

reimagine redevelopment

Urban Redevelopment Authority
of Pittsburgh

ura.org

REQUEST FOR PROPOSALS (RFP)

Trustee Services for Tax Diversion Programs

RFP Issue Date: Wednesday, November 16, 2022

**Proposal Due Date: 5 PM EST on Wednesday,
December 14, 2022 via Ion Wave Technologies, the
URA's Bidding Software**

Section 1. General Information

- 1.1 The Urban Redevelopment Authority of Pittsburgh (URA) invites interested firms to submit a proposal to serve as the trustee for its current and future portfolio of tax diversions. The primary responsibilities of the selected firm will be collecting tax revenues, performing the requisite calculations to determine the pledged share of tax revenues that can be used to support eligible project costs, liaising with the appropriate tax authorities, preparing and submitting reports as requested by the URA, processing payments, and making requisite debt payments related to the URA's portfolio of tax diversions.
- 1.2 The URA plans to hire one or more respondents to provide the above-mentioned services for a multi-year contract. Interested firms should propose the length of term, preferably in three- or five-year increments, in their proposal. Interested firms should also identify any cost savings generated from longer term contracts.
- 1.3 This RFP opens for proposals on November 16, 2022 and closes December 14, 2022. Interested parties are requested to submit a detailed proposal package that clearly defines the relevant experience of the proposed staff and team members, proposed methods and strategy, as well as a fee proposal.
- 1.4 Contact for all queries and receipt of proposals will be managed via Ion Wave Technologies by the stated contact below:

James Reid
Manager, Strategic Initiatives
jreid@ura.org
- 1.5 Respondents shall direct all contact and questions regarding this Request for Proposals (RFP) and selection process through Ion Wave Technologies. Questions concerning terms, conditions and technical specifications shall be submitted in writing through the URA's bid management software, Ion Wave Technologies (IWT). **Questions must be submitted in writing and posted on Ion Wave by 5 PM EST on November 30, 2022. Responses to said questions will be posted to Ion Wave by 5 PM EST on December 5, 2022. You can register for Ion Wave by following the prompts on our website: http://www.ura.org/working_with_us/proposals.php**
- 1.6 Consideration is expected to be given, but is not guaranteed to be given, to the criteria listed in this RFP. The URA reserves the right to reject any and all proposals, to waive any and all informalities outlined in the RFP and in the selection process, and generally to make the award that, in its judgment, will best meet the objectives stated in this RFP.
- 1.7 Expenses incurred by the respondents in replying to the RFP or in making any appearance before the review committee are at the respondents' own expense and risk. All responses, including attachments, supplementary materials, addenda, etc., shall become the property of the URA and will not be returned.
- 1.8 Respondents are expected to submit a proposal for the full scope of services. The URA reserves

the right to make suggestions related to team structure throughout the proposal process and contract negotiations.

- 1.9 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.

Section 2. Background and Scope of Services

The URA was established in 1946 under the Pennsylvania Urban Redevelopment Law and serves as the City of Pittsburgh's community and economic development partner. Since inception, the URA has constructed and rehabilitated tens of thousands of homes, reclaimed thousands of acres of contaminated brownfield and riverfront sites and assisted hundreds of businesses in neighborhoods throughout the City of Pittsburgh. Presently, the URA is committed to creating more housing that is affordable to the average Pittsburgher; encouraging more entrepreneurship and small business development; promoting inclusive growth and quality job creation; expanding neighborhood and main streets revitalization efforts; and developing a talented workforce that is equipped with the skills of the future.

Part of implementing this mission includes advancing tax diversions which allow a portion of future taxes to be pledged to provide financing for certain economic development projects. The URA's current tax diversion portfolio consists of ten (10) Tax Increment Financing Districts ("TIFs"), eight (8) Parking Tax Diversions ("PTDs"), and two (2) Transit Revitalization Investment Districts ("TRIDs"). These tax diversions annually generate approximately six million dollars (\$6,000,000) to service approximately forty-two million dollars (\$42,000,000) in debt. The URA contemplates adding several tax diversions to this portfolio over the next few years.

Tax Diversions are typically governed by three documents:

- (1) a Cooperation Agreement between the URA and the relevant Taxing Authority(ies)¹,
- (2) a Tax Diversion (*i.e.*, TIF, TRID, or PTD) Plan, and
- (3) a Minimum Payment Agreement.

A Cooperation Agreement details the rights and responsibilities of the URA and relevant Taxing Authority(ies) with respect to establishing and implementing the respective tax diversion. A Tax Diversion Plan details the purpose of the tax diversion, projects eligible to receive funding via tax diversion, estimated terms and conditions for financing the project with certain tax revenues (the "Pledged Increment"), and guidance for implementing the tax diversion. A Minimum Payment Agreement details the rights and obligations of the URA and the project developer or owner of a pledged parcel with respect to ensuring there is a minimum revenue stream available to service tax diversion related debt instruments.

The selected firm will carry out the following duties for all current and future tax diversions and their related financings.

¹ The Taxing Authorities usually involved in tax diversions are the County of Allegheny, the City of Pittsburgh, and the School District of Pittsburgh, and, in the case of TRIDs, Pittsburgh Regional Transit (formerly known as the Port Authority of Allegheny County). PTDs typically only involve the City of Pittsburgh.

- 1 Act as the designated depository for all related tax receipts (*e.g.*, real estate taxes from the County of Allegheny, City of Pittsburgh, Pittsburgh Public Schools; parking taxes from the City of Pittsburgh) for all current and future tax diversions (*see Exhibit 1 - Tax Diversion Spreadsheet with Administrative Details*);
- 2 Complete calculations for allocation of Base, Pledged and Unpledged Increment according to the relevant Tax Diversion Plan (*see Exhibit 2 – Example Calculations for Tax Diversions*) (consideration will be given for alternative methods of making calculations);
- 3 Disburse Pledged Increment to the appropriate interest-bearing accounts based on Cooperation Agreements as well as disburse the Base and Unpledged Increment to the respective Taxing Authority(ies);
- 4 Deposit and invest Pledged Increment for debt service payments according to URA instructions;
- 5 Make debt service payments on various financings as required by closing documents based on the amortization tables where applicable (*See Exhibit 1*);
- 6 Provide monthly, quarterly and annual reports for all activities for each debt instrument and trust account as required;
- 7 Invoice for Additional Payments and annual fees as needed pursuant to Minimum Payments Agreements;
- 8 Provide payments as approved by the URA from the revenue accounts;
- 9 Provide an annual report detailing the actual tax revenues received, Pledged Increment diverted pursuant to tax diversions, and status of debt service for respective financial instruments;
- 10 Refund developers/property owners if Minimum Payment Agreement additional payment is received before all tax payments are received or a surplus exists;
- 11 Post account activity and reports to an electronic file, and provide authorized URA staff with read only access; and
- 12 Perform other services as required.

Section 3. Process

3.1 Tentative Proposal Calendar:

A tentative schedule has been prepared for this proposal process. The schedule is subject to change; however, the RFP due date will not be changed without notice on the URA’s website: http://www.ura.org/working_with_us/proposals.php

Tentative Proposal Timeline	
Nov. 16, 2022	RFP Application Opens
Nov. 30, 2022	RFP Question Submissions Due
Dec. 14, 2022	Proposal Submissions Due
Dec. 19, 2022 – Dec 22, 2022	Interviews (if deemed necessary)
Jan. 12, 2023	Board Authorization of Contract

3.2 Tentative Proposal Review Committee:

Proposals submitted will be reviewed by the following Review Committee:

1. James Reid, Manager of Strategic Initiatives
2. Nick Fedorek, Assistant Director of Policy and Development
3. Damara Carter, Director of Finance
4. Susheela Nemani-Stanger, Deputy Executive Director

This committee's short list and final recommendation will be presented to URA Executive Leadership Team ahead of presentation to the URA Board of Directors for final selection.

3.3 Final Selection:

The URA Board of Directors will select firm(s) based upon the recommendation of the Review Committee, while reserving the right to reject any and all recommendations, to waive any and all formalities outlined in the RFP and in the selection process, and generally to make the award that, in its judgment, will best meet the objectives stated in this RFP.

3.4 Contract:

Upon notification of selection by URA staff, the successful respondent is required to enter into a contract within two weeks of receipt of a draft contract from the URA. If the successful respondent is unwilling or unable to execute the agreement as required by the RFP, the URA has the right to request another respondent to enter into the contract with the URA.

3.5 Non-Discrimination:

If selected, each respondent agrees not to discriminate, whether in employment, contracting or otherwise, in violation of any federal, state, or local law and/or on the basis of sexual orientation, gender identity and/or gender expression.

Section 4. Proposal Requirements

4.1 Submission Requirements and Deadline

One (1) electronic copy, **SUBMITTED THROUGH ION WAVE TECHNOLOGIES**, in PDF format must be **received by the URA by no later than 5 PM ET on December 14, 2022**. Paper copies will not be accepted. Proposals received after the deadline will not be accepted.

Submissions should be received through Ion Wave Technologies (IWT) as directed on the [URA website](#).

4.2 Proposal Format and Content

Respondent(s) shall submit a proposal that includes all of the following materials. The Review Committee anticipates that full proposal packages will be less than thirty (30) pages.

During the review process, the URA reserves the right, where it may serve the URA's best interest, to request additional information or clarifications from respondents, or to allow corrections of errors or omissions. At the discretion of the URA, respondents submitting proposals may be requested to interview as part of the process.

1. Title Page

2. Table of Contents

3. Transmittal Letter— include the following:

- A signed statement regarding the respondent's understanding of the work to be done,
- A statement attesting that the firm will perform the work according to professional standards.
- A statement that, if hired as a trustee, the firm will comply with all relevant laws and regulations.
- A statement that the firm understand that, after a selection is made, all qualifications may be public records under the Pennsylvania Right to Know Law,
- A statement that neither the firm 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 ability to provide the services requested.

4. Cover Letter

Limit to no more than 3 pages; letter should include:

- Company name(s), contact name, address, and email address
- Brief description of experience providing trustee services with specific, relevant projects and clients who you have provided similar work for previously.

5. Firm Profile & Biography of Assigned Personnel:

- Provide a brief profile of the firm that describes the type of organization and includes names and qualifications of your staff. Specifically indicate which staff provide trustee services.
- Identify the staff within the firm who would be providing trustee services to the URA and provide a brief biography that includes relevant experience. Please include the estimated percentage of time or estimated number of hours that each staff member will work with the URA on a monthly basis.

6. Conflict of Interest

- Respondents and team members must disclose any conflict of interest, or potential conflict of interest, with regards to any work performed by the respondents with/for a member or employee of the URA or any related entity.
- Provide a complete list of other clients that members of the team are currently serving as registered lobbyist for and identify potential conflicts of interest.

7. References

- Provide three (3) references with agencies or parties that have worked with the proposed, assigned personnel from section 5. Include the reference's name, title, email, and direct telephone number.

8. Proposed Method

- A detailed narrative of methods and plan to carry out the scope of work that explains why your firm is best qualified to serve as the URA's tax diversion trustee.

9. M/WBE Participation

- The URA strives to provide equal opportunities for business growth and development to minority and female business owners. All contracts in excess of \$250,000 are required to submit a [Minority and Women-Owned Business Enterprise \(MWBE\) Plan](#) to achieve or exceed the goal

- of awarding 18% of the total project costs to MBEs and 7% of total project costs to WBEs.
- While the total cost of this contract may fall short of \$250,000, the URA requests a description of how the award of this contract will promote opportunities for women and minority professionals in your organization and/or through the services that the URA would pay for through this contract. MBE/WBE participation can be satisfied by:
 - Ownership/Partnership of firm
 - Employment levels of minorities and/or women in the firm
 - Firm's use of minority or women-owned businesses as vendors for legal, printing, office supplies, travel, etc.
 - 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 include any relevant third-party certification and/or documentation of MWBE status.

10. Fee Proposal and Pricing Methodology

- Briefly describe your fee proposal and pricing methodology for serving as the tax diversion trustee. All applicants must provide pricing in retainer model structure. Alternative pricing strategies will also be considered but must be included as a supplement. Please note any distinctions based upon type of activity or any other factor that you deem significant.
- Please provide a breakout of pricing per existing tax diversion as well as an estimate for future tax diversions.

11. 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 this item to no more than five (5) pages.

Section 5. Evaluation Criteria

5.1 Experience

The respondent's experience in providing services similar to those described in Section 1.1; the quality of the applicant's management, reputation and references; the number of years of experience providing the services specified (3 – 5 years minimum).

5.2 Quality of Submission

The quality of the submission and the degree to which it demonstrates the team members' full understanding of their ability to perform the services to be rendered; the content of the response should demonstrate the applicant's full understanding of this can be achieved with as little conflict of interest as possible; evidenced by the documentation requested.

5.3 MWBE Participation

The applicant's MWBE narrative should indicate whether the applicant is an MWBE and also include an overview of the applicant's strategy toward MWBE participation, in general.

5.4 Fee Proposal

The URA reserves the right to accept an offer or proposal other than the lowest offer and will

determine awards at its sole discretion. Although the URA is not required to select the lowest bid, a respondent's fee proposal should be competitive for industry standards.

5.5 Accuracy

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 each respondent 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 respondent is qualified to carry out properly the obligations of the response.

5.6 Review of Proposals

The URA shall be the sole judge as to which, if any, respondent best meet the selection criteria.

The URA reserves the right to reject any or all responses, to waive any submission requirements contained within this response, and to waive any irregularities in any submitted response.

5.7 Nature of the RFP

This form and any related exhibits or attachments are submitted subject to errors, omissions, and/or withdrawal without notice by the URA at any time.

Section 6. Exhibits

Exhibit 1 – Tax Diversion Spreadsheet with Administrative Details

Exhibit 2 -Example Calculations for Tax Diversions

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