



## City of Powell Finance Committee

### MINUTES November 23, 2015

#### Attendees:

Tom Counts, Mike Crites, Frank Bertone, Rich Cline, Jim Hrivnak, Steve Lutz, Debra Miller, Jessica Marquez, Gene Hollins, Chris Huber, Dave Betz, Doug Bender (EMH&T), Chris Mann (EMH&T), Greg Stype (Squire, Patton, Boggs), Don Hunter (Schottenstein REG), Vince Margello (Margello Development) and public

Call to order at 7:00 p.m.

#### Powell Grand TIF Discussion

Mr. Lutz began the discussion by giving a recap of the previous discussion held several months ago. Points included: inclination for a new TIF for 30 years; project revenue was sufficient to cover a bond issue of \$3 to \$3 1/2 million over the life of the TIF; staff recommended \$1.5 million for developer and the rest for City (park); the committee discussed what the total developer costs were and they were in the range of \$2.2 to \$2.5 million; the committee asked for closer cost estimates and requested the developer do some preliminary engineering to get those costs; and the ideas of reimbursement and issuing of bonds for these developer costs.

Mr. Hunter (developer representative) handed-out a single sheet of paper called Powell Grand Tax Incremental Financing and Public Improvements discussion outline. He provided an overview of the concepts that had been discussed between staff and the developer.

A major point of discussion from the discussion outline was the 60 pinwheel rental units. The units had been previously part of the TIF and now the discussion was not to include in the TIF. The reason was the developer may turn the rental units into condo units at some point. If that occurred "condo" units could not be part of the TIF. Mr. Stype and Mr. Hollins discussed with the committee how the legislation on residential housing had changed in the last decade and that residential housing TIFs were not very popular because of the additional restrictions. If the rental units which are classified as commercial by the auditor moved to condo units their classification would change by the auditor which would remove them from a commercial TIF which is what is being proposed.

Mr. Hunter, then handed-out a packet of information which included: exhibit of future improvements, GIS exhibit of future improvements, summary of public improvements costs –

estimate, and EMH&T back-up to the public improvement costs. He gave a brief explanation of each document.

Mr. Bender and Mr. Mann (both from EMH&T) gave a review of the county's traffic study and the site storm requirements.

Mr. Hunter led the discussion on the various public improvements and other direct costs with one of the major points of discussion being the regional stormwater management/treatment costs.

Mr. Hollins went over the finance packet which included the income review and bond issue projections provided by the City's financial advisor. The discussion then involved most of the parties at the table. Discussion points included: coverage ratio; difference between the project costs of \$2.225m and the bond issue of \$2.445m; estimated interest rate of 3.5%; and what the inclusion of the 60 pinwheel units' net assessed valuation could provide.

Mr. Cline began the discussion of the project has a whole with the committee members discussion. The committee members asked clarifying questions and brought up what the City had done in the past with other developers or developments.

Mr. Hunter then handed out a summary divergences from the City of Powell Zoning Code which were approved in connection with the approved Powell Grand Commercial District Development.

The committee ended by having the developer come up with a variety of scenarios for the committee to review. Invited the developer to come to the December finance committee meeting on December 8<sup>th</sup>. The committee also discussed whether the final development plan should be discussed at the same time as the TIF discussion on December 15<sup>th</sup>. The developer was going to consider that but felt strongly that there was a possibility they would request City Council to table it on December 1<sup>st</sup>.

### Adjourn

Committee adjourned at 8:55 pm.