

Exercise: The Downtown Revitalization Pitch

Objective:

Participants will quickly practice negotiation techniques to reach a simple service contract agreement between a nonprofit economic development organization and a municipality.

Scenario:

Downtown Progress Initiative (DPI) is negotiating a 12-month service contract with *City of Shelbyville*. The contract will fund downtown revitalization projects, including business support, public events, and beautification efforts. DPI would like to emphasize business supports over events and beautification projects.

The Nonprofit's Priorities:

- A \$100,000 budget for projects and operational costs.
- Flexibility in spending funds based on community needs.

The Municipality's Priorities:

- A \$70,000 maximum budget due to financial constraints.
- Clear deliverables, such as a minimum of three public events and monthly progress reports.

Instructions:

1. Break table up into two teams (2 minute):

- **Team A:** DPI (nonprofit negotiators)
- **Team B:** City of Shelbyville (municipal negotiators)

2. Preparation (5 Minutes):

- Teams quickly identify their top priorities and negotiation strategy.

3. Negotiation (8 Minutes):

- Teams negotiate to reach a simple agreement on:
 - Budget amount
 - Key deliverables (number of events, reporting requirements)

4. Debrief (5 Minutes):

- Participants share their negotiation strategies, whether they reached an agreement, and key takeaways.

Talking Points for Each Team

Team A: DPI (Nonprofit Negotiators)

Your Goal: Secure a budget as close to \$100,000 as possible, with flexibility in spending and minimal reporting requirements.

Key Talking Points:

1. Community Impact:

- Highlight how past work has increased downtown foot traffic and supported small businesses.
- Emphasize public benefits such as civic pride and community engagement.

2. Cost Efficiency:

- DPI has a history of delivering high-impact projects on lean budgets.
- Investing now will save the city future costs by stimulating economic growth.

3. Flexibility Request:

- Advocate for fewer spending restrictions to better meet community needs as they arise.

4. Creative Solutions (if Budget Constraints Persist):

- Suggest a phased funding model (e.g., \$70,000 initially, with potential for more based on results).
 - Offer to reduce deliverables (fewer events or simpler beautification projects) if the budget is limited.
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Team B: City of Shelbyville (Municipal Negotiators)

Your Goal: Secure a service contract for no more than \$70,000, with clear deliverables and strong accountability.

Key Talking Points:

1. Budget Constraints:

- The city is facing financial challenges and cannot exceed \$70,000.

2. Need for Visible Results:

- Stress importance of at least 3 public events to energize downtown and attract visitors.
- Beautification projects should create noticeable improvements for public perception.

3. Accountability:

- Monthly progress reports are essential to ensure transparency and measure success.

4. Creative Solutions (if DPI Pushes Back):

- Suggest matching grants with private sponsors to increase the funding pool.
- Explore in-kind support, such as city staff assistance for event coordination.