



FINANCE & ADMINISTRATION SUB-COMMITTEE
Wednesday, September 26, 2018 - 7:30 AM
West Des Moines City Hall – 4200 Mills Civic Parkway
Teamwork Room, 2nd Floor

Present: Councilmember Russ Trimble, Councilmember Jim Sandager, City Manager Tom Hadden, Assistant City Attorney Greta Truman, Finance Director Tim Stiles, Human Resources Director Jane Dodge, Community & Economic Development Director Clyde Evans, Business Development Coordinator Rachel Wacker, Business Development Coordinator Katie Hernandez, Housing Planner Christine Gordon, Accounting Manager Lesley Montgomery, Community Specialist Lucinda Stephenson, Budget Analyst Chris Hamlett, and Administrative Secretary Maureen Richmond

Guests:	Sam Rogers, TWG Development	Item 1 (telephone)
	Clarke T. Booth, TWG Development	Item 1
	Jackie Nickolaus, Benchmark Real Estate Group	Item 3(a)
	Denis Frischmeyer, Downing Construction	Item 3(b)
	Paul Bobek, West Des Moines Community Schools	Item 4

Meeting was called to order at 7:30 AM

1. TWG Development – Request for Funding

Mr. Evans and Ms. Gordon presented a funding request from TWG Development for assistance from the City regarding paving of 88th Street in the amount of \$250,000 adjacent to their property at the SE corner of EP True Parkway and 88th Street.

TWG is proposing to construct a 52 unit apartment complex, 90% of them will be marketed and rented as affordable to low-and-moderate income housing. The property TWG Development is proposing to apply for financial assistance from the Iowa Finance Authority (IFA) under the tax credit program to finance the construction. The IFA application deadline is January 14, 2019.

The IFA assistance does not include street improvement required by the City, estimated to cost \$250,000, so TWG is asking for the City to construct the needed street improvements. Mr. Evans relayed that using the Coachlight TIF could be problematic because the parcel lies in an economic development, not housing-based Urban Renewal Area. Other options were discussed.

Councilmembers reviewed and discussed this request but deferred on passing a recommendation. The item will come back for discussion at the meeting of October 10, 2018.

2. Osmium Development Agreement - Amendment

Mr. Evans was contacted by Microsoft requesting an amendment of the Osmium Development Agreement. Microsoft would like to modify the completion schedule for all four phases due to temporary slowdowns in the data storage industry. The new schedule would trail the original schedule by approximately two years. There is no desire to amend the Minimum Assessment Agreement which triggers the tax assessments and payments.

Councilmembers supported and recommended the item proceed to City Council for approval at a regularly scheduled meeting once the amendment is drafted.

3. Property Tax Rebate Program Applications

(a) JARCOR Development

Mr. Evans presented two Property Tax Rebate Program applications from JARCOR Development. The applicant is proposing to construct two adjacent buildings at 1249 and 1261 8th Street.

- The applicant is proposing to demo the vacant restaurant building at 1261 8th Street (former Prime Steak) and construct two new buildings for retail and farm to market specialty food market and restaurant.
- A yet-to-be-named restaurant would be the major tenant in the first 7,500 square foot building, which is estimated to cost \$3,450,000. The restaurant tenant would create a minimum of five new full-time positions
- A second yet-to-be-named restaurant will be the major tenant of the second 4,300 square foot building on the eastern portion of the property, which is estimated to cost \$2,250,000. This building could also house additional retail space. This restaurant tenant would also create a minimum of five new full-time positions.
- The existing two-story office building at 1249 8th Street will remain on the site but may be renovated.

Due to the current lot configuration and the re-platting, ascertaining the base valuation and calculating the actual amounts of rebates on the new parcels is difficult. Staff will be meeting with the Polk County Assessor for direction on the frozen base to enable the calculations.

Councilmembers reviewed and discussed this request but deferred on passing a recommendation. The item will come back for discussion at the meeting of October 10, 2018.

(b) Downing Construction/Mercy Clinic

Mr. Evans presented a Property Tax Rebate Program application from Downing Construction on behalf of Mercy Clinic. Mercy Clinic is proposing to construct a 10,900 square foot office building located at 1525 and 1535 Grand Avenue. The building will be used for a medical clinic creating five new positions. The construction cost is estimated at \$3,600,000 and the applicant has agreed

to a minimum assessment of \$4,000,000. The annual property tax rebate would be approximately \$100,880, with a total of \$504,400 rebated over the five years of the rebate.

Councilmembers supported the application and recommended that it placed on the October 10, 2018, City Council meeting agenda for consideration and approval.

4. West Des Moines Community School District Request to Purchase Property from City's City/School Campus

Mr. Evans presented a request from West Des Moines Community School District (WDMCS) to purchase two parcels (2.8 acres total) from the City's portion of the City/School campus. WDMCS intends to relocate the varsity baseball and softball fields from Valley High School to the Valley Southwoods campus. As part of the project, WDMCS would add parking to this site to be utilized for both Valley and City events. Mr. Bobek, representing WDMCS, stated that the School Board has had discussions, but has not yet approved these plans.

Councilmembers recommended deferring a recommendation on this item until such time that WDMCS approves the plan.

5. Staff Updates

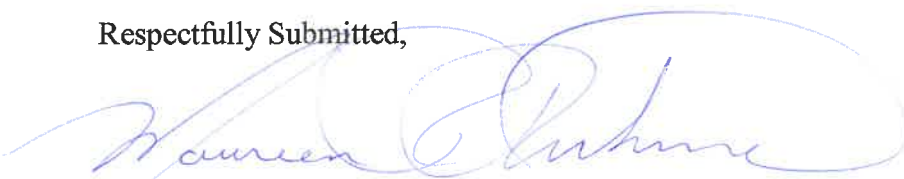
None

6. Other Matters

None.

Meeting was adjourned at 8:28 AM.

Respectfully Submitted,



Maureen Richmond
Administrative Secretary