Date: April 27, 2018
Time: 3:30 p.m.
Location: Law Enforcement Center, Classroom A; 320 S. Kansas Ave

Attendance
Councilmembers Present: Tony Emerson, Karen Hiller, Jeff Coen.
City Staff Present: Nickie Lee (Finance Director), Mary Feighny (Deputy Attorney), Brent Trout (City Manager), Liz Toyne (Council Assistant)

1) Call to Order
Councilmember Hiller called the meeting to order.

2) Approval of Minutes
Councilmember Emerson made a motion to approve the minutes from the April 19, 2018 meeting. Councilmember Coen seconded the motion. The minutes were approved 3:0.

3) Review Revised TIF Policy
Councilmember Hiller commented that the most currently revised TIF Policy has been vetted at two previous meetings and comments from outside of those two meetings, and inquired if there were questions from the other committee members.

Councilmember Coen inquired about the size requirements for an area that could be designated as a TIF district, especially a large area where the City may want to redevelop. Nickie Lee appreciated the idea and noted that it would be an ideal direction that the Governing Body and City Manager would want to look at as an option. Ms. Lee cautioned to keep in mind that once a district is set, incremental sales taxes begin to be collected and that setting up too many of these areas at once may have a reverse effect due to the fact that once that district is set, the area is considered to be blighted and to think about what the perception may be that comes with that term.

Councilmember Hiller inquired about where within the policy reference to City Created Districts could be found. Nickie Lee noted that the first draft of
the policy had a District Creation and the Project Plan Creation that was more distinct, but after the past few drafting sessions, it has been less distinct. Councilmember Emerson made note that there are many places within the policy where City Initiated Developments are referenced, and provided line 168-169 as an example. Nickie Lee confirmed that state statute allows for that language, thus it would not be required to be as specific as it was written within the first draft. When the procedures portion is created, a distinction would be created to define what a city initiated TIF might look like versus a developer initiated TIF.

Councilmember Emerson noted that he felt the overall flow of this third version was better than the original draft but still had a question about some language in Section One: Preferences (7). Committee members suggested the word “negotiated” be added into the sentence. It was confirmed by staff that the term “negotiated” will be added to the final version of the policy. This item will now read “The City has a preference for projects which include a negotiated minimum private expense requirement for the developer and a maximum permitted reimbursement amount to the developer”.

Councilmember Hiller noted that Section Four: Design Criteria is a blended section that includes preferences as well as requirements. She inquired as to if it would be worth moving Section Four into Section One and making it another number within the preference list. City Manager Brent Trout suggested leaving Section Four where it is. If this section is moved, it would also be suggested that Section Five: Method of Financing would also need to be moved. Councilmember Emerson agreed with Mr. Trout that Section Four would be alright to leave as it is.

Councilmember Hiller began a discussion about language listed within Section Three: Fees on line 141 which discusses adjusting fees for applicants wishing to participate in both the CID and TIF processes. After discussing possible language, it was agreed that the word “fee” would be removed and replaced with “deposit”. This sentence will now read “Staff may adjust the deposit if the applicant intends to or has submitted an application for consideration of establishment of a community improvement district (CID)”.

Councilmember Hiller invited comments from the floor.
Mr. Henry McClure with McClure Real Estate addressed the committee and spoke about the College Hill TIF. Mr. McClure also inquired about fortifying USD 501 school district. Councilmember Hiller inquired about the possibility of adding language regarding construction sites verses code management and if there might be consideration to add that information into dealing with ordinances. Nickie Lee noted that state statute prohibits the exclusion of any taxing jurisdiction from a TIF district. This information would be in reference to Mr. McClure’s inquiry about USD 501.

Mr. Joe Ledbetter addressed the committee and spoke on behalf of Mr. Tom Petersen. Asked that committee to include costs that the developer would accrue such as environmental costs, architect fees, and engineering return fees and would like to see something written within the policy to address how these would be reimbursed. Mr. Ledbetter also noted the lack of consistency with regard to code enforcement and suggested that enforcement be upheld for industrial and construction sites as it is for residential sites. Nickie Lee commented that all reimbursements that are allowed through state statute would be authorized to be given to developers within a TIF district development.

Councilmember Emerson inquired about the use of the word “preference” in number 7 of Section One: Preferences, since the criteria are actually more of a requirement. Nickie Lee noted that using the term “negotiated” would be a more favorable word to use when describing the minimum private expense requirement. By removing the word “preference”, developers will understand that it will be a requirement for project proposals to include a minimum and maximum that will be negotiated throughout the review process. City Manager Trout also noted that these requirements will also be stated within the Development Agreement, so however the committee would like to word it, would be acceptable. After discussion, it was felt that this information would stay at the current location, however wording would be changed to read “The City will require a negotiated minimum private expense for the developer and a maximum permitted reimbursement amount to the developer”.

Mr. McClure inquired with the committee as to how a default provision is addressed within the policy. Nickie Lee stated that this would be found within the individual development agreement. Mr. McClure is concerned about developers asking for extensions on time when perhaps that is not at the best interest of the project. Nickie Lee noted that a timeline is stated on number ten of Section One: Preferences which specifies that a negotiated
“reasonable period of time (generally sixty (60) to ninety (90) days) following creation of the TIF district” will encourage movement forward on projects. Nickie Lee also noted that the individual development agreement would specify a more detailed timeline such as when construction must begin, and the steps that would happen if a developer did not follow that timeline.

Councilmember Emerson stated a continued concern with subsections found within Section One: Preferences, noting that a number of them are not preferences but rather requirements. Mary Feighny noted that the title of the section could read “Section One: Preferences and Requirements”. This change appeased the committee.

Councilmember Coen inquired as to the next step with moving this task forward. Councilmember Hiller provided an answer.

Councilmember Hiller listed the proposed revisions that were discussed within the current meeting. They are as follows:

1. Line 48, add “and requirements”
2. Line 88, “the City will require a negotiated minimum private expense...”
3. Line 141, change word from “fee” to “deposit”

Councilmember Emerson moved to approve this version of the TIF Policy, as amended, to the Governing Body. Councilmember Coen seconded the motion. Motion carries 3:0.

4) **Other Items Before the Committee**

   No other items.

5) **Set Future Meeting Date(s)**

   Councilmember Hiller will coordinate a meeting with the Council Assistant for the Fall of 2018.

6) **Adjourn**

   Councilmember Hiller adjourned the meeting.

The video of this meeting can be viewed at: [https://youtu.be/UYhqtwg6Cy0](https://youtu.be/UYhqtwg6Cy0)