

Alternative Project Delivery Methods

Subcommittee Meeting #2
September 14, 2017



Welcome / Meeting Agenda and Objectives

Mignon Anthony, Subcommittee Chair

Community Comments



Meeting #1

Summary

- Discussed best practices in alternative project delivery methods
- Jeremy McPike, DGS, explained the statutory environment for Virginia and the City of Alexandria with regards to alternative project delivery methods
- Sharon Lewis, ACPS, explained the process for ACPS projects to utilize alternative project delivery methods and examples of projects that have done so
- Reviewed projects in the region that have utilized alternative delivery and/or financing
- Requested the following additional information:
 - Projects currently under the purview of Alexandria Economic Development Partnership
 - Comparison of current projects in the city and forthcoming projects to identify potential synergies



The background features a photograph of a multi-story brick building with several windows, some of which have red light emanating from them. A large, semi-transparent red triangle is overlaid on the right side of the image, pointing towards the top right corner. The left side of the image is white.

Alexandria Economic Development Partnership

Stephanie Landrum, AEDP

Christina Mindrup, AEDP

Ryan Touhill, AEDP



ALEXANDRIA
ECONOMIC
DEVELOPMENT
PARTNERSHIP

GROW

ALEXANDRIA

Alexandria Economic Development Partnership

Vision and goals

Alexandria should be a vibrant, creative, diverse City where large and small businesses can locate and grow while enhancing the community's quality of life.

GROW THE TAX BASE

- ✓ Achieve an even blend of commercial to residential tax base
- ✓ Bring more jobs to the City
- ✓ Promote new commercial development

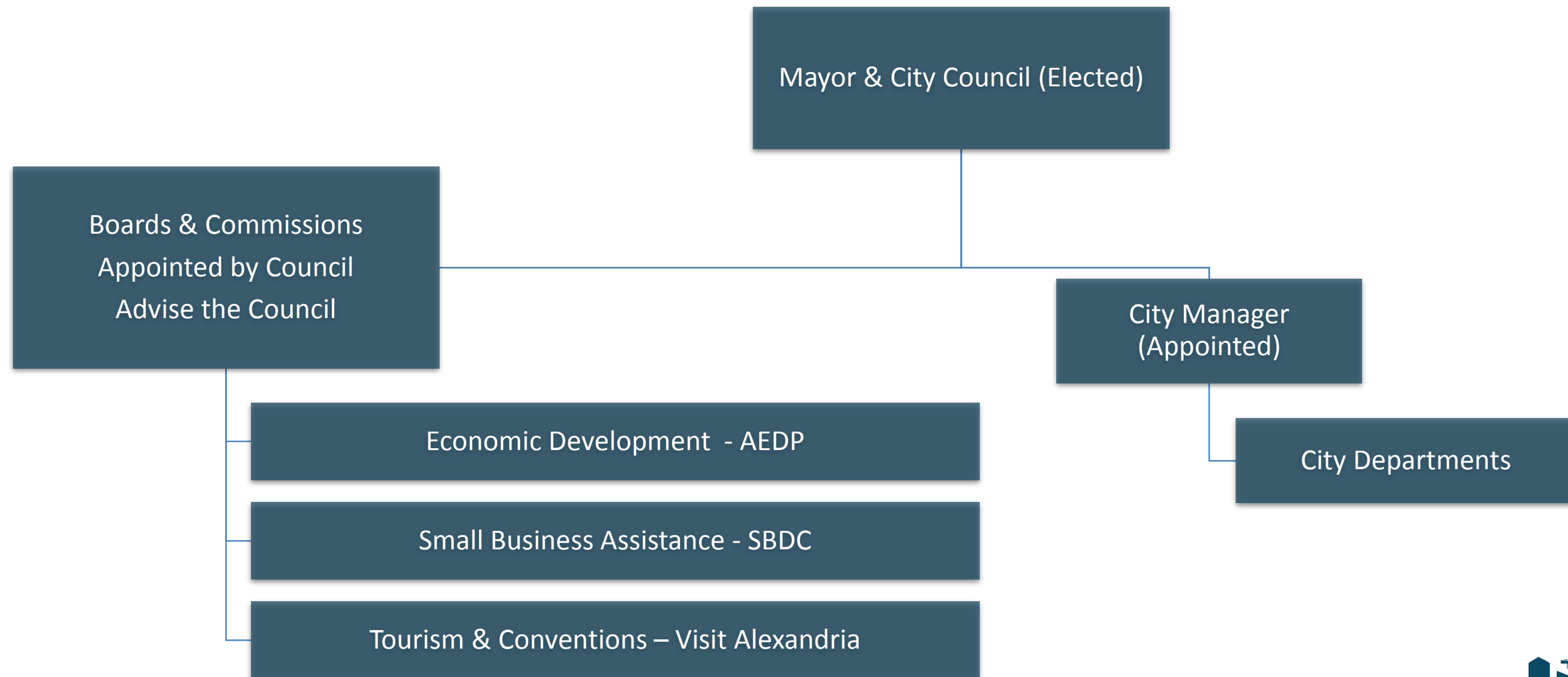
DIVERSIFY THE ECONOMY

- ✓ More depth in federal agency cluster
- ✓ Leverage position relating to presence of USPTO
- ✓ Strengthening retail sector in Old Town and beyond

ATTRACT & RETAIN BUSINESSES

- ✓ Build on the commercial creative cluster
- ✓ Expand association and non-profit cluster
- ✓ Branding of Alexandria

City government structure



Board of directors

18 members

Areas of Expertise

- Finance
- Real Estate
- Communications
- Land use/ development
- Entrepreneurship
- Research & Economics
- Retail/Restaurant
- Trade Association
- Banking
- Health Care



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ALEXANDRIA
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Industrial development authority

Mission: To provide financing assistance to qualified businesses and organizations wishing to make an investment within the City of Alexandria.

Structure: A seven-member body appointed by the Alexandria City Council for staggered four-year terms, the IDA was created by ordinance of the City Council according to the Industrial Development and Revenue Bond Act of Code of Virginia.

Details: The IDA acts as a conduit, issuing bonds and lending proceeds to 501(c)(3) organizations, small manufacturers and others. The financial markets set interest rates on such bonds below comparable rates for taxable financings because bondholders can exclude interest on the bonds from their gross income.

ELIGIBLE PROJECTS

Under applicable federal and Virginia law, a variety of projects can be financed with bonds issued by the IDA including the following:

-  HEADQUARTERS AND OTHER FACILITIES FOR 501(C)(3) ORGANIZATIONS (Other than religious organizations)
-  MEDICAL FACILITIES
-  ELEMENTARY AND SECONDARY SCHOOL FACILITIES
-  POLLUTION CONTROL FACILITIES
-  HIGHER EDUCATION FACILITIES
-  PARKING FACILITIES
-  SMALL MANUFACTURING FACILITIES

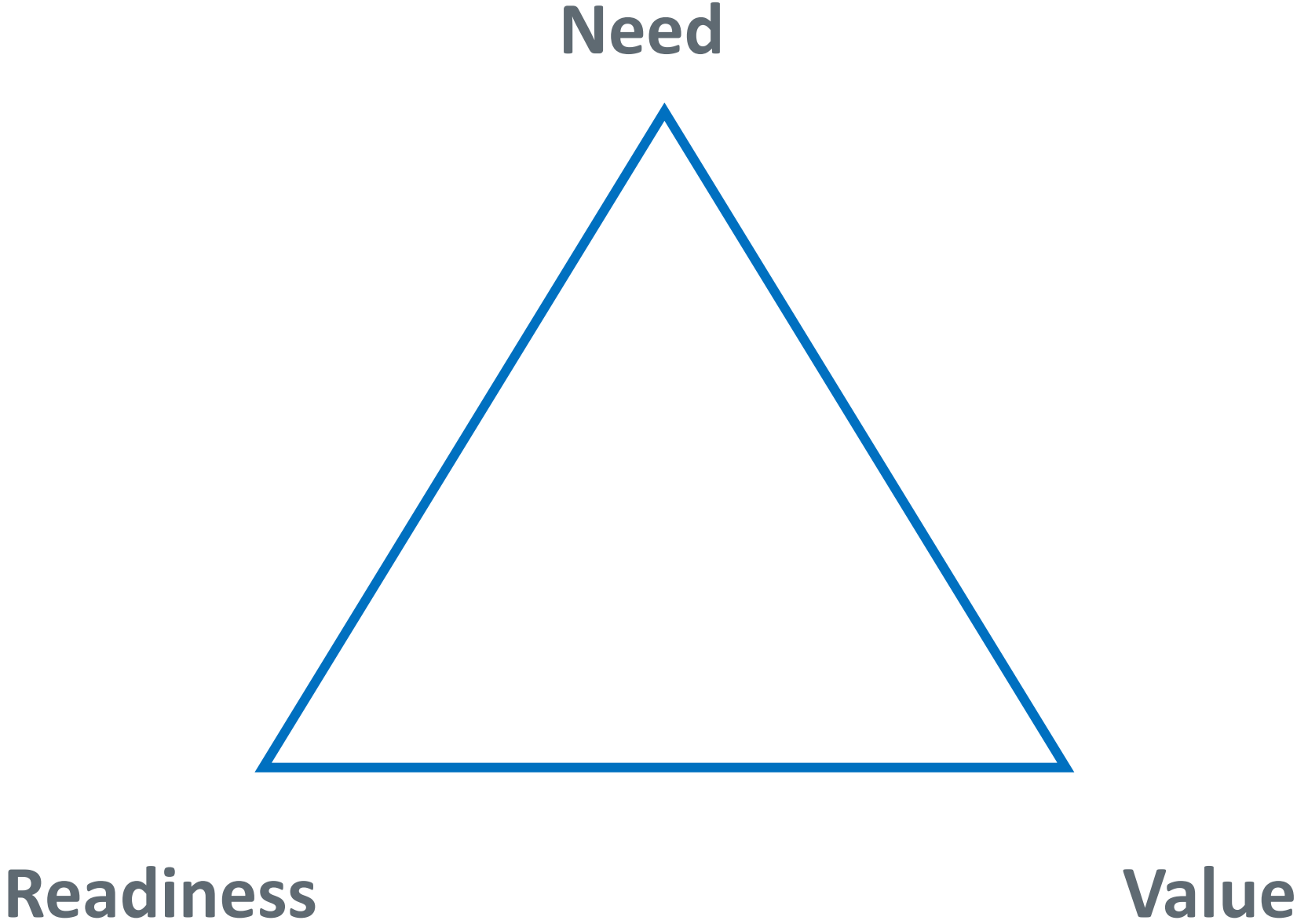


CIP Decision-Making Methodology & Indicators for Alternative Delivery Exploration

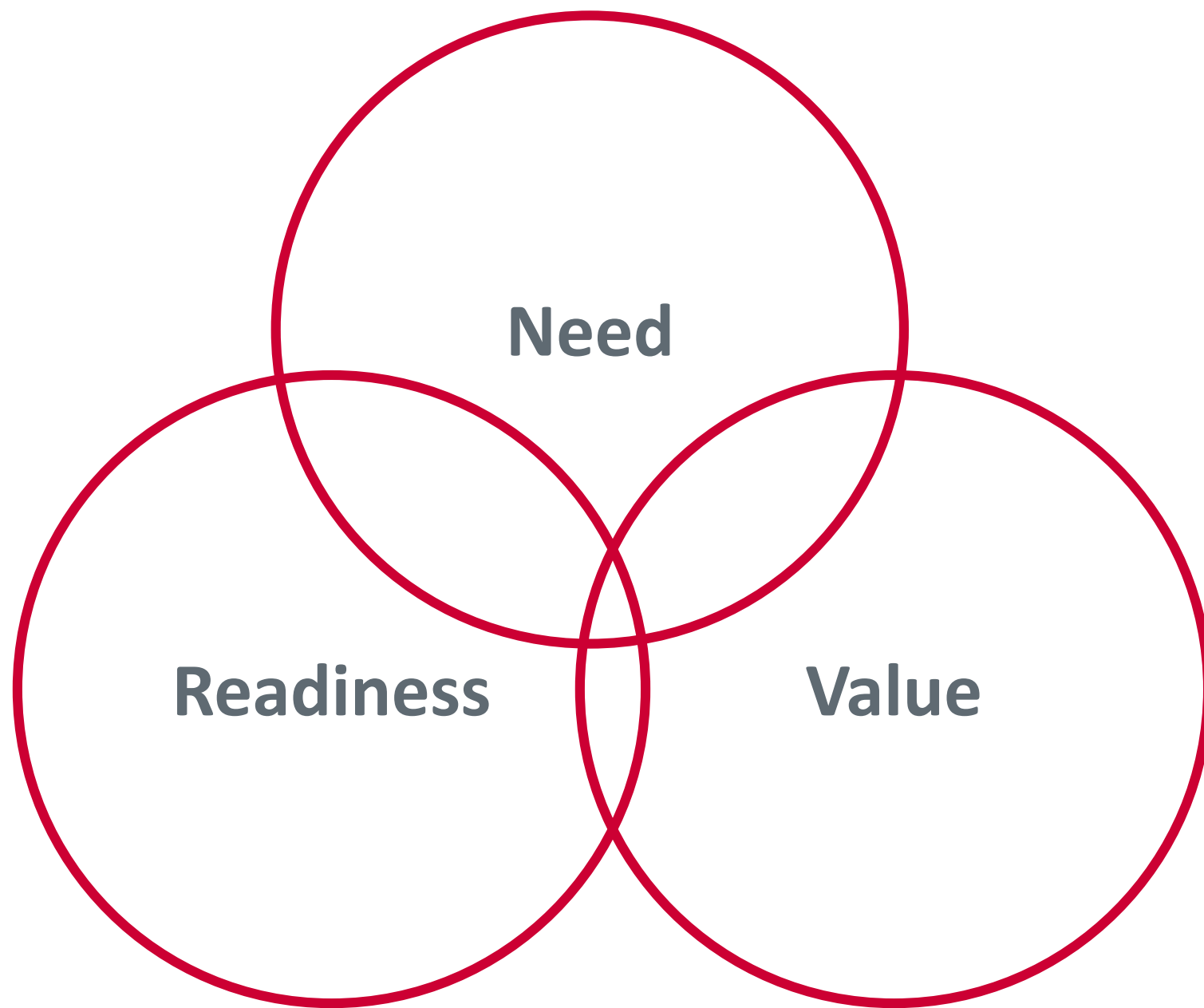
Mignon Anthony, Subcommittee Chair

Kayla Anthony, Brailsford & Dunlavey

Capital Improvement Program Decision-Making Methodology & Indicators for Alternative Delivery Exploration



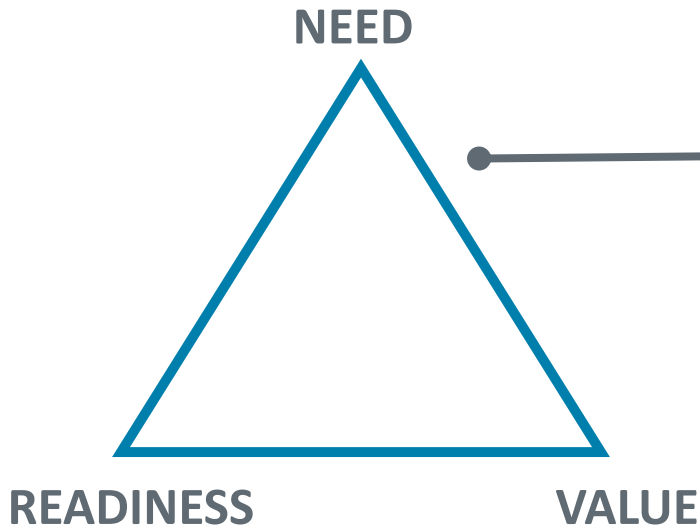
Capital Improvement Program Decision-Making Methodology & Indicators for Alternative Delivery Exploration



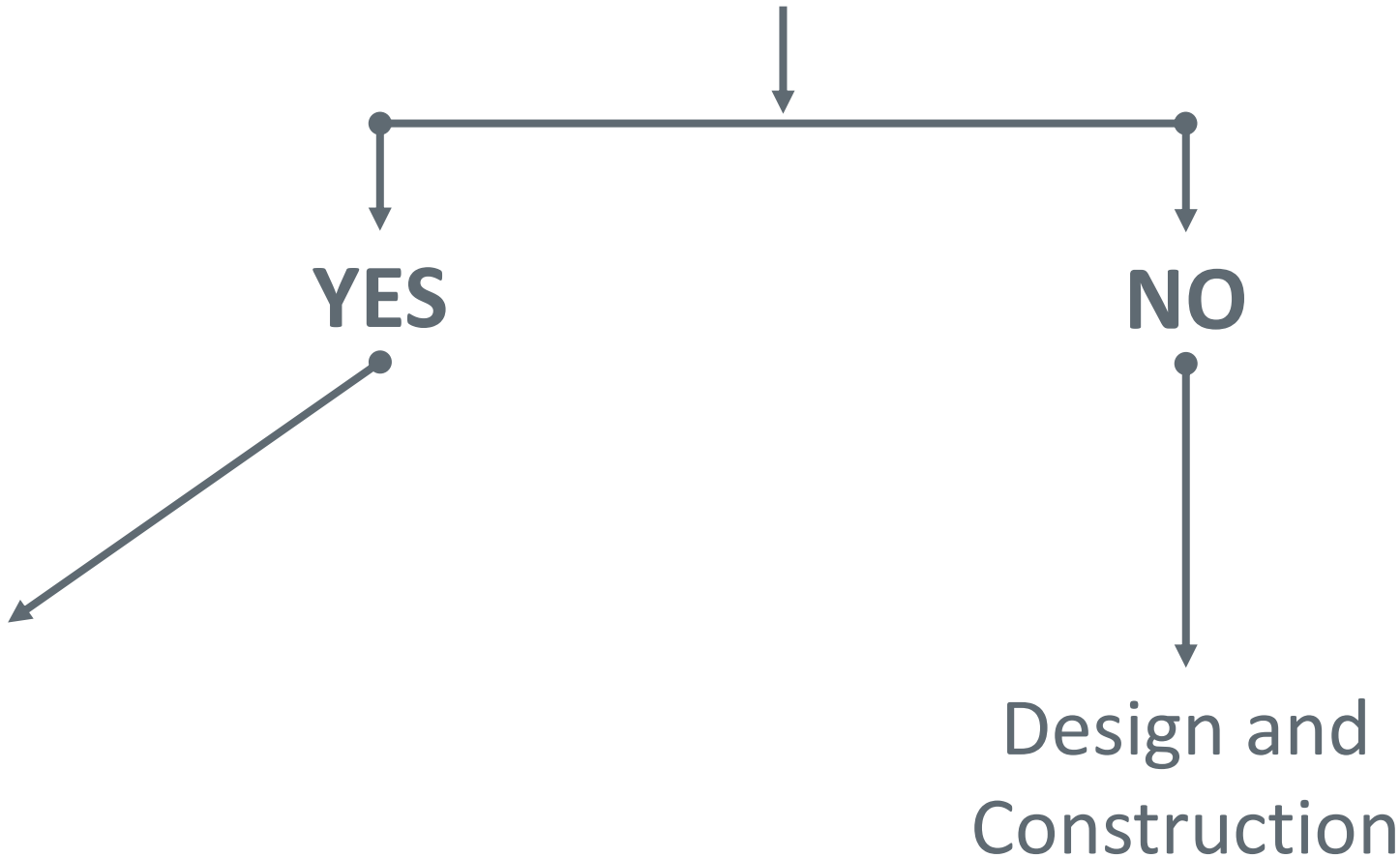
What can we learn from this process that will inform the alternative delivery discussion?

Which projects are the likely candidates for alternative delivery? How do we identify them?

Alternative Delivery Feasibility Checklist



ALTERNATIVE DELIVERY



- Ability to shift risk
- Project champion
- Feasible ownership structure
- Detailed contract / business plan
- Clearly defined operations budget and/or revenue stream
- Stakeholder support

Risk Categories for Alternative Delivery Methods

- Design and Construction
- Operations
- Political & Macro

The risk profile for each project has a unique set of considerations which will determine the method of delivery.

Alternative Delivery Feasibility Checklist

1. Define ability to shift risk
2. Project Champion
3. Feasible Ownership Structure
4. Detailed Contract / Business Plan
5. Clearly Defined Operational Budget and/or Revenue Stream
6. Stakeholder Support
7. Pick Your Partner Carefully



DISCUSSION

