




COUNTY OF CHARLOTTE

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MEMORANDUM

TO: Board of County Commissioners

FROM: Bruce D. Loucks, County Administrator 

DATE: February 20, 2004

RE: Murdock Village Redevelopment Initiative and Disposition of Real Property;
Request for Proposal No. 200400138; Recap of February 13, 2004 Pre-Bid
Conference

This memorandum provides a brief recap of the February 13, 2004 pre-bid conference scheduled with regard to the Murdock Village Redevelopment Initiative.

Immediately prior to the pre-bid meeting, the County's advisory committee relative to Murdock Village assembled and selected its Chairman, David M. Klein, M.D., and Vice-Chairman, Larry J. Sandles. The Advisory Committee will meet at least monthly and will also assemble concurrently when the County's Selection Committee assembles during the process. Actually, the pre-bid meeting served not only as a sunshine meeting for the Selection Committee, but also a continuation of the Advisory Committee's meeting to allow members of the Advisory Committee the opportunity to observe the process.

During the pre-bid meeting it was suggested by one of the proposers that the County alter its process to abbreviate the proposals and more quickly exclusively negotiate with a single proposer. That has not been the policy direction from the Board of County Commissioners and, in the event the County received no proposals on May 12th, that same option would be available within thirty (30) days thereafter. Having advised the County Commission of such a suggestion, is also appropriate to make you aware that other proposers also voiced an understanding and commitment to the process and appear ready, willing and able to submit proposals as requested.

As a result of input from interested proposers, County staff, consultants and advisors have worked to prepare an addendum addressing various enquiries and clarifications. Several

(1) Expanding Participation by Qualified Proposers: Due to a conservative analysis of advertising requirements for the request for proposals, the advertisement offered the opportunity to all interested proposers. Accordingly, the question was raised at the pre-bid conference whether or not the County would consider proposals from any qualified development business entity equally with a proposal provided by any of the three developers who have been pre-qualified by the County previously? The answer given at the pre-bid conference was that this would be a policy decision by the Board of County Commissioners. Because a conservative reading of the law in this matter would allow proposals from additional qualified developers and the fact that it would most likely be advantageous to the County to see additional qualified proposals, interested parties at the pre-bid conference were told that although the County has pre-qualified three proposers, all proposals from qualified development teams would be expected to be encouraged and that equal consideration would be given to all proposals received. However, proposers who are not pre-qualified would need to additionally provide appropriate qualifications together with any proposal.

Recommendation: The Board of County Commissioners confirm that all proposals from qualified development teams are encouraged and that equal consideration will be given to all proposals received.

(2) Redevelopment Intensity: Interested proposers asked for clarification relative to the assumed responsibilities of the selected developer to provide at least 3,900 housing units and 1,000,000 square feet of non-residential development. Specifically, interested proposers wanted to know whether or not a proposal would be unfavorably evaluated if a proposal contained less than 3,900 housing units or less than 1,000,000 square feet of non-residential development.

In response, County representatives explained that the 3,900 housing units and the 1,000,000 square feet of non-residential development have been articulated by the County as preliminary redevelopment goals within the Murdock Village Redevelopment Area that would fully use expected entitlements. Clearly the proposers understand the necessity to provide a town center and a significant number of residential units as an integral part of any proposal.

Accordingly, it is recommended that the RFP be clarified with the following statement: "The assumptions regarding 3,900 housing units and 1,000,000 square feet of non-residential development have been articulated by the County as preliminary redevelopment goals within the Murdock Village Redevelopment Area that would fully use expected entitlements. To the extent a proposer seeks to incorporate less housing units or less non-residential square feet of development, such proposer should demonstrate in its proposal why such a lesser amount is appropriate and justified by perceived market conditions or other relevant development considerations."

As well, County representatives have recommended that the RFP be clarified with the following: "To the extent any development rights from the redevelopment area are or become transferable; it should be assumed the County will retain unused entitlements in the event a proposer does not use such entitlements within the redevelopment area. This aspect may be the subject of further negotiation as the redevelopment agreement is finalized with the selected proposer."

The foregoing clarifications will allow for proposers where necessary and justified, to recommend residential unit counts and non-residential square footage development which meet market and other development conditions. The County has articulated its preliminary redevelopment goals and each proposer will have to address and justify the number of housing units and the number of non-residential square feet in their respective proposal.

Recommendation: It is recommended that the County Commission approve and adopt the foregoing clarifications.

(3) Minimum Commitment of Future Tax Increment Revenue: The proposers have asked for more specificity in the County's commitment of future tax revenues to the redevelopment area. To date, the County has reserved the right to commit less than all of the tax increment revenues to the redevelopment area. The future incremental tax revenue from Murdock Village not committed to the redevelopment area would go to the County's general fund. Accordingly, it is clear that the County will commit some amount of tax increment revenue to the redevelopment project and it is recommended that the RFP be clarified to allow the developers to assume in their proposals and purchase prices offered that the County will commit a minimum of \$15,000,000 in tax increment revenues derived from the redevelopment area for capital projects and associated expenditures within the redevelopment area. This amount represents future tax revenues derived solely from the Murdock Village Community Redevelopment Area and constitutes roughly about 30-35% of projected revenue to come from the redevelopment area over a 30 year period.

In as much as the tax increment obviously will be expended by the County within the redevelopment area to some degree, County representatives have suggested that a minimum commitment and clarification of this nature will lend confidence to the proposers and give them a minimum commitment to rely upon in their proposals. These dollars would not be delivered directly to any selected developer, but rather become the County's share in paying for capital projects and associated expenditures within the redevelopment area (e.g. roads, water, sewer, drainage).

As well, this does not prohibit the County from committing additional tax increment revenues derived from the redevelopment area; it only sets a minimum to be relied upon in the proposal responses and purchase price offers.

Recommendation: It is recommended that the County Commission make a policy determination to commit to the above-referenced minimum contribution of \$15,000,000 in tax increment revenues to the redevelopment initiative.

All other clarifications and modifications fit within policy direction and authorization already provided for by the Board relative to the redevelopment initiative. The Purchasing Department has worked closely with the County staff, consultants and legal advisors to revise and clarify the RFP. Assuming the Board of County Commissioners concurs with the foregoing recommendations, a black-lined and strike-through version of the RFP will be immediately delivered to interested proposers.

To date, the Purchasing Department has had enquiries from several other proposers interested in participating in the process.