



To: Center City Revenue Finance Corporation Board
From: DMC Staff
Date: October 5, 2021
RE: PILOT Policy Review Consultant Selection

Background:

The CCRFC’s Downtown Property PILOT is a powerful economic development tool that has driven growth in Downtown Memphis for around 40 years. During this time, the CCRFC has examined and adjusted PILOT policies many times to account for the changing realities of the development landscape, and the evolving needs of the core city. Due to a number of factors, DMC and CCRFC leadership have determined that the time is ripe for conducting a thorough review of current PILOT policies. These factors include:

- The recent adoption of the Memphis 3.0 Comprehensive Plan, and the completion of the BuildDowntown Master Plan.
- Changing market conditions in the wake of the COVID pandemic.
- Strong interest on the part of city and county elected officials in ensuring that PILOTs are providing an adequate level of public benefit.

In order to provide an objective evaluation of the PILOT program, DMC staff, with the approval of CCRFC chair Bobbi Gillis, began a selection process with the goal of identifying an economic development consultant with the necessary expertise to evaluate current PILOT policies. The consultant conducting the PILOT policy review will be tasked with answering three key questions:

- Is the CCRFC PILOT program delivering the desired results of growing the tax base and helping projects happen that couldn’t otherwise?
- Can the But-For-Test be formalized to provide clearer guidelines for financial analysis to aid staff review and create a more predictable process for developers?
- Are there any other policy changes that should be considered to maximize the public benefit of this vital economic development tool?

Selection Process:

DMC staff issued a Request for Expressions of Interest (REOI) for the PILOT policy review project on June 30, 2021. The REOI was posted publicly on the American Planning Association and International Downtown Association websites, and was also sent directly to a number of consulting firms identified as potential candidates by DMC staff. Respondents to the REOI were required to provide a letter of interest demonstrating their understanding of the project, examples of relevant work, client references, and a budget estimate. The following firms responded to the REOI by the July 30 response deadline:

- Camoin and Storrs Associates (Saratoga Springs, NY)
- ComCap Partners (Memphis, TN)
- Gruen Gruen + Associates (Chicago, IL)

- BAE Urban Economics (Washington, DC)
- Municap, Inc. (Columbia, MD)
- PFM Group (Philadelphia, PA)
- PGAV (St Louis, MO)
- RKG Associates (Alexandria, VA)

DMC staff reviewed these submissions based on the following criteria:

- Relevance of provided work samples.
- Technical quality of provided work samples.
- Readability and design of work samples.
- Firm's experience with providing policy analysis and recommendations.
- Estimated budget.
- Knowledge of / experience in Memphis market.

Based on these criteria, five firms were selected as finalists:

- ComCap Partners
- Municap, Inc.
- PFM Group
- PGAV
- RKG Associates

DMC staff, joined by CCRFC chair Bobbi Gillis and DMC chair Benjamin Orgel, conducted interviews with each finalist firm in order to make a final selection. Although all the finalists demonstrated strong abilities related to the requirements of the PILOT policy review project, PGAV was selected on the strength of their multi-disciplinary team, past experience with conducting incentive policy reviews, and their firm's demonstrated ability to translate complicated technical content into readable reports.

Next Steps:

PGAV's final scope of work and budget for the PILOT policy review project will be presented to the CCRFC Board for approval at its October 12, 2021 meeting. Final recommendations resulting from the study will be presented to the CCRFC Board in Q1 – Q2 of 2022.