

## MIDTOWN

### PROGRESS REPORT

CITY COUNCIL: 24FEB2021

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The Midtown Steering Committee continues to focus its efforts on overcoming development challenges identified through the Exclusive Negotiation Agreement period, as part of the competitive “Request for Expressions of Interest” process. A Strategic Tactics Team (STT) structure was created by the Steering Committee to work through some of these challenges and to identify strategic moves and incremental steps to position the Midtown site for disposition and development.

Their analytic approach has been to identify strategic City investments that would reduce development risks and uncertainties, increase land values, and work toward achieving goals, generally described in three areas, which were described in the Midtown Planning Guidelines approved by the Governing Body in August of 2018.

- Long Term Development Goals
- Public Policy Financial Goals
- Community Development Goals

#### **Incremental Development**

The STTs have begun to outline an investment strategy for incremental development.

#### **What is Incremental Development?**

1. Development based on the principle of building *some* before building *all*.
2. A staging strategy in which elements or parts of the whole are developed and delivered at different times, with the intention to adapt and be flexible to external feedback, lessons learned, and in real estate development, community needs, and market realities.

#### **Objectives of an Incremental Development Strategy**

- Minimal upfront or phased investment focused on highest impact to build land value, increase certainty, and overcome constraints to development
- Establish flexibility for the City to respond to economic dynamics while maximizing the potential to achieve public policy and community development objectives
- Create a land use zoning that allows for incremental development while providing enough certainties that create a unified district
- Provide opportunities for local developers and businesses

#### **Horizontal Development**

Horizontal development typically refers to zoning, clearing grounds, mitigating site conditions, installing main utility lines (electric, water, sewer, gas, data fiber) and primary road(s). Undertaking these initial horizontal development investments positions a site for vertical development (building).

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The owner of a property either undertakes these tasks prior to disposing of the property or in collaboration with a developer. Completing horizontal development prior to disposition creates higher levels of certainty and reduces risks for developers, while also increasing land value.

At Midtown, specific horizontal development elements were identified as challenges that create risk. The STTs were established to develop solutions for overcoming obstacles and challenges to development.

#### **Strategic Tactics Team**

The initial seven STTs are being reorganized to maximize coordination and synergies:

1. Zoning, Development Planning, Infrastructure (combined)
2. Existing Buildings and Furniture Fixtures & Equipment (FF&E)
3. Public Finance
4. RFEI and Solicitation
5. Public Engagement

#### **Initial Approach Summary**

Please note that the following strategies are still be analyzed and the approach is also inter-dependent with the recommendation to be made by the RFEI Evaluation Committee forthcoming for consideration by the Governing Body on March 31, 2021.

##### Zoning, Development Planning, Infrastructure (combined)

The City invests in undertaking the major impediments for initial and future development.

- a. City commences, with a contractor planning and urban design team, to develop a development framework plan and a C2 zoning. The planning team would include a public engagement specific to the development and land use objectives (i.e. different from, but related to, the DPAC public policy and community development objectives).
- b. Development planning would consider maximizing the application of LINC zone and other development incentives.
- c. The land use planning would also incorporate assessments and strategies for the infrastructure necessary to support the incremental development of the site.
- d. Plan will identify and prioritize access points for increasing connectivity that can be obtained incrementally, with a focus on multi-modal mobility including pedestrian and bicycles.
- e. The development and infrastructure plans will provide for incremental (phased) disposition and development within a unified plan (not a piecemeal plan).

##### Existing Buildings and Furniture Fixtures & Equipment (FF&E)

- a. Demolish existing substandard buildings
- b. Identify and assess investment needs to address structural, system, and code requirements in buildings identified for rehab/ reuse

##### Public Finance

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- a. City assesses and pursues the possibility of establishing an initial public finance structure, i.e. an MRA, and other financing and planning structures, e.g. TIF District and LINC expansion, to finance certain primary elements of infrastructure and establish development incentives.

#### RFEI and Solicitation

- a. Evaluation Committee proceeds with reviewing the RFEI submission in all categories and makes a recommendation to Governing Body on March 31, 2021.
- b. Based on Evaluation Committee recommendation and Governing Body final determination, RFEI or other solicitation actions are undertaken accordingly.

#### Public Engagement

- a. DPAC Midtown Public Engagement Work Plan is completed. A final version of the Work Plan is submitted with the Progress Report.
- b. Updates. The Office of Economic Development, in collaboration with the Midtown Steering Committee, will be issuing two types of reports each month, as follows:
  - **Progress Reports.** Progress Reports will be written and submitted to the full City Council/ Governing Body once each month. Progress Reports will be submitted prior to the City Council hearing. They may or may not be accompanied with a presentation at the hearing.
  - **Presentations.** Presentations will be developed and presented to the City Council once each month. They will be presented the evening of the City Council hearing, and will be posted on the City's Midtown Updates website after the presentation. City Councilors will be sent a PDF version of the presentation after the hearing, as well.
  - **Note:** *This Progress Report will be accompanied with a presentation at the City Council hearing on February 24, 2021.*