

REQUEST FOR QUALIFICATIONS FOR ECONOMIC ANALYSIS RELATED TO PID
REAUTHORIZATION FOR THE DOWNTOWN AUSTIN ALLIANCE
(Issued on October 8, 2020)

SUBMISSION DEADLINE: 5:00 P.M. CENTRAL TIME ON NOVEMBER 6, 2020

Austin DMO, Inc. d/b/a Downtown Austin Alliance (Downtown Alliance) is issuing this Request for Qualifications (RFQ) to solicit responses from qualified firms to conduct analyses that support the organization's efforts to successfully achieve reauthorization, and possibly, expansion of the Austin Downtown Public Improvement District (PID) at the time of reauthorization. As more particularly described in Appendix A (Scope of Work), we anticipate the selected firm will be required to complete three distinct phases of work by the approximate deadlines set forth below:

Phase 1: Alternatives for Reauthorization of District (Due January 22, 2021)

Phase 2: Market-based Cost and Revenue Analysis (Due February 26, 2021)

Phase 3: Financial Feasibility Report (Due November 15, 2021)

Note: It is essential that all deliverables be provided by critical deadlines since City of Austin requirements for compliance need to be strictly met. Time is of the essence throughout the project term.

1.0 Background

1.1 About the Austin Downtown Public Improvement District

Austin is one of the fastest growing cities and amongst the most desirable places to live in the U.S., and downtown serves as its economic, governmental and cultural center. Since its formation in 1993, the Downtown Alliance has managed the PID under a contract with the City of Austin and has worked to ensure its thoughtful management and continued prosperity. The current PID boundaries, depicted on Exhibit 1 to this RFQ, encompass approximately 1.7 square miles in the core of Austin's central business district, including the State Capitol Complex, the seats of city and county government, and a portion of the University of Texas at Austin campus.

Certain property types and/or uses are currently exempt from assessment, including homesteads, governmental, churches, hospitals, and nonprofit charitable organization-owned properties that are used for those purposes. The assessment rate within the PID is currently set at \$0.10 (ten cents) per \$100 of property value, with the first \$500,000 of value exempt from assessment. There are more than 900 assessed properties within the PID represented by more than 850 individual owners. The total property value liable for assessment is approximately \$10.9 billion.

The Downtown Alliance manages the PID and is governed by a board of directors composed of assessed property owners, non-assessed members and representatives of local and state governmental and quasi-governmental entities. It is managed by a staff team that

implements programs, planning and advocacy in accordance with policy and direction set by the board.

To guide its work, the Downtown Alliance recently collaborated with the broader community, surveying over 3,000 Austinites, to develop the Downtown Austin Vision¹, which identifies four strategic priorities for the organization:

- To serve as the thriving center of business and community life, creating economic prosperity for the region.
- To create places and experiences that attract and welcome everyone.
- To continue to grow a tapestry of complete, vibrant and walkable neighborhoods.
- To be the leader and champion of innovative urban transportation alternatives.

The Downtown Alliance achieves this work through direct services (including our 40+ “ambassadors” who keep the streets clean and welcome visitors and residents alike), by advocating for downtown’s priorities at the local, state and federal levels of government, by partnering with the City of Austin, Capital Metro, the Texas Department of Transportation and others to plan and build an even better downtown, by conducting critical research to support and guide our work, and through space activation and placemaking through its Downtown Austin Alliance Foundation² (for example, with events at Republic Square³ and the Writing on the Walls Project⁴, among others). We invite you to learn more about us at downtownaustin.com.

1.2 Reauthorization of the Public Improvement District

The PID was last authorized in 2012, at which time the downtown property owners supported a 10-year term that expires in October 2022. By December 2021, as defined in Subchapter A of Chapter 372 of the Local Government Code and required under the City of Austin’s Public Improvement District Policy (adopted February 20, 2020), the Downtown Alliance must petition the assessed property owners to authorize (i) the continuation of the PID and (ii) the Downtown Alliance to continue to serve as its managing entity. The petitioning process will begin no later than October 2021, and the petition must include: the proposed PID boundary; the assessment rate; the term; a service plan; the proposed managing entity; and any exemptions related to property type, use, or value.

To continue its critical work and ensure that the PID is reauthorized in 2022, the Downtown Alliance requests the submission of Statements of Qualification (SOQ) from qualified firms or firm teams to conduct analyses that effectively support reauthorization

¹ https://issuu.com/downtownaustinalliance/docs/downtown_austin_vision_report_singl/2

² <https://downtownaustin.com/foundation/>

³ <https://republicsquare.org/>

⁴ <https://downtownaustin.com/writingonthewalls/>

and the possible expansion of the PID at the time of reauthorization. The purpose of this RFQ is to solicit information that will enable the Downtown Alliance to select the highest-qualified firm or firm team to provide such services for the organization. This solicitation may lead to a contract to provide services to the Downtown Alliance.

2.0 Instructions

2.1 Description of Procurement Process

The Downtown Alliance hopes to hire a firm based upon the SOQs provided in response to this RFQ. The first step of its two-step procurement process will be evaluation of the SOQs received in response to this RFQ. Note: Downtown Austin Alliance reserves the right not to consider any SOQs that are not timely submitted, fail to provide complete information or do not satisfy the criteria described in this RFQ.

Once the Downtown Alliance has evaluated all complete SOQs and developed a short list of qualified firms, it may conduct interviews with such short-listed respondents in step two. At the conclusion of either step one or step two of this process, the Downtown Alliance will rank candidates by order of highest qualifications and attempt to negotiate a fair and reasonable rate contract with the highest-qualified firm. If unable to negotiate a mutually acceptable contract, the Downtown Alliance will terminate negotiations with the highest-qualified firm and begin negotiating rates with the next highest-qualified firm. If necessary, the Downtown Alliance will repeat these steps until a firm is under contract, or may determine, in its sole discretion, to discontinue the procurement. The final selection of a firm and award of a contract may be contingent upon the funding and approval of the Downtown Austin Alliance Board of Directors. Fees provided for in any related contracts or agreements shall be reasonable.

The Downtown Alliance reserves the right to: reject any and all SOQs received in response to this RFQ; short list respondents and base final selection rankings on interviews; and modify the procurement process to comply with applicable law or as it deems necessary to meet needs of the organization.

2.2 Firm Qualifications

The selected firm will be expected to provide timely, professional, and quality services related to PID reauthorization and possible expansion, as well as timely and professional billing. The ideal firm has experience with the following:

- Performing economic analyses of central business districts (public improvement and special district experience is a plus);
- Conducting real estate market research and analyses with an understanding of both local and national real estate markets;
- Conducting economic development analyses, including financial feasibility analyses of real estate development projects; and
- Familiarity with Texas public improvement districts and the local Austin economy.

2.3 Submittal Deadline and Schedule

The SOQ must be submitted to the Downtown Alliance by no later than 5:00 p.m. Central Time on November 6, 2020. See Section 3.3 for submission instructions.

The Downtown Alliance anticipates interviews to take place November 18-19, 2020, contract negotiations to commence shortly thereafter, and engagement of the highest-qualified firm no later than December 10, 2020. The selected firm must be available for a kick-off meeting on December 18, 2020.

2.4 Texas Public Information Act

Any data and information submitted in response to this RFQ may become public information, as provided by the Texas Public Information Act, Texas Government Code Sections 552.001 through 552.026. The Downtown Alliance is not responsible for asserting any legal argument on behalf of a submitting firm in response to any related Public Information Act request.

2.5 Cost of Preparing SOQ

The Downtown Alliance shall not be responsible for any cost associated with the submittal of any SOQ in response to this RFQ.

3.0 SOQ Content and Submittal Requirements

The Downtown Alliance expects SOQs submitted in response to this RFQ to provide enough information about the requested items detailed in this RFQ for the Downtown Alliance to evaluate and shortlist firms based on the criteria set forth herein.

3.1 Format

The SOQ shall include the following four (4) components, numbered as described in this Section. The SOQ may not exceed 30 pages. The Downtown Alliance will not consider any material that exceeds the 30-page limit, including, but not limited to, material incorporated by reference, brochures, photos, or other additional data.

PART 1. Letter of interest. The letter shall provide the name, title, e-mail and mailing address, and telephone number of the primary contact for the responding firm(s),

as well as a proposed approach for achieving the project needs within the timelines identified in the RFQ.

PART 2. Statement concerning conflict of interest. If applicable, please provide a brief statement concerning any conflicts of interest the firm that would impede with or interfere in the carrying out the services described in this RFQ. If respondent believes no conflict exists, please provide a statement to that effect.

PART 3. Information related to responding firm's qualifications. See Section 3.2 below.

3.2 Organization & Content of Part 3 (Firm Qualifications)

Part 3 of the SOQ shall include the following, organized as described in this Section:

1. Identifying Information for Firm Team Members:
 - a. Firm name
 - b. Address and phone number
 - c. Location of office out of which the work described in the RFQ will be staffed
 - d. Year firm established
 - e. Former firm name (if applicable)
2. Program Management Structure: Identify the principal, project manager and key staff who will work on the project.
3. Key Personnel: A resume for each person that the firm expects to work on this project for the Downtown Alliance, which shall include the person's name, office location, area of expertise, years of experience, hourly rate, and a brief biography.
4. Project Cost: An estimated total project cost, an hourly rate for services, estimated hours and cost for each of the three project phases, and a not-to-exceed total project cost.
5. Experience: A list of examples of the firm's experience in the areas of specialization listed in Section 2.2 of this RFQ, including examples of experience with other public improvement districts and organizations operating such districts (if any). Examples should include client name, description of services provided, dates of representation, and contact information. Please provide no more than three (3) examples.
6. References: Provide at least three (3) references, including their name, email address, telephone number, location, and a description of work or project.
7. Claims & Performance: Describe (i) any litigation or arbitration in which the firm is currently involved and the nature of the claim, and (ii) any instances in which a client has terminated the firm for nonperformance.
8. Insurance: Please describe any General Liability, Workers' Compensation, Professional Liability or other policies and whether the firm intends to

maintain such policies for the duration of any subsequent work for the Downtown Austin Alliance.

3.3 SOQ Submission Instructions

No later than 5:00 p.m. Central Time on November 6, 2020, the SOQ submission shall be delivered electronically via e-mail to Vanessa Olson, Director of Investor Relations at volson@downtownaustin.com, with a copy to Bill Brice (bbrice@downtownaustin.com). No faxes or paper copies of the SOQ will be accepted.

3.4 Evaluation Criteria

The following factors will be considered in identifying the highest qualified firm:

- The firm's familiarity and experience with Texas public improvement districts and related qualifications listed in Section 2.2.
- The firm's familiarity and experience with performing economic and market analyses and related qualifications listed in Section 2.2.
- The professional qualifications and experience of the Key Personnel listed in the SOQ.
- The firm's performance record (including of any subcontractors) as described in the SOQ and by any references.
- The firm's understanding of the project needs, and the degree to which the firm's proposed approach is forward thinking and effectively addresses the project's needs and aggressive timeline.
- The participation of Minority and Women-Owned Business Enterprises (MBE/WBE) on the firm team. Any firm or firm team member must be certified MBE/WBE to be considered under this criterion.
- Proposed project cost and the hourly rates of Key Personnel.

3.5 Interviews

The Downtown Alliance reserves the right to interview any firm that submits a timely SOQ. If a firm is selected for an interview, the Downtown Alliance anticipates the interview taking place on either November 18 or 19, 2020 and will provide additional instructions to such firm related to the interview.

3.6 Notification of Selection

The Downtown Alliance will notify the highest-qualified firm of their selection in writing via e-mail. Upon notification of selection by the Downtown Alliance, the Downtown Alliance and the selected firm will attempt to negotiate scope and extent of work to be

performed, time for full performance, compensation, and other terms. Final selection of the successful firm may be contingent upon approval of the Downtown Alliance Board of Directors.

3.7 Communications, Public Information and Organizational Conflicts of Interest

If any firms have questions or need additional information to clarify the intent of this RFQ, submit questions or requests in an email as set forth in this Section to Vanessa Olson (volson@downtownaustin.com), with a copy to Bill Brice (bbrice@downtownaustin.com). Please transmit such questions no later than 5:00 p.m. Central Time on October 23, 2020, and the Downtown Alliance will make reasonable efforts to make any questions related to this RFQ available to all respondents and to respond to such questions no later than 5:00 p.m. Central Time on October 30, 2020.

Firms should not attempt to contact any individual from the Downtown Alliance other than as provided in this RFQ. Should any firms find discrepancies in, or omissions from, the RFQ, or should they be in doubt as to their meaning, the firm shall notify Vanessa Olson (volson@downtownaustin.com), with a copy to Bill Brice (bbrice@downtownaustin.com).

Oral explanations or instructions will not be binding.

3.8 Standards

The selection of a firm and award of contract may be contingent upon the approval of the Downtown Alliance Board of Directors. Fees provided for in contracts or agreements shall be reasonable. The Downtown Alliance shall consider fees to be reasonable if they are not in excess of those ordinarily charged by the profession as a whole for similar work. The Downtown Alliance will negotiate for procurement of professional services, whereby competitors' qualifications are evaluated and the most qualified competitor is selected, subject to negotiations of fair and reasonable compensation.

3.9 Right of Rejection

The Downtown Alliance reserves the right to reject any and all SOQs received in response to this request. The Downtown Alliance is not obligated to award a contract solely based on this RFQ or to otherwise pay for any information solicited. Information received will be considered contractual in nature and will be used in validation and evaluation of qualifications and in any subsequent contractual agreement.

APPENDIX A

SCOPE OF SERVICES

The scope of services for this RFQ is broken into three phases:

Phase 1: Alternatives for Reauthorization of the PID

Phase 2: Market-based Cost and Revenue Analysis

Phase 3: Financial Feasibility Report

There are three border areas contiguous to the PID: Rainey Street District, West to Lamar and the South Central Waterfront. In all cases, the potential expanded areas should be evaluated in the same manner as the core District when considering assessments and services.

Assumptions:

Downtown Alliance to provide:

- Expenses for proposed expansion of services, as well as expenses for new services that may arise in planning for Reauthorization.

Supporting documents

- Development Capacity Analysis completed by McCann Adams Studio for the Downtown Alliance in 2016-2017. This analysis projected development in short-term (2017-2020), medium-term (2020-2030) and long-term (2030 and beyond) timeframes. (format: excel file and corresponding GIS file).
- Downtown Development Database
- City of Austin PID Policy
- Texas Local Government Code Ch. 372

Project Communications, meetings and presentations:

- Consultant should propose a meeting schedule with Downtown Alliance staff that facilitates efficient communication and decision-making.
- Consultant should assume 2-3 meetings/presentations with the Reauthorization Task Force (composed of Downtown Alliance Board Members)

Deliverables/Ownership:

- All project deliverables will be delivered to Downtown Alliance in original format (i.e. excel spreadsheets, etc.) for future use by the organization.
- All work by Consultant performed during the term of engagement will be deemed "work made for hire" to which all ownership rights and copyrights vest with the Downtown Alliance. To the extent any work performed by Consultant is not a "work made for hire," Consultant will assign and transfer to the Downtown Alliance all ownership rights and copyrights in such work. The rights to any work performed during work hours, on the Downtown Alliance's premises, or using the Downtown Alliance's facilities or resources vest with and are hereby assigned and transferred to

the Downtown Alliance. Consultant must disclose in writing and assign and transfer to the Downtown Alliance all copyright, patent, trademark and any other ownership rights to any ideas, processes, software, systems or inventions developed during the course of engagement by the Downtown Alliance that involve the Downtown Alliance's business or projects.

Phase 1: Alternatives for Reauthorization of the District

Desired Delivery Date: January 22, 2021

The current term for the PID expires October 2022, and the Board of Directors is seeking to begin petitioning property owners on or before October 1, 2021 to reauthorize the PID with the new M&O service plan to begin May 1, 2023 and extend for 10 years through 2033.

In this first phase, the consultant will work with Downtown Alliance staff and the Reauthorization Task Force to develop and agree to a set of alternatives to analyze further over the 10-year lifetime of the reauthorized PID.

Variables to consider are as follows, but not limited to:

- Assessment rate
- PID boundaries (both expansion and reduction of existing boundary are options)
- PID services
- Property type exemptions, which currently include homesteads, nonprofit charitable use, governmental, and hospitals,
- An exemption from assessment of the first \$500,000 in property value (currently in place)

Phase 2: Market-based Cost and Revenue Analysis Desired Delivery Date: February 26, 2021

In Phase 2, the consultants will conduct market analyses to help project revenues for the PID's 10-year reauthorization based on the alternatives defined in Phase 1.

The market analyses should identify all properties, property types/uses, current property values, and projected changes in value through 2033. Analyses must also include projections on anticipated new development that identify property types/uses, and the anticipated values of newly developed properties through 2033 formatted in a manner that allows the Downtown Alliance to project revenues based upon different assessment rates, the inclusion or exclusion of different property types/uses, and the potential expansion or contraction of the existing PID boundary.

Projections will also need to take into account market changes due to the COVID-19 pandemic.

Note: in parallel with the PID revenue projections prepared by the consultants, Downtown Alliance staff will project PID costs for a 10-year service plan for the same range of alternatives.

With respect to expansion of boundaries, several geographic areas adjacent to the PID are realizing significant development. Select property owners have inquired about expanding the PID to include these areas. Analysis is needed to determine the feasibility of incorporating these developing areas into the PID's boundaries. The various boundary delineations are depicted in Exhibit A. This phase of the project will provide market information for each respective geographic area.

Variables to consider not limited to:

- Assessment rate
- Boundaries
- Exemptions of above-stated property types
- Exempted amount of value as stated above

Phase 3: Financial Feasibility Report

Desired Delivery Date: December 15, 2021 (Note: There will be a time lag between phase 2 and phase 3 to account for time needed for Downtown Alliance staff and board to review alternatives for the PID with key stakeholders. Consultants should assume minimal interaction between the months March 2021- September 2021, and resume work in October 2021).

At the time the Petition for Reauthorization is prepared for submission to the City of Austin, the consultant will update deliverables from Phase 1 and Phase 2, supplementing as required, and deliver the following documents:

1. Feasibility Report that takes into account both the current and forecasted economic market context for the proposed geographic area and the Petitioner's capacity to deliver and sustain the proposed improvements. Acceptable evidence includes at minimum a market study, and feasibility study, which shall be prepared and completed no earlier than 90 days prior to the submission of the Petition.
2. Current tax roll of the landowners within the PID, including a separate list of any property that is designated as a homestead and other properties, which by their uses, are exempt from assessment.
3. Evidence of annual assessment value is equal to or greater than \$500,000 annually, subject to City Council approval.

EXHIBIT 1

MAP OF DISTRICT

