

Redacted questions and answers for Interim Financing RFP

Question Is the Airport asking for both taxable and tax-exempt rates because there is a question about use of proceeds? Or is it due to potential changes in corporate tax rate or tax law?

Response The primary reason for asking for both taxable and tax-exempt rates is due to potential changes in tax law. We currently expect the use of proceeds to qualify as either governmental purpose or private activity under current tax law. Bond counsel has not, however, done a deep dive into the expected expenditures (as they are preliminary). Therefore, there is a possibility that a small portion of the expenditures would be deemed taxable under current law (although we believe this is unlikely).

Question If we deliver a fixed rate proposal would the Airport need a call option, i.e. after 1 or 2 years?

Response Regarding a fixed rate option, it is possible that a portion of the interim financing would be taken out and financed on a permanent basis prior to the end of the draw period. It would be good to have the option pricing available as a part of any fixed rate proposal. We would suggest that an “a la carte” approach would be most useful in helping us evaluate any proposal.

Question Would there be a real opportunity to pick up CP dealer or CP paying agent role?

Response If the client decides to use CP we will develop a plan to procure a dealer and there will be an opportunity to compete for a role as CP dealer.

Question Is this a new issue?

Response Yes.

Question Please provide unaudited, third quarter YTD financial statement for 2017, 2016 and 2015.

Response The requested, unaudited financial statements have been posted on the Bond Bank’s website for this procurement.

Question Will the Indianapolis Bond Bank issue commercial paper or will we have the ability to issue our own commercial paper back by a LOC?

Response If the Bond Bank elects to utilize commercial paper as an interim funding mechanism, the current plan would be to use a direct pay letter of credit to secure

commercial paper issued by the Bond Bank. The RFP leaves it open for proposals of directly funded loans or drawdown facilities. We are open to proposals where the direct loan is funded by the bank through a tender option bond program, but

Question Due to the US Senate action on the tax bill is there any thought of extending the deadline for the RFP?

Response Right now we don't believe we have the time between the procurement and when the Airport would like to draw funds to allow for a delay in the deadline. We have left open the flexibility to propose multiple products. Hopefully this will provide the flexibility to offer an option (or options) that will add value to the Airport regardless of what happens with tax reform (or multiple options that are relatively better or worse depending upon tax reform). For example, if the ability to issue private activity bonds is eliminated, and we are not able to categorize the funded improvements as governmental purpose, the Airport will likely proceed with funding on a taxable basis. Responding with a proposal that offers funding on both a tax-exempt and taxable basis will provide us the flexibility to choose a bank to work with to get the financing done in time to meet the Airport's financing needs.

Question: The unaudited, third quarter financial statements show operating revenues in the "Airfield" that are substantially lower than the what is shown in the audited annual financial statements. Please explain.

Response: Operating revenues in the unaudited, quarterly financial statements are categorized differently than in the annual, audit financial statements. In the quarterly financial statements, the "Airfield" category is limited to "Commissions — aviation fuel sales" (see the supplemental section of the audited annual financial statements). Other revenues itemized as Airfield in the audited annual statements (landing fees, apron fees and other) are included under "Airlines" in the unaudited quarterly statements.