



**Many States/ Cities believe that Private Developers alone should have full responsibility for their projects, regardless of expected Public Benefits or level of complexity, or risk of long-term phased product delivery which will surely span several City political cycles**

**Since Special Purpose Corporations are only chartered for specific projects with transparent organizations and representative Governance, they have proven track records in just such complex, multi-year circumstances, and have a real premium to offer project finance with implicit Public stability and demonstrated political acceptance**

**Financial institutions like the organizational Benchstrength Public/ Private Partnerships offer to mitigate Risk over the complete development cycle .**

### Special Purpose Development Corps

Long used to implement complex projects which extend over several political and economic cycles, Special Entities are formed with authority for issuing bonds, land acquisition, execute infrastructure improvements, and for design and implementation reviews. Regional Airport authorities,

Toll Roads are some examples. In commercial real estate , Tax Increment Finance (TIF ) Boards, and Building Improvement Districts (BIDs) are other examples.

Vision Plan implementation may require a single entity with institutional and private sector support to withstand market/ political cycles and with delegated authority to issue Tax Increment Bonds to fund Parcel acquisition and Infrastructure and Streetscape improvements.

The subsidy is from Incremental City Tax revenues which would otherwise not be produced---hence cost the general Public nothing more, just a portion of the future increment which is eventually paid-off , giving the City full tax proceeds and the benefits of higher property values

Public/ Private Partnerships work best when market rate development is not feasible due to land cost or infrastructure hurdles, particularly compared to comparable suburban opportunities. Thus both sides, Civic Public, and Private Developers/Financiers, gain equal benefit without adding fiscal burden to citizens

### SPDC Flexibility & Reliability

The Special Purpose Development Corp's inclusive advocacy, executive authority, and consistent decision reliability, is very important to the private sector.

Reliability and capacity to issue infrastructure bonds mitigates risks for financing and builds public belief in the Vision Plan.

The Public/Private format offers an approachable organization for civic groups, architects, engineers, and planners who support the goals of the Vision Plan and can see long-term implementation is secure.

Finally. the proven reliability of special- purpose entities is recognized by institutional finance as similar difficult projects in other cities have become secure investment zones today.

Continuity	Single point of Contact thru Economic/Political
Authority	Issue Bonds + Acquire Sites
Clarity	Vision Plan + Stakeholder Consensus + Design Guide-
Governance	Independent Board + Civic/City Agencies +

### SPDC Competitive Advantage

Special Purpose entities offer Competitive Advantage to large-scale multi-phase projects by fielding professional staff to undertake complex legal, planning and financial initiatives with credible public purpose.

The SPDC vehicle can provide public sector Continuity over multiple political cycles, centralizing Authority to issue infrastructure bonds and acquiring sites, by creating Clarity amongst Stakeholder, Civic and Taxpayer viewpoints, and by maintaining transparent and representative Governance throughout planning, design , and construction activities



## Typical SPDC Charter

Process Diagram at right shows initiatives by a typical SPDC, beginning with assembly of an Advisory Governance Board, community stakeholders, property owners, consultants and the developer to begin Framework Planning and Visioning.

The SPDC will seek consensus between the property owners / city / civic organizations for issuing infrastructure bonds covered by future tax increment.

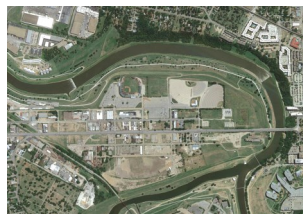
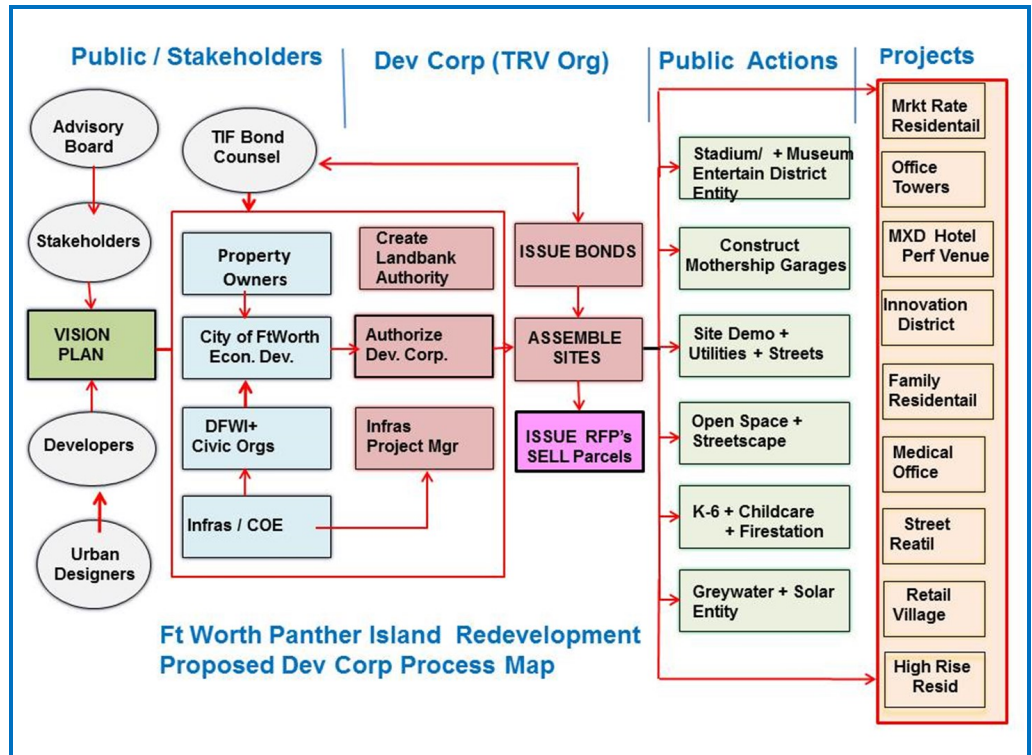
SPDC Activities are transparent, and may extend to assembling sites and arranging for needed upfront site improvements.

SPDC is responsible for landscape open space, public facilities and other civic goals

SPDC will have authority to assemble and sell parcels to developers for future phases in which land values have increased due to improvements put in place.

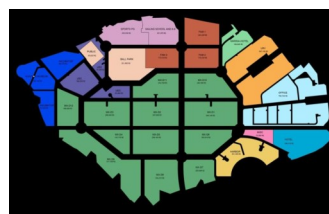
SPDC can be self-funded, covered by Increased Parcel values as could extra over expenditures for streetscape and cultural facilities.

**SPDC's can be an effective economic and process contributor to successful Public/Private Partnerships**



### Panther Is Existing

Obsolete industrial Site adjacent Downtown Fort Worth subject to flooding, requires \$380 million match for flood control infrastructure. Vision Plan establishes Density sufficient to generate necessary Tax Increment



### Framework Plan

Circular Boulevard distributes traffic and creates premium for new constant level Riverfront sites; establishes parcel sizes and densities for MXD Residential, high-rise Office, Hotel /Conf, Village Center Retail, and Entertainment



### Master Plan

Rods, Streetscapes Riverfront Parks/Plazas all funded by Tax Increment and SPDC future Parcel Sales. Extra Density at Riverfront for Hotel/ Conf Center; High Rise Office; Upscale Residential Cove featuring river-facing Cafes



Panther Is aerial by UTA Advanced Design Studio shows full site densification



Riverfront Cove MXD Residential with Hotel / Conf Center at right above





### Baltimore Inner Harbor Corporation

Deteriorated Inner Harbor adjacent Baltimore CBD; prompted corporate and civic leaders to acquire parcels, and issue Infrastructure Bonds; Resulting in a two-decade transformation into one of the most visited waterfronts in the nation, With new Hotels, Offices, Retail and Restaurants extending the City workplace core.



### Battery Park City Authority

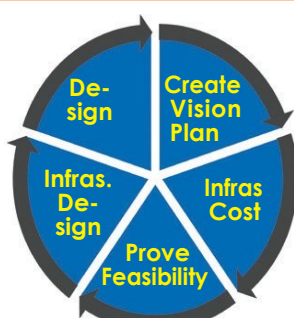
Formed to implement a Lower Manhattan Live/Work District with fill from adjacent World Trade Center; issued bonds based on future tax revenues; high urban design standards and governance through market cycles resulted in fully paid-off bonds with new annual revenue distribution available for cultural/educational uses.



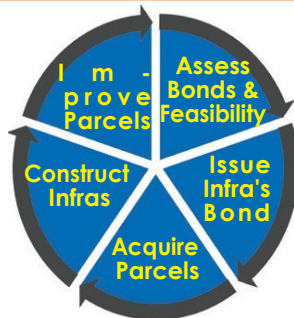
### Pennsylvania Ave. Dev. Corp.

Organized to revitalize Pennsylvania Ave from the US Capitol to the White House; Created Master Plan, sold parcels to Developers subject to serious design reviews; Completed over several DC Mayoral administrations; Resurrected real estate Values and Image quality; Now premiere location for Hotels, prestige Offices, Embassies, Museums, and high-end Residential.

## SPDC Organization Life Cycle and Key Activities



**Initiate/Plan**



**Implementation**



**Project Construction**



**Occupy/Bonds Paid**

Dev Corp Initiation includes creating an achievable, consensus Vision Plan with Stakeholders, obtaining Tax Increment assessments, issuing Bonds, and acquiring key Parcels. Implementation Includes funding from Infrastructure Bond sales, issuance of Developer RFPs, sales of Improved Parcels, and negotiation of Development Agreements subject to Design Standards.

Infrastructure Bond payback period, often a 20 – 25 year horizon, and Development Phases which can last over 15 years, with eventual completion of site infrastructure, and Bond portfolio servicing through to pay-off. The resulting increase in City Tax Ratables can fund a reinvestment strategy, especially if the Dev Corp. morphs into a self-sustaining BID thereafter.