“Reaching for the Future”
Creative Financing for Smaller Communities
You Have a Choice…
What community do YOU want to be?
Six Converging Forces

- Globalization
- Environmental
- Technological Innovation
- Demographics
- Financing the Future
- Talent

<table>
<thead>
<tr>
<th>U.S. Metro</th>
<th>Manufacturing</th>
<th></th>
<th>Professional and Business Services</th>
<th></th>
<th>Education and Health Services</th>
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<tbody>
<tr>
<td></td>
<td>1990</td>
<td>2015</td>
<td>% Change</td>
<td>1990</td>
<td>2015</td>
<td>% Change</td>
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<tr>
<td>Baltimore</td>
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<td>U.S. Total</td>
<td>17,413</td>
<td>12,332</td>
<td>-29%</td>
<td>10,747</td>
<td>20,127</td>
<td>87%</td>
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Intentionality

- **Intentionality**: The point at which a community decides to become *something other* than what is has been traditionally.

- Creating a better future
An Appetite for Risk

1. A Clear Understanding of a Community’s Competitive Advantages
2. Strong Leadership by both the Public and Private Sides
3. A Strategic Vision
4. An Entrepreneurial Culture
5. A Public/Private Partnership Culture
6. Knowledge of Public Financing Tools
7. A Commitment to Design Excellence
8. Organizational and Staff Capacity
Seven Case Studies

- 2 suburban communities
- 2 small cities
- 3 urban neighborhoods and downtowns
Seven Case Studies

- Greenville, SC
- Orland Park, IL
- Sugarland, TX
- Allentown, PA
Seven Case Studies

- Cincinnati, OH
- Denver, CO
- East Liberty, PA

Over the Rhine: Before and After

Bakery Square: Before and After
A Glossary of Financing Tools
Tools

• Layering of financing

• Use every tool available

• Federal Grants
• City General Funds
• Tax Increment Financing
• City Bond Funds
• Hospitality Tax Funds
• Local Parking Tax Funds
• Sewer and Storm Water Revenue Bonds
• New Market Tax Credits
• Land Sales Proceeds
• State and Federal Highway Transportation Funds
New Markets Tax Credits

Figure 1: New Markets Tax Credit Program: Key Terms and Relationships

- **Equity investor**
- **Community development entity (CDE)**
- **Community Development Financial Institutions Fund (CDFI Fund)**
- **Qualified low-income community investment (QLICI)**
- **Qualified active low-income community business (QALICB)**

Source: OCC
Tax Increment Financing (TIF)

Basic TIF Model

- Revenues diverted for TIF-eligible purposes:
  - Pledged to support bond debt service
  - Pledged to developer note
  - Fund infrastructure

Incremental Taxes

Existing Tax Base
- Revenues continue to flow to normal taxing bodies

New Tax Base
- Revenues flow to normal taxing bodies

Annual taxes generated

Statutory life of TIF district

Revised by Graphics from Coia and Stephen Feldman
The Pieces of the Puzzle