



## **REQUEST FOR PROPOSALS (RFP)**

### **Consulting Services for: TIF / NID Analysis & NID Administration**

**RFP Issue Date: Wednesday, June 1, 2016**

**Proposal Due Date: Tuesday, June 28, 2016 by Noon EST**

The Urban Redevelopment Authority of Pittsburgh (URA) is requesting qualifications and pricing proposals for the following two phases. The pricing for Phase I and Phase II should be presented separately and, depending on Consultant responses, may be awarded to different Consultants. Consultants may also present combined pricing for both Phase I and Phase II:

Phase I: Initial TIF and NID Analysis

Phase II: Ongoing NID Administration

#### **OBJECTIVES**

This scope of work describes financial analysis consulting services to be provided by a Consultant (the "Consultant(s)") to the Urban Redevelopment Authority of Pittsburgh (the "URA") related to the financing, via a bond issuance, for public improvements located within the Hazelwood-ALMONO redevelopment site in the City of Pittsburgh (the "City") (PHASE I). The URA plans to issue bonds in conjunction with a to-be-approved Neighborhood Improvement District ("NID") plan and Tax Increment Financing ("TIF") plan originally approved in 2013. The bonds will be paid from and secured first by tax increment revenues and secondarily (to the extent TIF revenues are insufficient) by NID special assessments.

NOTE: The URA has Zions Bank under contract as TIF Trustee. As such, the URA does not require any TIF Trustee Administration services.

## **BACKGROUND**

### **PHASE I: TAX INCREMENT FINANCING (TIF) AND NEIGHBORHOOD IMPROVEMENT DISTRICT (NID) ANALYSIS**

**Client: URA**

Phase I services include the TIF and NID analysis necessary to issue bonds to finance the on-site public improvements. The selected Consultant for Phase I will ultimately be responsible for generating a report that will be included in the offering document for the bonds.

Phase I services include preparation of an updated TIF analysis, as a follow-up to the TIF Plan which was adopted by local taxing bodies in October 2013, including a recommendation for a new effective date for the TIF. The TIF analysis should be based on the new ALMONO Master Plan. The initial TIF Plan evaluated the projected tax increment, potential revenues, needed public improvements, and an anticipated financing structure (See Exhibit 1: Hazelwood-ALMONO TIF Plan). The updated TIF analysis should be conducted to evaluate the current projected TIF and NID revenues based on the updated Master Plan (See Exhibit 2: Master Plan link). The efforts in this phase include the following:

- a. Conduct a thorough NID evaluation and propose a special assessment methodology that would serve as security and collateral to the bonds;
- b. Draft a NID Plan that satisfies all of the requirements of the Pennsylvania NID Act;
- c. Prepare a report for inclusion in the Preliminary Limited Offering Memorandum and Limited Offering Memorandum being sent to investors that:
  - i. Projects future assessed values and tax increment revenues based, in part, upon a third party appraisal;
  - ii. Projects special assessment payment requirements; and
  - iii. Projects debt service coverage ratios based on scenarios provided by the bond underwriter.

### **PHASE II: NEIGHBORHOOD IMPROVEMENT DISTRICT (NID) ADMINISTRATION (the "ADMINISTRATOR")**

**Client: URA, assignable to the Neighborhood Improvement District Management Association ("NIDMA")**

Phase II services include the efforts necessary to administer the NID, after creation of the NID by the City and issuance of the bonds. This phase includes overall NID administration for the life of the bond issue.

The Administrator shall provide services to the URA and the NIDMA in accordance with this scope of services, the Indenture for the bonds and the Cooperation Agreement among the City, the URA, the NIDMA and the Trustee. There are four sections to this scope of services relating to general types of Neighborhood Improvement District administration services provided. These four sections are as follows: (I) administrative services related to the Special Assessments, (II) delinquency management in the event of Special Assessment delinquencies, (III) prepayment of Special Assessments, and (IV) accounting services relating to the NID.

## **SCOPE OF SERVICES**

Without limiting the generality of the foregoing, the specific work and services to be provided by Administrator are as follows:

### **I. ADMINISTRATIVE SERVICES RELATED TO THE SPECIAL ASSESSMENTS**

Administrative and management support services are those services associated with (a) the annual determination of the Special Assessments to be collected from the property subject thereto and (b) the dissemination of public information.

#### **A. Calculate and Allocate the Annual Installment and Annual Payment**

This task entails determining the Annual Installments and Annual Payment (each as described in the NID Plan developed as part of Phase I) of the Special Assessments to be collected from each parcel and includes the following subtasks:

##### **1. Background Research**

This task involves gathering and organizing the information required to form a database necessary to calculate and to allocate the Annual Installments and Annual Payments and includes the following:

- a. *Estimate Tax Increment Revenues:* Estimate the Tax Increment Revenues available to apply to the Annual Revenue Requirement.
- b. *Subdivision Research:* Identify parcel subdivisions and any other information relevant to the collection of the Annual Installments and Annual Payments.
- c. *Assessor's Parcel Research:* Upon publication of the property tax roll, review assessor parcel maps to compile a list of the tax parcels that will be subject to the collection of the Annual Installments and Annual Payments and determine the assessed value of each parcel.
- d. *Ownership/Exempt Property Research:* Research changes in ownership and dedication and offers of dedication of property to public agencies and to other tax-exempt uses. Identify each date that property was conveyed or offered to exempt entities.

- e. *Database Management:* Prepare and update the database to include all relevant property characteristics for the parcels in the NID.
- f. *Estimate Administrative Expenses:* Calculate the amount of NID related Administrative Expenses due during then current year.

## **2. Calculate the Annual Payment to be Collected**

This task involves calculating the Annual Payment to be collected and includes the following subtasks:

- a. *Preparation of Budget:* Prepare a budget for the NID for the subsequent fiscal year.
- b. *Calculate Other Funds Available:* Calculate other funds available, such as Debt Service Reserve Fund income, capitalized interest, and Tax Increment Revenues to be paid to the Trustee pursuant to the Cooperation Agreement.
- c. *Allocate Annual Installments to the Assessed Lots:* Allocate the Annual Installment to the parcels within the NID on the basis of the Rate and Method of Apportionment of Special Assessments included in the NID Plan developed as part of Phase I.

## **3. Determine Updates to the Annual Assessment Roll**

This task involves determining the updates to the Special Assessment Roll and making such updates pursuant to the Rate and Method of Apportionment of Special Assessments.

## **4. Preparation of Annual Report**

This task involves the preparation of a report explaining the research, methodology and assumptions utilized in preparation of the budget, the Annual Payments to be collected, the allocation of the Annual Payments to be collected to the parcels in the NID, and the updates to the Special Assessment Roll. A copy of the completed report will be provided to the URA, the Trustee and the NIDMA and will be posted on EMMA.

## **5. Support Services Related to Billing of Annual Installments**

- a. *Present Findings to the NIDMA and URA:* The report prepared by the Administrator will be provided to the NIDMA for its approval. A copy will also be provided to the URA, the City, and the Trustee.
- b. *Provide Assistance Regarding Notification to the City:* The Administrator will assist the NIDMA with its required notification to the City of the amount of the Annual Payment to be collected each year.
- c. *Billing:* The Administrator will assist the NIDMA with any billing that should be necessary.

**B. Review of the Bond Funds**

This task involves the review of the account statements for funds and accounts maintained by the Trustee under the Indenture for purposes of determining the Special Assessments.

**C. Public Information**

This task involves responding to telephone calls from property owners and other interested parties who have questions regarding the Special Assessments. These calls may be related to an assessment bill or an inquiry related to the purchase or sale of property subject to the Special Assessments. The Administrator will provide a toll-free phone number for property owners to call with such questions. Additionally, this number may be given to persons or entities that may desire to call the City to obtain information about the Special Assessments.

**D. Administrative Review**

At the request of the NIDMA or the URA, the Administrator will review any notice from a property owner alleging an error in the calculation of any matters related to the Special Assessment Roll, and, if necessary, meet with the property owner, consider oral and written evidence regarding the alleged error, decide whether, in fact, such a calculation error occurred, and take other corrective action as required to correct the error.

**II. DELINQUENCY MANAGEMENT**

These services are provided only if there are delinquencies in the payment of the Annual Payments.

**A. Delinquent Special Assessment Report**

If there are any delinquencies after the end of a collection period, the Administrator will prepare an updated budget to indicate any potential problems meeting the obligations relating to the Neighborhood Improvement District, including, without limitation, the payment of debt service on the Bonds. Such budget will reflect the amount of such delinquencies plus penalties, if any.

**B. Delinquency Follow-up**

This task entails the preparing and mailing, upon the request of the NIDMA or the URA, demand letters to property owners that are delinquent in the payment of their Special Assessments.

**1. Preparation and Mailing of Delinquency Letters**

The Administrator will send reminder letters to property owners with delinquent Special Assessments. After 30 days, if the Special Assessment is still delinquent, a payment demand letter will be mailed informing the property owner that its property will be subject to a tax sale if the delinquency is not cured.

**2. Coordination with Delinquent Property Owners**

The Administrator will coordinate with and answer questions from delinquent property owners to which demand letters were mailed.

**3. Coordination with the City of Pittsburgh**

The Administrator will take all actions necessary, in coordination or on behalf of the City and URA, to coordinate with the City to timely commence Treasurer's Sale/Tax Sales for delinquent properties.

**4. Information Regarding Special Circumstances**

The Administrator shall keep the NIDMA and URA informed of special circumstances that come to the attention of the Administrator, such as, but not limited to, bankruptcies and foreclosures.

**III. PREPAYMENT OF SPECIAL ASSESSMENTS**

The Administrator will coordinate the prepayment of Special Assessments, including any mandatory prepayments, as contemplated by the NID Plan, with the NIDMA, the URA, the Trustee, the title company, if any, and the property owner. This coordination will include the calculation of the amount due to prepay the Special Assessment and preparation and transmittal to the property owner and the title company, if any, of a letter specifying the prepayment amount and the prepayment instructions, together with the recordable form of the Special Assessment lien release, and such other such actions as may be required by the Indenture, the NID Plan, and related documents and agreements.

**IV. ACCOUNTING SERVICES**

This task involves providing accounting services to support the Neighborhood Improvement District and includes the following subtasks:

**A. Review and Track Invoices**

The Administrator shall enter each invoice received relating to the NID into the accounts payable journal, check the invoice against approved contracts or purchase orders, prepare a certificate for the payment of the invoice by the Trustee, and forward the invoice with the such certificate to a URA officer authorized to approve the disbursement of funds by the Trustee. The Administrator will also calculate and pay the annual URA and City's NID administrative fees (\$10K, to each entity, in Year 1 with 3% annual increase until Bonds are paid in full).

**B. Maintain General Ledger**

The Administrator will enter transactions in a general ledger in order to maintain accounting records that will be used for the preparation of financial statements.

**C. Financial Statement Preparation**

The Administrator will record financial transactions relating to the NID in the appropriate ledgers of the NIDMA and prepare annual financial statements for the NIDMA.

**D. Annual Audit Coordination**

The Administrator shall coordinate the preparation of an audit of the financial records of the NIDMA with the independent accounting firm retained by the NIDMA.

**V. CONTINUING DISCLOSURE SERVICES**

**A. Continuing Disclosure and Annual Report Preparation**

1. *Annual Report Preparation*

The Administrator will prepare the annual report as required by a Continuing Disclosure Agreement (the “Continuing Disclosure Agreement”) between the Issuer and the Administrator.

2. *Developer Quarterly Reports*

The Administrator will request from the Developer the reports that are due each quarter pursuant to the Development Agreement and disseminate these reports pursuant to the Continuing Disclosure Agreement.

3. *Material Event Notices*

The Administrator will prepare notices of events, if material, covering the events enumerated in Securities and Exchange Commission Rule 15c2-12 or any applicable disclosure agreement upon notification thereof by the Issuer or any responsible party or if the Administrator independently becomes aware thereof.

4. *Dissemination*

The Administrator will disseminate in a timely manner the annual reports, the quarterly reports from the Developer, and notices of material events to the Municipal Securities Rulemaking Board (MSRB) and any other required repository in accordance with the Continuing Disclosure Agreement. The Administrator shall also disseminate information to bondholders requesting information as provided in any applicable disclosure agreement.

## **PROPOSAL SUBMISSION REQUIREMENTS**

1. Number of Sets of Proposals to be submitted: One (1) hard copy and one (1) electronic copy as one PDF file. Please limit your responses to 25 pages.
2. Title Page – include the Consultant’s name, contact person and contact information
3. Table of Contents
4. Transmittal Letter:
  - a. A signed statement regarding the respondent’s understanding of the work to be done
  - b. A statement attesting that the Consultant will perform the work according to professional standards
  - c. A statement that the respondent understands that, after a selection is made, all qualifications may be public records under the Pennsylvania Right to Know Law
  - d. A statement that neither the Consultant nor any partner, principal, member, or officer of the firm is currently in violation of or being investigated for violation of any regulatory agency rules that may have a material impact on the firm’s ability to provide services requested
  - e. A statement that should the status of item (d) above change while the firm is under contract to the URA, the Consultant will notify the URA in writing within 30 days of discovery that such condition changed and the general nature of the issue
5. Technical Proposal:

Please respond to the following sections, clearly marking them accordingly. If you are unable to provide a response to a particular question, simply leave the section blank. Please do not provide any information other than what is specifically requested.

- a. Experience
  - i. Briefly describe similar consulting work your firm or team has completed.
  - ii. Please describe any innovative or unique aspects of previous relevant work which your firm or team helped to complete in any of the examples listed above. Please limit your discussion to three (3) examples.
  - iii. Please describe your firm’s or team’s experience working with economically disadvantaged neighborhoods and/or communities of color.
- b. Organization Profile

Provide a brief profile of your firm using the format below:

  - i. Number of total employees; and
  - ii. Number of employees who will be dedicated to the work.

The respondent shall submit with its proposal:

  - i. Resumes of Consultant’s senior management, its leadership and the proposed relationship lead; and
  - ii. Representative resumes of Consultant’s personnel and those of the subcontractors who will perform the services.
- c. Biography of Assigned Principal Personnel - Identify the staff within the organization who will be working on the Work Plan. Please include the individuals’ relevant experience and their work location.

- d. References - Provide three (3) references from City or State governments or other entities that have worked with your firm on similar projects. Provide only references who have directly worked with one or more members of the firm's proposed team. Include the reference's name, title, address, direct telephone number, and email address.
- e. Primary Qualification - Provide a brief narrative that explains why your firm is best qualified to create the Work Plan.
- f. Methods and Timeline - Provide a detailed narrative of methods and plan to carry out the scope of work; include a project timeline with key milestones.
- g. Pricing - Describe how you will assess your costs to the URA. Please provide a line item budget estimate for the work.
- h. MWBE Participation - State as succinctly as possible what specifically your firm is doing to promote opportunities for women and minority professionals within your organization. MWBE participation can be satisfied by:
  - Ownership/Partnership of firm;
  - Employment levels of minorities and/or women in the organization;
  - Use of minorities and/or women as part of consultant team;
  - Firm's use of minority- or women-owned businesses as vendors for legal, printing, office supplies, travel, etc.; and
  - Subcontracting with organizations owned and controlled by minorities and/or women. If this is to be done, that fact, and the name of the proposed subcontracting organizations, must be clearly identified in the proposal. Following the award of the audit contract, no additional subcontracting will be allowed without the express prior written consent of the URA. The URA has a long history of diversity and inclusion within all of its programs and other activities. The URA encourages the full participation of minority and women business owners and professionals in this effort.
- i. Other Information- Please provide any other information which you believe is pertinent to the URA's consideration of your firm. Please limit your response to no more than two (2) pages.

**SUBMISSION DEADLINE: Tuesday, June 28 at Noon EST**

The respondent should submit one (1) electronic copy in a bookmarked PDF format and one (1) hard copy of the proposal package printed delivered by hand or Express Mail or other nationally-known overnight courier to:

**Susheela Nemani-Stanger**  
**Urban Redevelopment Authority of Pittsburgh**  
**200 Ross Street, 12<sup>th</sup> Floor**  
**Pittsburgh, PA 15219**  
[snemanistanger@ura.org](mailto:snemanistanger@ura.org)

## **REVIEW OF PROPOSALS**

- Proposals submitted will be evaluated by the selected steering committee comprised of URA staff and board members and relevant City of Pittsburgh staff.
- Formal interviews of respondents will be scheduled at the discretion of the steering committee.
- During the evaluation process the URA reserves the right to request additional information or clarifications from respondents, or to allow corrections of errors or omissions.

<b>RFP Evaluation Period</b>	Tuesday, June 28, 2016 - Friday, July 1, 2016
<b>Consultant Interviews</b>	Wednesday, July 6, 2016 - 9AM, 10AM or 11AM
<b>Anticipated Contract Award Date</b>	Thursday, July 14 (URA Board Meeting)

## **SELECTION CRITERIA**

- **30% - Experience** – The Consultant’s experience in providing services similar to those within the Scope of Services described herein; the quality of the Consultant’s management, reputation and references; the Consultant should have at least 3-5 years of experience in providing the services specified in its proposal to similar communities and entities
- **25% - Quality of Proposal** – The quality of the proposal and the degree to which it demonstrates the Consultant’s full understanding of, and the ability to perform, the services to be rendered; the content of the proposal should demonstrate the Consultant’s full understanding of the Project.
- **25% - Proposed Fee and Cost Schedules** – The Consultant’s breakdown of the proposed fee and cost schedule, which can include an overall breakdown for proposed phases of work and suggested interventions
- **10% - Commitment of Personnel** – The terms under which the Consultant will commit personnel without transfers and changes
- **10% - MWBE Narrative or if the Consultant is an MWBE** – The Consultant’s MWBE Narrative and whether the Consultant is an MWBE

## **Mandatory Elements**

1. The respondent, including any and all team members, must have no conflict of interest with regard to any other work performed by the respondent for the URA or related entity.
2. The respondent must adhere to the instructions contained in this RFP in preparing the submitted proposal.

## **LEGAL INFORMATION**

The URA shall have the right to verify the accuracy of all information submitted and to make such investigation as it deems necessary to determine the ability of a prospective Consultant(s) to perform the obligations in the response. The URA in its discretion reserves the right to reject any response when the available evidence or information does not satisfy the URA that the prospective Consultant(s) is qualified to carry out properly the obligations of the response; is a person or firm of good reputation or character for strict, complete and faithful performance of business obligations; or if the prospective Consultant(s) refuses to cooperate with and assist URA in the making of such investigation.

## **EXHIBITS**

Exhibit 1: Hazelwood-ALMONO TIF Plan – see attached

Exhibit 2: Hazelwood-ALMONO Master Plan can be found here at <http://almono.org>.