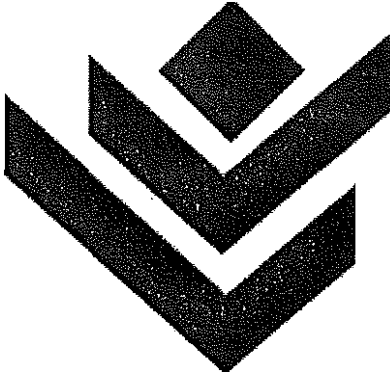




**CITY OF
BLOOMINGTON
COMMITTEE OF THE
WHOLE MEETING
OCTOBER 19, 2015**



City Logo Design Rationale

The symbol for the City of Bloomington is multifaceted in its visual and conceptual approach. Visually the symbol and the City's identity represent a modern progressive style which is consistent with the City's government. The symbol is based on three different concepts which combine to represent the City in a contemporary and appropriate way.

First and foremost is the chevron. The City government is a respected agency dedicated to serving the public. In this way, the chevron represents service, rank and authority.

The symbol may also be seen as a three dimensional building. This represents growth and diversity in our community.

Finally, the flower or plant derived from the original name "Blooming Grove," represents a community that is friendly and safe. Progress and growth are also associated with plant life as well as regeneration and renewal.

The symbol's positive upward movement is representative of the City's commitment to excellence!

City of Bloomington – Strategic Plan

Vision 2025

Bloomington 2025 is a beautiful, family friendly city with a downtown – the heart of the community and great neighborhoods. The City has a diverse local economy and convenient connectivity. Residents enjoy quality education for a lifetime and choices for entertainment and recreation. Everyone takes pride in Bloomington.

Jewel of Midwest Cities.

Mission

The Mission of the City of Bloomington is to be financially responsible providing quality, basic municipal services at the best value. The city engages residents and partners with others for community benefit.

Core Beliefs

Enjoy **S**erving Others

Produce Results

Act with **I**ntegrity Take

Responsibility Be

Innovative Practice

Teamwork

Show the **SPIRIT!!**

Goals 2015

Financially Sound City Providing Quality Basic Services

Upgrade City Infrastructure and Facilities

Strong Neighborhoods

Grow the Local Economy

Great Place to Live – A Livable, Sustainable City

Prosperous Downtown Bloomington

12/11/2010



2015 Strategic Plan Goals

Goal	1. Financially Sound City Providing Quality Basic Services
Objective	<ol style="list-style-type: none">Budget with adequate resources to support defined services and level of servicesReserves consistent with city policiesEngaged residents that are well informed and involved in an open governance processCity services delivered in the most cost-effective, efficient mannerPartnering with others for the most cost-effective service delivery
Goal	2. Upgrade City Infrastructure and Facilities
Objective	<ol style="list-style-type: none">Better quality roads and sidewalksQuality water for the long termFunctional, well maintained sewer collection systemWell-designed, well maintained City facilities emphasizing productivity and customer serviceInvesting in the City's future through a realistic, funded capital improvement program
Goal	3. Grow the Local Economy
Objective	<ol style="list-style-type: none">Retention and growth of current local businessesAttraction of new targeted businesses that are the "right" fit for BloomingtonRevitalization of older commercial homesExpanded retail businessesStrong working relationship among the City, businesses, economic development organizations
Goal	4. Strong Neighborhoods
Objective	<ol style="list-style-type: none">Residents feeling safe in their homes and neighborhoodsUpgraded quality of older housing stockPreservation of property/home valuationsImproved neighborhood infrastructureStrong partnership with residents and neighborhood associationsResidents increasingly sharing/taking responsibility for their homes and neighborhoods
Goal	5. Great Place – Livable, Sustainable City
Objective	<ol style="list-style-type: none">Well-planned City with necessary services and infrastructureCity decisions consistent with plans and policiesIncorporation of "Green Sustainable" concepts into City's development and plansAppropriate leisure and recreational opportunities responding to the needs of residentsMore attractive city: commercial areas and neighborhoods
Goal	6. Prosperous Downtown Bloomington
Objective	<ol style="list-style-type: none">More beautiful, clean Downtown areaDowntown Vision and Plan used to guide development, redevelopment and investmentsDowntown becoming a community and regional destinationHealthy adjacent neighborhoods linked to DowntownPreservation of historic buildings

AGENDA



**CITY COUNCIL COMMITTEE OF THE WHOLE
MEETING AGENDA
CITY HALL COUNCIL CHAMBERS
109 E. OLIVE STREET, BLOOMINGTON, IL 61701
MONDAY, OCTOBER 19, 2015, 5:30 P.M.**

- 1. Call to Order**
- 2. Roll Call of Attendance**
- 3. Public Comment**
- 4. Consideration of approving the Committee of the Whole Meeting Minutes of September 21, 2015.** *(Recommend that the reading of the minutes of the Committee of the Whole Proceeding of September 21, 2015 be dispensed with and the minutes approved as printed.)*
- 5. Presentation: “Best Practices for Public-Private Partnerships”** *(Stephen Friedman, SB Friedman Development Advisors, 20 minutes Presentation and Council discussion 20 minutes)*
- 6. Developer Presentation: Jeff Giebelhausen** *(Presentation 20 minutes, Council discussion 10 minutes)*
- 7. Developer Presentation: David Bentley** *(Presentation 20 minutes, Council discussion 10 minutes)*
- 8. Council Discussion and direction regarding next steps on further review regarding Downtown Redevelopment and Public / Private Partnerships.**
 - A. Discussion: City Council, Stephen Friedman, City Manager and City Staff (30 minutes)
- 9. Council discussion regarding Budget Priorities** *(Alderman Schmidt 5 minutes presentation, Council discussion 15 minutes)*
- 10. Adjournment**

Note: No action will be taken on any matters at this meeting beyond approval of the minutes.



AGENDA ITEM NO. 4

FOR COUNCIL: October 19, 2015

SUBJECT: Consideration of approving Committee of the Whole Meeting Minutes from September 21, 2015.

RECOMMENDATION/MOTION: That the reading of the minutes of Committee of the Whole Proceedings of September 21, 2015 be dispensed with and the minutes approved as printed.

STRATEGIC PLAN LINK: Goal 1. Financially sound City providing quality basic services.

STRATEGIC PLAN SIGNIFICANCE: Objective 1d. City services delivered in the most cost-effective, efficient manner.

BACKGROUND:

In compliance with the Open Meetings Act, Committee Proceedings must be approved within thirty (30) days after the meeting or at the Committee's second subsequent regular meeting whichever is later.

In accordance with the Open Meetings Act, Committee Proceedings are made available for public inspection and posted to the City's web site within ten (10) days after Committee approval.

COMMUNITY GROUPS/INTERESTED PERSONS CONTACTED: Not applicable.

FINANCIAL IMPACT: Not applicable.

Respectfully submitted for Committee consideration.

Prepared by: Cherry L. Lawson, City Clerk

Recommended by:

A handwritten signature in black ink, appearing to read 'David A. Hales', written in a cursive style.

David A. Hales
City Manager

Attachments:

- September 21, 2015 Committee of the Whole Meeting Minutes

Motion: That the reading Recommend that the reading of the minutes of Committee of the Whole Proceedings of September 21, 2015 be dispensed with and the minutes approved as printed.

Motion: _____ Seconded by: _____

	Aye	Na	Other		Aye	Nay	Other
Alderman Black				Alderman Mwilambwe			
Alderman Buragas				Alderman Painter			
Alderman Fruin				Alderman Sage			
Alderman Hauman				Alderman Schmidt			
Alderman Lower							
				Mayor Renner			



**COMMITTEE AS A WHOLE SESSION
PUBLISHED BY THE AUTHORITY OF THE CITY COUNCIL OF
BLOOMINGTON, ILLINOIS
MONDAY, SEPTEMBER 21, 2015; 5:30 P.M.**

1. Call to Order

Mayor Renner called the meeting to order at 6:00 PM and asked City Clerk Lawson to call the roll.

2. Roll Call

Aldermen: Jim Fruin, Kevin Lower, David Sage, Mboka Mwilambwe, Amelia Buragas, Joni Painter, Karen Schmidt, Scott Black, Diana Hauman

3. Public Comment

Mayor Renner opened the floor to public comment.

The following citizens offered comments to the Council:

Matt Sorensen
Gary Lambert
Patricia Marton
Sue Feldkamp

4. Consideration of approving the Committee of the Whole Meeting Minutes of August 17, 2015.

Motion by Alderwoman Painter, second by Alderman Black that the minutes of the Committee of the Whole Meeting of August 17, 2015 be dispensed with and approved as printed.

The Mayor directed the Council to verbally vote, which resulted in the following:

Ayes: Aldermen Fruin, Lower, Sage, Mwilambwe, Buragas, Schmidt, Black, Hauman, and Painter

Nays: None

5. Presentation of the Budget Task Force Committee Final Recommendations.

Mayor Renner thanked the Budget Task Force Committee for its work.

Alderman Black introduced task force members and asked them to stand. He presented a PowerPoint to present budget recommendations to Council. The process consisted of at least 9

(nine) meetings, including several touch points throughout the summer, covering topics such as: process, background information, cuts, revenue increases, and recommendations.

Mr. Black also discussed the next steps, which would include: presenting recommendations to City Council, and “starting in October, staff will craft resolutions for each recommendation for the Council to vote for approval”.

Pertaining to the High Level Recommendations, based on Task Force consensus, they were:

1. Citizens should pay for services consumed (the higher the consumption, the higher the individual cost, and fees should be in line with service costs)
2. Combination of new revenue and service cuts
3. No new revenue for new program/departments
4. Bloomington and other government partners should share costs equal to use/benefit. In the past, Bloomington has had to shoulder more of the responsibility being a bigger area and the task force believes that practice should be discontinued.

Pertaining to the Recommendation Categories, they were:

1. Program Reductions or Eliminations
2. Service Reductions or Eliminations
3. Shared Services
4. Alternative Service Delivery
5. Operational Efficiencies in Service Delivery

Regarding the Police and Fire Pension Funding, we are still following the pension policy that we established last year.

Regarding Solid Waste, for the Fiscal Year (starting in May 2016), the task force wanted to implement various changes listed on the PowerPoint and noted that these are simply recommendations, and that the Council would have the final say on these changes. An important note is the closing of our landfills and the costs associated with that. That will definitely have impacts on our costs.

Mr. Black discussed Program Reductions or Eliminations and referred to the PowerPoint slide. If the schools were to eliminate this program, there would need to be discussions on the impact of that decision.

In addition, if we sold the BCPA, we would still have to pay the bond on that.

If we established a Park District, there are numerous options, including: city, city/town, city/town/county, etc. We also want to keep mindful of low-income considerations.

As far as Operational Efficiencies in Service Delivery, all departments should develop contingency 5% reduction plans. We are still uncertain as to what the State of Illinois is going to do, so we need to take the initiative on that.

Another recommendation is to allocate budget resources to investigate operational efficiencies in all departments and to make sure “that we are getting the best bang for our buck.” We can also take a top to bottom look at our current compensations for all city employee positions and see how comparable they are to the private sector. Example: The public sector may be paid less but they have a better pension.

For Revenues, we can look at license, fee, and tax increases, but need to use Town of Normal as a gauge and not to go above that. We would also need a clear line-of-sight between what that money would be raised for, where is it going.

He also wanted to note that some of these ideas came not only from the Budget Task Force, but also from members of the public. Mr. Black also wanted to emphasize that that these were key ideas, albeit controversial ideas that are worthy of conversation.

Mr. Black asked the Council for questions.

Alderwoman Schmidt, I am interested in the idea of total compensation review. I could see two outcomes of that that make me nervous; one: that we are overpaying people, or two: that we are really underpaying people.

Jamie Mathy, Budget Task Force Member, from our outside conversations, some people felt like some government positions were overpaid. The positions were being compared to the private sector and they were not aligning with where compensation should be.

Alderwoman Schmidt, it sounds like a really good idea, but I am trying to envision how that would play out, i.e. with a union. Maybe that is a Legal or HR question. Can we do anything about that if we do see discrepancies?

City Manager Hales, I believe that such a study is critical because we want to be able to recruit and retain outstanding talent. As you know, over 80% of our workforce is collective bargaining agreement. Even the other employees that are not unionized; we are not only in competition with the private sector, but the public sector. We need to look at: what is the public sector paying for talent as it becomes much more challenging to recruit that talent, but also, this information will help the council to set a compensation strategy going forward. We also need to note that the private sector will usually pay less and will usually not provide a pension or retirement; instead they will provide a contribution plan. With this, we will need to know exactly what we are looking for in the future and with the most cost-effective way while being sensitive to the competitive wages, while also being sensitive to what the private sector is paying for in competition. This will be difficult, but allows more certainty moving forward.

Jamie Mathy, What we were looking at specifically is the total compensation plan, including pensions, because there is a lot of talk about salary. From a healthcare perspective, the responsibilities have been increasing for both the private and public sectors, and the healthcare

plans that are in the public sector are far better than the private sector. We need to have comparable costs for the pension and total compensation package.

Alderman Fruin, there could be some interpretations on some of these things, so I am wondering what direction we are giving our staff. For example, for the BCPA and golf, there looks like there was a range of things increasing in here from raising fees to selling. Are we going to have a follow up discussion on the council or is this a product that we hand to staff to figure out?

Mayor Renner, we need to discuss that; we need to evaluate that. We need to give the staff some options as to how much things would cost to raise the golf fees, for example.

Alderman Sage, what may not have come across on the PowerPoint was that we have several items highlighted as consensus items from the Budget Task Force. Those items expressed were reference points and we will make those items clear on the draft.

Alderman Fruin, it is going to be a tremendous challenge to figure out which governmental groups that are going to pay for the cuts. We are going to have to work together and figure out the best way to apply the revenue for these items. This is only the beginning of a lot of discussion of how we share and how we allocate. This is going to be a tremendous challenge.

Mayor Renner, we are much more ahead of the game than we have been, so thank you to the Budget Task Force.

Alderman Mwilambwe, I would like to hear more about the creation of the Park District and how the response in the discussion has been within the town, city, and county.

Mayor Renner, I had some interest in that too. Would we just be passing the buck? Would the Park District have to raise taxes too?

Alderman Black, those are the ideas that we hear a lot, and the Council needs to provide the direction on what it wants the staff to do. I would envision that the staff would offer a resolution, at some point, about what a Park District should look like, and then we make the decision if it is something that we want to look into. We need resolution from the Council on which direction we want to go, and if there is not, there may not be support for it, and that would be the end of that conversation.

Alderwoman Hauman, for the Park District concept, I think there are some opportunities for marketing that would bring more people in to use our resources, like Miller Park Zoo. It really is a regional attraction and would be a way not to overlap with the Parks and Recreation Department if we looked at combining those.

Alderman Fruin, I would like to echo that Park District concept. I think we have seen in our City of Bloomington conversations that we are providing a lot of services that are regionally used. Example: zoo, BCPA, golf courses, etc. Those are all decisions that we made in the City

of Bloomington and not in collaboration with any of the other groups. But now that times are tough, and we know that some of that usage is outside of Bloomington, which is why we are subsidizing what we are.

Alderman Painter, Finance Manager Silva recently sent out a memo speaking to that. What it says, Section 3.2 of 25 IL CS, and it says: “yes, we could form a Park District, but we would have to form it from two other units of existing local governments”. Am I wrong about that? Could somebody clarify?

Alderman Black, this is one of those items that requires staff time and further research in 2018 and beyond. We would need Council approval to give the go ahead to research so any time spent is not futile. It is critical that we provide the clear direction.

Alderman Painter, I think it would be a good idea, especially if we could create one with Normal, but I do not want to go down that road if we cannot do it, so I think we should figure that out.

Alderman Black, the resolution is what we would be looking into...

Mayor Renner, I think the first thing we need to find out from Angela if that is even possible. If it is not possible, then discussion over, but if it is possible, we can continue discussions on it and look at advantages and disadvantages of creating park districts or any kind of special districts. We have over 200 local governments and independent taxing authorities in McLean County, so that might be something to consider.

Deanna Frosche of the Budget Task Force, I think we have learned a lot from... (inaudible)...we still do not know some of it...it is a huge undertaking...that the Council and the City has to take on these issues and it takes a lot of background, a lot of knowledge to decide what you in fact want to do for the citizens. I know that the members of the task force have been asked: Why do you even want to do this? As citizens, we have a responsibility to look at what is actually going on and what we can do as committee members. I do not envy the Council or the Mayor, who have to make these decisions.

Mayor Renner, We appreciate those tangible items that you gave us that we can grapple with.

6. Adjournment

Motion by Alderman Hauman, seconded by Alderman Mwilambwe to adjourn Regular Session. Time: 6:15 p.m.

The Mayor directed the Clerk to call the roll which resulted in the following:

Ayes: Aldermen Fruin, Lower, Sage, Mwilambwe, Buragas, Schmidt, Black, Hauman, and Painter

Nays: None

CITY OF BLOOMINGTON

ATTEST

Tari Renner, Mayor

Cherry L. Lawson, City Clerk



FOR COMMITTEE OF THE WHOLE MEETING

October, 19, 2015

AGENDA ITEM NO. 5

SUBJECT: Presentation on Economic Development Best Practices for Public-Private Partnerships by Stephen Friedman, President of SB Friedman Development Advisors, followed by separate presentations from local developers Jeff Giebelhausen and David Bentley regarding potential development projects in Downtown Bloomington.

RECOMMENDATION/MOTION: Presentation and Discussion Only

STRATEGIC PLAN LINK: Goal 3: Grow the Local Economy; Goal 5: Great Place – Livable, Sustainable City; Goal 6: Prosperous Downtown Bloomington.

STRATEGIC PLAN SIGNIFICANCE: Objective 3a. Retention and growth of current local businesses; 3b: Attraction of new targeted businesses that are the “right” fit for Bloomington; 3d: Expanded retail businesses; 3e: Strong working relationship among the City, businesses & economic development organizations. Objective 5e: More attractive city: commercial areas and neighborhoods. Objective 6a: More beautiful, clean Downtown area; 6b: Downtown Vision and Plan used to guide development, redevelopment and investments; 6c: Downtown becoming a community and regional destination; 6e: Preservation of historic buildings.

BACKGROUND & OVERVIEW: Over the last few weeks staff has been in discussion with local developers Jeff Giebelhausen and David Bentley regarding their separate proposals for redevelopment projects in Downtown Bloomington. Staff has retained the economic development consulting services of SB Friedman Development Advisors to assist in the City’s vetting of these projects in the event that municipal assistance is requested by the developers.

At the request of the developers, staff has coordinated time for each developer to present their proposed developments to the full Council and allotted time for the Council to provide feedback directly to the developers regarding Council’s interest in each development proposal. Staff has also arranged for Stephen Friedman, President of SB Friedman Development Advisors, to provide a presentation on the subject of the Best Practices for Public-Private Partnerships. Mr. Friedman will be available to answer the Council’s questions after his presentation.

A copy of Mr. Friedman’s presentation is attached. Mr. Giebelhausen and Mr. Bentley will provide their presentations at the Committee of the Whole Meeting on October 19th.

Respectfully submitted for Council consideration.

Prepared by: Austin Grammer, Economic Development Coordinator

Reviewed by: Tom Dabareiner, Community Development Director

Recommended by:

A handwritten signature in black ink, appearing to read "David A. Hales". The signature is fluid and cursive, with a long horizontal stroke at the beginning.

David A. Hales
City Manager

Attachments:

- Bio of Stephen B. Friedman, President, SB Friedman Development Advisors
- Presentation "Best Practices for Public-Private Partnerships"

Tentative Agenda for October 19th City Council Committee of the Whole

- A. Presentation: “Best Practices for Public-Private Partnerships” (40 minutes with discussion)
Steven Friedman, SB Friedman Development Advisors
 - B. Developer Presentation: Jeff Giebelhausen (20 minutes with discussion)
 - C. Developer Presentation: David Bentley (20 minutes with discussion)
 - D. Council Discussion (20 minutes)
-

Overview of Presentation Requested of the Developers

- A. Introduction of Promoter/Developer:
(Detailed biography and relevant project experience (career to date))
- B. Description of the Proposed Project
- C. Status of Site Control
- D. Description of Principals and Private Participants and their Roles/Organization Chart
- E. What if Estimates of Financial Performance and Requested City Assistance
- F. Requested City Role IF “What If” Estimates are Proven Up
- G. Discussions/Questions of Developer
- H. Council and Staff/Consultant Discussion

Stephen Friedman, CRE, AICP
President, *SB Friedman Development Advisors*

Steve Friedman has more than 40 years of experience in real estate and development advisory services. He leads *SB Friedman Development Advisors*, a 16-member consulting firm that works closely with public, private and institutional clients on innovative public-private partnerships and development strategies that have resulted in 4,000 units of affordable housing and \$1.35 billion of public funds as part of \$4.5 billion of public-private development projects over the past 10 years. Steve and the firm are deeply engaged in both formulating redevelopment strategies and advising on the use of Tax Increment Financing, Business Districts, Special Service Areas, and New Markets Tax Credits for a wide range of projects. These include mixed-use projects, industrial expansions, community facilities, downtown redevelopment, transit-oriented development, waterfronts, airport collateral development and industrial revitalization. Recently, the firm has undertaken substantial work on value capture strategies for transportation infrastructure, including projects for the Chicago Metropolitan Agency for Planning, and as part of the Tier 2 EIS for the Elgin-O'Hare West Bypass transportation project as well as other projects dealing with transportation and land use. Steve is a director of The Civic Federation and of Family Focus. Steve has played a number of roles within the Counselors including chairing the Mid-west Chapter and serving as External Affairs Sector Leader for Public-Private Partnerships. He received the James Felt Creative Counseling Award in 2013 for his work on the Bredemann-Reservoir redevelopment that resulted in the Shops and Residences of Uptown Park Ridge, IL.

He is also a member of the American Institute of Certified Planners and has recently been elected to its College of Fellows. He is a full member of the Urban Land Institute (ULI) and has served in District Council and national leadership positions. Most recently, he served as co-chair of the Chicago District Council Infrastructure Task Force, and is currently a member of the District Council Advisory Committee and the Public-Private Partnerships Gold Council. Steve also served on the board and as president of the Housing Opportunity Development Corporation, and as chair of the board of his undergraduate college. He holds a B.A. from Goddard College in Vermont and an M.S. in Urban and Regional Planning from the University of Wisconsin at Madison.





Best Practices for Public-Private Partnerships

April 29, 2014

American Planning Association National
Conference, Atlanta, Georgia

 **SB Friedman**
Development Advisors
VISION | ECONOMICS | STRATEGY | FINANCE | IMPLEMENTATION



Real Estate Strategies, Inc.
RES Advisors

Presenters

Stephen B. Friedman, FAICP, CRE

- President, SB Friedman Development Advisors
- Established firm in 1990
- Prior experience at national accounting firm
- Specializes in development strategies, public-private partnerships, and urban economic and policy studies
- Firm Location: Chicago, IL



Margaret B. Sowell, CRE

- President, Real Estate Strategies, Inc. / RES Advisors
- Established firm in 1991
- Prior experience at two accounting firms and at HUD
- Specializes in market and financial analyses, public-private financing and economic development strategies
- Firm Location: Paoli, PA (Philadelphia)



Introduction

- When and Why Should the Public Sector Get Involved?
- Expanded Tool Kit
- Best Practices: Balancing Public and Private Interests
 - Planning and Goal Setting
 - Incentive/Development Policy
 - Proactive Pre-Development
 - Developer/Partner Review and Selection
 - Fiscal Impact and Community Benefits
 - Financing Gap
 - Structuring
 - Documenting and Monitoring



When and Why Does the Public Get Involved?

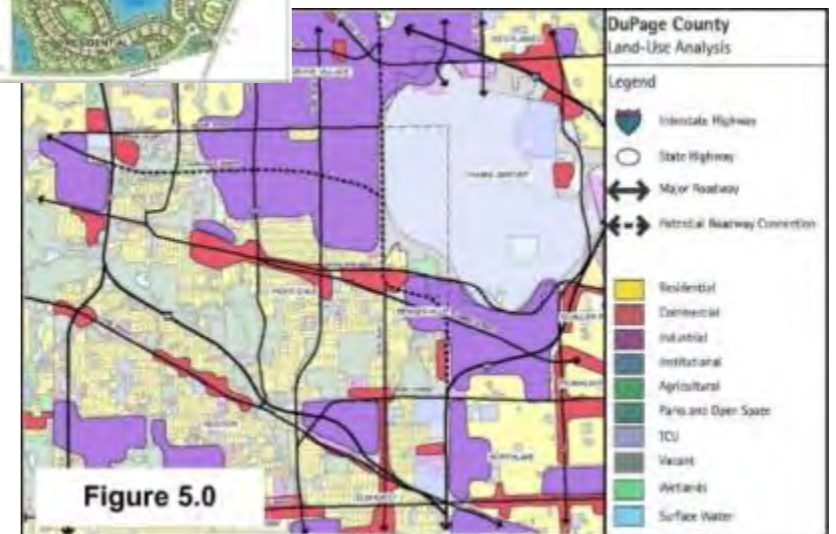
To Achieve Key Public Goals And Implement Plans

- Enhancing Local Tax Base/ Fiscal Balance
- Growing/Retaining Employment Base
- Providing Development Incentives
- Building Catalytic Infrastructure
- Funding Affordable Housing/ Community Facilities
- Addressing Environmental Issues
- Greater Public Benefit
- Controlling Height, Density, Parking, etc.



Today's Development Issues

- Recovering (?) Real Estate
 - Distressed Shopping Centers
 - ▶ Market and Location Weakness
 - ▶ Internet Impacts on Retailers
 - ▶ Stormwater/Floodplain Compliance
 - Previously Platted Sites
 - Planned Condo Turned Rental
 - ▶ Millennials
 - ▶ Empty Nesters
 - ▶ Seniors
- Greenfield Development
- Infill Sites
- Infrastructure/Value Capture



Public-Private Partnerships Address Mismatch of Deal-Related and Public Issues

The “Hair” on the Deal

- Land owner hold-outs/excessive site assembly costs
- Road, traffic, other off-site needs
- Deal with the unknown; e.g., underground/remediation
- Excess costs of demolition, site preparation
- Construction costs, fees that are a mismatch with market pricing
- Product market mismatch
- Financing “gap”

Public Values, Issues

- Density, height, design, and parking requirements
- Excess costs of historic preservation
- Preference for homeownership
- Inclusionary zoning, affordable housing requirement
- Fiscal impact and fees for other districts
- Public funding/fiduciary (and legal) responsibilities
- MBE/WBE and Prevailing Wage

Tools du Jour

Municipally Controlled Tools

- Tax Increment Financing (TIF)
- Payment in Lieu of Taxes (PILOT)
- Improvement Districts (BID/CID/SA)
- Sales Tax Sharing (Selected States)
- Tax Abatements
- Land Banks

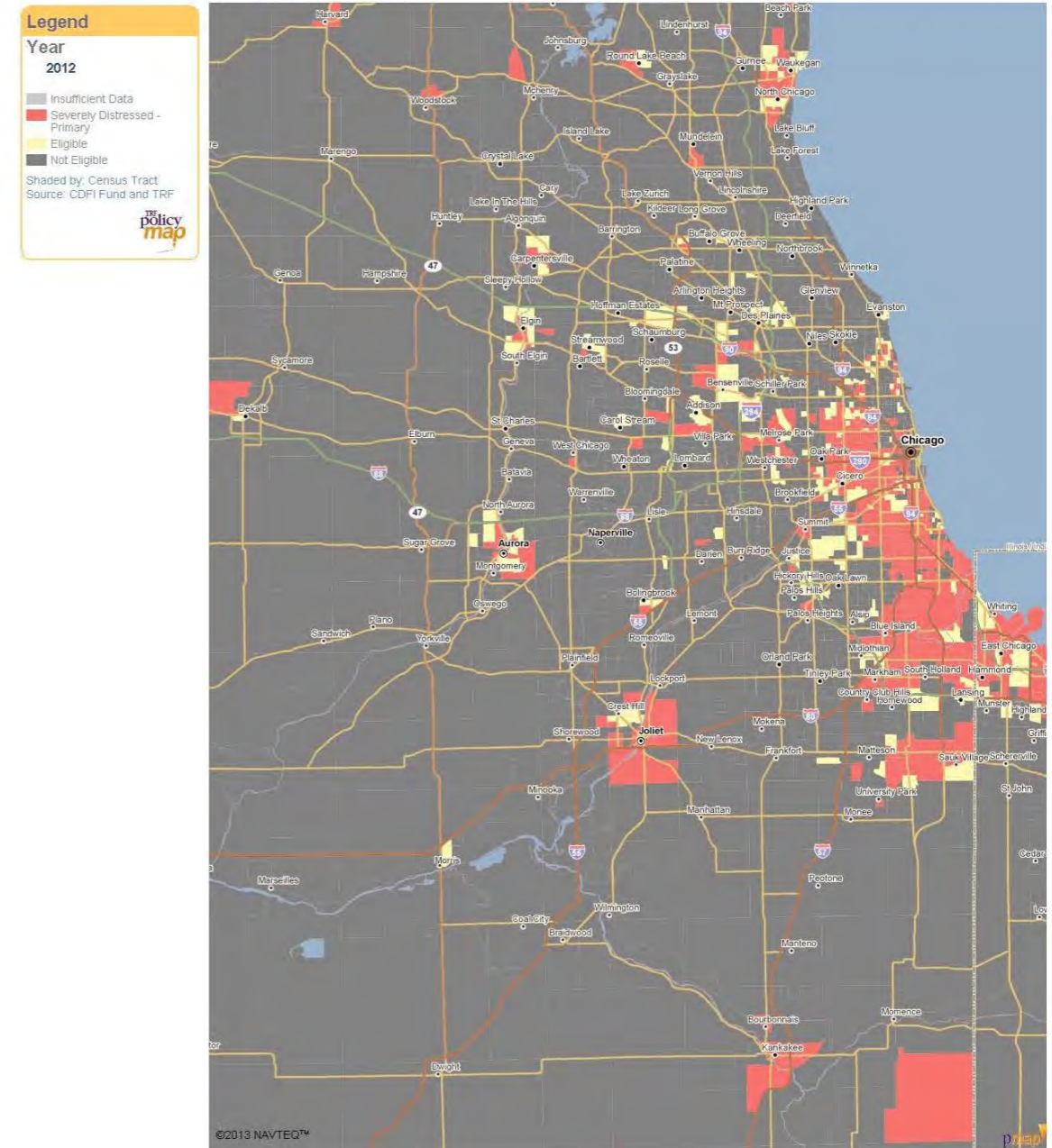
Other Tools for Local Projects

- New Markets Tax Credits (NMTCs) – Selected Locations
 - Renewed for 2012 and 2013
 - Commercial, industrial, community facilities, mixed use
- EB-5
 - Foreign investment in exchange for green card
 - Debt or equity source in layered deals
- LIHTC
- HOME
- 108 Loans
- TIFIA/RRIF
- TIGER
- US EDA Programs
- Privatization and Facility Provision
- Foundations/Civic Ventures

All can be part of multi-layered financing

New Market Tax Credit (NMTC) Program Eligibility and Severely Distressed Status, as of 2012.

The red areas on the map are Census tracts that the CDFI Fund has determined are Eligible and meet the Primary Criteria requirements for the CDFI Fund's New Market Tax Credit (NMTC) Program Severely Distressed Status, as of 2012. Yellow areas indicate those Census tracts that meet the NMTC Program Eligibility but are not Severely Distressed according to Primary Criteria requirements. Secondary Criteria Severely Distressed status is not displayed on this map. Gray areas on the map are considered ineligible for NMTC Program funding. These data are mapped to the 2010 Census tract boundaries. For more information about the NMTC Program, please see our Data Directory.






Public Sector Best Practices for Public-Private Partnerships

1. Establish a Public-Sector Process
2. Plan and Set Goals
3. Conduct Proactive Pre-Development Activities
4. Know Your Development Partner!
5. Analyze Impacts and Benefits
6. Review the Developer's *Pro Forma*
7. Analyze the Gap – The “But For...” Concept
8. Structure the Deal to Manage Risk
9. Document and Monitor the Deal

Best Practice (BP) 1: Establish a Public-Sector Process

- Underpin with Planning, Stakeholder Input
- Establish Priorities
 - Areas / Neighborhoods
 - Types of Projects
 - Assistance to Be Provided (grants, loans, tax incentives, etc.)
- Identify Resources and Timing
 - Your Funding
 - Other Potential Sources, Mechanisms to Use
 - Be Mindful of Timing for Funding Sources You Might Need

	Concept 1	Concept 2	Concept 3
Description	Townhomes and dedicated park	Townhomes	Mid-rise Condos
Development Concept			
Townhome Units	23	29	0
Condo Units	0	0	120
Total Units	23	29	120
Height	30 Feet	30 Feet	50 Feet
Density (du/gross acre)	5.3	6.7	27.9
Site Assembly	\$ 5,619,240	\$ 5,619,240	\$ 5,619,240
Residual Land Value	\$ 2,747,036	\$ 3,913,964	\$ 6,237,257
Surplus (Shortfall) for Land	\$ (2,872,204)	\$ (1,705,276)	\$ 618,017
Economically Feasible?	NO	NO	YES



Des Plaines Library Plaza Redevelopment
Des Plaines, IL

Create Transparent but Flexible Procedures

- Establish an Application Process
- Flexible/Responsive Timing
- Have a Reserve for Unforeseen Opportunities, Issues
- **THINK LEVERAGE!!!**



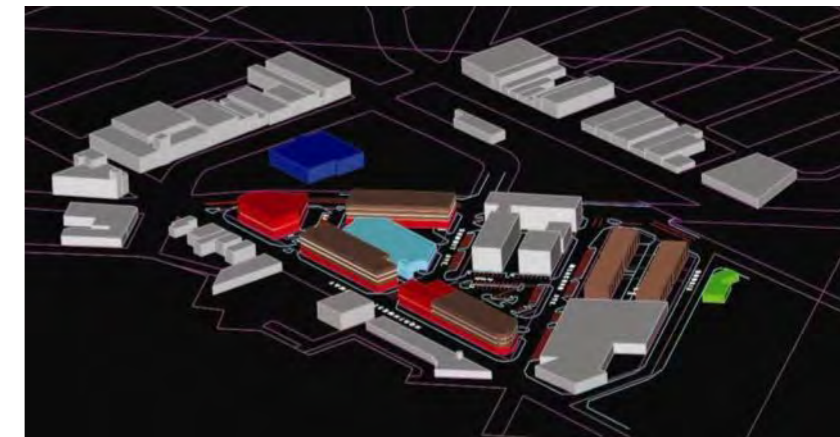
The Assistance Application

- Project Description
- Financial & Organizational Capacity
- Cost of Public Improvements Included in Project
- Extraordinary Costs Faced by the Project
- Appraisal to Value the Project Site
- Market Research to Show Support for Use and/or Revenue Estimates
- Projections of Public Revenues from Project
- Substantiation of Project Costs
- Description of Project Financing
- Other Supporting Documents (Site Control Evidence, Personal Disclosures)
- Fee to Cover Cost of Evaluating Request



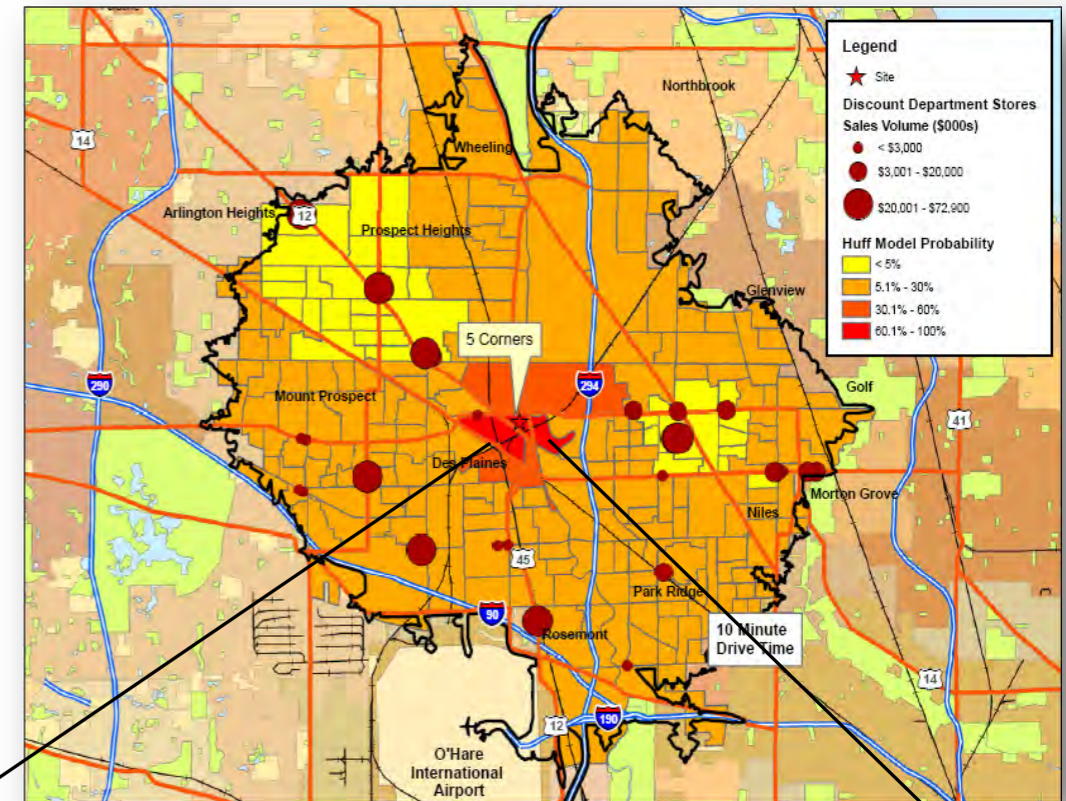
BP 2: Plan and Set Goals for a Successful Project

- Economic Feasibility
 - Market Support
 - Infrastructure Adequacy
 - Acceptable Nearby Land Uses
- Community Goals
 - Visioning Process
 - Stakeholder Priorities/Preferences
- Site Capacity
 - Development Plans/ Guidelines/Form-Based Guidance
 - “Fit” in the Neighborhood/Area



Market Analysis- A Critical and Underemphasized Component

- Identifies and Quantifies Demand for Proposed Development
- Provides Critical Input for Proforma Revenue Projections:
 - Lease Rates
 - Retail Sales
 - Residential Rents
 - Sales Prices for Homes
- Key Supporting Factor for Quality Revenue Projections



Retail Category	Discount Department Store
Predicted Annual Sales- Gravity Model	\$59.0 million
Proposed/Typical Store Size (SF)	190,000
Sales/SF equivalent	\$311
Benchmark Range (Median- Top 10%)	\$173-306

BP 3: Conduct Proactive Pre-Development Activities

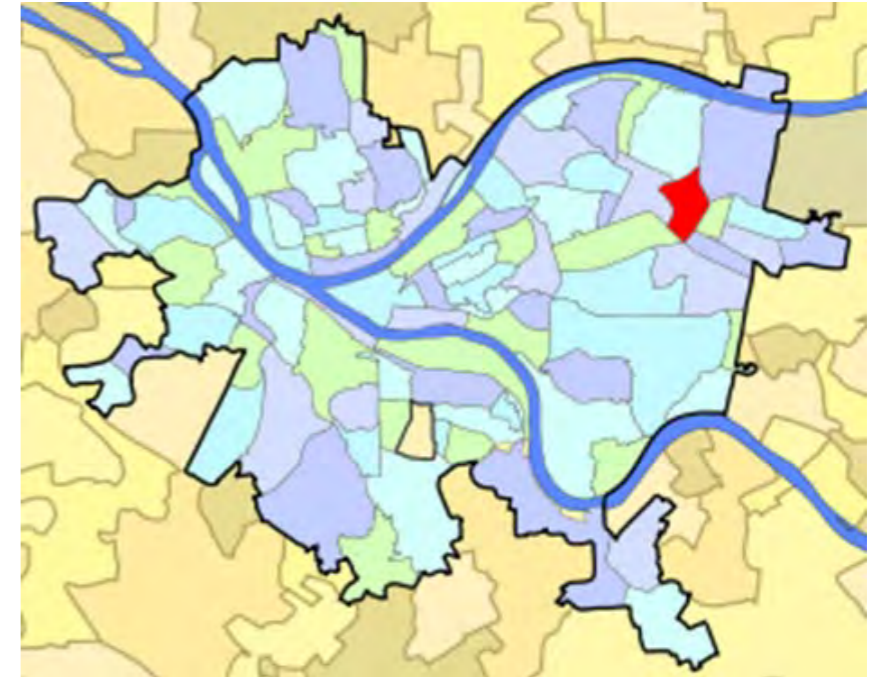
Certainty of timing of project completion is critical for all types of real estate

- Help Get Sites to “Shovel-Ready”
- Site Assembly
- Remediation
- Demolition
- Infrastructure Support
- Entitlements
- Planned Assistance
- Coordination of Multiple Government Entities



Redeveloping Pittsburgh's Larimer Neighborhood

- Adjacent to the Revitalizing East Liberty Neighborhood
- Vacant Land in Public Ownership
- Flat Terrain – Rare in Pittsburgh
- Excellent Public Transportation
- Committed Core of Residents, Businesses



Larimer Process

- Community and Vision Plans
- Vision to Action Plans Built on Strengths
 - Target, Google at Nearby Bakery Square
 - New Mixed-Income Residential Development
- 2013 Choice Neighborhood Application
 - Public-Private Funding Commitments
 - ONE of SIX FINALISTS for \$30 Million from HUD!



University of Illinois at Chicago (UIC) South Campus: TIF for Neighborhood Transformation



Halsted and Maxwell: Before



Halsted and Maxwell: After

Timeline

TIF Approved by City Council
Revenue Bonds Sold
Relocation Rulemaking
1st Student Residence Occupied
1st Retail Tenant
Acquisition Complete (except UPS)
1st Private Residence Closing
UPS Land Acquired
Final Sale of Residential Land
Turrell "Skyspace" Dedicated
Completion

May 1999
Dec 1999 - Jan 2000
April 2000
August 2001
April 2002
September 2002
September 2002
November 2005
March 2006
June 2006
2008



BP 4: Know Your Development Partner!

- Financial and Organizational Capacity
 - Business Structure
 - Principals
 - Confirmable Track Records (Firm or Individuals)
 - Other Communities' References
 - Balance Sheet (Firm and Individuals)
 - Long-Term Operating Plan
- ***XYZ Development LLC?***
 - ***Jones Corp Home Builder?***
 - ***A + B + C Joint Venture?***
 - ***XYZ and Hedge Fund LLC?***

***Applies Whether the Developer Approached
the Municipality or Was Solicited***

Developer Solicitation for Publicly Owned Land



10-STEP DEVELOPER SOLICITATION PROCESS



BP 5. Analyze Impacts and Benefits

Fiscal Impacts

- Realistic Tax Revenue Projections
 - Property
 - Sales
 - Utility
- Real Incremental Service Costs
- School Impacts
 - How Many Children?
 - Replacement or Additive?
- Other Specific Impacts
- Compared to No Assistance

Community Benefits

- Retention of Long-Term Residents
- Home for Kids
- Street Activity/Support Merchants
- Efficient Use of Infrastructure and Services
- Long-Term Tax Base
- Work Force Diversity/Support Commercial Districts

BP 6: Review the Developer's *Pro Forma*

Capital

- Land Acquisition
- Site Work
- Construction Costs
- Soft Costs
- Developer Fee

Operating

- Rents/Sales Prices
- Absorption/Lease-Up
- Operating Expenses
- Property Taxes

Financing

- Debt Parameters
- Equity Parameters
- Other Special Tools (e.g., tax credits)

Table 3-2 U.S. Super Regional Shopping Centers in the East: Center Size, Center Sales, and Operating Results

Number of Centers in Sample: 27	Average		Lower	Upper	Lower		Upper	Number Reporting
	Median	Decile	Decile	Median	Decile	Decile		
Center Size								
Square Feet								
Total floor space (GLA and all other floor area)	979,640	948,746	700,113	1,266,291				27
Owned space	541,969	549,793	398,242	796,984				27
Unowned space	396,070	407,300	148,469	406,472				27
Department stores (owned and unowned area)	566,626	511,933	392,674	830,733				27
All other owned GLA	352,361	358,879	282,867	498,033				27
All other unowned GLA								3
Center Sales								
Dollars per Square Foot of GLA								
Department stores	\$144.79	\$184.61						6
All other tenants	287.52	304.65						9
Total	189.68	225.64						6
Operating Results								
Dollars per Square Foot of GLA								
Percent of Total Receipts								
Total Operating Receipts	\$47.93	\$50.28	\$28.34	\$68.53	100.00 %	100.00 %	100.00 %	27
Total rent	30.40	31.54	17.23	46.76	63.80	64.37	72.80	27
Rental income—minimum	29.29	29.62	16.42	45.89	62.37	61.83	68.28	27
Rental income overages	0.76	0.63	0.19	2.36	1.58	0.37	5.50	27
Total common area charges	8.09	9.21	4.24	12.26	16.18	13.62	19.05	27
Total other charges	3.35	4.24			9.61			8
Property taxes and insurance	1.83	1.52			6.76			8
Property taxes	3.09	2.64	1.70	5.33	6.53	3.53	9.40	27
Insurance	0.29	0.27			0.77			6
Other escalation charges	0.38	0.84			1.67			5
Income from sale of utilities	2.77	3.34	0.19	5.83	3.78	0.36	12.21	23
Total miscellaneous income	2.97	3.05	1.42	6.22	6.16	3.38	11.08	27
Total Operating Expenses	\$15.01	\$15.51	\$7.56	\$24.75	29.26 %	19.36 %	44.61 %	27
Total maintenance and housekeeping	5.62	5.90	3.31	11.37	11.17	7.04	20.95	27
Parking of mail, other common areas	3.71	3.72			2.69			8
Parking lot	0.15	0.16			0.48			8
Utilities	0.65	0.78			2.37			8
Security	0.97	1.21			3.11			8
Enclosed mall HVAC	0.08	0.08			0.23			7
Snow removal	0.09	0.12			0.38			8
Traffic removal	0.06	0.12			0.39			6
Landscaping	0.15	0.17			0.51			8
Elevator/escalator	0.11	0.20			0.44			5
Other	1.16	1.40			3.46			8
Building maintenance	0.26	0.56	0.01	0.92	0.92	0.03	2.18	10
Roof repair	0.02	0.02			0.08			9
Other maintenance	0.33	0.54			1.62			7
Central utility system	0.89	1.32			3.49			5
Tenant office area services								3
Total advertising and promotion	1.48	1.61	0.51	2.73	3.18	1.11	4.94	27
Advertising	0.93	0.42			1.14			6
Promotions/special events	0.09	0.11			0.29			6
Christmas decorations	0.05	0.07			0.16			6
Marketing administration	0.45	0.55			1.36			6
Merchants association								3
Total real estate taxes	3.48	3.51	1.19	6.76	7.00	3.91	11.24	27
Total insurance	0.52	0.48	0.25	1.12	1.15	0.53	2.03	27
Liability insurance	0.16	0.20			0.84			7
Property insurance	0.07	0.15			0.40			7
Special (earthquake/fire)								2
Other insurance								4
Total general and administrative	2.72	3.01	1.39	5.39	5.33	3.20	10.38	27
Management agent fees	1.02	1.02	0.34	2.12	1.80	0.93	3.37	26
Leasing agent fees	0.11	0.12			0.34			8
Eq: debt allowance	0.15	0.15	0.04	0.30	0.34	0.07	0.79	21
On-site payroll and benefits	0.37	0.38			1.52			8
Professional services	0.16	0.19	0.05	0.34	0.51	0.13	0.85	10
Other	0.21	0.29			0.73			9
Net Operating Balance	\$32.45	\$32.37	\$18.41	\$50.19	70.74 %	55.39 %	80.64 %	27

Note: GLA for operating results is adjusted as described in Chapter 2.
 Note: Because data are means, medians, and deciles, detailed amounts do not add to totals. No median figures are shown if fewer than five values were reported for any income or expense category, and no lower and upper decile amounts are shown if fewer than ten values were reported.



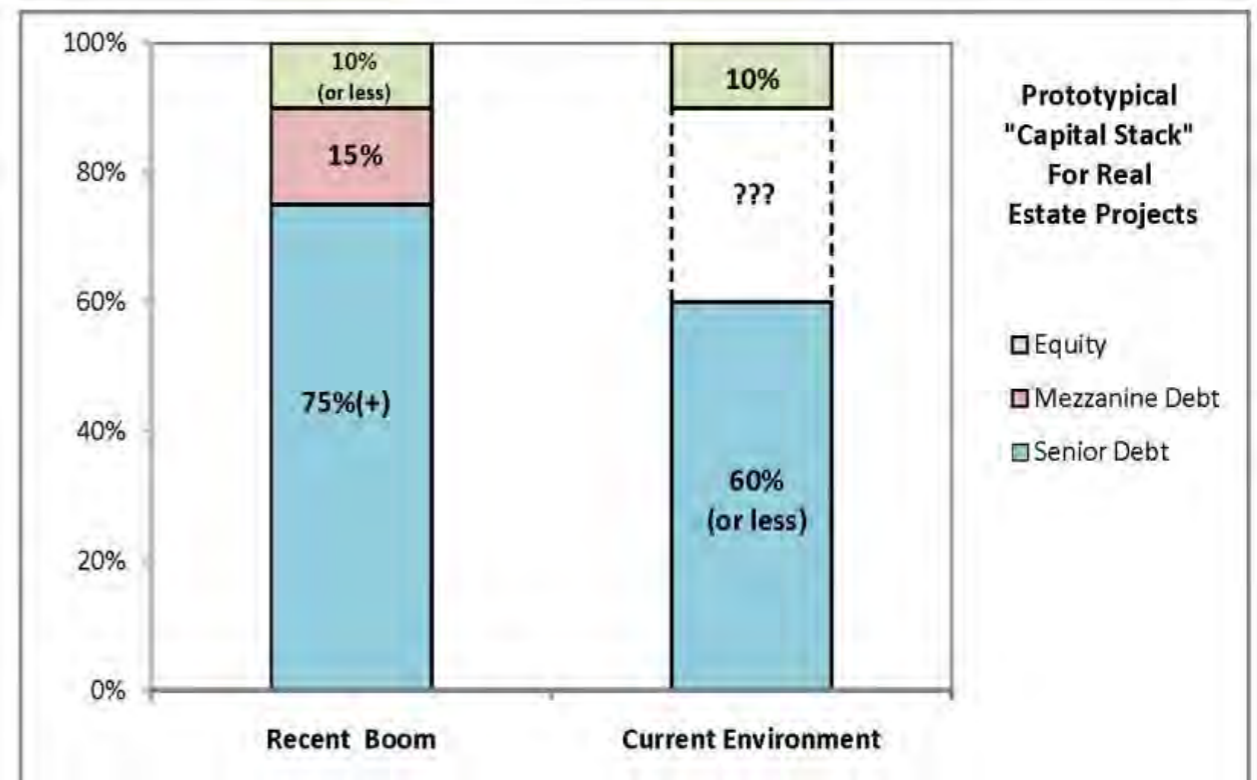
Review Parameters

- Sources of Funds = Uses of Funds
- Commitment of Private Lender
- Loan to Cost/Value
- Interest Rate
- Debt Coverage at Stabilization
- Amount and Source(s) of Equity
- Tax Credits (e.g., NMTC, HTC, LIHTC)
- Preleasing Requirements, Percent Preleased and Credit Quality of Tenants
- Developer Fee: Paid or Deferred?

BP 7: Analyze the Gap – The Funding Justification (“But For...”)

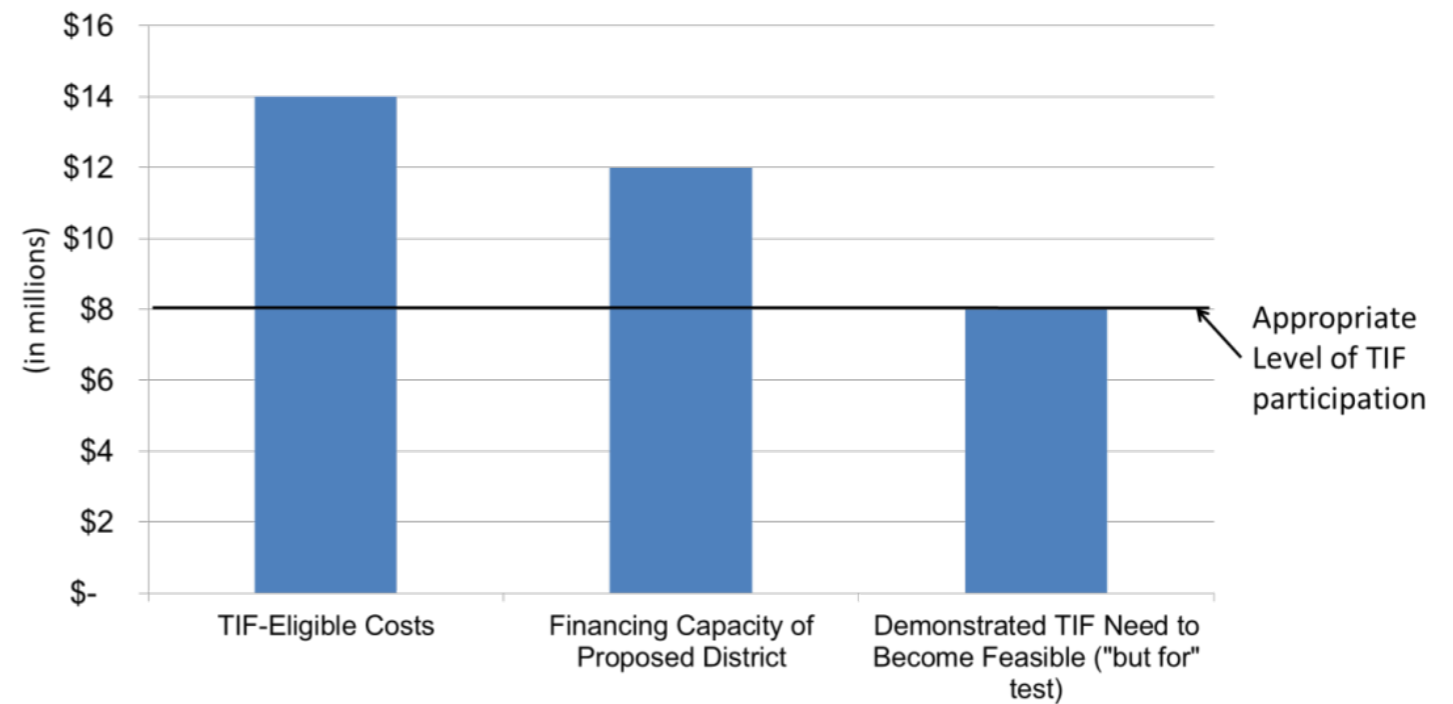
Primary Ways to Determine

- Financing Gap in Order to Achieve Market-Competitive Returns on Investment
- Amount Readily Explained by Extraordinary Costs
- Cost of Providing True Public Improvements
- Incentive Deal: Incremental Cost of Locating at Proposed Site or to Compete with Alternative Site



Project Evaluation Factors Not to Be Confused with Gap

- Subsidy as % of Project Increment
- Subsidy as % of Project Cost (public funds “leverage” private)
- \$ Amount per Job Attracted/Retained



Analysis Summary Without and With TIF

Sources and Uses w/o TIF

SOURCES OF FUNDS

Construction Loan	\$	14,516,174
Equity	\$	5,466,208
TIF Assistance	\$	-
TOTAL SOURCES	\$	19,982,382

USES OF FUNDS

Land	\$	3,750,000
Environmental	\$	2,500,000
Other Site Costs	\$	1,853,000
Hard Costs	\$	8,692,812
Soft Costs	\$	2,562,247
Developer Fee	\$	624,322
TOTAL USES	\$	19,982,382
10yr IRR on Cost	8.1%	
IRR on Equity	10.5%	

Sources and Uses with TIF-based Grant

SOURCES OF FUNDS

Construction Loan	\$	14,516,174
Equity	\$	2,966,208
TIF Assistance	\$	2,500,000
TOTAL SOURCES	\$	19,982,382

USES OF FUNDS

Land	\$	3,750,000
Environmental	\$	2,500,000
Other Site Costs	\$	1,853,000
Hard Costs	\$	8,692,812
Soft Costs	\$	2,562,247
Developer Fee	\$	624,322
TOTAL USES	\$	19,982,382
10yr IRR on Cost	10.0%	
IRR on Equity	18.6%	

Return Measurements

Risk-Adjusted Competitive Rate of Return

Income/Investment Properties

- Project Value at Stabilization vs. Cost to Develop
- Return on Cost (Stabilized Annual)
- Return on Equity (Stabilized Annual)
- Internal Rate of Return on Cost
- Internal Rate of Return on Equity

For-Sale Properties

- Net Profit Margin at Sell Out



“Sanity Checking” the Gap

Is It Clear Whether the Gap Is Resulting from:

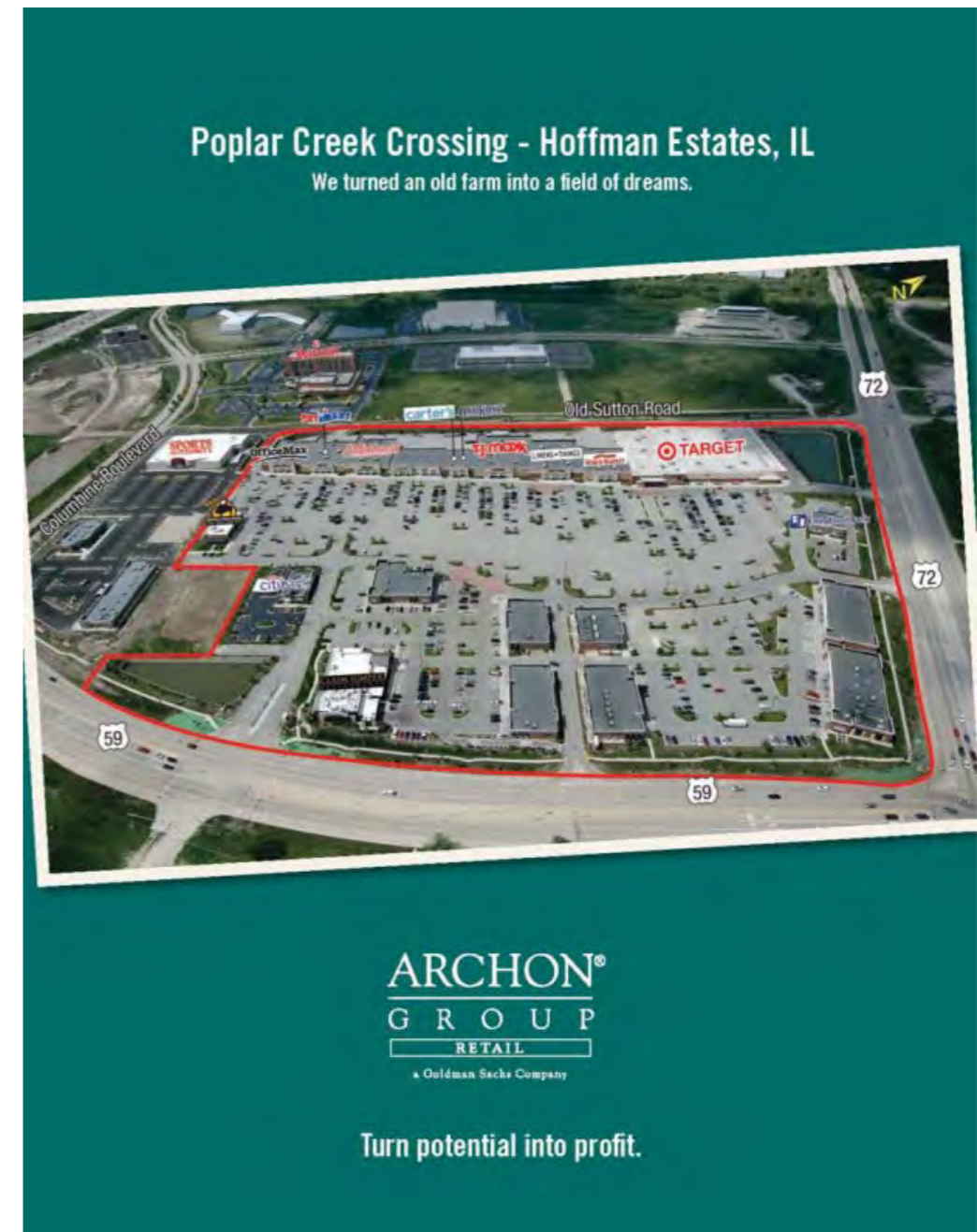
- Extraordinary Cost? (e.g., major environmental or site issue)
- Public Infrastructure Included in Private Project?
- Publicly Desired Features the Market Won't Pay for? (e.g., structured parking required while comparable developments park at-grade)



Dealing with Gorillas

Retail Project with Obvious Sales Tax Benefits and No Real Gap

- Quantify Benefits
- Consider Sharing within Market Area Instead
- Negotiate Share/Duration
- Re-Trade Land Price
- Quantify Muni Benefits
 - Jobs?
 - Job Ladder?
 - Tax Benefits



BP 8: Structure the Deal to Manage Risk

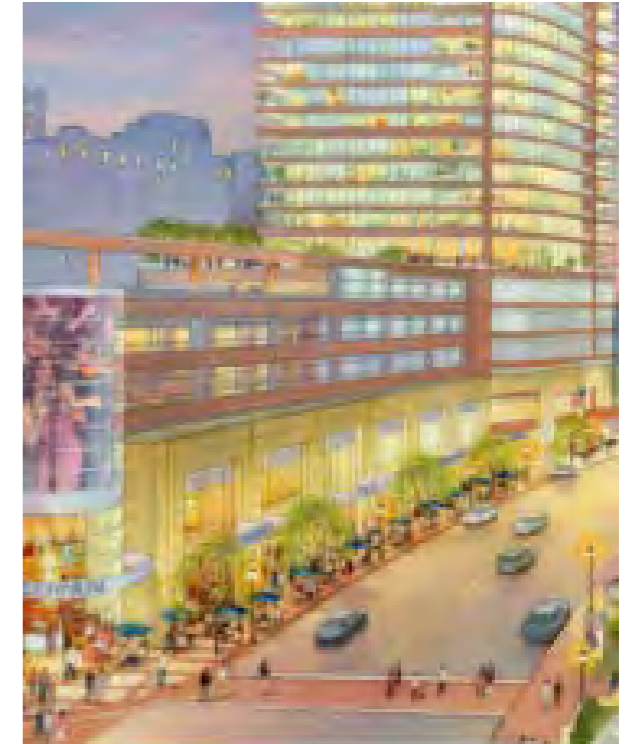
Risks Must Be Understood and Allocated in the Financing Structure

- Construction Risk
- Delay Risk (construction, lease-up, payments)
- Sale/Lease-Up Risk
- Assessment/Taxation Risk
- Statutory Risk
- Ongoing Operational Risk



Municipal Financing Structures

- **Pay-As-You-Go**
 - Annual reimbursement starting at project completion or share of revenue
 - Limit share and duration (particularly in sales tax deals)
- **Monetizing Future Revenues from Project Itself**
 - Note issued to Developer/Affiliates, incentivizing them to put more equity into project up-front
 - Note pledged to lender, serving as additional collateral and allowing more debt to be obtained
 - Revenue bonds issued based on future flow of revenues from project
- **Backing Bonds with Other Revenue Pledges**
 - District-wide bonds using existing “proven” cash flow
 - General obligation – full faith and credit
 - Sales tax or other municipal taxes (e.g., utility, telecom, etc.)
- **Loan Instead of a Grant**
 - Loan source identification
 - Junior mortgage
- **Trigger and Take-Out Bonds**
 - Leasing/Full Funding
 - Stabilization



Municipal Risk Spectrum: Funding Sources

Lesser Risk

Greater Risk



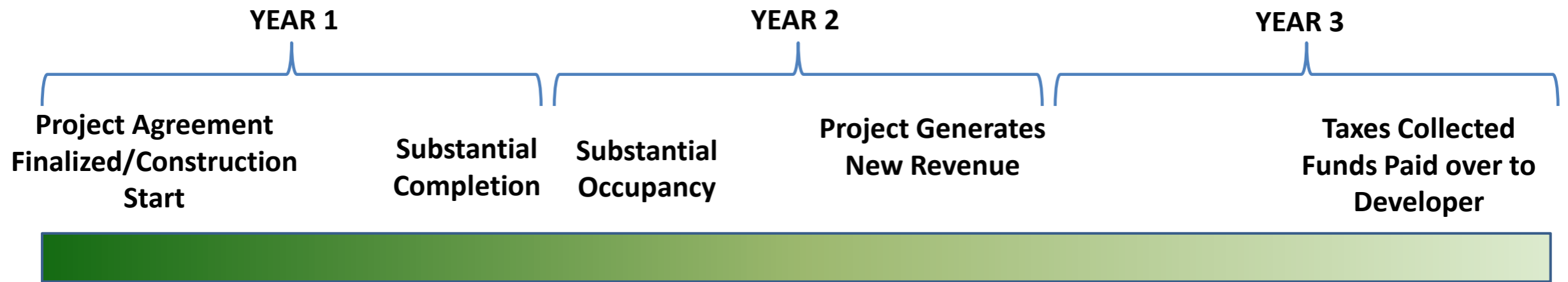
Revenues from Project Itself; Only to the Extent They Materialize

Other Special Revenue Pledges (e.g., Special Assessment; Area-Wide Pledge)

Other Municipal Revenue Sources Affecting General Fund (e.g., sales tax, hotel tax)

Municipal Full Faith and Credit

Fundamental Timing Problem



Mismatch: Public Gap Financing Is Most Needed HERE...

...But Revenue Becomes Available HERE

Protecting the Downside: Chicago Lakeside Development

- **Trigger Points:**
 - Retail pre-leasing threshold
 - Residential tower pre-sale threshold
 - Arrangement of sufficient debt and equity to complete Vertical Development Area and site work on Pad Sale Area
- **“True-Up” Point:**
 - TIF revenues to be re-projected at time trigger points for bond issuance are met
 - New projections to reflect actual pre-leasing, pre-sale, assessment/tax environment as of true-up date
 - Final bonding amounts re-set based on new increment and Bondable Costs categories in RDA

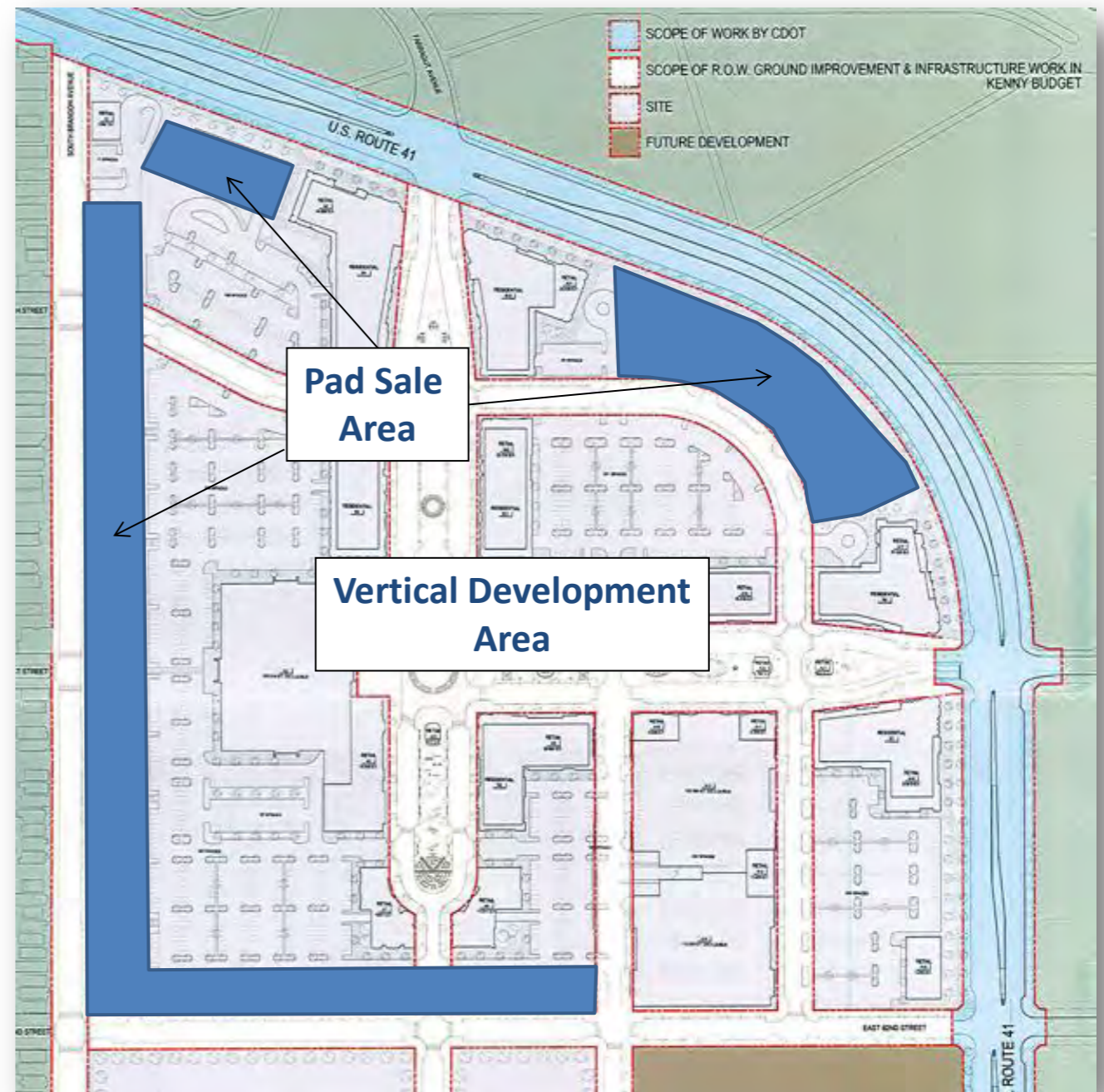


Image: McCaffery Interests

Sharing the Upside

- When Is It Appropriate?
 - When public dollars are subjected to equity-type risk
 - Public gap financing is solving a private “capital stack” problem, not a fundamental project financing gap or public infrastructure issue
 - Public sector selling land into deal
 - Public sector advances funds during construction/guarantees debt
- How to Implement?
 - Check-ins on level of assistance for multi-phase deals
 - Test net operating income at full stabilization against a benchmark
 - “True-ups” at sale or refinance

Upside sharing can carry important symbolic value for elected officials

BP 9. Document and Monitor the Deal

- Term Sheet
- Redevelopment Agreement
 - Developer
 - Development Management
- Planned Development/Project Design
- Simultaneous Approvals
- Full Funding/Use of Escrow
- “Owner’s Sworn Statement” Draw Structure
- Construction/Draw Review
- Compliance Monitoring
- True-Up

Key Terms of Redevelopment Agreements

- Site Control
- What is Being Built?
- Public vs. Private Realm – Responsibilities Involving Infrastructure
- Delivery of Land
- Condition of Land
- Completion of Plans and Approvals
- Perfection of Financing
- Phasing; Phased Take-Down
- Site Preparation
- Payments for Land
- Form and Timing of Assistance
- Prohibition of Tax Appeals
- Profit-Sharing
- Monitoring/Release of Funds
- MBE/WBE
- Environmental (Green) Standards
- Local Hiring
- Affordable Housing
- Prevailing Wages
- Approval Process – When Other Boards and Commissions Get Involved

Comprehensive Examples

- 1. Paseo Verde, Philadelphia, PA**
- 2. Shops and Residences of Uptown Park Ridge, IL**

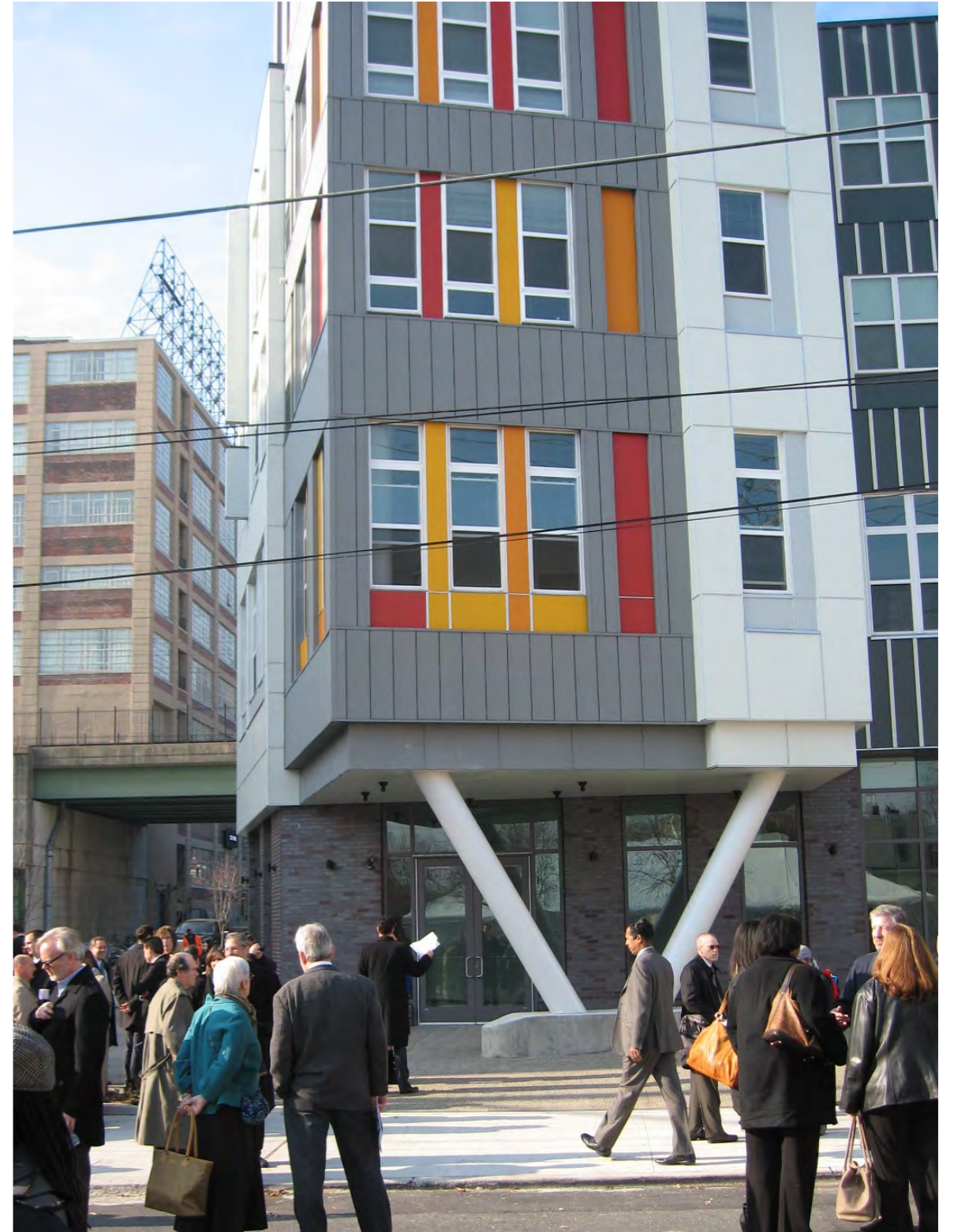


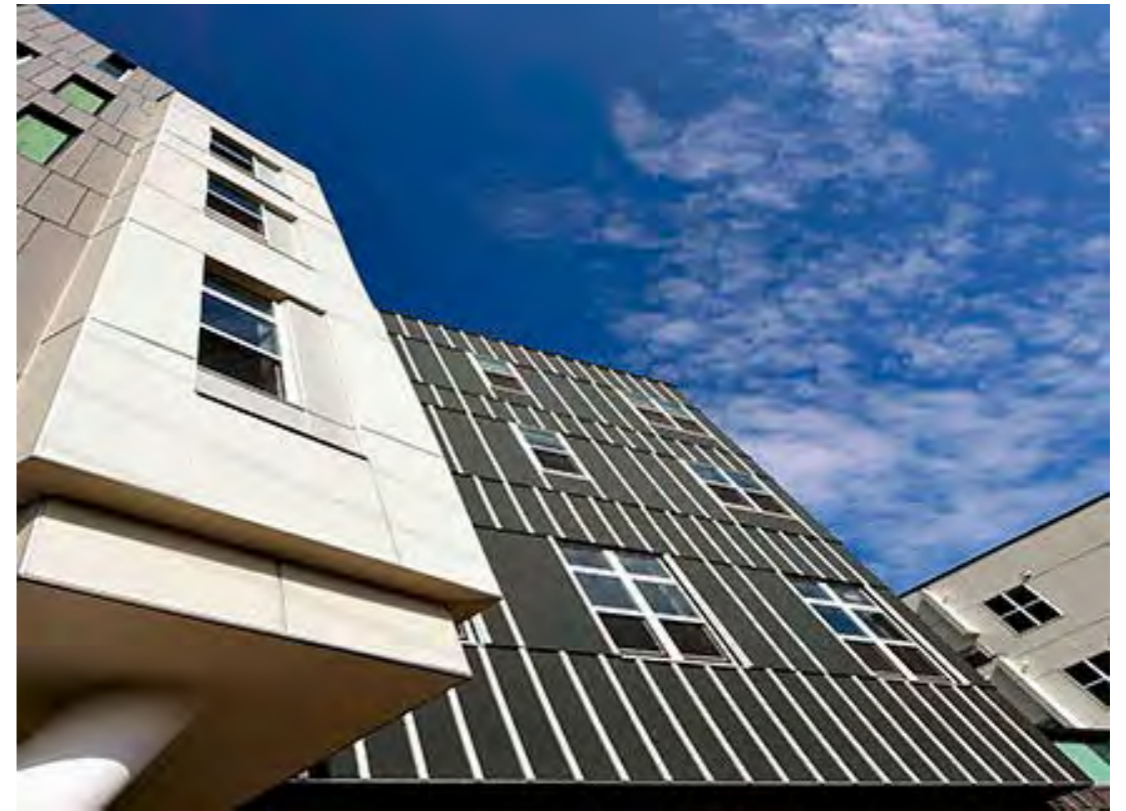
PASEO VERDE

Asociacion Puertorriquenos En Marcha (APM) and the Jonathan Rose Companies

Objective- Connect the Site (on the “wrong side of the tracks”) to Transit and Temple University







Financing Structure – Project is Divided into Condominiums

- Unit 1 - Low Income Housing Tax Credit
- Unit 2 – New Markets Tax Credit Limited Partnership



Condo Unit #1 - Transit Village Affordable Housing

53 Units Targeted to Persons at or below 60% Median Income

- City Redevelopment Land – No Acquisition Costs
- Total Project Costs \$15,632,152
- LIHTC Equity \$11,111,729
- Grants: City of Phila. OHCD \$ 4,000,000
- Federal Home Loan Bank AHP \$ 520,423
- The LIHTC portion of the development does not have permanent debt.

Condo #2 - Paseo Verde New Markets Tax Credits (NMTC) LP

67 Market-Rate Rental Units; 30,000 SF Commercial Space

- City Redevelopment Land – No Acquisition Cost
- Total Project Costs \$32,479,813
- Conventional Loan \$ 9,576,864
- Grants (1 day loan) \$ 2,706,487
- Grants \$ 8,688,285
- NMTC Equity \$ 8,507,174
- TRF Energy Works \$ 3,000,000

Condo #2 Grant Sources

- Pennsylvania Redevelopment Capital Assistance Program (PCAP)
- Philadelphia Office of Housing & Community Development (OHCD)
- Earmark by U.S. Senator Casey
- State of PA Department of Community & Economic Development (DCED)
- Home Depot /Local Initiatives Support Corporation (LISC)
- Citi Bank
- Comcast
- Enterprise Foundation

Project Strengths

- Location! Location! Location!
- First Transit-Oriented Development in Philadelphia
- Political Will
- Community Support
- Experienced Community-Based Organization, APM
- Strong and Reputable Developer/Partner - Rose Company
- Public-Private Partnerships and Investments
- Significant Subsidies from City and State
- Pre-Leased 7,600 Square Feet of Space to a Community Medical Center, 15,000 Square Feet for APM Office Space, and 1,500 Square Feet for Pharmacy
- Excellent Legal Counsel and Consultants

Shops and Residences of Uptown, Park Ridge: Catalytic Suburban Downtown Redevelopment



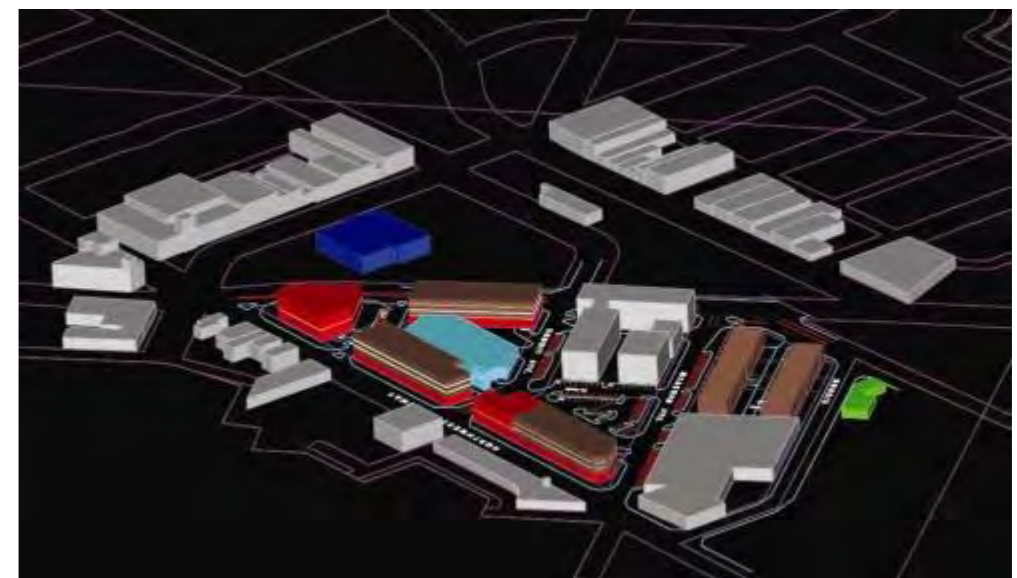
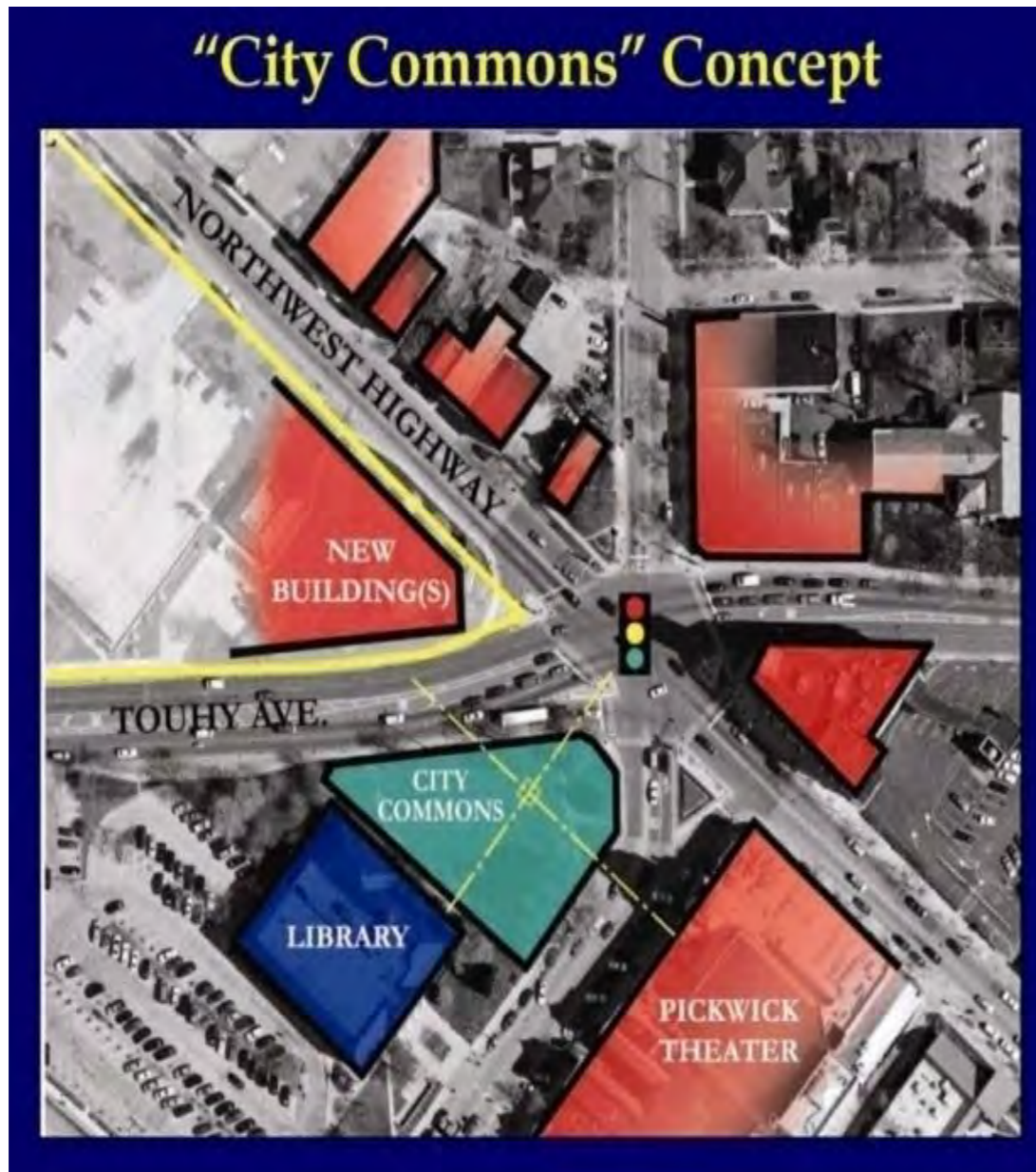
Leaking Reservoir Across from Iconic Theater



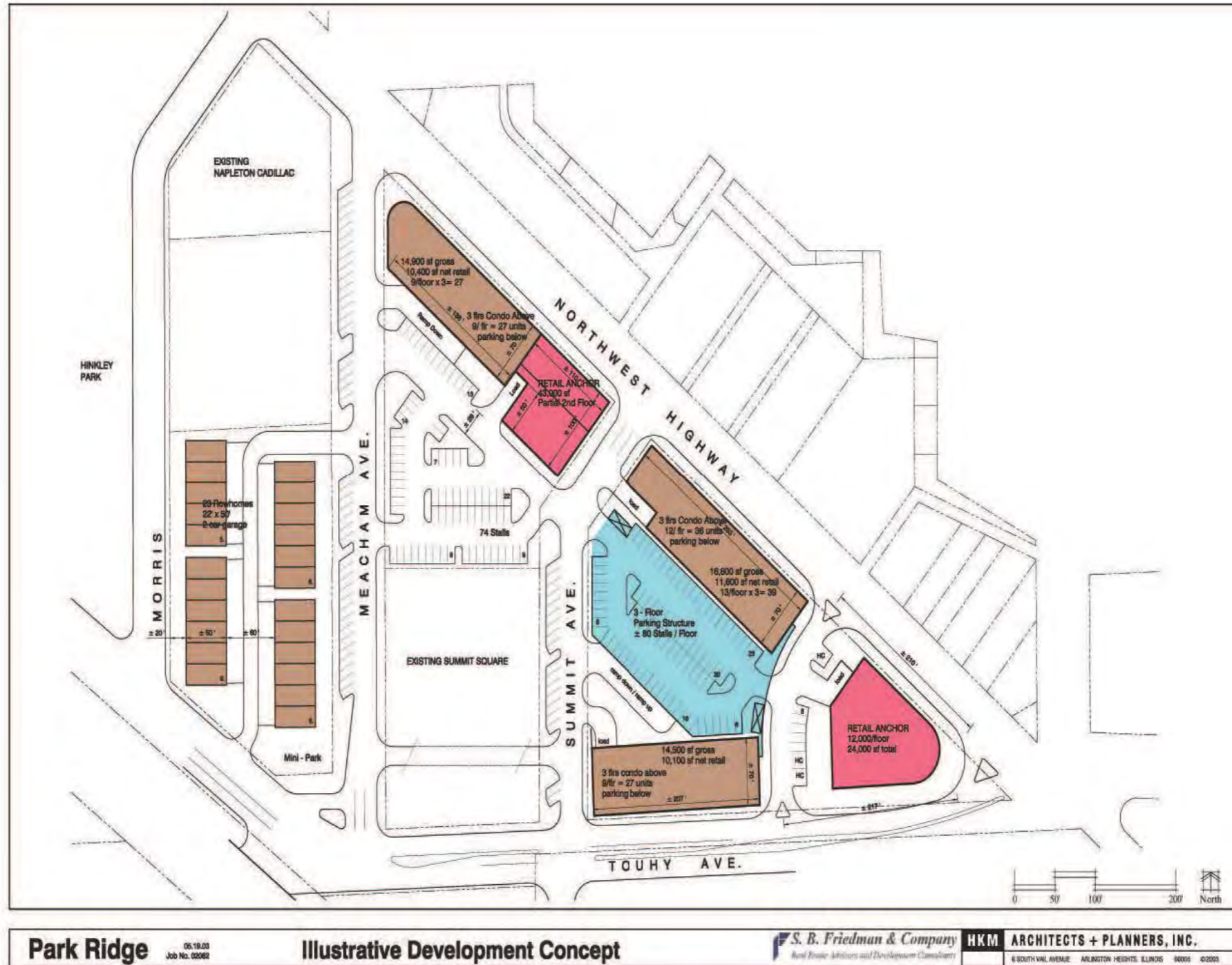
10-STEP DEVELOPER SOLICITATION PROCESS



Setting Achievable Goals: TOD Downtown Anchor



Creating a "Believable Fiction"



Competing Bids

	Mid-America/James	Northern/Wellington	Opus North
Program Summary	<ul style="list-style-type: none"> •190 Residential Units •89,260 SF Retail •773 Parking 	<ul style="list-style-type: none"> •188 Residential Units •92,000 SF Retail •593 Parking 	<ul style="list-style-type: none"> •173 Residential Units •95,900 SF Retail •525 Parking
Parking Cost to City	\$5,500,000	\$3,000,000	\$2,000,000
Total Public Cost	\$16,800,000	\$14,800,000	\$13,100,000
Land Payment	\$9,500,000	\$7,500,000	\$7,100,000
Incremental Taxes	\$31,000,000	\$31,200,000	\$27,300,000
Payments to Districts	\$16,500,000	\$16,400,000	\$13,800,000
Additional Public Benefit	\$6,100,000	\$7,500,000	\$7,500,000

Shops and Residences of Uptown, Park Ridge: Redevelopment Process

- Council and Staff Driven
 - 14 Alderman for 38,000 People
- RFQ/P Two-Step Process
- Sharing Deals with Schools, Parks
- Mid-America/James Selected
- 190 Residential (Condos, Townhouses and Lofts)
- 89,260 SF Commercial
- 773 Parking Spaces, 550 Underground
- Total Project Cost = \$107 Million
 - \$90.1 Million Private Cost
 - \$16.8 Million Public Cost



Shops and Residences of Uptown, Park Ridge: The End Result

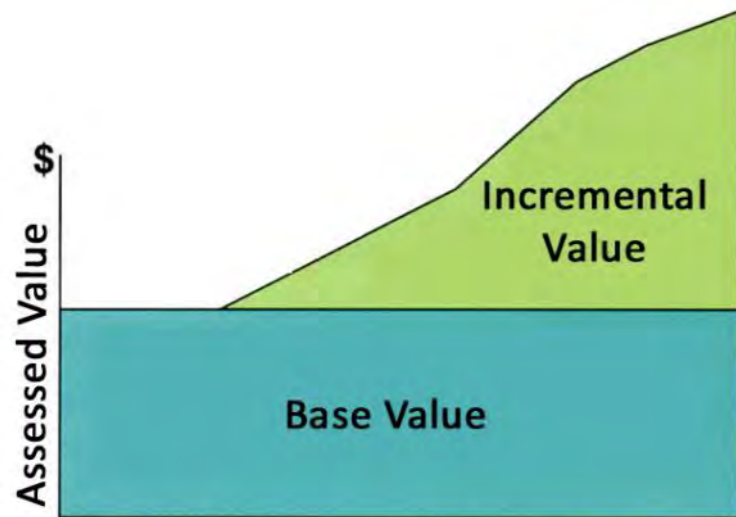


Summary: Characteristics of a Good Public-Private Partnership

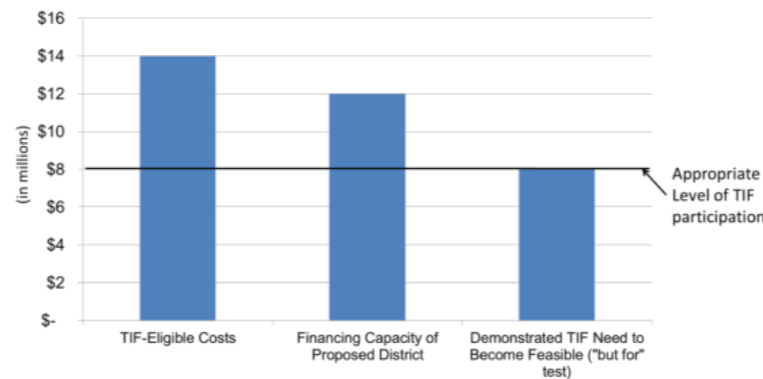
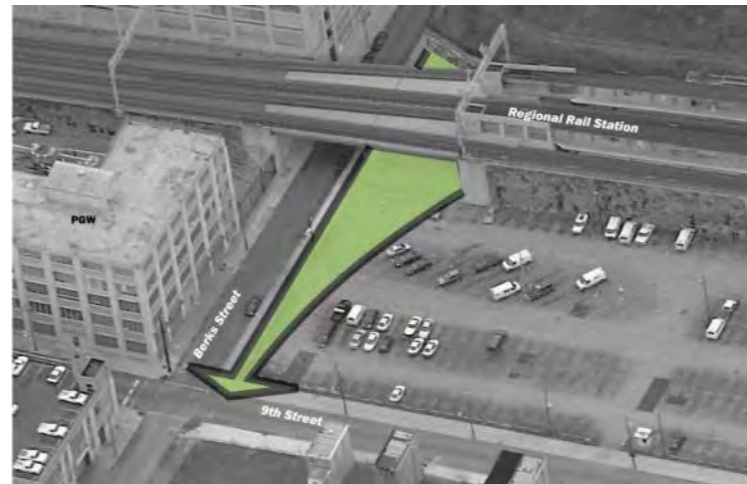
- Achieves Key Community Goals
- Project Is Market and Financially Feasible (with assistance)
- Provides Community Benefits
- Cost-Effective Fiscally
- Gap/Need (But for...)
- Appropriate Risk Sharing – How Much Public Sector Risk?
- Win-Win Outcomes



Discussion



Statutory Life of TIF District



Development Advisors to the Public and Private Sectors

SB Friedman Development Advisors

Stephen B. Friedman, FAICP, CRE
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www.sbfriedman.com



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msowell@resadvisors.com
www.resadvisors.com



Committee of the Whole Meeting
October 19, 2015

Agenda Item No. 6

Developer Presentation: Jeff Giebelhausen (*Presentation 20 and
Council Discussion, 10 Minutes*)



Committee of the Whole Meeting
October 19, 2015

Agenda Item No. 7

Developer Presentation: David Bentley (*Presentation 20 and
Council Discussion, 10 Minutes*)



Committee of the Whole Meeting
October 19, 2015

Agenda Item No. 8

Council Discussion and Direction regarding next steps on further
review regarding Downtown Redevelopment and
Public/Private Sector Partnerships

- A. Discussion: City Council, Stephen Friedman, City
Manager and City Staff (*30 Minutes*)



Committee of the Whole Meeting
October 19, 2015

Agenda Item No. 9

Council discussion regarding Budget Priorities (*Alderman Schmidt 5
minutes Presentation, and Council Discussion, 15 Minutes*)

FOCUS	PROGRAM or SERVICE	UPDATES, IN-PROCESS STATUS, ETC.	Ward 1 Lower	Ward 2 Sage	Ward 3 Mwilambwe	Ward 4 Buragas	Ward 5 Painter	Ward 6 Schmidt	Ward 7 Black	Ward 8 Hauman	Ward 9 Fruin	Mayor	Tally
Program change/reduction/elimination													
1.	Downtown hire back cost recovery	Full cost and recovery options to be determined as part of Fee Study.											
2.	School resource officer cost recovery	Recommend City Manager and School Superintendents commence negotiations on full cost recovery.											
3.	Explore forming park district	Refer to Jeff Jurgens Memo dated _____.											
4.	Ordinance/policy for Parks & Rec revenue covering X% of expenditures (currently @ 50%) with low-income considerations	Full cost and City Council policy on recovery will be determined as part of Fee Study.											
5.	End SLBB	Policy options scheduled for City Council action on Oct. 26 th .											
6.	End spring fertilizing and summer watering in parks	Full consequences of service level reduction not yet determined.											

What service or programs cuts will the Council seriously consider? Using 10 votes total, indicate the items you would support as a priority cut or change. Votes can range from 1-10 for any item, with 10 votes being the total available to each elected official.

FOCUS	PROGRAM or SERVICE	UPDATES, IN-PROCESS STATUS, ETC.	Ward 1 Lower	Ward 2 Sage	Ward 3 Mwilambwe	Ward 4 Buragas	Ward 5 Painter	Ward 6 Schmidt	Ward 7 Black	Ward 8 Hauman	Ward 9 Fruin	Mayor	Tally
Service change/reduction/elimination													
7.	Solid waste changes: charge for all buckets, no charge for yard waste or city yard drop-off, consider increase in 35 gallon costs, outsourcing solid waste services, costs to landlords	Efficiencies of \$450,000 annually have been achieved with biweekly bulk and brush collection. Remaining Total General Fund Subsidy, including brush waste collection and disposal, for the Solid Waste Fund is projected to be \$2.1 million.											
8.	Department reductions	Need clarity on what amount of reductions are requested.											
9.	BCPA audit with 501c3 impact considered	BCPA audit underway.											
10.	Sell creativity Center												
11.	Sell BCPA												
12.	Convert BCPA to enterprise fund												
13.	Reduce BCPA budget												
14.	Establish & hold to budget line for legal counsel	Legal expenses will be closely monitored and managed in accordance with budget authority.											
FOCUS	PROGRAM or SERVICE	UPDATES, IN-PROCESS STATUS, ETC.	Ward 1 Lower	Ward 2 Sage	Ward 3 Mwilambwe	Ward 4 Buragas	Ward 5 Painter	Ward 6 Schmidt	Ward 7 Black	Ward 8 Hauman	Ward 9 Fruin	Mayor	Tally

15.	Find farmer who will take leaves for free	In progress											
16.	Significantly cut back on printing												
Shared Services													
17.	Cost recovery – CIRA aircraft rescue & fire	Negotiations are in progress with CIRA.											
18.	ETSB revenue sharing												
19.	Police firing range												
20.	Itemize regional services that BLM provides (zoo, Lake BLM, cyber crime unit, etc.)												
21.	Consider single solid waste service program for B/N												
Alternative Service Delivery													
22.	Outsource golf operations	In progress.											
23.	Consider selling golf course by FY17 budget adoption												
24.	Revise golf enterprise policy to establish trigger so that any revenue transfer = review												
25.	Explore combining management of BCPA & USCC (whether managed internally or externally)												
FOCUS	PROGRAM or SERVICE	UPDATES, IN-PROCESS STATUS, ETC.	Ward 1 Lower	Ward 2 Sage	Ward 3 Mwilambwe	Ward 4 Buragas	Ward 5 Painter	Ward 6 Schmidt	Ward 7 Black	Ward 8 Hauman	Ward 9 Fruin	Mayor	Tally
26.	Outsource IT operations	IT internal audit is underway.											

Operational Efficiencies in Service Delivery													
27.	All departments develop 5% contingency plan for FY17												
28.	Allocate budget resources to look at operational efficiencies in all departments	Programmatic training and resources to be included in FY 2017 budget.											
29.	Compensation plan & job audit review for all city employees												
30.	Fewer outside consultants												
31.	Share staff resources among city departments for advertising, marketing, recruiting												
32.	Review the various ways the city communicates, often by department – look for efficiencies												
33.	Move staff as needed among departments – cross-training – at least within the same union												