



ABRAHAM LINCOLN  
CAPITAL AIRPORT  
AT SPRINGFIELD

Kenneth R. Boyle, Esq., Deputy Executive Director  
Springfield Airport Authority

March 4, 2025

Dear Local Lender:

Please find enclosed the Request For Proposals that the Springfield Airport Authority is issuing for refinancing up to \$4,250,000 loan.

The Springfield Airport Authority desires to refinance up to \$4,250,000 loan for the Fixed Base Operator (FBO) facility located adjacent to the main passenger terminal of the airport. The initial loan was taken for the purpose of rehabilitating the FBO and General Aviation Facilities. The facility is the gateway to business and private aircraft entering and exiting the community.

Please return a completed Request For Proposals packet to the Springfield Airport Authority by Friday, March 21, 2025 at 2:00 p.m.

If you have any questions, please feel free to contact me at (217) 788-9213. We look forward to receiving your proposal.

Sincerely,

Kenneth R. Boyle, Esq.  
Deputy Executive Director

# Springfield Airport Authority

Request For Proposals  
For The Refinancing of up to \$4,250,000 loan  
for

Fixed Base Operator (FBO) Facility

Issued  
March 4, 2025

Due Date: Friday, March 21, 2025 at 2:00 p.m.  
Springfield Airport Authority Office  
2<sup>nd</sup> Floor Terminal Building  
Abraham Lincoln Capital Airport  
1200 Capital Airport Drive  
Springfield, IL 62707

# Springfield Airport Authority

## Request For Proposals (RFP)

### Borrowing of up to \$ 4,250,000.00

#### Intent of This RFP

This RFP is being issued by the Springfield Airport Authority for the purpose of refinancing an existing loan of up to \$4,250,000 for the Fixed Based Operator (FBO) Facility

#### Background

The Authority is an Illinois Municipal Corporation established in 1945 under authority granted by the State of Illinois Statutes. The Authority owns and operates Abraham Lincoln Capital Airport, an air carrier airport located in Springfield, Illinois. As of June 30, 2024, the Authority's assets were about \$108 million and liabilities were about \$20 million. In a typical year, revenues and expenses are about \$10 million each. The Authority is an independent entity, governed by a Board of Commissioners, four of who are appointed by the Mayor of the City of Springfield and three by the Sangamon County Board. Policy-making authority rests with the Board that has, among other responsibilities, the approval of ordinances and resolutions, adopting the budget, hiring the Executive Director and setting overall policy. The Executive Director is responsible for carrying out the policies, ordinances and resolutions of the Board and overseeing the day-to-day operations of the Authority.

#### Use of the Funds

The Springfield Airport Authority desires to refinance an existing loan up to \$4,250,000 for the FBO/General Aviation Facilities.

The initial loan was taken for the purpose of rehabilitating the FBO and General Aviation Facilities and make improvements to the Terminal Complex Roadway and parking lots. The facility which the Fixed Base Operator (Stellar Aviation) leases from the Springfield Airport Authority stores and maintains aircraft in the facility. The facility is also the gateway to business and private aircraft entering and exiting the community.

#### Term of Borrowing

The Authority wishes to refinance up to \$4,250,000 and invites lenders to offer three options. Option 1- a loan in the form of a five-year period of time with payments at a 20-year amortization rate. Option 2- a twenty-year fixed rate loan. Option 3- a ten-year fixed rate loan. The loan will commence on or about May 1, 2025.

If Option 1 is selected, at the end of the five-year term, the Authority will pay the full principal balance then due or seek to refinance the loan. The Authority anticipates debt service payments over the five-year term will be made on a

monthly basis but is willing to consider whatever frequency is proposed by the lender.

#### Timing of Borrowing

The rate of interest for the loan is to be set as of the date the RFP is submitted to the Authority. As indicated, the Authority desires to close this transaction before April 30, 2025.

#### Refinancing and Prepayment

The Authority reserves the right to refinance the amount due with another financial institution at any time and reserves the right to prepay principal. For both the potential refinancing and prepayment there are to be no penalties, fees, or expenses of any kind. Any such anticipated charges should be incorporated into the interest rates proposed in the Proposal Form. The Authority intends to use the interest rate proposed by the financial institution as the sole determiner of the cost of the borrowing of funds.

#### Bank Qualified Loan

The Authority's legal counsel has determined that "Subject to the condition that the Authority comply with certain covenants made to satisfy the requirements of the IRC, interest on this Loan is interest that is excluded from the gross income of the owner of the Note under Section 265 of the IRC and will not be treated as an item of tax preference in computing the alternative minimum tax for individuals or corporations. Therefore, the loan is "bank qualified" under the pertinent provisions of the IRC". The Authority's legal counsel has provided this information in the form of a draft letter and will issue an executed letter to this effect to the financial institution with whom the Authority closes on the loan. The draft letter is available upon request.

#### Collateral

##### First Preference

The Authority offers as collateral its financial stability and credit history. In the personal knowledge of the Authority's staff, the Authority has not been late with a debt service payment since at least the late 1970's, and it is unlikely the Authority has been late with such a payment going back to the Authority's inception in 1945. The Authority's June 30, 2024, financial report is available upon request.

##### Second Preference

The Authority offers as collateral the revenues to be received from the lease of the facilities. The lease to the tenant of the facilities occupied by Stellar Aviation. The lease with Stellar has 16 years remaining expiring in 2041. The lease generates approximately \$34,455 (plus at least a 2.5% annual escalation) a month that can be reserved for debt service.

### Complaints

In the event a bidder has a complaint against the Authority regarding the manner in which the proposal process has been handled, the concern should be presented in writing to the Executive Director within two business days following the opening of the proposals, which will occur at 2:00 p.m. CDT on Friday, March 21, 2025.

### Variations

While the Authority would prefer to have the loan process proceed as outlined in this RFP, especially as indicated in the Term of Borrowing and Timing of Borrowing sections, the Authority is willing to entertain any reasonable alternate proposals. These variations should be listed on page 7 of this RFP.

### Questions

Questions should be addressed to the Authority via email to [kboyle@flyspi.com](mailto:kboyle@flyspi.com). Responses will be made either to only the questioner or to all submitters of a proposal, as appropriate. Only questions asked in this manner will be responded to.

In submitting this proposal, the submitter agrees that no one has made a representation or promise with respect to this RFP except as contained either within this RFP or in an email as described in the previous paragraph.

### Proposal Submission

In order to be considered, proposals must be received by the Springfield Airport Authority in its offices at 1200 Capital Airport Drive by 2:00 p.m. CDT on Friday, March 21, 2025. The attached two-page Proposal Form needs to be completed but nothing else needs to be submitted for a proposal to be considered.

The Authority will review the proposals received and unless all proposals are rejected, it is anticipated that the award will be made at the Board of Commissioner's meeting on April 15, 2025 and in that event anyone submitting a proposal will be so notified by a letter to be mailed on April 16, 2025.

Proposals should be submitted in a sealed envelope clearly marked "LOAN PROPOSAL, DO NOT OPEN." The Authority reserves the right to reject any and all proposals, to modify or amend with the consent of the proposer any bid prior to acceptance, and to make the award as the Springfield Airport Authority deems to be in its best interest.

SPRINGFIELD AIRPORT AUTHORITY

Mark E. Hanna, A.A.E.  
Executive Director

**SPRINGFIELD AIRPORT AUTHORITY**  
**PROPOSAL FORM**  
**BORROWING Of Up To \$4,250,000**

**Option 1-** The fixed rate of interest over a five-year term with a twenty-year amortization beginning upon the termination of the current loan referred to in the RFP (about May 1, 2025) with a borrowing of up to \$4,250,000 will be \_\_\_\_\_ % APY\* on the terms specified in this RFP.

**Option 2-** The fixed rate interest over a twenty-year term beginning upon the termination of the current loan referred to in the RFP (about May 1, 2025) with a borrowing up to \$4,250,000 will be \_\_\_\_\_ % APY\* on terms specified in this RFP.

**Option 3-** The fixed rate interest over a ten-year term beginning upon the termination of the current loan referred to in the RFP (about May 1, 2025) with a borrowing up to \$4,250,000 will be \_\_\_\_\_ % APY\* on terms specified in this RFP.

There are to be **no closing costs or related fees** of any kind and there is to be **no prepayment penalty**. Any such costs, fees and penalties are to be incorporated into the rate being quoted.

1. It is understood that the above rates are contingent on the Authority's legal counsel providing a letter confirming that in its opinion the use of these funds is tax-exempt and bank qualified financing.

2. Collateral:

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3. Variances from the attached specifications:

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Submitted by:

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Typed Name

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Typed Title

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Authorized Signature

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Financial Institution

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Phone Number

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Date Submitted

\* APY (Annual Percentage Yield) is defined for the purpose of this loan borrowing as the total amount of interest that would be paid by the Authority on a given amount borrowed, based on the annual rate of simple interest and the frequency of compounding for a 365-day period, expressed as a percentage.