



March 31, 2009

OUTLINE OF CRA-2 ACTION ITEMS

PHASE I (April - May, 2009)

- The timeline for submission to the public of detailed plans must be released.
- Begin formulation of specific resolution of need and present partial awards to all CRA-2 applicants of record. The resolution will likely follow the feasibility and capacity studies.
- Initial commission formation meetings and work with GAEDA.
- Partial approvals and movement on CRA-2.
- Continue building other CRA responses and aid.
- Initial commission work to begin vetting submitted ideas. Out of the vetted process, the commissioners should prepare and submit the formal “Findings of Necessity” in support of the more general certificate of appropriateness and need already issued by the Council.
- Meanwhile, the formulation of Activity Corridor Leadership should begin to address the North MacArthur sub-Corridor with redevelopment strategies, introductions of project team leaders to the public, defining project elements, formulating memoranda of understanding with partners, master site planning, and introduction of an implementation plan (which must preserve the culture, heritage, and history of the corridor). The summarized elements are:

Finalizing Preliminary and Commencing Phase II Plans
Implementation Strategies
Project Management
Project Capitalization
Project Community Buy-In
Project Partnering
Construction Monitoring/Inspection Plans

PHASE II (May – August, 2009)

This phase will involve the formulation of a cohesive overall strategy for this sub-Corridor, matching the funds to vetted plans. The commission must re-evaluate any Findings of Necessity and begin the formulation of the multiple Cooperative Endeavor Agreements necessary to “lock in” the proposed public-private commitments.

The summarized elements include re-defining the PHASE I project elements and vetting problem areas and issues. Next, the Leadership will conduct in-person discussions with 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

In Phase II, the commission and/or team leadership and consortia must ensure:

- Business Community buy-in (business roundtable discussion and presentations to real estate brokers).
- Financial Institution buy-in (presentations to partner banks and leaders).
- Defining mechanisms for sharing costs through cooperative development models.

- Multiple meetings with editors and media leadership in all media for accountability tracking and methodology so that reporting is made easier and more transparent.
- Lending credibility and support to financial institution buy-in.
- Utilization of packages that draw upon enhancement or value capture of potential development.
- Fostering consortia/developers with “skin in the game” through oversight by others with no skin in the game.
- Diverse participation and planning to create high-end jobs with living wages and tracking existing economic development policies, ensuring the thrust of any incentive packages in the areas requiring the most need.
- Participation, and in some cases “veto” power, of diverse groups to assist in the Phase II activity to ensure buy-in and community-up planning instead of government-down short-sightedness.
- Models for Value Capture. (This will be provided in a separate report after conduction of capacity and feasibility studies.)
- Business investors must commit to frequent re-evaluation of incentives received after a fixed period—following the activity phase—to ensure profiteering does not eclipse long-term growth commitments.
- The consortia teams must consider, if appropriate, paying a portion back into the CRA, after a fixed period, upon the achievement of certain goals related to a “fair share” analysis provided by formula at the outset for receiving incentives.
- “Pay back” of funds, even though the public is banking the development in corridors, is not always required if the public return on investment creates enough high-end jobs with living wages or new housing opportunity and the like.
- Cooperative Endeavor Agreements (CEAs), with “clawbacks,” to ensure planned failures or non-adherence to corridor goals do not allow abuse of the incentives provided.
- Consortia-awarded benefits to gain public help in planning as well as project team leadership, business plan evaluation, and other incentives from the

Central Louisiana Business Incubator and Central Louisiana Chamber of Commerce.

- Chamber of Commerce and Central Louisiana Business League to facilitate and participate in policy planning for SPARCs.
- Publication of incentive potentials against which offsets are applied: *e.g.*, future tax increments, asset value, negotiated levies, development profit or other enhanced values. This includes but is not limited to: BIDs—business improvement or investment districts, IRBs—industrial revenue bonds, BADs and SADs—special or business assessment districts, TIFs, TAFs, Utility Incentives, Enterprise Zone, Quality Jobs, Tax Abatement Areas, Restoration Tax Credits, Historical Tax Credits, and other partnering/leveraging strategies.

PHASE III (undetermined)

Thereafter, the commission may sunset or dissolve, be absorbed by another entity, recommend consolidation of other entities into one regional EDC, or create a follow-up commission. At that point, the CRAs can be administered by a single employee of an organization, such as the City or GAEDA, or GAEDA and the City can use an existing EDC or created one. An EDC will need to exist to receive and disburse funding.

This surviving entity (or entities) must continue to provide oversight and recommendations to the governing authority for the implementation of S.P.A.R.C. plans for redevelopment and reinvestment, as well as monitor the CEAs and maintain accountability for reinvestment incentives.

VALUE CAPTURE

A report on the CRAs and function will be provided upon completion. It will detail how financial and business community buy-in is achieved and what that means to developer-partners. A report on the CRA-2 job creation and value capture initial findings should be presented by the Administration. This information flows directly from feasibility and capacity studies independently performed by the City of Alexandria to justify any public expenditures.