



Good evening Councilmembers. Its my pleasure to speak with you tonight on the topic of economic development in South Bend. A topic that is near- if not at the top – of the priority list for all in the City Government. Through your support in 2013, we’ve made great strides to change the way we do business in South Bend to attract more jobs and investment to the Community and expand economic opportunities. There is certainly much more to be done and we greatly appreciate your continued support for the efforts in 2014.

PRESENTATION OUTLINE



- Vision
- Mission & Organization
- 2013 Accomplishments
- 2014 Key Initiatives
- Redevelopment Budget
- Administrative Budget
- KPI's



DCI-VISION: Vibrant urbanism is economic development



Dull, inert cities, it is true, do contain the seeds of their own destruction and little else.

But lively, diverse, intense cities contain the seeds of their own regeneration, with energy enough to carry over for problems and needs outside themselves.

Jane Jacobs

Death & Life of American Cities



Thank you for your support and partnership to improve the quality of life in South Bend.



DCI - MISSION



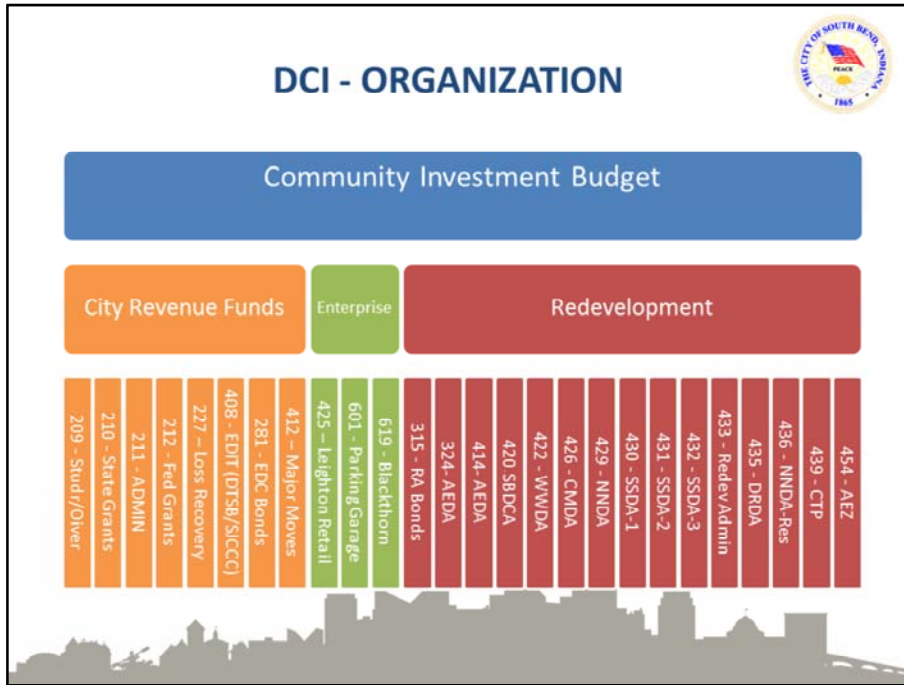
To spur investment in a stronger South Bend.

We do this by:

- Attracting & retaining growing businesses
- Planning for vibrant neighborhoods
- Connecting residents to economic opportunities



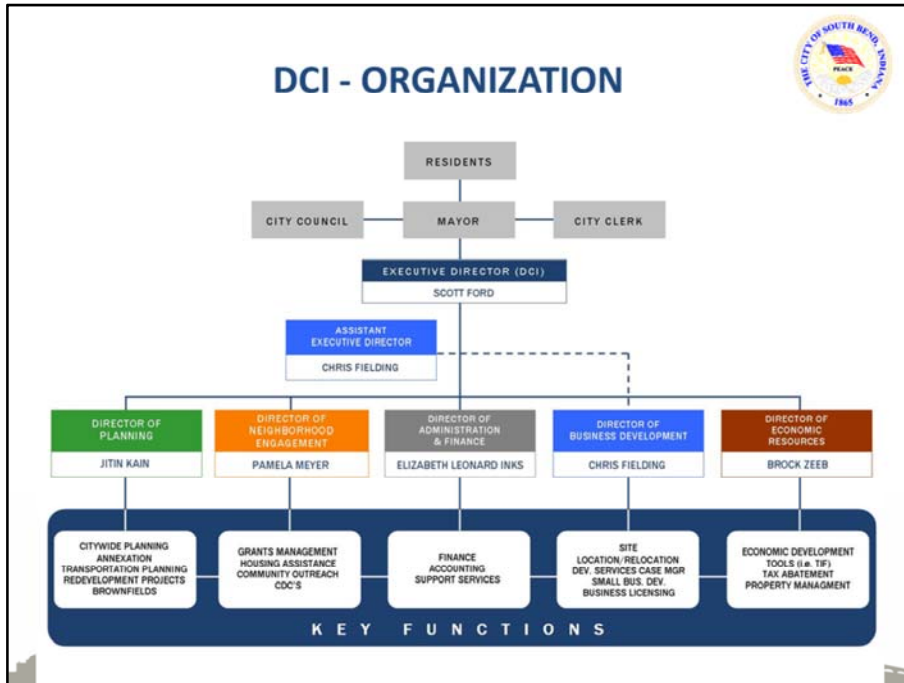
To realize that vision, we (collectively in the department) have honed the mission to underscore and clarify the key priorities. Our mission is to...



We achieve this mission through three critical funding sources: City Revenue Funds (which primarily fund our administrative duties), Enterprise Funds, and the Redevelopment Funds (which fund most of our operations). In years past, the Redevelopment budget was shared a later date, but in response to Council interest, we sought to incorporate the redevelopment budget as well in these materials.

The City brings a number of resources to bear to drive its goals on economic development. It's a collective strategy that requires partners. Funded through EDIT...

- Chamber
- DTSB



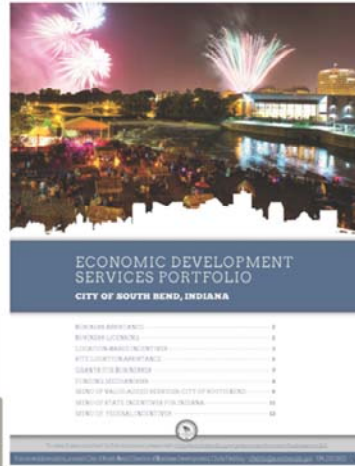
Thank you for support the new structure. Its been helpful to increase our responsiveness to economic opportunities and improve the east of doing business with south bend. The Single Point of Contact – perhaps more than anything – has received the most feedback from the community.

2013 ACCOMPLISHMENTS



1. Attracting & Retaining growing businesses

- Served 23 businesses, representing \$27.7M investment with a projected \$4.9M increase in assessed value (AV)
- Working with prospects that represent over 1,100 new and retained jobs, \$123M of investment, 1.1M s.f. of commercial space
- Noble Energy/New Energy Ethanol Plant
- Single Point of Contact
- Business Toolkit



Organized accordingly to by mission, I wanted to share a few highlights from our work in 2013 thus far...

2013 ACCOMPLISHMENTS



2. Planning for Vibrant Neighborhoods:

- Downtown Residential Market Study
- Corridors RFP
- Fellows Street
- Smart Streets Workshops
- Supporting the Vacant & Abandoned Initiative



We've initiated several programs will enable us to be more intentional/targeted. To work with data. To engage the public.

2013 ACCOMPLISHMENTS



3. Connecting Residents to Economic Opportunities

- 261 jobs created from DCI assisted projects
- 51 home-owners assisted through Rebuilding Together and South Bend Home Improvement Program (SBHIP)
- 44 at risk home-owners assisted through foreclosure prevention counseling -2013



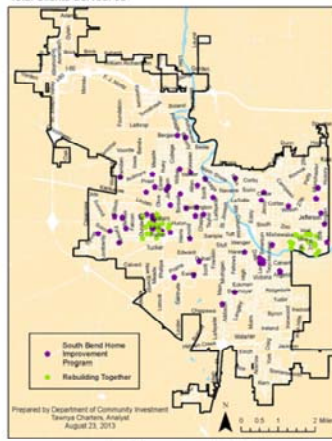
Jobs. Jobs. Jobs.

Also recognizing that homes/homeownership have economic implications.

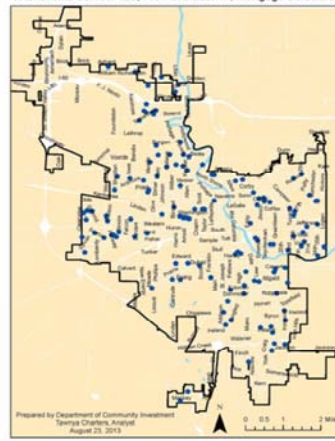
2013 ACCOMPLISHMENTS



Homeowner Rehabilitation Programs
January 1, 2012 through August 22, 2013
Total Clients Served: 93



South Bend Housing Counseling
January 1, 2012 through August 20, 2013
Total Clients Served: 129, Pre-Purchase: 41, Mortgage Default: 88



2013 ACCOMPLISHMENTS



South Bend Implements Drucker Public-Sector Leadership Program

South Bend Implements Drucker Public-Sector Leadership Program

Posted on July 22, 2013

The City of South Bend and the Drucker Institute at Claremont Graduate University have announced a partnership through which city employees will learn practical lessons on public sector effectiveness drawn from the teachings of the late Peter Drucker.

The newly developed "Drucker Playbook for the Public Sector" will be implemented in a pilot program within the City of South Bend's Department of Community Investment.



Finally – a note on improving our workforce within the Department. We are piloting with the Drucker Institute to get world-class training as they develop a program for leadership in the public sector.

2014 KEY INITIATIVES



1. Attracting and retaining growing businesses

- Reforming economic development tools
- Creating investment ready places
 - Ignition Park
 - Renaissance District
 - Smart Streets (Corridors & Downtown Streetscapes)
 - Supporting the Vacant and Abandoned Initiative
- Improved customer service/CRM



Looking ahead to 2014 – again organized by our mission – there is a strong emphasis on improving the ease of doing business in South Bend.

2014 KEY INITIATIVES



2. Planning for vibrant neighborhoods

- Creating investment ready places
- Smart Streets (Corridor planning and implementation & Downtown Streetscapes)
- Assisting neighborhood plans for Vacant & Abandoned Homes Initiative



In many ways these activities will be supporting the desired outcomes of the other two priorities (business attraction and econ opportunities)

2014 KEY INITIATIVES



3. Connecting residents to economic opportunities

- Workforce Development Initiative
 - Implementation of successful employer-led curriculum model
- Deconstruction Jobs Training Program
- Talent Attraction/ Investing in a Vibrant Core



REDEVELOPMENT BUDGET



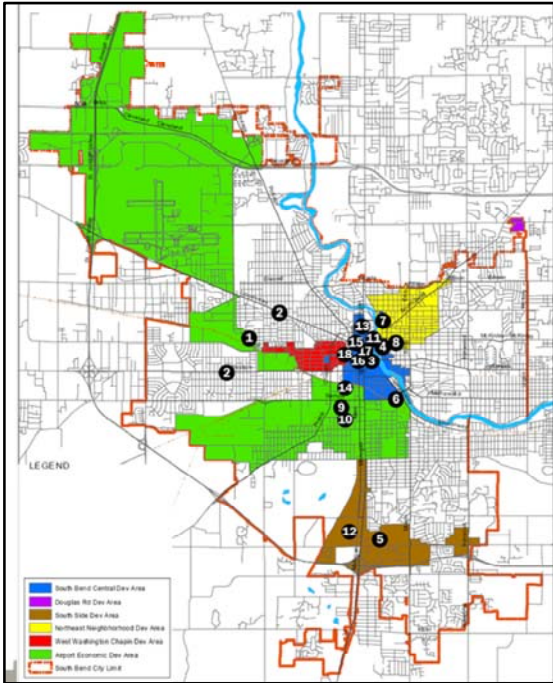
To fund local public improvements in or serving the TIF area. Local public improvements include:

- Buildings
- Parking facilities
- Acquisition of land, rights-of-way, and other property to be redeveloped.
- All architectural, engineering, legal, financing, accounting, advertising, bond discount, and supervisory expenses related to the acquisition and redevelopment of the property or the issuance of bonds.
- Capitalized interest and debt-service reserve for the bonds
- Other local improvements such as streets, curbs, sidewalks, water, sewers, etc.

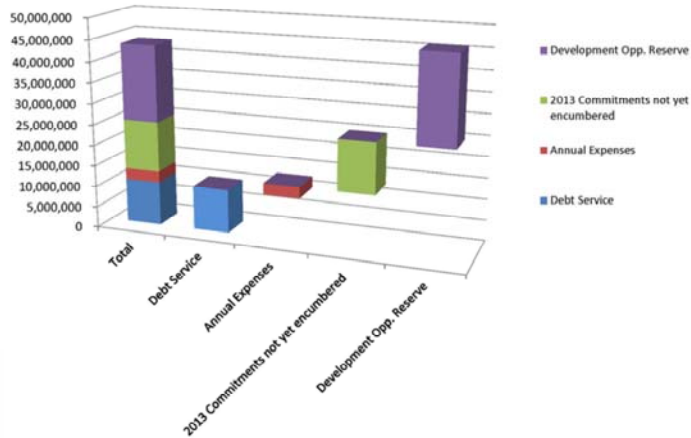


As we mentioned earlier, many of the operations are funding through our TIF funds. Although this are typically shared at a later date- I wanted to include a brief note about this in today's slides – in response to Council interest.

REDEVELOPMENT PROJECTS SOUTH BEND (2013-2014)



REDEVELOPMENT BUDGET



REDEVELOPMENT BUDGET




Redevelopment Funds:

- 324/AEDA: Ignition Park Phase II, Ren District, Corridors, Development Leads
- 420/SBCDA: Downtown developments / residential and office
- 422/WWDA: Possible assistance to Parks for Cemetery
- 426/CMUSD: Barlett and Lafayette streetscape improvements, roundabout, parking, (2015)
- 429/NNDA: Four points utility relocation. (2033)
- 436/NRDA: Debt service. Bonds in 2033. (2037)
- 430/SSDA #1: Possibly release some of the increment. (2032)
- 432/SSDA#3: Increment will be released. Debt to be paid off in 2017.(2034)
- 435/DREDA: Retire debt as early as 2017. (2036)



As we mentioned earlier, many of the operations are funding through our TIF funds. Although this are typically shared at a later date- I wanted to include a brief note about this in today's slides – in response to Council interest.

Budget Summary: Fund 211 – DCI Administration



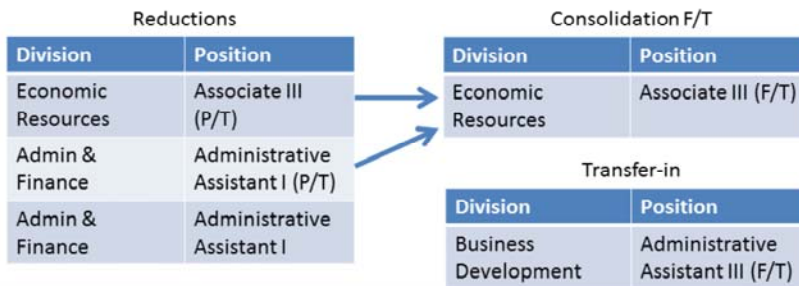
Description	2011	2012	2013	2014	Variance	% Chg
	Actual	Actual	Amended Budget	6/30/13 Actual		
Revenue						
Property Taxes	-	-	-	-	-	-
Grants/Intergovernmental	359,168	324,599	421,787	70,914	386,787	(35,000) -8.3%
Charges for Services	-	-	-	-	-	-
Interest Earnings	1,625	3,057	2,200	1,597	2,200	- 0.0%
Other Income	272,990	238,621	200,300	131,474	200,300	- 0.0%
Transfers In	1,850,346	1,527,146	1,717,521	858,760	1,794,383	76,862 4.5%
Total Revenue	2,484,129	2,093,423	2,341,808	1,062,745	2,383,670	41,862 1.8%
Expenditures by Account Type						
Salaries & Wages	1,244,270	1,235,109	1,433,305	663,618	1,493,176	59,871 4.2%
Fringe Benefits	355,428	390,778	486,862	225,200	558,500	71,638 14.7%
Other Personnel costs	16,882	12,277	17,880	5,936	17,880	- 0.0%
Total Personnel	1,616,580	1,638,164	1,938,047	894,754	2,069,556	131,509 6.8%
Supplies	20,904	20,630	32,861	12,474	29,472	(3,389) -10.3%
Professional Services (31xx)	12,905	26,536	253,523	127,991	133,002	(120,521) -47.5%
Comm/Transportation(32xx)	29,941	26,327	34,969	13,898	34,000	(969) -2.8%
Printing & Advertising (33xx)	8,622	17,016	16,950	4,834	17,950	1,000 5.9%
Insurance (34xx)	7,860	15,972	16,332	8,166	44,892	28,560 174.9%
Utilities (35xx)	-	-	-	-	-	-
Repairs & Maintenance (36xx)	23,793	23,004	31,829	11,022	31,829	- 0.0%
Other Services & Charges (39xx)	7,600	14,792	25,100	6,644	23,100	(2,000) -8.0%
Transfers Out	-	-	-	-	-	-
Other Financing Uses (50xx)	239,928	243,144	-	-	-	-
Total Service & Charges	330,649	366,791	378,703	172,554	284,773	(93,930) -24.8%
Capital	-	-	4,720	4,720	-	(4,720) -100.0%
Total Expenditures by Type	1,968,133	2,025,585	2,354,331	1,084,502	2,383,801	29,470 1.3%
Net Surplus / (deficit)	515,996	67,838	(12,523)	(21,757)	(131)	
Beginning Cash Balance	-	516,213	584,037	584,037	571,514	
Balance Sheet Adjustments	217	(14)	-	(201)	-	
Ending Cash Balance	516,213	584,037	571,514	562,079	571,383	

Now to dive into the numbers. Fund 211 – our Admin Budget is essentially flat year over year.

ADMINISTRATIVE BUDGET




- 26 FT + 2 PT 2013.
- 27 FT in 2014



One key change in the Fund 211 relates to personnel. To better serve the top line priorities of job creation and investment, we're proposing an adjustment that would allocate assets to assist with these goals.

Budget Summary: Fund 212 – DCI Grants



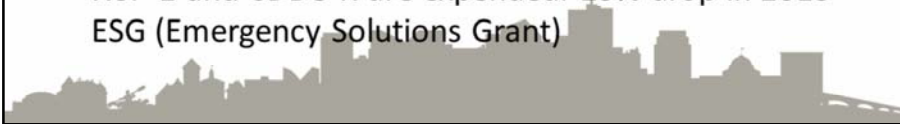
Description	2011	2012	2013	2014	Variance	% Chg
	Actual	Actual	Amended Budget	6/30/13 Actual		
Revenue						
Property Taxes	-	-	-	-	-	-
Grants/Intergovernmental	5,584,509	3,667,111	8,148,705	2,343,694	3,525,000	(4,623,705) -56.7%
Charges for Services	-	-	-	-	-	-
Interest Earnings	3,147	2,578	2,000	1,199	2,000	- 0.0%
Other Income	318,991	490,126	649,600	170,993	284,000	(365,600) -56.3%
Transfers In	200,000	-	-	-	-	-
Total Revenue	6,106,647	4,159,815	8,800,305	2,515,886	3,811,000	(4,989,305) -56.7%
Expenditures by Account Type						
Salaries & Wages	380	48	-	143	-	-
Fringe Benefits	-	-	-	-	-	-
Other Personnel costs	-	-	-	-	-	-
Total Personnel	380	48	-	143	-	-
Supplies	971	-	-	-	-	-
Professional Services (31xx)	4,099	-	-	-	-	-
Insurance (34xx)	-	-	-	-	-	-
Utilities (35xx)	-	-	-	-	-	-
Repairs & Maintenance (36xx)	1,316	-	-	-	-	-
Other Services & Charges (39xx)	676,819	110,413	-	-	-	-
Grants & Subsidies	5,054,698	3,829,792	8,957,256	2,527,499	3,811,000	(5,146,256) -57.5%
Transfers Out	546,087	-	-	-	-	-
Other Financing Uses (50xx)	-	-	-	-	-	-
Total Service & Charges	6,283,019	3,940,205	8,957,256	2,527,499	3,811,000	(5,146,256) -57.5%
Capital	9,433	-	-	-	-	-
Total Expenditures by Type	6,293,804	3,940,253	8,957,256	2,527,642	3,811,000	(5,146,256) -57.5%
Net Surplus / (deficit)	(187,157)	219,562	(156,951)	(11,755)	-	-
Beginning Cash Balance	501,923	299,072	513,841	513,840	356,889	-
Balance Sheet Adjustments	(15,694)	(4,794)	-	(2,162)	-	-
Ending Cash Balance	299,072	513,840	356,889	499,924	356,889	-

As you may recall from last year’s discussion, the Federal and City financial calendars are slightly out of phase. This leads to what is perceived to be a huge jump every year, when in actuality the funds will net out to smaller figure when they are processed.

ADMINISTRATIVE BUDGET –FUND 212



- Projected \$3.8M Federal Grants to assist neighborhood-stabilization and homelessness assistance programs.
 - \$2.4M (CDBG)
 - \$296,479 NSP Program Income
 - \$220,990 ESG
 - \$280,000 Shelter + Care
 - \$94,000 Supplemental Housing Rental Assistance
 - \$500,000 Reserve
- NSP-1 and CDBG-R are expended. 25% drop in 2013 ESG (Emergency Solutions Grant)



KEY PERFORMANCE INDICATORS



Measure	Mayoral Goal	Type	2016 Long Term Goal	2012 Actual (if available)	2013 Estimated (if available)	2014 Target
Actual jobs created from DCI efforts	ED	Outcome	450	N/A	310	375
Homes from V&A list brought up to code	ED	Outcome	TBD	N/A	TBD	TBD
Comm. private invest. of approved projects	ED	Outcome	\$100M	\$74.8M	\$79M	\$79M



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