

Council Approved
Cost-Benefit Analysis
Pilot Program

Sunshine Reform Task Force

April 19, 2007

Cost-Benefit Analysis Pilot Program

- **Staff will initiate a pilot program that will provide cost-benefit analyses for up to six projects/events**
- **Rationale for pilot program: Cost-benefit model will be refined and improved through practice and incorporation of feedback**
- **Analyses would be required for projects that are 'special allocations' and/or projects for which Council requests analysis**

‘Special Allocations’ & Eligibility

- **‘Special Allocations’ are projects/events that require significant City funds (\$1M+) and have significant impact on neighborhoods, city services, jobs or housing**
- **Staff will work with the Council to identify a diverse range ‘special allocations’ for cost-benefit analysis through the pilot program**
- **After completion of the pilot program, Council will develop the final eligibility criteria for future analyses**

Examples of Potential 'Special Allocations'

- **Convention Center Expansion**
- **Hayes Mansion**
- **City-owned golf courses**
- **Arts Stabilization Fund**
- **Disposal of Old City Hall**
- **FMC RFP Responses**
- **Soccer Stadium**

Components of Cost-Benefit Analysis Pilot Program

- **Fiscal Analysis:**
 - Long-term value of City investment and source of funds
 - Net projected change in City revenues
 - Net change in service costs directly attributable to project/event
- **Economic Analysis:**
 - Net impact on employment
 - Net change in housing stock

Components of Cost-Benefit Analysis Pilot Program

- **Analysis of Other Impacts:**
 - Highlight environmental and infrastructure impacts
 - List social benefits, such as community building, strategic positioning, media exposure
- **Accountability:**
 - Develop after-action report to compare results with projections
 - Define timeline for releasing report
 - List City's options should project not meet expectations

Public Access to Cost-Benefit Analysis Reports

- ‘Special allocations’ will be evaluated by appropriate Council Committee prior to consideration by the full Council. Staff memos will be accessible to the public seven days prior to the Committee meeting.
- Following Committee consideration, cost-benefit analysis reports would be available to the public for two additional weeks prior to Council consideration
- The public will have at least three full weeks for review and two opportunities for comment, prior to Council action
- If necessary, Council can further defer action on items where there is substantive public interest and/or need for further analysis

Incorporation of Sunshine Reform Task Force Recommendations

- Task Force Recommendations have strengthened the City's cost-benefit analysis pilot program
- Staff has incorporated the following concepts:
 - *Fiscal Impacts*
 - Net projected tax revenues
 - Present value of funds to be expended, source/original intent of funds
 - Additional service costs directly attributable to project receiving funds
 - Environmental and infrastructure impacts
 - *Economic Impacts*
 - Net change in employment and
 - Net change in housing stock
 - *Accountability*
 - Defined timeline for developing and releasing after-action reports
 - Options for City if project fails to meet projections