

Lake Elmo City Council January 2, 2007	Agenda Section: Project Director	<u>No 6B.</u>
<u>Agenda Item:</u> Request to authorize proceeding with engaging finance planning services for the Old Village Project		
<p><u>Purpose</u></p> <p>The city council is being asked to authorize the staff to proceed with financial planning services for the Old Village Master plan with the firm of Ehlers& Associates, public finance advisors as part of the implementation process for the master plan. The purpose is to provide the city with information on a range of financial mechanisms that are available to finance the public improvements and amenities that are required to implement the master plan. The information will be presented at a January 23, 2007 workshop devoted to learning about financing options for the public and private improvements along with the estimated cost of the key components of the plan. This information is essential to providing the city council with the information that it needs to understand the financial ramifications and choices that it will be deciding in the months ahead as the plan moves from paper to reality. Ehlers's clients are exclusively public entities. The firms specialize in evaluating financial aspects of plans and in helping cities financially achieve their planning objectives for future growth and redevelopment. Specifically, the firm can give the city council information that will help the city determine what type of development will support the public and private costs associated with the master plan vision and the financial options available to the city.</p> <p><u>Background</u></p> <ul style="list-style-type: none"> Proposed January 23, 2007 workshop. Creating the Old Village master plan vision provides the foundation for future growth and redevelopment. Achieving that vision is the city council's overall goal. As the project moves from the plan to its implementation stage it is time to assign costs to the plan's public improvements and amenities as well as to identify mechanisms by which these may be financed. The financing mechanisms will include both privately funded and publicly funded options. It is an opportunity for the city council to learn about financing mechanisms without having to make any decisions at this time. This workshop will also give the city council the opportunity to ask questions about financing mechanisms and about the financial relationship between public improvements and amenities and future development. To be fully informed about possible financial mechanisms, even if they are not used by the city, future financial workshops might include one devoted to learning about Tax Increment Financing (TIF) and tax abatement tools. The Old Village Planning Team and the city engineer will be invited to attend these workshops. The role of the city's financial advisor. The initial discussions with Ehlers about the financing for the Old Village were initiated by City Administrator Marty Rafferty and followed up on by Planning Director Chuck Dillerud. The work being proposed with Ehlers is not replacing the financial services provided by Northland Securities. Interim Administrator /Finance Director Tom Bouthilet and Project Director Susan Hoyt met with Paul Donna, the city's financial advisor, to discuss the work being planned with Ehlers to reassure the firm that this is not intended to replace the financial advising, primarily associated with bonding, that the firm has historically provided the city. <p><u>Recommendation:</u> The staff recommends that the city council authorize the project director in conjunction with interim city administrator/finance director to proceed with financial planning for the Old Village with Ehlers Associates.</p>		
<p><u>Action Items</u></p> <p>Motion to authorize the project director to proceed with engaging Ehlers public finance advisors to provide initial financial planning services for the Old Village.</p>	<p><u>Person responsible:</u> Susan Hoyt</p> <p><u>Reviewed by:</u> Tom Bouthilet, Finance Director</p>	
<p><u>Attachments:</u> Information from their website</p>	<p><u>Time Allocated:</u> To be determined by city council.</p>	