

**TAX INCREMENT REINVESTMENT ZONE NUMBER TWENTY-SEVEN  
(TIRZ 27)**

**ISSUE DATE:** April 5, 2019

**TO:** Financial Advisory Firms

**FROM:** Knudson, LP (Zone Administrator)

**SUBJECT:** Request for Statements of Qualifications for Financial Advisor Services

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TIRZ 27 (the “Zone”) is requesting Statement of Qualifications (SOQ) from qualified financial advisory firms for professional financial advisor services associated with the ongoing operation and capital projects of the Zone. Enclosed for your consideration is a Request for Statement of Qualifications (RFQ).

To be considered for this project, your firm must meet the qualifications and satisfy the requirements set forth in the RFQ. If you are interested in being considered, please **submit your SOQ by 4 p.m. on April 26, 2019**, and the submission date for questions, clarifications, or requests for general information is **2 p.m. on April 12, 2019**, to the Zone Administrator. Any requests received after this date will be returned and not addressed. Note that all questions, clarifications, or request for general information are to be **in writing via email** or other mail carrier to the Zone Administrator identified below.

A committee consisting of TIRZ 27 directors and professional staff will rate the SOQs using the evaluation criteria developed for this RFQ. Said evaluation criteria are attached to this RFQ. The selection committee may interview one or more firms to further evaluate qualifications. The selection committee will present their recommendations to the Zone Board of Directors who will select the consultant for this project.

Any questions and correspondence should be directed to:

Knudson, LP  
Montrose Zone Administrator  
8588 Katy Freeway, Suite 441  
Houston, TX 77024  
dwilliams@knudsonlp.com

**Contact regarding this RFQ with any TIRZ 27 personnel or officials other than the Zone Administrator or another designated representative after the issue date of this RFQ will be grounds for removal of the firm from consideration.**

## **SCOPE OF SERVICES**

The scope of services required by TIRZ 27 in connection with this RFQ covers the entire spectrum of services customarily provided to governmental entities by financial advisors. The services provided should include, but need not necessarily be limited to, the following:

### **A. Services Related to Financial Planning**

1. Provide written analysis and recommendation related to all available financing options. This analysis need not be limited to traditional forms of financing available to governmental entities, but may include innovative products that meet the risk tolerance of TIRZ 27 and the City of Houston.
2. Evaluate and recommend in writing the use of appropriate types of credit enhancements such as bond insurance or letters of credit.
3. Performance of other related services relating to the development of a financing plan.
4. Financial advisor(s) will be required to be available for consultation with TIRZ 27 Board Members, Committee Members, City of Houston staff and other designated parties in regard to any outstanding or proposed TIRZ 27 financing.

### **B. Services Related to Debt Issuance**

1. Prepare a Debt Financing Structure. This function will generally consist of, but need not be limited to, development of the following structural components:
  - a. Establishment of sizing parameters, structure and specific terms and conditions for the debt to be issued, taking into consideration cash flow requirements associated with the capital improvements being financed, as well as reinvestment yields estimated to be available during the term of the financed project.
  - b. Determination of maturity schedule for the proposed debt. This evaluation should take into account the estimated useful life of the project to be constructed utilizing the proceeds of the debt, as well as future demands upon the funds pledged for the repayment of the debt.
  - c. Recommendations concerning the timing of the issuance of debt obligations to fund improvements. This analysis includes not only timing of debt to take advantage of favorable market conditions, but also recommendations as to the desirability of interim financing techniques, such as bond anticipation notes.
  - d. Evaluate and recommend in writing whether debt obligations should be sold competitively, negotiated, or placed privately. In the event that a negotiated sale is the preferred method, financial advisor(s) will assist in the preparation of a request for proposals for underwriting services, and will assist TIRZ 27 in the selection process.
  - e. Analyze the financial impacts of project costs, cash flow projections and rate implications of the subject financing plan.

- f. Ensure compliance with applicable resolutions and internal policies
2. Administer the Marketing and Sale of the Obligations. Services provided in connection with this function will include the following:
- a. Review and comment on the development of documentation prerequisite to the issuance of the debt. Included in the documents to be prepared are the following:
    - (1) Resolutions authorizing the issuance and sale of the obligations.
    - (2) Preliminary Official Statement and Official Statement relating to the sale of the obligations.
    - (3) Purchase Contract(s) between TIRZ 27 and the purchasers of the obligations.
    - (4) Other additional documents and contracts relating to the sale and closing of the obligations.
  - b. Assist TIRZ 27 General Counsel and Bond Counsel, as necessary, in any required validation proceedings and as otherwise requested.
  - c. Assist TIRZ 27 in making presentations to one or more of the nationally recognized credit rating organizations in order to obtain the highest possible credit rating for the obligations of TIRZ 27.
  - d. Develop the broadest possible interest among potential purchasers of the obligations. Conduct an appropriate marketing campaign in attracting prospective bidders (in the case of a competitive sale) or assisting prospective underwriters (in the case of a negotiated sale) to obtain the lowest possible cost of borrowing for TIRZ 27.
  - e. Oversee the actual sale and closing of obligations issued, including a recommendation to accept, reject, or renegotiate the proposals. This includes verifying the spread and average interest cost calculations, expressing an opinion on the competitive character of the bids in light of current market conditions, and evaluating the marketing effort required to sell the obligations.
  - f. Assist TIRZ 27 in the procurement of professional services required in connection with the issuance of the obligations, including, but not limited to, the following:
    - (1) Investment Banking (Underwriting) Services (negotiated sale only)
    - (2) Underwriter's Counsel
    - (3) Disclosure Counsel
    - (4) Printing Services (for the official statements)
    - (5) Bond Registration, Paying Agent, and Trustee services (if applicable)

This responsibility also envisions a post issuance evaluation by financial advisor(s) of the services so obtained.

3. Provide continuing updates on the impact of current or proposed state or federal legislation, and changing market conditions that could potentially affect the financial plans of TIRZ 27.
4. Prepare and update schedules (timetables) for each bond transaction and distribute to appropriate TIRZ 27 Board Members, consultants, counsel and staff.
5. Assist, when appropriate, in negotiating the gross spread, fees or any other pricing issues.
6. Obtain or assist in obtaining commitments from bond insurer.
7. Provide written opinions and recommendations to the Board of Directors or City of Houston as needed for debt issuance or other opinions required by TIRZ 27.

**C. Other Financial Advisory Services**

1. From time to time TIRZ 27 may request additional financial advisory services. Such services may include, but are not limited to, the following:
  - a. Research recommendations regarding credit worthiness of proposed investments. Provide evaluations of TIRZ 27's investment strategies for funds including debt service funds, sinking funds, refunding bond escrow accounts and operating funds and recommend investment vehicles.
  - b. Financial impact analysis – evaluate financial or economic impact of specific programs being considered or proposed.
  - c. Provide other related services as requested with regard to general financial advisory services, including services related to the creation of a Redevelopment Authority.
  - d. Financial products training services are likely to also be requested. Staff is interested in understanding the ins and outs of all the financial products available and their possible uses.

**REQUIRED PROPOSAL CONTENTS**

**A. Qualifications**

The written proposal submitted should, at a minimum, include the following information:

1. Transmittal Letter, not to exceed two pages, which summarizes key points of the proposal and which is signed by an officer of the firm who is responsible for committing the firm's resources. The transmittal letter shall include the following:
  - Name of the firm submitting the proposal
  - Name and title of primary contact with responsibility for the response
  - Mailing address
  - Telephone and e-mail address of firm's primary contact

- Brief narrative of the firm’s qualifications to provide financial advisory services to TIRZ 27
2. A list of the bond and/or note issues for City of Houston TIRZs or related redevelopment authorities for which the lead individual served as financial advisor during the past ten (10) years. Please note if the lead individual acted as financial advisor or co-financial advisor. Provide the following for each issue:
    - Security Source
    - Issuance Date
    - Size
    - Purpose
    - Rating(s)
    - Financial Advisor, Co-Financial Advisor or Underwriter
    - Competitive or Negotiated Transaction
    - Credit Enhancement and/or Bond Insurance
  3. A description of financial advisory services, which the Proposer is capable of providing, together with an explanation of how these services might best assist TIRZ 27. Proposer should indicate whether they are a registered municipal advisor under Section 15B of the Securities Exchange Act of 1934 as well as whether they are a registered Investment Adviser under either the Investment Advisers Act of 1940 or with the Texas State Securities Board.
  4. A summary of innovative financing techniques which have been developed and/or implemented in connection with previous engagements. Include a brief description of project type, project size, financing concept considered (regardless of final method used), as well as brief comments concerning the concept’s applicability to TIRZ 27.
  5. The experience of your firm in assisting City of Houston TIRZs in the development and implementation of comprehensive capital improvement programs.
  6. A description of the history of your firm in dealing with nationally recognized credit rating agencies for the purpose of establishing, maintaining, and/or improving the credit rating of obligations. Explain how your firm will assist TIRZ 27 in establishing, maintaining, and/or improving its ratings.
  7. Please indicate what ranking, if any, your firm was assigned in the list of “Top 100 Financial Advisors: Long-Term Issues” as reported in *The Bond Buyer’s Municipal Marketplace* for the past 3 years.
  8. A list of at least five (5) references TIRZ 27 may contact in order to assist in the evaluation of the lead individuals’ past performance as financial advisor. Limit these references to City of Houston TIRZs, or related redevelopment authorities or City of Houston Management Districts that the lead individual has provided financial advisory services over the past three (3) years. For each reference listed, the following information should be provided:
    - Name and mailing address of the entity.
    - Name of contact person, telephone number and email for the contact person.

9. The nature and magnitude of any litigation or proceeding whereby, during the past five (5) years, a court or any administrative agency has ruled against the Proposer in any matter related to the professional activities of the Proposer. Disclose any settlement agreements reached with any agency. Similar information must also be provided for any current or pending litigation.
10. A written statement on why TIRZ 27 should select your firm and the individual(s) assigned to the account as well as any additional information which you feel will be beneficial to TIRZ 27 in evaluating your qualifications to serve as a financial advisor.

**B. Personnel**

For each member of the professional staff proposed to be assigned to this engagement please provide, at a minimum, the following information:

1. A brief résumé of professional experience and qualifications, including office location to which the individual is assigned.
2. An outline of the proposed function of the individual in the proposed engagement.
3. A description of the accessibility and availability of the individual during the course of the engagement.

**C. Firm's Approach to Providing Services and Support**

State how the firm will approach providing services outlined in this request and how it will schedule key personnel availability. Provide work samples such as debt structuring models, strategic financial planning, and innovative financial transactions.

**D. Case Study Questions**

Please answer the following case study questions as completely as you believe necessary.

1. Discuss what information you provide to your clients relative to pricing when bonds are sold on a negotiated basis.
2. Give examples of how your prior/current client's capabilities have expanded based on your training and education focused efforts.

**SELECTION CRITERIA**

Proposers will be evaluated according to the following criteria:

1. Qualifications of all the individual(s) to be assigned.
2. Experience of the firm in providing the services outlined in this RFQ.
3. Responsiveness of the proposal to this RFQ.
4. Other considerations TIRZ 27 deems relevant.