

BOARD OF LIQUIDATION, CITY DEBT
1300 PERDIDO STREET, ROOM 8E17
NEW ORLEANS, LOUISIANA 70112

**SOLICITATION FOR PROPOSALS
FOR FINANCIAL ADVISORY SERVICES**

DATE: November 30, 2011

TO: INTERESTED INDEPENDENT FINANCIAL ADVISORS

The Board of Liquidation, City Debt (Board) is requesting proposals for the services of a Financial Advisor as described in the attached RFP.

Qualified organizations are invited to submit proposals as described in the Request for Proposal (RFP) under the section "Proposal Requirements". Proposals are to be addressed to David W. Gernhauser, Secretary, Board of Liquidation, City Debt, City Hall, 1300 Perdido Street, Room 8E17, New Orleans, LA 70112. Proposals must be received no later than 4 PM CDT, December 14, 2011.

Proposals will be reviewed, and those firms whose proposals most appropriately meet the Board's needs will be considered.

Thank you for your interest.

Sincerely,

David W. Gernhauser
Secretary

**REQUEST FOR PROPOSAL
FOR A FINANCIAL ADVISOR FOR THE
BOARD OF LIQUIDATION, CITY DEBT**

INTRODUCTION

The Board of Liquidation, City Debt (Board) is seeking the services of a Financial Advisor to assist in the development of financing alternatives for the following:

General Obligation Bonds of the City of New Orleans
Special Obligation Bonds of the City of New Orleans; Sewerage & Water Board of New Orleans; Audubon Park Commission and Downtown Development District of New Orleans
Revenue Bonds of the Sewerage & Water Board of New Orleans

And other financial services as may be deemed desirable by the Board.

BACKGROUND

The Board was created by the Louisiana Legislature in 1880, and made a “body corporate,” separate and distinct from the City of New Orleans in 1890. The Board has exclusive control and direction of all matters related to the issuance and repayment of the City’s general obligation bonds. Because the Board exists, the repayment of New Orleans’s general obligation bonds is separated and excluded from the City’s operating budget, and a dedicated source and security for the payment of the City’s general obligation bonds is maintained. All *ad valorem* taxes levied by the City for the payment of its general obligation bonds are transferred to the Board. These property tax receipts must be applied exclusively to the payment of debt service on the City’s outstanding general obligation bonds and cannot be applied to pay the City’s operating expenses or for any other purpose. The Board has never defaulted in the payment of the City’s general obligation bonds.

The Board also serves as custodian for special tax accounts and outstanding bonds for the Sewerage & Water Board of New Orleans; Audubon Park Commission; and Downtown Development District of New Orleans. The Board also services and administers the issuance and repayment of Revenue Bonds of the Sewerage & Water Board of New Orleans.

Outstanding Debt

City of New Orleans

General Obligation Bonds	\$529,218,991
Limited Tax Bonds	\$ 23,360,000

Sewerage & Water Board of New Orleans

Special Tax Drainage Bonds	\$ 20,290,000
Revenue Bonds	
Sewerage Service	\$160,985,000
Water Revenue	\$ 34,635,000
State Revolving Loan DHH	\$ 2,400,000

Outstanding Debt (continued)

Audubon Park Commission

Special Tax Improvement Bonds	\$ 1,910,000
Special Tax Aquarium Bonds	\$ 30,260,000

Downtown Development District of New Orleans

Special Tax Improvement Bonds	\$ 5,685,000
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SCOPE OF SERVICES

Role of Financial Advisor

1. Serve as the Board's consultant on debt financing projects.
2. Provide independent financial advice and serve solely the interests of the Board.
3. Manage the bond financing process and negotiate key business points to accomplish the Board's objectives.

Services to be Provided

The Board seeks to utilize the best combination of options available to adequately address the capital needs of the City of New Orleans; Sewerage & Water Board of New Orleans; Audubon Park Commission; and Downtown Development District of New Orleans. The selected Financial Advisor will be required to perform the following:

1. Develop a plan of finance and prepare financing schedules.
2. Evaluate legal approaches permitting various financing structures and propose financing methods, with emphasis on innovation, to be considered for accomplishing the Board's objectives. This will be done in conjunction with the Board's staff and legal counsel.
3. Review legal documents.
4. Analyze and report on the advantages and disadvantages of each proposed financing.
5. Evaluate the projected cash flow from any revenue sources that may constitute security for any obligation incurred.
6. Review existing revenue sharing agreements, tax rebate agreements and debt commitments to determine potential impacts, if any, on the proposed financing and make appropriate recommendations to the Board's financing team.
7. Work with the Board's bond counsel and financing team in recommending size, structure, specific terms and conditions of a debt issue. Present information regarding methods of sale, including publicly offered and privately negotiated options.
8. Assist the Board in selection of formation of financing team, including preparing a list of services required of underwriter, trustee, verification agent and other professionals, as agreed upon.

9. Advise the Board's financing team on areas of industry specific knowledge that affects the financing and marketing of the project's debt.
10. Assist bond counsel in preparing the text of an official statement as required, in particular the official statement and disclosure documents. Official statements will include a description of the securities, the project, and pertinent financial and economic data. In the preparation of an official statement, assist the Board in ascertaining material facts and circumstances regarding the project. The official statement will be printed and mailed, together with copies of the official notice of sale and basic legal documents, to a comprehensive list of prospective bidders on negotiated sales and electronically on competitive sales.
11. Prepare credit profiles and assist the Board in making presentation to bond insurance companies and/or rating agencies. These agencies may require sufficient information to provide the highest possible rating on any securities prior to the sale of such securities.
12. Prior to the sale of securities, assist in representing the Board at information meetings in various locations if such meetings are necessary or desirable.
13. Assist in negotiations with bond insurers and/or letter of credit providers.
14. Manage competitive or negotiated sale process. Arrange for advertising and pre-marketing of issue. Represent the Board at the bid opening for a public sale, analyze the bids, identify the most favorable bid, and make a recommendation as to the award of the bid. Act as the Board's agent if bid negotiations are required. After the bid is awarded, prepare an actual debt service table based on accepted coupon rates. In the event of a negotiated offering, assist the Board in negotiating appropriate terms, reviewing spreads, comparing deals, analyzing market levels, and clarifying syndicate roles with selected underwriter.
15. Assist the Board in closing the financing, which includes assistance in selecting a bond printer and in advising the Board on the investment of bond proceeds pending expenditure.
16. Prepare and deliver presentations designed to facilitate an understanding of public sector financing and its implications to the Board members and other custodial boards as may be necessary.
17. Analyze the financing impact of project costs, cash flow projections and rate implications. Participate in the development of alternate strategies with the Board's financing team.

FA Reporting

The Financial Advisor will report directly to the Secretary of the Board.

PROPOSAL REQUIREMENTS

A. Scope of Services

Consultant shall provide a clear, concise response to the scope of service requirements set forth above.

In the event of joint proposals between two or more firms, indicate the role that each sub-consultant or co-proposer would perform. The Board reserves the right to select or choose between co-proposers and sub consultants.

B. Qualifications

The consultant shall identify the financing team and any other key personnel involved in this project, including sub-consultants and co-proposers. The people identified in this team will be allowed to participate in the event the team is invited to interview.

A brief resume will be required for each person, listing specific qualifications and experience in similar dollar volume and duration of time projects. Experience with other State and local governments and Louisiana debt issuance should also be included.

The firm's inclusion of minority and women participation, including the firm's employees and/or any participation with a minority or women-owned firm (M/WBE) is encouraged.

1. All bidders shall make a good faith effort to ensure the full and equitable participation by minority businesses.
2. "Minority business" is defined by statute and includes businesses owned by ethnic minorities, women, and socially and economically disadvantaged individuals.
3. The information shall be submitted with the proposal and shall include: name, address, telephone number of each M/WBE, along with the description of work to be performed by each M/WBE.

Changes in member of the team will require advance approval by the Board.

C. References

Consultant shall include the name, address and telephone number of three to five clients for whom services similar to those described in the Request for Proposal, have been performed. In addition, consultant shall provide an official statement of the most relevant previous financing.

D. Disclosure

The Consultant will disclose any professional or personal financial interest which could be a possible conflict of interest in representing the Board. Consultant shall further disclose arrangements to derive additional compensation from various investment and reinvestment products, including financial contracts.

E. Fee

The Consultant will prepare a total fee statement for each of the proposed financings as discussed in the Introduction. Fees stated are to cover the financial plan for each individual project in its entirety. Alternate Fee proposals should be made for competitive vs. negotiated sale. If a contingent fee is contemplated, it is to be clearly stated in your proposal.

F. **Proposal Submission**

2 printed copies and 1 electronic version of the completed proposal with length not to exceed 10 pages must be submitted no later than 4PM CDT, Wednesday, December 14, 2011, to:

David W. Gernhauser
Secretary
Board of Liquidation, City Debt
1300 Perdido Street
Room 8E17
New Orleans, LA 70112

Fax and emailed copies will be accepted if immediately followed by an original.

Fax 504.658.1411
Email david.gernhauser@boardofliquidation.com
Website www.boardofliquidation.com

SELECTION PROCESS

Proposals will be evaluated based upon, but not limited to, related experience of the respondents, knowledge of the Board, professional qualifications of individuals to be assigned to the project, creative financing strategies, fees, and overall proposal content.

Proposals will be reviewed by the Secretary and President of the Board. Oral interviews of the most responsive firms will be scheduled shortly after the deadline submission date and may be conducted by phone at the option of the Board. All Financial Advisors selected for interviews will be notified of the selection as soon as possible.

The Board reserves the right to reject any and all proposals and to waive informalities and minor irregularities in any proposal reviewed. Further, the Board may reject any proposal which does not conform to the instructions herewith. Additionally, the Board reserves the right to negotiate all final terms and conditions of any agreement entered into.

Nothing in the Request for Proposals shall be deemed to commit the Board to engage any Financial Advisor.

LIMITATIONS

The Financial Advisor shall not be permitted to participate directly or indirectly in any manner in the purchase or underwriting of any financing debt or bonds relating to any phase of the Board's projects for which Financial Advisor services are provided.

Should you have any questions, please contact:

David W. Gernhauser
Secretary
Board of Liquidation, City Debt
1300 Perdido Street
Room 8E17
New Orleans, LA 70112
(504) 658-1410
David.gernhauser@boardofliquidation.com