City Council Work Session Handouts

November 5, 2012

I. Review and Discuss Strategies to Fund Redevelopment Efforts in the Community

II. Review and Discuss the Implementation of the Library RFID Project.

# CITY COUNCIL NEAR-TERM ACTION ITEM:

EVALUATE STRATEGIES TO FUND REDEVELOPMENT EFFORTS IN THE COMMUNITY

CITY COUNCIL WORK SESSION
NOVEMBER 5, 2012

NEXT ERA FOR FIRST RING SUBURBS: INFILL AND REDEVELOPMENT

- Vital for Sustained Economic Development and Renewal of Property Values for Tax Base:
  - ***Fiscal discipline of renewal investment***
- Establish redevelopment as a competitive alternative to "green field" development
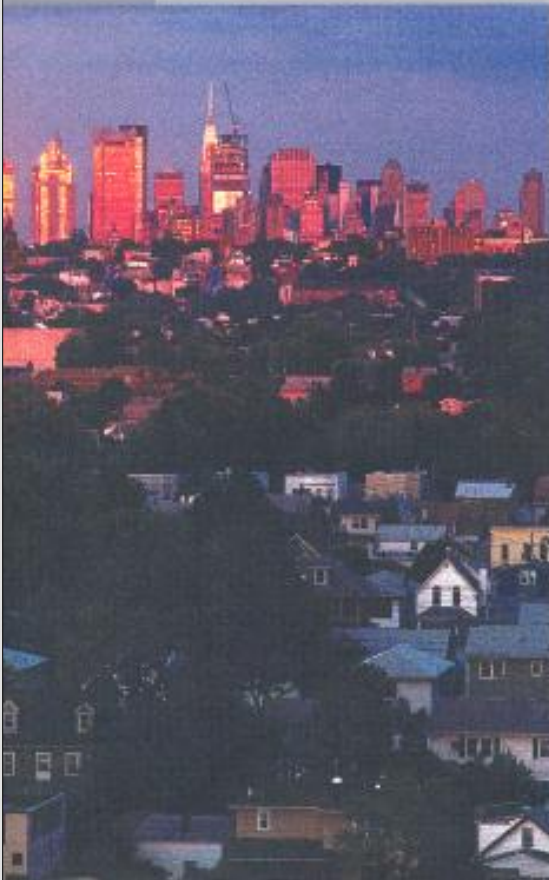
INNER RING PLANNING AGENDA: DUAL FOCUS – NEW & RENEW
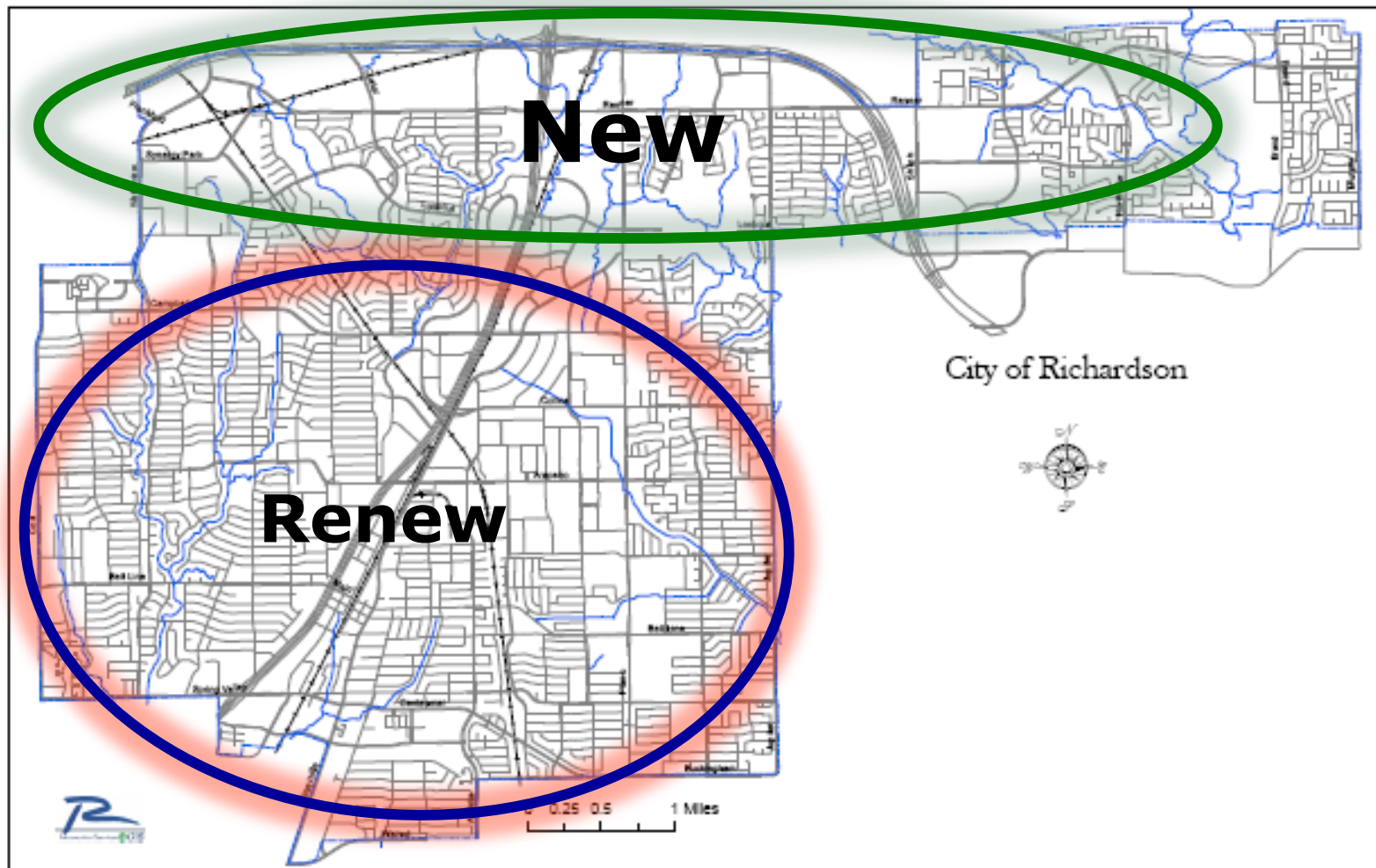
COLLIN COUNTY OPINIONS

WILLIAM "BUBBA" FLINT/Special Contributor

"IN FACT, THE DEVELOPMENT OF SECOND AND THIRD TIER SUBURBS TOWARDS THE METROPOLITAN PERIPHERY, WITH THE UNINTENDED CONSEQUENCES OF THAT PROCESS - TRAFFIC CONGESTION, AIR POLLUTION, NEW INFRASTRUCTURE COSTS, ENVIRONMENTAL DAMAGE – **ARE PROVIDING FIRST-TIER SUBURBS WITH A CHANCE TO REINVENT THEMSELVES** AS COMMUTERS REACH A CHOKE POINT ABOUT HOW LONG THEY ARE WILLING TO STAY IN CARS."

-WILLIAM H. HUDNUT III
HALFWAY TO EVERYWHERE, 2003

DUAL MISSIONS

- Neighborhood Renewal & Vitality

- Physical & Economic Redevelopment

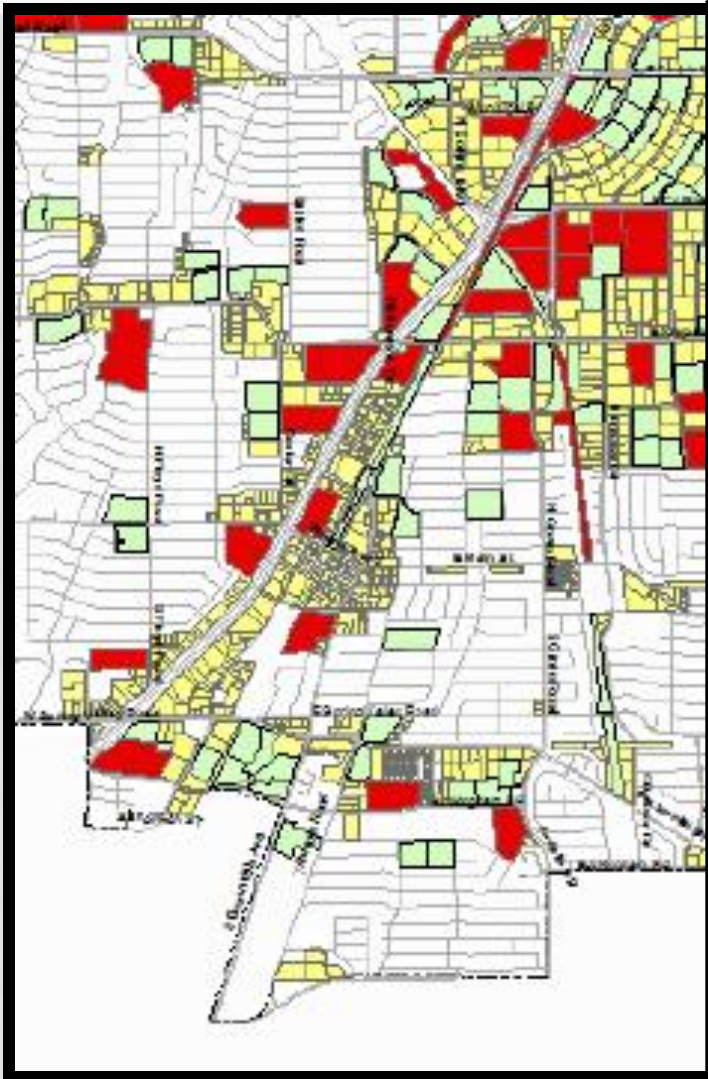# THE CHALLENGES OF REDEVELOPMENT

- **Inadequate/aged infrastructure**:
  - Drainage & Utilities
  - Road Systems
- **Property challenges**:
  - "Chopped-up" land parcels
    - Ownerships
    - Timetables and finances to acquire & hold
  - Business relocation, demolition, clean-up, remediation
  - Parking limitations
  - Adjacent use compatibility

SMALL PARCEL AREA:
5 ACRES OR LESS – (YELLOW)
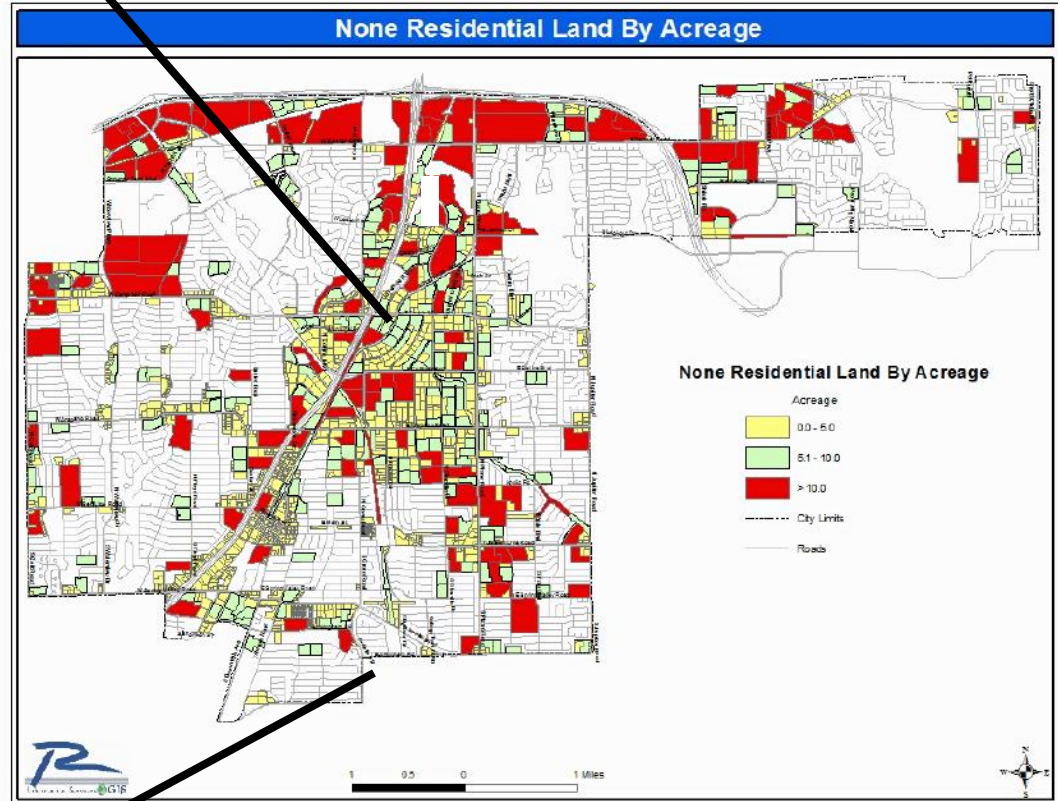
KEY REDEVELOPMENT OBJECTIVES

- Economic Development
  - Revived Commercial Tax Base
  - Revived/Repositioned Retailing
  - Transit-Oriented Mixed Use Opportunities
  - Upgraded hospitality facilities: restaurants & hotels
  - Reposition older multifamily complexes

KEY REDEVELOPMENT OBJECTIVES

- <u>Community Impact</u>
  - Visual/aesthetic streetscape upgrade to contemporary standards
  - Viable alternative commuter trails and recreation amenities for residents & workers
  - Positive drive-by impression for commuters

REDEVELOPMENT DYNAMICS

- Home Runs vs. Singles/Doubles
- Addressing community visions within current market demand
- Pairing redevelopment opportunities with public facility needs/interests
- Real estate negotiations within the public realm

REDEVELOPMENT STRATEGIES ARE UNIQUE TO THE PROJECT

- Each project requires unique city support depending on numerous factors:
  - Existing use
  - Infrastructure Issues
  - Land aggregation
  - Project phasing
  - Zoning requirements
  - Residual Land Value for proposed development

RESIDUAL LAND VALUE ANALYSIS

- Residual land value is a method used to determine the value and potential profitability of a piece of property minus any expenses related to the land.

- The residual land value is the value of the land that remains after any and all deductions associated with the cost of developing, maintaining or reselling the land.

- Several variables impact this evaluation:
  - Market Demand
  - Unit yield (density)
  - Unit price – factored to **market supportability**

ECONOMIC DEVELOPMENT INCENTIVE TOOLBOX

- Funding Sources:
  - Tax Increment Finance (TIF) Districts
  - Tax Abatements (Real/BPP)
  - Sales Tax Rebate
  - Capital Reserves/Balances
  - Infrastructure Grants
    - NCTCOG, County, TxDOT, Etc…
  - City Bond CO/GO
  - Land Abandonment (R.O.W)

ECONOMIC DEVELOPMENT INCENTIVE TOOLBOX

- Funding Strategies
  - Tax Incentives
  - Infrastructure Participation
  - Land Purchase
  - Public Investments (Road Park)
- Other Strategies
  - Planning/Visioning
 - Zoning Entitlement
  - Tax Exempt Status

ECONOMIC DEVELOPMENT INCENTIVE TOOLBOX

- ## Ongoing Funding/Strategy Review
  - ### Public Improvement District (PID)
    - Special assessment area created at the request of the property owners in the district. These owners pay a supplemental assessment with their taxes, which the PID uses for services above and beyond existing City services.
  - ### Federal Grants
    - Federal grants are available for community development and can be used to help finance projects in low income communities or revitalize urban neighborhoods.
    - Important for the City to evaluate eligibility and appropriateness of grants based on redevelopment goals

CONCLUSIONS

- Redevelopment poses a unique set of challenges requiring flexible city support strategies

- The work of redevelopment is a primary mission for the City requiring **ongoing** focus and attention

Implementation of Library RFID Project
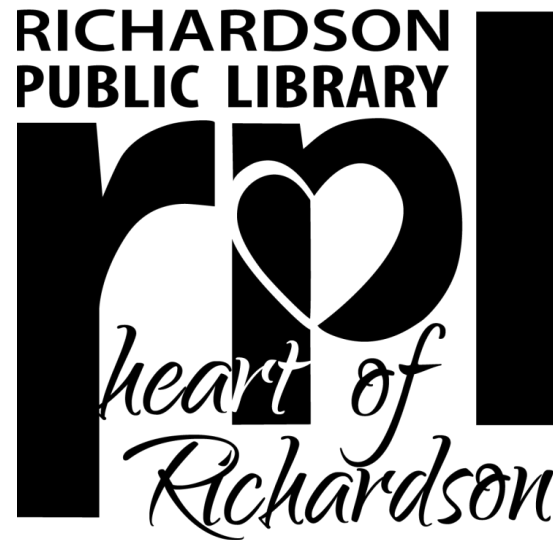
City of Richardson

City Council Work Session

November 5, 2012

This Bond Program Is Comprised of Several Parts

1) RFID system

Tags, security gates, monitors, scanners, RF receivers, computers, software interface with existing circulation system

It will include three self-service checkout kiosks and four staff stations with the option to also function as self-service stations. There will be seven checkout service points in the future compared to the present two or three.

2) Retagging Library Materials

3) Automated Materials Handling System

Automated conveyor and sorting system that utilizes RFID to check in materials and sort them

Project Budget Elements

$690,000 is available for the initial setup of this project

580,000	**RFID System**
	Security gates, RFID tags, RF receivers, self-check kiosks, software interface, automated materials handling system
85,000	**Retagging all existing materials**
25,000	**Miscellaneous expenses**
	Minor electrical modifications, Installation of computer data lines, acquisition of computer touch screens for Circulation Desk stations

Project Status

✓ An RFP was published in May 2012

✓ Six companies expressed interest

✓ Four companies submitted quotes

✓ A committee has evaluated and ranked the submissions and is bringing forward our recommendation.

Current Issues

Check in

- Backlogs of items awaiting check in are frequent.

- Sometimes check in backlogs extend into the following day

- Sorting the books after return is very time consuming.

Checkout

- Current circulation tallies (1.45 million / year) stretch our capacity

- Typically, two or sometimes three checkout stations are open

- Lines are not uncommon nor are complaints about the wait

Needed Efficiencies From a RFID System

"The proposed RFID system shall provide significant productivity gains through reduction in key labor-intensive workflow processes" [RFP section II - Scope of Work]

1) A key feature of the automated materials handler will allow stacks of materials to be deposited by patrons in the book returns. The system will automatically separate and then sort them.

This feature reduces the time each patron has to spend at the book return because they can put in a stack of books rather than putting them into the book return one at a time.

Without this feature, stacks of books will continue, unsorted along the conveyor into a designated bin where they will then need to be sorted manually or reintroduced into the conveyor one-at-a-time so that the automated system can sort them. (see RFQ Spec 10.10 and 10.11). Tech Logic was the sole vendor to meet these specifications.

Needed Efficiencies From a RFID System

"The proposed RFID system shall provide significant productivity gains through reduction in key labor-intensive workflow processes" [RFP section II - Scope of Work]

. **2)** **A second key efficiency is at the checkout stations, allowing all four of these stations to be available all the time.**

Currently lines form at checkout stations because staffing levels allow us to staff only two of the four stations. All vendor proposals offered systems that allowed stations to function as either self-service checkout or staff checkout.   Tech Logic offers a unique functionality through which staff can intercede in a self-service checkout session if there is a problem that requires staff intervention without interrupting or having to restart that checkout process.

Selection Process

✓ RFID systems were researched and installations were visited

✓ RFID system vendors were contacted and meetings arranged to gather additional information

✓ RFP was published (RFP 702-12) and also transmitted to vendors who had indicated interest in the project

✓ A pre-proposal conference was held and attended by Committee members and two vendors

✓ Four vendors submitted proposals

✓ A committee of five comprised the evaluation committee: three from the Library, COR Purchasing Manager, Deputy IT Director

✓Recommendation of vendor/system made by the Committee

Review Committee Recommendation of Tech Logic

Grading categories included:

- Meeting the technical and efficiency requirements

- Total cost (initial acquisition plus ongoing costs)

- Responses to specification worksheet

- Experience and past performance

- Client training and assistance provided

✓ Tech Logic was ranked as the best proposal
✓ Tech Logic's proposal met all specifications. In particular theirs was the sole proposal to offer the important functionality that would allow patrons to return materials in a stack rather than one at a time
✓ Tech Logic was able to offer their system within the targeted budget

Vendor Proposals

	Tech Logic	3M	SirsiDynix	Trac Systems
Evaluation Rank	**1**	**2**	**3**	**4**
Total Initial Purchase Cost	616,377	405,742	504,735	563,383
Total Annual Maintenance	33,799	36,957	28,527	65,086
X 5 years (no charge year 1)	135,196	147,828	114,108	260,344
TOTAL Maintenance (5 yrs) & Initial Cost	751,573	553,570	610,219	823,727

Recommended Negotiated Vendor Proposal

Best and Final	Tech Logic
Total Initial Purchase Cost	534,777
Total Annual Maintenance	33,799
X 5 years (no charge year 1)	135,196
TOTAL Maintenance (5 yrs) & Initial Cost	669,973

In negotiations with Tech Logic we requested a reduction in sorters, from 15 to 11, and sorting bins, from 30 to 22, in an effort to achieve the best system within the approved budget.

Fifteen (15) or eleven (11) are both reasonable middle points where the automated sorting is effective and doesn't diminish the desired efficiency

Timeline

✓ The retagging of all the library materials will be outsourced and could take 4-6 weeks

✓ First pieces of this new system to be put in place are likely to be the <u>self service check out kiosks</u>. These could be in place 6-7 weeks after contracting.   (Target start time - est. January 2013)

✓ <u>Staff manned check out and check in stations</u> would be the next function implemented. (Target start time - est. January 2013)

✓ The <u>automated materials handling system</u> would be the final piece with a spring 2013 installation (Target start time - est. April/May 2013)

Next Step

Approval of the contract with Tech Logic - Nov. 12, 2013 Council Meeting

Library RFID Project Implementation

Richardson City Council Work Session (11/5/2012)