrangements, includes:

- Assisting the City of De Soto, Kansas in partnering with Panasonic for financing public and private improvements related to a new battery plant via a contractual take-or-pay financing agreement.

- Assisting the Kansas Turnpike Authority evaluate the considerations and alternatives to proposals for the long-term lease of the Turnpike in exchange for substantial up-front payments (similar to the Chicago Skyway and Indiana Toll road financings);

- Providing a detailed analysis for the Missouri Department of Economic Development of the feasibility of a proposed redevelopment plan for a nearly 1,200 acre project in the urban core of a major city;

- Providing financial analysis and strategic advice to a city in Missouri, as it works to renegotiate a Master Development Agreement for an over 600-acre site converting a flood plain area into a distribution, industrial and office park complex;

- Assisting a small Kansas community with the development of a 1,500+ acre intermodal transportation facility, including nearly 500 acres of intermodal rail and 1,000 acres of logistics park with 17 million square feet of project warehouse space, requiring more than $100 million in public infrastructure investment through partnership with a private investor group to finance the required improvements using an "availability payment" model; and

- Assisting the Treasurer of the City of St. Louis on evaluating the advantages and risks associated with a potential P3 structure for a portion of the City's Parking Division services.

# B. Professional Experience of Personnel

**1 The quality of the respondent's professional personnel to be assigned to this contract engagement, including support personnel who will provide technical consultation. Assigned personnel who primarily office within the greater Kansas City metro area are preferred.**

Columbia brings a team to the City with a depth and breadth of experience not likely to be found with many other firms. Our team builds on a variety of backgrounds including investment banking, economics, local government management, and state-level finance. The range of our team's professional experience plays a fundamental role in the firm's success in developing innovative financing solutions for clients and establishing long-term relationships with a variety of high-profile bond issuers in Missouri and throughout the Midwest.

**Khalen Dwyer** will serve as the City's lead advisor and primary day-to-day contact. Should the City also engage Columbia for investment advisory services, **Adam Pope** will serve as the City's primary investment advisor. Each of the advisors assigned to the City's account work from our Merriam office on a day-to-day basis. **Jeff White** will provide economic development consulting, and supplemental financial and investment advisory services from time to time.

COLUMBIA CAPITAL
MUNICIPAL ADVISORS

**Joint Proposal.** Columbia Capital is partnering with **Independent Public Advisors, LLC** for this engagement. Established in the Des Moines, Iowa area and Kansas City, Missouri in 2012, Independent Public Advisors, LLC (IPA) is an independent financial advisory firm dedicated to providing sound advice and superior service to state and local governments. IPA partners with its clients on behalf of citizens and taxpayers to develop financial solutions that are transparent, equitable, cost-effective and sustainable. Founded on the principal of independence, IPA embraces its fiduciary duty to its municipal clients and serves without conflict.

Independent
Public Advisors, LLC

IPA offers its clients the experience gained over nearly 20 years in the public finance industry. This includes familiarity with federal, state, and local laws that govern finance, as well as the various revenue sources from which municipal improvements can be financed. In the states of Missouri, Iowa, Ohio, and Wisconsin, clients include: cities, water and sewer agencies, counties, and community colleges. IPA's President has advised or co-advised on over 250 transactions totaling over $4.7 billion in par. Since establishment in 2012, IPA has served as sole advisor for the issuance of over $246 million, and co-municipal advisor for the issuance of over $1.1 billion.

**Independent Public Advisors, LLC**
1201 NW Briarcliff Parkway
Suite 200
Kansas City, MO 64116

Independent Public Advisors, LLC does not engage in underwriting activities. IPA is a registered Municipal Advisor, pursuant to amended Section 15B of the Securities Exchange Act of 1934. IPA is a member of the National Association of Municipal Advisors, and is certified in the State of Illinois as a Minority Business Enterprise (MBE) and a Woman Business Enterprise (WBE).

Columbia Capital and IPA recently partnered on a series of transactions for Cook County, Illinois (2021) and Jackson County, Missouri (2023).

**Columbia Capital has reviewed and is in agreement with the terms identified in the RFP regarding joint proposals. Columbia Capital will serve as the primary source of contact for this engagement, and will administer the terms of the joint agreement between Columbia Capital and IPA. The City will not incur additional fees as a result of this joint partnership agreement.**

**Joint Proposal Roles**. Although the City will contract and coordinate through Columbia Capital, our combined team will work together seamlessly to serve the City. Columbia will serve as the prime firm (and day-to-day contact) responsible for providing services to the City, and contingent upon the circumstances of each project/assignment, will seek the expertise and contributions of IPA on a case-by-case basis.

| Lead Financial Advisor | Lead Investment Advisor |
|---|---|
| Khalen Dwyer<br>Managing Director<br>(913) 312-8068<br>kdwyer@columbiacapital.com | Adam Pope<br>Managing Director<br>(913) 312-8072<br>apope@columbiacapital.com |
| **Co-Advisor** | **Account Oversight** |
| Tionna Pooler<br>President, IPA<br>(816) 521-6844<br>tionna@ipamuni.com | Jeff White<br>Managing Member<br>(913) 312-8077<br>jwhite@columbiacapital.com |

In addition to the individuals identified above, **James Prichard** and **Deric Marr-Andrews** are available to provide financial advisory and analytical services to the City on a case-by-case basis. Biographical information for each of the team members identified in this section is included in **Section B3**.

**2 Assigned personnel must have the experience and background necessary to perform efficiently and competently.**

As discussed in **Section B1**, the personnel assigned to the City's account have extensive experience serving government bond issuers. Over the past 27 years, Columbia has strived to elevate the standard for advisory excellence in municipal finance. Our firm's history of acquiring and maintaining long-standing advisory relationships with a variety of local, regional and state-level issuers throughout the Midwest speaks to our success in this endeavor. We acquire new clientele by promising a better financial advisory experience, and we keep clients by exceeding their expectations. Biographical information for each team member assigned to this engagement is provided in **Section B3**.

**3 Professional resumes must be included with response.**

**Khalen Dwyer, Managing Director**

Since joining Columbia Capital in 2010, Mr. Dwyer has provided financial advisory services to a wide range of clients in Kansas, Missouri, Illinois and California. Mr. Dwyer's experience includes serving bond issuers at the state and local levels for general governmental purposes, economic development projects, water and sewer utility systems, major transportation authorities, and a variety of public higher education institutions. His expertise includes advising clients through all facets of the financing process—from inception to settlement—and developing ad hoc analytical methods to assist clients with evaluating unusual or challenging problems.

His experience includes serving the State of Kansas (Kansas Development Finance Authority); State of Missouri; Missouri Housing Development Commission; Environmental Improvement and Energy Resources Authority of the State of Missouri; Kansas Turnpike Authority; Illinois Tollway; City of Topeka, Kansas; City of Branson, Missouri; City of Raytown, Missouri; and a number of communities in California, including Santa Clarita, Carson, and Camarillo. As advisor to the Kansas Development Finance Authority, Mr. Dwyer has also worked closely with each of the State's Board of Regents institutions, including the University of Kansas; Kansas State University; Wichita State University; Pittsburg State University; Fort Hays State University, and Emporia State University.

In 2021, Mr. Dwyer served as lead advisor on the Kansas Development Finance Authority's $505 million pension obligation financing for the Kansas Public Employees Retirement System. The pension bonds were issued to a fund a portion of the unfunded actuarial liability related to the retirement system's school group. Mr. Dwyer simultaneously advised the Authority on a $39 million economic refunding of existing debt to achieve ten million dollars in budgetary savings for the State.

Mr. Dwyer spearheads much of Columbia Capital's quantitative analytics and modeling work, including the development of numerous firmwide tools for analytical applications, such as capital budgeting analysis, economic refunding analysis, and debt structuring optimization. His experience includes the design and optimization of capital programs for a number of general government and special purpose clients. Examples include developing an operating and capital budgeting model for the Illinois State Toll Highway Authority's $12 billion capital program, "Move Illinois"; designing and maintaining a cash flow model for a public-private industrial development partnership between BNSF Railway, the City of Edgerton, Kansas, and a number of existing and planned warehouse and logistics park tenants; developing a Monte Carlo simulator to replicate the statistical characteristics of a pension fund investment strategy and evaluating the potential economic implications of pension obligation bonds.

Mr. Dwyer graduated Summa Cum Laude from Pittsburg State University, earning a B.B.A. in Finance. He is a CFA charter holder, and a member of the CFA Institute. He is registered with the SEC as a Series 50 municipal advisor representative and a Series 54 municipal advisor principal.

**Jeff White, Managing Member**

Jeff White serves as Principal of Columbia Capital Management. Prior to joining Columbia Capital in 2001, Mr. White spent more than a decade as a local government management practitioner.

As a city manager, assistant city manager, department head, and budget director in cities from 14,000 to 124,000 in population, Mr. White became very familiar with the financial needs of local governments as debt issuers and investors. As public works director responsible for transportation, building inspection, engineering, parking and water utilities (water, wastewater, and storm water), he managed annual operating budgets of nearly $55 million and capital programs exceeding $150 million. He enjoys bringing his passion for public service and an understanding of the business of local government to Columbia's clients.

Mr. White has experience serving a wide variety of issuers. His clients include the Chicago Public Schools; St. Louis County, Missouri; the Metro Bi-State Development Agency (St. Louis); Roosevelt University (Chicago); the YMCA of Greater Kansas City; the Denver Urban Renewal Authority; and numerous regional, local and non-profit issuers and borrowers.

Over the last decade, Mr. White has advised the City of Edgerton, Kansas, on the financing of significant public infrastructure supporting BNSF railroad's newest intermodal transportation facility, the only one of its kind west of the Mississippi, and the development of a related logistics park that will eventually contain more than 30 million square feet of warehouse and distribution space across 3,000 acres. The underpinning of this financing is a three-party agreement between the City, BNSF and a master developer of the surrounding logistics park. Because of the City's small size and limited borrowing capacity, Mr. White helped the City design and implement a public/private partnership model to finance infrastructure costs that would be beyond the City's ability to support on its own.

As Managing Member, Mr. White serves as chief executive of the firm and is active in all areas of service delivery. Mr. White leads Columbia Capital's New Markets Tax Credits (NMTC) advisory practice.

Mr. White holds an A.B. in Political Science from the University of Michigan and a Master of Public Administration in Local Government Management from the University of Kansas Stene Graduate Program in Public Administration. He is a Series 50 municipal advisor representative, a Series 54 municipal advisor principal and a Series 65 investment adviser representative.

**James Prichard, Managing Director**

James Prichard joined Columbia Capital in 2012. Mr. Prichard previously worked in the State of Illinois' Office of Management and Budget's Capital Markets Group for five years, most recently as Manager of Capital Markets. During his tenure, Mr. Prichard was extensively involved in the issuance of nearly $27 billion of State debt offerings. His work with the State included the issuance of general obligation bonds, short term certificates, revenue bonds, tobacco securitization bonds, Build America Bonds, and unemployment insurance bonds.

He used his quantitative skills to build various financial models used by the State including debt affordability models, a swap mark-to-market model, a GASB No. 53 derivative effectiveness model, and various other debt issuance and management models. In addition to his financial modeling, Mr. Prichard was extensively involved in investor outreach, including national road show presentations and bond rating agency meetings.

He was also responsible for analyzing and drafting legislation and was involved in the State’s budget preparation. Prior to his work for the State of Illinois, Mr. Prichard served as a Graduate Assistant for the Economics program at the University of Illinois.

Mr. Prichard graduated Summa Cum Laude from Lee University with a BS of Business Administration. He holds an MBA from the University of Illinois. He is a Series 50 municipal advisor representative and a Series 54 municipal advisor principal.

**Adam Pope, Managing Director**

Adam Pope joined Columbia Capital in 2013. Mr. Pope previously worked at the Kansas City Federal Reserve Bank as an assistant economist in the Regional Affairs group for six years.

During his time at the Kansas City Fed, Mr. Pope managed a database of regional economic data that was used for monetary policy briefings, public outreach and regional research. He was the lead author of a quarterly publication called The Midwest Economist, which provided an update on current economic conditions in Kansas and western Missouri. He has been published in the Kansas City Fed's Economic Review and Public Choice. Mr. Pope has spoken to numerous business, education and community groups about the Kansas, Missouri and national economies.

| | |
|---|---|
| | Mr. Pope graduated from Clemson University with a BS and MA in Economics. He is a Series 50 municipal advisor representative, a Series 54 municipal advisor principal and a Series 65 investment adviser representative. |
| | **Deric Marr-Andrews, Analyst** |
| | Deric Marr joined the firm in 2019 and works across Columbia Capital's business lines, providing analytical support to the team on municipal advisory, investment advisory and consulting work.<br><br>Mr. Marr graduated with his Bachelor's of Economics from the University of Kansas where he has also worked on his Master's in Economics. During his time at the University of Kansas, Mr. Marr worked as a research assistant focused on a joint collaboration with a professor from Washington University (St. Louis) to study the mobility of wealth across the civil war era. Prior to joining Columbia Capital, Mr. Marr worked at a Kansas City-based consulting firm providing forensic economics in court cases and as a contracted researcher for the United States Department of Agriculture's Economic Research Service in Washington D.C.<br><br>He is a Series 50 municipal advisor representative and a Series 65 investment adviser representative. |
| | **Tionna Pooler, IPA President** |
| | Ms. Pooler founded IPA after working nearly 12 years for Public Financial Management, Inc. She has provided services to municipalities in Illinois, Iowa, Kansas, Missouri, Nebraska, Ohio and Wisconsin. She has a heavily quantitative background, and her broad experience includes transaction management, long-term planning, development of custom models and analysis, rating strategy development, as well as the preparation of primary and secondary disclosure. In her 18-year career, she has managed and/or facilitated the issuance of over $4.0 billion in municipal debt, including project management for services provided to the Kansas and Missouri Departments of Transportation as well as the Des Moines Area Regional Transit Authority. |

**4 The City reserves the right to request alternate or replacement personnel of the successful respondent in the event performance does not meet the satisfaction of the City.**

One of our firm's core strengths is our team-based approach to staffing financial advisory services. As mentioned in **Section B1**, **Khalen Dwyer** will serve as the lead financial advisor covering the City's account. Additional staff resources will be made available to the City as necessary. **Jeff White** will serve as an additional advisory resource to the City, providing support to Mr. Dwyer on an as-needed basis. **James Prichard** and **Adam Pope** will serve as back-up advisors should they be needed, and **Deric Marr-Andrews** will provide analytical services for this engagement. Biographical information for each of these team members is included in **Section B3**.

Our team prides itself on being flexible in covering client accounts. If at any point the City desires modifications to Columbia Capital's account coverage, we will work closely with the City to modify our service-delivery method or personnel assignments to address the City's preferences moving forward.

# D. Financial Knowledge

**1 Knowledge of the financial markets.**

Columbia's extensive experience with an array of industries and financing types facilitates a broad perspective that enhances the advice we provide to clients. Our areas of expertise cover nearly every corner of the municipal market, including fixed and variable rate debt, and areas such as general obligation, revenue, housing, economic development, annual appropriation, education, transportation, toll/turnpike, mass transit, parking, airport, pension, unemployment, and water utilities. We believe that our depth of experience helps us apply solutions common in one sector of the market to other market sectors.

Columbia strives to be at the cutting edge of all aspects of municipal finance. The firm regularly prepares memoranda, white papers and ad hoc analysis pursuant to research tasks or analytical projects on behalf of clients. Through an assortment of data subscriptions, Columbia has access to a multitude of research outlets supporting the firm's financial advisory practice. Columbia's most powerful information source is Bloomberg Professional® service—the industry's most robust financial information platform and research tool for real-time market data, news and analytics. Columbia uses this in-house resource to monitor market supply and primary and secondary market interest rate trends. This resource is also useful for scheduling client transactions around potentially market-moving economic releases and the marketing of large, or potentially disruptive peer financings. We also use this tool to document the reception of comparable transactions—a practice that establishes credibility with underwriters and provides leverage during price negotiations.

In 2017, Columbia Capital hired one of public finance's leading analytical experts, David Abel. Mr. Abel has been in the industry for more than 30 years and is well respected for his unparalleled quantitative analytics and bond structuring skills. Mr. Abel has developed unusually sophisticated proprietary tools to maintain and analyze client debt portfolios with a truly unique level of dynamism. Although Mr. Abel is not part of the primary advisory team for this transaction, he is prepared to serve the City for this engagement on an as-needed basis

## 2 Knowledge of rating agency policies and procedures.

Columbia brings to the City significant experience working with each of the primary rating agencies: Moody's Investors Services, S&P Global Ratings, and Fitch Ratings. (We also have experience working with new entrant, Kroll Ratings.) Undoubtedly, procuring and maintaining strong credit ratings is more challenging than it was just a few years ago. The fact that rating agency credibility remains tainted from the credit crisis, coupled with the specter of municipal bankruptcy, rating analysts are under more pressure than perhaps they have ever been to conduct prudent analysis and opine accurately on credits. This has translated into heightened scrutiny of issuers by rating analysts and fueled a variety of adjustments to rating methodologies.

In the years following the credit crisis, each of the Big 3 rating agencies has taken steps to enhance the accuracy, consistency and transparency of their methodologies for rating bonds across industries and credit types. In certain instances, the agencies have sought feedback publicly regarding criteria and economic factors—both quantitative and qualitative—used to calculate issuer ratings, often publishing the final methodology for public reference. Columbia uses this data to develop internal models to simulate the rating process for our clients. This allows us to tailor rating strategies—especially for clients considering obtaining ratings from only those agencies offering the strongest feedback—and evaluate the potential for upward or downward rating pressures given a myriad of assumptions.

Columbia works with our clients on developing a rating strategy and presenting a particular credit or financing structure to the rating agencies on the majority of our engagements. Our expertise with the agencies spans quick, relatively informational update calls to in-depth presentations of new credits. In preparation for upcoming meetings or calls, we coach our clients to ensure they are prepared for any questions the rating agencies may pose. Columbia routinely works with clients to develop rating agency materials—including presentations and credit profiles—to assist during the rating process.

## 3 Knowledge of arbitrage and primary and secondary market disclosure rules and requirements.

In today's market, underwriters and investors place an especially strong emphasis on timely continuing disclosure practices and the thorough presentation of such practices in offering documents. With the bruising of rating agency credibility during the credit crisis and heightened sensitivity (and regulation) concerning primary and secondary market disclosure practices, issuers today must develop thoughtful and thorough offering documents to ensure a receptive market. This sentiment has grown progressively over the past few years as regulators continue to enforce thorough continuing disclosure practices through the regulation of underwriters. The most recent manifestation of these efforts was the SEC's Municipalities Continuing Disclosure Cooperation Initiative (MCDC). This initiative refocused the industry's attention on disclosure practices, and in-turn has bankers as wary as ever to the disclosure records of the issuers and borrowers that they serve. In today's market, accurate and thoroughly presented continuing disclosure records in the offering document translates directly to a more receptive market and lower borrowing costs. We will work closely with the City and its counsel to review and improve the presentation of its continuing disclosure records in offering documents on an ongoing basis.

We are also prepared to work with the City to ensure its compliance with ongoing continuing disclosure standards through **Munivault®**, our proprietary suite of post-issuance compliance services. We created **Munivault®** to ease the administrative burden of post-issuance compliance

MuniVault®

and to provide a streamlined, internet-based approach to ensuring ongoing compliance with post-issuance compliance policies and procedures. Although issuers have historically been required to provide regular monitoring of their tax-exempt debt, the new post-issuance compliance policies formalize these responsibilities, and for many, create significant new administrative burdens.

Columbia is also prepared to provide routine reviews of the City's arbitrage compliance records. If the City wishes to engage Columbia to provide formal arbitrage rebate calculation services, we would likely subcontract this work to a firm specializing in arbitrage compliance.

### 4 Knowledge of Missouri laws governing the issuance of City bonds.

***Familiarity with the Missouri Market.*** Columbia Capital has served issuers in the State of Missouri for nearly 27 years. The firm was founded in St. Louis in 1996 and has advised on more transactions in Missouri (465) than any other state. As mentioned throughout our response, we currently serve a wide range of Missouri bond issuers, including: State of Missouri (Office of Administration); Missouri Housing Development Commission; Metro/Bi-State Development Agency (St. Louis); the Missouri Health and Educational Facilities Authority, the Environmental Improvement and Energy Resources Authority; St. Louis County; Boone County; Jackson County; City of Columbia; City of Lee's Summit; City of Raytown; and the City of Riverside, among others. Our experience serving a diverse range of clients, credit structures and market challenges throughout the State lends itself to fostering creative and innovative problem-solving techniques.

***Understanding the City's Debt Profile.*** The City borrows against its annual appropriation credit to secure bonds related to its utility systems (power and light, water, and sewer) and to finance Tax Increment Financing redevelopments. Much of this annual appropriation debt related to the City's utility systems is secured by annual lease payments and revenues payable from—although not directly secured by—the respective net revenues from each of the City's three utilities, and if necessary, the City's general fund. The City's TIF revenue bonds have been issued throughout the years to finance various redevelopment projects. These bonds have been secured by TIF revenues and, in certain instances, the City's annual appropriation pledge.

The City also has outstanding Community Improvement District bonds related to the Silverstein Eye Centers Arena (Independence Events Center) and related projects. The CID bonds are secured by (a) CID revenues and (b) other revenues of the City, including TIF revenues, subject to annual appropriation.

**Refunding Opportunity**

The City's Infrastructure Facilities Revenue Refunding Bonds, Series 2013D are callable later this year, and eligible for a current refunding as early as August. In the current market, we expect the City could achieve a small amount of economic savings by refunding specific maturities. The following summary table demonstrates the current refunding savings for refunding only the 2026 to 2029 maturities of the Series 2013D bonds, given current market conditions.

REFUNDING SUMMARY

| Issue | Call Date | Tax Status | Principal | $ Savings | % Savings |
|---|---|---|---|---|---|
| 2013D | 11/1/2023 | Exempt | $ 10,895,000 | 265,764 | 2.44% |

# E. Fees

## 1 A detailed fee schedule.

### Financial Advisory Services

**Bond Transactions.** Columbia proposes the following bond transaction fee schedule. This schedule applies to both new money and refunding transactions, whether offered on a competitive or negotiated basis. These fees are contingent upon the successful completion of a financing.

| Bond/Note Type | Base Fee | PLUS Per Bond Fee |
|---|---|---|
| General Obligation | $ 15,000 | $ 0.90 per $1,000 |
| Special Obligation | 15,000 | 1.00 per $1,000 |
| Revenue / COPs | 15,000 | 1.00 per $1,000 |
| TIF/TDD/CID/NID | 27,500 | 5.00 per $1,000 |
| Short-Term Notes | 15,000 | 0.90 per $1,000 |

**Economic Development Project Work.** For economic development project work, Columbia proposes fees of **$18,500** (minimum) to **$45,000** (maximum) based upon the complexity, layering of incentives, and the duration of study and negotiations, to be determined mutually by the City and Columbia Capital for each individual assignment. Such work may include, but is not limited to:

- Performing or reviewing studies and financial analysis, including coordinating with the City and developer to prepare feasibility studies and other financial analysis, e.g., statutory TIF feasibility studies, TIF Need for Assistance ("but-for") studies, internal incentive analysis, etc.
- Reviewing developer pro-forma documents and coordinating due diligence of developer's financial capability.
- Attending internal discussions with City staff, as well as with developers as requested. Advising staff regarding developer proposals and assisting staff with recommendations to Council. Creating presentations as directed to City Council regarding financial impacts of developer proposals or other key decisions.

**Hourly Rates.** For non-transaction and non-economic development analysis or project work, we propose the following flat hourly rate. We generally do not bill for work of a routine nature that is not significantly time consuming (e.g. generating an amortization schedule, participating in a rating agency surveillance call, pro forma debt service schedules, etc.) and will advise the City before commencing billable time.

| | |
|---|---|
| Hourly rate for non-transaction and non-economic development related analysis or project work (e.g. periodic refunding scans, economic modeling, general consulting work and other non-transaction related services) | **$ 200** |

#### Additional Services

***Investment Advisory Services.*** As a registered investment adviser, Columbia provides comprehensive cash management services, which includes an investment policy review and periodic investment reporting. For this service, Columbia proposes a fee of **0.12%** of assets per annum, subject to a minimum fee of **$7,500** per annum.

***Investment Brokerage Services.*** Columbia Capital also provides structured investment brokerage services (advance refunding escrows, one-time investment ladders, etc.). For this service, we charge **0.20%** of asset face value (subject to safe harbors), subject to a minimum fee of **$2,500** per account. These services include all financial modeling, bid specification development, bid management, record keeping and reporting.

***Continuing Disclosure Service (munivault®).*** We also offer a comprehensive array of cloud-based continuing disclosure services, munivault®. For this service, we propose a one-time setup fee of **$2,100** (per series of bonds) and an annual fee of **$600** (per series of bonds).

#### Out-of-Pocket Cost Reimbursements

In addition to any transaction or non-transaction related work, Columbia Capital will seek reimbursement for actual, documented out-of-pocket expenses incurred on behalf of and approved by the City.

# Attachments

Appendix A—Affidavit

Appendix B—Agreement for Professional Services

Appendix C—Standard Disclosures

# Appendix A
Affidavit

**AFFIDAVIT**

STATE OF Kansas )
) SS.
COUNTY OF Johnson )

Columbia Capital Management, LLC of the City of Merriam

, County of Johnson , State of Kansas ,

being duly sworn on her or his oath, deposes and says:

1. That I am the Managing Director (Title of Affiant) of Columbia Capital Management, LLC (Name of Proposer) and

   have been authorized by said proposer to make this affidavit on the proposer's behalf;

2. No Councilmember, City Manager, Director of Finance and Administration, City Procurement Manager, or any City employee is financially interested in what the proposer is offering to sell to the City pursuant to this RFP, nor is the proposer a City employee or board member whose proposal creates a conflict of interest. A conflict of interest would arise if any person named in this section is in a position to affect either the decision to solicit proposals or the selection of the successful proposer;

3. Proposer has not participated in collusion or committed any act in restraint of trade, directly or indirectly, which bears upon anyone's response or lack of response to this RFP; and

4. Proposer is responsible for submitting with his or her proposal a record of any discussion with a Councilmember, City Manager, Director of Finance and Administration, City Procurement Manager, or any other City employee regarding this RFP; and

5. The authorized signer of this document certifies that the organization and each of its principals are not suspended or debarred by the City of Independence, State of Missouri or Federal government.

Columbia Capital Management, LLC (Name of Proposer)

By: [signature] (Signature of Affiant)

Managing Director (Title of Affiant)

Subscribed and sworn to before me this 15 day of June , 20 23.

(SEAL) STACEY LYNN WALTER
Notary Public, State of Kansas
My Appointment Expires
2/18/2026

[signature]

NOTARY PUBLIC in and for the County of Johnson

State of Kansas

My commission expires:
2/18/2026

# Appendix B
Agreement for Professional Services

**CONTRACT FOR**
**PROFESSIONAL SERVICES**

This contract, made by and between the City of Independence, Missouri (hereinafter called City) and, Columbia Capital Management, LLC, a Corporation (hereinafter called consultant).

**W I T N E S S E T H:**
WHEREAS, City requires financial advisor services and,
WHEREAS, consultant is prepared to provide said professional services and shall give consultation and advice to City during the performance of said services;
NOW THEREFORE, City and Consultant in consideration of the mutual covenants contained in this contract, agree as follows:

**ARTICLE 1 – EFFECTIVE DATE**
The effective date of this contract shall be To be determined.

**ARTICLE 2 – SERVICES TO BE PERFORMED BY CONSULTANT**
Consultant shall perform the services set forth in the documents attached hereto and made a part of this contract, which include one or more of these documents: Request for Proposals, scope of work, statement of work, consultant's proposal, and pricing.

**ARTICLE 3 – PERIOD OF SERVICE**
The services shall be completed by To be determined.

**ARTICLE 4 – COMPENSATION**
For services performed, the City shall pay the consultant, an amount not to exceed amounts per the fee schedule.

Regular (e.g. monthly) invoices shall be submitted by the consultant to the City for payment of services performed and expenses incurred during the preceding month. Invoices shall indicate the hours expended for each individual person, the total labor billing, and a summary of other expenses and charges with supporting documentation.

The City's payment terms are Net 30. Payment will be made by the City within thirty (30) days of receipt of the complete invoice. The City's preferred method of payment is via City credit card with no added fees. If credit is not acceptable, payment will be made by check.

The City is exempt from State of Missouri sales and use taxes on purchases made directly for the City. Consultant shall not include any sales or use taxes on transactions between the consultant and City.

**ARTICLE 5 – PERMITS AND LICENSES**
The consultant shall procure all necessary local construction permits and licenses and a City of Independence occupation license, unless exempt under state law. Consultant will abide by all applicable laws, regulations, and ordinances of all federal, state, and local governments in which work under this contract is performed, and will require the same of all sub-consultants. The consultant must furnish and maintain certification of authority to conduct business in the State of Missouri.

**ARTICLE 6 – OWNERSHIP OF DOCUMENTS AND INTELLECTUAL PROPERTY**
Except as otherwise provided herein, documents, drawings, and specifications prepared by consultant as part of the services shall become the property of City, provided consultant has the unrestricted right to their use. Notwithstanding the foregoing, City accepts that any re-use of the documents or intellectual property shall be at City's sole risk and liability.

**ARTICLE 7 – CHANGES, DELETIONS, OR ADDITIONS TO CONTRACT**
Either party may request changes within the general scope of this Contract. If a requested change causes an increase or decrease in the cost or time required to perform this contract, City and consultant will agree to an equitable adjustment of the contract price, period of service, or both, and will reflect such adjustment in a change order or formal modification.

**ARTICLE 8 – STANDARD OF CARE**
Consultant shall exercise the same degree of care, skill, and diligence in the performance of the services as is ordinarily possessed and exercised by a peer professional under similar circumstances.

**ARTICLE 9– LIABILITY AND INDEMNIFICATION**
Having considered the potential liabilities that may exist during the performance of this contract and the consultant's fee, and in consideration of the mutual covenants contained in the contract, City and consultant agree to allocate and limit such liabilities in accordance with this article.

Consultant agrees, to the fullest extent permitted by law, to indemnify and hold harmless the City, its officers, directors, and employees against all damages liabilities or costs, including reasonable attorney fees and defense costs, to the extent caused by the consultant's negligent performance of professional services under this contract and that of its sub-consultants or anyone for whom the consultant is legally liable. Consultant shall indemnify City against legal liability for damages arising out of claims by consultant's employees.

**ARTICLE 10 – INSURANCE**
**Professional Services**

Service Provider agrees to secure and maintain throughout the duration of this Agreement insurance of such types and in at least such amounts as set forth below from an insurance company which carries a Best's Policyholder rating of "A-" or better and carries at least a Class "VIII" financial rating, unless otherwise agreed to by the City. All policies shall be on an occurrence basis unless otherwise agreed and cover sub-contractors and independent contractors performing work on behalf of Service Provider under this Agreement. Service Provider shall provide certificate(s) of insurance confirming the required protection on the standard Acord insurance certificate forms. The certificate(s) shall be filed with the City prior to commencement of any work.

<u>Professional Liability</u>: Service Provider shall maintain throughout the duration of this Agreement and for a period of three (3) years after the termination of this Agreement, Professional Liability Insurance.
Limits -

| | |
|---|---|
| Each Claim: | \$1,000,000 |
| General Aggregate: | \$1,000,000 |

<u>Commercial General Liability</u>: The City shall be listed by ISO endorsement or its equivalent as an additional insured on a primary and noncontributory basis on any commercial general liability policy of insurance.
Limits -

| | |
|---|---|
| Each Occurrence: | \$1,000,000 |
| Personal & Advertising Injury: | \$1,000,000 |
| Products/Completed Operations Aggregate: | \$1,000,000 |
| General Aggregate: | \$2,000,000 |

<u>Automobile Insurance</u>: Policy shall protect Service Provider against claims for bodily injury and/or property damage arising out of the ownership or use of any owned, hired and/or non-owned vehicle and must include protection for either:
Any Auto; OR
All Owned Autos; Hired Autos; and Non-Owned Autos

Notwithstanding the foregoing, should Service Provider not own any automobiles, the automobile liability requirements shall be amended to allow Consulting to maintain only Hired and Non-Owned Auto protection.

| | |
|---|---|
| Limits - | |
| Each Accident; | |
| Bodily Injury and Property Damage: | $1,000,000 |

<u>Worker's Compensation</u>: The insurance shall protect Service Provider against all claims under applicable state Worker's Compensation laws. Service Provider shall also be protected against claims for injury, disease, or death of employees which, for any reason, may not fall within the provisions of a Workers' Compensation law. The policy limits shall not be less than the statutory limits currently applicable. Coverage shall extend to include the "All States" endorsement.

<u>Employer's Liability</u> (Provision under the WC program):

| | |
|---|---|
| Limits - | |
| Bodily Injury by Accident: | $100,000 Each Accident |
| Bodily Injury by Disease: | $500,000 Policy Limit |
| Bodily Injury by Disease: | $100,000 Each Employee |

<u>Exposure Limits:</u> The above are minimum acceptable coverage limits and do not infer or place a limit on the liability of Service Provider nor has the City assessed the risk that may be applicable to Service Provider. Service Provider shall assess its own risks and if it deems appropriate and/or prudent maintain higher limits and/or broader coverage. Any deviation from the requirements set forth in this Insurance section may be allowed by the City Risk Manager subject to the City Legal Department's review and approval.

INDEMNITY

<u>Loss</u>: For purposes of indemnification requirements, the term "Loss" means any and all loss, damage, liability or expense, of any nature whatsoever, whether incurred as a judgment, settlement, penalty, fine or otherwise (including attorney's fees and the cost of defense), in connection with any action, proceeding, demand or claim for injury, including death, to any person or persons or damages to or loss of, or loss of the use of, property of any person, firm or corporation, including the parties hereto, which arise out of or are connected with the performance of this Agreement.

<u>Indemnification and Hold Harmless</u>: For purposes of this Agreement, Contractor agrees to indemnify, defend and hold harmless City and its agents from any and all Loss where Loss is caused or incurred as a result of the intentional misconduct, recklessness, negligence, or other actionable fault of Consultant or its subcontractors.

Comply: Exception:

ACKNOWLEDGEMENT OF INSURANCE REQUIREMENTS

By signing its proposal, respondent acknowledges that is has read and understand the insurance requirements for the proposal. Respondent also understand that the certificate of required insurance must be submitted within fifteen (15) days following the notification of award. No final contract will be signed by the City until all Certificate of Insurance are received and meet the minimums noted herein.

**ARTICLE 11 – SHIPPING, TITLE AND RISK OF LOSS**

All sales and deliveries are F.O.B. City.

**ARTICLE 12 – DELAY IN PERFORMANCE**

Neither City nor consultant shall be considered in default of this contract for delays in performance caused by circumstances beyond the reasonable control of the nonperforming party. For purposes of this contract, such circumstances include, but are not limited to, abnormal weather conditions; floods; earthquakes; fire; epidemics; war, riots, and other civil disturbances; strikes, lockouts, work slowdowns, and other labor disturbances; sabotage; judicial restrains; and inability to procure permits, licenses, or authorizations from any local, state, or federal agency for any of the supplies, materials, accesses, or services required to be provided by either City or consultant under this contract. If such circumstances occur, the non-performing party shall, within a reasonable time of being prevented from performing, give written notice to the other party describing the circumstances preventing continued performance and the efforts being made to resume performance of this contract.

**ARTICLE 13 – TERMINATION**

City may terminate or suspend performance of this contract for City's convenience upon written notice to consultant. Consultant shall terminate or suspend performance of the services on a schedule acceptable to City. If termination or suspension is for City's convenience, City shall pay consultant for all the services performed till the date of the termination by the City or suspension expenses. If contract is restarted, an equitable adjustment shall be made to consultant's compensation.

This contract may be terminated by either party upon written notice in the event of substantial failure by the other party to perform in accordance with the terms of this contract. The nonperforming party shall have 15 calendar days from the date of the termination notice to cure or to submit a plan for cure acceptable to the other party. In the event that funding for the contract is discontinued, City shall have the right to terminate this contract immediately upon written notice to consultant.

**ARTICLE 14– WAIVER**

A waiver by either City or consultant of any breach of this contract shall be in writing. Such a waiver shall not affect the waiving party's rights with respect to any other or further breach.

**ARTICLE 15 – SEVERABILITY**

The invalidity, illegality, or unenforceability of any provision of this contract or the occurrence of any event rendering any portion or provision of this contract void shall in no way affect the validity or enforceability of any other portion or provision of this contract. Any void provision shall be deemed severed from this contract, and the balance of this contract shall be construed and enforced as if this contract did not contain the particular portion or provision held to be void. The parties further agree to amend this contract to replace any stricken provision with a valid provision that comes as close as possible to the intent of the stricken provision. The provisions of this article shall not prevent this entire contract from being void if a provision which is of the essence of this contract be determined void.

**ARTICLE 16 – SUCCESSORS AND ASSIGNS**

City and consultant each binds itself and its directors, officers, partners, successors, executors, administrators, assigns, and legal representatives to the other party to the contract and to the directors, officers, partners, successors, executors, administrators, assigns, and legal representatives of such other party in respect to all provisions of this contract.

**ARTICLE 17 – ASSIGNMENT**

Neither City nor consultant shall assign any rights or duties under this contract without the prior written consent of the other party. Unless otherwise stated in the written consent to an assignment, no assignment will release or discharge the assignor from any obligation under this contract.

**ARTICLE 18– THIRD PARTY RIGHTS**

Nothing in this contract shall be construed to give any rights or benefits to anyone other than City and consultant.

**ARTICLE 19– INDEPENDENT CONSULTANTS**

Each party shall perform its activities and duties hereunder only as an independent consultant.
The parties and their personnel shall not be considered to be employees or agents of the other party. Nothing in this contract shall be interpreted as granting either party the right or authority to make commitments of any kind for the other. This contract shall not constitute, create, or in any way be interpreted as a joint venture, partnership or formal business organization of any kind.

**ARTICLE 20– AUDIT**
Consultant agrees that the City, or a duly authorized representative, shall, until the expiration of three (3) years after final payment under this contract have access to and the right to examine and copy any pertinent books, documents, papers, records, or electronic records of the consultant involving transactions related to this contract.

**ARTICLE 21 – EQUAL EMPLOYMENT OPPORTUNITY**
During the performance of this contract or purchase order, the consultant agrees as follows:
The consultant will not discriminate against any employee or applicant for employment because of race, age, color, religion, sex, national origin or any other legally protected category. The consultant will take affirmative action to ensure that applicants are employed, and that employees are treated fairly during employment, without regard to their race, age, color, religion, sex, or national origin. Such action shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training including apprenticeship. The consultant agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided setting forth the provisions of this nondiscrimination clause.

The consultant will, in all solicitations or advertisements for employees placed by or on behalf of the consultant, state that all qualified applicants will receive consideration for employment without regard to race, age, color, religion, sex, or national origin.

The consultant will send to each labor union or representative of workers with which consultant has a collective bargaining agreement or other contract or understanding, a notice to be provided by a contract compliance officer advising the said labor union or workers' representatives of the consultant's commitment under this section and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

The consultant will comply with all provisions of Executive Order 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.

The consultant will furnish all information and reports required by Executive Order 11246 of September 24, 1965, and by rules, regulations and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his or her books, records, and accounts by the Department and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

In the event of the consultant's noncompliance with the non-discrimination clauses of this contract or purchase order with any of the said rules, regulations, or orders, this contract or purchase order may be canceled, terminated, or suspended in whole or in part, and the organization may be declared ineligible for any further government contracts or purchase order or federally assisted contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, or by rules, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

The consultant will include the entire text of this Equal Employment Opportunity section and its subsections in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of Executive Order 11246 of September 24, 1965, so that such provisions will be binding upon each sub-consultant or vendor. The consultant will take such action with respect to any sub-consultant or purchase order as the City may direct as a means of enforcing such provisions, including sanctions of noncompliance; provided, however, that in the event a consultant becomes involved in, or is threatened with litigation with a sub-consultant or vendor as a result of such direction by the City, the consultant may request the United States to enter into such litigation to protect the interest of the United States.

**ARTICLE 22 – ANTI-DISCRIMINATION AGAINST ISRAEL ACT**
Contractors working on behalf of the City of Independence are to abide by Missouri Revised Statute 34.600, otherwise known as the Anti-Discrimination against Israel Act.

**ARTICLE 23 – GOVERNING LAW**

This contract shall be governed by the laws of the State of Missouri. The City and the consultant agree that the performance of this contract will be deemed to have occurred in the State of Missouri and that consultant's performance under this contract will be deemed the transaction of business in Missouri. Jurisdiction and venue for any claim or cause of action arising under this contract shall be exclusively in the Sixteenth Judicial Circuit of Missouri and the consultant submits to personal jurisdiction of and waives any personal jurisdiction or inconvenient forum objection to, that court.

**ARTICLE 24 – COMMUNICATIONS**

Any communication required by this contract to the consultant shall be made in writing to the authorized representative named on the completed front page or response page of the solicitation. Any communication required by this contract with the City shall be to:

____________________________________________________________

Nothing contained in this article shall be construed to restrict the transmission of routine communications between representatives of consultant and City.

**ARTICLE 25 – SEPARATE CONTRACTS**

City and consultant each reserve the right to, from time to time, enter into other contracts for specific projects. If such contracts are separately approved in writing by the parties, the terms and conditions of those contracts shall prevail for the specific projects set forth therein.

**ARTICLE 26 – ENTIRE CONTRACT**

This contract represents the entire agreement between the City and consultant. All previous or contemporaneous agreements, representations, promises and conditions relating the consultant's services described herein are superseded. The RFP including the terms and conditions, the consultant's response and written proposal, and purchase order (where applicable) shall constitute the entire contract. If these General Terms & Conditions be in conflict with any attached Special Conditions, the Special Conditions will supersede the General Terms & Conditions. In case of a discrepancy, the purchase order shall take precedence over the RFP and the RFP shall take precedence over the consultant's response and written proposal.

**ARTICLE 27 – SURVIVAL OF TERMS**

The following provisions shall survive the expiration or termination of this contract for any reason: if any payment obligations exist, Article 4 – Compensation; Article 5 – Permits and Licenses; Article 9 – Liability and Indemnification; Article 14 – Waiver; Article 15 – Severability; Article 17 – Assignment; Article 19 – Independent Consultants; Article 22 – Governing Law; Article 26 – Entire Contract; and this Article 27 – Survival of Terms.

IN WITNESS WHEREOF, City and consultant, by and through their authorized officers, have made and executed this contract.

| | |
|---|---|
| **City** | **Consultant** |
| By________________________ | By________________________ |
| | Title Khalen Dwyer, Managing Director |
| Date ________________________ | Date June 15, 2023 |

# Appendix C
Standard Disclosures

6700 Antioch
Suite 250
Merriam, Kansas 66204

# STANDARD DISCLOSURES

Date: June 15, 2023

Client: City of Independence, Missouri

**INTRODUCTION**
The Municipal Securities Rulemaking Board (MSRB) has promulgated regulations impacting the way municipal advisors interact with their clients. In compliance with those regulations, Columbia Capital Management, LLC (Columbia Capital) offers the following disclosures (Standard Disclosures).

These Standard Disclosures are provided to you in accordance with MSRB Rule G-42(b). Please confirm receipt of these Standard Disclosures by email confirmation or other written confirmation method that we can retain for our records.

**MUNICIPAL ADVISOR CERTIFICATION**
Columbia Capital is a municipal advisor as defined by the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010. As of the date listed above, Columbia Capital has fully complied with the municipal advisor registration requirements of both the US Securities and Exchange Commission (SEC) and the MSRB, both for the firm and for its employees engaged in municipal advisory activities.

**CONFLICTS OF INTEREST**
As of the date listed above, Columbia certifies that it has no known actual or perceived material conflicts of interest related to our work for you.

**AFFILIATES**
Columbia Capital does not have any affiliate that provides any advice, services, or products to or on behalf of your organization that is directly related to the municipal advisory activities to be performed by Columbia Capital.

**NO PAYMENTS BY COLUMBIA CAPITAL**
Columbia Capital has not made any payments, directly or indirectly, to obtain or retain this engagement to perform municipal advisory activities for your organization.

6700 Antioch
Suite 250
Merriam, Kansas 66204

**NO PAYMENTS TO COLUMBIA CAPITAL**

Columbia Capital has not received any payments from a third party to enlist a recommendation by Columbia Capital to your organization of its services, any municipal securities transaction or any municipal financial product.

**NO FEE-SPLITTING ARRANGEMENTS**

Columbia Capital has not entered into any fee-splitting arrangements involving your organization with any provider of investments or services to your organization.

**THIRD-PARTY PAYMENTS**

Columbia's general practice is not to accept payments from third-parties related to our work for your organization. On occasion, it may be more convenient for you to require a third-party to pay us for our work for you. In any case where a third party will pay us in connection with our engagement with you, we will disclose all such payments to you in writing in advance.

**CONSIDERATIONS RELATED TO FEES**

The MSRB has determined that the method of calculation of the fees paid by issuers and obligated persons to municipal advisors can lead to incentives for the municipal advisor that differ from yours. Regardless of the method, however, the fees we charge are not permitted to be excessive given the scope of the engagement. The paragraphs below describe the different incentives our common fee methods may create.

In the event our fee is ***contingent*** upon the successful outcome of the engagement (typically, the successful closing of a financing transaction), our incentive is to both complete the transaction and to do so quickly. In certain circumstances completion of the transaction may not be in your best interest.

In the event our fee is ***hourly***, our incentive is to both take longer to complete the engagement and to spend more time working on it. Delays in completion of an engagement or additional fees due to the amount of time expended may not be in your best interest.

In the event our fee is a ***fixed*** amount, our incentive is to complete the engagement more quickly and to limit our time investment in completing the engagement. Because the fixed fee is paid regardless of the outcome, you may incur fees without assurance of a successful outcome.

The mode and amount of our fee will be disclosed in the documentation of our engagement with you.

**LEGAL OR DISCIPLINARY MEASURES**

Neither Columbia Capital nor any representative of Columbia Capital has been subject to any legal or disciplinary event that is material to the evaluation of Columbia Capital or the integrity of our management or advisory personnel.

**COMPLAINTS**

As a regulated entity, we are obligated to provide our municipal advisory clients annual disclosures pursuant to MSRB Rule G-10. No action is required on your part. Please find our required disclosures below:

- Columbia is registered as a municipal advisor with the U.S. Securities and Exchange Commission and the MSRB
- the MSRB's website is www.msrb.org
- the MSRB makes available on its website a brochure for municipal issuers and borrowers describing the protections that may be provided by the MSRB to issuers and borrowers, MSRB's rules and how to file a complaint with an appropriate regulatory authority. That brochure can be found here: http://www.msrb.org/~/media/Files/Resources/MSRB-MA-Clients-Brochure.ashx

Additionally, you may address concerns or complaints to our chief compliance officer by emailing ccm_compliance@columbiacapital.com.

**QUESTIONS**

Please direct any questions about these Standard Disclosures to:

Stacey Walter
Compliance Officer
Columbia Capital Management, LLC
6700 Antioch, Suite 250
Merriam, Kansas 66204
913-312-8057
swalter@columbiacapital.com