



City of Powell Finance Committee

MINUTES December 8, 2015

Attendees:

Tom Counts, Frank Bertone, Rich Cline, Jim Hrivnak, Steve Lutz, Debra Miller, Jessica Marquez, Gene Hollins, Dave Betz, Patricia Brown (EMH&T), Greg Stype (Squire, Patton, Boggs), Don Hunter (Schottenstein REG), Vince Margello (Margello Development), Brian Schottenstein (Schottenstein REG) and public

Call to order at 7:00 p.m.

Powell Grand TIF Discussion

Mr. Stype's started the conversation by giving a brief summary of the proposed project by reviewing Item II of the letter sent out in the finance committee packet. He went over the change of status for the "pinwheel" units – which is to include in the TIF but not in the TIF revenue projections for a bond issue.

Mr. Stype then reviewed how the \$3,279,329 public improvements would be funded.

- The first \$279,329 would be funded by the developer exclusively and no reimbursement would be requested.
- Next, the \$2,225,000 would be funded by the City issuing a bond issue. \$1,225,000 would be used to reimburse the developer for public improvements. The other \$1,000,000 would be used to reimburse the developer or some other professional for park work.
- The last \$775,000 would be funded by overages in the TIF on a yearly basis. This \$775,000 would be used to reimburse the developer for the last of the public improvements as funding is available. Interest would be charged on the holding of these costs. If funding runs out then the developer is not reimbursed.

The committee and the developer representatives discussed the public improvements funding in several ways to make sure everyone understood the funding mechanisms and methods.

Questions on when the commercial side of the project would be completed – the response was in 2016 and 2017. Question on interest on the \$775,000 was asked – the response was yes, interest would be charged.

Other questions/discussions included:

- If arbitrage and the city's debt limit was an issue – the response was no.

- Stormwater, basin, water treatment discussion – EMH&T went over how the water drains and what was being included as reimbursement and what the developer's project was responsible for paying.
- How a bond issue would be structured with the unknown funding at first – Ms. Miller stated that she would middle and back-load the principle to ensure funding was available. Also, that is why the City asked for 1.10 times the coverage to smooth out the changes in net assessed valuation.

The developer discussed the other benefits to the community of the development. Two large points was the amount of revenue the school district and the township would receive since they would be exempt from the TIF.

The developer brought up that if the property wasn't developed as proposed – the annexation was void and reverts back to the township. They mentioned that the property owner would be more inclined to keep the property in the township if this development wasn't approved since this would be their second time a project had been rejected. The township has it zoned for commercial/industrial and the property owner had discussed building a "big box" and keeping it in the township next.

Each committee member discussed their individual views on the TIF funding. The committee decided to recommend the TIF funding if the city council will decided to support the development.

Approval of minutes

Minutes were approved after Ms. Miller corrects the spelling error of "Grant" instead of "Grand".

Financial Reports for November 2015

Ms. Miller went over the income tax collections as it continues to be 8-12% higher than last year. She pointed out the cash flow numbers for 2015 which reflect a potential \$770,000 contributions to the City's general fund balance. She also pointed out that the City, as usual, would have carryover encumbrances of approximately \$300,000.

Other Business

Ms. Miller mentioned that the City had received notice the week before that the Auditor of State wouldn't be their auditors for calendar year 2015. The Auditor of State would be sending their city out under an Independent Public Accountant arrangement. The City should know in mid-January who the auditors would be.

Adjourn

Committee adjourned at 8:50 pm.