

March 15, 2019

City of Birmingham
Ramsay McCormack RFP – Q & A Session

Via conference call

AGENDA

I. Introduction of Call Hosts from City of Birmingham

- Josh Carpenter, Director, Department of Innovation & Economic Opportunity (IEO) and Project Manager, Ramsay McCormack (RM) RFP Process, City of Birmingham, AL
- Tené Dolphin, Deputy Director, Business Diversity & Opportunity, Department of Innovation & Economic Opportunity (IEO), City of Birmingham, AL
- David Fleming, RFP Project Manager on behalf of the City, REV Birmingham, Inc.
- André Bittas, Director of Capital Projects Management, City of Birmingham, AL

- A. **INTRO1 (Josh Carpenter):** We are looking for someone who 1) has the capacity to execute on such a huge development project, and 2) has the flexibility to work with merchants and local partners to help execute the vision of the broader area. The City has limited financial capacity to pay for this redevelopment. I cannot underscore that enough. It is public now that our credit was actually downgraded by Fitch recently as a city, so the cost of capital for us to go to the bond market is prohibitive. So, I want to be very candid that a city-issued bond upfront is probably not going to happen. However, we will be as flexible and as creative as possible to help think through other forms of not just city financing but ways to work to help absolve some of the costs of development whether that is historic tax credits or other forms of credit. The major difference between this RFP and the one that we issued in the past is that we really are looking for a comprehensive redevelopment plan. The RM building is obviously important, but we see a successful applicant in effect beginning a phased process that helps establish buy-in from the community to redevelop city-owned assets and consequently privately-owned assets nearby, lifting the value of property and enhancing the use of some of our older buildings. We know we cannot do this alone as a city, so we plan on convening a task force for Ensley's economic redevelopment plan to be comprised of, but not limited to, the folks at Regions Bank who has a branch nearby as well as US Steel, who owns nearly 700 acres of land in proximity to the district, and others. We see this as a long-term commitment. We know this is a big effort, and what we are looking for is respondents who are willing to partner with us and roll up their sleeves and help find a solution that is workable for both the city and the community.

II. Ramsay McCormack RFP Overview

A. Vision for Ensley Historic Commercial District and Goals of the Project

A1 (David Fleming):

- Outlined the Vision for Success & Goal as outlined in the RFP (pages 4-5)
- Articulated an Opportunity Statement for the project as shared in the slide show of the Q&A Meeting

A2 (Josh Carpenter):

- REV was selected through the BOLD RFP process to help manage the solicitations to this RFP.
- Both the City and REV want you to have a successful application, so we want to work with you to make sure that you have your questions answered. We see this as an ongoing dialogue, certainly for the winner, but in the meantime, we want to be as helpful as we possibly can be, whether that's working with you to help you find partners to address a capacity issue or better understand our goals for, say, on transit-oriented development. We want to be sure those questions are answered, and that's a big part of this process. You can also feel free to email those questions beyond this call. Please hear us say sincerely we want each application to be the best version it possibly can be. We stand by ready to assist, however makes sense.

B. Revisions from Prior RFP

C. Review of Schedule

III. Questions from Participants

Q1: Please expound upon the relationship and involvement of US Steel.

A1 (Josh Carpenter): The US Steel (USS) Ensley Work Site has been dormant for a long time, and a couple of things have reinvigorated discussion around the development of this area. It's not lost on us that the development in Ensley also hinges on job growth and one of the major physical assets is the 600+ acres that USS owns. We have had several conversations with USS leadership here in Birmingham and in fact are planning a conversation for Mayor Woodfin and me to go meet with the CEO of USS and convey our position there to leadership in Pittsburgh. The goal here really is to do something maybe similar to what they did at Fairfield. In Fairfield, they just reopened their Fairfield Works site with an electric arc furnace (and) they invested in infrastructure there. We, both the City and USS, see and believe that that area can be a modern industrial manufacturing hub, and I think that's the common vision for both entities. USS actually submitted a letter of support and commitment to working with us long-term. I think it's appended in one of the documents. The goal is to have a working taskforce and, with whomever we select as the winning developer, I would imagine regular meetings convened by REV and the City to continue to push that development forward. We think that joint development is the solution here, and so US Steel's repurposing of that land is absolutely core to what we imagine a redeveloped Ramsay McCormack/downtown Ensley area could look like.

Q2: What sort of interest have we received from potential occupiers of the spaces?

A2 (Josh Carpenter): I think for those of you who attended the first viewing of the Ramsay McCormack Building, David Germany, a senior vice president at Regions Bank, actually admitted there that the bank was committed to being the anchor tenant on the first floor. I believe very strongly that the City of Birmingham will consider moving workforce development related programs in the area. I know that's the desire of some of the community and certainly something we'd like to see. So I can't commit to that now, obviously, but that is something that we are exploring. We think that those two tenants are compelling for a start to that building, certainly, but will hopefully drive new foot traffic in the area. I think that's probably as detailed as I can get at this moment. We want to be creative around those concepts especially as it relates to workforce development.

Q3: What is different about this RFP from previous versions?

A3 (David Fleming): We are not seeking a developer for one building. In response to feedback from previous respondents, there are some additions that have been made in this offering, including additional parcels that are owned by the City in the immediate area of the Ramsay McCormack Building. Also, an additional template or submittal outline that could help guide you a little more on some of the specific questions the City is looking to get an understanding of as it evaluates you and your concept is in the RFP now. Some additional City due diligence documents on the physical condition and repairs that have been made already to the Ramsay McCormack Building is there and is available. There are also some stated tools and incentives that mirror some of what Josh has already verbally said on this call but are more fully elaborated on in writing. One additional thing I'd like to make clear is that if anyone needs to get into the building and would like to see the building, arrangements can be made for a site visit to the Ramsay McCormack Building. You would need to let me know that, and we can arrange that through the City and its processes.

Q4: Can site visits be arranged to view the additional City-owned property parcels within the project area?

A4 (David Fleming): Yes, those can be arranged – not just to the Ramsay McCormack Building but to additional properties.

Q5: Will the City of Birmingham consider doing a market study for the area?

A5 (David Fleming): Yes, the City is willing to consider that.

Q6: Will the Q&A Session slide deck be available for review by the call participants?

A6 (David Fleming): Yes, we will make it available.

Q7: What is the frequency of property site visits allowed?

A7 (David Fleming): Email me, and we will schedule them for anyone that would like to see the additional properties at their earliest convenience.

Q8: What is the status of the litigation course of the project?

A8 (Josh Carpenter): There is no change in the litigation course since the first issuance of the RFP. Judge Graffeo has held on to the case, so this is still a case that is on his docket even though he is not officially on the bench any longer. We have requested a status conference, and it is certainly something that we hope to have soon. Our outside counsel has given regular updates including the fact that we have issued this RFP and are seeking a developer partner not just of the Ramsay McCormack Building, but of surrounding buildings the City owns and that we are engaged with USS and other entities who have physical assets in the area to help us engage in this redevelopment. When you consider what the City can do in these type of situations, there's land and buildings and that is absolutely what we heard from the last RFP feedback - that there needed to be more real estate in order to concentrate and have the highest and best impact of an overall redevelopment plan. We have actually contributed more City owned property to this project. I imagine that Regions would also be interested in being a part of that redevelopment in some capacity with their current building. The second piece is playing aggressively with incentives and working with you to secure capital where possible. Again, I want to reiterate that while a bond is not necessarily an option, we have discussed options that could make this area's potential, particularly with regard to the USS property, a candidate for transit-oriented development grants, which were not a part of the first conversation. We want to continue to broaden our toolbox, so to speak, to help with this, and that's something we are committed to doing.

Q9: Does the City still have the option to tear down the Ramsay McCormack Building on the table?

A9 (Andre' Bittas): Really, our purpose is to redevelop that property and area. To us, it is more beneficial to maintain or restore this building and put it back into use. That is the intent as this point.

Q10: What is the role of the Birmingham Business Alliance (BBA) in this project?

A10 (David Fleming): The BBA is another economic development partner of the City. There is no specific role at this time.

IV. Additional Questions and Information

- A. RFP Website – www.birminghamal.gov/ensleyredevelopment
- B. Further Questions – Ramsay.McCormack@birminghamal.gov
- C. Further Assistance – David Fleming (205) 837-1208



HISTORIC RAMSAY MCCORMACK

REDEVELOPING ENSLEY'S LANDMARK PROPERTY & SPURRING GROWTH

ON THE CALL

Josh Carpenter, Director, Department of Innovation & Economic Opportunity (IEO)
and Project Manager, Ramsay McCormack RFP Process,
City of Birmingham, AL

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GROUND RULES

Please keep all microphones muted.

Please submit all questions via the chat function.

We will compile all questions and answers and share them with all attendees and respondents.

www.birminghamal.gov/ensleyredevelopment



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VISION FOR SUCCESS

The Ramsay McCormack building is fully redeveloped as a multi-use building that supports jobs for the community and brings new users (residents and/or employers and employees) into the historic commercial district of Ensley. The building will spur the growth of neighborhood businesses, creating wealth through entrepreneurship, while stimulating, supporting and connecting to other large-scale and infill development opportunities (both residential and commercial) in the historic commercial core and across Ensley as a whole. The completed project and development process is **INCLUSIVE, EQUITABLE** and supports **WOMEN AND MINORITY-OWNED BUSINESS** growth, as well as **LOCAL** workers and **LOCAL** firms where possible.



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GOAL FOR THE PROJECT

The goal of this RFP is to select a Developer with clear capacity to redevelop this key site, and potential additional sites, into a catalyst that drives growth around the property. Across multiple phases, this mixed-income, mixed-use development approach will transform the historic Ensley Commercial Business District into a thriving and diverse economic engine for the western side of Birmingham, activating retail and residential development in the surrounding area and enhancing adjacent residential neighborhoods.



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OPPORTUNITY STATEMENT

- Ensley is one of Birmingham's foundational communities, a historic and cultural home for many
- Ensley's historic downtown boasts some of the city's most important architecture in a dense, walkable footprint
- Alabama Highway 269, I-20/59m and the Birmingham Crossplex development generate nearby commercial traffic
- The neighborhoods of the Ensley Community (Dolomite, Ensley, Oak Ridge, Sherman Heights, Tuxedo, Wylam) include potential entrepreneurs, a future workforce and a volunteer army willing to implement an asset-based approach to redevelopment
- Pratt Ensley Framework surveys indicate 1) job development, 2) small and minority-owned business growth, and 3) new retail and restaurants are top economic development priorities for local residents
- The City of Birmingham is committed to investing in Ensley's future



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P.D. JACKSON-OLIN
HIGH SCHOOL

HISTORIC
COMMERCIAL
DISTRICT

TUXEDO

I-20/59

HISTORIC RAMSAY MCCORMACK

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TIMELINE

- RFP released: February 25, 2019
- RFP Q&A Meeting: March 15, 2019
- Proposal Due Date: April 12, 2019
- Selection Announcement: May 10, 2019
- City Approvals / Negotiations & Closing date set by – July 12, 2019
- Project Start – Summer 2019



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QUESTIONS

PLEASE SUBMIT ALL QUESTIONS VIA THE CHAT FUNCTION



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