

NEW YORK CITY ECONOMIC DEVELOPMENT CORPORATION

REQUEST FOR PROPOSALS

2010 NEW MARKETS TAX CREDIT PROGRAM APPLICANT

NYCEDC CONTRACT NO. 26690001

PROJECT CODE NO. 2669

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I. Introduction / Objective

New York City Economic Development Corporation (“NYCEDC”) is pleased to invite qualified parties to respond to this Request for Proposals (“RFP”) to collaborate with NYCEDC on the application for, and deployment of, New Markets Tax Credits (“NMTC”) allocation on projects in New York City (the “City”).

Each party submitting a proposal in response to this RFP is referred to herein as a “Respondent” and the Respondent ultimately selected through this RFP process is referred to herein as the “NMTC Applicant.” NYCEDC reserves the right to select more than one NMTC Applicant.

The NMTC Applicant, will coordinate with NYCEDC in submitting its application for the eighth round (2010) of NMTC allocation to be made by the U.S. Department of the Treasury’s Community Development Financial Institutions Fund (“CDFI Fund”), with possibly two one-year renewal options, should rounds be authorized by Congress as applicable. The NMTC Applicant’s application will include community/economic development and cultural facility projects in the City identified and recommended by NYCEDC based on certain criteria including, but not limited to, location in an area of greater distress as defined by the NMTC program statute and regulations, and the presence of a funding gap for the completion of the project (“Recommended Projects”). Recommended Projects may include projects administered by NYCEDC (“NYCEDC Projects”) as well as projects managed by other entities.

In return for NYCEDC’s services in identifying NMTC-eligible projects, the NMTC Applicant will be expected to provide NYCEDC with the following: (a) a commitment to apply a portion of its NMTC allocation, if awarded, to Recommended Projects; or (b) an alternative plan to securing NMTC financing for Recommended Projects if the NMTC Applicant does not receive an NMTC allocation in a given round, or if future rounds of NMTC allocation are not authorized.

II. Background on NYCEDC

NYCEDC is the City’s primary vehicle for promoting economic growth in each of the five boroughs. NYCEDC works to stimulate investment and broaden the City’s tax and employment base, while meeting the needs of businesses large and small. To realize these objectives, NYCEDC uses its real estate experience and available financing tools to help

companies that are expanding or relocating within the City. NYCEDC activities include the sale and lease of City-owned property, as well as management and redevelopment of industrial and maritime properties for economic development purposes. NYCEDC administers the New York City Industrial Development Agency and the New York City Capital Resource Corporation, which issue tax-exempt bonds for various public purposes. NYCEDC also administers funding agreements to confer City grants to entities, primarily not-for-profit organizations, undertaking capital projects.

NYCEDC works to identify NMTC-eligible projects either in its own portfolio or the portfolios of other entities it has relationships with, including City agencies, elected officials, local development entities, private developers, not-for-profit organizations, and other members of the local real estate community. NYCEDC also educates project sponsors about the NMTC program, and facilitates further consultations with the NMTC Applicant where appropriate. In addition, NYCEDC offers administrative assistance to facilitate deal closings, particularly in transactions involving NYCEDC Projects.

III. Scope of Services

NYCEDC expects to enter into an agreement with the NMTC Applicant as outlined below and as further detailed throughout this RFP (the “Agreement”). It is anticipated that the Agreement would cover the eighth round of allocation, with possibly two one-year renewal options, should rounds be authorized by Congress as applicable.

It is anticipated that NYCEDC will provide information on Recommended Projects for the NMTC Applicant to include in its application. Due to its role in the City and relationships with other entities, NYCEDC often leads, participates in, or encounters projects with qualities that exemplify attractive NMTC deal candidates, including the following:

- *Location in highly distressed areas as defined by the the NMTC program statute and regulations*
- *Connection with the City’s economic and community development priorities:* Many Recommended Projects are high-impact projects located in neighborhoods which are priority development areas for the City, including rezoning and urban renewal areas.
- *Designated to receive City capital grant funds:* NYCEDC is the administrator of more than 75 active funding agreements that will confer more than \$300 million in grants to organizations undertaking capital projects. 20 of the NMTC-eligible NYCEDC Projects are designated to receive \$161 million in City capital grant funds, supporting \$221 million in total development costs. The presence of designated City capital grant funds is positive from a NMTC perspective because the funds represent community and City support of the project, an important factor in the NMTC application. City capital grant funds may also be leveraged to attract investor equity to an NMTC transaction.

While recipients of an NMTC allocation have the sole discretion to apply their NMTC allocation to projects based upon their own underwriting criteria, NYCEDC expects that the

NMTC Applicant will commit to deploy a certain portion of its NMTC allocation, if awarded, to Recommended Projects. The NMTC Applicant must also propose an alternative plan to securing NMTC financing for Recommended Projects if the NMTC Applicant does not receive NMTC allocation in a given round, or if future rounds of NMTC allocation are not authorized.

Under this arrangement, NYCEDC will not make any monetary payments to the NMTC Applicant. NYCEDC will expect to receive a fee for services provided in relation to NMTC transactions, including but not limited to deal origination, technical assistance, and other services. This fee would only apply if and when a NMTC transaction closes.

IV. Respondent Qualifications

Respondents must have the following minimum qualifications:

- Experience developing and/or financing capital projects located in economically distressed areas.
- Evidence of mission and programs with a focus on economic and community development.
- Portfolio of successful economic and community development projects in the City, or partnership with a local organization with such a portfolio.
- Successful track record of securing and deploying NMTC allocation from at least two of the previous rounds.
- Certification by the CDFI Fund as a CDE.

V. Submission

A. Submission Questions

Respondents will be evaluated based on their responses to the following questions, as well as their ability to meet the respondent qualifications in Section IV and the selection criteria described in Section VII of this RFP. **Please limit your written response to a total of ten (10) pages maximum.**

1. **Organizational Background:** Provide a brief description of the organization and CDE, including its mission, history, relationship with affiliated or subsidiary entities, and geographic markets served. This section should also include the CDE's track record of applying for and securing NMTC allocations from the CDFI Fund.
2. **Business Strategy:** Describe your organization's investment criteria for selecting NMTC projects. Provide examples of financing terms offered in previous NMTC transactions. Include case studies to demonstrate your organization's track record of providing NMTC financing, leveraging outside capital (if applicable), and

structuring deals involving third-party NMTC allocations for community/economic development and cultural facility projects. Explain how your organization has adapted to changing market trends, including the recent decline in availability of capital.

3. **Allocation Plan:** Describe how much allocation your organization would apply for in an eighth round. Describe how your organization would use an eighth round of NMTC allocation, if awarded, and what portion of that allocation would be reserved for Recommended Projects. Detail the types and geographies of projects that the remainder of your organization's eighth round allocation, and any remainder of previous allocations, would be applied to. Propose an alternative plan to securing NMTC financing for Recommended Projects if your organization does not receive NMTC allocation in a given round, or if future rounds of NMTC allocation are not authorized.
4. **Community Impact:** Discuss the positive community development and economic impacts of your organization's NMTC business strategy. Describe your organization's track record in achieving similar types of community and economic impacts. Detail the methodology and specific data used to measure economic impact.
5. **Management Capacity:** Identify the personnel who would have a key role in the following activities: 1) overall responsibility for the NYCEDC relationship; 2) day to day contact with NYCEDC; 3) underwriting and approving investments, 2) raising capital from third party sources, 3) managing the organization's assets and liabilities, 4) fulfilling the NMTC program compliance requirements, and 5) maintaining accountability to the low-income communities in which investments occur. Attach an organizational chart of key management personnel. Attach the resumes of key personnel. The Respondent, if selected, will be expected to use substantially the same personnel described in the proposal.
6. **Capitalization Strategy:** Describe your organization's strategy for securing commitments from NMTC investors, including, but not limited to, any existing network of investment partners, timelines, approach to negotiating terms, and potential risks. Provide any letters of interest from existing investment partners for future NMTC applications. Discuss how your organization would fund the cost of operating this NMTC program and describe the structure of fees that your organization would charge its investors and/or borrowers.
7. **Additional Information:** Describe how NYCEDC can maximize the effectiveness of the NMTC program in the City. Include any other information that addresses your organization's ability to meet the selection criteria described in Section VII.
8. **Cover Letter:** Include a cover letter summarizing the key points of your proposal. Provide a statement that you have examined all parts of this RFP, including the Scope of Services and all terms and conditions hereof.

9. **Certification:** Include evidence of certification by the CDFI Fund as a CDE.
10. **NYCEDC Fee Structure:** Propose a fee structure to compensate NYCEDC for services provided on NMTC transactions.
11. **Doing Business Data Form:** Include the Doing Business Data Form in the form attached hereto as Exhibit A to this RFP.

(The requested resumes, organizational chart, cover letter, CDE certification, NYCEDC fee structure, and Doing Business Data Form should not be included in the maximum page count indicated above.)

B. Non-compliant Proposals. In furtherance of and without limiting NYCEDC's rights as set forth in this RFP, non-compliant proposals may, in NYCEDC's sole discretion, be considered "not responsive" and may be rejected by NYCEDC including, without limitation, proposals that are not received by a person other than the designated recipient; and/or missing any information, certifications, supplemental forms or other documentation required by this RFP or by applicable law.

C. Submission Requirements

1. Six (6) hard copies of the submission and one (1) electronic PDF version of the submission on CD, identified by "NMTC RFP" on the envelope, must be delivered to the following address:

**New York City Economic Development Corporation
110 William Street, 6th Floor
New York, New York 10038
Attn: Maryann Catalano, Senior Vice President of Contracts**

2. All proposals must be **DELIVERED BY HAND** or **BY EXPRESS MAIL**. Proposals received via facsimile or e-mail transmittal, or by regular mail will not be accepted.
3. **PROPOSALS ARE DUE AND MUST BE RECEIVED AT THE LOCATION DESIGNATED IN SUB-PARAGRAPH "1" ABOVE NO LATER THAN WEDNESDAY, JANUARY 20, 2010 AT 4:00 PM.** Proposals received after the indicated date and hour and/or at a different location may not be considered.
4. NYCEDC reserves the right, in its discretion, to postpone the date for submission and opening of proposals. Respondents are again reminded to check the Website, as defined below, periodically for updated information, which may include a notice of postponement. Any proposal submitted prior to such notice may be withdrawn without prejudice.

5. In order to be considered responsive, your proposal must be organized and include all of the items as listed below. The proposal must be submitted in **three (3) sealed envelopes**; the contents of the envelopes must be as follows:
- a) **Envelope #1.** In one sealed envelope, labeled as required by Section V.C.1, include six (6) hard copies of your written response to Submission Questions #1-9 as indicated above, including the requested resumes, organizational chart, cover letter, and CDE certification.
 - b) **Envelope #2.** In a second sealed envelope, labeled as required by Section V.C.1, place a complete and accurate Doing Business Data Form as described in Exhibit A and as indicated by Submission Question #11 above.
 - c) **Envelope #3.** In a third sealed envelope, labeled as required by Section V.C.1, provide six (6) hard copies of your proposed NYCEDC fee structure as indicated by Submission Question #10 above.

VI. Questions and Modifications

Potential respondents can submit initial questions regarding the RFP by emailing nmtcrfp@nycedc.com by **4:00 p.m. on Wednesday, January 6, 2010 (the “Question Deadline”)**. All questions received through the Question Deadline will be answered no later than **Wednesday, January 13, 2010** and NYCEDC shall post such answers on www.nycedc.com/RFP (the “Website”), so as to be available to all respondents, if NYCEDC determines that such answers provide material clarification to the RFP. Any questions or requests for clarifications received after the Question Deadline will not be answered. For all questions that do not pertain to the subject matter of this RFP please contact NYCEDC’s Contracts Hotline at (212) 312-3969.

NYCEDC will advise RFP Respondents of any modifications to this RFP by posting them on the Website. Nothing stated at any time by any representative of NYCEDC or of any other entity shall effect a change in, or constitute a modification to this RFP unless posted on the Website or confirmed in writing by NYCEDC. Respondents are reminded to check the Website periodically to view updated information and answers to questions posed by other Respondents.

While NYCEDC may send notices, addenda or other information related to this RFP to Respondents via e-mail alerts or otherwise in writing, such e-mail alerts and other written materials shall be considered courtesy copies only. In the event any conflict exists between any information set forth on the Website and any notice, addendum or other information provided to a Respondent by NYCEDC in writing via e-mail or otherwise, the information set forth on the Website will govern and be definitive.

NYCEDC is not obligated to provide the Respondent with any notices, addendum or other information that appears on the Website in writing, and the fact that NYCEDC may have sent one or more e-mails, Notices, Addenda or other written information to a Respondent shall not be deemed to imply that NYCEDC has any duty or obligation to continue to do so.

VII. Review and Selection Criteria

NYCEDC will review each Respondent's proposal in its totality. Interviews may be held with any or all of the respondents after the receipt of proposals. The selected Respondent, if any, will be a Respondent whose proposal is most advantageous to NYCEDC's goals. NYCEDC reserves the right to select more than one Respondent or to reject all proposals. Criteria on which NYCEDC will base such selection may include, without limitation, the following:

1. Quality of the proposal and the degree to which it demonstrates the Respondent's full understanding of the services to be rendered and its ability to perform them.
2. The Respondent's demonstration of experience and expertise with the NMTC application process and deployment of NMTC allocation, especially in the City.
3. The Respondent's demonstration of experience and expertise in securing commitments from NMTC investors and raising private equity and/or debt financing for community/economic development and cultural facility projects, especially in the City.
4. Portion of the NMTC allocation, if awarded any, which would be committed to Recommended Projects. NYCEDC will look favorably upon respondents that commit to using a greater portion of their NMTC allocation to Recommended Projects.
5. The Respondent's fee structure to be charged to investors and/or projects. NYCEDC will look favorably upon Respondents that commit to charging lower fees to projects.
6. In relation to #5, the presence of any proposed, innovative mechanism(s) to channel transaction fees or other economic surpluses from the organization's role as the CDE to not-for-profits in need of project pre-development funds and/or assistance. NYCEDC will look favorably upon Respondents that propose innovative mechanisms and/or higher levels of economic assistance.
7. The Respondent's proposed fee structure to compensate NYCEDC for services provided to NMTC transactions. NYCEDC will look favorably upon Respondents that propose a fee structure which most fairly compensates NYCEDC.
8. Evidence of formation of a CDE as defined by the CDFI Fund.
9. Evidence of NMTC allocation awards from at least two (2) previous rounds awarded by the CDFI Fund.
10. Favorable history, if any, in contracting or doing business with the City and/or NYCEDC.
11. Absence of any default in Respondent's financial obligations to the City.

VIII. General Conditions, Terms, Limitations and Requirements

- A. The successful Respondent shall cooperate in supplying any information as may be required with respect to the Vendex Clearance Forms, and any other government review and approval forms. Respondent's proposal shall remain open for acceptance by NYCEDC and shall remain firm and binding upon the Respondent for at least 60 days after the date on which the proposals are received by NYCEDC, except that NYCEDC may by written notice to the Respondent extend that date for an additional 45 days. The acceptance of any proposal shall be subject to, and contingent upon, the negotiation between the parties of the Agreement or contract in form and substance acceptable to NYCEDC.
- B. NYCEDC and the City of New York shall not be liable for any cost incurred by Respondents in the preparation of their proposals relating to this RFP, or for any other work or services that they may have performed or caused to be performed in connection therewith.
- C. The Respondent, the members of its Consultant Team, and all officers, principals, principal shareholders, partners and members thereof, if applicable, must complete a background questionnaire and shall be subject to investigation by NYCEDC and the City's Department of Investigation. The selection of a Respondent may be rejected or revoked, or the Agreement, if awarded, terminated for cause, in NYCEDC's sole discretion, in the event any materially derogatory information is revealed by such investigation or otherwise including, without limitation, that any such persons or any other persons substantially involved in the Respondent's activities has committed any of the acts or omissions specified as the grounds for debarment in the *City's Procurement Policy Board Rules*.
- D. Pursuant to the City's Local Law No. 34, amending the City's Campaign Finance Law, the City is required to establish a computerized database containing the names of any "person" that has "business dealings with the city", as such terms are defined in LL 34. In order for the City to obtain information necessary to establish the required database, each Respondent must complete a Doing Business Data Form in the form attached hereto as Exhibit A and return it in a separate envelope with the Respondent's proposal. The submission of a Doing Business Data Form that is not accurate and complete may result in appropriate sanctions. Respondents are encouraged to consult legal counsel with respect to the impact of LL 34. Respondents may also wish to review the document "Q&A: The Doing Business Data Form and the Doing Business Database" included at Exhibit 4 for further information. Note that responding to this RFP constitutes "doing business with the city" under LL 34.
- E. NYCEDC deems itself to be subject to the requirements of Article 6 of the New York State Public Officers Law (the "Freedom of Information Law" or "FOIL"). Consequently, proposals submitted to NYCEDC will be subject to disclosure pursuant to FOIL demands that may be made upon NYCEDC. A Respondent

may, in writing, at the time it submits its proposal, provide a detailed description of specific information contained in such proposal constituting trade secrets or proprietary information that, if disclosed, would substantially harm the Respondent's competitive position. This characterization will not be determinative, but will be considered by NYCEDC when evaluating the applicability of any exemptions in responses to a FOIL request.

- F. This is a "Request for Proposals" and not a "Request for Bids". NYCEDC shall be the sole judge of whether a proposal conforms to the requirements of this RFP and of the merits and acceptability of the individual proposals. Notwithstanding anything to the contrary contained herein, NYCEDC reserves the right to take any of the following actions in connection with this RFP: amend, modify or withdraw this RFP; waive any requirements of this RFP; require supplemental statements and information from any Respondents to this RFP; award a contract to as many or as few or none of the Respondents as NYCEDC may select; to award a contract to entities who have not responded to this RFP; accept or reject any or all proposals received in response to this RFP; extend the deadline for submission of proposals; negotiate or hold discussions with one or more of the Respondents; permit the correction of deficient proposals that do not completely conform with this RFP; waive any conditions or modify any provisions of this RFP with respect to one or more Respondents; reject any or all proposals and cancel this RFP, in whole or in part, for any reason or no reason, in NYCEDC's sole discretion. NYCEDC may exercise any such rights at any time, without notice to any Respondent or other parties and without liability to any Respondent or other parties for their costs, expenses or other obligations incurred in the preparation of a proposal or otherwise. All proposals become the property of NYCEDC.
- G. Recipients of this RFP, whether or not they are Respondents, shall make no news or press release pertaining to this RFP or anything contained or referenced herein without prior written approval from the NYCEDC. All news and press releases pertaining to this RFP must be made in coordination with NYCEDC.
- H. NYCEDC will only select Respondents that do not discriminate because of race, creed, color, national origin, sex, age, disability, marital status, sexual orientation, or citizenship status in connection with all employment decisions.
- I. Neither NYCEDC nor any of their respective officers, members or agents, shall be deemed to have made any representation or warranty as to, or to have assumed any responsibility for, the accuracy of the information set forth in this RFP. Further, NYCEDC and the City do not warrant or make any representations as to the quality, content, accuracy or completeness of the information, text, graphics, links or any other facet of this RFP once it has been downloaded or printed from this or any server, and hereby disclaim any liability for any technical errors or difficulties of any nature that may arise in connection with the Website on which this RFP is posted, or in connection with any other electronic medium utilized by

Respondents or potential Respondents in connection with or otherwise related to the RFP.

- J.* NYCEDC shall not be under any obligation to make any response, whether by way of acceptance or rejection, to any proposal submitted pursuant to this RFP.
- K.* This RFP and any agreement resulting herefrom are subject to all applicable laws, rules, regulations and executive orders, policies, procedures and ordinances of all Federal, State and City authorities, as the same may be amended from time to time, including without limitation, equal employment opportunity laws.
- L.* The City is not a party to this RFP, has made no representation to any prospective Respondent and shall have no liability whatsoever in connection with this RFP.
- M.* During the term of the Agreement, NYCEDC, in its sole discretion, may choose to work with the NMTC Applicant and/or hire its services for projects other than or that exceed the Scope of Services described herein. NYCEDC's decision to do so may be based on the firm's relevant experience and its successful performance under the Agreement.
- N.* Only proposals from principals will be considered responsive. Individuals in representative, agency or consultant status may submit proposals only at the direction of certified principals, where the principals are solely responsible for paying for such services.

EXHIBIT A
DOING BUSINESS DATA FORM

Each Respondent shall complete and submit a Doing Business Data Form which can be found at <http://www.nycedc.com> in the following section (as set forth below):

“ProjectsOpportunities/WorkingWithNYCEDC/VendexOtherForms”.

If the Respondent cannot access or download these forms, the Corporation may, upon request, send the Respondent the required forms.

DOING BUSINESS ACCOUNTABILITY PROJECT FORMS

Local Law 34 of 2007 (**LL 34**) requires the creation of a database containing information about entities that do business with the City as defined by the law, and principal officers, owners and senior managers of these entities. This information will be collected on Doing Business Data Forms that are distributed, collected and reviewed by agencies, and forwarded to the Doing Business Accountability Project (DBAP) at MOCS for processing. Collected data will be used to identify entities and people who are subject to LL 34’s limitations on campaign contributions in municipal elections.

If you have any questions or concerns, please contact the **Doing Business Accountability Project** at 212-788-8104 or DoingBusiness@cityhall.nyc.gov.



Doing Business Form (829 KB)

<http://www.nycedc.com/ProjectsOpportunities/WorkingWithNYCEDC/VendexOtherForms/Documents/Doing%20Business%20Form.pdf>



Q&A General (35 KB)

<http://www.nycedc.com/ProjectsOpportunities/WorkingWithNYCEDC/VendexOtherForms/Documents/QA%20General.pdf>