

MEMORANDUM
DIVISION OF ENGINEERING
City of Kent Department of Public Service

DATE: December 22, 2008
TO: Dave Ruller
Linda Copley
FROM: Jim Bowling
SUBJECT: Spaulding Drive Bridge Replacement – Right-of-Way Acquisition

Dave and Linda,

I am requesting council time in January, 2009 to request Council's approval to acquire permanent easements from two parcels adjoining the Spaulding Drive Bridge over Fish Creek. The following is a list of the parcels and their respective values.

Property Owner	Easement Area	Take Description	Value
Anna H. Greer 290 Spaulding Drive	0.012 acres	Permanent Easement	\$1,500
Anna H. Greer 251 Spaulding Drive	0.012 acres	Permanent Easement	\$1,500

The above values were obtained according to the federal right-of-way acquisition process. This process was required because we are using \$463,000 in federal funds to replace the bridge. Attached is a drawing indicating the requested easements. The transaction for the parcels must be completed by the end of January.

C: File
Gene Roberts



From: Gene Roberts
To: Dave Ruller
Date: 12/23/2008 3:43 PM
Subject: Fwd: NOPEC ELECTRIC PROGRAM UPDATE

>>> "Leigh Herington" <jignopec@windstream.net> 12/23/2008 3:39 PM >>>

Dear NOPEC Member Community:

Last Friday, December 19, 2008, the PUCO issued an Opinion and Order in FirstEnergy's electric security plan case. NOPEC participated actively in that case and objected to three charges proposed by FirstEnergy that would have prevented NOPEC from procuring an electricity supply from FPL Energy to serve your residents for the next 3 years at a discount. The PUCO agreed with NOPEC's position in the case and eliminated those charges, and otherwise issued a fair consumer oriented Order. We commend the PUCO for issuing a thoughtful and consumer oriented Order. NOPEC has been proceeding with negotiations with FPL Energy to supply your residents with electricity at a discount starting next year and, based upon the PUCO Order, NOPEC's leadership was confident that we would be able to do so.

This morning, FirstEnergy filed a notice with the PUCO that it was exercising its right under law to withdraw its electric security plan application. FirstEnergy also filed an application for rehearing yesterday of the PUCO's Order which rejected its market rate application, and filed a notice with the PUCO that it intends to place its distribution rate increase in effect by January 15, 2009 if the PUCO does not act before then on its distribution rate increase application. FirstEnergy also announced that it was going to conduct its own competitive generation solicitation to procure electric generation for the first 3 months of 2009 without the Commission's prior approval.

If FirstEnergy carries out its stated intention, your residents will see an increase on their electric bills beginning next month. NOPEC is disappointed that FirstEnergy did not accept the PUCO's balanced Opinion and Order issued. NOPEC will continue to pursue a contract with FPL Energy regardless of the actions of FirstEnergy, that we had hoped would be in place by March 1.

We will keep you informed on further developments as they occur. Please contact me if you have any questions regarding this matter.

Leigh Herington

Executive Director

Leigh Herington
Executive Director
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The information contained in this e-mail message is privileged and



CIVIL SERVICE COMMISSION

CITY OF KENT
221 EAST SUMMIT STREET
KENT, OHIO 44240

TELEPHONE: (330) 678-8101
OR (330) 676-7556
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CIVIL SERVICE COMMISSION MEETING MINUTES

November 20, 2008

7:00 P.M.

Present: Ronald F. Heineking, Chairperson
Jacqueline W. Loomis, Co-Chairperson
John D. Thomas, Member
Anna J. Lucas, Civil Service Coordinator

Gene Roberts, Service Director
Liz Zorc, Human Resource Manager

James Soyars, Director, Business Services
Kent City School District

Mike DeLuke, Staff Representative, Ohio Council 8
AFSCME



Chairperson Heineking called the meeting to order and took a voice roll call of those in attendance at this meeting. Then, the October 14, 2008 Commission Meeting Minutes were approved as prepared.

The Commission unanimously approved Mr. Soyars' request to establish a new list for the Schools' classification of Custodial I Worker. The written examination announcement will be posted as soon as a date and location for the examination is established.

The Grants and Neighborhood Programs Administrator Assessment Center results were reviewed by the Commission. (The Assessment Center was administered on November 8, 2008). The Commission unanimously approved the results and the Grants and Neighborhood Programs Administrator will be posted on November 21, 2008. Four total candidates have standing on that list.

For the record, it was noted that Gary Labajetta transferred from the position of Water Reclamation Plant Operator to the position of Service Worker in the Central Maintenance Division effective November 24, 2008.

The Water Reclamation Plant Operator revised job description, as presented by the Human Resource Manager, was discussed. Commissioner Loomis pointed out that the job description had two different titles. In one section of the description, the position is referred to as "Water Reclamation Facility Operator," while in another section it is called the "Water Reclamation Plant Operator." Ms. Zorc stated that she would make

the required correction to the job description. The revised job description has a substantive change in it. The change in the Water Reclamation Plant Operator job description is in the minimum requirement. The revised job description specifies that, at minimum, the applicant must possess Ohio EPA Wastewater "Operator in Training" status. The new "Prequalification Requirement for Job Placement," as outlined in the Memorandum of Understanding between the City and the AFSCME union (signed on November 11, 2008), was also instrumental in updating the Water Reclamation Plant Operator job description. The revised Water Reclamation Plant Operator job description was unanimously approved by the Commission.

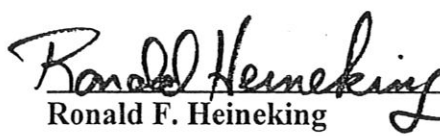
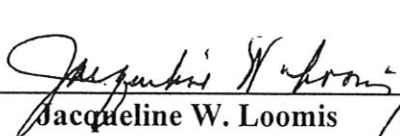
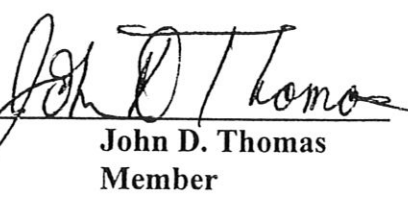
The Commission also unanimously approved awarding extra credit (bonus points) on Civil Service examinations for several positions in the Service Administration. Twenty (20%) would be awarded toward an applicant's passing score for Repair Operator, Chief Operator, Water Reclamation Plant Operator, and Water Treatment Plant Operator. Attached please find the list of various licenses and certificates that shall be eligible for the extra, bonus credit on written examinations.

The Commission approved Ramsey and Associates' Water Reclamation Plant Operator Written Examination proposal. The written examination shall be posted as soon as the required arrangements can be made by Commission staff.

It was noted that Eugene Davis, Water Plant Operator, resigned effective November 17, 2008.

The meeting was adjourned.

MINUTES APPROVED:

		
Ronald F. Heineking Chairperson	Jacqueline W. Loomis Co-Chairperson	John D. Thomas Member

attachment

KENT GROWTH CORPORATION
Thursday, December 18, 2008

The meeting was called to order at 8:10 a.m. by Mr. Silver, President.

Present: Jim Silver, President

Dave Ruller, Executive Director
Suzanne Robertson, Secretary
Gary Locke, Treasurer / Assistant Secretary
Gene Roberts, Director of Public Service
Dan Smith, Economic Development Director
Richard Raymond

Absent: Michael Weddle

Motion to approve minutes of the May 16, 2008 meeting was made by Mr. Silver, seconded by Mr. Smith. The motion passed unanimously.

Discussion among all members was made about the current status of officers.

Motion to nominate Dan Smith, Economic Development Director, to the Vice President position by Mr. Roberts, seconded by Mr. Ruller. The motion passed unanimously.

Further discussion was made among all members of the need to fill the three vacant Board Member positions.

Motion to maintain remaining officers was made by Mr. Smith, seconded by Mr. Raymond. The motion passed unanimously.

The Officers for the year 2008 are:

Jim Silver, President
Dan Smith, Vice President
Dave Ruller, Executive Director
Suzanne Robertson, Secretary
Gary Locke, Treasurer/Asst. Secretary


The Board Members for the year 2008 are:

Richard Raymond
Gene Roberts, Director of Public Service
Vacant
Vacant
Vacant

Further discussion was made among all members about the possible need for the Kent Growth Corporation in the future.

Mr. Locke confirmed that the group has no funds and have not been active in the last year. Motion moved to adjourn the meeting by Mr. Ruller, seconded by Mr. Locke. The motion passed unanimously.

Meeting adjourned at 8:20 a.m.


Suzanne Robertson, Secretary

THE FUTURE OF OUR HOMETOWNS AND THE NATION



National League of Cities

At Issue: Economic Recovery – A Call to Action

“Cities and towns have implemented creative solutions for making do with less, while managing their budgets responsibly in the face of legal requirements that they be balanced annually. There is, however, only so much cities can do when faced with the macro-economics of a housing market in crisis, flat revenues and soaring health care and energy costs.”

— Kathleen Novak, President, National League of Cities, mayor, Northglenn, Colorado

Local elected leaders see and hear every day about the impact the economic crisis is having on our communities and our residents.

- As of October 2008, the number of homes in foreclosure stood above 2.2 million, record numbers of hard-working families remain at risk of losing their homes to foreclosure, and those who are not at risk are seeing their home values decline.
- Retirement savings aren't safe either. Families have lost as much as \$2 trillion — or about 20 percent overall — in their retirement plans in the past 15 months.
- In the last 10 months, our country has lost more than 1.2 million jobs, and the official unemployment rate jumped from 6.1 percent to 6.5 percent.
- Other indicators show even greater labor market weakness.
- As many as 27 states face shortfalls of about \$26 billion — numbers that could double over the next few months as revenues continue to decline.
- NLC's own survey of local governments shows a similar pattern, with property, sales, and income taxes down between 3 and 4 percent from last year and the rate of revenue losses accelerating.
- Earlier this year, Washington enacted a \$700 billion bailout bill to rescue financial institutions and is now considering an additional \$34 billion bailout to rescue the auto industry.

Clearly, our families, our hometowns and our nation are in economic crisis. And, it is in America's hometowns where we can find solutions.

Cities and towns are the economic engines of our country. They are home to more than 80 percent of America's residents; they are where 90 percent of the nation's gross domestic product is generated; and they are where more than 80 percent of the country's jobs are located.

AGENDA FOR THE NATION

As Congress and the Administration prepare to take action on a new national economic recovery package, we call for the following actions to help America's hometowns and families, stimulate the economy, create good jobs for our residents, and provide meaningful, long-lasting benefits to our communities. Even with this assistance, local governments will continue to look for opportunities to consolidate government operations, streamline services, and make government more efficient.

Infrastructure Investment

America's cities and towns call upon the federal government to include funding in an economic recovery package that would accelerate infrastructure investments through programs like federal highway and public transit programs, Amtrak, the Airport Improvement Program, the Community Development Block Grant Program, the Energy Efficiency and Conservation Block Grant Program, and the state clean water and drinking water programs. Investment in ready-to-go infrastructure projects — including funds for airports, housing, highways, bridges, transit, clean water, sewer, communications technology, and schools — creates jobs and stimulates the economy.

The U.S. Department of Transportation estimates that for every \$1 billion in federal highway investment, 47,500 jobs would be created, directly and indirectly. Similarly, an analysis by the California Infrastructure Coalition concludes that each \$1 billion in transit system improvements, including roadways, would produce 18,000 direct new jobs and nearly the same level of induced, indirect investment. If all public infrastructure investment created jobs at the same rate as transit improvements in California, \$150 billion in infrastructure investment would create more than 2.7 million jobs directly, more than offsetting the jobs lost since the bursting of the housing bubble.

Public infrastructure investment not only creates jobs but generates a healthy multiplier effect throughout the economy by creating demand for materials and services. The U.S. Department of Transportation estimates that for every \$1 billion invested in federal highways, more than \$6.2 billion in economic activity would be generated. Mark Zandi, chief economist at Moody's Economy.com, estimates that every dollar of increased infrastructure spending would generate a \$1.59 increase in GDP. By comparison, a combination of tax cuts and tax rebates is estimated to produce only 67 cents in demand for every dollar of lower taxes. Thus, by Zandi's conservative estimates, \$150 billion in infrastructure spending would generate a nearly \$240 billion increase (or close to a 2 percent increase) in GDP in the first year.

In addition to short-term infusions, infrastructure also has long-term effects brought out over a number of years. It increases America's competitiveness by providing the necessary components for business development and job creation for years to come.

Support to Individuals

America's cities and towns call upon the **federal government to include funding in an economic recovery package to support individuals through the following programs:**

- **Medicaid.** As a result of projected state revenue shortfalls, low-income families and children are facing cuts or eliminations in health care coverage. The stimulus package should include an increase in funding for Medicaid health costs.
- **Food Stamps.** A temporary increase in food stamp benefits would immediately help those in need, while providing a quick infusion to jumpstart the economy.
- **Unemployment Insurance Extension.** The stimulus package should include an extension of unemployment insurance benefits by seven weeks and an additional 13 weeks in states with high unemployment rates to assist the estimated 1.1 million Americans who will exhaust their unemployment insurance by the end of calendar year 2008.
- **Job Training.** As the unemployment rate continues to rise, demand for job training programs will continue to rise. The stimulus package should include job training funding for dislocated workers and employment activities.

Access to Financial Markets

America's cities and towns call upon the **federal government to ensure that state and local governments have access to the capital markets.** Because of the national credit crisis, cities across the country are reporting difficulty selling bonds and accessing short-term credit to finance everyday local government operations.

In a hometown stimulus package, we are calling upon Congress and the President to:

- Extend Treasury and Federal Reserve authority under the Economic Stabilization and Recovery Plan to ensure that state and local governments have access to the capital markets; and
- Raise the bank-qualified debt limit from \$10 million to \$30 million, which will allow small issuers to place their issuance directly with banks.

Bringing a stable economy back to our nation, back to our hometowns, and back to our families is the first of many important steps that all levels of government must take to build a better future for the nation's hometowns and families.

We urge Congress and the President to act now to create good jobs and to help our families. Cities and towns stand ready to go work.



Local Government's Vital Role in National Economic Recovery

Presented to the Presidential Transition Team by:

ICMA

Leaders at the Core of Better Communities

NACO *National Association of Counties*

The Voice of America's Counties



National League of Cities

As Congress and the Administration prepare to take action on a new national economic recovery package, local governments are poised to play a vital role in the implementation of a practical plan that will help America's hometowns and families by stimulating the economy, creating good jobs for our residents, and providing meaningful, long-lasting benefits to our communities.

We strongly believe that a MainStreet stimulus package should provide funds for investment in our nation's infrastructure, provide support to individuals, and ensure that local and state governments have access to financial markets. This paper presents our recommendations for the practical implementation of these three objectives.

Infrastructure Investment

Fast Facts:

- Local governments own and maintain 75% of the over 4 million miles of public roads, about 50% of the nation's almost 600,000 bridges, and manage 90% of the transit systems in the U.S.¹
- The basic responsibility for building and maintaining water infrastructure is and always has been local, and more than 98% of the nation's investment in water infrastructure has been at the local level.²
- 87% of the nation's airports are owned and operated by local governing authorities.³
- Virtually all public schools are owned and operated by local governments.
- Local governments play a major role in building the infrastructure for communication technologies.

Federal investment in the nation's infrastructure should focus on *both* new and deferred maintenance projects that are "ready-to-go" (i.e. under contract and out the door in 120 days). Projects include but are not limited to: airports, housing, highways, roads, sidewalks, bike paths, bridges, transit, clean water, sewer, communications technology, schools, as areas of investment. Additional benefits can be realized by providing funds to retrofit existing buildings to improve energy efficiency, purchase environmentally friendly vehicles for local government use, and convert electrical grids to smart grid technology.

Because the majority of America's infrastructure is built and maintained by cities and counties, we believe that the **quickest, most effective way** to achieve the intended results of a federal stimulus package is to send federal funds **directly** to local governments via a fair and recognized distribution formula. Such systems have

¹ The American Public Works Association, <http://www.apwa.net/Documents/safetea-lu/Facts%20about%20America's%20Transportation%20System.pdf> (December 2008).

² The American Water Works Association, *A National Agenda for Drinking Water*, <http://www.awwa.org/files/GovtPublicAffairs/PDF/Transition.pdf> (December 2008).

³ Airports Council International- North America, http://www.aci-na.org/index/airportsyou_ownership (December 2008).

effectively been used to quickly distribute funds and provide local officials the flexibility to make decisions that are relevant to their communities.

The benefits of a direct distribution to local governments include:

- **Speed.** Stimulus funds could be delivered directly into the hands of the owners of the majority of the nation's infrastructure quickly, reducing the traditional time lags that accompany federal or state grants. Time lags in implementation are the primary impediment to effective fiscal stimulus. Getting the money to local governments quickly meets the urgent need to bolster the economy as soon as possible.
- **Simplicity.** Targeting the formula to only fund "ready-to-go" infrastructure investments would reduce the complexity of the method for distributing federal dollars.
- **Flexibility.** Allowing local governments to use the funds for infrastructure spending while providing the most discretion in how to achieve it - based upon their local needs - would be most effective.
- **Accountability.** The inherent transparency of local government and the Single Audit Act allows the federal government to ensure that local governments spend the funds appropriately.

Support to Individuals

We recommend that an economic recovery package provide funds to local and state governments to support individuals through the following programs:

- **Job Training:** Increase funding through the Workforce Investment Act for local and state workforce training programs. Appropriate the \$125 million in funding already authorized in the Green Jobs Act (H.R. 2847) to establish national and state job training programs to help address job shortages while promoting growth in green industries.
- **Public Employment:** Provide local governments with funds to temporarily employ newly trained green workers over a period of 1-3 years. This would include workers in the following fields: energy auditing; construction or retrofitting of municipal and county buildings and public housing to improve energy efficiency; and conversion of existing public vehicles to an energy efficient fleet.
- **Unemployment Insurance Extension:** The expansion of benefits will provide much needed assistance to the estimated 1.1 million Americans who will exhaust their unemployment insurance by the end of calendar year 2008.

- **Medicaid:** Provide a temporary increase to the increase to the Federal Medical Assistance Percentage (FMAP) for Medicaid matching funds while requiring that a portion of the FMAP be passed through to local governments contributing to the state share of Medicaid. Such relief should ensure the "pass through" applies to Intergovernmental Transfers (IGTs), Certified Public Expenditures (CPEs) and Medicaid disproportionate share hospital (DSH) payments.
- **Food stamps:** Temporarily increase food stamp benefits to immediately assist those in need.

Access to Financial Markets

Much of local infrastructure is financed by the issuance of municipal bonds and because local revenues are collected at different intervals throughout the year, local governments often depend on short-term credit to float between revenue streams. To ensure that local and state governments have access to capital markets, we recommend that Congress and the Administration:

- Instruct the Treasury Department and/or Federal Reserve to directly purchase municipal bonds and short-term notes.
- Raise the bank-qualified debt limit from \$10 million to \$30 million, which will allow small issuers to place their issuance directly with banks.
- Extend Treasury and Federal Reserve authority under the Economic Stabilization and Recovery Plan to ensure that state and local governments have access to the capital markets.
- Require rating agencies to use comparable ratings for all securities. Doing so would better reflect the financial soundness of municipal bonds and lead to lower borrowing costs.

**Economic Development Finance Policy Paper
Prepared For
President-Elect Barack Obama**

December 2008

Respectfully Submitted by:

**Council of Development Finance Agencies
(CDFA)**

**Tobias J. Rittner
President & CEO**



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Economic Development Finance Policy Paper Prepared For President-Elect Barack Obama

Introduction

The economy has become a major issue throughout the country over the past several months. Programmatic and legislative remedies that stimulate the economy should be a top priority of the new Administration. In an era where domestic economic development spending and program development has been nearly eliminated, the federal government will now play a crucial role in providing solutions to the challenges facing our nation's communities.

The Council of Development Finance Agencies (CDFA) respectfully submits the following recommendations and strategies for improving the economic development finance delivery system as a means to stimulate local economies to help create and retain jobs, encourage new investment and support the development of innovative businesses and technologies.

CDFA's members and stakeholders focus on creating access to capital for small and mid-sized companies, catalyzing real estate transactions and encouraging new economy industrial development. CDFA recommends the following two-pronged approach to addressing federal economic development finance delivery systems.

Immediate Strategy Recommendations

There are both macro and micro level strategies that should be incorporated into an immediate economic development stimulus package.

Macro-Level

Macro elements include far reaching and significant project investment, program confirmation and support for highly successful existing financing tools.

- Invest in a "Shovel Ready Projects First 100-Days" stimulus package that focuses on large, \$10 million+ infrastructure, energy and green development projects. Allocate funds directly to the top 200+ projects nationwide through a state application process with submissions by state leadership.
- Create an Urban Grants Program, to debut in 2010, focused on the top 50 urban cities with grant allocations available for major development initiatives focused on public-private partnerships. Projects should focus on energy self-sufficient and green principle-driven development that reduces urban sprawl, catalyzes urban infill and accelerates central business district revitalization.
- Make permanent the federal Green Bonds Demonstration Program and authorize the allocation of \$10 billion in non-volume cap subjected, tax-exempt bonds for qualified projects.

- Expand and permanently authorize the Clean Renewable Energy Bonds (CREBs) Program. CREBs are tax-credit bonds that offer the interest paid in the form of federal tax credits. This allows qualified issuers/borrowers to finance projects at 0% interest and allows the holder of the CREB to off-set on a dollar-to-dollar basis current year tax liability.
- Authorize the New Markets Tax Credit Program through 2014 with an annual per round allocation of \$4.5 billion.
- Reauthorize the federal Empowerment Zone, Renewal Community and Enterprise Community Programs. These programs have been proven to provide significant benefits to designated areas through favorable bond and tax credit treatments. Consider significant reforms that allow for greater program flexibility and eliminate policies that do not work in the traditional bond and tax credit markets.

Micro-Level

Micro-level elements are specific items of the federal tax code and finance delivery system that could have significant and immediate impacts nationwide on smaller scale projects. These common sense changes are heavily supported by the thousands of bond issuers working nationwide to support small to medium sized manufacturers.

- Change elements of the federal tax code for improving and expanding the use of tax-exempt bond financing for manufacturers and non-profit development. This includes the following very specific changes that will have major impacts nationwide:

Industrial Development Bonds:

- ♦ Update the definition of manufacturing to reflect new economy industries. Current law does not allow high-tech, innovation and intangible manufacturing practices to be eligible for IDB financing. This change was introduced as S. 2885 in 2008 and will be reintroduced immediately in 2009 in both the House and Senate.
- ♦ Increase of total bond limit on IDB issuances from \$10 to \$20 million and adjust annually for inflation. The \$10 million limitation was set over 20 years ago and has never been adjusted for inflation. In today's terms, the \$10 million bond size limit has the spending power of less than half of what it had back when the limit was set. Many manufacturers simply cannot complete a project that otherwise would fit into this category for less than \$20 million. Staying under the \$10 million bond limit is arbitrary and places an unnecessary burden on small to medium sized manufacturers.
- ♦ Currently, if an issuer of the bonds issues less than \$10 million in bonds in a calendar year, the bonds purchased by a bank are classified as "bank-qualified." "Bank-qualified" means that the bank is allowed to deduct 80% of the interest on monies that the bank borrows to purchase the bond for the eligible project. If the issuer of the bonds issues more than \$10 million of bonds in a calendar year, the bonds are then "non-bank-qualified," and the bank is not allowed to deduct any of the interest on monies that the bank borrows to fund the bond. CDFA recommends making IDBs and 501(c)(3) non-profit bonds of \$3 million or less be allowed to be "bank qualified." This modest change will open the market for small manufacturers and non-profits across the country to once again work with their local bank to place an industrial development bond or 501(c)(3) non-profit bond. This change will "level the playing field" and allow small manufacturers and non-profits access to an economic development tool that most have not been able to access cost effectively since 1986. Maintaining and growing manufacturing jobs through capital investments ultimately increases tax revenues at all levels of government.

- ◆ Make permanent the new Federal Home Loan Bank Letter of Credit (LOC) provisions for the issuance of IDBs. This new provision, set to expire in 2010, allows more deals to be completed through community banks who are now able to use the supporting FHLB LOC. FHLB LOCs provide local issuers with increased access to this credit enhancement tool and makes borrowing for local communities and small manufacturers more affordable. Approved in 2008, the provision has shown an immediate impact. The second project completed under this new provision was a standby LOC provided for an IDB financed project in California. This single project generated a \$7.65 million IDB issuance and the considerable expansion of a valuable manufacturing company in the community.

Longer-Term Strategy Recommendations

CDFA also recommends the following longer-term strategies for improving the economic development finance delivery systems. These programs and financing sources are critical economic development drivers and should be addressed after the economic stimulus package has been implemented.

- Reauthorize the EPA Brownfields Program; increase the funding and raise the cap for the Brownfields Cleanup grant program to more realistically reflect true cleanup costs.
- Create a national Brownfields Tax Credit Program focused on post clean-up development of former brownfield sites while promoting more use of the federal Brownfield Tax Expensing Program for site remediation.
- Permanently reauthorize the Economic Development Administration (EDA) and provide a minimum funding of \$400 million for agency programs. In particular, expand the economic assistance, public works and planning programs to provide substantive resources to communities struggling with regional economic development challenges.
- The Community Development Block Grant (CDBG) program is the most significant federally managed economic development program. HUD allocates CDBG funds to over 1,100 communities who rely on this funding for critical economic development programming. CDFA recommends increasing CDBG funding to reflect the needs of struggling local communities. These funds provide flexibility to states and communities to address a number of needs and projects that are vital to economic development efforts. A significant reform of CDBG should also be conducted to identify and implement changes that will strengthen the program to meet current economic challenges.
- Review and ensure that rural development programs administered by USDA address changing demographics, industry shifts, and other economic challenges and opportunities.
- The Small Business Administration is one of the most successful and significant financing entities in the federal government. Consideration should be given to strengthening and reaffirming the SBA's role and focus. Suggested reforms include expanding the 504 Loan and 7(a) Programs and rebuilding the Small Business Investment Corporation (SBIC) Program.
- Additional steps should be taken to review and increase funding for successful programs such as the Manufacturing Extension Partnerships (MEP), National Science Foundation SBIR/STTR Technical Assistance and the federal Research & Development tax credit.

Conclusion

While the focus of CDFA's members and stakeholders is on creating access to capital for small and mid-sized companies, catalyzing real estate transactions and encouraging new economy industrial development, the current financial constraints are making much of this work nearly impossible. CDFA urges swift action to implement these recommendations to help states and local leaders provide financing options for their local economies. More information regarding these recommendations is available upon request.

washingtonpost.com

Like Many States, Ohio Reaches for A Lifeline

Official Says Stimulus Is 'Essential to the Salvation of America'

By Peter Slevin
Washington Post Staff Writer
Saturday, December 27, 2008; A01

COLUMBUS, Ohio -- As the economy sputters and tax revenue plummets, governors and mayors across the United States are lining up to ask President-elect [Barack Obama](#) and the new Congress for hundreds of billions of dollars to plug holes in their budgets, arguing that services will suffer and joblessness will rise if Washington does not come to the rescue.

In Ohio, which has shed 100,000 jobs in the past year, Gov. [Ted Strickland](#) (D) and his budget team spend a lot of time delivering bad news to constituents and plotting ways to wring money from the federal government. He announced \$640 million in cuts for the budget year ending June 30, for a total of \$1.9 billion since the economic crisis began.

"We're not crying wolf. This is real," Strickland said in an interview in his statehouse office, pointing to charts that project the most serious erosion of state income in 40 years and a two-year budget deficit of \$7.3 billion. Revenue shortfalls in the upcoming two-year budget could amount to about 25 percent of the state's discretionary spending.

Strickland recently picked up the telephone and called [Rahm Emanuel](#), the incoming [White House](#) chief of staff. When he heard the recorded voice of his former congressional colleague, he left a message: "Rahm, it's Ted. You've never failed me and I need \$5 billion."

Obama has promised money, contending that the need for a stimulus justifies an expansion of the record federal deficit. Vice President-elect [Joseph R. Biden Jr.](#) last week promised a down payment on a middle-class tax cut, plus spending to improve roads, bridges and water systems. He called the package the new administration's "most urgent order of business."

"There is no question about it," said John Habat, a budget specialist at Cleveland's Center for Community Solutions. "At this point in the financial crisis, federal aid is the only lifeline left for Ohio."

As negotiators prepare to gather shortly after New Year's Day to weigh competing claims and figure out what could work, months of worsening news has expanded the sense of urgency in Ohio, while limiting hopes that an infusion will do much to brighten the economy. Strickland said the stimulus is foremost a matter of stopping the bleeding.

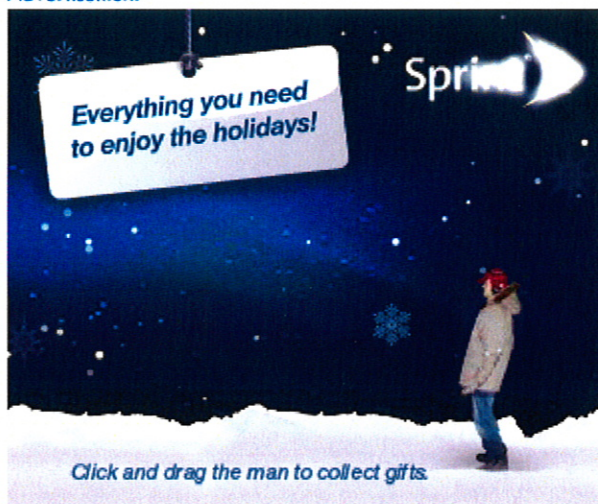
Many things Ohio spends money on are becoming more expensive, [Medicaid](#) most prominently. In the 2007 budget year, Medicaid costs devoured 24.2 percent of the state's general fund, or \$4.3 billion. Four years earlier, the figures were 20.5 percent and \$3.7 billion. While Strickland hopes a 6 percent increase in Medicaid will be part of a federal stimulus package, the relentless math of a balanced-budget mandate forces cuts.

One emblematic conundrum was the decision to rescind a \$930,000 annual tobacco settlement grant from 16 central Ohio centers where 1,100 smokers got help quitting last year.

"We're going to have a long-term impact of sicker people who are going to need increased [Medicare](#) and Medicaid, which the state will pay," warned Marie Collart, president of the nonprofit Breathing Association, who recognized Strickland's dilemma and supported his choice. "Yes, we need the money for the stimulus package. Yes, we need the centers to get addicted people off drugs."

Strickland said he and budget director J. Pari Sabety met 15 corporate leaders at the governor's residence this month, "just to pick their brains." The guests favored spending that would produce long-term benefits, from transportation projects and

Advertisement



training programs to a campaign to insulate thousands of drafty old homes, reducing energy use and utility bills.

Strickland, who has recently looked for inspiration and historical analogies in [Franklin D. Roosevelt's](#) depression-era speeches, is preparing a pitch for three chunks of money for the states.

First, he is angling for a \$250 billion increase in federal payments for food stamps and Medicaid, the government health program for impoverished Americans and, increasingly, the working poor. Second, he favors a \$250 billion national investment in infrastructure projects. Ohio has a list of "shovel-ready" projects, including roads, water and sewer improvements and "green economy" investments.

Third, in search of a palatable pitch to a Congress and nation numbed by the parade of rescue packages, Strickland is teaming with a handful of other Democratic governors to seek a \$250 billion infusion for education. The group includes [Jennifer M. Granholm](#) (Mich.), [Jon S. Corzine](#) (N.J.), [David A. Paterson](#) (N.Y.), [Jim Doyle](#) (Wis.) and [Deval L. Patrick](#) (Mass.).

So far, Strickland said, Ohio's school money has largely been spared the budget knife, but if revenue projections are accurate, cuts will be required in the balanced budget that he must submit by Feb. 2.

The idea is to plug federal dollars into the education budget, preventing layoffs and preserving programs. Otherwise, Strickland warned, "we're talking about real job loss and significant reduction of support for K-12 and higher education." The effects of sharply shrinking budgets are typically felt most deeply close to home, both in Ohio's cities and rural communities.

"Almost everybody is facing some kind of service disruption," Columbus finance director Joel Taylor said in his office at City Hall, a few blocks down West Broad Street from the statehouse. He pointed to cuts in yard-waste pickup and custodial contracts and \$1 million less to neighborhood health clinics, a cut of nearly 20 percent. By March, 11 of the city's recreation centers, which provide art classes, sports, homework help, child care and senior activities, will be "basically mothballed."

The final decisions fell to Mayor Michael B. Coleman, a three-term Democrat appointed to the City Council in 1992. In a city cushioned by government work and [Ohio State University](#), he said, "I never thought I'd have to do that, not in Columbus."

To continue operations at current levels would cost \$698 million, Taylor said, but revenue is projected to be no greater than \$615 million. The mayor is proposing a \$643 million budget, which includes service cuts and requires \$28 million from the city's dwindling rainy-day fund.

"Frankly, there's not much more to trim," said Coleman, who pointed out that the city workforce, excluding police and firefighters, has dropped from 1,800 to 1,300 since 2000. "Eliminate garbage collection or lay off police and firefighters . . . or I could begin looking at rec centers. None of these are good choices." Coleman is appealing to community groups and charities to fill the gaps, to "catch as many as they can." He said Neighborhood House, a nonprofit, intends to take over a center in northeast Columbus.

One of the city's biggest fears -- and an indicator of how governments are linked to one another -- is that the state authorities will cut \$50 million in revenue sharing that Columbus receives each year. In ordinary times, Coleman might not be worried, but, he said, "governors and mayors are all in a position of doing things we'd never even considered doing."

Surveying the carnage, Coleman called a federal rescue package "essential to the salvation of America." The Columbus health department, serving a city of 750,000, expects in the coming budget year to lose \$3 million of its current \$19 million and 36 of its 200 jobs, said director Teresa C. Long. That will mean less prenatal care, less drug and alcohol treatment, free screening for fewer diseases and the elimination of hospice help.

It will also mean the end of the city's five-person rat control operation.

At the Homeless Families Foundation, which houses 47 families for as long as 80 days at a time, Karie Gallegos once had four counselors. She now has two.

At the Ohio Association of Second Harvest Foodbanks, director Lisa Hamler-Fugitt asked for \$14 million a year from the state and received \$8.5 million despite growing demand and rising food costs.

Hundreds of people showed up in Logan, south of Columbus, to receive food this month. The first family, a mother, father

and four young children, pulled their aging minivan into line at 5:30 p.m. one evening to get groceries the next morning at 8.

Hamler-Fugitt worries that the federal stimulus will have only limited benefits: "It's one-time money. We have a structural deficit." Habat said something similar, pointing out that tax cuts passed by the state legislature in 2005 will save taxpayers and cost the government roughly \$4.4 billion during the next two years, more than half the projected deficit.

"With the magnitude of the problem, there's no way Ohio can expect the federal government to give it that kind of money," said Habat, whose organization calculates that the recession will cost the state another \$4 billion in revenue during the next two years.

"Ohio always lags in recovering from recessions," Habat said.

State policymakers are united in saying that any recovery will require federal tax dollars, and lots of them.

As for the telephone call Strickland made to Emanuel, asking for billions: The governor said Emanuel called back and said "something to the effect of, 'I hear you. You may not get everything you want, but you'll get help.' "

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Planners ready with stimulus projects

By Ed Runyan (Contact)

Monday, December 22, 2008

By [Ed Runyan](#)

Working at normal government speed won't be fast enough for stimulus projects, one official said.

WARREN — If and when President Barack Obama makes good on his pledge to jump start the U.S. economy by authorizing billions in public works projects, Trumbull County will be ready.

The Trumbull County Planning Commission recently received from its staff a list of 10 projects that meet the guidelines for stimulus funding: Engineering is complete, so construction could start within 90 days of Obama's taking office Jan. 20.

Trish Nuskievicz, assistant planning director for Trumbull County, said the county has an unusually large number of projects that have been engineered — more than \$22 million worth — so it is in a good position to get projects funded.

Among the top projects are four phases of the Little Squaw Creek Interceptor Project, which would provide sewers along state Route 193 in Liberty and Vienna townships.

The sewer line will begin at the Tibbetts-Wick Road intersection and travel north, providing more than five miles worth of sewer lines at a cost of around \$8 million.

The other projects on the list are:

UMaplewood Park sanitary sewer project in Hubbard Township. It would provide five miles worth of sewer lines east of Jacobs Road between Youngstown and Hubbard and serve 201 households in an area the Ohio Environmental Protection area calls an "unsewered area of concern." It would cost \$2.7 million.

UWarren Industrial Incubator project in Warren. It will cost \$9 million to provide a business incubator in vacant property owned by Delphi Packard on Dana Street. The county was turned down earlier this year for a \$4 million state grant for the project.

UThe Braceville-Robinson Road waterline project. It would provide 13,572 feet of waterlines in Braceville Township to serve 68 households and cost \$1.1 million.

UThe Gilbert Street sanitary sewer project. It would provide 1,350 feet of sewer lines to benefit 15 households in Weathersfield Township in an area the county health board has deemed an "unsewered area of concern." It would cost \$375,000.

UThe Bedford Road sanitary sewer project would involve 1,400 feet of sewer lines to benefit 14 households in Brookfield Township and would cost \$237,000.

UMosquito Creek Boardwalk Phase II. The project would add 2,750 feet of boardwalk to the 750 feet of boardwalk already built just west of Howland Township Park. It would cost \$650,000.

The planning staff is also listing an additional \$98,975,700 worth of projects that are important to the county but are not engineered.

“We have to be ready in Trumbull County,” Nuskievicz said. “We’re throwing out there every project we can. We want to get them funded, get them built and get somebody to work,” she said. “They would do wonders for our county.”

The planning commission is staying in contact with the office of U.S. Rep. Tim Ryan of Niles, D-17th, to learn eligibility information as soon as it becomes available, she said.

Ohio law requires that bidding on any project take 60 days, and it will take 30 more days to receive a request for qualifications from companies interested in bidding on the projects. Therefore, county officials will need to work as quickly as possible to get such projects in motion, Nuskievicz said.

“This process can and should be expedited by getting each office to assure these projects keep moving through as quickly as possible,” she said, listing the county commissioners, planning commission, sanitary engineers, county engineers, prosecutors office, auditor’s office and treasurer’s offices as examples.

“Signatures and ‘normal’ working processes should be streamlined and expedited,” she said.

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News

Plan ready to hit road

Lake, Geauga counties part of \$1.7 billion of jobs-now road project

Tuesday, December 16, 2008 2:16 PM EST

By David W. Jones

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The federal government will determine if Lake and Geauga counties can immediately start creating jobs by awarding contracts and hiring workers for "urgent" road and bridge projects in the United States' possible emergency economic stimulus package.

"Roughly, we figure 2,000 to 2,500 county jobs could be immediately created in Lake County," County Engineer James R. Gills said Monday. "It's at least that many, and this would directly apply only to project workers. Beyond that, I don't know many more could be employed."

The Northeast Ohio Areawide Coordinating Agency added: "The projects are considered 'shovel ready' and can be ready to contract within 90 to 120 days. Certain 2010 projects could also be made ready within that time frame,"

The NOACA governing board recommends such projects for Lake, Geauga, Cuyahoga, Lorain and Medina counties. These counties propose a total \$1.7 billion for projects that could be started or done by March 1 and \$1.1 billion for projects started or done between March 1 and June 30 next year.

The total \$2.8 billion would be part of the \$500 billion proposal by President-elect Barack Obama and the Democrat-majority in Congress to generate 2.5 million jobs within his first two years in office.

Ohio had 435,000 unemployed residents in November, up about 6 percent from October. The U.S. Secretary of Transportation says 27,800 jobs could be created for every \$1 billion in total federal and state spending.

NOACA voted Friday to recommend the "ready to go" projects, which are mainly proposed by county engineers, county commissioners, county agencies and cities, and forward the list to Congress and every appropriate office in Washington, D.C.

Gills, Geauga County Engineer Bob Phillips and Cuyahoga County Engineer Robert C. Klaiber Jr. were the main officials recommending jobs and projects for their counties.

In Lake County, some eyes are on separate long-range projects proposed by the county seat of Painesville and Laketran. Both entities now want the ideas on the fast-forward list.

Painesville proposes an \$8 million intermodal transit system in its downtown area in cooperation with Laketran, Lake Metroparks, Lake County Planning Commission, Lake Hospital System and Western Reserve Railroad Association.

For the related transportation exchange center site for the Lake Hospital System's TriPoint Medical Center in Concord Township, Painesville also proposes a federal grant of \$1.1 million for initial planning, schematic drawings, site preparation and construction.

Laketran is hoping for \$6.6 million to start replacing buses now instead of waiting two years or more if Congress somehow provides much more money faster.

For example, Laketran seeks \$10.5 million to replace 14 diesel-powered buses with hybrid-electric commuter coaches and four transit buses for \$2.2 million.

The funding also would replace Laketran's antiquated farebox system with electronic registering for \$2 million; and redesign its Park-n-Ride Market Street in Mentor for \$500,000.

The costliest, jobs-creating projects revolve around Cleveland and its neighboring cities.

For example, it could be \$100 million in the "first step" work in working with the Ohio Department of Transportation to link Cleveland, Columbus and Cincinnati with a passenger rail service.

It could be \$30.6 million for railroad grading work in Berea and \$9.8 million in Olmsted Township; \$11 million for a Cleveland Towpath Trail; road rehabilitation costing \$10.3 million for St. Clair Avenue; \$6.3 million for Clark Avenue; and \$2.9 million for Denison Avenue.

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