

Innovations in Economic Development Finance: What's New?

Discussion Session

104th Annual GFOA Conference

June 8, 2010

PRESENTER: David N. MacGillivray
Chairman
Springsted Incorporated
dmacgillivray@springsted.com

Governance and Market Environment

- Is your posture toward economic development changing?
 - More or less aggressive/risk adverse?
- Has economic development gained or lost priority?
- What is considered 'innovative' compared to two years ago?
 - Developer cash (their money) to GO bonds (your money)
 - Non-financial incentives: zoning, job training

Development Environment

- Are developers' requests changing?
 - Nature of expenditures
 - Timing of public participation
 - Public credit support
- Are your requests for developer information changing?
 - Evidence of private funding
 - Evidence of users/tenants/occupancy rates
 - Funding of public improvements as a priority

Tools: ARRA

- Is your entity using ARRA tools?
 - BABs and RZDBS: Would you have done these projects anyway?
 - Recovery Zone Facility Bonds: Expansion of IDB access
 - Are projects finding private lending?

Tools: Access to Credit

- Has your posture toward access to your credit changed?
 - Greater or lesser?
 - GO bonds
 - Developer Pay-As-You-Go notes
 - Annual or moral obligation backing

Tools: Development Revenues

- Any increased interest in exploring development related revenue streams?
 - Transportation development districts
 - Incremental taxes
 - Abatement
 - Hospitality taxes
 - Impact fees
- Tax credits?
 - Historical/housing/new markets

Tools: Priority and Timing

- Has your position to funding public improvements changed for economic development projects?
 - Move toward more developer-installed?
 - Wait until project is more complete?
 - Public sector goes first, hoping for development?

Approaches: Partnerships

- Is there increased interest in...
 - Public and public?
 - Job training: skill development or retooling
 - Infrastructure investment, county-city or state-county-city
 - Public and commercial lenders?
 - Working with commercial lenders to lower/supplement access and terms of credit
 - Public and developer?
 - New conditions and performance standards

Getting Good Projects Done

- What are the greatest hindrances to getting them done?
- How do you overcome these hindrances?