

202100620

February 5, 2021

Re: Responses to Questions for Proposed Development Scorecard (Item 202002226)

Dear Councilmember Landsman:

You introduced Item 202002226 on December 11, 2020, which is a legislative proposal to establish as a Council policy the use of a development scorecard for certain development projects. This item has been held for additional discussion at Budget and Finance Committee. The purpose of this letter is to respond to several questions directed at the Administration regarding the proposal. Your questions are set out below in **bold type** and the responses are beneath.

- 1. Each bulleted item needs its own line for clarity purposes. Would the Administration have any issue with that?**
- 2. There is interest in actual scoring, which the Administration would ideally recommend. This as opposed to the current language of simply meets or exceeds. We would ask that the Administration to weigh-in on this, if not propose scoring options.**
- 3. Is it possible for multiple people to review and score a project? We would want the Administration to weigh-in on this, too.**

Covering Questions 1-3: A statement of clear and consistent Council policy goals will provide guidance to the Administration in preparing communications and presenting projects to Council. These clear policy goals will also provide notice and certainty to the development community. There are many forms such guidance could take, but if a scorecard is Council's chosen method for clarifying policy goals then the Administration recommends that it should be designed to act as a benchmarking tool that facilitates a structured qualitative analysis of projects. A scorecard requiring a proscriptive or quantitative analysis will have unintended consequences such as providing misleading results because community and economic development projects are individually unique with variable public benefits. Therefore, the Administration would not recommend or support changes to the current scorecard structure that require numerical scoring, multiple reviews, or singular bulleted items.

- 4. Language could be added to ensure that the scorecard is used and presented to Council with recommendations for each relevant project. Are there any issues with this, and if not, does the Administration have suggested language for an updated ordinance?**

The proposed ordinance would set Council expectations of the Administration on the content and analysis of presentations and communications to Council for development projects. Council enforcement occurs through (1) questions and requests during Administration presentations to Council and Committee or (2) voting down items that do not utilize the scorecard.

5. Can the Administration speak to “compliance” and how the City will ensure that commitments are monitored and kept?

Many items covered in the proposed scorecard will be captured in a project’s development contract—either through specific representations and warranties or through contractual covenants. These items are enforced like any other requirement of the contract and are monitored by City staff. Any items that are required by ordinance or other law are incorporated into a contract through a requirement that the developer comply with all laws. Some items may not be appropriate to include in the contract as a requirement but could be included in the recitals to the contract as important background.

6. Can we add specific language around historic preservation, and if so, would the Administration recommend language?

A Council goal around historic preservation could be articulated in the scorecard, like any other public policy goal. In general, the efficacy of the scorecard will be highest if it can create certainty by presenting an accurate and clear picture of all Council goals and priorities for development projects and is updated from time to time.

7. On community engagement, there is a request that we require specific actions. That said, we want to get the Administration’s position on this. Also on this same issue, there is interest in adding language to this section regarding early notice to a community. Is that something the Administration should do or the developer?

The Administration will provide a memorandum on community engagement policies in the next two weeks, addressing issues of notice, role of developers, and other actions.

8. There is interest in training on the scorecard, TIFs, CRAs, and VITCA. What does the Administration think, and should we add to the ordinance?

As described in the recent FYI memorandum regarding the roles of the Administration, Mayor, and Council, the Administration is formalizing Councilmember training and onboarding. If passed, the scorecard and its function could be incorporated into those sessions. General information on community and economic development activities, including incentives, can be incorporated into that training as well.

9. There has been a request that the Administration discuss with Council its work on the Balanced Development Report and its findings, as well as how development deals are evaluated and/or scored now.

The Administration will have staff available on Monday at Budget and Finance to discuss the Balanced Development Report and practices for evaluation of development deals. The Administration provided information last week to Council regarding DCED's process for underwriting large development deals, which is provided as an attachment.

Sincerely,

A handwritten signature in blue ink that reads "Paula Boggs Muething". The signature is written in a cursive, flowing style.

Paula Boggs Muething
City Manager

Attachment