

# Gateway Redevelopment RFP

## FAQ

(updated 6/6/19)

**Q: Is it accurate to conclude that TURA would be limited to 750k in cash, land, SDC or other incentives in order to keep the project out of BOLI wage rules? If so are there any other creative ideas being considered to incentivize the project?**

A: The \$750,000 is a rough number because BOLI has a complicated way of calculating prevailing wages. For instance, SDC write-downs don't count against the \$750,000 cap, and land cost write-downs can also be exempt if you can prove that the requirements that TURA placed on the use of property were such that the land wasn't worth the FMV. It is fair to say that TURA is open to any kind of deal that will make the project work, with a few caveats: It ultimately must be sound financially, it can't surpass the BOLI cap, and TURA must be able to afford it.

The Board recently made the decision that TURA will continue to collect tax increment until it reaches its maximum indebtedness, and not stop the collection this July as was originally anticipated in the Plan. We have a consultant working on those numbers, but we don't know exactly how much more the Agency will be able to collect yet. TURA will have assets to commit to the deal, but they aren't unlimited. That's the other reason why the Agency wants to move forward with a developer that has the resources and ability to get the project done in a reasonably timely manner. The longer TURA stays in business the more money it will have to spend just for its operating costs, which means less money for projects.

The site will be clean and shovel-ready, with most of the adjacent infrastructure in place. It is possible that the Board would look quite favorably on a proposal that could also deal with the Talent Irrigation District site – whether that is a land swap to get them out of the downtown or other redevelopment options.

**Q: It would be very helpful to have copies of minutes, tentative or formal agreements between TURA and DOSO (previous developer). This will help me understand the level of potential incentives the TURA is considering. Can you send me copies of relevant agreements or minutes of meetings?**

A: The previous DDA shows the types of incentives that TURA previously offered. Please note that the final DDA (which was never completed) would have likely included a much smaller cash pay-out on the part of TURA, as well as some other changes. The BOLI rules that keep a project from becoming subject to prevailing wage don't allow more than a \$750,000 contribution from the public agency, but that contribution includes things like land costs, infrastructure improvements, etc. The previous DDA is available by clicking the following link: [https://cityoftalent-my.sharepoint.com/:f/g/personal/zmoody\\_cityoftalent\\_org/EhSd7hCEbG1Mqou3rnou1iQBqDSe-IdEdhd6Ofwwa6Kg4w?e=Ba1hS3](https://cityoftalent-my.sharepoint.com/:f/g/personal/zmoody_cityoftalent_org/EhSd7hCEbG1Mqou3rnou1iQBqDSe-IdEdhd6Ofwwa6Kg4w?e=Ba1hS3)

**Q: What did TURA offer the previous developer on the project (development contract has been terminated) in terms of concessions, land write-downs, etc.?**

A: The DDA that was signed between TURA and DOSO development contained two sections that dealt with TURA obligations on the project. The first section dealt with the price of the land that would be conveyed to DOSO, and the second dealt with the other contributions to the project that TURA would make. Please note that the current site consists of 3 separate tax lots, but the previous proposal by DOSO envisioned that the project would be divided in to 6 tax lots. The DDA discusses lots 1-4. The two pertinent sections of the previous DDA were as follows:

(A) The purchase price of the property is as follows:

1. Lot 1 – One dollar (\$1.00). (designated for multi-family residential)
2. Lot 2 – Fair market value as determined at the time of purchase, to be established by the appraisal conducted by the construction lender for the property, and by the provisions set forth in section VI(C). (designated for townhomes)
3. Lot 3 – Agency grants DOSO a first right of refusal to purchase Lot 3 at a price to be determined by the Parties, and with consideration for any improvements made to the lot during construction of the project. Should DOSO decide not to purchase Lot 3, Agency shall reimburse DOSO for the reasonable costs of those improvements at the time Lot 3 is conveyed to, or occupied by, a third-party, to that extent that the costs can be documented to Agency’s satisfaction. (designated commercial)
4. Lot 4 – One dollar (\$1.00). (designated commercial)

(B) Agency will initiate and complete the process for subdividing the subject property in order to create parcels that reflect the approved Site Development Plan.

(C) Agency will contribute \$590,000 in equity to the project for purposes including, but not limited to, architectural fees, engineering costs, geotechnical studies, and land use permitting. Funds shall be distributed pursuant to section VII.

(D) Agency will pay all applicable System Development Charges to the City of Talent, Medford Water Commission and Rogue Valley Sewer for Lot 1 and Lot 4.

(E) Agency will complete at its own cost the Wagner Street extension project in coordination with the infrastructure development for Lot 2.

(F) Agency will retain ownership of Lot 6 (Open Space), and agrees to develop the lot with initial landscaping, hardscaping, irrigation and utility infrastructure pursuant to the approved Site Development Plan.

**Q: What is the role of a makerspace in the final project?**

A: TURA is not requiring any specific elements in the project, including a makerspace. The makerspace was mentioned in the RFP as one of many possible partial uses for the project. The only requirements of the RFP are that the proposers meet the submittal requirements on p. 11 of the RFP and address the evaluation criteria listed on pp. 12-14. Please note that p. 3 of the RFP states: The Agency prefers to work with a single developer that is able to develop the entire site but will accept proposals from those that are interested in developing only a portion of the site as well. There is currently a conceptual plan for the site that was developed through a state Transportation and Growth Management grant, but the RFP also states at p. 5: Although the Conceptual Plan could serve as a template for site development, the Agency also seeks alternative designs that would align with the stated goals of the project.

**Q: What other concerns were raised during the process with the previous developer?**

A: After the DDA was signed, and while TURA was in the process of hiring an attorney to work with on BOLI issues, the developer started working with a third-party who was not a signatory to the Development Agreement on various issues. Unbeknownst to the city, the third-party submitted a prevailing wage determination request to BOLI without TURA input. That request resulted in a determination by BOLI that the project was a public project and would be subject to prevailing wage law, one of the reasons that the previous development contract was terminated. TURA sees the Gateway project as a public/private partnership, but not primarily a public project. It is very important to the Agency that any selected developer work closely with the Agency as a partner to ensure that the two entities are not working at cross-purposes.

It is also important to note that the original developer was selected through an RFEI process (Request for Expressions of Interest), while the current process is a request for actual proposals. The Agency has refined its vision for what it would like to see for the project and has expressed the outlines of that vision in the evaluation criteria that is found on pp. 12-14 of the RFP.