



**FINANCE & ADMINISTRATION SUB-COMMITTEE
MEETING MINUTES
Wednesday, August 10, 2016 - 7:30 AM
West Des Moines City Hall – 4200 Mills Civic Parkway
Training Room, 2nd Floor**

Present: Councilmember Russ Trimble, Councilmember Jim Sandager, City Manager Tom Hadden, Deputy City Manager Jamie Letzring, City Attorney Dick Scieszinski, Director Tim Stiles, Community and Economic Director Clyde Evans, Parks and Recreation Director Gary Scott, Parks Superintendent Sally Ortgies, Water Works General Manager Diana Wilson, Housing Planner Christine Gordon, Communication Specialist Lucinda Stephenson, Budget Analyst Chris Hamlett, and Administrative Secretary Maureen Richmond

Guest: Erik Christiansen (EC) Design Group, LTD – Item 1
Sam Erickson, Community Housing Initiatives – Item 3
Jim Miller, Valley Junction Foundation – Item 3

Meeting was called to order at 7:30 AM

1. Raccoon River Park Softball Irrigation Modifications

Mr. Scott presented an update on the proposed Raccoon River Park Softball Irrigation Modifications. Bids were received for the Raccoon River Park Softball Complex Irrigation Modifications project on June 8, 2016. Three bids were received and all were substantially higher than the estimate prepared by the project consultants, EC Design Group and Shive-Hattery. The project estimate was \$161,125 and there is \$178,000 available in the budget for the project. The low bid in the amount of \$326,000.00 was received from Synergy Construction of Bondurant, IA. This is approximately \$164,875 over the project estimate and \$148,000 over the funds available for this project. The WDM Waterworks had committed to provide up to \$100,000 for this project.

Staff and the contractor looked at reducing the scope of or value engineering the project and also asking the WDM Waterworks to participate in the additional cost of the project. The WDM Waterworks concluded it did not make financial sense at this time to offer additional funds to help pay for this project. All bids were rejected by the City Council on July 11, 2016. At that meeting, the mayor asked the F & A Council Subcommittee to discuss the project to see if there was a way to construct the project with a goal of moving the irrigation of the Softball Complex off of treated water.

Mr. Erik Christiansen of EC Design Group brought forward alternative ways to redesign the irrigation project that may reduce the cost.

Councilmembers supported re-bidding the project once these design changes were prepared, reviewed, and agreed to by staff and WDM Water Works.

2. Study Year Round Use of Valley View Aquatic Center

Mr. Hadden and Mr. Scott met with representatives of the Central Iowa Aquatics organization, a private non-profit swim club, in July to discuss the possibility of installing an inflatable dome over the deep pool basin at Valley View Aquatic Center and using the pool year round for their club's activities. Mr. Scott noted that if the City has an interest in pursuing this, it is necessary to determine what improvements are required to winterize the pool, filter room, and restrooms/locker rooms which are not insulated. Parks and Recreation staff has received a proposal from Water's Edge, the firm that designed the Valley View Aquatic Center, to determine feasibility and the cost. The proposed cost of the study is \$13,820.

The following options were discussed

- Pursue the study with Consultant- City pays one time cost (Staff recommends City to pay 100% of the cost)
- Split the study cost with Central Iowa Aquatics
If City goes forward with project, City develops Request for Proposal (RFP) to select an organization to work with the City on building, operating and maintaining the facility

After discussion, Councilmembers requested that the City Manager and Director of Parks and Recreation confirm CIA's commitment to funding the construction and operation of the project with a significant amount of money. If they do so, the contract proposal would be submitted to the City Council at their next meeting and staff would determine the source of the funding to hire the consultant. If the Council moves forward with the request and hires the consultant, staff will bring item back to the Finance committee with information for a budget request in FY2017-2018, likely at the October meeting.

3. Community Housing Initiatives-Lincoln Street Park

Ms. Erickson with Community Housing Initiatives (CHI) presented a proposed 3.490 acre development at the corner of 1st Street & Railroad Avenue. Lincoln Street Park would be a mixed income/mixed use housing project in partnership with Knapp Properties. The development will offer 48 affordable rental units and over 15,000 sq. ft. of retail space on the first floor. The proposed four-story building will provide two and three bedroom housing units for low income (30% of area median income) to market rate families.

The total project costs are estimated to exceed \$13M, with \$10,695,000 allocated to housing. The housing portion financing for incorporate low income housing tax credits, a developer loan, conventional financing and a loan from the Polk County Housing Trust fund. CHI is seeking a contribution from the City of WDM in order to secure maximum points for the competitive application which is due by September 6, 2016. The contribution from the City shall not exceed \$555,000.

Staff is asking for Committee recommendation of the WDM match and to proceed with assisting in the application. There was discussion about previous requests from developers related to similar proposed projects. Councilmembers were generally supportive of the concept but requested that staff review the City's current policy concerning sponsorship of low-income projects to determine whether the policy fits the request.

4. Re-Development Incentive Policies

The Finance Committee previously discussed the (3) three Development Incentive Policies at the July 13, 2016 meeting. The policies were discussed at the July 25, 2016, City Council meeting at which time changes were recommended.

- Property Tax Rebate Program - This program has probably undergone the most changes. Previously, the program only applied to a few redevelopment areas: Historic West Des Moines study area, Val Gate Urban Renewal area, Valley Junction Urban Renewal area Midtown Urban Renewal area, and the Fuller Road Urban Renewal area. The eligible areas has been expanded to include properties where buildings are now in the 15-20 years or older time frame and starting to need reinvestment if it has not already occurred. The attached map delineates those areas. In addition, the amount of property tax rebate has gone from a five-year sliding scale starting at 75%, to a five-year 100% rebate
- Regulatory Compliance Fund - This program has undergone several major changes. One of the major changes was the removal of the storm water and drainage improvements being an eligible activity. A Redevelopment Due Diligence Committee has been added to review the financial soundness of the project. Another major change was the elimination of the Fuller Road URA, the Val Gate URA, and the proposed Midtown URA as eligible areas. Now the only eligible area is the Historic West Des Moines Plan area. In addition, no award shall be greater than 50% of the assessed value of the property unless it is approved by the City Council, and the sunset on the program is now December 31, 2018.
- Property Improvement Fund - This program also saw the major changes reflected in the Regulatory Compliance Fund. An additional change increased the amount of the loan from \$150,000 to \$250,000. During discussion, the Committee recommended changing back to \$150,000.

Councilmembers supporting developing a Due Diligence Committee to provide language for staff duties. The committee members will include at least: (1) person from Historic Valley Junction Study (2) people with financial background and a member(s) from WDM Chamber of Commerce.

Councilmembers supported moving forward with the amended Re-Development Incentive Policies as noted above.

5. Staff Updates

Mr. Hadden recommended that Councilmembers to review the Regional Fair Play Agreement. Mr. Hadden noted that WDM needs to continue to be competitive with the surrounding communities. It was noted the City of WDM already practices case to case negotiations with business prospects.

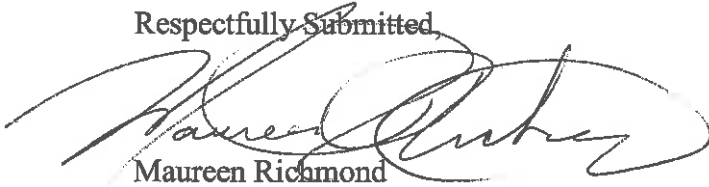
This item will be discussed further at a later date. No action required.

6. Other Matters

None

Meeting was adjourned at 8:46 AM.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Maureen Richmond", written in a cursive style with a large, looping flourish at the end.

Maureen Richmond
Administrative Secretary