

FEDERAL CITY

Naval Support Activity, New Orleans, Louisiana

Federal City Project:

Industry Forum

July 25, 2007

New Orleans Federal Alliance (NOFA)



Introduction & Schedule Overview



	Agenda Item	Presenter
0900	Introduction & Schedule Overview	Marc Murphy
	Welcome	MGEN Mize (Ret.)
	Remarks	LTGEN Bergman
	Federal City Endorsement	Offices of Senators Landrieu and Vitter
0930	Project Concept	MGEN Mize (Ret.)
	Congressional/State Support	Rep. Tucker
	Economic Development	COL Dell Dempsey
1040	BREAK	
1050	EUL Process	Bill Robinson
	Solicitation Walk-Through	Marek Izydorczyk
	Evaluation Process	MGEN Mize (Ret.)
1200	LUNCH	
1300	Questions & Answers	Q&A Panel Moderator: Mark Frye
1415	Wrap-Up & Next Steps	MGEN Mize (Ret.)

Marc Murphy
Managing Director



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General Rules of Engagement

Questions Are Encouraged:

- All questions should be submitted in writing
- We will address as many as possible during today's Q&A session
- All of today's questions, including those we are unable to get to in Live format, will be addressed via the Federal City website:
www.nolafederalcity.com

Guidelines for Today's Interactions:

- Utilize the Q&A cards provided
- Avoid asking project/solicitation related questions directly to Federal City Team Members
- Submit questions by the start of lunch to have in queue for the afternoon's Live session
- Fill out Q&A cards with any follow-up questions or submit via website

Welcome



MGEN David Mize, USMC (Ret.)

Chairman
New Orleans Federal Alliance

Remarks

LTGEN Bergman, USMC

Commander
Marine Forces Reserve

Federal City Endorsement



U.S. Senate Representation

David Doss - Office of SEN David Vitter

Wes Kungel - Office of SEN Mary Landrieu

MGEN David Mize, USMC (Ret.)

Chairman
New Orleans Federal Alliance

Project Concept Overview: What is Federal City?



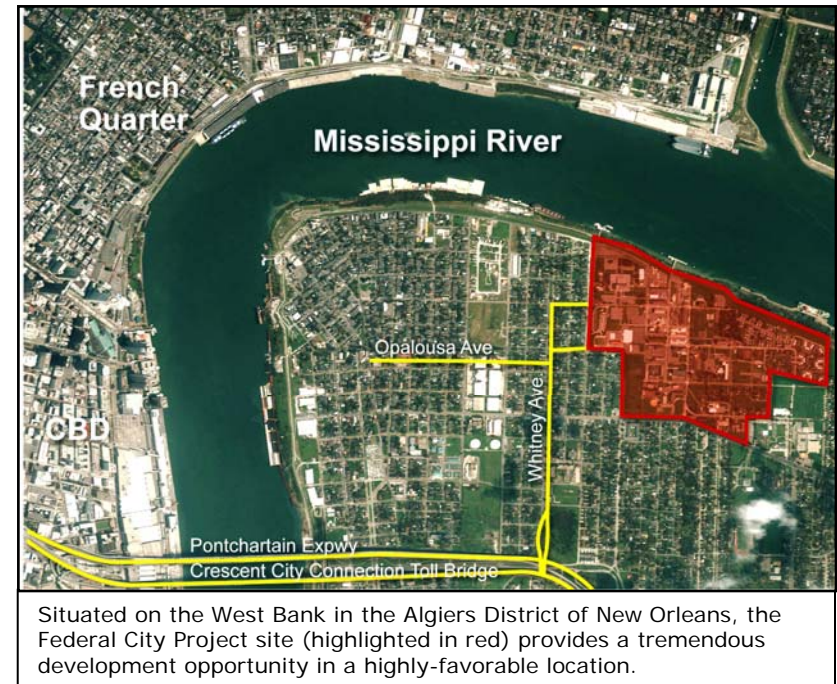
- New Orleans Federal Alliance (NOFA) is a 501(c)(3) non-profit formed to develop and operate Federal City
- Following BRAC recommendations in 2005, the Department of the Navy (DoN) and NOFA partnered to redevelop NSA, New Orleans
- NOFA's vision is to develop a new "world class" model for small to mid-sized DOD and federal installations that provides the best in efficiency, security, operational effectiveness and quality of life
- Actively supported by the State, the City, and the entire Louisiana Congressional delegation



- Federal City is dedicated to the development of New Orleans and enhancing the quality of life for our military and federal personnel

Project Concept Overview: History

- Acquired in 1849 and established in 1901, NSA has a long history of military support
- For the last 30 years NSA has operated as a personnel and communications support center hosting such tenants as the national Headquarters of the Navy and the Marine Corps Reserves
- Convenient access to major interstate highways, seaports, rail heads, a major interior waterway, and military and international airports
- Only a few miles from the CBD of New Orleans and the French Quarter, NSA enjoys tremendous support from generations of local citizens



- Regional Planning Commission has committed to providing future infrastructure enhancements necessary to accommodate increased traffic flow

Project Concept Overview: Live, Work, Train



Tenant Benefits of Federal City

- DoD:
 - Amenities of a mid-sized base
 - No MILCON required to move into new 1st class facilities
- Non-DoD Federal:
 - Federal agencies will be well-located and supported
 - Joint use of amenities traditionally associated with military installations
- Federal Contractors/Suppliers:
 - Co-located with new/existing clients
 - Access to installation facilities not normally available

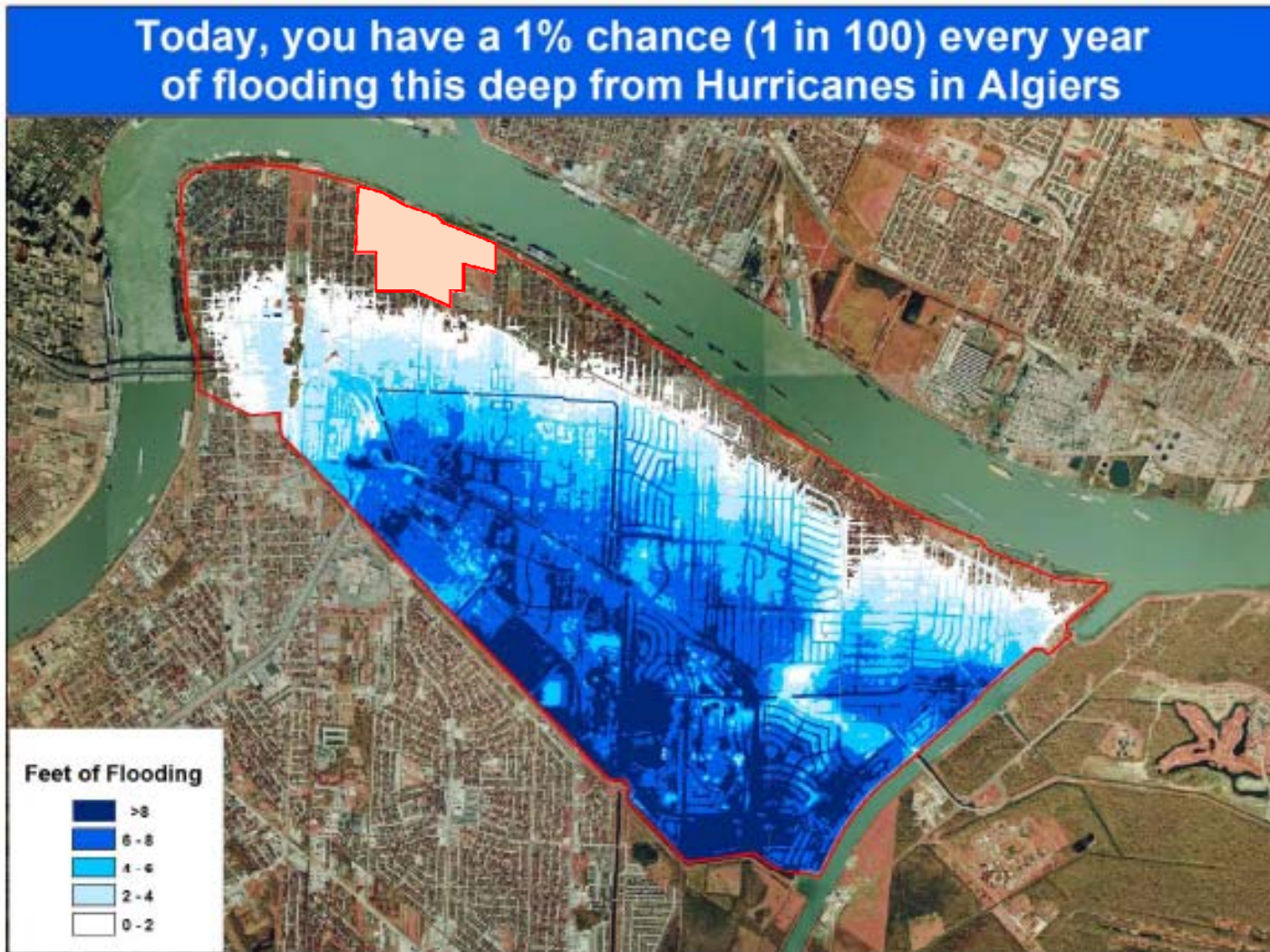
Quality of Life Concepts Include:

- | | |
|--|--|
| <ul style="list-style-type: none">• On-site housing for roughly 200 military families• Temporary Lodging for military and non-DOD visitors• A wide variety of recreational facilities• Parade grounds | <ul style="list-style-type: none">• Conference Center• Convenient public transportation• Free parking• Child Care Center• Retail and food services• Higher education programs |
|--|--|

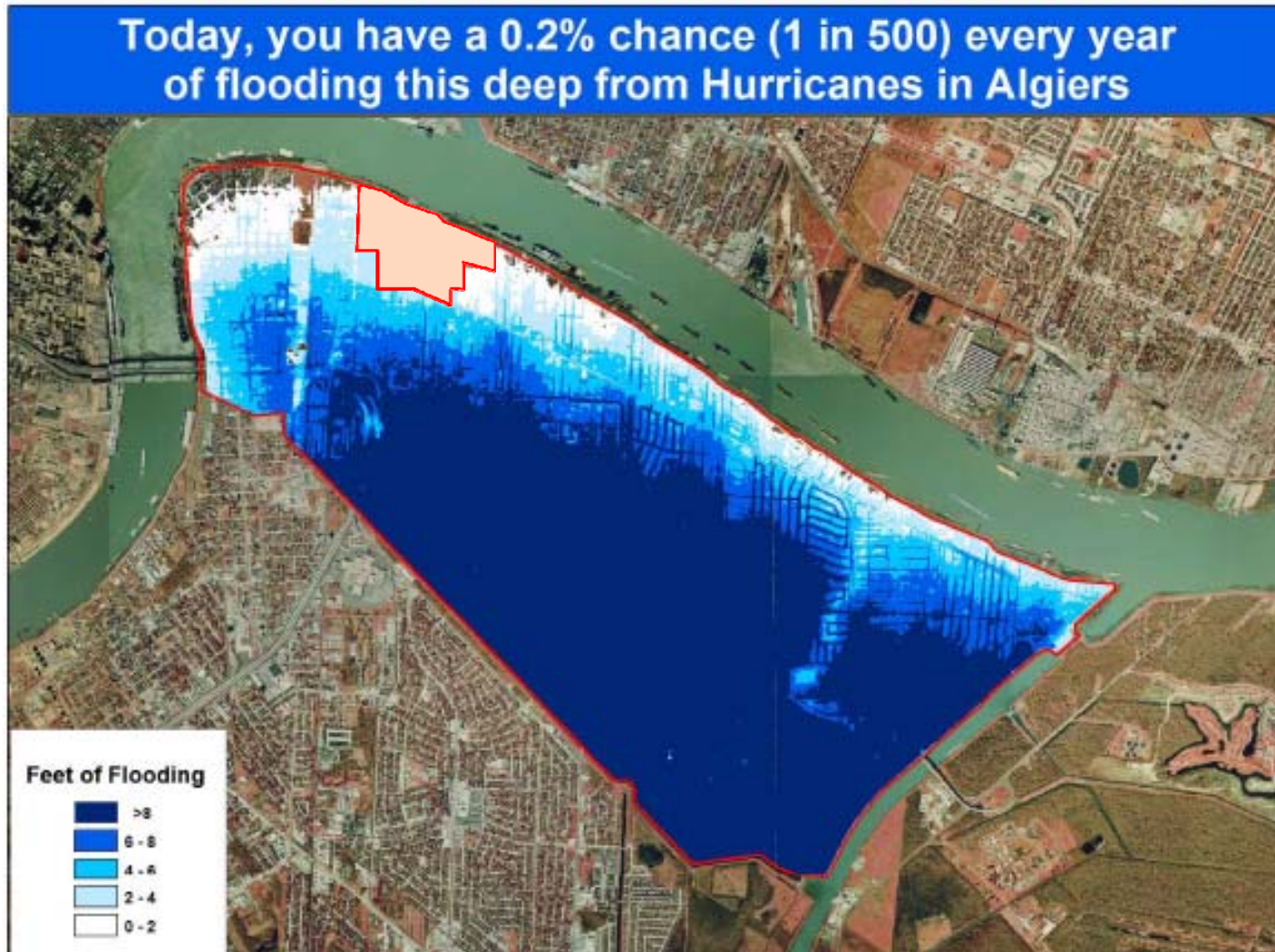
Additional Benefits Shared by all Tenants:

- Reduced operating costs due to common costs sharing
- Latest force protection and flood/hurricane standards
- Complementary large development projects on the West Bank
- NSA is "dry" even in 100 year storms and floods

Project Concept Overview: 100 Year Flood Map



Project Concept Overview: 500 Year Flood Map



Project Concept Overview: Federal City Vision



Through the combined efforts of the New Orleans Community, State and Local Officials and the LA Congressional Delegation, New Orleans successfully retained the NSA site in order to maintain a strong federal component for the New Orleans employment base

BRAC Recommendations and Requirements*	Date Required
<ul style="list-style-type: none"> Financing and groundbreaking ceremonies to accommodate the relocation of Marine Forces Reserve (MarForRes) facilities to Federal City (currently located on the East Bank of NSA New Orleans and Kansas City, MO) 	<ul style="list-style-type: none"> 30 SEP 08
<ul style="list-style-type: none"> All relocations completed 	<ul style="list-style-type: none"> 15 SEP 11

Vision and Commitment*		
NOFA	State	DoN
<ul style="list-style-type: none"> Job creation Leverage in-kind consideration as part of EUL Long-term development partner MarForRes facilities move-in ready 1st QTR 2010 Minimize future occupancy costs for MarForRes 	<ul style="list-style-type: none"> Committed at least \$100M for project development Commitment to work cooperatively with NOFA 	<ul style="list-style-type: none"> SECNAV committed, DoN consulted extensively with NOFA MarForRes facilities requirement Minimize installation management operations Common services sharing and cost reduction Customary support services

* Description is a summary only, additional information, requirements and details are in the Draft Solicitation

Project Concept Overview: Project Goals

City of New Orleans Ordinance defines Algiers Naval Support Activity as a “centralized community business area,” which meets GSA requirements for Federal tenants



Comprised of nearly 165 acres along New Orleans' West Bank, NSA has spectacular views of the Mississippi River and easy access to downtown New Orleans and the International Airport. (Conceptual diagrams subject to change)

Project Goals*

- DoN receives consideration at least equal to fair market value for NSA property
- Minimize or obviate capital rent for MarForRes facilities
- Class-A, state-of-the-art facilities
- Accommodate at least 10K diverse tenants
- High-tech, cost-effective and sustainable energy, maintenance, and support services and facilities
- Incorporate “zone-based” Anti-Terrorism/ Force Protection security
- “Quality of Life” support services
- Management assumption concept
- Economical common services with shared costs
- Incorporate latest Hurricane and Flood protection standards
- Include local, small, and disadvantaged companies

* Description is a summary only, additional information, requirements and details located in the Draft Solicitation

Project Concept Overview: MarForRes Requirements

- NOFA anticipates that DoN will receive consideration in-kind, primarily in the form of headquarters facilities for use by Marine Force Reserve (MarForRes) components
- Provide use of these facilities at the least cost to the DoN and to obviate or minimize any capital rent for use of the facilities as the first priority in providing consideration to the DoN



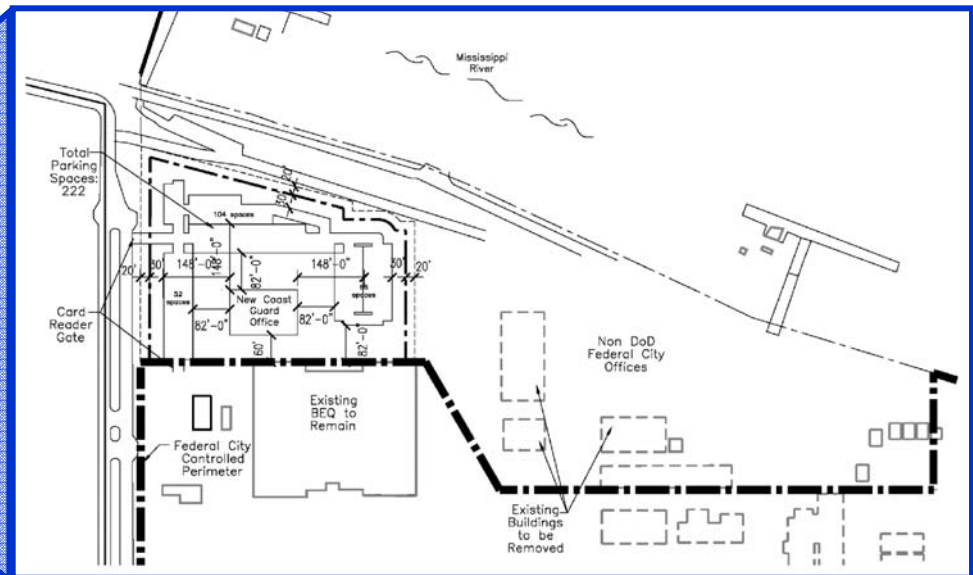
MarForRes Requirements / Goals

- | | |
|---|--|
| <ul style="list-style-type: none">• Groundbreaking ceremony by 30 SEP 08• Modern facilities to meet Marine Corps' total requirement of:<ul style="list-style-type: none">■ Approximately 306,000 ft² of admin space■ 132,000 ft² of special purpose space■ 1900+ personnel | <ul style="list-style-type: none">• Facilities move-in ready 1st QTR 2010• Reduce the cost of on-going services through common services sharing• Minimize installation management operations• Customary Base Operating Support services |
|---|--|

Project Concept Overview: Potential Coast Guard Location

- It is NOFA's intention that the Coast Guard will coordinate with NOFA and the Developer for services associated with Federal City
- Coast Guard has requested a site for construction of an administration building up to 40,000 ft² in size and related parking
- Final size and location of the Coast Guard site is currently under negotiation
- Coast Guard site will be the Headquarters for Sector New Orleans, a regional command, with about 300 personnel

Potential Coast Guard HQ Site Located at NSA Northwest Corner



Project Concept Overview: Master Developer Role

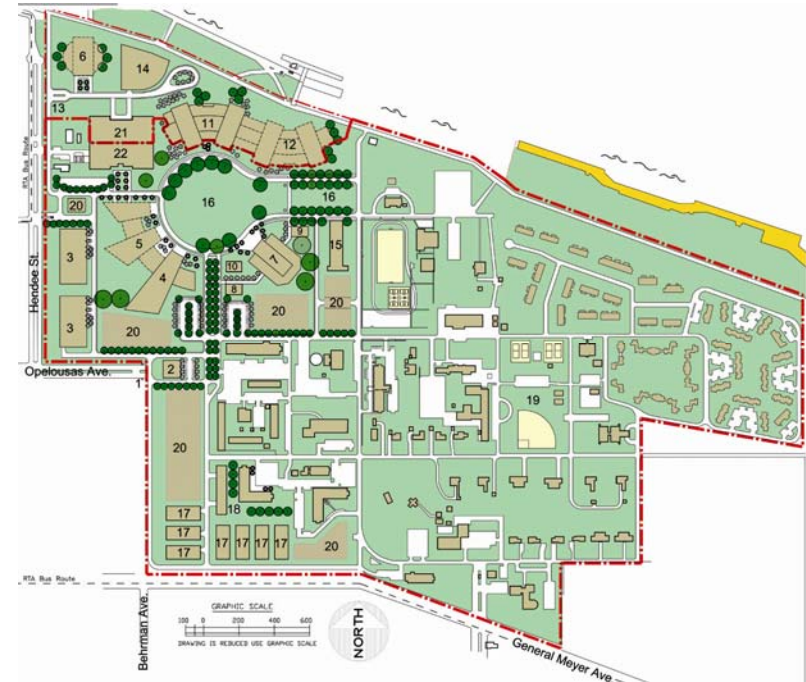


NOFA Selected Master Developer Roles

- Meet the vision and goals of Federal City
- Responsible to NOFA for planning, financing, development, construction, management, and operation of Federal City for the duration of the lease
- Establish Business and Leasing Plans for the overall project
- Dedicate significant and appropriate resources

NOFA expects to enter into an EUL with the DoN and seeks to create a long term relationship with a Developer to implement the Federal City Project.

The Federal City Project approach is expected to be a National Model for future DoD installations



*This Master Plan is a conceptual rendering only and should not be construed as a pre-determined development mix

Congressional/State Support: Update and Next Steps



Representative Jim Tucker

Louisiana State Representative
District 86

COL Dell Dempsey, USMC (Ret.)

Director
Military & Defense Affairs
Louisiana Economic Development

Economic Development: Facts and Figures



Since the Battle of New Orleans saved the Louisiana Purchase for the United States, Louisiana has had a proud tradition of supporting the Armed Forces.

- Louisiana has more citizens per capita serving in the Armed Forces than any other state
- DoD has premier training installations across the State of Louisiana
- Military presence represents over \$12B in annual economic impact

Barksdale Air Force Base

- 22,000 acres
- Home to the 8th Air Force
- One of two bases supporting the B-52's
- Home to the Air Force's newest mission, Cyber Space Command
- Currently competing for the Common Airman Battlefield Training Command (CBAT)

Fort Polk

- 200,000 acres
- Home to the Joint Readiness Training Center (JRTC)
- 10th Mountain Brigade
- Anticipate growth of a Brigade Combat Team by 2009

Belle Chase Joint Reserve Base

- Premier Joint Reserve Base supporting all of the branches of the Guard and Reserve
- Trains a significant number of NATO units annually
- Navy has invested over \$300M in upgrades over the last several years

Economic Development: Support for Federal City



- Federal City is important to economic development in the State of Louisiana
- Represents a long standing commitment from the state and community to increase the quality of life for service members in New Orleans



#1 economic
development
project in the
state

The Governor
promised \$100M
in **support** of the
Federal City to
the BRAC
Commission

Will become a
prototype for
joint operations
that include
agencies outside
of DOD/DHS

Economic Development: LED's Vision for Federal City



- Joint mission growth beyond "office space" for Defense and other "government agencies"
- Gives rise to a new economic development spirit in New Orleans that helps relieve dependence on tourism
- Brings DOD/DHS job growth that will increase the economic impact of the defense industry in New Orleans beyond the \$4.5B pre-Katrina level

Economic Development Projects that Support Federal City

- Blaine Kern River Front Development
- Redevelopment of Lake Wood Country Club and Golf Course

EUL Process and the Federal City Project



Bill Robinson

BearingPoint
Federal City Project Team

EUL Process & Federal City: What is EUL?



- Enhanced Use Lease (EUL) is a relatively new mechanism providing an alternative to traditional approaches of acquiring, constructing or upgrading facilities
- EUL allows developers to lease “non-excess” military property, with rent paid in cash or in-kind services, at no less than Fair Market Value (FMV) of the assets
- Title 10 U.S.C. § 2667 gives Military Departments authority to:
 - Enter into long/short-term leases, providing greater flexibility for facility reuse
 - Lease land and/or buildings
 - Receive consideration on leased property, which can be used to fund other new construction

Benefits of EUL

Private Sector:

- Market Rate Returns
- Long-term relationship
- Efficient Developer Selection Process to minimize time and effort to hire
- Rapidly growing program
- Stimulates local job market

Military Department:

- Unleashes captive value from property
- Provides for needed development
- Supplements under-funded O&M
- In-kind funding source for needed and unfunded capital improvements
- Improves community relations

EUL Process & Federal City: Solicitation Process



- NOFA, as 501(c)(3) not-for-profit has as the sole authority for implementation of the Federal City Project which includes:
 - Acquisition of lease interest at the West Bank
 - Selection of the Developer
 - Redevelopment of the property in conjunction with the Developer
- In the case of Federal City, steps 1-7 will be conducted by NOFA (not DoN)
- Developer and NOFA will prepare an EUL Business & Lease Plan to present to DoN
- DoN will make final determination of EUL acceptability

Military Department EULs Typically Follow these Steps:

1. Prepare draft Notice of Availability to Lease (NOL) and issue pre-solicitation document
2. Solicit industry interest and conduct Industry Forum
3. Finalize Solicitation Document and issue to Offerors
4. Receive and evaluate proposals
5. Determine competitive range/select Successful Offeror
6. Partnering Session with Government and Developer
7. Developer creates a Business and Leasing plan for Government review
8. Government reviews and edits operating and leasing plan
9. Developer and Government sign lease

Solicitation Walk-Through



Marek Izydorczyk

BearingPoint
Federal City Project Team

Solicitation Walk-Through: Submissions

- NOFA is a privately-organized 501(C)(3) not-for-profit organization; therefore this solicitation process is not governed by state or federal procurement or public bid laws
- Solicitation responses shall be prepared in accordance with the instructions listed in the Solicitation Application
- Respondents should regularly check the Federal City website for updates to the solicitation process
- Use website Q&A capability

Solicitation Provisions:

- Contain sufficient detail for evaluation
- Detailed structure of how an EUL deal with DoN will accomplish goals
- Develop an overall efficient and attractive Federal enclave for other tenants
- Describe respondent's qualifications
- Proposed structure of NOFA business arrangement
- Concept plan for proposed development
- Financing plan proposed to implement the development
- Plan for utilization of State funds
- Plan to operate and maintain the development over term of EUL
- Proposed schedule for achieving development milestones

By responding to this Solicitation, Respondent agrees and understands that any dispute concerning a question of fact or procedure arising under this submission, which is not disposed of by agreement, shall be decided by NOFA.

Solicitation Walk-Through: Submittal Organization



- Individual sections and included factors will be evaluated and given equal weighting during the evaluation process, excluding Section One, which will not be scored
 - Any pages above limit will be destroyed and not evaluated
 - Mark all proprietary information
 - Additional formatting requirements included in the Draft Solicitation
- Each section must include a description of the approach to the following factors shown at right

Section	Description of Factor	Page Limit
1	Executive Summary	5
2	Experience and Past/Present Performance	10
3	Financial Plan	10
4	Development Plan	10
5	Marketing Plan	10
6	Property Management – Operations and Maintenance	10
7	Capability/Qualifications	10
8	Achievement of Goals, Objectives, and Concepts	10
9	Community Relations and Socio-Economic Plan	10
	<i>Page limits assume single sided printing</i>	85

Solicitation Walk-Through: Sections 1-4



Factors comprise the minimum compliance with NOFA goals and Respondents should attempt to exceed these minimum requirements where possible

Section/Factor	Description of Factors*
Section 1: Executive Summary	<ul style="list-style-type: none"> • Documentation of legal organizational structure, key people, insurance coverage and past history • Meant to familiarize NOFA with Respondent, not summarize remaining sections
Section 2: Experience and Past/Present Performance	<ul style="list-style-type: none"> • Corporate and key personnel experience in successfully developing, managing and operating mixed-use facilities especially any EUL arrangements
Section 3: Financial Plan	<ul style="list-style-type: none"> • Extent of Respondent's experience in financing large, complex real estate projects, use of tax credits, and creative arrangements involving public-private ventures • Proposed financial strategy and capacity • Knowledge of and experience with Gulf Opportunity Zone tax credits
Section 4: Development Plan	<ul style="list-style-type: none"> • Development Plan and methodology in the context of the Project Vision & Goals, especially the requirement to meet Marine Corps requirements as a basis for foundation of federal employment

* Description is a summary only, additional information, requirements and details located in the Draft Solicitation

Solicitation Walk-Through: Sections 5-9



Section/Factor	Description of Factors*
Section 5: Marketing Plan	<ul style="list-style-type: none"> • Approach to attract a mix of potential tenants including federal agencies and private commercial entities
Section 6: Property Management – Operations and Maintenance Plan:	<ul style="list-style-type: none"> • Ability and experience in properly operating, managing and maintaining and leasing large projects over an extended period of time • Sustainable best practices being proposed in the operation and maintenance of the properties • Critical feature to the development’s continued long-term viability
Section 7: Capability/Qualifications	<ul style="list-style-type: none"> • Corporate and key personnel capability and qualification to provide services and team required for planning and implementation of the Project • Include what duration of service key personnel will be committed to the Project
Section 8: Achievement of Goals, Concepts and Objectives	<ul style="list-style-type: none"> • Indicate an understanding of the Project vision and goals • Provide realistic approach to accomplish
Section 9: Community Relations and Socio-Economic Plan	<ul style="list-style-type: none"> • Specific approach to manage community relations with regards to Project, including any anticipated community interactions • Address the encouragement of community participation through the involvement of local-, women-, minority-owned, and small disadvantaged businesses

* Description is a summary only, additional information, requirements and details located in the Draft Solicitation

MGEN David Mize, USMC (Ret.)

Chairman
New Orleans Federal Alliance

Evaluation Process

- Evaluation* will be based on:
 - Evaluation factor rating
 - Risk factor rating
- Factors will be combined to achieve a final rating for each section
 - Ex: Development Plan = E+/L
- Final ratings will be blended to derive an overall response rating

Risk Ratings: Identified weaknesses in the experience, approach, capabilities, and/or past performance record

Low Risk	<ul style="list-style-type: none"> • Little potential to cause disruption to the planning and implementation phases • Normal effort and monitoring will probably minimize any difficulties
Moderate Risk	<ul style="list-style-type: none"> • Potential to cause disruption to the planning and implementation phase • Special emphasis and close monitoring will probably minimize any difficulties
High Risk	<ul style="list-style-type: none"> • Potential to cause significant disruption to the planning and implementation phases even with special emphasis and close monitoring

Evaluation Ratings:

Exceptional Plus (E+)	• Substantially superior added value above a satisfactory response for substantially all of the factor elements
Exceptional (E)	• Superior added value above a satisfactory response for factor elements
Acceptable Plus (A+)	• Some added value above a satisfactory response
Acceptable (A)	• Addressed all of the elements in a satisfactory manner
Unacceptable (U)	• Failed to address substantially all of the elements of the factor in a satisfactory manner or has simply failed to address substantially all of the elements in the factor
Neutral	• Used only to evaluate a Respondent in the past performance evaluation factor. Not enough sufficient history to draw a conclusion of past performance

* Additional information, requirements and details located in the Draft Solicitation

Evaluation Process

- After all written solicitation responses are received and evaluated, NOFA may request a small number of Respondents make in-person, oral presentations
- Any oral presentations will be evaluated on the same basis as the written responses and blended into the final evaluation
- Anticipated date range for oral presentations will be announced as early as possible
- NOFA reserves the right to form the basis for determining the competitive range

Oral Presentations*

- | | |
|--|--|
| <ul style="list-style-type: none">• Respondents notified of date and time• Limited to 60 mins maximum• Prepared to provide information concerning any aspect of the written response submitted• Allow 30-45 mins to respond to questions• Total time not to exceed 2 hours | <ul style="list-style-type: none">• NOFA will provide projection equipment and laptop with CD-ROM capabilities• Respondent responsible for providing and setting up additional equipment• Bring ten (10) complete sets of all presentations/slides/ handouts |
|--|--|

* Additional information, requirements and details located in the Draft Solicitation

After Developer Selection

- Upon selection, NOFA and Developer will commence work with the intent to structure NOFA's leasing arrangement with the DON.

Business and Leasing Plans to include:

- | | |
|--|---|
| <ul style="list-style-type: none">• Description of DoN and NOFA goals, concepts and objectives• Sources and uses of capital• Overall leasing and development schedule• Detailed budgets and payment plans | <ul style="list-style-type: none">• Roles and responsibilities of all parties• Development plans and timelines• Compliance with historic regulations and coordination with SHPO• NEPA compliance documents |
|--|---|

- Working together, NOFA and the selected Developer will produce a Business Plan and a Leasing Plan within 90 Days of contract award
- Community stakeholders may be consulted during development of plans
- Developer responsible for providing and coordinating all utilities and support services for the Project
- DoN is preparing preliminary National Environmental Policy Act (NEPA) documents and has completed the final Environmental Condition of Property Report

Q&A Panel Deliberation / Lunch



Lunch

1200 - 1300

Mark Frye

Moderator
Federal City Project Team

Wrap-Up and Next Steps



MGEN David Mize, USMC (Ret.)

Chairman
New Orleans Federal Alliance

Wrap Up & Next Steps

Milestones	Current Schedule (subject to change)
Draft Solicitation Issued	25 June 2007
Industry Forum	25 July 2007
Final Solicitation Issued	6 August 2007
Question Submission Deadline	31 August 2007
Proposals Due	14 September 2007
Successful Offeror Selected	19 October 2007
Business & Lease Plans Finalized	25 January 2008
Execute Lease with Developer	Spring 2008
Construction Begins	Late Spring 2008

Points of Contact



Submission of Responses:

Lee Reid Adams and Reese LLP 701 Poydras Street, Suite 4500 New Orleans, LA 70139	lee.reid@arlaw.com
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- This is the official address for receipt of responses
- Ten (10) color originals and one (1) electronic copy of the submission prepared in response to this solicitation must be delivered no later than 5:00 p.m. Central Standard Time on September 14, 2007

For Site Visits Contact:

Marek Izydorczyk

BearingPoint, Inc. 1250 Poydras Street, Suite 950 New Orleans, LA 70112	(281) 852-2386 marek.izydorczyk@ bearingpoint.com
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Additional Questions:

<http://www.nolafederalcity.com/QuestionsandAnswers.html>