



The Montrose Group, LLC

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Infrastructure



Puzzle



The Montrose Group, LLC

6/28/2017

# Infrastructure Puzzle

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Montrose  
Group  
Experience

Intro & Role of  
Infrastructure  
in Economic  
Development

Infrastructure  
Puzzle Model

Local Public  
Finance Tools

Local & State  
Programs



# Infrastructure Puzzle

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## MEET THE MONTROSE GROUP



**David J. Robinson**  
*Principal & Founder*  
Strategic counselor. Former state legislator, national economic development author, corporate economic development executive, and seasoned lobbyist.



**Nathan V. Green**  
*Director, Economic Development*  
Experienced economic development leader with a track record of results at the local and state levels.



**Jon Dudley**  
*Director, Tech Commercialization & Grant Writing*  
Go-to technology advisor boasting gubernatorial office and tech transfer executive experience.



**Michelle Bretscher, APR**  
*Director, Client Marketing*  
Award-winning marketing and communications pro. Recently served as VP of major metro chamber.



**Joe Stevens**  
*Director, Government Relations*  
Leader in lobbying and government relations with two decades of Statehouse experience and contacts.



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Montrose Group, LLC brings together a team of seasoned, multi-disciplinary consultants committed to advancing our clients' business development and public policy goals. We work collaboratively to deliver economic development planning, lobbying, marketing and communications, and public finance and incentive services to top businesses, public-sector organizations, and trade associations.

## MONTROSE GROUP SUSTAINABLE COMPETITIVE ADVANTAGE

- Driven by a multi-disciplinary, seasoned team with 85 years of combined experience connecting lobbying, economic development, and marketing.
- Negotiated over \$2 billion in economic development deals for tax incentives, infrastructure finance, and tech commercialization funding.
- Implemented comprehensive marketing strategies in the digital age to promote public- and private-sector bottom line.
- Served in state legislature and successfully lobbied for clients at the local, state, and federal level on policy, budget, funding, and procurement.



## WE OFFER A STRATEGIC MIX OF SERVICES.



### MAP YOUR SUCCESS

#### Economic Development Planning

Future-focused communities turn to us for economic development planning services targeting the retention and attraction of high-wage jobs.



### FUND YOUR PROJECT

#### Public Finance and Incentives

When millions of dollars are on the line, Montrose Group can help. We negotiate public finance and economic development incentive, infrastructure finance, and company finance packages that can transform a community, region, state, or business.



### BUILD GOVERNMENT SUPPORT

#### Lobbying and Public Policy

We are your government navigator. Using our proven public affairs approach, Montrose Group lobbies before local, state, and federal government on policy, tax, spending, procurement, funding, and regulatory relief.



### POSITION YOUR BRAND

#### Specialized Marketing & Communications

Montrose Group helps you position your brand and engage your stakeholders. We develop and implement creative marketing and public relations programs to advance goals tied to economic development, policy, and business development opportunities.



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- **Nate Green**

- Director, Economic Development, The Montrose Group, LLC
- Former:
  - Vice President, Piper Jaffray
  - Manager, JobsOhio
  - Director, SBID Division, Ohio Department of Development
  - Executive Director, Pickaway Progress Partnership, a CIC
  - Corporate Finance Manager, Cleveland-Cuyahoga County Port Authority
  - President, Ohio Economic Development Association



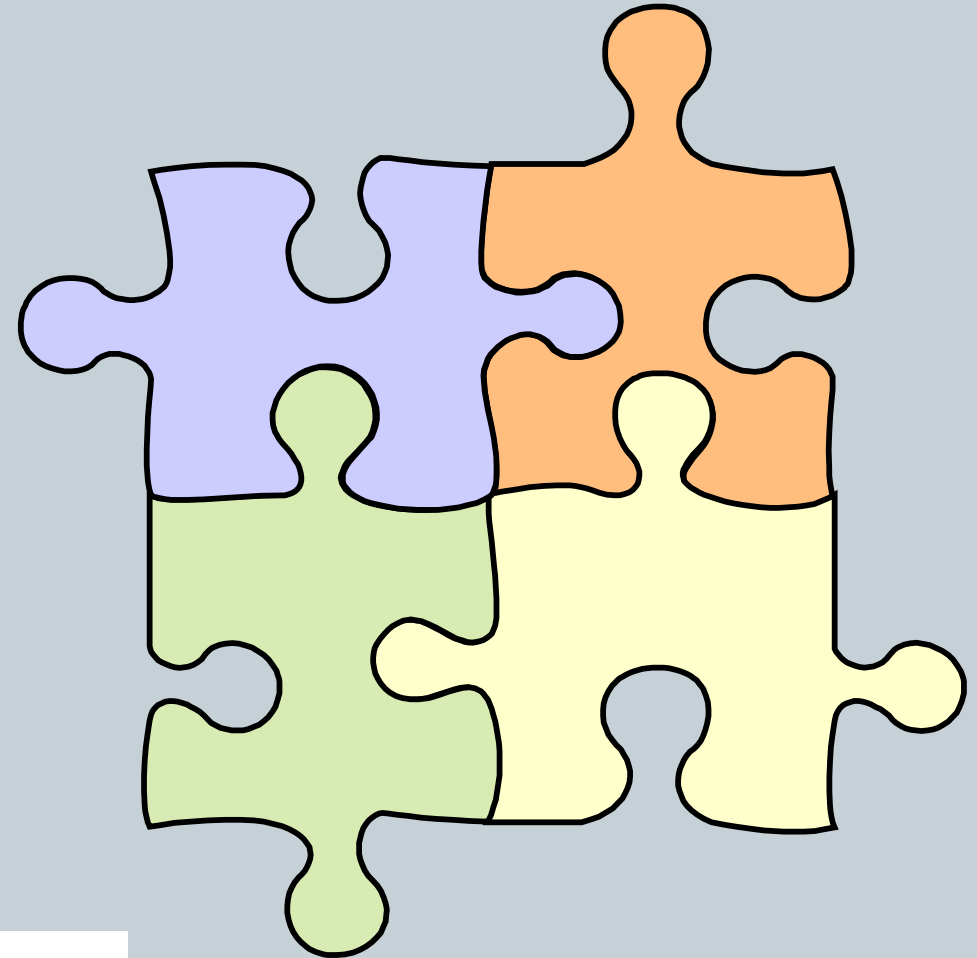


# Infrastructure Puzzle

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## Introduction

- Infrastructure & Economic Development
- Impact of Financial Services Crisis and Real Estate Collapse
- New Model for Infrastructure Development- Infrastructure Puzzle



# Infrastructure Puzzle

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## What is Infrastructure

- Aviation
- Bridges
- Dams
- Drinking Water
- Energy
- Hazardous Waste
- Inland Waterways
- Levees
- Ports
- Parks & Recreation
- Rail
- Roads
- Schools
- Solid Waste
- Transit
- Waste Water



# Infrastructure Puzzle

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## Role of Infrastructure & Economic Development

- Traditional Government Role
- State and Local Government
- Public Finance Tools
- Developer Finance Tools





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## Impact of Financial Services Crisis and Real Estate Collapse

- It is not the 1990's
- Wall Street Investment Bank Collapse
- Real Estate Market Contraction
- State and Local Government Budget Challenges
- Lack of Federal Government Consensus



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## Impact of Financial Services Crisis and Real Estate Collapse

- Banks Restricted by New Federal Regulation
- Banks Approach to Developer Credit Changed
- Local and State Governments Resources Stretched
- Federal Government Less of a Player



# Infrastructure Puzzle

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## Infrastructure Puzzle Model

- Multiple Sources of Funding
- Project Specific
- Takes a Team to Solve



# Infrastructure Puzzle

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## Multiple Source Model

- Local
- State
- Federal
- Private Sector



# Infrastructure Puzzle

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## Local Funding Options

Tax Increment  
Financing

Developer  
Funded  
Infrastructure

Special  
Improvement  
Districts

New  
Community  
Authority

Downtown  
Redevelopment  
District



# Tax Increment Finance District (TIF)

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- Fund traditional infrastructure such as roads, water & sewer lines, fiber optics, storm water
- TIF generates payments in lieu of taxes (PILOTs) to pay for public infrastructure improvements through increase in property tax revenue and value of property.
- County treasurer collects PILOTs along with real estate taxes.
- PILOTs are in the same amount as otherwise applicable taxes.





# Developer Funded Infrastructure

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- Special Assessment levied against real property
- Special Assessments are certified for collection only in the event PILOTs or other revenues are insufficient.
- Developer Advances which are reimbursed with TIF or other project or district revenues.
- Developer purchases bonds or other obligations
- Release of Guaranties when project completes construction, TIF or other revenue collections are more mature



# Special Improvement District (SID)

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- A community, neighborhood or business district that desires public improvements or services may create a Special Improvement District (“SID”)
- District that owners of real property pay special assessments for designated services or improvements.
- Governed by a non profit corporation and the composition of the board of trustees is governed by statute.
- Levy and collection of special assessments may be used to support debt service charges on improvements benefiting the districts.



# Energy Special Improvement District or Property Assessed Clean Energy (PACE)

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- Special type of SID created by petition of 100% of the property owners develop special type of improvement called a “special energy improvement project.”
- Projects include solar photovoltaic, solar thermal energy, geothermal, energy efficiency improvement
- Real or personal property can publicly or privately owned.
- Special assessments can secure or pay debt service on bonds issued to pay the costs of the special energy improvement projects.



# New Community Authority (NCA)

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- NCA is a separate public body governed by a board of trustees that may oversee, coordinate, construct and finance public infrastructure improvements and community facilities.
- NCA's are initiated by petition signed by all of the owners of real property to be included within the boundaries of the NCA.
- A NCA can levy a “community development charge” within its boundaries to pay for its community development program.
- Community development charges can be determined on the basis of real property, assessed valuation, the income of the residents of the NCA, the profits of businesses within the NCA, a uniform fee per parcel or any combination of the foregoing.



# Downtown Redevelopment District (DRD)

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- Historic Preservation Redevelopment
- Capture property tax gain in a 10 acre district continuous to a certified historic structure preparing for redevelopment
- DRD Funding used for
  - Historic structure redevelopment
  - Funding for historic preservation CIC
  - Public infrastructure
  - Tech Corridors
- Must have an economic development plan for DRD
- Legislation enacted by a municipality



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## State Funding

- Ohio Public Works Commission
  - State Allocation by District
  - Locally Driven Process
  - Driven by County Engineer
  - Awarded to Local Government





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## State Funding

- State of Ohio Capital Bill
  - Every Two Years
  - Bondable Projects
  - Broadband & Workforce



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## State Funding

- Ohio Rail Development Commission
  - Rail Spur/Siding Program
  - Rail Line Acquisition Program
  - Rail Improvement Program



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## State Funding

- Ohio Water Development Authority
  - Drinking Water Projects
  - Sewage and Water Pollution Control Projects
  - Storm Water Projects
  - Low Interest Financing
  - Community Assistance
  - Village Capital Improvement
  - Interim Financing
  - Industry Related Financing
  - Local Economic Development
  - Tax Exempt Bonds for Privately Owned Financing
  - Emergency Assistance
  - Emergency Relief
  - Brownfields
  - Alternative Stormwater Infrastructure Loan Program
  - Lake Erie Coastal Erosion Control Projects
  - Dam Safety Projects
  - Solid Waste Projects



## State Funding

- Jobs Ohio
  - JobsOhio Revitalization Fund
  - Brownfield and Underutilized Sites
  - Clean Up and Infrastructure Funding
  - Job Retention or Creation



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## Questions?

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