



Urban Redevelopment Authority

**REQUEST FOR PROPOSALS (RFP) FOR TRUSTEE SERVICES FOR
Tax Increment Financing Districts
and
Transit Revitalization Investment Districts**

RFP Issue Date: Tuesday, September 15, 2015

Proposal Due Date: Tuesday, October 13, 2015 at Noon ET

SUMMARY

The Urban Redevelopment Authority of Pittsburgh (URA) is inviting your firm to submit a proposal to serve as the Trustee for its current and future activities involving collection of dedicated tax revenue and servicing of debt. These activities take the form of Tax Increment Financings (TIFs) wherein under Cooperation Agreements with the local Taxing Bodies real estate and parking taxes generated within a designated district are directed to a Trustee's account. A portion of these taxes is forwarded to the respective Taxing Bodies; the remainder is used to service URA project related debt. A Transit Revitalization Investment District (TRID) is a similar concept with the debt related to public transit and associated improvements. The first established TRID District is in East Liberty (ELTRID) with more expected to follow.

As development agent for the City of Pittsburgh, the URA has formulated and undertaken 21 TIF Plans encompassing 17 financings in the approximate amount of \$60.8 million. To service these, approximately \$20 million in real estate and parking taxes are deposited with the Trustee annually. From ELTRID approximately \$1.1 million in taxes are deposited annually and \$13.2 million in debt related to the East Liberty Transit Center is serviced.

AUTHORIZED ACTIVITIES

The Urban Redevelopment Authority of Pittsburgh is a public body and a body corporate and politic exercising public powers of the Commonwealth of Pennsylvania as an agency thereof, organized under the Urban Redevelopment Law (P.L. 991, approved May 24, 1945, as amended), of the Commonwealth of Pennsylvania. Currently, the URA has been approved to undertake Tax Increment Financing Plans for the financing of certain improvements within the City of Pittsburgh

all in accordance with the requirements of the Tax Increment Financing Act (P.L. 465, approved, July 11, 1990, 53 P.S. 6930.1 *et seq.*, as amended).

The number of TIF Plans/Districts may vary from time to time as existing Districts expire or are terminated and new ones are established.

The City of Pittsburgh, the County of Allegheny and the School District of Pittsburgh (“Taxing Bodies”) constitute all of the taxing authorities that levy property taxes within TIF Districts. Pursuant to specific Cooperation Agreements regarding the respective TIF Districts (see ‘Exhibit 3’) the Taxing Bodies pledged certain portions of the incremental real estate tax revenue resulting from increases in property values as a result of redevelopment within the TIF District; in some TIF Districts the City has pledged certain portions of incremental parking tax revenue. In each case this revenue is used to pay all or a portion of the costs associated with the specific project, to reimburse the URA for the financing, and/or to pay any future debt installments that may be required. The URA is compensated for its administration of TIF and TRID activities by administrative fees as determined by the Cooperation Agreements either from set asides of the revenue collected or paid directly by the property owner(s).

The process outlined for TIF Districts above is the same for a TRID in that the Taxing Bodies pledge a certain portion of the incremental real estate tax revenue and potentially a portion of the parking tax revenue.

MINIMUM PAYMENT AGREEMENTS

Certain TIF Districts require property owners to enter into Minimum Payment Agreements wherein the owner agrees to make an additional payment should the assessment on his/her property be such that the taxes owed fall below a certain agreed upon minimum. The purpose of these agreements is to assure a minimum revenue stream to service TIF related debt. Currently, there are 13 Minimum Payment Agreements in effect; however at this time only nine involve assessments which require an additional payment to reach the minimum. These are listed in ‘Exhibit 6’. Your firm will be required to:

- Compare the billed tax increment to the minimum payment requirement;
- Determine when a minimum payment is required;
- Bill accordingly; and
- Collect and deposit into the appropriate funds shown below.

ESTABLISHMENT OF FUNDS

Pursuant to all current Cooperation Agreements by and among the URA, the City, County, and School District as referenced herein and future Cooperation Agreements to be executed with the creation of each new TIF and TRID District, there is to be created and held at your firm, a County Real Estate Tax Fund, a City/School District Tax Fund, and if applicable, the City Parking Tax Fund. The purpose of these funds is to receive pledged tax revenues and minimum payments, credit the applicable percentage of these revenues to the appropriate TIF funds and disburse any applicable amounts to the Taxing Bodies as required.

A. County Tax Fund

For the applicable Pledged Parcels listed in the Cooperation Agreements the County will mail tax bills/statements and direct taxpayers to make payment to the order of the County Treasurer to be returned to your firm for deposit to the County Tax Fund.

B. City/School District Tax Fund

For the applicable Pledged Parcels listed in the Cooperation Agreements the City will mail tax bills/statements and direct tax payers to make payment to the order of the City Treasurer to be returned to your firm for deposit to the City/School District Tax Fund.

C. City Parking Tax Fund

For the applicable Pledged Parcels in the Cooperation Agreements containing parking facilities its owner/operator prepares monthly statements of revenues (see sample in 'Exhibit 5') for use in calculating parking tax liability. These statements will direct payment be made to the order of the City Treasurer to be returned to your firm for deposit to the Parking Tax Fund.

Your firm shall disburse base taxes and percentage of increment collected in each Fund to the respective Taxing Bodies within 10 business days of receipt in accordance with the respective TIF and TRID Plans and Cooperation Agreements.

SCOPE OF SERVICES

For all current and future TIF and TRID Financings:

- A. Acts as the designated Depository for all related County, City, School District, and Parking tax receipts associated with current and future URA TIFs and TRIDs;
- B. Completes calculations for allocation of base, pledged and unpledged TIF amounts based on the individual TIF and TRID Plans as all tax payments are received (see 'Exhibit 4');
- C. Disburses pledged shares to appropriate interest-bearing accounts based on Cooperation Agreements;
- D. Disburses base and unpledged shares to the Taxing Bodies;
- E. Deposits and invests pledged increment for debt service payments according to URA instructions;
- F. Makes debt services payments on various financings as required by closing documents based on the Amortization Tables where applicable (See 'Exhibit 1' for current financings that require debt service payments);
- G. Provides monthly or quarterly reports for all activities for each debt instrument and Trust Account as required (see 'Exhibit 2');
- H. Invoices for additional payments and annual fees as needed pursuant to Minimum Payments Agreements;

- I. Provides payments as approved by the URA from the revenue accounts;
- J. Provides an Annual Cumulative Master Report on actual tax payments and pledged increment per year (see 'Exhibits 2D and 2E');
- K. Refunds developers if Minimum Payment Agreement additional payment is received before all tax payments are received or a surplus exists;
- L. Posts account activity and reports to an electronic file, and provides authorized URA staff with read only access; and
- M. Performs other services as required.

PROPOSAL REQUIREMENTS

General Requirements for Submission of Proposals

For a firm to be considered, one (1) electronic copy (preferably PDF) of the Technical Proposal must be received by the URA by no later than Tuesday, October 13, 2015, at Noon ET. Note that the proposal should follow the order set forth in this section.

Preliminary Section

1. Title Page – include the firm’s name, contact person, and contact information for the firm and contact person
2. Table of Contents
3. Transmittal Letter – include the following:
 - a. A signed statement regarding the proposer’s understanding of the work to be done and willingness to enter into a three (3) year contract;
 - b. A statement why the firm believes itself to be best qualified;
 - c. A statement on any real or perceived conflicts that may prevent you from serving the URA for the proposed transaction;
 - d. An affirmative statement indicating that the firm is not delinquent in any taxes due to the City of Pittsburgh; and
 - e. An irrevocable offer for 60 days.
4. Documentation of your Community Revitalization Act (CRA) activities
5. Client references

Technical Proposal

The proposal should demonstrate the qualifications of the firm and the particular staff (partner, manager, and seniors) to be assigned to this engagement. The technical proposal should address all points outlined in the RFP. The proposal should be prepared simply and economically, providing a straightforward, concise description of the proposer's capabilities to satisfy the requirements of the request for proposals. While additional data may be presented, the following subjects must be included; as they represent the criteria against which the proposal will be evaluated.

1. Firm Qualifications and Experience

The proposal should state the size of the firm and local office (if applicable), and the number and nature of the professional staff to be employed in this engagement on a full-time basis and if applicable, staff to be employed on a part-time basis. Please provide documentation of any bonding requirements and ACT 72 Collateral.

2. Partner, Supervisory and Staff Qualifications and Experience

The firm should identify the principal supervisory and management staff, including engagement partners, managers, other supervisors and specialists, who would be assigned to the engagement.

3. Similar Engagements with Other Government Entities

List the most significant engagements performed in the last five years that are similar to the engagement described in this RFP.

4. MBE/WBE Participation and Subcontracting

The URA attempts compliance with the City of Pittsburgh's targeted MBE/WBE levels. MBE/WBE participation can be satisfied by:

- a. Ownership/Partnership of firm;
- b. Employment levels of minorities and/or women in the firm;
- c. Use of minorities and/or women on the URA engagement;
- d. Firm's use of minority or women-owned businesses as vendors for legal, printing, office supplies, travel, etc.; and/or
- e. Subcontracting with firms owned and controlled by minorities and/or women. If this is to be done, that fact, and the name of the proposed subcontracting firms, must be clearly identified in the proposal.

Please provide breakdowns for (a) through (d) above and plans, if any, for subcontracting to MBE/WBE firms.

PRICING

The URA requests pricing on a per TIF and per TRID basis according to the number of parcels on each respective district and debt to be serviced with the sum of the total shown. (Refer to 'Exhibit 1'). Such total will be used by the URA as the basis for selection. The URA will not accept proposals which do not include pricing for all current TIFs and TRIDs. As the number of TIF and TRID Districts will change depending on agreements, and the number of parcels in each and the debt to be serviced will also change over the term of the servicing agreement, the URA is seeking proposals which include a statement to the effect that the pricing for additional TIFs and TRIDs will be consistent to similar sized current TIFs and TRIDs.

EVALUATION CRITERIA

Proposals will be evaluated by the URA's Internal TIF Committee headed by the acting executive director and will use three sets of criteria. Firms meeting the General Requirements will have their proposals evaluated and scored for Technical Qualifications; those firms with acceptable scores for technical qualifications will then have their Pricing reviewed and evaluated.

The following represent the principal selection criteria which will be considered during the evaluation process:

1. Technical Qualifications (Maximum Total Points – 75)
 - a. Expertise and Experience (Maximum Points – 45)
 - i. The firm's past experience and performance on comparable government engagements; and
 - ii. The quality of the firm's professional personnel to be assigned to the engagement and the quality of the firm's management support personnel to be available for technical consultation
 - b. MBE/WBE Participation (Maximum Points – 10)
 - c. Office located in the City of Pittsburgh (Maximum Points – 10)
 - d. Community Reinvestment results, 2012 through 2014 (Maximum Points – 10)
2. Pricing (Maximum Points – 25)

OTHER KEY POINTS

SCHEDULE

RFP Issue Date	Tuesday, September 15, 2015
Question & Answer Session	Monday, September 28, 2015
Proposal Due Date	Tuesday, October 13, 2015
Selection by URA Board	Thursday, November 12, 2015

PROPOSALS TO BE SUBMITTED ELECTRONICALLY TO:

Lawrence Hromiko
Finance Department
Urban Redevelopment Authority of Pittsburgh
200 Ross Street, 6th Floor
Pittsburgh, PA 15219
Email: lhromiko@ura.org

Should you have any questions, comments, or wish to receive a copy of any addenda, please contact Mr. Hromiko at the above e-mail address, or by phone at 412-255-6635.

QUESTION AND ANSWER SESSION:

An optional Question and Answer Session will be held on Monday, September 28, 2015, at 10:00 a.m. ET in the 11th floor conference room of the URA (200 Ross Street, Pittsburgh, PA 15219).

ACCEPTANCE AND RIGHT TO REJECT PROPOSALS

Submission of a proposal indicates acceptance by the firm of the conditions contained in this RFP unless clearly and specifically noted in the proposal submitted and confirmed in the contract between the URA and the firm selected.

The URA reserves the right to reject any or all proposals submitted. The URA further reserves the right to retain all proposals submitted and to use any ideas in a proposal regardless of whether that proposal is selected. Submission of a proposal indicates acceptance by the firm of the conditions contained in this request for proposals, unless clearly and specifically noted in the proposal submitted and confirmed in the contract between the URA and the firm selected.

There is no expressed or implied obligation for the URA to reimburse firms for any expenses incurred in preparing proposals in response to this request.

LIST OF EXHIBITS

The following List of Exhibits is for informational purposes only. It is anticipated that the selected firm will work with the URA Internal TIF Committee to restructure and simplify.

1. [List of TIFs and TRIDs Including Pricing Grid](#)
2. A to E Samples of Periodic Reports Required
 - 2A. [Sample A](#)
 - 2B. [Sample B](#)
 - 2C. [Sample C](#)
 - 2D. [Sample D](#)
 - 2E. [Sample E](#)
3. [List of Cooperation Agreements for TIF Plans for URA/City of Pittsburgh TIF Districts that have Non-Bond TIF Financings](#)
4. [Example of a TIF Payment Calculation](#)
5. [Parking Tax Payment Form](#)
6. [List of TIFs with Minimum Payment Agreements](#)