



July 24, 2012

Hodges Stock Yard Project

Administration Report for July-August of 2012



The Administration developed policy goals and created Memoranda of Understanding, Terms Sheets, and other marketing material for the development of a mixed-use park at the former Hodges Stockyard site. The project has been a priority for the Administration since it was envisioned and implemented as a model SPARC project, bringing infrastructure support and other development partnering to a distressed property.

Last year, the Alexandria City Council rejected a plan for commercial and additional housing development at the Hodges site. The report published in August of 2011 addressed concerns of citizens in the areas of drainage, increased crime, increased traffic, contribution of renters, and commercial development. This report uses much of the same analysis and data and is largely an update of the 2011 report based on 2000 Census Bureau data.¹ Each area was addressed with detail and data to support the Administration's position that the project was viable and achieved city-found goals as endorsed by the Alexandria City Council, the J-Quad Group, and citizens. With regard to the commercial development's areas of concern, the Alexandria City Council, in a close vote, opted not to pursue the project on the ground that the opponents felt a better commercial option was available. The opponents assured the public they would bring forth an option and work diligently toward such a scenario for commercial-only development. In approximately one year, there has been no proposal for future development sponsored by the opponents.²

¹ With additional 2010 census data now available, staff has updated and preliminarily reconciled 2000 census housing data. J-Quad used 2000 data along with "windshield" analysis and other extrapolative community survey methodologies to predict what largely has been confirmed by the 2010 census data. To the extent this is a preliminary reconciliation, staff members agree any further final reconciliation cannot materially alter the conclusions relative to this project.

² It should be noted the same opposition was made three years ago to the original commercial and housing proposal—before a commercial-only option was mandated. A commercial-only option has neither materialized nor been presented and rejected. No commercial-only, viable proposal has been received. Under accepted "but-for" analysis, as relied upon by the Urban Land Institute and real estate associations, the project both has exhausted a 100% commercial reservation and a private-sector-only solution to development. To the extent the Council has approved incentives for the SPARC-CRA-1 (based on its findings of distress), public sector aid is indicated and a 100% commercial reservation is currently not indicated.

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Administration Report for July-August 2012 (revised)

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In August of 2011, the Administration concluded:

In summary, the Alexandria City Council is presented with an option, which, while not necessarily involving the most commercial activity possible on the site, is one driven by market dynamics the best—though not perfect—determinant to ensuring sustainability and positive life cycling.

The Administration provides this report to update last year's data and articulate the changes to the commercial development aspects of the latest proposal. The proposal has been altered in continuing response to community desires regarding the nature of housing and commercial viability of the grocery component.³

Last year, after reissuance of material pertaining to the outstanding RFP⁴ for development of the former Hodges Stockyard property for commercial development purposes, and during the time the Administration had been in meetings with potential grocer partners, Third Street Partners, L.P., on or about July 25, 2011, made an offer to the Administration to construct a 7200 square foot retail center fronting on Third Street, which would provide commercial retail space for 5-6 businesses and a community police sub-station.

The center was to be known as Riverchase Commons and constructed of the same brick and thematic material as used for construction of the Gates at Riverchase Apartments, providing for a cohesive development. Rod Noles Property Management was to manage and lease the retail space. It was anticipated the rent would be between \$6.00 and \$8.00 per square foot. This provided retail opportunities in an "incubator-style" setting in keeping with the original goals and aims of the development team and the community-identified needs.

In the latest iteration, Third Street Partners proposes the same retail center at 7200 square feet, to include a public safety component. Sheriff W.E. Hilton is agreeable to partnering in this endeavor. In addition to last year's proposal, Third Street Partners will construct an 8000 square foot grocery "shell" for use by a potential grocer to incent grocery in what has been characterized as a "food desert" area of the City.

The Third Street Partners proposed that the City sell to them or enter into a long term lease of 0.75 acres for the strip center and provide SPARC infrastructure incentives including but not limited to assistance with utility infrastructure, construction of the parking lot and building

³ By adding a "grocery shell," Alexandria and development partners ensure a step closer to making the grocery a reality. As it stands, no grocer has been willing to make the investment in a stand-alone fashion. The proposed approach removes a large financing issue, or provides what is commonly referred to as a "gap" financing filler.

⁴ The RFPs were placed in the national pipeline and received proposals—related to housing—on an extra-regional or national basis. In discussions, the 100% commercial reservation was not offered by proposers, who cited economic obstacles and the current market as preclusive, as well as the Red River cutting off the market service area. Each noted *the need for additional rooftops*.

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foundation, and placement of street lighting. The proposed incentives for the commercial development had a value of approximately \$200,000. The Administration would not agree to this without Council deliberation and ensuring development milestones were met in a validly authorized and negotiated CEA.

Third Street Partner's commitment for construction of the commercial strip shopping center was conditioned on the City selling them an additional 5.25 acres for the development of Gates at Riverchase, Phase II, for \$200,000 and providing \$250,000 in SPARC infrastructure improvements (utility and drainage) for Phase II as in Phase I. The Gates at Riverchase, Phase II was to consist of 64 additional 1-4 bedroom apartments with all the same amenities as Phase I. While the commercial goals were consistent with the RFP, more housing was sought by the developers than originally desired by some officials who pushed for the idea of 100% commercial development. The Administration reserved 8 acres for development build-out for commercial purposes. Council deliberation was required for this as well.

In the latest iteration, Third Street Partners will construct 32 LEED-certified townhomes (not 64 units) and a walking trail/green space will be co-developed in the area on a 5.4 acre tract near the historic oaks (preserving them in the agreement) as a private amenity to the development.

Third Street Partners will purchase the 5.4-acre tract for \$100,000 and Alexandria will incent the development with \$250,000 from SPARC to fund permanent, publicly-owned infrastructure (primarily utilities). This results in a net exchange of \$150,000 from Alexandria. The structure, in the developer's terms, is detailed as follows:

- **Riverchase Phase 2 includes 32 LEED-certified townhomes on 5.4 acres, leaving 2.55 acres for commercial development of Riverchase Commons. The entity will purchase the site for \$100,000 and require a \$250,000 incentive investment from SPARC.**
- **Riverchase Commons shall consist of a 7200 square foot strip center and an 8000 square foot grocery store shell and a 1.75 acre tract for future development.**
 - **Of the remaining land after the housing component, totaling 2.55 acres, the entity will require 1.75 acres for the strip center and grocery. The balance is reserved for future commercial development.**
 - **The entity will contract with a local professional manager to manage all of the retail, including the grocery.**
 - **For the strip-center and grocery, the entity will require a long-term ground lease at a nominalized rate on the parking lot and the slabs, including utilities regarding the slabs. The parking lot will cost the City about \$100,000 and the two slabs for the strip center and grocery will cost about \$150,000. The entity will build both structures, but will need \$100,000 toward the cost of the grocery store shell. In total for the townhomes, strip center, and grocery, the**

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entity will need \$600,000 in SPARC value, but will pay \$100,000 for the land, with a net of \$500,000 to Alexandria plus soft incentives. Alexandria will expect to re-capture the \$500,000 in ad valorem and sales tax fairly quickly.

- In exchange, the private spend-down will approximate \$8,000,000. For perspective, SPARC projects “look for” a 4:1 or 5:1 private-to-public partnering ratio. The project ratio is thus compliant at 16:1 with La.Const. art. VII, § 14.
- In addition, Alexandria will benefit because at the end of the ground lease, Alexandria will own the improvements.

The commercial development, Riverchase Commons, was to be constructed concurrently with Gates at Riverchase, Phase II. An additional acre on the corner of Third Street and Green Oak, the prime commercial location, was to be left for future development of a grocery store or other suitable commercial ventures. The historic oak trees were to be preserved and were to provide green space for the development. This was to bring the commercial area to a total 1.75 acres in actual and proposed development. The concurrent development process was non negotiable and subject to clawbacks if not met.

The current iteration continues with these conditions precedent and requirements.

In addition, the Administration explained:

- The Green Oaks drainage project was supportive and provided SPARC guarantees to aid drainage capacity for large-scale development. **The outfall drainage improvements are 100% complete and the subsurface drainage and street improvements are 60-75% complete.**
- The public safety component ensured long-term sustainability and required a long-term city commitment via lease or other partnering to avoid negative life cycling of the complex and to promote mixed-use development. **This has the commitment of the newly elected Sheriff and the Administration.**
- The remaining area already was subject to the additional incentives and capital budgeting under SPARC programming and included reserved funds for additional incentives, which were to be used for future grocer activity. **In this scenario, the grocery incentives are paid and the shell completed up front.**
- Preliminary research and anecdotal data developed in consultation with national chain grocers indicated positivity by these actions. In other words, these actions tended toward more attraction of a grocer. **Now, there is an even larger up front commitment to the grocery component and this would therefore tend toward more positivity to incent operations in a quicker fashion.**

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- The Administration has in the past noted community desire for restaurants, a pharmacy, and other retail. **The Administration has pushed for compliance with J-Quad's findings regarding certain types of businesses. A pharmacy is strongly desired by the community and is a priority of the Administration.**

Empirical Data on Housing

According to the 2010 Census Bureau data, Alexandria's population has grown to 47,723. There were 17,816 households in the City in 2000, nearly 66 percent of which were family households. While elderly householders are relatively evenly dispersed in the City, SPARC areas have a higher concentration of female-headed households with children. In 2000, median household income for the City was over \$26,000, with 27.6 percent of Alexandrians living below the poverty level. Most census tracts within the SPARC-CRAs, however, had median incomes below \$20,000 and over 40 percent of residents below poverty. Fifty-five percent of residents within the City of Alexandria are African-American, and, in many SPARC areas, the African-American population is over 80 percent.

New data are similar in nature to the 2000 data. Other public entities are currently providing additional insights into the future needs of Alexandria.⁵ **These insights correlate positively for Alexandria generally and with regard to this Project, specifically, as a move toward increasing diverse housing needs for anticipated and supportively predicted workforce growth.**

As a whole, 27.6 percent of Alexandrians over 25 had less than a high school education in 2000; in much of the SPARC area, that number was over 40 percent. Unemployment in Alexandria has impacted African-Americans most significantly, recorded in 2000 as being 13.5 percent, compared to less than 4.5 percent for whites.

The home ownership rate in the City of Alexandria was 57 percent in 2000. For whites, the rate was over 68 percent, while it was under 47 percent for African-Americans. Residents in most areas of the SPARC-CRAs live in rental units, though in some pockets, home ownership is strong.

The overall median home value in the City in 2000 was \$72,200, up significantly from 1990, though in most of the SPARC area median home values were below \$50,000. In most areas, 20-40 percent of homeowners were paying over 30 percent of household income on housing; in some areas, over 40 percent of ownership households were cost burdened with housing expenses. **For renters, the cost burden of housing was more pronounced. In all but one census tract in the SPARC-CRAs, between 30 to 50 percent of renters paid more**

⁵ At a meeting of the Metropolitan Planning Organization (MPO) a year ago, census and other data compiled by professionals planning transportation needs for up to thirty years forward provided key insights. For example, consider Sugarhouse Road and the increased commercial activity envisioned by the approved MPO's TIP list and other developments as part of SPARC. As these programs come "on line," the needs for moderate workforce housing will only increase. These are positive and directed changes in this corridor, consistent with legislative findings and long-on-the-books master site and corridor planning.

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than 30 percent of household income for housing; in three tracts, over 50 percent of renters were cost burdened. In the inner-core neighborhoods of Alexandria, between 60 and 80 percent of the housing stock was constructed prior to 1960.

On balance, the City recognizes the desire to own a home, in many cases, is desired vis-à-vis leasing a home. This is not the case for everyone, however. Moreover, this push for ownership, at all costs, contributed significantly to the current economic recession.

Turning to the most current data compiled for the Louisiana Housing and Finance Authority in 2008-2009 by GCR & Associates, consider the following Table 12, which is supportive of the findings of need by the Alexandria City Council and current deficit of *rental* housing demand versus housing supply in Alexandria:

Table 12: Alexandria MSA Rental Housing Demand

	0-50% AMI			50% - 80% AMI			TOTAL
	Studio/1 BR	2 BR	3 BR	Studio/1 BR	2 BR	3 BR	
Inadequate Rental Units (not Cost-Burdened)	24	74	144	8	51	215	516
Cost-Burdened Rental Units	603	1,232	706	38	93	71	2,743
Demand, Cost-burdened Units	297	653	313	31	75	57	1,426
Total Current Demand	321	727	457	39	126	272	1,942
Additional Low Income Renters, 2007 - 2012	26	6	-16	10	8	-11	
Subsidized Units in the Pipeline, 2007 - 2012	11	27	86	37	117	292	568
*Data not available for non-subsidized affordable rental housing in the pipeline							0
Total Need	336	706	355	12	17	-31	1,397

Source: Louisiana Affordable Housing Needs Assessment:
UPDATE-GCR & Associates, Inc.
2009

Although communities are committed to increasing home ownership opportunities, communities also recognize the merits of a moderate-income, multi-family housing development, particularly in an area saturated with low-income, single-family housing. The recent sub-prime mortgage collapse underscores the pressing need for communities to encourage a balanced mixture of housing stock, and moderate-income, multi-family housing can serve as high-quality, transitional housing for upwardly-mobile families and

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individuals with jobs that may prevent or discourage them from making a long-term investment in housing.⁶

Consider:

- **Multi-family housing is attractive to young professionals as well as retirees seeking to reduce monthly expenses and upkeep.**
- **Studies indicate that, unlike single-family rental units, multi-family housing is more effective at reducing energy consumption and utility bills, increasing the disposable income and buying power of residents. These proposed units are LEED-certified and offer an opportunity not available to the vast majority of people living in the City of Alexandria, not just District 3.**
- **The Administration also recognizes that a mixture of housing opportunities better reflects a community's needs. Not all families or individuals are in a position to achieve or desire home ownership, and thus for many, a multi-family option is preferred: It allows for financial flexibility and mobility, and if developed properly, it serves as a safe, quality environment that reflects a high standard of living.**

Currently, Lower Third only gained this option with Riverchase Phase I activity, and market data overwhelmingly indicate the need for additional, quality housing units, including multi-family. This development will serve a documented need and create a moderate-income alternative in an area in which significant rental property historically has been distressed.

The housing survey conducted by J-Quad Planning Group identified a total of 8,839 parcels in the City's CDBG target areas. J-Quad found: The survey documented 3,869 residential buildings in need of minor repairs, 1,249 major repairs needed, 468 dilapidated buildings, and 2,223 vacant lots. Therefore, 84.4% of residential buildings are in need of minor or major repairs, or were dilapidated. Vacant lots account for 25.1% of total parcels in the target areas. A large number of these vacant lots and some properties with structures are also a part of the adjudicated property inventory of tax foreclosure properties transferred to the City or awaiting sheriff's sale.

Clearly, *new* moderate-income housing is worthy of informed debate and consideration as a choice driven by objective reporting and independent, verifiable

⁶ According to two recent *Brookings Institution* reports, for the first time in decades, large metro areas grew more than the combined suburbs of those areas. The "suburbanization" desires that characterized development for the last better-than-half century has yielded to city living. "This new tipping point clearly has its origins in the downturns in the national housing and labor markets for the past five years. Young people, retirees, and other householders who might have moved to the suburbs in better times are unable to obtain mortgages or employment." Frey, William, Senior Fellow, "Demographic Reversal: Cities Thrive, Suburbs Sputter," *Brookings Institution, Series: State of Metropolitan America, No. 56 of 56* (June 29, 2012); and "The Demographic Lull Continues, Especially in Exurbia," *Brookings Institution* (April 6, 2012).

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research; moreover, the market should be the primary driver, and it is saying emphatically there is a need.⁷

This survey, taken in light of the above demographic information, led the Administration of the City of Alexandria on September 17, 2008, to preliminarily find the existence of blighted and depreciated areas in the City of Alexandria, declare the elimination of this blight to be a matter of public policy, and set forth a workable program to rehabilitate and redevelop blighted areas. On February 24, 2009, the Alexandria City Council declared by resolution two Declarations of Need, one for the general elimination of blight and the other to specifically address housing deficiencies in the City of Alexandria.⁸

Housing to Commercial Development and Planning Considerations

(a) A Revitalization Master Plan

The SPARC-CRAs are located primarily within Community Development Block Grant (CDBG) target areas. There is no exception for S.P.A.R.C.-CRA-1 and the area that is the object of this debate. The City of Alexandria receives annual block grants and HOME program money from HUD, which are used to fund community investments in recreation, infrastructure repair, and income-based housing incentives. In order to mitigate the growing number of foreclosures, HUD has also implemented the Neighborhood Stabilization Program (NSP), which the City utilized most effectively in being awarded the second-highest award in the state. The NSP is specifically designed to increase incentives for housing projects in the SPARC-CRAs.

⁷ “New” as emphasized and used here refers to newly-built stock (as opposed to the old stock referenced with 1960s births) and additional stock (meaning more is needed and being created). The assumptions for the statement are supported by empirical, not merely opinion or anecdotal, data and tend toward fulfillment of official legislative findings and goals. SPARC goals—being the more rigorous—are certified as being met by the “new” stock “declarations of need.” This overall stock deficiency finding should not be confused with a finding this particular project proposal is correct. That is the subject of further discussion herein and represents a policy and programmatic decision for the Alexandria City Council. Thus, the finding that new stock is needed should not be conflated with whether this is the right project to meet those needs and incent commercial development—a separate but related primary goal.

⁸ These constituted *formal legislative findings of fact* and allowed for the offered cooperative development and partnering for a public purpose and specific return on public investment. See *Alexandria City Council Resolutions*, Nos. 8561-2009 and 8562-2009 (relative to findings of need). In addition, the following materials were adopted by the Alexandria City Council as support: *Selected Materials* from Jacques Roy For Mayor Campaign and Transition Team Reports (2006-2007), and the “Alexandria Developmental Strategic Plan” (McElroy and Associates), the City of Alexandria’s study known as the “Ruston Foundry Superfund Site, Pilot Project” (Slater-Midboe Group, Moore Planning Group), the “Alexandria Urban Master Plan” (Moore Planning Group), and the study known as the “Interstate 49 Urban Corridor Enhancement Program” (Moore Planning Group). On March 10, 2009, Alexandria formally declared needs and adopted the J-Quad Revitalization Master Plan (of January 2009) pursuant to La.R.S. 33:4625 by *Alexandria City Council Resolution*, No. 8577-2009.

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Moreover, the City contracted with J-Quad to take a comprehensive look at the City's housing policies. J-Quad completed a Revitalization Master Plan, which allows the City to gain clear title to, expropriate, landbank, and redevelop vacant and dilapidated properties in an effort to reduce blight and stimulate economic development.⁹

The Revitalization Master Plan specifically identified the stockyard project's highest and best use as a mixed-use development, which would serve as a catalyst to further revitalization and redevelopment of the Lower Third Corridor.

Now the report turns to measuring outcomes and specific concerns of residents and officials.

(b) Outcomes Measurements

The legislative findings were available by public record and placed on the www.sparccommission.com website years ago. The findings were the subject of regular and special council proceedings, and there was opportunity for public comment and debate. The findings have not been challenged since being made, nor have any of them been modified as to their thrust and scope. In addition, the information was updated and provided to the Alexandria City Council by document on numerous occasions. The findings remain current, valid, and instructive.

Importantly, the findings are also directory. The Administration must act on directives from the Alexandria City Council validly adopted and supported. With no objection to these *findings* ever registered, and indeed the support for special remedial action implicit in the resolutions containing declarations of need for the CRA-1 and through the adoption of the Revitalization Master Plan by this Council, the authority for each RFP and action of the Administration is supported by law and formal policymaking.¹⁰

Councilman E. Hobbs originally asserted that we “demonstrate how the project is not purely a housing measure but one gauged to get commercial development and what specific types of measures [the administration would] take to show serious pursuit of commercial activity on the front portion and keep the council aware of your work in this regard.”

As Councilman H. Silver says, “There is no substitute for results,” referring to his view of the greatest measurement of the success of an outcome—*i.e.*, results.

⁹ A few years later, the Alexandria City Council enacted follow-up, bold legislation (*i.e.*, the AURA) to allow for increased activity in this regard—presenting model legislation on a state-wide level and as a best practice model. This initiative, in addition to establishing a redevelopment authority to manage the expropriation process, recommends expanding community outreach programs and restructuring of City housing expenditures to maximize the use of these funds.

¹⁰ These findings and decisions have been the subject of robust debate, and the decisions are driven by neighborhood group findings and identifications of need over a long period of community input sessions and charrettes identifying housing needs and recognizing its role as a driver of commercial development.

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- Here, the RFP process set forth the initial outcomes measurements, and that process led to a viable commercial response literally weeks from completion of the housing component, substantiating the “speed” component of SPARC.
- There is mounting evidence of increases in value to contiguous and area commercial properties, substantiating the “catalytic and value enhancing/revitalizing” aspect of SPARC.
- The proposal (and others in discussion) adhere to the goals of comprehensive, sustainable life cycling, affirming the “higher quality and sustainability” aspects of better-planned infrastructure valued by SPARC.
- Drainage “fixes” and public safety are addressed for life cycling positivity, affirming the “higher quality and sustainability” aspects of better-planned infrastructure valued by SPARC.
- These represent the beginnings of SPARC’s “value capture” modeling, the overall goal of SPARC.

In short, if the most important measure of success is results, then there is a model residential development now leading to a viable commercial park, beginning further activity for the future, in a short relative period, just as predicted by the SPARC assumptions. There are no objections to the findings of need on record; there are instead objections to the “method-of-address” modalities, viz., “how we go about getting there.” In response, these modalities are best practice and appear, as of this date, to be working as designed or exceeding design goals.

The City of Alexandria is committed to accurately determining and faithfully reporting the impact of SPARC on the community. The City established baselines and tracked a number of SPARC measures, including but not limited to, leveraged public and private-sector investment, job creation and wages, and changes in property values and commerce. Reporting and feedback may also necessitate the use of qualitative measures, such as case studies and surveys. This project possesses the necessary components for a full case study.

(c) District 3 Concerns:

Drainage

The notion that disproportionate flooding would be increased by multi-family overlay increases is at best inaccurate. The relationship between flooding and impermeable surface areas, which would be exacerbated by having the entire area commercial, probably weighs in favor of this particular housing project because of its project design and use of greenspace, which is more permeable in nature. The project will have to consider increased water by residents, but run off onto impermeable concrete is the bigger culprit.

In response to concerns of the neighborhood with respect to drainage near Green Oak Avenue, the City Engineer inspected the street and determined that subsurface drainage had not been installed. Ditches had been filled-in and subsurface drainage installed on side streets of the

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neighborhood such as 7th Street, but that system did not tie into any subsurface drainage on Green Oak Avenue.

Therefore, the Mayor of Alexandria directed any infrastructure improvements to the Dominique-Miller Livestock Auction barn development site must include infrastructure improvements to Green Oak Avenue as well, including subsurface drainage, ditch closure, and concreting.¹¹ Accordingly, development of the property will have no negative effect on the overall drainage of the area—and is both corrective and remedial to past problems, will handle the ramped-up capacity, and will be preventive with regard to future problems. The project development has been collaborative from the beginning, grounded in research, and based on community concerns and needs. The drainage concerns were quantified and corrected, and were required to be before the S.P.A.R.C. project was certified.¹² Recall, the drainage project *was scoped and proceeding at the time of the vote last year.*

The project associated with drainage outfall and subsurface remedial work was approximately \$1.2M.

Increased Crime Concerns

Current neighborhood data do *not* suggest a high-crime area adjacent to or near this Project. Contrariwise, data suggest this is *one of the lowest-crime areas* of Alexandria. While it is highly correlated that distressed structures see increases in area crime, it suffices to point out this is a moderate-income structure, with strict membership requirements, and is a gated community. It will *not* increase crime any more than any new home provides a new opportunity for property-based opportunity crime.

Moreover, with the inclusion of a public-safety component designed to buttress against negative elements in the entirety of River Bend and Riverchase, this project forcefully addresses these stated concerns. Negative life-cycling is addressed fully compared to low income single- or multi-family housing.

¹¹ This project is nearing completion.

¹² Any S.P.A.R.C. project considers priorities for “future proofing” and “best practices,” to include:

1. Fiber Optics/Broadband Infrastructure;
2. Unified Development Code formulation;
3. Comprehensive Planning for Recreation;
4. Code Enforcement;
5. G.I.S. Mapping and Drainage Computer Modeling; and
6. Preparing our infrastructure for growth, including ensuring and certifying that S.P.A.R.C. development does not strain public resources, protects against negative gentrification issues, and will not add additional burdens to storm water diversion in the City of Alexandria.

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Increased Traffic Concerns

The concern about increased traffic is, ironically, a desire of commercial speculators, not a negative. Traffic issues with younger citizens on the weekend are unrelated and must be addressed by other means, not by stifling commercial development. Quite simply, commercial development *is based on traffic*. This is a “necessary evil” if your desire for an area is more commercial development.

Contribution of Renters

Renters *do* contribute to tax generation. The developer pays property taxes for the land involved, and the sales taxes generated by the moderate-income households aiding work force housing needs and the commercial component will exceed property tax generation.

Like the traffic argument, this is counterintuitive when considering what the development actually brings to the area. An increase in workforce-level housing will increase micro-localized (*i.e.*, on the Riverchase site) disposable income to the development site, supporting that development and future developments in the area.

Commercial Development Desires

The stated purpose of the Project was to bring commercial development, which was why it was merely an overlay limited to the back-side of the development site and required commercial development on the frontage.

- **Commercial on the frontage is maintained.**
- **Reservation for grocery is preserved and now incented with a built shell and with optimum geographic placement for additional incentives.**
- **The cooperative endeavor will contain claw backs to ensure community goals are met.**
- **Commercial development is subject to a strict claw back of “contemporaneous build out” with townhome construction. To enable incentives, commercial development must occur at the same time—precisely the same time, as much as practicable—which would be written into the contract.**

SPARC Goals, History and Evaluations

In April of 2008, the City of Alexandria embarked on the largest redevelopment project in its history, a \$96+ million project known as S.P.A.R.C. (or Special Planned Activity Redevelopment Corridors). S.P.A.R.C. addresses decades of neglect and under-investment in three distinct and historic areas within the city’s inner core, all in an effort to reduce the effects of unfettered sprawl development. S.P.A.R.C. is based on the simple idea that multiple, strategic investments in catalytic infrastructure most effectively increases property values, decreases crime and poverty rates, stimulates private-sector development, and generates short and long-term

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employment opportunities. Specifically, S.P.A.R.C. is implementing and will continue to implement plans that had, until now, remained on the shelves for over a decade, and because of its scale, S.P.A.R.C. is flexible enough to also include an array of incentives for new, privately-driven development projects. S.P.A.R.C. tackles everything from housing and retail developments to improving roads, drainage, and police and fire coverage.

S.P.A.R.C. is designed to provide immediate, catalytic intervention in three distinct areas of the Alexandria inner core (known as Cultural Restoration Areas), each of which corresponds with important and heavily-trafficked transportation corridors: Downtown and the Riverfront, Bolton Avenue and North MacArthur Drive, and Masonic Drive and Lee Street.

The City of Alexandria asks that its partners in this important development, as with any SPARC development, be prepared to address how the development will:

- 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.
- Create the opportunity for tax credit usage, the restoration of significant and historic structures, particularly as they relate to preserving community character, affordable housing, the central business district, and Main Street economic development activity.
- 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 this project, these goals are met—from blight elimination to LEED certification. SPARC goals are exceeded in greater than 50% of the categories for SPARC certification.

***Providing for Long Term Success in Partnering
(Lifecycle Considerations and the Built and Natural Environment)***

In accord with the American Society of Civil Engineers, each S.P.A.R.C. partnership should involve:

- Projects that create and sustain employment increases;

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- 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 city oversight and a commitment to review the program and to measure desired outcomes.

These projects deliver measurable improvements in public health, safety and quality of life; provide substantial, broad-based economic benefit; are designed and built in a sustainable and cost-effective manner, with proper consideration given to life-cycle costs; and have a significant environmental benefit through reduced congestion and use of property in a compact, multi-storied and mixed-use manner.

Key participants in the development concept, site plan, and economics have also weighed in and concur in the business plan, which minimizes risk to Alexandria.

Third Street Partners conducted community outreach and should be prepared to provide reports and evidence of:

- Business Community buy-in.
- Financial capacity.
- Defining mechanisms for sharing costs through the cooperative development models; and
- “Claw backs” to insure against failures or non-adherence to goals or agreed-upon terms.

In summary, the Alexandria City Council is presented again with an option. In this option, the commercial commitment is larger and, provided with the other development, is positioned in a stronger fashion with the completion of the grocery shell. Again, the project is one driven by market dynamics—the best, though not perfect—determinant to ensuring sustainability and positive life cycling. No other project has surfaced in the year since the last proposal.

As a final note, the State of Louisiana pulled the Veteran’s housing incentive from the priority preference point system, while the preference for rural development remains. As a result of this, the Project is in a diminished position to receive the necessary points to survive the competitive selection process. The clearest opportunity presented a year ago when the same issues were addressed as have been addressed in this version of the project.