AUGUST 2009 · VOLUME 91 · NUMBER 7

Eyes Wide Open, A Practical Guide to Business Retention

Clearly, it's not business as usual during this massive global economic crisis. More than ever before, a sound, systematic business retention program should be the foundation of every community's economic development strategy.
Del Birch, Erie, Pennsylvania.
READ ARTICLE

Local Government Mantra: Help Businesses, Shop Local

Reality check: successful business retention and expansion is possible.
Ken Pulskamp, Santa Clarita, California.
READ ARTICLE

Features

Business Improvement Districts: Partnering Local Governments and Business*

Help for downtown business owners can be helpful to managers too.
Lawrence Houstoun, Philadelphia, Pennsylvania.
READ ARTICLE

Driving Down Fleet Costs*

Fleet services must come to terms with a new way of doing business.
Peter Christensen and Susan Thorpe, Peoria, Arizona.
READ ARTICLE

Preparing Councils for Their Work

There's no time like the present to build council capacity.
Julia Novak, Cincinnati, Ohio, and John Nalbandian, Lawrence, Kansas.
READ ARTICLE

Performance Analysis Where It Counts*

How to find leaders and hold them accountable in the fire service.
Larry Mullikin, Salina, Kansas.
READ ARTICLE

PM plus ONLINE EXTRA

PM's Web Site This Month Features This Exclusive Article

Raising Local Capital through Sale-Leasebacks

Communities can use the sale and simultaneous leasing back of their facilities as a means of accomplishing specific financial objectives. A sale-leaseback is a situation in which the owner transfers real estate for cash and simultaneously executes a lease on the same property.
Ronald Pollina, Park Ridge, Illinois.

Departments

Ethics

How Ethical Are You?

Letters*

On Retirement

Remembering America's Fallen Heroes

What's Your Elevator Speech?*

Profile

Sam Gaston, Mountain Brook, Alabama

FYI*

Self-Funded Health Initiative for Local Governments
Stillwater's Safety Culture Program Is a Money Saver, Too

Does Your Local Government Use Solar PV Panels on Its Buildings (see Active Living department in the May issue)?

- [ ] Yes
- [ ] No
- [ ] Don't Know

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COVER STORY

Eyes Wide Open, A Practical Guide to Business Retention

by Del Birch

Listen to the talk in restaurants, after church, at civic and social events. Watch the evening news broadcast. Look at the front page of your community's newspaper (if the local newspaper is still in business). An unsettled economy is having a drastic impact on the way people live. It's changing the way that elected officials make decisions.

In the business sector, economic conditions are forcing companies to rethink every aspect of their operations. Many firms are facing issues that directly impact their ability to survive difficult market conditions. Business owners are struggling and don't know where to turn for help.

Clearly, it's not business as usual during this massive global economic crisis. More than ever before, a sound, systematic business retention program should be the foundation of every community's economic development strategy.

What exactly is a business retention program? It may surprise you to learn that it is not (and should never be) a data-gathering exercise. Unfortunately, I've found that throughout North America far too many business retention programs are focused on interrogating business owners with a survey, capturing data in a tedious question-and-answer format, and producing glossy four-color reports.

From my perspective as a retention practitioner working with local governments, I know that a business retention program is a proactive effort to build a relationship with the business owner and connect the owner to the economic, community, and workforce development system. The face-to-face visit is a conversation or discussion about the company—not a survey-focused, question-and-answer interrogation. It is an opportunity to understand the owner's objectives for the company and identify key issues facing it. It's a forum for offering assistance where appropriate.

Most important, it's a value-added proposition for the business owner. It brings the multifaceted, often confusing economic development system and its resources directly to business owners, who are typically too busy to find these resources on their own.

In short, a systematic, proactive business retention initiative is a customer satisfaction program. The customers consist of your community's primary businesses that bring dollars into your community for the goods and services that they provide. For some communities, these businesses can be the largest employers or small, fast-growth companies.

For other communities, they may be firms in key sectors like manufacturing, information technology, aerospace, or business services. It is important to systematically talk with the owners of these firms. They are critical to your local economy because they employ residents, make ongoing investments, and ultimately make the stay-or-go decision.

What can local government managers do to promote business retention? Where can they turn to learn more about programs and resources that can help a community's wealth and job-creating companies outlast a difficult economy? How can they be part of the solution?

The Importance of Business Retention

For years, it was assumed that the primary strategy for growing a local economy was to attract or recruit new businesses to the community. This view seems to make sense, especially when you read about a community that has attracted a project generating huge capital investment and hundreds of new jobs. Think West Point, Georgia, and its massive new Kia Motors auto assembly plant. Think Council Bluffs, Iowa, and its new Google campus.

Yet it has been proven that the primary way to grow jobs and investments is by working with businesses already located in a community. These are the same businesses that are usually ignored as communities work to attract new businesses. Up to 80 percent of job growth in any community—whether a fast- or slow-growth community—is generated by existing businesses, not through business attraction.[1]

This is consistent with a commonly accepted business axiom: ***Your best opportunities for new business are with your existing customers.*** It's something every business owner also understands, from the neighborhood pizza parlor to the major manufacturer at the edge of town.

Ask Lots of Questions . . . in the Right Way

A sound business retention strategy should be the foundation of every community's economic development strategy. It's true not only in difficult times like now but also when the economy is healthy.

Done correctly, systematic outreach with your existing business owners can complement your business attraction and entrepreneurial activities. Owners of local businesses can provide important clues regarding the types of new businesses that should be targeted for recruitment or nurtured as start-ups.

As a manager, how can you assess your community's business retention efforts? There is a series of questions that you can ask to help make the assessment. It's important, however, to ask these questions in a collaborative spirit. If your community has a lead economic development organization, the officials there will appreciate your interest and collaborative attitude.

If your community lacks a lead economic development organization, the questions you ask—and the resulting answers—can be instrumental in identifying gaps in service and possible solutions to make your community more competitive in economic development terms.

Here are some questions you can ask:

Who's in charge of economic development in your community?

- Is there an acknowledged lead agency?
- If yes, do you know the executive director?
- If no, how are economic development resources being provided?

What are some of the other agencies providing economic development resources?

- Which agencies are providing workforce training?
- Financing for land, building, and equipment?
- Technical assistance?
- Community development?

What is the level of cooperation and collaboration among economic, community, and workforce development organizations?

- Is the history of collaboration good or contentious?
- What are some of the communal success stories?
- How does the business community perceive the level of collaboration?

Is there a formal business retention program?

- If yes, how is it being conducted?
- Who is conducting visits?
- Which firms (or business sectors) are being visited?
- Which firms (or business sectors) are not being visited? Why?
- How many visits are being conducted per week? Per month? Per year?
- Are visits a value-added encounter for the owner or a question-and-answer interrogation?

Is the program structured to provide assistance to companies?

"Buy Local" Program Promotes Sustainability and Economic Stability

In a partnership with the city of Santa Monica, California, the Bayside District Corporation—the management company for downtown Santa Monica—spearheaded "Buy Local Santa Monica" to promote sustainability and support the local economy. Early in 2009 in an eight-week campaign that took a look at the people behind Santa Monica businesses, Bayside District raised awareness of the economic and environmental benefits of buying local. City Manager Lamont Ewell agrees that it nurtures relationships in the community.

"Having the community come together in support of one another is essential to our getting through these difficult economic times," he said. "Shopping locally not only helps to achieve this objective, it also helps to reduce carbon emissions. In the end, we become an economically stronger and healthier community."

Bayside's partners include the City's Office of Sustainability and the Environment, the Economic Development department, CityTV, and ***Santa Monica Daily Press***. Shannon Parry, Sustainability City Coordinator, said, "This is an exciting new campaign. Buying locally supports our Santa Monica businesses, keeps resources in our community, and reduces our environmental footprint."

In addition to airing television segments on Santa Monica CityTV that feature local businesses, the campaign highlights other stores and services through advertisements and press releases. In all, 32 downtown businesses are featured.

A Web page, www.buylocalsantamonica.com, launched in March 2009. It highlights the importance of buying local and includes important facts about Buy Local Santa Monica, information on local businesses, and links to community partners.

- If yes, what is the structure?
- Is there a formal team of economic, workforce, and community development organizations in place to respond to requests for assistance?
- How are results being tracked and monitored?
- Are companies really satisfied with the assistance?

How is the business retention program being viewed?

- Internally, by the service providers?
- Externally, by the business community?

  What can be done to improve the effort?

  - How can I, as a local government manager, help?

Jennifer Taylor, senior development analyst at the city's economic development department, says that the city wants to awaken appreciation for the diverse range of available businesses. "There is a huge range of products and services that we have right here in our community. When you're supporting local businesses, you're supporting the local community—employees, neighbors—and you're keeping money in the community," Taylor said. "Those are cyclical benefits that it brings back to the community by buying local."

Among the reasons to buy local: for every $100 spent at a local business, an average of $45 stays in the community in the form of sales taxes, local wages and procurement of other local goods and services. Studies show that locally owned businesses create more jobs in the community and often provide better wages than national chains; local businesses respond to their customers' needs and have freedom to choose the products they sell; and entrepreneurs are the lifeblood of local and state economies.

To learn more, visit http://www.buylocalsantamonica.com.

—Debbie Lee
Bayside District Corporation
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A Spirit of Cooperation and Teamwork

These are tough questions to ask. They can raise suspicions and doubt. If asked the correct way, however, your questions can be important in evaluating current business retention efforts. Where no business retention program exists, your questions can jump-start the process, leading to a structured business retention program and a more collaborative team of agencies focused squarely on the community's employers.

Listen to the talk around your community. The physical and psychological toll of the global economic meltdown is pervasive. It should be clear that there literally is no time to waste. Every existing company, every existing job, is important to your community.

Make sure that business retention is your community's number one economic priority.

[1]David L. Birch, *Job Creation in America: How Our Smallest Companies Put the Most People to Work* (New York: Free Press, 1987).

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AUGUST 2009 · VOLUME 91 · NUMBER 7

COVER STORY

Local Government Mantra: Help Businesses, Shop Local

by Ken Pulskamp

When the economy began to seriously decline in 2008 and businesses both small and large started to feel the hit to their bottom lines, Santa Clarita, California, already had several programs in place that helped both businesses and the city weather the storm. The city along with a young, close-knit community of business leaders and residents believed there was only one way they would get through an economic downturn without leaving anyone behind, and that was through the old adage: We are all in this together!

Years prior, Santa Clarita began laying the groundwork for successful business retention. While surrounding communities had lost businesses of all sizes and their residents began attending going-out-of-business sales at many retailers, Santa Clarita's elected officials found themselves at one grand opening after another, with two of northern Los Angeles County's largest retail construction projects opening right in their own backyard during the third and fourth quarters of 2008. Was Santa Clarita just lucky?

Santa Clarita, California, City Manager Ken Pulskamp explains the ***City's 21-Point Business Plan for Progress*** for *PM* magazine. Santa Clarita's 21-Point Plan is inclusive of innovative business strategies that recently resulted in the city bringing the prestigious Advanced Bionics Biomedical Company and its 350 high-paying jobs to Santa Clarita.

Starting with Square One

For localities that want businesses to stay in place, especially when the economy is struggling, local leaders ***must*** make it more cost effective for businesses to open their doors in the first place. Starting at square one, Santa Clarita made a commitment to its business community to keep taxes on businesses as low as possible, yet still deliver high-quality services, including streamlined and expedited permit processing.

As a result, the city has consistently ranked among the top 10 least-expensive California cities in which to do business by the *Cost of Doing Business Survey* (published by the Kosmont Companies and the Rose Institute of State and Local Government at Claremont McKenna College). The survey objectively compares 402 cities nationwide according to the array of taxes and fees cities impose on businesses, including sales, utility, income, property, and business taxes.

The survey gives companies an opportunity to narrow their short list of cities by comparing the hard numbers and helping them make a comprehensive and strategic decision to remain, expand, or relocate.

Further recognition for Santa Clarita's longtime business-friendly practices came in late 2008 when the city was named as the most business-friendly of the 88 cities in Los Angeles County by the Los Angeles Economic Development Commission (LAEDC).

With the California state deficit now at its highest point in history, many communities are struggling to afford the increasing costs of gas, health care, and pension plans. As a result, local governments are turning to hikes in fees to businesses and higher permitting costs to aid in the balancing of their budgets. This could be perceived as an easy answer, but Santa Clarita's leaders decided to forgo increases to local businesses that might otherwise cause them to cease altogether!

The council reaffirmed its commitment to not issue business licenses or assess a business permit fee and to continue providing businesses with its traditional low-cost-to-do-business approach, free of any unnecessary costs or bureaucracy. This strategy led the city to better provide the city and businesses with an ability to attract, expand, and retain.

This spring, the Santa Clarita City Council approved a $5.1 million 21-Point Business Plan for Progress. This first-ever economic stimulus program is aimed at helping further enhance local business partnerships, encourage quality job creation in the area, bolster retail spending, and attract external dollars to the community.

In May, the council increased the city's local preference purchasing policy to 10 percent (from 5 percent) to create more opportunities for local businesses to do business with the city, who has also partnered with many local business organizations on a new ***Think Santa Clarita Valley*** campaign to promote the local economy.

In June, the council approved three items that are part of this program: a grant program for encouraging new building facades in the city's redevelopment area of Newhall; a grant program for encouraging energy efficiency on local businesses; and a grant program to encourage new jobs and investment in city-based businesses. Updates are available at http://www.santa-clarita.com/recovery/local.asp.

As a result of these strategies, Santa Clarita assesses fewer taxes than any other city in the county of Los Angeles. The city does not assess a utility user tax, allowing businesses to save up to 7 percent or more on their utility bills. Santa Clarita also does not require a gross receipts tax, allowing businesses to save tens of thousands of dollars on their bottom lines. In these ways, the city is doing everything it can to keep businesses doing what they do best: business!

Impacting the Bottom Line

While the city has control over keeping local government taxes low for business, the taxes assessed by the state remain beyond the city's control. Realizing this fact, Santa Clarita applied for and successfully secured a state of California enterprise zone designation for city-based businesses in July 2007.

This important state designation allows businesses located in the city to reduce their state income taxes up to 50 percent. Because the amount of taxes that city businesses are obligated to pay is reduced, businesses can invest that money for the benefit of employees or to acquire equipment, helping make the business even more successful. As the word spread through the Santa Clarita business community about the new tax incentive program, calls started flooding city hall.

City-based businesses that have taken advantage of the program have seen an estimated savings of $8 million collectively in the first year alone. The savings to date have been so great that several local businesses went on record to tout their savings in television commercials and radio spots.

"Thanks to the enterprise zone, I have money in my pocket that I wouldn't have had otherwise," commented local Valencia Acura dealership owner, Don Fleming. The stage was set for the business community and the city to become partners in ways some had never imagined.

Taking It to the Streets

As the economy turned sour and more businesses began looking for help from government, Santa Clarita stepped in and began hosting stakeholder meetings for business leaders. The mayor's economic development summit helped create a "meeting of the minds" of leaders from the chamber of commerce, the industrial association, as well as industry professionals. A well-attended luncheon for commercial brokers was held in the fall to target rising vacancies and share resources for attracting new tenants to the city.

Santa Clarita Mayor Frank Ferry and Councilmember Bob Kellar presented Santa Clarita's ***21-Point Business Plan for Progress*** program to White House administration representatives during a recent trip to Washington D.C. Although the plan is specifically focused on Santa Clarita, it was designed to serve as a model for other communities to adopt similar plans containing elements unique to their individual communities. Administration representatives were pleased to learn that a local community had developed a strategy to expand on the goals of the ***American Reinvestment and Recovery Act*** at the local level. For details on the plan and up-to-date progress, check out the website at http://www.santa-clarita.com/recovery/local.asp.

As part of the city's strategy, the luncheon was held in an empty office building. By providing local business leaders with a voice, these stakeholder meetings offered both insight and opportunities for additional ways that the city and the business community could proactively come together in the current economic climate.

During discussions with local business leaders, city management acknowledged the expressed concerns for business safety. The city in response partnered with its sheriff's department and formed a first-of-its-kind program for the Los Angeles County Sheriff's Department with the inception of the Santa Clarita City/Sheriff's Business Alliance. The city now funds a full-time, dedicated sheriff's sergeant to work exclusively with Santa Clarita's business community.

The sergeant responds promptly to needs and educates businesses on how to prevent crime at their sites. The staff member also informs them of crime trends and various crimes occurring near or around their locations. The response from the business community to this new program has been positively overwhelming, with letters of thanks and calls of appreciation regularly about the difference this program has made in safety in the business community.

Despite a 3 percent increase in population annually, Santa Clarita has been ranked by the California Department of Justice as the third-safest city in California and has reported decreasing business crime year after year.

Retail Roundup

Santa Clarita's success at retaining local retailers is unique. While communities of equal size and demographics across the nation were losing one big-box national retailer after another in 2008, Santa Clarita's 180,000 residents were enjoying growth and expansion. Santa Clarita ranked among the top 25 retail markets in California and was named the 11th-fastest-growing retail market in California, according to the 2007 California Retail Survey.

Santa Clarita's regional mall, Westfield Valencia Town Center, is undergoing a major expansion and renovation, adding 234,500 square feet of retail space. Despite the national slowdown, Santa Clarita residents enjoyed the grand opening of several national chains and unique franchises during this time.

The city's previous conservative approach in master planning for the community, complemented by the undersaturation of the retail market in the area, created the perfect opportunity for a retail expansion to occur during a time when most communities saw a mass exodus of retail opportunities.

Stores opened their doors to residents who were eager to embrace the new retailers and who lined up for grand-opening sales and ceremonies. The message about the importance of shopping locally, a longtime community initiative for Santa Clarita, rang true in the hearts of residents, while the sales tax leakage to neighboring communities slowed.

The city's online directory of businesses at www.ShopCityofSantaClarita.com showed an increase in traffic from both residential and business users (averaging some 2,000 visitors each month), and the message began to spread: The only way residents of Santa Clarita would get through this downturn without losing their favorite businesses was by shopping locally!

Coming Full Circle

There is no doubt that the economic slowdown has impacted communities of all sizes. In our case, the city, along with the business community, banded together on several key programs to create an environment where businesses can succeed even when times are tough.

This has been a mantra in Santa Clarita during the past several years: The decisions made during good times are more important than the decisions made during bad times.

Consistent, conservative budgeting practices and innovative cost-saving solutions for businesses when the economy was booming are allowing Santa Clarita to weather the economic downturn with successful business retention and expansion. The council, the residents, and the business community all came together to prove that no business would be left behind and that we are truly in the tough budget time together.

Ken Pulskamp, ICMA-CM, is city manager, Santa Clarita, California (kpulskamp@santa-clarita.com).

Business Retention and Expansion in Phoenix
Expansion of a firm in a community does not always equate to bricks and mortar, but it often means an increase in employees, payroll, capital, or improvement of the bottom line. All of these have a positive impact on the business atmosphere in a community. Establishing outreach activities to assist in the growth and promotion of existing companies will boost the business vitality formula. The direct benefits of a business retention and expansion (BR&E) program include avoiding potentially lost jobs and the detrimental effect of payroll lost from those jobs. Retained businesses may have greater potential for expansion, and employees from retained companies are ideal candidates for start-up businesses in a community. Business retention also projects a positive, proactive image of the community for future business attraction. Identifying problems and concerns early can determine whether a business succeeds or fails. A good indicator for indentifying a potential relocation or closure is having and updating a business inventory. A database of basic company information should include name of business, contact person, address, phone, e-mail address, as well as the most recent census data and other published information on that business. Developing a community profile will prove valuable. What are the strengths and weaknesses? What key issues affect businesses, services, regulations, infrastructure, and restrictions? What issues need or may need to be addressed before they develop into insurmountable problems? This information will help identify business clusters that will point to expansion or downsizing.

In greater Phoenix, Arizona, business retention, expansion, and start-ups are critical. From 2003 through 2008, the city of Phoenix Community and Economic Development Department's (CEDD) small-business division used a software tool provided through the Arizona Public Service's Building Bridges to Business program to meet with small- to medium-size firms (from 1 to 250 employees) in the areas of advanced manufacturing, information technology, biosciences, business services, and health care.

The software allows staff to collect data from confidential surveys with individual firms into a secure database. It then aggregates and analyzes the data to achieve three main benefits:

1. Develops and maintains a baseline profile for each industry group.
2. Analyzes survey responses of each company and scores their value to the community potential for growth, satisfaction level of the community, and risk of that company leaving.
3. Aggregates data across and within the region and cities, uncovers trends within and across industry sectors, and quantifies issues and opportunities to enhance a positive business environment.

CEDD's business development division also manages a corporate outreach program. Staff identify major wealth-generating manufacturers and business service companies in the region and then set up a meeting of managers of each business with the mayor, city manager, or other city management officials. The goal is to maintain relationships with these firms and ensure that they are not tempted to relocate to another city or state.

Why Does a Successful Business Need Community Support?

Locally owned businesses usually have a long-term commitment to their community. They relate to their community's lifestyle, and they have a vested interest in their community's quality of life.

Equally important, existing businesses are major contributors to the community's economy and tax base. Cumulatively, they employ the greatest numbers and, as they grow and expand, they can generate a majority percentage of their community's new jobs. In economic development efforts, existing, successful business owners are precious resources. Their presence as community ambassadors also makes a positive statement in new business recruitment.

Why Should a Community Have a BR&E Program?

The answer to why every community should have such a program is simple: because everyone benefits. When existing businesses thrive, so do their communities. And viable, healthy businesses are apt to remain in communities that demonstrate constant and visible commitment. Supporting existing businesses also demonstrates support of job creation and additional community cash flow.

Finally, helping a business help itself simply makes dollars and cents.

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AUGUST 2009 · VOLUME 91 · NUMBER 7

FEATURE

Preparing Councils for Their Work

by Julia Novak and John Nalbandian

The legitimacy of an individual councilmember's power comes directly from the electorate, but respect and influence cannot be presumed; they have to be earned through action. The manager's position, however, comes from professional qualifications to manage and provide policy guidance. In contrast with members of the council, the local government manager and professional staff benefit from a long-term familiarity with issues, specialization, and technical expertise and also from an organizational structure familiar to all.

2009 ICMA Conference
How managers can help build council capacity is going to be the topic of the authors' presentation at the Eldon Fields Colloquium, which will be held at ICMA's 2009 Annual Conference in Montréal, Québec, Canada, Sept. 13–16.

As we know, linking politics and the work of a governing body with the management of government involves an ongoing set of tasks and challenges. The idea of council-manager government is that political and administrative realms can be in partnership and not dependent on the system of checks and balances that characterizes our state and federal governments, where separation of legislative and executive powers is valued.

The relationship between the manager and the elected officials sets a tone for the entire local government. Although some elected officials shy away from acknowledging a team or partner relationship between and among members of council and between the council and the staff, it is critical that the professional manager prepares the council for its work.

In part, this takes place as the manager helps the council build its capacity to work as a body, earning respect for one another and in an effective partnership with staff. In this article, we set out some of the ways the manager can facilitate the building of council capacity.

Central Tasks of a Governing Body

In a formal sense, the role of a governing body is set out in a typical statement such as "the council is charged with providing overall leadership for the local government by enacting laws and allocating resources for programs, services, and activities." Individuals are elected by voters who, in turn, expect the council to listen to their concerns and address their individual issues.

As accurate as these phrases are, they do not fully convey the work of the council, and they are insufficient to help new councilors understand what is expected of them. In fact, short phrases only rarely capture the council's work. Local norms and tradition are as important as any charter when it comes to understanding the council's work. In addition, the composition of a council can influence how the council and the individual members see their roles.

To be effective, councilmembers must talk about their work, what they think is expected of them, and what they expect of each other.

Obstacles to Effective Governance

Although councils differ, three obstacles to council effectiveness are fundamental. First, councils that are willing to deal with big issues will have to confront conflicting political values. These values include representation, efficiency, social equity, and individual rights. Choices among values are not choices between right and wrong, and councils searching for "correct" answers to policy issues are bound to become frustrated.

Second, councilors must confront the difficult values work they are responsible for in the absence of hierarchy—the mayor is not the boss. How many jobs have you had where no one was in charge?

The third obstacle is the difference in perspective between council and staff—differences that are often difficult to understand because while council and staff use the same words, they speak a different language.

The tools we identify below are intended to enable a willing council to deal with difficult issues by building council capacity. An important piece of that capacity is an effective partnership with staff.

Tools to Build Good Governance

Adopting policy in open session where political values are constantly colliding is not for the faint at heart. What can the manager do to prepare the council, largely made up of amateur politicians (no disrespect intended), for its work?

First, we want to emphasize that staff can ***help*** prepare the council for its work, but the council is responsible for that work, and the council bears a good deal of responsibility for building its own capacity. The goal is a partnership, and staff members who take too much responsibility for the council's work may actually create a dependency rather than an effective partnership.

In our collective 50 years of experience working with and for elected and appointed local government professionals, we have seen several practices that are effective tools in managers' tool kits to help overcome the barriers to council and staff working effectively.

Orientation

Ideally, the orientation process begins before the election, when individuals declare their candidacy for council. The manager's opportunity to prepare them begins then: open the doors of city hall to the candidates and provide them with nonconfidential correspondence and copies of agenda materials. After the election, meet individually with those elected to find out their concerns; offer to allow them to explore areas of community business of particular interest.

As soon as practical after the election, the manager should arrange for a full orientation for new members of the governing body—invite the continuing members to attend as well—and provide them with "Government 101." Brief them on current issues, the status of long-range plans and capital projects, and the budget process. In its orientation, Shoreline, Washington, covers both the basics of members' service on the council as well as specific government projects (see box).

Provide tours of operational facilities. Let them see the garage where the city cares for its fleet and even the shop where it stores and maintains its lawnmowers. A tour of water and wastewater treatment facilities is fascinating and allows the behind-the-scene workers who do the city's business every day to shine.

But also remember that if staff prepare the agenda for the orientation, the agenda likely will be based on what staff members think the council needs to know in order to be effective. Every new councilmember must face two crucial questions: How do I get my issues on the political agenda of other councilmembers and staff? How do I influence other councilmembers effectively? Rarely do staff-developed orientations include discussion of these kinds of questions.

That is why it is essential to put new members in contact with former councilmembers who are regarded as exemplars and, if possible, make them part of the orientation. Importantly, these exemplars should represent a range of styles so new members can become acquainted with and relate to at least one former councilmember.

Retreats and Goal Setting

During a council retreat, probably the most important activity of the governing body is spending time articulating what it wants to accomplish, as a body, during its time in office. The most effective councils hold annual sessions where goals are revisited, updated, and validated.

These sessions, like the orientation, should be seen as annual events so there is no debate on whether they should take place. Goal setting occurs most effectively in a retreat environment where the entire day (or two) is set aside for the purpose of reaching consensus on council priorities. Having department heads attend these discussions provides staff with important context for understanding the "why" behind the

CITY OF SHORELINE

New Councilmember Orientation Shoreline, Washington

PART I: NUTS & BOLTS

1. Council meetings
   - Open Public Meetings Act
   - E-meetings/public records
2. Council rules and procedures
   - Various types of council meetings: Business meeting, study session, workshop dinner meeting, and executive sessions
   - Agenda process
   - First council meeting: Swearing-in ceremony and election of mayor
3. Council-staff communications
4. Council office
   - Council correspondence process: E-mail, letters
   - Business expense policy
   - Miscellaneous: Council voice mail, Web site, e-mail, payroll, health benefits, conferences, council photo

PART II: COUNCIL GOALS, BOARDS & COMMISSIONS, PROJECTS, ISSUES

5. Council goals
   - Council goal-setting process: Retreat
   - 2008–09 council goals/council work plan
   - Council Work Plan quarterly reports
6. Council boards and commissions
   - Council of Neighborhoods
   - Library Board
   - Parks Board
   - Economic Development Advisory

priorities.

As part of setting goals, the council and staff should come to an agreement on how the council wants to be informed about progress on goals and objectives. During the retreat the council can also focus on improving working relationships within the council by discussing norms and behavior and exploring personal styles in a guided discussion with a trainer and facilitator.

An exploration of styles should not be minimized. It is important because all councilmembers are equals. The unintended consequence of equality is that no one has the power and authority to resolve conflict or set or legitimize plans and direction.

In the absence of the hierarchical structure we are all accustomed to day in and day out, a gathering of equals who are dealing with problems for which there are no correct answers highlights differences in ways individual members exercise influence, how much information they need, the extent to which they see themselves as a group, how they deal with conflict, and even the kinds of concerns individually they think are worth considering.

Committee
    - Planning Commission

7. Projects and emerging issues
    - Long-range financial planning
    - City Hall project
    - Point Wells
    - Aurora corridor project
    - Parks bond projects

8. Wrap-up
    - Additional information/briefings/tours?

Regular One-to-One Meetings

Although the formal relationship is between the manager and the councilmembers as a body, nurturing individual relationships is an important component of creating a productive working relationship between council and staff. At a minimum, the manager should have one-to-one time with members of council at least once each quarter. Many managers visit much more frequently with individual councilmembers.

This is especially important when the council itself is divided. If the manager meets only with members of the majority, the manager plays into the perception that the staff is supporting the majority at the expense of the minority. Although the manager is bound to implement the policy adopted by the majority, the relationship the manager develops must be with the body as a whole as well as with each individual who makes up the body.

Local government managers clearly are spending more time than ever with councilmembers. What is not clear is the changing role of department heads in light of the new allocation of the manager's time. It used to be a bonus to find department heads who could understand the council's politics and the work of the manager's office.

Today, that need has become imperative because the manager does not have sufficient time to spend with department heads.

Appropriate Access to Department Heads

Having the council interact directly with staff can be a touchy issue for some managers, but it is a direct consequence of managers having to spend more time on the politics of the jurisdiction. The primary council-staff relationship should be with the manager, but allowing councilmembers access to department heads can actually build trust between the council and the manager.

Open dialogue between the manager and the department heads about how that interaction happens and what is shared back with the manager ensures that the manager is properly informed and the council is well served. Shoreline, Washington, has developed written guidelines for council-staff communications that strike an appropriate balance (see the box on this page).

Documented Business Practices

The day-to-day business of government involves responding to correspondence, e-mails, and constituent requests. Establishing a practice of how to handle these items ensures fair treatment among all members of the governing body. Some jurisdictions call these rules of procedure, and they are adopted by resolution and govern how the council conducts itself.

Topics include everything from receiving and responding (or not) to public comment at public meetings and when

CITY OF SHORELINE

COUNCIL-STAFF COMMUNICATIONS GUIDELINES SHORELINE, WASHINGTON

Governance of a city relies on the cooperative efforts of elected officials, who set policy and priorities, and city staff, who analyze problems and issues, make recommendations, and implement and administer the council's policies. Here are general guidelines to help facilitate effective communications between the city council and city staff.

- Channel communications through the appropriate city staff.
- All council members should have the same information with which to make decisions.
- Depend upon the staff to respond to citizen concerns and complaints as fully and as expeditiously as practical.
- The city council sets the direction and policy—city staff are responsible for administrative functions and city operations.
- In order to provide the council with timely information, please strive to submit questions on council agenda

it is appropriate to use official letterhead, to how items get placed on agendas and how many logo shirts each councilmember receives—and everything in between.

The Council Must Manage Itself

The manager's job is to create opportunities for the council to be prepared so the members can operate in an environment of mutual understanding. Each of the steps outlined in this article can help create the environment for effective governance, but there will be exceptions.

items ahead of the meeting.

- Respect the will of the "full" city council.
- Depend upon the staff to make independent and objective recommendations.
- The city manager and staff are supporters and advocates for adopted council policy.
- Refrain from publicly criticizing an individual employee. Criticism is differentiated from questioning facts or the opinion of staff.
- Seeking political support from staff is not appropriate.

Individuals sometimes ignore rules, and toxic personalities sometimes create challenges for professionals. But do not forget—difficult personalities on the council create a challenging and uncomfortable environment for the council itself. This is not just a staff problem, and often there is no silver bullet.

In the end, the council must manage its own behavior and seek compliance from its own members. Staff can do only a limited amount to support a dysfunctional council, and inviting councilmembers to vent to the manager and staff about other councilors at worst can create an expectation that it is the manager's job to somehow fix the council. That simply cannot happen.

Benefits of Leadership

In their training video, Leadership: An Art of Possibility, Ben and Rosamond Zander talk about the art of leadership as creating a possibility to live into rather than a standard to live up to. Preparing the council for its work lays the groundwork for establishing an environment where the council-staff partnership can flourish and good governance can be supported by good management.

Julia Novak, ICMA-CM, is regional vice president, Management Partners, Inc., Cincinnati, Ohio, and is a former city manager (jnovak@managementpartners.com). John Nalbandian is a faculty member in the Public Administration Department at the University of Kansas, Lawrence, Kansas. He is a former councilmember and mayor in Lawrence, Kansas (nalbandj@gmail.com).

AUGUST 2009 · VOLUME 91 · NUMBER 7

DEPARTMENTS

Ethics

How Ethical Are You?

Test your ethics and knowledge of the ICMA Code of Ethics with this short quiz. See answers on page 4.

1. The guideline encouraging ICMA members to commit to at least two years of service applies in which of the following situations:
   A. Only to the city or county manager.
   B. All positions in local government, including assistants, department heads, and management analysts.
   C. To a promotion even if you have been in the organization for more than two years.
2. It's okay to use your personal credit card and obtain those nice perks such as miles or points for which of the following expenses:
   A. Nominal business expenses such as meals, travel, books, and professional development fees.
   B. Any local government expense, including police cars, fuel, landscaping.
   C. None of the above.
3. The chair of the county's Republican Party invites the manager to attend a social gathering—the party's fifth annual pizza and politics get-together—to talk about her vision for the future of the region. The manager should:
   A. Reject the invitation because it comes from a political party.
   B. Attend because it's vital to share information with prominent community leaders.
   C. Attend but only after confirming that it's not a fundraiser or candidate event.
4. An offer of employment is binding when:
   A. You announce at the end of the interview that you would love to work for the organization.
   B. After negotiating, you give your verbal or written acceptance, or both, and agree to the terms of the contract.
   C. Council formally votes to approve the hiring and your employment agreement.
5. The CEO of a major corporation headquartered in your local government shares many of your interests: serves on the board of your alma mater, donates to community projects, and loves sports. In the course of working together, you have actually become good friends and golfing buddies. He offers you a seat in his corporate jet to attend the homecoming game. You:
   A. Accept the offer without any worries because he is a friend and this isn't about work.
   B. Accept the offer but disclose the "gift" to the governing body and on your financial disclosure form.
   C. Decline the offer.
6. Which of the following activities does Tenet 12 of the ICMA Code of Ethics—Seek No Favor—allow members to do:
   A. Make any real estate or other investments in their jurisdictions that they can afford.
   B. Date subordinate employees.
   C. Write a letter of reference for a talented firm that performed well for the local government.
   D. Award a contract to your spouse's management consulting firm to advise the local government on public safety staffing.

- View the answers

—Martha Perego, ICMA-CM
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Ethics advice is a popular service provided to ICMA members. The ICMA Executive Board members who serve on the Committee on Professional Conduct review the inquiries and advice published in PM magazine. ICMA members who have questions about their obligations under the ICMA Code of Ethics are encouraged to call Martha Perego at 202/962-3668.

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AUGUST 2009 · VOLUME 91 · NUMBER 7

DEPARTMENTS

On Retirement

Remembering America's Fallen Heroes

Each year, thousands of bright young men and women make the first big move of their lives, crossing the bridge from high school to college. Moving away from home and starting an independent life can be a huge undertaking; doing it and worrying about how to cover living expenses, tuition, and books makes it even more challenging.

For students attending institutions of higher education during the past year, the economic downturn has taken a toll. News reports from around the globe cite rises in credit card debt and dropout rates as students struggle to pay their tuition and living expenses with incomes that are usually limited.

At ICMA-RC, we believe that every bit of financial assistance helps, which is one reason why we founded the Vantagepoint Public Employee Memorial Scholarship Fund eight years ago.

The scholarship fund honors the lives of firefighters, police officers, and nonuniformed local and state government employees who have died in service to their communities.

In the past year alone, 335 police officers and firefighters have died in service to our communities. Providing financial assistance to their surviving family members is our way of recognizing their service and the great sacrifice they have made for their communities.

Through partnerships with the National Fallen Firefighters Foundation and Concerns of Police Survivors, scholarships in amounts up to $10,000 are provided to the children or spouses of local or state government employees who have lost their lives in the line of duty each year.

This year, the Fund awarded 37 students a total of $75,000 in scholarships. Since 2001, the program has awarded 239 scholarships worth approximately $670,000.

I am always impressed with the character of each of these students. They overcome the traumatic circumstances of the death of a parent or spouse and still remain determined to honor their loved one's memory by continuing their academic careers.

And even in the face of economic adversity, they move forward by going after their dreams. ICMA-RC is fully dedicated to providing them a continued opportunity to do just that.

—Joan McCallen
President and CEO
ICMA-RC
Washington, D.C.
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AUGUST 2009 · VOLUME 91 · NUMBER 7

DEPARTMENTS

Profile

How Do You Run a City? Gaston Shows Class How

Sam Gaston, ICMA-CM, city manager, Mountain Brook, Alabama, teaches a class on state and local government administration.

Photo: Hal Yeager, *Birmingham News*

As Mountain Brook, [Alabama], City Manager Sam Gaston goes about his job, he follows the same advice as many students: Pay attention. This could be on the test.

But if it is, Gaston will be the one giving the test. He has taught a class in state and local government administration at UAB [University of Alabama at Birmingham] for eight years, instructing students on the day-to-day operations of a city or governmental entity.

As government has grown larger and offered more services, people have come to expect more from it. Yet, Gaston said, few people appreciate the work that goes into the basic daily functions of a city—police and fire protection, maintenance of public parks and libraries, urban planning and even garbage collection.

"A lot of people don't realize the various facets of local government and the services they provide," Gaston said. "They just take things for granted. City government, if it does the job right, improves the quality of life for them and their community."

The course is structured to give practical lessons in how local government works. Gaston teaches the elective course as part of UAB's Master of Public Administration program. "You certainly don't do it for the money," he said. "You do it because you want to give back to the profession."

Gaston had taught some undergraduate classes for Jacksonville State University when he was approached by UAB in 2000 about teaching an urban administration class. For his first class, he teamed up with former Birmingham Mayor Richard Arrington. After working 16 years as Mountain Brook's city manager, Gaston has a wealth of personal experience to draw on, as well as personal contacts within government who can supplement his experience and lectures with stories of their own.

For example, students get visits from guest speakers who are in government. Among those speaking this semester were Michael Stampfler, Talladega's city manager, Sherrie Kelly, a Coosa County administrator, and Dana Hazen, Mountain Brook's city planner.

Other class lectures deal with city economic development, parks and recreation and fire prevention services. For the final lecture period later this month, students are scheduled to hear a panel discussion with several elected officials, including Shelby County Commissioner Lindsay Allison, Birmingham City Councilman Roderick Royal and Mountain Brook City Councilman Jesse Vogtle.

"This way, students get to hear presentations from practicing professionals," Gaston said. "You get questions answered on topics like how a budget comes together, or what the benefits are of having a parks and recreation department. This way it relates to the everyday experience."

Patrick Bryant, a Birmingham native, is one of Gaston's former students. He took the class two years ago and interned with the city of Mountain Brook. He is now an administrative analyst with the city manager's office in Santa Clarita, Calif., a suburb of Los Angeles with a population of 177,000. He handles city interaction with the federal government, deals with public complaints, and is currently handling the city's federal stimulus requests.

He said the class prepared him for the position, even though he works in a city many times the size of Mountain Brook.

"In one way or another, everything I come in contact with on a daily basis was covered in that class," Bryant said. "And Sam is the reason I ultimately chose to go into local government. My experience with him energized me."

—William Thornton
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Reprinted with permission from the April 29, 2009, ***Birmingham News***, Birmingham, Alabama.

AUGUST 2009 · VOLUME 91 · NUMBER 7

PM *PLUS*

Raising Local Capital through Sale-Leasebacks

by Ronald Pollina

"A pessimist is one who makes difficulties of his opportunities and an optimist is one who makes opportunities of his difficulties."
—Harry S. Truman

Like other communities across the nation suffering from the recession, your community may want to raise funds in order to support projects and operating needs. For decades, Fortune 500 companies have used a vehicle that has allowed them to use their real estate assets to help finance their business needs—the sale-leaseback.

Like companies, communities can use the sale and simultaneous leasing back of their facilities as a means of accomplishing specific financial objectives. A sale-leaseback is a situation in which the owner transfers real estate for cash and simultaneously executes a lease on the same property.

A sale-leaseback allows the community (the seller-tenant) to capitalize on its financial stability and the value of the secure rent stream it will pay during the lease term. It allows the community to sell brick, mortar, and dirt (city hall or other local government property) for a price in excess of the market value without the lease. A sale-leaseback is a secure alternative to the traditional method of raising capital by selling local government bonds or raising taxes. It provides an opportunity to raise cash while maintaining operational control of the property as if it were still owned by the community.

Why Communities Like Sale-Leasebacks

A sale-leaseback allows a community to use the capital that would otherwise remain locked up in its real estate assets. Unlike bond issues, sale-leasebacks do not put a new, or any additional, tax burden onto a local government's citizens. If a community believes it could better use the capital tied up in city hall or other local properties for improvements to the community or for other financial obligations, a sale-leaseback could be extremely helpful.

Often, communities are surprised to discover the value of their real estate equity. Maximizing the sale price for a municipal property is a function of understanding this unique market, including the specialized investors and lease structures required.

Sale-leaseback capital can be used to finance new public facilities, facility improvements, infrastructure, and other capital improvement projects. It has also proven effective in plugging budget gaps and increasing bond ratings and capacity. Notably, the capital from a sale-leaseback can be used however the community wishes. In today's economy, this can be critical.

Who Are the Buyers and What Do They Look For?

The buyers in sale-leaseback transactions have three principal goals. The first objective is to secure cash flow through rent from the community's lease; the second is to take advantage of any tax benefits associated with property ownership that might be available under the Internal Revenue Code. And the third is to take advantage of the residual value of the property at the end of the lease.

The stronger the credit of the community and the better the property, the more negotiating leverage the community has. A significant part of structuring a sale-leaseback is finding the correct buyer in light of the specific property and the community's credit. Buyers come from private and public equity funds, pension funds, trust funds, and other investors that invest for the long term. This matchmaking is a complex but essential process if the community is to receive the maximum price and the best lease terms.

Some sale-leaseback property buyers also structure a "construct-leaseback" in which an investor provides all of the capital to build a new facility according to a community's specifications. In such cases, the community may not be required to put forth any cash for initial construction. In addition to being able to occupy a new facility at market rents, the community can often pocket additional funds when, because of the community's lease term and creditworthiness, it in effect sells the building for more than the cost of construction.

Economic Considerations

One critical question for a community is: Does the rent paid, plus the possible loss of residual value (market price of the property at end of lease), outweigh the advantages of receiving the net cash proceeds from the sale? This is the answer to whether a sale-leaseback is the most advantageous avenue for a community to take. It is different for every community and can vary from year to year.

In terms of the lease rate and purchase price, transactions are usually based on current market rents and capitalization rates. Although market capitalization rates may vary slightly at any time, the "cap" rate for a specific transaction depends on the size of the property, the type of property, the location, and the financial strength of the community.

Typical lease terms range from 15 to 20 years. Most buyers prefer a 20+-year lease with increases in the rent ranging anywhere from 1 percent to 3 percent annually. Leases can be negotiated, with options for the community to renew the lease for five or ten year increments. If after 20 years, or longer (after renewals), the community no longer wants the property, they can simply not renew their lease. An option to re-purchase the property at the end of the lease can also be include. Such re-purchase options are generally at the then-market value of the property or are based on a right-of-first refusal. Because most sale-leaseback transactions are for single-user buildings, buyers prefer that leases be on a pure triple-net basis (tenant is responsible for building operation and maintenance). Contrary to what many buyers may state, everything in the purchase contract and the lease is negotiable within industry standards.

Sale-Leaseback Case Studies

Here are two case studies that provide a better understanding of how a sale-leaseback can be a valuable tool in a community's financing toolbox.

Case study no. 1. A Midwest community with a population of approximately 40,000 required funding to build and equip a new fire station. A sale-leaseback of the community's city hall was a secure alternative to issuing bonds or raising taxes in order to support the financing required for the fire station.

The appraised replacement value of this seven-year-old building, exclusive of contents, was estimated at approximately $5,000,000. Because the community was willing to sign a 20-year lease at a market rental rate of $19.25 on a triple net basis (tenant responsible for all operations and expenses), an investor committed $8,250,000 for the property.

At the time, the community had approximately $3,981,000 in debt. After paying off the debt service from the sale proceeds, the community received a cash payment of $4,268,000. Whether the community used bond financing or a sale-leaseback to raise needed money, in both cases they have taken on debt that would need to be paid off. One advantage of the sale-leaseback is that the sale will generate more cash ($4,268,000 in case Study 1) than the actual land and construction cost. This additional cash can be invested and used to help pay monthly rent or applied to the re-purchase at the end of the lease if the community wishes to re-purchase. In Case Study 1, the institutional investor received an approximate return of 7 percent on the investment, and the community was able to raise the cash necessary to build the new fire station. The following table provides the breakdown:

Sale-leaseback sale price	$8,250,000
Appraised value	$5,000,000
Outstanding debt on the building	$3,981,000
Cash paid to community	$4,269,000

Case study no. 2. A growing Midwestern city of approximately 100,000 citizens sought to acquire an 18,500-square-foot building adjacent to its existing city hall that would accommodate its mounting need for administrative space. The adjacent structure was offered for sale at $2,000,000 and required improvements of approximately $1,000,000 to bring it up to the community's specifications. The community needed to find a way to raise cash quickly to pay for the building and improvements.

An arrangement was orchestrated such that an institutional investor agreed to purchase the building for $4,269,230 so long as the municipality entered into a 20-year lease at $15.00 per square foot ($277,500 annually). Given the city's creditworthiness and secure cash flow from rental payments, the community was able to generate proceeds from the sale in excess of the property and improvement costs. This deal represents a 6.5 percent return to the investor while the community pocketed $1,269,230 in addition to having operational control of a newly renovated 18,500 square-foot facility. Details are on the table below.

Sale-leaseback sale price (with municipal lease)	$4,269,230
Cost of building plus improvements	$3,000,000

Additional cash paid to community	$1,269,230

Sale-Leasebacks versus Bond Financing

Traditionally, communities raise funds by issuing bonds. The sale-leaseback is not intended as a replacement for issuing bonds but as an alternative to be used when and where appropriate. As is the case with bond financing, where the community must pay off the bond, the community must make lease payments in a sale-leaseback transaction. The following table provides a comparison of sale-leaseback and bond financing.

	Sale-leaseback Capital	Bond Financing
Voter approval	Voter approval not needed.	Needs voter approval. ▪ Potential loss of referendum. ▪ Cost of election and advertising.
Risk	Monthly rental payments; effectively transfers the obsolescence risk of property to the buyer.	Repayment of bonds Changing interest rates.
Term	Most effective for terms of 15 or more years with options to renew; purchase price established through bid process.	Appropriate for large issues and terms to lock in low rates.
Timing and documentation	Process takes 90 to 120 days; purchase contract; lease documentation	Bond issuance process slow, consumes staff time, and incurs hidden expenses and overhead costs.
Costs and fees	Costs are minimal. ▪ Closing costs and legal fees. ▪ Real estate commissions can be paid by buyer. ▪ Funding for rental payments comes from annual operating budget. ▪ No additional fees or reporting requirements. ▪ Staff time and soft costs are minimized. ▪ Retains bond capacity and future bond alternatives open.	Cost of issuing bonds is high and continues after the bonds are sold. ▪ Trustee fees. ▪ Compliance reports. ▪ Insurance. ▪ Footnote disclosure and added audit fees. ▪ Periodic rating agency reviews and fees. ▪ Restricts future bond issues because of covenant constraints.
Property control	Uninterrupted possession and use of the property with a leasehold interest.	Complete control as owner.
Repurchase and buyout	Early buyout and repurchase options may be negotiated.	Call provisions with prepayment penalties after a period of time.
Financial benefits and risks	Immediate access to 100 percent of asset's market value, which is typically more than the replacement cost (bricks and mortar), given the long-term lease and creditworthiness of the lessee (municipality).	Bond issues may not exactly match capital needs; excess bond proceeds may end up in general fund and earn less than the interest rate charged on bonds.
Useful life	Ability to match expected useful life of leased property to the term of lease.	Bond term may exceed useful life of real estate.
Flexibility Proceeds	from transaction can be used as the community deems fit.	Funds are tied and limited to a specific use or project.

Economic Development Tool

Communities across the nation suffering from the recession are having difficulty raising funds for community improvements and also for providing economic development incentives as they compete for major employers. The best way to explain how the sale-leaseback can be used as an economic development incentive is by way of example.

Assume your economic development organization is competing for a major research and development employer that could bring 320 high-paying headquarters and engineering jobs to your area. Competition for this company between interested states and communities is fierce and to stay in the competition every community must be creative.

The field has been narrowed to a select group of communities that met the company's location criteria, including yours. You are told that the final decision will be heavily influenced by incentives. Properly structured, the community can offer this employer two attractive incentive alternatives. The first alternative is a new facility built to the company's specifications at a rental rate substantially below market rents.

The second alternative is the same new facility at market rental with a $4,137,000 cash grant or forgivable loan. In both cases, the community would lease the property for a long term, and may not be subjected to paying real estate taxes, which are normally passed on to the tenant. The issue of real estate tax payments varies by jurisdiction and must be examined in each case.

How does this work? In essence, the community signs a 15-year lease on an existing building in the community or a building to be built for the company and then subleases the property to the company for the same period at the community's rental rate. The community receives a bonus payment of $4,137,000 from the investor who will own the building.

Where does the cash bonus come from? The sale-leaseback investor will pay the community more than the brick and mortar cost of the building as the investor is paying for the building on the basis of the long-term lease commitment of the community. The community then has one of three options: (1) it takes the cash bonus from the investor-developer for itself; (2) it passes the bonus on to the company as a cash grant or forgivable loan; or (3) it reduces the rent to the company by the amount of the cash bonus. By investing the cash bonus into an interest-bearing account, the community may further reduce rents by the amount of interest generated.

In this example, investing the $4,137,000 at 3 percent would allow the community to further reduce rents to approximately $15.70. Ultimately, the community (master lessee) may allocate all, none, or a portion of the cash bonus as it chooses.

Because the community has master-leased the entire building, it may not be obligated to pay real estate taxes. In many jurisdictions, this benefit can be passed on to the community's tenant as an additional incentive. In some states and communities, however, passing this tax benefit on to a subtenant may be prohibited. The following table shows the financial breakdown of alternatives.

	Community keeps excess cash or gives as cash grant to company	Community passes excess cash to subtenant as reduced rent
Building size	64,000 square feet	64,000 square feet
Building cost of construction	$14,400,000	$14,400,000
Community rent	$21.00 per square foot	$21.00 per square foot
Subtenant rent	$21.00 per square foot	$15.70 per square foot*
Sales price (with municipal lease)	$18,537,000	$18,537,000
Cash to community or company	$4,137,000	

*The reduced rental rate over the term of the lease results from passing along to the subtenant the additional capital ($4,137,000) derived from the building sale plus interest earned (3 percent).

The Goal

Sale-leaseback transactions enable communities to monetize real estate assets and use the proceeds for other community requirements, without relinquishing operational control over the property. To accomplish this goal, the economics of a proposed transaction must be carefully evaluated and structured. Sale-leasebacks should be viewed as a tool that can be adapted to many different situations.

The success of a sale-leaseback lies in consulting with a real estate professional who has the expertise to guide your community through the process. For the community, success will be based in large part on matching the type of property and investment with the institutional investor that will pay the maximum for the investment.

It is important that a real estate professional has access to a wide variety of sale-leaseback buyers and that the local government manager or a consultant who assists the manager can best represent the community in the negotiation of both the purchase contract and the long-term lease. Thus, the real estate professional needs expertise in real estate sales transactions and in structuring and negotiating sale-leaseback triple-net leases as well as the ability to find the most suitable sale-leaseback buyer.

If a community is pursuing a sale-leaseback as an economic development tool in an effort to acquire a new employer or to assist an existing employer in its growth, the manager or local government consultant should have both community economic development and corporate experience. Access to a wide range of institutional investors will provide the community the opportunity to maximize the price to the community and thus the amount of the incentive offered the prospective employer. Knowledge of how corporations evaluate incentives and how to structure them in a manner that corporations find most attractive is also essential to the success in winning an employer over to your community.

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