

bae urban economics

Expression of Interest to Prepare the  
Downtown Memphis PILOT Program Review  
August 3, 2021



# bae urban economics

August 3, 2021

Abram Lueders  
Urban Planner  
Downtown Memphis Commission  
114 N. Main Street  
Memphis, TN 38103

Dear Mr. Lueders:

On behalf of BAE Urban Economics, Inc. (BAE), we are pleased to submit this expression of interest to prepare the Downtown Memphis PILOT Program Review.

BAE is an award-winning urban economics and public-benefit real estate development consulting practice. Since 1986, we have served more than 2,400 clients including public agencies, non-profit organizations and private developers throughout the U.S.

BAE is particularly well-suited for this assignment. We are a national leader in the formulation, implementation, monitoring, and evaluation of special financing programs for economic and community development. We are also frequently asked to test the feasibility of public-private (P3) real estate projects that make use of public sector financing programs.

Examples of projects with elements similar to what is needed for the Downtown Memphis PILOT Program Review that BAE has led in recent years include a Hotel Incentive Analysis for the City of Long Beach, CA; the Jekyll Island GA Real Estate Advisory Services project for the Jekyll Island Development Authority, and the Los Angeles Metropolitan Transportation Authority's (Metro's) Quality of Life Study that analyzed the economic and quality of life impact of special transit investment programs. Included in this expression of interest are summary descriptions of each of these efforts as well as links to the Long Beach and LA Metro reports.

Also included in this expression of interest are resumes for the primary BAE team members who would conduct the Downtown Memphis PILOT Program Review: Sherry Okun-Rudnak, Mary Burkholder, David Shiver, and Bilal Ali. Each has extensive experience formulating, implementing and evaluating special financing programs.

- Sherry Okun-Rudnak, a BAE Principal based in Atlanta, will serve as Principal-in Charge for the project. Sherry led both the Long Beach Hotel Incentive Analysis and the LA Metro Quality of Life study.
- Mary Burkholder, Associate Principal located in Washington, DC, will serve as Project Manager. For BAE Mary has prepared numerous pro forma feasibility analyses of P3

San Francisco  
2560 9<sup>th</sup> St., Suite 211  
Berkeley, CA 94710  
510.547.9380

Sacramento  
803 2<sup>nd</sup> St., Suite A  
Davis, CA 95616  
530.750.2195

Los Angeles  
448 South Hill St., Suite 701  
Los Angeles, CA 90013  
213.471.2666

Washington DC  
1140 3<sup>rd</sup> St. NE, 2<sup>nd</sup> Floor  
Washington, DC 20002  
202.588.8945

New York City  
234 5<sup>th</sup> Ave.  
New York, NY 10001  
212.683.4486

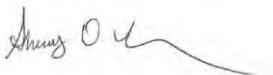
projects that use special financing tools, but she has also formulated financing programs while working for both the State of Maryland and the Anne Arundel Economic Development Corporation. This includes a \$180 million transit-oriented development at Fort Meade in Maryland that uses tax-increment financing (TIF).

- David Shiver, a BAE Principal located in Berkeley, CA, will serve as Special Advisor on the project. David has advised many public agencies on special financing programs for P3 real estate deals including the National Aeronautics and Space Administration (NASA) on the development of a technology park on their campus in Mountain View, CA, and the National Park Service on the reuse of the Presidio, formerly a military installation, in San Francisco, CA. David also led the Jekyll Island Real Estate Advisory Services project, which included an evaluation of a hotel tax rebate program.
- Bilal Ali, a BAE Associate located in Washington, DC, will lead the research and analytical support for the project. He has extensive experience in economic and feasibility analysis for real estate development projects that make use of special financing tools.

Should BAE be awarded this work we are prepared to conduct a thorough review of the current PILOT program including policy considerations, and the advantages, limitations and complicating factors of the “but-for test” that is a key part of the program. We would also be prepared to recommend policy changes and other adjustments that we believe would serve to improve and enhance the economic impact and overall public benefits of the program. We could begin the work in September 2021, complete a draft of the study by December 14, 2021, and present our final study recommendations to the Center City Revenue Finance Corporation Board in February 2022.

We hope we have been responsive to your request for expressions of interest, but if we can provide any further information about our team, our capabilities, and our proposed approach, please do not hesitate to contact us. Mary Burkholder will be the primary contact person for the engagement and can be reached at 202.588.8945, or [maryburkholder@bae1.com](mailto:maryburkholder@bae1.com). Thank you for your courtesy and consideration.

Sincerely,



Sherry-Okun Rudnak  
Principal



Mary Burkholder  
Associate Principal

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# FIRM QUALIFICATIONS AND AREAS OF EXPERTISE

## Firm Qualifications

BAE Urban Economics, Inc. is an award-winning, national urban economics and real estate consultancy. Since 1986, we have completed more than 2,400 client engagements for public agencies, non-profit organizations, financial institutions, and real estate investors and developers. All of our work is led by seasoned professionals, who are responsible for project direction and quality control.

BAE's services and practice areas include:

- Market and Financial Feasibility Analyses
- Economic Development and Revitalization
- Fiscal Impacts and Economic Benefits Analyses
- Public Finance
- Sustainable Development and TOD
- Affordable and Workforce Housing

BAE's passion about the "triple bottom-line" of sustainable economics, equity, and environment makes us unique among urban economists. We believe that there are practical solutions to urban issues which will achieve this triple bottom-line, and that consideration of environmental impacts and social benefits as well as financial returns result in the best value for our clients.

Our company has practiced this same philosophy since our inception in 1986, with intentional investments in our staff and workplaces to foster creativity and a commitment to excellence. We have pioneered the use of survey research to target urban housing products, created innovative GIS tools for smart growth planning, and provided real estate advisory services to some of the nation's largest revitalization and sustainable development efforts.

BAE is certified as an MBE/DBE by numerous public agencies including the State of Maryland, the District of Columbia, the State of California, the City of New York and the Port Authority of New York and New Jersey.

The BAE difference shows - we have earned more awards for excellence than any other firm in our field, our core staff has averaged more than 15 years each with the company, and our clients have retained us repeatedly over our 35-year history. BAE has 18 staff members in five offices, including Washington, DC, New York City, San Francisco, Los Angeles, and Sacramento, California. For more information, see [www.bae1.com](http://www.bae1.com).

## Project Team

### Sherry Okun-Rudnak

#### Principal



#### Education

Master of Arts,  
Economics, California  
State University,  
Sacramento

Bachelor of Arts,  
Economics, Georgia  
State University

#### Affiliations

Urban Land Institute

#### Professional Experience

Sherry Okun-Rudnak, who has worked for BAE for 12 years, leads projects across BAE offices. She specializes in providing economic development support, market studies, financial feasibility analyses, economic impacts analyses, and development advisory services to BAE's clients.

Sherry works with a wide variety of public agencies throughout California. She currently advises the City of Los Angeles' Planning Department on transit oriented development, the County of Los Angeles on real estate development, LA Metro on joint development opportunities, and the Port of San Francisco on potential Pier 70 developments. Her California Specific Plan work includes preparing market analyses, financial feasibility, and financing strategies for corridors and communities in Anaheim, Commerce, Lynwood, West Carson, Redwood City, Mountain View, and San Diego.

Nationally, Sherry's experience includes leading a range of plan and project engagements on the topics of commercial development, residential development, hotel impacts, transit-oriented development, employment, jobs/housing balance, recycling policies, and the arts. She recently completed an Equitable TOD analysis for the Metropolitan Atlanta Rapid Transit Authority (MARTA) which included a market analysis and development feasibility testing to promote development policies that support job creation and minimize residential displacement.

Sherry is a faculty member teaching economic and community development at the USC Sol Price School of Public Policy. She has lectured on real estate market analysis for the ULI Real Estate School and participated on the AIA's Urban Development Advisory Team for the Elysian Fields Avenue corridor in New Orleans.

**LA Metro Quality of Life Report**  
Economic Development  
Land Use Analysis  
Market Analysis

**Downtown Los Angeles  
Economic Development  
Opportunities**  
Los Angeles, CA  
Employment & Industry Trend  
Analysis  
Land Use Regulation Impacts

**West Carson TOD Specific Plan**  
Los Angeles County, CA  
Economic Development Strategy  
Market Analysis  
Opportunity Site Evaluation  
Feasibility Analysis

**Long Beach Civic Center P3**  
Long Beach, CA  
Market Analysis  
Land Valuation  
Feasibility Analysis  
RFQ/P Development and Evaluation  
Negotiation Support

**Anaheim Beach Boulevard  
Specific Plan**  
Anaheim, CA  
Economic Development Strategy  
Market Analysis  
Opportunity Sites Evaluation

**Thrive 2055: Chattanooga  
Regional Economic Development  
Blueprint**  
Chattanooga, TN  
Regional Economic Development  
Plan (16 counties), cluster  
analysis focused on  
manufacturing, Creative Industry,  
Tourism sector focus

**South Fulton Economic  
Development Strategic Plan**  
South Fulton, GA  
Market Analysis  
Feasibility Testing

**Equitable TOD Analysis for  
Metropolitan Atlanta Rapid  
Transit Authority**  
Atlanta, GA  
Market Analysis  
Feasibility Testing

**New York City M1 Hotel**  
New York, NY  
Market Analysis  
Demand Projections

**Mary Burkholder,  
MCP**  
**Associate Principal**



### Education

Master of Community Planning, University of Maryland

Master of Public Health, University of Maryland

Bachelor of Arts, Political Science, University of Michigan

### Affiliations

Urban Land Institute

International Economic Development Council

### Professional Experience

Mary is an expert in economic development, transit-oriented development, and public finance. She brings over 20 years of experience working as a consultant, and for organizations in the public and non-profit sectors. She is Associate Principal of BAE's Washington, DC office.

Mary is a hands-on leader and advisor, with a broad portfolio of project experience that includes: preparing a market analysis and redevelopment plan for Chesapeake Redevelopment and Housing Authority's properties; developing and managing the Arundel Community Reinvestment program for funding of community and economic development in Anne Arundel County's revitalization areas: preparing economic development strategies for Baltimore, MD, South Fulton, GA, Wilmington, NC and York County, PA; preparing market analyses in a range of locations across the U.S. providing guidance on redevelopment strategies to cities.

Prior to joining BAE, Mary served in leadership roles in economic and community development including: Senior Vice President of the Anne Arundel Economic Development Corporation, Senior Vice President of Housing and Economic Development for the Local Initiatives Support Corporation (LISC), and Assistant Secretary, Business Development for the Maryland Department of Business and Economic Development.

Mary serves on the Maryland Economic Development Association Past Presidents Council and the Anne Arundel County Food Bank Board of Directors. She is a member of the Urban Land Institute and the International Economic Development Council.

### Alexandria Route 1 South Economic Analysis

Alexandria, VA  
Financial Feasibility Analysis  
Market Opportunity Evaluation

### Annapolis Comprehensive Plan

Annapolis, MD  
Market Analysis  
Fiscal Analysis  
Economic Development Strategies

### Amazon HQ2 Economic Impact Analysis

Washington, DC  
Economic Impact Analysis  
Market Analysis  
Tech Ecosystem Analysis

### South Fulton Economic Development Strategic Plan

South Fulton, GA  
Market Analysis  
Community Engagement  
SWOT Analysis  
Strategic Plan

### South Baltimore Gateway Economic Analysis

Baltimore, MD  
Market Analysis  
Redevelopment Analysis  
Future Opportunities Analysis

David Shiver, MCP,  
MBA

Principal, BAE



### Education

Master of City Planning,  
Master of Business  
Administration, UC  
Berkeley

Bachelor of Arts, Public  
Affairs, University of  
Chicago

### Affiliations

Urban Land Institute

### Professional Experience

Mr. Shiver has more than 30 years of real estate market, economic development and financial analysis experience and has worked on many high-profile planning initiatives and public/private partnerships. His experience includes preparing economic development strategies, residential and commercial market studies, project and prototypical mixed-use project financial analyses, fiscal impact studies, economic benefit studies, highest and best use studies, and community benefit studies.

Mr. Shiver's economic development work includes the City of Troy, NY's Comprehensive Plan with a strategy to promote economic development in the city's downtown; a retail strategy and economic development plan for the City of San Ramon, CA; a business plan and financial analysis for the Thomas Nelson Community College's Advanced Manufacturing Center; and the Fort Monroe Authority advisory services for a 2.2 million square foot base reuse project with mixed residential and commercial uses.

Mr. Shiver's work also includes assisting NASA in the initial concept planning and subsequent implementation of the award-winning NASA Research Park at Moffett Field in Mountainview, CA. He has served as the lead real estate advisor for NASA's two landmark long-term leases to Google, Inc. (\$1.2 billion value), Singularity University, University of California, and Carnegie Mellon University.

### Jekyll Island Real Estate Development Advisory Services

Jekyll Island Authority,  
Georgia  
Feasibility Analysis  
Lease Negotiation  
Tax Rebate Evaluation

### Realize Troy

Troy, New York  
Downtown economic  
development  
strategy  
Commercial and  
industrial market  
studies

### Thomas Nelson Community College Advanced Manufacturing Center

Hampton, Virginia  
Business Plan  
Financial Analysis

### NASA Research Park P3

Moffett Field, California  
Real Estate Strategic  
Planning  
Market and Financial  
Analysis  
Lease Negotiations

### Fort Monroe Authority

Hampton, Virginia  
Base Conversion  
Business Planning  
Market and Financial  
Analysis



**Bilal Ali, MCP**  
**Associate, BAE**



### Education

Master of Community Planning, University of Maryland

Bachelor of Arts, Political Science, Minor in Mathematics, University of Rochester

### Professional Experience

Bilal, who joined BAE in November 2019, has expertise in economic development, fiscal impact analysis, and quantitative research methods. He is an Associate in BAE's Washington, DC office. Since joining BAE he has helped to prepare a financing study for a park in Staten Island, a housing market analysis for Bristol, Virginia, market and fiscal analyses for Annapolis, MD Comprehensive Plan, and an economic development strategic plan for South Fulton, Georgia.

Prior to joining BAE, Bilal worked as an analyst for a consulting firm in the Washington area that specializes in fiscal impact analysis, impact fee studies, and infrastructure financing reports. There, Bilal was engaged on two Tennessee projects: a fiscal impact study for Williamson County, and an Impact Fee study for the City of Murfreesboro.

Bilal has strong research and analytical skills. He is adept in using ArcGIS and SPSS for research and analysis.

Earlier in his career, Bilal worked for the Senate Democratic Policy and Communications Center at the United State Senate. As Deputy Regional Press Secretary, he wrote press releases, talking points, social media content, and summaries for caucus policy initiatives.

As a graduate student, he was part of a student team that developed a "A Framework for Preservation and Growth in Creswell" (Harford County, MD), conducting the fiscal impact analysis for the study. The study has been awarded Best Student Project by the Maryland APA, was runner-up for Best Student Project by the National APA and won the Maryland Sustainable Growth Commission's 'Sustainable Growth Challenge

### **Staten Island Skyway Financing Study**

Staten Island, New York  
Case Study Analysis  
Financing Strategy

### **New York City Special Hotel Permit Study**

New York, NY  
Market Analysis  
Demand Projections

### **Annapolis Comprehensive Plan**

Annapolis, MD  
Market Analysis  
Fiscal Analysis

### **Bristol Redevelopment and Housing Authority Master Plan**

Bristol, VA  
Market Analysis  
Financial Analysis

### **South Fulton Economic Development Strategic Plan**

South Fulton, GA  
Market Analysis  
Economic Development Plan

### **Winder Market Study and Feasibility Analysis**

Winder, GA  
Pro Forma Analysis  
Market Analysis

### **Antioch Infill Housing Study**

Antioch, CA  
Pro Forma Analysis  
Policy Analysis

# RELEVANT PROJECT EXPERIENCE

## City of Long Beach Hotel Incentives Policy Analysis

*City of Long Beach, CA*



As the second largest City in the Los Angeles region, and strategically located on the Pacific Ocean, the City of Long Beach continues to grow its tourism markets. The City currently has a convention center that caters to regional events, as well as attractions like the Queen Mary and Aquarium that bring in visitors from around the world. In addition, events like Pride and the Long Beach Grand Prix grow every year. Finally, as the City is home to the Port of Long Beach, an expanding industrial sector, and the Long Beach Airport, business travel has also been a driving factor for Long Beach hotel demand.

In light of growing visitation, but with competition from other cities offering large incentives to hotel developers, the City engaged BAE to undertake a hotel market analysis that evaluated the different demand drivers by geographic location and hotel class, conduct feasibility testing of new hotel development and renovations, and recommend a citywide hotel incentive policy to remain competitive for new hotels while remaining fiscally responsible. BAE conducted a market analysis of hotels in Long Beach across hotel typologies and geographies to understand demand drivers for each segment and location. BAE then tested the feasibility of hotel development and renovation in different submarkets and typologies to understand which hotels could support new development without an incentive, and the magnitude of the gap for those hotels that were otherwise infeasible. This included sensitivity analysis of living wage and union operating requirements for hotels receiving incentives. Using this information, BAE recommended a hotel incentive policy that targets adaptive reuse of existing buildings and new construction of full- and select-service hotels to meet growing demand, and retain as much Transient Occupancy Tax (TOT) as possible.

Link to study: <https://www.longbeach.gov/globalassets/city-manager/media-library/documents/memos-to-the-mayor-tabbed-file-list-folders/2017/november-22--2017---transient-occupancy-tax-incentive-program-update>

## Jekyll Island Real Estate Development Advisory Services

*Jekyll Island Authority, GA*



Jekyll Island is a unique, state-owned 5,530-acre barrier island operated by the Jekyll Island Authority (JIA). As JIA's development advisor, BAE has provided the following services:

**Pro-Forma Analysis of Beach Village Retail Development.** To the JIA's direct development of a 40,000 square foot retail project to replace an older, functionally obsolete center, BAE worked with JIA staff to prepare a series of cash flow analyses to determine project financial performance under alternative state loan structures to minimize long-term debt. BAE reviewed loan terms and market retail rents, gathered operating expenses information, to inform its pro forma assumptions. The \$10 million, two phase project opened in early 2015.

**Hotel Ground Lease Negotiation Support.** BAE analyzed financial terms proposed by two hotel developers, and assisted JIA in negotiating improved revenue streams under long-term ground leases. BAE also prepared economic benefit analyses for each hotel proposal. BAE's negotiation support led to successful agreements and development of a 200-room Starwood Westin Hotel and a 156-room Holiday Inn Resort (total of \$48 million in project value).

**Hotel Tax Rebate Evaluation.** BAE analyzed developer pro formas to determine whether a sales tax rebate/refund was appropriate in order to achieve project feasibility.

**Convention Center Operator Agreement Review.** BAE reviewed the business terms proposed by a prospective convention center operator on behalf of the JIA. BAE reviewed similar agreements for comparable facilities, prepared extensive comments, and recommended changes. The JIA Board approved the agreement in 2011, resulting in current private-third party management of the Jekyll Island Convention Center.

## LA Metro Quality of Life Study

Los Angeles County Metro



For the Los Angeles Metropolitan Transportation Authority's (Metro's) 2008-2015 Quality of Life Report, BAE helped identify key metrics and data sources to assess the economic impact of Metro's Measure R-related transit investments.

BAE analyzed several metrics to determine the extent to which localized transit investment has influenced economic activity near stations. From a development perspective, these included new multifamily housing starts, new office and retail development, affordable housing units placed in service, as well as building permit data from the US Census Bureau.

The Study also looked at other proxies for a healthy local economy, including sales tax revenue generation, median household income, home prices, and earnings by industry. Larger Market Area geographies were established to compare whether transit improvements at each station area had a more significant impact at the local level.

The Quality of Life project is intended to be a living document, updated periodically to track progress towards Metro's community-wide goals. To this end, BAE provided several detailed memos outlining the precise datasets and methodology used so the study can be more easily replicated. This will be particularly important as Metro turns to assess the future impacts of newly-passed Measure M.

Link to study: [http://media.metro.net/docs/report\\_qualityoflife.pdf](http://media.metro.net/docs/report_qualityoflife.pdf)

## CLIENT REFERENCES

1. Sergio Ramirez  
Deputy Director, Economic Development Department  
City of Long Beach, California  
(562) 570-6129  
[Sergio.Ramirez@longbeach.gov](mailto:Sergio.Ramirez@longbeach.gov)
2. Jim Broadwell  
Project Manager  
Jekyll Island Authority  
(912) 635-4075  
[jbroadwell@jekyllisland.com](mailto:jbroadwell@jekyllisland.com)
3. Nick Saponara  
Executive Officer, Transit Oriented Communities  
LA Metro  
(213) 922-4313  
[saponaran@metro.net](mailto:saponaran@metro.net)

## BUDGET ESTIMATE

The estimated cost for BAE Urban Economics to prepare the Downtown Memphis PILOT Program Review is **\$34,890**. This includes one trip to present the final study and recommendations to the CCRFC Board in February 2022.

SUBMITTED TO:

Abram Lueders  
Downtown Memphis Commission  
Via Email: [alueders@downtownmemphis.com](mailto:alueders@downtownmemphis.com)

# Expression of Interest

DOWNTOWN MEMPHIS PILOT PROGRAM  
REVIEW

Downtown Memphis Commission

JULY 30, 2021

PREPARED BY:



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Saratoga Springs, NY 12866  
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**Storrs Associates, LLC**

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# COVER LETTER AND EXPRESSION OF INTEREST

July 30, 2021



**Robert Camoin, CEcD**  
President & CEO  
rcamoin@camoinassociates.com  
(518) 487-9587

Dear Abram and the Downtown Memphis Commission,

When I started my economic development career in the public sector, I often found myself paging through qualification responses like this one, looking for the right team that understood our needs and could offer the best solution. With that experience and perspective, I hope in the pages that follow we convey a few very important messages about our philosophy, experience, and approach.

First, **every client, problem, and solution is unique**. We know this work, but also understand that your needs and objectives must be understood from the outset so that we can provide a comprehensive, tailored, and successful solution.

Second, we believe that **meaningful employment opportunities** are critical to creating a sustainable economy, a healthy vibrant community, and sound fiscal conditions that **offer opportunity and prosperity for all**.

Third, we absolutely love what we do and **care deeply about this work** and the people it impacts.

Since Camoin began in 1999, our intent has not wavered – to support efforts like the Downtown Memphis Commission’s to create economic opportunity that allows individuals, families, and communities to prosper. During that time, we have completed over 1,000 projects in 43 states. As a full-service economic development firm, we cover the gamut of representative work including real estate market analyses, strategic plans, economic and fiscal impact studies, and business retention and attraction initiatives.

We believe this plan deserves specialization and creativity in its approach, so we’ve broadened our team to include Storrs Associates. As a regular partner of Camoin Associates on many similar analyses, Storrs Associates brings extensive experience, knowledge, and expertise to the table when assessing the merits of financial assistance. Victoria Storrs, President & CEO, has evaluated requests for PILOTs and other tax reduction tools in multiple states, guiding both municipalities and projects through the review and approval process. As Chair of her local development agency, she also makes these decisions directly.

Camoin Associates and Storrs Associates are both long time partners with many economic development organizations throughout the United States and our team understands the challenges many are facing in refining their approach, ensuring they are as effective as possible, and communicating their value. Our approach to this project will be a combination of data collection, research and analysis, and recommendations. Our deliverable will be designed in coordination with your team to ensure it is functional, actionable, and effective. We will work with your team to better understand if it needs to be an internal document, more of a public relations tool, or both and what the specific goals are of the final product. In the end, our goal is to provide you with the materials, back-up,

CAMOIN ASSOCIATES AND STORRS ASSOCIATES

and research to guide future efforts and financial assistance programs that align closely with the city’s master plan and economic development objectives.

**We are interested in working on this project, quite simply, because it matters.** Finding ways to help businesses succeed while simultaneously protecting public resources is at the heart of much of what our team does. We recognize the challenging position that the Downtown Memphis Commission is in when trying to balance the public and private demands and want to assist in review and refinement of the current PILOT system in downtown Memphis to maximize alignment with the city’s economic development objectives. The firm, and the staff identified for this project, have worked on similar projects, are excited about the prospect of working with your team, and are invested in helping economic development organizations walk the tightrope in a transparent and effective way.

Our team has been designed specifically for this project, including our two most experienced impact analysis staff and the support from Storrs Associates. Rachel Selsky, Vice President at Camoin Associates, will be directing this project and has led state-wide and city specific economic development initiatives analyzing the impact of certain economic development assistance and incentive programs. Jessica Tagliafierro has completed dozens of reviews of PILOTS around New York State and is well versed in various development financing tools used throughout the United States. Finally, Victoria Storrs with Storrs Associates will be joining the team to provide her years of real life experience with development finance services, review and analysis of PILOT schedules, and her deep understanding of the role of incentives in supporting economic growth.

Rachel will be your main project contact and can be reached at [rachel@camoinassociates.com](mailto:rachel@camoinassociates.com) or (518) 899-2608.

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An overview of the proposal is as follows:

**Budget:** We expect to refine the budget after further discussions with your team, but would anticipate a budget of approximately \$50,000 for the work described in the REOI.

**Schedule:** Draft report completed by December 14<sup>th</sup>, 2021 with final study presented in February 2022.

**Key Staff:** **Principal and Project Manager:** Rachel Selsky, AICP (Camoin)  
**Principal:** Victoria Storrs (Storrs)  
**Lead Analyst:** Jessica Tagliafierro (Camoin)

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Thank you for considering our proposal. We hope to have the opportunity to share our expertise with you. Please note that we remain open to discussing a more detailed scope and fee to best meet your needs. I can be reached at [rcamoin@camoinassociates.com](mailto:rcamoin@camoinassociates.com) or (518) 487-9587 if you have any questions.

Yours respectfully,



Robert Camoin  
President & CEO

# STATEMENT OF QUALIFICATIONS

## CAMOIN ASSOCIATES

### OUR BACKGROUND

Camoin was founded by Robert Camoin in 1999 with a commitment to improving the economic well-being of communities. Along the way, we've completed over 1,000 projects in 44 states and helped advance prosperity for rural villages, cities, counties, states and metropolitan regions. Today we are 25 highly skilled professionals who work diligently to analyze and understand information, build consensus, and creatively develop solutions and strategies that solve complex problems.

### OUR APPROACH

We find simple and elegant solutions amidst complex realities. We know how to step into your position to profoundly understand your challenges before stepping back to assimilate a broad perspective. In the process, we become your trusted adviser as we work together to answer perplexing questions and break through the obstacles that stand in your way.

### OUR SPECIALTIES

We work with public officials to create and implement strategies and actions that improve the quality of life for communities and we help business leaders and not-for-profit executives deal with tough issues. Simply stated, we stimulate investment.

<p>Camoin Associates PO Box 3547 Saratoga Springs, NY 12866</p> <p>Robert Camoin, President 518-899-2608</p> <p>Established 1999 S-Corporation, Private</p>	<ul style="list-style-type: none"> <li>◆ <i>Strategic Action Plans</i></li> <li>◆ <i>Workforce Development</i></li> <li>◆ <i>Market Demand Feasibility</i></li> <li>◆ <i>Industry and Supply Chain Development</i></li> <li>◆ <i>Economic &amp; Fiscal Impact Analysis</i></li> <li>◆ <i>Industry &amp; Competitive Benchmarking</i></li> <li>◆ <i>Leadership and Organization Management</i></li> <li>◆ <i>Economic &amp; Community Development Financing</i></li> <li>◆ <i>Performance Measurement and Service Evaluation</i></li> <li>◆ <i>Technology and Innovation-Based Economic Development</i></li> </ul>
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## Key Staff



**JOINED CAMOIN: 2008**

**YEARS OF EXPERIENCE: 10+**

### EXPERTISE

- Economic and fiscal impact
- Regional economic strategies
- Rural economic development
- Community facilitation
- Innovation-led economic development

### AFFILIATIONS

- Southern New England APA (SNEAPA)
- American Planning Association (APA), AICP
- National Charette Institute Certification

### EDUCATION

- Master of Regional Planning, University of Albany
- B.A. Urban Studies and Planning, University of Albany

## Rachel Selsky, AICP | *Vice President (Camoin Associates)*

With a passion for consensus building and community education, Rachel's ability to present highly technical topics in a clear and concise manner helps engage local stakeholders and policy makers in a meaningful way and support them to make informed decisions regarding their future.

Rachel has a background in planning and is one of the firm's most experienced project managers. Her leadership has led to the successful completion of large economic development strategic planning projects with multiple partners and a wide variety of stakeholders. With a focus on finding solutions and opportunities, Rachel's skill is in bringing multiple groups together to see where their interests overlap to find a path forward that benefits all parties. Energized by finding actions that can be quickly implemented, Rachel enjoys working with clients to develop a final product that can be utilized to achieve their vision for future economic prosperity.

As leader of the economic and fiscal impact team, Rachel has worked for over 10 years with economic development organizations to help them hone their incentive program to balance public and business needs.

### FEATURED PROJECTS

**Impact Analysis and Strategy Development for the New York State Industrial Development Agencies | New York State Economic Development Council |** Faced with increased constraint and scrutiny, the NYSEDC hired Camoin Associates to assist with analyzing the economic and fiscal impact of the state's 108 Industrial Development Agencies (NY's regional economic development organizations). The analysis included data modeling, surveys, interviews/focus groups, and strategy development and will be used as a guide for improving the effectiveness and perception of IDAs as economic development partners in NY.

**Various Economic and Fiscal Impact Studies | Nassau County IDA |** Rachel has been working with the Nassau County IDA for almost a decade, providing expert analysis of the economic and fiscal impact of all the major projects that the IDA has considered for inducement using a PILOT during that time period. Those 75 major projects have spanned the gambit of industrial, commercial, retail, institutional, residential and non-profit uses with a cumulative impact of 32,000 jobs.

**Garvies Point Mixed Used Development, Glen Cove NY | RXR Glen isle |** Working with the developers, Rachel lead the Camoin team to conduct a full economic and fiscal impact analysis on this billion dollar mixed use project on Long Island. The analysis considered the cost of providing community services, additional revenue, and the transformational impact of this project on the region.

**Cost Benefit Analysis of the Louisiana Film Tax Credit Program | State of Louisiana |** As project principal on the 2019-2020 update of this analysis, Rachel worked with the team to analyze the impact of the State's three entertainment tax credit programs: motion picture, live performance, and sound. The economic impact and ROI for each program was calculated and compared to previous analyses completed by Camoin Associates to understand program trends.

**By translating technical information into understandable information, Rachel helps facilitate meaningful discussions that lead to informed decisions.**

## CAMOIN ASSOCIATES AND STORRS ASSOCIATES



## Jessica Tagliaferro | *Senior Analyst (Camoin Associates)*

Jessica is dedicated to using her background in statistics and economics to help communities uncover their unique strengths. Jessica holds a Master of Science in Applied Statistics and Decision Making from Fordham University and a Bachelor of Arts in Economics and Political Science from Providence College. She completed additional training in Public Administration through Providence College's certificate program.

Prior to joining Camoin, Jessica spent five years in financial technology consulting. During her time as a consultant and as a consulting manager at FactSet Research Systems Jessica partnered with some of the firm's largest global investment banking clients to implement data driven processes and solutions. Previously, Jessica interned with the economics research team at Bank of America Merrill Lynch and with the Rhode Island Department of Health and Human Services. While at the Department of Health and Human Services Jessica was tasked with researching unemployment in the New England states and wrote policy briefs discussing post-recession growth in these states. Additionally, Jessica spent an academic year exploring structural unemployment in Rhode Island's economy through a funded independent research project.

**JOINED CAMOIN: 2018**

**YEARS OF EXPERIENCE: 7+**

### EXPERTISE

- Economic and fiscal impact
- Market data analysis
- Project management
- Financing economic development

### CAREER EXPERIENCE

- Consulting Manager, FactSet Research Systems
- Economic Data Analyst, Bank of America

### EDUCATION

- Master of Applied Statistics and Decision Making, Fordham University
- Certificate in Public Administration, Providence College
- B.A. Economics & Political Science, Providence College

### FEATURED PROJECTS

**Fiscal Impact of Development Scenarios | Town of Groton, CT** | Jessica's work on this project was instrumental in modeling the potential impacts of various development types on the municipality. As project analyst, Jessica calculated the net fiscal impact of five different development types (single family homes, townhomes, multifamily units, office, and retail) on the municipality. This work helped the Town better understand the implications and benefits of various development decisions.

**Economic and Fiscal Impact of the Film Industry | Nassau County IDA** | Jessica led the most recent economic and fiscal impact study of Nassau County's film industry. Jessica's work built upon the two previous film industry impact studies that Camoin completed for the Nassau County IDA and provided the county with clear insight into new developments and impacts of this important industry.

**District Improvement Financing | Town of Easton, MA** | Jessica was instrumental in the TIF implementation process for the Town of Easton. Jessica worked on finalizing the master document for the Town, created numerous presentations, and participated in stakeholder engagement sessions.

**Entertainment Tax Credit Programs Analysis | State of Louisiana** | As project manager on the 2019-2020 update of this analysis, Jessica's work was instrumental in modeling the impacts of the three entertainment tax credit programs: motion picture, live performance, and sound. The economic impact and ROI for each program was calculated and compared to previous analyses completed by Camoin 310 to understand program trends.

**Jessica's mission is to help communities unlock the stories behind their data.**

## STORRS ASSOCIATES

Storrs Associates, LLC is a partner and advisor to public and private entities seeking to encourage economic growth and to make direct public and private investments. We deliver client-driven, high quality advice, customized analyses and reports, public speaking and learning sessions, and transaction management.

### Services Offered

Our goal is to have our work fit your needs, and from the first conversation we listen, recommend, and adapt, combining and adjusting our different services so that you have solutions for your questions, goals, and challenges. To serve you, we deliver:

- ◆ Clear, straightforward writing in all of our reports, with integrated charts and tables that directly contribute to the reader’s understanding.
- ◆ Analytical modeling that answers questions, tests scenarios, and earns client confidence through transparency and clarity of data inputs and assumptions.
- ◆ Public and private presentations, learning sessions, and workshops on specific projects or economic development tools.
- ◆ Advice and recommendations throughout the project so the outcome fits your needs.

### Outcomes of Working with Us

- ◆ Clients confidently make development and financial assistance decisions that are based on objective research and analysis, and insight into local context. Storrs Associates understands that leaders are never anonymous in their communities, and their decisions must be not only sound, but defensible and transparent to the public.
- ◆ Approving bodies, and participating groups such as economic development or finance committees, learn about a project or tool, such as tax abatement or special district financing, before being asked to make a decision. Storrs Associates tailors education and discussion sessions to the knowledge needs of the group, and encourages active participation.
- ◆ Clients understand the processes used to produce a result, especially a tax analysis or an economic impact. There is no “black box,” and Storrs Associates will always take the time to walk a client through an analysis step by step, reviewing data sources, assumptions, and decisions about inputs such as interest rates or escalation factors.
- ◆ Every report is readable and ready for publication at the client’s preference. Storrs Associates designs each deliverable to reach the target audiences with clear, accessible information that is relevant to their needs.

### Capabilities

*Advise on and strengthen reviews and applications for planning board approval, grants, tax credits, and other forms of financial assistance using objective, third-party analysis.*

*Create special districts that accomplish general and specific community development goals, such as Tax Increment Financing (TIF) and District Improvement Financing (DIF)*

*Provide insight on municipal policies and regulatory compliance*

*Design a service package that fits the needs, time, and budget of an individual client.*

CAMOIN ASSOCIATES AND STORRS ASSOCIATES

## Key Staff

### **Victoria Storrs, President and CEO**

Victoria Storrs founded the firm in 2021 to provide direct, responsive service to municipal governments and the public and private organizations who work with and for them. She has worked with municipal governments for more than 20 years, beginning as an investment banker at First Albany Corporation and managing debt financings for state public authorities. She taught money and capital markets at the State University of New York at Albany School of Business, and has been a development finance and economic development consultant for more than seven years, including five years at Camoin 310, where she became the firm’s first Development Finance Practice Leader. You can learn more at [www.linkedin.com/in/victoriastorrs](http://www.linkedin.com/in/victoriastorrs).

She used her public finance and capital markets background during her five years at Camoin 310 to expand economic development services in response to evolving client needs in project impact and benefit/cost analyses and tax increment financing, becoming the firm’s first Development Finance Practice Leader. Her work also included market and industry sector analysis, strategic planning, and Opportunity Zones, in projects throughout New York, Massachusetts, Connecticut, Virginia, Florida, and Ohio.

Victoria is Chair of the Town of Bethlehem, NY Industrial Development Agency, and a member of the Capital Region Chamber of Commerce. She holds an MBA in Finance from the State University of New York at Albany, and a BA in English from Williams College in Williamstown, MA.





# Economic & Fiscal Impact Analysis of all Nassau County IDA Projects Nassau County, NY

**THE CHALLENGE** | The mission of the Nassau County Industrial Development Agency and Nassau County Local Economic Assistance Corporation is to promote the economic welfare and prosperity of Nassau County by providing economic development resources and financial assistance to businesses and not-for-profits of all sizes. The IDA’s various incentive programs have resulted in significant benefits for Nassau County. Since 2010, the IDA has approved Applications for Financial Assistance for 88 principal projects.

**THE SOLUTION** | To quantify these impacts on the County, the IDA commissioned Camoin Associates to conduct a cumulative economic and fiscal impact analysis of all supported project from 2010 – 2017.

**THE IMPACT** | The economic analysis concluded the cumulative economic impact of all projects between 2010 – 2017, supported by the Nassau County IDA, have resulted in \$19.1 billion in employee earnings, \$13.4 billion in employee spending, and \$1.6 billion in construction and business investment spending, within the county. This accounts for nearly 33,000 new jobs, 30% of which are attributed to construction, and 70% of which are attributed to project operation.

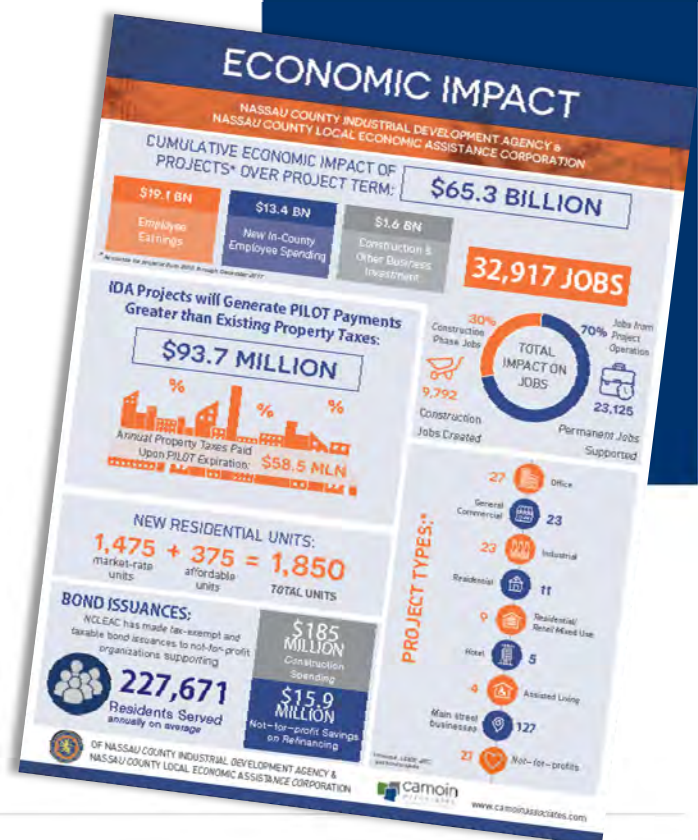
*Camoin Associates assisted with this analysis for a few years in a row and [created this interactive dashboard for the IDA’s new website.](#)*

## CLIENT

- Nassau County IDA

## SERVICES

- Model of Economic Impacts of Retained and Net New Employees
- Estimate of Property and Sales Tax Revenues
- Highly Graphic Report, Presentation, and Infographic



## Public Authority Decision Support: Impact, Benefit / Cost Analysis, and Incentives Analysis Yonkers, NY

**THE CHALLENGE** | The Yonkers Industrial Development Agency (YIDA) receives financial assistance requests from a wide variety of projects throughout the year. YIDA can reduce sales taxes on construction materials, mortgage recording tax, and real property tax, making a project financially feasible to build, especially in the early years of new construction or renovation when project revenues may not yet be sufficient to cover costs.

In addition to the need to be objective when reviewing applications, public authorities like YIDA are subject to strict scrutiny in New York State, and are required to prepare, or have prepared, a benefit / cost analysis for each project. The state's regulations don't stipulate the nature of the analysis, making each agency responsible for determining what information and analysis is truly useful for making a decision that serves both public and private goals.

**THE SOLUTION** | Camoin Associates developed a portfolio of tools for its IDA clients, and YIDA chooses among all three, depending on the size and complexity of the project. The pro forma and incentives analysis has become more important as municipalities manage increasing fiscal stress. This begins with a full review of the project pro forma, models the impact of the financial assistance and rate of return to the developer, and benchmarks operating assumptions and returns against the current market., providing an objective, third-party analysis of the project.

**THE IMPACT** YIDA is well equipped to make educated decisions that the public understands and supports, propose adjustments to the financial assistance requested, and protect the public resources while still attracting desired development.

### CLIENT

- City of Yonkers Industrial Development Agency

### SERVICES

- Economic Impact Analysis estimates the jobs, earnings, sales, and, where needed, new household spending introduced as a result of the project, including the economic ripple effects over time.
- Benefit / Cost Assessment measures the anticipated fiscal costs such as tax abatements, against the present value of the assistance offered.
- Incentives Analysis studies at least ten years of pro forma cashflows, income, and expenses, measures rates of return to the developer, and compares returns and operating assumptions against current market benchmarks.

*Note: Camoin Associates and Storrs Associates regularly team on these projects.*

# REFERENCES

## CAMOIN ASSOCIATES REFERENCES

### **Ryan Silva, Executive Director**

*New York State Economic Development Council*

Phone: (518) 426-4058 | Email: Silva@nysedc.org

Project: Multiple assignments, including:

- Organizational Strategy for NYSEDC
- Economic and Fiscal Impact of New York State's IDAs and Strategy Report

### **Harry Coghlan, Executive Director**

*Nassau County Industrial Development Agency*

Phone: (516) 571-1945 | Email: hcoghlan@nassauida.org

Project: Multiple assignments for the Nassau County IDA, including:

- Dozens of economic and fiscal impact analyses on applications for PILOT assistance
- Economic Development and Marketing Strategy (2021)
- Economic impact data dashboard

## STORRS ASSOCIATES REFERENCES

### **Jonathan Reiner, AICP, Director, Planning and Development Services**

*Town of Groton, CT*

Phone: (860) 446-5980 | Email: JReiner@groton-ct.gov

Projects: Multiple assignments, including:

- Creation of a Tax Increment Financing District for Downtown Groton
- Creation of a joint Tax Increment Financing District for the Town and City of Groton
- Analysis of a proposed tax reduction vehicle and Tax Increment Financing District to induce redevelopment of a vacant education campus into multifamily housing

### **F. Michael Tucker, President and CEO, Columbia Economic Development Corporation (CEDC) and President, Tucker Strategies**

*Albany, NY and Columbia County, NY*

Phone: (518) 828-4718, ext. 101 | Email: Mike@Tuckerstrategies.com

Projects: Multiple assignments, including:

- For CEDC, periodic regulatory compliance review and policy writing for the CEDC and three related entities
- For CEDC, fiscal impact and alternate tax abatement analysis for projects proposed in Columbia County and the City of Hudson
- For Tucker Strategies, fiscal impact and alternate tax abatement analysis for projects proposed in Greene County, NY

# ADDITIONAL INFORMATION

## WHY CHOOSE THE CAMOIN/STORRS TEAM

- ◆ **Fresh Perspective and Economic Development Background** – Our team will bring to you decades’ worth of experience in the economic development and development finance space. Our fresh perspective will provide new thinking to Downtown Memphis, with all the best practices we have collected from our work around the country. The experiences’ we have had remind us that it is about more than just the individual projects, but rather about creating an effective and efficient system that encourages the type of development that is desired in a collaborative and innovative ecosystem.
- ◆ **Knowledge of Analyzing Development Projects**– The Camoin/Storrs Team has analyzed dozens of development projects and financial assistance requests and is familiar with common shortfalls and red flags. Our experience means we can help the Downtown Memphis Commission anticipate, identify, and evaluate these red flags early in the process to avoid major delays or wasting of time. We understand the connection between development projects, need for financial assistance, and implementation of economic development objectives and will work with your team to establish a protocol, application, and process to find the right approach for Downtown Memphis constituents and businesses.
- ◆ **Respect for Your Position** - The demands on economic development organizations is only getting more intense, with increased scrutiny and expectations coupled with decreased resources. The position the Downtown Memphis Commission is in is not an easy one, but it is critical and we will work to be your partner to help you continue to be successful in your work. We recognize that in economic development there a need to find a balance between rigid guidelines and flexibility as well as efficient review process that protect privacy and allow for transparency. We want to work with you on this project to define the best PILOT approach to align with the area’s economic development goals and create catalytic projects.
- ◆ **Experience Doing Similar Projects** – From our work with other economic development organizations, we have quantitative benchmarks and evaluation tools that can be used to begin the conversation around adjusting the application and evaluation process. We have already started building models that provide additional layers of assessment for economic development organizations, including addressing issues of wage rate, alignment with area goals, concerns of inequity, and more. Our data analysts are flexible, dedicated, curious, and skilled and are ready to help the team figure out the most effective and efficient approach to reviewing and approving applications.
- ◆ **Expertise in Benchmarking and Financial Assistance** - The broader Camoin/Storrs team has extensive experience in both financial analysis and benchmarking, all of which we will draw on to serve Downtown Memphis Commission. For example:
  - Dan Gundersen, Senior Vice President at Camoin Associates, is an expert in the field around benchmarking, including co-authoring the 2014 IEDC white paper entitled “Making it Count: Metrics for High Performing EDOs”. He will be available to the team throughout.
  - Rachel Selsky and Jessica Tagliaferro are currently working with New York State Economic Development Council to provide support to economic development agencies across New York to better understand how to adjust their PILOT and other assistance programs to be more in line with current economic development challenges.
  - Victoria Storrs, while at Camoin 310, wrote the book on **District Improvement Financing in Massachusetts** and implemented the tool for four communities.

## CAMOIN ASSOCIATES AND STORRS ASSOCIATES

- As Chair of the Town of Bethlehem Industrial Development Agency, Victoria Storrs oversees and actively participates in the project evaluation, financial analysis, and Board vote on PILOT requests.
  
- **Strong partnership between the firms** – Camoin Associates and Storrs Associates have a strong partnership, with 10 successful projects together in 2021. The two firms have complementary expertise and skills, including strong project management abilities, deep analytical expertise, and innovative problem solving. The team will be able to work well - both with the Downtown Memphis Commission to meet your needs, as well as with each other. Camoin Associates will act at the project lead and manager with delegation of certain tasks and collaboration with Storrs Associates throughout.

## BUDGET

If selected as the most qualified, Camoin Associates will work with your team to better refine the scope of work and will be able to provide a more detailed budget estimate. Based on the information outlined in the REOI and our experience conducting similar projects in the past, we anticipate a budget of approximately \$50,000. This assumes that all presentations and meetings are held virtually (including the final presentation).



Leading action to  
grow your economy



Storrs Associates, LLC



**Request for Expressions of Interest  
Downtown Memphis PILOT Program Review**



**Submitted By:**



1708 Monroe Avenue  
Memphis, TN 38104

Due: July 30, 2021





July 29, 2021

Mr. Abram Lueders  
Downtown Memphis Commission  
114 N. Main Street  
Memphis, TN 38103

RE: Downtown Memphis Pilot Program Review

ComCap Partners is pleased to submit its qualifications to the Downtown Memphis Commission (DMC) for its Request for Expressions of Interest – Downtown Memphis PILOT Program Review. We are confident that we have the experience and expertise to assist the DMC in fulfilling its goals to evaluate and improve its existing PILOT program.

Our responses to your REOI will illustrate a wide range of strengths and experience which we believe will be beneficial to a comprehensive review of the DMC PILOT program:

- Prior experience working with DMC
- Development Experience and Knowledge of Local Development Market
- Experience Using Various PILOT Programs in Memphis and Shelby County
- Understanding of “But For” Test in Cash Flow Analysis
- Familiarity with Various Compliance Programs
- Experience Navigating Development Aspects from a Governmental Prospective
- Strong Analytical Ability Related to Development Projects
- Experience of ComCap Personnel

We believe we have a thorough understanding of the DMC’s expectations and final outcomes for the assignment. Please do not hesitate to contact us if you have any questions or desire any additional information. We look forward to speaking with you soon.

Sincerely,

A handwritten signature in black ink, appearing to read 'Archie Willis III'.

Archie Willis III

President  
[awillis@comcap-partners.com](mailto:awillis@comcap-partners.com)  
901) 274-5666

A handwritten signature in black ink, appearing to read 'Pamela Z. Clary'.

Pamela Z. Clary

Executive Vice President  
[pclary@comcap-partners.com](mailto:pclary@comcap-partners.com)  
(901) 274-5666

**DOWNTOWN MEMPHIS COMMISSION**  
**REQUEST FOR EXPRESSIONS OF INTEREST**  
**DOWNTOWN MEMPHIS PILOT PROGRAM REVIEW**

**STATEMENT OF QUALIFICATIONS**

ComCap Partners (ComCap or firm), founded in 1999, is a real estate development and financial consulting firm based in Memphis, Tennessee. Our firm specializes in the areas of affordable housing, community development and municipal finance. The firm's real estate development practice includes large-scale developments in partnership with national firms as well as small community-based affordable housing developments – the majority of which will seek a PILOT from one of the economic development agencies in Memphis and Shelby County.

The firm has developed or assisted clients in the development of over 4,200 units of affordable housing and participated in over \$11 billion taxable and tax-exempt financings. (See Appendix A – Company Profile.) We are familiar with a variety of funding tools typically used by commercial developers and not-for-profit entities, dependent upon “But For” incentives sought to bring a project to successful financial reality. We are additionally aware of the strengths, limitations and challenges present when multiple incentives are utilized in one financing. Below are the major types of financings and incentives which ComCap has used in many of its projects:

- PILOT Programs
- Low Income Housing Tax Credits
- Historic Tax Credits
- New Markets Tax Credits
- Taxable and Tax-exempt financing
- Tax Increment Financing
- Government Grants and Loans
- Philanthropic Funds

It is this experience together with our knowledge of the appropriate use and success of PILOT programs that uniquely qualifies our firm to provide a thorough comprehensive review of the Downtown Memphis Commission (DMC) PILOT program.

## APPROACH TO THE ASSIGNMENT

- Meet with DMC Staff to narrow the scope of the assignment and determine best approach to address core issues.
- Review current application process to determine if intent of the program is being met and creating the desired outcomes versus public perception.
- Conduct a review of current and expired PILOTs to determine if there is consistency in the application of PILOTs across different projects and project types.
- Interview recipients of PILOTs for concerns, observations, opinions and recommendations.
- Explore best practices locally, regionally and nationally.
- Review PILOT program based on diversity, inclusion and equity to all types of developers and projects regardless of size or budget.
- Determine viable next steps including maintaining the status quo or a full or partial program revamp.

## RELEVANT PROJECT EXPERIENCE

Below is a sampling of relevant projects, studies or analyses which ComCap has performed (many on behalf of the DMC) which demonstrates our capacity, depth, experience and knowledge of cash flow analysis and project finance.



**Client:** Downtown Memphis Commission

**Project:** Metro Shopping Plaza (Metro) Feasibility Study

In 2020, ComCap Partners was engaged by the DMC to conduct a study to perform a market analysis and feasibility study for the redevelopment of the existing **Metro Shopping Plaza**. ComCap Partners brought together an experienced team comprised of a commercial broker and architectural firm to evaluate development and financing options for Metro. Metro, located in a once thriving black community, was one of the first efforts to create and foster opportunities for black businesses. The study included a historical review since 1968, evaluation of current conditions, area market data analysis, community feedback, evaluation of development options and comparative analysis for each option.



**Client:** Downtown Memphis Commission

**Project:** Debt Capacity Analysis/Plan of Finance for the Pilot Extension Rent Program

In 2019, ComCap Partners was engaged by the DMC to review the existing Pilot Extension Rent (PERs) program to determine the maximum debt capacity available for the program. The DMC was experiencing high demand for its limited resources related to the development of parking facilities in the downtown area. A complete review of the entire program was required to determine capacity which included 1) review of past and expected revenue performance; 2) status of and types of businesses generating PERs revenues; 3) calculation of debt capacity based on expected revenue streams; 4) review of legal covenants and conditions which potentially could restrain the use of future funds; 5) credit considerations; and 5) recommendations on the best and most cost-effective method of sale to finance future projects.



**Client:** Downtown Memphis Commission

**Project:** C2 Funding Analysis

In 2015, ComCap Partners was engaged by the DMC to identify potential funding options in that could be used to fund all or part of various projects to enhance the City's opportunities for accommodating additional conventions, conferences and other meetings in the Downtown Memphis area. More specifically, the plan addressed potential funding sources for the improvement and expansion of the then Memphis Cook Convention Center (currently, the **Renasant Convention Center**) and the potential repurposing of the Peabody Place Mall (currently, Service Master Headquarters) into a state-of-the-art meeting, conference and retail center. The initiative was labeled "convention and conference centers to the power of two" or "C2". Existing and potential funding sources were explored and certain conclusions generated to determine which were available for further consideration. For example, the report indicated that the Downtown TDZ financing documents prohibited the use of TDZ revenues for the Convention Center. The outstanding Downtown TDZ bonds were subsequently refunded and the bond covenants revised to allow for greater flexibility. The improvements to the **Renasant Convention Center** completed in 2017 and 2020 are supported, in part, by surplus TDZ revenues. ComCap Partners served as co-financial advisor for both transactions for the City of Memphis.



**Client:** Jackson Redevelopment Authority (JRA)

**Project:** Westin Hotel (Jackson, MS) - Preliminary Financial and Legal Review

In 2015, ComCap Partners was engaged by JRA to perform a financial overview in anticipation of JRA providing gap financing to the **Westin Hotel** project. The firm was asked to review certain legal and financing documents and provide an analysis of the fairness and appropriateness of the assumptions used by the developers as well as comment on the ability of the project to generate

cash flow sufficient to repay the JRA's obligation. This review determined that there were multiple financing sources proposed and JRA would be in a fourth debt position in the flow of funds. We recommended and suggested various ways JRA could protect itself in the event of a shortfall in the waterfall of revenues. Subsequently, ComCap was hired to serve as financial advisor for the \$9 million gap financing completed in 2016. The 203-room Westin Hotel opened in August 2017.



**Client:** Downtown Memphis Commission/Downtown Parking Authority

**Project:** Barbaro Flats Parking Garage

ComCap Partners served as financial advisor in the issuance of taxable municipal revenue bonds to fund the construction of a \$7.25 million, 205-space garage built in conjunction with **Barbaro Flats**, a privately developed 92-unit, 4-story apartment building on top of the parking facility. The financing closed December 2008. Construction of the parking garage began in January 2009, and was completed in early 2010.



**Client:** Downtown Memphis Commission/Downtown Parking Authority

**Project:** Refinancing of Peabody Place Garage

ComCap Partners was retained by the DPA to assist with a financial plan and implementation of its multi-year bond financing program. In FY2004, the firm completed, a \$10.465 million refinancing of the existing **Peabody Place Garage** to free the DPA of restrictive covenants imposed by Shelby County in conjunction with the original financing. The financing was secured by Pilot Extension Rents, (PERs) (existing pilots allowed to be extended for an additional period of time) generated within the DMC's Central Business Improvement District. The PERs were then solely pledged to the payment of bonds issued for economic development purposes in downtown Memphis.

### **ComCap Projects**

See Appendix A for a partial list of pending and completed projects utilizing various PILOT programs as well as significant community development projects in which ComCap has served either as a developer, co-developer, financial advisor, development consultant or a combination thereof.

## **FIRM'S ABILITY TO PERFORM THE SCOPE OF WORK**

### **Development Experience and Local Development Market**

Since 1999, ComCap Partners' work has primarily focused on improving the quality of life for disinvested communities in the urban core of Memphis. Working in these areas requires an understanding of the challenges that developers face as well as an appreciation of the rich history and legacy of many of these neighborhoods. Our firm partners with communities to leverage existing assets with the goal of creating more sustainable neighborhoods and communities. Over the years, the firm has worked to revitalize neighborhoods, drive economic development and create sustainable communities through quality affordable housing and comprehensive community and commercial development.

One of the key elements to developing and maintaining a successful PILOT Program is having an understanding of the program's objectives and an understanding of how those objectives intersect with urban development. It is this understanding that will enable ComCap to assist the DMC in formulating an effective PILOT Program that will continue to help facilitate the development of downtown, the EDGE and the Medical District. ComCap's unique understanding and perspective on this dynamic can be attributed to the firm's 1) actual development experience with various projects over the years, 2) understanding of the local real estate market, 3) understanding of municipal finance, and 4) a keen awareness of the relationship between property tax revenue, economic vitality and local government finances.

Additionally, through ComCap's development and consulting experience, the firm also understands the nuances of project financing, and what is required in order to secure conventional and private sector financing that is needed to adequately and appropriately fund projects in DMC's target areas.

### **Experience Using Various PILOT Programs in the City**

ComCap Partners has prepared PILOT applications on behalf of our clients for all of the major economic development agencies in the City:

- Economic Development Growth Engine (EDGE)
- Memphis Health Educational and Housing Facilities Board (MHEHFB)
- Downtown Memphis Commission

More importantly, we understand the need and appropriateness for these programs and the positive economic benefit realized especially for a marginal project. As a participant of various

incentive programs in the City, ComCap brings a unique perspective to the evaluation of the DMC’s PILOT review. The firm’s experience includes: working with DMC in its PILOT Extension Rents funds, working with both for-profit and non-profit developers of housing and commercial projects, and significant experience working with the CRA and understanding the dynamics between PILOTs and TIFs.

The majority of ComCap’s PILOT experience has been with the MHEHFB. However, the firm has experience with both the EDGE and DMC and their respective PILOT Programs. Recently, ComCap met with the EDGE in anticipation of submitting a PILOT application for the redevelopment of the **Northside High School** property. This adaptive reuse will consist of redeveloping the vacant school into a community hub that will provide Klondike and the surrounding neighborhoods with a range of services and programs to include (but not limited to) vocational education, physical fitness, academic achievement, performing and visual arts and other potential commercial and entrepreneurial opportunities. ComCap will be responsible for completing and submitting the PILOT application, negotiating the final terms of the PILOT Agreement, and insuring compliance with all requirements under the PILOT Program.

ComCap also worked with DMC in securing a PILOT for **Quimby Plaza**, a mixed-use development that was part of the Legends Park HOPE VI development. This project consisted of market rate housing, and commercial space leased to Le Bonheur Children’s Hospital. ComCap was responsible for all aspects of the PILOT process, including evidence of the “But-For” test. Additionally, ComCap assisted the development team in insuring that the project remained in full compliance with DMC’s requirements.

#### **Notable PILOT Projects**

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<b><u>ComCap Projects Receiving PILOTS</u></b>	<b><u>PILOT Agency</u></b>
Northside High School <sup>(1)</sup>	EDGE
South City <sup>(2)</sup>	MHEHFB
Renaissance at Steele	MHEHFB
Cleaborn Point at Heritage Landing <sup>(2)</sup>	MHEHFB
Legends Park <sup>(2)</sup>	MHEHFB
Quimby Place	DMC
University Place <sup>(2)</sup>	MHEHFB
Uptown <sup>(2)</sup>	MHEHFB/DMC

<sup>(1)</sup> Pending.

<sup>(2)</sup> Multiple PILOTS received.

### **Understanding of “But-For” Test in Cash Flow Analysis**

ComCap has several years of development experience, and the firm’s principals have decades of development and project finance experience, (see Appendix A). At the core of this experience is a fundamental understanding of revenue-based real estate development. Traditionally, the cornerstone of financing real estate development is through the use of financial leverage. Put simply, leverage allows real estate development to occur with equity investments significantly less than the total project cost. Consequently, the operating model (revenue less operating expenses) is a key component of the financing plan and the feasibility of a project. Furthermore, in Memphis and Shelby County, property taxes are a significant component of the operating expenses for any real estate development.

Therefore, the firm’s development and project financing experience will enable ComCap to offer its insight and perspective on the traditional “But-For” test that is commonly used to evaluate the appropriateness of local government and governmental agencies providing tax incentives to private development efforts. The underlying premise is that “But-For” the public resources and/or incentives, a specific development project would not be feasible.

It is important to note that the “But-For” test can potentially be manipulated to foster a desired outcome that will help justify the need for tax incentives. Therefore, it is imperative that DMC approach the continued use and need for the “But-For” test with an open mind. Additionally, DMC should review and update its development objectives and priorities. The development incentive process should then be evaluated using DMC’s development objectives in conjunction with current market conditions. ComCap’s experience and expertise will help DMC incorporate this critical relationship in the development incentive review process.

Additionally, in order for DMC’s incentives to have the desired outcomes, DMC has to develop and implement a strong and consistent monitoring and compliance system that measures and compares the actual outcomes to the desired outcomes over the term of the applicable incentive.

### **Familiarity with Various Compliance Programs Related to Development Incentives**

A key component of a successful incentive program is insuring that the development achieves the desired outcomes for the project. Accordingly, DMC should prioritize its development objectives and goals, and formulate a formal compliance system to monitor a project’s performance toward meeting the desired outcomes.



Two excellent examples of effective compliance are the compliance programs used with Low Income Housing Tax Credits and New Markets Tax Credits. Both programs include systematic reporting requirements and periodic site visits.

ComCap has experience with these two compliance systems, with extensive experience under the LIHTC program. Consequently, the firm would also be able to assist DMC to formulate an effective, but practical system to insure its development activities and incentives provide the level of benefits that warrant the organization's support.

### **Experience Navigating the Development Aspects from a Governmental Prospective.**

As housing and community development professionals, ComCap's principals are aware of the impact and the importance of governmental incentives and subsidies to the successful completion of "But-For" projects. As a firm, a large portion of our business has been the financing of projects often funded from multiple public and private sector sources. We have successfully navigated local, state and Federal legislation and regulations in order to insure the successful completion of many of our projects. No two projects are alike and all were multifaceted and assumptions often changed during the development process and required the ability to be flexible in order to complete the project on budget and on time. In 2018, ComCap served as tax credit consultant to the **Mid-South Food Bank (MSFB)** for its newly renovated 278,000 sf distribution center by securing \$18 million in new markets tax credits. This federal subsidy program resulted in a net benefit to the project of \$3 million. The MSFB would not have been able to be secure and renovate this building without the assistance of this "But-For" gap subsidy.

### **Strong Analytical Ability Related to Development Projects**

ComCap Partners specializes in affordable housing and community development projects complemented by a strong municipal and private debt financing practice. The overall approach to every assignment is our strong technical expertise and knowledge of the local real estate market. Whether a convention center or an affordable housing project, we approach every project the same – by determining from an analytical perspective the best and most cost-effective method to arrive at a workable solution. We perform all analytics in-house and build our own Excel financing and cash flow models. These include financing models for not-for-profit and for-profit affordable housing and community and commercial development projects. The firm also uses proprietary software to perform municipal debt sizings. A significant portion of our modeling is specifically related to development projects using one of the three major PILOT programs in Memphis and Shelby County. Therefore, we are very aware of the relationship of a PILOT to the successful completion of a project.

Most of the firm’s PILOT experience has been with affordable housing developments through the MHEHFB. Under the MHEHFB’s PILOT program, ComCap has prepared and presented numerous successful PILOT applications for various affordable and mixed-income housing developments. Recent projects include four phases of the **Footo Park at South City** development under HUD’s Choice Neighborhoods Initiative. The four phases consist of 512 units of affordable and mixed-income housing. The firm also recently completed **Renaissance at Steele** which consists of 146 units of affordable housing in the Frayser community. All of these developments secured PILOTs through the MHEHFB.

In each of the aforementioned projects, ComCap was responsible for formulating a financing plan using a myriad of funding sources. Utilizing the firm’s analytical skills and development experience, ComCap was able to successfully secure financing for these projects, including significant funding from private sector lenders and tax credit investors. In each development, the PILOT issued by the MHEHFB was an essential component of the financial model.

### **STAFFING/RESUMES**

The principals of ComCap Partners, Archie Willis III and Pamela Z. Clary are committed to providing the highest quality service possible. Collectively, the principals have been actively involved in the real estate, community development or municipal finance industry for over 60 years. Ms. Clary will serve as the day-to-day project manager which will insure that the DMC is receiving the appropriate staff coverage at all times and will have a 100% time commitment to this engagement. The resumes of key personnel responsible for deliverables under this contract will be:

<b>Key Staff Assigned</b>	<b>Title</b>	<b>Role</b>
Archie Willis III	President	Engagement Manager
Pamela Z. Clary	Executive Vice President	Day-to-Day Project Manager
Alex Willis Boddie	Project Manager	Research/Analysis
Courtney Jennings	Senior Financial Analyst	Research/Analysis
Albert Brown	Financial Analyst	Research/Analysis

See Appendix A for complete resumes of key staff assigned to this engagement.

### CLIENT REFERENCES

The clients below are available to attest to the quality of service provided by ComCap Partners.

#### **City of Memphis, Tennessee**

Andre Walker, Deputy CFO  
City of Memphis  
125 N. Main St., Room 368  
Memphis, TN 38103  
(901) 636-6324  
[Andre.Walker@memphistn.gov](mailto:Andre.Walker@memphistn.gov)

#### **Jackson Redevelopment Authority**

Pernila "Penny" Stimley Brown, General Counsel  
Jackson Redevelopment Authority  
218 S. President St.  
Jackson, MS 39201  
(601) 383-8954  
[pbrown@stimleylaw.com](mailto:pbrown@stimleylaw.com)

#### **Memphis Health, Educational, and Housing Facility Board**

Martin Edwards, Jr., Executive Director  
Memphis Health, Educational, and Housing Facility Board  
65 Union Ave., Suite 1120  
Memphis, TN 38103  
(901) 527-6400  
[Martin.Edwards@memphishehf.com](mailto:Martin.Edwards@memphishehf.com)

### ESTIMATED BUDGET

**Fees** – Upon determination of an approved scope of services based on a more thorough understanding of the role and responsibilities, ComCap will be able to provide a fee proposal together with an estimated timeline for completion of the engagement.

**Expenses** – Expenses for approved third party expenses shall be reimbursed by same upon receipt of proper documentation of such costs.

\* \* \* \* \*

# **Appendix A**

Company Profile  
Notable ComCap Projects  
ComCap Staff Resumes



Community Capital LLC (dba ComCap Partners) is a Memphis-based real estate development, financial advisory and consulting firm. The firm was formed in 1999 and works primarily in urban centers and under-served communities. The firm's development and consulting portfolio includes projects with public-private partnerships, local non-profit entities, and private developers. The firm also provides financial advisory and consulting services in the areas of affordable housing, municipal finance, as well as economic and community development.

### **Real Estate Development**

Over the years, the firm has co-developed over 1,100 units of mixed-income multifamily housing as part of three HOPE VI developments in partnership with national firms. ComCap also co-developed a mixed-use development with 24 market-rate apartments and a 30 lot affordable home-ownership subdivision under the HOPE VI program. In addition to the firm's HOPE VI development experience, the firm has provided development consulting and financial advisory services for over 3,100 units of affordable housing.



Currently, ComCap is working with a national developer on the South City Choice Neighborhoods Initiative administered through HUD. The South City project consists of redeveloping a public housing site into 712 units of mixed-income multifamily housing. Additionally, the firm recently completed the substantial renovation of a 146-unit affordable multifamily complex in the Frayser community, in partnership with a local CDC. Slated to begin construction this summer, the firm is partnering with a local development company to develop an approximately 365-unit market-rate apartment community in partnership with the University of Tennessee Health Sciences Center.



With a broad range of project experience, ComCap also has expertise working with difficult-to-finance projects located in under-resourced urban communities. Two projects that are in the pre-development phase consist of the redevelopment and adaptive reuse of two vacant school buildings into multi-tenant community facilities.

### **Municipal Finance Advisory Services**

ComCap Partners also provides municipal finance advisory services to cities, counties, utilities, housing authorities, and other quasi-governmental agencies. The firm is a Registered Municipal Advisor, under the U.S. Securities and Exchange Commission and Municipal Securities Rulemaking Board.



ComCap Partners offers a wide range of advisory services, including feasibility analysis, policy development, financial planning, project management, credit analysis, and debt transaction management.

Current municipal clients include the City of Memphis, Shelby County, and the City of Jackson (MS) Redevelopment Authority, and the Downtown Memphis Commission.

## Notable Projects - ComCap Partners

Date	Client	Project	Description	Role
<b>Studies - Feasibility/Market Analysis</b>				
2020	DMC	Metro Shopping Center	Financial/Market Analysis	Consultant
2015	DMC	C2 Funding Analysis	Financial/Public Policy Analysis	Sole FA
2015	JRA	Westin Hotel	Financial Analysis	Sole FA
2008	DMC/DPA	PILOT Extension Fund Analysis	Financial/Market Analysis	Sole FA
<b>Major Municipal Financings</b>				
2021	Memphis	Liberty Park	Sports and Events Complex	Co-FA
2018	Memphis	Memphis Convention Center	Renovations to Convention Center	Co-FA
2015	JRA	Westin Hotel	Construction of Westin Hotel - 203 rooms	Sole FA
2014	Memphis	AutoZone Park	Debt Refinancing and Capital Improvements	Co-FA
2011	Memphis	Bass Pro	Renovations to Pyramid into Bass Pro flagship store	Co-FA
2002	Memphis	FedEx Forum	Sports Arena Construction	Co-FA
<b>Mixed Use Projects</b>				
2021	UTHSC <sup>(1)</sup>	Orleans Station	New Construction - 409 units	Co-Developer
2021	Northside Preservation Inc. <sup>(1)</sup>	Northside High School	Community Development - Neighborhoods	Lead Developer
2019	MATA	Central Station	Hotel Rehabilitation - 123 rooms	Co-Developer
2011	MHA	Quimby Plaza	New Construction - 24 units	Co-Developer
2008	DMC	Barbaro Flats	New Construction - 205-space Parking Garage	Sole FA
<b>Affordable/Mixed-Income Housing</b>				
2021	MHA <sup>(1)</sup>	Foot Park at South City	New Construction - 712 units <i>(Total Units Planned)</i>	Co-Developer
2021	The Works	Renaissance at Steele	Rehabilitation - 146 units	Co-Developer
2014	MHA	Cleaborn Pointe at Heritage Landing	New Construction - 362 units	Co-Developer
2011	MHA	Legends Park	New Construction - 339 units	Co-Developer
2009	MHA	University Place	New Construction - 473 units	Co-Developer
2006	MHA	Metropolitan/Greenlaw/Uptown Senior Apts.	New Construction - 271 units	Co-Developer
2006	MHA	Uptown Square	Rehabilitation - 347 units	Co-Developer

<sup>(1)</sup> Ongoing Projects

## Archie Willis III



### Founder and President

#### COMMUNITY INVOLVEMENT

Tri-State Bank of Memphis, Chair of the Board of Directors

Community Foundation of Greater Memphis, Board of Governors

Urban Renaissance Partners, Inc., President

Urban Land Institute-Memphis District Council, Executive Committee

Urban Child Institute, Board Member

#### EDUCATION

University of North Carolina at Chapel Hill, Master of Business Administration

University of Southern California, Bachelor of Science, Finance

Archie Willis III is the founder and President of ComCap Partners and leads the firm's affordable housing and community development financial advisory and real estate development activities. Since the company's formation in 1999, the firm has served as financial advisor to numerous nonprofit sponsors and private developers in the financing of more than 3,100 units of affordable housing and other community development projects. Mr. Willis also leads the firm's development activities which include co-developing over 1,100 units of mixed-income multifamily housing on three HOPE VI sites.

Most recently, Mr. Willis led the renovation of Renaissance at Steele, a 146 unit multifamily complex in the Frayser community, completed in early 2021. He is also currently working with a national real estate company in the development of 712 units of mixed-income housing as part of the South City Choice Neighborhoods Initiative.

Mr. Willis led the firm's work as development partner in the redevelopment of the Central Station in downtown Memphis. Since the completion of that project in 2019, Archie has expanded the firm's portfolio to include more comprehensive community development projects and is currently spearheading revitalization efforts in neighborhoods in south and north Memphis. He is currently leading the firm's efforts in redeveloping two vacant school buildings into community assets.

Previously, Mr. Willis was a First Vice President in the Public Finance Department of a regional investment banking firm. Prior to joining the investment banking firm, Mr. Willis spent 10 years working in the area of real estate development and mortgage banking.

Mr. Willis served on the Board of Commissioners for the legacy Memphis City Schools from 1997-1998; and served on the Pension Board of Memphis Light, Gas and Water Division for 11 years. Mr. Willis has been active on the boards of numerous civic and community organizations including Neighborhood Preservation Inc., Community LIFT, the Shelby County Health Educational and Housing Facility Board, BRIDGES, Girls Inc., the NAACP, United Housing, United Way, and Centenary United Methodist Church.

ComCap Partners

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## Pamela Clary



### Executive Vice President

#### CERTIFICATIONS

Registered Municipal Advisor (MSRB)

Certified Independent Professional  
Municipal Advisor (NAMA)

#### COMMUNITY INVOLVEMENT

Memphis Airport Authority, Board  
Member

Memphis Light, Gas and Water  
Pension and Investment Committee,  
Citizen Member

Tennessee Lawyers' Fund for Client  
Protection, Board Member

#### EDUCATION

LaSalle University, Master of Business  
Administration

Drexel University, B. S.  
Design/Textiles

Since 2003, Ms. Clary has served as a senior project manager and lead advisor to the firm's municipal finance and economic and community development clients. Ms. Clary has assisted her clients in the issuance of over \$11 billion of municipal tax-exempt and taxable bonds for public projects. She has provided financial advisory services to the City of Memphis, Shelby County, Memphis Light Gas and Water, the Downtown Memphis Commission/Downtown Parking Authority, The Memphis and Shelby County Sports Authority, the Jackson Redevelopment Authority (Jackson, MS), and the Memphis/Shelby County Redevelopment Agency.

Ms. Clary has expertise in financing large economic development projects which include the redevelopment of the former Pyramid Arena into a Bass Pro World retail facility, the refinancing of AutoZone Park, the development of the Westin Hotel in Jackson, MS. Recent projects include financing for Liberty Park, Accelerate Memphis, and major improvements to the Renasant Convention Center. She also completed a project for the Mid-South Food Bank to finance its new food distribution facility using a combination of financing tools including New Markets Tax Credits.

Prior to joining ComCap Partners, Ms. Clary served as Deputy Director of Housing and Community Development for the City of Memphis. Her areas of responsibility included the rehabilitation and replacement housing programs, single-family/multifamily real estate development, and down payment assistance programs for low-income/middle-income residents. She served as the City's liaison to the Memphis Housing Authority and provided oversight of the City's designated capital improvement funds for several Hope VI projects.

Ms. Clary also served as the Deputy Director of Finance for the City having responsibility for management of the City's \$600 million debt program, \$150 million operating cash portfolio, the \$1.8 billion pension portfolio, and all risk management functions.

Active in the Memphis community, Ms. Clary has served as a board member of the Women's Foundation for a Greater Memphis, the Shelby County Housing Authority, the Shelby County Industrial Development Board, and the YWCA.

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## Alexandra Willis Boddie



### Project Manager

#### EDUCATION

Wake Forest University School of Business,  
Masters of Arts in Management

Vanderbilt University, B. A.  
Psychology and Managerial Studies

#### CERTIFICATIONS

Licensed Affiliate Broker (TN)  
Memphis Area Association of Realtors,  
Member

#### COMMUNITY INVOLVEMENT

Urban Land Institute -Memphis District  
Council, Management Committee

Girls Inc. of Memphis, Board of  
Directors

Community Foundation of Greater  
Memphis, Give365 Advisory Team

After working at ALSAC/St. Jude Children's Research Hospital for seven years, Alexandra joined the ComCap Partners team in 2018. Experienced in project management and strategic planning, Alexandra currently manages the implementation of the South City Choice Neighborhoods Initiatives neighborhood plan. She serves as project manager for multiple mixed-use development projects currently being led by the firm. Additionally, Alexandra assists the firm's senior management in analyzing project feasibility and researches market and industry trends. Alexandra also manages the company's branding and marketing efforts.

Beginning her career at ALSAC (the fundraising organization for St. Jude Children's Research Hospital) as an Event Marketing representative in Indianapolis, Alexandra was responsible for implementing St. Jude's core programming and managing events throughout the state of Indiana. In 2012, Alexandra relocated to the ALSAC National Executive Office in Memphis and joined the Donor Experience Management team as an analyst. During her five years on that team, Alexandra helped develop the team, which was dedicated to conducting research and analyzing data to understand donor behavior, eventually managing the team until her departure in 2018.

During her time at ComCap Partners, Alexandra has gained experience in various aspects of real estate, affordable housing and community development. Alexandra is active with the Urban Land Institute-Memphis District Council, joining the Management Committee in the spring of 2020.

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## **Albert Brown**

### **Financial Analyst**

Albert joined the ComCap Partners team in 2019 as a financial analyst. Licensed by the Municipal Securities Rulemaking Board as a municipal advisor representative, Albert analyzes and helps develop municipal bond structures, performs bond refunding and credit analysis, economic analysis, and generates financial analyses for projects.

In addition to working in the firm's municipal advisory practice, Albert also supports the firm's real estate and community development projects, assisting senior management with the research and development of financial structures for community development, affordable housing, and municipal projects.

Albert has experience working with data, from creating statistical models used to predict home sale prices, to optimizing performance from production input data. Prior to joining ComCap, Albert worked as an engineer, chemist, and property manager, and brings those analytical skills and experiences to his current role.

Albert is active with the Memphis Chapter of the Morehouse Alumni Association and Parkway Gardens United Presbyterian Church.

Albert earned an M.A. in Applied Economics from Southern Methodist University and a B.S. in Chemistry from Morehouse College.

## **Courtney Jennings**

### **Senior Financial Analyst**

Courtney is the newest addition to the ComCap team, joining in 2021. As a senior financial analyst, Courtney analyzes financial data to develop and recommend appropriate financing structures and determine project feasibility.

Courtney has over 9 years of diverse industry experience in finance, serving in various roles at multiple publicly traded companies including FedEx, Home Depot, and ServiceMaster. As a lead analyst, Courtney provided financial advisory services and transactional support totaling more than \$1B.

Courtney is actively involved with the local community as a member of Kappa Alpha Psi Fraternity, Inc. Courtney attended The University of Tennessee where he received a B.A. in economics. He is currently pursuing a M.B.A at the University of Memphis and will graduate in December of 2021.

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**DOWNTOWN  
MEMPHIS  
COMMISSION**

# Center City Revenue Finance Corporation Debt Capacity Analysis and Plan of Finance Revised July 2019





# Understanding of the Engagement

- Determine the maximum future debt capacity utilizing Pilot Extension Rents as the revenue source under various financing options.
- Explore using the City’s credit as a backstop to enhance the quality of a CCRFC financing<sup>1</sup>.
- Evaluate the credit considerations and challenges to insure a successful financing.
- Recommend the best and most cost-effective method of sale to finance future projects.

<sup>1</sup> CCRFC counsel has indicated that the City may lend its credit to the CCRFC pursuant to state law, however, the use of the City’s credit will be based upon its currently available capacity to lend its credit to the CCRFC.

# History of Pilot Rents

**CENTRAL BUSINESS  
IMPROVEMENT DISTRICT**



**Previously Funded Downtown Projects**

Year	Garage	Funding
2004	Peabody Place	\$ 10,465,000
2008	100 S. Main	8,183,812
2012	21 South Second	2,975,000
2012	Chisca	1,000,000
2013	One Commerce Square	2,000,000
2015	Tennessee Street	5,200,000
2018	Bakery	6,000,000
2019	One Beale <sup>1</sup>	10,000,000
<b>Total</b>		<b>\$ 45,823,812</b>

<sup>1</sup> Proposed

- In 1997, City of Memphis (City) and Shelby County (County) leaders formulated a plan to provide an additional source of funds for qualifying downtown public projects.
- The Plan: To extend existing payment-in-lieu-of-tax payments on businesses (Pilot Leases) located in the Central Business Improvement District (CBID) for an additional 15 years at the then current assessed property valuation levels.
- The Pilot Extension Rents Program (Pilot Rents or PERs) was approved by the CCRFC with the following conditions: (1) the funds will only be used for certain qualifying downtown public projects recommended by the CCRFC, the Center City Development Corporation or the Downtown Parking Authority (DPA); and (2) the City and County Mayors must approve the projects and use of funding.



# Current Pilot Rents Properties

The Pilot Rents revenues are generated from the extension of existing Pilot Lease agreements entered into between certain developers and the CCRFC on individual commercial business properties located in the downtown Memphis CBID. Pilot Lease agreements were extended for an additional period of fifteen (15) years with the following exception: two Pilot Leases were extended for a period of thirty (30) years in conjunction with a larger redevelopment project.

Of the original sixty-one (61) properties, forty-nine (49) remain in the program through FY2019. The current lessees are varied and include corporations, partnerships and individual business owners. The Pilot Lease payments are paid annually based on property tax due dates for the City (September) and County (February).

Rank	Current Lessee	Type of Business	\$ Rents Due	% Rents Due	Return to Abatement	Rank	Current Lessee	Type of Business	\$ Rents Due	% Rents Due	Return to Abatement
1	Hotel Peabody, L.P.	Hotel/Peabody Place	23,432,346	20.065%	2022	25	Salem Manor L.P.	Apartments	261,408	0.224%	2022
2	Jefferson River Estates, L.P.	Apartments	18,975,204	16.248%	2040	26	Memphis 99 Parking Garage LP	Garage/Lowenstein	255,607	0.219%	2025
3	Forum Residential Partners	Apartments	12,570,572	10.764%	2039	27	Harbor Town Centre, LLC	Commercial/Apartments	236,446	0.202%	2024
4	AutoZone, Inc.	Office/Commercial	8,559,765	7.330%	2033	28	AutoZone, Inc.	Office/Garage/60 Madison Plaza	195,286	0.167%	2019
5	Peabody Office Tower GP	Office/Commercial	7,522,116	6.441%	2034	29	Winchester Building, LLC	Office/Commercial/Garage	178,860	0.153%	2024
6	Peabody Place - Gold, L.P.	Retail/Commercial	6,511,268	5.576%	2034	30	Court Square Partnership	Office/Commercial	176,535	0.151%	2021
7	Peabody Place Hotel Company LP	Hotel/Hampton Inn	5,549,964	4.752%	2038	31	Gateway Apartments, L.P.	Commercial/Self-Storage Facility	72,638	0.062%	2022
8	Gayoso House L.P.	Commercial/Apartments	5,161,045	4.419%	2033	32	123 Court Building	Office/Commercial	57,516	0.049%	2024
9	Parkway Properties, LP	Office/Commercial/Ray James	4,356,174	3.730%	2024	33	Philip Woodard/Terry Woodard	Commercial/Apartments	57,215	0.049%	2022
10	HMH Properties, Inc. (Sublessee)	Hotel/Sheraton/Conv. Center	3,514,620	3.010%	2023	34	Jefferson Place, L.L.C.	Commercial/Apartments	50,231	0.043%	2019
11	LB Memphis Brownstone LLC	Hotel/Crown Plaza	2,695,981	2.309%	2031	35	Nail Bar on the Island	Commercial/Apartments	40,964	0.035%	2024
12	Island-Harbor Corp.	Apartments	2,568,495	2.199%	2031	36	Ronny and Amy Wright	Commercial/Self-Storage Facility	39,034	0.033%	2020
13	Forum Residential Partners	Apartments	2,361,221	2.022%	2039	37	Robert Lamb Sullivan	Commercial/Apartments	34,477	0.030%	2022
14	Peabody Place-Hav, L.P.	Commercial/Apartments	2,267,376	1.942%	2034	38	Ephraim Urevbu	Commercial/Apartments	24,004	0.021%	2023
15	Gibson Guitar Corp.	Manufacturing	1,910,429	1.636%	2023	39	Henry B. Cowles/Barbara S. Cowles	Commercial/Apartments	19,280	0.017%	2021
16	Nine South Second Properties	Commercial/First Parking Garage	1,356,669	1.162%	2034	40	Memphis Engraving Company, Inc.	Manufacturing	10,075	0.009%	2018
17	Moody National Memphis	Commercial/Apartments	1,257,353	1.077%	2024	41	Mark S. Grawemeyer/Leslie E. Smith	Commercial/Apartments	9,621	0.008%	2022
18	Sanderlin Place/Brinkley Plaza II LP	Office/Garage	1,179,107	1.010%	2024	42	Mark S. Grawemeyer/Leslie E. Smith	Commercial/Apartments	7,927	0.007%	2022
19	Cotton Exchange Building	Office/Commercial	757,815	0.649%	2024	43	Mark S. Grawemeyer/Leslie E. Smith	Commercial/Apartments	4,226	0.004%	2022
20	South Bluffs, a joint venture	Apartments	708,642	0.607%	2024	44	Melvin Daniel	Commercial/Apartments	3,256	0.003%	2022
21	Tennessee Hotel Group I, L.P.	Hotel/Sleep Inn	498,839	0.427%	2020	45	Mark S. Grawemeyer/Leslie E. Smith	Commercial/Apartments	2,692	0.002%	2022
22	Three Sisters, Ltd.	Office/Commercial/Garage	489,038	0.419%	2025	46	Mark S. Grawemeyer/Leslie E. Smith	Commercial/Apartments	2,413	0.002%	2022
23	Island Properties Associates	Restaurant/Retail	428,223	0.367%	2028	47	Ramesh C. and Manju Gupta	Office/Commercial	1,056	0.001%	2018
24	Memory Austin Bishop	Commercial/Apartments	408,895	0.350%	2025	48	Pinch Partners Investment Company	Restaurant/Retail	1,020	0.001%	2019
						49	Michael and Mary Ann Burr	Commercial/Apartments	431	0.000%	2020
<b>TOTAL</b>									116,783,375	100.000%	

<sup>1</sup> Gross Total Pilot Rents before allowance for administrative fees.

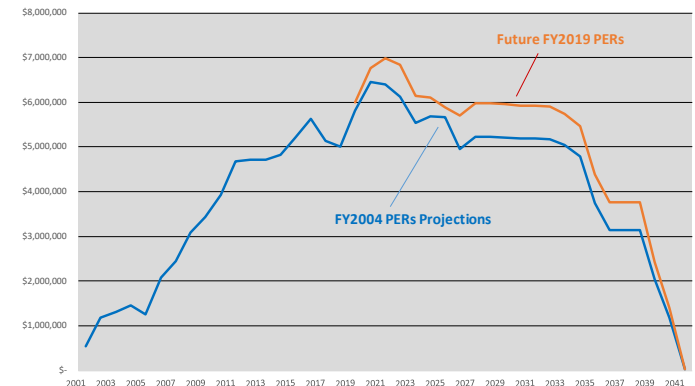
# Pilot Rents By Year

**Projected PERs / Year**

	<u>FY2004 PERs</u>	<u>FY2019 PERs</u>
2001	548,946	
2002	1,180,594	
2003	1,311,892	
2004	1,465,258	
2005	1,261,158	
2006	2,075,020	
2007	2,446,373	
2008	3,077,491	
2009	3,430,309	
2010	3,934,048	
2011	4,678,123	
2012	4,713,616	
2013	4,713,616	
2014	4,826,656	
2015	5,205,190	
2016	5,627,856	
2017	5,136,442	
2018	5,015,969	
2019	5,815,758	5,987,671
2020	6,450,287	6,760,060
2021	6,400,298	6,978,749
2022	6,115,155	6,831,619
2023	5,545,938	6,137,077
2024	5,688,729	6,103,511
2025	5,657,199	5,884,109
2026	4,948,188	5,700,945
2027	5,218,660	5,968,929
2028	5,218,660	5,968,929
2029	5,214,818	5,961,883
2030	5,197,090	5,929,360
2031	5,197,090	5,929,360
2032	5,174,435	5,900,377
2033	5,049,551	5,734,719
2034	4,779,775	5,462,839
2035	3,740,331	4,389,270
2036	3,138,760	3,761,772
2037	3,138,760	3,761,772
2038	3,138,760	3,761,772
2039	2,036,992	2,434,664
2040	1,178,836	1,398,434
2041	30,442	35,549

**Projected future receipts \***

- Pilot Rents began to be collected in FY2001. Over the last 18 years, the program has generated net receipts of over \$65 million.
- All Pilot Rents collected are net of administrative fees charged by the City and County of 1% and 2%, respectively.
- Future net Pilot Rents will generate an estimated \$115 million through FY2041.
- The net Pilot Rents will peak in FY2021 at \$6.9 million.



# Existing Bonded Debt

## Peabody Place Parking Garage



- In December 2004, the CCRFC issued bonds to provide funds to make a loan to the DPA.
- Subsequently, the DPA used the loan proceeds to repay a promissory note to Shelby County for borrowed funds for the construction of the Peabody Place Parking Garage; fund a debt service reserve fund; and pay certain costs of issuance.
- Taxable bonds were issued because a portion of the garage was to be used for a non-public purpose.
- The CCRFC Taxable Revenue Bonds, Series 2004 are currently outstanding in the aggregate principal amount of \$4,350,000. The first optional call date was December 1, 2015.
- The bonds were issued as limited obligations payable solely from Net Pilot Rents under the Master Indenture.
- The Bonds were further secured by an insurance policy issued by Radian Asset Assurance Inc<sup>1</sup>. The original insured rating for Radian was “AA” as rated by Standard & Poor’s.

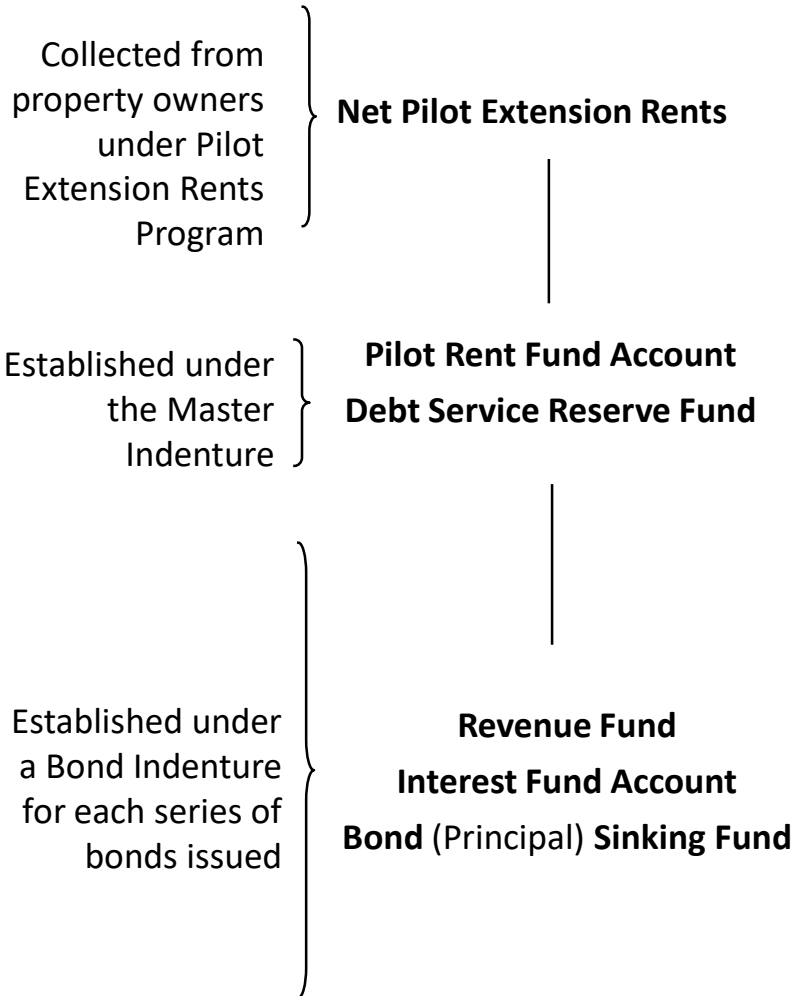
<sup>1</sup> Assured Guaranty Corp. (AGC) acquired Radian Asset Assurance Inc. (Radian Asset) from Radian Guaranty Inc. on April 1, 2015. Radian Asset immediately merged with, and into, AGC, with AGC as the surviving company. As a result, the assets and obligations (including insurance policies) of Radian Asset have become the assets and obligations of AGC. AGC’s rating continues to be rated AA by Standard & Poor’s.





# Existing Master Indenture Structure

## Application of Funds



### Pledge of Revenues <sup>1</sup>

- All Pilot Rents collected are pledged to the bonds.
- Deposited with the Master Trustee established under the Master Indenture.
- Maintained as long as bonds are outstanding.

### Additional Bonds Test (ABT) Two-tier ABT:

- If top two properties are greater than 40% of total Pilot Rents collected in any fiscal year, the ABT is 1.50x debt service coverage (DSC).
- If top two properties are less than 40% of total Pilot Rents collected in any fiscal year, the ABT is 1.25x DSC.
- The top two properties are estimated to be above 40% of total Pilot Rents over the life of the program, therefore, the ABT is 1.50x for additional bonds issued under the existing Indenture.

### Debt Service Reserve Fund (DSRF)

- A DSRF is required equal to the lesser of either: 1) maximum annual debt service; 2) 10% of the bonds issued; or 3) 125% average annual debt service (AADS).
- Maintained to final maturity of the bonds.
- The Series 2004 Bonds were funded at AADS in the amount of \$881,800.

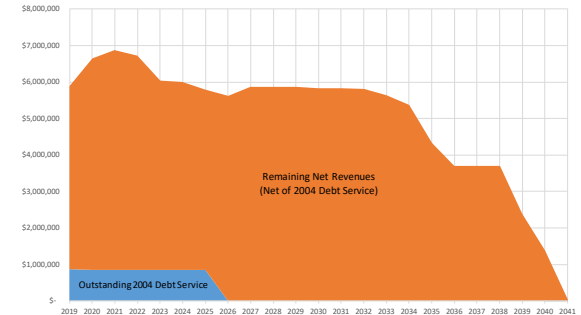
<sup>1</sup> No revenues from the operations of the garages flow into the Pilot Rent Fund nor secure the Series 2004 Bonds.



# Current Pilot Rents Projections

## No Garage Revenues Assumed

The current Pilot Rents projections are based on Total Pilot Rents minus administration fees charged by the City and County. No revenues from existing garages are assumed. The Series 2004 Bonds issued to refinance the Peabody Place Garage have a first priority pledge to the cash flows. The projections below assumes no additional debt to be issued. The remaining funds are available to finance or fund from cash certain qualifying downtown public projects.



Fiscal Year	Gross Pilot Extension Rents			Less: Admin Fees @ 3% <sup>1</sup>	Net Pilot Rents	Series 2004 Debt Service	Funds Available for Debt Service	Funds Subordinate Debt Service		Cumulative Funds Remaining
	City	County	Total					First Park. Pl.	Net Available After Sub DS	
2019	\$ 2,658,314	\$ 3,329,357	\$ 5,987,671	\$ 93,170	\$ 5,894,501	\$ 864,555	\$ 5,029,946	\$ 225,086	\$ 4,804,860	\$ 4,804,860
2020	3,001,311	3,758,750	6,760,060	105,188	6,654,872	859,175	5,795,697	225,086	5,570,612	10,375,472
2021	3,098,060	3,880,689	6,978,749	108,594	6,870,155	861,765	6,008,390	225,086	5,783,304	16,158,776
2022	3,032,918	3,798,701	6,831,619	106,303	6,725,316	857,180	5,868,136	225,086	5,643,050	21,801,826
2023	2,725,108	3,411,968	6,137,077	95,490	6,041,586	860,275	5,181,311	225,086	4,956,225	26,758,051
2024	2,710,697	3,392,815	6,103,511	94,963	6,008,548	855,905	5,152,643	225,086	4,927,557	31,685,609
2025	2,612,466	3,271,643	5,884,109	91,558	5,792,551	854,070	4,938,481	225,086	4,713,396	36,399,004
2026	2,531,195	3,169,750	5,700,945	88,707	5,612,238		5,612,238	225,086	5,387,152	41,786,156
2027	2,649,802	3,319,127	5,968,929	92,881	5,876,049		5,876,049	225,086	5,650,963	47,437,119
2028	2,649,802	3,319,127	5,968,929	92,881	5,876,049		5,876,049	225,086	5,650,963	53,088,083
2029	2,646,675	3,315,208	5,961,883	92,771	5,869,112		5,869,112	225,086	5,644,026	58,732,109
2030	2,632,242	3,297,118	5,929,360	92,265	5,837,095		5,837,095	225,086	5,612,009	64,344,118
2031	2,632,242	3,297,118	5,929,360	92,265	5,837,095		5,837,095	225,086	5,612,009	69,956,127
2032	2,603,259	3,297,118	5,900,377	91,975	5,808,402		5,808,402	225,086	5,583,316	75,539,443
2033	2,545,531	3,189,188	5,734,719	89,239	5,645,480		5,645,480	225,086	5,420,395	80,959,838
2034	2,424,895	3,037,944	5,462,839	85,008	5,377,832		5,377,832		5,377,832	86,337,670
2035	1,948,921	2,440,349	4,389,270	68,296	4,320,974		4,320,974		4,320,974	90,658,644
2036	1,670,765	2,091,007	3,761,772	58,528	3,703,244		3,703,244		3,703,244	94,361,888
2037	1,670,765	2,091,007	3,761,772	58,528	3,703,244		3,703,244		3,703,244	98,065,132
2038	1,670,765	2,091,007	3,761,772	58,528	3,703,244		3,703,244		3,703,244	101,768,376
2039	1,079,563	1,355,101	2,434,664	37,898	2,396,767		2,396,767		2,396,767	104,165,143
2040	619,967	778,467	1,398,434	21,769	1,376,665		1,376,665		1,376,665	105,541,808
2041	15,755	19,794	35,549	553	34,996	-	34,996		34,996	105,576,804
<b>Total</b>	<b>\$ 51,831,017</b>	<b>\$ 64,952,354</b>	<b>\$ 116,783,371</b>	<b>\$ 1,817,357</b>	<b>\$ 114,966,014</b>	<b>\$ 6,012,925</b>	<b>\$ 108,953,089</b>	<b>\$ 3,376,285</b>	<b>\$ 105,576,804</b>	

<sup>1</sup>Administrative fees - County = 2%; City = 1%.



# Current Pilot Rents Projections

## Garage Revenues Assumed

The current Pilot Rents projections are based on Total Pilot Rents minus administration fees charged by the City and County. Revenues from existing garages are assumed. The Series 2004 Bonds issued to refinance the Peabody Place Garage have a first priority pledge to the cash flows. The projections below assumes no additional debt to be issued. The remaining funds are available to finance or fund from cash certain qualifying downtown public projects.

Fiscal Year	Gross Pilot Extension Rents			Less: Admin Fees @ 3% <sup>1</sup>	Net Pilot Rents	Series 2004 Debt Service	Garage Revenues		Funds Available for Debt Service	Subordinate Debt Service First Park. Pl.	Net Available After Sub DS	Cumulative Funds Remaining
	City	County	Total				One Commerce Square	Bakery Garage				
2019	\$ 2,658,314	\$ 3,329,357	\$ 5,987,671	\$ 93,170	\$ 5,894,501	\$ 864,555	75,000		\$ 5,104,946	\$ 225,086	\$ 4,879,860	\$ 4,879,860
2020	3,001,311	3,758,750	6,760,060	105,188	6,654,872	859,175	75,000	212,149	6,082,846	225,086	5,857,760	10,737,620
2021	3,098,060	3,880,689	6,978,749	108,594	6,870,155	861,765	75,000	212,149	6,295,539	225,086	6,070,453	16,808,074
2022	3,032,918	3,798,701	6,831,619	106,303	6,725,316	857,180	75,000	212,149	6,155,284	225,086	5,930,199	22,738,272
2023	2,725,108	3,411,968	6,137,077	95,490	6,041,586	860,275	75,000	212,149	5,468,460	225,086	5,243,374	27,981,647
2024	2,710,697	3,392,815	6,103,511	94,963	6,008,548	855,905	75,000	212,149	5,439,792	225,086	5,214,706	33,196,353
2025	2,612,466	3,271,643	5,884,109	91,558	5,792,551	854,070	75,000	212,149	5,225,630	225,086	5,000,544	38,196,897
2026	2,531,195	3,169,750	5,700,945	88,707	5,612,238		75,000	212,149	5,899,387	225,086	5,674,301	43,871,198
2027	2,649,802	3,319,127	5,968,929	92,881	5,876,049		75,000	212,149	6,163,198	225,086	5,938,112	49,809,310
2028	2,649,802	3,319,127	5,968,929	92,881	5,876,049		75,000	212,149	6,163,198	225,086	5,938,112	55,747,422
2029	2,646,675	3,315,208	5,961,883	92,771	5,869,112		75,000	212,149	6,156,261	225,086	5,931,175	61,678,597
2030	2,632,242	3,297,118	5,929,360	92,265	5,837,095		75,000	212,149	6,124,244	225,086	5,899,158	67,577,755
2031	2,632,242	3,297,118	5,929,360	92,265	5,837,095		75,000	212,149	6,124,244	225,086	5,899,158	73,476,913
2032	2,603,259	3,297,118	5,900,377	91,975	5,808,402		75,000	212,149	6,095,551	225,086	5,870,465	79,347,378
2033	2,545,531	3,189,188	5,734,719	89,239	5,645,480		75,000	212,149	5,932,629	225,086	5,707,543	85,054,922
2034	2,424,895	3,037,944	5,462,839	85,008	5,377,832		75,000	212,149	5,664,980		5,664,980	90,719,902
2035	1,948,921	2,440,349	4,389,270	68,296	4,320,974		75,000	212,149	4,608,123		4,608,123	95,328,025
2036	1,670,765	2,091,007	3,761,772	58,528	3,703,244		75,000	212,149	3,990,393		3,990,393	99,318,418
2037	1,670,765	2,091,007	3,761,772	58,528	3,703,244		75,000	212,149	3,990,393		3,990,393	103,308,811
2038	1,670,765	2,091,007	3,761,772	58,528	3,703,244		75,000	212,149	3,990,393		3,990,393	107,299,204
2039	1,079,563	1,355,101	2,434,664	37,898	2,396,767		75,000	212,149	2,683,915		2,683,915	109,983,120
2040	619,967	778,467	1,398,434	21,769	1,376,665		75,000	212,149	1,663,814		1,663,814	111,646,934
2041	15,755	19,794	35,549	553	34,996	-	75,000	212,149	322,145		322,145	111,969,078
<b>Total</b>	<b>\$ 51,831,017</b>	<b>\$ 64,952,354</b>	<b>\$ 116,783,371</b>	<b>\$ 1,817,357</b>	<b>\$ 114,966,014</b>	<b>\$ 6,012,925</b>	<b>\$ 1,725,000</b>	<b>\$ 4,667,274</b>	<b>\$ 115,345,363</b>	<b>\$ 3,376,285</b>	<b>\$ 111,969,078</b>	

<sup>1</sup> Administrative fees - County = 2%; City = 1%.



# Proposed Plan of Finance

- Maximize future debt capacity
- Security types analyzed:
  - Taxable bond financing
  - Bank loan financing
- Scenarios generated based on:
  - Issuing new money debt only
  - Refunding existing Series 2004 bonds for debt service savings together with new money debt
- Additional Considerations:
  - Enhance bonds or bank loan using the City's credit as a backstop, if available
  - Issue debt under the existing Master Indenture or create a new indenture to alleviate restrictive covenants



# Financing Assumptions

Type of Security	Bonds	Bank Loan
<b>Average Interest Rate</b>	Taxable Market Rates	Variable Rate Index (based on one month LIBOR plus bps) Interest rate reset required after 10 years
<b>New Money</b>	Unrated - 6.00%; Rated 5.00%; City Backstop - 4.00%	No City Backstop - plus 275 bps (5.25%)
<b>Refunding</b>	Unrated - 5.00%; Rated 3.50%; City Backstop - 3.50%	With City Backstop - plus 225 bps (4.75%)
<b>Term</b>	FY2040 - Final maturity on the bonds	FY2029 - Max. initial term - 10 years
<b>Debt Service Coverage (DSC)</b>	DSC at 1.50x per existing Master Indenture <sup>1</sup>	DSC at 1.50x per existing Master Indenture
<b>Debt Service Reserve Fund</b>	125% of Average Annual Debt Service	125% of Average Annual Debt Service
<b>Ratings</b>	Preferred but not required	Not required
<b>Cost of Issuance</b>	Underwriter's Discount - \$5.50/bond Fixed COI - \$300,000	Commitment Fee - 0.50% of Loan Size Fixed COI - \$300,000
<b>Credit Enhancement</b>	None assumed	None assumed

<sup>1</sup> If new indenture created; assumes 1.20x coverage with City Backstop.

# Future Bond Debt Capacity

## No Garage Revenues Assumed

Depending on market conditions at the time of issuance, credit and other factors, the CCRFC could realize net proceeds ranging from approximately \$35 million to \$53 million for additional projects. No revenues from garage leases have been considered. All supporting schedules for each of the scenarios below are provided as Exhibits from A to K.

Exhibit	Financing Scenarios	Type of Financing <sup>1</sup>	Security <sup>2</sup>	Rating	Debt Service Coverage	Average Interest Rate	Issue Size <sup>3</sup>	DSRF <sup>3</sup>	Additional Debt Capacity <sup>3</sup>	Interest Cost <sup>3</sup>
A	New Money - Series 2004	Bonds	Insurance	AA (Insured)	1.50x	5.80%	10,000	882	N/A	N/A
B	New Money Only	Bonds	CCRFC	Unrated	1.50x	6.00%	40,270	4,027	35,722	26,266
C	New Money Only	Bonds	CCRFC	Rated	1.50x	5.00%	43,365	4,030	38,796	23,053
D	New Money Only	Bonds	City	Aa2/AA	1.50x	4.00%	46,810	4,032	42,221	19,449
E	Refund/New Money	Bonds	CCRFC	Unrated	1.50x	6.00%	42,820	4,282	35,137	26,632
F	Refund/New Money	Bonds	CCRFC	Rated	1.50x	5.00%	46,025	4,301	38,306	23,302
G	Refund/New Money	Bonds	City	Aa2/AA	1.20x	4.00%	61,800	5,431	52,864	24,660
H	New Money Only	Bank Loan	CCRFC	N/A	1.50x	5.25%	42,555	4,031	38,006	23,885
I	New Money Only	Bank Loan	City	N/A	1.50x	4.75%	44,185	4,031	39,628	22,184
J	Refund/New Money	Bank Loan	CCRFC	N/A	1.50x	5.25%	45,070	4,298	37,376	24,294
K	Refund/New Money	Bank Loan	City	N/A	1.20x	4.75%	58,425	5,412	49,549	28,203

<sup>1</sup> Bonds assumed to be issued through a negotiated public sale or private placement. Bank loan assumed to be negotiated with a local or region commercial bank.

<sup>2</sup> Security - CCRFC - Pledge of all Pilot Extension Rents (PERs); City - Pledge of non tax revenues if PERs insufficient to pay debt service.

<sup>3</sup> In thousands of dollars.

# Future Bond Debt Capacity

## Garage Revenues Assumed

Depending on market conditions at the time of issuance, credit and other factors, the CCRFC could realize net proceeds ranging from approximately \$38 million to \$56 million for additional projects if garage revenues from existing operating lease were considered. All supporting schedules for each of the scenarios below are provided as Exhibits from A-1 to K-1.

Exhibit	Financing Scenarios	Type of Financing <sup>1</sup>	Security <sup>2</sup>	Rating	Debt Service Coverage	Average Interest Rate	Issue Size <sup>3</sup>	DSRF <sup>3</sup>	Additional Debt Capacity <sup>3</sup>	Interest Cost <sup>3</sup>
A-1	New Money - Series 2004	Bonds	Insurance	AA (Insured)	1.50x	5.80%	10,000	882	N/A	N/A
B-1	New Money Only	Bonds	CCRFC	Unrated	1.50x	6.00%	42,495	4,224	37,738	27,926
C-1	New Money Only	Bonds	CCRFC	Rated	1.50x	5.00%	45,780	4,225	41,003	24,515
D-1	New Money Only	Bonds	City	Aa2/AA	1.50x	4.00%	49,450	4,222	44,657	20,694
E-1	Refund/New Money	Bonds	CCRFC	Unrated	1.50x	6.00%	45,050	4,500	37,137	28,293
F-1	Refund/New Money	Bonds	CCRFC	Rated	1.50x	5.00%	48,430	4,492	40,506	24,762
G-1	Refund/New Money	Bonds	City	Aa2/AA	1.20x	4.00%	65,100	5,672	55,905	26,220
H-1	New Money Only	Bank Loan	CCRFC	N/A	1.50x	5.25%	44,925	4,224	40,171	25,405
I-1	New Money Only	Bank Loan	City	N/A	1.50x	4.75%	46,660	4,223	41,898	23,599
J-1	Refund/New Money	Bank Loan	CCRFC	N/A	1.50x	5.25%	47,440	4,492	39,539	25,813
K-1	Refund/New Money	Bank Loan	City	N/A	1.20x	4.75%	61,402	5,663	52,259	29,973

<sup>1</sup> Bonds assumed to be issued through a negotiated public sale or private placement. Bank loan assumed to be negotiated with a local or region commercial bank.

<sup>2</sup> Security - CCRFC - Pledge of all Pilot Extension Rents (PERs); City - Pledge of non tax revenues if PERs insufficient to pay debt service.

<sup>3</sup> In thousands of dollars.

# Alternative: Short Term Borrowing

## Revolving Line of Credit

Given the nature of the projects the CCRFC has been requested to finance, and the fact that the CCRFC realizes a significant amount of revenues from Pilot Leases each year, it may be more cost-effective to **initially** enter into a short-term revolving loan facility. This facility would allow the CCRFC to borrow, repay and then re-borrow to best meet the immediate capital needs of the developers until the projects have been completed and operating leases begin. The balance remaining when the facility ends would then be refinanced with longer term debt which will be lower borrowing costs over time. The benefits are as follows:

- **Better Timing of Construction Needs** - Distribute funds when needed and control borrowing costs.
- **Flexible Borrowing Terms** – May issue, repay and re-borrow over the term of the loan facility.
- **Direct Borrowing from Bank** – No underwriter or bond issuance.
- **Bi-furcated Pricing** – Separate drawn and undrawn pricing may lower borrowing costs.
- **Ease of Working Directly with Bank** – Quick amendment process for changes in size, length of loan and/or repayment.
- **Reduced Cost of Issuance** – No ratings, formal disclosure or dealer costs.





# Refunding of Series 2004 Bonds

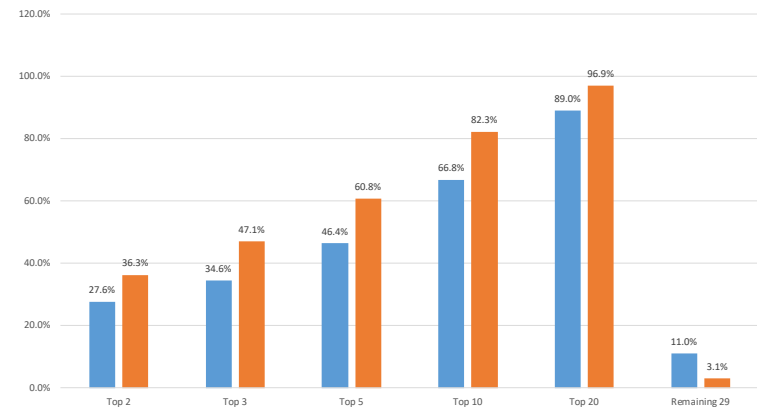
The Series 2004 Bonds may be refunded for savings and to remove restrictive covenants under the existing Master Indenture. Net present value (PV) savings as a percent of the refunded bonds range from 3.5% to 7.6% depending on security type. The CCRFC does not have a debt policy governing minimum guidelines for refundings, however, the City’s policy allows for a current refunding if net PV savings equals or exceeds \$100,000 (net of expenses). As a result of the refunding, the existing DSRF can be released and replaced with a smaller DSRF for the refunding bonds resulting in additional savings.

	Current Refunding				
	Bonds			Bank Loan	
	Unrated	Rated	City Backstop	Rated	City Backstop
Security					
Assumed Interest Rates	5.00%	3.50%	3.50%	5.25%	4.75%
Refunded Bonds (\$)	3,725,000	3,725,000	3,725,000	3,725,000	3,725,000
Refunding Bonds (\$)	3,230,000	3,230,000	3,225,000	3,230,000	3,225,000
Gross Savings (\$)	78,936	240,732	245,931	51,416	111,091
PV Savings (\$)	147,288	277,126	285,201	130,742	177,024
PV Savings % Refunded Bonds	4.008%	7.52%	7.656%	3.503%	4.752%
Existing DSRF (\$)	881,800	881,800	881,800	881,800	881,800

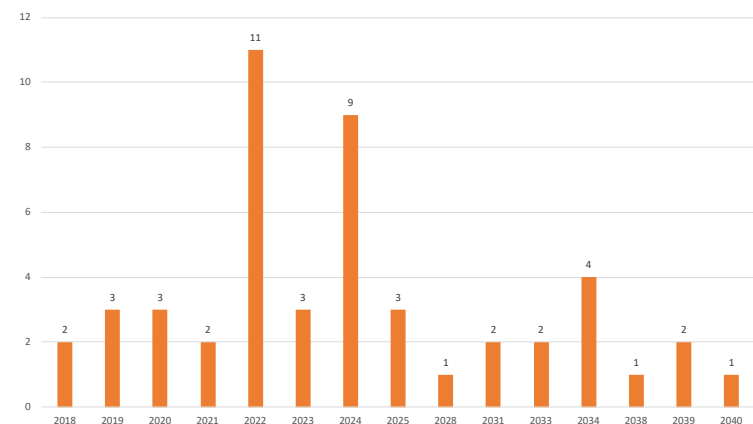
# Major Credit Challenges

- **Limited Revenue Source.** The Pilot Lease program has been closed. No new Pilot Leases may be extended.
- **Pilot Lease Expirations.** All Pilot Leases are scheduled to expire as of FY2041.
- **Top Ten Revenue Generators.** Represents over 82% or \$96.2 million of the total (gross) projected Pilot Rents revenues of \$116.8 million to be collected through FY2041.
- **Declining Revenue Stream.** Pilot Leases are scheduled to roll off periodically creating a declining revenue stream. Over the next ten years, thirty-three (33) of the forty-nine (49) outstanding Pilot Leases are scheduled to expire.
- **Termination of Pilot Leases.** To date: three (3) due to foreclosure, and three (3) due to conversion to residential condominiums.

Top Pilot Rents Revenue Generators  
% Total Pilot Rents Revenues  
2004 vs. 2019



Number of Pilot Leases Expiring Per Year



## General

- Bonds must be issued as taxable bonds due to the type of projects to be financed increasing interest cost over the life of the debt.
- CCRFC may be required to seek approval from the State of Tennessee regarding balloon indebtedness (depends on proposed security type, credit and debt structure considered). This will be determined by bond counsel.

## Structure/Security Issues

- CCRFC has no additional assets or funds to pledge as additional security for the bonds.
- The City may require a surplus fund funded from excess funds over and above the DSRF requirement as an additional cushion against revenue shortfalls if the City's backstop is used.
- CCRFC may seek credit enhancement such as bond insurance or letters of credit which may decrease interest cost if a cost-effective option is available.
- Debt service coverage (DSC) must equal 1.50x under the Master Indenture which lowers debt capacity. A new indenture could lower this requirement. The City may allow for a lower DSC of 1.10x - 1.20x.
- Any non-parity debt payable from excess Pilot Rents is considered to be subordinate to the Series 2004 Bonds. Any future debt issued under the Master Indenture will be on parity with the Series 2004 Bonds.

## Bank Loan

- Collateral may be required in the form of a mortgage lien on financed property.
- Excess funds over and above the DSRF may be required – to fund the last five years of debt service in the event there is a shortfall in the amount of Pilot Rents collected as the declining revenue stream narrows.
- An interest rate swap may be secured to fix the interest rate during the initial term at an additional cost.

## Short-Term Revolving Loan Facility

- Given the level of cash flows over the next ten years (approximately \$50 million), the CCRFC would have the ability to repay a significant portion of the revolving loan prior to refinancing into longer term debt which will significantly lower borrowing costs and preserve the last years of the Pilot Lease revenues for future projects.
- Borrowing costs would be based on a floating interest rate, e.g. one month LIBOR plus XX basis points.
- Collateral may be required in the form of a mortgage lien on financed property
- CCRFC would be required to manage the request for funds process although this task may be dispensed to a bank trustee who would handle all administrative functions based on authorization from the CCRFC staff to fund.
- Refinance of the revolving loan through a bank loan could be structured with the ability to pay off the loan any time over the life of the financing.



# Summary/Conclusions

- Adequate debt capacity is available depending on credit quality and the type of securities issued.
- Use of the City's credit as a backstop would significantly increase net bond proceeds available for projects, to the extent available.
- Creating a new indenture may allow for greater flexibility for the proposed financing.
- Refunding of Series 2004 Bonds may provide present value savings in the range of 3% to 7% as a percent of the refunded bonds depending on market conditions at the time of pricing.
- A negotiated bond issuance (either public or private placement) would be recommended due to the unique limited revenue source; the need to market to a certain type of investor, and to achieve a fixed rate over the life of the bonds.
- A negotiated bank loan may also be an option if it is determined that greater financing flexibility, additional debt capacity and favorable business terms can be achieved through this type of transaction.
- A negotiated short-term revolving loan fund would be a viable alternative given the uncertainty of timing of funds for project needs.



# **Additional Credit Profile Information**

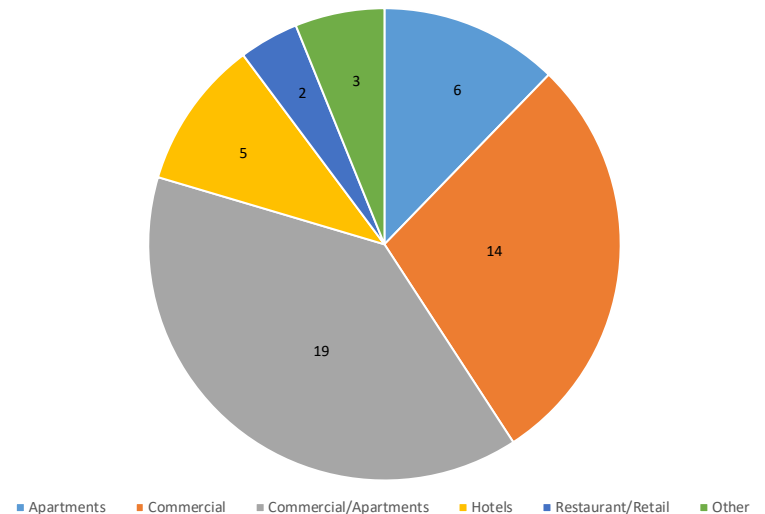


# Pilot Rents By Business Type

The properties in the Pilot Rents Program are comprised of various commercial entities which include apartments, hotels, retail establishments, manufacturing facilities, and office buildings. The commercial uses for the properties are shown below:

Type of Business	Total Rents Due	% Total Rents Due
Apartments	\$ 37,445,542	32.1%
Hotels	35,691,750	30.6%
Commercial	31,413,843	26.9%
Commercial/Apartments	9,626,886	8.2%
Other	2,176,111	1.9%
Restaurant/Retail	429,243	0.4%
<b>Total</b>	<b>\$116,783,375</b>	<b>100.0%</b>

Number of Pilot Rents Leases By Business Type





# Expirations/Terminations of Pilot Leases

Since 1997, six properties have been removed from the program other than scheduled expiration of Pilot Leases. Participants in the program have the legal right, and from time to time, may dispute past assessments levied on properties within the Pilot Rents Program with the County Assessor’s Office. Such disputes may result in a late collection or reduction in the amount of Pilot Rents collected.

<b>Lessee</b>	<b>Type of Business</b>	<b>Year</b>	<b>Reason</b>
Claridge House	Apartments	2004	Converted to Condominiums
Shrine Building	Apartments	2005	Converted to Condominiums
Devendra Patel	Apartments	2007	Converted to Condominiums
South Main Partners	Office/Commercial	2009	Foreclosure
The Exchange Building Limited Partnership	Commercial/Apartments	2010	Foreclosure
1399 Madison Properties, L.L.C.	Office/Medical Diagnostic Facility	2010	Foreclosure
The South Bluffs	Apartments	2015	Scheduled
Medical Center Associates, Ltd.	Biomedical Research Facility	2016	Scheduled
Moore Building Associates LP	Office/Commercial	2016	Transferred to secure baseball stadium bonds
Moore Garage LLC	Garage	2016	Transferred to secure baseball stadium bonds
Henry M. Turley, Jr. and Meredith L. McCullar	Office/Commercial	2016	Scheduled
Tri-State Armature & Electrical Works, Inc.	Manufacturing	2017	Scheduled
Spaghetti Warehouse Restaurants of America, Inc.	Restaurant/Retail	2017	Scheduled
Allenburg Building Partners	Commercial/Apartments/Garage	2017	Scheduled
Cendown, Ltd.	Office/Commercial	2017	Scheduled
Victoria Cruickshank	Commercial/Apartments	2017	Scheduled
Murray Riss	Commercial/Apartments	2017	Scheduled





# **Supporting Documentation**

**No Garage Revenues Assumed**

Center City Revenue Finance Corporation  
Debt Capacity Analysis  
Pilot Extension Rents

Existing Net Available Revenues and Debt Obligations

Exhibit A

Fiscal Year	Gross Pilot Extension Rents			Administrative Fees			Less: Admin Fees @ 3% <sup>1</sup>	Net Pilot Rents	Series 2004 Debt Service	Funds Available for	Subordinate Debt Service	Net Available After Sub DS	Cumulative Funds Remaining
	City	County	Total	City @ 1%	County @ 2%	Debt Service				First Park. Pl.			
2019	\$ 2,658,314	\$ 3,329,357	\$ 5,987,671	\$ 26,583	\$ 66,587	\$ 93,170	\$ 5,894,501	\$ 864,555	\$ 5,029,946	\$ 225,086	\$ 4,804,860	\$ 4,804,860	
2020	3,001,311	3,758,750	6,760,060	30,013	75,175	105,188	6,654,872	859,175	5,795,697	225,086	5,570,612	10,375,472	
2021	3,098,060	3,880,689	6,978,749	30,981	77,614	108,594	6,870,155	861,765	6,008,390	225,086	5,783,304	16,158,776	
2022	3,032,918	3,798,701	6,831,619	30,329	75,974	106,303	6,725,316	857,180	5,868,136	225,086	5,643,050	21,801,826	
2023	2,725,108	3,411,968	6,137,077	27,251	68,239	95,490	6,041,586	860,275	5,181,311	225,086	4,956,225	26,758,051	
2024	2,710,697	3,392,815	6,103,511	27,107	67,856	94,963	6,008,548	855,905	5,152,643	225,086	4,927,557	31,685,609	
2025	2,612,466	3,271,643	5,884,109	26,124.66	65,433	91,558	5,792,551	854,070	4,938,481	225,086	4,713,396	36,399,004	
2026	2,531,195	3,169,750	5,700,945	25,312	63,395	88,707	5,612,238		5,612,238	225,086	5,387,152	41,786,156	
2027	2,649,802	3,319,127	5,968,929	26,498	66,383	92,881	5,876,049		5,876,049	225,086	5,650,963	47,437,119	
2028	2,649,802	3,319,127	5,968,929	26,498	66,383	92,881	5,876,049		5,876,049	225,086	5,650,963	53,088,083	
2029	2,646,675	3,315,208	5,961,883	26,467	66,304	92,771	5,869,112		5,869,112	225,086	5,644,026	58,732,109	
2030	2,632,242	3,297,118	5,929,360	26,322	65,942	92,265	5,837,095		5,837,095	225,086	5,612,009	64,344,118	
2031	2,632,242	3,297,118	5,929,360	26,322	65,942	92,265	5,837,095		5,837,095	225,086	5,612,009	69,956,127	
2032	2,603,259	3,297,118	5,900,377	26,033	65,942	91,975	5,808,402		5,808,402	225,086	5,583,316	75,539,443	
2033	2,545,531	3,189,188	5,734,719	25,455	63,784	89,239	5,645,480		5,645,480	225,086	5,420,395	80,959,838	
2034	2,424,895	3,037,944	5,462,839	24,249	60,759	85,008	5,377,832		5,377,832		5,377,832	86,337,670	
2035	1,948,921	2,440,349	4,389,270	19,489	48,807	68,296	4,320,974		4,320,974		4,320,974	90,658,644	
2036	1,670,765	2,091,007	3,761,772	16,708	41,820	58,528	3,703,244		3,703,244		3,703,244	94,361,888	
2037	1,670,765	2,091,007	3,761,772	16,708	41,820	58,528	3,703,244		3,703,244		3,703,244	98,065,132	
2038	1,670,765	2,091,007	3,761,772	16,708	41,820	58,528	3,703,244		3,703,244		3,703,244	101,768,376	
2039	1,079,563	1,355,101	2,434,664	10,796	27,102	37,898	2,396,767		2,396,767		2,396,767	104,165,143	
2040	619,967	778,467	1,398,434	6,200	15,569	21,769	1,376,665		1,376,665		1,376,665	105,541,808	
2041	15,755	19,794	35,549	158	396	553	34,996	-	34,996		34,996	105,576,804	
<b>Total</b>	<b>\$ 51,831,017</b>	<b>\$ 64,952,354</b>	<b>\$ 116,783,371</b>	<b>\$ 491,727</b>	<b>\$ 1,232,460</b>	<b>\$ 1,817,357</b>	<b>\$ 114,966,014</b>	<b>\$ 6,012,925</b>	<b>\$ 108,953,089</b>	<b>\$ 3,376,285</b>	<b>\$ 105,576,804</b>		

<sup>1</sup>Administrative fees - County = 2%; City = 1%.

Center City Revenue Finance Corporation  
 Debt Capacity Analysis  
 Pilot Extension Rents

Issue New Money Bonds - CCRFC - Unrated

Exhibit B

Fiscal Year	Net Pilot Rents <sup>1</sup>	Series 2004 Debt Service	Funds Available for Debt Service	Future Debt Service	Target DSC	Excess Net Revenues	Subordinate Debt Service First Park. Pl.	Net Available After Sub DS	Cumulative Funds Remaining
2019	\$ 5,894,501	\$ 864,555	\$ 5,029,946			\$ 5,029,946	\$ 225,086	\$ 4,804,860	\$ 4,804,860
2020	6,654,872	859,175	5,795,697	1,187,965	4.88	4,607,732	225,086	4,382,647	9,187,507
2021	6,870,155	861,765	6,008,390	4,002,150	1.50	2,006,240	225,086	1,781,154	10,968,661
2022	6,725,316	857,180	5,868,136	3,908,900	1.50	1,959,236	225,086	1,734,150	12,702,811
2023	6,041,586	860,275	5,181,311	3,451,600	1.50	1,729,711	225,086	1,504,625	14,207,436
2024	6,008,548	855,905	5,152,643	3,433,600	1.50	1,719,043	225,086	1,493,957	15,701,394
2025	5,792,551	854,070	4,938,481	3,290,750	1.50	1,647,731	225,086	1,422,646	17,124,039
2026	5,612,238		5,612,238	3,738,650	1.50	1,873,588	225,086	1,648,502	18,772,541
2027	5,876,049		5,876,049	3,916,500	1.50	1,959,549	225,086	1,734,463	20,507,004
2028	5,876,049		5,876,049	3,916,600	1.50	1,959,449	225,086	1,734,363	22,241,368
2029	5,869,112		5,869,112	3,908,900	1.50	1,960,212	225,086	1,735,126	23,976,494
2030	5,837,095		5,837,095	3,888,550	1.50	1,948,545	225,086	1,723,459	25,699,953
2031	5,837,095		5,837,095	3,889,800	1.50	1,947,295	225,086	1,722,209	27,422,162
2032	5,808,402		5,808,402	3,867,200	1.50	1,941,202	225,086	1,716,116	29,138,278
2033	5,645,480		5,645,480	3,763,450	1.50	1,882,030	225,086	1,656,945	30,795,223
2034	5,377,832		5,377,832	3,583,050	1.50	1,794,782		1,794,782	32,590,005
2035	4,320,974		4,320,974	2,879,450	1.50	1,441,524		1,441,524	34,031,529
2036	3,703,244		3,703,244	2,465,900	1.50	1,237,344		1,237,344	35,268,873
2037	3,703,244		3,703,244	2,467,150	1.50	1,236,094		1,236,094	36,504,967
2038	3,703,244		3,703,244	2,465,750	1.50	1,237,494		1,237,494	37,742,461
2039	2,396,767		2,396,767	1,593,250	1.50	803,517		803,517	38,545,978
2040	1,376,665		1,376,665	916,700	1.50	459,965		459,965	39,005,943
2041	34,996		34,996			34,996		34,996	39,040,939
	\$ 114,966,014	\$ 6,012,925	\$ 108,953,089	\$ 66,535,865		\$ 42,417,224	\$ 3,376,285	\$ 39,040,939	

<sup>1</sup> Administrative fees - County = 2%; City = 1%.

☐ = denotes revenue stream used to size the bonds

**Assumptions**

Assumed Rating	Unrated
Average Interest Rate	6.00%
Fixed COI (\$)	300,000
UW Disc/bond (\$)	5.50
DSRF - AADS	Yes
Capacity Generated (\$)	35,721,515

Center City Revenue Finance Corporation  
 Debt Capacity Analysis  
 Pilot Extension Rents

Issue New Money Bonds - CCRFC - Rated

Exhibit C

Fiscal Year	Net Pilot Rents <sup>1</sup>	Series 2004 Debt Service	Funds Available for Debt Service	Future Debt Service	Target DSC	Excess Net Revenues	Subordinate Debt Service First Park. Pl.	Net Available After Sub DS	Cumulative Funds Remaining
2019	\$ 5,894,501	\$ 864,555	\$ 5,029,946			\$ 5,029,946	\$ 225,086	\$ 4,804,860	\$ 4,804,860
2020	6,654,872	859,175	5,795,697	1,066,056	5.44	4,729,641	225,086	4,504,555	9,309,415
2021	6,870,155	861,765	6,008,390	4,001,250	1.50	2,007,140	225,086	1,782,054	11,091,470
2022	6,725,316	857,180	5,868,136	3,907,250	1.50	1,960,886	225,086	1,735,800	12,827,270
2023	6,041,586	860,275	5,181,311	3,452,500	1.50	1,728,811	225,086	1,503,725	14,330,995
2024	6,008,548	855,905	5,152,643	3,430,625	1.50	1,722,018	225,086	1,496,932	15,827,927
2025	5,792,551	854,070	4,938,481	3,289,000	1.50	1,649,481	225,086	1,424,396	17,252,323
2026	5,612,238		5,612,238	3,740,500	1.50	1,871,738	225,086	1,646,652	18,898,975
2027	5,876,049		5,876,049	3,916,375	1.50	1,959,674	225,086	1,734,588	20,633,563
2028	5,876,049		5,876,049	3,917,125	1.50	1,958,924	225,086	1,733,838	22,367,401
2029	5,869,112		5,869,112	3,911,875	1.50	1,957,237	225,086	1,732,151	24,099,553
2030	5,837,095		5,837,095	3,890,875	1.50	1,946,220	225,086	1,721,134	25,820,687
2031	5,837,095		5,837,095	3,888,750	1.50	1,948,345	225,086	1,723,259	27,543,946
2032	5,808,402		5,808,402	3,870,125	1.50	1,938,277	225,086	1,713,191	29,257,137
2033	5,645,480		5,645,480	3,762,375	1.50	1,883,105	225,086	1,658,020	30,915,157
2034	5,377,832		5,377,832	3,584,375	1.50	1,793,457		1,793,457	32,708,613
2035	4,320,974		4,320,974	2,876,500	1.50	1,444,474		1,444,474	34,153,087
2036	3,703,244		3,703,244	2,465,500	1.50	1,237,744		1,237,744	35,390,832
2037	3,703,244		3,703,244	2,464,375	1.50	1,238,869		1,238,869	36,629,701
2038	3,703,244		3,703,244	2,467,750	1.50	1,235,494		1,235,494	37,865,195
2039	2,396,767		2,396,767	1,597,625	1.50	799,142		799,142	38,664,337
2040	1,376,665		1,376,665	917,375	1.50	459,290		459,290	39,123,627
2041	34,996		34,996			34,996		34,996	39,158,622
	\$ 114,966,014	\$ 6,012,925	\$ 108,953,089	\$ 66,418,181		\$ 42,534,908	\$ 3,376,285	\$ 39,158,622	

<sup>1</sup> Administrative fees - County = 2%; City = 1%.

= denotes revenue stream used to size the bonds

**Assumptions**

Assumed Rating	Rated
Average Interest Rate	5.00%
Fixed COI (\$)	300,000
UW Disc/bond (\$)	5.50
DSRF - AADS	Yes
Capacity Generated (\$)	38,796,311

Center City Revenue Finance Corporation  
 Debt Capacity Analysis  
 Pilot Extension Rents

Issue New Money Bonds - City Backstop

Exhibit D

Fiscal Year	Net Pilot Rents <sup>1</sup>	Series 2004 Debt Service	Funds Available for Debt Service	Future Debt Service	Target DSC	Excess Net Revenues	Subordinate Debt Service First Park. Pl.	Net Available After Sub DS	Cumulative Funds Remaining
2019	\$ 5,894,501	\$ 864,555	\$ 5,029,946			\$ 5,029,946	\$ 225,086	\$ 4,804,860	\$ 4,804,860
2020	6,654,872	859,175	5,795,697	920,597	6.30	4,875,101	225,086	4,650,015	9,454,875
2021	6,870,155	861,765	6,008,390	4,003,900	1.50	2,004,490	225,086	1,779,404	11,234,279
2022	6,725,316	857,180	5,868,136	3,907,100	1.50	1,961,036	225,086	1,735,950	12,970,229
2023	6,041,586	860,275	5,181,311	3,453,000	1.50	1,728,311	225,086	1,503,225	14,473,455
2024	6,008,548	855,905	5,152,643	3,430,400	1.50	1,722,243	225,086	1,497,157	15,970,612
2025	5,792,551	854,070	4,938,481	3,288,200	1.50	1,650,281	225,086	1,425,196	17,395,808
2026	5,612,238		5,612,238	3,736,800	1.50	1,875,438	225,086	1,650,352	19,046,160
2027	5,876,049		5,876,049	3,914,300	1.50	1,961,749	225,086	1,736,663	20,782,823
2028	5,876,049		5,876,049	3,914,200	1.50	1,961,849	225,086	1,736,763	22,519,586
2029	5,869,112		5,869,112	3,909,900	1.50	1,959,212	225,086	1,734,126	24,253,712
2030	5,837,095		5,837,095	3,886,700	1.50	1,950,395	225,086	1,725,309	25,979,021
2031	5,837,095		5,837,095	3,889,300	1.50	1,947,795	225,086	1,722,709	27,701,730
2032	5,808,402		5,808,402	3,867,500	1.50	1,940,902	225,086	1,715,816	29,417,547
2033	5,645,480		5,645,480	3,763,300	1.50	1,882,180	225,086	1,657,095	31,074,641
2034	5,377,832		5,377,832	3,584,800	1.50	1,793,032		1,793,032	32,867,673
2035	4,320,974		4,320,974	2,879,300	1.50	1,441,674		1,441,674	34,309,347
2036	3,703,244		3,703,244	2,467,100	1.50	1,236,144		1,236,144	35,545,491
2037	3,703,244		3,703,244	2,464,600	1.50	1,238,644		1,238,644	36,784,135
2038	3,703,244		3,703,244	2,468,500	1.50	1,234,744		1,234,744	38,018,880
2039	2,396,767		2,396,767	1,596,400	1.50	800,367		800,367	38,819,246
2040	1,376,665		1,376,665	912,900	1.51	463,765		463,765	39,283,011
2041	34,996		34,996			34,996		34,996	39,318,007
	\$ 114,966,014	\$ 6,012,925	\$ 108,953,089	\$ 66,258,797		\$ 42,694,292	\$ 3,376,285	\$ 39,318,007	

<sup>1</sup> Administrative fees - County = 2%; City = 1%.

☐ = denotes revenue stream used to size the bonds

**Assumptions**

Assumed Rating	Aa2/AA
Average Interest Rate	4.00%
Fixed COI (\$)	300,000
UW Disc/bond (\$)	5.50
DSRF - AADS	Yes
Capacity Generated (\$)	42,220,748

**Center City Revenue Finance Corporation  
Debt Capacity Analysis  
Pilot Extension Rents**

**Issue New Money & Refunding Bonds - CCRFC - Unrated**

**Exhibit E**

<b>Fiscal Year</b>	<b>Net Pilot Rents <sup>1</sup></b>	<b>Future Debt Service</b>	<b>Target DSC</b>	<b>Excess Net Revenues</b>	<b>Subordinate Debt Service First Park. Pl.</b>	<b>Net Available After Sub DS</b>	<b>Cumulative Funds Remaining</b>
2019	\$ 5,894,501	\$ -		\$ 5,894,501	\$ 225,086	\$ 5,669,415	\$ 5,669,415
2020	6,654,872	1,247,309	5.34	5,407,563	225,086	5,182,477	10,851,892
2021	6,870,155	4,576,550	1.50	2,293,605	225,086	2,068,519	12,920,412
2022	6,725,316	4,480,200	1.50	2,245,116	225,086	2,020,030	14,940,442
2023	6,041,586	4,023,700	1.50	2,017,886	225,086	1,792,800	16,733,242
2024	6,008,548	4,005,275	1.50	2,003,273	225,086	1,778,187	18,511,430
2025	5,792,551	3,857,575	1.50	1,934,976	225,086	1,709,891	20,221,320
2026	5,612,238	3,738,650	1.50	1,873,588	225,086	1,648,502	21,869,822
2027	5,876,049	3,916,500	1.50	1,959,549	225,086	1,734,463	23,604,285
2028	5,876,049	3,916,600	1.50	1,959,449	225,086	1,734,363	25,338,649
2029	5,869,112	3,908,900	1.50	1,960,212	225,086	1,735,126	27,073,775
2030	5,837,095	3,888,550	1.50	1,948,545	225,086	1,723,459	28,797,234
2031	5,837,095	3,889,800	1.50	1,947,295	225,086	1,722,209	30,519,443
2032	5,808,402	3,867,200	1.50	1,941,202	225,086	1,716,116	32,235,559
2033	5,645,480	3,763,450	1.50	1,882,030	225,086	1,656,945	33,892,504
2034	5,377,832	3,583,050	1.50	1,794,782		1,794,782	35,687,285
2035	4,320,974	2,879,450	1.50	1,441,524		1,441,524	37,128,809
2036	3,703,244	2,465,900	1.50	1,237,344		1,237,344	38,366,154
2037	3,703,244	2,467,150	1.50	1,236,094		1,236,094	39,602,248
2038	3,703,244	2,465,750	1.50	1,237,494		1,237,494	40,839,742
2039	2,396,767	1,593,250	1.50	803,517		803,517	41,643,259
2040	1,376,665	916,700	1.50	459,965		459,965	42,103,224
2041	34,996			34,996		34,996	42,138,220
	\$ 114,966,014	\$ 69,451,509		\$ 45,514,505	\$ 3,376,285	\$ 42,138,220	

<sup>1</sup> Administrative fees - County = 2%; City = 1%.

☐ = denotes revenue stream used to size the bonds

**Assumptions**

Assumed Rating	Unrated
Average Interest Rate	6.00%
Fixed COI (\$)	300,000
UW Disc/bond (\$)	5.50
DSRF - AADS	Yes
Capacity Generated (\$)	35,137,362

Center City Revenue Finance Corporation  
Debt Capacity Analysis  
Pilot Extension Rents

Issue New Money & Refunding Bonds - CCRFC - Rated

Exhibit F

Fiscal Year	Net Pilot Rents <sup>1</sup>	Future Debt Service	Target DSC	Excess Net Revenues	Subordinate Debt Service First Park. Pl.	Net Available After Sub DS	Cumulative Funds Remaining
2019	\$ 5,894,501	\$ -		\$ 5,894,501	\$ 225,086	\$ 5,669,415	\$ 5,669,415
2020	6,654,872	1,107,627	6.01	5,547,246	225,086	5,322,160	10,991,575
2021	6,870,155	4,577,388	1.50	2,292,767	225,086	2,067,682	13,059,257
2022	6,725,316	4,481,300	1.50	2,244,016	225,086	2,018,930	15,078,187
2023	6,041,586	4,023,975	1.50	2,017,611	225,086	1,792,525	16,870,712
2024	6,008,548	4,003,950	1.50	2,004,598	225,086	1,779,512	18,650,225
2025	5,792,551	3,861,038	1.50	1,931,514	225,086	1,706,428	20,356,653
2026	5,612,238	3,740,500	1.50	1,871,738	225,086	1,646,652	22,003,305
2027	5,876,049	3,916,375	1.50	1,959,674	225,086	1,734,588	23,737,893
2028	5,876,049	3,917,125	1.50	1,958,924	225,086	1,733,838	25,471,731
2029	5,869,112	3,911,875	1.50	1,957,237	225,086	1,732,151	27,203,882
2030	5,837,095	3,890,875	1.50	1,946,220	225,086	1,721,134	28,925,016
2031	5,837,095	3,888,750	1.50	1,948,345	225,086	1,723,259	30,648,275
2032	5,808,402	3,870,125	1.50	1,938,277	225,086	1,713,191	32,361,467
2033	5,645,480	3,762,375	1.50	1,883,105	225,086	1,658,020	34,019,486
2034	5,377,832	3,584,375	1.50	1,793,457		1,793,457	35,812,943
2035	4,320,974	2,876,500	1.50	1,444,474		1,444,474	37,257,417
2036	3,703,244	2,465,500	1.50	1,237,744		1,237,744	38,495,161
2037	3,703,244	2,464,375	1.50	1,238,869		1,238,869	39,734,030
2038	3,703,244	2,467,750	1.50	1,235,494		1,235,494	40,969,525
2039	2,396,767	1,597,625	1.50	799,142		799,142	41,768,666
2040	1,376,665	917,375	1.50	459,290		459,290	42,227,956
2041	34,996			34,996		34,996	42,262,952
	\$ 114,966,014	\$ 69,326,777		\$ 45,639,237	\$ 3,376,285	\$ 42,262,952	

<sup>1</sup> Administrative fees - County = 2%; City = 1%.

☐ = denotes revenue stream used to size the bonds

**Assumptions**

Assumed Rating	Rated
Average Interest Rate	5.00%
Fixed COI (\$)	300,000
UW Disc/bond (\$)	5.50
DSRF - AADS	Yes
Capacity Generated (\$)	38,305,485

Center City Revenue Finance Corporation  
Debt Capacity Analysis  
Pilot Extension Rents

Issue New Money & Refunding Bonds - City Backstop

Exhibit G

Fiscal Year	Net Pilot Rents <sup>1</sup>	Future Debt Service	Target DSC	Excess Net Revenues	Subordinate Debt Service First Park. Pl.	Net Available After Sub DS	Cumulative Funds Remaining
2019	\$ 5,894,501	\$ -		\$ 5,894,501	\$ 225,086	\$ 5,669,415	\$ 5,669,415
2020	6,654,872	1,207,472	5.51	5,447,400	225,086	5,222,315	10,891,730
2021	6,870,155	5,720,638	1.20	1,149,517	225,086	924,432	11,816,162
2022	6,725,316	5,600,000	1.20	1,125,316	225,086	900,230	12,716,392
2023	6,041,586	5,033,150	1.20	1,008,436	225,086	783,350	13,499,742
2024	6,008,548	5,003,588	1.20	1,004,961	225,086	779,875	14,279,617
2025	5,792,551	4,824,538	1.20	968,014	225,086	742,928	15,022,545
2026	5,612,238	4,676,000	1.20	936,238	225,086	711,152	15,733,697
2027	5,876,049	4,894,000	1.20	982,049	225,086	756,963	16,490,660
2028	5,876,049	4,892,600	1.20	983,449	225,086	758,363	17,249,023
2029	5,869,112	4,886,000	1.20	983,112	225,086	758,026	18,007,050
2030	5,837,095	4,859,500	1.20	977,595	225,086	752,509	18,759,559
2031	5,837,095	4,862,700	1.20	974,395	225,086	749,309	19,508,868
2032	5,808,402	4,835,400	1.20	973,002	225,086	747,916	20,256,784
2033	5,645,480	4,700,200	1.20	945,280	225,086	720,195	20,976,979
2034	5,377,832	4,480,900	1.20	896,932		896,932	21,873,910
2035	4,320,974	3,597,800	1.20	723,174		723,174	22,597,084
2036	3,703,244	3,082,600	1.20	620,644		620,644	23,217,728
2037	3,703,244	3,083,200	1.20	620,044		620,044	23,837,773
2038	3,703,244	3,084,300	1.20	618,944		618,944	24,456,717
2039	2,396,767	1,993,000	1.20	403,767		403,767	24,860,484
2040	1,376,665	1,142,400	1.21	234,265		234,265	25,094,749
2041	34,996			34,996		34,996	25,129,744
	\$ 114,966,014	\$ 86,459,984		\$ 28,506,029	\$ 3,376,285	\$ 25,129,744	

<sup>1</sup> Administrative fees - County = 2%; City = 1%.

☐ = denotes revenue stream used to size the bonds

**Assumptions**

Assumed Rating	Aa2/AA
Average Interest Rate	4.00%
Fixed COI (\$)	300,000
UW Disc/bond (\$)	5.50
DSRF - AADS	Yes
Capacity Generated (\$)	52,863,997



**Center City Revenue Finance Corporation  
Debt Capacity Analysis  
Pilot Extension Rents**

**Secure Bank Loan/Issue New Money Bonds - CCRFC**

**Exhibit H**

Fiscal Year	Net Pilot Rents <sup>1</sup>	Series 2004 Debt Service	Funds	Future Debt Service	Target DSC	Excess Net Revenues	Subordinate Debt Service First Park. Pl.	Net Available After Sub DS	Cumulative Funds Remaining
			Available for Debt Service						
2019	\$ 5,894,501	\$ 864,555	\$ 5,029,946			\$ 5,029,946	\$ 225,086	\$ 4,804,860	\$ 4,804,860
2020	6,654,872	859,175	5,795,697	1,098,451	5.28	4,697,246	225,086	4,472,161	9,277,021
2021	6,870,155	861,765	6,008,390	4,001,494	1.50	2,006,896	225,086	1,781,811	11,058,831
2022	6,725,316	857,180	5,868,136	3,911,075	1.50	1,957,061	225,086	1,731,975	12,790,806
2023	6,041,586	860,275	5,181,311	3,450,369	1.50	1,730,942	225,086	1,505,857	14,296,663
2024	6,008,548	855,905	5,152,643	3,432,931	1.50	1,719,712	225,086	1,494,626	15,791,289
2025	5,792,551	854,070	4,938,481	3,290,625	1.50	1,647,856	225,086	1,422,771	17,214,060
2026	5,612,238		5,612,238	3,740,850	1.50	1,871,388	225,086	1,646,302	18,860,362
2027	5,876,049		5,876,049	3,914,419	1.50	1,961,630	225,086	1,736,544	20,596,906
2028	5,876,049		5,876,049	3,912,356	1.50	1,963,693	225,086	1,738,607	22,335,513
2029	5,869,112		5,869,112	3,908,863	1.50	1,960,249	225,086	1,735,164	24,070,677
2030	5,837,095		5,837,095	3,889,069	1.50	1,948,026	225,086	1,722,940	25,793,617
2031	5,837,095		5,837,095	3,887,581	1.50	1,949,514	225,086	1,724,428	27,518,045
2032	5,808,402		5,808,402	3,869,006	1.50	1,939,396	225,086	1,714,310	29,232,355
2033	5,645,480		5,645,480	3,760,838	1.50	1,884,643	225,086	1,659,557	30,891,912
2034	5,377,832		5,377,832	3,582,144	1.50	1,795,688		1,795,688	32,687,600
2035	4,320,974		4,320,974	2,878,938	1.50	1,442,037		1,442,037	34,129,636
2036	3,703,244		3,703,244	2,468,306	1.50	1,234,938		1,234,938	35,364,574
2037	3,703,244		3,703,244	2,467,531	1.50	1,235,713		1,235,713	36,600,287
2038	3,703,244		3,703,244	2,465,850	1.50	1,237,394		1,237,394	37,837,682
2039	2,396,767		2,396,767	1,596,363	1.50	800,404		800,404	38,638,086
2040	1,376,665		1,376,665	913,363	1.51	463,303		463,303	39,101,388
2041	34,996		34,996			34,996		34,996	39,136,384
	\$ 114,966,014	\$ 6,012,925	\$ 108,953,089	\$ 66,440,420		\$ 42,512,669	\$ 3,376,285	\$ 39,136,384	

<sup>1</sup> Administrative fees - County = 2%; City = 1%.

☐ = denotes revenue stream used to size the bonds

**Assumptions**

Assumed Rating	N/A
Average Interest Rate	5.25%
Fixed COI (\$)	300,000
Commitment Fee	0.50%
DSRF - AADS	Yes
Capacity Generated (\$)	\$ 38,006,120

Center City Revenue Finance Corporation  
 Debt Capacity Analysis  
 Pilot Extension Rents

Secure Bank Loan/Issue New Money Bonds - City Backstop

Exhibit I

Fiscal Year	Net Pilot Rents <sup>1</sup>	Series 2004 Debt Service	Funds Available for Debt Service	Future Debt Service	Target DSC	Excess Net Revenues	Subordinate Debt Service First Park. Pl.	Net Available After Sub DS	Cumulative Funds Remaining
2019	\$ 5,894,501	\$ 864,555	\$ 5,029,946			\$ 5,029,946	\$ 225,086	\$ 4,804,860	\$ 4,804,860
2020	6,654,872	859,175	5,795,697	1,031,904	5.62	4,763,793	225,086	4,538,708	9,343,568
2021	6,870,155	861,765	6,008,390	4,002,475	1.50	2,005,915	225,086	1,780,829	11,124,397
2022	6,725,316	857,180	5,868,136	3,909,850	1.50	1,958,286	225,086	1,733,200	12,857,597
2023	6,041,586	860,275	5,181,311	3,451,131	1.50	1,730,180	225,086	1,505,094	14,362,691
2024	6,008,548	855,905	5,152,643	3,430,013	1.50	1,722,631	225,086	1,497,545	15,860,236
2025	5,792,551	854,070	4,938,481	3,289,131	1.50	1,649,350	225,086	1,424,264	17,284,500
2026	5,612,238		5,612,238	3,737,088	1.50	1,875,150	225,086	1,650,065	18,934,565
2027	5,876,049		5,876,049	3,915,569	1.50	1,960,480	225,086	1,735,394	20,669,959
2028	5,876,049		5,876,049	3,914,550	1.50	1,961,499	225,086	1,736,413	22,406,373
2029	5,869,112		5,869,112	3,908,069	1.50	1,961,043	225,086	1,735,957	24,142,330
2030	5,837,095		5,837,095	3,891,244	1.50	1,945,851	225,086	1,720,765	25,863,095
2031	5,837,095		5,837,095	3,888,719	1.50	1,948,376	225,086	1,723,290	27,586,386
2032	5,808,402		5,808,402	3,870,256	1.50	1,938,146	225,086	1,713,060	29,299,446
2033	5,645,480		5,645,480	3,763,113	1.50	1,882,368	225,086	1,657,282	30,956,728
2034	5,377,832		5,377,832	3,581,088	1.50	1,796,744		1,796,744	32,753,472
2035	4,320,974		4,320,974	2,878,669	1.50	1,442,305		1,442,305	34,195,777
2036	3,703,244		3,703,244	2,467,150	1.50	1,236,094		1,236,094	35,431,871
2037	3,703,244		3,703,244	2,465,500	1.50	1,237,744		1,237,744	36,669,616
2038	3,703,244		3,703,244	2,463,981	1.50	1,239,263		1,239,263	37,908,879
2039	2,396,767		2,396,767	1,593,494	1.50	803,273		803,273	38,712,152
2040	1,376,665		1,376,665	916,256	1.50	460,409		460,409	39,172,560
2041	34,996		34,996			34,996		34,996	39,207,556
	\$ 114,966,014	\$ 6,012,925	\$ 108,953,089	\$ 66,369,248		\$ 42,583,841	\$ 3,376,285	\$ 39,207,556	

<sup>1</sup> Administrative fees - County = 2%; City = 1%.

☐ = denotes revenue stream used to size the bonds

**Assumptions**

Assumed Rating	N/A
Average Interest Rate	4.75%
Fixed COI (\$)	300,000
Commitment Fee	0.50%
DSRF - AADS	Yes
Capacity Generated (\$)	\$ 39,627,530

Center City Revenue Finance Corporation  
Debt Capacity Analysis  
Pilot Extension Rents

Secure Bank Loan/Issue New Money & Refunding Bonds - CCRFC

Exhibit J

Fiscal Year	Net Pilot Rents <sup>1</sup>	Future Debt Service	Target DSC	Excess Net Revenues	Subordinate Debt Service First Park. Pl.	Net Available After Sub DS	Cumulative Funds Remaining
2019	\$ 5,894,501	\$ -		\$ 5,894,501	\$ 225,086	\$ 5,669,415	\$ 5,669,415
2020	6,654,872	1,163,369	5.72	5,491,503	225,086	5,266,417	10,935,832
2021	6,870,155	4,576,588	1.50	2,293,567	225,086	2,068,482	13,004,314
2022	6,725,316	4,481,756	1.50	2,243,559	225,086	2,018,474	15,022,788
2023	6,041,586	4,025,325	1.50	2,016,261	225,086	1,791,175	16,813,963
2024	6,008,548	4,000,850	1.50	2,007,698	225,086	1,782,612	18,596,576
2025	5,792,551	3,860,194	1.50	1,932,357	225,086	1,707,272	20,303,847
2026	5,612,238	3,740,850	1.50	1,871,388	225,086	1,646,302	21,950,149
2027	5,876,049	3,914,419	1.50	1,961,630	225,086	1,736,544	23,686,694
2028	5,876,049	3,912,356	1.50	1,963,693	225,086	1,738,607	25,425,301
2029	5,869,112	3,908,863	1.50	1,960,249	225,086	1,735,164	27,160,465
2030	5,837,095	3,889,069	1.50	1,948,026	225,086	1,722,940	28,883,405
2031	5,837,095	3,887,581	1.50	1,949,514	225,086	1,724,428	30,607,833
2032	5,808,402	3,869,006	1.50	1,939,396	225,086	1,714,310	32,322,143
2033	5,645,480	3,760,838	1.50	1,884,643	225,086	1,659,557	33,981,700
2034	5,377,832	3,582,144	1.50	1,795,688		1,795,688	35,777,388
2035	4,320,974	2,878,938	1.50	1,442,037		1,442,037	37,219,424
2036	3,703,244	2,468,306	1.50	1,234,938		1,234,938	38,454,362
2037	3,703,244	2,467,531	1.50	1,235,713		1,235,713	39,690,075
2038	3,703,244	2,465,850	1.50	1,237,394		1,237,394	40,927,469
2039	2,396,767	1,596,363	1.50	800,404		800,404	41,727,874
2040	1,376,665	913,363	1.51	463,303		463,303	42,191,176
2041	34,996			34,996		34,996	42,226,172
	\$ 114,966,014	\$ 69,363,557		\$ 45,602,457	\$ 3,376,285	\$ 42,226,172	

<sup>1</sup> Administrative fees - County = 2%; City = 1%.

☐ = denotes revenue stream used to size the bonds

**Assumptions**

Assumed Rating	N/A
Average Interest Rate	5.25%
Fixed COI (\$)	300,000
Commitment Fee	0.50%
DSRF - AADS	Yes
Capacity Generated (\$)	37,375,644

Center City Revenue Finance Corporation  
 Debt Capacity Analysis  
 Pilot Extension Rents

Secure Bank Loan/Issue New Money & Refunding Bonds - City Backstop

Exhibit K

Fiscal Year	Net Pilot Rents <sup>1</sup>	Future Debt Service	Target DSC	Excess Net Revenues	Subordinate Debt Service First Park. Pl.	Net Available After Sub DS	Cumulative Funds Remaining
2019	\$ 5,894,501	\$ -		\$ 5,894,501	\$ 225,086	\$ 5,669,415	\$ 5,669,415
2020	6,654,872	1,364,467	4.88	5,290,405	225,086	5,065,319	10,734,734
2021	6,870,155	5,723,463	1.20	1,146,692	225,086	921,607	11,656,341
2022	6,725,316	5,599,538	1.20	1,125,778	225,086	900,692	12,557,034
2023	6,041,586	5,030,469	1.20	1,011,117	225,086	786,032	13,343,065
2024	6,008,548	5,004,356	1.20	1,004,192	225,086	779,106	14,122,172
2025	5,792,551	4,822,175	1.20	970,376	225,086	745,291	14,867,462
2026	5,612,238	4,676,775	1.20	935,463	225,086	710,377	15,577,839
2027	5,876,049	4,893,538	1.20	982,511	225,086	757,426	16,335,265
2028	5,876,049	4,893,544	1.20	982,505	225,086	757,419	17,092,684
2029	5,869,112	4,886,663	1.20	982,449	225,086	757,364	17,850,048
2030	5,837,095	4,863,131	1.20	973,964	225,086	748,878	18,598,926
2031	5,837,095	4,862,475	1.20	974,620	225,086	749,534	19,348,460
2032	5,808,402	4,839,338	1.20	969,064	225,086	743,979	20,092,439
2033	5,645,480	4,701,688	1.20	943,793	225,086	718,707	20,811,146
2034	5,377,832	4,479,156	1.20	898,675		898,675	21,709,821
2035	4,320,974	3,599,794	1.20	721,180		721,180	22,431,001
2036	3,703,244	3,081,675	1.20	621,569		621,569	23,052,571
2037	3,703,244	3,084,613	1.20	618,632		618,632	23,671,202
2038	3,703,244	3,081,375	1.20	621,869		621,869	24,293,072
2039	2,396,767	1,993,206	1.20	403,560		403,560	24,696,632
2040	1,376,665	1,146,600	1.20	230,065		230,065	24,926,697
2041	34,996			34,996		34,996	24,961,693
	\$ 114,966,014	\$ 86,628,036		\$ 28,337,978	\$ 3,376,285	\$ 24,961,693	

<sup>1</sup> Administrative fees - County = 2%; City = 1%.

= denotes revenue stream used to size the bonds

**Assumptions**

Assumed Rating	N/A
Average Interest Rate	5.25%
Fixed COI (\$)	300,000
Commitment Fee	0.50%
DSRF - AADS	Yes
Capacity Generated (\$)	49,548,159



# **Supporting Documentation**

## **Garage Revenues Assumed**

Center City Revenue Finance Corporation  
Debt Capacity Analysis  
Pilot Extension Rents

Existing Net Available Revenues and Debt Obligations

Exhibit A-1

Fiscal Year	Gross Pilot Extension Rents			Less: Admin Fees @ 3% <sup>1</sup>	Net Pilot Rents	Series 2004 Debt Service	Garage Revenues		Funds Available for Debt Service	Subordinate Debt Service First Park. Pl.	Net Available After Sub DS	Cumulative Funds Remaining
	City	County	Total				One Commerce Square	Bakery Garage				
2019	\$ 2,658,314	\$ 3,329,357	\$ 5,987,671	\$ 93,170	\$ 5,894,501	\$ 864,555	75,000		\$ 5,104,946	\$ 225,086	\$ 4,879,860	\$ 4,879,860
2020	3,001,311	3,758,750	6,760,060	105,188	6,654,872	859,175	75,000	212,149	6,082,846	225,086	5,857,760	10,737,620
2021	3,098,060	3,880,689	6,978,749	108,594	6,870,155	861,765	75,000	212,149	6,295,539	225,086	6,070,453	16,808,074
2022	3,032,918	3,798,701	6,831,619	106,303	6,725,316	857,180	75,000	212,149	6,155,284	225,086	5,930,199	22,738,272
2023	2,725,108	3,411,968	6,137,077	95,490	6,041,586	860,275	75,000	212,149	5,468,460	225,086	5,243,374	27,981,647
2024	2,710,697	3,392,815	6,103,511	94,963	6,008,548	855,905	75,000	212,149	5,439,792	225,086	5,214,706	33,196,353
2025	2,612,466	3,271,643	5,884,109	91,558	5,792,551	854,070	75,000	212,149	5,225,630	225,086	5,000,544	38,196,897
2026	2,531,195	3,169,750	5,700,945	88,707	5,612,238		75,000	212,149	5,899,387	225,086	5,674,301	43,871,198
2027	2,649,802	3,319,127	5,968,929	92,881	5,876,049		75,000	212,149	6,163,198	225,086	5,938,112	49,809,310
2028	2,649,802	3,319,127	5,968,929	92,881	5,876,049		75,000	212,149	6,163,198	225,086	5,938,112	55,747,422
2029	2,646,675	3,315,208	5,961,883	92,771	5,869,112		75,000	212,149	6,156,261	225,086	5,931,175	61,678,597
2030	2,632,242	3,297,118	5,929,360	92,265	5,837,095		75,000	212,149	6,124,244	225,086	5,899,158	67,577,755
2031	2,632,242	3,297,118	5,929,360	92,265	5,837,095		75,000	212,149	6,124,244	225,086	5,899,158	73,476,913
2032	2,603,259	3,297,118	5,900,377	91,975	5,808,402		75,000	212,149	6,095,551	225,086	5,870,465	79,347,378
2033	2,545,531	3,189,188	5,734,719	89,239	5,645,480		75,000	212,149	5,932,629	225,086	5,707,543	85,054,922
2034	2,424,895	3,037,944	5,462,839	85,008	5,377,832		75,000	212,149	5,664,980		5,664,980	90,719,902
2035	1,948,921	2,440,349	4,389,270	68,296	4,320,974		75,000	212,149	4,608,123		4,608,123	95,328,025
2036	1,670,765	2,091,007	3,761,772	58,528	3,703,244		75,000	212,149	3,990,393		3,990,393	99,318,418
2037	1,670,765	2,091,007	3,761,772	58,528	3,703,244		75,000	212,149	3,990,393		3,990,393	103,308,811
2038	1,670,765	2,091,007	3,761,772	58,528	3,703,244		75,000	212,149	3,990,393		3,990,393	107,299,204
2039	1,079,563	1,355,101	2,434,664	37,898	2,396,767		75,000	212,149	2,683,915		2,683,915	109,983,120
2040	619,967	778,467	1,398,434	21,769	1,376,665		75,000	212,149	1,663,814		1,663,814	111,646,934
2041	15,755	19,794	35,549	553	34,996	-	75,000	212,149	322,145		322,145	111,969,078
<b>Total</b>	<b>\$ 51,831,017</b>	<b>\$ 64,952,354</b>	<b>\$ 116,783,371</b>	<b>\$ 1,817,357</b>	<b>\$ 114,966,014</b>	<b>\$ 6,012,925</b>	<b>\$ 1,725,000</b>	<b>\$ 4,667,274</b>	<b>\$ 115,345,363</b>	<b>\$ 3,376,285</b>	<b>\$ 111,969,078</b>	

<sup>1</sup> Administrative fees - County = 2%; City = 1%.

Center City Revenue Finance Corporation  
Debt Capacity Analysis  
Pilot Extension Rents

Issue New Money Bonds - CCRFC - Unrated

Exhibit B-1

Fiscal Year	Net Pilot Rents	Series 2004 Debt Service	Garage Revenues		Funds Available for		Future Debt Service	Target DSC	Excess Net	Subordinate Debt Service	Net Available After Sub DS	Cumulative Funds Remaining
			One Commerce Square	Bakery Garage	First Park. Pl.							
2019	\$ 5,894,501	\$ 864,555	75,000		\$ 5,104,946			\$ 5,104,946	\$ 225,086	\$ 4,879,860	\$ 4,879,860	
2020	6,654,872	859,175	75,000	212,149	6,082,846	1,253,603	4.85	4,829,244	225,086	4,604,158	9,484,018	
2021	6,870,155	861,765	75,000	212,149	6,295,539	4,193,850	1.50	2,101,689	225,086	1,876,603	11,360,621	
2022	6,725,316	857,180	75,000	212,149	6,155,284	4,101,850	1.50	2,053,434	225,086	1,828,349	13,188,970	
2023	6,041,586	860,275	75,000	212,149	5,468,460	3,640,650	1.50	1,827,810	225,086	1,602,724	14,791,694	
2024	6,008,548	855,905	75,000	212,149	5,439,792	3,623,600	1.50	1,816,192	225,086	1,591,106	16,382,800	
2025	5,792,551	854,070	75,000	212,149	5,225,630	3,481,400	1.50	1,744,230	225,086	1,519,144	17,901,945	
2026	5,612,238		75,000	212,149	5,899,387	3,929,650	1.50	1,969,737	225,086	1,744,651	19,646,596	
2027	5,876,049		75,000	212,149	6,163,198	4,107,550	1.50	2,055,648	225,086	1,830,562	21,477,158	
2028	5,876,049		75,000	212,149	6,163,198	4,107,400	1.50	2,055,798	225,086	1,830,712	23,307,870	
2029	5,869,112		75,000	212,149	6,156,261	4,099,150	1.50	2,057,111	225,086	1,832,025	25,139,895	
2030	5,837,095		75,000	212,149	6,124,244	4,082,800	1.50	2,041,444	225,086	1,816,358	26,956,253	
2031	5,837,095		75,000	212,149	6,124,244	4,077,750	1.50	2,046,494	225,086	1,821,408	28,777,661	
2032	5,808,402		75,000	212,149	6,095,551	4,063,400	1.50	2,032,151	225,086	1,807,065	30,584,726	
2033	5,645,480		75,000	212,149	5,932,629	3,952,450	1.50	1,980,179	225,086	1,755,093	32,339,819	
2034	5,377,832		75,000	212,149	5,664,980	3,774,550	1.50	1,890,430		1,890,430	34,230,250	
2035	4,320,974		75,000	212,149	4,608,123	3,068,000	1.50	1,540,123		1,540,123	35,770,372	
2036	3,703,244		75,000	212,149	3,990,393	2,656,050	1.50	1,334,343		1,334,343	37,104,716	
2037	3,703,244		75,000	212,149	3,990,393	2,658,300	1.50	1,332,093		1,332,093	38,436,809	
2038	3,703,244		75,000	212,149	3,990,393	2,657,300	1.50	1,333,093		1,333,093	39,769,902	
2039	2,396,767		75,000	212,149	2,683,915	1,784,600	1.50	899,315		899,315	40,669,217	
2040	1,376,665		75,000	212,149	1,663,814	1,107,250	1.50	556,564		556,564	41,225,781	
2041	34,996	-	75,000	212,149	322,145			322,145		322,145	41,547,926	
<b>Total</b>	<b>\$ 114,966,014</b>	<b>\$ 6,012,925</b>	<b>\$ 1,725,000</b>	<b>\$ 4,667,274</b>	<b>\$ 115,345,363</b>	<b>\$ 70,421,153</b>		<b>\$ 44,924,211</b>	<b>\$ 3,376,285</b>	<b>\$ 41,547,926</b>		

<sup>1</sup> Administrative fees - County = 2%; City = 1%.

Center City Revenue Finance Corporation  
Debt Capacity Analysis  
Pilot Extension Rents

Issue New Money Bonds - CCRFC - Rated

Exhibit C-1

Fiscal Year	Net Pilot Rents	Series 2004 Debt Service	Garage Revenues		Funds Available for Debt Service	Future Debt Service	Target DSC	Excess Net	Subordinate Debt Service		Net Available After Sub DS	Cumulative Funds Remaining
			One Commerce Square	Bakery Garage					First Park. Pl.			
2019	\$ 5,894,501	\$ 864,555	75,000		\$ 5,104,946			\$ 5,104,946	\$ 225,086	\$ 4,879,860	\$ 4,879,860	
2020	6,654,872	859,175	75,000	212,149	6,082,846	1,125,425	5.40	4,957,421	225,086	4,732,335	9,612,195	
2021	6,870,155	861,765	75,000	212,149	6,295,539	4,195,125	1.50	2,100,414	225,086	1,875,328	11,487,524	
2022	6,725,316	857,180	75,000	212,149	6,155,284	4,102,250	1.50	2,053,034	225,086	1,827,949	13,315,472	
2023	6,041,586	860,275	75,000	212,149	5,468,460	3,643,500	1.50	1,824,960	225,086	1,599,874	14,915,347	
2024	6,008,548	855,905	75,000	212,149	5,439,792	3,622,500	1.50	1,817,292	225,086	1,592,206	16,507,553	
2025	5,792,551	854,070	75,000	212,149	5,225,630	3,481,500	1.50	1,744,130	225,086	1,519,044	18,026,597	
2026	5,612,238		75,000	212,149	5,899,387	3,928,500	1.50	1,970,887	225,086	1,745,801	19,772,398	
2027	5,876,049		75,000	212,149	6,163,198	4,104,750	1.50	2,058,448	225,086	1,833,362	21,605,760	
2028	5,876,049		75,000	212,149	6,163,198	4,105,625	1.50	2,057,573	225,086	1,832,487	23,438,247	
2029	5,869,112		75,000	212,149	6,156,261	4,100,250	1.50	2,056,011	225,086	1,830,925	25,269,172	
2030	5,837,095		75,000	212,149	6,124,244	4,078,875	1.50	2,045,369	225,086	1,820,283	27,089,455	
2031	5,837,095		75,000	212,149	6,124,244	4,081,000	1.50	2,043,244	225,086	1,818,158	28,907,613	
2032	5,808,402		75,000	212,149	6,095,551	4,061,250	1.50	2,034,301	225,086	1,809,215	30,716,828	
2033	5,645,480		75,000	212,149	5,932,629	3,952,125	1.50	1,980,504	225,086	1,755,418	32,472,247	
2034	5,377,832		75,000	212,149	5,664,980	3,772,500	1.50	1,892,480		1,892,480	34,364,727	
2035	4,320,974		75,000	212,149	4,608,123	3,067,625	1.50	1,540,498		1,540,498	35,905,225	
2036	3,703,244		75,000	212,149	3,990,393	2,659,125	1.50	1,331,268		1,331,268	37,236,493	
2037	3,703,244		75,000	212,149	3,990,393	2,660,000	1.50	1,330,393		1,330,393	38,566,886	
2038	3,703,244		75,000	212,149	3,990,393	2,660,000	1.50	1,330,393		1,330,393	39,897,279	
2039	2,396,767		75,000	212,149	2,683,915	1,786,250	1.50	897,665		897,665	40,794,945	
2040	1,376,665		75,000	212,149	1,663,814	1,107,000	1.50	556,814		556,814	41,351,759	
2041	34,996	-	75,000	212,149	322,145			322,145		322,145	41,673,903	
<b>Total</b>	<b>\$ 114,966,014</b>	<b>\$ 6,012,925</b>	<b>\$ 1,725,000</b>	<b>\$ 4,667,274</b>	<b>\$ 115,345,363</b>	<b>\$ 70,295,175</b>		<b>\$ 45,050,188</b>	<b>\$ 3,376,285</b>	<b>\$ 41,673,903</b>		

<sup>1</sup> Administrative fees - County = 2%; City = 1%.



Center City Revenue Finance Corporation  
 Debt Capacity Analysis  
 Pilot Extension Rents

Issue New Money Bonds - City Backstop

Exhibit D-1

Fiscal Year	Net Pilot Rents	Series 2004 Debt Service	Garage Revenues		Funds Available for Debt Service	Future Debt Service	Target DSC	Excess Net	Subordinate Debt Service	Net Available After Sub DS	Cumulative Funds Remaining
			One Commerce Square	Bakery Garage					First Park. Pl.		
2019	\$ 5,894,501	\$ 864,555	75,000		\$ 5,104,946			\$ 5,104,946	\$ 225,086	\$ 4,879,860	\$ 4,879,860
2020	6,654,872	859,175	75,000	212,149	6,082,846	972,517	6.25	5,110,329	225,086	4,885,244	9,765,104
2021	6,870,155	861,765	75,000	212,149	6,295,539	4,192,800	1.50	2,102,739	225,086	1,877,653	11,642,757
2022	6,725,316	857,180	75,000	212,149	6,155,284	4,102,400	1.50	2,052,884	225,086	1,827,799	13,470,556
2023	6,041,586	860,275	75,000	212,149	5,468,460	3,644,500	1.50	1,823,960	225,086	1,598,874	15,069,430
2024	6,008,548	855,905	75,000	212,149	5,439,792	3,623,000	1.50	1,816,792	225,086	1,591,706	16,661,136
2025	5,792,551	854,070	75,000	212,149	5,225,630	3,481,700	1.50	1,743,930	225,086	1,518,844	18,179,981
2026	5,612,238		75,000	212,149	5,899,387	3,931,000	1.50	1,968,387	225,086	1,743,301	19,923,281
2027	5,876,049		75,000	212,149	6,163,198	4,104,100	1.50	2,059,098	225,086	1,834,012	21,757,294
2028	5,876,049		75,000	212,149	6,163,198	4,104,500	1.50	2,058,698	225,086	1,833,612	23,590,906
2029	5,869,112		75,000	212,149	6,156,261	4,100,500	1.50	2,055,761	225,086	1,830,675	25,421,581
2030	5,837,095		75,000	212,149	6,124,244	4,082,300	1.50	2,041,944	225,086	1,816,858	27,238,439
2031	5,837,095		75,000	212,149	6,124,244	4,079,700	1.50	2,044,544	225,086	1,819,458	29,057,897
2032	5,808,402		75,000	212,149	6,095,551	4,062,500	1.50	2,033,051	225,086	1,807,965	30,865,862
2033	5,645,480		75,000	212,149	5,932,629	3,952,700	1.50	1,979,929	225,086	1,754,843	32,620,705
2034	5,377,832		75,000	212,149	5,664,980	3,773,500	1.50	1,891,480		1,891,480	34,512,185
2035	4,320,974		75,000	212,149	4,608,123	3,067,100	1.50	1,541,023		1,541,023	36,053,208
2036	3,703,244		75,000	212,149	3,990,393	2,658,700	1.50	1,331,693		1,331,693	37,384,901
2037	3,703,244		75,000	212,149	3,990,393	2,659,600	1.50	1,330,793		1,330,793	38,715,695
2038	3,703,244		75,000	212,149	3,990,393	2,656,700	1.50	1,333,693		1,333,693	40,049,388
2039	2,396,767		75,000	212,149	2,683,915	1,787,600	1.50	896,315		896,315	40,945,703
2040	1,376,665		75,000	212,149	1,663,814	1,106,700	1.50	557,114		557,114	41,502,817
2041	34,996	-	75,000	212,149	322,145			322,145		322,145	41,824,961
<b>Total</b>	<b>\$ 114,966,014</b>	<b>\$ 6,012,925</b>	<b>\$ 1,725,000</b>	<b>\$ 4,667,274</b>	<b>\$ 115,345,363</b>	<b>\$ 70,144,117</b>		<b>\$ 45,201,247</b>	<b>\$ 3,376,285</b>	<b>\$ 41,824,961</b>	

<sup>1</sup> Administrative fees - County = 2%; City = 1%.

Center City Revenue Finance Corporation  
 Debt Capacity Analysis  
 Pilot Extension Rents

Issue New Money & Refunding Bonds - CCRFC - Unrated Exhibit E-1

Fiscal Year	Net Pilot Rents	Series 2004 Debt Service	Garage Revenues		Funds Available for Debt Service	Future Debt Service	Target DSC	Excess Net	Subordinate Debt Service		Net Available After Sub DS	Cumulative Funds Remaining
			One Commerce Square	Bakery Garage					First	Park. Pl.		
2019	\$ 5,894,501		75,000		\$ 5,969,501			\$ 5,969,501	\$ 225,086	\$ 225,086	\$ 5,744,415	\$ 5,744,415
2020	6,654,872		75,000	212,149	6,942,021	1,313,094	5.29	5,628,927	225,086	225,086	5,403,841	11,148,256
2021	6,870,155		75,000	212,149	7,157,304	4,768,550	1.50	2,388,754	225,086	225,086	2,163,668	13,311,924
2022	6,725,316		75,000	212,149	7,012,464	4,673,450	1.50	2,339,014	225,086	225,086	2,113,929	15,425,853
2023	6,041,586		75,000	212,149	6,328,735	4,217,900	1.50	2,110,835	225,086	225,086	1,885,749	17,311,602
2024	6,008,548		75,000	212,149	6,295,697	4,195,275	1.50	2,100,422	225,086	225,086	1,875,336	19,186,939
2025	5,792,551		75,000	212,149	6,079,700	4,048,225	1.50	2,031,475	225,086	225,086	1,806,389	20,993,328
2026	5,612,238		75,000	212,149	5,899,387	3,929,650	1.50	1,969,737	225,086	225,086	1,744,651	22,737,979
2027	5,876,049		75,000	212,149	6,163,198	4,107,550	1.50	2,055,648	225,086	225,086	1,830,562	24,568,541
2028	5,876,049		75,000	212,149	6,163,198	4,107,400	1.50	2,055,798	225,086	225,086	1,830,712	26,399,253
2029	5,869,112		75,000	212,149	6,156,261	4,099,150	1.50	2,057,111	225,086	225,086	1,832,025	28,231,278
2030	5,837,095		75,000	212,149	6,124,244	4,082,800	1.50	2,041,444	225,086	225,086	1,816,358	30,047,636
2031	5,837,095		75,000	212,149	6,124,244	4,077,750	1.50	2,046,494	225,086	225,086	1,821,408	31,869,044
2032	5,808,402		75,000	212,149	6,095,551	4,063,400	1.50	2,032,151	225,086	225,086	1,807,065	33,676,109
2033	5,645,480		75,000	212,149	5,932,629	3,952,450	1.50	1,980,179	225,086	225,086	1,755,093	35,431,202
2034	5,377,832		75,000	212,149	5,664,980	3,774,550	1.50	1,890,430			1,890,430	37,321,633
2035	4,320,974		75,000	212,149	4,608,123	3,068,000	1.50	1,540,123			1,540,123	38,861,756
2036	3,703,244		75,000	212,149	3,990,393	2,656,050	1.50	1,334,343			1,334,343	40,196,099
2037	3,703,244		75,000	212,149	3,990,393	2,658,300	1.50	1,332,093			1,332,093	41,528,192
2038	3,703,244		75,000	212,149	3,990,393	2,657,300	1.50	1,333,093			1,333,093	42,861,285
2039	2,396,767		75,000	212,149	2,683,915	1,784,600	1.50	899,315			899,315	43,760,601
2040	1,376,665		75,000	212,149	1,663,814	1,107,250	1.50	556,564			556,564	44,317,164
2041	34,996	-	75,000	212,149	322,145			322,145			322,145	44,639,309
<b>Total</b>	<b>\$ 114,966,014</b>	<b>\$ -</b>	<b>\$ 1,725,000</b>	<b>\$ 4,667,274</b>	<b>\$ 121,358,288</b>	<b>\$ 73,342,694</b>		<b>\$ 48,015,594</b>	<b>\$ 3,376,285</b>	<b>\$ 3,376,285</b>	<b>\$ 44,639,309</b>	

<sup>1</sup> Administrative fees - County = 2%; City = 1%.

Center City Revenue Finance Corporation  
 Debt Capacity Analysis  
 Pilot Extension Rents

Issue New Money & Refunding Bonds - CCRFC - Rated

Exhibit F-1

Fiscal Year	Net Pilot Rents	Series 2004 Debt Service	Garage Revenues		Funds Available for Debt Service	Future Debt Service	Target DSC	Excess Net	Subordinate Debt Service	Net Available After Sub DS	Cumulative Funds Remaining
			One Commerce Square	Bakery Garage					First Park. Pl.		
2019	\$ 5,894,501		75,000		\$ 5,969,501			\$ 5,969,501	\$ 225,086	\$ 5,744,415	\$ 5,744,415
2020	6,654,872		75,000	212,149	6,942,021	1,166,750	5.95	5,775,272	225,086	5,550,186	11,294,601
2021	6,870,155		75,000	212,149	7,157,304	4,770,763	1.50	2,386,541	225,086	2,161,456	13,456,057
2022	6,725,316		75,000	212,149	7,012,464	4,670,925	1.50	2,341,539	225,086	2,116,454	15,572,510
2023	6,041,586		75,000	212,149	6,328,735	4,214,725	1.50	2,114,010	225,086	1,888,924	17,461,435
2024	6,008,548		75,000	212,149	6,295,697	4,195,575	1.50	2,100,122	225,086	1,875,036	19,336,471
2025	5,792,551		75,000	212,149	6,079,700	4,048,413	1.50	2,031,288	225,086	1,806,202	21,142,673
2026	5,612,238		75,000	212,149	5,899,387	3,928,500	1.50	1,970,887	225,086	1,745,801	22,888,474
2027	5,876,049		75,000	212,149	6,163,198	4,104,750	1.50	2,058,448	225,086	1,833,362	24,721,836
2028	5,876,049		75,000	212,149	6,163,198	4,105,625	1.50	2,057,573	225,086	1,832,487	26,554,323
2029	5,869,112		75,000	212,149	6,156,261	4,100,250	1.50	2,056,011	225,086	1,830,925	28,385,248
2030	5,837,095		75,000	212,149	6,124,244	4,078,875	1.50	2,045,369	225,086	1,820,283	30,205,531
2031	5,837,095		75,000	212,149	6,124,244	4,081,000	1.50	2,043,244	225,086	1,818,158	32,023,689
2032	5,808,402		75,000	212,149	6,095,551	4,061,250	1.50	2,034,301	225,086	1,809,215	33,832,904
2033	5,645,480		75,000	212,149	5,932,629	3,952,125	1.50	1,980,504	225,086	1,755,418	35,588,322
2034	5,377,832		75,000	212,149	5,664,980	3,772,500	1.50	1,892,480		1,892,480	37,480,803
2035	4,320,974		75,000	212,149	4,608,123	3,067,625	1.50	1,540,498		1,540,498	39,021,300
2036	3,703,244		75,000	212,149	3,990,393	2,659,125	1.50	1,331,268		1,331,268	40,352,568
2037	3,703,244		75,000	212,149	3,990,393	2,660,000	1.50	1,330,393		1,330,393	41,682,962
2038	3,703,244		75,000	212,149	3,990,393	2,660,000	1.50	1,330,393		1,330,393	43,013,355
2039	2,396,767		75,000	212,149	2,683,915	1,786,250	1.50	897,665		897,665	43,911,020
2040	1,376,665		75,000	212,149	1,663,814	1,107,000	1.50	556,814		556,814	44,467,834
2041	34,996	-	75,000	212,149	322,145			322,145		322,145	44,789,979
<b>Total</b>	<b>\$ 114,966,014</b>	<b>\$ -</b>	<b>\$ 1,725,000</b>	<b>\$ 4,667,274</b>	<b>\$ 121,358,288</b>	<b>\$ 73,192,025</b>		<b>\$ 48,166,264</b>	<b>\$ 3,376,285</b>	<b>\$ 44,789,979</b>	

<sup>1</sup> Administrative fees - County = 2%; City = 1%.

Center City Revenue Finance Corporation  
Debt Capacity Analysis  
Pilot Extension Rents

Issue New Money & Refunding Bonds - City Backstop

Exhibit G-1

Fiscal Year	Net Pilot Rents	Series 2004 Debt Service	Garage Revenues		Funds Available for Debt Service	Future Debt Service	Target DSC	Excess Net	Subordinate Debt Service	Net Available After Sub DS	Cumulative Funds Remaining
			One Commerce Square	Bakery Garage					First Park. Pl.		
2019	\$ 5,894,501		75,000		\$ 5,969,501			\$ 5,969,501	\$ 225,086	\$ 5,744,415	\$ 5,744,415
2020	6,654,872		75,000	212,149	6,942,021	1,272,372	5.46	5,669,649	225,086	5,444,564	11,188,979
2021	6,870,155		75,000	212,149	7,157,304	5,960,438	1.20	1,196,866	225,086	971,781	12,160,759
2022	6,725,316		75,000	212,149	7,012,464	5,840,300	1.20	1,172,164	225,086	947,079	13,107,838
2023	6,041,586		75,000	212,149	6,328,735	5,268,850	1.20	1,059,885	225,086	834,799	13,942,637
2024	6,008,548		75,000	212,149	6,295,697	5,244,488	1.20	1,051,209	225,086	826,124	14,768,761
2025	5,792,551		75,000	212,149	6,079,700	5,065,338	1.20	1,014,363	225,086	789,277	15,558,038
2026	5,612,238		75,000	212,149	5,899,387	4,911,600	1.20	987,787	225,086	762,701	16,320,739
2027	5,876,049		75,000	212,149	6,163,198	5,134,200	1.20	1,028,998	225,086	803,912	17,124,651
2028	5,876,049		75,000	212,149	6,163,198	5,132,100	1.20	1,031,098	225,086	806,012	17,930,663
2029	5,869,112		75,000	212,149	6,156,261	5,129,500	1.20	1,026,761	225,086	801,675	18,732,338
2030	5,837,095		75,000	212,149	6,124,244	5,101,700	1.20	1,022,544	225,086	797,458	19,529,796
2031	5,837,095		75,000	212,149	6,124,244	5,098,500	1.20	1,025,744	225,086	800,658	20,330,454
2032	5,808,402		75,000	212,149	6,095,551	5,074,600	1.20	1,020,951	225,086	795,865	21,126,319
2033	5,645,480		75,000	212,149	5,932,629	4,942,400	1.20	990,229	225,086	765,143	21,891,462
2034	5,377,832		75,000	212,149	5,664,980	4,720,800	1.20	944,180		944,180	22,835,643
2035	4,320,974		75,000	212,149	4,608,123	3,840,100	1.20	768,023		768,023	23,603,666
2036	3,703,244		75,000	212,149	3,990,393	3,322,000	1.20	668,393		668,393	24,272,059
2037	3,703,244		75,000	212,149	3,990,393	3,324,400	1.20	665,993		665,993	24,938,052
2038	3,703,244		75,000	212,149	3,990,393	3,322,000	1.20	668,393		668,393	25,606,445
2039	2,396,767		75,000	212,149	2,683,915	2,231,900	1.20	452,015		452,015	26,058,460
2040	1,376,665		75,000	212,149	1,663,814	1,382,100	1.20	281,714		281,714	26,340,174
2041	34,996	-	75,000	212,149	322,145			322,145		322,145	26,662,319
<b>Total</b>	<b>\$ 114,966,014</b>	<b>\$ -</b>	<b>\$ 1,725,000</b>	<b>\$ 4,667,274</b>	<b>\$ 121,358,288</b>	<b>\$ 91,319,684</b>		<b>\$ 30,038,604</b>	<b>\$ 3,376,285</b>	<b>\$ 26,662,319</b>	

<sup>1</sup> Administrative fees - County = 2%; City = 1%.

Center City Revenue Finance Corporation  
 Debt Capacity Analysis  
 Pilot Extension Rents

Secure Bank Loan/Issue New Money Bonds - CCRFC Exhibit H-1

Fiscal Year	Net Pilot Rents	Series 2004 Debt Service	Garage Revenues		Funds Available for Debt Service	Future Debt Service	Target DSC	Excess Net	Subordinate Debt Service	Net Available After Sub DS	Cumulative Funds Remaining
			One Commerce Square	Bakery Garage					First Park. Pl.		
2019	\$ 5,894,501	\$ 864,555	75,000		\$ 5,104,946			\$ 5,104,946	\$ 225,086	\$ 4,879,860	\$ 4,879,860
2020	6,654,872	859,175	75,000	212,149	6,082,846	1,159,627	5.25	4,923,220	225,086	4,698,134	9,577,994
2021	6,870,155	861,765	75,000	212,149	6,295,539	4,194,081	1.50	2,101,458	225,086	1,876,372	11,454,366
2022	6,725,316	857,180	75,000	212,149	6,155,284	4,099,988	1.50	2,055,297	225,086	1,830,211	13,284,577
2023	6,041,586	860,275	75,000	212,149	5,468,460	3,645,344	1.50	1,823,116	225,086	1,598,030	14,882,608
2024	6,008,548	855,905	75,000	212,149	5,439,792	3,623,706	1.50	1,816,086	225,086	1,591,000	16,473,608
2025	5,792,551	854,070	75,000	212,149	5,225,630	3,482,069	1.50	1,743,561	225,086	1,518,476	17,992,083
2026	5,612,238		75,000	212,149	5,899,387	3,927,831	1.50	1,971,555	225,086	1,746,470	19,738,553
2027	5,876,049		75,000	212,149	6,163,198	4,106,675	1.50	2,056,523	225,086	1,831,437	21,569,990
2028	5,876,049		75,000	212,149	6,163,198	4,104,494	1.50	2,058,704	225,086	1,833,618	23,403,608
2029	5,869,112		75,000	212,149	6,156,261	4,100,619	1.50	2,055,642	225,086	1,830,556	25,234,165
2030	5,837,095		75,000	212,149	6,124,244	4,080,181	1.50	2,044,062	225,086	1,818,977	27,053,141
2031	5,837,095		75,000	212,149	6,124,244	4,077,788	1.50	2,046,456	225,086	1,821,370	28,874,512
2032	5,808,402		75,000	212,149	6,095,551	4,062,913	1.50	2,032,638	225,086	1,807,553	30,682,064
2033	5,645,480		75,000	212,149	5,932,629	3,953,050	1.50	1,979,579	225,086	1,754,493	32,436,558
2034	5,377,832		75,000	212,149	5,664,980	3,772,400	1.50	1,892,580		1,892,580	34,329,138
2035	4,320,974		75,000	212,149	4,608,123	3,066,975	1.50	1,541,148		1,541,148	35,870,286
2036	3,703,244		75,000	212,149	3,990,393	2,658,731	1.50	1,331,662		1,331,662	37,201,948
2037	3,703,244		75,000	212,149	3,990,393	2,659,819	1.50	1,330,574		1,330,574	38,532,522
2038	3,703,244		75,000	212,149	3,990,393	2,659,475	1.50	1,330,918		1,330,918	39,863,440
2039	2,396,767		75,000	212,149	2,683,915	1,785,931	1.50	897,984		897,984	40,761,424
2040	1,376,665		75,000	212,149	1,663,814	1,108,350	1.50	555,464		555,464	41,316,888
2041	34,996	-	75,000	212,149	322,145			322,145		322,145	41,639,033
<b>Total</b>	<b>\$ 114,966,014</b>	<b>\$ 6,012,925</b>	<b>\$ 1,725,000</b>	<b>\$ 4,667,274</b>	<b>\$ 115,345,363</b>	<b>\$ 70,330,045</b>		<b>\$ 45,015,318</b>	<b>\$ 3,376,285</b>	<b>\$ 41,639,033</b>	

<sup>1</sup> Administrative fees - County = 2%; City = 1%.

Center City Revenue Finance Corporation  
 Debt Capacity Analysis  
 Pilot Extension Rents

Secure Bank Loan/Issue New Money Bonds - City Backstop

Exhibit I-1

Fiscal Year	Net Pilot Rents	Series 2004 Debt Service	Garage Revenues		Funds Available for Debt Service	Future Debt Service	Target DSC	Excess Net	Subordinate Debt Service	Net Available After Sub DS	Cumulative Funds Remaining
			One Commerce Square	Bakery Garage					First Park. Pl.		
2019	\$ 5,894,501	\$ 864,555	75,000		\$ 5,104,946			\$ 5,104,946	\$ 225,086	\$ 4,879,860	\$ 4,879,860
2020	6,654,872	859,175	75,000	212,149	6,082,846	1,089,705	5.58	4,993,141	225,086	4,768,055	9,647,915
2021	6,870,155	861,765	75,000	212,149	6,295,539	4,193,256	1.50	2,102,283	225,086	1,877,197	11,525,112
2022	6,725,316	857,180	75,000	212,149	6,155,284	4,101,950	1.50	2,053,334	225,086	1,828,249	13,353,361
2023	6,041,586	860,275	75,000	212,149	5,468,460	3,644,313	1.50	1,824,147	225,086	1,599,062	14,952,422
2024	6,008,548	855,905	75,000	212,149	5,439,792	3,624,038	1.50	1,815,754	225,086	1,590,669	16,543,091
2025	5,792,551	854,070	75,000	212,149	5,225,630	3,478,881	1.50	1,746,749	225,086	1,521,663	18,064,754
2026	5,612,238		75,000	212,149	5,899,387	3,932,325	1.50	1,967,062	225,086	1,741,976	19,806,730
2027	5,876,049		75,000	212,149	6,163,198	4,106,056	1.50	2,057,141	225,086	1,832,056	21,638,786
2028	5,876,049		75,000	212,149	6,163,198	4,105,169	1.50	2,058,029	225,086	1,832,943	23,471,729
2029	5,869,112		75,000	212,149	6,156,261	4,103,463	1.50	2,052,798	225,086	1,827,713	25,299,442
2030	5,837,095		75,000	212,149	6,124,244	4,081,175	1.50	2,043,069	225,086	1,817,983	27,117,425
2031	5,837,095		75,000	212,149	6,124,244	4,078,069	1.50	2,046,175	225,086	1,821,089	28,938,514
2032	5,808,402		75,000	212,149	6,095,551	4,063,669	1.50	2,031,882	225,086	1,806,796	30,745,310
2033	5,645,480		75,000	212,149	5,932,629	3,950,350	1.50	1,982,279	225,086	1,757,193	32,502,504
2034	5,377,832		75,000	212,149	5,664,980	3,771,913	1.50	1,893,068		1,893,068	34,395,572
2035	4,320,974		75,000	212,149	4,608,123	3,067,725	1.50	1,540,398		1,540,398	35,935,970
2036	3,703,244		75,000	212,149	3,990,393	2,659,081	1.50	1,331,312		1,331,312	37,267,281
2037	3,703,244		75,000	212,149	3,990,393	2,659,831	1.50	1,330,562		1,330,562	38,597,843
2038	3,703,244		75,000	212,149	3,990,393	2,655,356	1.50	1,335,037		1,335,037	39,932,880
2039	2,396,767		75,000	212,149	2,683,915	1,786,556	1.50	897,359		897,359	40,830,239
2040	1,376,665		75,000	212,149	1,663,814	1,105,650	1.50	558,164		558,164	41,388,403
2041	34,996	-	75,000	212,149	322,145			322,145		322,145	41,710,548
<b>Total</b>	<b>\$ 114,966,014</b>	<b>\$ 6,012,925</b>	<b>\$ 1,725,000</b>	<b>\$ 4,667,274</b>	<b>\$ 115,345,363</b>	<b>\$ 70,258,530</b>		<b>\$ 45,086,833</b>	<b>\$ 3,376,285</b>	<b>\$ 41,710,548</b>	

<sup>1</sup> Administrative fees - County = 2%; City = 1%.

Center City Revenue Finance Corporation  
 Debt Capacity Analysis  
 Pilot Extension Rents

Secure Bank Loan/Issue New Money & Refunding Bonds - CCRFC

Exhibit J-1

Fiscal Year	Net Pilot Rents	Series 2004 Debt Service	Garage Revenues		Funds Available for Debt Service	Future Debt Service	Target DSC	Excess Net	Subordinate Debt Service	Net Available After Sub DS	Cumulative Funds Remaining
			One Commerce Square	Bakery Garage					First Park. Pl.		
2019	\$ 5,894,501		75,000		\$ 5,969,501			\$ 5,969,501	\$ 225,086	\$ 5,744,415	\$ 5,744,415
2020	6,654,872		75,000	212,149	6,942,021	1,224,545	5.67	5,717,476	225,086	5,492,390	11,236,805
2021	6,870,155		75,000	212,149	7,157,304	4,769,175	1.50	2,388,129	225,086	2,163,043	13,399,849
2022	6,725,316		75,000	212,149	7,012,464	4,670,669	1.50	2,341,796	225,086	2,116,710	15,516,559
2023	6,041,586		75,000	212,149	6,328,735	4,215,431	1.50	2,113,304	225,086	1,888,218	17,404,777
2024	6,008,548		75,000	212,149	6,295,697	4,196,756	1.50	2,098,941	225,086	1,873,855	19,278,632
2025	5,792,551		75,000	212,149	6,079,700	4,051,638	1.50	2,028,063	225,086	1,802,977	21,081,609
2026	5,612,238		75,000	212,149	5,899,387	3,927,831	1.50	1,971,555	225,086	1,746,470	22,828,078
2027	5,876,049		75,000	212,149	6,163,198	4,106,675	1.50	2,056,523	225,086	1,831,437	24,659,515
2028	5,876,049		75,000	212,149	6,163,198	4,104,494	1.50	2,058,704	225,086	1,833,618	26,493,134
2029	5,869,112		75,000	212,149	6,156,261	4,100,619	1.50	2,055,642	225,086	1,830,556	28,323,690
2030	5,837,095		75,000	212,149	6,124,244	4,080,181	1.50	2,044,062	225,086	1,818,977	30,142,666
2031	5,837,095		75,000	212,149	6,124,244	4,077,788	1.50	2,046,456	225,086	1,821,370	31,964,037
2032	5,808,402		75,000	212,149	6,095,551	4,062,913	1.50	2,032,638	225,086	1,807,553	33,771,590
2033	5,645,480		75,000	212,149	5,932,629	3,953,050	1.50	1,979,579	225,086	1,754,493	35,526,083
2034	5,377,832		75,000	212,149	5,664,980	3,772,400	1.50	1,892,580		1,892,580	37,418,663
2035	4,320,974		75,000	212,149	4,608,123	3,066,975	1.50	1,541,148		1,541,148	38,959,811
2036	3,703,244		75,000	212,149	3,990,393	2,658,731	1.50	1,331,662		1,331,662	40,291,473
2037	3,703,244		75,000	212,149	3,990,393	2,659,819	1.50	1,330,574		1,330,574	41,622,047
2038	3,703,244		75,000	212,149	3,990,393	2,659,475	1.50	1,330,918		1,330,918	42,952,966
2039	2,396,767		75,000	212,149	2,683,915	1,785,931	1.50	897,984		897,984	43,850,950
2040	1,376,665		75,000	212,149	1,663,814	1,108,350	1.50	555,464		555,464	44,406,414
2041	34,996	-	75,000	212,149	322,145			322,145		322,145	44,728,558
<b>Total</b>	<b>\$ 114,966,014</b>	<b>\$ -</b>	<b>\$ 1,725,000</b>	<b>\$ 4,667,274</b>	<b>\$ 121,358,288</b>	<b>\$ 73,253,445</b>		<b>\$ 48,104,843</b>	<b>\$ 3,376,285</b>	<b>\$ 44,728,558</b>	

<sup>1</sup> Administrative fees - County = 2%; City = 1%.

Center City Revenue Finance Corporation  
 Debt Capacity Analysis  
 Pilot Extension Rents

Secure Bank Loan/Issue New Money & Refunding Bonds - City Backstop

Exhibit K-1

Fiscal Year	Net Pilot Rents	Series 2004 Debt Service	Garage Revenues		Funds Available for Debt Service	Future Debt Service	Target DSC	Excess Net	Subordinate Debt Service		Net Available After Sub DS	Cumulative Funds Remaining
			One Commerce Square	Bakery Garage					First Park. Pl.			
2019	\$ 5,894,501		75,000		\$ 5,969,501			\$ 5,969,501	\$ 225,086	\$ 5,744,415	\$ 5,744,415	
2020	6,654,872		75,000	212,149	6,942,021	1,436,748	4.83	5,505,273	225,086	5,280,187	11,024,602	
2021	6,870,155		75,000	212,149	7,157,304	5,963,219	1.20	1,194,085	225,086	968,999	11,993,602	
2022	6,725,316		75,000	212,149	7,012,464	5,839,663	1.20	1,172,802	225,086	947,716	12,941,318	
2023	6,041,586		75,000	212,149	6,328,735	5,270,725	1.20	1,058,010	225,086	832,924	13,774,242	
2024	6,008,548		75,000	212,149	6,295,697	5,244,506	1.20	1,051,191	225,086	826,105	14,600,347	
2025	5,792,551		75,000	212,149	6,079,700	5,061,981	1.20	1,017,719	225,086	792,633	15,392,980	
2026	5,612,238		75,000	212,149	5,899,387	4,916,000	1.20	983,387	225,086	758,301	16,151,281	
2027	5,876,049		75,000	212,149	6,163,198	5,131,944	1.20	1,031,254	225,086	806,168	16,957,449	
2028	5,876,049		75,000	212,149	6,163,198	5,135,775	1.20	1,027,423	225,086	802,337	17,759,786	
2029	5,869,112		75,000	212,149	6,156,261	5,127,363	1.20	1,028,898	225,086	803,813	18,563,599	
2030	5,837,095		75,000	212,149	6,124,244	5,102,063	1.20	1,022,181	225,086	797,095	19,360,694	
2031	5,837,095		75,000	212,149	6,124,244	5,099,400	1.20	1,024,844	225,086	799,758	20,160,452	
2032	5,808,402		75,000	212,149	6,095,551	5,078,900	1.20	1,016,651	225,086	791,565	20,952,017	
2033	5,645,480		75,000	212,149	5,932,629	4,943,413	1.20	989,217	225,086	764,131	21,716,148	
2034	5,377,832		75,000	212,149	5,664,980	4,717,688	1.20	947,293		947,293	22,663,441	
2035	4,320,974		75,000	212,149	4,608,123	3,839,775	1.20	768,348		768,348	23,431,789	
2036	3,703,244		75,000	212,149	3,990,393	3,322,631	1.20	667,762		667,762	24,099,551	
2037	3,703,244		75,000	212,149	3,990,393	3,321,188	1.20	669,206		669,206	24,768,757	
2038	3,703,244		75,000	212,149	3,990,393	3,323,094	1.20	667,299		667,299	25,436,056	
2039	2,396,767		75,000	212,149	2,683,915	2,234,475	1.20	449,440		449,440	25,885,496	
2040	1,376,665		75,000	212,149	1,663,814	1,382,063	1.20	281,751		281,751	26,167,248	
2041	34,996	-	75,000	212,149	322,145			322,145		322,145	26,489,392	
<b>Total</b>	<b>\$ 114,966,014</b>	<b>\$ -</b>	<b>\$ 1,725,000</b>	<b>\$ 4,667,274</b>	<b>\$ 121,358,288</b>	<b>\$ 91,492,611</b>		<b>\$ 29,865,678</b>	<b>\$ 3,376,285</b>	<b>\$ 26,489,392</b>		

<sup>1</sup> Administrative fees - County = 2%; City = 1%.





GRUEN GRUEN + ASSOCIATES

## **EXPRESSION OF INTEREST AND QUALIFICATIONS TO COMPLETE THE DOWNTOWN MEMPHIS PILOT PROGRAM REVIEW**

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To

**DOWNTOWN MEMPHIS COMMISSION**

From

**GRUEN GRUEN + ASSOCIATES**

*Urban Economists, Market Strategists & Land Use/Public Policy Analysts*

July 29, 2021



July 29, 2021

Via email: [alueders@downtownmemphis.com](mailto:alueders@downtownmemphis.com)

Mr. Abram Lueders  
Planning and Development Analyst  
Downtown Memphis Commission  
114 North Main Street  
Memphis, TN 38103-2003

Dear Mr. Lueders:

The urban economists, market strategists, financial analysts, and land use policy advisors of Gruen Gruen + Associates (GG+A), a WBE, are pleased to submit this "expression of interest" to the Center City Revenue Finance Corporation (CCRFC) and the Downtown Memphis Commission (DMC) to conduct a review of the Downtown Payment In Lieu Of Taxes (PILOT) program.

Since 1970, as specialists in the economics of land use and cost-benefit analysis, GG+A has assisted many municipalities with developing incentives policy, evaluating requests for incentives, and proactively offering incentives where found justified to accomplish civic priorities. GG+A has developed a battery of sophisticated computer models and simulation tools to evaluate the real estate economics and fiscal and economic impacts of proposed developments, policies, and plans. Through hundreds of development programming engagements and government-owned property disposition and incentive negotiations, the market research, investment feasibility analysis, and economic and fiscal impact analysis conducted by GG+A has permitted GG+A to accurately forecast the results and costs and benefits of alternative development, public investment, and regulatory actions.

What GG+A brings to analysis are credible answers that produce results-not the output of a black box to be taken on faith-, but rational and understandable explanations of expected effects on jobs, incomes, and public budgets and policies and identification of actions that provide the potential for higher returns or expose value-deflating risks. For one recent example, see: [Economic, Fiscal and Spillover Impacts of University Hill Hotel \(boulder.colorado.gov\)](http://boulder.colorado.gov).

While TIFs, PILOTS, and related development incentives are often beneficial, the announcement or availability of these incentives can have unintended consequences such as disinvestment in pre-development and increases in the "reservation prices" for existing properties. Both situations can make the feasibility of new development/redevelopment more challenging than would otherwise occur. Thus, prior to establishing or announcing any incentive program, we find it is often worthwhile to study how the market conditions, land use policy, and zoning regulations come together to shape the real estate economics that apply to property. Real estate economics work to influence the investment or non-investment decisions of owners and would-be owners. Analysis of the real estate economics permits conclusions to be reached as to the type of options available to property owners and developers and the kind of actions they might take in the future, assuming the status quo, or changes in public policies and actions, including PILOT programs. The real estate economic analysis provides the basis for identifying feasibility gaps as well as identifying if other planning policies or regulations are discouraging investment. An example of a report on the real estate analysis of proposed planning regulations and how they would effect development feasibility for the City of Scottsdale can be found here:

[Southern Scottsdale Real Estate Economic Analysis \(scottsdaleaz.gov\)](#). Another example of an analysis of the real estate economics of zoning alternatives and identifying incentives needed, based on residual land value analysis, can be found here: [Northfield Road Rezoning \(ggassoc.com\)](#).

We have also found from helping government and institutional owners of surplus real estate assets, whose priorities frequently include criteria other than highest price, that “grading systems” can be “gamed” by developers resulting in less-than-optimal allocation of municipal resources. For an overview of the real estate economics that should be identified before selling surplus real estate as well as before making decisions about the granting of development incentives, see the article [Avoiding Pitfalls of Public-Private Partnerships](#) by GG+A principal Aaron Gruen.

Based on our review of one example proforma for one PILOT project, we would suggest some refinements and enhancements (to both the required information and how to analyze the information) that would not be burdensome but would provide a richer information base and more objective way of making decisions about the use of the PILOT program. This would include the concept of a residual land value analysis that would indicate whether the land seller is obtaining a windfall because of the PILOT offered to the developer. Residual land value refers to the land acquisition cost that a project can support, given the costs, revenues, and hurdle rates that apply to capital investment. The residual land value method “solves for” the supportable value of land given a feasible rate of return on investment. If the land cost paid by the developer is higher than the residual land value, in effect the land seller is obtaining a windfall the costs of which are borne by the municipality which writes down the value of land or provides incentives such as the PILOT.

Based on our understanding of the situation, we estimate a budget of \$45,000 to \$65,000 to complete the research, analysis, and interactive seminars we would recommend to be able to:

- evaluate whether the program is accomplishing the desired objectives in an efficient manner;
- to improve on the information required and used to conduct the “but for” test in a way that limits gaming and increases predictability and facilitates the optimal allocation of tax resources; and
- identify both policy as well as procedural changes that would be beneficial to adopt to make the most efficient and impactful use of the PILOT program given the current and anticipated market conditions and civic priorities.

The budget will be refined based upon discussion with CCRFC and Downtown Memphis Commission representatives.

Appended below are the following items: (1) firm profile, capabilities and tools; (2) examples of relevant experience and qualifications; (3) resumes of key staff; and (4) client references. Additional information can be found on our web site: [www.ggassoc.com](#).

We look forward to the possibility of working with you and other stakeholders on this important project. Please contact me if you desire additional information or wish to discuss anything.

Very truly yours,

**Gruen Gruen + Associates**



By Debra L. Jeans  
Principal  
djeans@ggassoc.com

## **Firm Profile & History**

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*Applying Knowledge, Creating Results, Adding Value*

Website: [www.ggassoc.com](http://www.ggassoc.com)

Date Founded: February 14, 1970

Primary Areas  
of Specialization: Real Estate Market Research  
Real Estate Economic/Financial Feasibility Analysis  
Demographic and Economic Analysis  
Survey Research  
Land Use/Public Policy Analysis  
Fiscal and Economic Impact Analysis  
Pre-Development Advisory/Negotiation Services

Results of Areas of  
Specialization: Economic Development Strategy and Policy  
Comprehensive and Specific Plans  
Downtown Development and Redevelopment  
Adaptive Reuse, Disposition and Development of Surplus Real Estate  
Office, Industrial and Business Park Developments  
Housing Policy and Housing Development  
Shopping Center Redevelopment and Repositioning  
Hotel and Entertainment Development  
Brownfield Development  
Capital Facilities Financing  
Transit-Oriented Development  
Waterfront Development

Key Analysts: Aaron N. Gruen, Esq., Principal  
Debra L. Jeans, Principal  
Andrew Ratchford, Senior Analyst  
Claude Gruen, Ph.D., Principal Economist  
Geoffrey J.D. Hewings, Ph.D., Consulting Economist

## Capabilities and Tools

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"Location, location, location" won't take you far in the value-adding process. Today, the best locations are created, not found. The highest returns go to those who can "package" a location with the mix of uses, product features, amenities, social ambiance, management techniques, and financing that the market demands and at a price it will pay. As market requirements vary, so does the knowledge needed to assemble a high-return real estate package. GG+A has developed a set of analytic tools which we custom bundle for each assignment. The skills, methodologies, and conceptual understandings that make up these tools have been constantly refined and reinvented since GG+A's founding in 1970. These tools include:

### Market Research That Gets Answers

GG+A has developed behavioral concepts about consumer motivations and matched them to an array of analytic methods, creating an arsenal of powerful consumer research tools. This enables GG+A to extract the most relevant information from an exploding base of computer-accessible demographic, socio-economic, and real estate data. Expertise in a broad variety of survey and interview techniques enables GG+A to conduct or supervise cost-effective field research. We synthesize information from market research into on-target demand forecasts.

### Real Estate Economic Analysis That Produces Insight

GG+A has developed a series of conceptual models that describe how alternative market conditions influence profitable land use. The success of all real estate projects depends on local supply and demand conditions. Good real estate deals can happen in robust and depressed regional economies — as can bad real estate deals. GG+A's models enable GG+A to examine the real estate economics that apply to a specific area and then accurately forecast the results of alternative development, public investment, or regulatory actions.

### Investment Evaluation That Adds Value

GG+A began developing the real estate cash flow model REALISM™ in 1970. While preserving its proprietary features, we have constantly enhanced and refined REALISM™ through hundreds of development programming, deal-making, and negotiating situations. Today, REALISM™ remains unique and further advances the firm's ability to conduct comprehensive investment analysis — analysis that points to higher returns and exposes value-deflating risks.

### Real Estate Asset Management & Implementation

The market analysts and real estate economists of Gruen Gruen + Associates have extensive experience identifying and evaluating the net revenue and costs likely to flow over time from alternative land and real property options. We frequently apply these skills to work with land owners, developers and space users to identify asset management and occupancy programs and implement real estate decisions that maximize returns from real estate assets and minimize net occupancy costs. We often apply these skills to public and nonprofit entities such as transit agencies, school districts, local, county, and state governments, airports and museums, universities, and hospitals, motivated to generate the greatest revenue potential from their real estate assets while simultaneously minimizing the net cost of facilities they need to serve their public purpose. GG+A works closely with public and nonprofit clients to evaluate, structure, negotiate and implement plans and transactions to create and maximize value from their land and real estate holdings.

### Land Value Enhancement & Disposition

Since its founding in 1970 Gruen Gruen + Associates has worked with land owners and public entities that regulate land use to identify market responsive plans that maximize land values and private and public returns from development

and redevelopment. The market research and real estate financial analysis Gruen Gruen + Associates conducts results in land use plans and development programs in which the whole of the development guided by the plans equals more than the sum of the individual parts. Our pre-development services for land owners go beyond identifying the general plan and uses of land value maximizing plans. We position the land and help effectively market it to the developers, builders, or users whose unique capabilities can best implement the land value maximizing identified development.

## Computer-Aided Analysis

### Real Estate Analysis Land Investment Simulation Model (REALISM™)

REALISM™, a proprietary GG+A program, is probably the most sophisticated and flexible real estate cash flow simulation model in use today. Able to accept separate financial parameters for up to 40 components of a single or mixed-use development project, REALISM™ produces year-by-year projections of rental income, sales profits, interest payments, taxes, depreciation and the net cash flow. The model also produces estimates of the total take-out that would result from the sale of the project in every year of operation, based on the estimated market value of the project, book value, recaptured excess depreciation, capital gains tax and the principal due on all mortgages.

For each year of the project's operation, REALISM™ calculates non-time-discounted measures of return including the ratio of operating income to total investment and the cash-on-cash (or net cash flow to equity) ratio. As time-related measures of return, REALISM™ calculates the internal rate of return (IRR), the net present value of the cumulative cash flow and the value of the reinvested return. The debt coverage ratio is calculated on a yearly basis as well. The model is designed to facilitate multiple comparisons of alternative development schemes.

REALISM™ is particularly useful for calculating the supportable residual land value given a target internal rate of return for alternative development projects. Specifically, the model may be used to estimate the net revenue surplus attributable to a development use given a target internal rate of return for the project. If the net revenue surplus forecasts are positive, then it is clear that the proposed development can pay for the associated development costs. Furthermore, a comparison of net revenue surplus with the capital and infrastructure costs associated with the project sheds light on the issue of whether the proposed development can support these capital costs either with payments by the developer or with the use of an assessment or redevelopment district. If the capital costs exceed the net revenue surplus, then appropriate phasing of the project may be called for so that the infrastructure requirements can be paid for.

### REALISM Application Example

Client: State of California DGS

Location: San Diego, CA

*GG+A was asked to provide analysis and negotiation support for the redevelopment and ground lease of a 6-acre site in the Hillcrest neighborhood of San Diego, which was occupied by a Department of Motor Vehicles facility. The redevelopment concept entailed densification of the site to accommodate both a new DMV facility and a market rate 6-story multi-family apartment development. The goal was to generate enough proceeds from the ground lease of a portion of the 6-acre site to fund the construction of a new state-of-the-art DMV facility.*

*The capabilities of GG+A's REALISM model were relied upon extensively to estimate the land value, and therefor amount of ground rent, supported by private development on surplus portions of the site. Multiple development scenarios, with differing building heights, densities, and parking configurations were simulated using REALISM in order to quantify the effect of programmatic changes on the ability of the private partner to pay ground rent. This analysis and simulation process was used to identify the funding ramifications of each development scenario. The final development agreement identified a program that would allow the private developer to fund all DMV construction costs, estimated to exceed \$12 million, in exchange for "free ground rent" for 65 years on a portion of the existing state-owned site.*

### **NET™ - Testing the Contribution to Profit of a Single Land Use Component**

The NET™ program assists GG+A analysts in formulating quick initial assessments of the contribution of each type of land use to the profitability of a given real estate venture. The strength of the NET™ program may be viewed in its ability to identify the impacts of various development specifications and/or requirements as well as its ability to provide a basis for which developers can negotiate construction and financing terms.

### **Capital Facilities Model**

The GG+A Capital Facilities model has proven to be a very useful tool to estimate the most appropriate way to finance the capital improvement costs required for new development. Capital projects are often very costly, and the greatest hurdle encountered is identifying strategies to finance those improvements required at the beginning of the development cycle. The Capital Facilities model considers three primary financing sources (bonds, fees and developer loans/reimbursement agreements) and identifies which financing mechanisms are most appropriate for a particular project and how the financing should be structured. Specifically, the model considers proposed development, likely absorption rates, estimated market and assessed values and sustainable fees. Annual cashflow projections are then made to assess supportable levels of alternative capital financing tools. The model is particularly useful for conducting sensitivity analyses to identify potential cash shortfalls under alternative capital financing scenarios and how those shortfalls can be mitigated.

### **SPACEWALK™**

SPACEWALK™ is a Gruen Gruen + Associates (GG+A) proprietary three-dimensional spreadsheet-based computer model used to estimate the demand for nonresidential development in a region based on changes in employment by sector. Projections of employment change are converted into projections of demand for office, manufacturing, warehouse and retail space based on the space use characteristics of occupational groups within economic sectors. The final step in the determination of space demand from employment projections is the multiplication of the number of workers expected to occupy space by the number of square feet of space needed to accommodate each worker.

## **Firm Experiences and Services**

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The urban economists, sociologists, market, financial and fiscal analysts of Gruen Gruen + Associates (GG+A) have served as consultants to both the public and private sectors for over 51 years. We describe and forecast the market and real estate economic realities that will achieve the redevelopment objectives of cities, neighborhoods, and the communities that adjoin them. We apply the concepts of the social sciences, statistics, and econometrics and finance to produce clear, accurate and objective forecasts and descriptions of the relevant areas, the real estate economics that apply and the demands that can be catered to in the future. We are proud of the role we have played in the revitalization of downtowns, neighborhoods, and specific projects. We have conducted numerous feasibility studies, due diligence analyses, and programmed and contributed to the implementation of many real estate projects both by private developers, or joint public/private partnerships. We have experience in leading and/or working on teams that have taken excess State of California properties through the entitlement process before marketing to developers, in order to significantly enhance the value of the State's land assets.

Market research, financial analysis, and studies of the real estate economic conditions within relevant market areas have frequently been combined to assist cities to make and implement decisions about planning, redevelopment, and policies to enhance and revitalize existing retailing areas and program new retail, residential, visitor, and office developments. Survey research, focus panels, and demographic analysis have been frequently used by GG+A teams identifying retenanting, modernization, and other strategic actions to improve the competitive strength of existing regional, specialty, and community shopping areas. GG+A analysts have extensive experience in providing the information base for joint development and reuse options, and have often served to provide negotiation support for school districts, transportation agencies, cities, and corporations as they make deals to convert surplus property into income-generating assets.

We have learned that each community has its own economic and social culture so that what works well for one community cannot be used as a template for others that differ in their histories and social geographies. We have also learned that success depends upon knowing the right questions to ask and having the expertise to know which tools and techniques are most cost-effective in obtaining answers. We also believe that our clients obtain the best value from the realistic and implementable action plans and transactions we produce, rather than four-color reports that are not grounded in economic and market realities. Some examples of prior assignments describe GG+A's expertise in conducting realistic market demand forecasts and evaluations. The word realistic is emphasized because, if a demand analysis is unable to be translated into improved decision-making and implementation actions, including giving developers and their financing sources a leg-up on their due diligence, it will be merely consigned to a dust-covered shelf when the objective should be viable on-the-ground- projects or other actions.

Other examples of past assignments completed by GG+A describe our experience in conducting real estate feasibility and land-value testing financial analysis to identify optimal land use programs. We believe that development plans and redevelopment plans need to be analyzed from the developer's perspective. Without knowing whether proposed development(s) are feasible from a joint venture, private developer, or user perspective, it is difficult to postulate either an appropriate negotiating stance or to analyze the fiscal and financial ramifications that stem from proposed project(s). In over 51 years of experience working on public and private planning teams, in acquisition and sale financing and leasing negotiations and with litigation concerning the value of property, we have learned that whoever constructs the real estate model used to simulate the investment sets the rules of the analysis and negotiations. Therefore, we frequently cast for our clients the financial aspects of development alternatives in one or several of



GG+A's real estate models. The following abstracts are representative of our experience in evaluating the proposed options so as to identify the ability of the alternatives to support the necessary development costs given reasonable market and investment assumptions. In performing such evaluations, we simultaneously provide realistic estimates of the land values induced by the components and totality of each set of proposed alternatives. We have learned how to present and reach agreement on the key assumptions of such evaluations in a knowledgeable and non-adversarial manner that credibly communicates the implications to the participants in the process.

We have frequently drawn on our experience conducting market research, financial feasibility analysis and economic and fiscal impact analysis and cost-benefit analysis to provide cities with best practice methodology and procedures for how to evaluate requests for development or business attraction related incentives and for establishing an incentives policy.

### PREPARATION OF RESEARCH-BASED STRATEGIC ECONOMIC DEVELOPMENT PLAN

Client: City of Buckeye, AZ

The City of Buckeye engaged Gruen Gruen + Associates (GG+A) to prepare a strategic economic development plan. GG+A based the plan on significant stakeholder input including one-on-one interviews with landowners, developers, real estate brokers, businesses, economic and community development staff in Buckeye and with adjoining communities as well as public officials and market and economic research and analysis. The plan reflected an analysis of demographic characteristics, housing stock characteristics, and land availability and growth capacity; an analysis of the economic base and structure of Buckeye; an identification of the primary geographic areas from which industrial building space users will be attracted and the primary competing locations as well as an identification of the primary advantages and disadvantages associated with Buckeye as a business location. The plan also reflected an analysis of the building space inventory and the land capacity to accommodate future building space development and an employment forecast for the primary market for industrial space using sectors and the resulting estimates of the demand for industrial building space and land in Buckeye. In addition, the plan reflected an analysis of retail sales trends and commercial market conditions in Buckeye, an identification of the retail and office space inventory in Buckeye and forecast of potential future retail space and office space demand and the land needed to accommodate potential building space demand.

As part of the strategic economic development plan, GG+A described ***how Buckeye should evaluate requests for development or business attraction related incentives and provided recommendations for establishing an incentives policy. GG+A described elements the incentives policy should include and the information that should be obtained and used to evaluate requests for incentives. GG+A also recommended the primary criteria or benchmarks to use to reach decisions about requests for incentives.***

GG+A tailored the specific recommended policies, programs, and actions of the strategic economic development plan needed to accomplish the identified economic development goals and objectives to enhance competitive advantages, mitigate competitive disadvantages, capture identified business targets, and real estate development opportunities.

## FORMULATION OF ECONOMIC DEVELOPMENT STRATEGY, EVALUATION OF POTENTIAL TAX INCREASE OPTIONS, AND ESTABLISHMENT OF AN ECONOMIC INCENTIVES POLICY

Client: Village of Gurnee, IL

The Village of Gurnee retained Gruen Gruen + Associates (GG+A) to help the Village's Economic Development Committee (EDC) formulate an economic development strategy and *an incentives policy*. GG+A was also asked to evaluate taxation options for raising revenue to fund needed infrastructure improvements.

GG+A designed and analyzed a survey of Gurnee businesses, conducted interviews with real estate owners, developers, and brokers, and conducted analysis of demographic, retail, employment and real estate market data. GG+A also reviewed the public finance and tax literature and incentives literature. Through a series of meetings with the EDC, GG+A prepared a strategic economic development, whose elements include: (a) a summary of identified opportunities and constraints; (b) primary target industries; (c) the rationale for their selection; and (d) an identification of the primary geographic areas from which businesses can be expected to be attracted. The plan identifies the locally-implementable policies and actions that will help indigenous and complementary new businesses create and sustain their competitive advantages so they succeed, remain and expand in Gurnee and reinforce and enhance the economic base of the community. The plan reflected the outputs of the report that GG+A prepared on Gurnee's demographic, labor force, economic base characteristics, and housing stock characteristics; residential and nonresidential land availability and growth capacity; retail and automotive sales trends in Gurnee; and a description of the retail supply of the primary market area of which Gurnee is a part; and the results of the survey and interviews conducted.

***GG+A also prepared a report which describes how to evaluate requests for development or business attraction related incentives and provides recommendations for establishing an incentives policy which was reviewed with and adopted by the EDC.*** GG+A prepared a separate report concerning taxation options and benefits and disadvantages of alternative taxes and a forecast of the revenue the various alternatives would generate and the likely incidence and impact of the alternatives. The report and discussion with the EDC provided an information base on which the Village Board ultimately added to raise tax revenue to fund infrastructure improvements. GG+A principals attended regular monthly Economic Development Committee meetings during the time of the study to obtain input and gain consensus on the identified strategic action plan and recommended strategies.

## REAL ESTATE ECONOMIC ANALYSIS OF REDEVELOPMENT PROPOSAL AND COUNSEL ABOUT REDEVELOPMENT AGREEMENT

Client: City of Greeley, CO

An investor-developer controlled about 11 acres of land on 8th Avenue between the core Downtown of Greeley and University of Northern Colorado campus, referred to as the "Madison" or "Maddie" Corridor. The developer proposed redeveloping its property into approximately 100,000 square feet of office space, 160,000 square feet of retail space, and 666,000 square feet of apartment space. The investor-developer had requested a variety of incentives. The City of Greeley retained GG+A to review the development program and proposal and to evaluate the request for incentives. GG+A toured the redevelopment area with the investor-developer, conducted interviews with local real estate brokers, bankers, other real estate investors-developers, and reviewed relevant secondary real estate market data and demographic and employment data. GG+A obtained assumptions and estimates about the type and quantity of

building space, sitework development costs, construction and other costs, revenues, expenses, and investment and financial parameters.

The information was synthesized to prepare discounted cash flow residual land value estimates and conduct sensitivity analysis (to test the effects of alternative assumptions and modifications to the redevelopment plan). GG+A prepared a report explaining the results of the market research and real estate economic analysis and met multiple times with the City staff, Urban Renewal Authority staff, and the investor-developer to review the findings and recommendations. These included changes to the allocation of building space, a reduced amount and make-up of incentives, and a provision for the City to participate in returns above the amount needed for the redevelopment to be financially feasible.

GG+A conducted additional analyses, as program and assumptions change, over several months. The information and insights drawn from the analysis were used to prepare a redevelopment agreement about which GG+A provided extensive advice on the proposed terms and conditions, including a provision for the City to participate in returns above the amount needed for the redevelopment to be feasible in exchange for municipal assistance to bridge the anticipated feasibility gap. The City and developer entered into a redevelopment agreement and the first phase of the project has been completed with more than 200 multi-family units and commercial space.

### **EVALUATION OF NEED AND COST/BENEFITS OF TAX ABATEMENT FOR PROPOSED PROMENADE RETAIL/ENTERTAINMENT DEVELOPMENT IN NORTH SCOTTSDALE**

Client: Scottsdale Department of Economic Development

The City of Scottsdale was approached by a developer controlling an 84-acre site in a fast-growing sector of prosperous north Scottsdale. The developer was prepared to construct a rather standard big box power center without any assistance from the City but was also receptive to discussing an alternative 855,960-square-foot regional entertainment center with specialty stores, food service, a theme center and 13 free-standing pads. Gruen Gruen + Associates (GG+A) and the city staff concluded that this alternative, labeled "The Promenade," would be more competitive in the long run. The alternative development would also provide services not otherwise likely to be available in the City of Scottsdale, although likely to be provided in time on property in adjoining Phoenix. GG+A and the city staff also concluded that the alternative would generate significantly more retail sales tax dollars. However, because the alternative was riskier and more difficult to finance, the developer was not prepared to proceed with the City's preferred option unless they agreed to some abatement of taxes in the first five years after occupation. After initial negotiations, it was agreed that the developer would submit engineering and financial pro-forma data and possible leases to GG+A on a confidential basis so that the firm could review the projections and estimate:

- Whether an abatement or some other form of subsidy was warranted;
- If so, what amount of abatement would be warranted; and
- How any agreement between the City and the development entity should be structured.

Based on the confidential analysis GG+A recommended a tax assistance package of \$5,487,000 to be paid over the first six years of the project. GG+A also recommended that an agreement be structured so that the project would be audited after 10 years, or whenever an arm's length sale took place, to determine whether the project had earned more than a 14% return from operating income and residual capital gains. After vigorous debate, a majority of the Scottsdale City Council accepted the GG+A recommendation and approved the project subject to an agreement with the developer along the lines of the GG+A recommendation. The agreement was signed the abatement was granted and the mixed-

use Promenade was built becoming a dominant and highly successful development.

## **ANALYSIS OF INCENTIVE REQUEST FOR EASTLINE VILLAGE AT APACHE BOULEVARD**

Client: City of Tempe, AZ

Gruen Gruen + Associates (GG+A) was asked to analyze the incentive request of a proposed development on Apache Boulevard for an “urban village” including 440 apartment units, 10 for-sale condominium units, and 24,820 square feet of commercial space. The City of Tempe requested that GG+A evaluate the feasibility of the proposed development to determine whether the request that the City of Tempe contribute infrastructure; rebate a majority of estimated construction sales tax; contribute a City-owned parcel; and provide a Government Property Lease Excise Tax (“GLPET”) tax abatement was necessary to bridge the financial feasibility gap.

GG+A completed a real estate investment analysis confirming the requested municipal assistance was warranted. GG+A noted, however, that the commercial component created such a significant drag on financial feasibility and generated all of the need for a large subsidy. Thus, a key question posed was whether the plan could be modified to reduce commercial space. GG+A prepared a report on its findings of financial feasibility upon which the City of Tempe negotiated the final amount of municipal assistance it would provide to the developer.

## **EVALUATION OF PROPOSED TAX INCREMENT DISTRICT INCENTIVE REQUEST FOR DEVELOPMENT AND OCCUPANCY OF OFFICE BUILDING**

Client: City of Brookfield (WI)

Report: <https://www.ci.brookfield.wi.us/DocumentCenter/View/10856/Report-on-TID-Incentive-Request-12-8-2015-CLEAN>

Consistent with the findings, conclusions, and recommendations of a study and report Gruen Gruen + Associates (GG+A) completed in 2010 for the City of Brookfield about the 124th Street corridor, a large employer and property owner Milwaukee Electric Tool and an adjoining property owner proposed the development of an approximately 200,000-square-foot, four-story office building on nearly 30 acres of land at West Lisbon Road north of West Capitol Drive and west of 128th Street (much of the land is already owned by Milwaukee Electric Tool). Milwaukee Electric Tool will be acquiring 3.45 acres of land for the proposed development from the adjoining property owner. Milwaukee Electric Tool would occupy the building space. The building will be connected to an existing building formerly utilized as a manufacturing plant but currently reused as an office building. In order to facilitate the feasible development of the office building along with parking estimated to cost a total of approximately \$35 million, the City has been asked to provide financial assistance of a \$6 million Tax Incremental District (“TID”) incentive.

The City of Brookfield asked GG+A to complete an independent evaluation of the request. To do so, GG+A estimated the economic and fiscal impacts of the construction and ongoing operations the proposed development. In addition, GG+A completed market research and a financial analysis of the proposed development, operation, and hypothetical eventual sale of the completed and occupied building to evaluate whether the TID assistance requested is needed to bridge a feasibility gap. GG+A prepared a report summarizing the findings and conclusions of the evaluation and gave presentations to the Community Development Authority and City Council and answered extensive questions at both meetings. Ultimately, the City of Brookfield approved the requested incentive and the headquarters expansion for Milwaukee Electric Tool to add 300 to 500 more workers is going forward.

## Key Personnel

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### **Debra L. Jeans, Principal**

Debra Jeans, Principal, an economist, conducts market and economic research, investment analysis and economic and fiscal impact analysis to evaluate and program a broad variety of land use and economic development plans and policies; land development and redevelopment, and adaptive reuse projects; and asset enhancement and occupancy strategies for government space users. She has frequently constructed complex investment and economic models for evaluating and identifying strategic action plans for public real estate asset management enhancement strategies and public-private real estate transactions. She has also built models to forecast future municipal revenues and expenditures under varying policies and real estate market conditions.

She has frequently provided the market analysis, financial feasibility evaluation, and strategic planning for the revitalization and enhancements of downtowns, examples of which include the communities of Queen Creek, Scottsdale, and Tempe Arizona; Lincoln, Riverside, Roseville, and Santa Rosa, California; Greeley and Woodland Park, Colorado; Glen Ellyn, Hinsdale, Joliet, Northbrook Northfield, and Wheaton, Wilmette, Illinois; Des Moines, Iowa; Wichita and Olathe, Kansas; Haverhill, Massachusetts; Park Rapids, Minnesota; and Reno, Nevada.

On behalf of Tempe (AZ), Davis (CA), Romeoville and Wilmette (IL), Brookfield (WI), and many additional local, county, and state entities, she has frequently conducted market research, analyzed the real estate economics of development/redevelopment alternatives, evaluated development proposals and requests for incentives and assisted in the negotiation of public-private real estate development and incentives agreements.

Ms. Jeans has led housing needs assessments for local, regional, and state entities including a statewide housing needs assessment for the Iowa Finance Authority and studies for Chandler (AZ), Lea County (NM) and Blue Ash (OH). She had directed transit-oriented development planning studies and projects to increase revenues from train stations and other real estate assets for the Chicago Transit Authority and Metra. She led the econometric analysis for a nationally recognized hedonic price modeling and survey research study to assess the effects of transit station proximity on residential property values for the Regional Transportation Authority.

For real estate investors and developers including Alleghany Properties, The Alter Group, Calamos Investments, Crown Community Development, Hunter Storm Properties, Regency Centers, Republic Urban Properties, Plote Properties, Regency Centers, Ryland Homes Strong Capital Management, Valenti Builders, and the Verde Group, Ms. Jeans has directed survey and market research and real estate economics/financial feasibility analysis for the programming and redevelopment of regional, community, and neighborhood shopping centers, business parks, office and industrial uses, hotels, and a wide variety of housing products.

Ms. Jeans earned a M.B.A. (with a specialization in Finance) from the University of Chicago and a B.A. in Economics from Scripps College. Ms. Jeans is a member of the American Economic Association and the International Economic Development Council.



### **Aaron N. Gruen, Principal**

Aaron N. Gruen applies the analytical concepts and techniques of sociology and economics in conducting market research to estimate demands for a broad variety of land uses and real estate products and business opportunities. He combines market and economic research with financial analysis to identify and evaluate land use and economic development policies and development and redevelopment alternatives. Mr. Gruen has led or played a key role in the completion of more than 600 assignments for public entities, universities, non-profit organizations, and publicly traded and privately held real estate investors and developers. Many of these assignments have involved pre-development market, financial, and impact evaluation and forecasting, land use programming, the formulation of economic development strategy or public policy, and transaction advisory and implementation support.

Mr. Gruen's market research, economic analysis, and investment analysis has contributed to the programming and implementation of the revitalization or creation of downtowns, commercial corridors, neighborhoods and the development and redevelopment of office, retail, industrial, hotel, residential, and mixed-use properties in Arizona, California, Colorado, Illinois, Indiana, Kentucky, Michigan, Missouri, Texas, and Wisconsin.

Demographic, economic, real estate or industry market, investment, and fiscal and economic impact analysis provided by Mr. Gruen has served as the inputs and framework for the preparation and adoption of comprehensive and specific land use plans, and making decisions about economic development and infrastructure programs, taxation, and housing and land use policies and real estate transactions for over 75 communities throughout the Midwest, Southwest, and West.

He is a contributing author to the Urban Land Institute's textbook; *Real Estate Market Analysis: Methods and Case Studies*. He has taught market and real estate economic analysis for the Urban Land Institute's Real Estate Development School and guest lectured at universities and been a frequent speaker at professional conferences. His article, "Takings, Just Compensation and the Efficient Use of Land, Urban and Environmental Resources" was published in *The Urban Lawyer*, the *National Quarterly on State and Local Government Law*. Articles on demographic and cultural impacts on retailing, transit-oriented development, industrial and office development, and comprehensive planning law have been published in *Urban Land*. Articles on regulatory takings and eminent domain have been published in *Illinois State Bar Association* and *California State Bar Association* journals. His article on the effects of government controls on the subprime loan market was published in the *California Real Estate Journal*. Additional articles have been published in *Public Management and Planning*, and *International Council of Economic Development* journals.

Mr. Gruen earned a B.A. with honors from the University of Chicago and a J.D. from DePaul University College of Law. He has served on Urban Land Institute's Office and Industrial Park Council and Small-Scale Development Council. He is a member of the International Council of Economic Development. He is a member of the Lambda Alpha Honorary Land Economics Society.

## Andrew J. Ratchford, Senior Analyst



Andrew Ratchford's work focuses on real estate market analysis, economic and demographic research, and strategic planning to inform land use and community planning and policy decisions. Since joining the firm in 2006, Mr. Ratchford has contributed to more than 370 of GG+A's assignments involving local and regional planning, market analysis, pre-development due diligence, fiscal and economic impact analysis, public policy assessments, and real estate asset management. He frequently conducts research and analysis to provide a basis from which to make land use and public and private investment decisions.

Andrew's work has contributed to the successful development of mixed-use, industrial, retail/office, multi-family residential, and single-family residential projects in several states including Arizona, California, Colorado, Illinois, Iowa, Kansas, and Wisconsin. His research and strategic planning has helped to inform comprehensive plans, specific-area land use plans, housing plans and policies, and economic development strategies in over 50 communities throughout the Midwest and western United States. He has considerable experience in the past five years providing similar market and economic analyses for communities such as Chandler and Tempe (AZ); Davis and Rancho Cordova (CA); Boulder and Greeley (CO); and Wilmette (IL). He is currently working with the City and County of Pueblo (CO) on a housing needs assessment and strategy.

More recently, he led a multi-disciplinary land use scenario planning effort to evaluate the costs and benefits of various growth alternatives for a 60-acre property in Glenwood Springs (CO) and helped create a long-range land use, housing, and economic development strategy for the Northern Colorado Airport's 10,000-acre sphere of influence in Loveland and Fort Collins. He was significantly involved in assisting with the planning, developer solicitation, and disposition of a 20-acre property in East Sacramento for development of 700+ new affordable and market-rate housing units on a surplus public property.

Andrew has conducted interviews with developers, property owners, and brokers; analyzed real estate, housing, and land use conditions; and conducted market and impact analyses to help inform comprehensive and specific planning efforts in communities such as Gilbert and Scottsdale (AZ); Tracy and Visalia (CA); Centennial, Durango, and Thornton (CO); Romeoville and Wheaton (IL); Logansport (IN); Garden City (KS); Blue Ash (OH); and Brookfield and Menomonee Falls (WI). He has played a key role in identifying market-responsive development opportunities and strategic plans for the reinvention and revitalization of downtowns, town center areas, and commercial corridors in the communities of Lincoln, Riverside, and Roseville (CA); Lyons and Woodland Park (CO); Des Moines (IA), Glen Ellyn, Lily Lake, South Elgin, West Chicago, and Wilmette (IL); Whiting (IN); Haverhill (MA); Plattsmouth (NE); Reno (NV); Park Rapids (MN); and Waukesha (WI). He contributes regularly to GG+A's pre-development and strategic planning efforts for the disposition of public real estate assets. Andrew was extensively involved in programming the re-use and redevelopment of surplus institutional properties on the west coast, including large portions of the California State Fair & Exposition in Sacramento and the Evergreen Valley College campus in San Jose, as well as for property controlled by airports such as the DuPage Airport, Northern Colorado Airport, Porter County Municipal Airport and Reading Regional Airport.

Andrew earned a bachelor's degree in Geography from the University of Colorado at Boulder, where he studied economic geography, land use, and Geographic Information Systems (GIS). He is a member of the International Economic Development Council and Economic Development Council of Colorado.

## **References**

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### **David Roderique, CEcD**

Deputy City Manager/  
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droderique@buckeyeaz.gov  
623-349-6971  
(Formerly, Director of Economic Development for City of Scottsdale)

### **Roy H. Otto**

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City of Greeley, Colorado  
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### **Daniel F. Ertl, A.I.C.P.**

Director of Community Development  
City of Brookfield, Wisconsin  
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**REQUEST FOR EXPRESSIONS  
OF INTEREST**

**DOWNTOWN MEMPHIS PILOT  
PROGRAM REVIEW**

**Prepared By:**

**MUNICAP, INC.**  
— PUBLIC FINANCE —

**July 29, 2021**

# MUNICAP, INC.

PUBLIC FINANCE

Mr. Abram Lueders  
Downtown Memphis Commission  
114 N. Main Street  
Memphis, TN 38103  
alueders@downtownmemphis.com

Dear Mr. Lueders,

MuniCap, Inc. is excited to submit our response to the Request for Expressions of Interest (REOI) for an economic development consultant to assist with the Downtown Memphis PILOT program review. MuniCap is uniquely qualified for this assignment and has assigned our most senior personnel with extensive experience and qualifications to provide the requested services. The projects on which MuniCap has worked demonstrates our ability to provide the services requested in this proposal. MuniCap has a thorough understanding of the tasks requested by this REOI, evident from the statement of qualifications and information provided here. Because of our prior work on similar projects in Tennessee, we can provide the services in a highly efficient manner.

MuniCap has developed our practice over the last quarter century based on four key values:

- (1) provide the highest degree of expertise within our field,
- (2) provide a great work product,
- (3) provide outstanding customer service,
- (4) provide excellent value for our work.

MuniCap's participation in so many important projects in the last twenty-five years is a testament to our commitment to these values.

Thank you for your consideration of our proposal. We are eager to work with the Downtown Memphis Commission ("DMC") and the Center City Revenue Finance Corporation to assist in the evaluation of the current PILOT program, its provided benefits, and potential policy changes. We look forward to your response.

Sincerely,



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Keenan Rice, President  
MuniCap, Inc.  
Tel: (443) 539-4102  
keenan.rice@municap.com

**MUNICAP, INC.**  
— PUBLIC FINANCE —

**REQUEST FOR EXPRESSIONS  
OF INTEREST**

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## I. STATEMENT OF QUALIFICATIONS AND RESUMES OF KEY STAFF

### STATEMENT OF QUALIFICATION

MuniCap, Inc. is a public finance consulting firm and a municipal advisor registered with the SEC and the MSRB, as well as an investment advisor registered with the Financial Industry Regulatory Authority. Since our founding in 1997, we have worked solely in the area of implementing public financing programs for real estate development projects. (We are not a general FA and limit our efforts specifically to public investment in real estate development projects.) We have assisted with successfully implementing public bond financing for more than 400 real estate development projects, resulting in the investment of \$8.5 billion in public funds. These programs have all used public funding mechanisms, many of which required an evaluation and implementation of public policy issues and the implementation of PILOT programs.

MuniCap has thirty-nine professional employees in five offices throughout the country, with offices in Maryland; Virginia; South Carolina; Pennsylvania; and Texas. All of these employees are dedicated to public investment in real estate development projects, including preparing and evaluating financial plans, implementing public policy analyses (such as but-for analyses and fiscal impact analyses), negotiating the terms of agreements for the financing, forecasting tax revenue and bond capacity estimates, assisting with creation of CDAs and other districts, and administering the districts following issuance of the bonds.

MuniCap has assisted with these projects in more than thirty states and the District of Columbia, while developing very deep experience in Tennessee. We have provided consultation on development projects throughout Tennessee, including assistance to the City of Knoxville and the Knoxville Community Development Corporation evaluating PILOT and TIF applications from real estate property developers, TIF evaluation for the Memphis and Shelby County Community Redevelopment Agency, and the Graceland expansion project in the City of Memphis, Shelby County.

MuniCap has assisted both public and private sector clients to implement public policy guidelines, public-private partnerships, and the successful implementation of a wide variety of financing tools including project revenue financings and local agency backed bond issues; non-rated bonds; rated and insured bonds; developer held and privately placed bonds; limited public offerings; full public offerings; bonds placed with banks; long-term bonds; short-term bonds and super-sinker turbo bonds; “naked” TIFs and TIFs backstopped with special taxes and assessments; tax-exempt and taxable bonds; mixed-financings involving state and federal revenues; and projects that combined bond issues with HUD 108 loans, BEDI and EDI grants, new market tax credits, opportunity zones, and other state and federal programs.

As a result of this experience, MuniCap has extensive understanding of the mechanisms and methodologies typically employed in Tennessee, while also understanding national practices and techniques for public investment in real estate development.

Approximately sixty percent of MuniCap’s clients have been local governments, with the remaining forty percent being private real estate developers. Working with both local governments

and real estate developers has proven very useful, as the purpose of these public finance programs is to make a real estate development project feasible while also meeting important public policy objectives so that the investment makes sense for the local government. We have extensively researched recommended best practices for public policies that apply to public investment in real estate development, has assisted a number of local governments with the development of public policies; we have spoken many times on this issue at national conferences. We believe it is fair to say that MuniCap has been a national leader in establishing recommended best practices in this field.

While each local government should develop and adopt its own public policies regarding public investment in real estate development projects, there are public policies recommended as best practices within the industry. These policies are often worded differently, added to, and supplemented, but can be stated as follows:

1. Is public assistance appropriate for this project?
2. Would this project happen (as desired) without public investment? (The “But For” test.)
3. How much public investment is appropriate? (The corollary of the but-for test.)
4. What is the sponsoring government agency receiving in return for the TIF? (TIF is both a financial and land use development tool.) (This question is important to documenting the transaction.)
5. What is the amount of private investment being made in the project (that is, will the public investment adequately leverage private investment)?
6. Will there be sufficient surplus tax revenues, after the public investment, to cover costs of the public services required for the project and to provide an adequate return to the taxing body?
7. What is the no-TIF alternative? Do the benefits of the TIF alternative justify the investment?
8. Are there clear linkages between the properties in the TIF area and the TIF plan?
9. What are the risks associated with the investment and have the risks been addressed?
10. Will the public support the public investment? What is necessary to build public support?

MuniCap is very experienced in evaluating these public policy issues for proposed TIF projects.

MuniCap has prepared revenue projections for hundreds of bond issues, many of which included a review of the but-for analysis. These analyses prepared by MuniCap are transparent. We do not just ask readers to trust us regarding the assumptions; we clearly show how we arrive at the projections, along with the assumptions and sources of information we rely upon. Our analyses are also based on objective data informed by our judgement. For example, when forecasting real property tax revenue, we will typically use at least three approaches to value: capitalizing income, research as to how similar properties are valued by the assessor, and development costs. For income assumptions, we will use industry published sources but will also discuss values and assumptions with the assessor. We strive to maintain a thoughtful and reasonably conservative standard in our estimates. We understand estimates are not precise: We want there to be more possible scenarios with higher revenues than lower revenues compared to our projections. At the

same time, we do not want to be overly conservative. Our goal is to develop estimates of revenues that are reasonable, but on the conservative side of reasonable.

MuniCap has direct experience and expertise in every facet of the specific services requested by the DMC, including application of guidelines for financial analysis, evaluating proposals for financing, assisting with the structuring of financings (including implementation of the but-for analysis), and providing support during negotiation related to these financings. These services are a good description of much of what MuniCap does on the projects on which it works.

A summary of MuniCap's most salient qualifications are as follows:

- ✓ Extensive, industry leading experience with public policy guidelines and considerations, including preparation and review of these guidelines applicable to real estate development projects,
- ✓ Proven experience preparing PILOT projections for real estate development that use a disciplined approach and are respected in the financial markets,
- ✓ Extensive experience analyzing and implementing but-for analyses,
- ✓ Understanding of both the public sector and private sector sides of a transaction, and
- ✓ Broad experience both in Tennessee and nationally, so we understand both unique state issues, national best practices, and evolving trends.

#### RESUMES OF KEY STAFF

MuniCap is assigning three specific professional employees for this project, including three employees at a senior level each with decades of experience in the tasks identified in the requested scope. The following information provides background and resumes for these employees. Additional personnel from MuniCap's thirty-nine professional employees will be available to supplement this staffing as needed.

MuniCap is committed to providing opportunities for minority, female and disabled person owned enterprises. Over fifty percent of MuniCap's staff is comprised of minority and women professionals.

The following MuniCap's team members are assigned to provide services to the DMC:

- Lead Consultant and High Level Advisor– Keenan Rice, President
- Senior Project Manager– Emily Metzler, Senior Vice President
- Research and Technical Consultant – David Saikia, Senior Vice President

## **Lead Consultant and High Level Advisor: Keenan Rice, President**



Keenan Rice is the president of MuniCap, Inc. and has worked almost exclusively in the areas of urban renewal, economic development, and growth management for more than thirty years. During these thirty plus years, Mr. Rice has led hundreds of assignments related to public investment in real estate development. His deep experience makes Mr. Rice one of the most experienced professionals in the country in this field.

Prior to founding MuniCap, Inc., Mr. Rice was the director of the Washington office of a major public finance consulting firm and a principal at one of the leading public finance consulting firms in California, in both positions providing the same services Mr. Rice provides at MuniCap. Mr. Rice was previously a vice president at a major real estate development firm in Southern California and began his career as a real estate development loan underwriter for a financial institution.

Mr. Rice graduated with honors with a degree in accounting and also received a master's degree in finance. As a result of his passion for redevelopment in this country's cities, Mr. Rice later pursued post-graduate work in urban planning. He has been a guest lecturer at a number of universities and has been a guest speaker at numerous conferences hosted by the Government Finance Officer's Association, The Bond Buyer, the Urban Land Institute, and other professional associations. Mr. Rice is a registered Municipal Advisor (Series 50) as well as a registered Municipal Advisor Principal (Series 54) and serves as MuniCap's principal. Mr. Rice is also a licensed investment advisor representative (Series 65).

## **Senior Project Manager: Emily Metzler, Senior Vice President**



Ms. Emily Metzler has served nearly fifteen years as part of the MuniCap team and currently serves as MuniCap's Chief Compliance Officer. Ms. Metzler is passionate about real estate, furthering economic development opportunities, and assisting with the critical thinking aspect of innovative funding mechanisms. In her position, Ms. Metzler manages a considerable portfolio of large-scale, catalytic development projects nation-wide and actively participates in all aspects of the financial structure of each deal from conception to capitalization, implementation, and administration post issuance.

Ms. Metzler has extensive experience representing both public and private entities allowing her to fully understand both sides of the transaction and the considerations necessary to bring a project to fruition. Ms. Metzler also has a thorough understanding of the evaluation and implementation of public policy guidelines, analyzing project funding gaps, creating innovative special tax and special assessment methodology, and coordinating required efforts to present a deal to market. In her 10+ years of experience, Ms. Metzler has gained a significant understanding in the preparation of a financial plan including addressing public policy issues, project constraints, and financial market considerations. As a result, Ms. Metzler has been able to assist with the issuance of \$1,599,834,313 in bonds, several of which have been the first issuance of their kind within their respective state.

Ms. Metzler is active in multiple organizations including the Association of Public Finance Professionals, Council of Development Finance Agencies, Urban Land Institute, Lambda Alpha International, and Women in Public Finance, Maryland and Virginia Chapters. Ms. Metzler is a registered Municipal Advisor (Series 50) and has passed the Municipal Advisor Principal Qualification Examination (Series 54). Ms. Metzler is a frequent guest lecturer at universities and professional conferences.

### **Research and Technical Consultant: David Saikia, Senior Vice President**



Mr. Saikia will be one of the key staff members involved in the assignment and will oversee research and assist with the documentation of the conclusions and deliverables.

David Saikia has 20 years of specialized experience in public finance and urban redevelopment. Having joined MuniCap in 2001, Mr. Saikia now serves as the firm's head of research and analytics, overseeing many of our most technically advanced projects. Throughout his career, he has honed a sophisticated understanding of the property valuation process and a nuanced approach to modeling projections of revenues and impacts. When it comes to developing forecasts of tax increment revenue, his extensive experience makes puts him among the nation's leading experts.

Mr. Saikia also writes most of the complex reports that MuniCap produces, including those that provide estimates of the revenue available to repay bonds. Drawing on his extensive interaction with local governments, developers, underwriters, and buyers of bonds, he crafts these studies to meet the specific and demanding requirements of the municipal bond market.

For any given project, Mr. Saikia advises clients on a range of aspects—from creating the plan of finance, to navigating the governmental approval process, to bringing the deal to market.

Mr. Saikia has assisted on virtually all of MuniCap's bond issuance projects in Tennessee, including the Graceland project.

Prior to joining MuniCap, Mr. Saikia held roles in the Phoenix City Manager's Office and the Wisconsin Department of Transportation. He earned his Master of Public Affairs from the University of Wisconsin La Follette School of Public Affairs and a Bachelor of Arts from Penn State University. Mr. Saikia is a registered Municipal Advisor (Series 50) and has passed the Municipal Advisor Principal Qualification Examination (Series 54). Mr. Saikia is also a frequent guest lecturer at universities and professional conferences.



## II. LIST OF RELEVANT PROJECT EXPERIENCE

MuniCap’s consulting practice provides advisory services related to economic development projects, including but not limited to the services requested in this REOI up through financing. These services include all tasks and efforts required to develop and implement the plan of finance. MuniCap utilizes a highly disciplined quantitative and qualitative approach to evaluate and develop financing programs. **Our approach ensures that the recommended program meets not only the financial needs of the local government, and the project, but also the highest standards of public policy.**

A brief summary of MuniCap’s consulting advisory services are noted below.

<ul style="list-style-type: none"> <li>• Policy and finance program development</li> </ul>	<ul style="list-style-type: none"> <li>• TIF plan &amp; application preparation and evaluation</li> </ul>
<ul style="list-style-type: none"> <li>• Project feasibility and pro-forma analysis to evaluate the but for test</li> </ul>	<ul style="list-style-type: none"> <li>• Fiscal and economic impact analysis</li> </ul>
<ul style="list-style-type: none"> <li>• Tax increment &amp; PILOT projections and analysis</li> </ul>	<ul style="list-style-type: none"> <li>• Capital markets/financing implementation</li> </ul>
<ul style="list-style-type: none"> <li>• Development of special tax/assessment methodology</li> </ul>	<ul style="list-style-type: none"> <li>• Refinancing/restructuring of bonds</li> </ul>

### RELEVANT EXPERIENCE

A summary of relevant project experience for a sampling of projects is noted below. Final work product examples are noted here and can be accessed at the below link. If additional users require access, please contact: [Charles.Kungu@MuniCap.com](mailto:Charles.Kungu@MuniCap.com) or [Emily.Metzler@MuniCap.com](mailto:Emily.Metzler@MuniCap.com).

Work Product Access Link:

<https://www.dropbox.com/sh/m8z8l18qjmzxkzo/AACIrOtJaJeIrq-AkXGEaNrZa?dl=0>

#### GreyStar Project – City of Knoxville, Tennessee

Since 2015, in close collaboration with the Bass Berry law firm, MuniCap has provided consulting services to assist the City of Knoxville and the Knoxville Community Development Corporation with establishing a PILOT program and the evaluation of PILOT and TIF applications from real property developers. MuniCap has been instrumental in the continued refinement of the City’s application review program, including efforts to establish an appropriate period of term for the PILOT award (potentially less than the requested term).

MuniCap’s scope of work generally includes a limited “but for” analysis for each development project, generating a written report and detailed financial projections, which together specify the development project’s estimated financial return with and without the requested assistance. Provided in the link is a sample but-for analysis prepared by MuniCap to evaluate the Greystar project’s proposal for public assistance. The Greystar project efforts represent one of nearly fifteen different PILOT applications reviewed by MuniCap.

## **Graceland Expansion Project – City of Memphis, Shelby County, Tennessee**

MuniCap assisted the Economic Development Growth Engine Industrial Development Board of the City of Memphis and County of Shelby, Tennessee ("EDGE") with the preparation of a revenue study, an essential part of the offering statement as required by bondholders. This study included projections of pledged revenue and a narrative explaining the methodology for estimating those revenues and the resultant debt service coverage. Developing revenue projections requires a thorough understanding of the policy requirements applicable to public funding programs and experience with application of the financing terms and methodology.

MuniCap's scope of work for EDGE demonstrates our understanding of the Memphis tools available for economic development. The Graceland District Revenue Report is included in the provided link.

## **Port Covington Project – City of Baltimore, Maryland**

MuniCap serves as the City of Baltimore's TIF advisor for development projects that seek or utilize public investment. In addition, MuniCap assisted the City in developing and formalizing a tax increment financing policy, which governs the tax increment financing within the City.

MuniCap provides the City with services related to the issuance of bonds, including help evaluating development opportunities and gaps in financial feasibility, preparing projections of incremental revenues, development of public funding plans, evaluating consistency with the TIF policies, developing special tax methodologies, and functions related to the administration of the districts. These efforts are summarized in the consolidated packages submitted for approval by the City Board of Finance. Following approval, a revenue study is prepared estimating the revenues available to repay the bonds.

MuniCap assisted with the evaluation and completion of the Port Covington project Board of Finance Application and the Port Covington Revenue Study. Both documents are provided in the above link.

### III. CLIENT REFERENCES FOR 2-3 RELEVANT PROJECTS

Three references are noted below and represent entities contracted with to perform services similar to that of the requested scope of work. Services provided include an evaluation of existing public funding tools, implementation of the but-for analysis, and assistance with the creation or review of public policy guidelines. MuniCap frequently provides additional services to these clients on an as requested basis.

<b>Client</b>	<b>Mark Mamantov</b>
<b>Entity</b>	<b>Bass, Berry &amp; Sims PLC (Bond Counsel to City of Knoxville and Knox County)</b>
<b>Title</b>	Member
<b>Location</b>	Knoxville, TN
<b>Email</b>	Mmamantov@bassberry.com
<b>Phone</b>	(865) 521-0365

<b>Client</b>	<b>Andrew Murray</b>
<b>Entity</b>	<b>Memphis and Shelby County Community Redevelopment Agency</b>
<b>Title</b>	Director of Planning and Community Development
<b>Location</b>	Memphis , TN
<b>Email</b>	andrew.murray@cramemphis.org
<b>Phone</b>	(901) 304-7921

<b>Client</b>	<b>Jennell Rogers</b>
<b>Entity</b>	<b>Department of Finance</b>
<b>Title</b>	Bureau of Treasury Management
<b>Location</b>	City of Baltimore, MD
<b>Email</b>	jrogers@baltimorecity.gov
<b>Phone</b>	(410) 396-3386

**400+ Projects**

**Over \$8.5 Billion in Public Funding**

**Approximately 60% of MuniCap’s clients have been local governments, with the remaining 40% being private real estate developers resulting in real experience necessary for the successful implementation of public-private financing tools.**

#### IV. FIRMS ABILITY TO PERFORM THE SCOPE OF WORK

MuniCap believes that it is important for a local government to use a disciplined approach to participating in real estate development projects. A disciplined approach means there are defined guidelines or policies that are consistently applied to each project. The process starts with developing the guidelines to be applied to the evaluation and use of programs for public investment. MuniCap has the experience and knowledge to establish the appropriate guidelines and the understanding of how to apply these guidelines to projects to be evaluated and programs to be implemented.

MuniCap has made an effort to research recommended best practices nationally regarding the use of public funding mechanisms. This, combined with our extensive national experience and specialization in this field has allowed us to develop a high level of understanding of the application of policies and best practices. For example, MuniCap serves as the TIF advisor to the City of Baltimore and assisted it in developing a formal policy that establishes key criteria and methodologies to help guide the City of Baltimore in the disciplined use of public funding to support development projects. The City of Baltimore lost most of its industry over the last century and has had to work with the private sector to reposition its economy. Public financing tools have been an important part of this strategy. The City has implemented numerous financing programs and has developed a strong reputation as an example of best practices.

MuniCap utilizes both a quantitative and qualitative approach to the evaluation and development of public investment programs for a real estate development project. The quantitative analysis is required to evaluate the financial feasibility, funding gap, and fiscal capacity. The qualitative analysis is required to ensure that the investment program presented and recommended for implementation meets the highest standards of public policy.

We have found that both a quantitative and qualitative approach must be taken in determining the “But-For Test” and the amount of public investment required for a project. Most private projects are developed without public investment, so there should be some specifically identifiable reasons why the market acting alone will not produce the proposed project. Identifying these reasons is often important in building public support for the public investment. The approach taken to conduct the quantitative analysis of the but-for test conducted by MuniCap includes the following:

- Review of the developer’s pro forma
- Identification of an appropriate rate of return in industry publications, such as Korpaz Real Estate Investor Survey (PricewaterhouseCoopers) and RealtyRates.com<sup>TM</sup>
- Obtain and review developer’s leases and contracts to verify developer’s assumptions (if available)
- Preparation of a market analysis to identify market lease rates and sales prices
- Obtain and review developer’s construction contracts to verify developer’s cost estimates (if available)
- Review engineer’s costs estimates for infrastructure
- Prepare independent cost estimates using Marshall & Swift cost estimating service, and
- Compare developer’s pro forma to pro formas on other similar projects.

One important criterion used by MuniCap when preparing a quantitative analysis of a developer's pro forma is to use independent objective data so that the public entity is not relying just on our opinion, but on objective published industry sources.

As another example, MuniCap provides advisory services to Howard County, Maryland related to the evaluation and implementation of the but-for analysis. We have helped to establish formal application guidelines, including a required but-for test, and processes developers can follow when seeking public financing. Howard County has successfully utilized the but-for analysis approach to identify projects that would not occur but for the additional investment, determine the appropriate amount of public investment necessary, and encourage private investment.

As previously mentioned in Section II, MuniCap provides advisory services to the City of Knoxville and the Knoxville Community Development Corporation. We have applied our nationwide experience and systematic approach to assist in the establishment and implementation on approximately fifteen PILOT and TIF program applications.

Local governments are increasingly exploring innovative approaches to finance projects that provide sustainability, inclusiveness, and vibrancy. Energy efficient infrastructure, affordable housing, and multi-modal improvements are just a few examples that often require additional public subsidy. MuniCap has worked on numerous projects across the country with similar needs and public funding requirements. For instance, MuniCap currently assist MassDevelopment, Massachusetts's finance and development agency, with the structuring and implementation of its property assessed clean energy (PACE) program, a program for financing energy efficiency and renewable energy improvements. In our role, we have assisted MassDevelopment with program review, recommendations on implementation, and continue to provide advisory services as it is implements the program across the state. Our approach to providing these services included the following:

- Develop a thorough understanding of the PACE program,
- Determine the public policy objectives of the agency,
- Apply our state and national experience to provide guidance and recommendations on policy guidelines,
- Assist with an evaluation of program application,
- Provide recommendations for program revisions,
- Provide on-going advisory services to maximize efficiency and effectiveness of the program.

MuniCap will review all relevant documentation of the Memphis PILOT program, including the scope of its reach, its statutory limitations, and its practical applications. We will also interview appropriate DMC staff to gain a better understanding of the program's history, focus, and limitations.

Due to our direct experience in cultivating best practices for such programs nationwide, we will then provide an evaluation of the program within this context. Where appropriate, we will clearly describe how the Memphis PILOT program differs from established or recommended standards. We will examine factors such as participation requirements, policy considerations, and program processes.

We will apply our thorough understanding of the but-for analysis and experience with implementation to assist in streamlining the guidelines for analysis and processes for developers.

Finally, after presenting our findings and conclusions, we will provide finite recommendations, ensuring that our deliverables will be of utmost benefit to DMC and applicable programs.

MuniCap will draw upon our expertise and disciplined approach to the application of public investment, as described above, to assist DMC in evaluating its existing PILOT program. Our disciplined and holistic approach will ensure that public funds are applied patiently, judiciously, and in a manner that generates the best return for the public investment.

## V. BUDGET ESTIMATE FOR COMPLETING THE PROJECT

### **Proposed Pricing**

MuniCap is proposing to provide the DMC with the services described in Section IV– Firms Ability to Perform the Scope of Work of this response to REOI. MuniCap provides services on a time and material basis. All the services are provided and billed on an hourly basis.

### **Billing Rates by Labor Class**

The table below provides a breakdown of hourly billing rates proposed by MuniCap,

<b>Title</b>	<b>Hourly Rate</b>
President	\$250
Senior Vice President	225
Vice President	200
Manager	175
Senior Associate	150
Associate	135

These hourly rates are effective for a minimum period of one year from the time of engagement. These hourly rates shall be adjusted from time to time with prior written notice to the DMC and subject to consent by the DMC to reflect increased costs of labor for providing services. Additional fees for reimbursable expenses are noted below.

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### ***Estimated Fees For Scope of Services - \$30,000 to \$40,000***

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Costs are estimated to be between \$30,000 to \$40,000. The actual costs will vary depending on the complexity of the analysis, availability and condition of information required to complete the scope of work, number of meetings, deliverables requested, and other factors.

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### **Reimbursable Expenses**

Reimbursable expenses in addition to the fees states above shall be as follows:

Travel:	At cost.
Photocopying:	At cost.
Telephone:	At cost.
Facsimiles:	No charge.
US postage:	At cost.
Overnight delivery:	Billed at MuniCap’s actual cost without mark up.
Mileage:	At the rate approved by the IRS.
Word processing:	NA.
Other:	Reimbursable expenses would include, in addition to the charges noted above, hosting a conference call or other actual out of pocket expenses not considered normal general overhead, which would be reimbursed at cost.



# **Downtown Memphis PILOT Program Review**

**Request for Expressions of Interest**

**PFM Group Consulting LLC**

PFM Group  
Consulting LLC  
[www.pfm.com](http://www.pfm.com)

530 Oak Court Drive  
Suite 160  
Memphis, TN  
38117  
901.682.8356

1735 Market Street  
43<sup>rd</sup> Floor  
Philadelphia, PA  
19103  
215.567.6100





July 30, 2021

Abram Lueders, Planning and Development Analyst  
Downtown Memphis Commission  
114 N Main Street  
Memphis, TN 38103

Delivered Electronically

**pfm**

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1735 Market Street  
43rd Floor  
Philadelphia, PA 19103  
215.567.6100

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[pfm.com](http://pfm.com)

Dear Mr. Lueders,

On behalf of the PFM Group ("PFM"), please accept this as our expression of interest related to conducting a Downtown Memphis PILOT Program Review. Based on our experience in this subject area and our past work for the City of Memphis and the Downtown Memphis Commission, we believe we are ideally suited to assist in this important and timely effort.

As you know, incentives are a high-profile and frequently controversial element of economic development work. Elected officials, media, residents, and even some economic development professionals question whether incentive programs are generating the expected benefits and are worth the cost. Our work has shown that to be effective, incentives must be aligned with priorities, designed carefully, and managed actively. This means that we view incentive use as a process to help achieve economic development objectives, not a panacea or simply a financial transaction. The process starts with a data-driven understanding of how incentives work in practice. We therefore applaud and are prepared to support the Commission's efforts to evaluate the effectiveness of its programs and to identify, if warranted, changes to those programs.

PFM has served as an independent evaluator of tax and other economic development incentives for many state and local governments from coast to coast. They, like the Downtown Memphis Commission, are invested in analyzing the impact and effectiveness of their incentive programs. This type of work is one of our primary focus areas as a practice, and our expertise is very much in alignment with the services the Commission seeks.

Throughout our proposal, we aim to demonstrate our experience working with other public sector entities on similar engagements, and our ability to leverage that experience for the benefit of the Commission. For this impactful work, we propose an expert project team, introduced below.

As Managing Directors, we will serve as the co-engagement managers for this effort and will direct all necessary resources to this project. Our colleague, Director Randall Bauer, will serve as the project manager and will lead the team executing the day-to-day tasks to provide you with the results you have requested. With over 16 years at PFM, he is one of our longest-tenured Directors and leads the PFM Management and Budget Consulting (MBC) economic development and tax incentives practice. Among the many projects he has managed in this area, he led an earlier (and related) project for the Downtown Memphis Commission to benchmark the City's incentives in comparison to peer cities.



Our proposed project team also includes subject matter experts Deanna Kimball and Stanley Geberer. Deanna has been part of the leadership team for multiple similar projects – in fact, she is now leading an incentives analysis for the State of Vermont. She has served as the ‘second chair’ for five years as the evaluator for business incentives for the State of Oklahoma. Stanley Geberer is a PFM economist and an expert on economic impact analyses, having conducted literally hundreds of these types of studies for local governments and related entities.

We are also pleased to include among our proposed project leadership team Dr. Ellen Harpel. Ellen is the founder of Smart Incentives, a national leader on state and local incentives policy that helps communities make sound decisions throughout the economic development incentives process. Ellen has been an invaluable partner in our work with the Oklahoma Incentive Evaluation Commission – described in our proposal – and will bring an additional perspective to this very important work.

We believe this is a highly qualified team with experience in delivering the results the Commission seeks, and we are confident in our ability to provide a quality report that meets the City’s needs.

PFM strives for complete client satisfaction and is committed to shaping the following proposal to best fit your needs. We are happy to discuss all aspects of the project and our proposal and refine it as necessary.

Sincerely,

Lauren Lowe  
Managing Director  
PFM Financial Advisors

Michael Nadol  
Managing Director  
PFM Group Consulting



## Firm Qualifications and Resumes of Key Staff

The following provides a summary of the qualifications and experiences of PFM and Smart Incentives, our proposed partner in this engagement. Additional information is provided in our response for the Additional Relevant Information section.

### About PFM

The PFM Group was founded in Philadelphia in 1975 on the principle of providing sound independent financial advice to government and nonprofit entities. PFM is comprised of seven affiliates that are indirect, wholly owned subsidiaries of a holding company known as PFM I, LLC, 100 percent owned by its 82 managing directors who set the firm's strategic direction. From an initial staff of five, PFM has grown to more than 700 employees located in 43 offices across the nation, including an office in Memphis, which will serve as the 'home base' for this project.

The firms that make up the PFM Group have three primary business activities and multiple related services, including:

- **Management and Budget Consulting (MBC).** Offering performance, operating and organizational management advice, the MBC practice is the national leader in public sector long-range management and budget financial and strategic planning, related to all aspects of state and local government operations. In 2019, MBC acquired an economic and financial consulting firm, furthering its ability to effectively assist clients with engagements similar to those outlined in the Commission's request.
- **Financial Advisory Services.** Managing transactions related to debt issuance, PFM Financial Advisors LLC has been the top-ranked independent financial advisor to state and local governments, based on par amount of bonds sold or issuances, for nearly two decades, according to annual rankings compiled by Thomson Reuters.
- **Investment Management.** Providing investment advice and portfolio management for working capital and bond proceeds, PFM Asset Management LLC manages or advises on over \$160 billion in government assets.<sup>1</sup>

Primary services for this engagement will be delivered by PFM Group Consulting LLC, the PFM Group affiliate for the firm's MBC practice. As our name suggests, the MBC practice focuses on how to effectively manage and budget public resources. We work exclusively on behalf of government and non-profit clients – helping our public and non-profit sector clients make the best use of scarce resources is our sole focus.

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<sup>1</sup> In July 2021, PFM and U.S. Bank announced they have entered into a definitive agreement for U.S. Bancorp Asset Management to purchase PFM Asset Management LLC. PFM Asset Management will continue to operate as a separate entity. For more information, see the joint PFM/U.S. Bank press release, available at <https://pfm.com/newsroom/detail?title=u.s.-bank-acquires-pfm-s-asset-management-business&type=news>



## About Smart Incentives

Smart Incentives is a national leader on state and local incentives policy. Launched in 2013, Smart Incentives helps economic development organizations achieve their targeted economic development goals by instituting incentive programs that are both effective and responsible. We help economic development organizations achieve better outcomes by providing processes and solutions to improve incentive efficacy and are at the forefront of efforts to improve procedures for monitoring compliance and evaluating the effectiveness of incentive programs.

Smart Incentives founder Dr. Ellen Harpel speaks and writes frequently on incentive policies and programs for organizations including the National Conference of State Legislatures, National League of Cities, State Economic Development Executives Network, International Economic Development Council and The Pew Charitable Trusts and has provided legislative testimony in several states.

## Values and Competitive Advantages

The proposed project team brings the following values and competitive advantages to this project.

- **Ensuring incentives serve the economic development mission.** Smart incentive use is always about achieving goals, not completing transactions.
- **Data, analysis, transparency, and accountability as organizing principles.** Documenting how incentives have been used to support economic development goals is critical, and incentive use should be a process, not an event.
- **Incentive evaluation and program assessment expertise.** The PFM team has completed several recent incentive assessments and benchmarking analyses, and Smart Incentives is a national leader in developing better performance indicators, data collection standards and methodologies to assess the impact of economic development incentives.
- **Partnership and collaboration.** The proposed project team offers a respected voice on the topic of economic development incentives and is a trusted partner among the parties engaged on all sides of this topic. We have good working relationships with both supporters and skeptics among academics, policy think tanks, advocacy organizations, associations representing elected officials, and economic development practitioners.

PFM serves its clients by creating project teams comprised of experts in specific aspects of public sector operations; these project teams are designed to meet the specific needs of individual clients. Our specialized project teams ensure that clients receive complete and thorough advice directly from the optimal mix of PFM professionals.

PFM conducts its projects by identifying an engagement director and a project manager. These individuals guide the project from start to finish, with the engagement manager ensuring that sufficient resources are available to successfully complete the project on time and on budget and the project manager overseeing day-to-day project activities.



PFM's proposed team for this engagement is comprised of senior leadership with extensive backgrounds and experience with similar types of projects and backgrounds within the public sector. The following provides a summary of proposed leadership team's background and experience. Full, detailed resumes can be provided upon request.

### **Randall Bauer, Director – Project Manager**

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Randy Bauer joined the PFM Group's MBC practice in 2005, where he directs its tax and economic development incentives practice. He has evaluated the use and impacts of economic development incentives for the States of Hawaii, New York, and Oklahoma as well as the cities of Memphis, Baltimore, Cleveland, Providence, and St. Louis. He has analyzed opportunities to improve overall economic incentive policies for the State of New Mexico, the cities of Colorado Springs and St. Louis, as well as Nassau and Suffolk Counties (New York), and Prince William and Loudoun Counties (Virginia).

Prior to joining PFM, Randy served for nearly seven years as Budget Director for the State of Iowa. In that capacity, he was Governor Thomas Vilsack's chief adviser for the State's \$12 billion budget as well as a senior adviser on tax and public finance issues. Prior to his work as State Budget Director, Randy served for over ten years as a senior adviser for the Iowa Senate with primary responsibilities on economic development, budget, and tax issues. In 1994, he was one of the authors of Iowa's Quality Jobs Tax Credit program.

In both 2017 and 2018, Randy led sessions at the National Conference of State Legislatures annual roundtable for economic incentives evaluators; he has also conducted a training webinar on economic incentives analysis for the Council of Development Finance Agencies (CDFA). He is a past President of the Iowa Society of Certified Public Managers and was voted a life member of the National Association of State Budget Officers, where he served on its Executive Committee.

Randy received his Bachelor of Arts degree from Coe College, has the Certified Public Manager professional designation from Drake University, and was a Fannie Mae Foundation Fellow at Harvard University's Kennedy School of Government program for senior executives in state and local government.

### **Deanna Kimball, Senior Managing Consultant - Deputy Project Manager**

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Deanna Kimball joined PFM's MBC practice in 2015, where she leads projects with large-scale governments and specializes in tax and revenue policy, organizational assessments, business process improvement and financial and strategic planning. She is currently managing a tax incentives analysis for the State of Vermont.

Since 2017, Deanna has served as the deputy project manager for our work with Oklahoma's Incentive Evaluation Commission. Recent projects Deanna has managed include an analysis of the revenue sharing agreements between the Commonwealth of Pennsylvania and the nonprofits charged with managing its historical sites and a study for the University of Massachusetts, where she recommended changes to the organizational structure and functional clusters of the Treasurer's Office. She also managed an engagement with the City of Houston focused on exploring managed competition of the City's fleet services as well as a project providing financial expertise as part of a larger performance audit of the Ohio Department of Transportation. She was also a key member of the teams who conducted comprehensive tax and revenue reviews for the State of Hawaii; Prince William County, Virginia; and the Long Island Regional Planning Council in New York.



Prior to joining PFM, Deanna was a budget analyst with the School of Arts and Sciences at the University of Pennsylvania, where she prepared analyses and recommendations for school resource planning. Projects included preparation of quarterly school-wide forecasts and profit/loss analyses, enrollment and revenue estimates and the annual completion of five-year budget projections.

Previously, Deanna served as a budget and management analyst for the State of Ohio's Office of Budget and Management, where she analyzed and monitored financial matters affecting the State's behavioral health agencies, boards, and commissions. Projects included the consolidation of two cabinet-level departments into a single state agency and the preparation of the Governor's Monthly Financial Report, detailing the State's economic forecast, revenues, and preliminary monthly disbursements.

Deanna received her Bachelor of Arts degree from Xavier University in Cincinnati, Ohio before going on to earn her MPA from Northern Kentucky University.

### **Ellen Harpel, Ph.D. - Subcontractor Subject Matter Expert**

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Ellen is the founder of Smart Incentives ([www.smartincentives.org](http://www.smartincentives.org)), which helps communities make sound decisions throughout the economic development incentives process. She is also the founder and president of Business Development Advisors LLC (BDA), an economic development and market intelligence consulting firm.<sup>2</sup>

Launched in 2013, Smart Incentives serves economic development organizations by using data and analysis to make incentives work better for states and communities. Smart Incentives is also at the forefront of efforts to develop better processes for monitoring compliance and evaluating the effectiveness of incentive programs. Ellen speaks and writes frequently on incentive policies and programs for organizations including the National Conference of State Legislatures, National League of Cities, State Economic Development Executives Network, International Economic Development Council, and The Pew Charitable Trusts and has provided legislative testimony in several states.

Prior to founding BDA in 1999, Ellen was a manager with the professional services firm Deloitte & Touche, where she advised economic development organizations on business attraction, growth, and retention strategies through the Fantus Consulting division. She also served as an Associate with Charles Percy & Associates, an international business advisory firm in Washington, DC, where she worked with US companies to expand their markets overseas. She has also worked with the U.S. Chamber of Commerce and the National Association of Home Builders. Through these experiences she has gained a broad knowledge of the economic and market factors that drive growth and development in businesses and communities.

Ellen is a Senior Research Fellow with the Center for Regional Economic Competitiveness and an affiliate with the Center for Regional Analysis at George Mason University. She is Vice Chair of the Alexandria Arlington Regional Workforce Council and serves on the Council's Executive Committee. She also serves on the board of the Gender and Policy Center at George Mason University and is a member of the Council for Community and Economic Research (C2ER), European Association for Research on Services (RESER), Council of Development Finance Agencies (CDFA), and the Virginia Economic Developers Association (VEDA).

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<sup>2</sup> For more information, visit [www.co.businessdevelopmentadvisors.com](http://www.co.businessdevelopmentadvisors.com)



Ellen earned a Bachelor of Science degree in Foreign Service from Georgetown University, a Master of Business Administration degree from the University of North Carolina, and a doctoral degree in regional economics from George Mason University.

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**Stanley Geberer, Senior Managing Consultant - Economist**

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Stan Geberer joined PFM Group Consulting LLC in 2019 with the acquisition of Fishkind and Associates. He possesses expert understanding of market conditions, demographic trends, and commercial and residential real-estate development across local Florida markets. He also works extensively with public and private interests in local communities on special projects such as comprehensive land use plan analysis, community redevelopment, defense contracting for base facilities analysis, and strategic planning for businesses and economic development agencies, economic impact analysis and environmental economics.

Stan regularly conducts socio-economic forecasts in support of transportation project toll and revenue studies. He is a featured speaker at Urban Land Institute professional development seminars, the International Council of Shopping Center Developers, the Florida Retail Federation and the Association for University Business and Economic Research. Stan earned his Bachelor of Arts degree in Economics and Sociology from Union College.

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**Lauren Lowe, Managing Director – Co-engagement Director**

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Lauren joined PFM in September 2004. Throughout her time with PFM, she has provided technical and analytical support for a variety of clients including state, county, city, public power and utility system and airport clients. She is involved in analytical analysis as well as transaction management on debt transactions and structuring, strategic planning, pricing, and cash flow analysis to her clients.

Lauren is responsible for developing and maintaining complex cash flow models and capital improvement plans. Other analyses completed by Lauren include pricing, debt capacity and refunding (current, advance, and forward). As a managing director and the leader of PFM's Memphis office, she serves as the project manager to PFM's clients in Tennessee, including the City of Memphis and Shelby County. Lauren earned her Bachelor of Science in Business Administration at Mississippi State University.

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**Michael Nadol, Managing Director – Co-engagement Director**

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Mike Nadol is President of PFM Group Consulting LLC. Among more than 100 public sector projects delivered since joining PFM, Mike led the development of a ten-year financial plan for the City of Baltimore, and has also evaluated budget, workforce, and/or program delivery issues for many of the largest states, cities, and counties in the nation.

Prior to joining the firm, Mike served the City of Philadelphia in positions including Deputy Mayor, Director of Labor Negotiations and Director of Finance. In these roles, he worked on management and budget initiatives key to the city's fiscal turnaround in the early 1990's and led contract negotiations covering over 22,000 municipal employees.

Mike has taught on the adjunct faculty of the University of Pennsylvania's Master of Public Administration program and served as an appointed adviser to the Government Finance Officers Association (GFOA) Committee on Governmental Budgeting and Fiscal Policy. He holds a B.A. from Yale University, summa cum laude, and an M.P.A. from the University of Pennsylvania.



## Primary Areas of Experience and Expertise

PFM’s MBC practice specializes in the areas of tax and revenue policy analysis on a daily basis, and our practice leaders all have extensive experience in this type of analysis and evaluation. MBC has assisted major state and local governments with similar efforts to analyze economic development and business incentives and has the depth and breadth of experience and expertise to conduct the analysis contemplated by the Commission’s PILOT Review process.

The following details a select set of relevant past project examples undertaken by PFM and/or Smart Incentives on behalf of state and local governments; additional examples can be provided upon request. Detailed case studies for our work with Memphis, St. Louis, and Oklahoma follow this table.

Client	Project Summary
Downtown Memphis Commission	<b><u>Incentive Benchmarking Study:</u></b> In 2019, The Downtown Memphis Commission retained PFM to analyze and benchmark the city’s economic development incentives in relationship to a set of peer competitor cities. For this analysis, the benchmarked cities were Atlanta, Birmingham, Charlotte, Indianapolis, Kansas City (Missouri), Louisville, Nashville, Oklahoma City, and St. Louis. PFM analyzed state and local incentives available in each as well as other economic and demographic data. It also identified typical incentive packages within categories of projects for each city in comparison to similar Memphis development projects.
State of Oklahoma Incentive Evaluation Commission	<b><u>Comprehensive Incentive Evaluations:</u></b> PFM has been the external evaluator for the State of Oklahoma’s Incentive Evaluation Commission since its inception in 2016. Through this work, PFM has conducted more than 50 incentive evaluations – with an additional eight evaluations underway in 2021. For the evaluations in 2020 and 2021, PFM has partnered with Dr. Ellen Harpel of Smart Incentives, the proposed partner for the Memphis Downtown Commission’s work. The PFM evaluations all include an analysis of financial and economic impact, whether the incentive is meeting its goals, whether it is administered efficiently, and possible modifications to improve performance.
Michigan Economic Development Corporation (MEDC)	<b><u>Michigan Business Development Program Effectiveness Study:</u></b> Smart Incentives served as project manager for a CREC-led evaluation of the Michigan Business Development Program, MEDC’s flagship incentive. The evaluation included determination of the return on investment (ROI) based on verified disbursements to companies and job creation activity; comparison of the calculated ROI to projected ROI; assessment of the validity of the program’s “but-for” analysis; and comparison of program management to similar incentives in other states. The report provided a series of recommendations to improve program design and management and was completed with the W.E. Upjohn Institute.
Tennessee Department of Economic & Community Development	<b><u>Tax Credit Roundtable Facilitation:</u></b> Smart Incentives facilitated a discussion with senior staff from both the Department of Economic and Community Development and Department of Revenue to consider options for responding to recommendations from a third-party impact analysis of select business tax credits. Topics included tax credit refundability, headquarters incentives, and tax credits to hire individuals with disabilities.





Client	Project Summary
St. Louis Development Corporation	<b>Economic Development Incentive Review:</b> The St. Louis Development Corporation retained PFM to conduct a review and analysis of economic development incentives available to encourage growth within the City of St. Louis. The study focused on two separate but related areas: how existing economic development incentives have performed related to typical goals of improving neighborhoods, creating jobs and fostering city development; and identification of opportunities to improve on current performance by modifying existing or creating new forms of economic development incentives.
City of Cleveland	<b>Property Tax Abatement Evaluation:</b> In 2019 and 2020, PFM (along with the federally certified community development financial institution Reinvestment Fund and the Greater Ohio Policy Center) was hired by the City of Cleveland to analyze past performance of its residential property tax abatement programs and to make recommendations for modifications to the program to improve its overall performance. PFM was primarily responsible for gathering and analyzing the data on past performance, conducting an economic impact analysis, and benchmarking peer cities with similar programs (national peers were Atlanta, Cincinnati, Detroit, Kansas City, Pittsburgh, Richmond, and St. Louis, and local peers were Cleveland Heights, Euclid, Lakewood, Newburgh Heights, and South Euclid).
Invest Atlanta	<b>Subject Matter Expertise:</b> Smart Incentives provided an expert external perspective on Invest Atlanta's processes for providing, managing, and monitoring incentives and their related outcomes. Reviewed relevant public and internal documents; held in-person meetings with staff and leadership to discuss current practices and challenges associated with pre-award procedures, post-award management, and reporting to stakeholders. Prepared a briefing memo on strengths and weaknesses of the incentive program plus opportunities to improve efficiency and effectiveness.
City of Kansas City, Missouri	<b>Incentives Study:</b> The City of Kansas City requested a program-level, data-driven evaluation of the impact of the City's economic development incentives. Smart Incentives served as the team lead to 1) identify Key Performance Indicators for a set of local incentive programs in Kansas City, and 2) evaluate existing internal monitoring and reporting practices with the objective of streamlining processes and improving accessibility to program data. Provided recommendations to improve systems and procedures for collecting data on program use and outcomes, reporting on program performance, and conducting public outreach on incentive usage. Project completed with the Council of Development Finance Agencies as team lead, along with partners REMI, PGAV Planners, and Bennie Lewis & Associates.
Economic Development Alliance for Jefferson County, Arkansas	<b>Review of Local Incentive Programs and Funds:</b> The Alliance requested a review of the competitiveness of its economic development incentive fund compared to other communities and for the businesses the community sought to attract or develop. Smart Incentives examined the alignment of local incentives with the county's economic development objectives, analyzed past projects and procedures for using the incentive fund, and provided detailed insight into how other communities fund and deploy their incentive programs. The report concluded with recommendations for enhancing the incentive fund's competitiveness.



## **Downtown Memphis Commission Benchmarking State and Local Tax Incentives<sup>3</sup>**

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In 2019, the City of Memphis was considering a proposal for a very large multi-purpose development project known as the PINCH Master Development 2019 Phase 1. The City sought to better understand how peer cities approached similar types of projects, both in terms of municipal incentives provided and expectations associated with those incentives. The City viewed the project as an opportunity to look at the incentives that it provides in comparison to those of its peer cities – how do they compare in scope and size, how do they compare in requirements attached to the recipients, and how do they compare in cost benefit analysis and required reporting?

PFM was retained to undertake this analysis. PFM used an approach similar to that used in many other incentive analysis projects. The team, led by Randy Bauer, started by conducting detailed interviews with City subject matter experts to understand the current processes for analyzing projects and recommending incentives. Based on an information request provided to the City and County, they also reviewed financial documents and contracts, analyzed past projects and other budget and related materials.

While doing that analysis, the project team also worked with the project stakeholders to identify relevant peer cities. These were determined to be Atlanta, Birmingham, Charlotte, Indianapolis, Kansas City (Missouri), Louisville, Nashville, Oklahoma City, and St. Louis. Because most of the benchmark cities were in other states, the project team also analyzed how state programs impact on local incentives and developer decisions. At the local level, the project team examined the various local incentives as well as city and regional characteristics that might impact on developer decisions. The benchmarking also included analysis (to the extent that was possible) of similar types of mixed-use projects in other cities and the financial package provided for that development.

Throughout the project, PFM worked with the project sponsor, Downtown Memphis Commission CEO Jennifer Oswald, to refine the scope so that the data and information collected and analyzed fit within the likely parameters of the incentives that might be provided to the development. At the project's conclusion, PFM provided the Commission a 36-page memo that provided comparisons and analysis of the peer city's economic and demographic considerations, market conditions, tax structure, business incentives, and comparable development projects. The project team also provided an Excel file that contained all the benchmark data gathered from the project.

## **State of Oklahoma Incentive Evaluation Commission Evaluation of the State Economic Development Incentives<sup>4</sup>**

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In 2015, the State of Oklahoma enacted legislation creating an Oklahoma Incentives Evaluation Commission to annually review and evaluate the effectiveness of Oklahoma's business incentives. As directed by statute, the Oklahoma Office of Management and Enterprise Services issued an RFP and, after a competitive process, hired PFM to serve as the independent evaluator for the Commission of the 11 incentives scheduled for review in 2016.

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<sup>3</sup>While we do not know whether the PFM final memo for the project is a public document, we expect that it is still available for review by the RFEI evaluation team.

<sup>4</sup>All of the PFM evaluations for the Oklahoma Incentive Evaluation Commission are available on the Commission's website at <https://iec.ok.gov/documents>



Because of the time required to start up the Commission and create a brand-new methodology for evaluation, the PFM project team only had 5 months to conduct its research and analysis and present its written evaluations to the Commission. During that expedited timeframe (in future years, these activities took place in 11 months), the project team gathered financial and economic performance data related to the incentives, interviewed state government stakeholders as well as those in impacted businesses and industries, conducted benchmarking research on peer state programs and created financial and economic impact models. PFM handled financial models related to incentives' impact on the state and local budgets, and a subcontractor firm conducted the economic impact modeling.

It is notable that many tasks performed in the first year of the evaluation process established the foundation for how the Commission and the evaluator would work together in the following years, as the legislation directed the Commission to review all eligible incentives over a rolling four-year period. During this foundational period, PFM worked with the Commission to establish how specific criteria would be determined for each evaluation, the full four year schedule of the incentives for review each year, the format to be used for each written evaluation, and facilitating Commission members' discussions and final recommendations for the incentives under review.

The project team met all required project deadlines for conducting its analysis and providing its written evaluations to the Commission. Throughout, it appeared at each meeting of the Commission and updated it on its work. As required by statute, the Commission voted on each of the evaluations and passed them along to the Governor and Legislature for their consideration. Based on the successful completion of the first-year evaluations, the State has re-hired PFM to conduct additional rounds of evaluations in 2017, 2018, 2019, 2020 and 2021.

Among its notable results, the PFM evaluation of an energy production tax credit was found to have a significantly negative ROI for the State and made it an outlier compared to other wind energy producing state. Given that the financial modeling done by the evaluation team indicated that this credit would quickly grow to requiring over \$100 million in annual tax credits, the PFM team recommended eliminating the credit. The Oklahoma Legislature and Governor agreed with this recommendation and ended the program in March 2017 – four months after the recommendation was included in the Commission's final report.

In several instances, the PFM evaluations touch on issues similar to those contemplated by the Commission, including the 'but for' test, the magnitude of investments, return on investment, economic impact, and comparison to peer state and local government incentives.

The Pew Charitable Trusts' 2018 review of the incentive evaluation process in all 50 states identified Oklahoma as one of just 11 'leading' states, noting the following:



*“In the first year of evaluations, 2016, the Commission selected 11 incentives for review that collectively cost \$110 million. To study the programs, it hired a consulting firm [PFM] using a request for proposal process. This approach resulted in detailed evaluations with thoughtful discussions of each incentive. One strength of the evaluations was their assessments of whether each incentive has adequate protections to ensure that its costs do not increase quickly and unexpectedly—a particularly relevant consideration for Oklahoma, which has faced budget challenges in recent years because of certain incentives. The evaluations also presented clear, well-supported policy options. In some cases, they proposed wholesale overhauls of incentives, while in others they suggested more subtle changes, such as collecting better data. Even if those recommendations do not end all disagreements over incentives, they should provide a common starting point for discussions of how Oklahoma can strengthen its economy most effectively.”*

### **St. Louis Development Corporation Review of City Economic Development Incentives<sup>5</sup>**

---

The St. Louis Development Corporation (SLDC) retained PFM to provide services related to a review and analysis of economic development incentives available to encourage growth within the City of St. Louis. The study focused on two separate but related areas: how have existing economic development incentives impacted city development; and are there opportunities to improve on current performance by modifying existing or creating new forms of economic development incentives?

To address these needs, PFM partnered with St. Louis University (SLU) and the University of Missouri-St. Louis (UMSL) to conduct research and analysis for the report. The project team worked in tandem on most issues. SLU and UMSL quantified past incentive performance. PFM took the lead on national benchmarking and best practices research, identifying opportunities to improve on current performance and writing the final report.

At the outset, the project team conducted an extensive review of historic data, including incentive applications and awards, city property valuation, relevant economic and demographic data and other economic development studies and reports. The project team spent considerable time ‘cleaning’ incentives performed related to typical goals of improving neighborhoods, creating jobs, and fostering the available data to ensure comparability in several key areas. Besides data work, the project team also conducted in-depth interviews with internal and external stakeholders and subject matter experts, convened focus groups around existing incentives and benchmarked 13 peer cities nationally and an additional 6 cities in the St. Louis metropolitan area. The benchmarking was conducted using electronic surveys, phone interviews and publicly available data. For each city, the data was vetted and validated with city staff prior to its publication.

The project team also conducted an in-depth analysis of the resulting data, including mapping and modeling past incentives within city regions and neighborhoods, determining impacts on property assessed values and other economic impacts and identifying trends over time. Throughout the course of the analysis, the project team met regularly with City staff to validate and corroborate on data and other project findings.

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<sup>5</sup> A copy of the report is publicly available at the following link: <https://www.stlouis-mo.gov/government/departments/sldc/documents/city-of-st-louis-economic-development-incentives-pfm-report.cfm>



The project team then drafted a detailed project report that discussed the current status of city programs, the benchmarking and best practices research from national and in-state peer cities, the gap analysis related to current project and findings and recommendations. The project team held multiple working sessions with City staff to refine the analysis and recommendations and then issued a final report. The project team also collaborated with the City on its progress in implementing selected recommendations.

The PFM study has been widely recognized as the authoritative study of incentive use in St. Louis, and it has been quoted in numerous news articles since its release. One of its recommendations, that the City use a geography-based tiered approach to key incentives, has been enacted as City economic development policy. The City has undertaken a variety of new initiatives based on the study findings and recommendations. Based on the work done on this project, the SLDC again hired PFM the following year to do a study of options for property tax relief in areas with major increases in assessed valuation over a short period of time.

## Client References

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Steve Bakkal, Senior Vice President  
Michigan Economic Development Corporation  
517-241-8030  
[bakkals@michigan.org](mailto:bakkals@michigan.org)

## Additional Relevant Information

PFM is a highly qualified national consulting firm and is prominent in its key areas of expertise. Its MBC practice is regularly called upon to assist state and local governments with highly complex issues. MBC clients have included over half the states as well as many of the largest local governments in the nation (including Chicago, Houston, Los Angeles County, New York City, and the City/County of Philadelphia). In past years, the MBC practice has had both the City of Memphis and Shelby County as clients. Other clients have included the States of Tennessee, Illinois, Minnesota, New Jersey, New York, Ohio, Pennsylvania, Virginia, and Wisconsin; and the Cities of Austin, Baltimore, Cincinnati, Cleveland, Dallas, Kansas City, Minneapolis, Philadelphia, Pittsburgh, St. Louis, and Washington DC.



The MBC practice has assisted major state and local governments with a broad range of complex operational, organizational, and management issues and has the depth and breadth of experience and expertise to conduct the analysis required by the Scope of Services requirements.

The MBC practice has assisted dozens of cities with plans to close budget gaps by developing long-range financial plans that address both operational efficiencies and longer-term structural reforms on both the tax revenue and expenditure sides of the budget. Many of these efforts have received national attention for positive results, including for Philadelphia and Washington, D.C. More recently, Pittsburgh, Pennsylvania has regained its financial footing after years of sustained effort by the City and the MBC Practice. After petitioning and receiving entry into the State's distressed cities program, the City successfully exited that program in 2018 based on its financial performance while implementing the PFM multi-year plan.

PFM, through the MBC practice, is also a key participant in the National Resource Network (NRN or Network). In 2012, after a competitive RFP process, a consortium of public and private sector organizations was selected by the U.S. Department of Housing and Urban Development to lead the NRN. PFM is a lead organization in the Network, and PFM Managing Director David Eichenthal has been the Executive Director of the NRN since its inception. NRN is a consortium of best in class organizations that delivers cross-cutting technical assistance to economically challenged communities. PFM and the other members of the consortium have designed an innovative approach that leverages the expertise, partnerships, and resources of the public and private sectors to help cities comprehensively tackle their most pressing challenges. Two years ago, with funding from the Arnold Family Ventures Foundation, State Resources Networks were created to provide similar assistance to communities in selected states. Ohio is one of three states, along with Massachusetts and New Jersey, where state resource networks have been established.

Given the public and often high-profile character of many of our assignments, PFM's work has also been periodically evaluated by independent entities and in the media, recognizing the quality and value of our work. In 2017, the Ash Center for Democratic Governance and Innovation at Harvard University's John F. Kennedy School of Government launched the Operational Excellence Project, which analyzed thousands of recommendations from over 200 government and consultant efficiency reports. From these, the 30 best studies, as judged by the Kennedy School, were identified and published on the Operational Excellence Project website: <https://www.innovations.harvard.edu/opex>.

Of these 30 studies judged best-in-class from across the nation, PFM served as primary consultant on three: a "Strategic and Management Plan for the City of Memphis," a "Cleveland Management and Efficiency Study," and the "Report of the Delaware Expenditure Review Committee" (led by proposed project manager Randy Bauer) – more than any other consulting firm. In addition, PFM Managing Director Mike Nadol (the proposed engagement director) served pro bono as co-chair for the City Administrative Services Committee of the transition team for newly elected Major Jim Kenney of Philadelphia, and the associated "Kenney Transition Report" was also among the 30 studies cited.

No two projects are ever alike, and the PFM approach provides significant latitude to be modified as circumstances warrant. At the same time, there are guiding project principles that PFM uses to ensure projects achieve the expected results – on time and on budget. These include:

- **Client Engagement.** PFM structures its projects to enhance the opportunities for client communication and involvement. We generally believe that projects are more likely to be successful with the involvement of a Guidance Team, which includes the client project sponsor and project manager, as well as other key stakeholders. The Guidance Team can help set project direction, resolve issues, and maintain project continuity.



- **Continuous Feedback.** PFM project managers provide regular updates (written as well as teleconference, generally on a bi-weekly basis) to the client on project progress, scheduling, and issues to be resolved. PFM also provides regular opportunities for the client and its leaders and other key stakeholders to vet recommendations and analysis to help ensure that findings and recommendations are credible and actionable.
- **Clear Milestones.** PFM projects use key project events to ensure client involvement, project understanding, and feedback. PFM projects generally are initiated with a *project kick-off*, which helps to introduce the PFM project team to project stakeholders. At this point, the Guidance Team is also brought together to discuss key “definitions of success” for the client. PFM projects generally include a *mid-point project update* to communicate key high-level project findings and recommendations and update on project schedule and next steps. PFM also generally builds into its schedule an *implementation work session* to provide the client and key project stakeholders an opportunity to work through issues that might impact on next steps and expected outcomes.
- **Project Guarantee.** PFM is committed to its work and stands behind its work. We will spend the time and resources necessary to get the client the in-scope results it seeks – period.

With the understanding that these guiding project principles will be present throughout the project, the PFM approach encompasses the project structure (organizational structure, project events, project management, and risk management), deliverable-focused activities, and deliverables.

## Budget Estimate

While we understand the need for the Commission to weigh the budget requirements for this effort, we would note that it is not possible to provide a hard and fast budget without a defined scope of work. That said, based on the activities identified within the potential scope of work, we have presented a budget estimate.

For comparison purposes, the prior benchmarking and incentives analysis project for the Downtown Memphis Commission was based on a \$76,100 contract; the incentives analysis done for the St. Louis Development Corporation was based on a \$175,600 contract; the residential tax abatement analysis done for the City of Cleveland, OH was based on a \$149,440 contract.

For the budget estimate, the following hourly rates were used (with Dr. Harpel billed as a Director):

Classification	Hourly Rate
Managing Director	\$325
Director	\$300
Senior Managing Consultant	\$275
Senior Analyst/Analyst	\$250
Research Assistant	\$125

The following is an estimate of the time necessary to successfully complete the project. PFM generally proposes to bill based on hours worked on a project up to the project cap – meaning the Commission



would only be billed for actual hours worked. On many projects, the final project invoice is well below the project budget cap.

Hours by Job Classification						
Task Activities	Managing Director \$325/hour	Director \$300/hour	Senior Managing Consultant \$275/hour	Analyst \$250/hour	Research Assistant \$125/hour	Total Cost Per Task
<b>Project Planning and Kick-off</b>						
Project plan, information request, kick-off	4	4	8	8	0	
Regular project reporting	4	4	8	8	0	
<b>Task 1 Hours</b>	0	8	16	16	0	
<b>Task 1 Price</b>	\$0	\$2,400	\$4,400	\$4,000	\$0	\$10,800
<b>Data Gathering and Analysis</b>						
Schedule and complete stakeholder interviews	0	12	12	16	0	
Gather and analyze benchmarking data	0	4	8	16	40	
Analyze city data	0	8	16	40	40	
Model current programs and possible modifications	0	8	16	40	0	
Conduct best practices research and application to Memphis	0	4	16	24	20	
<b>Task 2 Hours</b>	0	36	68	136	100	
<b>Task 2 Price</b>	\$0	\$10,800	\$18,700	\$34,000	\$12,500	\$76,000
<b>High Level Findings and Project Review</b>						
Draft high level findings	4	8	8	16	0	
Present high level findings	0	4	4	8	0	
As needed, do additional analysis/vetting	0	0	4	8	0	
<b>Task 3 Hours</b>	4	12	16	32	0	
<b>Task 3 Price</b>	\$1,300	\$3,600	\$4,400	\$8,000	\$0	\$17,300
<b>Draft and Final Report</b>						
Prepare draft report	4	8	20	40	0	
Discussion of draft report with client	4	8	4	4	0	
Provide final report	4	8	8	20	0	
Communicate report	4	8	8	8	0	
<b>Task 3 Hours</b>	16	32	40	72	0	
<b>Task 3 Price</b>	\$5,200	\$9,600	\$11,000	\$18,000	\$0	\$43,800
<b>Total Hours All Tasks</b>			<b>604</b>			
<b>Cost of Combined Tasks</b>			<b>\$147,900</b>			

PFM generally bills for travel-related expenses (airfare, rental cars, taxis, lodging and meals) that conform with the City's travel policies for its employees. PFM provides receipts for all billed expenses and does not attach administrative fees or mark-up to these charges. PFM would propose to cap expense reimbursement for the project at \$3,000.

## Summary

The City of Memphis and the Downtown Memphis Commission are valued PFM clients, and we will provide a highly senior team for this important effort. This team has successfully completed similar projects with other large state and local governments, and we are confident that we can meet the Commission's needs.

PFM seeks complete satisfaction in all our projects and proposals. We are committed to working with the Commission throughout this project to get you the work product and results you need to advance economic development efforts in the City. As always, if you have questions or comments, do not hesitate to contact us.



# MEMPHIS, TN

DOWNTOWN PILOT PROGRAM REVIEW  
PROPOSAL | JULY 2021





WINE  
&  
SPIRITS

TAVERN  
BELLE

The Lofts  
at BROWN ALLEY

PIZZA

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June 15th, 2021

Abram Lueders  
Downtown Memphis Commission  
114 N. Main Street  
Memphis, TN 38103

***RE: Request for Expressions of Interest - Downtown Memphis PILOT Program Review***

To the Center City Revenue Finance Corporation (CCRFC) and the Downtown Memphis Commission (DMC):

Thank you for the opportunity to respond to your Request for Expressions of Interest for the Downtown Memphis PILOT Program Review. We are thrilled to submit this proposal to assist you with this important project.

PGAV Planners has, since its inception, lived where urban planning meets land use economics. We help our clients achieve their planning and redevelopment goals. Whether those goals be reconstruction after a devastating pandemic or disaster, revitalizing a downtown square, evaluating the impact of programs and policies, or planning for the redevelopment of an important area, we pride ourselves on our ability to understand complex data, engage the right people, and translate the conclusions into actionable steps. We believe our track record shows we've performed these tasks well for our clients and can do the same for Memphis.

Our team for this project includes economic developers, financial analysts, urban planners, strategic planners, and policy experts. Having a well-rounded team with comprehensive experience sets us apart from many other firms; it is the reason we think we are well suited for this project. Having recently completed an incentives review study, several redevelopment plans to strategically consider the use tax abatement, or provide expertise on financial tools to local organizations, we have decades of varied experience in this arena and look forward to bringing that to Memphis.

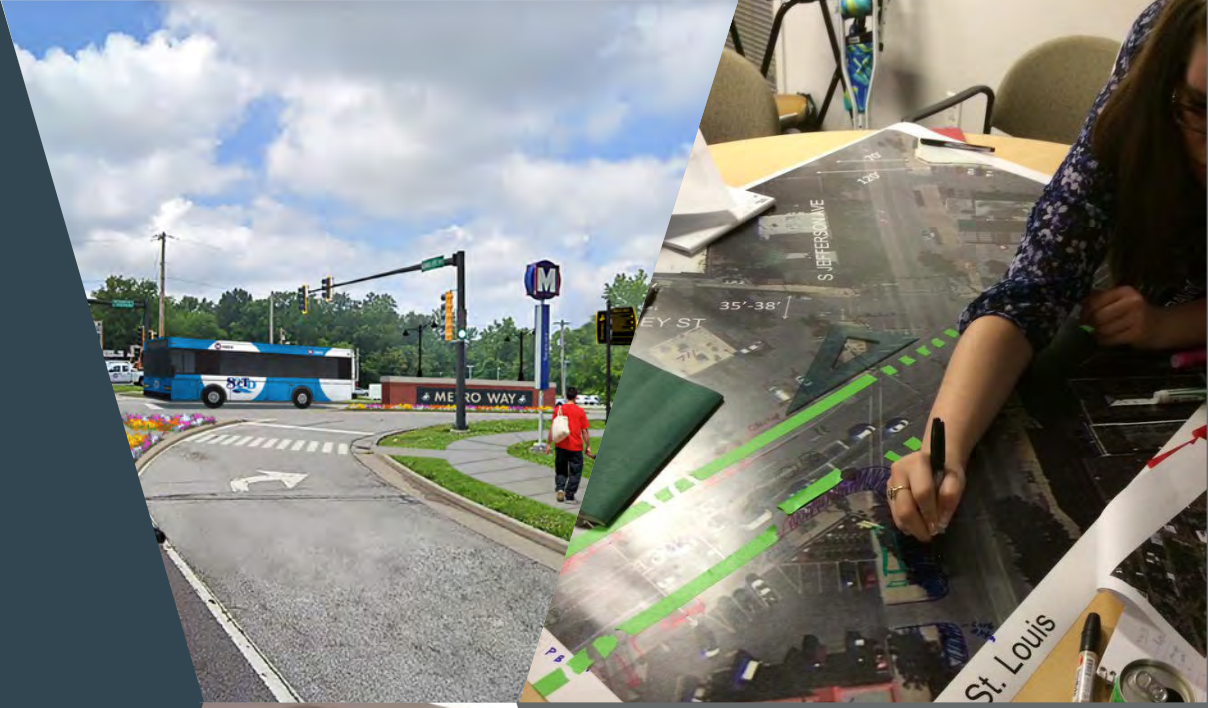
Thank you for the opportunity to submit our qualifications. We look forward to discussing our team, our approach, and the City's needs with you further.

Thank you,

A handwritten signature in black ink, appearing to read "A. Struckhoff", is written over a light gray circular stamp.

Andy Struckhoff, DFCP, AICP  
Vice President, PGAV Planners  
200 North Broadway, Suite 1000  
St. Louis, MO 63102  
andy.struckhoff@pgav.com  
314-231-7318

# QUALIFICATIONS & PROJECT TEAM



**PGAV Planners is a national leader in planning and economic analysis with a headquarters in Downtown St. Louis. For more than fifty-five years, our municipal planners, economic development professionals, map-makers, strategic planners, urban designers, and data analysts have provided clients with access to a diverse and unique mix of skills.**

**We offer an array of services to hundreds of clients across the country. Our greatest strength is our ability to provide a wealth of expertise and experience and apply it creatively to any assignment. We have recently completed projects for the following communities around the country:**

Alabaster, AL	Derby, KS	Lake Saint Louis, MO	Sangamon County, IL
Alton, IL	Des Moines, IA	Las Vegas, NV	Saunemin, IL
Appomattox, VA	Des Peres, MO	Lebanon, MO	Shrewsbury, IL
Arnold, MO	Detroit, MI	Lee County, IL	Sikeston, MO
Asheville, NC	Dieterich, IL	Littleton, CO	Slidell, LA
Aurora, CO	Downs, IL	Loveland, CO	Springfield, MO
Benton, IL	East Moline, IL	Macoupin County, IL	Springfield, IL
Bethany, OK	Edwardsville, IL	Madison County, IL	St. Charles County, MO
Bloomington, IL	Elbert County, CO	Manchester, MO	St. Ann, MO
Blue Springs, MO	Ellisville, MO	Marion, IL	St. Clair County, IL
Boise, ID	Eureka, MO	Marshall, IL	St. Joseph, MO
Branson, MO	Fenton, MO	Maryland Heights, MO	St. Louis, MO
Breese, IL	Flint Hill, MO	Maryville, MO	St. Louis County, MO
Brentwood, MO	Florissant, MO	Memphis, TN	Steelville, IL
Bridgeton, MO	Fountain, CO	Mobile, AL	Strafford, MO
Bristol, VA	Galesburg, IL	Moline, IL	Sunset Hills, MO
Brookfield, MO	Glen Carbon, IL	Monmouth, IL	Swansea, IL
Broomfield, CO	Goddard, KS	Morgan County, IL	Sylacauga, AL
Butler County, OH	Godfrey, IL	Murphysboro, TN	Tahlequah, OK
Canton, OH	Grafton, IL	New Orleans, LA	Thornton, CO
Centennial, CO	Grandview, MO	Newton, IL	Tuscola, IL
Chattanooga, TN	Granite City, MO	Normal, IL	Urbana, IL
Chester, IL	Greenville, IL	Normandy, MO	Valley Park, MO
Chesterfield, MO	Harrah, OK	O'Fallon, IL	Vancouver, BC
Chicago, IL	Hazelwood, MO	O'Fallon, MO	Vandalia, IL
Cincinnati, OH	Henrico County, VA	Oklahoma City, OK	Warrenton, MO
Clark County, IL	High Ridge, MO	Olathe, KS	Warsaw, MO
Clayton, MO	Hollister, MO	Olivette, MO	Washington County, IL
Collinsville, IL	Indianapolis, IN	Olney, IL	Washington, MO
Colorado Springs, CO	Ironton, MO	Overland Park, KS	Watauga County, NC
Columbia, IL	Jackson County, IL	Ozark, MO	Wentzville, MO
Columbia, MO	Jacksonville, IL	Pacific, MO	West Branson, MO
Columbia, SC	Jamestown, ND	Parker, CO	West Plains, MO
Coweta, OK	Jasper County, IL	Peoria County, IL	Wildwood, MO
Crestwood, MO	Jefferson City, MO	Perrysburg, OH	Wichita, KS
Dardenne Prairie, MO	Jerseyville, IL	Quincy, IL	Wilmington, IL
DeSoto, MO	Joplin, MO	Richland County, IL	Wood River, IL
DeKalb, IL	Kankakee, IL	Richmond Heights, MO	Wyandotte County, KS
Del City, OK	Kansas City, MO	Rock Island County, IL	
Delaware County, OH	Kirkville, MO	Rolla, MO	
Denver, CO	Kirkwood, MO	Salem, IL	



# KEY PERSONNEL

Our team for this project is comprised of municipal planners, economic development professionals, strategic planners, urban designers, architects, transportation engineers, and data analysts. We bring together our comprehensive experience to assist Memphis with this important project. The team for this project includes:



### **Andy Struckhoff, AICP, DFCP, Vice President**

Andy leads PGAV Planners, providing leadership and insight on all projects. Having worked on corridor plans, neighborhood plans, policy, finance, and organizational development projects in more than 100 communities across the country, Andy has expertise in understanding community needs and their long-term vision, and charting a path forward to achieve the results they want. Andy is the on-call economic development consultant for the St. Louis Innovation District (Cortex), several national developers, major underwriters, and communities across the country. With experience at the municipal level, from the investment side, and at PGAV, he has an ability to understand all sides of land use decisions and create a plan that is both visionary, actionable, and achievable.



### **Adam Jones, AICP, Senior Project Manager**

Adam has nearly a decade of experience in economic development and urban planning. He specializes in municipal planning, understanding the planning context and how that relates to market realities. He is an expert in market analyses and scenario planning, often providing key insight into future forecasts, helping communities determine the best way forward. Adam recently led the Comprehensive Plan processes in both Sedalia, Missouri and O'Fallon, Missouri and several complex financial analyses in Missouri and Kansas.



### **Anna Krane, AICP, Senior Project Manager**

Previously the city planner for the City of Clayton, Missouri, Anna has experience managing community planning efforts, zoning, and development approvals and determining the best scenario for residents and the City's bottom line. She successfully navigated the expansion of several major corporations, facilitating the development of multi-million dollar projects while balancing feedback from residents and other municipal stakeholders. She brings the lens of resident engagement and sound planning principles to every project, helping balance the two perspectives for positive results. Anna currently serves as the on-call planner for several municipalities.

**Adam Stroud, Senior Project Manager**

Adam has a unique ability to find the nexus where community desires and data meet, helping communities understand their vision in light of market realities. His career began as municipal economic development director where he gained insight about what good economic development looks like and how it can transform communities. Adam has led several major projects, often using complex data analysis to more fully understand a community, and then working with community members to design the best solution. He is an expert in scenario planning, helping city leadership understand the potential impacts of different development decisions. Adam regularly deals with development finance tools, having completed more than 50 projects for communities throughout the midwest.



**Catherine Hamacher, Senior Project Manager**

Catherine is passionate about using urban planning to facilitate community progress. At PGAV, she brings her planning and engagement experience to the team, often helping municipal clients engage with a wide variety of stakeholders through public meetings, online engagement, pop-up events, and individual interviews. Her strategic planning and facilitation skills allow disparate groups to come to the table and reach consensus, creating implementable plans that are rooted in community vision. Catherine has a background in policy and is often tasked with translating both data and stakeholder desires into concrete policy solutions. She managed the planning process in Asheville, North Carolina which involved complex urban problems such as affordable housing, homelessness, and municipal budget constraints.



**Cristen Hardin, Project Manager**

Joining the PGAV team in 2021, Cristen has quickly hit the ground running. She brings her experience in municipal government to the PGAV team, having managed short and long-range planning projects. She is an experienced community liaison, often presenting information to the public and elected officials, translating complex planning and economic development concepts for public understanding.



Full resumes are available in the Appendix of the Proposal.

*A selection of three relevant projects are available on the following pages. These projects depict a range of expertise in policy, financial analysis, and development finance tools. The final deliverable from several projects are included with this proposal.*

# KANSAS CITY, MO Incentive Review & Economic Impact Study

PGAV worked with the City of Kansas City to review the City's use of development and finance incentives, reviewing economic activity and the direct economic impacts associated with the City's use of tax increment financing, tax abatement, community improvement districts and other statutory development finance mechanisms.

The study team's approach to quantifying the impact of tax incentives in the City was both unique and innovative. The approach was unique in that the methods used were crafted specifically for the project with data availability in mind. Modern cities contain thousands of opportunities for data collection, and this data can be used to help the city create policies that fulfill the goals created by their residents and businesses. However, it is difficult to organize all of the data being collected in a way that is useful for policy makers. Our solution to this challenge was to convert all sources of data into a grid so that each piece of information was connected to an appropriate location in the City and could be related to other pieces of data in the same location.

The conclusion of this research found that while the City received a positive rate of return on investments made by incentives programs receiving \$3.83 in tax revenue for every dollar invested, these investments were primarily concentrated in the Downtown area and not equitably distributed nor invested in areas where the indicators showed greatest need. These findings helped to inform city staff on the impact of past and present policies and seek to correct them through new program and policy interventions to outperform these results in the future.

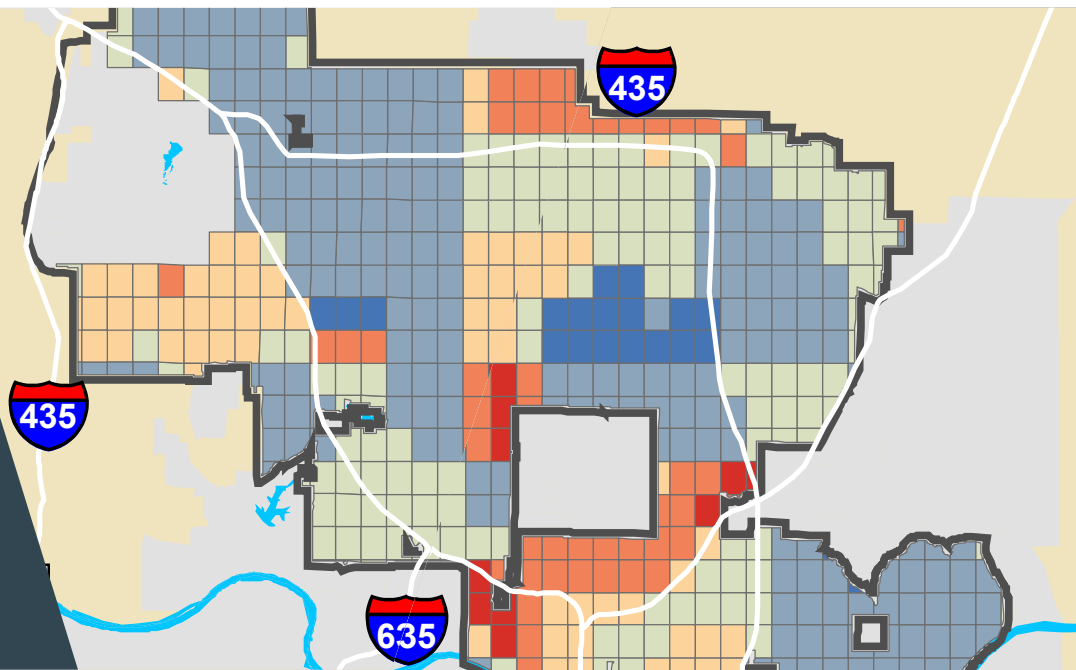
*This project represents an example of a very similar process to what the Center City Revenue Finance Corporation and the Downtown Memphis Commission is looking to conduct in evaluating whether the current PILOT program is providing the public benefits it was designed to deliver and informing future policy decisions.*



## REFERENCE:

Katie Kramer  
Vice President  
Council of Development Finance  
Agencies  
614-705-1318  
kkramer@cdfa.net

[View the final report here.](#)





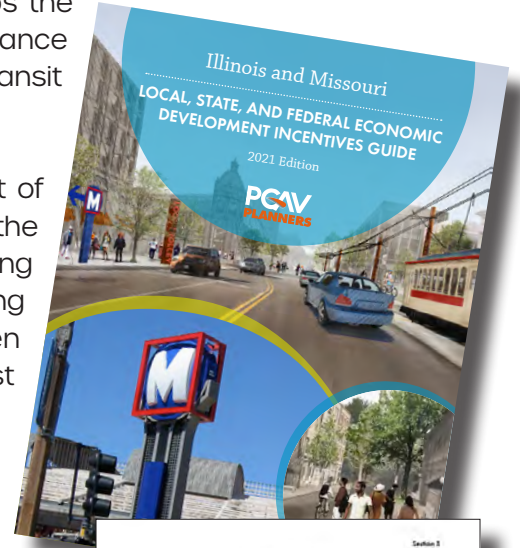
# BI-STATE DEVELOPMENT Incentive Use Policy Guide

PGAV was hired by Bi-State Development, the operator of the public transportation system in the St. Louis Metropolitan area, to create an incentive use policy guide. The purpose of this guide is to inform Bi-State staff, commissioners, and public and private development partners about the use of tax incentives in Missouri and Illinois. With such a complex system, the guide helps the agency increase their expertise related to real estate development finance and build their capacity to encourage the use of incentives for Transit Oriented Development ("TOD") and other Bi-State related projects.

The guide begins with a series of definitions, creating a baseline set of knowledge about the incentives and urban planning tools later in the report. The guide then goes through several incentive tools, defining the purpose, eligibility, expenses, revenue source, term, authorizing amendment or ordinance, and funding mechanism. PGAV has been engaged to update the policy guide on an annual basis for the past several years.

With decades of experience with incentives across the country, PGAV is considered an expert in the field. Having advised many municipalities and developers throughout the nation, PGAV has become a subject-matter expert in navigating these complex policies and producing productive results for communities.

*Because of our expertise in understanding these financial tools, we are best suited to conduct this analysis for Memphis, understanding the current program, its impacts, and potential policy considerations for the future.*



Section 5  
Development Scenarios

The following financial scenarios illustrate a variety of projects that utilize tax incentive programs in both Illinois and Missouri. All of the projects received tax incentives equal to roughly 20% to 25% of their total project cost. In order to illustrate the funding mechanisms of the programs in this guide, several programs were incorporated into each development scenario. In reality, a community may decide to address a project's financial needs with only one or two tax incentive programs at once.

Assumptions were made relating to other values, property value assessments, and tax rates that impact the projections used in each scenario. These assumptions are contained in the Development Scenario Assumptions tables to the right. Reader assumptions is that the public entity performed sufficient due diligence prior to granting incentives and determined that the project would not incur "bad tax" the result of job losses.

Each scenario contains tables illustrating the scenario assumptions, revenue projections, and final impact projections.

**Special Note on Bi-State Incentives:** It is assumed that all of the scenarios occur near a Bi-State bus stop or light rail station. Although Bi-State may not have a direct financial stake in all of the scenarios, it is important to illustrate projects that may have a positive impact on reliability.

November 2021 PGAV PLANNERS

Development Scenario Assumptions			
Parking Requirements			
	Per 1,000 Sq. Ft.	Per Space	Rate
Office	3.0	1,000	\$200/Space Year
Hotel	1.0	1,000	1 Room
Retail	2.0	1,000	\$100/Space Year
Residential	1.0	1,000	1 Unit

Construction and Renovation Cost			
	Cost	Rate	Year
Hotel Room	\$1,100,000	100%	Space Year
Hotel Room	\$1,200,000	100%	Space Year
Office Space	\$1,100,000	100%	Space Year
Office Space	\$1,200,000	100%	Space Year
Residential	\$1,000,000	100%	Space Year
Industrial Building	\$1,700,000	100%	Space Year
Surface Parking	\$1,200,000	100%	Space Year
Development Fee	\$1,000,000	100%	Space Year
Permitted Fee	\$1,100,000	100%	Space Year
Additional Fee	\$1,000,000	100%	Space Year

Sales Volume			
	Volume	Rate	Year
Hotel	1,200	100%	Space Year
Hotel	1,000	100%	Space Year
Hotel	900	100%	Space Year

Tax Rates			
	Rate	Assessment Value	Assessment Value
Illinois City Sales Tax	4.00%		
Illinois Local Property Tax	\$1.51 per \$100 Assessed Value		
Missouri Local Sales Tax	4.00%		
Missouri State Sales Tax	6.00%		
Missouri Local Property Tax	\$2.40 per \$100 Assessed Value		
Missouri State Property Tax	1.00%		

## REFERENCE:

John Langa  
Vice President - Economic Development  
Bi-State  
jrlanga@bistatedev.org  
314.982.1418

[View the final policy guide here.](#)



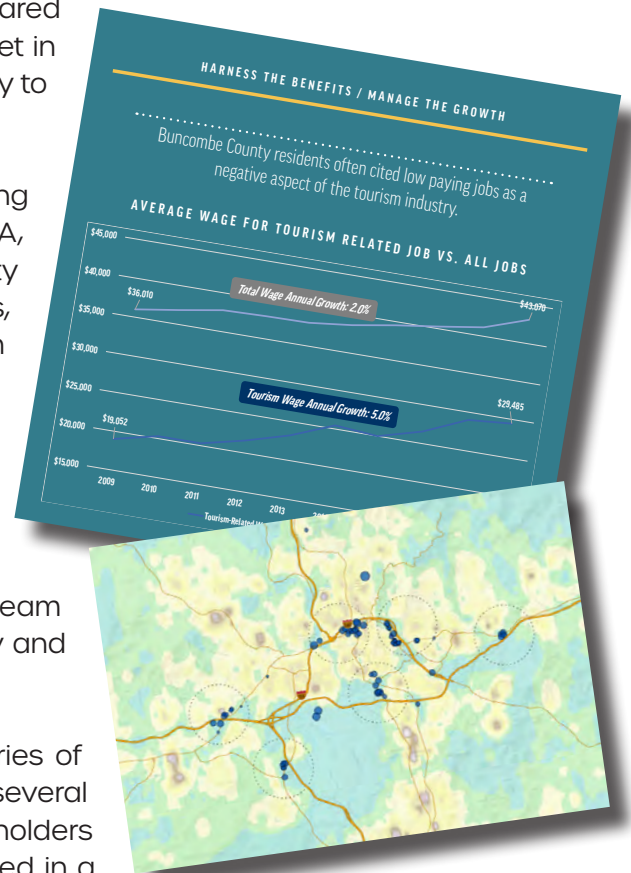
# ASHEVILLE, NC Community Investment Plan

PGAV worked with the Buncombe County Tourism Development Authority to create a strategic plan for the management of tourism and investment in community assets in Asheville and Buncombe County. The first phase of the project was an extensive data collection effort geared toward understanding the existing conditions and local market in Asheville. This data looked at everything from climate resiliency to the lodging market to low-wages in the service industry.

To conduct this research and get an in-depth understanding of the place, PGAV relied on data sources including AirDNA, American Community Survey, municipal budgets, property tax records, airport visitor data, Bureau of Economic Analysis, Bureau of Labor Statistics, Department of Housing and Urban Development, Economic Complexity Index, ESRI and InfoGroup Retail MarketPlace, ESRI BusinessAnalyst, STR, GfK MRI National Survey of Households, Department of Commerce, Federal Highway Administration roadway counts, Department of Transportation roadway counts, Occupational Employment Statistics Survey, Quarterly Census of Employment and Wages, Zillow, Craigslist, and the U.S. Census. In addition, our team did a thorough review of the past plans produced by the City and County to understand priorities and past performance.

In addition to data collection, the PGAV team creating a series of maps and visuals to represent the data, visited the area several times, and conducted a series of interviews with local stakeholders and leadership. The four-month market analysis effort resulted in a comprehensive report and public presentation and helped to paint a picture of what is happening in the county, serving as a baseline for the rest of the project.

*The project represents an example of the PGAV team leading a complex data gathering process to inform important policy decisions.*



## REFERENCE:

Jim Muth  
Steering Committee Chair  
828-712-9019  
jim.muth@muthmail.com

[View the Phase 1 report here.](#)

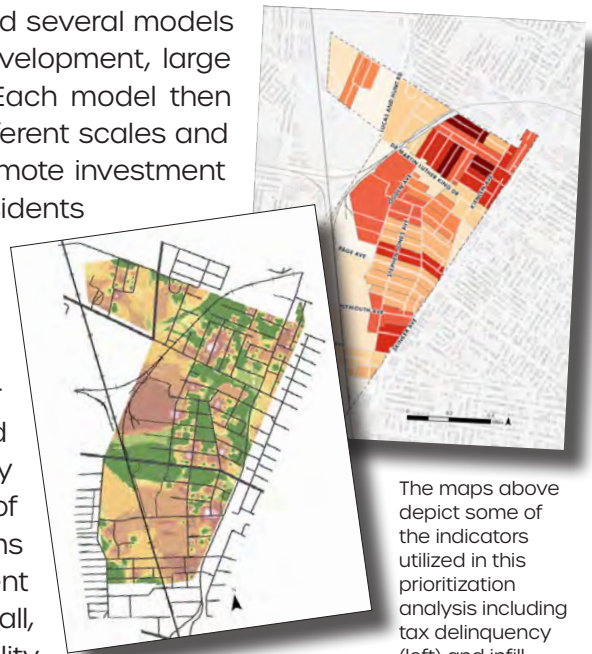


# Leveraging Incentives for Urban Redevelopment

PGAV is currently working with two different communities to analyze current needs and prioritize reinvestment using tax abatement as an incentive tool. Both processes included a robust analysis of existing conditions, setting up indicators to assess need, and using that information to prioritize investments to create the biggest impact in communities. *This process is similar to what could be done in Memphis, leveraging incentives for urban redevelopment to ensure they are distributed in a way that maximizes public benefit.*

## WELLSTON, MISSOURI - [View the Draft Plan here](#)

To develop a strategy for redevelopment in Wellston, we created several models using GIS to layer different conditions related to infill scale development, large scale or block development, and existing housing support. Each model then showed which areas of the city should be prioritized for the different scales and types of investment. The overall goal of the project was to promote investment in housing to increase access to quality housing for existing residents and new residents. The models are used to support this goal in a way that addresses a lack of existing catalyst projects, attempts to reduce potential gentrification or displacement impacts, and outlines a plan for use of funding as it becomes available. Each model uses the same data inputs, but looks for different patterns or conditions to prioritize. The inputs included existing development patterns, uses, and conditions of property and structures, demographics and economic characteristics of the city and population, and existing physical assets or programs in the community that could also see benefits from the investment or act as catalysts when combined with the investment. Overall, we sought to support incremental gains in quality and accessibility of housing through prioritization and tax abatement, maximizing the benefit to the public while strategically prioritizing development.



The maps above depict some of the indicators utilized in this prioritization analysis including tax delinquency (left) and infill level prioritization (above).

## JEFF VAN-DER-LOU NEIGHBORHOOD, ST. LOUIS, MO

We are currently working with the Tabernacle CDC, a community development organization working in the St. Louis City neighborhoods of Jeff Van-der-lou, Fairgrounds, and O'Fallon Park. These neighborhoods have seen significant disinvestment in recent years. Tabernacle CDC was created several years ago to facilitate new investment using tax abatement powers granted to the organization by the City of St. Louis. Through the use of this financial incentive, Tabernacle CDC seeks to incentivize development and redevelopment within their footprint. To ensure this is being done in a way that maximizes public benefit and ensures the organization facilitates the most value from the incentive tool, they engaged PGAV to conduct a planning exercise. This exercise is similar to what was conducted in nearby Wellston, looking to prioritize development, understand what projects could serve as catalysts, and use data to inform future incentive decisions by the organization.

*Both of these projects represent our robust understanding of data, economic indicators, and tax incentives and are examples of our ability to analyze information and produce concrete implementation outcomes.*



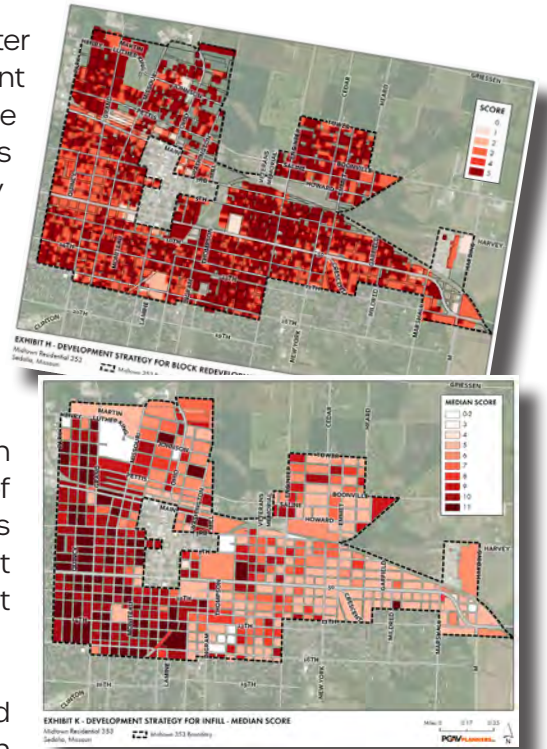
# Financial Incentive Expertise

PGAV has conducted numerous financial incentive processes in recent years. Many of these have been geared toward deploying financial incentives in a strategic way that creates the most community benefit. Two examples of this work are discussed below.

## SEDALIA, MO

PGAV worked with the City of Sedalia, Missouri to establish a Chapter 353 Development Area under the State Urban Redevelopment Corporations Law (commonly known as Chapter 353) for a large sector of the City called the Midtown Residential Area. This process included an extensive effort to review the land use and property conditions for nearly 5,000 parcels in the core of the City generally surrounding the Midtown TIF District. The City was particularly interested in strategic property acquisition and development geared toward ensuring the investment dollars were making the most impact. To assess this, the PGAV team conducted field work and gathered numerous data sources, layering them on top of each other to create a complex matrix of data points such as police or fire calls, code enforcement issues, assessed value of properties, age and obsolescence of buildings, and land uses. This matrix then allowed our team to work with City staff to test different scenarios and understand how valuing certain factors could impact the influence of certain investments.

The creation of the Chapter 353 development area allowed the City to acquire deteriorating properties and offer certain incentives to developers or property owners for development or redevelopment of existing parcels and/or buildings. It also provided a basis for the City to designate Community Improvements Districts (CIDs) under State statute within the larger area in order to provide additional financial incentives.



## CHICAGO, IL

Since 1996, PGAV has been retained by the City of Chicago to provide economic development consulting services. The work for Chicago has involved strategic redevelopment planning and land use planning for several of the City's major corridors. Our work in Chicago involved significant coordination with sponsoring Alderman, neighborhood groups and local development corporations, non-profit entities, key business representatives, and the Office of the Mayor and the Departments of Planning and Development, Aviation, and Law, as well as the CTA, Chicago Park District and the Chicago School District.

Our expertise in deploying these financial incentives has resulted in increased funding for capital projects for schools and libraries, restoration of historic Burnham parks, facilities supporting operations at Midway Airport, renovation and/or construction of Chicago Transit Authority stations, neighborhood public improvement projects, and building rehab for residential and commercial property owners.

# Familiarity with the Memphis Landscape

From 2001 – 2018, PGAV served the The Uptown Neighborhood and the City of Memphis-Shelby County Community Redevelopment Agency (CRA) as a consultant on various development, finance, policy, community development, urban planning, and leadership issues. In addition, PGAV is currently working with the CRA to consider the use of Tax Increment Financing in South Memphis.

in 2001, the CRA created a tax increment financing district to capture incremental revenues from the development of Harbor Town (a predominantly white, upper-middle-class neighborhood adjacent to the predominantly Black, relatively poor Uptown Neighborhood) to leverage a Hope VI grant to facilitate the redevelopment, and addition of affordable housing in the Uptown Neighborhood.

Although a joint-agency of the City of Memphis and of Shelby County, from 2001 – 2017, this organization lived as a department within the government of the City of Memphis. PGAV’s leader, Andy Struckhoff, served on a contract basis as Interim Executive Director in 2017, helping to stand-up the organization as a stand-alone entity. This change came at a pivotal time in the CRA’s life. As the CRA helped to complete a large Hope VI project and other projects in the neighborhood, and the financing for these projects came to completion, the CRA’s board and area stakeholders required direction for its next phase of existence. PGAV worked with the board to:

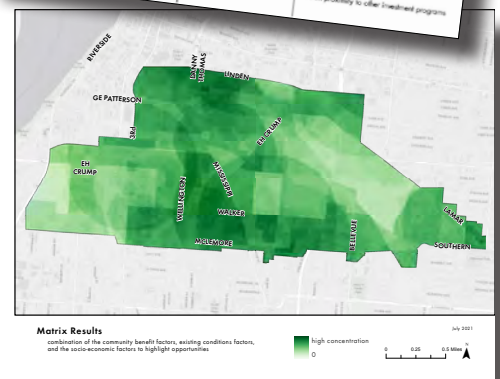
- Adopt minority and women-owned business contracting goals and guidelines,
- Prioritize projects and areas of focus,
- Establish banking accounts (which we did with a local Black-owned bank),
- Interact with Memphis and neighborhood stakeholders to discuss the CRA’s future,
- Expand the boundaries of the Uptown tax increment financing district to include St. Jude’s campus and territory within the nearby Memphis Medical District Collaborative.

With so much change happening, and hearing from the neighborhood and area stakeholders some uncertainty about the future of the organization, what Andy felt he was hearing from the community was that the CRA needed a strategic plan for the Uptown Neighborhood. PGAV then worked with the community to create the Memphis Uptown Community Plan, which lays out community goals and implementation strategies. Among PGAV’s duties in 2017 was the recruitment of a permanent Executive Director. The current President of the CRA is Rosalyn Willis.

In 2021, PGAV was again engaged to consider a South Memphis TIF program. This process includes a review of existing proposals and current conditions in South Memphis, an evaluation of how to best use this tool in the area, a redevelopment plan, and a development strategy. All of these deliverables are geared toward understanding the current conditions in the neighborhood and developing a set of indicators to ensure the path forward best leverages TIF as a financing tool for community benefit.

*This experience provides our team significant context about the use of incentives in Memphis and how to consider the best way to leverage programs for maximum community benefit.*

Type	Factor	Indicator	Reasoning
Community Benefits	Anchor Zone	total of 3.0 sector	3.0 implementation
	Anchor Type	Academics, nature, access (being neighborhood)	target anchor zones, with a factor of their type 3.0 specifically talks about TIF for concrete and need for public investment in nature
	Accelerate Funding	anchor neighborhood targeted for accelerate funding	3.0 priority, already targeting some funding and focus in these areas (small area plans, facility improvements)
	Park / Greenway Access	1/4 mile buffer	build on the proximity to community assets and surrounding infrastructure
	Broadband Access	percent of internet usage through broadband access by zip code	target communities that would benefit most from infrastructure, broadband investment
	Religious Institution	1/8 mile buffer	build on the proximity to community assets and surrounding infrastructure
	Greenway sites	1/2 mile buffer	build on the proximity to community assets and surrounding infrastructure
	School	1/4 mile buffer	build on the proximity to community assets and surrounding infrastructure
	Community Center	1/4 mile buffer	build on the proximity to community assets and surrounding infrastructure
	Community Garden	1/4 mile buffer	build on the proximity to community assets and surrounding infrastructure
Incentives	locations of current grant and other open incentives	build on proximity to other treatment programs	



# FEEES & EXPENSES

The team proposes to conduct the work on an hourly basis based on the rates shown below, not to exceed **\$65,000** exclusive of any reimbursable expenses (e.g., costs of printing, travel, or other out-of-pocket expenses necessary to conduct the work) which will be billed at their direct cost to PGAV. Hourly rates for personnel are listed below.

## PGAV

Vice President	\$250
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Senior Project Manager	\$190
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Project Manager	\$150
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Administrative/ Technical Assistance	\$95
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# APPENDIX



# ANDY STRUCKHOFF AICP, DFCP, Vice President



PGAV Planners' approach to urban planning is to produce plans that reflect the community's vision and that are actionable and achievable. These plans are based on community input, market knowledge, and sound planning principles. Andy Struckhoff applies this philosophy as Vice President and leader of PGAV Planners' staff.

Andy consults regularly with municipal clients, elected officials, staff, and private developers to develop creative planning, policy and finance solutions. He has helped more than 100 communities across the country find planning, policy and development solutions and has helped facilitate more than \$2 billion in development activity in the past decade.

Andy has more than a decade of experience helping clients understand the market, their financial impacts, and the role they play in the economy. Whether advising developers on the best market-supported solution, or working with community leaders to define a path towards implementing major projects, Andy is able to understand complex data and interpret it for his clients.

He has developed a strong reputation as an economic development consultant and serves as the on-call financial consultant for several districts, cities, and developers around the Country.

## EDUCATION

M.A., Urban Planning and Real Estate Development, Saint Louis University

B.A., English and Communication, Saint Louis University

## COMMUNITY INVOLVEMENT & CERTIFICATIONS

Development Finance Certified Professional (DFCP), Council of Development Finance Agencies (CDFA)

Member, American Institute of Certified Planners (AICP)

Executive Board Member, Missouri Economic Development Finance Association (MEDFA)

Member, National Federation of Municipal Analysts

## KEY PROJECT EXPERIENCE

Tourism Management & Investment Plan, Asheville, NC  
Patriot's Point Master Plan, Mount Pleasant, SC  
South Carolina State Museum Area Master Plan, Columbia, SC  
Tourism Support & Development Program, Appomattox, VA  
Comprehensive Feasibility Study - United Keetoowah Band of Cherokee Indians, Tahlequah, OK  
District Detroit Economic Impact Analysis, Detroit, MI  
St. Louis Innovation District Planning, St. Louis, MO  
Kearney Street Corridor Study, Springfield, MO  
Downtown St. Joseph Strategic Plan, St. Joseph, MO  
Downtown Washington Strategic Plan, Washington, MO  
Downtown Cape Girardeau Strategic Plan, Cape Girardeau, MO  
Downtown Sedalia Strategic Plan, Sedalia, MO  
Memphis Community Redevelopment Agency Executive Leadership, Memphis, TN  
CDFA Brownfields Project Response Team: Evans-Fintube Site, Tulsa, OK



# ADAM JONES AICP, Senior Project Manager



Adam Jones brings eight years of urban planning and economic development expertise to the PGAV Planners team. He is passionate about using the power of data and economic analysis to understand a city's condition and plan for its future. Adam specializes in streamlining the implementation of planning processes to address community assets and needs, creating economic development outcomes. These efforts often result in better coordination between the public and multiple agencies at differing levels of government.

## EDUCATION

CEcD, Economic Development, University of Oklahoma

B.A., Urban Planning & Design, University of Missouri-Kansas City

## COMMUNITY INVOLVEMENT & CERTIFICATIONS

Member, American Institute of Certified Planners (AICP)  
Member - Missouri Economic Development Finance Association (MEDFA)

Community Needs Assessment Certified, Mid-America Regional Council of Governments

Prior to joining PGAV, Adam spent more than four years as a municipal planner, directing all planning and economic development activities for Crestwood, a city of 11,000 residents. There, he processed all municipal planning applications, supervised the evaluation of land-use proposals, served as the liaison to the Planning & Zoning Commission, and actively sought additional economic development opportunities.

While at Crestwood, Adam participated in a development scenario exercise which temporarily constructed bike lanes on a busy arterial in the City of Crestwood. This event required coordination with multiple jurisdictional partners and several departments within the City and County of St. Louis. Adam also directed efforts for a regional food truck event called "Food Truck Party at the Plaza" which also required the coordination of local, county, and state administration departments. The event was a success, attracting over 25,000 people from throughout the region.

In addition to municipal planning, Adam brings his experience in real estate development and market analysis, having conducted studies for developments and cities of various sizes around the country. He has experience tracking economic development incentive services for both public and private clients, analyzing complex financial statements and producing high-quality results. He has performed comprehensive planning projects, blight analyses, fiscal impact studies, retail gap analyses, and market forecasting.

## KEY PROJECT EXPERIENCE

O'Fallon Comprehensive Plan, O'Fallon, MO  
Sedalia Comprehensive Plan, Sedalia, MO  
Economic Analysis & Review, Crestwood, MO  
Revenue Study, Derby, KS  
On-Call Planning, Brentwood, MO  
Blight Study & Incentive Negotiation, Fenton, MO  
Qualifications Study & Cost Benefit Analysis, Hazelwood, MO  
Downtown Market Study, Kirkwood, MO  
Revenue Study, Mission, KS  
Qualifications Study & Cost Benefit Analysis, Springfield, MO  
Community Improvement District Revenue Study, Wentzville, MO

# ANNA KRANE AICP, Senior Project Manager



Anna Krane brings her experience in urban planning and design to the Planners team. She has written and updated zoning codes, implemented design standards, and managed GIS data.

Prior to joining PGAV, Anna worked for a municipal government in St. Louis, regulating the design and construction of residential and commercial developments and managing long term goals. In this work, she enforced and maintained the city's land use code and Downtown Master Plan. She also acted as a staff liaison, providing recommendations and making formal presentations, for the Planning Commission, Architectural Review Board, Board of Adjustment and Board of Aldermen. Anna also has experience drafting site plans and creating and using 3D models.

Anna has experience using multiple visual display techniques to help convey relationships between economic development goals and physical development goals. Using graphics, site plan diagrams and 3D models, she has helped grow understanding of residents, appointed officials and elected officials and translate community goals into policy action. Through this process of layering visual aids with policy recommendations, Anna has assisted in the development of neighborhood recourse guides to help community organizations and local non-profits understand market context and be more prepared to interact with future development processes. She has also used this process to help elected officials make regulatory decisions and code updates. To facilitate the review of potential impacts of decisions and policy, Anna helped to coordinate the goals of different municipal departments into reports and recommendations for elected officials.

## EDUCATION

M.A., Urban and Environmental Policy and Planning, Tufts University, Boston, MA

B.S., Community and International Development, Green Building and Community Design, University of Vermont, Burlington, VT

## COMMUNITY INVOLVEMENT & CERTIFICATIONS

American Institute of Certified Planners, American Planning Association

Rise Community Development, Young Friend

Donald Danforth Plant Science Center, Young Friends Board Member

St. Louis Sports Commission Associate

## KEY PROJECT EXPERIENCE

O'Fallon Comprehensive Plan, O'Fallon, MO

Sedalia Comprehensive Plan, Sedalia, MO

On-Call Planning, Clayton, MO

On-Call Planning, Valley Park, MO

Economic Development Plan, Valley Park, MO

Lake Saint Louis Development Code Update, Lake Saint Louis, MO

Swansea Streetscape Master Plan, Swansea, IL

West Florissant Avenue Corridor Development Regulations, St. Louis, MO

Valley Park Continued Zoning Services, St. Louis County, MO

# ADAM STROUD Senior Project Manager



Adam is passionate about the power of economic development to create change in communities. He enjoys working with City residents and leaders to understand their assets, and build them into strengths. He is an expert in data analysis and brings his financial acumen and market experience to every project. Prior to coming to PGAV, Adam worked as a local economic developer in Illinois, where he gained hands on experience managing longstanding, multi-faceted projects. At PGAV, he has managed a variety of projects related to strategic planning, economic development, comprehensive and land use planning, market research, redevelopment incentives, GIS data collection, graphic renderings, 3D visualization, and on-call pre-development services.

## EDUCATION

M.A. in Urban Planning and Development, Saint Louis University

B.A., History, Minor in Religion, Lindenwood University

## COMMUNITY INVOLVEMENT & CERTIFICATIONS

Member, Urban Land Institute (ULI)

Member, Illinois Economic Development Association (IEDA)

Member, Illinois Tax Increment Association (ITIA)

Member, Missouri Economic Development Financing Association (MEDFA)

Member, Council of Development Finance Agencies (CDFA)

Member, Illinois Enterprise Zone Association (IEZA)

Southwestern Illinois Council of Mayors (SWICOM)

*Adam led the PGAV team for the Kansas City Incentives Study, handling all aspects of data collection, analysis, and conclusions. Adam also spent a significant amount of time understanding the policy goals and motivations of stakeholders to ensure the analysis process was seeking the right information.*

## KEY PROJECT EXPERIENCE

Kearney Street Corridor Plan, Springfield, MO

Comprehensive Plan, Vandalia, IL

Kansas City Incentives Study, Kansas City, MO

On-Call Pre-Development Services for Bi-State Development, Missouri and Illinois

3D Online Interactive Zoning, Jerseyville, IL

Hotel, Office, Residential & Retail Market Studies, Benton, IL; Glen Carbon, IL ;

Hazelwood, MO; Overland, MO; Pacific, MO; Clayton, MO

Streetscape Master Plan, Swansea, IL

North Main & Chestnut Street Redevelopment Incentives, Bloomington, IL

Peoria Road TIF, Far East TIF, & Lumber Lane TIF, Springfield, IL

Market Analysis & Flood Mitigation Study, Brentwood, MO

Corbin Plaza Bond Revenue Study, Overland Park, KS

Ballpark Village Phase II Financial Analysis, St. Louis, MO

Cortex Innovation District Financial Analysis, St. Louis, MO

# CATHERINE HAMACHER Senior Project Manager



Catherine Hamacher, Project Manager at PGAV, brings her background in urban planning and community engagement to each project. She has organized large town halls, orchestrated social media strategies, and led strategic planning efforts for a variety of planning and organizational development projects. Her favorite projects bring together community members and traditional leaders to come to consensus about what works for everyone.

## EDUCATION

M.A., Urban Planning and Real Estate Development, Saint Louis University, St. Louis, MO

B.A., Urban Studies and Political Science, Trinity University, San Antonio, TX

## COMMUNITY INVOLVEMENT & CERTIFICATIONS

Coro Fellow in Public Affairs, St. Louis

Lafayette Park Implementation Advisory Board, Board Member

Colorbrave Committee, Chair

Young Friends of Tower Grove Park, Founder & Co-Chair

Anti-Bias/Anti-Racism Training, Crossroads

In 2015, Catherine led an effort to engage community members in the transportation process, hosting several town halls, community meetings, online engagement opportunities, and participatory workshops. The project entailed extensive coordination with the Missouri Department of Transportation, local politicians, neighborhood association leaders, Trailnet, and community members to coalesce around a single vision for a major road in south St. Louis. Through this process, Catherine was able to engage more than 500 people in a process that resulted in an implementable vision for the community. Since the project completed, tangible changes have been made to the street - creating a bike lane, timed signals, and St. Louis' first "zebra stripe" crosswalks.

*Catherine led the Community Investment Plan in Asheville, North Carolina. She worked with hundreds of stakeholders to understand existing economic factors and translate those into concrete policy interventions to solve issues within the region.*

## KEY PROJECT EXPERIENCE

O'Fallon Comprehensive Plan, O'Fallon, MO

Sedalia Comprehensive Plan, Sedalia, MO

Kirkwood Downtown Market Study, St. Louis, MO

Empower Wellston Community Plan, St. Louis, MO

24:1 Land Use & Economic Development Plan, St. Louis County, MO

Tourism Management & Investment Plan, Asheville, NC

Streetscape Master Plan, Swansea, IL

United Keetoowah Band of Cherokee Indians Feasibility Study, Tahlequah, OK

Grand Center Community Improvement District Study, St. Louis, MO

Comprehensive Plan 2018, Vandalia, IL

Cortex Innovation District Revenue Updates, St. Louis, MO

West Florissant Avenue Corridor Study, St. Louis County, MO

# CRISTEN HARDIN Project Manager



Cristin has a strong background in urban and regional planning. Before joining PGAV Planners, Cristen spent several years working as a Municipal Planner managing short- and long-term Planning and Economic Development projects.

She is an experienced community engagement liaison, and enjoys making presenting to the public and elected officials. This often requires translating complex planning and economic development concepts for practical understanding.

## EDUCATION

Illinois Basic Economic Development Course

Chancellor's Certificate in Fundamentals of Economic Development, University of Missouri-St. Louis

M.A., Urban Planning, University of Illinois at Champaign-Illinois (UIUC)

B.S., Business Administration, Finance and Management, Southern Illinois University Edwardsville (SIUE)

Cristen also brings experience in administering economic development incentives; preparing annual TIF reports; managing development entitlements processes; updating Zoning Ordinances; and local government program, policy, and procedure development.

## PREVIOUS EXPERIENCE

**Economic Development Associate, City of Urbana, IL (2015-2016) / Associate Planner, City of Collinsville, IL (2017-2021)**

During her roles in Municipal Planning, Cristen has coordinated business development and retention initiatives leveraging public-private partnerships to retain, grow, and attract business and enhance the vibrancy in Downtown Urbana, IL and Uptown Collinsville, IL. She has also administered TIF and Business District incentive programs, and prepared annual TIF reports. In addition to her work in Economic Development, she has experience in comprehensive and land use planning, zoning, and community engagement. Cristen has experience managing multifaceted development projects, including concept development, site selection, entitlements, incentives, zoning and permit approvals.

**Project Manager, STPD Community Center Plan - Pro Bono Service Program, APA-IL (2020)**

Managed a 9-person, multi-disciplinary project team including planners, architects, and development professionals to kick-start an early planning project to redevelop the site of an old skating rink into a community center through a participatory planning process. The project team delivered the Park District a summary report which detailed the planning process; community vision; recommended program and conceptual design; funding, partnership, and other resource opportunities; and next steps for the Park District to continue the project.

**Technical Assistance Panel (TAP) Volunteer - Ballwin, MO TAP | ULI St. Louis District Council (2019)**

Collaborated as member of a 6-person, interdisciplinary team of professionals to provide planning and land use expertise to the City of Ballwin, MO regarding the redevelopment potential of Ballwin's former City Hall site.

# Response to Request for Expressions of Interest

July 30, 2021

## DOWNTOWN MEMPHIS PILOT PROGRAM REVIEW FOR THE DOWNTOWN MEMPHIS COMMISSION CITY OF MEMPHIS, TN



Prepared by:

**RKG**  
ASSOCIATES INC

**RKG Associates, Inc.**

*Economic, Planning and Real Estate Consultants*

300 Montgomery Street, Suite 203

Alexandria, Virginia 22314

Tel: 703-739-0965

[www.rkgassociates.com](http://www.rkgassociates.com)

July 30, 2021

Downtown Memphis Commission (DMC)  
c/o Abram Lueders, AICP  
Urban Planner  
Downtown Memphis Commission  
114 N. Main Street  
Memphis, TN 38103  
[alueders@downtownmemphis.com](mailto:alueders@downtownmemphis.com)

RE: Request for Expressions of Interest - Downtown Memphis PILOT Program Review

Dear Abram:

RKG Associates (RKG), a real estate planning and economic development consulting firm, has completed numerous market studies, fiscal and economic impact analyses and other consulting assignments over our 35+ year history, for both private and public sector clients. These have included work in, and for, the City of Memphis, such as incremental sales tax analyses, as associated with a TDZ (tourism development zone) for the Pyramid property, the Graceland campus, and most recently, Liberty Park Village.

RKG has also worked with the City regarding a TIF (tax increment financing) district for areas around the University of Memphis. Outside of Memphis, our experience has included both TIF and DIF (district improvement financing) studies, as well as project specific analyses of PILOT programs and other economic and financial incentives.

The attached proposed Scope-of-Services is offered in response to DMC's initiative for an outside and independent review of the Downtown PILOT program which has been an integral component of the City's "economic tool kit" over the past several decades. As RKG understands, while these incentives may continue to be utilized to foster downtown development, there are concerns regarding their overall effectiveness and general necessity, as currently structured, in light of improving economic metrics.

If there any questions or additional requests that DMC may have as they consider the RKG proposal, please feel free to reach out to us.

Sincerely,



Russell Archambault  
Partner & Managing Principal

## **Request for Expressions of Interest Downtown Memphis PILOT Program Review Downtown Memphis Commission**

### **RKG Associates Summary Statement of Qualifications**

RKG Associates is a full service economic, planning, and real estate consulting firm with offices located in Boston, MA, Alexandria, VA, Atlanta, GA, and Dallas, TX. Since our founding in 1981, the firm has successfully completed more than two thousand consulting projects regionally, nationally, and internationally, providing a comprehensive range of economic, planning, marketing and management services to governmental, business and institutional clients. The firm currently employs ten full-time professionals, having grown to become one of the most respected economic and real estate advisory consulting firms in United States.

RKG Associates specializes in the application of economic analysis to economic development, real estate development, and financing issues toward the goal of attracting private sector investment and job creation. We have completed numerous economic development strategic plans and economic diversification strategies. Our approach is to synthesize the market, real estate, and fiscal analysis into an achievable, yet progressive, implementation strategy. Simply put, an economic development effort is only effective if it is accompanied by a detailed “road map” for the client to transition from vision to action. Our expertise transcends the location, size and scale of a community, having advised rural communities all the way to major metropolitan areas.

RKG Associates has assembled a group of highly qualified professionals who bring their own unique perspective to each assignment, and the firm’s strength lies in the diversity of backgrounds and disciplines represented within the organization. The talents of staff economists, planners, financial analysts, appraisers and real estate developers are brought together in a team effort to solve client problems. RKG Associates also has access to, and works with, a wide array of affiliates and consultants who provide technical expertise in such areas as architecture, urban design, engineering, environmental science, and associated disciplines.

### **RKG Associates Core Service Areas**

#### **Economic Consulting Services**

RKG’s economic consulting services center on evaluating demographic, economic, real estate and industry-wide trends within a city, region, and/or state. This research allows us to evaluate the economic and fiscal impacts of a proposed facility or new development, create a target industry analysis, or formulate an economic development plan for an area. Economic Consulting services include:



- Fiscal and Economic Impact Analysis
- Downtown Revitalization and Urban Redevelopment
- Economic Development Strategies
- Labor Force Studies
- Target Industry Analysis
- Adaptive Reuse

### **Real Estate Services**

Projects grounded in a market-based approach – regardless of industry – allows our clients to maximize the potential by identifying highest and best use, defining the market factors and associated impact on outcome expectations, and targeting consumer demand. The professionals at RKG have over 35+ years of experience providing market research, development feasibility and financial feasibility consulting services to both the public and private sectors on a wide variety of real estate projects. Our project experience throughout the U.S. includes:

- Real Estate Market Research
- Market Feasibility Studies
- Highest and Best Use Studies
- Financial Feasibility Analysis
- Real Estate Appraisals
- New Construction, Land Development and Adaptive Reuse

### **Planning Services**

Sound planning positions an organization or community for success. Practical planning efforts enables agencies the ability to progressively meet their needs on an ongoing basis. Operation and organizational development focus on the people and processes that accelerate and improve growth initiatives. Simply put, focus is placed on the critical factors – the core mission and goals of the organization – so that adequate resources are allocated to the activities that provide the greatest benefit. When an organization is faced with crucial decisions that have the potential to infinitely impact all four critical elements of business – human resources, financial resources, physical resources, and capital – an impartial and factual based form of planning is required.

RKG’s planning professionals have special expertise in evaluating overall land use patterns, rezoning strategies to encourage new investment, project management, public process and the preparation of economic base and market studies in support of the municipal master planning process. Planning services includes:

- Brownfields Redevelopment
- Military Base Reuse
- Municipal Master Plans

- Tax Base Management Strategies
- Municipal Service Studies
- Open Space and “Smart Growth” Strategies
- Transportation Planning
- Real Estate Advisory Services

### **RKG Associates** **Overview of Memphis Experiences**

Over the past fifteen years, RKG has had the opportunity to work in, and for, the City of Memphis on a wide variety of projects (most should be publicly available through the City of Memphis Division of Housing & Community Development), including:

**Graceland** – financial analysis and planning for the redevelopment of Elvis Presley Boulevard and the re-positioning of the Graceland campus and properties (approximately 120 acres). This included developing an appropriate TDZ (tourism development zone) and estimating incremental sales tax revenues which could support infrastructure (public) and tourism economic (public) investments (**project sheet included**).

**Crosstown** – market , economic and financial analyses associated with the repositioning of the former 1.5 million square foot Sears Crosstown complex into a vertical urban village, offering a mix of residential, retail, other commercial, non-profit and entertainment/hospitality use (**project sheet included**).

**Pyramid** – market and financial analysis, inclusive of estimating TDZ contributory incremental sales tax for the redevelopment of the iconic Pyramid property to a destination Bass Pro facility (**project sheet included**).

**Austin Peay Corridor** - real estate analysis to identify market based opportunities for reuse of the former Raleigh Springs Mall and the surrounding streetscape corridor.

**University District Comprehensive Plan** – detailed market, financial planning and in-field research in support of a TIF (tax increment financing district) around the University of Memphis (**project sheet included**).

**Liberty Park** - economic and financial planning (including TDZ funding capacities) in support of the long sought reuse of the Memphis Fairgrounds property (**project sheet included**).

**Other** – additional RKG projects throughout Memphis have include financial analysis of the Pinch District, market research and development opportunities for Mud Island, Tom Lee Park and areas along the riverfront, housing studies associated with Uptown, Cleaborn and Foote, as well as a contributory sales tax analysis of the Redbirds Stadium in downtown.

## **Project Understanding**

RKG understands that in light of improving economic metrics throughout the City of Memphis, and within the core downtown district, the Downtown Memphis Commission (DMC) is seeking an independent review of the Downtown PILOT program(s), as currently utilized and structured, as a financial tool/incentive, in fostering real estate development. Coupled with the overall improving economic metrics is the City's recently adopted and revised comprehensive plan and master plan for Downtown Memphis.

While it may be unlikely that the DMC will abandon the Downtown PILOT program, the issue is one of how to more strategically, and effectively, structure its ongoing utilization to meet such goals as improving downtown densities, filling gaps in the mix of properties to stimulate cross-economic vibrancy and to counter any development inequities or disinvestment that may result otherwise. Moreover, considering the general scale (dollar amounts and term lengths) is the current Downtown PILOT program indirectly disincentivizing opportunities for smaller-scale projects which could be undertaken by local and minority entities?

Crucial to all of this is an improved understanding of the return realized by the City with respect to benefits versus costs, and the capacity for continued use of the Downtown PILOT program, perhaps as restructured, to encourage spin-off development and economic activity and opportunities.

### **A. PROPOSED SCOPE-of-SERVICES**

#### **Task 1.1: Project Kick-Off**

RKG recommends an in-person kick-off meeting with representatives of DMC to better define the parameters of this Scope-of-Services, refine expectations of deliverables and tour the downtown to familiarize us with a sampling of developments completed with use of the Downtown PILOT program.

This will also afford RKG the opportunity to obtain any relevant documentation and materials which could better assist us in our understanding of underlying plans, goals and initiatives to date, with particular applicability to downtown, and downtown development and PILOT incentives – documents for consideration include, but may not be limited to::

- Information on downtown projects and existing Downtown PILOT applications, decisions and ongoing status.
  - This will also present an opportunity for RKG personnel and representatives of DMC to have a frank discussion of what efforts,

refinements, and revisions, if any, have been considered in the past – and what was adopted, what was not adopted – and why?

**RKG notes that if the Downtown PILOT database is available, through their website, in an electronic format and can be matched to the GIS files for the City (assuming these can be provided, too) this will allow for a thematic analysis and presentation of some findings, Currently, the DMC website offers a project map of downtown development activity highlighting completed, under construction and planned projects. There are links for selected information regarding each of these projects, including PILOT status and term, type of use and project costs, as examples – this is discussed further in Task 2.1.**

- The Memphis 3.0 Comprehensive Plan – how does the Downtown PILOT program further the plan
- The BuildDowntown Master Plan – how does the Downtown PILOT program further the plan
- Existing Downtown PILOT rules, regulations, applications and policies, noting:
  - A review of the general enabling legislation and any updates or amendments
  - Overall assessment of the program structure (how does the process work)
  - A review of the grading criteria utilized in determining project eligibility and implementation
  - Commentary regarding establishing and monitoring the 60% rule (relative to hard construction costs)
  - The determination, utilization and/or reinvestment of PILOT fees
  - An understanding of to what extent the Downtown PILOT program is “successful” in meeting affordable housing goals and requirements
  - Additional observations and commentary as they arise

**RKG proposes that a comparative overview of the preceding observations and findings be developed relative to a sample of other Tennessee localities e.g., Nashville, Knoxville and Chattanooga. Note that the level of detail for such a comparative analysis will be dependent on the availability of such analytics from these communities, and as such, any assistance from DMC in their acquisition will be most helpful.**

## **Task 1.2: Developer Outreach**

RKG will work with representatives of DMC to identify a sample interview pool of Memphis area developers, with existing or planned downtown projects, that have utilized the Downtown PILOT program as a resource in their project completion. It may also be useful to interview developers who may have unsuccessfully sought a Downtown PILOT.

Whether a self-administered survey instrument, or personal contact, such as via phone call, ZOOM or other electronic media (preferred) RKG considers the following questions to be pertinent in understanding the relationship, and financial need, for a Downtown PILOT, to realize a project’s completion.

- How was the need for a Downtown PILOT identified as necessary for your project?
- What level of funding was established as the need for your project and if not possible, could (was) your project modified and still financially feasible – could the project move forward without the PILOT incentive – the But-For Test?
- Were the terms of your Downtown PILOT extended or otherwise amended and what impacts, if any, were a result?
- Describe your overall experience throughout the Downtown PILOT application process from initiation to approvals – what worked smoothly, what did not, what could improve or otherwise streamline the process from your perspective?
- Are you pursuing continued opportunities through downtown Memphis, if so what and where (if free to discuss) and do you anticipate continued utilization of the Downtown PILOT program?

A desired outcome of these surveys and interviews would be to better understand the developer concerns and issues in understanding the financial viability of their projects with, or without PILOT incentives – and perhaps offer guidance to the DMC in establishing a more formalized or standardized But-For-Test. Additionally, from the developer’s (applicant) perspective, suggestions for improving or otherwise streamlining the Downtown PILOT process may be noted.

**RKG offers these queries as an initial starting point for review and discussion with representatives of DMC, noting that they are subject to revision as desired and applicable. Also, RKG assumes that the DMC will be able to provide assistance in identifying the sample pool of interviewees.**

### **Task 2.1: Downtown PILOT Baseline Analysis**

As indicated previously, RKG notes that DMC maintains, through their website, an existing downtown development and Downtown PILOT and GIS database. This database offers a project-by-project review, including information on PILOT status, terms and other development and financial metrics. RKG proposes to work with DMC in suggesting approaches to better utilize this database as an analytical tool in addition to its use as an informational tool, if not already in place.

In either event, selected information, developed with DMC input, may be extracted to specifically address many components of the Downtown PILOT review including, but not necessarily limited to:

- A trendline of completed projects with start date, completion date, projects costs, type of use, square feet delivered.
- PILOT term(s), values and other information.

- A thematic and comparative overview of activity and all related metrics by district location – noting that the DMC data offers such information as North CBID, South CBID, Medical District and so on. In this manner types of projects, construction metrics, PILOT and financial metrics can be compared on a district by district (and downtown density) basis.
- To the extent that this Downtown PILOT data extract can be matched with overall City assessment information, then measures may be developed indicating to what degree, if any, PILOT projects may have had a development and/or economic spin-off impact on nearby values and investments. While it may be difficult to suggest a direct causal link, a “proximity link” relative to areas with limited PILOT activity may be observed. In either event, this will require additional research into the applicability of linking information with assessor records and may require Shelby County assistance- but it is worth noting as a possibility.

**In short, depending on the DMC database overall flexibility, RKG considers a deeper dive can offer much of the level of comparative detail called for in this analysis – this will be worth discussing further as the tasks and deliverables of this proposed Scope-of-Services are further refined.**

## **Task 2.2: Measuring Returns**

RKG will develop a set of general metrics for measuring the potential returns to the City from completion of Downtown PILOT projects. Drawing on our past efforts throughout the City, these metrics will estimate potential returns, measured in terms of sales tax receipts, a key contributor the City’s financial capacities:

- **Household Spending** – RKG will develop average sales estimates and capture rates, on a per household basis, to apply to the new households developed throughout the downtown and specifically as a part of any PILOT project These will form the basis of estimating likely sales tax receipts from the new household spending demand. The resulting metric will be a measure of the estimated sales tax per household.
- **Office Employee Spending** – RKG will develop estimates of office employee spending, typically occurring during their workday, across a variety of goods and services. Estimates of capture rates of this spending at downtown venues will be developed and this will form the basis of estimating likely sales tax receipts from the new employment spending as a result of new office PILOT related development. The resulting metric will be a measure of the estimated sales tax per employee.

- **Hospitality Sector** – RKG will develop estimates of occupancy rates and average room rates for new downtown hotel properties developed with the assistance of a PILOT. Against this, estimates of average hotel guest spending, typically for dining and drinking venues, will be developed and assumptions made about capture rates. The resulting metric will be a measure of the estimated sales tax per occupied room night.
- **Gross Municipal Costs** – RKG will review the current City of Memphis budget, with a focus to expenditures for, police, department of public works and general government services. This will be reviewed to estimate fixed costs versus variable costs, the latter likely to fluctuate with increases in households and employment. From this, RKG will estimate service costs on a per household and/or a per employee basis. In this manner an estimate of these costs may be indexed to the new households and new employment as realized from development of PILOT related projects in the downtown. The resulting metric, on a project-by-project basis will be an estimate of costs incurred which then can be measured against changes in property tax receipts to monitor assumed surplus and deficit net property tax revenues.

### **Task 2.3: Comparatives to other PILOT Programs and Initiatives**

RKG will review the PILOT programs, as identified from the sampled Tennessee communities identified in Task 1.1, and contrast these to the City of Memphis and the Downtown PILOT program. RKG will also offer examples of our experience, outside of the City of Memphis, with respect to TIF and DIF financing. From this RKG will offer considerations and recommendations, as applicable, for restructuring the Downtown PILOT framework.

### **Task 3.0: Reconciliation and Recommendations**

Through the completion of the preceding Tasks, RKG will develop a preliminary set of findings and recommendations for DMC to consider in potential restructuring of the Downtown PILOT program. This will be further discussed with representatives of DMC before finalized.

## **PROJECT DELIVERABLES**

### **Task 4.0: Deliverables**

All of RKG's analysis, findings and recommendations will be offered to the DMC in a finalized report. RKG will also work with representative of DMC to develop a summary

PowerPoint of this report for public presentation use., including one (1) in-person presentation by RKG.

## **TIMELINE**

The Request for Expressions of Interest indicates a start date of September 15, 2021, with a first draft completion by December 14, 2021, and a final deliverable in February 2022. RKG is prepared to deliver the above Scope-of-Services to the Downtown Memphis Commission within this time frame – barring any travel delays (as may be necessitated) or access to information as may result from resurgent COVID-19 complications.

## **PROJECT PERSONNEL**

This Scope-of-Services will be managed by Russell Archambault, a Principal and Managing Partner from the Alexandria Office (resume included in Appendix) assuring quality and completeness of deliverables, along with assistance in identification and analyses of PILOT programs and other economic development tools/incentives that RKG has become familiar with through our experiences.

Lawrence Cranor, a Senior Project Manager from the Boston office (resume included in Appendix) will be responsible for the day-to-day completion of tasks as outlined in this Scope-of-Services.

Additional RKG staff may be called upon, as required, for other baseline research and/or analysis.

## **PRELIMINARY ESTIMATE OF FEE for SERVICES**

RKG is prepared to complete this Scope-of-Services for a flat, and all-inclusive (*travel and out-of-pocket as related to Task 1.1 and Task 4.0*) fee of \$55,000, which will be billed on a percent complete basis monthly, with full and final payment due with receipt of Final Deliverables. Any additional travel reimbursements and requested meetings/presentations, may be billed as a separate line-item expense.

**RKG specifically understands that the approved Scope-of-Services and anticipated deliverables are open for discussion with the Downtown Memphis Commission, to be determined and finalized in September of 2021. As such, the above estimated fee for services represents RKG's anticipations specifically for the Scope-of-Services as outlined herein, and is subject to revision as a revised Scope-of-Services may indicate.**



## **CLIENT REFERRALS**

RKG offers the following client referrals for the Downtown Memphis Commission.

### **Mary Claire Borys**

HCD Manager of Strategic Initiatives

City of Memphis, TN

Cell: 901-361-1303

Desk: 901-636-7375

[mary.borys@memphistn.gov](mailto:mary.borys@memphistn.gov)

### **Robert Stevens, AICP**

Deputy Planning Director

Planning & Community Development Department

34 Coddington Street, 3rd Floor

Quincy, MA 02169

Ph: 617-376-1411

[RSTEVENS@quincyma.gov](mailto:RSTEVENS@quincyma.gov)

### **Jack Soden**

Elvis Presley Enterprises, Inc. | CEO

3734 Elvis Presley Blvd. | Memphis, TN 38116

Phone: 901.332.3322 | Fax: 901.344.3124 | [jsoden@graceland.com](mailto:jsoden@graceland.com)

## **APPENDIX**

Summary resumes of RKG Project Personnel follow, along with a sampling of RKG's relevant project experience.

# RUSSELL A. ARCHAMBAULT, VICE PRESIDENT & PRINCIPAL

## PROFESSIONAL PROFILE

Mr. Archambault joined RKG Associates, Inc. in 1994, and has over 27 years experience in community and economic development, economic and fiscal impact analysis, real estate market research, and development feasibility analysis. Since joining RKG Associates, Inc., Mr. Archambault has applied his background to managing numerous projects throughout the US in areas of urban and waterfront redevelopment, development feasibility, local and regional economic analysis, military base reuse planning, and transportation economics. Mr. Archambault has also lead the development of RKG Associates' fiscal planning expertise, which assists local governments in understanding the municipal service impacts of local land use decisions and policies. Mr. Archambault is a national speaker on issues of urban redevelopment and fiscal planning.

## EDUCATION

- Bachelor of Science, Public Management, Plymouth State University, Plymouth, NH
- Master of Urban and Regional Planning, Virginia Polytechnic Institute and State University (Virginia Tech), Blacksburg, VA

## PROFESSIONAL AFFILIATIONS

- International Economic Development Council (IEDC)
- American Planning Association (APA)
- Virginia Chapter of the American Planning Association (VAPA)
- Virginia Economic Developers Association (VEDA)
- Virginia Downtown Development Association (VDDA)
- National Main Street Program
- National Building Museum, Washington DC
- Northern New England Chapter-APA-Executive Committee
- Northeastern Industrial Developers Association (NIDA)
- New Hampshire Planners Association (NHPA)
- PLAN NH, Past Vice President

## RELEVANT PROJECT EXPERIENCE

### Westside TAD Economic Development Analysis Atlanta, GA

Mr. Archambault prepared an economic development analysis for the Westside TAD neighborhood to determine the market viability of several catalyst areas for urban redevelopment and job creation. The analysis was part of a larger neighborhood revitalization implementation effort to capitalize on opportunities related to the new Atlanta Falcon's football stadium and private financial contributions.

### Economic Development Strategy Vernon Parish, LA

Mr. Archambault is currently preparing an economic

development strategy as part of a larger comprehensive planning effort in Vernon Parish, LA. This rural Parish is pursuing an economic diversification strategy to reduce its dependence on Fort Polk and the region's timber industry. Mr. Archambault is examining approaches for the Parish to capitalize on future economic growth within natural growth corridors.

### Economic and Neighborhood Revitalization Strategy Old South Baton Rouge, LA

Mr. Archambault led a team of planners and designers in the preparation of a comprehensive economic and neighborhood revitalization strategy for a transitional neighborhood south of downtown Baton Rouge. The economic revitalization strategy focused on the community's strong cultural heritage and identified areas where residential and commercial revitalization could occur. A non-profit revitalization partnership was created with its own board of directors to prioritize revitalization initiatives.

### Annapolis Economic Development Strategy Annapolis, MD

Mr. Archambault prepared a district-level economic development strategy that examined the City's current mix of non-residential land uses and made recommendations on how the City should direct the redevelopment of its remaining undeveloped and underutilized land resources. Mr. Archambault identified an economic development opportunity corridor, which stretched from the historic downtown district to the Outer West Street district. The plan's recommendations for this area were focused on redevelopment, regulatory, and incentive-based strategies for building the City's commercial tax base.

### Blacksburg Economic Development Strategy Blacksburg, VA

Mr. Archambault prepared an economic development strategic plan to position the Town of Blacksburg, VA to capitalize on its natural competitive strengths and quality of life features. The strategy focused on spin-off growth from the R&D activities at Virginia Tech, the state's largest research university. In addition, the plan examined ways to strengthen the Town's eroding retail base, identified new commercial zoning opportunities, and identified ways for the Town to create a more inviting business climate, and capture and nurture the creation of new economy businesses.

### National Economic Revitalization Study HUD - Washington, DC

Under contract with the U.S. Department of HUD, Mr. Archambault conducted a nationwide study to examine the economic transformation of mid-sized American cities. The study involved the identification of 10 case study cities under 500,000 population, which had experienced a

period of economic decline, but had recently experienced an economic transformation. The study was distributed to attendees at the 2001 Conference of Mayors in Washington, DC.

### **Economic Development Strategy for Resort Community Wolfeboro, NH**

RKG Associates, Inc. assisted this lakeside resort community in creating a new master plan and economic development strategy. The plan, based partially on a wide ranging public participation process, identified a vision for the community as well as specific recommendations in such downtown revitalization and economic development.

### **Target Industry Studies**

#### **Various Locations**

Mr. Archambault has prepared industry cluster and target industry analyses for economic and industrial development projects located in:

- Oakland, ME
- Concord, NH
- Simsbury, CT
- Seneca, NY
- Fort Smith, AR
- Memphis, TN
- Gloucester, MA
- Gardner, MA
- New River Valley (VA)
- Texarkana, TX

These analyses were used to direct and prioritize future industry recruitment efforts and economic development efforts.

### **Concord Economic Development Strategy and Tax Base Analysis, Concord, NH**

RKG Associates, Inc. prepared a community-wide tax base management strategy for the City of Concord, NH. The assignment included a thorough evaluation of real estate market trends, City economic development strategies and policies, existing zoning and capital investment programs. Mr. Archambault conducted a target industry and cluster analysis to identify opportunities for industry recruitment.

### **Economic Development Strategies and Plans**

#### **Various Communities**

Mr. Archambault has prepared local and regional economic development strategies for communities throughout the eastern US. These projects have involved an evaluation of local competitive economic advantage, an analysis of real estate and economic trends, as well as, new development opportunities, organizational capacity, financing techniques, regulatory issues, and marketing/promotional activities. Mr. Archambault has assisted the following communities:

- Blacksburg, VA
- Bristol County, RI
- New River Valley, VA
- Wolfeboro, NH
- Alexander City, AL
- Department of HUD
- Concord, NH
- Simsbury, CT
- Hubbardston, MA

### **Decatur Downtown and Waterfront Redevelopment Strategy, Decatur, AL**

Working with a national urban design firm, RKG Associates prepared a comprehensive downtown and waterfront redevelopment strategy that focused on catalyst development projects on the waterfront, Bank Street, and 2nd Avenue and neighborhood revitalization. Mr. Archambault directed an analysis of regional commercial development trends, a retail market study, and prepared a detailed implementation strategy and downtown investment plan.

### **Bowling Green Commercial District Market Study and Master Plan, Bowling Green, KY**

RKG Associates developed a comprehensive revitalization strategy that focused on targeted catalyst redevelopment. A city block, historically known as the "Circus Square Lot," was rediscovered from historical city maps. This block will be redeveloped as a new town green, which will be used as a catalyst for neighborhood renewal and downtown revitalization. With Mr. Archambault's assistance, the City has successfully attracted developer interest to develop a downtown hotel and conference center, a bank headquarters, new office buildings, a performing arts center, and a minor league baseball stadium.

### **Downtown & Corridor Revitalization Strategies**

#### **Various Communities**

Mr. Archambault has prepared commercial corridor and downtown revitalization and marketing strategies for communities throughout the eastern US. These projects have involved an evaluation of local competitive economic advantage, an analysis of real estate and economic trends, as well as, an analysis of (redevelopment opportunities, organizational capacity, financing techniques, regulatory issues, and marketing/promotional activities. Mr. Archambault has assisted the following communities:

- Marlborough, MA
- Laconia, NH
- Wolfeboro, NH
- South Bound Brook, NJ
- Bound Brook, NJ
- Decatur, AL
- Annapolis, MD
- Bowling Green, KY
- Danville, KY
- Blacksburg, VA
- Narrows, VA
- Wall Commercial Corridor, Wall, NJ
- Islington Street Corridor, Portsmouth, NH

### **Feasibility Analysis of Adaptive Reuse of Renovators Supply Mill, Irving, MA**

Mr. Archambault evaluated the market and financial feasibility of the Franklin County (MA) Community Development Corporation's acquisition of a 250,000 SF mill facility from a private owner. The analysis indicated a lack of regional demand for mill space and the project's inability to generate a viable revenue stream in order to maintain, operate, and market the facility.

# LAWRENCE E. CRANOR JR, SENIOR PROJECT MANAGER

## PROFESSIONAL PROFILE

Mr. Cranor joined RKG Associates, Inc. in 1992, with 15 years experience in applied demography, market research, site selection and competition studies for other firms, including national retail chains. Mr. Cranor has applied this background to managing a wide range of assignments with RKG Associates, Inc. These assignments have included a broad variety of retail projects, consumer surveys and spending research, site location research; urban revitalization/marketing strategies; and general economic development.

## EDUCATION

- B.A. Sociology, University of Cincinnati, Ohio, 1976
- MBA Marketing/Management, University of Cincinnati, Ohio, 1980

## PROFESSIONAL AFFILIATIONS

- Population Association of America
- New Hampshire Main Street

## PROJECT EXPERIENCE

### Downtown Redevelopment

Project Manager responsible for developing economic strategies and implementation plans instrumental in revitalizing the downtown “urban core” of such communities as diverse as Gulfport, Mississippi; Lewiston, Maine; Watkins Glen, New York; Norwalk, Connecticut; and Hyannis, Massachusetts.

### Economic Reuse and Development Strategies

Project Manager responsible for analyzing the economic/market potential for the reuse and redevelopment of the Hunts Point Food Distribution Center, Bronx, New York; retail/market strategies associated with potential expansion of Gillette Stadium, Foxborough, MA, and reuse of a former Ford assembly plant in Jacksonville, FL.

### Sales Tax and Fiscal Modeling

#### The Pyramid—Memphis, TN

Project Manager responsible for preparing analysis of incremental sales tax revenues resulting from a reuse of the iconic downtown Pyramid property (former home of the NBA Grizzlies) for a destination Bass Pro shop. Substantial public investment was required to realize this conversion and the City was seeking a 30-year analysis of taxable retail sales and the resulting incremental sales tax that would result, as part of the project’s inclusion in an existing Tourism Development Zone (TDZ). In addition to estimates for the Bass Pro, RKG prepared additional

sales tax projections for other planned, or under construction, projects throughout the TDZ as a part of the contributory sales tax. The Bass Pro opened in downtown Memphis in late 2015.

#### Graceland—Memphis, TN

Elvis Presley Enterprises (EPE) was seeking to redevelop the hospitality and other retail/entertainment venues surrounding this integral tourism destination. A public-private partnership was developed with the City of Memphis to explore a specialized TDZ whereby the City and EPE could share in the distribution of incremental sales tax, with the EPE utilizing proceeds to redevelop Graceland properties and the City to complete upgrades and an overhaul to State Route 51. Project Manager responsible for assisting in defining the geographic scope of the TDZ, and developing estimates of incremental sales tax revenues by source. In May of 2015, the local Economic Development Growth Engine (EDGE) issued \$84 million in bonds. The 45-room Guest House at Graceland opened in late 2016.

#### Liberty Park—Memphis, TN

The City has been working on a variety of plans to reposition the Mid-South Fairgrounds and RKG has been a part of these endeavors since the beginning. Current plans envision a destination and multi-use sports and events center with other associated on-site private development. Project Manager responsible for working with the City in defining the proposed TDZ and all of its contributory incremental sales tax components.

#### Sales Tax Plan—Ontario County, NY

This County (outside of Rochester, NY) was concerned over a potential decline in sales tax revenues, as projected by the State back to the County, as a result of continued competition, from both non-County bricks and mortar venues as well as from e-commerce. Project Manager responsible for developing a 20-year forecast of sales tax revenues, by town throughout the County, assuming varying development strategies and build-out densities. RKG estimated that the County could increase future County sales tax revenues by an average of \$4.3 to \$7.3 million per year over the baseline forecast. The Sales Tax Study Group of Ontario County developed an implementation strategy and included the RKG analysis as part of their ongoing budgetary requests.

# FINANCIAL ANALYSIS & PLANNING — TOURISM & RECREATION

## PROJECT NAME AND LOCATION

TIF and TDZ Financing Analysis for the Redevelopment of Elvis Presley Boulevard and Graceland

## CLIENT

CKx, Inc.  
City of Memphis, TN

## RKG SERVICES

Impact and Financial Analysis of Funding Alternatives

## SITUATION

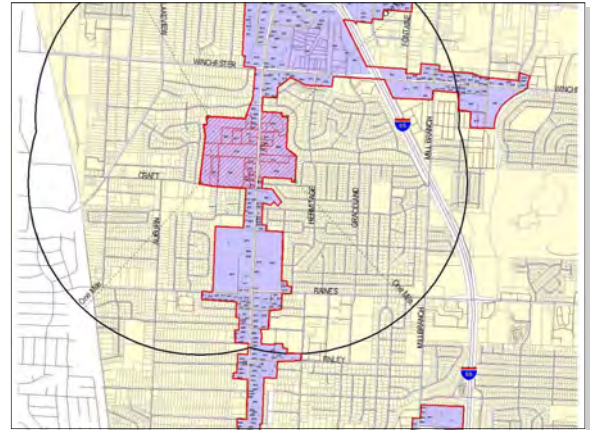
The City of Memphis, Tennessee, was seeking to complete an upgrade and overhaul of State Route 51 (Elvis Presley Boulevard) as it traverses along the Graceland campus and the estate of the King of Rock n Roll—Elvis Presley. Graceland remains a major tourist destination and Elvis Presley Enterprises (EPE) was developing a plan for a massive upgrade and expansion of its facilities. The City and EPE were exploring ways to effectively engage in a public-private partnership to accomplish their mutual goals. The State of Tennessee encourages such projects and offers financial assistance through establishing a TDZ (tourism development zone), whereby incremental sales tax may be used to spur infrastructure improvement required to enable economic development.

## RKG APPROACH/SOLUTION

Working with the City and EPE, RKG developed a geographic area (the TDZ), consistent with State regulations, that could maximize incremental sales tax revenues available for project funding. Unique to this project was the off-site developing of the public sector roadway improvements and the on-site development of the private sector enterprise. In response, RKG estimated incremental sales tax impacts by source and location in order to allocate revenues and funding, accordingly.

## RESULTS

In April of 2015, The State of Tennessee approved Memphis' request for TDZ designation of the 120-acre Graceland campus for a \$135 million investment in a new hotel and conference center; an entertainment complex on-site while the State and City will be investing \$40+ million in roadway/infrastructure to Elvis Presley Boulevard. The local Economic Development Growth Engine (EDGE) issued an \$84 million bond for the project in May 2015. The 430-room Guest House at Graceland opened in late 2016, and the new Graceland Exhibition Center debuted in mid-2019.



Initial designation of the broader TDZ



Concept rendering of the Guest House at Graceland



The Graceland TDZ

# URBAN REDEVELOPMENT—VENUE FUNDING—LIBERTY PARK

## PROJECT NAME AND LOCATION

Sales Tax Impact Analysis –Liberty Park TDZ—Memphis, TN

## CLIENT

City of Memphis Division of Housing and Community Development

## RKG SERVICES

Sales tax and financial feasibility analysis for TDZ to assist in funding development of the Memphis Sports & Events Venue (MSEC)..

## SITUATION

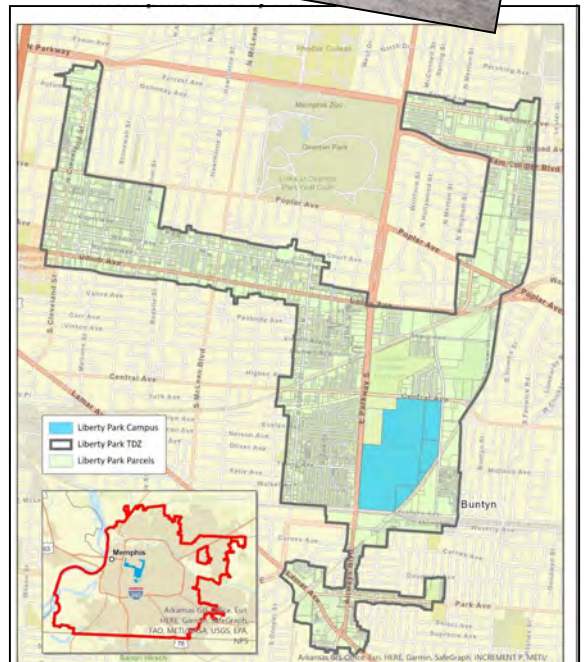
The City has endeavored to capitalize on the economic opportunities presented by the Mid-South Fairgrounds for more than a decade. Several alternative developments, financing options and end-uses have been considered and disregarded for any of a variety of reasons. RKG has been along for this process throughout, serving as an independent and outside consultant with respect to funding and financing. The City had a final opportunity to get a project designated, by the state, as eligible for TDZ financing, whereby the cash stream represented by future incremental sales tax revenues, may be bonded for infrastructure and other public-sector investments within a TDZ zone.

## RKG APPROACH/SOLUTION

RKG worked with the City and others on their consulting team to review the opportunities for a MSEC (representing 227,000 SF of new development), offering a place youth and sports activities for Memphians as well as a destination tourist draw for events, training and tournaments. Included with this public development, there would be private development of related retail, sports and hospitality venues. RKG's task was to develop a financial analysis of future sales tax streams and their bonding capacity, by source and by year.

## RESULTS

RKG's analysis indicated a 30-year Incremental sales tax stream of approximately \$233.6 million, or \$134.6 million as a net present value. - from the contributory components of the TDZ development.. City and State approvals were given in the Summer of 2021, ground has been broken and the first elements are anticipated to open in late 2022..



# URBAN REDEVELOPMENT & REVITALIZATION

## PROJECT NAME AND LOCATION

Economic Impact Analysis of the Proposed Major Redevelopment Projects in Memphis, Tennessee

## CLIENT

City of Memphis Division of Housing and Community Development

## RKG SERVICES

Economic impact analysis, market analysis, financial planning, strategic funding studies

## SITUATION

RKG has been engaged by the City of Memphis for several years to assist with the evaluation of key redevelopment projects, including the iconic downtown Pyramid and the former Sears distribution facility. The City's multi-million dollar investments in infrastructure helped bring about these deals, both of which have been very successful role models for public-private partnerships.

The Sears Crosstown property has been transformed into a mixed-use development, including synergistic health and education uses along with residential, retail, offices and art venues, while the Pyramid is now the home of a flagship BassPro retail and entertainment destination.

## RKG APPROACH/SOLUTION

For both projects, RKG completed an analysis of baseline market assessment for a variety of uses and estimated the construction and ongoing impacts of the redevelopment. This included assessing likely employment, wages, tax receipts and the potential for spinoff development. In both instances, the overall intent was to provide a basis for better understanding the implications for both private and public investment in the redevelopment.

## RESULTS

Crosstown LLC has acquired financing and several tenants have committed to space, while the City has committed nearly \$15 million in Sears Crosstown. The City pledged nearly \$70 million in tax increment financing to support the Pyramid, which now brings in over 500,000 visitors to downtown Memphis.



# URBAN DEVELOPMENT & FINANCIAL PLANNING

## PROJECT NAME AND LOCATION

Tax Increment Finance Analysis for the Proposed University District TIF—Memphis, Tennessee

## CLIENT

The City of Memphis Division of Housing and Community Development in co-operation with the University of Memphis, Tennessee

## RKG SERVICES

Fiscal analysis of bonding capacities to support economic development and urban revitalization

## SITUATION

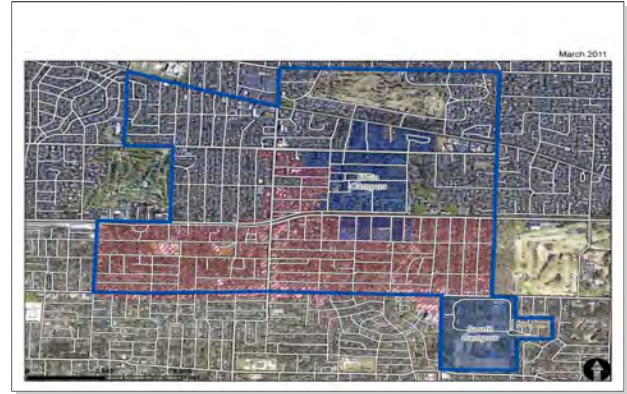
*The University District Comprehensive Plan 2030* sets forth a development vision for the University of Memphis and surrounding neighborhoods. This plan was prepared by the University of Memphis and adopted by the Memphis City Council. In addition to expansion and modernizing of the University campus and facilities, a broad array of neighborhood infrastructure, investment and amenities are also envisioned. A possible funding source for many of these endeavors is represented by the incremental property taxes generated from within the TIF district, as a result, in part, of private investment activity in response to public investment activity.

## RKG APPROACH/SOLUTION

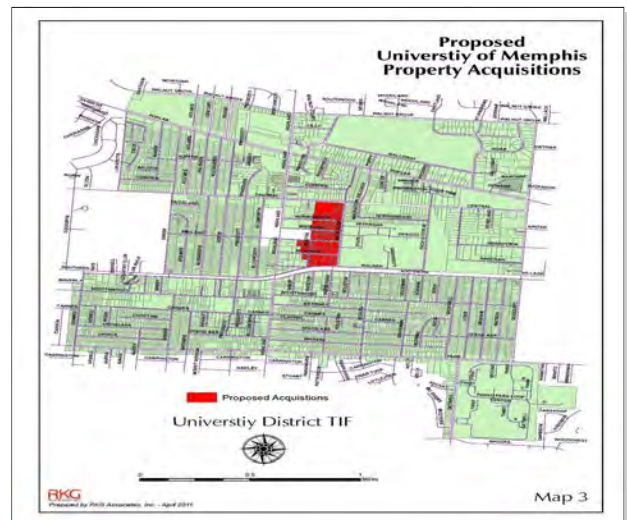
RKG worked with the City of Memphis, the University of Memphis and other area officials and stakeholders to establish a baseline of land use, assessment value and property tax revenues from within the approximate 3.4 square mile TIF district. Adjustments to the baseline include changes in use over time, reflecting an increase in the number of tax-exempt parcels, as well as the completion of several private sector developments underway. RKG developed a spreadsheet model to estimate the future property tax revenues under a variety of differing assumptions and inputs.

## RESULTS

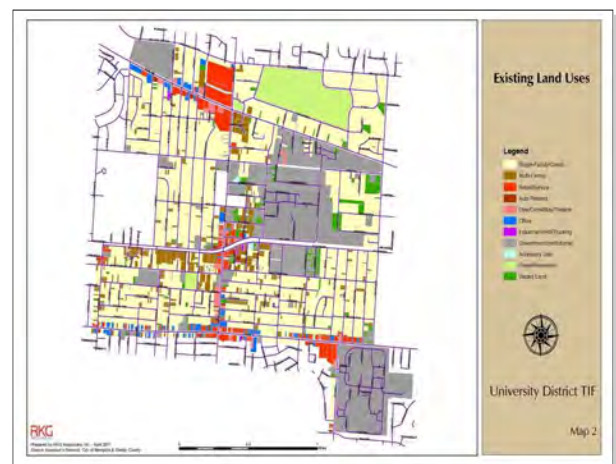
Over a 20-year term, and under specific conditions and assumptions, the incremental property taxes from within the



University District Study Area—Memphis, Tennessee



Potential University of Memphis expansion/growth area



Existing Land Uses in the University TIF



# DEVELOPMENT FEASIBILITY AND TIF FINANCE ANALYSIS

## PROJECT NAME AND LOCATION

Urban Renewal & District Improvement Financing  
Quincy Center, Massachusetts

## CLIENT

City of Quincy's Department of Planning and Community Development

## RKG SERVICES

Financial Analysis for an Urban Revitalization and Development Plan

## SITUATION

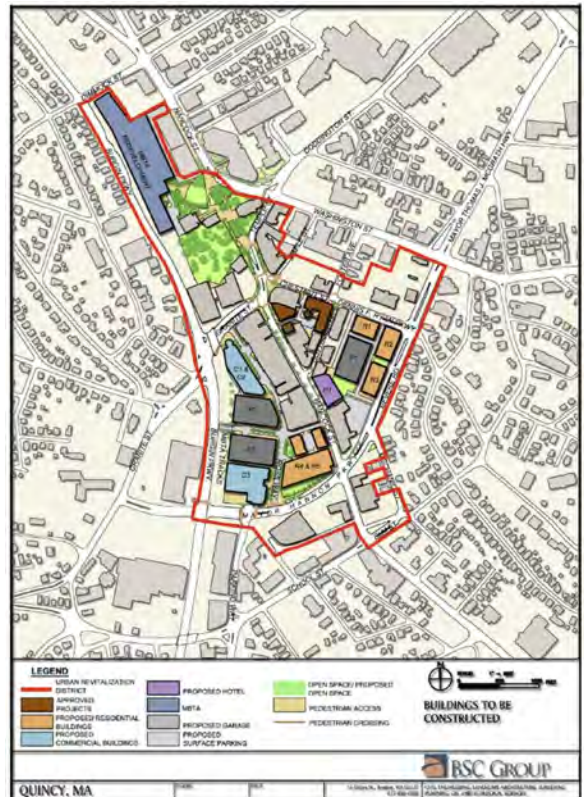
RKG Associates, Inc. in conjunction with the BSC Group, prepared the Fifth Amendment to its urban renewal plan in support of new and planned redevelopment in Quincy Center. In the mid-2000s, the City rezoned the downtown area to allow a mix of mid-to-high rise development to encourage higher density, transit oriented development. This rezoning was an outgrowth of an urban development plan prepared by Goody Clancy. However, several major obstacles block its implementation including many small lots, high assemblage costs, and needed infrastructure improvements. A parking garage at the Quincy Center MBTA station is recently closed due to its deteriorating condition and represented another key asset for redevelopment in the amended plan.

## RKG APPROACH/SOLUTION

RKG Associates, Inc. prepared a financial plan of the revised redevelopment program, and estimated funding capacity of nearly \$200 million on public-sector improvements to support the revitalization. A District Improvement Financing (DIF) plan for the downtown area was a key component in leveraging new value-added assessment to repay DIF bonds.

## RESULTS

The City has financed nearly \$120 million in public infrastructure via bonds, including for a \$30 million roadway improvement project and \$10 million in utility grades. The investment in infrastructure has unlocked the development of nearly 1,000 residential units in the Downtown, and it is expected that additional commercial and residential space will be built over the next few years. The success of Quincy Center is based on a unique public-private partnership which has redefined the role of the City, as a strategic master developer.





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