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Appendix D – Miscellaneous Items

SECTION 1

Recommendations for a Redevelopment Entity, November 22, 2000

RECOMMENDATIONS FOR A

REDEVELOPMENT ENTITY
Jefferson City Correctional Center
Jefferson City, Missouri

Prepared for State of Missouri,
Office of Administration,
Division of Design & Construction

November 22, 2000

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EXECUTIVE SUMMARY

Development Strategies has conducted research and a case study analysis of nine examples of redevelopment organization in a variety of communities across the U.S. to assess and recommend a management organization that can oversee redevelopment of the JCCC site. Based upon the research and assessment, Development Strategies recommends that a corporate entity be created to develop a Master Plan for the JCCC site and its access facilities. Its mission should be to oversee development and implementation of the Master Plan in a manner that is fiscally responsible to the residents of the State of Missouri. It is recommended that the corporation be identified as the Missouri State Penitentiary Redevelopment Corporation, as the JCCC will continue its operations at another location in 2003. The Corporation shall have a governing board composed of ten members appointed by the State of Missouri, Cole County, and the City of Jefferson and members shall possess the skills, talents, and resources necessary to collectively fulfill the mission of the corporation. The composition of the board is derived to support the corporation's efforts in securing civic, public and private support for the mission of the corporation and to facilitate the governmental approval process that will be required to implement any project(s) proposed for the JCCC property and access corridors. The governing board should adopt by-laws that address the practical, internal rules of the organization and provide guidance, structure, and formality to the organization. It is also recommended that a Citizen's Advisory Committee (CAC) be initiated to advise the board on issues that involve the public at large and to assist the board and public agencies in developing long term financial and public support for the project. The CAC can be loosely organized and, while the CAC would serve primarily in an advisory capacity, a representative from the CAC should be selected to serve on the governing board of the corporation.

INTRODUCTION

Redevelopment is a process through which the quality of life is enhanced by re-establishing community stability and business wealth. It is also a process by which communities change the uses of land from obsolete or relocated uses to more appropriate and productive uses suitable for a particular site. The result is an increase in community prosperity that is achieved by:

1. Advancing private enterprise
2. Making productive use of local resources
3. Creating high-quality jobs
4. Enhancing the employment and residential environment
5. Generating new personal income
6. Broadening the tax base.

Each town, city, region, or state has a unique set of challenges for economic development and almost nothing is more unique than a site that has served as a maximum security correctional center for over 160 years. Therefore, there is no single strategy, policy, program, or organizational structure for achieving successful redevelopment. Several factors, however, increase the likelihood of successful redevelopment:

1. **Public Participation and Discussion:** A strong understanding of the strengths, weaknesses, and critical issues facing the community and the economy.
2. **Planning:** Policies and programs that are planned around an area's needs and maximize comparative site and economic advantages.
3. **Leadership:** The ability to stimulate the collaboration of different public and private sector entities and the general public in the local economy.

This report focuses on the creation of a redevelopment entity to take charge of the leadership in redeveloping the Jefferson City Correctional Center. This entity would, therefore, continue the already well-advanced planning and public participation programs that are identifying re-use alternatives for the 142-acre property. Such an entity would take over responsibilities from the JCCC Task Force and state government. Moreover, an entity with the specific mission to oversee redevelopment of the site can most efficiently create the business and community partnerships and obtain the funds necessary for successful implementation.

The recommendation of this analysis is to create a formal, public-private corporation with non-profit status in order to embrace the best of the advantages offered by either public or private entities. In order to understand the value of merging the forces of the public and private sectors, the advantages and disadvantages of public and private entities are, first, separately outlined and, then, combined to identify the strongest possible type of organization for the JCCC.

SELECTING A TYPE OF ORGANIZATION AND ITS PROGRAMS

There are many different types of redevelopment entities, each with its own set of characteristics. Some serve more as oversight or "umbrella" organizations, setting policy and attracting private development for specific projects. Others are more directly involved in development and implementation. Examples include:

- Local governments that take or retain ownership and redevelopment responsibilities.
- Chambers of Commerce, particularly those in downtown areas or commercial centers.
- Port Authorities for water, air, and rail centers, with one of the more well-known in redevelopment being the Tri-State Port Authority in the New York metropolitan area.
- Development Authorities such as, in Missouri and Illinois, the Bi-State Development Agency.
- Business Improvement Districts (BIDs), known under Missouri enabling legislation as community improvement districts (CIDs).
- Technology Transfer Organizations including, for example, business incubators that locate in urban redevelopment areas.
- State enterprise zones that combine a wide range of public and private resources to encourage wide-scale redevelopment and social enhancements.
- Community development banks whose role is primarily in focused lending but who also serve as points of community meeting and collaboration.
- Certified development corporations (CDCs) that are typically non-profit neighborhood based but are also a part of a larger network of CDCs that can facilitate staff and community training and pool knowledge of resources.
- Local redevelopment corporations such as urban redevelopment corporations created in Missouri under the authority of Chapter 353 of the state statutes that have powers of eminent domain and property tax abatement authorized by the local municipality.
- Industrial development corporations that focus on former industrial areas or where industrial and manufacturing uses would be the most appropriate redeveloped uses.
- Utility companies with a special interest in assuring that their utility infrastructure is used most productively. AmerenUE, for instance, takes an active role in redevelopment to encourage industrial development.
- Universities, medical centers, and similar large institutions that have strong vested interests in their surrounding environments and also have access to ample resources. The Missouri Botanical Garden, for instance, has recently helped to lead the creation of a redevelopment entity for the four neighborhoods it abuts.
- State economic development organizations who have a special interest in assuring that the state's resources are most efficiently utilized, especially where the

scale of the redevelopment area is so large that local government cannot support an effective effort.

Yet, not all redevelopment organizations fit neatly within one category or another. Broadly, however, redevelopment entities can be defined in terms of:

1. Governance,
2. Legal status, and
3. Geographic focus.

GOVERNANCE

There are three basic forms of governance for redevelopment organizations: public, private, and public-private partnerships. The type of governance is typically specified by what individual or group is responsible for the overall direction of the organization. This group may be a mayor and city council, a separate board of public officials, a strictly private sector entity, or a board comprised of both public and private representatives. The private redevelopment entity is, by far, the least common, as long as private redevelopment entities are not confused with private redevelopment *builders*, or companies that actually engage in the construction of redevelopment projects.

Redevelopment, virtually by definition, is most often a public-private affair with the interests of the public sector centering on reinvigorating a once-thriving part of town and the interests of the private sector focusing on market opportunities afforded by the location and improved business/residential climate. Each sector needs the other to apply necessary skills, to obtain necessary funding, and to work through the public approval process.

These three classifications are defined also by the sources of funding.

- Public entities are completely funded by the public sector, though the entity may be responsible for attracting private builders and property owners to fulfill the redevelopment plan. But the entity, itself, is publicly funded, frequently through a variety of sources, including State and Federal grants and programs and bond proceeds

- Private entities are initially funded by stock ownership or memberships with future resources frequently based on sales and fees from the redevelopment area.

- Public-private partnerships combine these sources of funds with the public sector often provided front-end "seed money" and/or funds for public improvements, such as utility lines and roads, and for property assemblage in what are usually complex ownership patterns that have evolved over decades. These front-end investments make a redevelopment area more cost-effective for private developers and builders whose own capital pays for the bulk of redevelopment while the public sector can receive payback for its investments by becoming equity partners in the project and from the increased taxes that will be generated.

LEGAL STATUS

Legal status is usually of most concern when non-profit and public-private partnerships are created for redevelopment. Public and private entities have their legal status set by state law or charter. But public-private partnerships usually fall into the following main classifications:

- 501(c)(3) – This is a tax-exempt classification within the U.S. Internal Revenue Service (IRS) code for entities operated for public purposes. The entity can also receive tax-deductible contributions but is highly restricted in its relationships with legislative bodies.

- 501(c)(4) – This classification can earn temporary profits but are restricted in the acceptance of tax-exempt contributions. Many industrial development organizations are in this category.

- 501(c)(6) – This classification is also tax-exempt but is supported through memberships and is generally oriented towards improvement of business conditions. Chambers of Commerce normally fit here.

GEOGRAPHIC FOCUS

Redevelopment organizations are typically restricted to specified geographic boundaries although they will normally have stated responsibilities for coordinated actions with surrounding areas or cities. While an economic development or planning organization may have responsibilities for a large jurisdiction (e.g., city, county, or region), redevelopment entities have specific duties within much smaller areas but these duties should be tied to a community's overall planning goals.

PUBLIC REDEVELOPMENT ORGANIZATIONS

Public redevelopment organizations, or those operated from within the government, have different formal and informal powers than private entities. For example, they can assemble land, can access grants from state and federal government not available to private corporations, and can provide public sector funding and tax incentives that otherwise would not be available. Public redevelopment organizations encourage economic development through implementation and utilization of:

- Infrastructure improvement
- Eminent domain
- Ownership of land
- Control of rights of way
- Zoning and land use regulation
- Special permits
- Special improvement districts
- Tax increment financing agreements (TIFs) to support public improvements
- Construction and operation of public facilities
- Business incentives, both tax and non-tax varieties
- Business marketing, retention, and expansion
- Entrepreneurial assistance.

Because they are part of local, city, county, or state governments, public redevelopment organizations have access to, and influence upon, government decision makers. Public entities can often direct public or political pressure onto other public agencies to improve factors that have become increasingly important to redevelopment investment decisions. Clearly, public organizations can play a significant role in forming government policy. Additionally, public agencies can assist economic developers by loosening regulations that are often considered stumbling blocks to redevelopment.

ADVANTAGES AND DISADVANTAGES OF PUBLIC REDEVELOPMENT ORGANIZATIONS

Economic distress, disinvestments, or the relocation of existing land uses often manifest themselves visibly in the physical decline or obsolescence of a community. Decline is frequently exacerbated by the public sector's inability to meet the service demands of the area, by market conditions that discourage private investment, or both. Relocations or closures of major facilities, such as military bases or, as in this case, a prison put extraordinary pressures on government to reverse or prevent further decline.

In any case, government has significant influence on the shape of redevelopment in their jurisdictions. In response to area problems, the government can organize, create, and implement a variety of policies and strategies. Governments' access to the planning process, other municipal agencies, public funding sources, and political leadership means that they are capable of doing a range of activities.

ADVANTAGES OF PUBLIC INVOLVEMENT IN REDEVELOPMENT

1. The public sector has superior access to incentive mechanisms that leverage private reinvestment.

2. Likewise, the public sector has direct access to sources of public funding from other levels of government such as Community Development Block Grants.

3. Public redevelopment organizations have municipal powers such as taxing authority, eminent domain, ownership of land, access to rights of way, zoning and regulatory powers, and the ability to construct and operate public facilities and services all of which can be used in redevelopment initiatives.

4. Public agencies have ready access to the services and skills of other public offices such as planning, research, and public works.

5. A public sector redevelopment entity is more likely to have fuller support from public officials and executives for redevelopment initiatives.

6. Public redevelopment entities can use their municipal powers and planning capability to create and coordinate city-wide policies and strategies.

7. The public sector can lease or buy land or facilities required for redevelopment which helps to reduce the private sector risk of investment it, and thus encouraging or "jump starting" a larger scale project.

DISADVANTAGES OF PUBLIC INVOLVEMENT IN REDEVELOPMENT

Despite the many advantages of public redevelopment organizations, there are substantial drawbacks to them as well:

1. Their influence is essentially limited to their political jurisdiction although, in the case of the JCCC, this should not be a limitation since the site is entirely in one city and, of course, is all within the State of Missouri.

2. Public entities are subject to municipal debt limitations to the degree that debt would be used in facilitating redevelopment.

3. Public organizations are often prohibited from lending money directly to the private sector, which could be a useful incentive tool for attracting investment.

4. Likewise, the public frequently cannot participate in profit-making ventures unless carefully crafted to avoid the appearance of improprieties. Still, many governments are able to structure redevelopment "deals" such that the public is an equity partner or otherwise can share in the proceeds of redevelopment.

5. Governments normally cannot build or operate non-public facilities so there will almost always have to be a reliance on private investment.

6. It is often difficult to justify the spending of public resources for marketing or promoting an area that is being redeveloped.

7. The turnover of elected and appointed leaders in a community can cause inconsistent redevelopment policies, thus discouraging long term commitments by either the public or private sector. A community with a particularly strong history of stability, on the other hand, can readily overcome this disadvantage.

8. Private organizations often mistrust government activities or motives so the necessary private commitment to redevelopment must be accompanied by assurances of long term commitment and dedication to the planned program.

9. Public disclosure laws or "sunshine" requirements for meetings may discourage sensitive negotiations with private sector investors. At the same time, private sector insistence on public sector incentives or financial participation in a project should give the public sector the right to all relevant financial information from the private entity. All due privacy rights should be fully respected, of course.

Private Redevelopment Organizations

A private redevelopment entity typically has a mandate for promoting economic growth but without the public control of governance and little formal links to government. Private organizations emphasize business attraction, retention, and expansion or residential rehabilitation and construction. Some of the most common redevelopment tools, which closely relate to economic development tools, to achieve these goals include marketing, advertising, entrepreneurial assistance, advocacy for infrastructure improvements, and direct loans to builders and property or business owners.

Private, non-profit redevelopment organizations are virtually free from public accountability except to the degree that the public sector must make development approvals or issue permits. A private entity, therefore, can rely more on its own decision-making process to act quickly and flexibly. Privately organized plans need not comply with lengthy public reviews, administrative red tape, civil service hiring requirements, or travel and entertainment restrictions. That is, at least until specific plans are put forward that require zoning approvals or building permits. But getting to that point can frequently be achieved more quickly than a similar process in the public sector.

Additionally, the staff of the private entity has direct contact with well-known community leaders via a board of directors whose members are generally selected because of their ability to influence the allocation of resources for urban redevelopment. But the private agency may also lack adequate clout with local politicians, a potentially major limitation, particularly if the political climate changes.

A corporation structure typically shields board members from liabilities and risks which may have to be incurred in order to stimulate an area’s redevelopment. Individual members are insulated from risk because of the private organization’s corporate form. This can have the further advantage of encouraging the organizations to take bolder initiatives than the public sector might.

Governance of private economic development organizations typically takes the form of a board of directors. The members of the board tend to have a variety of backgrounds and expertise and are chosen for what they can offer in terms of counsel, logistical and financial support, and public relations for the organization. Funding can come from membership dues or from contracts with public agencies to provide redevelopment services. The majority of the organizations in this classification are registered as non-profit corporations.

TYPES OF PRIVATE ECONOMIC DEVELOPMENT ORGANIZATIONS

CHAMBERS OF COMMERCE

While Chambers of Commerce are traditional leaders in business promotion that helps in general economic development, it is frequently these leaders who also perceive the need for redevelopment in their areas and have the vested interests to initiate private reinvestment. Chambers provide a variety of services and programs that are normally organized around business development but can also be targeted toward encouraging redevelopment if properly structured, including:

- Membership services such as publications, networking, entrepreneurial training, and public relations. All this serves to bolster communication, a critical element in the risk-taking necessary for redevelopment.

- Marketing of the area as a reinvestment opportunity as well as marketing to attract businesses and customers.

- Business and economic advocacy with community interest groups and the public sector that can lead to regulatory reform, particularly regulations encouraging changes in land use.

- Job training to encourage certain types of businesses to either reinvest in the area or to encourage them to move into redeveloped facilities.

Membership dues are the primary source of funding for chambers of commerce. Other sources include private sector contributions, publication sales, seminars and conferences, and local government funding if the local government is an active member of the chamber.

CERTIFIED DEVELOPMENT CORPORATIONS

Certified Development Corporations (CDCs) are established to implement community-based redevelopment. They may be created under federal or state law to meet community needs as defined in their enabling legislation. They may be organized as cooperatives in which community residents purchase shares, or as non-profit umbrella corporations, or as for-profit corporations with non-profit subsidiaries to accept federal grants and private contributions.

The redevelopment functions of a CDC include:

- Acquiring, developing, construction, rehabilitating, and leasing of real estate;
- Owning and/or operating businesses;
- Lending or guaranteeing loans, making equity investments, and making grants to businesses;

- Providing manpower training, technical assistance, and counseling services to support business growth.

COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS

Community Development Financial Institutions (CDFIs) are designed by the U.S. Department of the Treasury's Community Development Financial Institution Program. Their purpose is to create private, for-profit and non-profit financial institutions to promote community redevelopment in low income areas that do not have access to money. These institutions consist of banks, credit unions, loan funds, and venture capital funds. They provide a wide range of financial services and products including commercial loans to start-up and expanding small businesses, to first-time home-buyers, to builders rehabilitating rental housing, and for community facilities.

ADVANTAGES OF PRIVATE REDEVELOPMENT ORGANIZATIONS

1. Private organizations can serve as the critical intermediary through which representatives of private investors and builders can deal with the government, removing any unhealthy tension that can arise when direct negotiations regarding land use regulations, incentives, and requirements are under discussion.

2. As noted above, private entities are not directly accountable to a broad constituency and, therefore, can usually make reinvestment decisions more quickly and in their own best interests.

3. Likewise, they are typically organized to make decisions quickly as are most successful private organizations.

4. Private organizations are able to perform functions and activities that may be in the public interest but are not necessarily allowable "government activities" for a municipal corporation. An example would be lobbying or campaigning for a tax increase during an election period to support a redevelopment area or initiative.

5. Private groups may invest equity capital and generate profits if they are structured as for-profit corporations. The profit motive can be a powerful economic incentive.

6. As private entities, they are able to raise funds in the private market through equity partnerships or stock sales. If they are not-for-profits, they can receive tax-deductible donations.

7. Private corporations are also able to insulate individual investors from substantial risk. Investors are typically only at risk for the amount of money they have invested. Board members, who may also be investors, are protected from direct liability risk under corporation laws.

8. Private redevelopment organizations are free to create and utilize subsidiary for-profit and non-profit resources for specific project development purposes.

9. While not able to directly receive most federal redevelopment-related funds, some, like Small Business Administration grants and loans, can be obtained directly thus diversifying the resource base to encourage redevelopment.

DISADVANTAGES OF PRIVATE REDEVELOPMENT ORGANIZATIONS

1. Private organizations lack the strong municipal powers of eminent domain and other public land management powers. (The State of Missouri is an exception. Chapter 353 provides for use of eminent domain by private corporations.) This requires submitting most redevelopment proposals for public review and permitting.

2. Because they are not directly accountable to a broad constituency, private entities may lack sufficient public sector support and commitment prior to announcing specific redevelopment plans.

3. Private entities may be subject to taxation for profits and individual investors may be subject to taxes for distribution of profits or capital gains. And minimum annual distributions of earned assets may be required.

4. Private redevelopment organizations face strict prohibitions on self-dealing, such as when a director wishes to sell a real estate asset to the redevelopment corporation even on terms favorable to the corporation.

5. Since the private agency must support itself (i.e., no government support), sometimes efforts are shifted away from redevelopment and into more promising income producing ventures in order to pay the bills. However, many private agencies and corporations may be eligible for indirect government assistance in the form of interest rate or land cost reductions in redevelopment areas.

PUBLIC-PRIVATE REDEVELOPMENT ORGANIZATIONS

Quite often, neither the public nor the private sector has sufficient resources to assume a lead role in addressing redevelopment. In this situation, an organization that systematically and formally joins public and private sector resources and powers can be most effective in formulating and/or implementing economic development policies and programs. Public-private partnerships are long-term, shared commitments between the public and private sectors designed to pursue common goals related to the social, political, and business environment in a community.

Key participants could include elected officials from city, county, and state governments, economic development officials, top officers and owners of major businesses, large institutions in the redevelopment area, representatives from utility companies, neighborhood groups, chambers of commerce, banks, real estate developers, attorneys and accountants, and labor organizations.

Public-private entities have greater flexibility than public organizations to conduct redevelopment activities since they do not have to answer to as broad a constituency. They are typically established as non-profit corporations with public and private representatives on their boards of directors. Funding is provided from both sectors including all levels of government. In general, they are formed around specific redevelopment areas or projects.

Public-private organizations may be public-benefit corporations or authorities. They are created by a legislative act. They are not part of the structure of government and have, at least in principle, some degree of autonomy. The public-private mix within these bodies may occur in board representation, funding, objectives, or staff. They straddle the boundaries between public and private and there are distinctions between those institutions that take a “more private” and those that take a “more public” approach.

For example, in a more public organization, the mayor might appoint a board of both public and private representatives for an organization that is publicly funded. For a more private organization, the major might appoint an all private board of directors even though the organization will be both publicly and privately funded.

TYPES OF PUBLIC-PRIVATE ORGANIZATIONS

There are two basic types of public-private redevelopment organizations:

1. **Policy Planning Organizations** One type is an unincorporated committee that performs planning, technical advisory, policy development, and information dispersal functions. Quite often, this role is initially assumed by the public sector but might also be conducted by a chamber of commerce or a neighborhood group. Once an acceptable plan has been prepared, an implementation body is

created to see to the plan's execution. The JCCC Task Force presently serves in this capacity.

2. **Implementation Organizations** The other type is normally incorporated as a non-profit, tax-exempt entity that has financing and implementation responsibilities as well as on-going policy, advisory, and planning functions as circumstances change over time. Many times, the policy planning organization is reconstituted as the implementation entity although usually the board, created from the original committee, is much smaller in size to speed up decision-making procedures. The remaining committee members, plus the board and others as necessary, frequently remain active as an advisory council on policy and planning questions.

PUBLIC-PRIVATE STRUCTURE AND GOVERNANCE

While a public-private partnership operates like a for-profit organization, the board is typically appointed by elected officials or some members are legislatively given ex-officio board seats from selected community organizations (e.g., from the chamber of commerce, environmental groups, a nearby university) because they have interests in the redevelopment area or can provide specific insights and expertise.

If the partnership is initiated by the public sector (as the JCCC circumstances would suggest), public money is used in setting up the organization until it is self-perpetuating at which point it becomes more like a private corporation.

A public-private redevelopment organization is governed by a mixed (public-private) board of directs and may have a strong executive director or paid president. Most public-private boards are composed of business, labor, and civic group representatives as well as elected and appointed public officials. These boards provide a useful institutional setting for improving coordination and smoothing differences between public and private interests. It also provides additional capital commitments from the local business community resulting in more capital leverage. The members are selected because of their ability to influence the allocation of resources or their specific expertise.

There are several advantages for public-private redevelopment groups having board members from both sectors. Through the board of directors, the organization's staff (which may be very small in number such as an executive director and an assistant) has direct access to public and private talent and resources. Executives of financial institutions offer advice on financing tools and they participate in reviewing redevelopment loan packages. Business representative advise on the investment climate and provide contacts with other local and even national business executives. Public officials can smooth over bureaucratic problems that may arise and assist redevelopment staff in meeting specific client needs. In short, the board gives the staff a direct extension into the public and private sectors and they, in turn, assist the staff's efforts to influence private sector redevelopment in the community.

ADVANTAGES OF PUBLIC-PRIVATE REDEVELOPMENT PARTNERSHIPS

1. Excessive politicization of the redevelopment work is less likely to occur because the organizations is removed from direct public oversight and because the board includes private sector representation.

2. Neither public nor private organizations have any greater freedom in personnel practices than are possible in public-private partnerships.

3. Public-private partnerships can undertake greater risks because most or all of the directors sitting on the board do not run for general election (some boards will necessarily include elected officials but they are a distinct minority). An unpaid board directing a public-private corporation has little to lose from making bolder decisions because they earn their livings elsewhere.

4. Public-private corporations can often use public resources and powers without the degree of public limitations (e.g., red-tape, citizen review, civil service restrictions) necessary in the public sector alone.

5. Public-private redevelopment partnerships are free to expand on government powers since they are not restrained by, for example, a city charter partially because they can use the functions and powers of legal, private subsidiaries and affiliates. Thus, they can more easily invest in non-profit and, sometimes, for-profit ventures to fulfill the goals of redevelopment without having to demonstrate a clear public purpose.

6. Moreover, they can insulate governance from financial risk through incorporation laws.

7. Some public-private partnerships take on a valuable "straw man" role by proposing a specific project and sampling public reaction before asking for commitments from the government sector.

8. Public-private partnerships can mobilize both public and private funds simultaneously and creatively. This includes ready access to public financing tools and incentives as well as tax exempt funds for infrastructure construction. They are exempt from municipal debt ceilings since they are independent of local government.

9. The mixing of public and private resources, knowledge, skills, contacts, public support, and private support gives public-private partnerships strengths and consensus not as readily available in other ways.

10. Public-private groups find that it is frequently easier to raise funds in private sector for a public purpose than in the legislature or city council. This includes

attracting equity investors in specific projects as well as accepting tax-deductible donations for tax-exempt purposes.

11. Public-private partnerships eventually can be self-supporting from the use of revolving funds from the sale of properties, from lease agreements where the partnership retains ownership of property, and from fees for property management and real estate transactions.

DISADVANTAGES OF PUBLIC-PRIVATE REDEVELOPMENT PARTNERSHIPS

1. Public accountability is limited, a factor that can thwart the public approval process when zoning changes or sought or permits needed unless the public representation on the board advises properly.

2. Still, there is restricted freedom of action because of public participation on the board and in the funding.

3. Possible forfeiture of influence if public sector is not satisfactorily represented or appeased.

FORMING A NON-PUBLIC REDEVELOPMENT ORGANIZATION

The most fundamental part of forming a non-public organization is determining its structure. The best way to structure the organization is directly related to strategy development since the organization's resources are, in large part, a function of its membership—including members' expertise, time, and financial resources. In addition, structure affects the organization's ability to draw on outside funding such as charitable contributions, foundation or corporate grants, and public monies.

There are certain guidelines that should be followed in order to create a strong, viable organization. Legal considerations and both political and managerial experiences must be addressed before a partnership may begin to grow and prosper. In the origination of the organization, three key steps should be followed:

1. The political environment must be tested. This includes a clear definition of the redevelopment entity's primary boundary lines and its anticipated "sphere of influence." The organization must anticipate its future public and private relationships and define these in a way that allows for the greatest resources and appropriate autonomy.

2. A list of potential initial members of the board of directors should be identified and the groups or kinds of groups that should be represented should be acknowledged. Most or all of these groups and individuals may already be involved in policy planning prior to the organization's formal creation, but it is wise and healthy to re-visit these lists as the planning evolves. It may be determined that certain groups or individuals involved to date need not be at the table during implementation but that others who will be affected by the redevelopment, or who can bring specialized skills and resources, are now necessary.

3. A clear budget should be drafted for wide review, especially funds needed for start-up. Potential sources of such funding have to be identified and approached. These include, of course, certain agencies and programs of the public sector if it will be a public-private partnership. But business, foundation, and other private resources should also be noted and contacted prior to incorporation of the redevelopment organization.

Then it is necessary to prepare a formal mission statement, complete the incorporation process, and write the organization's by-laws.

WRITING A MISSION STATEMENT

Preparation of and agreement on a mission statement is a crucial step in formalizing an organization because everything else centers on what the mission is and, subsequently, what actions will be taken to carry it out. A mission statement is a proclamation of the organization's role or purpose. Good mission statements are relatively brief and flexible; but they also focus an organization's efforts towards redevelopment of the target area without allowing it to drift into other income producing business ventures.

A mission statement is also a key ingredient in obtaining funding, especially initially. When contributors are convinced that the organization knows its own mission, they are far more comfortable in providing funds and are much better able to match their funding goals with those of the redevelopment entity.

BECOMING AN INCORPORATED ORGANIZATION

The new organization must complete the incorporation process. This is when the organization becomes a legal, non-profit entity. This requires the services of an attorney since lawyers have the necessary procedural knowledge and access to information such as standard articles and by-laws. To obtain legal status, the organization must produce and file articles of incorporation with the Missouri Secretary of State.

Becoming an incorporated organization is a choice, not a necessity. It is a choice most organizations make because there are substantial benefits. There are also many specific demands put on an organization in order to maintain its incorporate status. Becoming incorporated bestows a legal identity with rights and liabilities separate from those individuals who make up the staff, membership, and board of directors.

A non-profit corporation has the following principal characteristics:

- **Limited Liability** Individuals responsible for governance and administration do not, individually, have full legal and fiscal responsibility for the organization. Instead, it is a collective responsibility wherein no single person can be held fully liable for the actions of the corporation.

- **Continuity** Corporations are assumed to exist in perpetuity unless otherwise specified. Board members may come and go and staff will change over time, but the corporation continues to exist.

- **Standardized Rules** Corporations operation according to state law which establishes standards for administrative expectations o the organization.

- **Exemption from Taxes** Incorporation as a non-profit corporation allows for application for tax-exemption from state and federal taxes of the corporation itself. Paid staff members and members of the governance board, of course, are not exempt from paying individual taxes.

ARTICLES OF INCORPORATION

The information needed for articles of incorporation should include such fundamental items as:

- The corporation's name.
- The corporation's purpose or intended mission.
- The name and address of the registered agent for the corporation (frequently an attorney).
- If a non-profit corporation, it is sometimes wise or necessary to state that it is not the intent of the corporation to make profits or significant pecuniary gains.
- The length of time the corporation intends to be in operation. This may be a requirement of law or ordinance or it may be a target of the corporation. Typically, a corporation indicates that its length will be in perpetuity. It then retains the right to go out of business when it feels that its goals have been accomplished.
- The incorporators' names and addresses. This may be the full list of the first board of directors.
- The names, addresses, and tenure of each board member.
- A description of how the officers are elected (e.g., president, vice president, secretary, and treasurer).
- The limits of personal liability for members of the board of directors and the staff. Such limits have foundation in law.
- The procedures for dissolution of the corporation and the apportionment of its net assets.
- The determination of the extent of membership in the organization. Members, if this is relevant, would include dues paying individuals or groups with the dues becoming part of the annual revenues of the corporation.

Articles of incorporation must be filed and recorded with the Missouri Secretary of State in order to obtain legal status.

BYLAWS

The redevelopment corporation must produce a "code of internal rules" called *bylaws* that will govern it. The bylaws are generally not a requirement for the corporation but serve a very practical purpose that should not be overlooked. The bylaws can be of varying thoroughness but the higher the level of detail, the less question there will be as to how the organization is to be managed. On the other hand, less detail allows for greater flexibility among the individuals charged with managing the corporation. In a non-profit, public-private organization, greater detail is probably the wisest to assure that minority interests of the organization are not ignored.

The bylaws typically address procedural aspects of the corporation, such as:

1. Purpose and mission of the organization.

2. Membership, including financial obligations and voting rights (if applicable).

3. Number of board members, tenure, how selected, procedures for filling vacancies, frequency of meetings, and quorum criteria.

4. The size, selection process, number of meetings, and operation of the board meetings and committee meetings.

5. Board authority for creating committees and the composition, powers, and tenure of standing and ad hoc committees.

6. The executive director's description for qualification, responsibilities, and powers. Typically, this is the only staff position that is the responsibility of the board of directors. Given the mission of the organization, the executive director has powers to hire and fire as necessary to fulfill the mission within the limits of budget and other resources set by the board. If the board is unhappy with the progress of the organization, it reserves the right to release the executive director in order to find a more compatible fit.

7. Description of the responsibilities of various officers including their length of tenure, how they are selected, and procedures for filling their vacancies.

8. There may be provisions in the bylaws regarding procedures for contracting, disbursing funds, and reporting to the board and the public on financial matters.

9. Bylaw amendment procedures should be laid out so the organization can adapt to changing circumstances.

10. Other provisions and details as the board deems necessary and advisable.

LEGAL STATUS

Tax exempt status generally means that the corporation is not required to file a tax return and is not liable for federal income tax (nor, in all likelihood, state income tax) on its net income, with certain exceptions. There are some 28 categories of special purpose organizations described under Section 501 of the Federal Tax Code, some with familiar acronyms as 501(c)(3), which is the principal charitable category. Despite the word, charity, a 501(c)(3) is probably the most appropriate legal status for this redevelopment corporation.

QUALIFYING AS A 501(C)(3) CORPORATION

501(c)(3) non-profit corporations are either classified as public charities or private foundations. Contributions to these organizations are tax deductible under Section 501(c)(3) of the Federal Tax Code. These organizations are more likely to receive, or be eligible to receive, federal grants and contracts than other non-profit counterparts; it is likely that the JCCC will want to assure maximum opportunity for such grants, in particular, it helping to implement some of the redevelopment plans.

Private foundations receive their income from endowments, investments, or corporations and are required by law to give away five percent of their assets annually to public charities. Private foundations are limited in what grants they receive from other private foundations.

Although qualification as a *non-public* redevelopment organization is preferable to promoting redevelopment through a *public* organization for several reasons, it is significantly more difficult to qualify and there are strict standards to be met. The reason for the difficulty that redevelopment organizations face in obtaining 501(c)(3) status is because they do not genuinely fit in either the private foundation or the public charity categories. Nevertheless, there are three ways for an organization to qualify in this non-profit classification.

1. At least one-third of the organization's support must be derived from contributions from private sector sources. This refers to the broad range of potential contributing entities including individuals, corporations, partnerships, trusts, and estates. In light of the prospective plans for substantial public recreation areas and, perhaps, historic building re-use for museum space, it can be reasonably expected that the redevelopment corporation would be in a position to accept such donations in support of plan implementation.

   The redevelopment plan, however, is not yet completed so this is not yet a confirmed purpose of the organization. But the public process of completing the plan can likely be considered a charitable or public purpose so tax-deductible contributions in support of the planning process, perhaps for specific plans for the recreation and educational areas, will probably meet the requirements of this classification.

2. If the entity cannot meet this one-third test, but at least ten percent of its support comes from private sector sources and the organization meets certain other tests indicating public status, the entity will, nonetheless, be classified as a public charity. The other tests include the requirements that the organization have a continuous and bonafide fund-raising program designed to attract new and additional public and governmental support, and a board representative of broad public interests.

3. The third way for a prospective 501(c)(3) organization to qualify for public charity status is as a supporting organization for another qualifying tax-exempt entity, such as the Chamber of Commerce. If this method is chosen, the entity will sac-

rifice a certain amount of independence because it will be controlled by the Chamber. This is accomplished by giving the Chamber total control of the entity which may or may not be in accordance with the goals of the redevelopment plan.

Of critical importance for a 501(c)(3) corporation is that it is prohibited from certain political activities and is severely limited with respect to lobbying activities. In all likelihood, the redevelopment organization created for the JCCC will have many representatives from state, city, and county government on the board and will be relying on government staff members for some of the specialized work, especially during the planning process. Thus, it and they will be closely tied to government but great care must be taken to avoid *political* involvement or acts of *lobbying*. While the organization will have excellent access to political and government decision makers, the ways in which these contacts are used may come under close scrutiny.

An “insubstantial” or incidental amount of lobbying is permitted, but these terms are difficult to quantify. Five percent is sometimes used as an informal guideline, meaning that an organizations staff should not devote more than five percent of its time and/or five percent of the budget to lobbying. This is, however, not an official Internal Revenue Service guideline.

Section 501(c)(3) organizations can have two kinds of business income:

- Related business income which is not taxed, and
- Unrelated business income which is subject to tax at regular corporate rates.

Unrelated income might arise if the corporation takes consulting fees for advising other redevelopment groups; this may not be considered income that is directly in support of the redevelopment mission. Still, such income may be useful in supporting the mission if it contributes to the ability of the corporation to implement its mission. Generally, having unrelated business income will not affect the organization’s tax exempt status unless the business activity is significant.

A non-profit organization can have subsidiary types of non-profit and for profit organizations. The idea is to take advantage of the strengths of each of the different types of organizations in addressing particular needs and goals. It may make sense, therefore, to create a subsidiary membership organization (typically a 501(c)(6)) if membership will be an important source of income and volunteer support. A for-profit subsidiary may take charge of real estate transactions with the profits from such deals helping to support the non-profit organization.

CASE STUDIES OR FOCUS ON REDEVELOPMENT ENTITIES IN THE U.S.

This section describes several cases of redevelopment management organizations. The purpose of this section is to describe a range of options that could be used as examples in the formulation of a redevelopment organization and management entity to oversee the redevelopment of the Jefferson City Correctional Institute (JCCC) site.

The cases examined for this review were selected for several reasons. They represent examples of sites with similar characteristics to the JCCC site. Many of the cases are site specific facilities that were vacated and no longer used as originally designed. Local communities were faced with the prospect of being home to large, vacant facilities in their community, and efforts to reuse the facilities or readapt the site were made to bring the real estate property back into a viable use.

Other cases were examined because the real estate in question involved multi-tiered governmental entities, such as State (or Federal) and local community interests. The Capital Riverfront Improvement District in Augusta, Maine is an example of a State and local community joining efforts in solving real estate planning and management issues of a local district that encompasses the State capital, other State owned properties and local governmental facilities. Military base reuse cases represent the joining of efforts by Federal and local interests. The reuse of Union Station in Kansas City involved implementation of state enabling legislation from Kansas and Missouri to raise sales taxes to support redevelopment of the site. Thus, management oversight involved cooperation and coordination among multi-tiered levels of government. The cases are examined with reference to their scale or size of development, their scope or mission, ownership, and organization structure and governance.

In most cases, particularly where a specific site or district were the subject of concern, the management process included two major phases: a planning phase and an implementation phase. Often, an initial organization known as a planning organization was created to oversee the preparation and adoption of a Master Plan or a redevelopment plan. This organization was often a special purpose committee or task force that was created to oversee a planning process involving extensive participation by the public and stakeholders. Often, this process was led, guided and funded by the governmental body that owned the property initially, but not always.

In some cases, an independent group was created over concerns that the landowning entity would be less inclined to involve other stakeholders, including the public, in the planning process. The planning for reuse of the Denver Stapleton Airport site, for example, evolved out of the business community's concern that the Airport Authority would sell off the property piecemeal, and without guidelines that reflected community concerns, objectives, and values.

In most cases, a Master Plan was adopted and an understanding of the transfer of property (if needed) was determined, then a management organization would accept the property transfer and manage redevelopment according to the Master Plan or other planned objectives. Often this implementation organization evolved from the original planning organization. In some cases, the two functions were conducted by two distinct organizations, but, in most cases, the planning and implementation functions were closely related and coordinated.

Focus On: Union Station Assistance Corporation (USAC*)*, Kansas City, Missouri

Overview

The *Union Station Assistance Corporation (USAC*) was created in 1994. The purpose of the organization was to oversee the redevelopment of the historic Union Station of Kansas City. The original developer was unable to renovate the property, so the City acquired it (lawsuits were involved) and the property was re-sold by the City to the USAC. The renovated structure opened in November 1999.

The USAC was formed as an outgrowth of a grass roots campaign to preserve the historic structure. Public and business interests in preservation of the structure generated the funds to hire technical consultants and experts for assessing how to re-use the station. The formation of a non-profit development corporation arose out of the recommendations conducted by a private consulting firm during the feasibility analysis process firm.

Economic Development Focus

The focus of the USAC organization has changed over time. Early on, the organization was focused on developing a plan for re-use of the Union Station and acquiring funding for construction. It was at the forefront of the eventual establishment of the bi-state 1/4 cent sales tax used to pay for construction for re-use of Union Station. As resources were acquired to fund the planned activities, the organization served as overseer of the construction efforts. It solicited contractors and technicians for construction and monitored their progress. Now, as the Union Station facility has re-opened as a mixed use entertainment and recreational attraction, the USAC manages the property, assets, and tenant leases of the facility.

Organization Structure and Staffing

The USAC has three persons on staff - an Executive Director, Project Coordinator, and an assistant to the Executive Director. They also hire a building manager to manage Union Station. Much of the project management work is actually contracted out to Hines Mortinson. The USAC sends out RFPs for general contractors, architects, etc.

Governance

There are five board members. The board is comprised of "heavy hitters" - individuals with influence in the business community and individuals who come from the major geographic areas that levy the tax used in supporting the Union Station. Current membership is as follows:

- one member who is the CEO of a local bank
- one member who is the CEO of the Erving Foundation (owners of the Royals)
- one member associated with the "Friends of Union Station" - the group that originally developed the idea to renovate the structure
- one member from the Overland Park (Kansas, in Johnson County) Chamber of Commerce
- one member who is a real estate developer from the north Kansas City area

The board represents individuals who have a combination of technical capabilities, such as real estate development, finance, business and political representation from affected taxing jurisdictions.

Funding and Budgeting

The USAC primarily receives money from a 1/4 cent sales tax from the Missouri and Kansas bi-state area. They also receive private donations. The site was developed using Federal and State grants and incentives, particularly the historic tax credits. The bi-state tax helped create the Science City and renovation of Union Station. The USAC also leases space and received rents from tenants, including retail stores and restaurants.

Relations with Other Economic Development Organizations

As an organization relying heavily upon a bi-state tax, the Union Station Redevelopment Corporation is responsible to the legislature of both the State of Kansas and Missouri in terms of performance and fiscal accountability. It also works closely with the City of Kansas City, the jurisdiction within which it is located.

Also, as the redevelopment efforts and funding mechanisms were focused on the historic character and preservation of the building structure, the redevelopment organization worked closely with the National Trust for Historic Preservation and State Preservation Offices. The corporation worked with those offices in determining a preservation and re-use program that met statute and regulatory requirements in acquiring financial incentives, such as the historic tax credit, to develop an economically feasible project.

Focus On: Lowry Redevelopment Authority (LRA), Lowry, Colorado:

Overview

The closing of the Lowry Air Force Base in Denver and Aurora Colorado was announced in April 1991, as part of the Base Realignment and Closure (BRAC) process that affected many U.S. military bases across the country during the early 1990s. In the case of Lowry, the 1,866 acre site has undergone extensive land use planning since the announced closure. The site will be a master planned community with more than 800 acres for recreational parks and open space, up to 45 holes of public golf course, approximately 4,000 residential units, commercial areas for office and retail, 156 acres of urban college campus, five private schools and one public school, and state of art telecommunications to each business and residence.

The first privatization of property came in the form of "Public Benefit Conveyances" or PBCs between the military and various nonprofit and public benefit entities. Under BRAC regulations, public and non-profit entities were able to apply for existing buildings and property at Lowry at no cost. Nearly 400 acres were awarded to 16 different applicants, including a regional blood bank, a regional college, and a local department of parks and open space. All of these uses are consistent with the Lowry land use plan.

To coordinate the redevelopment of the remaining properties, the cities of Denver (which has 90% of the airforce property in its jurisdiction) and Aurora (which has 10% of property in its jurisdiction) formed the Lowry Redevelopment Authority (LRA) via an inter-governmental agreement. It is a nonprofit organization, quasi-governmental authority charged with many functions. It can raise debt, buy and sell property and conduct many public related functions. It cannot levy taxes. The LRA is charged to direct and oversee redevelopment such that the process is complete in five to ten years and is "income neutral" to both cities. All components of the site's infrastructure must be brought to municipal standards and conveyed to the respective cities while the remaining properties will be privatized.

Economic Development Focus

The primary economic development focus of the Lowry Redevelopment Authority (LRA) is to implement the redevelopment Master Plan for the Lowry Airforce base.

Organizational Structure and Staffing

The LRA is a non-profit organization. It now has 120 persons on staff. Because they maintain the public facilities that remain on the site (very similar in this respect to the Stapleton Airport Re-use), many of its employees are construction and maintenance workers. For example, there remains substantial military housing that is rented out for low and moderate income families (pursuant to McKinney Homeless Act). Other departments and staff persons of the LRA include:

- Executive office - Ex. Director, Deputy Director, and Assistant to both
- Real estate department - one section for commercial; another for residential
- A marketing and public relations department with a director
- Comptroller department - deals with contracts, accounting, sub-contracting,
- Human resource department
- Construction and Operations - operation's staff manage the public facilities that remain on site; the construction staff prepares the sites for development, according to the plan
- There is an on-staff attorney who primarily specializes in residential real estate, and administers the closings, disposition etc. of properties for residential use
- A direct liaison regarding environmental issues who coordinates environmental programs with the Air Force, EPA, does the demolition (ahead of construction) and ensures that all remediation has been completed prior to conveying deeds.
- Support staff for all departments - includes the IT and MIS functions

Governance

The Board of Directors membership is comprised of individuals from the proportionate distribution of land among the Cities of Aurora and Denver. The mayors of the two cities appoint the individual members of the Board.

There are nine voting members, generally apportioned according to the amount of land located in the two local jurisdictions. Seven of the members are from the City of Denver and appointed by the Mayor. Two are from the City of Aurora and appointed by the Mayor. The members serve staggered terms and may be reappointed. They can also resign at any time. All board members are from the two communities of Denver and Aurora. The board members include developers from the two communities, bankers, attorneys, educators (one is the President of the Aurora community college - education is an important component because there is an electronic technical training center located as part of the re-use plan, supported by Lucent Technologies).

There are also two ex-officio, non-voting members of the Board. They are representatives from the departments of planning from both communities. The director of planning for Denver, and a senior planner from Aurora currently fill these positions.

Funding and Budgeting

The administrative and overhead costs of the organization were paid for from a variety of funding sources, including lease revenues to land and building tenants, land sales to the private developer, EDA and OEA grants, and contracted revenues from the BRAC program.

Relations with Other Economic Development Organizations

The re-use plan is incorporated into the comprehensive plan for both the City of Aurora and the City of Denver. There is tie-in of the Board to the public functions of both communities by having representation, though non-voting, from the planning departments of Aurora and Denver. This provides a formal communication channel between the Board and the public sector. And, as the re-use plan was adopted by the communities as part of their comprehensive plans, the Board and the local governments have agreement on the re-use of the site, in advance of actual development. This will facilitate the public approval process that will be required during the development and construction phase.

Focus On: Stapleton Redevelopment Authority, Denver, Colorado

Background

The Denver Stapleton Airport was closed for operations in 1997, when regional airport operations were shifted to the newly constructed Denver International Airport in 1997. The Stapleton site encompasses 4000+ acres. The business community initiated a Master Planning process in the early 1990's in anticipation of Stapleton's closure. At the time, the Denver real estate market and economy was in a downturn. the Aviation Authority, a joint public authority governed by the City and County, owned the land and operated the airport facilities. The business community and the public were concerned that the Aviation Authority was going to sell the land piecemeal without a Master Plan and guide for land disposition.

Economic Development Functions

The Airport Authority's primary interest was with disposition of the property at the highest price offered; it wanted little involvement in a public planning process. FAA regulations stipulated that disposition of the property be at the highest price the Aviation Authority could obtain. Local concerns were that this may not be in the best interests of the community, particularly as many in the community wanted green space, park and trail facilities to be developed on the site. The Mayor was a leader in organizing efforts towards the creation of a Master Plan to coordinate, guide, and facilitate development that would be responsive to community needs.

The business community contributed funds for developing a Master Plan that was adopted by the Denver City Council and incorporated into the City's comprehensive plan in 1995. The plan's major objectives are to create multi-use development and preserve open space. The Master Plan for the site establishes guidelines such that 1,000 acres be retained for open space use, and 3,000 acres be sold to private users.

It also called for the creation of a non-profit organization named the Stapleton Development Corporation (SDC) to oversee the development of public facilities as identified in the plan, asset management of the property and facilities, and disposition of the property to a selected developer through a Request for Proposal process. The scope of the Stapleton Development Corporation is to oversee the implementation of the Master Plan by disposition of the property to Forest City Development Company, the private company selected as the master developer for the site.

The SDC is supported by business enterprises (such as leasing hangar space to U-Haul) that continue to be operated on the periphery of the airport grounds. It also receives funds from the City and County Aviation Authority to maintain the airport grounds.

The vehicle for implementation of specific development projects was conducted primarily through a Master Lease and Disposition Agreement between the Airport

Authority and Forest City Development Company. The SDC oversaw the negotiations and formulation of the agreement. The Stapleton Development Corporation serves as a pass-through for the real estate transactions, between the Airport Authority and the Forest City Development Company that will be phased-in over a 15 year period.

Organizational Structure and Staffing

As development is now underway, per the Master Plan and the Agreement between Forest City Development Company and the Airport Authority, the role of SRC is winding down. It will continue to oversee maintenance of the airport grounds and will serve as a pass through for the real estate transactions between the Airport Authority and Forest City Redevelopment Company.

Governance

The Board of Governance is comprised of ten voting members and nine ex-officio, non-voting members. The members of the board are selected from the business and civic community.

Relations with Other Economic Development Organizations

The Stapleton Redevelopment Corporation has worked closely with other economic development organizations within the City of Denver. While its role has decreased recently as the Master Lease Agreement between the Aviation Authority and Forest City Development Company has been executed to serve as the guide for implementation, the SRC has formed many relationships with other economic development organizations through the years. Early on, the SRC worked closely with the business community and the Mayor's office in developing the Master Plan for the site. It also worked closely with the Aviation Authority in negotiating the master lease with the Forest City Development Company and in maintenance and disposition of the property.

Focus On: Central Correctional Facility, Columbia, South Carolina

Background

Upon a court order, a new replacement prison was constructed and the correctional facility in Columbia, South Carolina was closed in 1995. The vacant facility is located on a 24-acre site located along the river bluff near downtown Columbia. Its location on the bluff provides the only walk access to the canal in this portion of the City.

The property was State owned. The State would have preferred to place a RFP for development and sell the property out right. The City wanted to retain control of development of the site and purchased it from the State for $3.2 million. The State absorbed the environmental remediation costs, estimated at $1.5 million. Upon purchase by the City, a two year marketing process was undertaken, with a RFQ issued to solicit interest in the development of a Master Plan. The RFQ generated thirteen responses. From the thirteen submissions, the City invited five firms to submit a proposal for development of the Master Plan.

Economic Development Focus

The City purchased the 24 acre site from the State, after the State remediated environmental problems with the site. The City directed the master planning process and feasibility analysis and is now focused on constructing public facilities and working with the private developer retained to implement the master plan. Demolition is now underway.

Organizational Structure and Staffing

The City owns the property and the City Department of Economic Development is charged with overseeing development of the site. It is an operating department of the City and funded primarily by general revenues. It is not an independent economic development corporation.

Governance

The economic development department is an operating department of the City and its director reports to the City Manager, who is appointed by the City Council.

Funding and Budgeting

The City purchased the property from the State and will issue TIF bonds to fund public infrastructure costs. However, total revenues from the sale of the developed property are not expected to cover the City's costs for improvements.

The Master Plan calls for a mixed use, urban style development totaling over $150 million. At least $10-12 million will be spent on the development prior to selling the land to a developer. These costs are for infrastructure development, such as water, sewer, roads and a public walkway along the canal. Tax Increment Financing will be used to pay for some of these public improvements. However, the sale price of the property to a private developer, upon completion of public improvements, is expected to be in the $10-12 million range. A pro forma analysis indicated that the City will expend $5 million in total (non-recoverable costs) upon sale of the property.

Relationship With Other Economic Development Organizations

The City owns the site and the Department of Economic Development is charged with overseeing development on the site. It is a City department and not an independent economic development corporation.

There were historic preservation issues as many of the buildings were constructed in the 1850's. The State negotiated with the State Historic Preservation Office to retain only two buildings and remnants of a stone wall that lined the site. Market studies indicated that little economic use existed for the historic structures, thus most of the buildings were demolished. One of the newer buildings, the site of a prison business enterprise, was retained and is anticipated to be re-used.

Focus On: Capital Riverfront Improvement District, Augusta, Maine

Background

Augusta is the capital city of Maine, and is located on both sides of the Kennebec River. The City population is approximately 20,000 and the State administration is the largest employer. Upon demolition of a 100 year-old hydroelectric dam, up-stream from the City, efforts at the State and City level were combined to find ways to reorient the City towards the River, both in terms of physical design and economic development. The State enabling legislation creates a district on both sides of the River. The legislation is not specific with respect to boundaries, but the Commission has created a plan with specific boundaries.

Economic Development Focus

The State Legislature created the Capital Riverfront Improvement District (CRID) Commission to oversee development of a Master Plan for the District. The plan was developed over a nine month period and involved public input and the use of con-sultants in market research and urban design. The plan was primarily a vision for the district and market opportunities were examined to estimate the scope and scale of potential development in the district. The Commission can issue debt. Tax incre-ment revenue districts can also be created. The State does not allow cities to levy local sales taxes, thus the City of Augusta restricted in its ability to raise non-property tax revenues for capital and operating uses.

Organizational Structure and Staffing

The City's Director of Economic Development currently staffs the Commission. Support staff is derived from the City's Department of Economic Development and other City departments as needed.

Governance

A commission was formed by State enabling legislation that includes State and local ex-officio members, residents and elected officials. The Board consists of 16 members. Six members are appointed by the Mayor, including:

- one member of the "Heart of Augusta", a non-profit organization with the mis-sion of promoting downtown Augusta
- one member of the Augusta City Council
- one member of the City's Planning Board
- three City residents

Other positions include:

- the Augusta City Manager
- an expert in riverine habitat protection also has a position on the Board
- the Director of the State Planning Office
- the Director of the Maine State Housing Authority
- the Commissioner of Transportation
- the Director of Bureau of General Services
- the State Senator from the City area
- the State Rep from the City area
- one resident of the City but appointed by the Governor
- the Director of Maine Historic Preservation Commission

Funding and Budgeting

State and City funds were used to procure a consultant team for creation of the Master Plan. Ongoing support of a staff person for the commission will likely be born out of the City's Department of Economic Development

Relations With Other Economic Development Organizations

Property in the district is owned by individual private and public entities. The Commission represents diverse public and private interests and has representative commissioners from several state and local departments involved in economic development activities.

Focus On: Joint Capital Area Study Commission, Montpelier, Vermont

Background

In 1995, the State Assembly created a City-State Commission called the Joint Capital Area Study Commission to encourage cooperation between the State of Vermont and the City of Montpelier in solving mutual problems and planning for the future growth of the capital city. The Commission was charged with preparation of a Master Plan for land use and development within the downtown area near the capital grounds, called the "Capital Area District". The statute appropriated State funds for consulting services to carry out the Master Plan, but required that a matching amount of City funds be made available for consulting services. The state statute stipulates that the Commission terminate on July 1, 2004.

The Commission solicited consulting services to perform a two phased study. The first phase required an assessment of the parking conditions and issues in downtown Montpelier with recommendations and guidelines for addressing parking needs. The second phase of the study addressed several key issues and projects concerning the capital area. Issues addressed in the second phase included: the projected need for state office space, the appropriate use of riverfront land, and the feasibility of a multi-modal transportation and visitor facility.

Economic Development Focus

The commission serves primarily as a study commission to address issues related to the capital area district.

Organizational Structure and Staffing

No new organizations were created nor was additional staff hired to administer the work of the commission. The State Buildings Division provides support staff to the commission. The commission meets on an as-needed basis.

Governance

The commission consists of eight members - four from the state and four from the city. The members appointed by the state include:

- The commissioner of state buildings
- The chair of the Senate Institutions Committee
- The chair of the House Institutions committee or his/her designee
- An individual appointed by the chair of the Senate Institutions Committee

The members appointed by the city include:

- The mayor of Montpelier
- A resident appointed by the mayor
- The chair of the Montpelier Conservation Commission
- The senior senator from Washington County

Funding and Budgeting

No additional funds were provided to administer the functions of the commission. The State and the City provided funds to procure consultants to conduct the two-phased consulting work that addressed parking and land use needs.

Relations with Other Economic Development Organizations

The commission's primary role is to oversee the master planning of a land area that has state and city interests. It does not function as an economic development organization or a planning commission. It has worked closely with City and State agencies that have an interest in the issues addressed through the planning process. It reports to the house and senate institutions committees and to the Montpelier city council concerning its work, but currently has little implementation powers.

Focus On: Forest Park Forever, St. Louis, Missouri

Background

St. Louis' major urban park, Forest Park, is more than 120 years old and is one of the largest urban parks in the country. Owned by the City, it is comprised of 1,370-acres and houses major cultural institutions including the Saint Louis Art Museum, History Museum, Zoo, Municipal Opera and the Science Center. It also houses numerous recreational facilities such as tennis and handball courts, an 18-hole golf course and an ice rink. It receives more than 12 million visitors annually.

In 1986, Forest Park Forever, a 501(C)(3) non-profit organization, was founded to work in partnership with the St. Louis City Department of Parks, Recreation and Forestry to improve and maintain the park's facilities and landscaping, as public funds were insufficient to meet the costs of improvement. The organization raised money to make improvements upon existing facilities within the park.

By 1993, Forest Park Forever and the City of St. Louis began developing a Master Plan for the park to meet the needs of current users while conserving it for the future. The Master Plan was approved in 1995, and Forest Park Forever and the City of St. Louis began an effort to each raise $43 million for improvements in athletic facilities, buildings, infrastructure, and the environment. As of September of this year, nearly $41 million had been pledged or donated from individuals, corporations and foundations. Work has been well underway in improving the park's facilities and landscaping.

Economic Development Focus

The organization's primary functions are to raise $43 million in private donations for Forest Park capital improvements, and to oversee the implementation of the Master Plan by coordinating maintenance, construction, and conservation activities among contractors and the City service departments.

Organizational Structure and Staffing

There are seven persons on the administrative staff of Forest Park Forever. The positions include: an executive director, marketing manager, capital campaign manager, director of the Annual Friends campaign, an Annual Friends special event assistant, an office manager, and a data assistant. The annual administrative budget is between $300,000 - 400,000. Administrative costs are paid for with funds raised through an annual fund drive called the Annual Friends Campaign.

Governance

The number of Board members may change from time to time but must be comprised of no more than 60 and no less than 30 directors elected by the Board. Ten individuals who hold the following ten offices are also board members (included in the 30 - 60 range). The offices are:

- The Mayor of the City of St. Louis
- The Alderperson whose ward comprises the greatest area of Forest Park
- The Director of Parks, Recreation and Forestry of the City of St. Louis
- The manager of Forest Park
- The Chief Executive Officer of the Missouri Historical Society
- The Chief Executive Officer of the Saint Louis Art Museum
- The Chief Executive Officer of the Triple A Golf and Tennis Club
- The Chief Executive Officer of the St. Louis Zoological Park
- The Chief Executive Officer of the Muny Opera
- The Chief Executive Officer of the St. Louis Science Center

The Executive Director of the Corporation serves as an ex officio, non-voting member of the Board of Directors. The responsibilities of individual Board members are:

- To attend a minimum of three meetings annually of the Board of Directors
- To serve as a member of a Board Committee as appropriate
- To contribute to the annual Friends Campaign, preferably at the $1,000 level
- To support the Capital Campaign, financially and with advice as appropriate
- To serve as an enthusiastic spokesperson for Forest Park Forever and Forest Park.

The nominating committee is charged with identifying individuals within the community who would be strong candidates to serve as a board member. The needs of the board members may change over time to reflect the agenda and needs of the organization. During a capital campaign, for example, board members may be selected who are connected to the corporate community and can raise capital for the organization. But overall, the board is a mix of individuals who represent the diverse interests of Forest Park and its users. Most of the cultural institutions in Forest Park are funded with a tax levied in the City of St. Louis and St. Louis County. Thus, it is important for the board to be comprised of a mix of individuals from both the City and County who represent ethnic, racial and gender diversity.

Funding and Budgeting

The organization relies primarily on private fundraising and donations to fund its operating and capital activities. It has established several ongoing fundraising campaigns, including the Annual Friends fund drive to raise funds for administrative and the annual operating costs, and a capital fundraising campaign to raise $43 million for capital improvements to the Park (based upon recommendations from the Master Plan).

Relations with Other Economic Development Organizations

As stated previously, the City of St. Louis owns Forest Park. Thus, Forest Park Forever has close ties with the City's formal departmental structure and works on a day to day basis with the Department of Parks, Recreation and Forestry. Typically the City's crews would perform the services of maintenance and upgrading of City owned facilities, including Forest Park. However, in some instances, Forest Park Forever desires to have specialized services and contractors solicited independent of the City's standard bidding process.

Though Forest Park Forever generally follows the City's procurement practices, such as goals for minority and women's business enterprises, it has need for specialized and additional services beyond the City's manpower capabilities. For example, while the City's Department of Parks, Recreation and Forestry is responsible for ongoing maintenance of the park, Forest Park Forever is able to outsource maintenance of the many new gardens and landscaping projects that have recently been installed. These newer and younger plants and gardens require additional maintenance, care and tending that go beyond the City's available manpower.

Focus On: Naval Training Center (NVT), Orlando, Florida

Background

In 1993, an announcement was made to close the Naval Training Facility (NTF) in Orlando, Florida, as part of the military's Base Realignment and Closure (BRAC) plan that affected many military bases throughout the country. The NTC is comprised of four facilities located within the City of Orlando limits. The main base of the NTF is comprised of 1,100 acres and is located approximately three miles from the Central Business District. As a naval training center, it included three campus-like settings with combinations of classrooms, dormitories, offices and recreational uses. Another part of the complex, called the McCoy Annex, is located near the Orlando International Airport and included over 900 residential units. And two warehouse complexes were also part of the BRAC plan but are not addressed here.

Following the Pentagon's decision to close the NTC, the Mayor appointed a Base Reuse Commission, made up of Central Florida business and government leaders, to identify alternative uses for the base. The City's concern was for a quality development with sufficient private investment to generate additional tax revenues. The City established and staffed an NTC Base Reuse Office, with financial assistance from the U.S. Department of Defense Office of Economic Adjustment (OEA). Since the announcement, over 200 public meetings have been conducted as part of the planning process for re-use of the facility.

The City and the Navy came to an agreement to release a Request for Proposals (RFP) from developers to implement the Master Plan. Six were received, of which four were responsive to the request. Those four firms were invited to offer detailed plans and financial proposals, including an offer for the purchase price of the property. A consortium of developers called Orlando Partners was selected to receive development rights to the property and to carry out the objectives of the Master Plan.

In the early years following the announcement, it was anticipated that many of the military facilities could be re-used, such as a military fire training facility that was newly constructed. In addition, as part of the BRAC guidelines, other public agencies were allowed to "cherry pick" the facilities if needed. As a result of that step in the process, a VA clinic and a finance and accounting service of the Department of Defense located on a portion of the site. The balance of the site on the main base was retained for private use.

Economic Development Focus

No formal redevelopment corporation was created to implement the re-use plan. Rather, the City serves as a pass through for transfer of the property from the Navy to Orlando Partners.

Funding and Budgeting

The cost for the property to be developed by private developers was $5 million. The City retained 25% (or $1.25 million) to cover administrative costs over the life of its involvement in the project, and the Navy received the balance, or $3.75 million.

Organizational Structure and Staffing

Because of the scope and scale of this development, extensive plan review and public approvals are required. The City has the lead role in overseeing the development process and has assigned specific planning staff members to work solely on administering plan approvals for development of this project. In addition, the agreement between the City and the developer include performance criteria on the City's part to facilitate the development process, such as timely review of development applications and the issuance of building permits.

Because of the type and size of the development, several local regulations are applicable in this case, including a design review process, a neighborhood planning process, and a Planned Development process. The City of Orlando, which has experienced enormous growth in the past decade, has implemented design review committees as part of their Growth Management Plan.

Part of the funding for public improvements adjacent and on the site is through a Community Development District, which is a financing structure that works similarly to a special assessment district. That is, bonds are issued to provide funds up front for public improvements, and the bonds are paid back from the increased tax revenues from a special assessment levied on properties located within the district. This is not to be confused with a tax increment finance program (TIF) that in the State of Florida require County level participation. As stated earlier, the City also served as a pass through of the $5 million land transfer from the Navy to the private developer.

Governance

Five members comprise the Community Development District Commission. The commission is accountable primarily to the City, and the local residents and property owners located within the District.

Funding and Budgeting

The development districts are self-funding in that administrative funds can be captured from the tax assessments. A "cottage industry" is being developed in the State to manage the development districts. One firm manages 80 percent of all development districts in the State.

Relations with Other Economic Development Organizations

The City and Community Development District work closely together in coordinating development of public infrastructure on the site. Historically, the City has spearheaded the planning and developer recruitment efforts and worked with numerous public groups and the military and Federal agencies overseeing transition of the property from military to private use.

Focus On: Washington University Medical Center Redevelopment Corporation, St. Louis, Missouri

Background

In 1973, the Washington University Medical Center Redevelopment Corporation (WUMRC) was formed under Missouri Chapter 353 (Private Redevelopment Corporation) statutes. The purpose of the organization was to serve the public purpose of providing for the health and safety of the public through efforts to redevelop the neighborhood surrounding Washington University Medical Center in the central west end of St. Louis

Economic Development Focus

The corporation has the powers of Chapter 353 - it can purchase, acquire, lease and dispose of property; it can utilize redevelopment programs and funds to carry out develop activities and projects within its defined corporate boundaries. It can utilize eminent domain to acquire properties. The corporation works within a well defined boundary in the central west end area of St. Louis that includes the Washington University Medical Center and surrounding neighborhoods.

Organizational Structure and Staffing

The Washington University Medical Redevelopment Corporation has three full time staff members and one part time staff member. Full time members include a financial analyst, a secretary, a manager, and a part time treasurer.

Governance

The redevelopment corporation is owned by the Washington University Medical Center (WUMC) and Barnes Jewish Christian (BJC) organizations. There are six members of the Board of Directors. Three members represent (BJC) interests, and three members represent Washington University Medical School.

Funding and Budgeting

Under the Chapter 353 state statutes, administrative funds can be retained through the development process. In the early years of the corporation, during the 1970s, funds were provided through a bond debenture that involved a five bank consortium of investors. Typically, the corporation will buy and sell properties and receive a portion of the sales transaction for administrative costs. Allocation to the corporation is also provided through line item budgeting (unrestricted) in the BJC and WUMC organizations.

Relations with Other Economic Development Organizations

The organization works very closely with Washington University Medical Center's development arm, the City of St. Louis development agencies, such as the Community Development Agency, St. Louis Development Corporation, Land Clearance for Redevelopment Authority (LCRA), and Operation Impact.

Focus On: Ft. Sheridan Redevelopment Commission, Ft. Sheridan, IL

Background

Ft. Sheridan, located along the north shore of greater Chicago in Lake County, is another military facility that was decommissioned as part of the BRAC program in the early 1990s. Not all of the acreage contained within the military base was re-used for non-military purposes. A portion remains in use by the Army and Navy. The Towns of Highland Park, Highwood, and Lake Forest received 405 acres though annexation agreements. And a fourth section was transferred as unincorporated property in Lake County. It is currently used as a golf course. The portion of the base that is now privatized originally contained barracks and single family and duplex homes for a full hierarchy of military personnel. This portion also contains historic areas, particularly the military parade ground. The parade ground will be used as a town square style open space in the new development.

When the announcement was made for a partial base closure, the local communities created several inter-governmental agreements that addressed key issues, notably, annexation of the property into the local communities and conceptual planning and re-use of the property. Lake Forest eventually discontinued participation in the inter-governmental arrangements as they annexed a small portion of the property in question and utilized it as a public works facility.

The other two communities, Highland Park and Highwood, led the efforts to develop a joint conceptual plan that was adopted by both city councils. A joint agreement to issue a request for development proposals was also established, with a consortium of four development companies, called the Town of Ft. Sheridan Development Company, selected as the development company charged with implementation of the conceptual plan.

Federal rules required that disposition of military property be given to the local jurisdiction, (after public entities are provided an opportunity to examine the property for their use). The local jurisdiction may then retain or sell the property. The communities of Highland Park and Highwood , therefore, served as a pass-through for the transfer of property by receiving property from the military and transferring it to the Town of Ft. Sheridan Development Company. The two closings occurred on the same day. The plan submitted by the Town of Ft. Sheridan Development Company to the respective communities was administered as a planned unit development.

Of the 405 acres purchased by the development company 290 acres will be retained as open space. Much of the land retained as open space is comprised of ravines, lakefront, and undevelopable bluffs. Approximately 115 acres will be devoted to high end residential uses, including single family homes and warehouse style condominiums. A golf course is also planned for development.

Economic Development Focus

An inter-governmental agreement created a joint planning commission and common approvals process between the Towns of Highland Park and Highwood to guide and facilitate the development process for the Town of Ft. Sheridan Development Company. It was created to provide a seamless development approval process and to resolve public approval issues that are inconsistent between the two communities or issues that arise that vary from the original planned unit development requirements. The joint commission serves as a recommending authority to the city councils of the two communities on issues that affect both communities. For properties and issues that are relative to only one of the two communities, the joint planning commission is not involved.

Organizational Structure and Staffing

The Ft. Sheridan Development Company owns all of the property. Staff members of the planning departments of Highland Park and Highwood serve the joint planning commission. The Highland Park staff is responsible for the administrative duties of preparing for the planning commission meetings.

Governance

The joint planning commission is comprised of seven members. Four members are residents of the Town of Highland Park and three members are residents of the Town of Highwood. The respective mayors appoint the commissioners from their communities. Currently, the commission meets on an as-needed basis, approximately once per month.

Funding and Budgeting

During the planning process, the three communities involved (Lake Forest, Highland Park, and Highwood) committed staff members to facilitate the process. Currently, staff members are assigned to the joint planning commission. No additional staff was hired, though consultants were used early on to conduct specialized market studies.

Note that the location of the privatized 405 acres is prime and highly marketable. The property is located among the most affluent suburban communities of Chicago, along the Lake Michigan shoreline. Much of the military street configuration and public utilities were not re-usable. The public infrastructure will be paid for by the development company. No public funds will be utilized. (Though it is unclear how the infrastructure will be financed, for example, whether debt will be issued and paid back via the increased public tax revenues generated from the project, or whether the infrastructure will be paid for by private debt, or up-front payments by the development company.) However, the strength of the market and location of the property supports private funding of the public infrastructure. Condominium units will sell for upwards of $400,000 and single family homes will sell at prices approaching $1 million.

Relations with Other Economic Development Organizations

The joint planning commission works closely with the planning departments and city councils of the two communities - Highland Park and Highwood, within which the Ft. Sheridan project is located. It also works closely with the Town of Ft. Sheridan Development Company in ushering through the public approvals required for construction of the project.

PROPOSED MANAGEMENT STRUCTURE FOR REDEVELOPMENT OF THE JEFFERSON CITY CORRECTIONAL CENTER

Introduction

Beginning in 1999, the State of Missouri began to consider what to do with the JCCC facility upon its closure in 2003. A task force was convened to provide early planning and guidance towards determining an approach and process for redevelopment of the site into uses that would benefit the public and be fiscally responsible to the State of Missouri, the City of Jefferson, and Cole County. It is anticipated that legislation will be introduced in the 2001 legislative session to establish a management structure and guidelines for the redevelopment process for reuse of the JCCC. This section represents a working draft of major issues and objectives to be addressed in the proposed legislation.

Development Strategies recommends that a corporate entity with a governing board be created to develop a Master Plan for the JCCC site and its access facilities, and that it oversee development and implementation of the Master Plan. The following outlines our recommendations with regard to the board's mission, objectives, governance structure, and powers.

Mission and Objectives

Mission

The mission of the corporation is to prepare a plan and carry out a development program for reuse of the JCCC. The corporation is to oversee the reuse of the Jefferson City Correctional Center property and grounds in a manner that is fiscally responsible to the residents of the State of Missouri. To avoid confusion, it is recommended that the corporation be identified in reference to the Missouri State Penitentiary, as the JCCC will continue its operations at another location in 2003.

Objectives

Several objectives are to be undertaken by the corporation, including:

- To prepare a Master Plan for redevelopment of the site; and
- To conduct all appropriate studies for planning and pre-development; and
- To identify and capitalize on relevant sources of funding for planning and development, including public and private resources; and
- To prepare the property for redevelopment; and
- To oversee the development process either directly or through a master developer; and

- To maintain a high degree of state, county, and local government oversight and participation; and
- To coordinate actions and interests of the State of Missouri, Cole County, and the City of Jefferson related to disposition of the property; and
- To adequately maintain and repair all facilities and land until they become the legal responsibility of other parties; and
- To take legal control of property at appropriate time(s).

Proposed Governance and Powers

Governance

A board of directors will govern the corporation. The board will be composed of ten members appointed by the State of Missouri, Cole County, and the City of Jefferson. The composition of the board is derived to support the Corporation's efforts in securing civic, public and private support for the mission of the corporation and to facilitate the governmental approval process that will be required to implement any project(s) proposed for the JCCC property and access corridors. Members of the Board of Directors shall possess the skills, talents, and resources necessary to collectively fulfill the mission of the corporation.

Powers

The board's powers will include:

- To develop a comprehensive plan, Master Plan, or redevelopment plan for the JCCC and to hold public hearings on the plans; and
- To create, develop, and implement plans for JCCC and the redevelopment of the JCCC and its access corridors, including traffic corridors, urban design corridors that address aesthetic issues and pedestrian connections, and infrastructure corridors, that include, but are not limited to street, sidewalks and utilities; and
- The development and implementation plans may provide for various uses, including but not limited to recreation, cultural, open space, historical, public space, and commercial uses; and
- To prepare, submit, and administer plans, and to participate in projects or intergovernmental agreements, or both, and to create reserves for planning, constructing, reconstructing, acquiring, owning, managing, insuring, leasing, equipping, extending, improving, operating, maintaining, and repairing land and projects that it owns or leases; and
- To provide for the insurance, including self insurance, of any property or operations of the Board or its members, directors, officers and employees, against any risk or hazard, and to indemnify its members, agents, independent contractors, directors, officers, and employees against any risk or hazard; and
- To appoint an executive director to retain, and employ offices, agents, independent contractors, and employees to carry out its powers and functions; and

- To make and execute any contract with any agency of the state or federal government, any unit of local government, or any person or corporation; and
- To form an assessment taxing district encompassing the JCCC site, for the purpose of generating capital for carrying out the Board's powers and functions, including but not limited to capital for public infrastructure; and
- To sue, initiate or appear in any proceeding; and
- To adopt and amend bylaws necessary or useful for carrying out any of its duties; and
- To acquire real or personal property, or any interest in real or personal property, including rights or easements by gift, purchase, transfer, foreclosure or lease; to improve, hold, sell with or without public bidding, assign, lease, rent, encumber, mortgage, loan or otherwise dispose of any real or personal property, or any interest in real or personal property, or mortgage interests owned or in its control, that may be less than market value, custody or possession and release or relinquish any right, title claim, lien, interest, easement, however acquired; and
- To lease or rent any land, building, structure, facility or equipment comprising all or a portion of a projects, projects or part of a project for such amounts as the Corporation determines; and
- To make and execute all contracts and other instruments necessary or convenient to the exercise of its powers.

Citizen's Advisory Committee

Development Strategies also recommends that a Citizen's Advisory Committee (CAC) be initiated to advise the Board on issues that involve the public at large and to assist the Board and public agencies in developing long term support for the project. Citizen's Advisory Committees can be beneficial in lobbying for resources, such as Federal grants and loans, and in providing a channel through which the Board can communicate to the public on issues relating to the planning and development of the site. The CAC can be loosely organized and structured, and interest and participation from the committee will likely wax and wane in tandem with the types of activities being addressed by the Board. While the CAC would serve primarily in an advisory capacity, a representative from the CAC should be selected to serve on the Board of the JCCC Redevelopment Corporation.

Funding

- Resources will be required in the pre-development stages of the project to cover costs such as engineering, architectural analysis, environmental and feasibility analyses to determine and refine development opportunities and project costs.
- Resources will also be required to cover ongoing administrative and operations costs for the corporation and for maintenance of the facility property prior to re-

development.

- An individual and supporting staff should be recruited to manage and execute the functions of the Board. An important task for the executive staff will be to seek capital and administrative funds to assist in paying for pre-development costs and long-term operating costs of administering to the Board in carrying out its objectives.

By-laws of Organization

Upon incorporation and the official establishment of the organization, the Governing Board should adopt By-laws that address the practical, internal rules of the organization. The By-laws represent a code of internal rules that can be enforced and provide guidance, structure, and formality to the organization. The By-laws *may* include, but not be limited to the following issues:

Duties of board members
- Board meeting attendance
- Functions
- Meeting requirements

Executive Committee
- Composition
- Functions, duties
- Meeting requirements (quorum, frequency)

Terms of Office
- Voting members
- Non-voting members, if any

Sub-Committees
- Purpose
- Duties
- Minimum requirements for membership
- Chairperson, if any

Quorum and Voting Requirements
- Full Board
- Executive Board
- Committees

Meetings
- Frequency
- Annual meeting, if any
- Place
- Public disclosure guidelines or requirements

Amendments to By-laws
- Requirements for amending By-laws
- Process for amending By-laws

Additional Personnel

- Executive director and staff, for example
- Lines of accountability
- Responsibilities of personnel
- Personnel policies

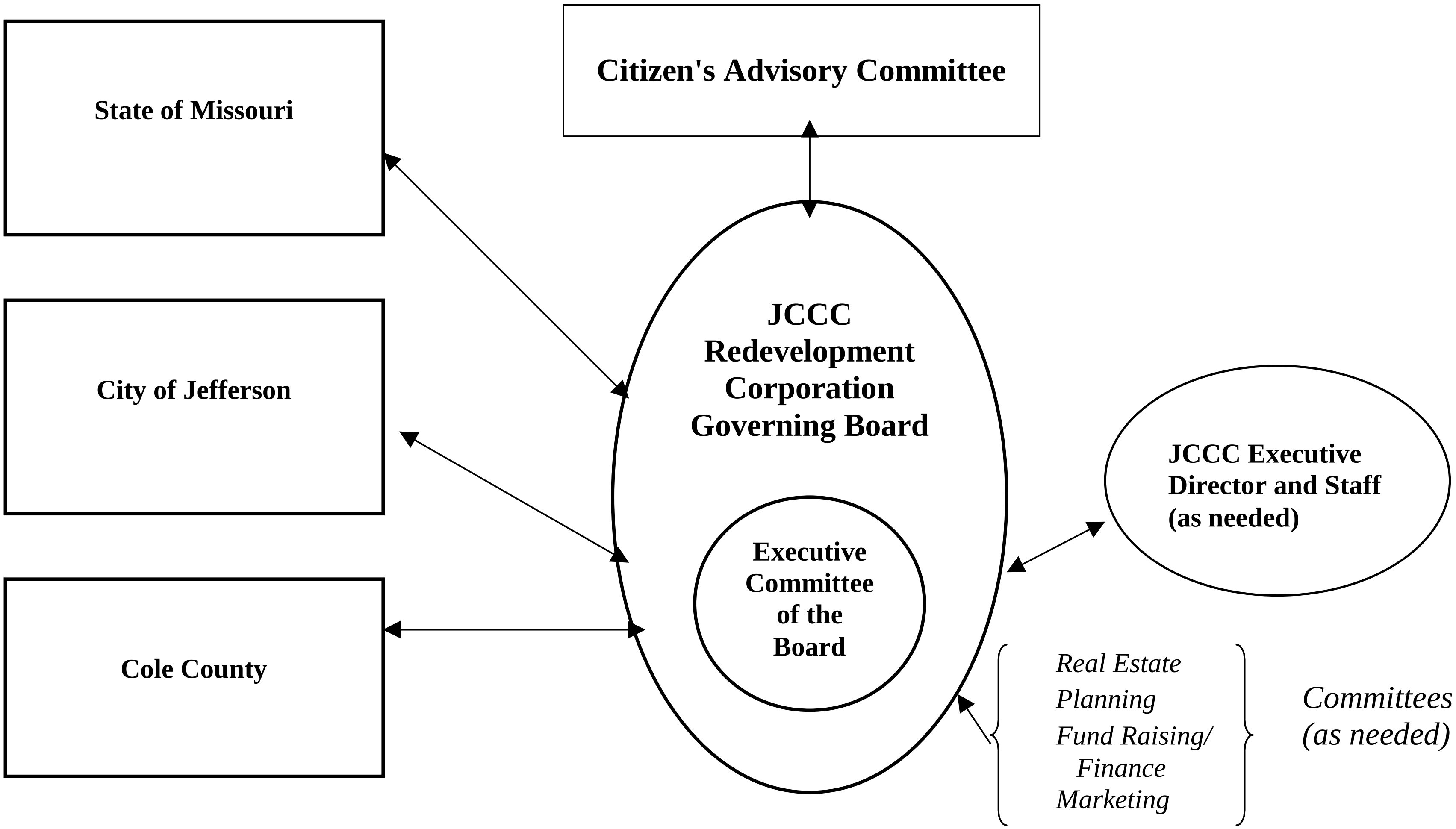
Conflict of Interest

- Definition of conflicts of interest
- Process for determining conflicts of interest
- Process for resolving conflicts of interest

Reporting Requirements (of the Board, to the State, County, City, if any)

- Establish reporting requirements, if required or needed
- Definition of reporting requirements
- Time to deliver required reports, and product, and process

PROPOSED ORGANIZATIONAL AND MANAGEMENT PROCESS FOR REDEVELOPMENT OF JCCC



Appendix D – Miscellaneous Items

SECTION 2

Draft, Missouri State Penitentiary Redevelopment Corporation Act, November 2, 2000

Missouri State Penitentiary Redevelopment Corporation Act

Be it enacted by the General Assembly of the State of Missouri, as follows:

Whereas, the Jefferson City Correctional Center (hereafter JCCC) is a State owned maximum-security facility that began operating in 1836 and encompasses over 50 structures on 142 acres of land located above the river bluff in central Jefferson City.

Whereas, the current operations of the Jefferson City Correctional Center will be relocated in 2003 to a new location east of Jefferson City.

Whereas, a Consensus Plan for redevelopment of the facility has been prepared after many public meetings and was adopted by the Jefferson City Correctional Center Task Force which has been meeting since July 1999.

Whereas, it is the intent of the State of Missouri to assist in the preparation of the facility and its land for redevelopment upon the relocation of correctional center operations.

Whereas, the State desires that a management entity and guidelines for the redevelopment process for reuse of the Jefferson City Correctional Center be created.

Whereas, the State desires to establish a non-profit, public-private corporation to develop a Master Plan for the current Jefferson City Correctional Center site and facilities in conjunction with the City of Jefferson and Cole County, and that this organization shall oversee implementation of the Master Plan.

Now therefore be enacted the following:

Section 1.

It is hereby declared that the site currently occupied by the Jefferson City Correctional Center be defined for the purposes of this legislation, and referred to hereafter, as the Missouri State Penitentiary (MSP).

Section 2.

There is hereby established the "Missouri State Penitentiary Redevelopment Corporation" (hereafter, the MSPRC). The corporation is established to prepare a master redevelopment plan and to carry out a development program for reuse of the Missouri State Penitentiary buildings, structures, and grounds. The corporation is to oversee the reuse of the property and grounds in a manner that is fiscally responsible to the residents of the State of Missouri, the City of Jefferson, and Cole County

Section 3.

The objectives of the MSPRC shall include:

(1) To prepare a Master Plan for redevelopment of the site
(2) To conduct all appropriate studies for planning and pre-development
(3) To identify and capitalize on relevant sources of funding for planning and development, including public and private resources
(4) To prepare the property for redevelopment
(5) To oversee the development process either directly or through a master developer
(6) To maintain a high degree of state, county, and local government oversight and participation
(7) To coordinate actions and interests of the State of Missouri, Cole County, and the City of Jefferson related to disposition of the property
(8) To adequately maintain and repair all facilities and land until they become the legal responsibility of other parties
(9) To take legal control of property at appropriate time(s)

Section 4.

The corporation shall be governed by a board of directors comprised of the following:

(1) The board will be composed of ____ members appointed by the State of Missouri, Cole County, and the City of Jefferson.
(2) The composition of the board is derived to support the Corporation's efforts in securing civic, public, and private support for the mission of the corporation and to facilitate the governmental approval process that will be required to implement any project(s) proposed for the Missouri State Penitentiary property and access corridors.
(3) Members of the Board of Directors shall possess the skills, talents, and resources necessary to collectively fulfill the mission of the Corporation.

Section 5.

The powers of the Missouri State Penitentiary Redevelopment Corporation shall include:

(1) To develop a comprehensive plan, Master Plan, or redevelopment plan for the MSP and to hold public hearings on the plans;
(2) To create, develop, and implement plans for MSP and the redevelopment of the MSP and its access corridors, including traffic corridors, urban design corridors that address aesthetic issues and pedestrian connections, and infrastructure corridors, that include, but are not limited to street, sidewalks and utilities
(3) The development and implementation plans may provide for various uses, including but not limited to recreation, cultural, open space, historical, public space, and commercial uses;
(4) To prepare, submit, and administer plans, and to participate in projects or

intergovernmental agreements, or both, and to create reserves for planning, constructing, reconstructing, acquiring, owning, managing, insuring, leasing, equipping, extending, improving, operating, maintaining, and repairing land and projects that it owns or leases;

(5) To provide for the insurance, including self insurance, of any property or operations of the Board or its members, directors, officers and employees, against any risk or hazard, and to indemnify its members, agents, independent contractors, directors, officers, and employees against any risk or hazard;

(6) To appoint an executive director to retain, and employ offices, agents, independent contractors, and employees to carry out its powers and functions;

(7) To make and execute any contract with any agency of the state or federal government, any unit of local government, or any person or corporation;

(8) To form an assessment taxing district encompassing the MSP site, for the purpose of generating capital for carrying out the Board's powers and functions, including but not limited to capital for public infrastructure;

(9) To sue, initiate or appear in any proceeding;

(10) To adopt and amend bylaws necessary or useful for carrying out any of its duties

(11) To acquire real or personal property, or any interest in real or personal property, including rights or easements by gift, purchase, transfer, foreclosure or lease; to improve, hold, sell with or without public bidding, assign, lease, rent, encumber, mortgage, loan or otherwise dispose of any real or personal property, or any interest in real or personal property, or mortgage interests owned or in its control, that may be less than market value, custody or possession and release or relinquish any right, title claim, lien, interest, easement, however acquired;

(12) To lease or rent any land, building, structure, facility or equipment comprising all or a portion of a projects, projects or part of a project for such amounts as the Corporation determines;

(13) To make and execute all contracts and other instruments necessary or convenient to the exercise of its powers

Section 6.

A Citizen's Advisory Committee (CAC) shall be initiated by the MSPRC Board

(1) The purpose of the Citizen's Advisory Committee shall be to involve the public at large and to assist the Board and in developing long term support for the reuse of the Missouri State Penitentiary site.

(2) The Citizen's Advisory Committee shall serve primarily in an advisory capacity.

(3) A representative from the Citizen's Advisory Committee shall be selected to serve on the Board of the Missouri State Penitentiary Redevelopment Corporation.

Section 7.

An executive director shall be retained by the Missouri State Penitentiary Redevelopment Corporation.

(1) The purpose of the executive director shall be to assist the Missouri State Penitentiary Redevelopment Corporation in securing pre-development costs and long-term operating costs in carrying out its objectives.

(2) Support staff may be retained by the executive director to assist him/her in carrying out the functions and duties of the MSPRC.

Section 8.

The Board of the Missouri State Penitentiary Redevelopment Corporation shall establish by-laws that address the practical, internal rules of the organization. The By-laws represent a code of internal rules that can be enforced and provide guidance, structure, and formality to the organization. The By-laws can include, but not be limited to the following:

(1) Duties of board members
- Board meeting attendance
- Functions
- Meeting requirements

(2) Executive Committee
- Composition
- Functions, duties
- Meeting requirements (quorum, frequency)

(3) Terms of Office
- Voting members
- Non-voting members, if any

(4) Sub-Committees
- Purpose
- Duties
- Minimum requirements for membership
- Chairperson, if any

(5) Quorum and Voting Requirements
- Full Board
- Executive Board
- Committees

(6) Meetings
- Frequency
- Annual meeting, if any
- Place
- Public disclosure

(7) Amendments to By-laws
- Requirements for amending By-laws
- Process for amending By-laws

(8) Additional Personnel
- Executive director and staff, for example
- Lines of accountability
- Responsibilities of personnel

- Personnel policies

(9) Conflict of Interest

- Definition of conflicts of interest
- Process for determining conflicts of interest
- Process for resolving conflicts of interest

(10) Reporting Requirements (of the Board, to the State, County, City, if any)

- Establish reporting requirements, if required or needed
- Definition of reporting requirements
- Time to deliver required reports, and product, and process

Section 9.

Fiscal appropriations shall be made to support the functions of the MSPRC board during FY 2002.

(1) An appropriation in the amount of $_____________ will be made to cover costs such as engineering, architectural analysis, environmental and feasibility analyses to determine and refine development opportunities and project costs for the MSP development site.

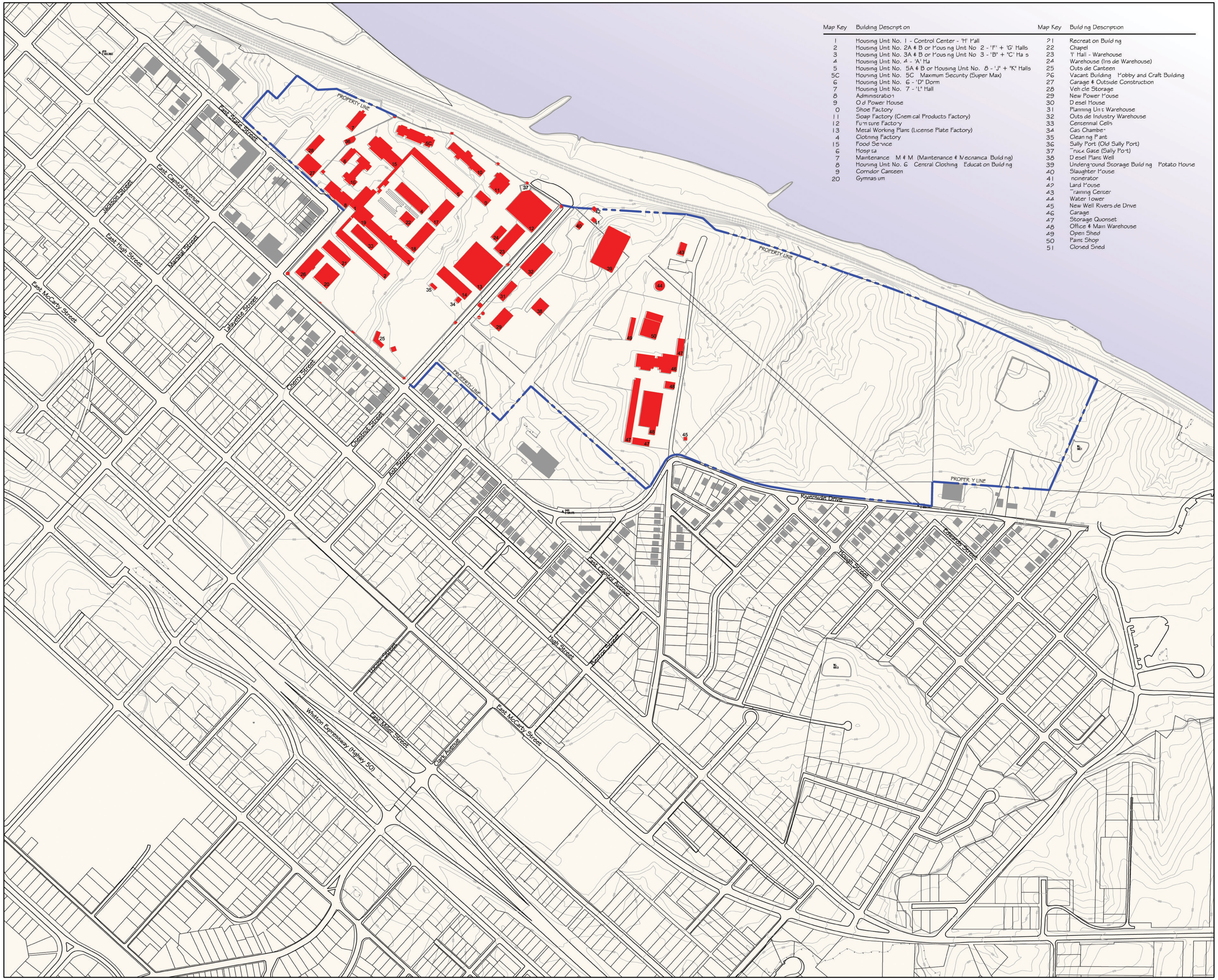
(2) An appropriation in the amount of $___________will be made to cover ongoing administrative and operations costs for the corporation and for maintenance of the facility property prior to redevelopment.

(3) An appropriation in the amount of $________________ will be made to recruit an executive director and support staff to manage and execute the functions of the Missouri State Penitentiary Redevelopment Corporation.

Appendix D – Miscellaneous Items

SECTION 3

Sheet 1 – Existing Conditions, November 22, 2000; Revised March 2001



Map Key	Building Descript on	Map Key	Build ng Description
1	Housing Unit No. 1 - Control Center - 'H' Hall	21	Recreat on Build ng
2	Housing Unit No. 2A & B or Hous ng Unit No 2 - 'F' + 'G' Halls	22	Chapel
3	Housing Unit No. 3A & B or Hous ng Unit No 3 - 'B" + "C' Ha s	23	'I' Hall - Warehouse
4	Housing Unit No. 4 - 'A' Ha	24	Warehouse (Ins de Warehouse)
5	Housing Unit No. 5A & B or Housing Unit No. 8 - 'J" + "K" Halls	25	Outs de Canteen
5C	Housing Unit No. 5C Maximum Security (Super Max)	26	Vacant Building Hobby and Craft Building
6	Housing Unit No. 6 - 'D" Dorm	27	Carage & Outside Construction
7	Housing Unit No. 7 - 'L" Hall	28	Veh cle Storage
8	Administration	29	New Power House
9	O d Power House	30	D esel House
0	Shoe Factory	31	Planning Un t Warehouse
11	Soap Factory (Chem cal Products Factory)	32	Outs de Industry Warehouse
12	Furn ture Factory	33	Centennial Cells
13	Metal Working Plant (License Plate Factory)	34	Cas Chamber
4	Clothing Factory	35	Clean ng P ant
15	Food Service	36	Sally Port (Old Sally Port)
6	Hosp ta	37	Truck Gate (Sally Port)
7	Maintenance M & M (Maintenance & Mechanica Build ng)	38	D esel Plant Well
8	Housing Unit No. 6 Central Clothing Educat on Build ng	39	Underground Storage Build ng Potato House
9	Corridor Canteen	40	Slaughter House
20	Gymnas um	41	ncinerator
		42	Lard House
		43	Training Center
		44	Water Tower
		45	New Well Rivers de Drive
		46	Carage
		47	Storage Quonset
		48	Office & Main Warehouse
		49	Open Shed
		50	Paint Shop
		51	Closed Shed

DATE: November 22, 2000
REVISIONS: March 2001

Prepared by:
Parsons Harland Bartholomew & Associates, Inc.
400 Woods Mill Road South, Suite 300
St. Louis, Missouri 63017-3427
In Association with:
Development Strategies, Inc.
Trivers Associates, Inc.
TSI Engineering, Inc.
William Tao & Associates, Inc.
George Dickie Associates

State of Missouri
MEL CARNAHAN GOVERNOR

Office of Administration
Division of Design and Construction
Randy Allen, Director
Room 730, Truman Building
P.O. Box 809
Jefferson City, Missouril 65102

EXISTING CONDITIONS
PROCESS DEFINITION PLAN
JEFFERSON CITY CORRECTIONAL CENTER

JEFFERSON CITY, MISSOURI

PROJECT NUMBER: C 0020 - 01
PARSONS HBA PROJECT NUMBER 738538

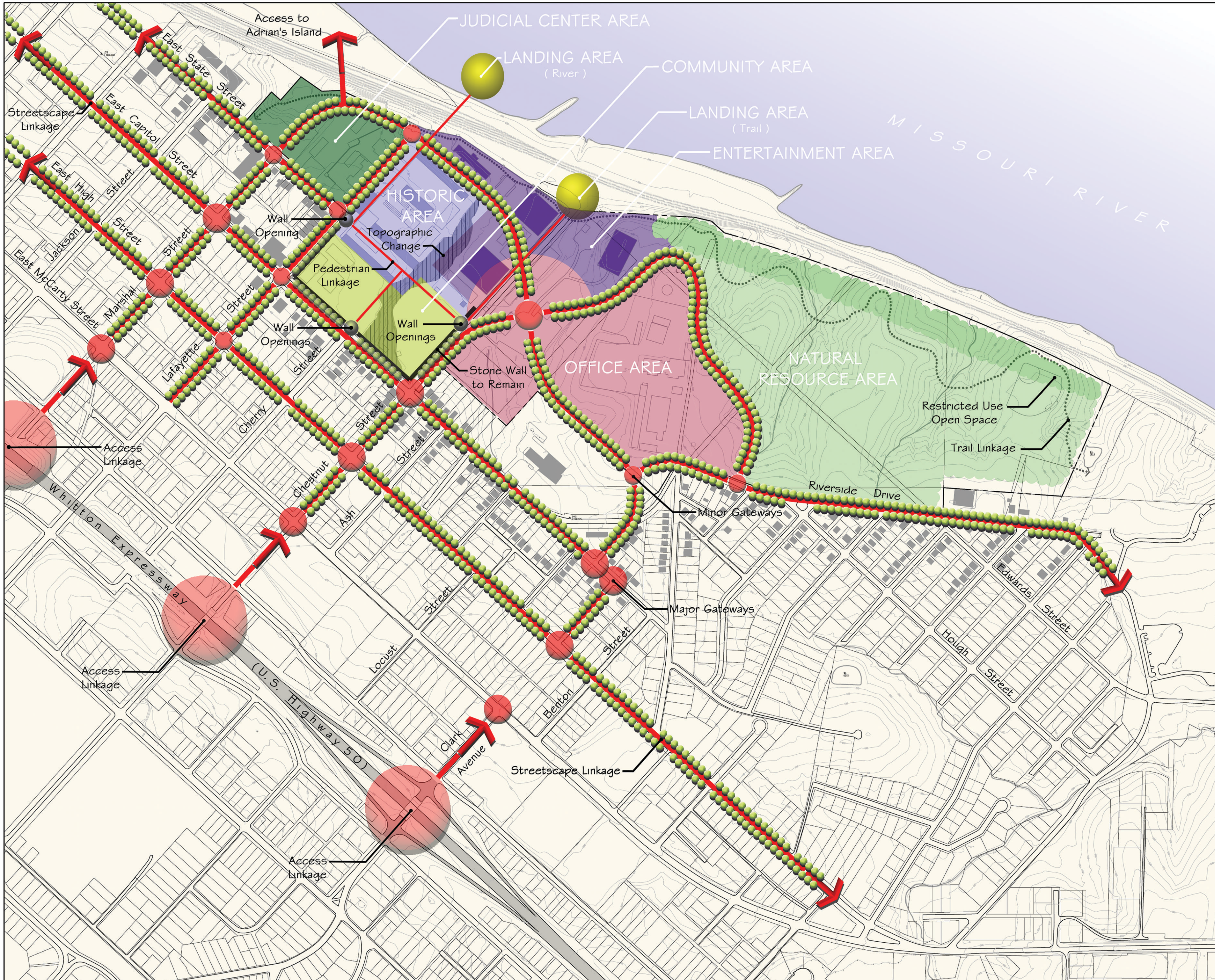
200 100 0 200 400

SHEET:
1

Appendix D – Miscellaneous Items

SECTION 4

Sheet 2 – Consensus Plan, November 22, 2000; Revised March 2001



DATE: November 22, 2000
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CONSENSUS PLAN
PROCESS DEFINITION PLAN
JEFFERSON CITY CORRECTIONAL CENTER
JEFFERSON CITY, MISSOURI

PROJECT NUMBER: C 0020 01
PARSONS HBA PROJECT NUMBER 738538

200 100 0 200 400

SHEET:
2

Appendix D – Miscellaneous Items

SECTION 5

Project Team Directory

PROJECT TEAM DIRECTORY 6/15/01

Client:	**State of Missouri – Office of Administration**
	Post office Box 809
	301 West High
	Jefferson City, Missouri 65102
Project Manager	Charles Brzuchalski
	(573) 526-7814; (573) 751-7277 (F)
	brzucc@mail.oa.state.mo.us
Members	**Planning Advisory Team**
Director	Randy Allen, Division Of Design & Construction
Project Manager	Charles Brzuchalski, Division Of Design & Construction
Task Force Member	Mark Schreiber, Department of Corrections
Task Force Member	Chris Yarnell, Cole County Public Works
City of Jefferson	Janice McMillan, City Planner
Consultant	Doris Danna FAIA, Architect
Developer	Mike Goeke, Developer
Lead Firm	**Parsons HBA**
	400 Woods Mill Road South, Suite 330
	St. Louis, Missouri 63017-3427
	(314) 434-2900; (314) 576-2702 (F)
PIC	Barry Hogue barry.hogue@parsons.com
Project Manager	Dan Bockert dan.bockert@parsons.com
Landscape Architecture	Noel Fehr noel.fehr@parsons.com
And Urban Design	Marcus Grillot marc.grillot@parsons.com
Economic Development:	**Development Strategies**
	10 S. Broadway St. Louis, MO 63102
	(314) 421-2800; (314) 421-3401(F)
Economic Development	Richard Ward
Market Feasibility	Bob Lewis (314) 805-0712 (M)
	blewis@development-strategies.com
Development Planning	Larry Marks
Economic Development	Bob Lewis
Urban Design:	**GDA**
	242 West Whitehall Road
	State College, PA 16801
	(814) 867-2935(V)+(F); (814) 883-0996(M)
Urban Design	George Dickie gxd15@psu.edu

PROJECT TEAM DIRECTORY 6/15/01

Architecture:	**Trivers Associates** 100 N. Broadway St. Louis, MO 63102 241-2900; 241-2909(F)
Principal Architect Project Architect Architectural Historian	Andy Trivers Jeff Morrisey (ex17) jmorrisey@trivers.com Laura Johnson
Engineering:	**TSI Engineering** (Tech Services, Inc.) 2 Campbell Plaza, Bldg. C St. Louis, MO 63139 (314) 644-3134; (314) 644-3135(F)
Environmental Manager	Sylvester Douglas (ex230), 954-6897(M) sdouglas@tsi-engineering.com
Mechanical/Electrical:	**William Tao & Associates** 2357 59th St. St. Louis, MO 63110 (314) 644-1400; (314) 644-6152 (F)
Facility Engineering	Bruce Levitt blevitt@wmtao.com