



City of Hyattsville  
Development Pro Forma  
Analysis

Request for Proposal  
RFP# CED05302018

4310 Gallatin Street  
Hyattsville, Maryland 20781

Issued: May 30, 2018

Responses Due: June 12, 2018

## **REQUEST FOR PROPOSAL**

# **DEVELOPMENT PRO FORMA ANALYSIS CITY OF HYATTSVILLE, MARYLAND RESPONSE DUE DATE: JUNE 12, 2018**

The City of Hyattsville, Maryland is seeking a firm to provide an analysis of a development pro forma to determine whether to award public financing in the form of a tax rebate.

The City is considering whether to support a request for public financing of a transit-oriented development project. The City requires the selected firm to review the project pro forma and associated financial statements and determine the return on investment relative to the market. The firm will advise the City whether there is a financing 'gap' based on the projected indicators: net present value (NPV), internal rate of return (IRR), cash-on-cash (COC) return and modified IRR based on returns within the market.

A copy of this RFP is available for viewing at the City of Hyattsville Offices at 4310 Gallatin Street, upon request, on or after May 30, 2018.

Sealed proposals must be received by email to [jwiggins@hyattsville.org](mailto:jwiggins@hyattsville.org) by 4:00 PM on June 12, 2018 to the following:

**Development Pro Forma Analysis**  
**RFP# CED05302018**  
**City of Hyattsville**  
**Attn: Julius Wiggins**  
**Coordinator of Contracts, Grants and Procurement**  
**4310 Gallatin Street, 3<sup>rd</sup> Floor**  
**Hyattsville, Maryland 20781**

Proposals will not be accepted after 4:00 p.m.

## **BACKGROUND AND OBJECTIVE**

In 2013, the City of Hyattsville adopted §108-4 Revitalization Tax Credit (RTC) as an economic development tool to incentivize investment in the City's three commercial corridors. The ordinance provides the City Council with a great deal of latitude as to the manner in which the RTC is applied, provided the credit meets the geographical and terms authorized through the ordinance.

The applicant is required to provide the City with financial documents, several of which are documents required by lenders for underwriting the project financing, that are further analyzed by the City to determine whether there is a projected revenue gap that prevents the project from yielding a specified return on investment relative to the market.

The summary of specifics of the Revitalization Tax ordinance are as follows:

- Per §108-4 Revitalization Tax Credit section of the City Code, the City Council may consider incentives to encourage economic development and redevelopment in the City by creating revitalization districts.
- The City Council may by resolution grant in its reasonable discretion a property tax credit against the City's real property tax for a period not to exceed ten (10) years imposed on real property located within a revitalization district if the property is substantially improved, constructed upon or redeveloped and is reassessed as a result of the improvement, construction or redevelopment at a substantially higher value than that assessed prior to the improvement, construction or redevelopment.
- For any proposed improvement, construction or development the City Council may set a deadline as appropriate for the proposed improvement, construction or redevelopment to commence construction, or completion date, or other conditions as applicable to the particular improvement, construction or redevelopment.
- An eligible property may receive a tax credit on all or part of those City real property taxes imposed on the property, but only those real property taxes which are attributable to or based on the increased assessment resulting from the taxable improvements, construction or reconstruction upon project completion. The duration of the tax credit granted shall not exceed ten (10) years.

The applicant, Gilbane Development/West Hyattsville Property Company, LLC Application, is requesting the City Council to consider a ten (10) year Revitalization Tax Credit be applied to the proposed 345- units of multi-family dwellings to be constructed on approximately 25% of the subject site.

Once the subject properties are stabilized, meaning constructed and fully tenanted (typically by Year 3), the properties are estimated at a Total Assessed Value between \$66,887,500 and \$87,272,372, based on a 'best' to 'worst' case tax assessment scenario. For the purposes of the presentation, the applicant has provided a projected assessment of \$82,866,000, which represents the development value, minus the current assessed land valuation.

Based on the City's current Real Estate tax rate of \$.63 per \$100 of assessed value, the annual tax value eligible to be considered by the City of Hyattsville is \$522,056.00

While not required by the ordinance, the applicant has proffered an affordable housing condition of 10% of units to be offered at 60% of Average Median Income (AMI) for the term of any credit offered by the City of Hyattsville.

## **RFP SOLICITATION AND ASSIGNMENT SCHEDULE**

The following RFP solicitation schedule is intended to provide a general overview of the solicitation process and assignment schedule to those interested in preparing a proposal. These durations and dates are for information purposes only and the City reserves the right to revise any of the durations and to terminate and/or to not initiate any and/or all of the solicitation steps.

May 30, 2018: Solicitation I s s u a n c e  
June 6, 2018: Question Period Concludes by 2:00 PM  
June 12, 2018: Bids Due by 4:00 PM  
June 13, 2018: Bid Opening, 11:00 AM  
June 18, 2018: Evaluation Period Concludes & Contractor is Selected  
June 21, 2018: Materials Transfer to Contractor  
July 9, 2018: Draft report submitted by Contractor to Client  
July 11, 2018: Staff Briefing (Conference Call)  
July 16, 2018: Client Briefing (in Hyattsville)  
August 6, 2018: Public Testimony (in Hyattsville, if necessary)

The firm determined to best meet the needs articulated in this solicitation will be recommended the award of a contract by the City of Hyattsville.

## **SCOPE OF SERVICES**

The scope of services are as follows:

- Perform a written analysis of pro forma and associated financial statements submitted by the applicant to the City of Hyattsville. The analysis shall provide the City with a baseline equity return on the existing private sector multi-family development market within Washington Metropolitan area transit-development sites. The analysis will, at a minimum, include an analysis of the following:
  - Internal Rate of Return
  - Modified IRR based on Returns with Market
  - Net Present Value
  - Cash-on-Cash Return
  - Additional metrics recommended by the selected firm
  - Conclusion and recommendations consistent with 10-year term under the City's Revitalization Tax Credit (RTC) Ordinance.
- Conference call with City Staff on or before July 11, 2018;
- Attendance at the City Council meeting at 8:00 PM on July 16, 2018 to advise the City Council and Staff as to whether to proceed and under what term;
- If necessary, provide testimony to the City Council at 8:00 PM on August 6, 2018.

## **REQUIRED SUBMITTALS FOR PROPOSAL**

Each prospective firm's proposal must consist of no more than four pages and shall include the following: All materials must be submitted to the City via email in Adobe PDF format by **4:00 pm on June 12, 2018**.

- Technical Information
  - The name of the firm, managing principal/executive director;
  - The firm's principal place of business;
  - The firm's tax status, company structure and board of directors;
  - Any applicable industry certifications;
  - Identification experience and role of key individuals in the management team and proposed representative to serve as the City's Point of Contact.
- Cost Proposal
  - Cost proposal by task;
- Scope of Services
  - Affirmative statement acknowledging the scope of services defined within this solicitation.
- Work Samples
  - Provide summary of two (2) similar work samples which demonstrate the firm has provided consulting services for public sector clients considering public financing of private sector development projects.

The City will select the firm and authorize the staff to proceed with execution of an agreement. If the City is unable to agree to terms with the selected firm, the City will consider executing an agreement with the firm the received the second highest evaluation.

## **GENERAL CONDITIONS FOR PROPOSALS**

Failure to read the (RFP) and comply with its instructions will be at the firm's own risk. Corrections and/or modifications received after the closing time specified in this RFP will not be accepted. The proposal must be signed by a designated representative or officer authorized to bind the firm contractually. Submission of a signed proposal to the City will be interpreted to indicate the firm's willingness to comply with all terms and conditions set forth in the submission of qualifications.

The RFPs will be received by the City, no later than **4:00 pm, June 12, 2018** and shall be emailed to **[jwiggins@hyattsville.org](mailto:jwiggins@hyattsville.org)** with the following Subject: **Development Pro Forma Analysis RFP# CED05302018**

The email shall include a proposal in Adobe PDF format and addressed to the following:

**City of Hyattsville**  
**Attn: Julius Wiggins**  
**Coordinator of Contracts, Grants and Procurement**

For additional information regarding the services specified in this request for proposals, contact Julius Wiggins, Manager of Grants, Contracts and Procurement in writing by email at **[jwiggins@hyattsville.org](mailto:jwiggins@hyattsville.org)**. Questions specific to this solicitation will be accepted until 2:00 PM on June 6, 2018.

## **EVALUATIONS OF PROPOSALS AND AWARD OF CONTRACT**

The submitted proposals (not including the Sealed Dollar Cost Bid) will be publicly opened and read on **June 13, 2018 at 11:00 AM in the Mary Prangley Room, 2<sup>nd</sup> Floor, of the City of Hyattsville's Municipal Building, 4310 Gallatin Street, Hyattsville, Maryland.**

The proposals will be reviewed to determine whether they have met the minimum requirements of the solicitation and are accepted by the City. Proposals that are accepted will be reviewed and evaluated. The firm best meeting the experience, approach and cost requirements will then be selected.

The City of Hyattsville reserves the right to reject any and all RFP submissions and further reserves the right to re-issue the RFP.

The City will execute a contract for services with the selected firm and will submit a Purchase Order (PO) to the selected contractor.

## **PRICE TO REMAIN FIRM**

Any costs proffered with a proposal must be valid for a period of **90-days** from the due date of the proposal once the firm is picked.

## **AMENDMENT OR CANCELLATION OF THE RFP**

The City of Hyattsville reserves the right to cancel, amend, modify or otherwise change this application process at any time if it deems to be in the best interest of the City of Hyattsville to do so.

## **PROPOSAL MODIFICATIONS**

No additions or changes to any proposal will be allowed after the application due date, unless such modification is specifically requested by the City of Hyattsville. The City, at its option, may seek retraction and/or clarification by an applicant regarding any discrepancy or contradiction found during its review of applications.

## **SUSPENSION AND/OR DEBARMENT**

Firms, Contractors, Companies or Sub-Contractors which are either suspended or debarred from performing work by the State of Maryland or within Prince George's County, Maryland are prohibited from submitting an application under this Program. A firm that submits a proposal that is found to have been suspended and/or debarred from conducting business within Prince George's County, Maryland, such firm will be reported to the State's Attorney General and Comptroller's Office.

## **PRESENTATION OF SUPPORTING EVIDENCE**

Firms responding to this solicitation must be prepared to provide substantiation of any experience, performance, ability and/or financial sureties claimed in their proposal that the City of Hyattsville deems to be necessary or appropriate.

## **ERRONEOUS DISBURSEMENT OF FUNDS**

The City of Hyattsville reserves the right to correct any inaccurate awards of monies under this Program made to an applicant. This may include, in extreme circumstances, revoking an award of funds made under this program to an applicant subsequently awarding those funds to another applicant.

## **PROPOSAL PREPARATION COSTS**

Firms are responsible for all costs and expenses incurred in the preparation of a proposal to respond to this solicitation.

## **SUB-CONTRACTORS**

The City of Hyattsville must approve any and all subcontractors utilized by the successful respondent prior to any such subcontractor commencing any work. Respondents acknowledge by the act of submitting a proposal that any work provided under the contract is work conducted on behalf of the City of Hyattsville and that the City Administrator or their designee may communicate directly with any subcontractor as the City of Hyattsville deem to be necessary or appropriate. It is also understood that the successful respondent shall be responsible for all payment of fees charged by the subcontractor(s). The successful respondent shall provide a performance evaluation of any subcontractor promptly to the City. The successful respondent must provide the majority of services described in the Scope of Services.

## **LEGAL TERMS**

It is the policy of the City of Hyattsville that all legal disputes are heard in a court of law in Prince George's County, Maryland, and that each party is responsible to pay for the cost of their own legal fees. This solicitation is not a contract and shall not be interpreted as such.

**The City of Hyattsville will not agree to terms that are not consistent with this policy.**  
**END OF RFP**