REQUEST FOR PROPOSALS

PUBLIC PARKING AUTHORITY OF PITTSBURGH

REDEVELOPMENT OF NINTH AND PENN PARKING GARAGE

DATE ISSUED: DECEMBER 21, 2016

DAVID G. ONORATO, CAPP
EXECUTIVE DIRECTOR
1. **GOAL OF THIS REQUEST FOR PROPOSALS**

The Public Parking Authority of Pittsburgh (the "Authority"), a body corporate and politic under the laws of the Commonwealth of Pennsylvania, was organized in 1947 by the City of Pittsburgh (the "City") pursuant to the Parking Authority’s enabling act, 53 Pa.C.S.A. §§ 5501, et seq. The Authority was created for the purpose of establishing and operating on and off-street parking facilities in the City. To this end, the Authority is authorized by law to plan, design, locate, acquire, hold, construct, improve, maintain and operate, own and lease, either in the capacity of lessor or lessee, land and facilities to be devoted to the parking of vehicles; to borrow money; and to make and issue bonds and to secure the payment of such bonds.

Consistent with these powers, the Authority owns and operates a public parking garage commonly referred to as the Ninth and Penn Parking Garage (the “Existing Garage”). The Existing Garage is situated at 136 Ninth Street, Pittsburgh, Pennsylvania 15222 on property identified by block and lot number as 9-N-179 (the “Property”). It is a six level structure that opened in 1958 with 583 parking spaces and functions as a single-threaded helix with two-way traffic. The structural system consists of cast-in-place, conventionally reinforced two-way waffle slabs supported by cast-in-place, conventionally reinforced columns. The Existing Garage is one of the most intensely used parking facilities in the Authority’s system.

The block on which the Existing Garage is situated is bounded by Penn Avenue, Fort Duquesne Boulevard, 8th Street and 9th Street (the “Block”). This Block is in the heart of Downtown Pittsburgh’s Cultural District. Ingress and egress to the Existing Garage is currently from Penn Avenue and 9th Street. The remaining property on the Block is owned by the Pittsburgh Cultural Trust (www.trustarts.org) (the “Cultural Trust”).

Redevelopment of the entire Block has been the focus of the City, in conjunction with the Cultural Trust and the Authority. It has been the intention of these stakeholders for the Block to be redeveloped to support the continued residential, retail, cultural and commercial growth of the Cultural District.

The Existing Garage is nearing the end of its useful life and the Authority desires for it to be demolished and new structured parking developed on the Block to continue to support the growth in the Cultural District. It is the Authority’s intention to own a new public parking facility on its property and possibly elsewhere on the Block (the “New Garage”). The New Garage must include at least 700 public parking spaces that will be owned or leased and operated by the Authority (the “Minimum Space Requirement”), but the Authority reserves the right to increase the Minimum Space Requirement to no more than 1,000 spaces. The Authority would like the New Garage to be constructed and open to the public as soon as possible, but in any event by the first quarter of 2020. Optimally, the Existing Garage will be demolished in the first quarter of 2018.

In light of the strong potential for redevelopment of the Block, respondents should consider while sizing the New Garage the appropriate amount of additional parking in excess of the Minimum Space Requirement that should be added to the parking inventory on the Block. The Authority is willing to own, lease and/or operate spaces in excess of the Minimum Space Requirement, subject to projected demand, legal restrictions and suitable financing.
While the Authority desires to own and operate the New Garage, it likewise desires for the Property to be redeveloped for its highest and best use to support the continued growth of the Cultural District. As such, the Authority envisions that the New Garage will be an integral component of a larger, mixed-use development on the Property and possibly other portions of the Block (the “Development”). This could include an office tower or multi-family development in the air rights above the New Garage with retail in the air rights below the New Garage. In addition, the Authority desires that the street level of any such Development be programmed in a way that complements the rest of the Cultural District. In any event, the scale, design, land use and tenant mix of the proposed Development should create a visually and commercially prominent facility that will complement the surrounding neighborhood.

To facilitate the Development, the Authority is willing to consider sale/leaseback, lease/leaseback and/or condominium transactions. Optimally, the New Garage component of the Development will be a turnkey project such that the successful respondent will be fully responsible for demolishing the Existing Garage and delivering the New Garage to the Authority. Any payments required of the Authority in connection with the New Garage and/or Development will most likely require public financing via a bond issuance.

In light of its ownership of the property surrounding the Property and long-term focus on the redevelopment of the Block, the Cultural Trust will be a critical player in any successful Development. Respondents are encouraged to contact the Cultural Trust to determine how it may participate in a prospective proposal. Notwithstanding the foregoing, all decisions regarding this RFP will be at the sole discretion of the Authority.

The Authority anticipates entering into a Development Agreement (the “Agreement”) with the successful respondent, if any, that governs the terms of the Property disposition, acquisition by the Authority of some or all of the public parking component (but no less than the Minimum Space Requirement), demolition, design and delivery of the Development and financing structure.

As more fully set forth in this Request for Proposals (the "RFP"), the Authority is requesting proposals from qualified developers and/or development teams (the “Developer”) for (a) the demolition of the Existing Garage; (b) turnkey development of the New Garage; and (c) delivery of a Development that significantly enhances the Cultural District.

2. ABOUT THIS DOCUMENT

This document is a Request for Proposals. It differs from an invitation for bid in that the Authority is seeking a solution, not a quotation meeting firm specifications for the lowest price. As such, the best priced proposal does not guarantee an award recommendation. Instead, proposals will be evaluated based upon the criteria set forth herein and factors such as, among others, quality, experience in the field, availability and/or capability.

The request for proposal process allows the Authority to negotiate with respondents prior to awarding a contract. The Authority will thoroughly review all proposals received in a timely fashion and will utilize its best judgment when determining which respondents, if any, to schedule meetings with after receipt of all proposals. Subject to the other terms and conditions of this RFP,
only those respondents that are qualified and responsible, as determined by the Authority, in its sole and absolute discretion, will be considered for an award of a contract hereunder.

3. **SCHEDULE AND DEADLINES FOR RFP**

<table>
<thead>
<tr>
<th>EVENT</th>
<th>TIME AND/OR DATE</th>
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<tbody>
<tr>
<td>RFP Issued</td>
<td>December 21, 2016</td>
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<tr>
<td>Mandatory Pre-Proposal Meeting</td>
<td>10 a.m. on January 25, 2017</td>
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<tr>
<td>Site Visits</td>
<td>Site visits will be offered immediately after the pre-proposal meeting and through February 7, 2017, provided that any such visit is coordinated with the Authority in advance.</td>
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<tr>
<td>Deadline For Respondents to Submit Questions and Requests for Clarification/Interpretation/Modification (&quot;Request for Clarification Due Date&quot;)</td>
<td>3:00 p.m. on February 14, 2017</td>
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<tr>
<td>Projected date that Authority will respond to Request for Clarifications</td>
<td>March 7, 2017</td>
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<tr>
<td>Deadline for Submission of Proposals (&quot;Proposal Due Date&quot;)</td>
<td>3:00 p.m. on April 7, 2017</td>
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<tr>
<td>Anticipated Board Action</td>
<td>May 18, 2017</td>
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4. **ADMINISTRATIVE REQUIREMENTS AND RELATED INFORMATION**

A. To be considered responsive, respondents must submit by 3:00 p.m. Pittsburgh, Pennsylvania time on the Proposal Due Date (a) three (3) electronic copies on compact disc of their proposal and (b) eight (8) hard copies of their proposal in a clearly marked envelope, to the following mailing and email addresses:

Pittsburgh Parking Authority  
232 Boulevard of the Allies  
Pittsburgh, PA 15222-1616  
Attention: David G. Onorato
B. Any proposals received after 3:00 p.m. Pittsburgh time on the Proposal Due Date will be rejected.

C. The Authority reserves the right to extend or postpone Proposal Due Date through an addendum.

D. Notwithstanding anything to the contrary in this RFP, the Authority may determine in its discretion whether to accept any questions, requests or proposals that are not received by the dates and times set forth in this RFP.

E. All proposals shall be signed by an individual authorized to bind the respondent and execute contracts on its behalf.

F. Respondents should be aware that records of the Authority are subject to the provisions of the Pennsylvania Right-to-Know Law, 65 P.S. §67.101 et seq. ("RTK Law"), and that with certain exceptions, such records are subject to public disclosure. The Authority understands that in responding to this RFP, respondents will be submitting information, including financial data, that the parties desire to be kept confidential. Respondents are advised that proposals may be subject to public disclosure unless they are otherwise exempt from disclosure under another provision of the RTK Law. Records and information submitted by respondents that constitute "trade secrets" or "confidential proprietary information" as defined in the RTK Law may be exempt from disclosure under the RTK Law. Respondents are advised that if they believe any information being submitted in response to this RFP constitutes or references trade secret or confidential propriety information, they should clearly so label any such information with a prominent label of either: "TRADE SECRET" or "CONFIDENTIAL PROPRIETARY INFORMATION." Any such claims may be subject to review pursuant to the procedures set forth in the RTK Law. If the Authority, the Pennsylvania Office of Open Records or a court determines that such information does not qualify as a trade secret or confidential proprietary information, such information may be subject to public disclosure.

G. The Authority reserves the right to request additional information which, in the Authority's opinion, is necessary to assure that the respondent's competence, business organization, and financial resources are adequate to perform in accordance with this RFP and any resultant contract.

H. The Authority may make such investigation as it sees fit to determine the ability of the respondent to perform the work, and the respondent shall furnish the Authority all such information and data for this purpose as requested by the Authority. The Authority reserves the right to reject any proposal if the proposal submitted by, or investigation of, such respondent fails to satisfy the Authority that such respondent is properly qualified to carry out the obligations of a subsequent contract with the Authority and to satisfactorily perform the work specified herein.

I. The Authority reserves the right to reject any or all proposals, waive any irregularities or defects in any proposal, and modify or postpone or terminate the Development in its entirety or with respect to any respondent, at any time, for any reason or no reason.
J. All costs and expenses incurred by a respondent in the preparation and delivery of a proposal will be the sole responsibility of the respondent. The Authority will not be liable for any amounts to any respondent in any manner, under any circumstances, including without limitation, as a result of the termination of the RFP process.

K. The receipt of proposals or other documents by the Authority during any stage of the process will in no way obligate the Authority to enter into any contract with any respondent or make the Authority liable for any respondent costs. This RFP is a solicitation only and is not intended to be nor should it be construed to be an offer to enter into any contract or other agreement.

L. Each respondent is responsible to ensure that its participation in this RFP process is conducted fairly and without collusion or fraud.

M. Proposals should not exceed thirty (30) pages, exclusive of exhibits.

N. Respondents are encouraged to review the Authority’s enabling act, 53 Pa.C.S.A. §§ 5501, et seq. and case law related thereto.

5. **CLARIFICATION OF REQUIREMENTS, ADDENDA & MODIFICATIONS**

A. Any respondent in doubt as to the true meaning of any part of this RFP may request a clarification, interpretation and/or modification thereof from the Contact Person (as hereinafter defined). At the request of the respondent, or in the event the Authority deems the response to the request to be substantive, the clarification, interpretation and/or modification shall be made by an addendum. Requests for clarification, interpretation and/or modification must be submitted in writing to the Contact Person by 3:00 p.m. Pittsburgh time on the Request for Clarification Due Date; any request received after this deadline may not be considered.

B. Inquiries regarding the RFP and all requests for clarification, interpretation or modification of the RFP must be directed in writing via e-mail to David Onorato at donorato@pitsburghparking.com (the "Contact Person").

C. If any alleged errors are noted in the RFP, a respondent should immediately notify the Contact Person and, if confirmed, an addendum shall be issued.

D. The Authority will not accept telephone calls or any other forms of correspondence pertaining to this RFP, except as set forth in Section 5.B.

E. This RFP may be updated, supplemented, amended or cancelled at any time by the Authority. Any changes, additions, deletions, or clarifications to the RFP will be made by addenda issued by the Authority.

F. Any addenda issued by the Authority shall be considered part of the RFP.

G. Addenda will be sent via e-mail to the last known e-mail address of each person/entity listed with the Authority as having received a copy of the RFP for proposal purposes. The Authority will make reasonable efforts to notify respondents in a timely manner of
modifications to the RFP. Notwithstanding the foregoing, each respondent shall be responsible for (i) providing a valid e-mail address for delivery of addenda by the Authority and (ii) ensuring that its proposal reflects any and all addenda issued by the Authority prior to the Proposal Due Date.

6. **CONTRACT REQUIREMENTS**

Each respondent, in its proposal, must agree to be bound by the following requirements, should it be awarded a contract in connection with this RFP:

A. The general prevailing minimum wage rates, including contributions for employee benefits, as shall have been determined by the Secretary of Labor and Industry (the "Secretary") must be paid to the employees of contractors and subcontractors of any tier that are constructing the Development. Respondent shall, and shall require all such contractors subcontractors to, (i) pay no less than the wage rates as determined in the decision of the Secretary; (ii) comply with all conditions of the Pennsylvania Prevailing Wage Act, 43 P.S. §§ 165-1 - 165-17, as amended (the "Act"), and the regulations issued pursuant thereto (the "Regulations") to assure the full and proper payment of said rates; and (iii) submit certified payrolls to the Authority respecting the foregoing. The contract shall be read so as to include any provision required by the Act or the Regulations to be inserted in the contract and not so inserted.

B. The successful respondent will be required to coordinate design and construction of the Development with the Authority to ensure that it complements the continued revitalization of the Cultural District. The design of the New Garage shall be subject to the Authority’s approval.

C. The Authority will require 100% payment and performance bonds from an acceptable surety with respect to the New Garage. The Authority reserves the right to require construction commencement and completion guaranties from creditworthy individuals or entities. The Authority also reserves the right to subject any conveyance to a right of reverter in favor of the Authority upon a construction commencement and/or completion default.

D. Construction of the Development must comply with the Steel Products Procurement Act, 73 P.S. § 1881 et seq. and the Trade Practices Act, 71 P.S. § 773.101 et seq.

E. The Property, if conveyed, will be conveyed by the Authority in its “AS IS, WHERE IS” condition. Accordingly, each respondent is required to perform its own due diligence with respect to the Property and may not rely on any statements by the Authority with respect thereto.

7. **FORM OF PROPOSAL**

A mandatory pre-proposal meeting will be held at 10:00 a.m. Pittsburgh time on January 25, 2017, at the main offices of the Authority, which are located at 232 Boulevard of the Allies, Pittsburgh, PA 15222-1616. The proposal of any respondent that fails to attend this meeting will be rejected.
Each proposal should be in the format set forth below and will be rated on a 100-point scale. Rating will be according to the degree to which a respondent demonstrates its capacity to satisfy the requirements set forth herein. Each proposal should include the following parts (except where mandated), which will be assigned the indicated point values:

A. **Cover Page:** Please prepare a cover page similar to the one shown at the beginning of this RFP. (Total Possible Score: 0 points)

B. **Narrative:** Please organize your proposal so that it addresses each of the following items.

   (i) **Organization Qualifications** (Total Possible Score: 15 points):

   1) Identify the members of your development team, including, without limitation, architects, engineers, parking consultants, traffic engineers, attorneys, contractors and subcontractors.

   2) Describe each member of your development team and their experience in delivering major urban developments that include structured parking. Identify any relevant accreditations.

   3) Describe other projects completed by each member of your development team that are of similar magnitude to their scope of work related to the Development.

   4) Describe the history of the team, as its experience working together will be considered.

   5) Demonstrate that the lead developer has the experience and resources to complete a project of this size (the “Lead Developer”).

   6) To the extent they differ than the Lead Developer, demonstrate that the proposed owner of the Development (the “Owner”) has the experience and resources to operate the Development in a long-term, first-class manner.

   7) Identify the ownership participants in the Lead Developer and Owner (to the extent they are different) at each level of ownership, including, without limitation, joint venture participants, general or limited partners, and/or members, with percentage of ownership interest.

   (ii) **Financial Summary and Demonstration of Feasibility** (Total Possible Score: 15 points): Respondents must demonstrate financial wherewithal and development capacity to carry out their proposed development and ownership of the Property. Developer and Owner (to the extent they are different) can demonstrate the feasibility through an adequate financing plan for construction and operations, with pro formas that conservatively show the project being able to sustain itself through operations and/or reasonable exit, and capacity to support any necessary debt financing. Respondents should provide the following:
1) An estimate of the Development cost, including a development budget, list of sources and uses, and operating pro forma.

2) A written narrative of a financing plan and documentation of available funds in an amount no less than the total proposed development cost.

3) Letters of interest, term sheets, or other similar evidence of any financing sources listed.

4) The identity of any proposed anchor tenant and their commitment to the Development, along with information regarding such tenant’s financial standing.

5) Evidence of financial capability to fund the equity required for the development and ownership/operation of the Development. Acceptable forms of evidence include:

   - Audited Financial Statement for last two (2) fiscal years
   - Interim Financial Statement for most recent quarter (Income & Balance Sheet)

6) Information regarding any litigation (pending or threatened) in which the Lead Developer, the Owner, any ownership participants of the Owner or any ownership participants of the Lead Developer are involved and any judgments that have been rendered that may affect the ability to successfully execute the Development.

(iii) Development Plans (Total Possible Score: 15 points): Respondents should provide evidence that satisfies the goals set forth in Section 1 and the following elements. Acceptable evidence includes, at a minimum, a narrative and renderings; however, respondents are strongly encouraged to provide as much detail as possible.

1) Identify the mixed-use components of the Development, including a break-down of square footage and location within the Development.

2) Identify the number of parking spaces that will be included in the Development and proposed ownership and operational structure for such parking. Provide evidence that the Minimum Space Requirement will be satisfied.

3) Proposals should reflect the local context, pedestrian environment and surrounding building scale and provide attractive, well-designed buildings that enhance the quality of the built environment and improves the overall quality and physical appearance of the Cultural District. Proposals should take into account that Property is within a thriving cultural area of the City that is comprised of numerous theatres, shops, restaurants and residential units.

4) Respondents should demonstrate a commitment to public space.
5) Respondents should indicate what entitlements they anticipate seeking, including zoning, easements, exceptions from public entities, street changes, and utility alterations (new or relocated).

6) Respondents are encouraged to avoid garages that dominate the streetscape. Dumpsters, electrical and mechanical equipment should be screened.

7) Respondents should provide evidence that they have solicited input for their Development plans from the Cultural Trust.

8) Accounting for and segregating revenues from the spaces that comprise the Minimum Space Requirement is critical to the Authority’s ability to secure bond financing. Propose a design and operational program for the New Garage that accomplishes this goal.

9) Respondent should demonstrate that they considered what impact parking demand in 5, 10, 15 and beyond 20 years will have on the design of the New Garage. Parking demand may decrease in light of enhanced public transportation, ride-sharing services such as Uber, and the deployment of autonomous vehicle technology. See the following article for additional insight: http://www.denverpost.com/2016/10/15/denver-developers-future-parking-self-driving-cars/

10) Respondents should demonstrate a commitment to including public art in the Development and a willingness to consult with the City of Pittsburgh Office of Public Art.

(iv) Development Schedule & Milestones (Total Possible Score: 15 points):

1) Provide a pre-development schedule listing important milestones and dates, that includes due diligence activity (no more than 45 days) and securing required entitlements and financing commitments. Please provide an anticipated closing date.

2) Provide a development schedule showing critical milestones such as construction commencement, New Garage opening and other completion deadlines.

(v) Proposed Deal Structure and Pricing (Total Possible Score: 20 points):

1) Propose a deal structure that provides the Authority long-term control over the public parking component of the Development.

2) Describe the consideration payable by the Authority for acquisition of the public parking component of the Development and the timing associated with such payment(s) (on a per space basis).

3) Describe the consideration payable by the respondent for acquisition of the Property and the timing associated with such payment(s).
4) Identify any other costs that the Authority will be expected to absorb (e.g. transfer taxes).

5) Propose a method for reimbursing the Authority for the net parking revenues lost due to construction of the Development.

(vi) Sustainability (Total Possible Score: 10 points): The Authority is committed to fostering, encouraging, and supporting sustainable development and green building practices to the maximum extent possible. Respondent shall demonstrate how sustainable building, parking and transportation practices can be incorporated into the design, management and operation of the Development. The final design should enable the New Garage to obtain Parksmart (formerly Green Garage) Certification through Green Business Certification, Inc. (GBCI), the certifying body for LEED. The Authority will collaborate with the successful respondent on which sustainable development measures are to be incorporated into the Development. Proposers may include an International Parking Institute/GBCI Parksmart Advisor on their team to demonstrate expertise and familiarity with this standard.

C. References: Respondent shall provide three (3) references for clients to whom the respondent has delivered turnkey development projects of a similar magnitude. Please include contact name, address, and phone number and a description of the project.

D. MBE/WBE Participation (Total Possible Score: 10 points): The Authority is committed to providing equal employment opportunities to minorities and women and equal opportunities for business growth and development to minority and women entrepreneurs. To that end, the Authority requires that all respondents demonstrate a good faith effort to obtain the participation of minority and women business enterprises in delivering the Development and to employ minorities and women during performance of the work. It is the Authority's objective to obtain minority and women's participation in its contracts with the goal being 25% of the contract amount expended for minority participation and 10% of the contract amount expended for women's participation. The Authority promotes the full utilization of subcontracting activities to ensure a successful Minority and Women's Participation Plan. Provide tangible evidence that your organization has made a good faith effort to satisfy these goals.

8. EVALUATION AND SELECTION

A. A committee will be established to review and recommend proposals. The Board of Directors of the Authority has the final authority, in its sole and absolute discretion, for authorizing a contract with the Authority.

B. The Authority reserves the right to award portions of the Development to multiple developers or potentially awarding the entire Development to a sole Developer.

C. The Authority reserves the right to shortlist respondents whose proposals are within the top competitive range of responsive respondents, as determined by the Authority in its discretion. Shortlisted respondents may be scheduled for a structured oral presentation or interview and for discussions regarding best and final offers. Any such presentations shall be at no cost to the Authority. At the end of the oral presentation/interview process, if any, any shortlisted respondents may be required to submit revised proposals that address some or all of the
matters set forth in Section 7 to be scored again in accordance with Section 7 and this Section 8. Subject to the other terms and conditions of this RFP, the successful respondent will be recommended for contract negotiation.

D. The Authority anticipates executing a Development Agreement with the successful respondent within sixty (60) days following award.