CITY OF WEST DES MOINES
CITY COUNCIL MEETING COMMUNICATION

ITEM: Redevelopment Funding Programs in Historic West Des Moines **DATE: November 12, 2018**

MOTION: Approval of F&A Subcommittee Recommendation

FINANCIAL IMPACT: No financial impact at this time.

BACKGROUND: On February 6, 2017, the City Council passed resolutions to create policies for the Property Improvement Fund (PIF) and Regulatory Compliance Fund (RCF) pilot programs. These programs were created to encourage redevelopment projects within properties in the Historic West Des Moines study area. These programs can be used together, but are mutually exclusive to the Property Tax Rebate program.

Staff has been contacted by the operator of the Justice League of Food's Commissary Kitchen at "The Foundry" about eligibility of their operation to apply for the last round of funding through the Regulatory Compliance Fund and the Property Improvement Fund. The guidelines adopted by the City Council state: "These funds {Regulatory Compliance Fund} may be used in combination with the Property Improvement Funds (PIF), but not with the Property Tax Rebate Program (PTR)".

The owner of the property in question received funding through the Property Tax Rebate Program. This would make the Commissary Kitchen's request invalid. The operator is requesting that the City Council waive this restriction.

This request was brought before the Finance and Administration Subcommittee on October 24, 2018. The recommendation from the F&A Subcommittee is the following:

Amend the regulations to allow the use of the Property Tax Rebate program with the two Valley Junction rehab programs (PIF & RCF) only if the tenant is a separate entity from the developer receiving the Property Tax Rebate program rebates. Under this model, if both programs were utilized, only the tenant would be eligible for the PIF and RCF, and the developer would be eligible for the Property Tax Rebate program.

It is important to note that all programs (PIF, RCF, and PTR) are pilot programs and will expire on December 31, 2018.

At the City Council meeting of October 29, 2018, a motion was made to amend the programs. Because it appeared that there would be a 2-2 vote on the motion, the motion was withdrawn and the item was continued to this meeting so that the full Council could vote on the item.

OUTSTANDING ISSUES: Two applications for funding through the PIF and RCF programs were filed from tenants of properties that have or that are currently requesting funding from the Property Tax Rebate Program. The applications were received by the November 2 deadline for Round IV. The question is: "Are these projects eligible for processing and funding even though the program requirements had not been amended by the application deadline date"?

RECOMMENDATION: Approval of recommendation from Finance and Administration Subcommittee, and provide direction to staff on the application acceptance for the PIF and RCF.

Lead Staff Member: Clyde Evans, AICP, Director of Community and Economic Development

STAFF REVIEWS

Department Director	Clyde E. Evans, Director, Community and Economic Development
Appropriations/Finance	
Legal	
Agenda Acceptance	

PUBLICATION(S) (if applicable)

Published In	N/A
Dates(s) Published	N/A

SUBCOMMITTEE REVIEW (if applicable)

Committee	Finance & Administration		
Date Reviewed	10/24/2018		
Recommendation	Yes ☒	No ☐	Split ☐