



Memorandum

TO: Mayor and City Council
FROM: Andy Scott, Interim Asst. City Manager
DATE: July 9, 2009
SUBJECT: Items for Your Information

IFYI HIGHLIGHTS

- Changes in Household Hazardous Waste Fees
- Stimulus Funding Approved: Homeless Prevention and Rapid Re-Housing Program
- National Night Out
- CIP Expenditures by Council Districts (1998-2008)
- Fun Fourth Festival & Grassroots Productions, Ltd.
- American Recovery and Reinvestment Tax Act of 2009

Changes in Household Hazardous Waste Fees

City Council amended City Ordinance 29-55 which repeals, for one year, the Household Hazardous Waste (HHW) fees charged on residential and multi-family utility bills effective July 1, 2009. As a result, residential and multi-family accounts will not be billed for the HHW fee for one year. Reinstating the HHW fee will require City Council action.

In the process of instituting this change, staff discovered approx. 20 commercial accounts that were charged the Household Hazardous Waste fee in error. This error primarily occurred for property that was once zoned residential and then later became commercial. The premise location code in the utility billing system was inadvertently not changed to reflect the new commercial zoning. Corrections to these accounts have been made to prevent similar future zoning errors. Additionally, the affected accounts have been adjusted for all inadvertent HHW fees.

Stimulus Funding Approved: Homeless Prevention and Rapid Re-Housing Program

The City was notified on June 25 that our application to HUD for \$781,141 of economic stimulus funding for the Homeless Prevention and Rapid Re-Housing Program (HPRP) has been approved. The HPRP program provides funding to communities to provide financial assistance and services to prevent individuals and families from becoming homeless and to help those who are experiencing homelessness to be quickly re-housed and stabilized.

National Night Out

This year's National Night Out is scheduled for the evening of Tuesday, August 4th. A list of community events will be distributed the week of July 27th.

Capital Improvement Projects by Council Districts 1998-2008

Staff received a recent request from Donna Newton, representing the Neighborhood Congress, for Capital Improvement Plan expenditures for the past twenty years sorted by Council Districts. This information was prepared by staff back in January in response to an inquiry by Council Member Bellamy-Small. The attached map is being provided to ensure all Council Members have a copy.

Fun Fourth Festival and Grassroots Productions, Ltd.

Council Member Wade requested the information related to the Fun Fourth Festival and Grassroots Productions, Ltd.:

1. Copies of the city's contracts with Grassroots Productions, Ltd. for the Fun Fourth Festival.
2. Copy of the last Grassroots Productions, Ltd. Audit conducted by the City of Greensboro.
3. List of donors/sponsors of the Fun Fourth Festival for 2008 & 2009.
4. Does Grassroots Productions, Ltd. have pledge contracts with its donors (sponsors)?

This information has been provided to Council Member Wade, and is available to Council Members upon request. A copy is available in the City Manager's Office.

American Recovery and Reinvestment Tax Act of 2009

Attached is a summary of various public financing mechanisms available as part of the American Recovery and Reinvestment Act of 2009 (ARRA). Several members of Council have asked for an explanation of how these programs work and how the financing relates to recent media reports about a hotel proposed for the South Elm Street Brownfield's Project.

The following provides context for the attached program descriptions:

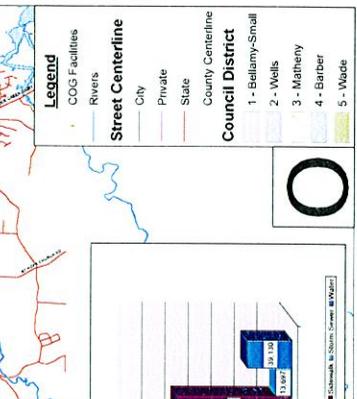
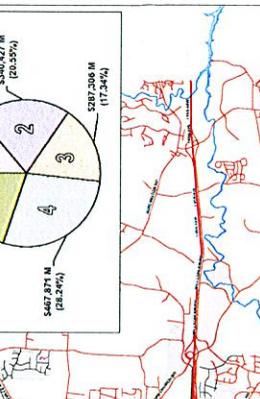
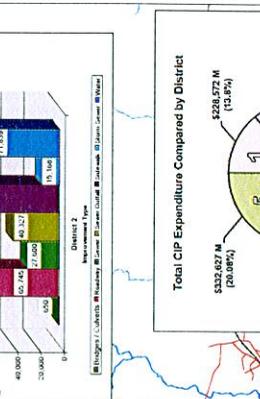
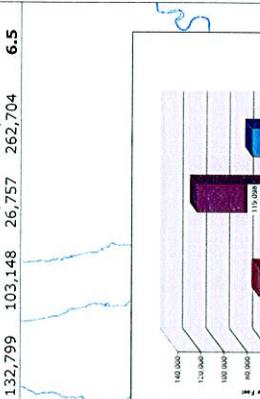
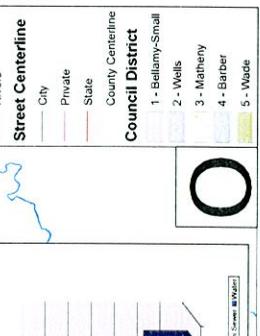
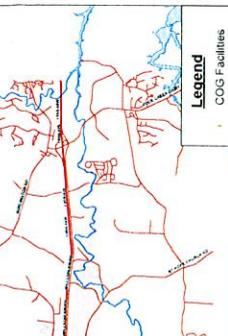
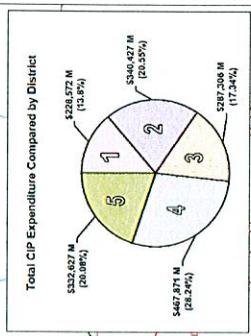
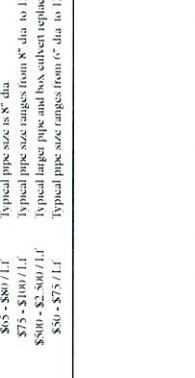
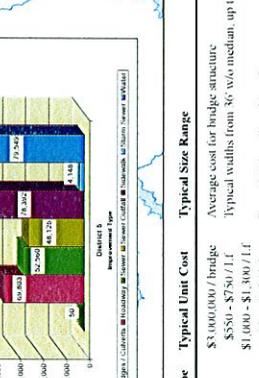
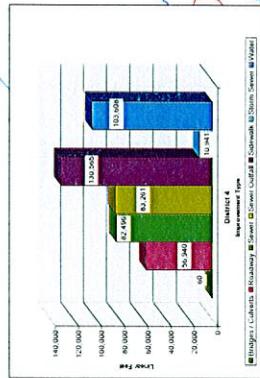
1. The US Treasury Department released the program descriptions and volume caps on June 12, 2009. The State approved legislation and further guidance regarding stimulus debt financing in NC on June 19. City Staff will provide Council with more substantial information on these programs and how they might be used in Greensboro at a time you find convenient in the near future.
2. The federal legislation provides the legal framework for issuing these bonds and for the funds to finance the interest reimbursement. It does not supersede any existing State of North Carolina Statute or regulation affecting the issuance of public debt. General Obligation Bonds require a referendum unless eligible two-thirds bonds are issued. Revenue Bonds require a sufficient revenue stream to retire the bonds. Revenue Bonds do not carry a full faith and credit guarantee of the City. If Industrial Development Revenue Bonds are issued and a project fails, it is the responsibility of the investors - not the responsibility of the City. If Certificates of Participation are issued, general revenues of the City are obligated to debt repayment.
3. Several groups in the community have discussed the possibility of accessing these bond programs for various projects and at least one of these projects has been featured in the media. Staff has reminded these groups that formal consideration of projects is subject to Council direction.
4. Disposition of land in the South Elm Street Redevelopment Area must be subject to a public process. The Redevelopment Commission of Greensboro will make recommendations to the City Council this fall on how this process could move forward and the requirements to be included in a Request for Proposals.

Public Improvement Projects 1988 - 2008



Statistical Summary

Population Counts						
District Member	District Number	African American	White American	Other	Total	Variance
Bellamy-Small	1	9,344	35,999	5,646	50,989	-3.0
Wells	2	11,456	34,330	5,510	51,296	-2.4
Matthney	3	42,654	8,543	3,158	54,355	3.5
Barber	4	38,056	9,559	5,143	52,758	0.4
Wade	5	31,289	14,717	7,300	53,306	1.5
Total		132,799	103,148	26,757	262,704	6.5



- Legend**
- COG Facilities
- Rivers
- Street Centerline
- City
- Private
- State
- County Centerline
- Council District**
- 1 - Bellamy-Small
- 2 - Wells
- 3 - Matthney
- 4 - Barber
- 5 - Wade

Improvement Type	Typical Unit Cost	Typical Size Range
Bridges	\$3,000,000 / bridge	Average cost for bridge structure
Roadway	\$550 - \$750 / LF	Typical widths from 36' w/o median, up to 70' w/ median
Sidewalk	\$80 - \$65 / LF	Typical sidewalk width is 5'
Sewer	\$65 - \$80 / LF	Typical pipe size ranges from 8" dia to 12" dia
Storm Sewer	\$75 - \$100 / LF	Typical larger pipe and box culvert replacements
Water	\$80 - \$75 / LF	Typical pipe size ranges from 6" dia to 12" dia

Stimulus Act Bond Programs Local Financing Options in Greensboro, NC

July 2009

Under the American Recovery and Reinvestment Tax Act of 2009 (ARRA), signed into law in February 2009, the Federal government has created new categories of bonds and additional allocations of bonding authority. Following is a brief summary of these programs and how they could be implemented locally.

BUILD AMERICA BONDS

States and local governments can issue taxable Build America Bonds, or BABs, for capital projects and receive a direct federal subsidy payment from the Treasury Department for a portion of their borrowing costs. The City could achieve lower borrowing costs than a traditional tax-exempt bond issue due to the federal subsidy equal to 35 percent of the total coupon interest paid to investors. Capital projects could include public buildings, transportation infrastructure, water and sewer projects, environmental projects and public housing projects. There is unlimited volume cap on the issuance of BABs, but they must be issued by December 31, 2010.

RECOVERY ZONE ECONOMIC DEVELOPMENT BONDS

Recovery Zone Economic Development Bonds (RZEDBs) can be issued for purposes of promoting development or other economic activity, including public infrastructure and construction of public facilities or job training and educational facilities, in an area that the City has designated as a "recovery zone." The "recovery zone" is an area of the city having significant poverty, unemployment, home foreclosures or general distress. The City Council will need to establish the Greensboro Recovery Zone. Staff is preparing a proposed Recovery Zone Map for this purpose.

RZEDBs are taxable bonds issued by the City. The Federal Government will reimburse back to the local government 45% of the coupon interest paid to investors. There is a volume cap on RZEDBs and the local allocations include Greensboro - \$12,713,000 and Guilford County - \$6,537,000. The State can reallocate any unused RZEDB volume cap but all RZEDBs must be issued by December 31, 2010.

RECOVERY ZONE FACILITY BONDS

Recovery Zone Facility Bonds (RZFBs) permit local governments to provide tax-exempt financing to private businesses within a designated "recovery zone." RZFBs are classified as "exempt facility bonds" for tax purposes. Qualifying businesses include most trades or businesses, except for residential rental facilities and some prohibited uses such as golf courses, massage parlors, gambling facilities, etc. There is a volume cap on RZFBs and the local allocations include Greensboro - \$19,069,000 and Guilford county - \$9,805,000. The State can reallocate any unused RZFB volume cap but all RZFBs must be issued by December 31, 2010.

Stimulus Act Bond Programs Local Financing Options in Greensboro, NC

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QUALIFIED ENERGY CONSERVATION BONDS

Qualified Energy Conservation Bonds (QECBs) may be used by local governments to finance certain types of energy conservation activities, such as projects that reduce energy consumption in public buildings, loans and grants for green community programs, expenditures to reduce pollution from mass transit vehicles, and public education programs. Unlike normal bonds that pay interest, QECBs are tax credit bonds that pay bondholders a credit against their federal income tax. The State of North Carolina has received a volume cap allocation of \$95,677,000 for QECB issuance and will be issuing large local government allocations at some point in the future.

USING STIMULUS BOND FUNDING IN THE CITY OF GREENSBORO

The City Council will determine when it is appropriate to use any of the above described local government bond funding programs for City or private economic development activities. In the case of private economic development activities, programs and projects funded with these bond funds will be expected to generate sufficient paybacks to the City to pay the bond debt payments and meet program-specific underwriting requirements.

Municipal debt issues using any of the debt instruments above will require approval of the North Carolina Local Government Commission. General obligation bonds issued by the City will require approval through a public referendum.