



ACTION ITEMS FOR *S.P.A.R.C. CRA-2*

SECTION 1. OVERVIEW

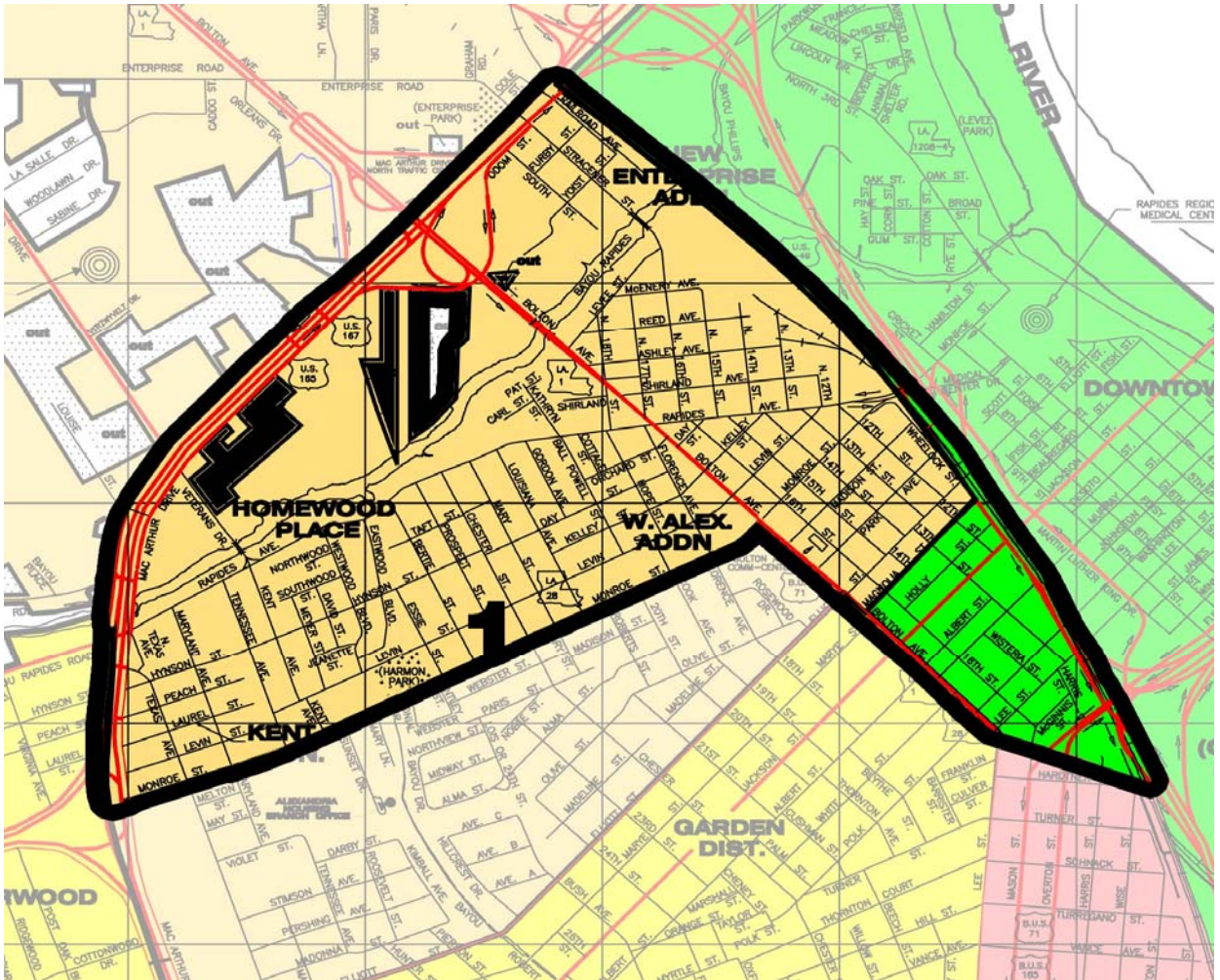
On November 7, 2008, the **City of Alexandria (COA)** issued a **Request for Submissions** relative to a large-scale economic development partnering project, under the S.P.A.R.C. program, for the area identified as **SPARC-CRA-2**. The COA received letters of intent from interested parties and is now issuing this document to present criteria for action items in **SPARC-CRA-2**.

Any eventual recommendation for partnering by the City is envisioned to fall under one of the following scenarios:

1. Selection of a team of business consortia leaders (banking, developers, community activists, and engineering/architects) to develop a redevelopment master site plan for the entire CRA-2, or substantial part of it.
2. Selection of a similar, or modified, team for development of a single project within the CRA-2. (This may involve fewer City incentives based on economic development contributions.)
3. Selection of elements of different proposals.
4. Selection of part of a proposal.

For COA purposes, **SPARC-CRA-2** tentatively includes an area encompassing the portion of frontage along North MacArthur Drive (Rapides Avenue to Bolton Avenue) to the north, Interstate 49 corridor to the east, Bolton Avenue to the west, and Monroe Street to the south.

The area in particular is:



Although proposals are expected to range in scope and scale, proposals will be judged and compared against each other by the City according to the listed criteria to achieve the best economic proposal that achieves the larger redevelopment goals of the entire CRA-2.

The best economic proposal is neither necessarily the largest, nor the proposal with the least amount of public investment; rather, the proposal that best leverages public and private resources to maximize the opportunity of the site and builds upon other existing and future developments in the activity corridor as well as works with any corresponding transportation corridor will be awarded. Proposals are encouraged to interact with other property owners and applicants to achieve these goals.

Applicants should expect to participate in forums with the general public, interviews with any Commission for S.P.A.R.C. and pre-negotiations with City Staff in between the RFP submittals and the development team selection by the Mayor and

Council. A development team will be able to adjust its proposal in accordance with information received in these sessions, after the initial award process outlined. The City will adjust and post the schedule as needed during the process. **An Applicant's responses are not being conducted as a design/build process. The public process is intended to provide flexibility and to factor all elements of a proposal into the selection, including the creativity, design and level of financial participation and benefit provided by the proposals.**

The COA intends that the project scope shall be to assess how a proposal might be considered for incentives, such as those outlined in the next section, which appear to:

- Adhere to existing master planning and facilitate immediate development action as well as increase the guarantee of long-term success.
- Leverage financial value with the immediate influx of substantial public spending, provided business plans are sound.
- In the case of the Bolton Avenue corridor, create the opportunity for tax credits for restoring significant and historic structures, particularly as they relate to preserving community character, affordable housing, central business districts, and Main Street economic development activity.
- In the case of North MacArthur Drive, create a grand-scale planned unit development.
- In the case of any listed project, relate to alleviating urban flight (and blight), property abandonment, and economically distressed neighborhoods—and as a tool for sustainable and environmentally-conscious development.
- Provide the potential for mixed-use.
- Promote diverse ownership and partnering.
- Preserve not displace, separate or marginalize our city and its neighborhoods and people.

In all cases, this process will require requests for proposals from other consortia and potential investors to determine the best fit *in a competitive process*.

You should address and identify with specificity:

- any other means by which governmental entities or parties can act as contributors to the project and the amount of cash (or other value, credits, guarantees, or in-kind services);
- criticisms of any other plans submitted and how your plan is better suited to city-wide or particular needs, including means by which the public investment is protected and does not result in unjust enrichment to any party, land-use issues, purchase price (if any), construction price valuations, or financing structure;
- how you will provide measurable results approximating the City’s contribution to the project—including employment impact, long term contribution to tax structure, and other tangibles and intangibles; and
- the real and substantial obligations of the person or entity to provide a proportionate return to the City of Alexandria at some point in the future. (What is a conservative estimate of the economic development, workforce development, and promotion to Alexandria and the region a fully operational and *expanded* use brings to the table—including new employees and ancillary business to the area which did not already exist or significantly expands activity already in existence?)

SECTION 2. INCENTIVES

Incentive packages available for revitalization under S.P.A.R.C. focus primarily on infrastructure partnering. In addition, qualified “soft” incentives may aid development if properly accounted for and with appropriate guarantees to the public.

“Soft incentives” involve aid that does not result in permanently-owned public infrastructure (as will most of the S.P.A.R.C. expenditures), and therefore the analysis must be clear and justified to support these forms of assistance. If tax dollars are used, the return on public investment must be well-established and documented. Business plans will be scrutinized and, to some extent, public (except for trade secrets and proprietary information).

If permitted by state law, and in compliance with the tests for proportionality set forth by Alexandria cooperative economic development policy and La.Const. art. VII, § 14, the *costs* of an economic development project incurred by an authorized entity (*i.e.*, the awarded consortium in the S.P.A.R.C. program or the COA) may include the sum total of all reasonable or necessary costs incurred incidental to or in furtherance of an economic development project. An economic development project can be a large-scale address of problems or a single project, although the latter will generally not receive as many points unless it is singularly important or key to overall development. The project(s) is/are subject to an approved economic development plan.

These approved costs can, but do not necessarily, include any such costs which are reasonably related or attributable to an approved economic development plan. These are:

- (1) Costs of studies, surveys, development of plans and specifications, preparation, implementation, and administration of an economic development plan, personnel and professional service costs for architectural, engineering, legal, marketing, financial, planning, police, fire, public works, or other services, provided that no charges for professional services may be based on a percentage of incremental tax revenues, and specifically including without limitation payments to developers or other nongovernmental persons as reimbursement for on- and off-site preparation costs incurred on behalf of, and the payment of which is approved by, the City Council, or authorized S.P.A.R.C. personnel as authorized by City Council or the mayor or his designee.
- (2) Property acquisition and assembly costs within the CRA-2, including but not limited to acquisition of land and other real or personal property or rights or interests therein, specifically approved by the City Council or the mayor or his designee and the subject of which is contained in a cooperative endeavor agreement certified by the city attorney and finance director of the City as Section 5-04 compliant with the *Alexandria City Charter* and La.Const. art. VII, § 14.
- (3) On- and off-site preparation costs, specifically approved by the City Council or the mayor or his designee and the subject of which is contained in a cooperative endeavor agreement certified by the city attorney and finance director by the City as Section 5-04 compliant with the *Alexandria City Charter* and La.Const. art. VII, § 14, including but not limited to clearance of any area within or about the proposed development by demolition or removal of any existing buildings, structures, fixtures, utilities, and improvements; clearing and grading; and including without limitation installation, repair, construction, reconstruction, or relocation of public streets, public utilities, and other public improvements within or outside the proposed development within CRA-2 which are essential to the preparation of the area for use in accordance with an economic development plan. Certification by the city engineer shall be required as to the essentiality for preparation.
- (4) Costs of renovation, rehabilitation, relocation, repair, or remodeling of any existing buildings, improvements, and fixtures within CRA-2 and a specific plan for redevelopment, specifically approved by the City Council or the mayor or his designee and the subject of which is contained in a cooperative endeavor agreement certified by the city attorney and finance director of the

City as Section 5-04 compliant with the *Alexandria City Charter* and La.Const. art. VII, § 14.

- (5) Costs of construction within or about an approved plan in CRA-2 of public improvements, specifically approved by the City Council or the mayor or his designee and the subject of which is contained in a cooperative endeavor agreement certified by the city attorney and finance director of the City as Section 5-04 compliant with the *Alexandria City Charter* and La.Const. art. VII, § 14, including but not limited to buildings, structures, works, utilities, or fixtures.

SECTION 3. DECLARATION OF INTEREST AND POTENTIAL AWARD OF PROPOSAL

Questions regarding this process shall be submitted to the City of Alexandria at:

Kay Michiels
Operations Chief and Planning Director
915 Third Street
Alexandria, Louisiana 71301
(318) 449-5009
kay.michiels@cityofalex.com

The COA maintains the right to revise any part of any submitted proposal by issuing an addendum at any time. Issuance of this or any modification order in no way constitutes a commitment by the COA to award. The COA reserves the right to accept or reject, in whole or part, all Qualification Statements and proposals submitted and/or cancel this announcement if it is determined to be in the COA's best interest. All materials submitted in this response become the property of the COA and selection or rejection of a submittal does not affect this right. The COA also reserves the right, at its sole discretion, to waive administrative informalities contained in any future request.

The COA is generally not responsible for costs associated with preparing the proposal by you, or for costs including attorney fees associated with any challenge (administrative, judicial or otherwise) to the determination of the highest-ranked Applicant, MOU party, and/or awarded contract and/or rejection of qualification. By submitting an application to the COA, each consortium or developer agrees to be bound in this respect and waives all claims to such costs and fees. However, as previously instructed in the CRA-2 RFS process, the COA does *not waive or negate the right of S.P.A.R.C., G.A.E.D.A., or the COA to award retroactively costs or preparation investment as outlined under the "Incentives" section.*

At this time, your proposal shows merit and therefore the COA is recommending funding a special assessment, pursuant to a previously-issued RFP, in order to determine the economic impact of your proposals.

The COA is therefore recommending public funding, by an independently hired firm, for the following determinations, which will benefit your potential project bottom line and the public's interest in large-scale catalytic development of the CRA-2.

- Partial or total funding of costs of studies, surveys, review/development of plans and specifications, preparation, implementation modeling, and administration of an economic development plan for a large-scale development of mixed-use nature in the area of North Macarthur Drive, known as "Tall Business."
- Partial or total funding of certain professional service costs.
- Total funding of a capacity study performed by a qualified firm for market feasibility.
- Feasibility assessments of infrastructure needs.

SECTION 4. RULES GOVERNING EXTENDED COMPETITION

The COA is still in the PHASE I submissions phase. The COA will move to PHASE II once PHASE I vetting is completed. PHASE I applicants have either filed a proposal, outlined a proposal, or shown officials a full-scale proposal with a letter of intent.

Initial proposals to the COA for redevelopment plans are being considered. More than one proposal may be initially accepted, and the period of competition under PHASE I may be extended or submitted to public polling or approval. The COA has, at this time, indicated multiple applicants for Phase II and now requests additional proposals and work.

The content of all submissions are generally not confidential. At least one if not more than one applicant, for reasons of protecting intellectual property or because of partnering issues, has chosen to show the proposals in confidence and retain possession of all materials. The Mayor and staff have viewed proposals that would qualify for the submission request for CRA-2.

At this time, proposals, absent qualified confidential information under law, shall need to be submitted in a reasonable timetable for public review. You must work out a timetable for release within ten (10) days of receipt of this partial award.

As previously stated, responses are, and shall be treated as, public records *after* initial qualifying periods to avoid the misuse of intellectual property or concepts of competitors.

Public Participation Policy

It is the City's goal to minimize the level of public financial participation in the project and to attain the most distinctive, highest-quality and marketable project possible. Respondents will be expected to provide information regarding sources of debt and equity, and are urged to consider creative development and financing structures that will accomplish these ends. Preference will be given to those developers who/that minimize the use of public financing, emphasize private sector financing and/or participation and provide the greatest economic opportunity for the City.

Valuating Public Subsidy

Respondents must state a single value for the present value of any and all subsidies requested to be provided by any public body, including cost of land. Required funds should be broken out between immediate subsidies (payment for any portion of the project, waived fees, etc.) and the present value of streams of subsidy over time, such as tax rebates.

Assumptions Evidence Based

Proposals should include a financial plan that details the assumptions used in the recommended development. The assumptions should include operating projections that are supported by market and feasibility research, which the City is now independently conducting.

Weight for Actual Experience/Financial Objectives

The City will give weighted consideration to the Development Team with significant experience in developments similar in scope and quality to the proposed Project, and who also demonstrate that it has significant financial resources to support a guaranty of completion in accordance with a fixed schedule. The City generally understands the economics of the area and will consider various finance options to best meet the needs of the Project. The City has the following financial objectives; the COA seeks to:

- Limit financial participation by and risk of the City.
- Ensure that the project has large-scale economic effect or addresses blight or needs of a particular area with sufficient scope, as opposed to a single

constituency or financial interest, all resulting in an appealing urban addition to the community.

- Leverage economic gains and costs of the Project for the general benefit of the S.P.A.R.C. CRA-2 and/or COA.

Concurrence of Key Participants and Schema

Respondents shall provide evidence of the concurrence of key participants in the development concept, site plan, and economics. After the selection, the selected applicant will be responsible for providing detailed schema for project implementation and costs. The selected entity shall finalize this schema, specifications and cost estimates and provide a summary report.

PHASE I

After action from the S.P.A.R.C. Commission or COA management team that declares a plan of action consistent with the aims of the COA and then following the issuance of a *preliminary Certificate of Appropriateness and Need (COAN)*, the Administration will begin determining which applications comply with this request for submission to the City Council.

The scope of this analysis will include how consortia plans address historic preservation, housing, and employment needs. The COA welcomes findings or market analysis which may aid in determining capacity needs for the area in addition to its independent study.

You have provided some evidence of the following items:

Preliminary Address of Phase I considerations as listed in the CRA-2 abstract

-or-

Conceptualization of your own Phase I considerations to the COA

Define project elements and work through decision-making process in formulation of an MOU to define cooperative endeavors and implementation models, including clearly defined sections in your proposal organized as:

**Preliminary and Phase II Plans
Master Site Planning**

To date, you have not provided sufficient evidence of the following items:

Implementation Strategies

**Project Management
Project Capitalization
Project Community Buy-In
Project Partnering
Construction Monitoring/Inspection**

PHASE II

In this phase, the COA will begin matching certain elements and enter into an MOU to declare an intent on available funds. There will be a need for re-evaluating the findings and to begin the formulation of the multiple Cooperative Endeavor Agreements necessary to “lock in” the proposed public-private commitments.

Re-define project elements and vet problem areas and issues

In person discussions with all final short-listed participants to address:

**Stakeholder Support/Financing
Strengths, Weaknesses, Opportunities, Threats (SWOT) Analysis
Market Analysis (if needed)
Build Support Teams
Secure Partner Commitments
Cooperative Development Agreements (key risks)
Perform Extensive Risk-Benefit Analysis and Due Diligence
Scrutinize Business Plans
Review Implementation Strategies
Set Forth Construction Timetable**

**SECTION 5. QUALIFICATION AND SUBMISSION
REQUIREMENTS and INSTRUCTIONS**

If you have not formally submitted CRA-2 RFS compliant proposals, such as the following, you should do so now or risk losing the opportunity to partner.

Table of Contents (1 Page)

Clearly identify the materials by Section and Page Number.

Qualification Narrative (Limited to 20 Total Pages)

In this section, you should address a demonstrated ability to arrange financing (equity and debt) within 60 days of execution of a Development Agreement; the quality of response, including clarity and completeness; the lowest financial and completion risk to the City;

creativity, quality and logic in design and architectural concepts; the ability of design and siteplan to achieve the goals of the Project; the historic ability to complete projects of a similar scale; experience developing, owning, and/or developing a housing, mixed-use, or streetscape; the strength of your team; and the scope of your development.

A. Experience (0-25 Points)

Detail experience in the same or similar areas of expertise, and its adaptability to provide the required services for this project.

Provide at least three examples of redevelopment you propose to mirror or utilize and the results. Include a point of contact, current telephone number, and a brief description of the efficacy of these examples.

Identify your performance on similar projects, especially noting tasks of this type. Provide a point of contact for all noted experience. A current telephone number should also be provided if applicable.

B. Project Management (0-20 Points)

Provide detailed information on the qualifications and relevant experience of implementation strategies.

C. Multiple Project Bonus (0-15 Points)

Identify how you will compete for multiple project handling, or corridor planning as opposed to single projects.

D. Available Resources and Local Participation (0-10 Points)

Business History: Provide information on size, resources, and business history.

Provide information on personnel resources available to you, which indicate that you have access to the services necessary to perform.

Describe your partners and whether there are local, state, and/or players/subcontractors.

E. Project Methodology and Approach (0-30 Points)

Provide detailed information on your methodology in meeting the action items identified in Section 6. Describe overall approach to the project as well as any details that may be unique. Provide how you will handle Phase II issues.

- Business Community buy-in.
- Financial Institution buy-in.
- Defining mechanisms for sharing costs through the cooperative development models. (See “Successful Public/Private Partnerships” and “Ten Principles for Successful Public/Private Partnerships,” attached to SPARC-CRA-2 RFS for guidance.)
- How to pay back funds (in some cases) if you are seeking public investment, or how COA will receive a return on its investment.
- “Claw backs” to insure against failures or non-adherence to goals or agreed-upon terms, or terms by which public subsidy is ratcheted back or discontinued by not meeting agreed-upon terms.

F. Total Possible Points (100 Points)

SECTION 6. ACTION ITEMS

The City Administration has recommended awarding investment packages totaling \$28M over five to ten years in incentives and hard infrastructure costs in the CRA-2. This means the public would own significant properties and have a significant investment in the area—investment that would be used and enjoyed by citizens on a daily basis.

An initial assessment and certificate for the areas designated CRA-2 might benefit from the following funding limits: \$667,000 in CRA funds; a new fire station in and around the old north traffic circle footprint; \$7.5M in hard infrastructure improvements to the North MacArthur Roadway and \$2M to Bolton Avenue in hard infrastructure improvements; and, now, up to \$10M in North MacArthur-Bolton Avenue reinvestment/infrastructure monies to be allocated by the Commission or Management Teams to a mega project or projects.

The latter \$10M could be funded from the City Capital Outlay portion of S.P.A.R.C. or the remaining \$10M in capacity under the \$50M bond portion of S.P.A.R.C. The City has bonded \$40M to date. This amount is **not** guaranteed as available at this point, while other funds are.

The City previously identified key transportation corridors and now provides infrastructure suggestions for the activity corridors, or SPARCs.

North MacArthur Drive Road Improvements: \$5M

Corridor Roadway Enhancements

Possible solutions include traffic calming methods, increased landscaping, and the installation of sidewalk, better interchanging, access, and extensions of infrastructure to the proposed “Tall Business” project.

Bolton Avenue Road Improvements: \$2.5M

TOTAL: \$7.5M in permanently-owned infrastructure improvements

\$7.5M

North MacArthur Drive currently serves as a gateway and a principal entrance into the City of Alexandria from Interstate 49. Additionally, North MacArthur Drive contains a number of hotel properties as well as a convention center. Infrastructure needs to be improved in order to make this corridor more attractive and welcoming. North MacArthur also ties significant transportation corridors together and is adjacent to the principal commercial corridors of Jackson Street and South MacArthur. The North MacArthur area also creates a crossroads with those areas and the fast-growing Highway 28 corridor. This SPARC creates an “L” bracket of support into the City’s core when linked to Bolton Avenue.

Existing planning and targeted public investment can dramatically alter this corridor, or SPARC, in a relatively short period of time. The City of Alexandria believes there are substantial opportunities along North MacArthur to take advantage of already-spurred reinvestment. This corridor can lead back into the heart of the downtown border along Bolton Avenue as well as represent the crossroads point into the thriving commercial corridors connected to South MacArthur.

SPARC-CRA-2 contains two distinct corridors: North MacArthur Drive and Bolton Avenue. A coherent redevelopment strategy must recognize the distinct uses and functions of these corridors as well as the way in which they interplay.

As a principal gateway into and therefore first impression of Alexandria, North MacArthur Drive currently suffers from years of poor planning and a lack of attention regarding how the former North MacArthur traffic circle could benefit from intervention and additional infrastructure improvements.

Accordingly, a commercial corridor of significant mixed-use and commercial opportunity seems most appropriate. The opportunity might be a series of

developments or a single “mega-development.” A mega-development here makes sense for a true “destination” project. There appears to be sufficient space for a new development while expanding upon existing infrastructure. The \$5M in North MacArthur infrastructure should be matched or leveraged with other financing aids for a project of this magnitude. For the North MacArthur Mega Project, the COA estimates the level of infrastructure leverage could be as much as \$4.5M per \$25M in private investment, for *street design, drainage, sewer, utilities and permanent public space to be donated/owned to or by the COA*. This can be achieved as part of the \$30M in state and federal monies for leverage and/or other gap financing models or tax abatement efforts. Total project estimates approach \$50M at this time. *Soft Incentives such as plan costs and feasibility studies should include:*

\$333K

TOTAL:

Up to \$9.333M in permanently- and privately-owned infrastructure improvements

\$12.333M - 16.833M

The leverage sought will use existing business activity and development to increase surrounding land values and create housing opportunities. The City will capitalize on value capture models with significant public investment into special and even ideal infrastructure. This corridor can demonstrate mixed opportunity on a grand scale.

In accord with the American Society of Civil Engineers, which has stated a policy with which the COA Administration concurs, the listed project recommendations qualify as “economic stimulus investment,” meeting certain fundamental criteria. Each recommendation herein involves:

- Projects that create and sustain employment increases;
- Investments that provide long term benefits to the public (such as congestion relief);
- Long term maintenance and upkeep needs of all infrastructure projects—existing and new—or adherence to good future planning; and
- Accountability and transparency by Commission oversight and a commitment to review the program and to measure desired outcomes.

The COA Administration also certifies these initial selection decisions have followed multiple vetting processes and will result in a project that:

- Delivers measurable improvements in public health, safety and quality of life;
- Provides substantial, broad-based economic benefit;

- Will be designed and built in a sustainable and cost-effective manner, with proper consideration given to life-cycle costs; and
- Will have a significant environmental benefit through reduced congestion and use of property in a compact, multi-storied and mixed-use manner.



S.P.A.R.C. Approved:

Kay Michiels, Planning Director
SPARC-CRA-2, Team Leader

Clifford Moller, Executive Director
S.P.A.R.C. Commission

Jacques M. Roy, Mayor
City of Alexandria, Louisiana

***Certification of Available Funds
And Legal Compliance:***

David Crutchfield, Finance Director
City of Alexandria

Charles Johnson, Jr., City Attorney
City of Alexandria

ISSUED _____