PN-ABQ-640

isn-85993

PUBLIC/PRIVATE PARTNERSHIPS FOR HOUSING DEVELOPMENT IN STARA ZAGORA AND ROUSSE, BULGARIA

JANUARY 1994

Prepared for the Office of Housing and Urban Programs
U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT

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USAID Project No. 180-0034
USAID Contract No. EUR-0034-C-00-2034-00
Local Government and Housing Privatization
Request for Services # 46

ABSTRACT

As part of USAID's technical assistance to the private development and local government sectors in Bulgaria, PADCO and ICMA jointly developed a demonstration program to provide technical assistance and training to municipal officials and private developers in the structuring of public/private partnerships to stimulate private real estate development of municipal land assets.

In November 1993, the first phase of this program was initiated in the municipalities of Stara Zagora and Rousse. During this mission, the PADCO/ICMA team introduced municipal officials and private developers to the use of Requests for Proposals (RFPs) for promoting housing development projects on municipal lands. The RFP communicates to qualified and interested developers, the specific terms of the services that will be required to provide to the city and solicits a detailed description of the developers' plan for providing the desired services.

Prior to the teams' visit to each municipality, local officials had identified municipally-owned parcels for inclusion in the demonstration program. A primary objective of the program is to work with the public and private sectors in Stara Zagora and Rousse toward the development of actual housing projects on these municipal lands.

As of January 1994, the municipalities of Stara Zagora and Rousse have prepared draft RFPs for the sites identified for inclusion in the demonstration program. It is anticipated that the next steps in the program will include: reviewing, finalizing and releasing the RFPs; preparing a development and disposition agreement (DDA); conducting a pre-bidding conference; assisting private developers with the proposal preparation process; and, assisting the municipalities with proposal review and selection. A detailed program of follow-up assistance to municipal officials and private developers in Stara Zagora and Rousse is outlined in Section VII of this report.

EXECUTIVE SUMMARY

Bulgaria's private real estate development sector operates within an environment that is undergoing rapid change. The shift from a centrally planned to a free-market economy is not complete and significant impediments to the development of a fully functioning private housing delivery system remain.

Private developers and municipal officials throughout Bulgaria are keenly interested in receiving technical assistance in structuring public-private partnerships for housing development projects. This interest stems from the recognition that public and private sectors must work together to remove existing impediments to housing production. Municipalities hold a considerable amount of vacant and under-developed land which, if developed, could represent a significant source of municipal revenues. However, municipalities have virtually no experience in land disposition or in attracting private investment in housing in an open and competitive manner. Private developers lack experience and skills in market analysis, project costing, marketing and negotiating with the public sector.

ICMA and PADCO jointly developed a demonstration program to provide technical assistance and training to municipal officials and private developers in structuring public/private partnerships to stimulate private residential real estate development of municipal land assets. The program was initiated on a demonstration basis with the objective of working toward the development of actual housing projects in two Bulgarian cities, Stara Zagora and Rousse.

The first phase of assistance under the program took place from November 5-19, 1993. During this mission, the ICMA/PADCO team introduced municipal officials and private developers to the use of Requests for Proposals (RFPs) for promoting housing development projects on municipal lands. The RFP communicates to qualified and interested developers, the specific terms of the services that will be required to provide to the city and solicits a detailed description of the developers' plan for providing the desired services. The team also explained that an Request for Qualifications (RFQ), which calls for a response much less detailed than a formal proposal, could be used prior to issuing the RFP. The advantage of the RFQ/RFP process is that developers not selected to receive an invitation to submit a proposal (i.e. those not selected during the RFQ process) do not have to spend resources on the preparation of a proposal; eliminating the bids at this point will reduce unrealistic bidding and the municipality saves effort on the selection process.

Prior to the teams' visit to each municipality, local officials had identified municipally-owned parcels for inclusion in the demonstration program. In addition, the team assessed the suitability of sites proposed by the municipalities for the housing demonstration program. Workshops were conducted during the latter part of each week and were designed to initiate the first step of preparing and issuing an RFP for the development of housing on one or more designated sites in each of the cities. The workshops were attended by municipal officials as well as representatives of the local private development community.

This report is based on the initial field visits and provides an analysis of the municipal capacity for managing housing development partnerships, including an assessment of each city's leadership and management capabilities, planning and budgeting priorities, internal constraints and the city's relation to the private sector (Section II). In addition, an assessment is made as to the capacity of the private development community to undertake such projects in each of the cities; private sector development issues, such as infrastructure, design control and land value, are also discussed (Section III). Section

IV of the report is dedicated to considering municipal objectives and partnership roles for the demonstration projects.

The Request for Qualifications (RFQ)/Request for Proposal (RFP) methodology used in the demonstration program to promote private housing development is provided in Section V. This methodology follows the suggestions given at the workshops by the ICMA/PADCO team and reflects the approach favored by city officials in each city. A description of proposed demonstration sites chosen by the cities is included in Section VI.

The final section of the report (Section VII) gives detailed recommendations for immediate technical assistance and training that can be provided by USAID, as well as suggestions for parallel assistance efforts and more long-term considerations. Short-term recommendations (6-9 months) for assistance include: (1) Review and comment on the RFQ and RFP prepared by the municipalities; (2) Assist the municipalities to finalize the RFPs and prepare and review the development and disposition agreement (DDA); (3) Assist the municipalities in conducting a pre-bidding conference; (4) Provide training to private developers in responding to the RFPs; (5) Assist municipalities in evaluating developer submittals; (6) Assist with project refinement, negotiations and management. At the end of the 6-9 month period, it is believed that, through the ICMA/PADCO housing demonstration program, actual housing projects will be underway in Stara Zagora and Rousse.

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I. INTRODUCTION

Bulgaria's private real estate development sector operates within an environment that is undergoing rapid change. The shift from a centrally planned to a free-market economy is not complete and significant impediments to the development of a fully functioning private housing delivery system remain.

Private developers and municipal officials throughout Bulgaria are keenly interested in receiving technical assistance in structuring public-private partnerships for housing development projects. This interest stems from the recognition that public and private sectors must work together to remove existing impediments to housing production. Municipalities hold a considerable amount of vacant and under-developed land which, if developed, could represent a significant source of municipal revenues. However, municipalities have virtually no experience in land disposition or in attracting private investment in housing in an open and competitive manner. Private developers lack experience and skills in market analysis, project costing, marketing and negotiating with the public sector.

ICMA (under the USAID/ICMA Local Government Program) and PADCO (under the USAID/PADCO Private Sector Development Program) jointly developed a demonstration program to provide technical assistance and training to municipal officials and private developers in structuring public/private partnerships to stimulate private residential real estate development of municipal land assets. The program was initiated on a demonstration basis with the objective of working toward the development of actual housing projects in two Bulgarian cities, Stara Zagora and Rousse.

The first phase of assistance under the program took place from November 5-19, 1993. The ICMA/PADCO team was composed of individuals with public and private sector development experience obtained in the United States, as well as from similar work in other countries. ICMA's team members included Sharon Van Pelt, Assistant Director for ICMA Central and Eastern European Programs, ICMA Consultants William Claggett, Municipal Public/Private Partnership Specialist, and Phillip Mayfield, Training Specialist, and Dimitar Doukov, ICMA Local Consultant in Sofia. PADCO's team consisted of James Lynch, Real Estate Specialist, PADCO Consultant John Clawson, Housing Development Specialist, and Konstantin Petrov, PADCO's Local Consultant in Sofia.

During the field visits to Stara Zagora and Rousse, the team worked in close cooperation with the USAID/Urban Institute Resident advisor and the local firm, MTK Konsult. Team members spent one week in each city, with the first few days of each week being devoted to interviews with elected officials, key municipal staff, and private developers. The purpose of the meetings was to identify important issues in the creation of development partnerships and to elicit information pertaining to ongoing future needs in seeing the projects through to completion. In addition, the team assessed the suitability of sites proposed by the municipalities for the housing demonstration program. Workshops were conducted during the latter part of each week and were designed to initiate the first step of preparing and issuing a Request for Proposal (RFP) for the development of housing on one or more designated sites in each of the cities (see Section V for a detailed description of the RFP process). The workshops were attended by municipal officials as well as representatives of the local private development community from Stara Zagora and Rousse. Officials from two other municipalities were also present (Burgas -- attending the Stara Zagora workshop and Pleven -- attending the Rousse workshop) and expressed a strong interest in undertaking a similar program in their respective cities.

This report is based on the initial field visits and provides an assessment of the municipal capacity for

managing housing development partnerships as well as the capacity of the private development community to undertake such projects in each of the cities. The report also describes the proposed development sites and the RFP/RFQ methodology to be used in this program and provides recommendations for ongoing technical assistance to both the municipalities and the private developers.

II. AN OVERVIEW OF THE MUNICIPAL SECTOR

A. General Municipal Powers and Responsibilities

It is important to note several factors pertaining to local government powers and responsibilities in Bulgaria, as they affect the ability the municipalities have to act in full partnership with the private sector. In both cities, the team was told repeatedly that cities in Bulgaria had limited power over their internal affairs and that many, if not most, of the capabilities cities needed could only be derived from national legislation or administrative direction.

In general, because there is no concept of an independent charter city in Bulgaria, cities must follow electoral and structural prescriptions of the national government. In addition, planning and budgeting guidelines are also established by the national government, and local administrators must accede to priorities fashioned in the national capital.

Both Stara Zagora and Rousse function with what would be referred to in the United States as a modified strong mayor form of government. With exceptionally large legislative councils, the cities have some functions overseen by elected officials and commissions. The mayors have substantial powers of appointment and removal. They chair council meetings and act as the chief executive officer of the municipality. Heads of departments and municipal ministries serve at the pleasure of the mayor. At the senior level of municipal management in both Stara Zagora and Rousse, there appears be little, if any, experience with professional city administration.

Both cities are required to administer or manage a broad range of services and programs. Education and health care consume an overwhelming share of the city budgets. The cities are responsible for collecting all taxes, fees and fines, forwarding the proceeds to the national government, which returns a portion to the municipality. Taxes and rates are established by the central government, and the city budget plans are never fully funded. Stara Zagora, for example, had received only 60% of their planned budget through the first three quarters of the year, and they were uncertain how much more they would receive.

With their scarce funds, the cities must also oversee development, labor and social services, public safety, and a host of other functions, including the administration of state and municipal lands, and matters pertaining thereto, such as restitution of property, and attempting to meet the housing needs of the population. With only about 2.5% of their planned budgets (the percentage would be less if measured against expenditures), both Stara Zagora and Rousse must cover all administrative costs, including economic policy, budgeting and finance, and the above mentioned management of state and municipal lands.

B. Considerations of Governance with Respect to Public/Private Partnerships

To help understand the current status of the demonstration program and to better focus future technical assistance efforts, this section considers key features of the workshop cities, Stara Zagora and Rousse, which pertain to their capacity for managing the partnership process. Based on interviews and materials provided by the host cities and considering the work of previous technical assistance efforts, the following presents for each municipality: selected features of its regional economic structure; aspects of leadership and management in the city; relevant planning and budgeting priorities; internal constraints affecting performance; and the relationship of the city to the private development sector.

C. The Municipality of Stara Zagora

1. Selected Features of the Economic Structure

Situated in the east central sector of the country, Stara Zagora has a population of approximately 150,000, and is the capital of a region with perhaps an additional 25,000 people living in up to fifty villages. Traditionally an agricultural and mining center, Stara Zagora is developing a reasonably diverse economic base. In addition to food processing, food processing equipment and chemicals, the region is an important building materials and construction equipment center, and a budding area for electronics manufacturing and assembly. Unemployment, at about 10% to 12%, is two to four points lower than the national average.

Although there is some uncertainty about the actual market for new housing (not considering the groups that the municipality must provide for, such as persons who participated in the savers programs under the previous governments, individuals displaced by restitution, and the socially disadvantaged) there is optimism about the state of the regional economy and its need for obtaining future workers from outside the area. There is visual evidence of construction activity throughout the city, although actual data pertaining to the amount and type of construction is not available. This is a problem for developing reliable market information for new housing projects. (This problem is discussed in great detail below, as an internal constraint on the municipality.)

2. Leadership and Management

The city and its leadership are committed to development and to obtaining more independence for the city with regard to the central government. There is strong support in the municipality for the development of public/private partnerships and a willingness to dedicate necessary staff time to developing, negotiating (with the private developers) and managing the housing demonstration project.

The mayor and the chief architect share the attitude that barriers or constraints to development can be overcome. At least, both indicate that they are willing to challenge the system, to move ahead and force the issue. There is a presumption that the going will be difficult, but that the municipality must and will prevail.

3. Planning and Budgeting Priorities

As indicated above, the operating budget and inadequate funding of municipal services are very serious problems. Stara Zagora's planned budget for the current year is 812 million leva. Slightly over 80%

is allocated to education and health care. The Ministry of Construction budget plan is for about 54 million leva, or 6.7% of the total. The only other funds available for planning and development related activities amount to 2.7% of the planned budget--hardly sufficient for the planning, data collection, and analytical skills that will be required to sustain an effective public/private development process.

4. Internal Constraints

As the foregoing suggests, constraints within the municipal government to achieving a successful ongoing public/private partnership for housing lie, in part, in the lack of an adequate data base for planning and feasibility analysis, and lack of analytical resources and staff experience. Types of data that are not available for planning include: a comprehensive inventory of land uses; an inventory of housing by type, location and condition; sufficient demographic information to yield an understanding of housing needs; infrastructure condition and capacity surveys; economic profiles and activity projections; and employment and earning statistics.

The time and cost involved in generating the types of planning and development data typically available in the U.S. are prohibitive at this time in Bulgaria. However, the lack of such information diminishes the municipality's planning capabilities for formulating a comprehensive housing strategy and the related activities of planning for growth and economic development.

5. Relationship to the Private Sector

Because of Bulgaria's recent history of state ownership of property, it is clearly too soon to assess the quality or nature of the nascent private sector and its relationship to the municipality. Perhaps in recognition of this fact, the municipal government has taken a strong position with respect to the private housing industry in Stara Zagora.

This may be in part because there does not appear to be a strong developer component to the industry at this stage of the region's evolution to a market economy. That component is being filled at the present by individuals who appear to operate more as *contractors* rather than as the individual or company that manages all aspects of a development project, from conceptual development through feasibility analysis, design, financing, working drawings, construction and marketing.

In light of this apparent condition of the industry in Stara Zagora, it is important and necessary, therefore, that the municipality assume a strong but flexible role of project initiator and proponent. However, it will be important for the municipality to understand that when the private housing industry does emerge, it should change its stance and role accordingly.

D. The Municipality of Rousse

1. Selected Features of the Economic Structure

With a population numbering about 200,000, Rousse is the fourth largest city of Bulgaria. It is situated in the north central region of the country on the Danube River, and as such, it constitutes the major physical link between Bulgaria and Romania, an important factor in Rousse's economy (which has been seriously damaged by the trade embargo related to the strife in Bosnia-Hercegovina).

At USAID's request, ICMA commissioned a separate economic development study of Rousse, which provides a much better understanding of the nature of its regional economy than currently exists. As is true in Stara Zagora, a lack of understanding of the dynamics of a region's economy severely hampers identification of development opportunities that provide jobs and the means to obtain housing.

Overall, Rousse appears to be well situated for future economic growth. We are told that the economy is well balanced with a number of new and modern plants for manufacturing, assembly and other activities. The Rousse port facilities, its free trade zone, successful shipyards, and bridge to Romania should bring about a tremendous boost to the economy when stability is achieved in Bosnia. When that occurs, the housing demand in Rousse is likely to increase sharply.

At present, unemployment is running between 12% and 15%, somewhat higher than in Stara Zagora, but under the national rate of about 16%. As a special note, when the economy recovers, every effort should be made to open the Rousse airport for regularly scheduled flights for passenger and freight service.

2. Leadership and Management

As is the case in Stara Zagora, the city and its leadership are committed to development and to obtaining more independence for the city with regard to the central government. There is strong support for the development of public/private partnerships in the city.

Unlike Stara Zagora, however, city departments are organized in functional clusters and are responsible to three deputy mayors, appointed by the mayor. There is also a position of City Secretary, responsible to the mayor, who oversees the administrative functions of the city and coordinates other activities across departmental lines. Therefore, management of the project may be structured somewhat differently than in Stara Zagora. (Suggestions for the cities' management of the project are included in Section VII.)

The municipal department heads, deputies, and staff who were involved in the various meetings and the workshop were knowledgeable about the partnership process and appeared to have a sophisticated understanding of the city's role. Due to the higher level of development of the private housing development sector in Rousse, city staff appeared to have more experience in structuring public/private partnerships than their counterparts in Stara Zagora. On the other hand, the two cities share a commitment to pushing the limits of their legal constraints and carrying the arguments for more local control to the central ministries in Sofia.

3. Planning and Budgeting Priorities

The principal planning and development activities are housed in the Department of Construction and the related agencies Economic Activity and Privatization, Municipal and State Property, and Finance and Budget. The Department of Construction budget is about 94 million leva, or 14.2% of the city's total budget of 668 million leva.

By way of comparison, it is interesting to note that Rousse, although substantially larger than Stara Zagora, has a total budget 18% smaller. On the other hand, the Construction Department budget is nearly 75% larger in Rousse. The major discrepancies are found in the planned budgets for education

and health care, which nevertheless still amount to 70% of the planned budget for Rousse. It should be noted that these budget relationships are for budget plans, not actual expenditures and reimbursements from the central government. As is the case in Stara Zagora, the Rousse reimbursement levels are substantially below the budget plan, and likely to remain so for the balance of the year.

Although housing is a major priority, the public/private partnership demonstration program is only one part of the city's strategy, as briefly described by the chief architect. However, it is recognized that the partnership approach, if successful, may represent opportunities to achieve other elements of the city's strategy, such as using privatization funds to help finance housing, regulating the price of land, and the likely loss of agricultural land for housing. In addition, other priorities competing for housing dollars include tourism, economic development and industrial infrastructure.

4. Internal Constraints

As noted for Stara Zagora, there are a number of constraints on the ability of the Rousse government to act which stem from the lack of information and the financial means to acquire it, and the lack of planning and analytical skills in the depth needed to meet current needs and future challenges.

Another internal constraint noted on several occasions pertains to the lack of an effective capital budgeting system and the related insufficiency of infrastructure for the rebuilding effort needed to expand housing in the central part of the city. Although this constraint stems from the lack of funds, it also points to the need for training at all levels of municipal government. In fact, within the municipality there is a recognized need for a wide range of training programs for municipal staff and the private sector as well. Training needs relevant to the immediate problem of mounting effective public/private partnerships for housing are discussed in Section VII.

5. Relationship to the Private Sector

Based on their participation in the workshop, the private development sector appears to be better organized and more knowledgeable of the development process than is the case in Stara Zagora. Consequently, the municipality is in a stronger position to take a true partnership position on specific projects. This casts the municipality more in the role of initiator, regulator and evaluator.

This role is reflected in Regulation No. 7 (see Annex I), enacted by the Rousse City Council in October, 1993. This regulation pertains to the development of housing units and the social and technical infrastructure of Rousse. Although the regulation specifies various terms and conditions a developer must meet in certain circumstances, considerable latitude is provided for developers to take their own initiative on the scope and design of proposed projects.

It should also be noted that the private developers harbor deep concerns about the perceived lack of openness and fairness of the city's development processes. There appears to be a lingering mistrust of the public sector based on recent experience. Whether this perception is well-founded or not, the city will take steps to ensure that the process adopted for the demonstration program is open and fair.

E. External Constraints

There are a number of constraints on Bulgarian municipalities which are beyond the scope of this project but which need to be addressed for two reasons. First, taken individually or together, the external constraints represent serious impediments to a municipality's capacity to direct and manage its affairs. Second, each of the following constraints was mentioned repeatedly by city officials and by participants in the two workshops.

The six most frequently mentioned external conditions, policies, legislative barriers, or administrative practices which impede municipal progress are:

- Poor performance of the national economy, including debt level, rate of inflation, foreign trade, and unemployment;
- National priorities, mandates and directives with respect to municipalities that do not take into account the inability of municipalities to respond and/or do not address municipal priorities;
- Lack of municipal enabling legislation, or municipal charters. Municipalities are not accepted as partners in governance;
- Inability of municipalities to raise their own taxes, or to obtain a larger share of tax revenues collected by municipalities;
- The slow pace of privatization of state enterprises which slows the rate of local economic reform and growth; and
- Lack of an effective national banking system which would include full service regional banks with authority to make local investments.

Each of these issues has been the subject of extensive review by a number of agencies. They are included in this report for the reasons noted above, and to underscore the need for approaches to public/private partnerships for housing development that can be effective within this restrictive institutional and economic environment.

III. AN OVERVIEW OF THE PRIVATE DEVELOPMENT SECTOR

A. The Private Development Community in Stara Zagora

Prior to the Workshops, separate meetings were arranged with developers in Stara Zagora and Rousse to discuss their specific development practice, the local housing market and the nature of private sector housing development.

The developers in Stara Zagora were primarily contractors who were also developing housing. This seems to be the typical structure of development companies in Stara Zagora rather than separate developers that manage the process and contract out for construction. A typical private development project in Stara Zagora was described as 10 to 15, units constructed on an assembly of perhaps 2 to 3

privately owned parcels comprising 800 to 1,200 square meters of land area. Larger developments are being avoided due to lack of financing, difficulty in securing adequate pre-sales and the uncertainty of building costs and sale prices. Current construction and development costs were quoted at 4,200 to 5,200 leva per square meter with minimal soft costs. Sale prices were said to be around 6,500 to 7,000 leva per square meter in a good central city location and prices for well located ground floor commercial space are around 10,000 leva per square meter. Developer profit is targeted at around 20% to 25% of development cost and profit on construction is an additional 5% for the contractor. The maximum that developers felt they could pay for land was 20% to 25% of the building area.

No bank financing is being used for construction or permanent loans. All construction is funded by pre-sales, typically with an initial deposit and regular payments (monthly or at fixed intervals) indexed to some published indicator such as the national inflation index or the dollar exchange rate.

Developers indicated that while there is still demand for housing, there are fewer buyers with the necessary cash available for pre-sales. Inflation of home prices is also believed to be substantially lower, quoted at 20% to 40% annually, than inflation of construction costs which are averaging 80% annually. Some of the inflation impact is mitigated by the pre-purchase of building materials.

Developers in Stara Zagora seemed reasonably sophisticated with a solid knowledge of construction costs due to their background as contractors and a relatively good understanding of the market given the lack of available market data. The level of detailed financial analysis appeared relatively modest based on the high level of interest in our presentation of a sample feasibility study. This is probably partly due to the minimal soft costs incurred for design fees, permits, legal, financing, etc.

The developers expressed strong interest in the development of municipally owned sites, particularly given the difficulty in securing privately owned sites. A good response to the RFP would be anticipated if the city offers multiple sites of the quality of the central city sites we visited and if the city addresses the developer's primary concerns detailed later in this report.

B. The Private Development Community in Rousse

Developers in Rousse seemed quite sophisticated, and it appeared that some firms may be pure developers that contract out for construction and other services. One private developer, for example, has two projects of 24 and 21 units under construction, has completed 3 projects in Rousse, has 4 more to start in the Spring and is expanding to other cities. The Rousse developers demonstrated a clearer understanding of financial analysis, the impacts of inflation, and the elements of risk in the project and the market. Although the developers admitted there was a lack of market information and analysis, they had a very clear understanding of what type of units were selling and they have developed a mix of units within each project that responds to the market and broadens their market appeal.

The optimum project in Rousse was described as around 20 to 24 units on 4 floors of about 400 square meters per floor with a total development time of 12 to 16 months. Construction costs seemed similar to Stara Zagora with sale prices and land values being slightly higher. Land values were said to range from 15% to 30% of the building area. Profits are targeted at 20% to 25% in hopes of ending up with 15%.

Developers claimed that they were trying to minimize pre-sales to, say, 7 or 8 units out of 24 so that

they could achieve the higher sale prices from the completed product. Profits from previous projects are being rolled over into successive developments to finance construction and minimize pre-sale requirements.

There was concern by developers that sale prices have leveled off with the new housing that has already been developed or is currently planned satisfying much of the pent up demand that has fueled the high inflation in home prices to date.

Response to the RFP should be strong, particularly given the excellent sites identified by the municipality, the lack of privately owned sites for development and the strong interest by developers in the workshop.

C. Private Sector Development Issues

During the workshops in Stara Zagora and Rousse, several important issues were raised by developers regarding development of municipal land by the private sector. The private developers indicated that the following issues would need to be addressed and/or resolved as prerequisite for participation in housing development projects that include both the public and the private sectors:

1. Infrastructure

Location of and responsibility for providing infrastructure to the site must be clear in the RFP. If the infrastructure is not provided by the municipality or the utility company, the cost for providing infrastructure must be factored into the supportable purchase price for the land.

2. Design Control

If developers assume the financial risk for financing, construction and marketing of the project, they must have control over the type, mix and configuration of the residential units or commercial space for which they are responsible. The municipality may specify requirements for those units which they may receive as compensation for the land; the municipality may also establish design guidelines and zoning regulations for the project to achieve municipal objectives for urban design and economic development.

Though this opinion was expressed by the private developers, the amount of control the developer exercises over the design of the project is actually a matter for negotiation between the city and the developer. Various arrangements have been tried in the U.S. and are possible in Bulgaria; the amount of control both the private and the public sectors have over project design is agreed to through a negotiation process.

3. Predictability

The process of negotiating with the municipality, securing approvals for the project and managing the development must be predictable so that the developer is not incurring substantially increased risk or delays due to the uncertainty of working with the public sector. Clear contracts and a well organized structure for managing the development process and making decisions within the municipality are critical.

4. Fairness

The RFP submission, evaluation and negotiation process must insure fairness to the private development community. Submission requirements should not preclude younger or smaller firms from competing. Clear evaluation criteria should be established with an appropriate ranking system for judging submittals. The developers suggested that the selection committee represent a cross section of representatives from the municipality, the private sector and independent advisors. As with design control, various arrangements have used in the U.S. (with the composition of selection committees varying from project to project) and are possible in Bulgaria. The municipality decides on the composition of the committee, keeping in mind the need for fairness and openness in the selection process.

The submittals and the evaluation should be open to public review. The negotiation of the final agreement between the developer and the municipality should be relatively consistent with the RFP and the selected submittal so that the fairness of the selection and negotiation process is not in question.

5. Land Values

The expectations of the municipality and private land owners regarding the value of their land may be high, particularly given lower inflation of housing prices compared to construction costs. The minimum land value established by Regulation No. 7 in Rousse (30% of the building area for sites in the central city) may be prohibitively high for many sites dependent on the type and amount of development allowed and the costs of construction and infrastructure improvements.

The municipality should maintain flexibility on land values in order to stimulate private sector development and achieve their goals for urban design and housing production. The municipality must also develop the in-house capability to evaluate submittals, the project's financial feasibility and the supportable land values or they should retain independent advisors to assist in the evaluation process.

IV. MUNICIPAL PARTNERSHIP ROLES FOR THE DEMONSTRATION PROJECTS

During the workshop and interviews with municipal officials, various municipal objectives, partnership roles, and operational needs were discussed to identify and better design the partnership process to achieve tangible results. This section presents these considerations and Section VII contains recommendations for ongoing technical assistance needs in the two demonstration cities.

A. Municipal Objectives

The municipal objectives for public/private partnerships for housing are essentially the same for both Stara Zagora and Rousse. Within the overall context of their housing needs, both municipalities have an interest in taking the initiative, becoming proactive, and not waiting for all of the right conditions before proceeding.

They also share an interest in fostering the growth of a developer industry that can work cooperatively with local government on a large scale commensurate with the availability of land for housing redevelopment. Within this general context, both cities identified several municipally-owned prototype

sites that could be made available immediately for a demonstration program (see Section VI).

More general municipal objectives pertained to: promoting home ownership; meeting the city's housing needs; promoting economic development; generating municipal revenue; stimulating the real estate market; and enhancing the physical environment. As the cities gain more capacity to plan comprehensive housing development strategies, each of these objectives will become more important to the range of housing options that can be made available to the developer community.

For the housing demonstration program on municipally-owned land, specific objectives of both Stara Zagora and Rousse include: relieving demands from beneficiaries of the Old Savers Act; compensating former home owners who cannot otherwise receive restitution; and meeting the needs of the socially disadvantaged.

In the municipality of Rousse, Regulation No. 7 requires that developers submitting competitive applications must address the purpose of the property in terms of the social significance of the developer's proposal, the *number of jobs* that will be created, and *ideas about the future* of the property. These requirements translate into project objectives, as well as into project selection criteria.

B. The Partnership Role of the Municipalities

Both municipalities recognize and understand the various roles they must play in creating effective partnerships. However, the true spirit of partnership, in which each partner brings something to a venture, and each partner is willing to give up some potential benefit for the greater good of the partnership, may not be so well understood in both cities.

For example, it was noted above that Stara Zagora views its role as more that of a developer, in that it prescribes how the private sector participants must meet the municipality's terms. Considering that the private developer community in Stara Zagora is not well advanced, this may be the most effective *approach* for the city at this time.

In Rousse, on the other hand, the private developers appear to be more advanced in their understanding of the process, and the city can assume more the roles of facilitator and regulator. However, it should be noted that during the Rousse workshop, one developer participant stated that the city did not have a consistent approach to working with the private developers.

In both of the workshop cities, therefore, it is important that their respective roles be constantly evaluated with respect to the expectations that each sector has of the other and regarding the conditions affecting each sector's ability to perform the partnership functions. In this context, the role of the municipality needs to address each of the following characteristics and functions of a public/private partnership.

1. Creating the Spirit of Entrepreneurial Partnership

As already noted, the spirit of partnership is extremely important. It leads to the effectiveness of many other performance factors. In addition, the public sector needs to view its activities as would an *entrepreneur*, i.e. willing and able to take risks to achieve results. This appears to be well accepted in both cities by the elected and appointed officials.

2. Preparing the Master Plan and Setting Objectives

The master plan and development objectives establish a framework for private sector response. The designation of certain lands for development provides a level of predictability of public actions, and setting forth objectives defines decision processes that aid the private sector in preparing realistic responses.

3. Assisting with Project Feasibility

The public sector can help with project feasibility by providing gap financing, low up-front grants and loans, and by contributing of land to a project. This is understood in both cities, but the lack of planning and management capabilities and inexperience with market driven economic systems, impairs the municipalities' ability to fully analyze options before negotiating with a private developer. However, this capability can be achieved through ongoing technical assistance and training programs, as noted in Section VII.

4. Facilitating Project Review and Permitting

This function includes site control (land acquisition and assembly, for example), pre-appraisal as to market value, project phasing and expediting necessary government permits.

5. Promoting Fairness and Competition in Free Market Systems

As noted above, concern was expressed in Rousse about the fairness of the competitive processes for housing development. It is essential that the public sector assure participants in the bidding process that it will be open and fair. The careful and thorough preparation of RFPs can contribute to achieving this municipal role.

6. Providing Infrastructure and Related Community Facilities

Confusion over the provision of infrastructure related to a specific project is of concern to the private sector in both cities. Careful consideration needs to be given to this issue, as it can make or break a deal. If the public sector is going to insist that the private sector provide the infrastructure, then in the spirit of partnership, the public sector needs to examine other ways is can offset the higher costs to the developers. One way would be to reduce or to relax the share of a project that the municipality would otherwise insist on retaining.

7. Project Management and Contract Enforcement

This is a key role for the public sector. Once a partnership has been agreed to, it is important that the municipality manage its commitments to ensure that there will be no unnecessary delays due to permit processing or compliance with other agreed commitments. In a similar vein, the municipality needs to monitor the developer to ensure that the developer's performance meets agreed standards. The public sector must further ensure that legal remedies are available in the event that the developer, for whatever reason, fails to comply with some aspect of the written partnership agreement.

V. RFQ/RFP METHODOLOGY FOR PROMOTING PRIVATE HOUSING DEVELOPMENT

The focus of the workshops in Stara Zagora and Rousse was on how the Request for Qualifications (RFQ)/Request for Proposals (RFP) methodology could be applied for the purpose of promoting private housing development on municipal lands. Each workshop was well attended by municipal officials as well as representatives from the local development community (see Annex C for list of participants).

A sample RFP, from the City of Boston, Massachusetts (see Annex D), was translated into Bulgarian and used in the workshops to illustrate specific items typically contained in RFPs. The municipalities are using this RFP as a model for preparing RFPs for the municipal sites that they have identified for inclusion in the demonstration projects.

Presented below is a summary of items discussed in each workshop which relate to the steps involved in applying the RFQ/RFP methodology to promote private housing development on municipal lands.

A. Establishing Specific Development Objectives

The workshops emphasized the importance of establishing specific development objectives as a part of the RFQ/RFP process. Workshop discussions addressed how municipalities can use the RFP process to achieve objectives such as: 1) promoting affordable housing; 2) preserving historic structures and landmarks; 3) stimulating private sector development; and 4) maximizing economic and social returns on municipal assets. Officials concurred that such objectives should be specifically outlined in the RFQ/RFP. In cases where RFPs contain multiple objectives, the need to rank such objectives in order of importance was also discussed.

B. Identifying Municipal Sites for Development

As indicated in Section VI of this report, both Stara Zagora and Rousse have already identified potential sites for development. Prior to the workshops, the ICMA/PADCO team visited these sites with officials of the respective municipalities. A portion of each workshop was devoted to the suitability and attractiveness of the proposed sites for housing development. Workshop participants representing both the public and private sector agreed that the identification of municipal sites for development should incorporate the following criteria:

- Location
- Size
- Access to Infrastructure
- Clear Title

The importance of site location and size is directly related to market demand. Because the private developer would assume the risk and responsibility of marketing the housing to prospective buyers, it is critical that the proposed site(s) could be developed with housing for which there is effective demand. At present, effective demand is greatest for housing in infill locations with access to central city amenities and services. Of the proposed sites in Stara Zagora and Rousse, developers always expressed preferences for central city locations.

In terms of site size, it was generally agreed that sites capable of supporting 10 to 30 units are most

desirable given the need to pre-sell units in order to secure construction financing. Furthermore, housing developments in the 10 to 30 unit range are of a manageable scale for a condominium ownership structure. It was agreed that an RFQ and/or RFP should contain a location and site development map which contains a description of site feature, planning constraints and other salient information.

Access to infrastructure was also considered to be an important factor in a site's attractiveness to private developers. It was generally agreed that until mechanisms for funding infrastructure development exist, new housing should be promoted in areas served by infrastructure. Developers would, in turn, assume responsibility for on-site infrastructure improvements.

The developers consistently indicated that a fundamental prerequisite for participating in a development agreement with a municipality is the existence of "clear title" to the site(s) under consideration. A portion of the workshop was devoted to describing the process and rationale of obtaining clear title in the United States. In Bulgaria, the municipalities would, in effect, transfer "development rights" and not freehold interest in the property. Nevertheless, even though the municipalities "own" many sites, they must secure clearance prior to transferring development rights.

C. Preparing an RFQ and/or RFP

The ICMA/PADCO team described both the RFQ and the RFP the workshop participants. The RFQ typically explains the objectives of the proposed service to be provided by the developer; states the proposed time frame and performance specifications; describes procedures for responding to the RFQ; and elicits certain information about the potential developer. The response requested for the RFQ is much less detailed that necessary for a formal proposal.

The RFQ process is used to "prequalify" or "short-list" developers interested in participating in the project. Once this short-list is developed through the RFQ process, the city can invite the selected developers to respond to the RFP; such a response would include a complete and detailed description of a developer's plan for providing the desired services and of the firm's capacity to effectively pursue the plan.

As a result of the workshops, Stara Zagora has opted to proceed immediately to an RFP process while Rousse favored a two-step process of an RFQ and then an RFP. Both methods are used in the United States. The advantage of the RFQ/RFP process is that developers not selected to receive an invitation to submit a proposal do not have to spend resources on the preparation of a proposal; eliminating the bids at this point could reduce unrealistic bidding and the municipality saves effort on the selection process.

The workshops highlighted the need for municipalities to undertake a number of activities as part of the RFQ and/or RFP preparation process. These activities include:

1. Streamline the Permit Approval Process

The permit approval process should be streamlined so as to reduce the developer's uncertainty, costs and time schedule. The permits would be of two types. One would be all the infrastructure connections to water, sewer, electricity, gas, telephone and heating. The other would be those associated with the

municipality and the state which would permit the site to be developed by the developer (i.e. planning permits, historic/cultural permits, etc.). At a minimum, the RFQ and/or RFP should contain a complete listing of all the permits required and the sequence of steps the developer needs to go through in order to design, build and sell the housing.

2. Define Relocation and Site Clearance Responsibilities

Relocation and site clearance responsibilities should be defined, in order to ensure that development can proceed without unnecessary delays. Some of the proposed development sites are occupied by households who rent from the municipalities; the housing on these sites, however, is condemned given its poor physical condition. The municipalities indicated that it is their responsibility to relocate these tenants to other suitable housing.

In terms of site clearance, it was generally agreed that the developer would be responsible for this activity and the bid price for the building rights would take into consideration for value of the materials salvaged from the site.

3. Conduct Market Analysis

To ascertain the feasibility of proposed development projects, market analysis needs to be conducted. Such an analysis could be achieved by requiring the developer to submit a market study or analysis as part of its bid. However, the availability of market data is limited. The registration system for sales of property, for example, triggers a turnover tax. Because there is no mortgage involved in most transactions, the cash system is a temptation to register a lower price than paid. Moreover, most developers use "word of mouth" and direct advertising to attract buyers. The developers are somewhat suspicious of sharing data with municipalities for fear that other developers may take advantage of it.

The options are somewhat limited. Through a USAID-funded project, Stara Zagora conducted a housing survey (a method used in developed market economies as well). This survey has yielded valuable information to the municipality and could also be shared with private developers to help them understand their market on a more scientific basis.

4. Define Proposal Selection Criteria

In order to ensure that developers clearly understand how their proposals will be reviewed and evaluated, proposal selection criteria need to be defined. Developers also need to be assured that they are competing on a "level playing field" and the selection process is objective and transparent.

The selection criteria reviewed in the workshops included:

- The *percentage of space* offered to the municipality in exchange for the building rights to the property.

- The *time frame* from contract to commencement of construction and to completion of construction, including the schedule when payments and/or transfer of space to the municipality would occur.

- The *development* team including references on the developer, the contractor, the investor, the architect and engineers and the marketing person or organization.

- The *exterior appearance* of the building and grounds.

- The *financial feasibility* of the proposed project.

5. Prepare a Model Development and Disposition Agreement

As described during the workshops, the instrument that provides the basis for implementing the partnership is the Development and Disposition Agreement (DDA). This is a comprehensive legal document that specifies the performance requirements and auditing procedures for a particular project. The DDA sets forth the specifications for all aspects of the project, including site preparation and utilization, infrastructure provisions, financing, phasing, scheduling, and the like. The DDA also provides the basis for resolving disputes, should they arise. Participants from both cities appear to understand and accept the usefulness of this partnership tool.

A model DDA should be prepared for inclusion in the RFP, so that developers understand the legal ramifications of entering into a development agreement with the municipality. A draft DDA also serves to clarify the program's specific objectives and procedures.

6. Reviewing Development Proposals and Selecting Developers

In terms of proposal review and selection, it was agreed that there should be a representative committee of the municipality established to review all proposals. Proposals should be opened by the committee so that there is assurance of objectivity.

The proposed composition of this review committee varied between the municipalities. Stara Zagora intended to use the same 5-person committee used for its auctions. Rousse favored an expanded committee of us to ten persons which would include a lawyer, an economist, a representative from the Bulgarian Building and Construction Chamber, a Regional Council representative, the RFP manager, and consultants. Rousse also felt that the deliberations of the committee should be open to the public to ensure transparency of the process.

VI. DESCRIPTION OF POTENTIAL DEVELOPMENT SITES

A. Municipal Sites in Stara Zagora

The municipality of Stara Zagora identified four sites, three of which are located in the central part of the town, and one in the outlying neighborhood of Zheleznik. A brief description of these sites appears below:

Site 1: A large, 16 hectare site outside the city center on a hillside above a group of housing blocks. An initial plan has been prepared by the city for 104 parcels with 202 housing units and additional commercial development. No infrastructure is currently in place for the development. This site was seen as a less desirable location than the central city sites, given its size and the potentially high costs of extending infrastructure into the area.

The following sites are smaller, accommodating 20 to 30 housing units, and are located in the central city with existing infrastructure improvements:

Site 2: Three separate lots facing the back of adjacent midrise apartment buildings on a small street off of one of the city's major bus and auto routes. Two existing structures are to be demolished and one house is to be retained and expanded. The site is well located but there is noise from the busy nearby street. The surrounding buildings and setting are less attractive than at the following sites.

Site 3: Four lots on a small, quiet, tree-lined street that could accommodate a three story development with the demolition of the existing structures. The site is well located in a good residential neighborhood close to the center.

Site 4: Two parcels with two buildings to be removed on a slightly sloping street in a very desirable residential location. The site could accommodate a small two or perhaps three story building.

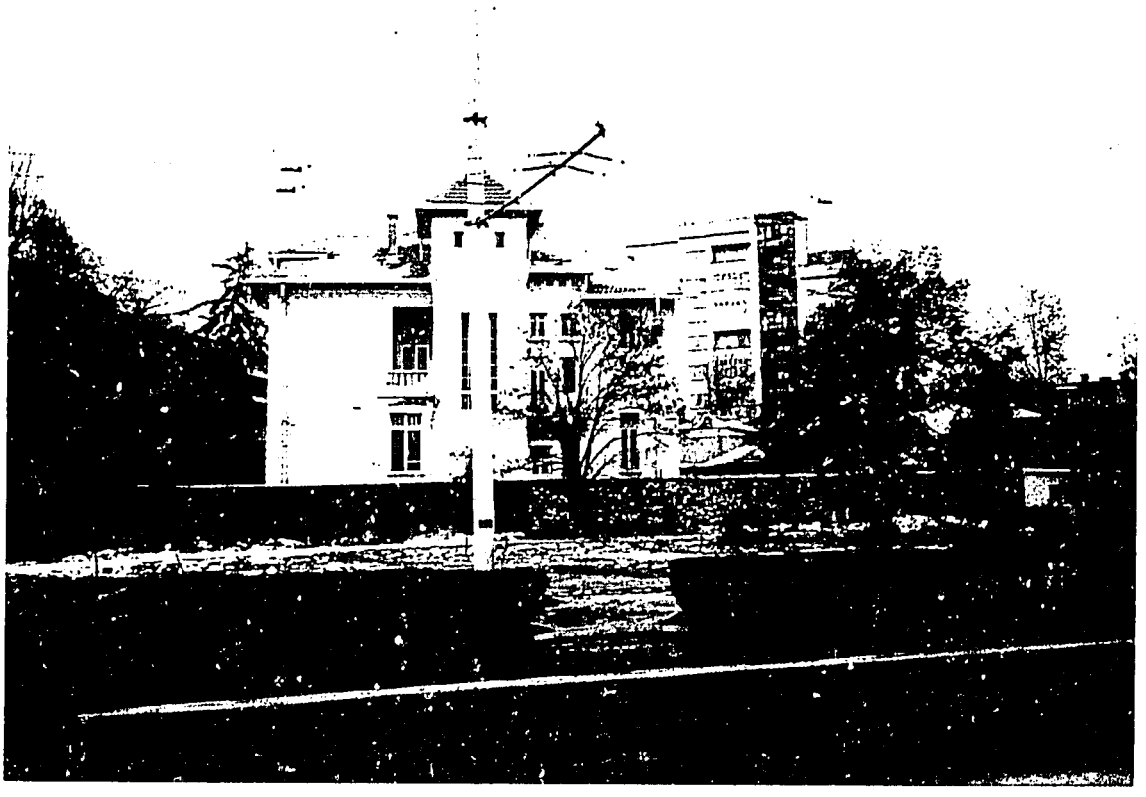
B. Municipal Sites in Rousse

The municipality of Rousse identified four sites, three of which occupy extremely desirable locations for housing development. A brief description of these sites is presented below.

Site 1: A prime corner site across from the University that could accommodate 4 to 6 floors of residential on top of 1 or 2 floors of commercial and retail uses. This is a highly visible site in an excellent location that would help form a gateway to one of the more important and architecturally significant university buildings and therefore should have appropriate design guidelines and review procedures. There is also excellent pedestrian traffic at this location which will support the ground floor commercial uses.

Site 2: This site is near Site 1 and a park and is surrounded by midrise apartment buildings. The site was originally planned for an additional midrise apartment block but some of the land has subsequently been restituted and the site can now be developed as a smaller scale residential development of 20 to 30 units. This also appears to be an excellent residential location.

Site 3: A long narrow site on a major street that can accommodate residential and commercial uses. A preliminary plan has been completed that envisions three staggered building sections that respond to the curvature of the road and allow for the vertical separation of different types of residential and commercial uses. The new building would abut the existing adjacent 5 or 6 story building and its height would correspond to that of the existing structure. The site borders a good residential area and is fronted by a prominent historic structure with significant architectural character that may be impacted by the proposed development.



VII. RECOMMENDATIONS FOR ONGOING TECHNICAL ASSISTANCE

A. Short Term Considerations (Next Steps)

Short term actions pertain to the next nine-to-twelve month period. These actions should be focused on accomplishing the objectives of the demonstration program and laying the groundwork for longer term capacity building.

Public and private sector representatives in both Stara Zagora and Rousse have differing views of their respective roles and responsibilities in the partnership process. The proposed technical assistance effort would focus on developing a better understanding of roles and responsibilities of each sector. Included would be training for public managers and private developers on how to prepare materials for review and use by the other sector, such as RFPs and responding proposals.

During the RFP preparation process, the proposal preparation process and the proposal review process, technical assistance for municipal officials and the private development community should be initiated. It is expected that this technical assistance program would be carried out in several sessions leading up to actual housing construction on the designated municipal parcels. It is recommended that the following assistance be provided over the next 6-9 months:

1. Review the RFQ/RFP prepared by the municipalities

The municipalities are proceeding with the preparation of an RFQ/RFP that generally conforms to the outline and sample reviewed in the workshops. Preliminary review of the draft RFPs by the ICMA/PADCO team would be performed in the United States prior to a return visit.

2. Assist municipalities to finalize the RFPs and prepare the Development and Disposition Agreement

An outline of a development and disposition agreement (DDA) was provided in the workshop but the team did not review its terms or contents in detail. Ideally, a draft of the DDA should be included with the RFP when it is distributed to private developers.

The Development and Disposition Agreement (DDA) is a key document in the execution of a project by the municipality. The DDA becomes the basis for negotiations between the municipality and the developer. Technical assistance should focus on the DDA as the most important tool for project management and contract enforcement. It establishes the parameters for auditing developer progress and resolving disputes that might arise from time to time.

Based on a review of the draft RFPs prepared by Stara Zagora and Rousse, the ICMA/PADCO team could initiate the preparation of a DDA in the United States. The DDAs could then be finalized as part of the team's next visit to Bulgaria. The primary purpose of this visit would be to finalize the RFPs and to ensure that they are prepared for distribution. Such a visit would also be used to plan for a pre-bid conference, hosted by the municipalities, to inform interested developers about the RFP and the terms and conditions of the proposed public/private partnership.

3. *Assist the Municipalities in Conducting a Pre-bidding Conference*

Upon the release of the RFP, or shortly thereafter, technical assistance should be provided to the municipalities in organizing and conducting a pre-bidding conference. As noted above, the pre-bidding conference would be used to inform interested developers about the RFP and the terms and conditions of the proposed project(s).

4. *Provide Training to Private Developers in Responding to the RFPs*

Private developers in Stara Zagora and Rousse require basic assistance in reviewing, evaluating and responding to RFPs. The most appropriate means of delivering such assistance is through a workshop for interested private developers in each municipality. The workshop would be used to disperse technical assistance throughout the private development community and is a preferable format to direct assistance to a single developer. Topics of technical assistance to developers would include: reviewing the RFP; conducting market research; preparing preliminary designs; preparing financial feasibility studies; and, assembling and submitting proposals.

5. *Assist Municipalities in Evaluating Developer Submittals*

Municipalities will require assistance in reviewing, evaluating and selecting developer submittals. During the workshops, the need to establish a proposal selection committee was discussed extensively. It was suggested by both municipalities and private developers that an independent advisor (i.e. an ICMA/PADCO team member) should be involved in evaluating and selecting "winning" proposals. This involvement would lend a greater degree of transparency to the process and could provide additional training to municipal staff. Evaluating the financial feasibility of proposed projects has been identified as a key capability the municipalities require. Underwriting analysis provides the basis for the city to assess the intrinsic value of a project and determine the appropriate parameters of project feasibility available to a developer. This function also provides the basis for determining the level of subsidy that may be required by the developer in order to achieve municipal objectives.

6. *Project Refinement, Negotiations and Management*

Once a developer has been selected, the ICMA/PADCO team may be able to add significant value by helping to refine the development concept, the design and the proposed deal structure between the developer and the municipality. The team's experience in residential development and the structuring of public/private partnerships will be most beneficial when applied to a specific project.

In terms of project management, helping the municipalities set up procedures to review internal permitting and other regulatory functions would benefit the projects at various stages of implementation. In addition, contract enforcement techniques and review systems need to be in place before agreements are concluded with developers. Technical assistance should address the municipalities' needs for simple critical path analysis, project tracking, negotiation and coordination across departmental lines of responsibility.

At the end of the 6-9 month period, it is believed that, through the ICMA/PADCO housing demonstration program, construction of actual housing units will be underway in Stara Zagora and Rousse.

B. Important Parallel Activities

1. Dedicated Municipal Staff

Each municipality should designate appropriate staff members as having long term responsibility for planning and managing the demonstration projects and for the enlarged programs that should follow. These individuals would be the primary recipients of the technical assistance and would be joined by others as the situation and job responsibilities might require. As appropriate, representatives of the private sector should also be included in the technical assistance program along with the public sector participants.

With the concurrence and leadership of the mayors, it is suggested that a *Housing Demonstration Coordinating Council* be established for the duration of the demonstration project. With the *Chief Architect* acting as the chair of the council, it should include the heads of the other departments with direct and/or advisory roles to play. These would include: *Economic Policy and Privatization*, to possibly assist with surveys, analysis, property management issues; *Municipal and State Property*, to assist with clarification of ownership issues and with property disposition; *Finance and Budget*, to focus on alternative sources of funding for municipal participation in the project and analysis of capital requirements for infrastructure; and the *Legal Advisor* to review the legalities of the process and prepare disposition papers for the project. These departments should designate one or more staff to be project liaison officers who would become the primary participants in the ongoing technical assistance and training that may be provided by the ICMA/PADCO team.

2. Training and Information Dissemination

During the course of the demonstration program, needs for training in specific areas will arise that should be addressed in order to assure effective implementation of the program as well as to contribute to the development of local institutional capacity over the long-run. Workshops and other forms of training sessions will be needed in the areas of construction planning, housing demand analysis, permit and other regulatory processes, comprehensive planning (with particular emphasis on development of a long-term housing strategy), and financial management and capital budgeting. As a part of the demonstration program, ICMA will meet these training needs by conducting workshops/seminars during field missions for appropriate city officials. Representatives from the private development community will also be invited, as appropriate, to workshops covering relevant topics.

There is also the need to disseminate the results of the technical assistance and training to other Bulgarian cities. As noted earlier, Burgas and Pleven have a strong interest in undertaking similar housing development programs. During the course of the demonstration program, ICMA will identify vehicles through which information on the program can be made available to other cities. Specific ways in which this can be accomplished are: inviting officials from surrounding cities to workshops that will be held in the two demonstration cities; developing monographs on the topics covered in workshops; and exploring the possibility of an institutional relationship with a Bulgarian municipal association which can provide information on the program to its members.

2. *A Handbook for Development Through Public/Private Partnerships*

One important way in which the information can be disseminated to Bulgarian cities is through the creation of a handbook which covers all aspects of housing development through public/private partnerships. Based on the work done in Stara Zagora and Rousse, the handbook could be extremely useful in promoting private development of municipal land in cities throughout Bulgaria as well as other Central and Eastern European countries. It could be a practical guide that could be used in various contexts with minimal additional technical assistance. Practitioners in Stara Zagora and in Rousse who will have been through the process could also be identified as local resources for future technical assistance requirements of other municipalities. The handbook could detail the process of structuring public/private partnerships by providing training and examples in the following areas.

- Establishing Municipal Objectives for Private Development of Public Land
- Identification and Evaluation of Municipal Sites
- Preparing and Issuing an RFQ and RFP
- Evaluation of RFQ/RFP Submittals
- Negotiating a Development and Disposition Agreement
- Techniques for Market and Financial Analysis
- Managing the Development Process

The handbook could also include presentation materials such as slides or overhead transparencies and standard outlines that could be used for conducting future workshops and training sessions.

C. Long Term Considerations

In planning for a longer term program of technical assistance to build institutional infrastructure and management capacity to develop housing, the external constraints noted previously should be addressed. It is important that decision makers be helped to understand the linkage of national policies, laws and practices with local government's ability to help stimulate economic growth and social stability.

Building on the work of the demonstration program, among the many related issues, a long term strategy should include consideration of the following:

- Defining the need for municipal enabling laws and/or charters;
- Developing regional and national real estate markets to attract foreign investment;
- Assisting in the development of a construction lending and mortgage banking system;
- Formulating economic development processes and strategies to promote economic stability;

- Creating a national municipal association to help institutionalize capacity building for public/private management; and

- Working with local educational institutions to undertake research projects and curriculum development directly related to the needs of municipalities and the private sector for planning, housing and economic development.

ANNEX A:

MEETINGS WITH THE MUNICIPAL DEPARTMENTS OF STARA ZAGORA AND ROUSSE

MEETINGS WITH MUNICIPAL DEPARTMENTS - STARA ZAGORA

08.Nov. 1993 : 10:00 -12:00

"REGIONAL DEVELOPMENT, HOUSING POLICY AND CONSTRUCTION" DEPARTMENT

1.arch. Veselin Berov	Head of Department	tel:042 39 795
2.arch. Stoicho Ilchev	Chief Architect	tel:042 25 289
3.eng. Lyubomir Slavkov	Chief Expert	tel:042 23 715
4.Bill Claget	ICMA Consultant	
5.John Clawson	PADCO Consultant	
6.James Lynch	PADCO Representative	
7.Phil Mayfield	PADCO Consultant	
8.Sharon Van Pelt	ICMA Representative	
9.Dimitar Doukov	ICMA Office in Sofia	tel:02 888 751
10.Konstantin Petrov	PADCO Office in Sofia	tel:02 888 751

08.Nov.1993 : 14:00 - 17:00

"FINANCE" DEPARTMENT

1. Rayna Kosseva	Head of Department	tel:042 51 114
2. Tinka Stoicheva	Ch. Expert "Budget"	tel:042 26 132
3. Marin Marinov	Chief Expert "Capital Investments"	tel:042 30 773
4. Bill Claget	ICMA Consultant	
5. James Lynch	PADCO Representative	
6. John Clawson	PADCO Consultant	
7. Phil Mayfield	PADCO Consultant	
8. Sharon Van Pelt	ICMA Representative	
9. Dimitar Doukov	ICMA Office in Sofia	tel:02 888 751
10.Konstantin Petrov	PADCO Office in Sofia	tel:02 888 751

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09.Nov.1993 : 14:00 - 15:20

"STATE AND MUNICIPAL PROPERTY" DEPARTMENT

1.	Margarita Baiganova	Head of Department	tel:042 57 090
2.	Tenko Rukanov	Chief Expert "State Property"	tel:042 51 103
3.	Stoyanka Buchkova	Chief Expert "Municipal Property"	tel:042 51 103
4.	Ivan Kirchev	Chief Expert "Housing"	tel:042 27 533
5.	Sharon Van Pelt	ICMA Representative	
6.	Bill Clagget	ICMA Consultant	
7.	Dimitar Doukov	ICMA Office in Sofia	tel:02 888 751

09.Nov.1993 : 15:30 - 17:30

"ECONOMIC POLICY" DEPARTMENT

1.	Dimitar Vassilev	Head of Department	tel:042 23 680
2.	Velichka Zaikova	Chief Expert "Municipal Companies"	tel:042 27 389
3.	Petya Azinova	Chief Expert "Privatization"	tel:042 27 357
4.	Bill Claget	ICMA Consultant	
5.	James Lynch	PADCO Representative	
6.	John Clawson	PADCO Consultant	
7.	Phil Mayfield	PADCO Consultant	
8.	Sharon Van Pelt	ICMA Representative	
9.	Dimitar Doukov	ICMA Office in Sofia	tel:02 888 751
10.	Konstantin Petrov	PADCO Office in Sofia	tel:02 888 751

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MEETINGS WITH MUNICIPAL DEPARTMENTS - ROUSSE

15.Nov. 1993 : 14:30 - 16:30

"INVESTMENTS" AND "FINANCE" DEPARTMENTS

1.Vangel Pavlov	Dep. Mayor Construction	tel:082 236 049
2.Galina Dimova	Chief Accountant	tel:082 224 402
3.Roumiana Nikolova	"Budget" Expert	tel:082 223 083
4.Yordan Donevsky	Head of "Investment"	tel:082 223 083
5.Bill Clagget	ICMA Consultant	
6.James Lynch	PADCO Representative	
7.John Clawson	PADCO Consultant	
8.Phil Mayfield	PADCO Consultant	
9.Sharon Van Pelt	ICMA Representative	
10.Dimitar Doukov	ICMA Office in Sofia	tel:02 888 751
11.Konstantin Petrov	PADCO Office in Sofia	tel:02 888 751

16.Nov.1993 : 10:00 - 12:00

"MUNICIPAL AND STATE PROPERTY" DEPARTMENT

1.Atanas Popov	Head of the "Municipal and State Property" Dept.	tel:082 222 414
2.Violeta Samnjieva	Specialist	tel:082 225 161
3.Draganka Todorova	Specialist	tel:082 225 161
4.Julia Grigorova	Specialist	tel:082 225 161
5.Tinka Varisova	Specialist	tel:082 225 551
6.Evgenia Kostadinova	Legal Advisor	tel.082 222 261
7.Bill Clagget	ICMA Consultant	
8.James Lynch	PADCO Representative	
9.John Clawson	PADCO Consultant	
10.Phil Mayfield	PADCO Consultant	
11.Dimitar Doukov	ICMA Office in Sofia	tel:02 888 751
12.Konstantin Petrov	PADCO Office in Sofia	tel:02 888 751

16.Nov. 1993 : 12:00 - 13:20

"ARCHITECTURE, CONSTRUCTION AND CADASTRE" DEPARTMENT

1.Tsveti Rousinov	Chief Architect Rousse Municipality	tel:082 222 454
2.Vasil Simeonov	Dep. Chief Architect Rousse Municipality	tel:082 222 583
3.Bill Clagget	ICMA Consultant	
4.James Lynch	PADCO Representative	
5.John Clawson	PADCO Consultant	
6.Phil Mayfield	PADCO Consultant	
7.Dimitar Doukov	ICMA Office in Sofia	tel:02 888 751
8.Konstantin Petrov	PADCO Office in Sofia	tel:02 888 751

16.Nov. 1993 : 14:30 - 16:30

"ECONOMIC POLICY, UTILITIES AND TRADE" DEPARTMENT

1.Tsvetan Staikov	Head of Department	tel:082 222 268
2.Evgeni Bonchev	Chief Expert "Municipal Companies"	tel:082 22 111
3.Bill Clagget	ICMA Consultant	
4.James Lynch	PADCO Representative	
5.John Clawson	PADCO Consultant	
6.Phil Mayfield	PADCO Consultant	
7.Dimitar Doukov	ICMA Office in Sofia	tel:02 888 751
8.Konstantin Petrov	PADCO Office in Sofia	tel:02 888 751

ANNEX B:

WORKSHOP AGENDA:
FACILITATING PUBLIC-PRIVATE RESIDENTIAL DEVELOPMENT PROJECTS

WORKSHOP AGENDA

FACILITATING PUBLIC-PRIVATE RESIDENTIAL DEVELOPMENT PROJECTS

Stara Zagora, November 10 - 12
Rousse, November 17 - 19

DAY #1:

SESSION I 10:00 to 11:15	**Welcome to Workshop Participants** o Presentation by the Host City **Introduction to USAID Programs in Bulgaria** o Presentation by Michael Hoffman **The Purpose and Structure of the Workshop & Training** o Presentation by Phill Mayfield
SESSION II 11:15 to 12:15	**The Public-Private Development Process** o Presentation by John Clawson and James Lynch
LUNCH 12:30 to 14:00	**Adjourn for Lunch**
SESSION III 14:00 to 15:00	**Municipal Objectives, Roles and Responsibilities in Public-Private Development Projects** o Presentation by Bill Claggett
SESSION IV 15:00 to 16:00	**Panel Discussion by Municipal Officials on Current Issues for Public-Private Housing Development in Bulgaria** o Panel of Local Officials Moderated by Phill Mayfield
BREAK 16:00 to 16:15	**Adjourn for Coffee Break**
SESSION V 16:15 to 17:15	**Panel Discussion by Private Developers on the Advantages and Disadvantages of Public-Private Housing Developments** o Panel of Local Developers Moderated by Phill Mayfield
SESSION VI 17:15 to 17:45	**Wrap Up and Schedule for Tomorrow** o Presentation by Phill Mayfield

DAY #2:

SESSION I 9:00 to 9:30	Workshop Overview and Recap of Day 1 o Presentation by Phill Mayfield
SESSION II 9:30 to 11:00	Steps in Preparing a Request for Qualifications (RFQ) and Invitation to Bid o Presentation by Bill Claggett and John Clawson
BREAK 11:00 to 11:15	Adjourn for Coffee Break
SESSION III 11:15 to 12:30	Site Evaluation and Selection Criteria Using Local Examples 1. Establishing Site Selection Criteria o Presentation by John Clawson 2. Reviewing Alternative Development Sites o Presentation by Bill Claggett 3. Selecting Preferred Development Sites o Presentation by John Clawson 4. Refining Preliminary Development Concepts o Presentation by Bill Claggett
LUNCH 12:30 to 14:00	Adjourn for Lunch
SESSION IV 14:00 to 15:30	Techniques for Evaluating the Development Project 1. An Overview of the Housing Market 2. Techniques of Market Analysis 3. Defining the Development Program
BREAK 15:30 to 15:45	Adjourn for Coffee Break
SESSION V 15:45 to 16:45	Techniques for Evaluating the Development Project (cont.) 4. Designing Projects in Response to Market Demand and in Conformance with Municipal Guidelines 5. Project Financial Analysis 6. Preparing the Developer Response
SESSION VI 16:45 to 17:30	Questions and Answers o Moderated by Phill Mayfield

DAY #3:

SESSION I 9:00 to 9:30	Workshop Overview and Recap of Day 2 o Presentation by Phil Mayfield
SESSION II 9:30 to 10:15	Demonstration Program Action Items o Presentation by John Clawson and Bill Claggett
BREAK 10:15 to 10:30	Adjourn for Coffee Break
SESSION III 10:30 to 12:30	Action Schedule for Participating Municipality o Presentation by John Clawson and Bill Claggett
SESSION IV 12:30 to 13:00	Review of Training and Technical Assistance Needs for Local Officials and Private Developers o Presentation by James Lynch and Phil Mayfield

ПРОГРАМА НА РАБОТНАТА СРЕЩА
РЕАЛИЗИРАНЕ НА ЖИЛИЩНИ ПРОЕКТИ НА ОБЩЕСТВЕНО-ЧАСТНИ НАЧАЛА

Стара Загора - 10 - 12 ноември, 1993 г.
Русе - 17 - 19 ноември, 1993 г.

ДЕН 1:

СЕСИЯ 1 10:00 до 11:15	Откриване и приветствие с добре дошли на участниците в работната среща ■ Приветствие от страна на града-домакин Запознаване с програмите на AAMP в България ■ Изказване на Майкъл Хофман Цел и структура на работната среща и обучението ■ Изказване на Фил Мейфийлд
СЕСИЯ 2 11:15 до 12:15	Обществено-частен жилищно-инвестационен процес ■ Изказвания на Джон Клосън и Джеймс Линч
ОБЯД 12:30 до 14:00	Обяд
СЕСИЯ 3 14:00 до 15:00	Цели, роля и отговорности на общината в обществено-частния жилищно-инвестационен процес ■ Изказване на Бил Клагет
СЕСИЯ 4 15:00 до 16:00	Обща дискусия между общинските служители по въпросите на обществено-частния жилищно-инвестационен процес ■ Председателствувана от Ф. Мейфийлд
ПАУЗА 16:00 до 16:15	Кафе-пауза
СЕСИЯ 5 16:15 до 17:15	Обща дискусия между предприемачите за преимуществата и недостатъците на обществено-частния жилищно-инвестационен процес ■ Председателствувана от Ф. Мейфийлд
СЕСИЯ 6 17:15 до 17:30	Закриване ■ Изказване на Фил Мейфийлд

ДЕН 2:

СЕСИЯ 1 09:00 до 09:30	Обща дискусия по темите на работната среща ■ Изказване на Фил Мейфийлд
СЕСИЯ 2 09:30 до 11:00	Изготвяне на заданието за квалификация и покана за участие в търга ■ Изказвания на Бил Клагет и Джон Клосън
ПАУЗА 11:00 до 11:15	Кафе-пауза
СЕСИЯ 3 11:15 до 12:30	Критерий за оценка на терена въз основа на местни примери 1. Установяване на критериите за избор на терен ■ Изказване на Джон Клосън 2. Преглед на алтернативни терени ■ Изказване на Бил Клогет 3. Избор на предпочетени терени ■ Изказване на Джон Клосън 4. Конкретициране на концепцията за проекта ■ Изказване на Бил Клогет
ОБЯД 12:30 до 14:00	Обяд
СЕСИЯ 4 14:00 до 15:30	Оценка на проекта 1. Преглед на пазара за жилища 2. Техники за проучване на пазара 3. Дефиниране на програмата по проекта
ПАУЗА 15:30 до 15:45	Кафе-пауза
СЕСИЯ 5 15:45 до 16:45	Оценка на проекта (продължение) 4. Разработване на плановете в съответствие с пазарното търсене и изискванията на общината 5.Финансов анализ на проекта 6. Подготовка за участие от страна на предприемача
СЕСИЯ 6 16:45 до 17:30	Въпроси и отговори ■ Председател Фил Мейфийлд

ДЕН 3:

СЕСИЯ 1 09:00 до 09:30	Обща дискусия по темите на работната среща и отговоряне на въпроси ■ Изказване на Фил Мейфийлд
СЕСИЯ 2 09:30 до 10:15	Стъпки в пилотния проект ■ Изказване на Джон Клосън и Бил Клогет
ПАУЗА 10:15 до 12:30	Кафе-пауза
СЕСИЯ 3 10:30 до 12:00	График за участвуващата община ■ Изказвания на Дж. Клосън и Бил Клагет
СЕСИЯ 4 12:30 до 13:00	Обобщение ■ Изказвания на Джеймс Линч и Фил Мейфийлд

ANNEX C:

LIST OF WORKSHOP PARTICIPANTS

LIST OF PARTICIPANTS IN THE "PUBLIC-PRIVATE HOUSING DEVELOPMENT" WORKS HOP ORGANIZED BY PADCO/ICMA TEAM

Stara Zagora - November 10 - 12, 1993

NAME	POSITION	ADDRESS	TELEPHONE
1. Peter Panchev	Manager "ALPHA" Co.	St. Zagora	042 39 971
2. Vasil Iliev	President "Informat Ltd"	St. Zagora	042 44 015 042 31 033
3. Velko Velev	Manager "Domostroitel Ltd"	St. Zagora	042 85 063
4. Atanas Stanchev	Manager SP Sobashev & Son	St. Zagora	042 32 123
5. Peter Majarov	President SP "Peter Majarov"	St. Zagora	042 40 996
6. Kolyo Christov	Head of the Investment Unit	St. Zagora	042 47 077
7. Dinyo Ivanov	Manager "Sargov" Co.	St. Zagora	042 57 055
8. Tenko Rukanov	Chief Expert Municipal Property	St. Zagora	042 51 103
9. Vesko Vulchev	Tech. Consultant SP "Saramov"	St. Zagora	042 57 055
10. Nina Zheleva	Chief expert Municipal Property	St. Zagora	042 25 289
11. Stoyanka Bukova	Chief Expert Municipal Property	St. Zagora	042 51 103
12.Ljubomir Slavov	Chief Expert Reg Dev. and Const.	St. Zagora Dept.	
13.Stoicho Ilchev	Chief Architect St. Zagora Municipality	St. Zagora	042 25 289
14.Nikola Neshev	President "Nicon" Co.	St. Zagora	042 34 676

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15.Vania Docheva	Accountant St. Zagora Municipality	St. Zagora	042 51 102
16.Petko Petkov	Construction Chamber Bourgas		056 43 037
17.George Georgiev	Dep. Mayor Bourgas Municipality	Bourgas	056 43 037
18.Angelin Bratanov	Chief Architect Bourgas Municipality	Bourgas	056 42 596
19.Vesselin Berov	Head of the Reg. Dev. and Const. Dept.	St. Zagora	056 41 419
20.Ivan Ivanov	President "Forum" Co.	St. Zagora	042 29 065
21.Teodora Vulcheva	Manager "Informat Ltd"	St. Zagora	042 23 923
22.Stanka Skerleva	Chief Expert "Architecture and Cadastre"	Haskovo	038 21 82/317
23.Zdravka Kairakova	Chief Expert "Economic Policy"	St. Zagora	042 51 008
24.Marin Mainov	Chief Expert "Capital Investments"	St. Zagora	042 30 773
25.Dimitur Vasilev	Head of the "Economic Policy"	St. Zagora	042 23 680
26.Petya Azinova	Chief Expert "Privatization"	St. Zagora	042 27 357
27.Maria Strunjova	Specialist Stara Zagora Municipality	St. Zagora	042
28.Stanislav Tochev	RENER Corp. St. Zagora Office	St. Zagora	042 2810-242

LIST OF PARTICIPANTS IN THE "PUBLIC-PRIVATE HOUSING DEVELOPMENT" WORKSHOP ORGANIZED BY PADCO\ICMA TEAM

Rousee November 17 - 19, 1993

NAME	POSITION	ADDRESS	TELEPHONE
1.Simeon Rangelov	Manager "Citytrade Ltd"	Rousse	082 230 232
2.Ljubomir Bobev	Manager "Citytrade Ltd"	Rousse	082 230 232
3.Yordan Donevsky	Head of the "Investments" dept.	Rousse	082 223-083
4.Ljudmila Krasteva	Head of "Rousseinvest"	Rousse	082 227 849
5.Tsveti Roussinov	Chief Architect Rousse Municipality		082 222 425
6.Vangel Pavlov	Dep. Mayor Construction	Rousse	082 22 111
7.Julia Kalinova	Manager PGS	Rousse	082 237 415
8.Zlati Gunev	Manager MIS LTD	Rousse	082 224 084
9.Milen Goranov	Manager "Rousse Construction Exchange"	Rousse	082 239 052
10.Plamen Ivanov	Manager "Intertime Ltd"	Rousse	082 225 798
11.Evgenii Bomchev	Chief Expert "Economic Policy"	Rousse	082 22 111 359
12.Tsvetan Staikov	Head of "Economic Policy"	Rousse	082 222 268
13.Virginia Georgieva	Teacher Construction College	Rousse	
14.Evgenia Kostadinova	Legal Advisor "Municipal Property"	Rousse	082 222 261

15.Julia Angelova	Secretary Rousse Municipality	Rousse	082 232 146
16.Stephka Boeva	Dep. Mayor Pleven Municipality	Pleven	064 39 629
17.Boiko Balatakov	Chief Architect Pleven Municipality		064 25 012
18.Vladimir Popov	Manager "АБ 20"	Pleven	064 36 482
19.Boiko Balabanov	President "АББ" Co.	Pleven	064 48 244
20.Stephen Stoichev	President SP "St. Stoichev"	Rousse	082 271 150
21.Boris Dimitrov	Manager "Stroielectra"	Rousse	082 271 150
22.George Todorov	Lecturer Technical University	Rousse	082 452 939
23.Ljuben Nanov	Lecturer Technical University	Rousse	082 452 939
24.Jasmina Anguelova	Designer "Sofit"	Rousse	082 273 031
25.Anka Sholeva	Chief Expert "Investment Activity"	Rousse	082 225 873
26.Snejana Kozhuharova	Manager "Real Property" Rousse Construction Exchange	Rousse	

ANNEX D:

RFP FOR HOUSING PROJECTS IN BOSTON, MASSACHUSETTS

REQUEST FOR PROPOSALS (RFP) FOR HOUSING PROJECTS
ON THREE CITY-OWNED, VACANT PARCELS IN BOSTON, MA

I. INTRODUCTION

The Boston Redevelopment Authority ("BRA") is pleased to invite proposals on a competitive bid basis in response to this Request for Proposals for three vacant parcels located in the South End Urban Renewal Area, Project No. Mass. R-56. The parcels which are available for advertisement are RC-6, R-10A and R-13. Parcel RC-6 is located 219-225 Shawmut Avenue between East Berkeley and Dwight Streets and consists of 7,134 sq. ft. Parcel R-10A is located at 39-47 East Brookline Street and consists of about 6,277 sq. ft. Parcel R-13 is located at 1-4 St. George Street and 37 East Brookline Street and consists of about 7,701 sq. ft.

A. SUBMISSION PROCEDURES SUMMARY

Applicants are requested to submit five copies of submission materials by 12:00 P.M. on Monday, August 26, 1991 to:

Stephen Coyle, Director
Boston Redevelopment Authority
One City Hall Square, Room 910
Boston, MA 02201

Responses must conform to the submission requirements outlined in this Request for Proposals. Following an initial review of the submissions, additional information may be requested from competing teams.

All financial information requested for individual team members shall be held confidential.

Technical assistance in complying with submission requirements may be obtained from the BRA by contacting:

Maria Faria, Senior Project Manager
Neighborhood Housing and Development
Boston Redevelopment Authority
Boston, MA 02201
722-4300 ext. 4278

B. OBJECTIVES

The overall objective of this Request for Proposals is to increase the existing supply of housing in the South End by providing opportunities to create decent, accessible housing for all economic groups, special needs, individuals of all ages and families.

The development of these three sites should meet several important goals:

1. Contribute to the revitalization of the neighborhood by creating new housing for mixed-income families and individuals;

2. Provide increased activity in the area and improvement of the pedestrian environment; and

3. Maintain the streetscape by blending the new development with near-by structures and enhancing the character of the neighborhood.

C. GENERAL REQUIREMENTS

1. Community Participation

A community participation process will be established to facilitate the development of these parcels. This process is intended to ensure that residents of the neighborhood have a voice in determining the type and scale of development. In addition, the process will ensure that the developer selection procedure is equitable and the redevelopment is compatible with the adjacent community.

2. Fair Housing

The successful developer will be required to comply with the City's Fair Housing and Employment Plan to guarantee equal access to all housing.

The developer shall agree to submit an Affirmative Marketing Plan for approval by the Boston Fair Housing Commission and the BRA.

The developer also agrees to submit if selected required information on the housing to the Metrolist program operated by the Boston Fair Housing Commission.

3. Reinforcing South End Character

The development of the parcels should enhance and expand the urban character of the South End. All development proposals will be required to comply with the standards and criteria of the Boston Landmarks Commission for the district.

II. SELECTION CRITERIA

The BRA will give preference to proposals that best meet the requirements for these sites. Specific criteria for review include:

A. The creation of new, mixed income housing units accessible to all economic groups, special needs, individuals of all ages and families. Interest developers should seek 50 percent of the units as affordable for low- and moderate-income families.

B. Documentation that the developer has no outstanding property tax delinquency owed to the City of Boston; no outstanding sanitary code violations, documented by the Inspectional Services Department, on properties owned by the developer; no record of conviction for arson; and no unresolved fair housing complaints as determined by the Boston Fair Housing Commission.

C. The ability of the developer to meet the handicapped accessibility rules and regulations promulgated by the architectural Access Board pursuant to authority granted by Massachusetts General Laws, Chapter 22, 13A and Chapter 641 of the Acts of 1986, the Fair Housing Amendments Act of 1988, and Section 504 of the Rehabilitation Act of 1973 as amended.

D. The capacity, experience and financial strength of the developer.

E. The financial feasibility of the proposed development documented by development and operating pro formas as described in the attached forms.

F. The degree to which the development proposal is in harmony with the architectural style and characteristics of the neighborhood and complies with the design guidelines of this Request for Proposals.

G. The degree to which the development proposal has or can gain neighborhood support.

H. The degree to which the development proposal conforms to existing zoning requirements.

The BRA will determine the land value by independent appraisals in accordance with the BRA usual disposition procedures. Said land value will be adjusted downward by the appraisals to reflect the proposed reuses and all restrictions and controls placed on the property.

III DISPOSITION PROCEDURES

The Boston Redevelopment Authority requests that applicants submit proposals no later than 12:00 p.m. on Monday, August 26, 1991, to: Stephen Coyle, Director, Boston Redevelopment Authority, Room 910, City Hall, One City Hall Square, Boston, MA 02201.

All proposals must conform to the submission requirements and first stage guidelines outlined on the pages which follow. At any time, the BRA may request additional information from any applicant. Proposals maybe submitted for one or more of the parcels contained in the Request for Proposals.

A development team submitting proposals may be invited to make a formal presentation to the BRA during the initial phase of the selection process. If necessary, after reviewing each proposal, the BRA will select several finalists and request them to develop their proposal further.

The BRA will recommend tentative designation to the developer whose proposal best meets the criteria listed in this Request for Proposals. The proposal will be subject to subsequent stages of BRA development and design review prior to consideration for final designation.

Development proposals will be subject to all City of Boston zoning and building regulations, fair housing policies and procedures, as well as applicable state and city environmental reviews. Although the BRA is prepared to provide appropriate assistance, the developer will be responsible for the preparation of any environmental studies or reports which may be required.

The development will be assessed and taxed by the City of Boston under M.G.L. Chapter 59, Real Estate Assessment Procedures. The developer will agree to accept this parcel in an as-is condition. The BRA reserves the right to reject any and all proposals.

IV. SUBMISSION REQUIREMENTS

A. GENERAL SUBMISSION

Five copies of the developer's submission are required with reduced plans in an 8 1/2" x 11" format.

B. DEVELOPMENT, FINANCIAL AND GRAPHIC SUBMISSION

1. Development Submission

   a. A letter of interest must be included which introduces the development team, including the developer, architect, contractor and consultants.

   b. Relevant past experience of development team on projects of this size and scope.

   c. Developer's Statement of Public Disclosure, Developer's Statement of Qualifications and Financial Responsibility (Form HUD - 6004).

   d. Developer's Disclosure Concerning Beneficial Interest Required by Section 40J.

e. Developer's Statement of Qualifications and Financial Responsibility (Form 2).

f. Disclosure Statement.

2. Financial Submission

a. A summary of the proposal including proposed uses, proposed ownership structure and anticipated development schedule. Development and/or operating pro forma are required (See Pro Forma Requirements).

b. Letters of interest from a financial institution or source of funding for land acquisition, construction and permanent financing must be included.

3. Design Submission

a. Context plan at 1" = 100 ft., plus a photo collage, indicating the project's relationship to adjacent properties.

b. Site plan at a scale of 1" to 40'-0" illustrating the character and scope of the proposal. The site plan must include the first floor plan and identify pedestrian, vehicular and service access. Landscaping, ground plane materials, approximate finish topography, and amenities, where appropriate, should be indicated.

c. Unit plans (minimum scale: 1/8" = 1'-0") indicating unit type and layout, interior and exterior materials in sufficient detail to describe the character of the proposal.

d. Elevations at 1/16" to 1'-0" of all facades are required. Elevations along River Street and Gordon Avenue are required to illustrate the proposal in the context of adjacent structures.

e. A building and site section at 1" = 40'-0" illustrating the relationship between buildings and topography.

V. PARCEL DESCRIPTION AND ZONING PROCESS

The current zoning for these parcels is H-2. Any deviations from the ordinance will require Zoning Board of Appeals approval, as well as approvals, from the Boston Redevelopment Authority. The BRA recommends proposal submissions within current zoning regulations.

VI. DEVELOPMENT CONCEPT

The development concept envisions structures that blend well with the adjacent structures in terms of scale, size and relationship. The design should provide a development appropriate to these locations in the South End.

VII. DESIGN GUIDELINES

A. BUILDING ORIENTATION

1. The development should reflect local patterns of form, scale and building masses, directly accessible from the public way.

2. The structures should be oriented to the public way consistent with existing neighborhood patterns. In this way, the public facade will be consistent in proportion with existing buildings continuing the rhythm along the street.

C. PARKING

1. Parking is required at a ratio of .7 spaces per dwelling unit.

2. A minimum number of curb cuts is recommended with no parking in front yard setbacks.

XI. PRO FORMAS

Project _____ Date _____
Developer _____ Tel.#/Contact Person _____

RESIDENTIAL DEVELOPMENT PROGRAM

FORM OF OWNERSHIP
(Rental, Condominium, Cooperative) _____

TOTAL LAND SQUARE FOOTAGE _____

TOTAL UNITS _____
Mix of Units
Studio _____
1 Bed _____
2 Bed _____
Other _____

PARKING _____ spaces

TOTAL GROSS SQUARE FOOTAGE _____ GSF _____ NSF
Average Unit Size
Studio _____ GSF _____ NSF
1 Bed _____ GSF _____ NSF
2 BED _____ GSF _____ NSF
Other _____ GSF _____ NSF

Parking ____ GSF

COMMERCIAL DEVELOPMENT PROGRAM

TOTAL LAND SQUARE FOOTAGE _____

TOTAL GROSS SQUARE FOOTAGE _____
Office _____
Retail _____
Other (please specify) _____
Parking (if applicable) _____

TOTAL NET SQUARE FOOTAGE _____
Office _____
Retail _____
Other (please specify) _____

Project _____ Date _____
Developer _____ Tel.#/Contact Person _____

RESIDENTIAL CONDOMINIUM DEVELOPMENT PRO FORMA

(Estimates in 19__ Dollars)
(Provide phased information where necessary)

TOTAL HARD COSTS		$_____
Condominium Units ($ _____/GSF)	$_____	
Unit Finishes ($ _____/NSF)	_____	
Condominium Parking ($ _____/GSF)	_____	
(# of spaces)		
Site Costs ($ _____/GSF)	_____	
Premium Costs ($_____/GSF)	_____	
Other (specify)	_____	
TOTAL SOFT COSTS		$_____
Architect/Engineering	_____	
Marketing/Brokerage/Advertising	_____	
Developer's Fee	$_____	
Legal	_____	
Permits & Fees (specify)		
Construction Period Costs	_____	
Construction Loan Interest (_____ mos. @_____ % with average balance of $ _____)	_____	
Financing Fees	_____	
Real Estate Taxes and Linkage during Construction (__ mos.)	_____	
Sales Period Costs	$_____	
Loan Interest (_____ mos. @ ___% with average balance of $_____)	_____	
Sale Period Real Estate Taxes (_____ mos.)	_____	
Sale Period Operating Expenses	_____	
Other (specify)	_____	
Other Related Costs (specify)	$_____	
CONTINGENCY (___% of $_____)	$_____	
TOTAL CONDOMINIUM DEVELOPMENT COSTS		$_____
Soft Costs as % Hard Costs	_____	
Soft Costs as % TDC	_____	

Project _____ Date _____
Developer _____ Tel.#/Contact Person _____

CONDOMINIUM SALES PRO FORMA

(Estimates in 19__ Dollars)
(Use __% inflation factor 19__)

CONDOMINIUM UNITS

Gross Sales Proceeds		$_____
Gross Condominium Sales/NSF	$_____	
Less Total Condominium Units Development Cost		(_____)
Total Condominium Units Cost/NSF	$_____	
Net Profit (Before Taxes)		_____
Return on Gross Sales Proceeds (Net Profit/Gross Sales Proceeds)		_____%

CONDOMINIUM PARKING SPACES

Gross Sales Proceeds		$_____
Gross Parking Sales/Space	$_____	
Less Total Condominium Parking Development Cost		(_____)
Total Parking Cost/Space	$_____	
Net Profit (Before Taxes)		$_____
Return on Gross Sales Proceeds (Net Profit/Gross Sales Proceeds)		_____%

TOTAL SALES

Total Condominium Gross Sales Proceeds	$_____
Less Total Condominium Development Costs	(_____)
Net Profit (Before Taxes)	$_____
Total Return on Gross Condo Sales Proceeds (Net Profit/Total Gross Sales Proceeds)	_____%
Return on Equity	_____%

Equity Participation (Amount and % of Total Condominium Cost) $_____ (___ %)

ANNEX E:

DEMONSTRATION PROJECT: DEVELOPMENT AND PLANNING SCHEDULE

Demonstration Project

Development and Planning Schedule

	Nov-93	Dec-93	Jan-94	Feb-94	Mar-94	Apr-94	May-94	Jun-94	Jul-94	Aug-94	Sep-94
I. Project Concept and Definition											
A. Establish Objectives for Public/Private Development											
B. Assess Market Support											
C. Evaluate Alternative Sites											
D. Preliminary Development Concept and Program											
E. Evaluate Project Feasibility											
F. Establish Range of Land Values											
G. Outline Terms of Development Agreement											
II. Request for Qualifications (RFQ)											
A. Prepare RFQ											
B. Developer Qualifications Submittal											
C. Evaluate Developer Submittals											
D. Identify Short List of Developers to Bid on Project											
III. Invitation to Bid											
A. Prepare Bid Package											
B. Developer Bid Submittal											
C. Evaluate Developer Bids											
D. Developer Selection for Exclusive Negotiation											
IV. Developer Negotations and Designation											
A. Refine Development Program, Design and Feasibility											
B. Finalize Business Deal - Development Agreement											
V. Implementation											
A. Final Design and Documentation											
B. Financing											
C. Construction											
D. Marketing											

ПИЛОТЕН ПРОЕКТ

ПЛАН - ГРАФИК ЗА РЕАЛИЗИРАНЕТО НА ПРОЕКТА

	Ное.93	Дек.93	Яну.94	Фев.94	Мар.94	Апр.94	Май 94	Юни 94	Юли 94	Авг.94	Сеп.94
I. КОНЦЕПЦИЯ И ДЕФИНИЦИЯ НА ПРОЕКТА											
А. Набелязване на целите за обществено-частно изграждане											
Б. Оценка на лазраното търсене											
В. Преглед на алтернативни терени											
Г. Предварителна програма и график											
Д. Оценка издържаността на проекта											
Е. Установяване приблизителни граници за стойността на терените											
Ж. Набелязване условията на споразумението											
II. ПРОЕКТО-ЗАДАНИЕ ЗА КВАЛИФИКАЦИЯ (ПЗК)											
А. Изготвяне на ПЗК											
Б. Поддаване от страна на предприемача на работна и лична справка за квалификацията си.											
В. Оценка на поддадените справки											
Д. Изготвяне на списък на предприемачите, които ще бъдат поканени да участвуват в търга за реализирането на проекта											

III. ПОКАНА ЗА УЧАСТИЕ В ТЪРГА А. Изготвяне на пакета-документи за участие в търга Б. Подаване от страна на предприемачите на офертите В. Оценка на офертите, предложени от предприемачите Г. Подбор на предприемачи, които ще бъдат поканени за конкретно договаряне											
IV. ИЗБОР НА ПРЕДПРИЕМАЧ И ДОГОВАРЯНЕ А. Конкретизиране на програмата, плана и издръжаността на проекта Б. Сключване на споразумението за реализиране на проекта											
V. ИЗГРАЖДАНЕ А. Окончателно изготвяне на плана и документацията Б. Финансиране В. Строителство Г. Маркетинг											Начало

ANNEX F:

MUNICIPAL OBJECTIVES:
ROLES AND RESPONSIBILITIES IN PUBLIC-PRIVATE DEVELOPMENT PROJECTS

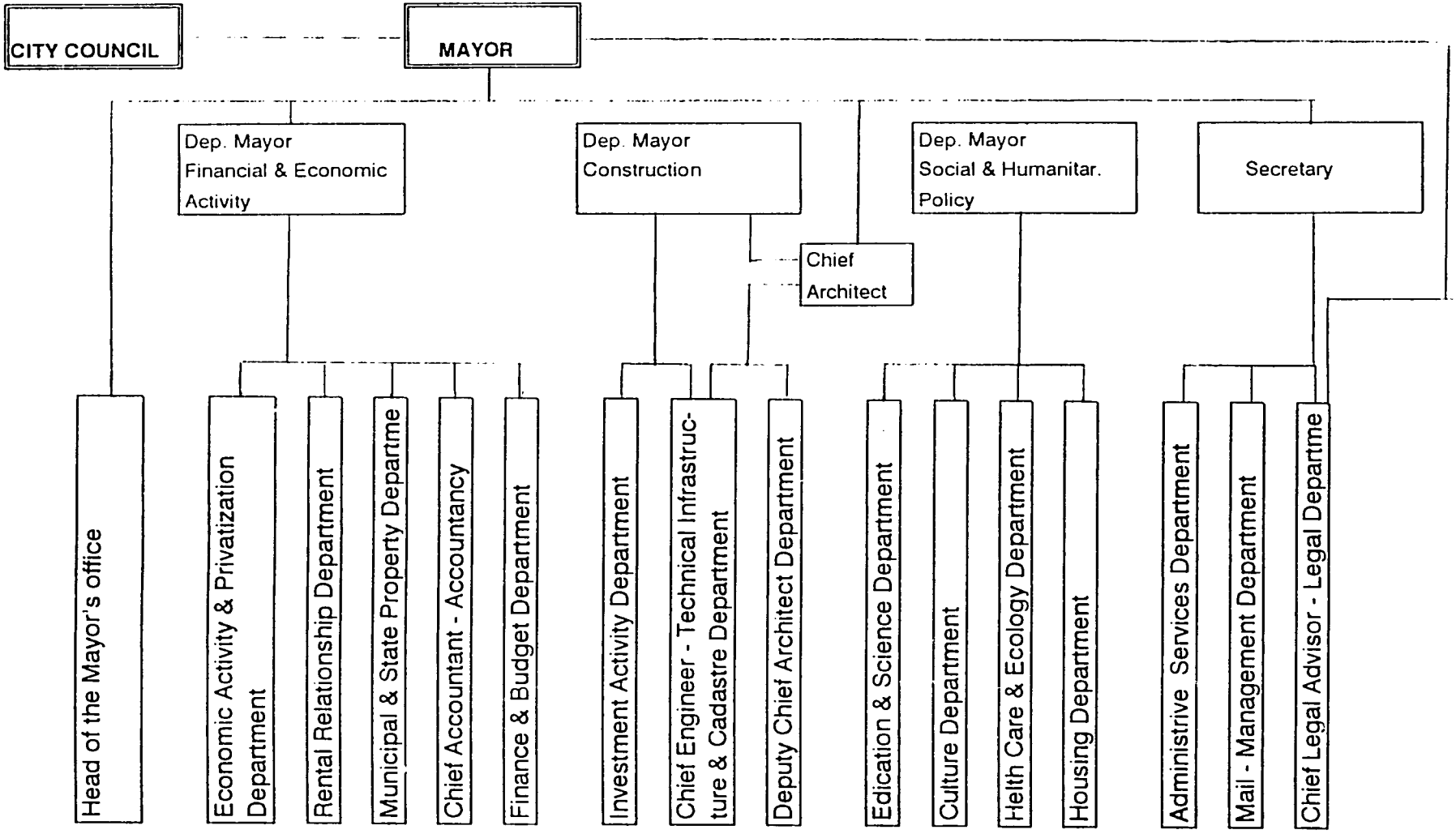
■ THE ROLE OF THE MUNICIPALITY	■ РОЛЯТА НА ОБЩИНАТА
- DESIGNATE CERTAIN LANDS FOR DEVELOPMENT	- НАБЕЛЯЗВАНЕ НА ТЕРЕНИ ЗА РАЗВИТИЕ
- PREDICTABILITY OF PUBLIC ACTIONS AND DECISION PROCESSES	- ПРЕДСКАЗУЕМОСТ НА ОБЩЕСТВЕНИТЕ ДЕЙНОСТИ И ПРОЦЕСИТЕ НА ВЗЕМАНЕ НА РЕШЕНИЕ
- MAKE LAND AVAILABLE FOR SPECIFIC PROJECTS	- ОСИГУРЯВАНЕ НА ТЕРЕНИ ЗА КОНКРЕТНИ ПРОЕКТИ
- ASSIST IN PROJECT FEASIBILITY WITH FINANCING AND LAND CONTRIBUTION	- УЧСТИЕ В РЕАЛИЗИРАНЕТО НА ПРОЕКТА ЧРЕЗ КРЕДИТИРАНЕ И ОСИГУРЯВАНЕ НА ТЕРЕНИ
- FACILITATE PROJECT REVIEW AND PERMITTING PROCESSES	- ПОДОБРЯВАНЕ ПРОЦЕСА НА ПРЕГЛЕД НА ПРОЕКТА И ДАВАНЕ НА РАЗРЕШИТЕЛНИ
- PROMOTE FAIRNESS AND COMPETITION IN FREE MARKET SYSTEMS	- НАСЪРЧАВАНЕ ЛОЯЛНАТА КОНКУРЕНЦИЯ В УСЛОВИЯТА НА ПАЗАРНА ИКОНОМИКА
- PROVIDE INFRASTRUCTURE AND RELATED COMMUNITY FACILITIES	- ОСИГУРЯВАНЕ НА ИНФРАСТРУК-ТУРА И ДРУГЕ КОМУНАЛНО-БИТОВИ СИСТЕМИ
- PROMOTE CERTAIN TYPES OF HOUSING THAT MEET MUNICIPAL LONG-TERM PLANNING GOALS	- НАСЪРЧАВАНЕ РАЗВИТИЕТО НА ОПРЕДЕЛЕНИ ВИДОВЕ ЖИЛИЩА В СЪОТВЕТСТВИЕ С ДЪЛГОСРОЧНИТЕ ЦЕЛИ НА ОБЩИНАТА

■ MUNICIPAL PLANNING AND MANAGEMENT CAPACITY NEEDS	■ ОБЩИНСКО ПЛАНИРАНЕ И НЕОБХОДИМОСТ ОТ УПРАВЛЕНСКИ СПОСОБНОСТИ
- THE SPIRIT AND PRACTICE OF PARTNERSHIP	- СЪЩНОСТ И ПРАКТИКА НА СДРУЖЕНИЕТО
- PUBLIC SECTOR AND ENTREPRENEUR	- ОБЩЕСТВЕН СЕКТОР И ПРЕДПРИЕМАЧЕСТВО
- PUBLIC SECTOR AS ENTREPRENEUR	- ОБЩЕСТВЕНИЯ СЕКТОР В РОЛЯТА НА ПРЕДПРИЕМАЧ
- PROJECT PLANNING AND PROJECT MANAGEMENT	- ПЛАНИРАНЕ И УПРАВЛЕНИЕ НА ПРОЕКТА
- UNDERWRITING ANALYSIS; EVALUATING FINANCIAL FEASIBILITY	- ОЦЕНКА НА КРЕДИТНИЯ РИСК; ОЦЕНКА НА ФИНАНСОВАТА ИЗДЪРЖАНОСТ
- ARCHITECTURAL AND DESIGN REVIEW	- ПРЕГЛЕД НА АРХИТЕКТУРНИТЕ ПЛАНОВЕ

ANNEX G:

ADMINISTRATIVE STRUCTURE: ROUSSE MUNICIPALITY

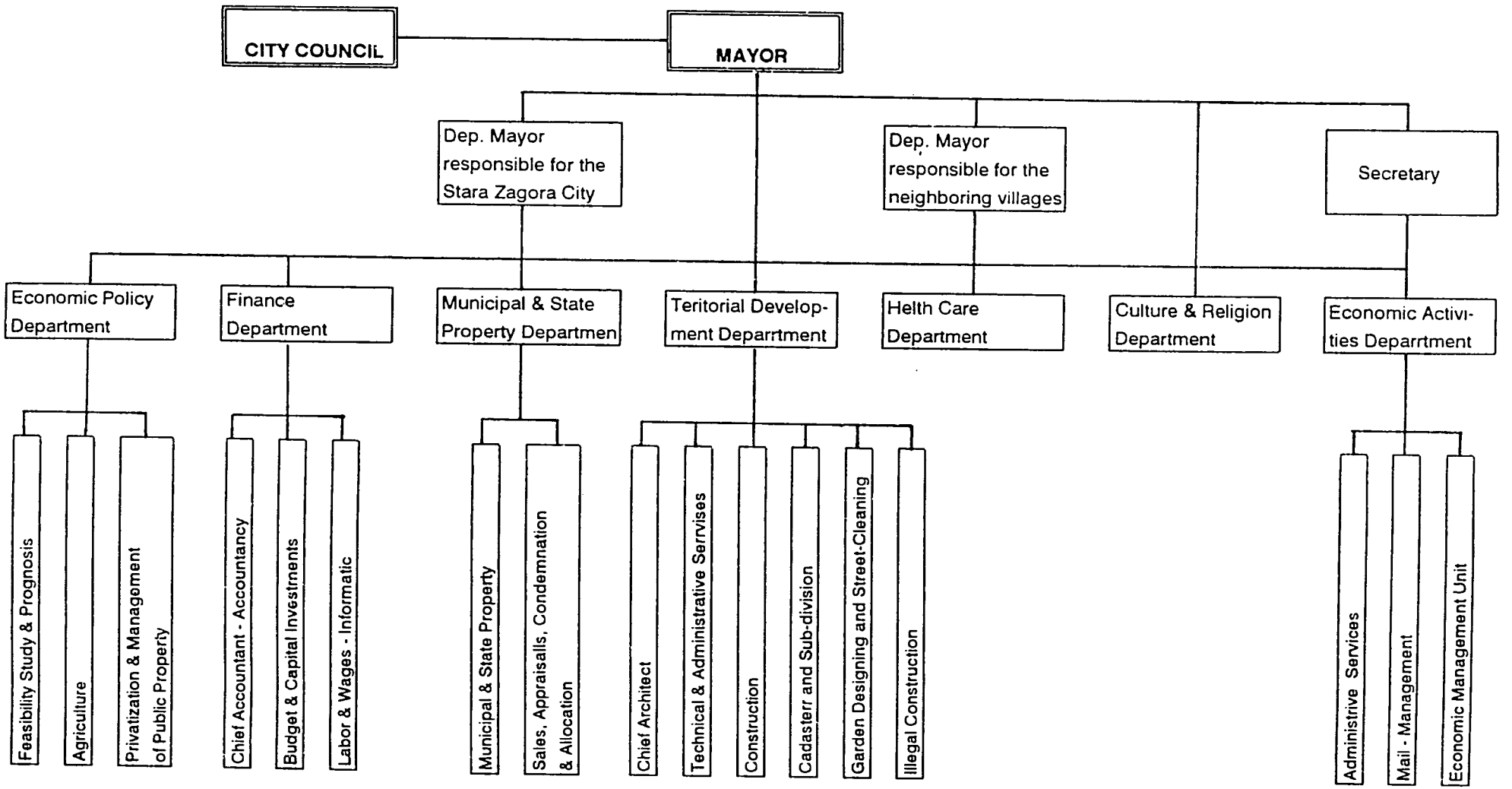
ADMINISTRATIVE STRUCTURE - ROUSSE MUNICIPALITY



ANNEX H:

ADMINISTRATIVE STRUCTURE: STARA ZAGORA MUNICIPALITY

ADMINISTRATIVE STRUCTURE - STARA ZAGORA MUNICIPALITY



ANNEX I:

REGULATION No. 7
CITY OF ROUSSE

CITY COUNCIL - ROUSSE

REGULATION No. 7

ON THE CONDITIONS AND ORDER FOR HOUSING UNITS, GARAGES AND SOCIAL AND TECHNICAL INFRASTRUCTURE DEVELOPMENT IN THE MUNICIPALITY OF ROUSSE

Rousse, October 1992

I. General provisions

1. On the basis of the approved subdivision plans for the low-storey development regions, a building code shall be adopted.

2. The development of these regions shall be carried out after the working out and approval of partially-developable decisions pursuant to Art. 98, para. 1 of the Rules for Application of the Territorial Development Law for the properties whose owners (or some of the owners) have stated in writing in advance that they agree to have their properties developed.

3. "Commercial and Services Schemes" are worked out for the whole town and they are subject to approval by STSUSA.

4. The Architecture and Town Development department revises the storage and industrial zones of the town annually. The undeveloped areas shall be re-distributed among other companies, which according to the provisions of the present regulation carry out economic activities in conformity with the sanitary-technical and ecological requirements.

5. In connection with the Ownership Law amendments, a thorough revision of the current construction and subdivision plans shall be done by the Architecture and Town Development department. Until August 30, 1992 the mayor of the municipality can make proposals for

their partial or total cancellation. as the Minister of Territorial Development. Housing Policy and Construction Ministry with Order No. RD-02-14-84 of April 17. 1992 has authorized the mayor to do so.

II. SOCIAL AND TECHNICAL INFRASTRUCTURE DEVELOPMENT

1. The sites necessary for the construction of buildings for production shall be auctioned to individuals and companies in accordance with the decisions on storage and industrial zones. and according to Art. 17 of the Regulation for the Basic Market Prices for granting building rights or for creating new enterprises in which Rousse Municipality participates with at least 30% received in return for the granted building right.

2. Municipal sites necessary for the construction of buildings for commerce and services with temporary function (acc. to Art. 120. Para. 4 of the Rules for Application of the Territorial Development Law) shall be granted in accordance with Regulations No 1 and 2. and the tenants shall pay rent. The buildings shall not be sublet to other tenants without the Municipality's consent.

3.(1) (previous item 3. becomes Para. (1) - Decision No 75/92)
The building right for municipal sites for the construction of commerce and service buildings shall be auctioned in return for the right of the Municipality to become owner of at least 30% of the gross area, those 30% constituting a separate unit for commercial purposes, and being a real separate property.

(2) (new - Decision No 75/92) The right of the Municipality to become an owner of a real part of the newly-constructed building, on the Investor's or the Municipality's suggestion, may be replaced by a clause requiring the Investor to transfer the auctioned amount (the money equivalent of the Municipality's share) to the "Residential Construction " Fund of the Municipality. The money in it shall be spent in accordance with Regulation No 5 (SG No 12 of February 11, 1986), the exceptional cases included, with the consent of the Minister of Finance.

(3) (new - Decision No 75/92) The money equivalent of the Municipality's share shall be determined on the basis of the average market price per square meter of built-up area at the moment of auction and set by the Mayor of Rousse Municipality.

(4) (new - Decision No 75/92) The decisions needed in connection with Para (2) shall be taken by a collective body (commission), whose composition shall be determined by order of the Mayor. At least two members of the municipal council shall take part in this body - one from the Commission for City Development, Architecture and Construction, the other from the Commission for Law, Public Order and Security.

III. RESIDENTIAL CONSTRUCTION

1. After the cancellation of some valid city development plans, the condemnation and compensation orders for sites and properties where the Municipality does not plan to start construction in the next two years shall be canceled.

2. A detailed analysis of the condition of the existing residential housing shall serve as basis for a program for renovation of the existing housing and for construction of new housing aimed at low-income groups. In accordance with Art. 110, Para. 1, Point 3 of the Regulation for State Property, the sale of municipal housing in good repair and of municipal parcels suited for building new housing shall be stopped, in accordance with Section III of the present regulation. The decision for approval or refusal to sell municipal property shall be taken by a technical commission appointed by the Mayor of Rousse.

3. The right to build residential housing on municipal land shall be granted in return for Rousse Municipality's becoming the owner of at least 30% of the gross area for the city center and 20% for the other parts of the city (incl. the price of the granted building right for the section on property of the individuals, according to the Regulation for Basic Market Prices) and the percentage of ownership shall be determined at an auction. <u>This does not apply to granting building rights for satisfying acute housing needs of individuals.</u>

4. Low-storey property that has been condemned or is due for condemnation, and was meant for greenery area, (if it is not part of an already constructed city park), shall remain the property of their owners, and new construction shall be allowed under the following conditions:

-construction of up to 2 storeys

-construction on up to 35% of the site area

5. To improve the possibility for construction on private lots, small municipal sites may be sold on the Chief Architect's suggestion, in accordance with the Regulation for Basic Market Prices.

6. A "granted building right" shall be necessary for building garages on municipal sites. Applicants shall be given priority in the following descending order:

A) previous owners of condemned property compensated with a garage and invalids

B) previous owners of condemned property living in the neighborhood and owning a car

C) owners of units in the neighborhood owning cars

D) all others

The building right for categories C) and D) shall be granted by drawing lots.

7. Owners of illegally constructed garages shall be given a month's notice to remove them. After the month is over, the garages shall be removed at the trespassers' expense, and they shall be fined an additional 5 000 leva.

8. Families that already own a garage cannot apply for a "granted building right" for a garage on municipal land. Applicants shall state in writing that they do not own a garage, and shall be liable for false information according to Art. 313 of the Penal Code.

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The present regulation was adopted on the basis of Art 21 and 22 of the Law of Local Government by Rousse Municipal Council with Decision No 70. Protocol 8/24. 07. 1992 and amended on the same basis with Decision No 75. Protocol 9/02.10.1992.

The term of validity of this Regulation is until the end of the mandate of the Municipal Council - 4 years from October 13, 1991.

CHAIRMAN:

(eng. Tsv. Dobrev)

RULES FOR APPLYING REGULATION No 7 - CONDITIONS FOR AND WAYS OF BUILDING HOUSING, GARAGES AND SOCIAL AND TECHNICAL INFRASTRUCTURE OF ROUSSE MUNICIPALITY

I. GENERAL PROVISIONS FOR APPLYING REGULATION No 7

Art. 1. These rules describe in detail the procedures and conditions for the construction of residential housing, garages and social and technical infrastructure on municipal land.

II. SOCIAL AND TECHNICAL INFRASTRUCTURE CONSTRUCTION AND HOUSING CONSTRUCTION

Art.2. The Architecture and City Development department determines the construction sites as follows:

1. For production buildings (Regulation No 7, Section II, Point 1) according to the decisions for storage and industrial zones.

2. For commerce and services buildings with temporary function pursuant to Art. 120, Para. 4 of the Rules for Application of the Territorial Development Law, in accordance with the developed commercial and services schemes and Regulations 1 and 2 of Rousse Municipal Council.

3. For permanent commerce and services buildings (Regulation No 7, Section II, Point 3), according to the developed schemes, as an element of the development plan.

4. For the construction of residential housing and garages on municipal sites.

a)to satisfy acute housing needs - by the regular procedure envisaged in the Ownership Law and the Regulation for Basic Market Prices

b)to build residential housing for sale (according to Regulation 7, Section III, Point 3.) in co-ownership with the municipality;

-with at least 30% of the units becoming municipal property in First Building Zone

of Rousse according to Decision No 203 of the Interim Executive Committee. Protocol 27/16 -20.08.1991 in connection with Decree No 151/1991 of the Council of Ministers

-with at least 20% of the units becoming municipal property for Second and Third Building Zone of Rousse

c)to build garages - in accordance with Regulation No 7, Section III, Point 6. and the established procedure.

Art.3. The granting of construction sites in accordance with Regulation No 7 (except for the garage sites and sites for construction to satisfy acute housing needs) shall be done by a competition of offers in accordance with Regulation 1 of Rousse Municipality.

1. The application documents for the competition for the buildings described in Regulation No 7, Section II, Points 1 and 3, and Section III, Point 3, must contain:

1.1. Application-Statement Form for participation in the competition

1.2. An anonymous offer containing:

a) a 3-dimensional city development model, with zoning schemes and silhouette drawing, done by an authorized person.

b) purpose of the property

-its social significance

-number of jobs that it will create

-ideas about the future of the property

-deadlines for completing construction and starting exploitation of the building

-cleaning and off-site improvements of the adjoining site

(its size should be indicated in the 3-dimensional model)

c) Conditions that the applicant offers Rousse Municipality, required by Regulation No 7, Section II, Points 1 and 3 and Section III, Point 3.

1.3. Bank Guarantees

1.4. Receipt for the deposit amount necessary for participation in the competition.

Art.4. (1) Scoring will be done by a commission appointed by order of the mayor no later

that 10 days after the competition deadline.

Scoring criteria will be:

1. The property's social significance
2. The expected profit of the municipality from the construction of the building
3. aesthetic and functional qualities of the offered development

(2) The commission scores and ranks the winners in the competition by an ordinary majority and nominates first and second reserves from among the runners-up.

Art.5. The competition results are made public in accordance with Regulation No 1, Section IV and then the procedures envisaged in Section IV of the same Regulation are performed.

Art.6. Applications by companies and individuals to construct the buildings mentioned in Regulation 7 that have been filed before the official date for announcing a competition for the respective category of buildings shall not be considered.

Art.7. The Municipality will reserve the right to offer other property for development under different conditions.

Art.8. Any protests and suggested changes filed no later than 7 days after the competition results have been made public, shall be considered by the working groups no later than 14 days after the filing and the applicants shall be notified in writing.

Art.9. STSUSA will use the regular procedure to accept any supplements to the schemes of commercial and service buildings and the changes in the development plan, in connection with garages and buildings for commerce and services as mentioned in Regulation 7, Section II, Point 3.

Art.10. After the competition results are made public, the winners shall within 20 days sign a statement of intent, to confirm their intentions as reflected in the offer. If they fail to do

this, their inaction shall be considered a waiver with all the consequences arising out of the Regulation and the Rules, and those ranked as reserves will automatically receive all their rights and will be considered winners.

III. SPECIAL CONDITIONS CONCERNING THE FINANCING AND IMPLEMENTATION OF THE CONSTRUCTION

A. GARAGES

Art.11. The following conditions apply for the groups of individuals:

(1)If up to six individuals participate - a group construction is set up

(2)If seven or more individuals participate - a Garage Construction Cooperative (GCC) is set up

(3)Rousseinvest Ltd shall monitor the implementation of the previous paragraphs.

B. BUILDINGS FOR COMMERCE AND SERVICES ACCORDING TO ART. 120, PARA. 4 OF THE RULES FOR APPLICATION OF THE TERRITORIAL DEVELOPMENT LAW

Art.12. For projects as specified in the developed schemes (in connection with NPNTSU/1977) the following conditions shall be observed for construction by a group of individuals:

1. The participants, in order to form a group, shall sign a contract with a view to working out a common design, common technical infrastructure development and common elements, and shall authorize one of them to keep in touch with the Architecture and Town Development department of Rousse Municipality.....

2. The participants pursuant to the previous paragraph shall be responsible for:

-obtaining a site plan with a designing visa, and coordinating the former with the agencies concerned;

-preparing a common design for the group, coordinating it and securing its approval

at the Architecture and Town Development Department at Rousse Municipality:

-obtaining a building permit and a protocol for construction start procedures:

-approving the construction with a protocol.

3. After the approval of the project the group shall sign a contract with Rousse Municipality in accordance with Regulation No 7 and the Rules for its application.

4. The contract shall explicitly state the competition winners' obligations in terms of the completion of the project and the paying of the rent due according to the deadlines as specified in Table 1 with the exception of those cases when shorter deadlines were stated in the offers.

Table 1

For Projects	Term for working out and getting the project approved	Term for construction completion	Term
1	2	3	2#3
up to 50sq.m.	1 month	3 months	4 months
51 up to 100	2 months	6 months	8 months
more than 100	3 months	9 months	12 months

B. PROJECTS IN CO-OWNERSHIP WITH THE ROUSSE MUNICIPALITY

Art. 13 (1) The provisions of art. 12, para. 1 and 2 shall be applied to projects in which the municipality of Rousse is a co-owner.

2. After the project's approval a contract with the Rousse municipality shall be signed in accordance with regulation No. 7, the Rules for its application and the Mayor's order for average market construction prices per square meter of gross area.

3. The right to build for the cases, mentioned in Regulation No. 7, Section II, item 3, shall be paid according to the Regulation for the Basic Market Prices of Real Estate before the order for conceding the right to build has been issued, as the difference between the bid and the contracted price of the municipality's share participation shall be paid in installments, which shall be adjusted by the basic rate interest of the Bulgarian National Bank within the terms as described in Table 2, with the exception of those cases when shorter terms has been specified.

Table 2

Gross area of Projects	Term for working out and getting the project approved (months)	Term for construction completion	Term for paying back the share installments
up to 200 sq.m.	2	6	1 installment every 6 months
201 up to 500	3	12	2 installments every 6 months
501 up to 1000	4	18	3 installments every 6 months
more than 1000	6	according to the contract, which was signed with the municipality	

International City/County
ICMA
Management Association

31 January 1994

Mr. David Olinger
USAID - Eastern European Programs
Suite 800
1901 Pennsylvania Avenue, NW
Washington, DC 20006

SUBJECT: Contract No. EUR-0034-00-C-00-2034-00
RFS 46, Bulgaria: Public/Private Partnerships for Housing Development in Stara Zagora and Rousse

Dear Mr. Olinger:

ICMA is pleased to submit the following deliverables for RFS 46:

Report on Public/Private Partnerships for Housing Development, Final, January 1994

This report details the work conducted November 1993 in Bulgaria in which PADCO and ICMA jointly developed a demonstration program to provide technical assistance and training to municipal officials and private developers in the structuring of public/private partnerships to stimulate private real estate development of municipal land assets. A primary objective of the program is to work with the public and private sectors in Stara Zagora and Rousse toward the development of actual housing projects on these municipal lands. This report is based on the initial field visits and provides an analysis of the municipal capacity for managing housing development partnerships. In addition, this report includes a detailed program of follow-up assistance to municipal officials and private developers in Stara Zagora and Rousse.

If you have any comments or changes, please forward them to ICMA.

Sincerely,

Peter A. Feiden

Peter Feiden
Assistant Director
Central and Eastern European Programs

Enclosures

cc: Steve Giddings, RHUDO/EE
Sonia Hammam, RHUDO/Warsaw
Hank Henward, PADCO

The signature below indicates approval of the above-mentioned report as a final version, pending the inclusion of any changes discussed with the project manager.

Concurrence _____ Date _____

777 North Capitol Street, NE Suite 500 Washington, DC 20002-4201 202-289-4262 Fax 202-962-3500

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