

MOVING FORWARD WITH CRA

Context

City leadership has given significant attention to important social, environmental, and built environment issues affecting Downtown Olympia through initiatives such as the downtown project, walking patrol, alley lighting, public art, and the shoreline master program. Investments such as the new City Hall, Hands on Children's Museum, and Percival Landing renovations further emphasize commitments to a revitalized downtown. These efforts have contributed to a new sense of optimism in downtown best exemplified by the number of new housing units that are under construction.

The Community Renewal Act provides the City with new tools to pair with the Grow Olympia Fund to encourage private sector participation in downtown renewal and to shape development in furtherance of the City's goals of creating a safe and welcoming downtown for all and increasing commerce and private investment. A Community Renewal Area (CRA) is a means to increase commercial activity in the downtown and stabilize the City's revenue base by encouraging and ensuring quality development through public/private partnerships. Economic development should not compromise social, environmental, and urban design goals, but must be a complementary and necessary part of a larger strategic vision for the City's future. Without this economic development component, the City may have the vision for a vibrant downtown but will lack the means to carry it out.

The City, together with a Citizens Advisory Committee (CAC) composed of local residents, business owners, and real estate professionals, has been studying the feasibility of establishing a CRA downtown. The study findings indicate that there are opportunities for development in Downtown Olympia, but there are a number of market and other challenges to realizing these opportunities. The study found that properties downtown were blighted and that a CRA is an option for addressing the challenges facing development downtown. In addition, the CAC also agreed that a CRA was a tool the City should consider for helping revitalize downtown.

Process

The next steps for the City Council are to confirm that community renewal work should continue, agree upon a work program for implementing a CRA planning process, and coordinate continued work toward adoption of a CRA resolution and Community Renewal Plan with other important decisions regarding the future of downtown. The recommended approach is for the City Council to establish a Community Renewal Area downtown and then release a request for proposals or qualifications (RFP/Q) to invite private sector participation in downtown renewal.

The following sections outline this process in more detail.

Goals of the Process

- To engage the public and other stakeholders in positive conversations about the future of downtown
- To move forward, build on the momentum of CAC conversations and focus discussion on downtown renewal
- To test specific development outcomes for market feasibility, and determine what the City can contribute to encourage development
- To engage property owners and developers in community-supported downtown investment
- To proceed with the Downtown Master Plan on a separate but coordinated track
- To develop a CRA Plan(s) that is properly vetted and widely understood
- To build trust and support among the citizenry in City decision making and for renewal

Principles for a Community Renewal Plan and RFP/Q process

- Encourage all stakeholders to engage in an open and transparent process, providing a mechanism by which ideas for reinvestment can be evaluated in the context of desired-community outcomes
- Ensure that development supports public goals and values (CAC conversations about development on the Isthmus provide a useful starting point for this conversation)
- Clearly articulate the role that the City can play in supporting private reinvestment
- Ensure that City resources are invested prudently
- Ensure that new development and partnerships positively contribute to the City's fiscal position
- Ensure that development proposals are responsive to the market
- Engage property owners and developers in overcoming blight Downtown

Proposed Next Steps

The CERC evaluated several options for moving forward with a CRA Plan. The CERC's proposed approach is presented here for discussion and consideration. The CERC agreed on this approach because it: (1) moves forward in the near-term to establish the foundation for a CRA Plan; (2) creates a framework that articulates and protects public goals while allowing private partner participation in overcoming blight and stimulating downtown commerce; and (3) creates opportunity for coordination with the downtown planning process without tying the CRA Plan process to a lengthy timeline.

The immediate next step is to draft a resolution for Council consideration that:

- Takes into consideration public input, gathered through an open house style meeting to inform the public, property owners, and other stakeholders about the objectives and benefits of the CRA, to be held prior to adoption of the resolution
- Makes findings of blight and the need for renewal
- Establishes a Community Renewal Area encompassing the downtown (as reflected on the attached map), which identifies City-owned property and prominent redevelopment opportunities
- Authorizes the development of an RFP/Q process for subsequent City Council review and approval that encourages proposals with respect to blighted properties, clusters of properties or small areas such as the Isthmus

The RFP/Q process will invite private sector participation in a public/private partnership with the City that will ensure quality development in furtherance of City goals and values. The review of responses to the RFP/Q will be designed to build trust in the City Council's selection of a partner(s) and will include opportunities for public review of all responses and additional public participation following selection of a preferred partner(s).

Additional decision-making regarding the scope and work plan for the RFP/Q process is needed. Based on the CERC's thinking and consultant/staff input, the following questions require further consideration:

1. Overall approach to solicitation

Recommendation: Proceed with development of RFP/Q to solicit partnership interest from developers, property owners, individuals or interest groups willing to make proposals consistent with City goals and engage in public outreach and interaction. Following the RFP open house, the City Council would select from among respondents a partner or partners to, solicit more detailed design and financial analysis. Consider providing technical assistance (design, financial evaluation) to those selected to provide detailed analysis. Process may result in one or several partners being selected, on one or more sites. Attention should be given to the City's capacity to move forward with more than one site at a time in the selection process.

2. Who makes decisions to select partners?

Recommendation: Council, but based upon advice from a committee that includes community members and other stakeholders.

3. Approach to clarifying possible City role and other financial resources?

Recommendation: Consider developing the RFP/Q in conjunction with NDC to identify appropriate alternative financing mechanisms, clarify the City's role in supporting those mechanisms, and recruit potential developers to respond. Identify a set of possible City contributions to public/private partnerships to enhance feasibility (examples: City

property that can be sold, traded or co-developed, contributions to public parking, facilitated permitting, etc.).

4. **What factors might RFP/Q selection criteria include?**

Recommendation: While this will require significant discussion to determine, preliminarily, consideration of respondent approach to and track record in engaging the public in their development process, financial and/or fiscal feasibility, and overall alignment of the development proposal with downtown development goals should be included among the criteria.

Following selection of a partner(s), the City will negotiate possible public/private partnerships in the form of enforceable development agreements for City Council review and approval that will define public and private roles, obligations, and responsibilities. Additional opportunities for public outreach and engagement will be identified through this process.

Ultimately, the City will develop a Community Renewal Plan (CRP) for City Council consideration that may incorporate the proposals from the successful RFP/Q process. Approval of the Community Renewal Plan requires a public hearing prior to City Council approval.

Timeline

The timeline for the process has several milestones, which are listed below. The entire process will likely take approximately ten to twelve months.

- CRA Open House
- Council Passes Resolution establishing a CRA
- NDC conduct a Community Redevelopment Finance Symposium
- RFP/Q drafted and released
- Conduct Respondent Conference
- RFP/Q proposal(s) selected
- Development of CRA Plan and developer agreements
- Adopt CRA Plan and developer agreements

CRA Process Timeline:

	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
RFQ/P		Draft and Council review	NDC Finance Seminar			Release and Bidder's Conf	Responses due		Selection	Negotiations			Possible development agreement in place
CRA Resolution and Plan		Council adopts resolution								Draft of Plan	Final Council review		Final Plan adopted
Public Outreach	CRA Open House	Public hearing On Resolution		NDC Finance Seminar		Bid Conference		Open house on responses			Public review draft available		Public hearing
Downtown Plan		Scoping						Plan underway					

CRA Process Timeline Detail:

OPTION B		
Inputs needed	Event	Date
Final work plan; description of options	CERC	October 14, 2014
Final work plan; CERC recommended options	City Council	October 28, 2014
Council decision on approach and timeline	Council	November 3, 2014
CRA open house	Public and Stakeholders	week of November 17
First draft of resolution and RFQ/P	CERC	December
Final draft of resolution and RFQ/P	CERC	December/January
Final Council review of resolution and RFQ/P	City Council	January
Develop approach and recruit participants	NDC Public Finance Seminar	January/February
Final RFQ/P	RFQ/P release date	March
Inputs from NDC re: financing; other data re:public contributions	Bidder's conference and resource fair	March
	RFQ/P responses due	May
	Open house to review responses	June
	Successful respondent(s) selected; enter negotiations	July
Draft CRA Plan	CERC	August
	Open House	August
Final draft of CR Plan	CERC	September
Final Council review draft	City Council	October
Final public review draft	City Council	November
Final version of plan	City Council	November

Proposed CRA Boundary

