



City of Powell Finance Committee

MINUTES August 11, 2015

Attendees:

Rich Cline, Tom Counts, Jane VanFossen, Frank Bertone, Jim Hrivnak, Debra Miller, Steve Lutz, Dave Betz, Gene Hollins (City Attorney), Brad Sprague (City's Financial Advisor), Vince Margello, Brian Schottenstein and other developer representatives

Minutes

The minutes were approved as received.

Financial Reports for July 2015

Ms. Miller stated expenditures continued to be in-line with the budget and revenues are coming in at or above budget. The City is in the black by \$324,000 based on the Executive Report at this time.

Powell Grand Proposed TIF Agreement

Mr. Lutz opened the discussion. The TIF proposed would reimburse the Liberty Fire Department and would also be a non-school TIF (keep the school whole). Staff was comfortable with the \$1.5 million + or – being proposed for public improvements. Majority of the City's TIF agreements have been where the City reimburses the Developer once the dollars come in to the City. This agreement reimburses the Developer upfront which causes the City to either issue notes/bonds or advance fund the dollars.

Mr. Hollins talked about the other costs that are not being proposed to be reimbursed by the TIF. Mr. Sprague reviewed his financial analysis in particular chart 4. He suggested that the agreement have a guarantee payment if the TIF revenue dollars weren't available due to the slower construction timeframe. He noted that this analysis is based on the developer's estimated values, costs and timeframe. He talked about different scenarios that may assist the City to remediate completed construction issues – which would mean the TIF revenue dollars wouldn't be available.

The Developer representative talked about bidding the public improvements in the spring of 2016 and starting the private improvements in the fall of 2015. They are estimating that once dirt is moved that it would take 18-24 months for completion – for the residential area. The retail component would be based on the market.

Mr. Hollins discussed the tunnel connecting to the future Seldom Seen Park. The developer doesn't feel comfortable handling the project but the dollars to fund the project would be paid for from these TIF dollars.

The Developer representative reminded everyone that nothing has been engineered yet so the amounts referenced are just estimates.

There was a discussion between the developer representatives and the committee on soft costs such as legal and Bunker Lane Improvements. A suggestion from the discussion was to carve out the fire millage dollars after debt service was paid.

Mr. Hrivnak led the discussion on upfront versus after money comes in with the developer group and committee. Mr. Bertone led the discussion on \$2 million versus the \$1.45 million estimate and Mr. Counts on other debt opportunities.

The committee and developer group discussed timing of moving forward, better numbers and going ahead and starting the preliminary engineering. The annexation/zoning will be on the August 18th City Council agenda.

Mr. Lutz asked the committee to clarify their position on either utilizing the existing Sawmill Commercial TIF or creating a new TIF – Seldom Seen Park and Development. The committee was interested in learning what they gain from a new TIF and seeing new financial analysis after Mr. Sprague is given better numbers after preliminary engineering is completed.

Powell's Tax Code Rewrite and Revisions

Ms. Miller and Mr. Hollins reviewed the various hand-outs focusing on Ms. Miller's memo outlining what needs to be accomplished. The committee spent time discussing the make-up of the new Board of Tax Review and various options available in the tax code.

The committee wanted the city's tax code to closely resemble the federal and state statutes assist residents in compliance. Mr. Hollins and Ms. Miller will be bringing back the revisions to the September meeting.

Other Business

None

Adjourn

The meeting was adjourned at 9:00 p.m.