

March 04, 2019

To: All potential RFP respondents

From: City of Birmingham Department of Innovation and Economic Opportunity

**RE: RAMSAY MCCORMACK RFP
RESPONSE TO QUESTIONS - 1**

To address questions posed in a March 1, 2019 letter to the City of Birmingham's Department of Innovation and Economic Opportunity, the following responses are provided:

QUESTION 1) *With the addition of new properties beyond the RM, will the City be allowing potential proposers to bid on individual properties?*

RESPONSE 1) No. The properties were assembled in a single deal to help encourage a comprehensive redevelopment plan. The multi-property plan can and should be multiple phases with defined timelines. If a single developer is not interested in all the parcels, we strongly encourage partnership.

QUESTION 2) *While the fee schedule for refurbishment of the RM building is appreciated, it is very difficult (at best) to utilize that information in the development of a responsive proposal since we don't have the contextual basis from which it was developed. Is it possible for the City to provide the scope/request that was used to develop the cost estimate?*

RESPONSE 2) Pricing for the exterior stabilization and some limited interior work (named Stabilization Pricing) as shown on the schedule of values (named Existing Conditions Report) prepared by Brasfield & Gorrie based on the preliminary pricing document for the exterior restoration only were previously provided in the Appendix to the RFP and posted on the RFP website. For clarity, the Existing Conditions Report has been renamed (now Pricing Narrative) to reflect that these documents are related.

QUESTION 3) *Did the City perform any environmental abatement at the RM? It appears from reviewing Bhate's report that an analysis of environmental conditions was performed and then specifications for construction were developed. Please verify what abatement has been performed to date.*

RESPONSE 3) Yes. All Asbestos containing materials were removed from the building. Lead containing materials were removal as part of the removing the glass from all of the windows. Other areas in which lead-based paint was identified were not abated. Bhate's environmental report identifies additional locations where lead-based paint was identified. The Remediation and Stabilization scope of work is detailed in architectural drawings we are now uploading to the RFP website, along with the Certificate of Substantial Completion.

QUESTION 4) *Please provide a comprehensive scope of stabilization work performed to date on the Ramsey McCormack Building.*

RESPONSE 4) All exterior windows, glass and doors were removed and covered with plywood. The City installed a temporary roof and removed all permeable surfaces from the interior. The work performed is detailed in the Remediation and Stabilization drawings identified in Question 3 above.

QUESTION 5) *Would the city be open to an exemption for this building relative to wind load requirements for current code similar to the exemption for enforcing current seismic load design requirements?*

RESPONSE 5) This requirement or any code requirements will have to be evaluated based on the proposed occupancy type.

QUESTION 6) *Additionally, does the City have any plans to request that the State of Alabama seek approval to amend the present opportunity zone to include Downtown Ensley?*

RESPONSE 6) The City requested downtown Ensley in its original Opportunity Zone Proposal to the Governor's Office. We also requested that the Governor's office include downtown Ensley specifically in a letter after she nominated zones (and before they were certified by Treasury) that did not include the area. Those attempts were unsuccessful. We are uploading the request letter to the RFP website as a result of this question. Unless Congress takes action, the current opportunity zones are in place for 10 years. Additional context is provided below.

BACKGROUND

- Opportunity Zones were authorized as part of the Tax Cut & Jobs Act of 2017, legislated as the Investing in Opportunity Act.
- An Opportunity Zone is a low-to-moderate income census tract (median household income under \$59,000) that has been designated as a federally qualified opportunity zone.
- Opportunity Zone funds provide a tax incentive for taxpayers to roll over their capital gains (within 180 days from the point of sale) into a Qualified Opportunity Fund that holds at least 90% of its assets in designated opportunity zones.
- Under the Act, the chief executive officers of each State (Governor Ivey in Alabama) were allowed to nominate up to 25% of their State's eligible low-to-moderate income census tracts to be designated as Opportunity Zones for ten years.
- In Alabama, there were 675 low-income communities and 231 eligible contiguous tracts. Governor Ivey designated 158 to be federally nominated as Opportunity Zones and all 158 were certified by the U.S Treasury in April 2018.

BIRMINGHAM'S APPROACH

- The Woodfin Administration recognized this opportunity to catalyze inclusive growth in Birmingham. Consequently, we designed an objective, data-driven model to prioritize Birmingham's 60+ census tracts that were eligible for Opportunity Zones.
- We met with Governor Ivey in January 2018 to outline our vision for how we would use Opportunity Zones as a tool for targeted, strategic economic and community development. Throughout the process, we were in close contact with Governor Ivey's office.
- We listened to neighborhood, community and economic leaders to hear what they were looking for in terms of investment. Through that feedback, we co-created a model that secured 28 letters of support from community leaders, real estate developers, post-secondary institutions, non-profits, investors and small business leaders.
- After Governor Ivey declared that there would be one zone per county, Birmingham secured 24 of the 91 discretionary zones (26% total)
- We didn't get everything we wanted, but due to our efforts, Birmingham secured more than double the amount of the next highest city in the state of Alabama.